



TOWN OF RIVER BEND

NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2021



TOWN OF RIVER BEND, NORTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

PREPARED BY
FINANCE DEPARTMENT

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FINANCE OFFICER

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FINANCE DIRECTOR

COVER DESIGNED BY:
JENNIFER BARROW, DEPUTY TOWN CLERK



**THE TOWN OF RIVER BEND, NORTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year ended June 30, 2021**

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INTRODUCTORY SECTION

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- Distinguished Budget Presentation Award
- Map of River Bend
- List of Principal Officials
- Organizational Chart





TOWN OF RIVER BEND

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December 17, 2021

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 Annual Comprehensive Financial Report of the Town of River Bend, North Carolina for the fiscal year ended June 30, 2021 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, 2021 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, 2021 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 primarily a residential community. A privately owned 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.

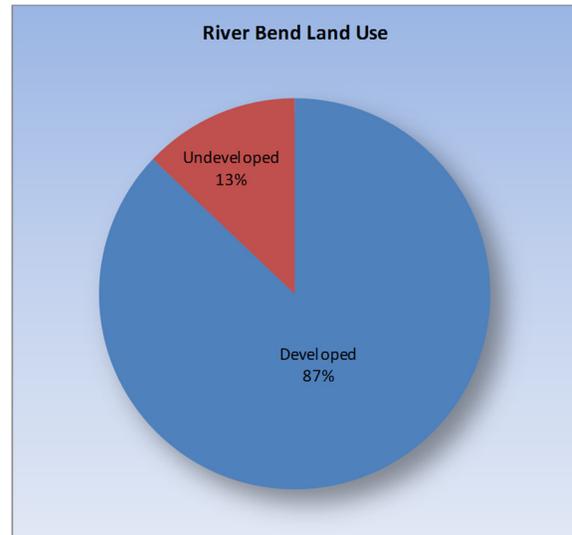
The North Carolina General Assembly recently amended the Charter of the Town of River Bend with the passage of North Carolina Session Law 2021-39. This amendment changed the voting schedule for the office of Mayor and Council members to coincide with State and Federal elections, which occur in even-numbered years. Historically, municipal elections in North Carolina were held in odd-numbered years. Therefore, the General Assembly has extended the terms of the current Mayor and each current member of the Council by one year.

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.

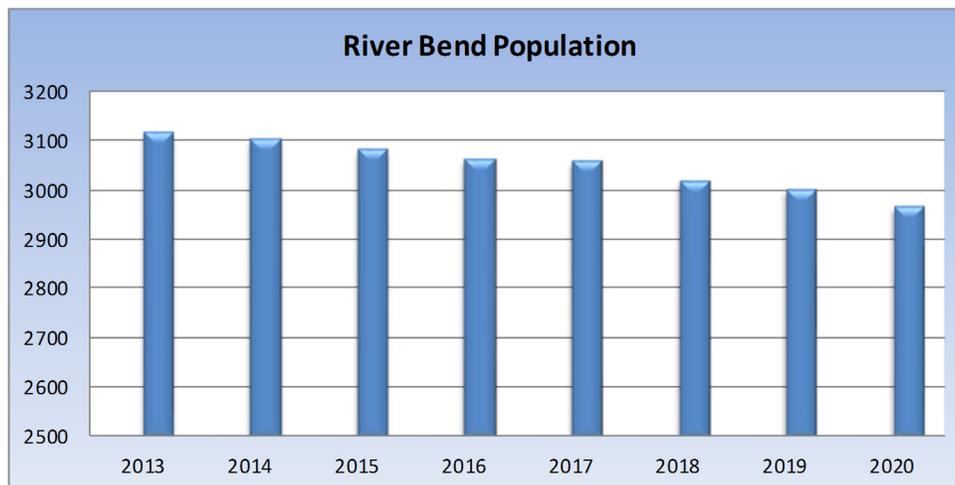
Land Use

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 1,525 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. According to data available from the North Carolina Local Government Commission (LGC), the July 1, 2020 population of River Bend is 2,965. The chart below shows the change in population since 2013. We are awaiting the data from the 2020 census.



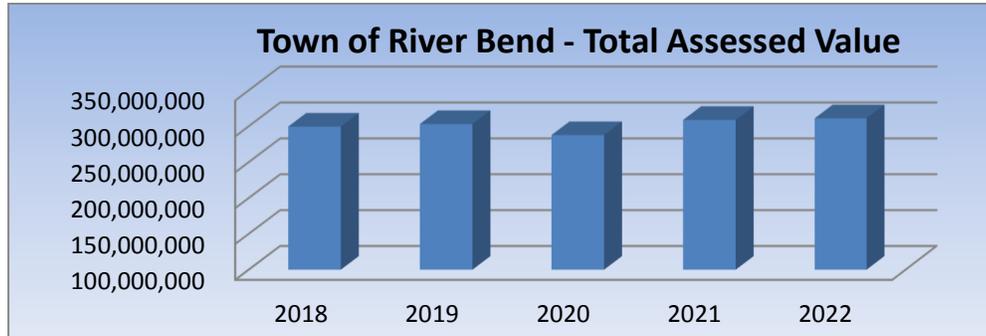
According to the North Carolina Office of Budget and Management (OBM), there are 553 municipalities in North Carolina and the Town of River Bend is the 216th largest by population. The (2018) median age in River Bend is 56.5 years old. According to the 2010 Census, veterans make up 24.1% of our population, 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.

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 below shows the Town’s total assessed since FY 2018. Craven County’s four-year revaluation, slated for FY2020-21, was postponed again until January 1, 2023, which affects FY2023-24.

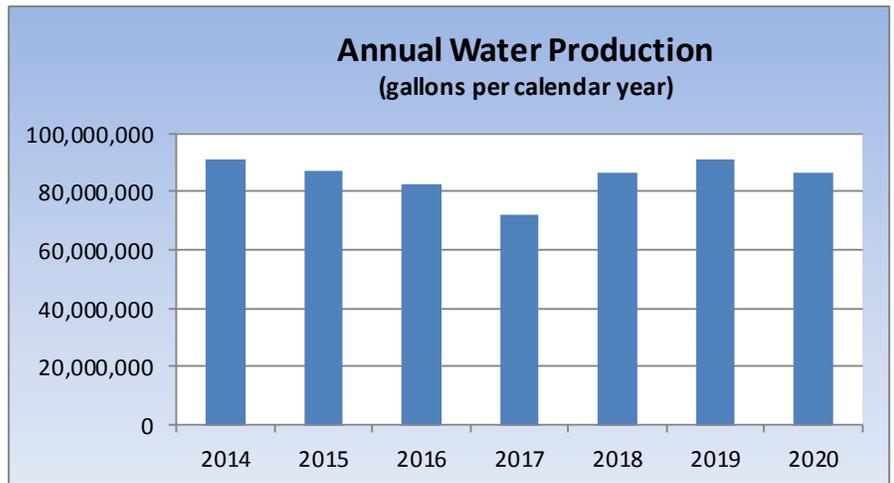


Water and Wastewater

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 2020 (calendar year), we treated 86,685,000 gallons with a daily average of 236,670 gallons. In 2019, we treated 90,729,000 gallons of water, an average of 248,351 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 approximately 1,560 households and businesses through 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 approximately 960 households and businesses. Wastewater is collected from our customers and transmitted via 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 2020, we treated 39.1 million gallons of wastewater compared to 40.4 million gallons in 2019. The daily average treatment rate was 107,043 gallons in 2020 and 111,048 gallons in 2019. 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 2020, we used 32% 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.

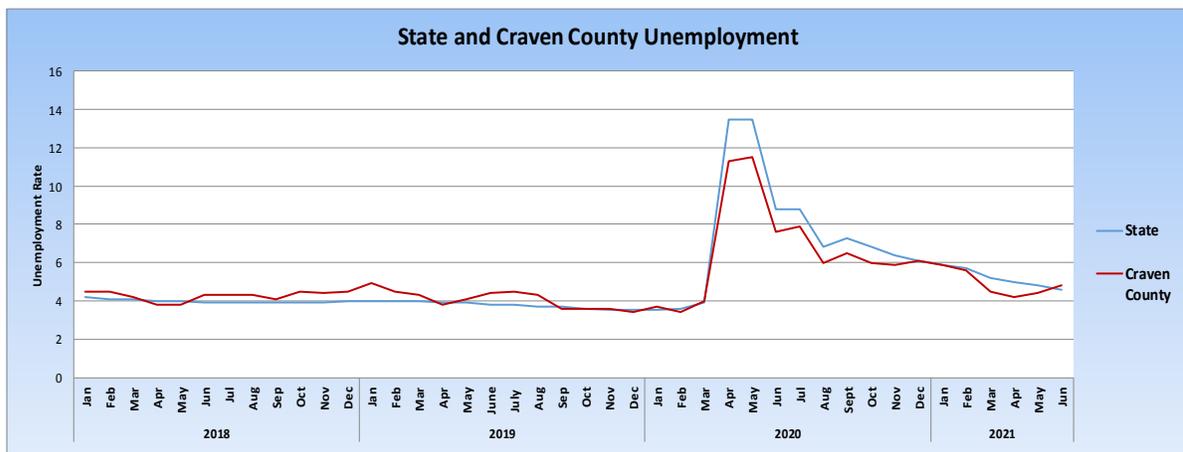
Economy

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 136 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 2020. At the end of June 2021, the Craven County unemployment rate was 4.8% compared to the State seasonally adjusted rate of 4.6%, and the national rate of 5.9%.



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 past couple of years have presented challenges during the annual budget process. We have recovered from Hurricane Florence (September, 2018) where hundreds of homes were inundated with more than four feet of water and the Town incurred about \$1,000,000 in hurricane related expenses. The Town received the final reimbursement of funds related to Hurricane Florence in November, 2021. We will likely continue to see effects from the COVID-19 virus pandemic, which also has impacted economies and budgets at the national and state levels.

In planning for the 2021-22 fiscal year, the 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 renovations to Town Hall were completed in February, 2021 and address upgrading the restrooms to be compliant with Americans with Disabilities Act (ADA), replaced a failing sewer line, along with creating a new exterior entrance and lobby to the meeting hall and restrooms.

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 \$128,300 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 \$76,800, so local revenue in the amount of \$51,500 was budgeted to complete this project.

In this budget, we have allocated \$9,000 for bulkhead replacement and other repairs as needed in the Town. 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 \$3,850 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. Plans were made for the 2021 July 4th event to include a live band and fireworks. Unfortunately, the event was cancelled due to potential rain for our area. Yoga classes were virtual and accessible through ZOOM for most of the year. In person yoga classes returned during May, 2021.

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 voted for no change in the rates for this budget.

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 annually budgeted funds remains at \$3,500 and the funds support the vehicle replacement plan, well pump replacements, and all other planned or emergency cash-funded capital expenditures. Capital expenditures planned for the Water Fund include shared cost of a used backhoe, \$25,000. In the last quarter of FY 2020, the Town was awarded a 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. It is projected that Water Fund cash reserves will be at 69% of expenditures at the end of FY 2024.

The Sewer Fund budget provides for the cost-share of a used backhoe, \$25,000, and lift station rehabilitation, \$30,000. As with the Water Fund, all equipment preventative maintenance contracts are funded. 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 84% of expenditures for the next four years.

One major consideration during the budget preparation this year was the tax rate. The Council approved a rate of \$0.26 per 100 dollars of valuation, which was unchanged from last fiscal year. The Council chose to balance the General Fund budget by using \$244,602 from fund balance; this will 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:

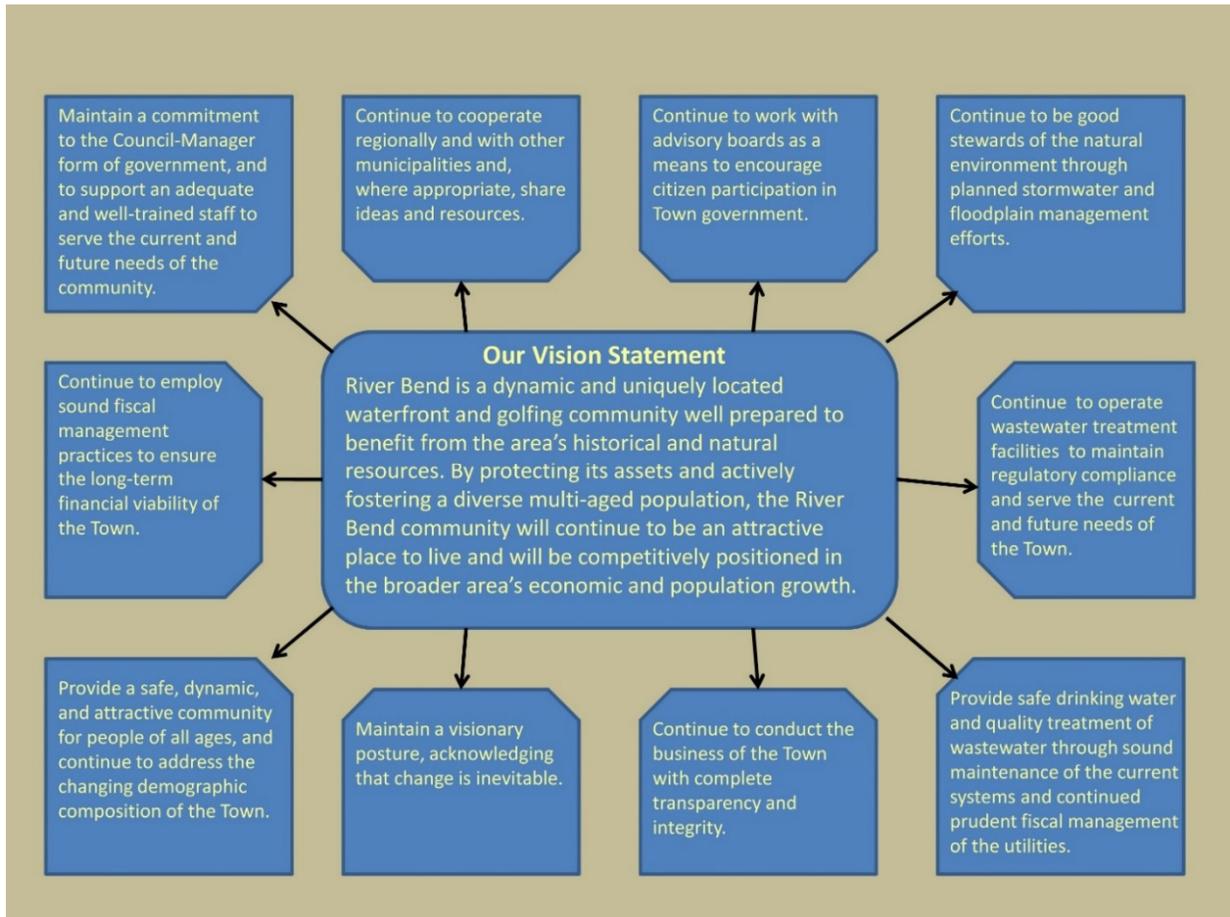
- To link long-term financial planning with short-term daily operations and decision-making.
- To maintain and improve the Town's financial position.
- To maintain and improve the Town's credit ratings by meeting or exceeding the requirements of rating agencies through sound financial policies.
- To 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 Excellence in Financial Reporting to the Town of River Bend for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. This was the tenth 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 ACFR 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 ACFR 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 Michael Allen, 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



Mandy B. Gilbert
Finance Director



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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

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 01, 2020

Christopher P. Morill

Executive Director

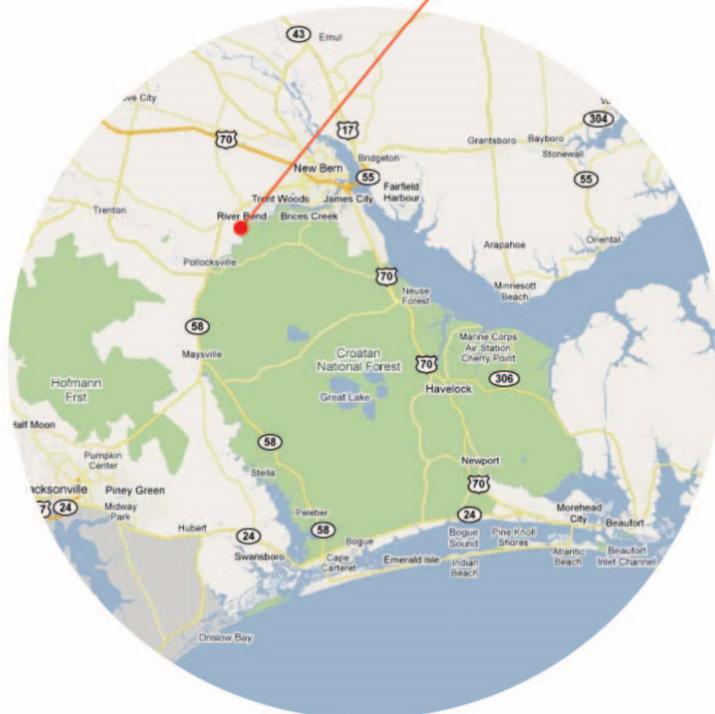
The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Town of River Bend, North Carolina for its annual budget for the fiscal year beginning July 1, 2020. In order to receive this award, a governmental unit must publish 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 2020 award was our eleventh consecutive 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

as of June 30, 2021

MAYOR

John Kirkland

TOWN COUNCIL

Donald Fogle

Brian Leonard

Barbara Maurer

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 Director

Kristie Nobles

Town Clerk

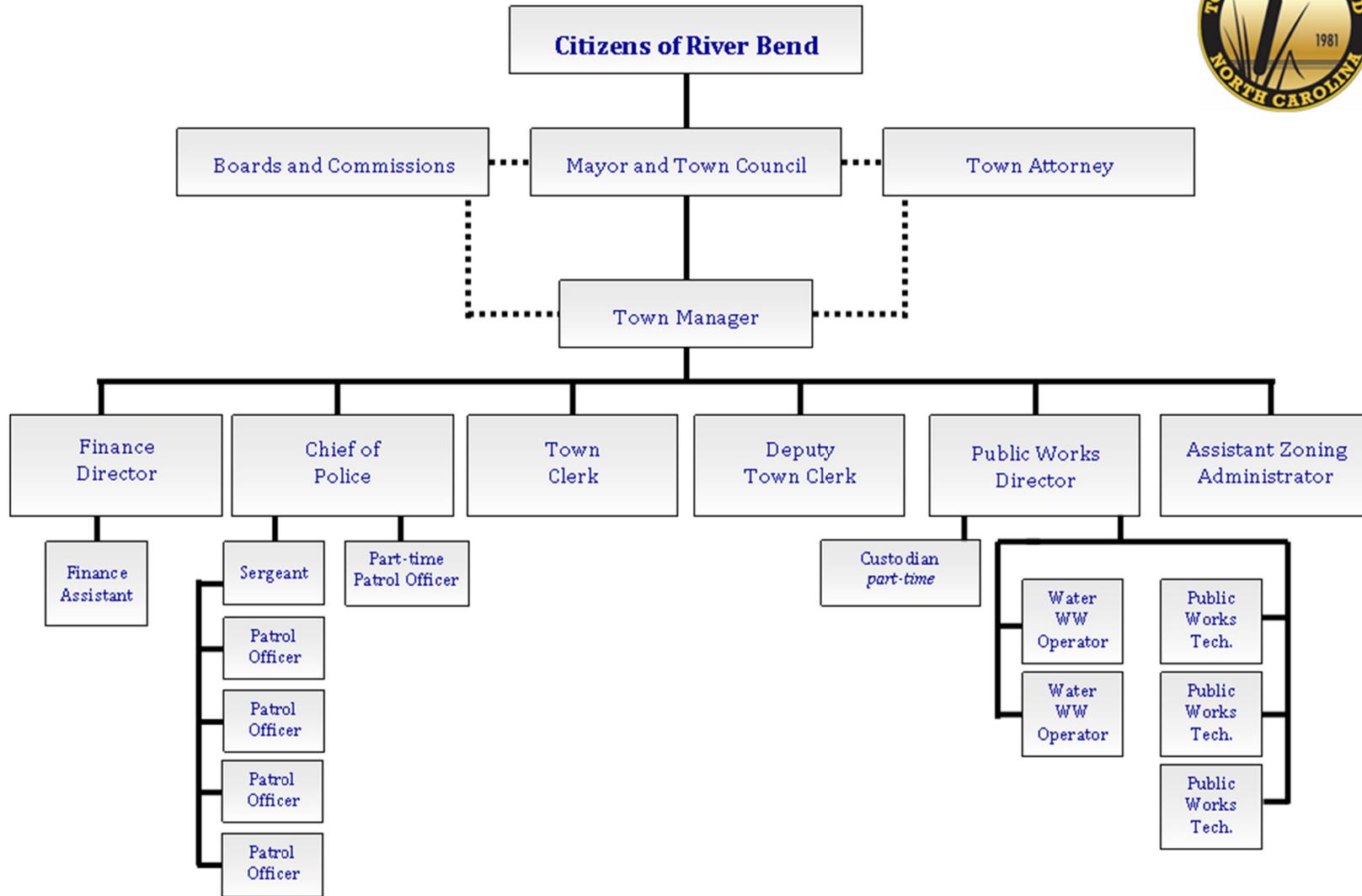
Sean Joll

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 Supplemental Information
- Other Supplemental 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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 P.O. Box 1036
 806 N. Arendell Ave.
 Zebulon, NC 27597
 919.269.7405
 919.269.8728 Fax

Raleigh Office
 9121 Anson Way
 Raleigh, NC 27615
 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, 2021, 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, 2021, 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 97 and 98, 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 99 and 100, 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 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 October 27, 2021, 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

October 27, 2021



MANAGEMENT'S DISCUSSION & ANALYSIS



Management Discussion and Analysis Town of River Bend

Town of River Bend Management's Discussion and Analysis June 30, 2021

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

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources by \$7,637,829 (*net position*) at the close of the fiscal year.
- For governmental type activities, the Town's net position showed a decrease of 4.3% at the close of the fiscal year at \$5,350,546. Net position for business-type activities, which exclusively include the Water and Sewer Enterprise Funds, were \$980,775 and \$1,306,508, respectively, for a total of \$2,287,283. This represents an increase of \$14,016 in the value of net position in the Water Fund, and an increase of \$72,531 in the value of net position in the Sewer Fund. On-going depreciation of the infrastructure, a total of \$212,287, continues to be a significant expense. The government's total net position decreased by \$155,350.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$1,335,578, a decrease of \$921,110. Approximately 11.7% of this amount, or \$156,054 is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$895,501 or 44% 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, 2021, this amounted to \$1,021,240; however, expenditures for the year included \$439,585 in capital outlay. Fund balance was purposefully drawn down for major capital projects.
- The Town's total General Obligation bond debt decreased by \$235,000 (14%) 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.

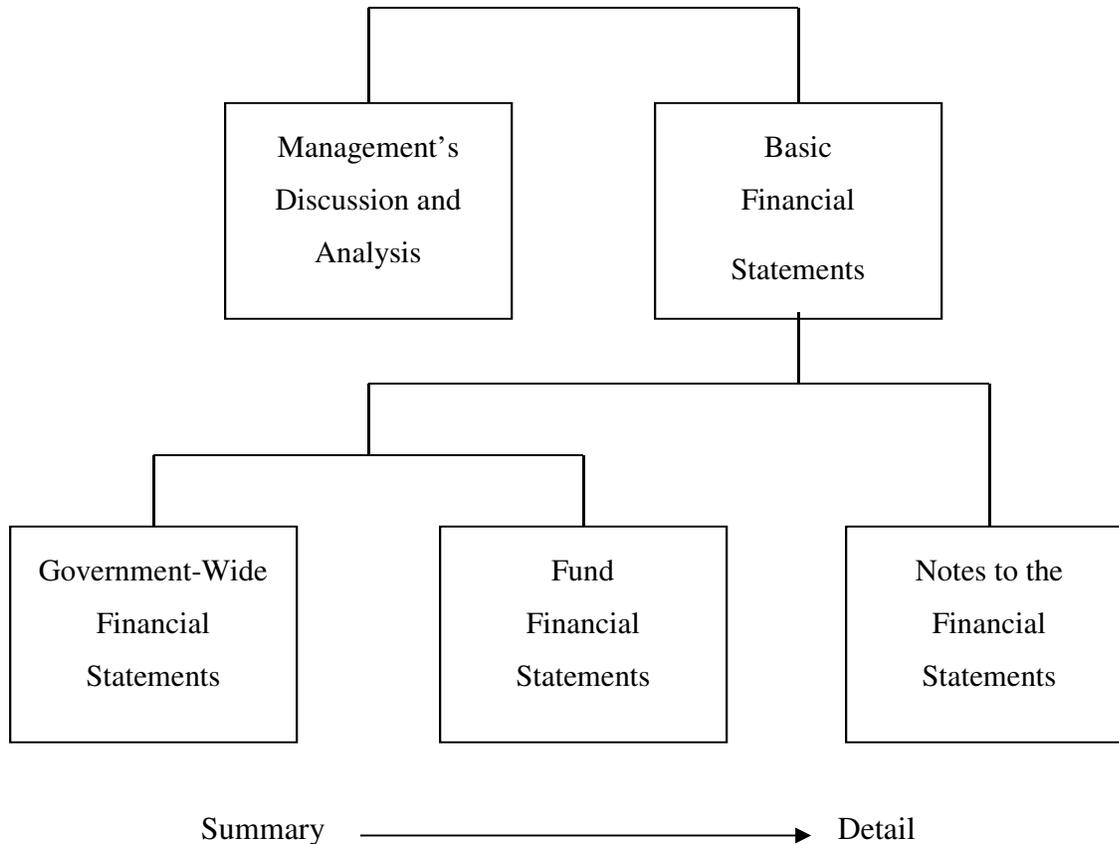
Overview of the Financial Statements

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 begin on page 67 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 supplemental information can be found beginning on page 97 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 \$7,637,829 as of June 30, 2021. The Town's net position decreased by \$155,350 for the fiscal year ended June 30, 2021. A large portion (41%) of total net position is the Town's unrestricted net position, \$3,138,820 that is available for future spending. The Town reports net investments in capital assets (e.g. land, buildings, machinery, and equipment) as 57 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 \$156,054 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	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	\$ 1,376,722	\$ 2,338,828	\$ 2,396,837	\$ 2,357,974	\$ 3,773,559	\$ 4,696,802
Net pension asset - Separation Allowance	-	-	-	-	-	-
Net pension asset - LGERS	-	-	-	-	-	-
Capital assets, net	<u>4,327,268</u>	<u>3,569,556</u>	<u>1,443,988</u>	<u>1,615,084</u>	<u>5,771,256</u>	<u>5,184,640</u>
Total assets	<u>5,703,990</u>	<u>5,908,384</u>	<u>3,840,825</u>	<u>3,973,058</u>	<u>9,544,815</u>	<u>9,881,442</u>
Deferred Outflows of Resources:						
Contributions to pension plan, current year - LGERS	83,035	69,360	23,615	19,722	106,650	89,082
Contributions to pension plan, current year - LEO	16,523	20,674	-	-	16,523	20,674
Pension deferrals	273,505	186,500	47,239	36,295	320,744	222,795
Deferred charges on refunding	-	-	<u>53,569</u>	<u>62,498</u>	<u>53,569</u>	<u>62,498</u>
Total deferred outflows of resources	<u>373,063</u>	<u>276,534</u>	<u>124,423</u>	<u>118,515</u>	<u>497,486</u>	<u>395,049</u>
Liabilities:						
Current liabilities	79,428	105,383	319,163	312,357	398,591	417,740
Long-term liabilities	<u>635,801</u>	<u>435,151</u>	<u>1,356,515</u>	<u>1,575,093</u>	<u>1,992,316</u>	<u>2,010,244</u>
Total liabilities	<u>715,229</u>	<u>540,534</u>	<u>1,675,678</u>	<u>1,887,450</u>	<u>2,390,907</u>	<u>2,427,984</u>
Deferred Inflows of Resources:						
Pension deferrals	<u>11,278</u>	<u>51,941</u>	<u>2,287</u>	<u>3,387</u>	<u>13,565</u>	<u>55,328</u>
Net Position:						
Net investment in capital assets	4,327,268	3,569,556	15,687	(50,432)	4,342,955	3,519,124
Restricted	156,054	148,249	-	-	156,054	148,249
Unrestricted	<u>867,224</u>	<u>1,874,638</u>	<u>2,271,596</u>	<u>2,251,168</u>	<u>3,138,820</u>	<u>4,125,806</u>
Total net position	<u>\$ 5,350,546</u>	<u>\$ 5,592,443</u>	<u>\$ 2,287,283</u>	<u>\$ 2,200,736</u>	<u>\$ 7,637,829</u>	<u>\$ 7,793,179</u>

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

- The Municipal Building and Town Hall renovation capital project was funded with General Fund and Capital Reserve fund balances, \$1,113,600 and \$265,800, respectively. The municipal building houses the police department along with space for community activities. Additionally, this building will act as a command post for emergency operations. The Town Hall was expanded to contain new restrooms, town sewer service, and upgraded offices. This capital project was completed in FY 2021.
- Federal and state disaster assistance and grant funds received included hurricane public assistance \$20,474, and Coronavirus Relief Fund, \$50,668. The NC Office of Recovery and Resiliency (NCORR) grant expenditures amounted to \$99,000, leaving approximately \$76,000 remaining until the grant expires in FY 2022.
- The Town Council adopted a tax rate of \$0.26 per hundred dollars of valuation, no change from last fiscal year. Property tax revenue, including motor vehicles, reported a positive budget variance of \$12,910, \$69,176 over FY20 and a net tax levy increase of 7.31%. Fund balance in the amount of \$222,833 was originally budgeted to balance the FY21 budget.
- 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 each fiscal year as budgeted. Sewer and Water rates remained unchanged this fiscal year; residential water base rates were last increased \$3 per month on April 9, 2020.

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

Town of River Bend's Changes in Net Position

Figure 3

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues:						
Program revenues:						
Charges for services	\$ 47,418	\$ 41,766	\$ 1,127,670	\$ 1,311,383	\$ 1,175,088	\$ 1,353,149
Operating grants and contributions	237,252	1,129,776	-	-	237,252	1,129,776
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	800,636	747,969	-	-	800,636	747,969
Other taxes	618,623	569,779			618,623	569,779
Investment earnings, unrestricted	367	37,711	443	24,374	810	62,085
Miscellaneous, unrestricted	13,960	17,848	3,284	-	17,244	17,848
Total revenues	<u>1,718,256</u>	<u>2,544,849</u>	<u>1,131,397</u>	<u>1,335,757</u>	<u>2,849,653</u>	<u>3,880,606</u>
Expenses:						
General government	902,802	781,056	-	-	902,802	781,056
Public safety	639,067	636,538	-	-	639,067	636,538
Transportation	232,384	230,521	-	-	232,384	230,521
Environmental protection	72,241	62,457	-	-	72,241	62,457
Cultural and recreational	113,659	41,473	-	-	113,659	41,473
Water	-	-	499,321	491,059	499,321	491,059
Sewer	-	-	547,167	528,940	547,167	528,940
Total expenses	<u>1,960,153</u>	<u>1,752,045</u>	<u>1,046,488</u>	<u>1,019,999</u>	<u>3,006,641</u>	<u>2,772,044</u>
Increase in net position before special items	(241,897)	792,804	84,909	315,758	(156,988)	1,108,562
Special item - gain on sale of capital assets	-	4,095	1,638	-	1,638	4,095
Increase in net position:	(241,897)	796,899	86,547	315,758	(155,350)	1,112,657
Beginning of year - July 1	<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>
End of year - June 30	<u>\$ 5,350,546</u>	<u>\$ 5,592,443</u>	<u>\$ 2,287,283</u>	<u>\$ 2,200,736</u>	<u>\$ 7,637,829</u>	<u>\$ 7,793,179</u>

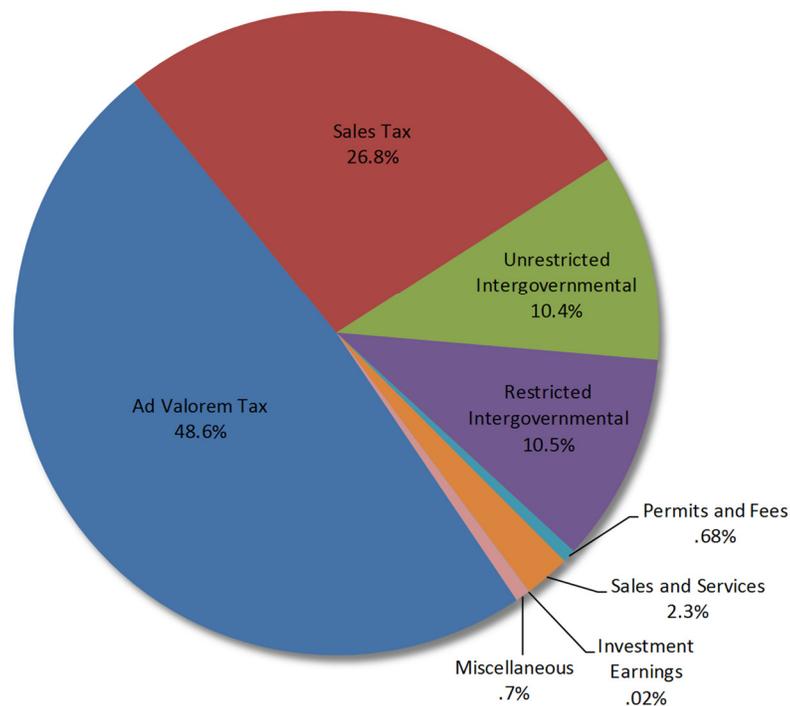
Governmental Activities. The total net position of the Town decreased by \$155,350; governmental activities accounted for \$241,897 of the decrease to the Town's net position. Key elements that affected net position are as follows:

- Fund balance of \$222,833 was originally budgeted balance the General Fund budget.
- Two FEMA Hazard Mitigation Grant projects, \$187,507, were carried over from FY 2021 and completed in this fiscal year. These project funds, along with additional funds for the Municipal Building and Town Hall renovation capital projects (\$90,708), were appropriated from General Fund balance. Budget amendment details are covered under **General Fund Budgetary Highlights**.

Management Discussion and Analysis Town of River Bend

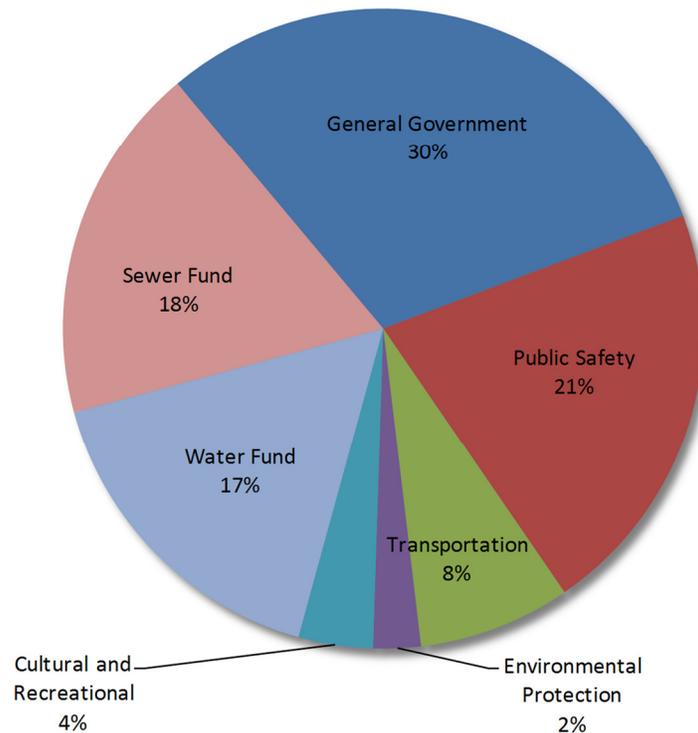
- Ad Valorem property valuation recovered slightly over the decrease of 5% or fifteen million dollars last fiscal year. Craven County’s four-year revaluation, slated for FY 2020-21, was postponed again until January 1, 2023, which affects FY 2023-24. One aspect of this timing is due to the area devastation and property loss caused by Hurricane Florence in September 2018. This fiscal year the adopted rate was \$0.26 with a net property tax valuation of \$308,741,643; Craven County collection rate was 99.71%.
- Exhibit 6 in the Basic Financial Statement outlines budget to actual performance in the General Fund for Town expenditures. Each functional area operated well within budgeted amounts, while still maintaining services, which contributed to the Town’s net position for the fiscal year. Capital outlays increased capital assets for a total of \$439,585, of which the General Fund Capital Improvement Plan contributed \$164,663 from Capital Reserves.

Town of River Bend
Figure 4. Revenue Sources - Governmental Activities - Fiscal Year 2021



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

**Town of River Bend
Figure 5. Functional Expenses - Fiscal Year 2021**



Business-Type Activities. Business-type activities increased the Town’s net position by \$86,547. 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 74% of expenditures at the end of the next three years.
- The residential water utility demand portion of the base fee was decreased in fiscal year 2019 in light of sufficient cash reserves to respond to routine maintenance and emergent conditions; in April 2021 it was increased \$3 per month and operating cash is forecast to be at least 69% of expenditures at the end of the next three years.
- Operating revenues from sewer services adequately covered the operating expenses, resulting in operating income and an increase in net position of \$72,531. Water fund net position increased by \$14,016.
- The Water Fund cash and cash equivalents decreased by \$20,758 resulting in ending cash balance of \$1,065,744.
- The Sewer Fund increased its cash and cash equivalents balance by \$59,600 resulting in an ending cash balance of \$1,126,491.

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 \$14,016 from last year to \$980,775 at year-end.
- Operating income was \$32,563; last year's gain of \$124,044 was mainly due to an NCORR grant for \$145,879.
- Capital assets of \$23,660 were acquired in the current year. The cash-funded capital improvement plan provided for an annual appropriation of \$3,500.
- Depreciation expense reduced net position in the amount of \$110,971, compared to \$108,302 last year.

Sewer Fund:

- The Sewer Fund increased net position by \$72,531 from last year to \$1,306,508 at year-end.
- Operating income was \$90,969; last year's gain of \$214,190 was mainly due to an NCORR grant for \$125,971.
- Capital assets of \$17,532 were acquired in the current year. The cash-funded capital improvement plan provided for an annual appropriation of \$63,000.
- Depreciation expense reduced net position by \$101,316, compared to \$98,206 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 \$1,335,578, a decrease of \$921,110 over the prior year. Included in this change is a decrease of \$104,632 in fund balance in the Capital Reserve Funds.

A municipal building and Town Hall renovation capital project, beginning in FY 2019-2020, was funded with General Fund and Capital Reserve fund balances, \$1,113,600 and \$265,800, respectively. The municipal building houses 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 was expanded to contain new restrooms, town sewer service, and upgraded offices. Both projects were completed this fiscal year.

The General Fund is the chief operating fund of the Town of River Bend. For the fiscal year ended June 30, 2021, the Town's fund balance available in the General Fund was \$1,150,074 and unassigned fund balance of the General Fund was \$895,501, a 29% decrease from prior year. Total fund balance is \$1,306,128. 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 43.8% 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 65.4% of total General Fund expenditures and available fund balance represents 56.3% of that same amount.

The Department of State Treasurer reported the average fund balance of 77.29 percent for the group of non-electric cities with a population of 2,500 – 9,999 for the year ended June 30, 2020.

General Fund Budgetary Highlights. During the fiscal year, the Town amended the budget on seven 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 FY19-20, \$182,157.
- General Fund balance was appropriated for an upgrade to a metal roof for Town Hall, \$73,500.
- CARES Act CRF funding received, \$49,650, was recognized to offset budgeted police activities.
- Appropriated fund balance (\$7,000) and a transfer from Capital Reserve Fund (\$58,000) were used for the Island Lake dredging project.
- Capital Reserve funds were appropriated for the Channel Run drainage project, \$63,693.
- Fund balance was appropriated to pay the final amount due for architectural services in conjunction with the BUS capital project, \$10,208.
- Federal Disaster Assistance (\$14,624) and State Disaster Assistance (\$4,875) funds were received from Hurricane Isaias for leaf & limb debris pick-up. Proceeds from the sale of abandoned property, \$5,500.
- Contingency was used for an Independence Day celebration with fireworks and a live band, \$12,000.
- Interdepartmental transfers allowed for Town Hall interior improvements (\$18,000), network closet upgrade, purchase of non-capital IT items and funding a 27th payroll (\$10,000), channel markers (\$4,000), and additional COVID-19 supplies (\$1,000).

Excluding restricted intergovernmental revenues, General Fund revenues finished with a positive budget variance \$46,513. The main component of this positive variance was Sales Tax revenues, \$50,115, which rallied in the last fiscal quarter. Other intergovernmental revenues continue to decline; despite conservative budgeting, they ended in negative variances. Ad Valorem tax collections were above budget by \$12,910.

Departmental expenditures were less than the final budgeted amounts by \$143,902. Each functional area contributed to this total amount; the most significant, \$31,203 came from Environmental Protection due to the favorable contracted projects. Details of the budget and actual amounts for revenues and expenditures of the General Fund are presented in the Supplemental Information, Schedule 2, beginning on page 104. 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 \$980,775 and \$1,306,508, respectively, for a total of \$2,287,283. This represents an increase of \$86,547 from last fiscal year. As stated before, a key element each year is depreciation, for this year in the Water Fund, \$110,971, and the Sewer Fund, \$101,316. Unrestricted net position of the Water Fund and Sewer Fund at the end of the fiscal year amounted to \$2,271,596.

Management Discussion and Analysis Town of River Bend

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, 2021 totaled \$5,771,256 (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:

- \$41,368, Police 2020 Ford Interceptor
- \$146,817, 2021 Street Paving Program
- \$186,400, Stormwater Project Phase I, Channel Run area
- \$65,000, Island Lake dredging project

Water Fund:

- \$11,680, Ford 150 truck, shared cost
- \$11,980, Well #3 protective improvements

Sewer Fund:

- \$11,680, Ford 150 truck, shared cost
- \$5,852, Hydromatic pump in main lift station

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.
- 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.

Management Discussion and Analysis
Town of River Bend

- 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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 929,320	\$ 929,320	\$ 183,357	\$ 183,357	\$ 1,112,677	\$ 1,112,677
Construction in progress	-	859,541	220,070	220,070	220,070	1,079,611
Plant and distribution system	-	-	5,818,448	5,800,615	5,818,448	5,800,615
Furniture and equipment	-	-	334,670	319,746	334,670	319,746
Building and improvements	2,803,346	1,352,521	8,960	8,960	2,812,306	1,361,481
Equipment and vehicles	487,768	446,400	-	-	487,768	446,400
Infrastructure	<u>2,448,352</u>	<u>2,115,135</u>	<u>-</u>	<u>-</u>	<u>2,448,352</u>	<u>2,115,135.00</u>
Subtotal	<u>6,668,786</u>	<u>5,702,917</u>	<u>6,565,505</u>	<u>6,532,748</u>	<u>13,234,291</u>	<u>12,235,665</u>
Less accumulated depreciation	<u>(2,341,518)</u>	<u>(2,133,361)</u>	<u>(5,121,517)</u>	<u>(4,917,665)</u>	<u>(7,463,035)</u>	<u>(7,051,026)</u>
Capital assets, net	<u>\$ 4,327,268</u>	<u>\$ 3,569,556</u>	<u>\$ 1,443,988</u>	<u>\$ 1,615,084</u>	<u>\$ 5,771,256</u>	<u>\$ 5,184,640</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, 2021, the Town had total bonded debt outstanding of \$1,415,000, 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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
General obligation bonds	\$ -	\$ -	\$ 1,415,000	\$ 1,650,000	\$ 1,415,000	\$ 1,650,000
Unamortized premium on bonds	-	-	66,870	78,014	66,870	78,014
Compensated absences	49,372	41,937	21,553	21,644	70,925	63,581
Net pension liability (LGERS)	402,033	287,422	120,402	87,807	522,435	375,229
Total pension liability (LEO)	<u>226,362</u>	<u>141,438</u>	<u>-</u>	<u>-</u>	<u>226,362</u>	<u>141,438</u>
Total debt	<u>\$ 677,767</u>	<u>\$ 470,797</u>	<u>\$ 1,623,825</u>	<u>\$ 1,837,465</u>	<u>\$ 2,301,592</u>	<u>\$ 2,308,262</u>

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 91 in the notes to the basic financial statements. The Town's legal debt margin at June 30, 2021 was \$24,000,000.

Management Discussion and Analysis Town of River Bend

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 2021 was reported at 4.8%, the State seasonally adjusted rate, 4.6%, and a national rate of 5.9%.

Budget Highlights and Rates for the Fiscal Year Ending June 30, 2022

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 2021. 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 eleventh 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 \$1,891,341, a 19.8% decrease from the 2021 fiscal year-end budgeted revenues, (after deducting \$73,500 transferred to the Building Utilization Strategy (BUS) Capital Project) and a 13.6% increase compared to year-end revenues. Included in this amount is NCORR Recovery Grant revenue, \$76,445, for the corresponding department expenditures.

The Council adopted a tax rate of \$0.26, which is unchanged from the prior year. Appropriated fund balance was used to balance the budget in the amount of \$244,602. We anticipate receiving revenues above those budgeted this fiscal year for requested hurricane public assistance administrative funds, \$36,000.

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 eighteen 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 1.4% 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 \$13,500 to fund the Law Enforcement Officers' Separation Allowance. Our financial obligation for one eligible retiree is \$1,517 this year.

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 \$45,150 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. \$107,000 is budgeted to set aside in the General Capital Reserve Fund for this year.

Management Discussion and Analysis Town of River Bend

CIP budgeted expenditures this year are for the replacement of information technology hardware, \$3,850, a backhoe, \$25,000 (cost shared with water and sewer funds) and storm water maintenance, \$15,000. 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 was included in a hazard mitigation project funded by public assistance and town funds; Phase I was completed in FY 2021.

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. We have been researching new Enterprise Resource Planning (ERP) software and will be presenting our recommendation to the Council in FY 2022. The goal is a more efficient, streamline operation with accessibility to information without the addition to staffing costs.

The new Municipal Building provides office space for the professional needs of our police department and offers kitchen facilities and a large meeting area for community events as well as a command post for emergency operations. Town Hall renovations addressed upgrading the restrooms to be compliant with Americans with Disabilities Act (ADA), replaced a failing sewer line, along with creating a new exterior entrance and lobby to the meeting hall and restrooms. These projects (\$1,389,400) were funded by General Fund and Capital Reserve fund balance and completed in FY 2021. The Town's anticipated American Rescue Plan Act (ARPA) of 2021 funds, \$964,378, are earmarked for capital assets for the Water and Sewer operations.

Business-Type Activities. The adopted rate schedule reflects no rate changes in the Sewer Fund. The water base rate demand component was last increased \$3 per month for residential users on April 9, 2020. This budget reflects the equivalent unit demand component increase for all other classes. 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 20% 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 48% of expenditures. At the end of the next four years, it is projected that the Sewer Fund cash reserves will be at 105% 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 maintains cash reserves to address these needs. Capital expenditures planned for the Water Fund this fiscal year include shared cost of a used backhoe, \$25,000.

In the last quarter of fiscal year 2019-20 the Town was awarded a 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.

Management Discussion and Analysis Town of River Bend

Sewer Capital Improvement Plan (CIP) budgeted funds of \$3,500 support the vehicle replacement plan and all other planned or emergency cash-funded capital expenditures. In fiscal year 2022, capital expenditures include the cost-shared used backhoe, \$25,000, and lift station rehabilitation, \$30,000.

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 Mandy Gilbert, Finance Director, 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, 2021

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,091,560	\$ 2,170,014	\$ 3,261,574
Taxes receivable (net)	2,336	-	2,336
Accounts receivable (net)	1,409	204,602	206,011
Due from other governments	152,309	-	152,309
Total current assets	<u>1,247,614</u>	<u>2,374,616</u>	<u>3,622,230</u>
Non-current assets:			
Restricted cash and cash equivalents	129,108	22,221	151,329
Capital assets:			
Land and construction in progress	929,320	403,427	1,332,747
Other capital assets, net of depreciation	3,397,948	1,040,561	4,438,509
Total capital assets (net)	<u>4,327,268</u>	<u>1,443,988</u>	<u>5,771,256</u>
Total non-current assets	<u>4,456,376</u>	<u>1,466,209</u>	<u>5,922,585</u>
Total assets	<u>5,703,990</u>	<u>3,840,825</u>	<u>9,544,815</u>
Deferred Outflows of Resources:			
Contributions to pension plan in current fiscal year - LGERS	83,035	23,615	106,650
Contributions to pension plan in current fiscal year - LEO	16,523	-	16,523
Pension deferrals - LGERS	148,591	47,239	195,830
Pension deferrals - LEO	124,914	-	124,914
Deferred charge on refunding	-	53,569	53,569
Total deferred outflows of resources:	<u>373,063</u>	<u>124,423</u>	<u>497,486</u>
Liabilities:			
Current liabilities:			
Accounts payable	33,844	29,632	63,476
Accrued expenses	378	-	378
Unearned revenue - rents	3,240	-	3,240
Liabilities payable from restricted assets	-	22,221	22,221
Current portion of compensated absences	41,966	16,165	58,131
Current portion of long-term debt	-	251,145	251,145
Total current liabilities	<u>79,428</u>	<u>319,163</u>	<u>398,591</u>
Non-current liabilities:			
Non-current portion of compensated absences	7,406	5,388	12,794
Net pension liability - LGERS	402,033	120,402	522,435
Total pension liability - LEO	226,362	-	226,362
Non-current portion of long-term debt	-	1,230,725	1,230,725
Total long-term liabilities	<u>635,801</u>	<u>1,356,515</u>	<u>1,992,316</u>
Total liabilities	715,229	1,675,678	2,390,907
Deferred Inflows of Resources			
Pension deferrals	11,278	2,287	13,565
Total deferred inflows of resources	<u>11,278</u>	<u>2,287</u>	<u>13,565</u>
Net Position			
Net investment in capital assets	4,327,268	15,687	4,342,955
Restricted for stabilization by State statute	156,054	-	156,054
Unrestricted	867,224	2,271,596	3,138,820
Total net position	<u>\$ 5,350,546</u>	<u>\$ 2,287,283</u>	<u>\$ 7,637,829</u>

TOWN OF RIVER BEND, NORTH CAROLINA

Exhibit 2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Functions/Programs:							
Primary Government:							
Governmental Activities:							
General government	\$ 902,802	\$ 38,858	\$ -	\$ -	\$ (863,944)	\$ -	\$ (863,944)
Public safety	639,067	310	93,763	-	(544,994)	-	(544,994)
Transportation	232,384	-	80,899	-	(151,485)	-	(151,485)
Environmental protection	72,241	8,250	62,590	-	(1,401)	-	(1,401)
Cultural and recreational	113,659	-	-	-	(113,659)	-	(113,659)
Total governmental activities	<u>1,960,153</u>	<u>47,418</u>	<u>237,252</u>	<u>-</u>	<u>(1,675,483)</u>	<u>-</u>	<u>(1,675,483)</u>
Business-Type Activities:							
Water Fund	499,321	509,158	-	-	-	9,837	9,837
Sewer Fund	547,167	618,512	-	-	-	71,345	71,345
Total business-type activities	<u>1,046,488</u>	<u>1,127,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,182</u>	<u>81,182</u>
Total primary government	<u>\$ 3,006,641</u>	<u>\$ 1,175,088</u>	<u>\$ 237,252</u>	<u>\$ -</u>	<u>(1,675,483)</u>	<u>81,182</u>	<u>(1,594,301)</u>
General Revenues:							
Ad valorem taxes					800,636	-	800,636
Local option sales taxes					346,546	-	346,546
Franchise taxes					108,626	-	108,626
Other taxes and licenses					163,451	-	163,451
Interest earned on investments, unrestricted					367	443	810
Insurance settlements					-	3,284	3,284
Miscellaneous, unrestricted					13,960	-	13,960
Special Item - gain on sale of capital assets					-	1,638	1,638
Total general revenues					<u>1,433,586</u>	<u>5,365</u>	<u>1,438,951</u>
Change in net position					<u>(241,897)</u>	<u>86,547</u>	<u>(155,350)</u>
Net Position:							
Beginning of year - July 1					5,592,443	2,200,736	7,793,179
End of year - June 30					<u>\$ 5,350,546</u>	<u>\$ 2,287,283</u>	<u>\$ 7,637,829</u>

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

TOWN OF RIVER BEND, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	Major			Non-Major	Governmental Funds
	General Fund	Capital Reserve	BUS Capital Projects	CDBG Project	
ASSETS					
Cash and cash equivalents	\$ 1,061,105	\$ 30,455	\$ -	\$ -	\$ 1,091,560
Restricted cash	129,108	-	-	-	129,108
Taxes receivable, net	2,336	-	-	-	2,336
Accounts receivable, net	1,409	-	-	-	1,409
Due from CDBG Project Fund	1,005	-	-	-	1,005
Due from other governments	152,309	-	-	-	152,309
Total assets	<u>\$ 1,347,272</u>	<u>\$ 30,455</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,377,727</u>
LIABILITIES					
Accounts payable	\$ 33,844	\$ -	\$ -	\$ -	\$ 33,844
Accrued expenses	378	-	-	-	378
Due to General Fund	-	-	-	1,005	1,005
Unearned revenue - rents	3,240	-	-	-	3,240
Total liabilities	<u>37,462</u>	<u>-</u>	<u>-</u>	<u>1,005</u>	<u>38,467</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes receivable	3,682	-	-	-	3,682
FUND BALANCES					
Restricted for stabilization by State statute	156,054	-	-	-	156,054
Committed for general government capital outlay	-	30,455	-	-	30,455
Assigned:					
Law Enforcement Separation Allowance	9,971	-	-	-	9,971
Subsequent year's expenditures	244,602	-	-	-	244,602
Unassigned	895,501	-	-	(1,005)	894,496
Total fund balances	<u>1,306,128</u>	<u>30,455</u>	<u>-</u>	<u>(1,005)</u>	<u>1,335,578</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,347,272</u>	<u>\$ 30,455</u>	<u>\$ -</u>	<u>\$ -</u>	

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

Capital assets, net of accumulated depreciation, used in governmental activities are not current economic resources and, therefore, are not reported in the funds.	\$ 4,327,268
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position (Exhibit 1).	99,558
Earned revenues considered deferred inflows of resources in fund statements.	3,682
Pension related deferrals	262,227
Net pension liability	(402,033)
Total pension liability	(226,362)
Other long-term liabilities (compensated absences) are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(49,372)</u>
Net position of governmental activities per Exhibit 1	<u>\$ 5,350,546</u>

TOWN OF RIVER BEND, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Major Capital Reserve</u>	<u>BUS Capital Projects</u>	<u>Non-Major CDBG Project</u>	<u>Governmental Funds</u>
REVENUES					
Ad valorem taxes	\$ 809,357	\$ -	\$ -	\$ -	\$ 809,357
Other taxes and licenses	445,035	-	-	-	445,035
Unrestricted intergovernmental revenues	173,587	-	-	-	173,587
Restricted intergovernmental revenues	174,662	-	-	62,590	237,252
Permits and fees	10,990	-	-	-	10,990
Sales and services	50,388	-	-	-	50,388
Investment earnings	285	31	51	-	367
Total revenues	<u>1,664,304</u>	<u>31</u>	<u>51</u>	<u>62,590</u>	<u>1,726,976</u>
EXPENDITURES					
Current:					
General government	649,240	-	16,573	-	665,813
Public safety	641,000	-	-	-	641,000
Transportation	196,859	-	-	-	196,859
Environmental protection	73,767	-	-	-	73,767
Cultural and recreational	42,030	-	-	62,748	104,778
Capital Outlay	439,585	-	526,284	-	965,869
Total expenditures	<u>2,042,481</u>	<u>-</u>	<u>542,857</u>	<u>62,748</u>	<u>2,648,086</u>
Excess (deficiency) of revenue over expenditures	(378,177)	31	(542,806)	(158)	(921,110)
OTHER FINANCING SOURCES (USES)					
Transfer (to) from other funds	34,395	(104,663)	70,268	-	-
Total other financing sources	34,395	(104,663)	70,268	-	-
Net change in fund balance	(343,782)	(104,632)	(472,538)	(158)	(921,110)
Fund balances, beginning	1,649,910	135,087	472,538	(847)	2,256,688
Fund balances, ending	<u>\$ 1,306,128</u>	<u>\$ 30,455</u>	<u>\$ -</u>	<u>\$ (1,005)</u>	<u>\$ 1,335,578</u>

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

TOWN OF RIVER BEND, NORTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

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

Net change in fund balances - total governmental funds (Exhibit 4)	\$ (921,110)
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.	965,869
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>(208,157)</u>
This is the amount by which capital outlays exceeded depreciation in the current period.	757,712
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities (Exhibit 2).	99,558
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in deferred inflows for tax revenues	(8,721)
Expenses reported in the Statement of Activities (Exhibit 2) that do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds statement.	
Compensated absences	(7,435)
Pension expense	<u>(161,901)</u>
Change in net position of governmental activities, per Exhibit 2	<u>\$ (241,897)</u>

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

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, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Ad valorem taxes	\$ 796,447	\$ 796,447	\$ 809,357	\$ 12,910
Other taxes and licenses	396,283	396,283	445,035	48,752
Unrestricted intergovernmental revenues	181,441	181,441	173,587	(7,854)
Restricted intergovernmental revenues	186,568	278,370	174,662	(103,708)
Permits and fees	7,900	7,900	10,990	3,090
Sales and services	36,541	36,541	38,343	1,802
Investment earnings	11,017	11,017	285	(10,732)
Miscellaneous	8,000	13,500	12,045	(1,455)
Total revenues	<u>1,624,197</u>	<u>1,721,499</u>	<u>1,664,304</u>	<u>(57,195)</u>
EXPENDITURES				
General government	585,015	683,023	649,240	33,783
Public safety	692,391	676,194	641,000	35,194
Transportation	388,926	214,926	196,859	18,067
Environmental protection	81,471	97,678	73,767	23,911
Cultural and recreational	57,870	65,870	42,030	23,840
Capital Outlay	-	448,692	439,585	9,107
Total expenditures	<u>1,805,673</u>	<u>2,186,383</u>	<u>2,042,481</u>	<u>143,902</u>
Revenues over (under) expenditures	<u>(181,476)</u>	<u>(464,884)</u>	<u>(378,177)</u>	<u>86,707</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	42,970	164,663	167,895	3,232
Transfers to other funds	(66,359)	(139,859)	(133,500)	6,359
Contingency	(17,968)	(5,968)	-	5,968
Appropriated fund balance	222,833	446,048	-	(446,048)
Total other financing sources (uses)	<u>181,476</u>	<u>464,884</u>	<u>34,395</u>	<u>(430,489)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(343,782)</u>	<u>\$ (343,782)</u>
Fund balances, beginning			<u>1,649,910</u>	
Fund balances, ending			<u>\$ 1,306,128</u>	

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

TOWN OF RIVER BEND, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Major Enterprise Funds		
	Water Fund	Sewer Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,057,062	\$ 1,112,952	\$ 2,170,014
Accounts receivable (net)	100,601	104,001	204,602
Total current assets	1,157,663	1,216,953	2,374,616
Non-current assets:			
Restricted cash and cash equivalents	8,682	13,539	22,221
Capital assets (net):			
Land and construction in progress	118,171	285,256	403,427
Other capital assets, net of depreciation	515,029	525,532	1,040,561
Total capital assets (net)	633,200	810,788	1,443,988
Total non-current assets	641,882	824,327	1,466,209
Total assets	1,799,545	2,041,280	3,840,825
DEFERRED OUTFLOWS OF RESOURCES			
Contributions to pension plan in current fiscal year	11,151	12,464	23,615
Pension deferrals	22,330	24,909	47,239
Deferred charge on refunding	28,746	24,823	53,569
Total deferred outflows of resources	62,227	62,196	124,423
LIABILITIES			
Current liabilities:			
Accounts payable	8,554	21,078	29,632
Liabilities payable from restricted assets	8,682	13,539	22,221
Compensated absences - current	7,972	8,193	16,165
Current portion of long-term debt	134,769	116,376	251,145
Total current liabilities	159,977	159,186	319,163
Non-current liabilities:			
Compensated absences	2,657	2,731	5,388
Net pension liability	56,905	63,497	120,402
Long-term debt	660,377	570,348	1,230,725
Total non-current liabilities	719,939	636,576	1,356,515
Total liabilities	879,916	795,762	1,675,678
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	1,081	1,206	2,287
Total deferred inflows of resources	1,081	1,206	2,287
NET POSITION			
Net investment in capital assets	(133,200)	148,887	15,687
Unrestricted	1,113,975	1,157,621	2,271,596
Total net position	\$ 980,775	\$ 1,306,508	\$ 2,287,283

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

TOWN OF RIVER BEND, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENADITURES, AND
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Major Enterprise Funds</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 483,993	\$ 609,760	\$ 1,093,753
Water and sewer taps	4,650	-	4,650
Other operating revenues	<u>20,515</u>	<u>8,752</u>	<u>29,267</u>
Total operating revenues	<u>509,158</u>	<u>618,512</u>	<u>1,127,670</u>
OPERATING EXPENSES			
Administration	295,326	311,141	606,467
Operations	71,487	116,112	187,599
Depreciation and amortization	<u>109,782</u>	<u>100,290</u>	<u>210,072</u>
Total operating expenses	<u>476,595</u>	<u>527,543</u>	<u>1,004,138</u>
Operating income (loss)	<u>32,563</u>	<u>90,969</u>	<u>123,532</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	229	214	443
Interest and fees	(22,726)	(19,624)	(42,350)
Other nonoperating revenues	<u>3,950</u>	<u>972</u>	<u>4,922</u>
Total nonoperating revenues (expenses)	<u>(18,547)</u>	<u>(18,438)</u>	<u>(36,985)</u>
Income (loss) before capital contributions and transfers	14,016	72,531	86,547
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total income (loss) after contributions and transfers	<u>14,016</u>	<u>72,531</u>	<u>86,547</u>
CHANGE IN NET POSITION			
	14,016	72,531	86,547
Total net position, beginning	<u>966,759</u>	<u>1,233,977</u>	<u>2,200,736</u>
Total net position, ending	<u>\$ 980,775</u>	<u>\$ 1,306,508</u>	<u>\$ 2,287,283</u>

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

TOWN OF RIVER BEND, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Major Enterprise Funds		
	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 488,517	\$ 609,867	\$ 1,098,384
Cash paid for goods and services	(248,627)	(284,120)	(532,747)
Cash paid to/on behalf of employees	(113,283)	(131,018)	(244,301)
Net customer deposits	432	984	1,416
Other operating revenues	24,465	9,724	34,189
Net cash provided (used) by operating activities	151,504	205,437	356,941
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Net cash provided (used) by noncapital financing activities	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(23,660)	(17,532)	(41,192)
Principal paid on long-term debt	(126,105)	(108,895)	(235,000)
Interest and other costs paid on long-term debt	(22,726)	(19,624)	(42,350)
Net cash provided (used) by capital and related financing activities	(172,491)	(146,051)	(318,542)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received	229	214	443
Net increase (decrease) in cash and cash equivalents	(20,758)	59,600	38,842
Balances, beginning	1,086,502	1,066,891	2,153,393
Balances, ending	\$ 1,065,744	\$ 1,126,491	\$ 2,192,235
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income	\$ 32,563	\$ 90,969	\$ 123,532
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	110,971	101,316	212,287
Amortization	(1,189)	(1,026)	(2,215)
Nonoperating revenue	3,950	972	4,922
Change in assets and liabilities:			
(Increase) decrease in accounts receivables	(126)	107	(19)
(Increase) decrease in deferred outflows of resources - pensions	(7,007)	(7,831)	(14,838)
Increase (decrease) in net pension liability	15,391	17,204	32,595
Increase (decrease) in deferred inflows of resources - pensions	(519)	(581)	(1,100)
Increase (decrease) in accounts payable	(2,987)	3,459	472
Increase (decrease) in customer deposits	432	984	1,416
Increase (decrease) in compensated absences	25	(136)	(111)
Total Adjustments	118,941	114,468	233,409
Net cash provided (used) by operating activities	<u>\$ 151,504</u>	<u>\$ 205,437</u>	<u>\$ 356,941</u>
Noncash investing, capital, and financing activities:			
Net amortization of bond premium and deferred charges on refunding	\$ 1,189	\$ 1,026	\$ 2,215

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



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 Basic Financial Statements
For the Year Ended June 30, 2021

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.

Capital Reserve Fund. The Capital Reserve Fund is a legally budgeted fund under North Carolina General Statutes.

BUS Capital Projects Fund. The BUS Capital Projects Fund is used to account for the construction of a police and community building and renovation of the town hall.

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

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 Basic Financial Statements
For the Year Ended June 30, 2021

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 interfund 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 Basic Financial Statements
For the Year Ended June 30, 2021

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) external investment pool, is measured at amortized cost, which is the NCCMT's share price.

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, 2021 for customer deposits were \$22,221. 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, 2021 for the General Fund was \$129,108.

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, 2019.

5. Allowances for Doubtful Accounts

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

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Fund Equity (continued)

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. 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.

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Fund Equity (continued)

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, 2021 was \$0.

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

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 - represents the portion of fund balance that is restricted by State statute [G.S.159-8(a)]. Amount restricted at June 30, 2021 was \$156,054.

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, 2021, commitment for capital outlay was \$30,455.

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 2021-22 budget to balance the budget, \$244,602.

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, 2021, assigned fund balance for this purpose was \$9,971.

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.

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's 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

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Balances (continued)

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	\$	1,306,128
Less:		
Stabalization by State statute		156,054
LEO Separation Allowance		9,971
FY 2021-22 Fund Balance Appropriated		244,602
Remaining available fund balance	\$	895,501

The remaining available fund balance is 43.84% of the actual expenditures for the fiscal year (\$2,042,481), which is slightly below the adopted fund balance policy of at least 50%. The Council purposefully transferred \$1,379,400 of fund balance to the BUS Capital Project Fund for construction of a municipal building and upgrade to Town Hall. Fund balance will be addressed as usual in future budget development sessions.

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 Basic Financial Statements
For the Year Ended June 30, 2021

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

- B. Deficit in Fund Balance or Net Position of Individual Funds
The CDBG Project Fund has a deficit in fund balance of \$1,005.

- 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 undercollateralization, 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, 2021, the Town's deposits had a carrying amount of \$220,041 and a bank balance of \$234,763. 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. The Town had petty cash of \$1,100 at June 30, 2021.

2. Investments

At June 30, 2021, the Town had \$3,191,762 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 Basic Financial Statements
For the Year Ended June 30, 2021

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, 2021 were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Total</u>
Governmental Activities:			
General	\$ -	\$ 10,835	\$ 10,835
Wildwood storage receivables	4,802	-	4,802
Other receivables	3,809	-	3,809
Due from other governments	152,309	-	152,309
Allowance for doubtful accounts	<u>(7,202)</u>	<u>(8,499)</u>	<u>(15,701)</u>
Total governmental activities	<u>\$ 153,718</u>	<u>\$ 2,336</u>	<u>\$ 156,054</u>
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Business-Type Activities:			
Accounts	\$ 73,557	\$ 55,272	\$ 128,829
Unbilled receivables	81,793	107,052	188,845
Allowance for doubtful accounts	<u>(54,749)</u>	<u>(58,323)</u>	<u>(113,072)</u>
Total business-type activities	<u>\$ 100,601</u>	<u>\$ 104,001</u>	<u>\$ 204,602</u>

Due from other governments consisted of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Local option sales tax	\$ 124,154	\$ -
Sales tax refund receivable	18,260	-
Due from Craven County	<u>9,895</u>	<u>-</u>
Total	<u>\$ 152,309</u>	<u>\$ -</u>

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

Note 3 - Detail Notes on All Funds (continued)

4. Capital Assets

Governmental Activities

Capital assets activity for the year ended June 30, 2021 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 929,320	\$ -	\$ -	\$ 929,320
Construction in progress	859,541	526,284	(1,385,825)	-
Total capital assets not being depreciated	1,788,861	526,284	(1,385,825)	929,320
Capital assets being depreciated:				
Buildings and improvements	1,352,521	1,450,825	-	2,803,346
Equipment and vehicles	446,400	41,368	-	487,768
Infrastructure	2,115,135	333,217	-	2,448,352
Total capital assets being depreciated	3,914,056	1,825,410	-	5,739,466
Less accumulated depreciation for:				
Buildings and improvements	1,086,704	57,141	-	1,143,845
Equipment and vehicles	324,568	43,357	-	367,925
Infrastructure	722,089	107,659	-	829,748
Total accumulated depreciation	2,133,361	\$ 208,157	\$ -	2,341,518
Total capital assets being depreciated, net	1,780,695			3,397,948
Governmental activities capital assets, net	<u>\$ 3,569,556</u>			<u>\$ 4,327,268</u>

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

General Government	\$ 135,302
Public Safety	20,816
Transportation	41,631
Cultural & Recreational	10,408
Total depreciation expense	<u>\$ 208,157</u>

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

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, 2021 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 118,171	\$ -	\$ -	\$ 118,171
Total capital assets not being depreciated				
Capital assets being depreciated:				
Plant and distribution systems	3,157,810	11,980	-	3,169,790
Buildings and improvements	4,480	-	-	4,480
Furniture and equipment	152,340	11,680	-	164,020
Total capital assets being depreciated	3,314,630	23,660	-	3,338,290
Less accumulated depreciation for:				
Plant and distribution systems	2,575,824	102,872	-	2,678,696
Buildings and improvements	1,120	112	-	1,232
Furniture and equipment	135,346	7,987	-	143,333
Total accumulated depreciation	2,712,290	\$ 110,971	\$ -	2,823,261
Total capital assets being depreciated, net	602,340			515,029
Total water capital assets, net	\$ 720,511			\$ 633,200

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

Note 3 – Detail Notes on All Funds (continued)

Capital Assets (continued)

Capital assets activity for the Sewer Fund for the year ended June 30, 2021 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 65,186	\$ -	\$ -	\$ 65,186
Construction in progress	220,070	-	-	220,070
Total capital assets not being depreciated	285,256	-	-	285,256
Capital assets being depreciated:				
Plant and distribution systems	2,642,806	5,852	-	2,648,658
Buildings and improvements	4,480	-	-	4,480
Furniture and equipment	167,406	11,680	(8,436)	170,650
Total capital assets being depreciated	2,814,692	17,532	(8,436)	2,840,660
Less accumulated depreciation for:				
Plant and distribution systems	2,075,878	90,793	-	2,166,671
Buildings and improvements	1,120	112	-	1,232
Furniture and equipment	128,378	10,411	(8,436)	130,353
Total accumulated depreciation	2,205,376	\$ 101,316	\$ (8,436)	2,315,128
Total capital assets being depreciated, net	609,316			525,532
Total sewer capital assets, net	894,572			810,788
Total business-type activities capital assets, net	\$ 1,615,083			\$ 1,443,988

Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2021 is composed of the following elements:

	Governmental Activities	Business-Type Activities Water Fund	Sewer Fund	Total
Capital assets	\$ 4,327,268	\$ 633,200	\$ 810,788	\$ 5,771,256
Deferred outflows of resources-refunding	-	28,746	24,823	53,569
Less: Debt related to capital assets	-	(795,146)	(686,724)	(1,481,870)
Net investment in capital assets	\$ 4,327,268	\$ (133,200)	\$ 148,887	\$ 4,342,955

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

Note 3 – Detail Notes on All Funds (continued)

B. Liabilities

1. Accounts Payable

Payables at the government-wide level at June 30, 2021, were as follows:

	Vendors
Governmental Activities:	
General Government	\$ 33,844
	\$ 33,844
 Business-Type Activities:	
Water Fund	\$ 8,554
Sewer Fund	21,078
Total	\$ 29,632

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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report 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). 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

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

Note 3 – Detail Notes on All Funds (continued)

Local Governmental Employees' Retirement System (continued)

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, 2021, was 10.84% of compensation for law enforcement officers and 10.15% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of River Bend were \$106,650 for the year ended June 30, 2021.

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

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

At June 30, 2021, the Town reported a liability of \$522,435 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the Town's proportion was 0.01374%, which was an increase of 0.00128% from its proportion measured as of June 30, 2020.

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

Note 3 – Detail Notes on All Funds (continued)

Local Governmental Employees’ Retirement System (continued)

For the year ended June 30, 2021, the Town recognized pension expense of \$181,879. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 65,974	\$ -
Changes of assumptions	38,879	-
Net difference between projected and actual earnings on pension plan investments	73,519	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	17,458	8,726
Town contributions subsequent to the measurement date	106,650	-
Total	\$ 302,480	\$ 8,726

\$106,650 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 51,175
2023	69,030
2024	45,142
2025	21,758
2026	-
Thereafter	-
	\$ 187,105

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:

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 Basic Financial Statements
For the Year Ended June 30, 2021

Note 3 – Detail Notes on All Funds (continued)

Local Government 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:

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

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 Basic Financial Statements
For the Year Ended June 30, 2021

Note 3 – Detail Notes on All Funds (continued)

Local Government 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)	\$ 1,059,936	\$ 522,435	\$ 75,711

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report 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 Basic Financial Statements
For the Year Ended June 30, 2021

Note 3 - Detail Notes on All Funds (continued)

Law Enforcement Officers' Special Separation Allowance (continued)

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

Retirees receiving benefits	1
Terminated plan member entitled to but not yet receiving benefits	-
Active plan members	6
Total	7

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

Inflation	2.50 percent
Salary increases	3.25-7.75, including inflation and productivity factor
Discount rate	1.93 percent

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

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

4. Contributions

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. For the current year, the Town contributed \$16,523, 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 \$7,327 as benefit came due for the reporting period.

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

Note 3 - Detail Notes on All Funds (continued)

Law Enforcement Officers' Special Separation Allowance (continued)

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

At June 30, 2021, the Town reported a total pension liability of \$226,362. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing procedures incorporating the actuarial assumption. For the year ended June 30, 2021 the Town recognized pension expense of \$33,657.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 62,172	\$ 4,334
Changes of assumptions	62,742	505
Town benefit payments and plan administrative expense made subsequent to the measurement date	16,523	-
Total	\$ 141,437	\$ 4,839

\$16,523 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, 2022. 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:

2022	\$ 24,130
2023	28,969
2024	28,969
2025	18,794
2026	12,010
Thereafter	7,203
	\$ 120,075

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

Note 3 - Detail Notes on All Funds (continued)

Law Enforcement Officers' Special Separation Allowance (continued)

Sensitivity of the Town's total pension liability to changes in the discount rate. The following presents the Town's total pension liability calculated using the discount rate of 1.93 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 (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1 % Decrease (0.93 %)	Discount Rate (1.93 %)	1 % Increase (2.93 %)
Town's proportionate share of the net pension liability (asset)	\$ 248,859	\$ 226,362	\$ 205,625

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

	2021
Beginning balance	\$ 141,438
Service cost	8,497
Interest on the total pension liability	4,491
Changes of benefit terms	-
Difference between expected and actuarial experience	8,987
Changes of assumptions and other inputs	70,276
Benefit payments	(7,327)
Other	-
Ending balance of the total pension liability	\$ 226,362

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 Basic Financial Statements
For the Year Ended June 30, 2021

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:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Pension Expense	\$ 181,879	\$ 33,657	\$ 215,536
Pension Liability	522,435	226,362	748,797
Proportionate share of the net pension liability	0.01462%	N/A	-

Deferred Outflows of Resources:

Differences between expected and actual experience	\$ 65,974	\$ 62,172	\$ 128,146
Changes of assumptions	38,879	62,742	101,621
Net difference between projected and actual earnings on plan investments	73,519	-	73,519
Changes in proportion and differences between contributions and proportionate share of contributions	17,458	-	17,458
Benefit payments and administrative costs paid subsequent to the measurement date	<u>106,650</u>	<u>16,523</u>	<u>123,173</u>
Total deferred outflows of resources	<u>\$ 302,480</u>	<u>\$ 141,437</u>	<u>\$ 443,917</u>

Deferred Inflows of Resources:

Differences between expected and actual experience	\$ -	\$ 4,334	\$ 4,334
Changes of assumptions	-	505	505
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and difference between contributions and proportionate share of contributions	<u>8,726</u>	<u>-</u>	<u>8,726</u>
Total deferred inflows of resources	<u>\$ 8,726</u>	<u>\$ 4,839</u>	<u>\$ 13,565</u>

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

Note 3 - Detail Notes on All Funds (continued)

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to 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 \$106,689 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, 2021, the Town made contributions to the State for death benefits of \$1,441. 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.

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

Note 3 - Detail Notes on All Funds (continued)

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, 2021 were \$51,464, which consisted of \$35,392 from the Town and \$16,072 from the employees. A separate report was not issued for the Plan because the required contributions are considered immaterial to the financial statements.

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 \$53,569. The second item included in deferred outflows of resources is contributions to the pension plan in the current fiscal year and totals \$123,173. The final item included in deferred outflows of resources is pension deferrals and totals \$320,744. Of that amount \$124,914 are benefit payments made for the LEOSSA subsequent to the measurement date. The remaining \$195,830 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)	\$ 2,336
Pension deferrals	\$ 13,565

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 \$7.8 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 is individually bonded for \$60,000.

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 Basic Financial Statements
For the Year Ended June 30, 2021

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, 2021 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%

\$759,265

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%

\$655,735

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

Year Ending June	Serviced by the Water Fund			Serviced by the Sewer Fund		
	Principal	Interest	Total	Principal	Interest	Total
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	126,105	7,566	133,671	108,895	6,534	115,429
2027	126,057	3,783	129,840	108,943	3,267	112,210
Total	<u>\$ 759,265</u>	<u>\$ 75,502</u>	<u>\$ 834,767</u>	<u>\$ 655,735</u>	<u>\$ 65,198</u>	<u>\$ 720,933</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, 2021, the Town's legal debt margin was approximately \$24,000,000.

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

Note 3 – Detail Notes on All Funds (continued)

Long-Term Obligations (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, 2021, the remaining unamortized balances for the refunding charge and premium were \$53,569 and \$66,870, respectively.

d. Changes in Long-Term Liabilities

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

	Balance <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2021</u>	Current <u>Portion</u>
Compensated absences	\$ 41,937	\$ 7,435	\$ -	\$ 49,372	\$ 41,966
Net pension liability (LGERS)	287,422	114,611	-	402,033	-
Total pension liability (LEO)	<u>141,438</u>	<u>84,924</u>	<u>-</u>	<u>226,362</u>	<u>-</u>
Total governmental activities	<u>\$ 470,797</u>	<u>\$ 206,970</u>	<u>\$ -</u>	<u>\$ 677,767</u>	<u>\$ 41,966</u>

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

	Balance <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2021</u>	Current <u>Portion</u>
Direct placement general obligation bond:	\$ 885,370	\$ -	\$ 126,105	\$ 759,265	\$ 128,788
Unamortized premium on bonds	41,861	-	5,980	35,881	5,981
Compensated Absences	10,604	25	-	10,629	7,972
Net pension liability (LGERS)	<u>41,513</u>	<u>15,392</u>	<u>-</u>	<u>56,905</u>	<u>-</u>
Total Water Fund	<u>979,348</u>	<u>15,417</u>	<u>132,085</u>	<u>862,680</u>	<u>142,741</u>
Direct placement general obligation bond:	764,630	-	108,895	655,735	111,212
Unamortized premium on bonds	36,153	-	5,164	30,989	5,164
Compensated Absences	11,060	-	136	10,924	8,193
Net pension liability (LGERS)	<u>46,294</u>	<u>17,203</u>	<u>-</u>	<u>63,497</u>	<u>-</u>
Total Sewer Fund	<u>858,137</u>	<u>17,203</u>	<u>114,195</u>	<u>761,145</u>	<u>124,569</u>
Total Business-Type Activities	<u>\$ 1,837,485</u>	<u>\$ 32,620</u>	<u>\$ 246,280</u>	<u>\$ 1,623,825</u>	<u>\$ 267,310</u>

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.

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

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, 2021, the Water Fund and the Sewer Fund each reimbursed the General Fund \$94,951 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, 2021, the General Fund reimbursed the Water Fund and the Sewer Fund \$38,025 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.

Note 6 - COVID-19 Contingencies

During the year ended June 30, 2021, 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, 2021, 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 Town agrees to pay \$7,810 annually for landscaping and \$20,200 annually for mowing services until June 30, 2022. Leaf & limb pick up is paid by the ton and six pick-ups are scheduled in the fiscal year; \$59,949 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 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.

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

Note 9 – Transfers

The General Fund transferred \$70,268 to the BUS Capital Projects Fund. The Capital Reserve Fund transferred \$164,663 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 EIGHT FISCAL YEARS***

LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
River Bend's proportion of the net pension liability (asset) (%)	0.01462%	0.01374%	0.01246%	0.01447%	0.01430%	0.01268%	0.01409%	0.01280%
River Bend's proportion of the net pension liability (asset) (\$)	\$ 522,435	\$ 375,229	\$ 295,594	\$ 221,062	\$ 303,494	\$ 56,906	\$ (83,096)	\$ 154,289
River Bend's covered payroll	\$ 970,111	\$ 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	53.85%	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%	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>
2021	7.00%
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 EIGHT FISCAL YEARS***

LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 106,650	\$ 89,082	\$ 72,671	\$ 60,527	\$ 59,842	\$ 55,392	\$ 57,802	\$ 55,585
Contributions in relation to the contractually required contribution	<u>106,650</u>	<u>89,082</u>	<u>72,671</u>	<u>60,527</u>	<u>59,842</u>	<u>55,392</u>	<u>57,802</u>	<u>\$ 55,585</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
River Bend's covered payroll	\$ 1,029,271	\$ 970,111	\$ 908,407	\$ 783,565	\$ 798,855	\$ 810,291	\$ 803,165	\$ 777,738
Contributions as a percentage of covered payroll	10.36%	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
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Beginning balance	\$ 141,438	\$ 64,083	\$ 111,227	\$ 143,109	\$ 161,530	\$ 180,260
Service cost	8,497	6,956	3,821	5,367	5,907	3,959
Interest on the total pension liability	4,491	1,912	3,044	4,934	5,269	5,178
Changes on benefit terms	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	8,987	86,633	(21,674)	(19,705)	-	-
Changes of assumptions or other inputs	70,276	4,946	(2,521)	8,086	(1,730)	-
Benefit payments	(7,327)	(23,092)	(29,814)	(30,564)	(27,867)	(27,867)
Other changes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending balance of the total pension liability	<u>\$ 226,362</u>	<u>\$ 141,438</u>	<u>\$ 64,083</u>	<u>\$ 111,227</u>	<u>\$ 143,109</u>	<u>\$ 161,530</u>

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:

<u>Fiscal Year</u>	<u>Rate</u>
2021	3.26%
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, 2021**

	2021	2020	2019	2018	2017	2016
Total pension liability	\$ 226,362	\$ 141,438	\$ 64,083	\$ 111,227	\$ 143,109	161,530
Covered payroll	321,431	300,935	189,509	293,489	306,026	269,860
Total pension liability as a percentage of covered payroll	70.42%	47.00%	33.82%	37.90%	46.76%	59.86%

100

Notes to the required 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, 2021

	<u>General Fund</u>	<u>Capital Reserve Fund</u>	<u>Eliminations</u>	<u>Total General Fund</u>
Revenues:				
Ad valorem taxes	\$ 809,357	\$ -	\$ -	\$ 809,357
Other taxes and licenses	445,035	-	-	445,035
Unrestricted intergovernmental revenues	173,587	-	-	173,587
Restricted intergovernmental revenues	174,662	-	-	174,662
Permits and fees	10,990	-	-	10,990
Sales and services	38,343	-	-	38,343
Investments earnings	285	31	-	316
Miscellaneous	12,045	-	-	12,045
Total revenues	<u>1,664,304</u>	<u>31</u>	<u>-</u>	<u>1,664,335</u>
Expenditures:				
General government	649,240	-	-	649,240
Public safety	682,368	-	-	682,368
Transportation	343,676	-	-	343,676
Environmental protection	325,167	-	-	325,167
Cultural and Recreation	42,030	-	-	42,030
Total expenditures	<u>2,042,481</u>	<u>-</u>	<u>-</u>	<u>2,042,481</u>
Revenue over (under) expenditures	<u>(378,177)</u>	<u>31</u>	<u>-</u>	<u>(378,146)</u>
Other Financing Sources (Uses):				
Transfers from other funds	167,895	60,000	(60,000)	167,895
Transfers to other funds	<u>(133,500)</u>	<u>(164,663)</u>	<u>60,000</u>	<u>(238,163)</u>
Total other financing sources (uses)	<u>34,395</u>	<u>(104,663)</u>	<u>-</u>	<u>(70,268)</u>
Net change in fund balance	<u>(343,782)</u>	<u>(104,632)</u>	<u>-</u>	<u>(448,414)</u>
Fund Balances:				
Beginning of year - July 1	<u>1,649,910</u>	<u>135,087</u>	<u>-</u>	<u>1,784,997</u>
End of year - June 30	<u>\$ 1,306,128</u>	<u>\$ 30,455</u>	<u>\$ -</u>	<u>\$ 1,336,583</u>

TOWN OF RIVER BEND, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021			2020
	Final Budget	Actual	Variance Positive/(Negative)	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 796,447	\$ 809,357	12,910	\$ 740,181
Other Taxes and Licenses:				
Local option sales tax	295,751	346,546	50,795	296,758
Hold harmless tax	90,202	89,522	(680)	79,116
Telecommunications sales tax	10,330	8,967	(1,363)	11,275
Total other taxes and licenses	396,283	445,035	48,752	387,149
Unrestricted Intergovernmental Revenues:				
Utility franchise tax	114,261	108,626	(5,635)	112,862
Video programming	53,680	52,578	(1,102)	54,578
Beer and wine tax	13,500	12,383	(1,117)	12,903
Total unrestricted intergovernmental revenues	181,441	173,587	(7,854)	180,343
Restricted Intergovernmental Revenues:				
Federal and State grants	191,370	91,552	(99,818)	1,042,743
Solid waste disposal tax	2,500	2,211	(289)	2,287
Powell Bill allocation	84,500	80,899	(3,601)	87,033
Total restricted intergovernmental revenues	278,370	174,662	(103,708)	1,132,063
Permits and Fees:				
Zoning permits	5,000	8,250	3,250	5,887
Animal licenses	2,400	2,430	30	2,097
Court cost fees	500	310	(190)	382
Total permits and fees	7,900	10,990	3,090	8,366
Sales and Services:				
Rents and concessions	36,120	36,428	308	33,399
Contributions and refunds	421	1,915	1,494	8,407
Total sales and services	36,541	38,343	1,802	41,806
Investments Earnings	11,017	285	(10,732)	24,453
Miscellaneous Revenue	13,500	12,045	(1,455)	8,351
Total revenues	1,721,499	1,664,304	(57,195)	2,522,712

TOWN OF RIVER BEND, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	<u>2021</u>			<u>2020</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>	<u>Actual</u>
Expenditures:				
General Government:				
Governing Body:				
Salaries and benefits	25,280	20,198	5,082	22,182
Other operating expenditures	13,310	10,012	3,298	8,813
Salaries allocated to Water and Sewer	(9,890)	(9,890)	-	(9,890)
Total governing body	<u>28,700</u>	<u>20,320</u>	<u>8,380</u>	<u>21,105</u>
Administration:				
Salaries and benefits	261,774	249,381	12,393	238,955
Other operating expenditures	70,771	70,408	363	65,696
Salaries allocated to Water and Sewer	(63,854)	(63,854)	-	(61,380)
Total administration	<u>268,691</u>	<u>255,935</u>	<u>12,756</u>	<u>243,271</u>
Finance:				
Salaries and benefits	103,891	103,573	318	95,309
Other operating expenditures	75,832	76,412	(580)	63,368
Salaries allocated to Water and Sewer	(49,542)	(49,542)	-	(48,010)
Total finance	<u>130,181</u>	<u>130,443</u>	<u>(262)</u>	<u>110,667</u>
Tax Listing:				
Contracted services	<u>10,880</u>	<u>10,461</u>	<u>419</u>	<u>9,737</u>
Legal:				
Professional services	<u>19,000</u>	<u>16,000</u>	<u>3,000</u>	<u>14,283</u>
Elections:				
Contracted services	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,571</u>
Public Buildings:				
Salaries and benefits	15,792	15,133	659	14,980
Other operating expenditures	161,416	155,172	6,244	79,571
Capital outlay	-	-	-	8,367
Total public buildings	<u>177,208</u>	<u>170,305</u>	<u>6,903</u>	<u>102,918</u>
Central Services - Planning:				
Salaries and benefits	71,144	70,681	463	67,774
Other operating expenditures	4,707	2,583	2,124	11,062
Salaries allocated to Water and Sewer	(27,488)	(27,488)	-	(27,096)
Total central services - planning	<u>48,363</u>	<u>45,776</u>	<u>2,587</u>	<u>51,740</u>
Total general government	<u>683,023</u>	<u>649,240</u>	<u>33,783</u>	<u>556,292</u>

TOWN OF RIVER BEND, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021			2020
	Final Budget	Actual	Variance Positive/(Negative)	Actual
Public Safety:				
Police:				
Salaries and benefits	464,458	466,791	(2,333)	439,824
Other operating expenditures	96,078	63,814	32,264	90,812
Salaries allocated to Water and Sewer	(4,488)	(4,488)	-	(4,472)
Capital outlay	40,000	41,368	(1,368)	44,825
Total police	<u>596,048</u>	<u>567,485</u>	<u>28,563</u>	<u>570,989</u>
Emergency Management:				
Other operating expenditures	2,560	1,845	715	5,871
Contracted Services	2,440	2,619	(179)	36,231
Total emergency management	<u>5,000</u>	<u>4,464</u>	<u>536</u>	<u>42,102</u>
Recovery Grant NCORR-FDLG-004:				
Salaries and benefits	96,829	95,496	1,333	82,705
Other operating expenditures	3,951	3,505	446	3,896
Total recovery grant NCORR-FDLG-004	<u>100,780</u>	<u>99,001</u>	<u>1,779</u>	<u>86,601</u>
Animal Control:				
Salaries and benefits	17,434	14,768	2,666	14,964
Other operating expenditures	396	114	282	99
Salaries allocated to Water and Sewer	(3,464)	(3,464)	-	(3,400)
Total animal control	<u>14,366</u>	<u>11,418</u>	<u>2,948</u>	<u>11,663</u>
Total public safety	<u>716,194</u>	<u>682,368</u>	<u>33,826</u>	<u>711,355</u>
Transportation:				
Powell Bill:				
Salaries and benefits	43,046	36,927	6,119	37,401
Other operating expenditures	5,500	2,871	2,629	17,829
Salaries allocated to Water and Sewer	(8,660)	(8,660)	-	(8,500)
Contracted services	14,800	10,168	4,632	2,187
Capital outlay	150,000	146,817	3,183	96,137
Total Powell Bill	<u>204,686</u>	<u>188,123</u>	<u>16,563</u>	<u>145,054</u>
Non-Powell Bill:				
Salaries and benefits	53,377	51,696	1,681	52,352
Other operating expenditures	22,693	20,623	2,070	71,360
Salaries allocated to Water and Sewer	(12,124)	(12,124)	-	(11,900)
Utilities	42,000	41,429	571	39,922
Contracted services	54,294	53,929	365	3,337
Capital outlay	-	-	-	-
Total Non-Powell Bill	<u>160,240</u>	<u>155,553</u>	<u>4,687</u>	<u>155,071</u>
Total transportation	<u>364,926</u>	<u>343,676</u>	<u>21,250</u>	<u>300,125</u>

TOWN OF RIVER BEND, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021			2020
	Final Budget	Actual	Variance Positive/(Negative)	Actual
Environmental Protection:				
Salaries and benefits	25,840	22,153	3,687	22,440
Other operating expenditures	11,445	4,992	6,453	33,878
Salaries allocated to Water and Sewer	(5,196)	(5,196)	-	(5,100)
Contracted services	65,589	51,818	13,771	12,602
Capital outlay	258,692	251,400	7,292	-
Total environmental protection	<u>356,370</u>	<u>325,167</u>	<u>31,203</u>	<u>63,820</u>
Cultural and recreational:				
Salaries and benefits	34,970	27,922	7,048	27,351
Other operating expenditures	17,900	12,173	5,727	10,366
Salaries allocated to Water and Sewer	(5,100)	(5,196)	96	(5,100)
Contracted services	18,100	7,131	10,969	1,393
Capital Outlay	-	-	-	45,700
Total cultural and recreational	<u>65,870</u>	<u>42,030</u>	<u>23,840</u>	<u>79,710</u>
Debt Service:				
NCORR loan principal reduction	-	-	-	949,846
Total expenditures	<u>2,186,383</u>	<u>2,042,481</u>	<u>143,902</u>	<u>2,661,148</u>
Revenue over (under) expenditures	<u>(464,884)</u>	<u>(378,177)</u>	<u>86,707</u>	<u>(138,436)</u>
Other financing sources (uses):				
Transfers from other funds	164,663	167,895	3,232	48,300
Transfers to other funds	(139,859)	(133,500)	6,359	(1,053,600)
Sale of capital assets	-	-	-	5,050
NCORR loan proceeds	-	-	-	-
Insurance Settlement	-	-	-	1,090
Contingency	(5,968)	-	5,968	-
Appropriated fund balance	446,048	-	(446,048)	-
Total other financing sources (uses)	<u>464,884</u>	<u>34,395</u>	<u>(430,489)</u>	<u>(999,160)</u>
Net change in fund balance	<u>\$ -</u>	<u>(343,782)</u>	<u>\$ (343,782)</u>	<u>(1,137,596)</u>
Fund Balance:				
Beginning of year - July 1		<u>1,649,910</u>		<u>2,787,506</u>
End of year - June 30		<u>\$ 1,306,128</u>		<u>\$ 1,649,910</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, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Positive/(Negative)	Actual
Revenues:				
Investment income	\$ 1,248	\$ 31	\$ (1,217)	\$ 3,652
Other Financing Sources (Uses):				
Transfers out	(164,663)	(164,663)	-	(300,600)
Transfers in	60,000	60,000	-	-
Future procurement	-	-	-	-
Appropriated fund balance	103,415			
Total other financing sources (uses)	(1,248)	(104,663)	-	(300,600)
Net change in fund balance	\$ -	(104,632)	\$ (1,217)	(296,948)
Fund Balance:				
Beginning of year - July 1		135,087		432,035
End of year - June 30		\$ 30,455		\$ 135,087

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, 2021**

	Project Authorization	Actual		Total Project to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	-	-	-	-	-
Investment income	10,000	9,606	51	9,657	(343)
Miscellaneous revenue	-	-	-	-	-
Total revenue	<u>10,000</u>	<u>9,606</u>	<u>51</u>	<u>9,657</u>	<u>(343)</u>
Expenditures:					
Administration and engineering, construction and capital spending	1,389,400	842,968	542,857	1,385,825	(3,575)
Total expenditures	<u>1,389,400</u>	<u>842,968</u>	<u>542,857</u>	<u>1,385,825</u>	<u>(3,575)</u>
Revenues over (under) expenditures	<u>(1,379,400)</u>	<u>(833,362)</u>	<u>(542,806)</u>	<u>(1,376,168)</u>	<u>3,232</u>
Other financing sources (uses):					
Long-term debt issued	-	-	-	-	-
Transfers (to) from other funds	1,379,400	1,305,900	70,268	1,376,168	(3,232)
Contingency	-	-	-	-	-
Total other financing sources (uses)	<u>1,379,400</u>	<u>1,305,900</u>	<u>70,268</u>	<u>1,376,168</u>	<u>(3,232)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 472,538</u>	<u>(472,538)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>472,538</u>		
Fund balance, ending			<u>\$ -</u>		

TOWN OF RIVER BEND, NORTH CAROLINA

CBDG 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, 2021

	Project Authorization	Actual		Total Project to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental	\$ 750,000	\$ -	\$ 62,590	\$ 62,590	\$ (687,410)
Donations	-	-	-	-	-
Investment income	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-
Total revenue	<u>750,000</u>	<u>-</u>	<u>62,590</u>	<u>62,590</u>	<u>(687,410)</u>
Expenditures:					
Administration and engineering	75,000	847	5,282	6,129	(68,871)
Construction and capital spending	<u>675,000</u>	<u>-</u>	<u>57,466</u>	<u>57,466</u>	<u>(617,534)</u>
Total expenditures	<u>750,000</u>	<u>847</u>	<u>62,748</u>	<u>63,595</u>	<u>(686,405)</u>
Revenues over (under) expenditures	<u>-</u>	<u>(847)</u>	<u>(158)</u>	<u>(1,005)</u>	<u>(1,005)</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>\$ (847)</u>	<u>(158)</u>	<u>\$ (1,005)</u>	<u>\$ (1,005)</u>
Fund balance, beginning			<u>(847)</u>		
Fund balance, ending			<u>\$ (1,005)</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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Positive/(Negative)	Actual
Revenues:				
Operating Revenues:				
Charges for services	\$ 469,599	\$ 483,993	\$ 14,394	\$ 429,870
Water taps	1,250	4,650	3,400	1,850
Other operating revenues	17,223	20,515	3,292	158,243
Total operating revenues	488,072	509,158	21,086	589,963
Non-Operating Revenues:				
Interest earnings	6,794	229	(6,565)	12,971
Total non-operating revenues	6,794	229	(6,565)	12,971
Total revenues	494,866	509,387	14,521	602,934
Expenditures:				
Water Administration:				
Salaries and benefits	151,316	151,308	8	140,869
Allocated costs reimbursed by General Fund	(38,025)	(38,025)	-	(36,608)
Operating expenses	174,112	173,455	657	161,710
Repairs and maintenance	500	698	(198)	809
Capital outlay	11,000	11,680	(680)	-
Total administration	298,903	299,116	(213)	266,780
Water Operations:				
Operating expenses	139,400	68,237	71,163	82,797
Repairs and maintenance	11,000	3,250	7,750	2,526
Capital outlay	12,000	11,980	20	8,367
Total operations	162,400	83,467	78,933	93,690
Debt Service:				
Principal repayment	126,105	126,105	-	120,739
Interest	22,726	22,726	-	25,140
Total debt service	148,831	148,831	-	145,879
Total expenditures	610,134	531,414	78,720	506,349

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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Positive/(Negative)	Actual
Revenue over (under) expenditures	(115,268)	(22,027)	(64,199)	96,585
Other Financing Sources (Uses):				
Sale of capital assets	1,501	819	(682)	-
Insurance settlements	-	3,131		-
Transfers to other funds	-	-	-	-
Designated/future capital outlay	-	-	-	-
Contingency	(3,500)	-	3,500	-
Appropriated fund balance (contingency)	117,267	-	(117,267)	-
Total other financing sources (uses)	115,268	3,950	(114,449)	-
Revenue and other financing sources over (under) expenditures and other financing uses	\$ -	(18,077)	\$ (178,648)	\$ 96,585

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

Reconciling items:	
Depreciation	(110,971)
Amortization	1,189
Capital outlay	23,660
Repayment of long-term debt principal	126,105
(Increase) decrease in compensated absences	(25)
Increase (decrease) in deferred outflows of resources - pensions	7,007
(Increase) decrease in net pension liability	(15,391)
(Increase) decrease in deferred inflows of resources - pensions	519
Change in net position	\$ 14,016

TOWN OF RIVER BEND, NORTH CAROLINA

**ENTERPRISE FUND - SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021			2020
	Budget	Actual	Variance Positive/(Negative)	Actual
Revenues:				
Operating Revenues:				
Charges for services	\$ 595,405	\$ 609,760	\$ 14,355	\$ 589,699
Sewer taps	1,250	-	(1,250)	-
Other operating revenues	7,740	8,752	1,012	131,721
Total operating revenues	<u>604,395</u>	<u>618,512</u>	<u>14,117</u>	<u>721,420</u>
Non-Operating Revenues:				
Interest earnings	9,372	214	(9,158)	11,403
Miscellaneous	-	-	-	-
Total non-operating revenues	<u>9,372</u>	<u>214</u>	<u>(9,158)</u>	<u>11,403</u>
Total revenues	<u>613,767</u>	<u>618,726</u>	<u>4,959</u>	<u>732,823</u>
Expenditures:				
Sewer Administration:				
Salaries and benefits	168,525	169,043	(518)	156,749
Allocated costs reimbursed by General Fund	(38,025)	(38,025)	-	(36,608)
Operating expenses	172,115	170,769	1,346	158,599
Repairs and maintenance	750	698	52	809
Capital outlay	11,000	11,680	(680)	-
Total administration	<u>314,365</u>	<u>314,165</u>	<u>200</u>	<u>279,549</u>
Sewer Operations:				
Operating expenses	168,600	102,815	65,785	98,755
Repairs and maintenance	24,000	13,297	10,703	24,184
Capital outlay	11,000	5,852	5,148	32,629
Total operations	<u>203,600</u>	<u>121,964</u>	<u>81,636</u>	<u>155,568</u>
Debt Service:				
Principal repayment	108,895	108,895	-	104,261
Interest	19,624	19,624	-	21,710
Total debt service	<u>128,519</u>	<u>128,519</u>	<u>-</u>	<u>125,971</u>
Total expenditures	<u>646,484</u>	<u>564,648</u>	<u>81,836</u>	<u>561,088</u>

TOWN OF RIVER BEND, NORTH CAROLINA

**ENTERPRISE FUND - SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021		Variance Positive/(Negative)	2020
	Budget	Actual		Actual
Revenue over (under) expenditures	<u>(32,717)</u>	<u>54,078</u>	<u>86,795</u>	<u>171,735</u>
Other Financing Sources (Uses):				
Sale of capital assets	1,500	819	(681)	-
Insurance settlements	-	153	153	-
Transfers to other funds	-	-	-	-
Contingency	-	-	-	-
Designated/future capital outlay	(63,000)	-	-	-
Appropriated fund balance	<u>94,217</u>	<u>-</u>	<u>(94,217)</u>	<u>-</u>
Total other financing sources (uses)	<u>32,717</u>	<u>972</u>	<u>(94,745)</u>	<u>-</u>
Revenue and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>55,050</u>	<u>\$ (7,950)</u>	<u>\$ 171,735</u>

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

Reconciling items:	
Depreciation	(101,316)
Amortization	1,026
Capital outlay	17,532
Repayment of long-term debt principal	108,895
(Increase) decrease in compensated absences	136
Increase (decrease) in deferred outflows of resources - pensions	7,831
(Increase) decrease in net pension liability	(17,204)
(Increase) decrease in deferred inflows of resources - pensions	<u>581</u>
Change in net position	<u>\$ 72,531</u>

OTHER SUPPLEMENTAL 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, 2021

<u>Fiscal Year June 30</u>	<u>Uncollected Balance July 1, 2020</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2021</u>
2020-2021	\$ -	\$ 712,299	\$ 709,963	\$ 2,336
2019-2020	10,738	-	4,232	6,506
2018-2019	1,081	-	771	310
2017-2018	1,273	-	582	691
2016-2017	240	-	29	211
2015-2016	191	-	27	164
2014-2015	151	-	-	151
2013-2014	150	-	-	150
2012-2013	170	-	-	170
2011-2012	145	-	-	145
2010-2011	152	-	152	-
Total	<u>\$ 14,291</u>	<u>\$ 712,299</u>	<u>\$ 715,756</u>	\$ 10,834
Less: allowance for uncollectible ad valorem taxes receivable:				<u>(8,498)</u>
Ad valorem taxes receivable, net				<u>\$ 2,336</u>
 Reconciliation of Collections and Credits with Revenues:				
Ad valorem taxes - General Fund				\$ 809,357
Motor vehicle taxes				(91,593)
Taxes written off, statute of limitations				152
Miscellaneous adjustments				<u>(2,160)</u>
Total collections and credits				<u>\$ 715,756</u>

TOWN OF RIVER BEND, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY - GENERAL FUND PROPERTY TAX
FOR THE YEAR ENDED JUNE 30, 2021

	Town-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy	\$ 308,700,173	\$ 0.26	\$ 802,620	\$ 711,103	\$ 91,517
Discoveries	459,704	0.26	1,195	1,195	-
Abatements	<u>(418,254)</u>	0.26	<u>1</u>	<u>1</u>	<u>-</u>
Total property valuation	<u>\$ 308,741,623</u>				
Net Levy			803,816	712,299	91,517
Uncollected taxes at June 30, 2014			<u>(2,336)</u>	<u>(2,336)</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 801,480</u>	<u>\$ 709,963</u>	<u>\$ 91,517</u>
Current Levy Collection Percentage			<u>99.71%</u>	<u>99.67%</u>	<u>100.00%</u>
Prior Year's Collection Percentage			<u>98.56%</u>	<u>98.39%</u>	<u>100.00%</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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net Investment in Capital Assets	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	4,327,268
Restricted	151,533	115,098	139,611	144,785	138,198	129,245	146,368	162,507	148,249	156,054
Unrestricted	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	867,224
Total Governmental Activities Net Position	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	5,350,546
Business-Type Activities										
Net Investment in Capital Assets	(495,050)	(791,348)	(687,217)	(417,397)	(245,853)	(197,227)	(159,089)	(112,135)	(50,432)	15,687
Restricted										
Unrestricted	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	2,271,596
Total Business-type Activities Net Position	437,860	495,872	773,356	1,018,648	1,264,982	1,508,072	1,789,649	1,884,978	2,200,736	2,287,283
Primary Government										
Net Investment in Capital Assets	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	4,342,955
Restricted	151,533	115,098	139,611	144,785	138,198	129,245	146,368	162,507	148,249	156,054
Unrestricted	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	3,138,820
Total Primary Government Net Position	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	7,637,829

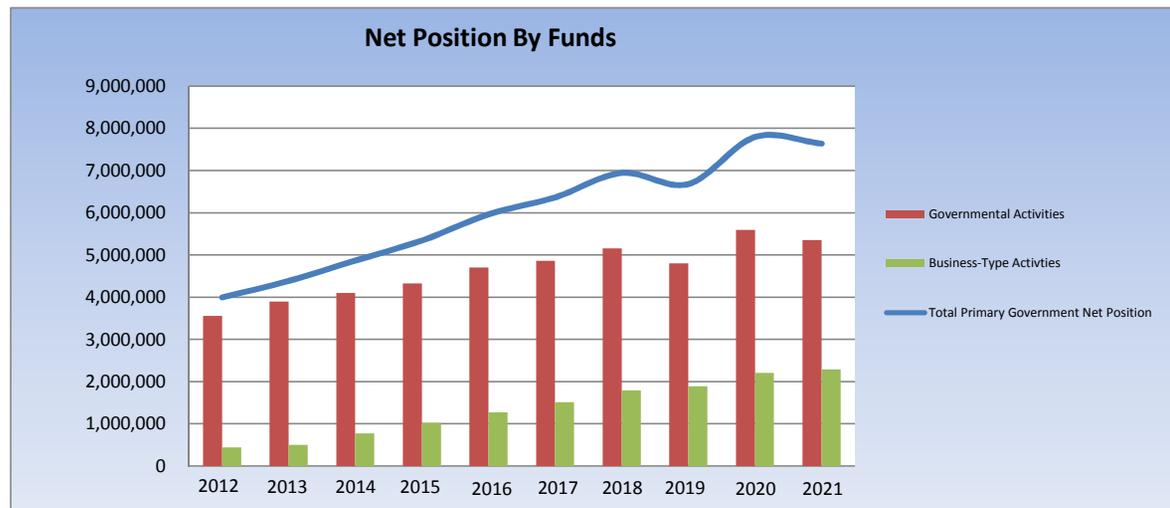


TABLE 2
TOWN OF RIVER BEND, NORTH CAROLINA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
General Government	\$ 531,899	\$ 557,376	\$ 617,455	\$ 531,640	\$ 567,114	\$ 615,785	\$ 687,079	\$ 695,858	\$ 781,056	\$ 902,802
Public Safety	643,318	472,581	522,568	494,107	496,151	459,255	426,631	1,329,186	636,538	639,067
Transportation	193,329	188,420	206,270	210,594	211,497	214,804	190,723	208,321	230,521	232,384
Environmental Protection	45,227	51,972	51,960	84,328	65,071	79,573	59,221	59,928	62,457	72,241
Cultural and Recreational	41,676	44,149	49,876	52,512	45,448	45,638	51,850	49,621	41,473	113,659
Interest on Long-Term Debt	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	<u>1,455,449</u>	<u>1,314,499</u>	<u>1,448,129</u>	<u>1,373,181</u>	<u>1,385,281</u>	<u>1,415,055</u>	<u>1,415,504</u>	<u>2,342,914</u>	<u>1,752,045</u>	<u>1,960,153</u>
Business-Type Activities:										
Water	499,053	537,884	439,060	426,220	431,291	452,844	446,522	470,606	491,059	499,321
Sewer	535,959	600,186	477,208	461,629	483,761	498,011	478,317	514,709	528,940	547,167
Total Business-Type Activities	<u>1,035,012</u>	<u>1,138,070</u>	<u>916,268</u>	<u>887,849</u>	<u>915,052</u>	<u>950,855</u>	<u>924,839</u>	<u>985,315</u>	<u>1,019,999</u>	<u>1,046,488</u>
Total Primary Government Expenses	<u>\$ 2,490,461</u>	<u>\$ 2,452,569</u>	<u>\$ 2,364,397</u>	<u>\$ 2,261,030</u>	<u>\$ 2,300,333</u>	<u>\$ 2,365,910</u>	<u>\$ 2,340,343</u>	<u>\$ 3,328,229</u>	<u>\$ 2,772,044</u>	<u>\$ 3,006,641</u>
Program Revenue										
Governmental Activities:										
Charges for Services										
General Government	78,215	81,018	86,957	80,935	71,544	79,198	63,302	44,020	33,399	38,858
Public Safety	234	480	1,266	3,615	3,586	3,733	3,706	310	383	310
Environmental protection	2,147	1,975	1,755	1,980	1,964	2,061	2,089	16,080	7,984	8,250
Operating Grants and Contributions										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	199,652	636	367	338	-	17,636	-	356,983	1,042,743	93,763
Environmental protection	-	-	-	-	-	-	-	-	-	62,590
Transportation	90,479	93,318	93,909	92,300	90,502	88,873	89,226	86,045	87,033	80,899
Cultural and Recreational	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions										
Cultural and Recreational	-	55,092	-	-	-	-	-	-	-	-
Public Safety	-	-	13,272	140	-	-	-	-	-	-
Total Governmental Activities Program Revenue	<u>370,727</u>	<u>232,519</u>	<u>197,526</u>	<u>179,308</u>	<u>167,596</u>	<u>191,501</u>	<u>158,323</u>	<u>503,438</u>	<u>1,171,542</u>	<u>284,670</u>
Business-Type Activities:										
Charges for Services - Water	603,094	611,303	591,985	531,268	534,842	545,246	541,022	428,400	589,963	509,158
Charges for Services - Sewer	601,786	596,143	597,489	623,644	624,112	636,054	642,705	589,105	721,420	618,512
Operating Grants and Contributions	2,489	5,410	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenue	<u>1,207,369</u>	<u>1,212,856</u>	<u>1,189,474</u>	<u>1,154,912</u>	<u>1,158,954</u>	<u>1,181,300</u>	<u>1,183,727</u>	<u>1,017,505</u>	<u>1,311,383</u>	<u>1,127,670</u>
Total Primary Government Revenues	<u>\$ 1,578,096</u>	<u>\$ 1,445,375</u>	<u>\$ 1,387,000</u>	<u>\$ 1,334,220</u>	<u>\$ 1,326,550</u>	<u>\$ 1,372,801</u>	<u>\$ 1,342,050</u>	<u>\$ 1,520,943</u>	<u>\$ 2,482,925</u>	<u>\$ 1,412,340</u>
Net (Expense) Revenue										
Governmental Activities	(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)	(1,675,483)
Business-Type Activities	172,357	74,786	273,206	267,063	243,902	230,445	258,888	32,190	291,384	81,182
Total Primary Government Net Expense	<u>\$ (912,365)</u>	<u>\$ (1,007,194)</u>	<u>\$ (977,397)</u>	<u>\$ (926,810)</u>	<u>\$ (973,783)</u>	<u>\$ (993,109)</u>	<u>\$ (998,293)</u>	<u>\$ (1,807,286)</u>	<u>\$ (289,119)</u>	<u>\$ (1,594,301)</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes, levied for general purpose	876,418	879,221	907,885	889,746	892,127	926,553	870,529	725,978	747,969	800,636
Local Option Sales Tax	373,886	369,175	371,846	394,208	411,712	417,859	451,350	359,236	296,758	346,546
Other Taxes and Licenses	175,331	166,530	176,176	212,617	211,163	208,107	204,013	300,336	273,021	272,077
Grants and Contributions not Restricted to Specific Programs										
Investment Earnings, unrestricted	682	626	243	394	3,689	9,012	26,544	50,173	37,711	367
Miscellaneous, unrestricted	-	-	-	-	8,331	12,490	-	46,933	21,943	13,960
Total Governmental Activities	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	1,433,586
Business-Type Activities:										
Investment Earnings, unrestricted	425	335	98	190	2,377	6,739	19,889	37,921	24,374	443
Miscellaneous, unrestricted	-	-	4,180	742	55	5,906	2,800	25,218	-	4,922
Total Business Type Revenues	425	335	4,278	932	2,432	12,645	22,689	63,139	24,374	5,365
Total Primary Government	\$ 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	\$ 1,438,951
Change in Net Position										
Governmental Activities	341,595	333,572	205,547	303,092	309,337	350,467	295,255	(356,820)	796,899	(241,897)
Business-Type Activities	172,782	75,121	277,484	267,995	246,334	243,090	281,577	95,329	315,758	86,547
Total Primary Government Change in Net Position	\$ 514,377	\$ 408,693	\$ 483,031	\$ 571,087	\$ 555,671	\$ 593,557	\$ 576,832	\$ (261,491)	\$ 1,112,657	\$ (155,350)

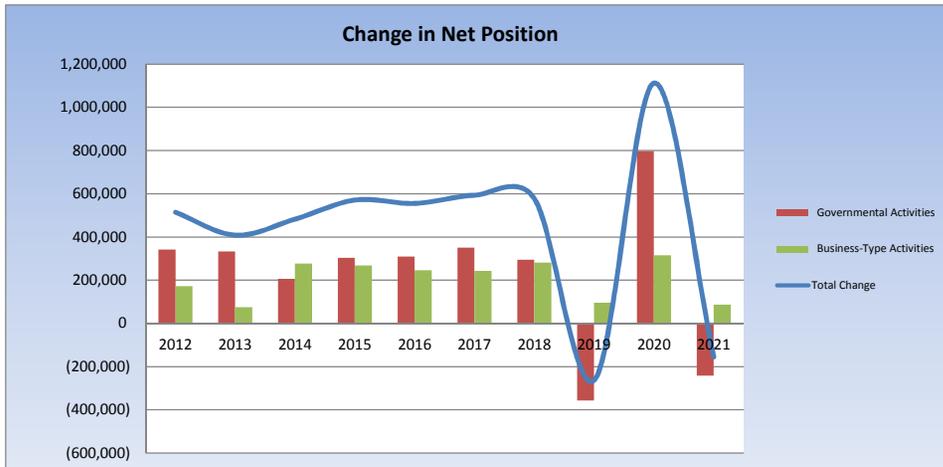


TABLE 3
TOWN OF RIVER BEND, NORTH CAROLINA
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Non-Spendable:										
Prepaid Items	9,315	2,958	3,619	-	-	-	-	-	199	-
Restricted:										
Streets	-	-	-	-	-	-	-	-	-	-
Stabilization by State Statute	151,533	115,098	139,611	144,785	138,198	129,245	146,368	162,507	148,249	156,054
Assigned:										
Subsequent years' expenditures	-	6,144	97,322	77,029	46,729	-	147,270	173,970	224,262	244,602
Law Enforcement Separation Allowance Fund						36,064	26,582	13,207	11,799	9,971
Unassigned	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	894,496
Total General Fund	<u>1,256,939</u>	<u>1,364,560</u>	<u>1,528,163</u>	<u>1,654,439</u>	<u>1,863,336</u>	<u>2,106,518</u>	<u>2,294,498</u>	<u>2,787,506</u>	<u>1,649,910</u>	<u>1,305,123</u>
Other Governmental Funds										
Committed										
General Government Capital Outlay	223,224	312,155	228,892	257,594	278,654	356,534	415,228	432,035	135,087	30,455
Total Other Governmental Funds	<u>223,224</u>	<u>312,155</u>	<u>228,892</u>	<u>257,594</u>	<u>278,654</u>	<u>356,534</u>	<u>415,228</u>	<u>432,035</u>	<u>135,087</u>	<u>30,455</u>
Total Governmental Funds	<u><u>\$ 1,480,163</u></u>	<u><u>\$ 1,676,715</u></u>	<u><u>\$ 1,757,055</u></u>	<u><u>\$ 1,912,033</u></u>	<u><u>\$ 2,141,990</u></u>	<u><u>\$ 2,463,052</u></u>	<u><u>\$ 2,709,726</u></u>	<u><u>\$ 3,219,541</u></u>	<u><u>\$ 1,784,997</u></u>	<u><u>\$ 1,335,578</u></u>

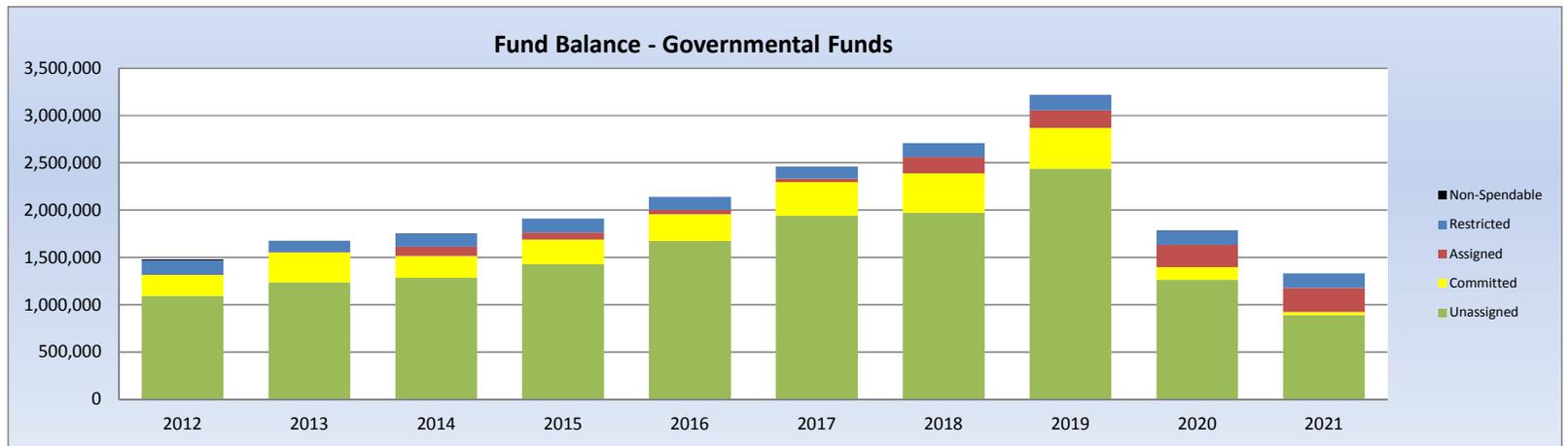


TABLE 4
TOWN OF RIVER BEND, NORTH CAROLINA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Ad Valorem Taxes	\$ 882,943	\$ 874,300	\$ 918,326	\$ 891,577	\$ 891,338	\$ 926,035	\$ 870,529	\$ 728,213	\$ 740,181	\$ 809,357
Other Taxes and Licenses	374,978	380,440	387,091	413,408	427,023	433,766	464,930	468,267	387,149	445,035
Unrestricted Intergovernmental	174,239	155,265	160,931	193,417	195,852	192,200	190,433	189,185	180,343	173,587
Restricted Intergovernmental	276,458	150,557	109,303	94,758	92,466	108,569	91,315	445,147	1,132,063	237,252
Permits and Fees	8,843	4,304	7,189	6,311	7,227	8,674	7,587	16,390	8,366	10,990
Sales and Services	79,458	77,658	81,034	78,240	67,903	74,257	59,421	79,278	41,806	50,388
Investment Earnings	682	626	243	394	3,689	9,012	26,544	50,173	37,711	367
Miscellaneous	-	-	-	-	2,381	5,589	-	8,526	8,351	-
Total Revenues	1,797,601	1,643,150	1,664,117	1,678,105	1,687,879	1,758,102	1,710,759	1,985,179	2,535,970	1,726,976
Expenditures										
Current										
General Government	453,655	473,771	527,309	473,932	477,398	479,688	561,307	556,085	574,852	665,813
Public Safety	667,012	483,414	509,449	506,223	500,640	475,333	456,309	1,366,425	666,530	641,000
Transportation	168,663	163,065	178,698	191,944	190,469	191,305	166,859	184,803	203,988	196,859
Environmental Protection	45,227	51,972	51,960	85,353	66,053	80,579	60,300	61,131	63,820	73,767
Cultural and Recreational	35,509	37,810	42,983	47,972	40,371	39,988	45,886	43,740	34,857	104,778
Capital Projects	141,387	236,566	273,378	217,703	255,541	177,051	173,424	216,176	1,011,070	965,869
Debt Service										
Principal	-	-	-	-	-	-	-	50,154	949,846	-
Interest	-	-	-	-	-	-	-	-	-	-
Total Expenditures	1,511,453	1,446,598	1,583,777	1,523,127	1,530,472	1,443,944	1,464,085	2,478,514	3,504,963	2,648,086
Revenues Over (Under) Expenditures	\$ 286,148	\$ 196,552	\$ 80,340	\$ 154,978	\$ 157,407	\$ 314,158	\$ 246,674	\$ (493,335)	\$ (968,993)	\$ (921,110)
Other Financing Sources (Uses)										
Transfers to Other Funds	(127,500)	(108,000)	(105,000)	(105,000)	(461,553)	(274,052)	(199,803)	(241,470)	(1,305,900)	(104,663)
Transfers from Other Funds	127,500	108,000	105,000	105,000	461,553	274,052	199,803	241,470	1,305,900	104,663
NCORR zero-interest Loan Proceeds	-	-	-	-	-	-	-	1,000,000	-	-
Insurance Settlement	-	-	-	-	-	-	-	-	1,090	-
Sale of Capital Assets	-	-	-	-	5,950	6,901	-	3,150	5,050	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ 5,950	\$ 6,901	\$ -	\$ 1,003,150	\$ 6,140	\$ -
Net Change in Fund Balance	\$ 286,148	\$ 196,552	\$ 80,340	\$ 154,978	\$ 163,357	\$ 321,059	\$ 246,674	\$ 509,815	\$ (962,853)	\$ (921,110)
Debt Service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.27%	40.25%	0.00%

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		
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%
2021	265,631,470	40,627,802	2,482,351	308,741,623	0.2600	7.31%

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 seven-year revaluation (resulting from Hurricane Florence) was adopted, which is 2023, effective with fiscal year 2023-24 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>
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
2021	2020	0.2600	0.5600	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 seven-year revaluation (resulting from Hurricane Florence) was adopted, which is 2023, effective with fiscal year 2023-24 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 2021			Fiscal Year 2012		
		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	1.77%	(1)		
Riverstone Assisted Living LLC (2)	Assisted Living Facility	2,317,700	2	0.75%	2,017,800	2	0.61%
Trent River Adventures LLC (3)	Country Club and Golf Course	1,940,381	3	0.63%	2,921,358	1	0.88%
Jonathan & Karen Segal Revocable Trust	Residence	1,880,910	4	0.61%	(1)		
Berit Peck	Residence & Commercial	1,706,100	5	0.55%	1,644,440	3	0.50%
Duke Energy Progress, Inc. (4)	Electricity	1,448,598	6	0.47%	1,298,613	4	0.39%
Degraw, Martin C & Denise N	Residence	1,396,440	7	0.45%	(1)		
J. Frank Efird & Margaret M.	Land Development	1,103,990	8	0.36%	967,990	6	0.29%
Hollowell, Linda A & Morgan, Deborah A.	Residence	979,390	9	0.32%	(1)		
Piedmont Natural Gas	Utility	939,227	10	0.30%	(1)		
Camille Hoffman	Residence	(1)			1,180,516	5	0.36%
Roland S. & Susan Pridgen	Real Estate	(1)			935,950	7	0.28%
Taybro LLC	Real Estate	(1)			930,910	8	0.28%
RAC Development LLC (5)	Caro-San Maintenance Supplies Store	(1)			901,600	9	0.27%
Robert L. Mattocks II	Land Development	(1)			865,290	10	0.26%
		<u>\$19,190,426</u>		<u>6.22%</u>	<u>\$13,664,467</u>		<u>4.14%</u>

Notes:

Source: Craven County Tax Administration

(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%	8,579	875,527	100.00%
2012	2011	875,329	868,772	99.25%	5,917	874,689	99.93%
2013	2012	878,256	869,025	98.95%	8,486	877,511	99.92%
2014	2013	904,777	900,702	99.55%	3,660	904,362	99.95%
2015	2014	887,336	886,433	99.90%	740	887,173	99.98%
2016	2015	891,938	889,917	99.77%	1,857	891,774	99.98%
⁽¹⁾ 2017	2016	926,556	923,576	99.68%	2,770	926,346	99.98%
2018	2017	779,753	775,369	99.44%	3,692	779,061	99.91%
2019	2018	647,342	644,788	99.61%	2,243	647,031	99.95%
2020	2019	666,977	656,238	98.39%	4,232	660,470	99.02%
2021	2020	712,299	709,963	99.67%	⁽²⁾	709,963	99.67%

Notes:

Source: Craven County Tax Office

⁽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 seven-year revaluation (resulting from Hurricane Florence) was adopted, which will be 2023, effective with fiscal year 2023-24 tax levy.

⁽²⁾ Information not yet available.

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.

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	-	-	-	-	3,192,109	-	-	3,192,109	3144	1,015	51,031	1.60%
2013	-	-	-	-	3,291,022 ⁽⁵⁾	-	-	3,291,022	3119	1,055	51,939	1.58%
2014	-	-	-	-	3,079,878	-	-	3,079,878	3119	987	52,251	1.70%
2015	-	-	-	-	2,863,734	-	-	2,863,734	3084	929	52,507	1.83%
2016	-	-	-	-	2,647,590	-	-	2,647,590	3063	864	53,562	2.02%
2017	-	-	-	-	2,421,446	-	-	2,421,446	3058	792	54,548	2.25%
2018	-	-	-	-	2,195,302	-	-	2,195,302	3019	727	55,382	2.52%
2019	-	-	-	949,846 ⁽⁶⁾	1,964,158	-	-	2,914,004	3000	971	56,557	1.94%
2020	-	-	-	-	1,728,014	-	-	1,728,014	3119	554	57,348	3.32%
2021	-	-	-	-	1,481,870	-	-	1,481,870	2897	512	⁽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. Premiums on bonds are included in the debt.

⁽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
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	868,891	\$ 23,300,000
2020	287,697,954	23,015,836	764,630	\$ 22,200,000
2021	308,741,623	24,699,330	655,735	\$ 24,000,000

Gross debt:

Installment financing	\$ -
Water & Sewer General Obligation Bonds	1,415,000
Total gross debt	1,415,000
Less: Statutory Deductions	
Water GO Bonds	759,265
Amount of debt applicable to limit - net debt	\$ 655,735

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 net debt outstanding 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 Outstanding ⁽¹⁾	Assessed Valuation ⁽¹⁾					
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	8,614,265	9,540,578,084	303,025,742	3.18%	273,604	3000	91
2020	6,146,474	9,596,740,032	287,697,954	3.00%	184,263	3119	59
2021	3,729,683	9,993,634,286	308,741,623	3.09%	115,224	2897	40

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⁾
2012	105,156	3,910,918	37,420	14,749	11.00%
2013	104,189	4,094,203	39,078	14,606	9.70%
2014	104,041	4,100,424	39,243	14,472	9.00%
2015	103,069	4,121,440	39,436	14,297	6.80%
2016	103,100	4,195,496	40,555	14,120	6.12%
2017	103,251	4,340,800	41,962	14,002	5.26%
2018	103,332	4,345,888	42,367	13,778	4.73%
2019	102,989	4,493,680	43,665	13,584	4.19%
2020	103,016	4,743,930	46,446	13,113	4.08%
2021	102,663	⁽⁶⁾	⁽⁶⁾	12,542	6.66%

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⁾	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Department of Defense ⁽²⁾	5,324	1	13.86%	5,361	1	13.96%
CarolinaEast Health Systems	2,687	2	7.00%	2,035	2	5.30%
Craven County Schools	1,760	3	4.58%	1,912	3	4.98%
BSH Home Appliances	1,450	4	3.78%	750	5	1.95%
Moen Incorporated	830	5	2.16%	630	6	1.64%
State of North Carolina	809	6	2.11%	993	4	2.59%
Craven County	679	7	1.77%	597	7	1.55%
Wal-Mart	549	8	1.43%	467	10	1.22%
Craven Community College	525	9	1.37%			
City of New Bern	458	10	1.19%	476	9	1.24%
Hatteras Yachts (Brunswick Corp)				550	8	1.43%
	<u>15,071</u>		<u>39.24%</u>	<u>13,771</u>		<u>35.86%</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. Department of Commerce - NCWorks

⁽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	2021
General government:											
Administration	3	3	3	3	3	3	3	3	3	3	3
Finance	1	1	1	1	1	1	1	1	1	1	1
Zoning	1	1	1	1	1	1	1	1	2	1	1
Public Works	2.5	2.5	2.5	3.5	3.5	3.5	3.5	3.5	4.5	5.5	4.5
Public safety- Police	5.48	5.39	5.36	6.48	6.48	6.48	6.48	6.48	6.68	6.45	6.27
Water/Sewer:											
Finance	1	1	1	1	1	1	1	1	1	1	1
Utility Operators	4	4	4	3	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	19.77

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	2021
Public Safety - Police											
Police Stations	1	1	1	1	1	1	1	1	1	1	1
Patrol Units	3	3	3	3	3	4	4	4	5	5	5
Cultural and Recreational											
Recreation and Parks											
Number of Parks	3	3	5	5	5	5	5	5	5	5	5
Number of Picnic Shelters	2	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	17.13
Water											
Number of Hydrants	108	112	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	18.86
Number of Wells	3	3	3	3	3	3	3	3	3	3	3
Number of Water Towers	2	2	2	2	2	2	2	2	2	2	2
Sewer											
Sewer Lines (miles)	11	11	11	11	11	11	11	11	11	11	11
Number of Lift Stations	9	9	9	9	9	9	9	9	9	9	9
Number of Treatment Plants	2	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	2021
<u>Police Activity</u>											
Violent Crime	60	41	48	58	97	44	9	11	0	2	2
Property Crime	98	114	134	83	109	54	65	28	18	15	12
Arrests	76	95	235	252	178	225	45	49	17	43	29
Motor Vehicle	206	450	827	1,400	1,112	1,127	1,115	486	304	1013	529
Agency Assist	490	506	1,144	691	903	647	33	26	13	16	15
Quality of Life	524	466	445	297	362	308	2,124	1,419	790	2,184	1,844
Community Policing	1,903	3,444	13,245	15,079	15,126	14,873	10,753	17,826	10,540	18,857	14,120
Total Activity	3,357	5,116	16,078	17,860	17,887	17,278	14,144	19,845	11,682	22,130	16,551
<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	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	0.20
<u>Zoning</u>											
Permits Issued	69	89	26	54	42	26	72	84	464 ⁽²⁾	87	113
New Residences	2	1	2	1	1	2	1	1	2	4	6
<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	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	93,350,000	85,141,000	90,507,000
Residential Water Customers	1,352	1,409	1,411	1,412	1,417	1,418	1,431	1,438	1,438	1,429	1,442
<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	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	41,902,000
Residential Sewer Customers	930	936	950	952	951	948	954	958	958	949	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	219.72

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, 2020 - June 30, 2021

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	100,000 Each Occurance 250 Deductible
Public Official Bond Finance Officer	60,000 Liability 0 Deductible
Real and Personal Property	8,561,525 Covered Cause of Loss 1,000 Deductible per Occurance Includes Boiler & Machinery
Computer Equipment/Media	500,000 Limits of Coverage 1,000 Deductible
Scheduled Equipment	170,769 Scheduled Equipment 500 Deductible
Automobile Liability	1,000,000 Per Occurance 1,000 Deductible
Automobile Comprehensive	N/A Actual Cash Value Valuation 500 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 2021 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





PETWAY
MILLS &
PEARSON, PA
 CERTIFIED PUBLIC ACCOUNTANTS

C. Briggs Petway, Jr.
 Phyllis M. Pearson

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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, 2021, 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 October 27, 2021.

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.

Memberships:

North Carolina
 Association of
 Certified Public
 Accountants

American Institute
 Of Certified Public
 Accountants

Medical Group
 Management
 Association

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

October 27, 2021

TOWN OF RIVER BEND, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021**

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
to be material weaknesses?

_____ yes

 X none reported

Noncompliance material to financial statements
noted?

_____ yes

 X no

TOWN OF RIVER BEND, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021**

SECTION II. FINANCIAL STATEMENT FINDINGS

None.

TOWN OF RIVER BEND, NORTH CAROLINA

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2021**

SECTION II. FINANCIAL STATEMENT FINDINGS

None required.

TOWN OF RIVER BEND, NORTH CAROLINA

**SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2021

<u>Grantor/Pass-through/ Grantor-Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
FEDERAL AWARDS			
US Department of Homeland Security			
Passed through Department of Public Safety - Division of Emergency Management			
Public Assistance Program			
Hurricane Isaias	97.036		\$ 14,819
Hurricane Dorian	97.036		780
Total US Department of Homeland Security			<u>15,599</u>
US Department of Housing and Urban Development			
Passed through NC Department of Environmental Quality			
Community Development Block Grant Infrastructure Fund	14.228	18- C-3065	<u>62,590</u>
US Department of Treasury			
Passed through the Office of State Budget and Management:			
NC Pandemic Recovery Office			
Passed through Craven County			
Coronavirus Relief Fund	21.019		<u>50,668</u>
TOTAL FEDERAL AWARDS			<u>128,857</u>
STATE AWARDS			
NC Department of Transportation			
Direct Program			
Powell Bill		DOT-4	<u>80,899</u>
NC Department of Public Safety			
Direct Program			
Active Shooter State Grant		16.738	<u>20,410</u>
NC Office of Recovery and Resilience			
Direct Program			
State Grants for Financially Distressed Local Governments		NCORR-FDLG-004	<u>99,002</u>
US Department of Homeland Security			
Passed through Department of Public Safety - Division of Emergency Management			
Public Assistance Program			
Hurricane Isaias		FEMA-4568-DR-NC	4,631
Hurricane Dorian		FEMA-4465-DR-NC	<u>244</u>
Total US Department of Homeland Security			<u>4,875</u>
TOTAL STATE AWARDS			<u>205,186</u>
TOTAL FEDERAL AND STATE ASSISTANCE			<u>\$ 334,043</u>

Notes to the Schedule of Expenditures of State Financial Awards

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 State of North Carolina for the year ended June 30, 2021. 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 modified 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.