

TOWN OF RIVER BEND

NORTH CAROLINA



CAFR

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2020

TOWN OF RIVER BEND, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

**PREPARED BY
FINANCE DEPARTMENT**

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FINANCE OFFICER**

**MARGARET THEIS
FINANCE ADMINISTRATOR**

**MANDY GILBERT
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**COVER DESIGNED BY:
JENNIFER BARROW, DEPUTY TOWN CLERK**



**THE TOWN OF RIVER BEND, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year ended June 30, 2020**

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INTRODUCTORY SECTION

- Letter of Transmittal
- Certificate of Achievement In Financial Reporting
- Distinguished Budget Presentation Award
- Map of River Bend
- List of Principal Officials
- Organizational Chart





TOWN OF RIVER BEND

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River Bend, NC 28562**

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December 9, 2020

The Honorable Mayor John Kirkland,
Members of the Town Council, and
Citizens of the Town of River Bend, NC

State Law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted auditing principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, the Comprehensive Annual Financial Report of the Town of River Bend, North Carolina for the fiscal year ended June 30, 2020 is presented herewith for your review.

This report is presented by the management of the Town of River Bend, which is responsible for the completeness and reliability of the information included in this report. To provide reasonable assurance that the information contained in the financial statements is complete and accurate, the Town has developed an internal control framework that is designed to protect the government's assets from loss, theft, or misuse and maintain reliable records for compilation and presentation. The Town has a small administrative staff but employees are cross-trained and checks and balances have been included in financial procedures. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. After a significant investment in accounting software and utilization of the controls and safeguards afforded by this system, we believe the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The Town's financial statements and supplemental schedules in the Financial Section have been audited by the independent, certified public accounting firm of Petway Mills & Pearson, PA. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town, for the fiscal year ended June 30, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditors concluded, based on the audit, that there was reasonable basis for rendering an unmodified opinion that the Town's basic financial statements for the year ended June 30, 2020 were presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A).

This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

Community Profile

Founded as the City of River Bend Plantation, it was renamed the Town of River Bend in 1981 when it was incorporated. Located in Craven County a few miles south of historic New Bern, River Bend, North Carolina encompasses three square miles of wooded area, bordered by the Trent River on the south and a navigable canal system on the east. The Town of River Bend is a primarily residential community. A privately owned championship 18-hole golf course winds throughout the town and a privately owned marina serves the needs of recreational boaters along with a public kayak launch on the Trent River.

Town Government

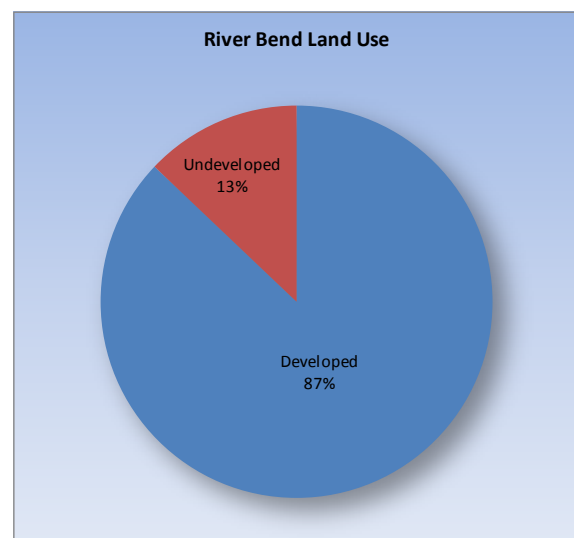
The Town of River Bend operates under the Council-Manager form of government. All five members of the Town Council (Council) are popularly elected to serve four-year terms. Terms of office are staggered so an election for at least a portion of the Council is held every two years.

The Mayor is elected directly by the voters to serve a four-year term and presides at all meetings of the Council and represents the Town at official functions. The Mayor, and each member of the Council, serves as liaisons to Advisory Boards, or in other administrative capacities in support of the function of the Town. The Mayor Pro-Tem is a member of the Council, selected by the Council to assume the duties of the Mayor in the Mayor's absence.

The Council appoints a Town Manager to handle the administrative affairs of the Town. The Manager is the supervisor of Town staff and, by law, the Town's budget officer. The Manager provides the Council with weekly and monthly reports regarding the operational and financial condition of the Town and works with the Council to establish and implement long range plans. The Council also appoints six volunteer boards to serve in advisory, planning and quasi-judicial capacities in accordance with their charge.

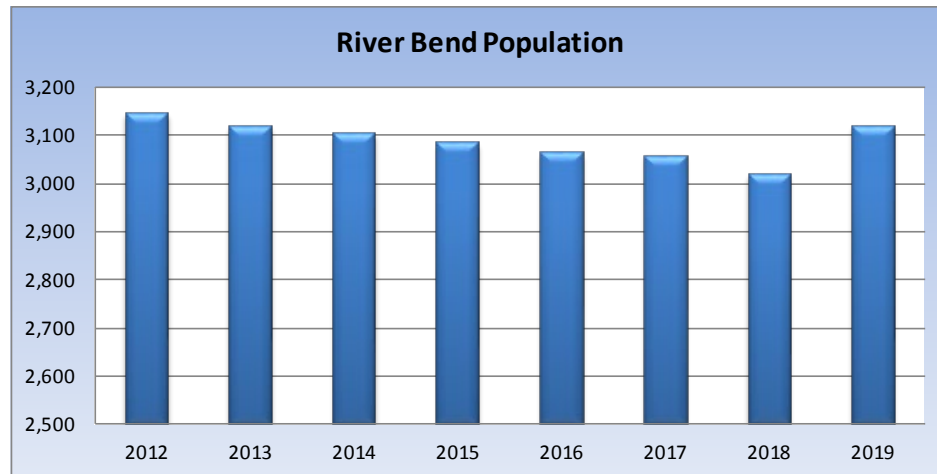
Land Use

According to the US Census Bureau, the town has a total area of 2.8 square miles, of which 2.6 square miles is land and 0.2 square mile is water. The latest Craven County GIS data indicates land is divided into 1,754 parcels, of which 1,545 are developed and 229 undeveloped. The Town owns 103 acres that are currently designated as a Wildlife Preserve and are thus not available for development. The chart to the right shows that nearly 90% of our lots are developed.



Population

The 2010 Census report for the population of River Bend provided an accurate count of 3,119 residents, which is a 6.7% increase from the 2000 Census count of 2,923. The next census will be 2020. According to the latest estimate from the North Carolina Office of Budget and Management (OBM), the July 1, 2019 population of River Bend is 3,119. The chart below shows the change in population since 2012.

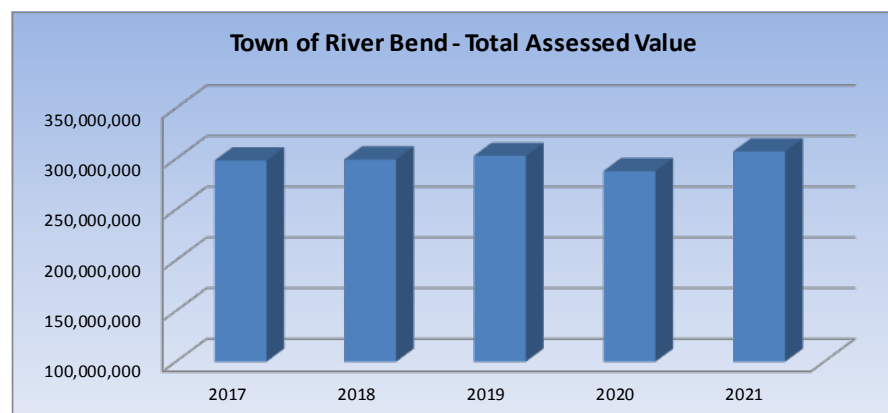


According to the OBM, there are 551 municipalities in North Carolina and the Town of River Bend is the 212th largest by population. The (2018) median age in River Bend is 56.5 years old. According to the 2010 Census, veterans make up 24.1% of our population, compared to a national percentage of 9.9%.

Housing

River Bend's occupancy rate, as reported in the 2010 Census, was 89.7% of the Town's housing units. Of the vacant units, 2.5% are used for seasonal, recreational, or occasional use. Of the occupied units, 79.7% are owner-occupied, and 20.3% of the units are renter-occupied. 2020 Census data will be available shortly.

Assessed values, particularly home values in River Bend, decreased in 2019 after Hurricane Florence. They have, for most, recovered and are higher now than pre-hurricane values.



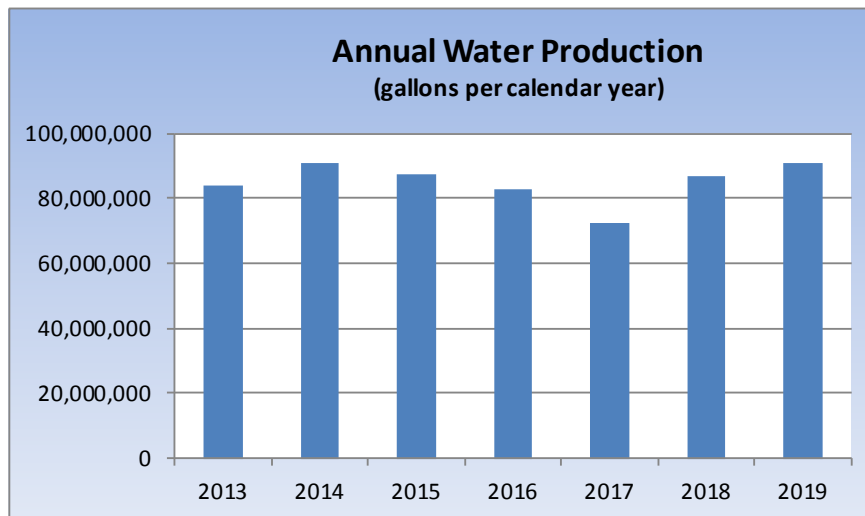
The chart above shows the Town's total assessed since FY 2017. The next revaluation is scheduled for 2022.

Water and Wastewater

The Town of River Bend operates two enterprises: the water system, and the sewer system. River Bend purchased these two businesses from a private company, Carolina Water Service, in 1995. The enterprises are operated as businesses - all revenues and expenditures accounted for separately from other functions of the Town, and rates are established that cover all expenditures and debt service of the enterprise.

Water

Our water system withdraws from the Castle Hayne aquifer through three wells with a combined capacity of 925,000 gallons per day. Two elevated storage tanks with a total capacity of 400,000 gallons ensure a consistent supply and adequate pressure throughout the system. In 2019 (calendar year), we treated 90,729,000 gallons with a daily average of 248,572 gallons. In 2018, we treated 86,794,000 gallons of water, an average of 237,500 per day.



The water in the Castle Hayne aquifer, while plentiful, requires treatment to remove iron and manganese. Using pH adjustment, pressure filters and adding chlorine, our operators ensure that clean water is ready for our customers to use.

Water is available to 1,560 households and businesses through approximately 19 miles of pipe ranging in size from two to eight inches in diameter. In addition to providing water for consumption, our system also stands ready in the event of fire. There are 112 hydrants located throughout the system in order to give the fire department ample access to water for their work.

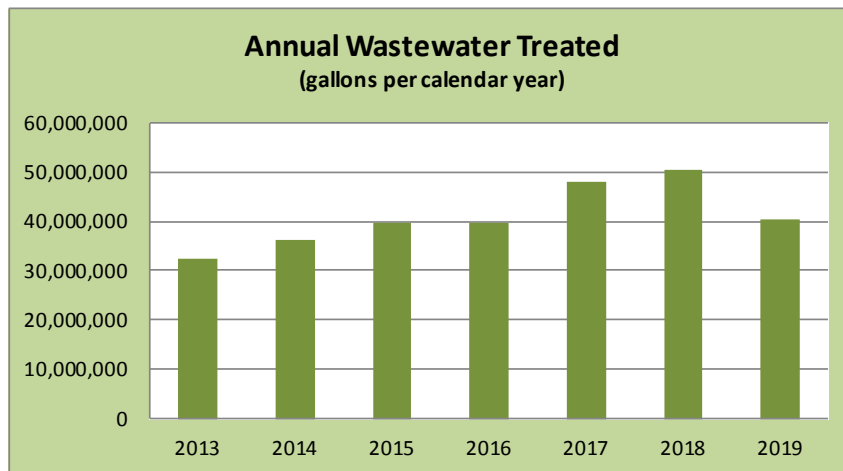
Our water system is monitored and regulated by the State of North Carolina that grants us a permit to operate. In accordance with State standards, water samples are tested at an independent laboratory for bacteria and other harmful contaminants. Each customer receives a copy of our annual report showing the results of our testing.

Wastewater

The Town of River Bend owns and operates a wastewater treatment and collection system that currently serves 960 households and businesses. Wastewater is collected from our customers

and transmitted via approximately 11 miles of gravity and force main pipes. Ten lift stations pressurize portions of the system so the waste is efficiently moved to our treatment facility on Gull Pointe Drive. Seven of these lift stations, and the treatment plant itself, have backup power supplied by fixed location generators. The other three lift stations can be powered by one of our mobile generators.

In calendar year 2019, we treated 40.4 million gallons of wastewater compared to 50.4 million gallons in 2018. The daily average treatment rate was 111,048 gallons in 2019 and 138,160 gallons in 2018. The State standard for waste treatment capacity is 330 gallons per day per household, which in our case translates to 318,780 gallons per day. This standard shows that we should be using 97% of our permitted capacity. On average, in 2019, we used 34% of our permitted capacity.



The North Carolina Department of Water Quality (DWQ) administers federal and state regulations designed to protect the quality of the receiving waters. Part of this administration is the issuance of permits for treatment facilities like the one we have here in River Bend. Our treatment plant has a permitted capacity of 330,000 gallons per day and discharges treated effluent to the Trent River. We take weekly samples of our effluent to test for chemical and nutrient content to ensure our plant is operating effectively and we are within the limits established by DWQ. In the summer months, we also sample river water up and downstream from our discharge point to determine what, if any, affect we are having upon the Trent River.

The Town holds three discharge permits, one for the main wastewater plant, and the other two to allow us to discharge backwash from our water treatment filters. These backwash discharge permits allow us to discharge up to 7,000 gallons per day at each site.

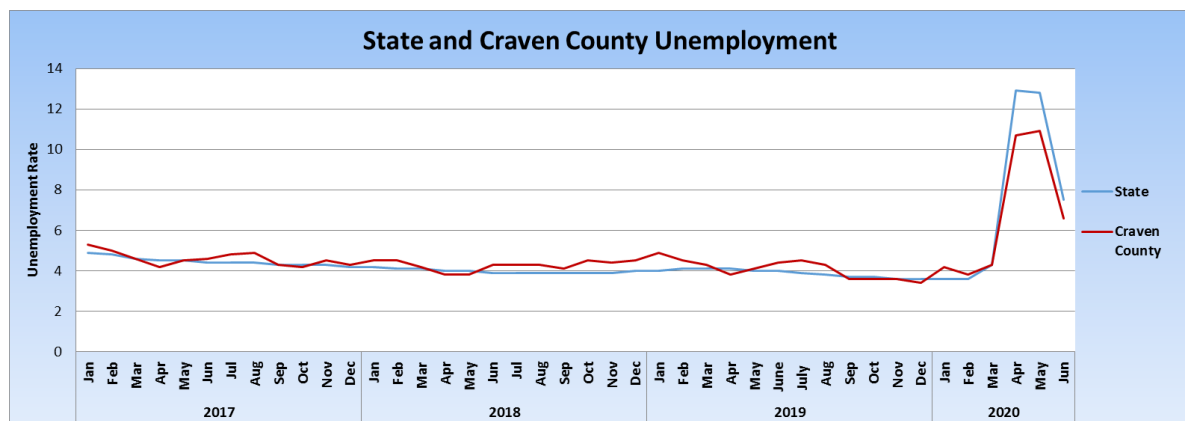
Economy

The 2010 Census reported that the majority of River Bend's workers were employed in the educational, health and social services (23%), and the manufacturing (20%) industries. Of our population over 16 years old, 56.8% were listed as "not in the labor force" in 2010. This reflects the level of retirees in the Town. Of those in the labor force, 1.7% were listed as unemployed. Table 13 on page 140 of this report provides the top ten employers in Craven County. The predominant employers within the Town's corporate limits are the RHA Howell Care Center, the River Bend Golf and Country Club (Trent River Adventures LLC) and Riverstone Health Management.

- RHA Howell Center serves children and adults with developmental disabilities on a 16-acre campus and has a 125-bed capacity.
- The River Bend Golf and Country Club is an eighteen-hole facility that includes a 6,000 square foot clubhouse with a banquet facility and a 260,000-gallon swimming pool.
- Riverstone is a 40-bed licensed assisted living facility and offers a complex of one and two bedroom apartments with a total of thirty-two apartments available. Services offered in this complex depend upon the amenities requested from tenants.

River Bend is conveniently located to all of the major employers within Craven, Jones, and Onslow Counties.

The chart below tracks unemployment over the past three full years comparing the State and County rates. Craven County and North Carolina had experienced a downward trend of rates until the effects of the COVID-19 virus pandemic hit starting in March. At the end of June 2020, the Craven County unemployment rate was 6.6% compared to the State seasonally adjusted rate of 7.5%, and the national rate of 11.1%.



The median household income recorded in the 2010 Census was \$48,547 compared to a national median household income of \$41,994. Only 4% of our population has an income below the poverty level, compared to a national poverty rate of 11.3%. For residents 25 years of age and older, 93.2% have a high school or higher education; 26.5% have a bachelor's degree or higher, and 8% have a graduate or professional degree.

Initiatives

The Town of River Bend utilizes a well-planned and reasoned approach to major initiatives through the use of a capital improvement plan (CIP), which is addressed in the Town's Financial and Budgetary Policies. The purpose of the CIP is to forecast and match projected revenues and major capital needs over a five-year period. Capital planning is an important management tool that strengthens the linkage between community infrastructure needs and the financial capacity of the Town. The River Bend CIP achieves five major objectives as a component of the Town's budget and financial planning process:

1. Helps the Town rationally and intelligently plan for the repair, replacement, and acquisition of capital items that are necessary in providing high quality services to the citizens of River Bend.

2. Assists in fiscal planning by forecasting capital demands together with future revenues and expenditures.
3. Ensures better coordination, evaluation, and planning of projects to serve the community and its needs.
4. Serves together with the annual budget and other financial plans as a guide to decision-making for the Town Council, Town Manager, and staff.
5. Serves as a systematic and comprehensive analysis of capital needs increasing the probability of making rational budgetary judgments since improvements are identified, prioritized, and matched to the projected fiscal resources of the Town.

Generally defined, CIP expenditures are those of major value that recur irregularly, result in the acquisition (or significant modification) of a capital asset, and has a useful life greater than one year. The CIP is updated annually as part of the Town's regular budget process. Projects are reviewed and evaluated based on the Mayor's and Council's priorities, other Town infrastructure needs, the financial capacity of the Town and the impact the projects will create on the Town's operating budget.

Once the projects are evaluated, a recommended CIP is developed that identifies the selection and timing of capital projects into future fiscal years. First-year projects are incorporated into the recommended annual operating budget. The Mayor and Council are presented the future planning years for their consideration, review, and endorsement so staff can proceed with planning and evaluation of potential capital projects.

By capturing known or planned expenditures and predicting, based on historical data, future expenditures we are able to develop a reasonable estimate of trends over the next five years. These projections are reviewed annually to see how they correlate to actual expenditures and revenues and to determine if changes in the economic climate warrant changes in the underlying assumptions.

The 2020-21 fiscal year budget development presented a unique challenge in the midst of the COVID-19 virus pandemic; on March 10, 2020 Governor Roy Cooper declared a State of Emergency for North Carolina. Subsequent Executive Orders from the Governor created many guidelines for businesses, social distancing and limits on public gatherings. Town Hall was closed to the public and the business of government continued via all other means available to protect its citizens and employees. The length and severity of local and nation-wide economic impact from COVID-19 creates critical uncertainty for the fiscal year 2020-21 budget. The COVID-19 crisis follows a budget year that was still impacted by Hurricane Florence in September 2018. Fortunately, from a financial prospective, our local government fared well and is nearly recovered from this hurricane. However, many individuals and their homes have not yet recovered. Whereas our property values have rebounded from the decrease attributable to Hurricane Florence, some general fund revenues will be negatively impacted from COVID-19. As always, two major considerations during budget preparation are the tax rate and utility rates.

Town Council and staff were mindful of the need to control costs while continuing to provide necessary services and maintain our infrastructure. We plan to continue our efforts to be good custodians of our public facilities by making necessary repairs and improvements. The new Municipal building, dedicated on July 16, provides office space for the professional needs of our police department, kitchen facilities and a large meeting area for community events, as

well as a command post for emergency operations. Renovation continues on the Town Hall to address upgrading the restrooms to be ADA (Americans with Disabilities Act) compliant, replacing a failing sewer line, along with a creating a new exterior entrance and lobby to the meeting hall and restrooms. These projects, a current total of \$1,389,400, are funded by General Fund and Capital Reserve fund balance. A FEMA-funded flood damage mitigation project for the public works building and bay, \$64,800, will also be completed this year.

Each year our contracted engineer reviews the evaluation he performs on all our streets in order to determine the priority for our paving funds. We budget to follow the plan - paving and providing patching in miscellaneous areas, for a budgeted amount of \$153,000 this year, which includes engineering and project management fees. Paving funds provided by the State (Powell Bill by name) via a direct appropriation of state dollars are based upon our population and number of miles of roads. Powell Bill revenue was budgeted for \$84,500, so local revenue in the amount of \$68,500 will be budgeted to complete this project.

In this budget, we have allocated \$8,000 for minor storm water projects in addition to the on-going FEMA-funded hazard mitigation project for drainage in the Channel Run area, \$122,707. All the work we do relative to managing storm water is aimed at not only providing relief for emergent drainage problems but also at being conscious of the environmental impact storm water can have on receiving streams. The Town, in many ways, serves as a model for good storm water management practices, using grassy swales rather than the traditional urban model of curbs and gutters.

Our IT replacement plan, which is funded also through our Capital Improvement Plan reserves, provides for \$2,970 in hardware upgrades this fiscal year. In fiscal year 2012, we migrated away from maintaining our IT infrastructure on-site to “the cloud” model, thereby eliminating the more expensive components of our infrastructure. We continue to replace certain pieces of hardware to keep our system viable, but have reduced our IT hardware inventory by 40%. Our estimate of cost savings show that we will save nearly \$31,000 over the first eight years of using this approach to IT.

Programs are being funded to support the Parks and Recreation Advisory Board plans to continue its efforts to provide yoga, craft making, and special events throughout the year, the largest of which is the annual 4th of July parade and picnic. Obviously the COVID-19 pandemic has curtailed many events, including the 2020 July 4th event, while social distancing is necessary. Yoga classes went virtual and are accessible through ZOOM.

For the enterprise funds, water and sewer, we utilize a professionally designed utility rate model so the impact of the proposed expenditures and desired level of reserves can be compared to revenue at various rate levels. The Town Council increased the water residential base rate on April 9, 2020, but voted for no change in the rates for the FY 2020-21 budget. The Town abated approximately \$18,600 in penalties and fees associated with late and nonpayment of residential utility account fees during the duration of Governor Cooper’s Executive Orders.

Plans for the water utility include routine maintenance of buildings and replacement of equipment. All equipment maintenance contracts are funded. The Water Fund Capital Improvement Plan provides for the purchase of a truck, shared with the Sewer Fund, and Well #3 equipment painting this budget year for a total of \$23,000. Several buildings (shared office,

work shop, equipment bay, well houses, lab, & storage building) were repaired in the aftermath of Hurricane Florence with funds being provided by insurance proceeds, FEMA public assistance, and Town funds. An appropriation from Water Fund reserves, \$75,867, was necessary to balance this budget. It is projected that Water Fund cash reserves will be at 72% of expenditures at the end of FY 2023.

The Sewer Fund budget provides for the cost-share of a truck purchase, \$11,000. As with the Water Fund, all equipment preventative maintenance contracts are funded. Likewise, equipment and shared buildings that were damaged by Hurricane Florence have been repaired. No plans are being made to change the permitted capacity of the treatment plant, but rather to maintain the life of the plant. Our permit renewal in 2018 for the wastewater treatment plant required no major changes from the application submitted. Sewer Fund cash reserves are projected to be at least 77% of expenditures for the next four years.

One major consideration during the budget preparation this year was the tax rate. The Council voted for a rate of \$0.26 per 100 dollars of valuation, unchanged from last fiscal year. The Council chose to balance the General Fund budget by using \$222,833 from fund balance; this will still enable the Town Council to meet the policy establishing an unassigned fund balance amount of no less than 50% of expenditures for the then completed fiscal year.

Financial Management

The Town of River Bend maintains comprehensive financial and budgetary policies covering a broad range of the elements of the Town's financial plans and financial systems that underlay the management of overall financial resources. These policies have major objectives to be achieved that include:

- To link long-term financial planning with short-term daily operations and decision-making.
- To maintain and improve the Town's financial position.
- To maintain and improve the Town's credit ratings by meeting or exceeding the requirements of rating agencies through sound financial policies.
- To maintain and increase investor confidence in the Town and to provide credibility to the citizens of the Town regarding financial operations.
- To comply with the North Carolina Budget and Fiscal Control Act and the policies of the North Carolina Local Government Commission (the "LGC").
- To effectively conduct asset-liability management of the Town's balance sheet.

The Town's Financial and Budgetary Policies states that the target goal for the General Fund's unrestricted and unassigned fund balance shall be no less than 50% of the actual expenditures of the then completed fiscal year. The Town Council is committed to maintaining this level of fund balance.

Budgetary Control

In accordance with the North Carolina Local Government Budget and Fiscal Control Act, the Town adopts an ordinance containing balanced budgets for each of the three major funds for the fiscal year beginning on July 1 and ending on June 30. The budget ordinance also includes, as required by the Act, the property tax levy and rate. Budgeted expenditures are approved by the ordinance at the department level.

The Town of River Bend employs a progressive and transparent budget development process that allows for significant participation from elected officials, advisory boards, staff, and the public. The process formally begins with a kick-off meeting where the Council discusses its priorities for the coming fiscal year in terms of how they respond to the Town's Mission Statement, which is presented below. The Finance Officer leads a general discussion concerning the current fiscal year and trends observed that might impact the budget planning process.



The Council also approves a schedule of budget workshops. At these workshops, the professional staff presents details of revenue and expenses in each fund. Through direct interaction with the Council in a less formal setting, the staff is able to get the consensus of the elected body in terms of the details contained in the budget. The Council is also able to hear from residents who attend these sessions in an informal setting. Following the last of these workshops, the professional staff prepares the Budget Message and the final budget document.

Independent Bond Rating

In FY 2013, we refinanced our general obligation bond debt for the Water and Sewer funds, saving nearly \$300,000 over the remaining life of the bonds, ending in FY 2027. In the process of refunding our bond debt, we obtained updated ratings from the agencies who analyze and rate our debt. The following summarizes their findings:

Standard and Poor's

In 2009, we received an upgrade from S&P from A to A+. Following their review in 2013, we received another upgrade from A+ to AA-. Here is an excerpt from their rating rationale:

“The upgrade reflects our assessment of, what we consider, the Town's historically strong financial performance due, in part, to, what we regard as, conservative budgeting practices that have helped the town historically maintain, in our view, extremely strong available general fund reserves.”

Moody's

Following their review in 2019, we received a confirmation of their A1 rating. Here is an excerpt from their rating rationale:

“The Town's financial position is very strong and is a notable strength relative to the A1 rating assigned. The fund balance as a percent of operating revenues (158.4%) far exceeds the US median, and saw an impressive increase from 2014 to 2018. In addition, the cash balance as a percent of operating revenues (152.8%) is far superior to other Moody's-rated cities nationwide.”

These favorable reviews is a testimony to the financial strength of this Town. Through good planning and making difficult decisions, River Bend will remain viable and strong for the future of this community.

Conclusion and Acknowledgements

Long-range planning and budgeting efforts focus on maintenance of current services, Town-owned property and infrastructure while attempting to keep rates and fees reasonable. Our Town Council members accept their responsibility with great conviction and sincerity, and remain well informed and engaged in the operation of this government. These financial statements reflect the Council's commitment to maintaining and improving this community, and positioning it to be financially sound in the future.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for the Excellence in Financial Reporting to the Town of River Bend for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. This was the ninth year the Town of River Bend received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this report was made possible by the effort and dedication of the Town's staff, Finance Officer, and our independent auditors, Petway Mills & Pearson, PA, led by Jonathan Glover, CPA. Credit must also be given to the Mayor and Town Council for their ongoing support for maintaining the highest standards of professionalism in the management of the Town of River Bend's finances.

Respectfully Submitted,



Irving "Bud" Van Slyke, Jr.
Finance Officer



Margaret Theis
Finance Administrator



C. Delane Jackson
Town Manager





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of River Bend
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

Distinguished Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Town of River Bend

North Carolina

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morill

Executive Director

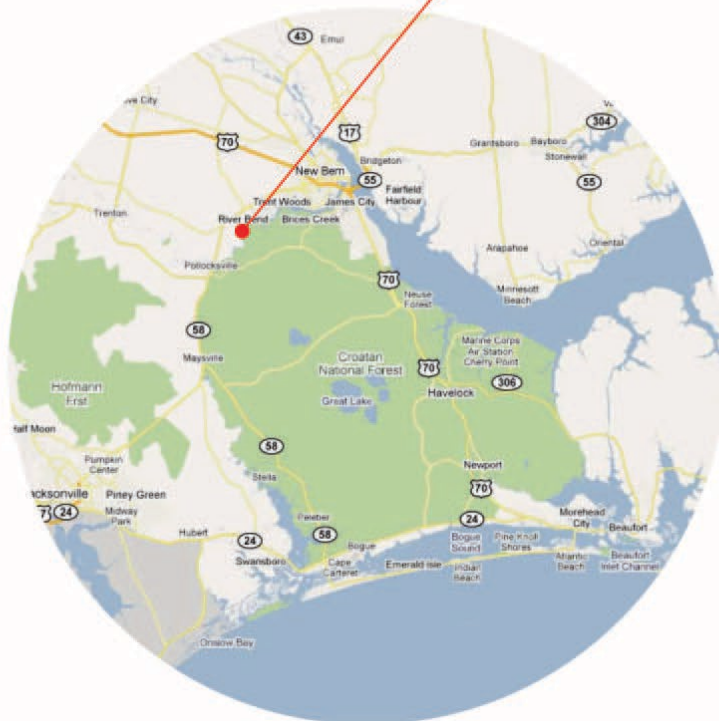
The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Town of River Bend, North Carolina for its annual budget for the fiscal year beginning July 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. The 2019 award was our tenth consecutive award. We believe our current budget continues to conform to program requirements, and we submitted it to GFOA to determine its eligibility for another award.

OUR LOCATION

River Bend is located in Eastern North Carolina on the Atlantic Coast. We are located half way between Virginia and South Carolina. It is 110 miles to Raleigh, our State Capital. Myrtle Beach, SC, a national tourist destination, is only 162 miles away from River Bend.

RIVER BEND, NORTH CAROLINA



TOWN OF RIVER BEND NORTH CAROLINA

Appointed and Administrative Positions

June 30, 2020

MAYOR

John Kirkland

TOWN COUNCIL

Donald Fogle

Brian Leonard

Harry ‘Bud’ McClard

Morris ‘Buddy’ Sheffield

Irving ‘Bud’ Van Slyke, Jr.*

*also serves as Mayor Pro Tem and Finance Officer

ADMINISTRATIVE STAFF

Delane Jackson

Town Manager

Margaret Theis

Finance Administrator

Ann Katsuyoshi

Town Clerk

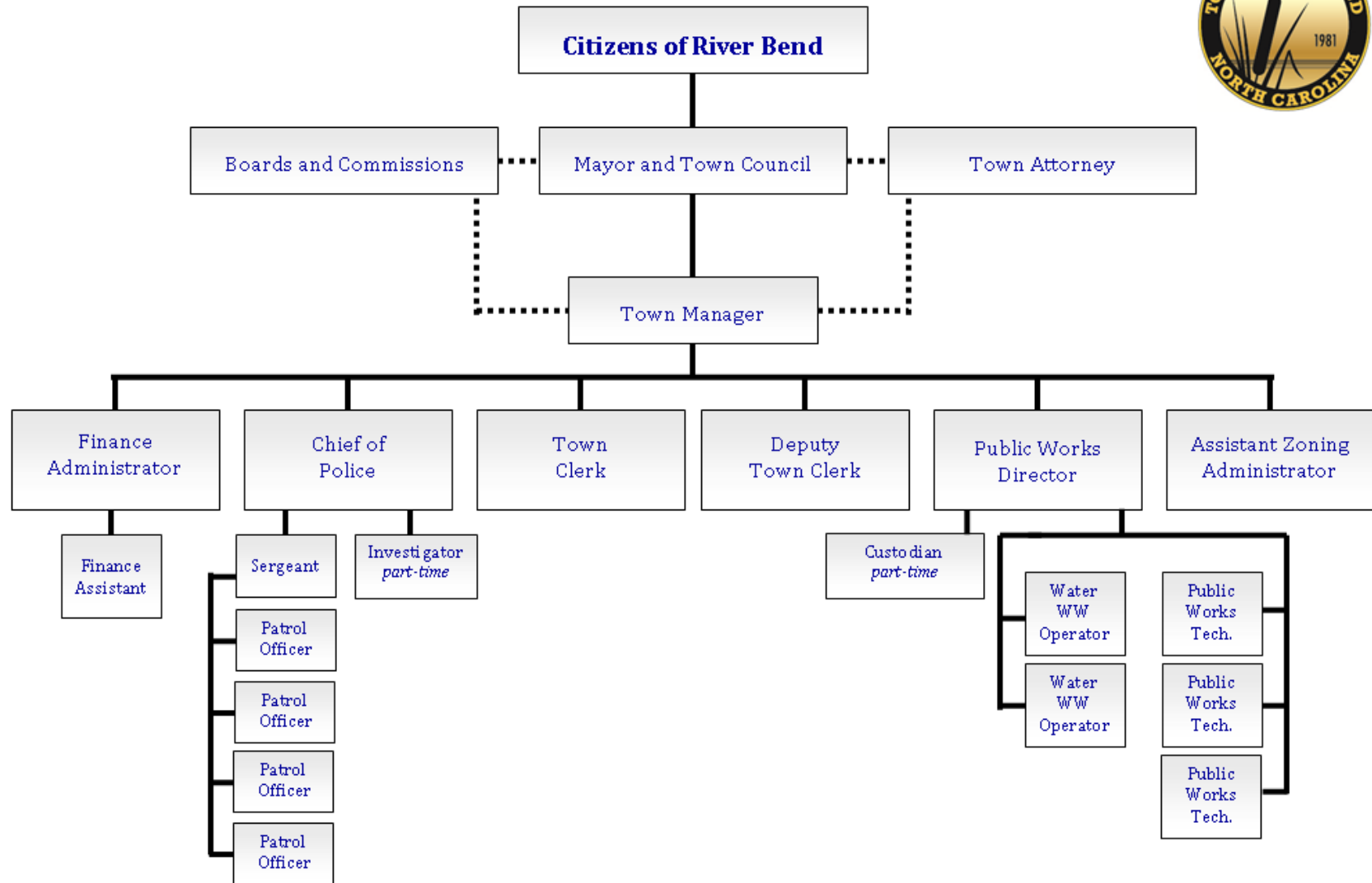
Sean Joll

Police Chief

Brandon Mills

Public Works Director

This Organizational Chart depicts the relationships between the Town staff, Town Manager, the Town Council, and Advisory Boards.



FINANCIAL SECTION

- Report of Independent Certified Public Accountants
- Management's Discussion & Analysis
- Basic Financial Statements
- Notes to the Financial Statements
- Required Supplementary Information
- Other Supplementary Information



**REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**





PETWAY
MILLS &
PEARSON, PA
CERTIFIED PUBLIC ACCOUNTANTS

C. Briggs Petway, Jr.
Phyllis M. Pearson

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919-781-1047

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Memberships:

North Carolina
Association of
Certified Public
Accountants

American Institute
Of Certified Public
Accountants

Medical Group
Management
Association

Independent Auditors' Report

To the Honorable Mayor
and Members of the Town Council
Town of River Bend, 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 River Bend, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of River Bend'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of River Bend, North Carolina as of June 30, 2020, and the respective changes in financial position and cash flows, where applicable, 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 37 through 51, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset and Contributions on pages 99 and 100, 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 101 and 102, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of River Bend, North Carolina's basic financial statements. The introductory information, combining and individual fund statements, budgetary schedules, other schedules, statistical section and Schedule of Expenditures of Federal and State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements, budgetary schedules and other schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements, budgetary schedules, other schedules and the accompanying Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2020, on our consideration of the Town of River Bend, North Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of River Bend, North Carolina's internal control over financial reporting and compliance.

Petway Mills & Pearson, PA

PETWAY MILLS & PEARSON, PA
Certified Public Accountants
Zebulon, North Carolina

December 9, 2020



MANAGEMENT'S DISCUSSION & ANALYSIS



Management Discussion and Analysis Town of River Bend

Town of River Bend Management's Discussion and Analysis June 30, 2020

As management of the Town of River Bend, we offer readers of the Town of River Bend's financial statements this narrative overview and analysis of the financial activities of the Town of River Bend, (the Town), for the fiscal year ended June 30, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources by \$7,793,179 (*net position*) at the close of the fiscal year.
- For governmental type activities, the Town's net position showed an increase of 16.6% at the close of the fiscal year at \$5,592,443. Net position for business-type activities, which exclusively include the Water and Sewer Enterprise Funds, were \$966,759 and \$1,233,977, respectively, for a total of \$2,200,736. This represents an increase of \$111,875 in the value of net position in the Water Fund, and an increase of \$203,883 in the value of net position in the Sewer Fund. On-going depreciation of the infrastructure, a total of \$206,508, continues to be a significant expense. The government's total net position increased by \$1,112,657.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$2,256,688, a decrease of \$962,853. Approximately 6.6% of this amount, or \$148,448, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,265,401 or 47.6% of total General Fund expenditures for the fiscal year. The Town Council's policy is that this ratio should be no less than 50% of the completed fiscal year's actual expenditures. For the year ending June 30, 2020, expenditures reported were \$2,661,148 which includes the payment of the NCORR loan (\$949,846) with FEMA public assistance funds.
- The Town's total General Obligation bond debt decreased by \$225,000 (12%) during the current fiscal year. The key factor in this decrease is the timely payments of debt service expenditures.
- The Town holds an AA+ bond rating by Standard and Poor's Rating Services on its G.O. Series 2013 refunding bonds. The original bonds were used to purchase and upgrade the water and wastewater operations. The Town of River Bend maintains a stable A1 bond rating from Moody's Investor Service.

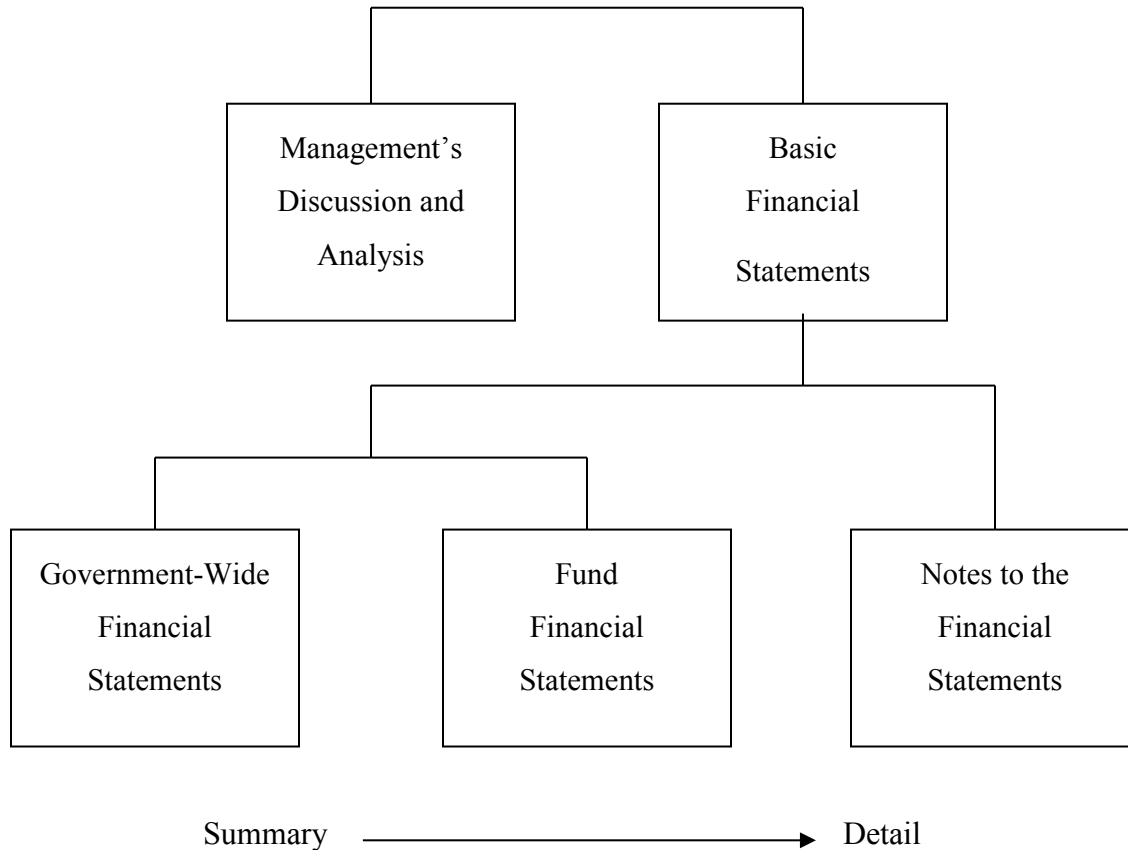
Overview of the Financial Statements

This discussion and analysis serves as an introduction to the Town'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 with 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 River Bend.

**Management Discussion and Analysis
Town of River Bend**

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, 3) the proprietary fund statements, and 4) the fiduciary 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 is the **Required Supplemental Information** containing funding information about the Town's pension benefits. **Supplemental Information** provides detail about the Town's individual funds. Budgetary information required by the General Statutes is located in this part of the statements.

Management Discussion and Analysis

Town of River Bend

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 changes in the Town's net position. Net position is the difference between the Town's total assets and deferred outflows of resources and the 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, cultural and recreational, and general administration. Property taxes and State distributed sales tax, franchise revenues, and Powell Bill funds finance most of these activities. The business-type activities are those that the Town charges customers to provide services. These include the water and sewer services provided by the Town of River Bend.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements 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 River Bend, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of River Bend can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds 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*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are described in a reconciliation that is a part of the fund financial statements.

The Town of River Bend 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 Town Council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and utilizes the same format, language, and classifications as the legal budget document.

Management Discussion and Analysis

Town of River Bend

The statement shows four columns: 1) the original budget as adopted by the Town Council, 2) the final budget as amended by the Town Council, 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 River Bend 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 River Bend uses two enterprise funds to account for its water and sewer operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Town of River Bend does not have any fiduciary funds.

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 follow Exhibit 9 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of River Bend's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 99 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 the U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

Government-Wide Financial Analysis. 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 resources of the Town of River Bend exceeded liabilities and deferred inflows by \$7,793,179 as of June 30, 2020. The Town's net position increased by \$1,112,657 for the fiscal year ended June 30, 2020. The largest portion (53%) of total net position is the Town's unrestricted net position, \$4,125,806 that is available for future spending. The Town reports net investments in capital assets (e.g. land, buildings, machinery, and equipment) as 45 percent of the total net position. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The remaining balance of \$148,249 represents resources that are subject to external restrictions on how they may be used.

Management Discussion and Analysis

Town of River Bend

Town of River Bend's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$ 2,338,828	\$ 3,280,293	\$ 2,357,974	\$ 2,086,897	\$ 4,696,802	\$ 5,367,190
Net pension asset - Separation Allowance	-	-	-	-	-	-
Net pension asset - LGERS	-	-	-	-	-	-
Capital assets, net	<u>3,569,556</u>	<u>2,719,369</u>	<u>1,615,084</u>	<u>1,780,596</u>	<u>5,184,640</u>	<u>4,499,965</u>
Total assets	<u>5,908,384</u>	<u>5,999,662</u>	<u>3,973,058</u>	<u>3,867,493</u>	<u>9,881,442</u>	<u>9,867,155</u>
Deferred Outflows of Resources:						
Contributions to pension plan, current year - LGERS	69,360	56,502	19,722	16,169	89,082	72,671
Contributions to pension plan, current year - LEO	20,674	21,810	-	-	20,674	21,810
Pension deferrals	186,500	130,410	36,295	40,835	222,795	171,245
Deferred charges on refunding	-	-	62,498	71,427	62,498	71,427
Total deferred outflows of resources	<u>276,534</u>	<u>208,722</u>	<u>118,515</u>	<u>128,431</u>	<u>395,049</u>	<u>337,153</u>
Liabilities:						
Current liabilities	105,383	1,042,500	312,357	301,335	417,740	1,343,835
Long-term liabilities	<u>435,151</u>	<u>295,554</u>	<u>1,575,093</u>	<u>1,804,576</u>	<u>2,010,244</u>	<u>2,100,130</u>
Total liabilities	<u>540,534</u>	<u>1,338,054</u>	<u>1,887,450</u>	<u>2,105,911</u>	<u>2,427,984</u>	<u>3,443,965</u>
Deferred Inflows of Resources:						
Pension deferrals	<u>51,941</u>	<u>74,786</u>	<u>3,387</u>	<u>5,035</u>	<u>55,328</u>	<u>79,821</u>
Net Position:						
Net investment in capital assets	3,569,556	2,719,369	(50,432)	(112,135)	3,519,124	2,607,234
Restricted	148,249	162,507	-	-	148,249	162,507
Unrestricted	<u>1,874,638</u>	<u>1,913,668</u>	<u>2,251,168</u>	<u>1,997,113</u>	<u>4,125,806</u>	<u>3,910,781</u>
Total net position	<u>\$ 5,592,443</u>	<u>\$ 4,795,544</u>	<u>\$ 2,200,736</u>	<u>\$ 1,884,978</u>	<u>\$ 7,793,179</u>	<u>\$ 6,680,522</u>

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

- Hurricane Florence made landfall on the east coast of North Carolina on 09/14/18 as a slow-moving Category 1 storm, with heavy winds and rains that created major flooding. The Town incurred over \$1,000,000 in related expenditures, the majority was debris removal from flooded and damaged homes in the community and Town property. The North Carolina Office of Recovery and Resiliency (NCORR) provided the Town with a zero-interest, one-million-dollar loan. The loan was paid back in full at 06/30/20 with receipts of federal and state public assistance funds.
- Federal, state, and county disaster assistance and grant funds received this fiscal year totaled \$1,314,593, which included an NCORR grant of \$363,000. This grant covered bond debt service in the Water Fund, \$145,879, in the Sewer Fund, \$125,971, and \$91,150 for General Fund labor.
- The Municipal Building and Town Hall renovation capital project was funded with General Fund and Capital Reserve fund balances, \$1,040,100 and \$265,800, respectively. The municipal building will house the police department along with space for community activities. Additionally, this building will act as a command post for emergency operations. The Town Hall will be expanded to contain new restrooms, town sewer service, and upgraded offices.
- The Town Council adopted a tax rate of \$0.26 per hundred dollars of valuation, an increase of \$0.02. Property tax revenue, including motor vehicles, was up \$11,968 from FY19; fund balance in the amount of \$96,111 was originally budgeted to balance the FY20 budget.

Management Discussion and Analysis

Town of River Bend

- An annual comprehensive study of the operations and capital needs of the Water and Sewer systems, using a professionally designed rate model, determines whether our utility rates will enable the enterprise funds to cover operating costs and maintain cash reserves each fiscal year as budgeted. Sewer rates remained unchanged this fiscal year; residential water base rates were increased \$3 per month on 04/09/20.

Town of River Bend's Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 41,766	\$ 60,410	\$ 1,311,383	\$ 1,017,505	\$ 1,353,149	\$ 1,077,915
Operating grants and contributions	1,129,776	443,028	-	-	1,129,776	443,028
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	747,969	725,978	-	-	747,969	725,978
Other taxes	569,779	659,572			569,779	659,572
Investment earnings, unrestricted	37,711	50,173	24,374	37,921	62,085	88,094
Miscellaneous, unrestricted	17,848	43,783	-	25,218	17,848	69,001
Total revenues	<u>2,544,849</u>	<u>1,982,944</u>	<u>1,335,757</u>	<u>1,080,644</u>	<u>3,880,606</u>	<u>3,063,588</u>
Expenses:						
General government	781,056	695,858	-	-	781,056	695,858
Public safety	636,538	1,329,186	-	-	636,538	1,329,186
Transportation	230,521	208,321	-	-	230,521	208,321
Environmental protection	62,457	59,928	-	-	62,457	59,928
Cultural and recreational	41,473	49,621	-	-	41,473	49,621
Water	-	-	491,059	470,606	491,059	470,606
Sewer	-	-	528,940	514,709	528,940	514,709
Total expenses	<u>1,752,045</u>	<u>2,342,914</u>	<u>1,019,999</u>	<u>985,315</u>	<u>2,772,044</u>	<u>3,328,229</u>
Increase in net position before special item	792,804	(359,970)	315,758	95,329	1,108,562	(264,641)
Special Item - gain on sale of capital assets	4,095	3,150	-	-	4,095	3,150
Increase in net position	796,899	(356,820)	\$ 315,758.00	\$ 95,329.00	1,112,657	(261,491)
Beginning of year - July 1	4,795,544	5,152,364	1,884,978	1,789,649	6,680,522	6,942,013
End of year - June 30	<u>\$ 5,592,443</u>	<u>\$ 4,795,544</u>	<u>\$ 2,200,736</u>	<u>\$ 1,884,978</u>	<u>\$ 7,793,179</u>	<u>\$ 6,680,522</u>

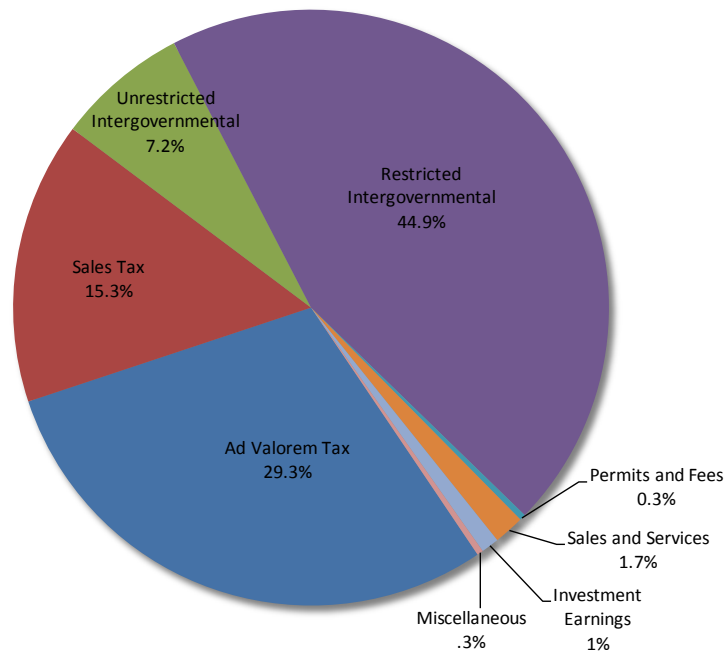
Management Discussion and Analysis

Town of River Bend

Governmental Activities. The total net position of the Town increased by \$1,112,657; governmental activities accounted for \$796,899 of an increase to the Town's net position. Key elements that affected net position are as follows:

- A municipal building capital project, \$1,305,900, was funded with General Fund and Capital Reserve fund balances, requiring no debt borrowing.
- Federal and state public assistance funds received, \$949,846, paid the remainder of the NCORR one-million-dollar loan.
- Ad valorem taxes normally run around 50% of General Fund revenue; total property valuation was down 5% or fifteen million dollars. Craven County's four-year revaluation, originally effective FY 2020-21, was postponed until January 1, 2022, which affects FY 2022-23. This fiscal year the adopted rate was \$0.26 with a total property tax valuation of \$287,697,954; Craven County collection rate was 98.56%. Fund balance of \$96,111 was originally budgeted to cover the reduced tax revenue.
- General Fund Exhibit 6 in the Basic Financial Statement outlines budget to actual performance for revenues and expenditures. Departmental expenditures versus budget, excluding the NCORR loan (\$949,846) repayment, ended favorably, \$393,202, of which \$187,507 are FEMA Hazard Mitigation Grant Funds. These two projects were carried into the next fiscal year. Capital outlays increased capital assets for \$195,029; the General Fund Capital Improvement Plan contributed \$34,800 from Capital Reserves for capital outlay.

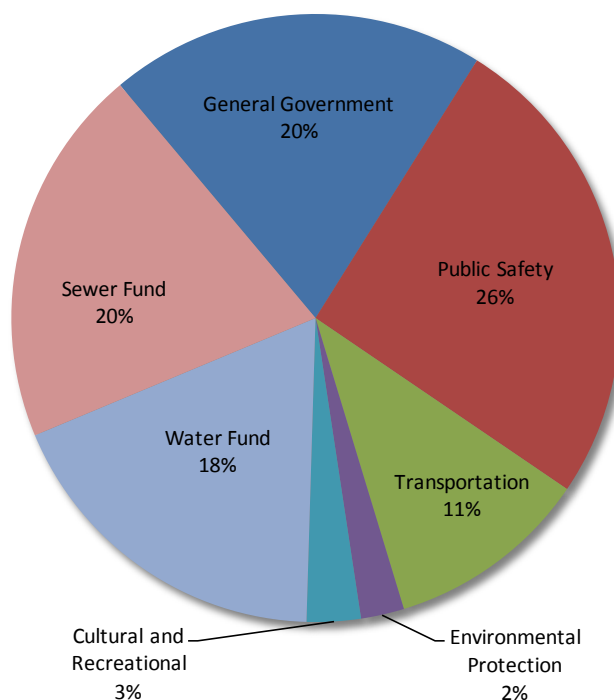
Town of River Bend
Figure 4. Revenue Sources - Governmental Activities - Fiscal Year 2020



Management Discussion and Analysis

Town of River Bend

Town of River Bend
Figure 5. Functional Expenses - Fiscal Year 2020



Business-Type Activities. Business-type activities increased the Town's net position by \$315,758. Business-type activities reported for the Town are exclusively the Town's Water and Sewer Fund. The operations are self-supported by their respective user fees, which are determined using guidance from a professionally designed rate model.

- The last sewer utility rate increase of 6.87% was in fiscal year 2015. That increase will help maintain a cash balance projected to be at 73% of expenditures at the end of the next four years.
- The water utility base fee was decreased in fiscal year 2019 in light of sufficient cash reserves to respond to routine maintenance and emergent conditions; operating cash is forecast to be at least 61% of expenditures at the end of the next three years.
- An NCORR grant was received to cover bond debt service in the Water Fund, \$145,879, and in the Sewer Fund, \$125,971.
- Operating revenues from sewer services adequately covered the operating expenses, resulting in operating income and an increase in net position of \$203,883. Water fund net position increased by \$111,875.
- The Water Fund cash and cash equivalents increased by \$84,384, resulting in ending cash balance of \$1,086,502.
- The Sewer Fund increased its cash and cash equivalents balance by \$156,396, resulting in an ending cash balance of \$1,066,891.

Exhibits 8 and 9 provide this information in more detail. Both enterprise operations experienced operating efficiencies through the diligent management of staff, which was evidenced by savings in Operating Expenses.

Management Discussion and Analysis

Town of River Bend

Water Fund:

- The Water Fund increased net position \$111,875 from last year to \$966,759 at year-end.
- Operating income was \$124,044, mainly due to an NCORR grant (\$145,879), compared to an operating loss of \$14,704 last year.
- Capital assets of \$8,367 were acquired in the current year. The cash-funded capital improvement plan provides for an annual appropriation of \$3,500.
- Depreciation expense reduced net position in the amount of \$108,302 compared to \$107,897 last year.

Sewer Fund:

- The Sewer Fund increased net position by \$203,883 from last year to \$1,233,977 at year-end.
- Operating income was \$214,190, mainly due to an NCORR grant (\$125,971) up from \$98,144 last year.
- Capital assets of \$32,629 were acquired in the current year. The cash-funded capital improvement plan provides for an annual appropriation of \$63,000.
- Depreciation expense reduced net position by \$98,206, compared to \$95,064 last year.

The enterprise funds are self-supporting and user fees are adjusted, taking guidance from the aforementioned rate model to address the cost of operations and capital expenditures identified in the Capital Improvement Plans.

Financial Analysis of the Town's Funds

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

Governmental Funds. The focus of the Town of River Bend'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's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

Total governmental fund balances were \$2,256,688, a decrease of \$962,853 over the prior year. Included in this change is a decrease of \$296,948 in fund balance in the Capital Reserve Fund. The Town received a zero-percent NCORR loan for \$1,000,000 to bridge the gap between Hurricane Florence disaster response and recovery expenses and the receipt of FEMA public assistance. The loan was paid back when in receipt of public assistance funds; payments for \$949,846 were made in fiscal year 2020, and the loan paid in full.

A municipal building and Town Hall renovation capital project was funded with General Fund and Capital Reserve fund balances, \$1,040,100 and \$265,800, respectively. The municipal building will house the police department along with space for community activities. In times of emergencies and natural disasters, this building will act as an operations command central. The Town Hall will be expanded to contain new restrooms, town sewer service, and upgraded offices.

The General Fund is the chief operating fund of the Town of River Bend. For the fiscal year ended June 30, 2020, the Town's fund balance available in the General Fund was \$1,636,549 and unassigned fund balance of the General Fund was \$1,265,401, a 48% decrease from prior year. Total fund balance is \$1,784,997. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

Management Discussion and Analysis

Town of River Bend

At year-end, unassigned General Fund balance represents 47.6% of total General Fund expenditures. The Town Council's policy states this ratio should be no less than 50% of the completed fiscal year's actual General Fund expenditures. Total fund balance represents 67% of total General Fund expenditures and available fund balance represents 61.5% of that same amount.

The Department of State Treasurer reported the average fund balance of 77.89 percent for the group of non-electric cities with a population of 2,500 – 9,999 for the year ended June 30, 2019.

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

The budget was amended for:

- Fund balance was appropriated for various incomplete projects rolled over from FY18-19, \$91,066.
- Funds were appropriated from General Fund balance for a nuisance abatement demolition of a home (\$9,000) and a transfer to the BUS Capital Project (\$1,024,200).
- Federal Disaster Assistance (\$629,206) and State Disaster Assistance (\$39,767) funds were received from Hurricane Florence for various categories and a Stormwater Hazard Mitigation Project (\$122,707), with the remainder reducing appropriated fund balance (\$546,266).
- Appropriated Fund Balance (\$26,700) and excess funds in the Street Maintenance department (\$19,000) were used for relocating the basketball court from the Municipal Building site.
- State Disaster Assistance (\$169,969) was received and reduced Appropriated Fund Balance.
- Contingency was used for a six-month lease for office space (\$4,800) for the police department.
- Federal Disaster Assistance (\$69,857) and State Disaster Assistance (\$23,285) funds were received from Hurricane Florence for a Public Buildings Hazard Mitigation Project (\$64,800); the remainder reduced appropriated fund balance (\$28,342).
- Appropriated Fund Balance (\$8,000) and a transfer from Capital Reserve Fund (\$29,000) were used to purchase a police vehicle.
- An additional \$15,900 was transferred to the BUS Capital Project for IT needs; Elections (\$3900) and Stormwater Management (\$12,000) were reduced.
- NCORR-FDLG-042 Grant funds (\$363,000) were received for Water & Sewer bond debt service and General Fund labor.
- Federal Disaster Assistance (\$6056) and State Disaster Assistance (\$2018) funds were received from Hurricane Dorian and offset Emergency Services department. Municipal Building furniture (\$13,000) was funded with transfers from departments with projected excess funds.

Excluding restricted intergovernmental revenues, actual operating revenues for the General Fund were less than the final budget by \$53,721. An unfavorable variance of \$70,586 was realized in Sales tax revenues and the related hold harmless tax as it was affected by a stalled economy in the last half of fiscal 2020. Ad Valorem tax collections were above budget by \$18,894.

Departmental expenditures, excluding NCORR Loan repayment, were less than the final budgeted amounts by \$393,202. This included two Hazard Mitigation Projects (\$187,507) that will be carried over to FY 2021. Although each functional area contributed to this total amount, the most significant, \$68,084, came from Public Safety due to the reduced cost of benefits. Details of the budget and actual amounts for revenues

Management Discussion and Analysis

Town of River Bend

and expenditures of the General Fund are presented in the Supplementary Information, Schedule 2, beginning on page 106. The Town complied with its budgetary requirements.

Proprietary Funds. The Town's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. These funds, which exclusively include the Town's Water and Sewer Funds, reported net position of \$966,759 and \$1,233,977, respectively, for a total of \$2,200,736. This represents an increase of \$315,758 from last fiscal year. As stated before, a key element each year is depreciation, for this year in the Water Fund, \$108,302, and the Sewer Fund, \$98,206. Unrestricted net position of the Water Fund and Sewer Fund at the end of the fiscal year amounted to \$2,251,168.

Other factors concerning the finances of these funds are addressed in the discussion of the Town's business-type activities. The enterprise funds' users' fees are adjusted as needed to address the cost of operations, minor capital expenditures, and maintain a cash reserve for capital needs.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2020 totaled \$5,184,640 (net of accumulated depreciation). These assets include buildings, land, improvements, equipment, vehicles, infrastructure, water and wastewater facilities, and construction in progress. The Town maintains a \$5,000 capitalization threshold. Capital asset transactions during the year include the following additions (there were no significant demolitions or disposals.):

General Fund:

- \$8,367, Trailer mounted 120kw diesel generator set, shared cost
- \$44,825, Police 2020 Ford Interceptor
- \$96,137, 2020 Street Paving Program
- \$45,700, Basketball Court
- \$816,041, Construction in progress

Water Fund:

- \$8,367, Trailer mounted 120kw diesel generator set, shared cost

Sewer Fund:

- \$8,367, Trailer mounted 120kw diesel generator set, shared cost
- \$24,262, Trailer mounted 75kw diesel generator set

The Town of River Bend utilizes a well-planned and reasoned approach to major initiatives with a Capital Improvement Plan (CIP), as outlined in the Town's Financial and Budgetary Policies, Section VII, Capital Improvements Policy:

- a. The Town will update and readopt annually a five-year capital improvement plan (CIP) which projects capital needs and details the estimated costs, description and anticipated funding sources for capital projects. A separate CIP will be developed for the General Fund, Water Fund, and Sewer Fund.
- b. The annual update of the CIP will be conducted in conjunction with the annual operating budget process.

Management Discussion and Analysis

Town of River Bend

- c. The first year of the five-year CIP will be the basis of formal fiscal year appropriations during the annual budget process.
- d. A programming or cost estimation study is eligible for inclusion in the CIP for a project for which a future request is being considered. Such a study is encouraged in order to generate reliable cost estimates for the CIP.
- e. The Town expects to see new capital items generally first appear in the last year of the CIP.
- f. The Town acknowledges pay-as-you-go financing as a significant capital-financing source, but will ultimately determine the most appropriate financing structure for each capital project both on an individual basis after examining all relevant factors of the project and in conjunction with the funding of the entire CIP.

Town of River Bend's Capital Assets

Figure 6

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 929,320	\$ 929,320	\$ 183,357	\$ 183,357	\$ 1,112,677	\$ 1,112,677
Construction in progress	859,541	43,500	220,070	220,070	1,079,611	263,570
Plant and distribution system	-	-	5,800,615	5,800,615	5,800,615	5,800,615
Furniture and equipment	-	-	319,746	278,749	319,746	278,749
Building and improvements	1,352,521	1,306,821	8,960	8,960	1,361,481	1,315,781
Equipment and vehicles	446,400	421,869	-	-	446,400	421,869
Infrastructure	2,115,135	2,018,998	-	-	2,115,135	2,018,998.00
Subtotal	<u>5,702,917</u>	<u>4,720,508</u>	<u>6,532,748</u>	<u>6,491,751</u>	<u>12,235,665</u>	<u>11,212,259</u>
Less accumulated depreciation	<u>(2,133,361)</u>	<u>(2,001,139)</u>	<u>(4,917,665)</u>	<u>(4,711,156)</u>	<u>(7,051,026)</u>	<u>(6,712,295)</u>
Capital assets, net	<u>\$ 3,569,556</u>	<u>\$ 2,719,369</u>	<u>\$ 1,615,084</u>	<u>\$ 1,780,596</u>	<u>\$ 5,184,640</u>	<u>\$ 4,499,964</u>

Additional information on the Town's capital assets is found in Note 3 to the basic financial statements.

Long-Term Debt. As of June 30, 2020, the Town had total bonded debt outstanding of \$1,650,000, all of which is backed by the full faith and credit of the Town.

Town of River Bend's Long-Term Debt

Figure 7

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General obligation bonds	\$ -	\$ -	\$ 1,650,000	\$ 1,875,000	\$ 1,650,000	\$ 1,875,000
Direct placement NCORR	-	949,846	-	-	-	949,846
Unamortized premium on bonds	-	-	78,014	89,158	78,014	89,158
Unfunded pension obligation	-	-	-	-	-	-
Net pension liability (LGERS)	287,422	287,422	87,807	70,567	375,229	357,989
Total pension liability (LEO)	141,438	141,438	-	-	141,438	141,438
Total debt	<u>\$ 470,797</u>	<u>\$ 1,420,643</u>	<u>\$ 1,837,485</u>	<u>\$ 2,058,704</u>	<u>\$ 2,308,282</u>	<u>\$ 3,479,347</u>

Management Discussion and Analysis

Town of River Bend

In the process to advance refund the Series 2004 General Obligation bonds in 2013, the Town of River Bend received an upgrade in our Standard and Poor's rating to AA- and a stable A1 rating with Moody's Investor Service. In November of 2013, Standard and Poor's performed a routine evaluation of many of their ratings. Because of this evaluation, the Town of River Bend received our third rating upgrade in four years, moving from AA- to AA+. This bond rating is a clear indication of consistently sound financial operations with ample reserves.

Additional information on the Town's long-term debt is found starting on page 92 in the notes to the basic financial statements. The Town's legal debt margin at June 30, 2020 was approximately \$22,251,000.

Economic Factors

The Town of River Bend is a small residential community in Craven County, home to approximately 3,000 people. Located several miles from the City of New Bern on Highway 17 South, residents are employed by industry and government within a wide radius of the Town, while a high percentage is retirees. The local area economy before COVID-19 was experiencing a steady recovery; March 2020 data show Craven County and State unemployment rate at 4.3%. Craven County unemployment rate at the end of June 2020 was reported at 6.9%, the State seasonally adjusted rate, 7.6%, and a national rate of 11.1%.

Budget Highlights and Rates for the Fiscal Year Ending June 30, 2021

Governmental Activities. The budget represents the commitment of the Town Council to the mission statement established in the Town's Comprehensive Plan, and responds to the goals the Council established at their Work Session in January 2020. These goals are the foundation upon which the budget is built. We invite you to review the annual budget report on our website www.riverbendnc.org/finance. This is the tenth year the Town has been awarded the Distinguished Budget Presentation Award by the Government Finance Officers Association.

The General Fund budget is formulated in compliance with the Financial and Budgetary Policies, which stipulate a minimum contingency level of one percent of budgeted General Fund expenditures and a target of no less than 50% unassigned fund balance at the end of the fiscal year. General Fund revenues and other financing sources are budgeted at \$1,890,000, a 10.6% decrease from the 2020 fiscal year-end budgeted revenues, (after deducting \$1,040,100 transferred to the Building Utilization Strategy (BUS) Capital Project) and a 28.7% decrease compared to year-end revenues. Included in this amount is NCORR Recovery Grant revenue, \$89,022, for the corresponding department expenditures.

The Council adopted a tax rate of \$0.26, which is no change from the prior year. Appropriated fund balance was used to balance the budget in the amount of \$222,833. We anticipate receiving revenues above those budgeted this fiscal year for requested hurricane public assistance funds (\$61,000), and State COVID-19 relief funding from the CARES Act (\$49,650).

Diligent management of all Town resources, which includes a qualified professional staff, is critical in providing services to maintain the quality of life expected by the residents of our Town. The Town of River Bend budget supports twenty full-time, three part-time employees and several recreation instructors. Personnel costs, including benefits, represent 46% of the total combined operating budget. Following the guidance of the Council, the budget reflects a 3.1% cost-of-living increase and 1% for longevity increases. An additional 2% merit pool is available to recognize outstanding performance of individual employees.

Included in the budget is an allocation for \$6,359 to fund the Law Enforcement Officers' Separation Allowance. Our financial obligation for eligible retirees is \$7,888 this year.

Management Discussion and Analysis

Town of River Bend

Each year our contracted engineer reviews an evaluation he performed on all our streets in order to determine the priority for our paving funds. We budget to follow the plan, which includes paving one street and providing patching on several other streets. The estimated cost is well above what we receive from the State through the Powell Bill appropriation so local revenue of \$68,450 will be budgeted to complete this project.

Capital Improvement Plans (CIP) are used to plan for capital needs in each major fund area in order to sustain and improve infrastructure and operations within the financial capacity of the Town. \$60,000 is budgeted to set aside in the General Capital Reserve Fund for this year.

CIP budgeted expenditures this year are for the replacement of information technology hardware, \$2,970, and a police vehicle, \$40,000. Storm water maintenance is an ongoing focus for the Town and specific projects will be funded, as they are prioritized and emergent issues addressed when necessary. Swale drainage in the Channel Run area of the Town that was flooded from Hurricane Florence is included in a hazard mitigation project funded by public assistance and town funds.

Included in the governmental CIP is a detailed plan for keeping our information technology equipment up to date. We are operating in a cloud environment which means our servers are maintained at a remote site by our IT contractor, who also provides continually updated firewall protection against cyber-attacks. This cost effective approach enabled us to reduce the amount of CIP funding for IT hardware while providing us with the necessary disaster recovery capability and efficient public e-mail retention. Due to reductions in the costs of our remaining hardware, particularly for mobile data terminals used by the police department, we are able to fund keep our CIP funding to approximately \$2,000 per year.

The new Municipal Building is complete and was dedicated on July 16th. This building will provide office space for the professional needs of our police department and offer kitchen facilities and a large meeting area for community events as well as a command post for emergency operations. Town Hall renovations will address upgrading the restrooms to be ADA (Americans with Disabilities Act) compliant, replacing a failing sewer line, along with creating a new exterior entrance and lobby to the meeting hall and restrooms. These projects (\$1,305,900) are funded by General Fund and Capital Reserve fund balance.

Business-Type Activities. The adopted rate schedule reflects no rate changes in the Water Fund and Sewer Fund. The Water base rate was last increased \$3 per month for residential users on 04/09/2020. Using the professionally designed utility rate model, revenues are projected and the necessary expenditures identified to maintain the infrastructure, pay debt service, and attain the appropriate level of cash reserves to sustain the quality of services provided by our community water and wastewater systems. Debt service accounts for 26% and 21% of the total expenditures for the Water Fund and the Sewer Fund, respectively. Based upon the proposed expenditures and revenue projections, the cash balance in this utility is sufficient to respond to unknown conditions. At the end of the next four years, it is projected that Water Fund cash reserves will be 52% of expenditures. At the end of the next four years, it is projected that the Sewer Fund cash reserves will be at 77% of expenditures.

Water Capital Improvement Plan (CIP) annually budgeted funds remains at \$3,500 in this fiscal year. These funds support the vehicle replacement plan, well pump replacements, and all other planned or emergency cash-funded capital expenditures. The Water Fund has sufficient cash reserves to address these needs. CIP expenditures planned for the Water Fund this fiscal year include a corrosion prevention treatment project for the equipment in Well #3 (\$12,000), and purchase of a new vehicle, cost shared equally (\$11,000) with the Sewer Fund.

Management Discussion and Analysis

Town of River Bend

In the last quarter of fiscal year 2019-20 the Town was awarded a reimbursement-type grant in the amount of \$602,500 from the State of North Carolina. The grant will be used to purchase new radio-read water meters and associated equipment. This project was added to the Water Capital Improvement Plan in FY 2020.

Sewer Capital Improvement Plan (CIP) annually budgeted funds of \$63,000 support the vehicle replacement plan and all other planned or emergency cash-funded capital expenditures. In fiscal year 2021, the only planned purchase is the cost-shared new vehicle (\$11,000) for the enterprise funds.

The FY 2015 project in the sewer enterprise was a contract for the design and permitting for renovation and upgrades to the wastewater treatment plant to continue to serve residents who are currently served by the collection and treatment systems. No plans have been made to change the permitted capacity of the treatment plant; rather, the Council is attempting to remain proactive in their approach to maintaining the life of the plant and to be ready for changes in nutrient limits that may occur in the permit renewal process. The design and permitting phase of the project, costing \$210,000, resulted in the Town obtaining a construction permit from the State in January 2016 to allow us to renovate and upgrade the wastewater treatment plant. On October 11, 2018, we received notification that our approved NPDES discharge permit for the wastewater treatment plant includes no major changes from the application submitted. The Council will address further funding decisions each year during the budget process.

This budget reflects the Council's commitment to maintaining and improving this community and positioning it to be financially sound in the future.

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 Margaret Theis, Finance Administrator, 45 Shoreline Drive, River Bend, North Carolina 28562-8970 or finance@riverbendnc.org. Get to know us on the Town of River Bend's web site: www.riverbendnc.org.



BASIC FINANCIAL STATEMENTS



TOWN OF RIVER BEND, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,866,797	\$ 2,132,588	\$ 3,999,385
Taxes receivables (net)	12,403	-	12,403
Accounts receivable (net)	7,812	204,179	211,991
Prepaid items	199	-	199
Due from other governments	140,437	402	140,839
Total current assets	2,027,648	2,337,169	4,364,817
Noncurrent assets:			
Restricted cash and cash equivalents	311,180	20,805	331,985
Capital assets:			
Land and construction in progress	1,788,861	403,427	2,192,288
Other capital assets, net of depreciation	1,780,695	1,211,657	2,992,352
Total capital assets (net)	3,569,556	1,615,084	5,184,640
Total noncurrent assets	3,880,736	1,635,889	5,516,625
Total assets	5,908,384	3,973,058	9,881,442
DEFERRED OUTFLOWS OF RESOURCES			
Contributions to pension plan in current fiscal year - LGERS	69,360	19,722	89,082
Contributions to pension plan in current fiscal year - LEO	20,674	-	20,674
Pension deferrals	186,500	36,295	222,795
Deferred charge on refunding	-	62,498	62,498
Total deferred outflows of resources	276,534	118,515	395,049
LIABILITIES			
Current liabilities:			
Accounts payable	67,503	29,160	96,663
Accrued expenses	122	-	122
Unearned revenue - rents	2,112	-	2,112
Liabilities payable from restricted assets	-	20,805	20,805
Current portion of compensated absences	35,646	16,248	51,894
Current portion of long-term debt	-	246,144	246,144
Total current liabilities	105,383	312,357	417,740
Non-current liabilities:			
Non-current portion of compensated absences	6,291	5,416	11,707
Net pension liability - LGERS	287,422	87,807	375,229
Total pension liability - LEO	141,438	-	141,438
Non-current portion of long-term debt	-	1,481,870	1,481,870
Total long-term liabilities	435,151	1,575,093	2,010,244
Total liabilities	540,534	1,887,450	2,427,984
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	26,054	3,387	29,441
Deferred benefit payments and administrative expenses - LEO	25,887	-	25,887
Total deferred inflows of resources	51,941	3,387	55,328
NET POSITION			
Net investment in capital assets	3,569,556	(50,432)	3,519,124
Restricted for stabilization by State Statute	148,249	-	148,249
Restricted for Streets	-	-	-
Unrestricted	1,874,638	2,251,168	4,125,806
Total net position	\$ 5,592,443	\$ 2,200,736	\$ 7,793,179

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

TOWN OF RIVER BEND, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

					Net Revenue (Expense) and Changes in Net Position		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 781,056	\$ 33,399	\$ -	\$ -	\$ (747,657)	\$ -	\$ (747,657)
Public safety	636,538	383	1,042,743	-	406,588	-	406,588
Transportation	230,521	-	87,033	-	(143,488)	-	(143,488)
Environmental protection	62,457	7,984	-	-	(54,473)	-	(54,473)
Cultural and recreational	41,473	-	-	-	(41,473)	-	(41,473)
Total governmental activities	1,752,045	41,766	1,129,776	-	(580,503)	-	(580,503)
Business-type activities:							
Water fund	491,059	589,963	-	-	-	98,904	98,904
Sewer fund	528,940	721,420	-	-	-	192,480	192,480
Total business-type activities	1,019,999	1,311,383	-	-	-	291,384	291,384
Total primary government	\$ 2,772,044	\$ 1,353,149	\$ 1,129,776	\$ -	(580,503)	291,384	(289,119)
General revenues:							
Ad valorem taxes					747,969	-	747,969
Local option sales taxes					296,758	-	296,758
Franchise taxes					112,862	-	112,862
Other taxes and licenses					160,159	-	160,159
Interest earned on investments, unrestricted					37,711	24,374	62,085
Insurance settlements					1,090	-	1,090
Miscellaneous, unrestricted					16,758	-	16,758
Special item - gain on sale of capital assets					4,095	-	4,095
Total general revenues					1,377,402	24,374	1,401,776
Change in net position					796,899	315,758	1,112,657
Net position:							
Beginning of year - July 1					4,795,544	1,884,978	6,680,522
End of year - June 30					\$ 5,592,443	\$ 2,200,736	\$ 7,793,179

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

TOWN OF RIVER BEND, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>Major</u>		<u>Non-Major</u>	
	<u>General</u>	<u>BUS Capital</u>	<u>CDBG Project</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Projects</u>		<u>Funds</u>
ASSETS				
Cash and cash equivalents	\$ 1,381,895	\$ 485,749	\$ (847)	\$ 1,866,797
Restricted cash	311,180	-	-	311,180
Taxes receivables, net	12,403	-	-	12,403
Accounts receivables, net	7,812	-	-	7,812
Prepaid items	199	-	-	199
Due from other governments	140,437	-	-	140,437
Total assets	<u>\$ 1,853,926</u>	<u>\$ 485,749</u>	<u>\$ (847)</u>	<u>\$ 2,338,828</u>
LIABILITIES				
Accounts payable	\$ 54,292	\$ 13,211	\$ -	\$ 67,503
Accrued expenses	122	-	-	122
Unearned revenue - rents	2,112	-	-	2,112
Total liabilities	<u>56,526</u>	<u>13,211</u>	<u>-</u>	<u>69,737</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes receivable	12,403	-	-	12,403
FUND BALANCES				
Nonspendable - Prepaid items	199	-	-	199
Restricted for stabilization by State Statute	148,249	-	-	148,249
Restricted for Streets	-	-	-	-
Committed for general government capital outlay	135,087	-	-	135,087
Assigned	236,061	-	-	236,061
Unassigned	1,265,401	472,538	(847)	1,737,092
Total fund balances	<u>1,784,997</u>	<u>472,538</u>	<u>(847)</u>	<u>2,256,688</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,853,926</u>	<u>\$ 485,749</u>	<u>\$ (847)</u>	

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

Capital assets, net of accumulated depreciation, used in governmental activities are not current economic resources and, therefore, are not reported in the funds.	3,569,556
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position (Exhibit 1).	90,034
Earned revenues considered deferred inflows of resources in fund statements.	12,403
Long-term loan from the North Carolina Department of Recovery and Resiliency	-
Pension related deferrals	134,559
Net pension liability	(287,422)
Total pension liability	(141,438)
Other long-term liabilities (compensated absences) are not due and payable in the current period and therefore are not reported in the funds.	(41,937)
Net position of governmental activities per Exhibit 1	<u><u>\$ 5,592,443</u></u>

TOWN OF RIVER BEND, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Major</u>		<u>Non-Major</u>	
	<u>BUS Capital</u>			<u>Governmental</u>
	<u>General Fund</u>	<u>Projects</u>	<u>CDBG Project</u>	<u>Funds</u>
REVENUES				
Ad valorem taxes	\$ 740,181	\$ -	\$ -	\$ 740,181
Other taxes and licenses	387,149	-	-	387,149
Unrestricted intergovernmental	180,343	-	-	180,343
Restricted intergovernmental	1,132,063	-	-	1,132,063
Permits and fees	8,366	-	-	8,366
Sales and services	41,806	-	-	41,806
Investment earnings	28,105	9,606	-	37,711
Miscellaneous	8,351	-	-	8,351
Total revenues	<u>2,526,364</u>	<u>9,606</u>	<u>-</u>	<u>2,535,970</u>
EXPENDITURES				
Current:				
General government	547,925	26,927	-	574,852
Public safety	666,530	-	-	666,530
Transportation	203,988	-	-	203,988
Environmental protection	63,820	-	-	63,820
Cultural and recreational	34,010	-	847	34,857
Capital outlay	195,029	816,041	-	1,011,070
NCORR loan principal reduction	949,846	-	-	949,846
Total expenditures	<u>2,661,148</u>	<u>842,968</u>	<u>847</u>	<u>3,504,963</u>
Revenues over (under) expenditures	(134,784)	(833,362)	(847)	(968,993)
OTHER FINANCING SOURCES (USES)				
Transfer (to) from other funds	(1,305,900)	1,305,900	-	-
Insurance settlement	1,090	-	-	1,090
Sale of capital assets	5,050	-	-	5,050
Total other financing sources	<u>(1,299,760)</u>	<u>1,305,900</u>	<u>-</u>	<u>6,140</u>
Revenues and other sources over expenditures and other uses	(1,434,544)	472,538	(847)	(962,853)
Fund balances, beginning	<u>3,219,541</u>	<u>-</u>	<u>-</u>	<u>3,219,541</u>
Fund balances, ending	<u>\$ 1,784,997</u>	<u>\$ 472,538</u>	<u>\$ (847)</u>	<u>\$ 2,256,688</u>

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

TOWN OF RIVER BEND, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2020

Amounts reported for governmental activities in the Statement of Activities (Exhibit 2)
are different because:

Net changes in fund balances - total governmental funds	\$ (962,853)
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Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	1,011,070
--	-----------

Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	<u>(159,926)</u>
--	------------------

This is the amount by which capital outlays exceeded depreciation in the current period.	851,144
--	---------

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities (Exhibit 2).	90,034
--	--------

Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities (Exhibit 2).	8,461
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Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.	
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Change in deferred inflows for tax revenues	7,789
---	-------

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal of long-term debt
consumes the current financial resources of governmental funds. Neither
transaction has any effect on net position. This amount is the net effect of
these differences in the treatment of long-term debt and related items.

New long-term debt issued	-	
Principal payments on long-term debt - NCORR Loan	<u>949,846</u>	949,846

Some expenses reported in the Statement of Activities (Exhibit 2) do not require the use of
current financial resources and therefore are not reported as expenditures
in the governmental funds statement.

Compensated absences	1,023
Pension expense	<u>(148,545)</u>

Change in net position of governmental activities, per Exhibit 2	<u><u>\$ 796,899</u></u>
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The notes to the financial statements are an integral part of this statement.

TOWN OF RIVER BEND, NORTH CAROLINA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over/Under
REVENUES				
Ad valorem taxes	\$ 721,287	\$ 721,287	\$ 740,181	\$ 18,894
Other taxes and licenses	457,735	457,735	387,149	(70,586)
Unrestricted intergovernmental	189,000	189,000	180,343	(8,657)
Restricted intergovernmental	178,022	1,231,983	1,132,063	(99,920)
Permits and fees	7,900	7,900	8,366	466
Sales and services	37,320	37,320	41,806	4,486
Investment earnings	39,728	23,128	24,453	1,325
Miscellaneous	8,000	8,000	8,351	351
Total revenues	<u>1,638,992</u>	<u>2,676,353</u>	<u>2,522,712</u>	<u>(153,641)</u>
EXPENDITURES				
General government	573,211	681,534	547,925	133,609
Public safety	606,967	742,439	666,530	75,909
Transportation	242,565	218,565	203,988	14,577
Environmental protection	93,491	214,073	63,820	150,253
Cultural and recreational	53,360	53,360	34,010	19,350
Capital Outlay	141,500	194,533	195,029	(496)
NCORR loan principal reduction	-	-	949,846	(949,846)
Total expenditures	<u>1,711,094</u>	<u>2,104,504</u>	<u>2,661,148</u>	<u>(556,644)</u>
Revenues over (under) expenditures	<u>(72,102)</u>	<u>571,849</u>	<u>(138,436)</u>	<u>(710,285)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	5,800	48,300	48,300	-
Transfers to other funds	(13,500)	(1,053,600)	(1,053,600)	-
Sale of capital assets	-	-	5,050	5,050
Insurance settlement	-	-	1,090	1,090
Contingency	(16,309)	(11,509)	-	11,509
Appropriated fund balance	<u>96,111</u>	<u>444,960</u>	<u>-</u>	<u>(444,960)</u>
Total other financing sources (uses)	<u>72,102</u>	<u>(571,849)</u>	<u>(999,160)</u>	<u>(427,311)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,137,596)</u>	<u>\$ (1,137,596)</u>
Fund balances, beginning			<u>2,787,506</u>	
Fund balances, ending			<u>\$ 1,649,910</u>	

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

TOWN OF RIVER BEND, NORTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	Major Enterprise Funds		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,078,252	\$ 1,054,336	\$ 2,132,588
Accounts receivable, net	100,020	104,159	204,179
Due from other governments	454	(52)	402
Prepaid items	-	-	-
Total current assets	<u>1,178,726</u>	<u>1,158,443</u>	<u>2,337,169</u>
Noncurrent assets:			
Restricted cash and cash equivalents	8,250	12,555	20,805
Capital assets:			
Land and construction in progress	118,171	285,256	403,427
Other capital assets, net of depreciation	<u>602,339</u>	<u>609,318</u>	<u>1,211,657</u>
Total capital assets, net	<u>720,510</u>	<u>894,574</u>	<u>1,615,084</u>
Total noncurrent assets	<u>728,760</u>	<u>907,129</u>	<u>1,635,889</u>
Total assets	<u>1,907,486</u>	<u>2,065,572</u>	<u>3,973,058</u>
DEFERRED OUTFLOWS OF RESOURCES			
Contributions to pension plan in current fiscal year	9,327	10,395	19,722
Pension deferrals	17,148	19,147	36,295
Deferred charge on refunding	<u>33,537</u>	<u>28,961</u>	<u>62,498</u>
Total deferred outflows of resources	<u>60,012</u>	<u>58,503</u>	<u>118,515</u>
LIABILITIES			
Current liabilities:			
Accounts payable	11,541	17,619	29,160
Liabilities payable from restricted assets	8,250	12,555	20,805
Compensated absences - current	7,953	8,295	16,248
Current portion of long-term debt	<u>132,085</u>	<u>114,059</u>	<u>246,144</u>
Total current liabilities	<u>159,829</u>	<u>152,528</u>	<u>312,357</u>
Non-current liabilities:			
Other noncurrent liabilities:			
Compensated absences	2,651	2,765	5,416
Net pension liability	41,513	46,294	87,807
Long-term debt	<u>795,146</u>	<u>686,724</u>	<u>1,481,870</u>
Total noncurrent liabilities	<u>839,310</u>	<u>735,783</u>	<u>1,575,093</u>
Total liabilities	<u>999,139</u>	<u>888,311</u>	<u>1,887,450</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	<u>1,600</u>	<u>1,787</u>	<u>3,387</u>
Total deferred inflows of resources	<u>1,600</u>	<u>1,787</u>	<u>3,387</u>
NET POSITION			
Net investment in capital assets	(173,184)	122,752	(50,432)
Unrestricted	<u>1,139,943</u>	<u>1,111,225</u>	<u>2,251,168</u>
Total net position	<u>\$ 966,759</u>	<u>\$ 1,233,977</u>	<u>\$ 2,200,736</u>

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

TOWN OF RIVER BEND, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	Major Enterprise Funds		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 429,870	\$ 589,699	\$ 1,019,569
Water and sewer taps	1,850	-	1,850
Other operating revenues	158,243	131,721	289,964
Total operating revenues	<u>589,963</u>	<u>721,420</u>	<u>1,311,383</u>
OPERATING EXPENSES			
Administration	273,483	287,111	560,594
Operations	85,323	122,939	208,262
Depreciation and amortization	107,113	97,180	204,293
Total operating expenses	<u>465,919</u>	<u>507,230</u>	<u>973,149</u>
Operating income (loss)	<u>124,044</u>	<u>214,190</u>	<u>338,234</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	12,971	11,403	24,374
Interest and other charges	(25,140)	(21,710)	(46,850)
Other non-operating revenues (expenses)	-	-	-
Total nonoperating revenue (expenses)	<u>(12,169)</u>	<u>(10,307)</u>	<u>(22,476)</u>
Income (loss) before contributions and transfers	111,875	203,883	315,758
Transfers to other funds	-	-	-
Total income (loss) after contributions and transfers	<u>111,875</u>	<u>203,883</u>	<u>315,758</u>
CHANGE IN NET POSITION	111,875	203,883	315,758
Total net position, beginning	<u>854,884</u>	<u>1,030,094</u>	<u>1,884,978</u>
Total net position, ending	<u>\$ 966,759</u>	<u>\$ 1,233,977</u>	<u>\$ 2,200,736</u>

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

TOWN OF RIVER BEND, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Major Enterprise Funds		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 412,272	\$ 578,850	\$ 991,122
Cash paid for goods and services	(205,630)	(253,695)	(459,325)
Cash paid to or on behalf of employees for services	(140,869)	(156,749)	(297,618)
Net customer deposits	1,643	3,467	5,110
Other operating revenues	158,243	131,721	289,964
Net cash provided (used) by operating activities	<u>225,659</u>	<u>303,594</u>	<u>529,253</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(8,367)	(32,629)	(40,996)
Principal paid on long-term debt	(120,739)	(104,261)	(225,000)
Interest and other costs paid on long-term debt	(25,140)	(21,711)	(46,851)
Net cash provided (used) by capital and related financing activities	<u>(154,246)</u>	<u>(158,601)</u>	<u>(312,847)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received	<u>12,971</u>	<u>11,403</u>	<u>24,374</u>
Net increase (decrease) in cash and cash equivalents	84,384	156,396	240,780
Balances, beginning	<u>1,002,118</u>	<u>910,495</u>	<u>1,912,613</u>
Balances, ending	<u>\$ 1,086,502</u>	<u>\$ 1,066,891</u>	<u>\$ 2,153,393</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income	<u>\$ 124,044</u>	<u>\$ 214,190</u>	<u>\$ 338,234</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	108,302	98,206	206,508
Amortization	(1,189)	(1,026)	(2,215)
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(19,448)	(10,849)	(30,297)
Decrease in deferred outflows of resources - pensions	467	520	987
(Decrease) in net pension liability	8,163	9,078	17,241
Increase (decrease) in deferred inflows of resources - pensions	(780)	(868)	(1,648)
Increase (decrease) in accounts payable	5,604	(7,956)	(2,352)
Increase (decrease) in customer deposits	1,643	3,467	5,110
Increase (decrease) in compensated absences	(1,147)	(1,168)	(2,315)
Total Adjustments	<u>101,615</u>	<u>89,404</u>	<u>191,019</u>
Net cash provided by operating activities	<u>\$ 225,659</u>	<u>\$ 303,594</u>	<u>\$ 529,253</u>
Noncash investing, capital, and financing activities:			
Net amortization of bond premium and deferred charges on refunding	<u>\$ 1,189</u>	<u>\$ 1,026</u>	<u>\$ 2,215</u>

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



NOTES TO THE FINANCIAL STATEMENTS

These notes are intended to communicate information necessary for a fair presentation of financial position and results of operations that are not readily apparent from or cannot be included in the financial statements themselves. The notes supplement the financial statements, are an integral part thereof, and are intended to be read in conjunction with the financial statements.



TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - Summary of Significant Accounting Policies

The accounting policies of the Town of River Bend, North Carolina (the Town) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town is a municipal corporation governed by an elected Mayor and five-members of the Town Council with a Manager-Council form of government. As required by generally accepted accounting principles, these financial statements present the Town.

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, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental and business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include: 1) fees and charges paid by the recipients of goods or services offered by the programs and 2) 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 nonmajor funds.

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

The Town reports the following major governmental fund:

General Fund. The General Fund is the primary operating fund of the Town. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Capital Reserve Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it is consolidated in the General Fund.

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

The Town reports the following major enterprise funds:

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

Sewer Fund. This fund is used to account for the Town's sewer operations.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and 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, entitlements, 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, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds 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 enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes 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. As of September 1, 2013, State law altered procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Town, are recognized as revenue. Sales taxes are considered a shared revenue for the Town of River Bend because the tax is levied by Craven 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 by general revenues.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas where estimates are made are the allowances for doubtful accounts and asset depreciation lives.

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, the Capital Reserve Fund, the enterprise funds and their respective capital reserve funds. All annual appropriations lapse at the fiscal year-end.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the department level for all annually budgeted funds. The Budget Officer is authorized to reallocate any appropriations within departments, to execute inter-fund and interdepartmental transfers in emergency situations, and to execute interdepartmental transfers in the same fund, including contingency appropriations, not to exceed \$5,000. Notification of such transfers shall be made to the Town Council at its next meeting following the transfer. Any revisions that alter total expenditures of any fund must be approved by the governing board. During the year, ten amendments to the original budget were necessary.

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, Deferred Inflows and Outflows 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 G.S. 159-31. The Town may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town may establish time deposit accounts such as NOW and SuperNow accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT-Term Portfolio is bond fund, has no rating and is measured at fair value. As of June 30, 2020, The Term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

The Town pools monies from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered 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. Restricted cash and cash equivalents at June 30, 2020 for water and sewer utility customer deposits were \$20,805. The Town also maintains a Capital Reserve Fund that is consolidated with the General Fund. The money held in the Capital Reserve Fund is presented as restricted cash in the General Fund. The money held in the General Fund received from the NCDORR Recovery Grant is presented as restricted cash. Restricted cash and cash equivalents at June 30, 2020 for the General Fund was \$311,180.

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 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2018.

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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. Prepaid Items

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.

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Minimum capitalization cost for the Town's assets are \$5,000. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical 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 of the Town are depreciated on the straight-line basis over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings and systems	30 years
Maintenance and construction equipment	5 years
Furniture and office equipment	5 years
Medium and heavy motor vehicles	5 years
Automobiles and light trucks	5 years
Computer software and equipment	5 years

8. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow 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 three items that meets this criterion - contributions made to the pension plan in the current fiscal year, deferrals of pension expense that result from the implementation of GASB Statement 68, and a deferred charge on refunding of bonds that would have previously been classified as an asset.

In addition to liabilities, the Statement of Net Position can also 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.

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - Summary of Significant Accounting Policies (continued)

Deferred Outflows/Inflows of Resources (continued)

The Town has two items that meet the criterion for this category - property taxes receivable and deferrals of pension expense that result from the implementation of GASB Statement 68.

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 on the Statement of Net Position.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources.

10. Compensated Absences

The vacation policies of the Town provide for the accumulation of up to 30 days of earned vacation leave, with such leave being fully vested when earned. For the Town's government-wide presentation, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

Prepaid Items - portion of fund balance that is not an available resource, because it represents the year-end balance of prepaid items, which are not spendable resources. Amount prepaid at June 30, 2020 was \$199.

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - Summary of Significant Accounting Policies (continued)

Fund Balances (continued)

Restricted Fund Balance: This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State Statute (RSS) – represents the portion of fund balance that is restricted by State statute [G.S.159-8(a)]. Amount restricted at June 30, 2020 was \$148,249.

North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. *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.* The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. RSS is calculated at the end of each fiscal year for all annually budgeted funds. Per GASB guidance, RSS is considered a resource upon which a restriction is “imposed by law through constitutional provisions or enabling legislation.”

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 the total unexpended Powell Bill funds.

Committed Fund Balance: This classification represents the portion of fund balance that can only be used for specific purposes imposed by majority vote of the Town of River Bend's Town Council (highest level of decision-making authority). The Town Council can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Any changes or removal of specific purpose requires majority vote by the members of the Town Council and through the adoption of an ordinance.

Committed for General Government Capital Outlay – portion of fund balance that has been set aside for future capital outlay by the members of the Town Council. At June 30, 2020, commitment for capital outlay was \$135,087.

Assigned Fund Balance: Assigned fund balance is the portion of fund balance that the Town Council has budgeted to use for specific purposes. The Town Council has the authority to assign fund balance through a majority vote.

Subsequent year's expenditures – A portion of fund balance is appropriated in the FY 2020-21 budget to balance the budget, \$224,262.

Law Enforcement Separation Allowance – portion of fund balance that is appropriated for the cash that was previously held in the Law Enforcement Separation Allowance Fund. At June 30, 2020, assigned fund balance for this purpose was \$11,799.

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

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - Summary of Significant Accounting Policies (continued)

Fund Balances (continued)

The Town has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Department, as directed by the Finance Officer, will use resources in the following hierarchy as appropriate: bond proceeds, federal funds, State funds, local non-Town funds, and Town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

The Town has adopted a formal fund balance policy. The Town's target goal for the General Fund unassigned fund balance shall be no less than 50% of the actual expenditures of the then completed fiscal year. These funds will be utilized to avoid cash flow interruptions, generate interest income, eliminate the need for short-term borrowing, and maintain the Town's credit ratings. The fund balance may be purposefully drawn down below the target percentage for emergencies, economic influences, non-recurring expenditures, or major capital projects.

If the fund balance falls below the target percentage for two consecutive years, the Town will replenish funds by direct appropriation in the next budget developed for the fiscal year after the occurrence is known. In that instance, the Town will annually appropriate 25% of the difference between the target percentage level and the actual balance until the target level is met. In the event appropriating 25% is not feasible, the Town will appropriate a lesser amount and shall reaffirm by Council resolution its commitment to fully replenish the fund balance over a longer period of time.

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

Total fund balance - General Fund	\$ 1,784,997
Less:	
Stabilization by State statute	148,249
Streets	-
Prepaid	199
General Government Capital Reserve Fund	135,087
LEO Separation Allowance	11,799
FY 2020-21 Fund Balance Appropriated	224,262
Remaining available fund balance	<u>\$ 1,265,401</u>

The remaining available fund balance is 47.55% of the actual expenditures for the fiscal year (\$2,661,148), which is slightly below the adopted Fund Balance policy. Included in these expenditures is the NCORR loan balance (\$949,846) paid back this year with FEMA public assistance funds. The Council purposefully transferred \$1,315,900 of fund balance to the BUS Capital Project Fund for construction of a municipal building. Fund balance will be addressed as usual in future budget development sessions.

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - Summary of Significant Accounting Policies (continued)

Fund Balances (continued)

Reconciliation of the General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Exhibit 6) to the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit 4)

The Capital Reserve Fund is a legally budgeted fund that is consolidated into the General Fund for fund balance reporting purposes under the requirements of GASB Statement No. 54,

Fund Balance Reporting and Governmental Fund Type Definitions. Exhibit 6 presents only the General Fund and Exhibit 4 presents the General Fund and the Capital Reserve Fund consolidated as follows:

End of year (Exhibit 6) - June 30	\$ 1,649,910
Capital Reserve Fund:	
Revenues:	
Investment earnings	3,652
Expenditures:	
Transfers in - General Fund	-
Transfers out - General Fund	(300,600)
Fund balance:	
Beginning of year - July 1	<u>432,035</u>
End of year (Exhibit 4) - June 30	<u><u>\$ 1,784,997</u></u>

12. Pensions

For purposes of measuring the net pension asset, 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 River Bend's employer contributions are recognized when due and the Town of River Bend 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. Significant Violations of Finance-Related Legal and Contractual Provisions

1. Noncompliance with North Carolina General Statutes

None.

2. Contractual Violations

None.

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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

B. Deficit in Fund Balance or Net Position of Individual Funds

None.

C. Excess of Expenditures over Appropriations

None.

NOTE 3 - Detail Notes on All Funds

A. Assets

1. Deposits

All of the Town's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with the securities held by the Town's agent in the Town's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agent in its name.

The amount of the pledged collateral is based on an approved averaging method for noninterest 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 with 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, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2020, the Town's deposits had a carrying amount of \$243,696 and a bank balance of \$268,930. The Town only has deposits in institutions that collateralize under the Pooling Method. Of the bank balance, \$250,000 was covered by federal depository insurance and \$18,930 was covered by collateral held under the Pooling Method. The Town had petty cash of \$1,100 at June 30, 2020.

2. Investments

At June 30, 2020, the Town had \$4,086,563 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.

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 - Detail Notes on All Funds (continued)

3. Receivables – Allowances for Doubtful Accounts

Disaggregation information and allowance for doubtful accounts related to receivables reported at the government-wide level at June 30, 2020 were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Total</u>
Governmental Activities:			
General	\$ -	\$ 15,957	\$ 15,957
Wildwood storage receivables	6,980	-	6,980
Other receivables	7,000	-	7,000
Due from other governments	140,437	-	140,437
Allowance for doubtful accounts	(6,168)	(3,554)	(9,722)
Total governmental activities	<u>\$ 148,249</u>	<u>\$ 12,403</u>	<u>\$ 160,652</u>
Business-Type Activities:			
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Accounts	\$ 74,139	\$ 59,153	\$ 133,292
Unbilled receivables	79,087	102,084	181,171
Due from other governments	454	(52)	402
Allowance for doubtful accounts	(53,206)	(57,078)	(110,284)
Total business-type activities	<u>\$ 100,474</u>	<u>\$ 104,107</u>	<u>\$ 204,581</u>

Due from other governments consisted of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Local option sales tax	\$ 107,636	\$ -
Sales tax refund receivable	26,646	402
Due from Craven County	6,155	-
Total	<u>\$ 140,437</u>	<u>\$ 402</u>

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 - Detail Notes on All Funds (continued)

4. Capital Assets

Governmental Activities

Capital assets activity for the year ended June 30, 2020 was as follows:

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2020</u>
By Asset Type:				
Non-Depreciable Assets:				
Land	\$ 929,320	\$ -	\$ -	\$ 929,320
Construction in progress	43,500	816,041	-	859,541
Total non-depreciable assets	<u>972,820</u>	<u>816,041</u>	<u>-</u>	<u>1,788,861</u>
Depreciable Assets:				
Buildings and improvements	1,306,821	45,700	-	1,352,521
Equipment and vehicles	421,869	53,191	28,660	446,400
Infrastructure	<u>2,018,998</u>	<u>96,137</u>	<u>-</u>	<u>2,115,135</u>
Total depreciable assets	<u>3,747,688</u>	<u>195,028</u>	<u>28,660</u>	<u>3,914,056</u>
Less Accumulated Depreciation:				
Buildings and improvements	1,060,512	26,192	-	1,086,704
Equipment and vehicles	317,698	34,574	27,704	324,568
Infrastructure	<u>622,929</u>	<u>99,160</u>	<u>-</u>	<u>722,089</u>
Total accumulated depreciation	<u>2,001,139</u>	<u>\$ 159,926</u>	<u>\$ 27,704</u>	<u>2,133,361</u>
Depreciable capital assets, net	<u>1,746,549</u>			<u>1,780,695</u>
Total capital assets, net	<u>\$ 2,719,369</u>			<u>\$ 3,569,556</u>

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

Governmental Activities:

General government	\$ 103,952
Public safety	15,993
Transportation	31,985
Cultural and recreational	<u>7,996</u>
Total	<u>\$ 159,926</u>

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 - Detail Notes on All Funds (continued)

Capital Assets (continued)

Business-Type Activities

Capital assets activity for the Water Fund for the year ended June 30, 2020 was as follows:

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2020</u>
By Asset Type:				
Non-Depreciable Assets:				
Land	\$ 118,171	\$ -	\$ -	\$ 118,171
 Depreciable Assets:				
Plant and distribution system	3,157,810		-	3,157,810
Buildings and improvements	4,480	-	-	4,480
Furniture and equipment	143,973	8,367	-	152,340
Total depreciable assets	<u>3,306,263</u>	<u>8,367</u>	<u>-</u>	<u>3,314,630</u>
 Less Accumulated Depreciation:				
Plant and distribution system	2,472,712	103,112	-	2,575,824
Buildings and improvements	1,008	112	-	1,120
Furniture and equipment	130,269	5,078	-	135,347
Total accumulated depreciation	<u>2,603,989</u>	<u>\$ 108,302</u>	<u>\$ -</u>	<u>2,712,291</u>
Depreciable capital assets, net	<u>702,274</u>			<u>602,339</u>
Total Water capital assets, net	<u>\$ 820,445</u>			<u>\$ 720,510</u>

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 - Detail Notes on All Funds (continued)

Capital Assets (continued)

Capital assets activity for the Sewer Fund for the year ended June 30, 2020 was as follows:

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2020</u>
By Asset Type:				
Non-Depreciable Assets:				
Land	\$ 65,186	\$ -	\$ -	\$ 65,186
Construction in progress	<u>220,070</u>	<u>-</u>	<u>-</u>	<u>220,070</u>
Total non-depreciable assets	<u>285,256</u>	<u>-</u>	<u>-</u>	<u>285,256</u>
Depreciable Assets:				
Plant and collection system	2,642,806	-	-	2,642,806
Buildings and improvements	4,480	-	-	4,480
Furniture and equipment	<u>134,777</u>	<u>32,629</u>		<u>167,406</u>
Total depreciable assets	<u>2,782,063</u>	<u>32,629</u>	<u>-</u>	<u>2,814,692</u>
Less Accumulated Depreciation:				
Plant and distribution system	1,985,086	90,792		2,075,878
Buildings and improvements	1,008	112		1,120
Furniture and equipment	<u>121,074</u>	<u>7,302</u>		<u>128,376</u>
Total accumulated depreciation	<u>2,107,168</u>	<u>\$ 98,206</u>	<u>\$ -</u>	<u>2,205,374</u>
Depreciable capital assets, net	<u>674,895</u>			<u>609,318</u>
Total Sewer capital assets, net	<u>\$ 960,151</u>			<u>\$ 894,574</u>
Total business-type activities				
capital assets, net	<u>\$ 1,780,596</u>			<u>\$ 1,615,084</u>

Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2020 is composed of the following elements:

	<u>Governmental</u>	<u>Business-Type Activities</u>		
	<u>Activities</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
		<u>Fund</u>	<u>Fund</u>	
Capital assets	\$ 3,569,556	\$ 720,510	\$ 894,574	\$ 5,184,640
Deferred outflows of resources- refunding	-	33,537	28,961	62,498
Less: Debt related to capital assets	<u>-</u>	<u>(927,231)</u>	<u>(800,783)</u>	<u>(1,728,014)</u>
Net investment in capital assets	<u>\$ 3,569,556</u>	<u>\$ (173,184)</u>	<u>\$ 122,752</u>	<u>\$ 3,519,124</u>

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 - Detail Notes on All Funds (continued)

B. Liabilities

1. Accounts Payable

Payables at the government-wide level at June 30, 2020, were as follows:

	<u>Vendors</u>
Governmental Activities:	
General	\$ 54,292
BUS Capital Projects	13,211
	<u>\$ 67,503</u>
 Business-type Activities:	
Water fund	\$ 11,541
Sewer fund	17,619
Total	<u>\$ 29,160</u>

2. Pension Plan and Other Post-Employment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Town 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 government entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454 or at www.osc.nc.gov.

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

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 - Detail Notes on All Funds (continued)

Local Governmental Employees' Retirement System (continued)

Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60.

Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of River Bend 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 River Bend's contractually required contribution rate for the year ended June 30, 2020, was 9.70% of compensation for law enforcement officers and 8.98% 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 River Bend were \$89,082 for the year ended June 30, 2020.

Refunds of Contributions – Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By State law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2020, the Town reported a liability of \$375,229 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 - Detail Notes on All Funds (continued)

Local Governmental Employees' Retirement System (continued)

to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the Town's proportion was 0.01374%, which was an increase of 0.00128% from its proportion measured as of June 30, 2019. For the year ended June 30, 2020, the Town recognized pension expense of \$165,666. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 64,249	\$ -
Changes of assumptions	61,156	-
Net difference between projected and actual earnings on pension plan investments	9,152	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	11,832	13,694
Town contributions subsequent to the measurement date	89,082	-
Total	<u>\$ 235,471</u>	<u>\$ 13,694</u>

\$89,082 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ 65,993
2021	18,405
2022	35,259
2023	13,038
2024	-
Thereafter	-
	<u>\$ 132,695</u>

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

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

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 - Detail Notes on All Funds (continued)

Local Governmental Employees' Retirement System (continued)

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

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 - Detail Notes on All Funds (continued)

Local Governmental Employees' Retirement System (continued)

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the net pension liability (asset)	\$ 858,217	\$ 375,229	\$ (26,232)

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

b. Law Enforcement Officers' Special Separation Allowance

1. Plan Description

The Town administers a public employee retirement system (the *Separation Allowance*). A single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service. 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.

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 - Detail Notes on All Funds (continued)

Law Enforcement Officers' Special Separation Allowance (continued)

The Separation Allowance covers all full-time Town law enforcement officers. At December 31, 2018, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Terminated plan members entitled to, but not yet receiving benefits	-
Active plan members	6
Total	<u>8</u>

2. Summary of Significant Accounting Policies

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

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

3. Actuarial Assumptions

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

Inflation	2.50 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount	3.26 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, 2018.

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

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 - Detail Notes on All Funds (continued)

Law Enforcement Officers' Special Separation Allowance (continued)

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. For the current year, the Town contributed \$20,674, or 6.5% of annual covered payroll. 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 \$23,092 as benefit came 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, 2020, the Town reported a total pension liability of \$141,438. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing procedures incorporating the actuarial assumption. For the year ended June 30, 2020 the Town recognized pension expense of \$18,746.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 70,590	\$ 14,465
Changes of assumptions	5,816	1,282
Town benefit and plan administrative expense made subsequent to the measurement date	20,674	-
Total	<u>\$ 97,080</u>	<u>\$ 15,747</u>

\$20,674 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Future amortization:

Year ended June 30:

2021	\$ 7,837
2022	12,120
2023	16,959
2024	16,659
2025	6,784
Thereafter	-
	<u>\$ 60,359</u>

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 - Detail Notes on All Funds (continued)

Law Enforcement Officers' Special Separation Allowance (continued)

\$23,092 paid as benefits came due subsequent to the measurement date are reported as deferred outflows of resources.

Sensitivity of the Town's total pension liability to changes in the discount rate. The following presents the Town's total pension liability calculated using the discount rate of 3.26 percent, as well as the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Town's proportionate share of the net pension liability (asset)	\$ 155,248	\$ 141,438	\$ 128,775

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

	2020
Beginning balance	\$ 64,083
Service cost	6,956
Interest on the total pension liability	1,912
Changes of benefit terms	-
Difference between expected and actuarial experience	86,633
Changes of assumptions and other inputs	4,946
Benefit payments	(23,092)
Other	-
Ending balance of the total pension liability	<u>\$ 141,438</u>

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

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

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 - Detail Notes on All Funds (continued)

Law Enforcement Officers' Special Separation Allowance (continued)

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

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

	LGERS	LEOSSA	Total
Pension Expense	\$ 165,666	\$ 18,746	\$ 184,412
Pension Liability	375,229	141,438	516,667
Proportionate share of the net pension liability	0.01246%	N/A	
Deferred Outflows of Resources			
Differences between expected and actual experience	64,249	70,590	134,839
Changes of assumptions	61,156	5,816	66,972
Net difference between projected and actual earnings on plan investments	9,152	-	9,152
Changes in proportion and differences between contributions and proportionate share of contributions	11,832	-	11,832
Benefit payments and administrative costs paid subsequent to the measurement date	89,082	20,674	109,756
Deferred Inflows of Resources			
Differences between expected and actual experience	-	14,465	14,465
Changes of assumptions	-	1,282	1,282
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	13,694	-	13,694

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401 (k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 - Detail Notes on All Funds (continued)

Supplemental Retirement Income Plan for Law Enforcement Officers (continued)

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. Also, the law enforcement officers may make voluntary contributions to the Plan.

The Town made contributions of \$15,047 for the reporting year. No amounts were forfeited.

3. Other Employment Benefits

The Town has elected to provide death benefits to law enforcement 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 will be a minimum of \$25,000 and will not exceed \$50,000. 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.

For the fiscal year ended June 30, 2020, the Town made contributions to the State for death benefits of \$1,358. The Town's required contributions for law enforcement officers represented 0.14% of covered payroll.

The Town provides full-time employees with group-term life insurance in the amount of 1.5 times the employee's base salary rounded up to the nearest \$1,000. Internal Revenue Service (IRS) regulations dictate that the cost of group-term life insurance provided to an employee by his employer for coverage that exceeds \$50,000, which includes the LGERS death benefits, is taxable to the employee as a fringe benefit. The cost of the excess coverage also is included in the taxable wages for Social Security and FICA calculation purposes.

4. Deferred Compensation Plans

The Town also offers, to employees not engaged in law enforcement, a deferred compensation plan created in accordance with Internal Revenue Code Section 401 (k). Employee participation is discretionary and is limited to the amount allowable under the Internal Revenue Code. For each qualified employee, the Town contributes 5% of the employee's pre-tax annual compensation to the Plan. Contributions for the year ended June 30, 2020 were \$48,494, which consisted of \$33,447 from the Town and \$15,047 from the employees. A separate report was not issued for the Plan because the required contributions are considered immaterial to the financial statements.

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 - Detail Notes on All Funds (continued)

5. Deferred Outflows/Inflows of Resources and Unavailable Revenues

The amount of deferred outflows of resources is an unamortized deferred charge on refunding for the Water and Sewer Funds' bond refunded in fiscal year 2013. The amount on the government-wide and fund financial statement is \$62,498. The second item included in deferred outflows of resources is contributions to the pension plan in the current fiscal year and totals \$109,756. The final item included in deferred outflows of resources is pension deferrals and totals \$222,795. Of that amount \$76,406 are benefit payments made for the LEOSSA subsequent to the measurement date. The remaining \$146,389 are pension deferrals related to LGERS.

The balance in deferred inflows of resources (unavailable revenue) on the fund financial statement and unavailable revenue on the government-wide statement at year-end is composed of the following elements:

Taxes receivable, net (General Fund)	\$ 12,403
Pension deferrals	\$ 55,328

6. 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 purchases commercial coverage from a private insurer. Through this coverage, the Town obtains general liability of \$3 million, excess liability coverage of \$2 million, auto liability of \$1 million per occurrence, and blanket property damage coverage for replacement cost up to \$8.1 million per year. Workers' compensation coverage up to the statutory limits is provided by a private insurer.

As the Town does not have structures within an area required by FEMA to carry flood insurance, the Town has elected not to carry flood insurance. The exception to this now are the two buildings (Public Works and the Water Fund Lab) that flooded during Hurricane Florence; we received FEMA funding for repairs and subsequently purchased flood insurance for those structures.

The Finance Officer and Tax Collector are individually bonded for \$60,000 and \$10,000, respectively.

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.

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 - Detail Notes on All Funds (continued)

7. Long-Term Obligations

a. General Obligation Indebtedness - Enterprise Funds

The Town's Water Fund and Sewer Fund issued general obligation bonds in 1995 to provide funds for the purchase of the water and sewer systems from a private company, Carolina Water Service. The remainder of the bond amount was used in 1999 for sewer upgrades and to extend water lines and install hydrants to afford fire protection throughout the Town. The 2004 bond refunding resulted in a savings of \$2,484,429 and shortened the length of the original general obligation debt by twelve years. The bonds were refunded once again in 2013, which resulted in another savings of \$274,678. The terms of the new debt remains unchanged from the 2004 Series, with maturity in 2027. These bonds, which are recorded in the Water and Sewer Funds, are collateralized by the full faith, credit, and taxing power of the Town. Principal and interest payments are appropriated when due.

The Town's general obligation bonds payable at June 30, 2020 are comprised of the following:

Serviced by the Water Fund:

\$1,588,336 General Obligation Refunding Bonds-Series 2013, due on June 1 in installments beginning June 1, 2014 through June 1, 2027; interest varying from 2% to 3%

\$885,370

Serviced by the Sewer Fund:

\$1,371,664 General Obligation Refunding Bonds-Series 2013, due on June 1 in installments beginning June 1, 2014 through June 1, 2027; interest varying from 2% to 3%

\$764,630

Annual debt service requirements to maturity for the general obligation bonds are as follows:

Year Ending June 30	Serviced by the Water Fund			Serviced by the Sewer Fund		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 126,105	\$ 22,726	\$ 148,831	\$ 108,895	\$ 19,624	\$ 128,519
2022	128,788	20,204	148,992	111,212	17,446	128,658
2023	128,788	17,628	146,416	111,212	15,222	126,434
2024	126,105	15,052	141,157	108,895	12,998	121,893
2025	123,422	11,269	134,691	106,578	9,731	116,309
2026-2027	252,162	11,349	263,511	217,838	9,801	227,639
Total	<u>\$ 885,370</u>	<u>\$ 98,228</u>	<u>\$ 983,598</u>	<u>\$ 764,630</u>	<u>\$ 84,822</u>	<u>\$ 849,452</u>

b. Statutory Debt Limitation

The Town is subject to the Municipal Finance Law of North Carolina which limits the amount of net bonded debt (exclusive of revenue and special assessment bonds). The Town may have outstanding to 8% of the appraised value of property subject to taxation. At June 30, 2020, the Town's legal debt margin was approximately \$22,200,000.

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 - Detail Notes on All Funds (continued)

c. Deferred Bond Refunding Charges/Premium

The Town had \$125,000 unamortized bond refunding charges and \$156,022 premium from the 2013 advanced refunding issue. The unamortized bond refunding charges are reported as a deferred outflow of resources on the Statement of Net Position, and the advanced refunding is including in long-term debt. At June 30, 2020, the remaining unamortized balances for the refunding charge and premium were \$62,498 and \$78,014, respectively.

d. Indebtedness - Governmental Fund

On March 6, 2019 the Town entered into a direct borrowing for a \$1,000,000 interest free loan from the North Carolina Office of Recovery and Resiliency for hurricane relief. The loan will be paid off as expenses are approved and refunded by the Federal Emergency Management Agency. The Town paid off the remaining balance of \$949,846 during the year.

e. Changes in Long-Term Liabilities

The following is a summary of changes in the Town's governmental activities long-term debt:

	Balance			Balance	Current
	July 01, 2019	Increases	Decreases	June 30, 2020	Portion
Direct placement NCORR	\$ 949,846	\$ -	\$ 949,846	\$ -	\$ -
Compensated absences	42,960	-	1,023	41,937	35,646
Net pension liability (LGERS)	225,027	62,395	-	287,422	-
Total pension liability (LEO)	<u>64,083</u>	<u>77,355</u>	<u>-</u>	<u>141,438</u>	<u>-</u>
Total governmental activities	<u>\$ 1,281,916</u>	<u>\$ 139,750</u>	<u>\$ 950,869</u>	<u>\$ 470,797</u>	<u>\$ 35,646</u>

The following is a summary of changes in the Town's business-type activities long-term debt:

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Balance			Balance	Current
	July 01, 2019	Increases	Decreases	June 30, 2020	Portion
Direct placement general obligation bonds	\$ 1,006,109	\$ -	\$ 120,739	\$ 885,370	\$ 126,105
Unamortized premium on bonds	47,841	-	5,980	41,861	5,980
Compensated absences	11,751	-	1,147	10,604	7,953
Net pension liability (LGERS)	<u>33,351</u>	<u>8,162</u>	<u>-</u>	<u>41,513</u>	<u>-</u>
Total Water Fund	<u>1,099,052</u>	<u>8,162</u>	<u>127,866</u>	<u>979,348</u>	<u>140,038</u>
Direct placement general obligation bonds	868,891	-	104,261	764,630	108,895
Unamortized premium on bonds	41,317	-	5,164	36,153	5,164
Compensated absences	12,228	-	1,168	11,060	8,295
Net pension liability (LGERS)	<u>37,216</u>	<u>9,078</u>	<u>-</u>	<u>46,294</u>	<u>-</u>
Total Sewer Fund	<u>959,652</u>	<u>9,078</u>	<u>110,593</u>	<u>858,137</u>	<u>122,354</u>
Total Business-Type Activities	<u>\$ 2,058,704</u>	<u>\$ 17,240</u>	<u>\$ 238,459</u>	<u>\$ 1,837,485</u>	<u>\$ 262,392</u>

NOTE 3 - Detail Notes on All Funds (continued)

Changes in Long-Term Liabilities (continued)

Compensated absences and pension obligations typically have been liquidated in the General Fund. Compensated absences are accounted for on a FIFO (first-in, first-out) basis.

NOTE 4 - 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 moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

NOTE 5 - Reimbursement of General Fund Expenditures

The Town's Water Fund and Sewer Fund receive the benefit of administrative services and other employees paid for by the General Fund. For the year ended June 30, 2019, the Water Fund and the Sewer Fund each reimbursed the General Fund \$92,424 in accordance with the Town's indirect cost plan. The reimbursement was reported as expenses in the Water Fund and Sewer Fund and as a reduction of expenditures in the General Fund.

The Town's General Fund receives the benefit of the Water Fund and the Sewer Fund employees. For the year ended June 30, 2020, the General Fund reimbursed the Water Fund and the Sewer Fund \$36,608 each, in accordance with the Town's indirect cost plan. The reimbursement was reported as expenditures in the General Fund and as a reduction of expenses in the Water Fund and the Sewer Fund.

TOWN OF RIVER BEND, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 6 - COVID-19 Contingencies

During the year ended June 30, 2020, the COVID-19 outbreak in the United States caused business disruption through mandated and voluntary closings. The extent of the impact of COVID-19 on operational and financial performance will depend on certain developments and cannot be reasonably predicted and estimated at this time. The COVID-19 outbreak is ongoing as of June 30, 2020, and additional impact on operational and financial performance may occur.

NOTE 7 - Subsequent Events

The Town has evaluated events from the date of the balance sheet through the date the report is available to be issued which is the date of the independent auditors' report. The Town has not evaluated subsequent events after that date. There were no subsequent events during this period that require disclosure.

NOTE 8 – Continuing Obligations

The Town entered into a contract with K.A. Jones and Design Management for mowing, landscaping, and leaf and limb pick up services. The contract agrees that the Town will pay \$7,100 annually for landscaping and \$20,200 annually for mowing services until June 30, 2020. Leaf & limb pick up is paid by the ton and six pick-ups are scheduled in the fiscal year; \$35,150 was budgeted for this contract.

The Town entered into a contract with Cintas Corporation for uniform services. The contract agrees that the Town will pay an average cost of \$8,000 per year until May 1, 2020, then month-to-month renewal.

The Town entered into a contract with 100 Business Plaza, LLC for office space for the Police Department. The contract agrees that the Town will pay \$800 per month until June 30, 2020 with an option for month-to-month renewal, as needed.

The Town has several contracts with VC3, Inc. for IT services:

1. A 60-month contract effective August 1, 2019 with VC3, Inc. for cloud based Virtual Office services and security. The Town agrees to pay approximately \$45,000 per year.
2. Voice solutions for \$5,000 per year until January 31, 2023.
3. Website support and hosting for \$7,440 per year until March 31, 2024.

NOTE 9 – Transfers

The General Fund transferred \$1,040,100 to the BUS Capital Projects Fund, and the Capital Reserve Fund transferred \$265,800 to the BUS Capital Projects Fund. The Capital Reserve Fund transferred \$34,800 to the General Fund. These funds were allocated for capital projects and acquisitions.



REQUIRED SUPPLEMENTAL INFORMATION

This section contains additional information required by generally accepted accounting principles. Presentation conforms to requirements of Local Government Commission in North Carolina.

Schedule of Proportionate Share of Net Pension Liability (Asset) for Local Government Employees' Retirement System

Schedule of Contributions to Local Government Employees' Retirement System

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

Schedule of Changes in Total Pension Liability as a Percentage of Covered Payroll for the Law Enforcement Officers' Special Separation Allowance



TOWN OF RIVER BEND, NORTH CAROLINA

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTAL INFORMATION
LAST SEVEN FISCAL YEARS*

LOCAL GOVERNMENT EMPLOYEE'S RETIREMENT SYSTEM

	2020	2019	2018	2017	2016	2015	2014
River Bend's proportion of the net pension liability (asset) (%)	0.01374%	0.01246%	0.01447%	0.01430%	0.01268%	0.01409%	0.01280%
River Bend's proportion of the net pension liability (asset) (\$)	\$ 375,229	\$ 295,594	\$ 221,062	\$ 303,494	\$ 56,906	\$ (83,096)	\$ 154,289
River Bend's covered payroll	\$ 908,407	\$ 783,565	\$ 798,855	\$ 810,291	\$ 803,165	\$ 777,738	\$ 742,978
§ River Bend's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	41.31%	37.72%	27.67%	37.45%	7.09%	(10.68%)	20.77%
Plan fiduciary net position as a percentage of the total pension liability	90.86%	94.18%	94.18%	91.47%	98.09%	102.64%	94.35%

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

Notes to schedule:

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

Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period the following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Rate</u>
2020	7.00%
2019	7.00%
2018	7.20%
2017	7.25%
2016	7.25%
2015	7.25%
2014	7.25%

TOWN OF RIVER BEND, NORTH CAROLINA**SCHEDULE OF TOWN OF RIVER BEND CONTRIBUTIONS
REQUIRED SUPPLEMENTAL INFORMATION
LAST SEVEN FISCAL YEARS****LOCAL GOVERNMENT EMPLOYEE'S RETIREMENT SYSTEM**

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 89,082	\$ 72,671	\$ 60,527	\$ 59,842	\$ 55,392	\$ 57,802	\$ 55,585
Contributions in relation to the contractually required contribution	89,082	72,671	60,527	59,842	55,392	57,802	55,585
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
River Bend's covered payroll	\$ 970,111	\$ 908,407	\$ 783,565	\$ 798,855	\$ 810,291	\$ 803,165	\$ 777,738
Contributions as a percentage of covered payroll	9.18%	8.00%	7.72%	7.49%	6.84%	7.20%	7.15%

Notes to schedule:

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

TOWN OF RIVER BEND, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2020

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

	2020	2019	2018	2017	2016
Beginning balance	\$ 64,083	\$ 111,227	\$ 143,109	\$ 161,530	\$ 180,260
Service cost	6956	3,821	5,367	5,907	3,959
Interest on the total pension liability	1,912	3,044	4,934	5,269	5,178
Changes on benefit terms	0	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	86,633	(21,674)	(19,705)	-	-
Changes of assumptions or other inputs	4,946	(2,521)	8,086	(1,730)	-
Benefit payments	(23,092)	(29,814)	(30,564)	(27,867)	(27,867)
Other changes	-	-	-	-	-
Ending balance of the total pension liability	\$ 141,438	\$ 64,083	\$ 111,227	\$ 143,109	\$ 161,530

Notes to schedule:

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

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

Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period the following are the discount rates used in each period:

Fiscal Year	Rate
2020	3.26%
2019	3.64%
2018	3.16%
2017	3.86%
2016	3.57%

TOWN OF RIVER BEND, NORTH CAROLINA

SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2020

	2020	2019	2018	2017	2016
Total pension liability	\$ 141,438	\$ 64,083	\$ 111,227	\$ 143,109	\$ 161,530
Covered payroll	300,395	189,509	293,489	306,026	269,860
Total pension liability as a percentage of covered payroll	47.08%	33.82%	37.90%	46.76%	59.86%

Notes to the schedules:

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

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

GENERAL FUND

The General Fund accounts for the resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.



TOWN OF RIVER BEND, NORTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund	Capital Reserve Fund	Eliminations	Total General Fund
Revenues:				
Ad valorem taxes	\$ 740,181	\$ -	\$ -	\$ 740,181
Other taxes and licenses	387,149	-	-	387,149
Unrestricted intergovernmental	180,343	-	-	180,343
Restricted intergovernmental	1,132,063	-	-	1,132,063
Permits and fees	8,366	-	-	8,366
Sales and services	41,806	-	-	41,806
Investment earnings	24,453	3,652	-	28,105
Miscellaneous	8,351	-	-	8,351
Total revenues	<u>2,522,712</u>	<u>3,652</u>	<u>-</u>	<u>2,526,364</u>
Expenditures:				
General government	556,292	-	-	556,292
Public safety	711,355	-	-	711,355
Transportation	300,125	-	-	300,125
Environmental protection	63,820	-	-	63,820
Cultural and recreational	79,710	-	-	79,710
NCORR loan principal reduction	949,846	-	-	949,846
Total expenditures	<u>2,661,148</u>	<u>-</u>	<u>-</u>	<u>2,661,148</u>
Revenues over (under) expenditures	<u>(138,436)</u>	<u>3,652</u>	<u>-</u>	<u>(134,784)</u>
Other Financing Sources (Uses):				
Transfers from other funds	48,300	-	(34,800)	13,500
Transfers to other funds	(1,053,600)	(300,600)	34,800	(1,319,400)
Insurance settlement	1,090	-	-	1,090
Sale of capital assets	5,050	-	-	5,050
Total other financing sources (uses)	<u>(999,160)</u>	<u>(300,600)</u>	<u>-</u>	<u>(1,299,760)</u>
Net change in fund balance	<u>(1,137,596)</u>	<u>(296,948)</u>	<u>-</u>	<u>(1,434,544)</u>
Fund Balances:				
Beginning of year - July 1	2,787,506	432,035	-	3,219,541
End of year - June 30	<u>\$ 1,649,910</u>	<u>\$ 135,087</u>	<u>\$ -</u>	<u>\$ 1,784,997</u>

TOWN OF RIVER BEND, NORTH CAROLINA

Schedule 2

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GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes:				
Taxes	\$ 721,287	\$ 740,181	\$ 18,894	\$ 728,213
Other Taxes and Licenses:				
Local option sales tax	346,159	296,758	(49,401)	359,235
Piped natural gas tax	-	-	-	52
Hold harmless tax	97,136	79,116	(18,020)	95,635
Telecommunications sales tax	14,440	11,275	(3,165)	13,345
Total other taxes and licenses	457,735	387,149	(70,586)	468,267
Unrestricted Intergovernmental Revenues:				
Utility franchise tax	119,000	112,862	(6,138)	119,954
Video programming	56,500	54,578	(1,922)	56,187
Beer and wine tax	13,500	12,903	(597)	13,044
Total unrestricted intergovernmental	189,000	180,343	(8,657)	189,185
Restricted Intergovernmental Revenues:				
Federal and State grants	1,142,983	1,042,743	(100,240)	356,983
Solid waste disposal tax	3,000	2,287	(713)	2,119
Powell Bill allocation	86,000	87,033	1,033	86,045
Total restricted intergovernmental	1,231,983	1,132,063	(99,920)	445,147
Permits and fees:				
Zoning permits	5,000	5,887	887	13,319
Animal licenses	2,400	2,097	(303)	2,761
Court cost fees	500	382	(118)	310
Total permits and fees	7,900	8,366	466	16,390
Sales and services:				
Rents and concessions	36,120	33,399	(2,721)	44,020
Contributions and refunds	1,200	8,407	7,207	879
Miscellaneous	-	-	-	34,379
Total sales and services	37,320	41,806	4,486	79,278
Investment earnings	23,128	24,453	1,325	39,896
Miscellaneous Revenue	8,000	8,351	351	8,526
Total revenues	2,676,353	2,522,712	(153,641)	1,974,902

GENERAL FUND**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES****IN FUND BALANCE - BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2020****WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019**

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Expenditures:				
General Government:				
Governing Body				
Salaries and benefits	30,280	22,182	8,098	21,231
Other operating expenditures	11,110	8,813	2,297	9,715
Salaries allocated to Water and Sewer	(9,890)	(9,890)	-	(9,904)
Total governing body	<u>31,500</u>	<u>21,105</u>	<u>10,395</u>	<u>21,042</u>
Administration:				
Salaries and benefits	245,508	238,955	6,553	229,070
Other operating expenditures	70,579	65,696	4,883	67,065
Salaries allocated to Water and Sewer	(61,381)	(61,380)	(1)	(53,712)
Total administration	<u>254,706</u>	<u>243,271</u>	<u>11,435</u>	<u>242,423</u>
Finance:				
Salaries and benefits	97,735	95,309	2,426	93,398
Other operating expenditures	67,891	63,368	4,523	58,839
Salaries allocated to Water and Sewer	(48,009)	(48,010)	1	(46,875)
Total finance	<u>117,617</u>	<u>110,667</u>	<u>6,950</u>	<u>105,362</u>
Tax Listing:				
Contracted services	<u>10,883</u>	<u>9,737</u>	<u>1,146</u>	<u>9,518</u>
Legal:				
Professional services	<u>16,000</u>	<u>14,283</u>	<u>1,717</u>	<u>21,157</u>
Elections:				
Contracted services	<u>2,600</u>	<u>2,571</u>	<u>29</u>	<u>-</u>
Public Buildings:				
Salaries and benefits	15,416	14,980	436	14,148
Other operating expenditures	175,807	79,571	96,236	100,901
Capital outlay	7,333	8,367	(1,034)	7,623
Total public buildings	<u>198,556</u>	<u>102,918</u>	<u>95,638</u>	<u>122,672</u>

GENERAL FUND**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES****IN FUND BALANCE - BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2020****WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019**

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Central Services - Planning:				
Salaries and benefits	70,103	67,774	2,329	62,071
Other operating expenditures	13,997	11,062	2,935	2,247
Salaries allocated to Water and Sewer	(27,095)	(27,096)	1	(22,784)
Total central services - planning	57,005	51,740	5,265	41,534
Total general government	688,867	556,292	132,575	563,708
Public Safety:				
Police:				
Salaries and benefits	475,616	439,824	35,792	475,224
Other operating expenditures	98,781	90,812	7,969	46,656
Salaries allocated to Water and Sewer	(4,472)	(4,472)	-	(4,194)
Capital outlay	37,000	44,825	(7,825)	31,021
Total police	606,925	570,989	35,936	548,707
Emergency Management:				
Salaries and benefits	-	-	-	14,308
Other operating expenditures	1,741	5,871	(4,130)	44,440
Contracted services	63,082	36,231	26,851	762,717
Total emergency management	64,823	42,102	22,721	821,465
Recovery Grant NCORR-FDLG-004:				
Salaries and benefits	91,700	82,705	8,995	13,309
Other operating expenditures	2,000	3,896	(1,896)	1,328
Capital outlay	-	-	-	28,000
Total recovery grant NCORR_FDLG-004	93,700	86,601	7,099	42,637
Animal Control:				
Salaries and benefits	17,033	14,964	2,069	15,681
Other operating expenditures	358	99	259	114
Salaries allocated to Water and Sewer	(3,400)	(3,400)	-	(3,158)
Total animal control	13,991	11,663	2,328	12,637
Total public safety	779,439	711,355	68,084	1,425,446

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Transportation:				
Powell Bill:				
Salaries and benefits	42,256	37,401	4,855	39,218
Other operating expenditures	18,400	17,829	571	6,795
Salaries allocated to Water and Sewer	(8,499)	(8,500)	1	(7,892)
Contracted services	1,495	2,187	(692)	17
Capital outlay	104,500	96,137	8,363	134,992
Total Powell Bill	158,152	145,054	13,098	173,130
Non-Powell Bill:				
Salaries and benefits	59,259	52,352	6,907	54,898
Other operating expenditures	71,873	71,360	513	60,074
Salaries allocated to Water and Sewer	(11,899)	(11,900)	1	(11,050)
Utilities	40,500	39,922	578	38,902
Contracted services	5,180	3,337	1,843	3,841
Capital outlay	-	-	-	-
Total Non-Powell Bill	164,913	155,071	9,842	146,665
Total transportation	323,065	300,125	22,940	319,795
Environmental Protection:				
Salaries and benefits	25,354	22,440	2,914	23,533
Other operating expenditures	85,517	33,878	51,639	3,719
Salaries allocated to Water and Sewer	(5,100)	(5,100)	-	(4,736)
Contracted services	108,302	12,602	95,700	38,615
Capital outlay	-	-	-	14,540
Total environmental protection	214,073	63,820	150,253	75,671
Cultural and recreational:				
Salaries and benefits	31,026	27,351	3,675	28,114
Other operating expenditures	17,234	10,366	6,868	12,241
Salaries allocated to Water and Sewer	(5,100)	(5,100)	-	(4,736)
Contracted services	10,200	1,393	8,807	8,121
Capital outlay	45,700	45,700	-	-
Total cultural and recreational	99,060	79,710	19,350	43,740

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Debt service:				
NCORR loan principal reduction	-	949,846	(949,846)	50,154
Total expenditures	<u>2,104,504</u>	<u>2,661,148</u>	<u>(556,644)</u>	<u>2,478,514</u>
Revenues over (under) expenditures	<u>571,849</u>	<u>(138,436)</u>	<u>(710,285)</u>	<u>(503,612)</u>
Other financing sources (uses):				
Transfers from other funds:	48,300	48,300	-	117,470
Transfers to other funds:	(1,053,600)	(1,053,600)	-	(124,000)
Sale of capital assets	-	5,050	5,050	3,150
NCORR Loan proceeds	-	-	-	1,000,000
Insurance Settlement	-	1,090	1,090	-
Contingency	(11,509)	-	11,509	-
Appropriated fund balance	444,960	-	(444,960)	-
Total other financing sources (uses)	<u>(571,849)</u>	<u>(999,160)</u>	<u>(427,311)</u>	<u>996,620</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,137,596)</u>	<u>\$ (1,137,596)</u>	<u>493,008</u>
Fund Balance:				
Beginning of year - July 1		2,787,506		2,294,498
End of year - June 30		<u>\$1,649,910</u>		<u>\$2,787,506</u>

TOWN OF RIVER BEND, NORTH CAROLINA**CAPITAL RESERVE FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES****IN FUND BALANCE - BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2020****WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019**

	2020			2019
	Budget	Actual	Variance Over/Under	Actual
Revenues				
Investment earnings	\$ 10,908	\$ 3,652	\$ (7,256)	\$ 10,277
Other financing sources (uses):				
Transfers out	(300,600)	(300,600)	-	(117,470)
Transfers in	-	-	-	124,000
Future procurement	(5,108)	-	5,108	-
Appropriated fund balance	294,800			
Total other financing sources (uses)	(10,908)	(300,600)	5,108	6,530
Net change in fund balance	<u>\$ -</u>	<u>(296,948)</u>	<u>\$ (2,148)</u>	16,807
Fund Balance:				
Beginning of year - July 1		432,035		415,228
End of year - June 30		<u>\$ 135,087</u>		<u>\$ 432,035</u>

TOWN OF RIVER BEND, NORTH CAROLINA

BUS CAPITAL PROJECT - MAJOR CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

		Actual			
	Project Authorization	Prior Years	Current Year	Total Project To Date	Variance Over (Under)
Revenues:					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	-	-	-	-	-
Investment income	10,000	-	9,606	9,606	(394)
Miscellaneous revenue	-	-	-	-	-
Total revenue	<u>10,000</u>	<u>-</u>	<u>9,606</u>	<u>9,606</u>	<u>(394)</u>
Expenditures:					
Administration and engineering, construction and capital spending	<u>1,315,900</u>	<u>-</u>	<u>842,968</u>	<u>842,968</u>	<u>(472,932)</u>
Total expenditures	<u>1,315,900</u>	<u>-</u>	<u>842,968</u>	<u>842,968</u>	<u>(472,932)</u>
Revenues over (under) expenditures	<u>(1,305,900)</u>	<u>-</u>	<u>(833,362)</u>	<u>(833,362)</u>	<u>472,538</u>
Other financing sources (uses):					
Long-term debt issued	-	-	-	-	-
Transfers (to) from other funds	1,305,900	-	1,305,900	1,305,900	-
Contingency	-	-	-	-	-
Total other financing sources (uses)	<u>1,305,900</u>	<u>-</u>	<u>1,305,900</u>	<u>1,305,900</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>472,538</u>	<u>\$ 472,538</u>	<u>\$ 472,538</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ 472,538</u>		

TOWN OF RIVER BEND, NORTH CAROLINA

CDBG PROJECT - NON-MAJOR CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

		Actual			
	Project		Current	Total	Variance Over
	Authorization	Prior Years	Year	Project To	(Under)
				Date	
Revenues:					
Restricted intergovernmental	\$ 750,000	\$ -	\$ -	\$ -	\$ (750,000)
Donations	-	-	-	-	-
Investment income	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-
Total revenue	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(750,000)</u>
Expenditures:					
Administration and engineering	75,000	-	847	847	(74,153)
Construction and capital spending	<u>675,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(675,000)</u>
Total expenditures	<u>750,000</u>	<u>-</u>	<u>847</u>	<u>847</u>	<u>(749,153)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(847)</u>	<u>(847)</u>	<u>(847)</u>
Other financing sources (uses):					
Long-term debt issued	-	-	-	-	-
Transfers (to) from other funds	-	-	-	-	-
Contingency	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(847)</u>	<u>\$ (847)</u>	<u>\$ (847)</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ (847)</u>		



ENTERPRISE FUNDS

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

The Town's Enterprise Funds are comprised of the Water and Sewer Funds which account for the operation of water and wastewater services provided throughout the Town.



TOWN OF RIVER BEND, NORTH CAROLINA

ENTERPRISE FUND - WATER FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating Revenues:				
Charges for services	\$ 409,611	\$ 429,870	\$ 20,259	\$ 407,796
Water taps	1,250	1,850	600	2,800
Other operating revenues	161,681	158,243	(3,438)	17,804
Total operating revenues	572,542	589,963	17,421	428,400
Non-Operating Revenues:				
Interest earnings	19,366	12,971	(6,395)	21,002
Miscellaneous	-	-	-	7,640
Total non-operating revenues	19,366	12,971	(6,395)	28,642
Total revenues	591,908	602,934	11,026	457,042
Expenditures:				
Water Administration:				
Salaries and benefits	146,135	140,869	5,266	143,432
Allocated costs reimbursed by General Fund	(36,608)	(36,608)	-	(34,902)
Operating expenses	167,526	161,710	5,816	152,885
Repairs and maintenance	1,500	809	691	784
Capital outlay	-	-	-	-
Total administration	278,553	266,780	11,773	262,199
Water Operations:				
Operating expenses	115,387	82,797	32,590	80,509
Repairs and maintenance	9,000	2,526	6,474	5,116
Capital outlay	7,333	8,367	(1,034)	9,156
Total operations	131,720	93,690	38,030	94,781
Debt Services:				
Principal repayment	120,739	120,739	-	118,056
Interest	25,140	25,140	-	27,502
Total debt service	145,879	145,879	-	145,558
Total expenditures	556,152	506,349	49,803	502,538

TOWN OF RIVER BEND, NORTH CAROLINA

ENTERPRISE FUND - WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020		2019
	Final Budget	Actual	Variance Over/Under
			Actual
Revenues over (under) expenditures	<u>35,756</u>	<u>96,585</u>	<u>60,829</u>
Other financing sources (uses):			
Sale of capital assets	-	-	-
Transfers to other funds:	-	-	-
Designated/future capital outlay	(8,932)	-	8,932
Contingency	(26,824)	-	26,824
Appropriated fund balance	-	-	-
Total other financing sources (uses)	<u>(35,756)</u>	<u>-</u>	<u>35,756</u>
Revenue and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>96,585</u>	<u>\$ 96,585</u>
			<u>\$ (45,496)</u>

Reconciliation from Budgetary Basis
(Modified Accrual) to Full Accrual:

Reconciling items:

Depreciation	(108,302)
Amortization	1,189
Capital outlay	8,367
Repayment of long-term debt principal	120,739
(Increase) decrease in compensated absences	1,147
Increase (decrease) in deferred outflows of resources - pensions	(467)
(Increase) decrease in net pension liability	(8,163)
(Increase) decrease in deferred inflows of resources - pensions	780

Change in net position \$ 111,875

TOWN OF RIVER BEND, NORTH CAROLINA

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ENTERPRISE FUND - SEWER FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating Revenues:				
Charges for services	\$ 585,470	\$ 589,699	\$ 4,229	\$ 580,444
Sewer taps	1,250	-	(1,250)	1,250
Other operating revenues	132,877	131,721	(1,156)	7,411
Total operating revenues	719,597	721,420	1,823	589,105
Non-Operating Revenues:				
Interest earnings	16,719	11,403	(5,316)	16,919
Miscellaneous	-	-	-	17,578
Total non-operating revenues	16,719	11,403	(5,316)	34,497
Total revenues	736,316	732,823	(3,493)	623,602
Expenditures:				
Sewer Administration:				
Salaries and benefits	162,511	156,749	5,762	159,521
Allocated costs reimbursed by General Fund	(36,608)	(36,608)	-	(34,902)
Operating expenses	165,951	158,599	7,352	149,931
Repairs and maintenance	750	809	(59)	725
Capital outlay	-	-	-	-
Total administration	292,604	279,549	13,055	275,275
Sewer Operations:				
Operating expenses	156,451	98,755	57,696	126,359
Repairs and maintenance	27,264	24,184	3,080	8,294
Capital outlay	36,833	32,629	4,204	18,542
Total operations	220,548	155,568	64,980	153,195
Debt Services:				
Principal repayment	104,261	104,261	-	101,944
Interest	21,710	21,710	-	23,748
Other costs	-	-	-	-
Total debt service	125,971	125,971	-	125,692
Total expenditures	639,123	561,088	78,035	554,162

TOWN OF RIVER BEND, NORTH CAROLINA

Schedule 7

Page 2 of 2

ENTERPRISE FUND - SEWER FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues over (under) expenditures	<u>97,193</u>	<u>171,735</u>	<u>74,542</u>	<u>69,440</u>
Other financing sources (uses):				
Sale of capital assets	-	-	-	-
Transfers to other funds:	-	-	-	-
Contingency	(33,943)	-	33,943	-
Designated/future capital outlay	<u>(63,250)</u>	<u>-</u>	<u>63,250</u>	<u>-</u>
Total other financing sources (uses)	<u>(97,193)</u>	<u>-</u>	<u>97,193</u>	<u>-</u>
Revenue and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>171,735</u>	<u>\$ 171,735</u>	<u>\$ 69,440</u>

Reconciliation from Budgetary Basis

(Modified Accrual) to Full Accrual:

Reconciling items:

Depreciation	(98,206)
Amortization	1,026
Capital outlay	32,629
Repayment of long-term debt principal	104,261
(Increase) decrease in compensated absences	1,168
Increase in deferred outflows of resources - pensions	(520)
Increase in net pension liability	(9,078)
(Increase) in deferred inflows of resources - pensions	<u>868</u>

Change in net position \$ 203,883

OTHER SUPPLEMENTARY INFORMATION

Other financial information includes additional detailed analysis of particular aspects of the Town's financial position and results of operations.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy



TOWN OF RIVER BEND, NORTH CAROLINA**SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2020**

Fiscal Year June 30	Uncollected Balance July 1, 2018	Additions	Collections and Credits	Uncollected Balance June 30, 2019
2019-2020	\$ -	\$ 750,081	\$ 739,342	\$ 10,739
2018-2019	2,554	-	1,473	1,081
2017-2018	1,514	-	240	1,274
2016-2017	241	-	-	241
2015-2016	191	-	-	191
2014-2015	163	-	-	163
2013-2014	439	-	-	439
2012-2013	744	-	-	744
2011-2012	640	-	-	640
2010-2011	445	-	-	445
2009-2010	581	-	581	-
Total	<u>\$ 7,512</u>	<u>\$ 750,081</u>	<u>\$ 741,636</u>	<u>\$ 15,957</u>

Less: allowance for uncollectible ad valorem taxes receivable: (3,554)

Ad valorem taxes receivable, net \$ 12,403

Reconciliation of Collections and Credits with Revenues:

Ad valorem taxes - General Fund	\$ 740,181
Taxes written off, statute of limitations	581
Miscellaneous adjustments	<u>874</u>
Total collections and credits	<u>\$ 741,636</u>

TOWN OF RIVER BEND, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY - GENERAL FUND PROPERTY TAX
FOR THE YEAR ENDED JUNE 30, 2020

	Town-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy	\$ 287,271,223	\$ 0.26	\$ 746,905	\$ 665,867	\$ 81,038
Discoveries	1,221,504	0.26	3,176	3,176	-
Abatements	<u>(794,773)</u>	0.26	<u>(2,066)</u>	<u>(2,066)</u>	<u>-</u>
Total property valuation	<u><u>\$ 287,697,954</u></u>				
Net Levy			748,015	666,977	81,038
Uncollected taxes at June 30, 2020			<u>(10,739)</u>	<u>(10,739)</u>	<u>-</u>
Current Year's Taxes Collected			<u><u>\$ 737,276</u></u>	<u><u>\$ 656,238</u></u>	<u><u>\$ 81,038</u></u>
Current Levy Collection Percentage			<u><u>98.56%</u></u>	<u><u>98.39%</u></u>	<u><u>100.00%</u></u>
Prior Year's Collection Percentage			<u><u>99.65%</u></u>	<u><u>99.61%</u></u>	<u><u>100.00%</u></u>

STATISTICAL SECTION

(UNAUDITED)

This part of the Town of River Bend's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends

These tables contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These tables contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These tables present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These tables contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the financial statements for the relevant year.



TABLE 1
TOWN OF RIVER BEND, NORTH CAROLINA
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in Capital Assets	\$ 2,064,362	2,082,418	2,192,207	2,327,727	2,434,124	2,568,370	2,612,284	2,644,862	2,719,369	3,569,556
Restricted	89,296	151,533	115,098	139,611	144,785	138,198	129,245	146,368	162,507	148,249
Unrestricted	1,060,670	1,321,972	1,582,190	1,627,704	1,743,224	1,991,502	2,115,580	2,361,134	1,913,668	1,874,638
Total Governmental Activities Net Position	3,214,328	3,555,923	3,889,495	4,095,042	4,322,133	4,698,070	4,857,109	5,152,364	4,795,544	5,592,443
Business-Type Activities										
Net Investment in Capital Assets	(730,646)	(495,050)	(791,348)	(687,217)	(417,397)	(245,853)	(197,227)	(159,089)	(112,135)	(50,432)
Restricted										
Unrestricted	995,724	932,910	1,287,220	1,460,573	1,436,045	1,510,835	1,705,299	1,948,738	1,997,113	2,251,168
Total Business-type Activities Net Position	265,078	437,860	495,872	773,356	1,018,648	1,264,982	1,508,072	1,789,649	1,884,978	2,200,736
Primary Government										
Net Investment in Capital Assets	1,333,716	1,587,368	1,400,859	1,640,510	2,016,727	2,322,517	2,415,057	2,485,773	2,607,234	3,519,124
Restricted	89,296	151,533	115,098	139,611	144,785	138,198	129,245	146,368	162,507	148,249
Unrestricted	2,056,394	2,254,882	2,869,410	3,088,277	3,179,269	3,502,337	3,820,879	4,309,872	3,910,781	4,125,806
Total Primary Government Net Position	3,479,406	3,993,783	4,385,367	4,868,398	5,340,781	5,963,052	6,365,181	6,942,013	6,680,522	7,793,179

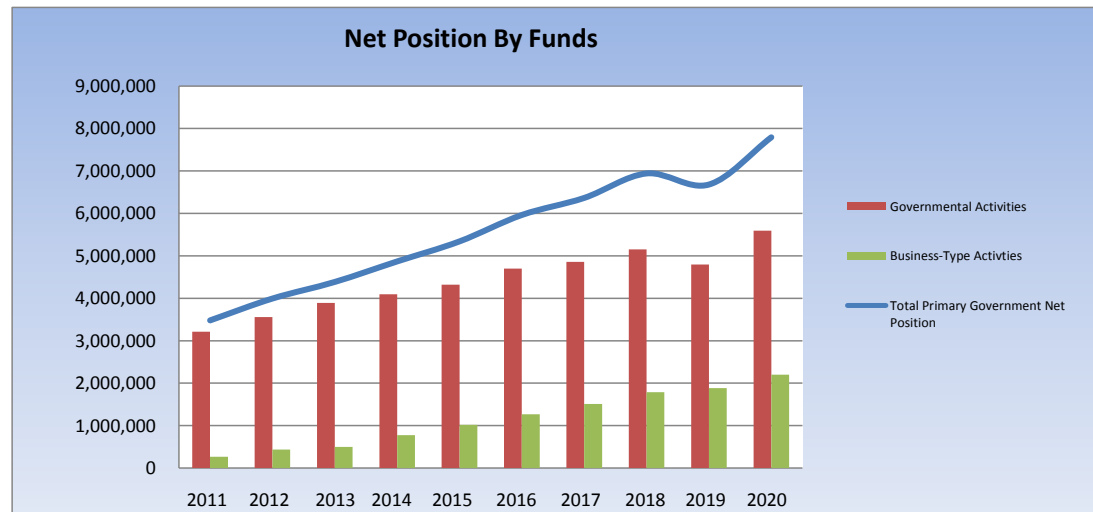


TABLE 2
TOWN OF RIVER BEND, NORTH CAROLINA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
General Government	\$ 492,988	\$ 531,899	\$ 557,376	\$ 617,455	\$ 531,640	\$ 567,114	\$ 615,785	\$ 687,079	\$ 695,858	\$ 781,056
Public Safety	418,392	643,318	472,581	522,568	494,107	496,151	459,255	426,631	1,329,186	636,538
Transportation	172,681	193,329	188,420	206,270	210,594	211,497	214,804	190,723	208,321	230,521
Environmental Protection	51,301	45,227	51,972	51,960	84,328	65,071	79,573	59,221	59,928	62,457
Cultural and Recreational	40,268	41,676	44,149	49,876	52,512	45,448	45,638	51,850	49,621	41,473
Interest on Long-Term Debt	525	-	-	-	-	-	-	-	-	-
Total Governmental Activities	1,176,155	1,455,449	1,314,499	1,448,129	1,373,181	1,385,281	1,415,055	1,415,504	2,342,914	1,752,045
Business-Type Activities:										
Water	505,453	499,053	537,884	439,060	426,220	431,291	452,844	446,522	470,606	491,059
Sewer	521,159	535,959	600,186	477,208	461,629	483,761	498,011	478,317	514,709	528,940
Total Business-Type Activities	1,026,612	1,035,012	1,138,070	916,268	887,849	915,052	950,855	924,839	985,315	1,019,999
Total Primary Government Expenses	\$ 2,202,767	\$ 2,490,461	\$ 2,452,569	\$ 2,364,397	\$ 2,261,030	\$ 2,300,333	\$ 2,365,910	\$ 2,340,343	\$ 3,328,229	\$ 2,772,044
Program Revenue										
Governmental Activities:										
Charges for Services										
General Government	86,110	78,215	81,018	86,957	80,935	71,544	79,198	63,302	44,020	33,399
Public Safety	117	234	480	1,266	3,615	3,586	3,733	3,706	310	383
Environmental protection	-	2,147	1,975	1,755	1,980	1,964	2,061	2,089	16,080	7,984
Operating Grants and Contributions										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	-	199,652	636	367	338	-	17,636	-	356,983	1,042,743
Environmental protection	-	-	-	-	-	-	-	-	-	-
Transportation	87,854	90,479	93,318	93,909	92,300	90,502	88,873	89,226	86,045	87,033
Cultural and Recreational	6,000	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions										
Cultural and Recreational	680	-	55,092	-	-	-	-	-	-	-
Public Safety	-	-	-	13,272	140	-	-	-	-	-
Total Governmental Activities Program Revenue	180,761	370,727	232,519	197,526	179,308	167,596	191,501	158,323	503,438	1,171,542
Business-Type Activities:										
Charges for Services - Water	609,163	603,094	611,303	591,985	531,268	534,842	545,246	541,022	428,400	589,963
Charges for Services - Sewer	630,247	601,786	596,143	597,489	623,644	624,112	636,054	642,705	589,105	721,420
Operating Grants and Contributions	1,488	2,489	5,410	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenue	1,240,898	1,207,369	1,212,856	1,189,474	1,154,912	1,158,954	1,181,300	1,183,727	1,017,505	1,311,383
Total Primary Government Revenues	\$ 1,421,659	\$ 1,578,096	\$ 1,445,375	\$ 1,387,000	\$ 1,334,220	\$ 1,326,550	\$ 1,372,801	\$ 1,342,050	\$ 1,520,943	\$ 2,482,925
Net (Expense) Revenue										
Governmental Activities	(995,394)	(1,084,722)	(1,081,980)	(1,250,603)	(1,193,873)	(1,217,685)	(1,223,554)	(1,257,181)	(1,839,476)	(580,503)
Business-Type Activities	214,286	172,357	74,786	273,206	267,063	243,902	230,445	258,888	32,190	291,384
Total Primary Government Net Expense	\$ (781,108)	\$ (912,365)	\$ (1,007,194)	\$ (977,397)	\$ (926,810)	\$ (973,783)	\$ (993,109)	\$ (998,293)	\$ (1,807,286)	\$ (289,119)

TABLE 2 continued
TOWN OF RIVER BEND, NORTH CAROLINA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes, levied for general purpose	877,172	876,418	879,221	907,885	889,746	892,127	926,553	870,529	725,978	747,969
Local Option Sales Tax	278,696	373,886	369,175	371,846	394,208	411,712	417,859	451,350	359,236	296,758
Other Taxes and Licenses	156,511	175,331	166,530	176,176	212,617	211,163	208,107	204,013	300,336	273,021
Grants and Contributions not Restricted to Specific Programs										
Investment Earnings, unrestricted	1,155	682	626	243	394	3,689	9,012	26,544	50,173	37,711
Miscellaneous, unrestricted	-	-	-	-	-	8,331	12,490	-	46,933	21,943
Total Governmental Activities	1,313,534	1,426,317	1,415,552	1,456,150	1,496,965	1,527,022	1,574,021	1,552,436	1,482,656	1,377,402
Business-Type Activities:										
Investment Earnings, unrestricted	712	425	335	98	190	2,377	6,739	19,889	37,921	24,374
Miscellaneous, unrestricted	-	-	-	4,180	742	55	5,906	2,800	25,218	-
Total Business Type Revenues	712	425	335	4,278	932	2,432	12,645	22,689	63,139	24,374
Total Primary Government	\$ 1,314,246	\$ 1,426,742	\$ 1,415,887	\$ 1,460,428	\$ 1,497,897	\$ 1,529,454	\$ 1,586,666	\$ 1,575,125	\$ 1,545,795	\$ 1,401,776
Change in Net Position										
Governmental Activities	318,140	341,595	333,572	205,547	303,092	309,337	350,467	295,255	(356,820)	796,899
Business-Type Activities	214,998	172,782	75,121	277,484	267,995	246,334	243,090	281,577	95,329	315,758
Total Primary Government Change in Net Position	\$ 533,138	\$ 514,377	\$ 408,693	\$ 483,031	\$ 571,087	\$ 555,671	\$ 593,557	\$ 576,832	\$ (261,491)	\$ 1,112,657

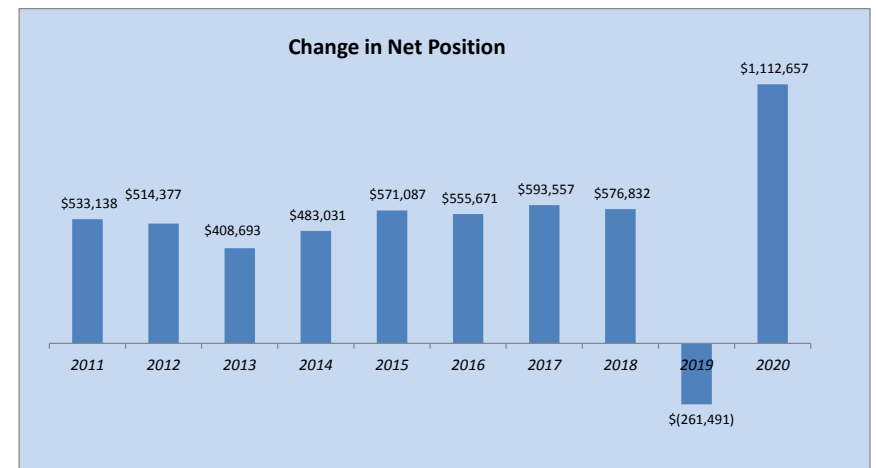
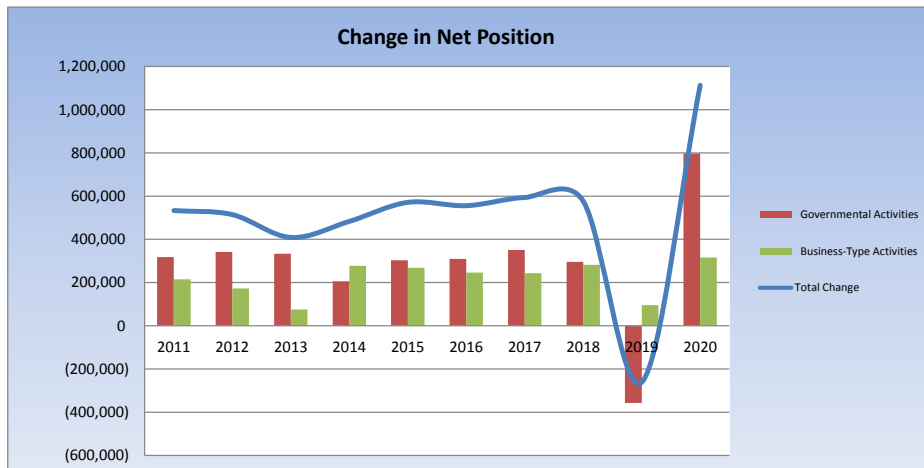


TABLE 3
TOWN OF RIVER BEND, NORTH CAROLINA
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Non-Spendable:										
Prepaid Items	10,292	9,315	2,958	3,619	-	-	-	-	-	199.00
Restricted:										
Streets	-	-	-	-	-	-	-	-	-	-
Stabilization by State Statute	89,296	151,533	115,098	139,611	144,785	138,198	129,245	146,368	162,507	148,249
Assigned:										
Subsequent years' expenditures	-	-	6,144	97,322	77,029	46,729	-	147,270	173,970	224,262
Law Enforcement Separation Allowance Fund							36,064	26,582	13,207	11,799
Unassigned	956,829	1,096,091	1,240,360	1,287,611	1,432,625	1,678,409	1,941,209	1,974,278	2,437,822	1,265,401
Total General Fund	1,056,417	1,256,939	1,364,560	1,528,163	1,654,439	1,863,336	2,106,518	2,294,498	2,787,506	1,649,910
Other Governmental Funds										
Committed										
General Government Capital Outlay	137,598	223,224	312,155	228,892	257,594	278,654	356,534	415,228	432,035	135,087
Total Other Governmental Funds	137,598	223,224	312,155	228,892	257,594	278,654	356,534	415,228	432,035	135,087
Total Governmental Funds	\$ 1,194,015	\$ 1,480,163	\$ 1,676,715	\$ 1,757,055	\$ 1,912,033	\$ 2,141,990	\$ 2,463,052	\$ 2,709,726	\$ 3,219,541	\$ 1,784,997

Amounts shown for Fiscal Years 2010 and prior have been reclassified to conform with GASB Statement 54.

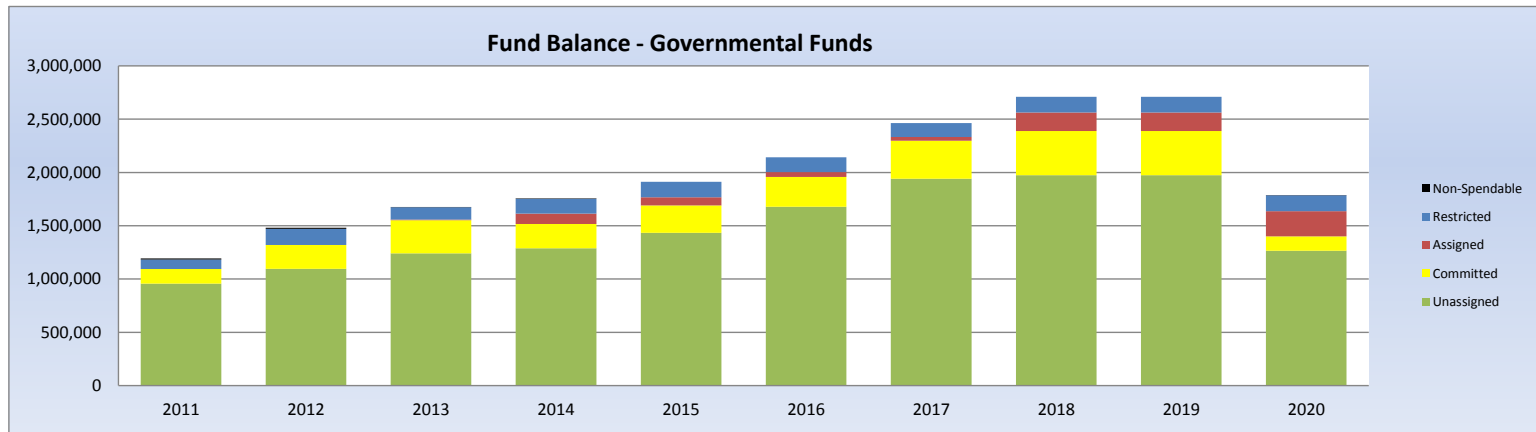


TABLE 4
TOWN OF RIVER BEND, NORTH CAROLINA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

[illegible]

TABLE 5
TOWN OF RIVER BEND, NORTH CAROLINA
ASSESSED VALUE OF TAXABLE PROPERTY
Last Ten Years

Fiscal Year	Assessed Value ⁽¹⁾				Property Tax Rate ⁽³⁾	Percent Increase in Value ⁽⁴⁾
	Real Property	Personal Property ⁽²⁾	Public Service Companies	Total		
2011	299,654,043	29,153,944	1,580,323	330,388,310	0.2650	36.7%
2012	299,057,633	29,643,132	1,611,985	330,312,750	0.2650	-0.02%
2013	298,728,561	31,087,835	1,600,952	331,417,348	0.2650	0.33%
2014	299,442,588	40,404,718	1,578,248	341,425,554	0.2650	3.02%
2015	300,275,280	33,006,898	1,561,531	334,843,709	0.2650	-1.93%
2016	301,092,296	33,931,156	1,551,397	336,574,849	0.2650	0.52%
2017	262,250,563	34,319,949	1,837,069	298,407,581	0.3105	-11.34%
2018	262,618,507	34,969,204	1,918,924	299,506,635	0.2900	0.37%
2019	266,236,252	34,874,890	1,914,600	303,025,742	0.2400	1.17%
2020	249,513,907	36,141,067	2,042,981	287,697,954	0.2600	-5.06%

Notes:

⁽¹⁾ Assessed Value is established by Craven County Tax Department.

⁽²⁾ Includes motor vehicles.

⁽³⁾ All tax rates are expressed in dollars of tax per \$100 of assessed valuation.

⁽⁴⁾ A revaluation of all property is required at least every eight years by North Carolina General Statutes.

The last revaluation was on January 1, 2016 and was the basis for fiscal 2017 taxes.

The calculated tax revenue neutral rate was \$.3105.

The eight-year revaluation of real property became effective with the 2010-11 tax levy. Craven County adopted a six-year revaluation schedule in 2016 and then a four-year revaluation thereafter, which would have been 2021.

Instead, a special six-year revaluation (resulting from Hurricane Florence) was adopted, which is 2022, effective with fiscal year 2022-23 tax levy.

TABLE 6
TOWN OF RIVER BEND, NORTH CAROLINA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENT
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Town of River Bend</u>	<u>County of Craven</u>	<u>West New Bern II (Rhems) Fire District</u>
2011	2010	0.2650	0.4728	0.0314
2012	2011	0.2650	0.4728	0.0414
2013	2012	0.2650	0.4700	0.0414
2014	2013	0.2650	0.4675	0.0389
2015	2014	0.2650	0.4675	0.0389
2016	2015	0.2650	0.4675	0.0389
2017 ⁽¹⁾	2016	0.3105	0.5394	0.0457
2018	2017	0.2900	0.5394	0.0457
2019	2018	0.2400	0.5394	0.04
2020	2019	0.2600	0.5494	0.04

Notes:

⁽¹⁾ Real property was revalued on January 1, 2016.

All tax rates are expressed in dollars of tax per \$100 of assessed valuation.

A revaluation of all property is required every eight years by state statute.

The eight-year revaluation of real property became effective with the 2010-11 tax levy.

Craven County adopted a six-year revaluation schedule in 2016 and then a four-year revaluation thereafter, which would have been 2021.

Instead, a special six-year revaluation (resulting from Hurricane Florence) was adopted, which is 2022, effective with fiscal year 2022-23 tax levy.

TABLE 7
TOWN OF RIVER BEND, NORTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Taxpayer	Type of Business	Fiscal Year 2020			Fiscal Year 2011		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
NC Pace RE LLC	Disabled Child & Adult Care Facility	\$ 5,477,690	1		(1)		
Riverstone Assisted Living LLC ⁽²⁾	Assisted Living Facility	2,317,700	2	0.81%	2,017,800	2	0.61%
Trent River Adventures LLC ⁽³⁾	Country Club and Golf Course	1,940,553	3	0.67%	2,919,270	1	0.88%
Jonathan & Karen Segal Revocable Trust	Residence	1,880,910	4	0.65%	(1)		
Berit Peck	Residence	1,718,300	5	0.60%	1,644,440	3	0.50%
Duke Energy Progress, Inc. ⁽⁴⁾	Electricity	1,570,800	6	0.55%	1,253,646	4	0.38%
Degraw, Martin C & Denise N	Residence	1,396,440	7	0.49%	(1)		
J. Frank Efird & Margaret M.	Land Development	1,103,990	8	0.38%	967,990	6	
Grant, Lee & Sommer	Residence	846,800	9		(1)		
Roland S. & Susan Pridgen	Real Estate	811,640	10	0.28%	935,950	7	0.28%
RAC Development LLC ⁽⁵⁾	Caro-San Maintenance Supplies Store	846,800		0.29%	901,600	8	0.27%
Robert L. Mattocks II	Land Development	(1)			865,290	9	0.26%
Camille Hoffman	Residence	(1)			1,055,881	5	0.32%
B-Bud LLC	Dollar General Store	(1)			638,150	10	0.19%
		<u>\$19,911,623</u>		<u>6.92%</u>	<u>\$13,200,017</u>		<u>4.00%</u>

Notes:

Source: Craven County Tax Office

⁽¹⁾ Not within top ten ranking

⁽²⁾ Formerly known as Pierce Management Group

⁽³⁾ Formerly known as Conjer Green LLC

⁽⁴⁾ Formerly known as Progress Energy Carolinas, Carolina Power & Light Company.

⁽⁵⁾ Formerly known as SBW Enterprises, LLC

TABLE 8
TOWN OF RIVER BEND, NORTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Tax Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date		
			Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2011	2010	875,528	866,948	99.02%	8,047	874,995	99.94%
2012	2011	875,329	868,772	99.25%	5,827	874,599	99.92%
2013	2012	878,256	869,025	98.95%	8,486	877,511	99.92%
2014	2013	904,777	900,702	99.55%	3,610	904,312	99.95%
2015	2014	887,336	886,433	99.90%	714	887,147	99.98%
2016	2015	891,938	889,917	99.77%	1,646	891,563	99.96%
⁽¹⁾ 2017	2016	926,556	923,576	99.68%	1,601	925,177	99.85%
2018	2017	779,753	775,369	99.44%	2,869	778,238	99.81%
2019	2018	647,342	644,788	99.61%	2,294	647,082	99.96%
2020	2019	666,977	656,238	98.39%	⁽²⁾	656,238	98.39%

Notes:

Source: Craven County Tax Office

A revaluation of all property is required at least every eight years by North Carolina General Statutes.

The eight-year revaluation of real property became effective with the 2010-11 tax levy. Craven County adopted a six-year revaluation schedule and then a four-year revaluation thereafter.

⁽¹⁾ The last revaluation was on January 1, 2016 and was the basis for fiscal 2017 taxes. The calculated tax revenue neutral rate was \$.3105.

A special six-year revaluation (resulting from Hurricane Florence) was adopted, which will be 2022, effective with fiscal year 2022-23 tax levy.

⁽²⁾ Information not yet available.

TABLE 9
TOWN OF RIVER BEND, NORTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE ⁽¹⁾
Last Ten Years

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Population ⁽³⁾	Per Capita	Median Household Income (MHI) ⁽⁴⁾	Percentage of MHI
	General Obligation Bonds	Installment Financing	Capital Leases	NCORR Loan	General Obligation Bonds ⁽²⁾	Installment Financing	Capital Leases					
2011	-	-	-		3,335,000	-	-	3,335,000	3119	1,069	50,198	1.51%
2012	-	-	-		3,175,000	-	-	3,175,000	3144	1,010	51,031	1.61%
2013	-	-	-		3,135,000 ⁽⁵⁾	-	-	3,135,000	3119	1,005	51,939	1.66%
2014	-	-	-		2,935,000	-	-	2,935,000	3119	941	52,251	1.78%
2015	-	-	-		2,730,000	-	-	2,730,000	3084	885	52,507	1.92%
2016	-	-	-		2,647,590	-	-	2,647,590	3063	864	53,562	2.02%
2017	-	-	-		2,310,000	-	-	2,310,000	3058	755	54,548	2.36%
2018	-	-	-		2,095,000	-	-	2,095,000	3019	694	55,382	2.64%
2019	-	-	-	949,846 ⁽⁶⁾	1,875,000	-	-	2,824,846	3000	942	56,557	2.00%
2020	-	-	-	-	1,650,000	-	-	1,650,000	3119	529	⁽⁷⁾	⁽⁷⁾

Notes: Debt amounts shown include deferred premiums on debt but do not include pension obligations, OPEB, or compensated absences.

Details regarding the Town's outstanding debt can be found in Note 3 to the financial statements.

⁽¹⁾ The Town does not have any long-term debt that is backed by pledged revenues. The State granted a zero-interest loan which is repaid when the Town receives the public assistance funds from various submitted Categories.

⁽²⁾ General Obligation Bonds were refunded in 2004. Proceeds were used to pay off the bonds in December 2004. New General Obligation Debt of \$4,900,000 was issued.

⁽³⁾ N.C. State Demographer, Office of State Budget and Management.

⁽⁴⁾ Median household income is adjusted annually after the Decennial Census calendar year by the annual Consumer Price Index - Southern urban consumers.

⁽⁵⁾ Series 2004 G.O. bonds were advance refunded in 2013. Proceeds were placed in escrow to pay off the bonds in June 2014. New General Obligation Debt of \$2,960,000 was issued.

⁽⁶⁾ The North Carolina Office of Recovery and Resiliency (NCORR) provided the Town with a zero-interest, one-million-dollar loan. The loan was paid back in full at 06/30/20 with receipts from Hurricane Florence federal and state public assistance funds.

⁽⁷⁾ Information not yet available.

TABLE 10
TOWN OF RIVER BEND, NORTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
Last Ten Fiscal Years

Fiscal Year	Assessed Value	Debt Limit: 8% of Total Assessed Value	Total Net Debt Applicable to Limit	Legal Debt Margin
2011	330,388,310	26,431,065	1,545,385	\$ 24,800,000
2012	330,312,750	26,425,020	1,471,101	\$ 24,900,000
2013	331,417,348	26,513,388	1,452,756	\$ 25,000,000
2014	341,425,554	27,314,044	1,360,079	\$ 25,900,000
2015	332,276,611	26,582,129	1,265,085	\$ 25,300,000
2016	336,574,849	26,925,988	1,170,091	\$ 25,700,000
2017	298,407,581	23,872,606	1,070,463	\$ 22,800,000
2018	299,506,635	23,960,531	970,835	\$ 22,900,000
2019	303,025,742	24,242,059	1,818,737	\$ 22,400,000
2020	287,697,954	23,015,836	764,630	\$ 22,200,000

Gross debt:

Installment financing	\$ -
Water & Sewer General Obligation Bonds	1,650,000
Total gross debt	1,650,000
Less: Statutory Deductions	
Water GO Bonds	885,370
Amount of debt applicable to limit - net debt	\$ 764,630

Note: NC Statute GS 159-55 limits the Town's outstanding debt to 8% of the appraised value of property subject to taxation. The legal debt margin is the difference between the debt limit and the Town's outstanding debt applicable to the limit, and it represents the Town's legal borrowing authority.

TABLE 11
TOWN OF RIVER BEND, NORTH CAROLINA
COMPUTATION OF OVERLAPPING BONDED DEBT
Last Ten Fiscal Years

Fiscal Year	Craven County		River Bend Assessed Valuation ⁽¹⁾	Percentage Applicable to Town ⁽²⁾	Bonded Debt Applicable to River Bend	Population	Per Capita
	General Obligation Bonds	Assessed					
	Outstanding ⁽¹⁾	Valuation ⁽¹⁾					
2011	29,915,363	9,582,126,280	330,388,310	3.45%	1,031,471	3119	331
2012	27,144,019	9,612,789,921	330,312,750	3.44%	932,717	3144	297
2013	24,402,675	9,738,049,583	331,417,348	3.40%	830,502	3119	266
2014	21,711,331	9,443,258,112	341,425,554	3.62%	784,984	3119	252
2015	19,059,987	9,904,145,988	334,843,709	3.38%	644,388	3084	209
2016	16,448,638	10,023,728,864	336,574,849	3.36%	552,309	3063	180
2017	13,808,847	9,205,214,703	298,407,581	3.24%	447,645	3058	146
2018	11,109,056	9,320,966,276	299,506,635	3.21%	356,963	3019	118
2019	8,694,056	9,540,578,084	303,025,742	3.18%	276,139	3000	92
2020	8,614,265	9,596,740,032	287,697,954	3.00%	258,245	3119	83

Notes:

⁽¹⁾ Provided by Craven County Finance Department.

⁽²⁾ Determined by the ratio of assessed value of property subject to taxation in Craven County.

TABLE 12
TOWN OF RIVER BEND, NORTH CAROLINA
DEMOGRAPHIC STATISTICS
Last Ten Years

Fiscal Year	Population ⁽¹⁾	Personal Income (in thousands) ⁽²⁾	Per Capita Personal Income ⁽³⁾	Public School Enrollment ⁽⁴⁾	Unemployment Rate ⁽⁵⁾
2010	104,162	3,761,100	36,901	14,513	10.50%
2011	104,696	3,816,083	36,732	14,817	11.00%
2012	105,227	3,910,918	37,420	14,749	11.00%
2013	104,446	4,094,203	39,078	14,606	9.70%
2014	104,520	4,100,424	39,243	14,472	9.00%
2015	103,691	4,121,440	39,436	14,297	6.80%
2016	103,737	4,195,496	40,555	14,120	6.12%
2017	103,735	4,340,800	41,962	14,002	5.26%
2018	103,800	4,345,888	42,367	13,778	4.73%
2019	103,779	4,493,680	43,665	13,584	4.19%
2020	103,983	⁽⁶⁾	⁽⁶⁾	13,113	4.08%

Notes: Information not available for Town of River Bend. Craven County data presented.

⁽¹⁾ N.C. State Data Center. Estimates are as of the beginning of the fiscal year (July 1).

⁽²⁾ U.S. Department of Commerce, Bureau of Economic Analysis.

Figures are as of the end of the calendar year ended during the fiscal year.

⁽³⁾ Information is not available for Town of River Bend. County data is from the
U.S. Department of Commerce, Bureau of Economic Analysis.

⁽⁴⁾ N.C. Department of Public Instruction, First Month Average Daily Membership.

⁽⁵⁾ N.C. Employment Security Commission, Annual Average as of the end of the calendar year ended during the fiscal year.

⁽⁶⁾ Information not yet available.

TABLE 13
TOWN OF RIVER BEND, NORTH CAROLINA
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Employer ⁽¹⁾	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Department of Defense ⁽²⁾	5,498	1	13.82%	5,408	1	14.20%
CarolinaEast Health Systems	2,303	2	5.79%	2,100	2	5.51%
Craven County Schools	1,646	3	4.14%	1,917	3	5.03%
BSH Home Appliances	1,200	4	3.02%	800	5	2.10%
Moen Incorporated	820	5	2.06%	630	6	1.65%
State of North Carolina	797	6	2.00%	938	4	2.46%
Craven County	650	7	1.63%	626	7	1.64%
Wal-Mart	622	8	1.56%	430		1.13%
Craven Community College	531	9	1.34%	460	10	1.21%
City of New Bern	451	10	1.13%	509	9	1.34%
Hatteras Yachts (Brunswick Corp)				540	8	1.42%
	<u>14,518</u>		<u>36.51%</u>	<u>14,358</u>		<u>37.69%</u>

Notes: Information not available for Town of River Bend. Craven County data presented.

⁽¹⁾ County data is from the Craven County Economic Development Commission, N.C. Employment Security Commission., and New Bern Chamber of Commerce.

⁽²⁾ Excludes 7,215 active military personnel based in Craven County. It includes civilian employment at the Fleet Readiness Center East, Naval Health Clinic, 2nd MAW, and MCAS Cherry Point.

TABLE 14
TOWN OF RIVER BEND, NORTH CAROLINA
EMPLOYEE POSITION AUTHORIZATION BY DEPARTMENT
Last Ten Fiscal Years

Department	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government:										
Administration	3	3	3	3	3	3	3	3	3	3
Finance	1	1	1	1	1	1	1	1	1	1
Zoning	1	1	1	1	1	1	1	1	2	1
Public Works	2.5	2.5	2.5	3.5	3.5	3.5	3.5	3.5	4.5	5.5
Public safety- Police	5.48	5.39	5.36	6.48	6.48	6.48	6.48	6.48	6.68	6.45
Water/Sewer:										
Finance	1	1	1	1	1	1	1	1	1	1
Utility Operators	4	4	4	3	3	3	3	3	3	3
Total	17.98	17.89	17.86	18.98	18.98	18.98	18.98	18.98	21.18	20.95

Source: Town of River Bend Finance Department

TABLE 15
TOWN OF RIVER BEND, NORTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety - Police										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	3	3	3	3	3	4	4	4	5	5
Cultural and Recreational										
Recreation and Parks										
Number of Parks	3	3	5	5	5	5	5	5	5	5
Number of Picnic Shelters	2	2	2	2	2	2	2	2	2	2
Public Works and Utilities										
Miles of Paved Streets	16.48	16.48	16.48	16.48	16.48	16.48	16.48	16.48	16.48	17.13
Water										
Number of Hydrants	108	112	112	112	112	112	112	112	112	112
Water Mains (miles)	18	18.86	18.86	18.86	18.86	18.86	18.86	18.86	18.86	18.86
Number of Wells	3	3	3	3	3	3	3	3	3	3
Number of Water Towers	2	2	2	2	2	2	2	2	2	2
Sewer										
Sewer Lines (miles)	11	11	11	11	11	11	11	11	11	11
Number of Lift Stations	9	9	9	9	9	9	9	9	9	9
Number of Treatment Plants	2	2	2	2	2	2	2	2	2	2

Source: Town of River Bend Department Heads.

TABLE 16
TOWN OF RIVER BEND, NORTH CAROLINA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Police Activity</u>										
Violent Crime	60	41	48	58	97	44	9	11	0	2
Property Crime	98	114	134	83	109	54	65	28	18	15
Arrests	76	95	235	252	178	225	45	49	17	43
Motor Vehicle	206	450	827	1,400	1,112	1,127	1,115	486	304	1013
Agency Assist	490	506	1,144	691	903	647	33	26	13	16
Quality of Life	524	466	445	297	362	308	2,124	1,419	790	2184
Community Policing	1,903	3,444	13,245	15,079	15,126	14,873	10,753	17,826	10,540	18857
Total Activity	3,357	5,116	16,078	17,860	17,887	17,278	14,144	19,845	11,682	22,130
<u>Roadway Maintenance</u>										
Miles of Paved Road	16.48	16.48	16.48	16.48	16.48	16.48	16.48	16.48	16.48	17.13
Miles of Road Resurfaced	0.50	0.45	0.52	0.53	0.25	0.43	0.40	0.54	0.54	0.22
<u>Zoning</u>										
Permits Issued	69	89	26	54	42	26	72	84	464 ⁽²⁾	87
New Residences	2	1	2	1	1	2	1	1	2	4
<u>Water</u>										
Treatment Capacity	337,625,000	337,625,000	337,625,000	337,625,000	337,625,000	337,625,000	337,625,000	337,625,000	337,625,000	337,625,000
Water Treated	74,885,000	75,801,000	78,471,000	90,976,000	87,865,000	85,674,000	78,935,000	76,884,000	93,350	85,141
Residential Water Customers	1,352	1409	1411	1412	1417	1418	1431	1438	1438	1429
<u>Wastewater</u>										
Treatment Capacity	120,450,000	120,450,000	120,450,000	120,450,000	120,450,000	120,450,000	120,450,000	120,450,000	120,450,000	120,450,000
Wastewater Treated	45,063,000	36,784,000	32,081,000	35,094,000	36,655,000	38,079,000	43,672,000	49,700,000	46,870,500	40,829,000
Residential Sewer Customers	930	936	950	952	951	948	954	958	958	949
<u>Leaf and Limb</u>										
Total Tons Collected ⁽¹⁾	241.82	149.01	257.50	222.93	343.63	317.69	279.90	266.26	279.83	246.98

Notes:

Source: Town of River Bend Department Heads.

⁽¹⁾ Does not include tonnage picked up after a storm event in which the Town received disaster assistance funds.

⁽²⁾ Includes permits issued related to Hurricane Florence remediation.

TABLE 17
TOWN OF RIVER BEND, NORTH CAROLINA
INSURANCE IN FORCE
July 1, 2019 - June 30, 2020

Type of Coverage	Details of Coverage
Worker's Compensation	1,000,000 Bodily Injury by Accident- Each Accident 1,000,000 Bodily Injury by Disease- Each Accident 1,000,000 Bodily Injury by Disease- Coverage Limit
General Liability	1,000,000 Each Occurance 3,000,000 General Aggregate 1,000 Deductible
Umbrella Liability	2,000,000 Liability Limit Each Occurance
Law Enforcement Liability	1,000,000 Each Occurance 3,000,000 General Aggregate 1,000 Deductible
Public Officials Liability	1,000,000 Each Occurance 3,000,000 General Aggregate 2,500 Deductible
Public Employee Blanket Bond	20,000 Indemnification 0 Deductible
Public Official Bond	
Tax Collector	100,000 Liability
Finance Officer	100,000 Liability 0 Deductible
Real and Personal Property	8,136,083 Covered Cause of Loss 1,000 Deductible per Occurance Includes Boiler & Machinery
Computer Equipment/Media	500,000 Limits of Coverage 500 Deductible
Scheduled Equipment	69,300 Scheduled Equipment 500 Deductible
Automobile Liability	1,000,000 Per Occurance 1,000 Deductible
Automobile Comprehensive	N/A Actual Cash Value Valuation 100 Deductible
Automobile Collision	N/A Actual Cash Value Valuation 500 Deductible

Source: River Bend Finance Department

TABLE 18
TOWN OF RIVER BEND, NORTH CAROLINA
UTILITY RATE INFORMATION
Fiscal Year 2020 Approved Operating Budget Ordinance

WATER RATES

	METER SIZE			
	3/4"	1"	2"	4"
Customer Base Charge per month	13.24	18.40	48.32	146.24
Initial Connection (Tap Fee) ⁽¹⁾	1,250	1,500	3,500	5,000
Non-payment Fee	70	100	100	200
Usage Charge per 1,000 gallons	\$ 4.02			
Fire Hydrant Availability Annual Charge	\$ 183.00			

SEWER RATES

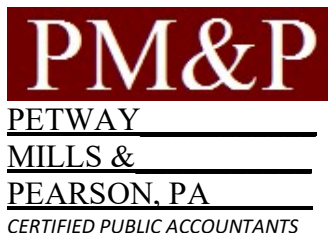
	METER SIZE			
	3/4"	1"	2"	4"
Customer Base Charge per month	24.18	49.43	141.99	444.93
Initial Connection (Tap Fee) ⁽¹⁾	1,250	1,250	1,250	1,250
Usage Charge per 1,000 gallons	\$ 9.08			

⁽¹⁾ Minimum charge; applicant shall pay the actual cost if it exceeds the published fee.



COMPLIANCE SECTION





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Medical Group
Management
Association

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

To the Honorable Mayor
and Members of the Town Council
Town of River Bend
River Bend, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of River Bend, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of River Bend's basic financial statements, and have issued our report thereon dated December 9, 2020.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Petway Mills & Pearson, PA

PETWAY MILLS & PEARSON, PA
Certified Public Accountants
Zebulon, North Carolina

December 9, 2020



PETWAY

MILLS &

PEARSON, PA

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report on Compliance for Each Major State Program and on Internal Control over Compliance in Accordance with Uniform Guidance and the State Single Audit Implementation Act

To the Honorable Mayor
And Members of the Town Council
Town of River Bend, North Carolina

Report on Compliance for Each Major State Program

We have audited Town of River Bend's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on Town of River Bend's major State program as of and for the year ended June 30, 2020. Town of River Bend's major State program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Town of River Bend's major State program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in and applicable sections of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Town of River Bend's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major State program. However, our audit does not provide a legal determination of Town of River Bend's compliance.

Opinion on Each Major State Program

In our opinion, Town of River Bend complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major State program as of and for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Town of River Bend is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Town of River Bend 's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Petway Mills & Pearson, PA

PETWAY MILLS & PEARSON, PA
Certified Public Accountants
Zebulon, North Carolina

December 9, 2020

TOWN OF RIVER BEND, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2020

SECTION I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes

_____ X _____ no

Significant deficiency(ies) identified that are not
considered to be material weaknesses?

_____ yes

_____ X _____ none reported

Noncompliance material to financial statements
noted?

_____ yes

_____ X _____ no

State Awards

Internal control over major State Programs:

Material weakness(es) identified?

_____ yes

_____ X _____ no

Significant deficiency(ies) identified that are not
considered to be material weaknesses?

_____ yes

_____ X _____ none reported

Noncompliance material to State Awards?

_____ yes

_____ X _____ no

Type of auditors' report issued on
compliance for major State programs:

Unmodified

Any audit findings disclosed that are required
to be reported in accordance
with Uniform Guidance?

_____ yes

_____ X _____ no

Identification of major State Programs

State Grants for Financially Distressed
Local Governments

TOWN OF RIVER BEND, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2020

SECTION II. FINANCIAL STATEMENT FINDINGS

None.

SECTION III. STATE AWARD FINDINGS AND QUESTIONED COSTS

None reported.

TOWN OF RIVER BEND, NORTH CAROLINA

CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2020

SECTION II. FINANCIAL STATEMENT FINDINGS

None required.

SECTION III. STATE AWARD FINDINGS AND QUESTIONED COSTS

None required.

TOWN OF RIVER BEND, NORTH CAROLINA

**SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

There were no prior year audit findings.

TOWN OF RIVER BEND, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2020

Grantor/Pass-through/ Grantor-Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Expenditures
FEDERAL AWARDS			
US Department of Homeland Security			
Passed through Department of Public Safety - Division of Emergency Management			
Public Assistance Program - Hurricane Florence	97.036		\$ 699,064
Public Assistance Program - Hurricane Dorian	97.036		14,631
Total US Department of Homeland Security			<u>713,695</u>
US Department of Housing and Urban Development			
Passed through NC Department of Environmental Quality Community Development Block Grant			
Passed through Infrastructure Fund	14.228	18-C-3065	<u>847</u>
TOTAL FEDERAL AWARDS			<u>714,542</u>
STATE AWARDS			
NC Department of Transportation			
Direct Program			
Powell Bill		DOT-4	<u>145,054</u>
NC Office of Recovery and Resiliency			
State Grants for Financially Distressed Local Governments		NCORR-FDLG-004	86,601
State Grants for Financially Distressed Local Governments		NCORR-FDLG-042	363,000
Total NCORR Grants			<u>449,601</u>
US Department of Homeland Security			
Passed through Department of Public Safety - Division of Emergency Management			
Public Assistance Program - Hurricane Florence		FEMA-4353-DR-NC	233,021
Public Assistance Program - Hurricane Dorian		FEMA-4465-DR-NC	4,877
Total US Department of Homeland Security			<u>237,898</u>
TOTAL STATE AWARDS			<u>832,553</u>
TOTAL FEDERAL AND STATE ASSISTANCE			<u><u>\$ 1,547,095</u></u>

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards includes the State grant activity of the Town under the programs of the Federal government and the State of North Carolina for the year ended June 30, 2020. The information in this SEFA is presented in accordance with the requirements of Title 2, US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for the Federal Awards and the Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Town of River Bend, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town of River Bend.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the Schedule of Expenditures of Federal and State Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Costs

The Town has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.