

TOWN OF RIVER BEND

NORTH CAROLINA



ACFR

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2022

TOWN OF RIVER BEND, NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED

JUNE 30, 2022

PREPARED BY
FINANCE DEPARTMENT

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**THE TOWN OF RIVER BEND, NORTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year ended June 30, 2022**

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TOWN OF RIVER BEND

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January 26, 2023

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, 2022 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, 2022 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, 2022 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 Governing Body of the Town of River Bend is composed of a Mayor and five Council members. All five members of the Town Council (Council) are elected at-large to serve four-year terms. Terms of office are staggered so an election for at least a portion of the Council is held every two years.

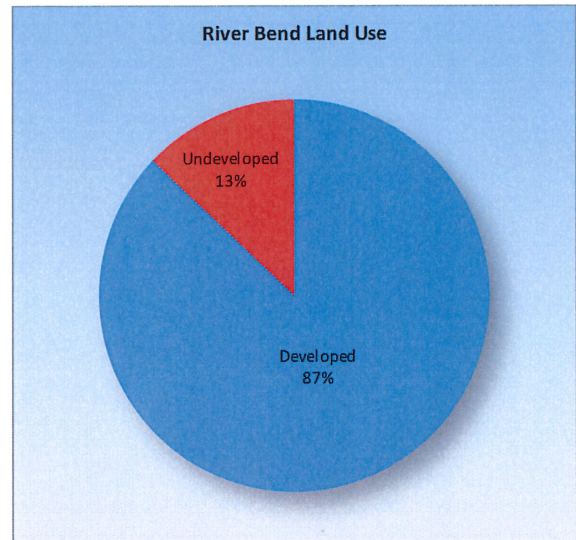
The Mayor is elected directly by the voters to serve a four-year term and presides at all meetings of the Council and represents the Town at official functions. The Mayor, and each member of the Council, serves as liaisons to Advisory Boards, or in other administrative capacities in support of the function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

The 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 extended the terms of the current Mayor and each current member of the Council by one year.

The Town of River Bend operates under the Council-Manager form of government. The Council appoints the 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 volunteer boards to serve in advisory, planning and quasi-judicial capacities in accordance with their charge.

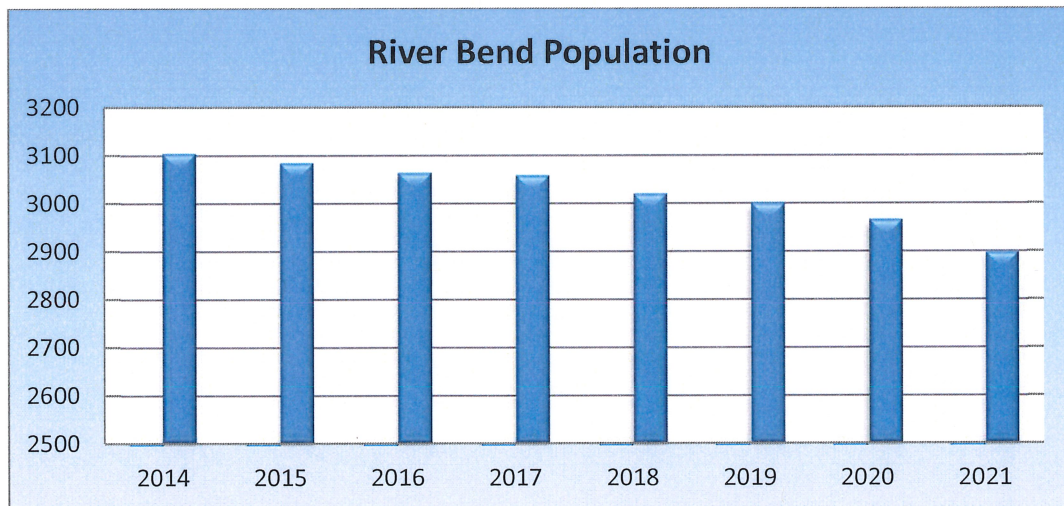
Land Use

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 1,532 are developed and 222 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 2020 Census report for the population of River Bend provided an accurate count of 2,902 residents, which is a 7.0% decrease from the 2010 Census count of 3,119. According to data available from the North Carolina Local Government Commission (LGC), the July 1, 2021 population of River Bend is 2,897. The chart below shows the change in population since 2014.



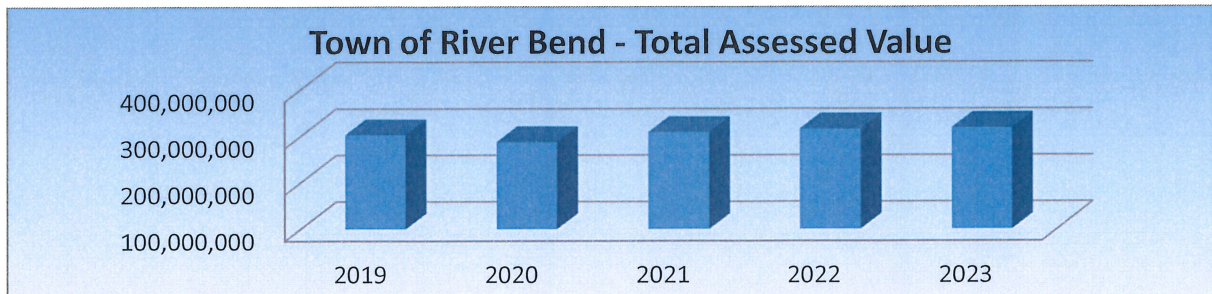
According to the North Carolina Office of Budget and Management (OBM), there are 551 municipalities in North Carolina and the Town of River Bend is the 194th largest by population. The (2020) median age in River Bend is 56.7 years old. According to the 2020 Census, veterans make up 15.4% of our population, compared to a national percentage of 6.4%.

Housing

River Bend's occupancy rate, as reported in the 2020 Census, was 86.4% of the Town's housing units. Of these occupied units, 61.2% are owner-occupied, and 38.8% 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 value since FY 2019. Craven County's four-year revaluation, slated for FY2020-21, was postponed again until January 1, 2023, which affects FY2023-24.

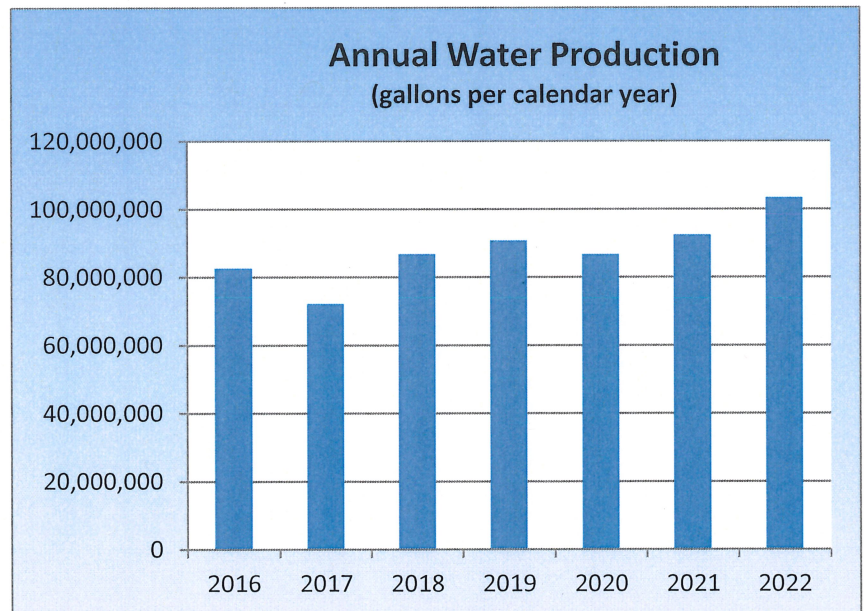


Water and Wastewater

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 2022 (calendar year), we treated 103,369,000 gallons with a daily average of 283,123 gallons. In 2021, we treated 92,512,000 gallons of water, an average of 253,418 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, regulated and permitted to operate by the State of North Carolina. 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. Eleven 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 four lift stations can be powered by one of our mobile generators.

In calendar year 2022, we treated 40.6 million gallons of wastewater compared to 43.0 million gallons in 2021. The daily average treatment rate was 111,315 gallons in 2022 and 118,170 gallons in 2021. 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 2022, we used 34% of our permitted capacity.



The North Carolina Department of Water Quality (DWQ) administers federal and state regulations designed to protect the quality of the receiving waters. Part of this administration is the issuance of permits for treatment facilities like the one we operate 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.

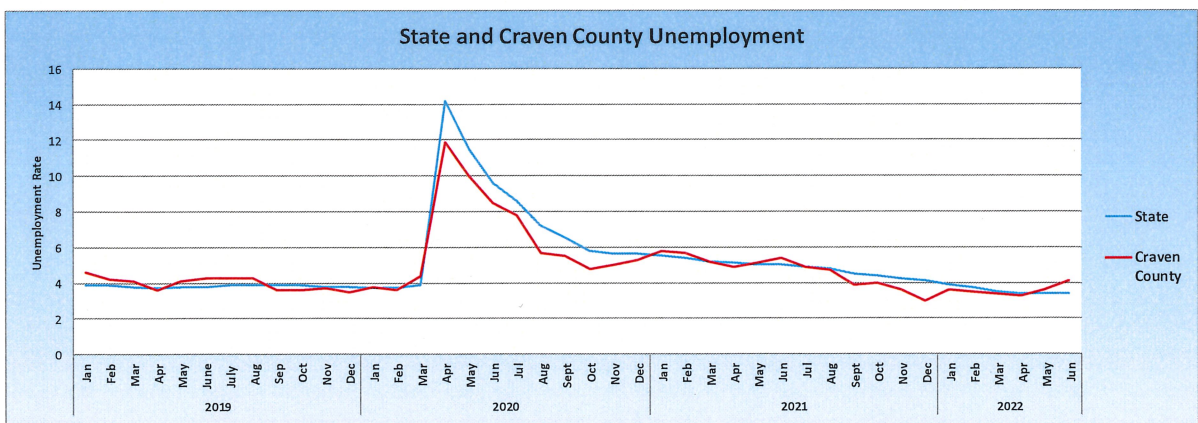
Economy

The 2020 Census reported that the majority of River Bend’s workers were employed in the educational, health and social services (28.3%), and the manufacturing (18.1%) industries. Of our population over 16 years old, 60.7% were listed as “not in the labor force” in 2020. This reflects the level of retirees in the Town. Table 13 on page 138 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 large 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, starting in March 2020. At the end of June 2022, the Craven County unemployment rate was 4.1% compared to the State seasonally adjusted rate of 3.4%, and the national rate of 3.6%.



The median household income recorded in the 2020 Census was \$72,102 compared to a national median household income of \$70,784. Only 8.4% of our population has an income below the poverty level, compared to a national poverty rate of 11.6%. For residents 25 years of age and older, 93.6% have a high school or higher education; 37.4% have a bachelor's degree or higher, and 15% 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 have 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. 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 2022-23 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.

We received the remaining tranche of American Rescue Plan Act of 2021 Coronavirus State and Local Fiscal Recovery Funds (ARP/CSLFRF), \$482,189, during the first quarter of FY 2023. The entire allocation of funds, \$964,378, will be spent on revenue replacement by electing the standard allowance. This will allow the Town to use non-grant revenues to construct a Public Works Administration building to support the needs of our Public Works Department.

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 \$146,700 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 \$91,000, so local revenue in the amount of \$55,700 was budgeted to complete this project.

In this budget, we have allocated \$7,500 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. At the end of FY2021-22, the Town was awarded a grant totaling \$250,000 from the Golden LEAF Foundation. This grant, along with \$28,298 in funding from the Town, will be used to complete the drainage project in the Channel Run area. It will consist of re-grading and re-sloping the natural drainage infrastructure throughout the area to promote efficient and effective water flow out of the area.

Our IT replacement plan, which is also funded through our Capital Improvement Plan reserves, provides for \$3,000 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. We will finalize the conversion process to our new Enterprise Resources Planning (ERP) software, which will aid in the efficiency and streamline operations with accessibility to information.

Programs are being funded to support the Parks and Recreation Advisory Board which 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.

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 filter media replacement, \$13,000. 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. This project will be complete by the end of FY 2023. It is projected that Water Fund cash reserves will be at 91% of expenditures at the end of FY 2025.

The Sewer Fund budget provides for a sewer camera, \$15,000, sewer drain cleaner, \$7,000, and a skimmer replacement, \$20,000. 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 78% of expenditures for the next four years.

In July 2022, the Town was awarded two Asset Inventory and Assessment (AIA) grants, \$150,000 each. The AIA grant received from the North Carolina Environmental Quality Drinking Water Reserve will be used to assess the condition of, produce a map of and inventory components of the water system. The AIA grant received from the North Carolina Environmental Quality Wastewater Reserve will be used to assess the condition of, produce a map of and inventory components of the sewer system.

The Town also received a grant totaling \$9,108,500 from the State of North Carolina to fund wastewater treatment plan enhancements. Specifically, these funds will be used to fund a major upgrade and rehabilitation of the existing treatment plan, which will essentially result in a new treatment plant.

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 \$200,813 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.

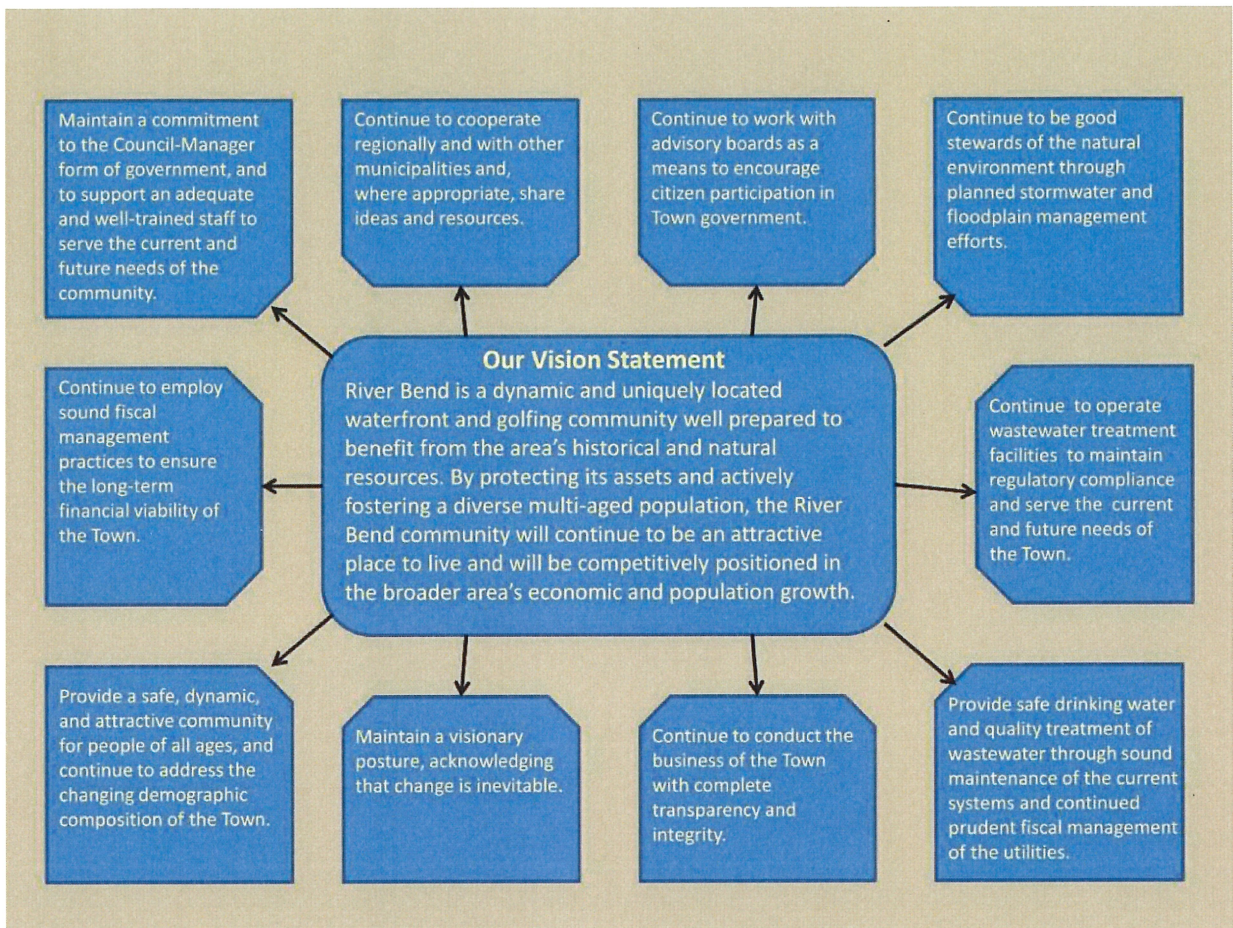
- To maintain and increase investor confidence in the Town and to provide credibility to the citizens of the Town regarding financial operations.
- To comply with the North Carolina Budget and Fiscal Control Act and the policies of the North Carolina Local Government Commission (the “LGC”).
- To effectively conduct asset-liability management of the Town’s balance sheet.

The Town’s recently amended 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, with the total amount of unassigned fund balance at \$2,000,000. The Town Council is committed to achieving and maintaining this level of fund balance.

Budgetary Control

In accordance with the North Carolina Local Government Budget and Fiscal Control Act, the Town adopts a budget 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 Budget 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 2021, 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 in relation to the assigned rating of A1. River Bend's fund balance as a percent of operating revenues (70.5%) far surpasses the US median while the cash balance as a percent of operating revenues (66.9%) is well above the US median."

These favorable reviews are 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, 2021. This was the eleventh 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.

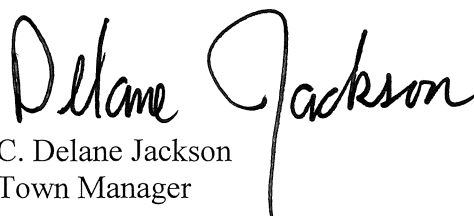
A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this report was made possible by the effort and dedication of the Finance Officer, Town's staff, and our independent auditors, Petway Mills & Pearson, PA, led by Mario Peroni. 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,



Mandy B. Gilbert
Finance Officer



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, 2021

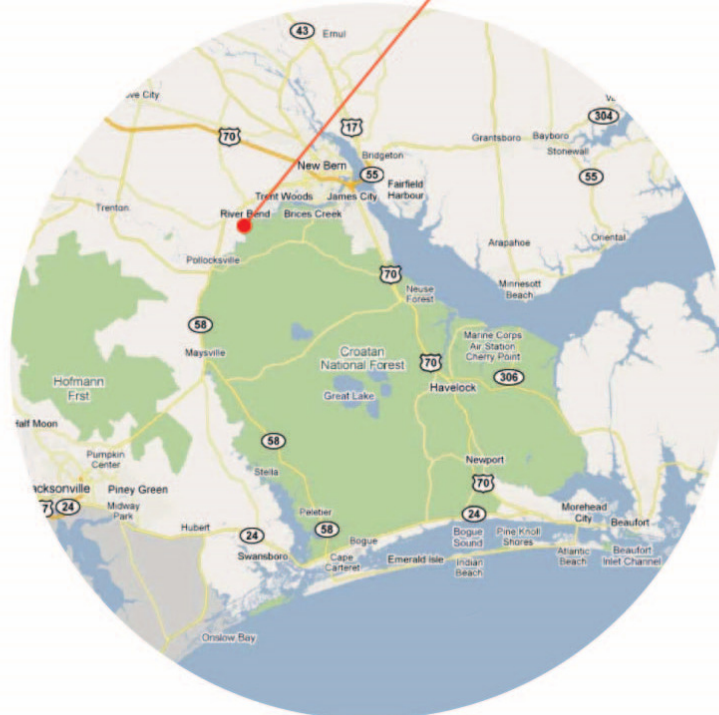
Christopher P. Morill

Executive Director/CEO

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, 2022

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

Mandy Gilbert

Finance Director

Kristie Nobles

Town Clerk

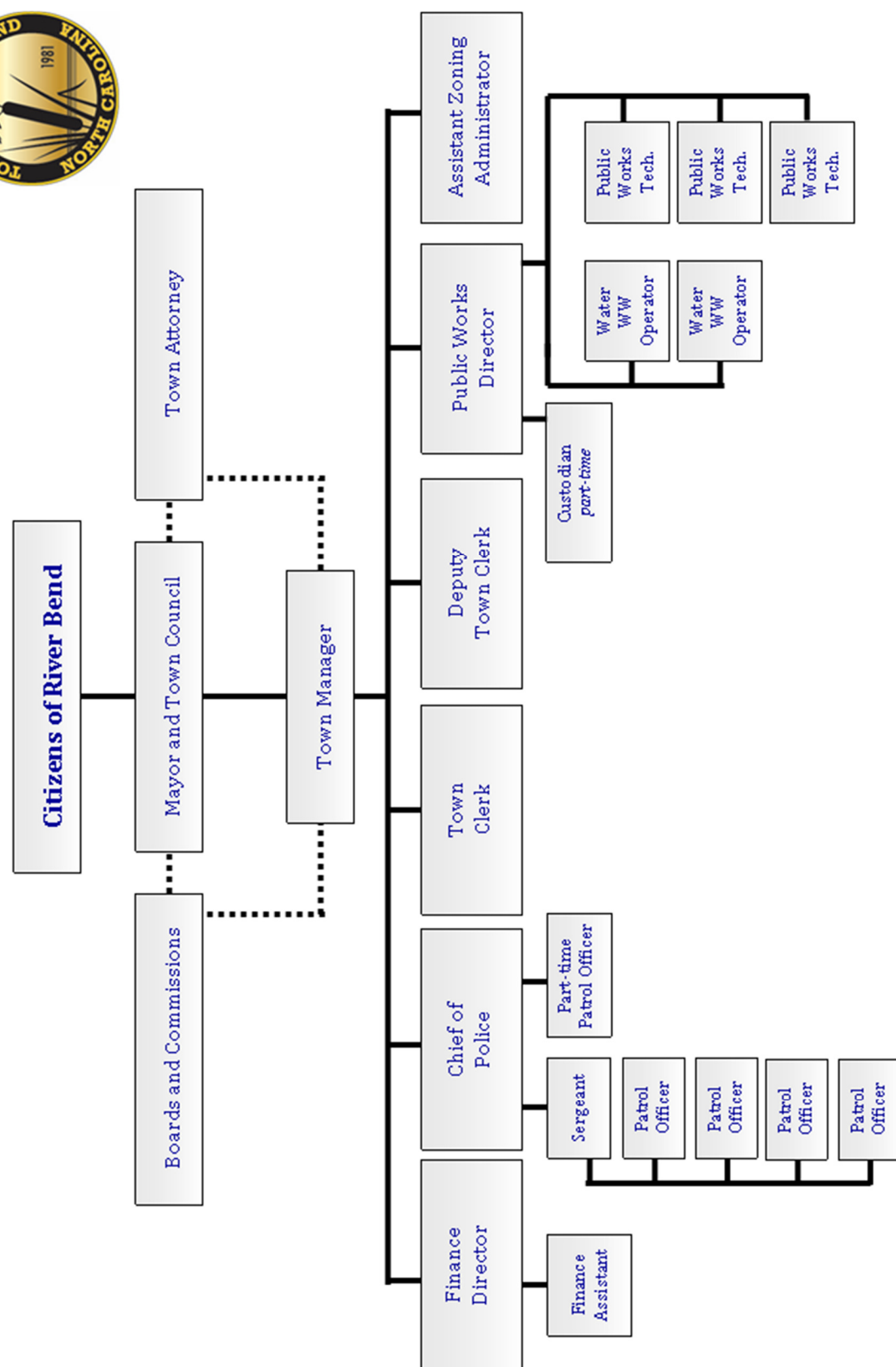
Sean Joll

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.





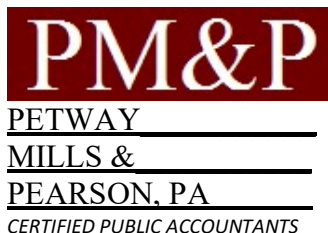
FINANCIAL SECTION

- 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**





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, 2022, 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.

C. Briggs Petway, Jr.
Phyllis M. Pearson

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Memberships:

North Carolina
Association of
Certified Public
Accountants

American Institute
Of Certified Public
Accountants

Medical Group
Management
Association

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, 2022, 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 13 through 27, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset and Contributions on pages 70 and 71, 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 72 and 73, 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

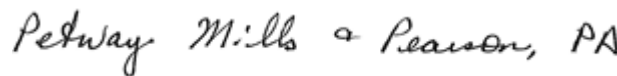
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of River Bend, North Carolina's basic financial statements. The introductory information, combining and individual fund statements, budgetary schedules, other schedules, statistical 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 January 26, 2023, 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.

A handwritten signature in cursive script that reads "Petway Mills & Pearson, PA". The signature is written in black ink on a white background.

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

January 26, 2023



MANAGEMENT'S DISCUSSION & ANALYSIS



Management Discussion and Analysis Town of River Bend

Town of River Bend Management's Discussion and Analysis June 30, 2022

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, 2022. 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 \$8,400,538 (*net position*) at the close of the fiscal year.
- For governmental type activities, the Town's net position showed an increase of 10.7% at the close of the fiscal year at \$5,923,179. Net position for business-type activities, which exclusively include the Water and Sewer Enterprise Funds, were \$1,044,494 and \$1,432,865, respectively, for a total of \$2,477,359. This represents an increase of \$63,719 in the value of net position in the Water Fund, and an increase of \$126,357 in the value of net position in the Sewer Fund. On-going depreciation of the infrastructure, a total of \$140,407, continues to be a significant expense. The government's total net position increased by \$762,709.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$1,866,260, which was an increase of \$530,682. Approximately 8.8% of this amount, or \$163,479 is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$979,555 or 60% 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, 2022, total General Fund expenditures amounted to \$1,622,718.
- The Town's total General Obligation bond debt decreased by \$240,000 (17%) 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.

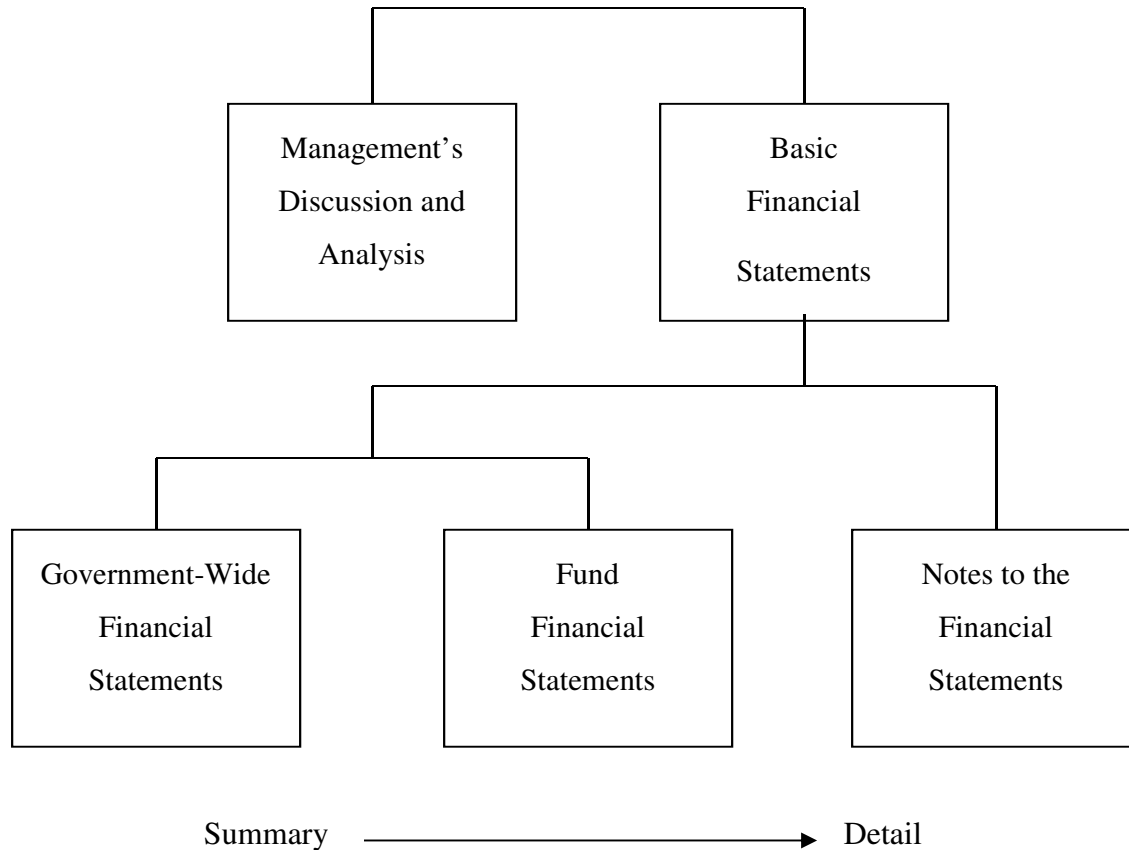
Overview of the Financial Statements

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 \$8,400,538 as of June 30, 2022. The Town's net position increased by \$762,709 for the fiscal year ended June 30, 2022. A large portion (43%) of total net position is the Town's unrestricted net position, \$3,637,517 that is available for future spending. The Town reports net investments in capital assets (e.g. land, buildings, machinery, and equipment) as 55 % 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 \$163,479 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	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and other assets	\$ 1,906,718	\$ 1,376,722	\$ 2,333,798	\$ 2,396,837	\$ 4,240,516	\$ 3,773,559
Net pension asset - Separation Allowance	-	-	-	-	-	-
Net pension asset - LGERS	-	-	-	-	-	-
Capital assets, net	4,341,031	4,327,268	1,433,511	1,443,988	5,774,542	5,771,256
Total assets	6,247,749	5,703,990	3,767,309	3,840,825	10,015,058	9,544,815
Deferred Outflows of Resources:						
Contributions to pension plan, current year - LGERS	46,181	83,035	25,251	23,615	71,432	106,650
Contributions to pension plan, current year - LEO	51,925	16,523	-	-	51,925	16,523
Pension deferrals	304,086	273,505	52,520	47,239	356,606	320,744
Deferred charges on refunding	-	-	53,569	53,569	53,569	53,569
Total deferred outflows of resources	402,192	373,063	131,340	124,423	533,532	497,486
Liabilities:						
Current liabilities	65,757	79,428	309,829	319,163	375,586	398,591
Long-term liabilities	364,845	635,801	1,035,093	1,356,515	1,399,938	1,992,316
Total liabilities	430,602	715,229	1,344,922	1,675,678	1,775,524	2,390,907
Deferred Inflows of Resources:						
Pension deferrals	296,160	11,278	76,368	2,287	372,528	13,565
Net Position:						
Net investment in capital assets	4,341,031	4,327,268	258,511	15,687	4,599,542	4,342,955
Restricted	163,479	156,054	-	-	163,479	156,054
Unrestricted	1,418,669	867,224	2,218,848	2,271,596	3,637,517	3,138,820
Total net position	\$ 5,923,179	\$ 5,350,546	\$ 2,477,359	\$ 2,287,283	\$ 8,400,538	\$ 7,637,829

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

- Federal disaster assistance and grant funds received included hurricane public assistance of \$35,434, and American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund (ARP/CSLFRF), of \$482,189. The NC Office of Recovery and Resiliency (NCORR) grant expenditures amounted to \$71,762. This grant has been fully expended and expired in March 2022.
- The Town Council adopted a tax rate of \$0.26 per hundred dollars of valuation, which was no change from last fiscal year. Property tax revenue, including motor vehicles, reported a positive budget variance of \$27,227, and was \$14,833 over FY21 and a net tax levy increase of 2.14%. Fund balance in the amount of \$244,602 was originally budgeted to balance the FY22 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 were increased effective May 1, 2022 and included a small rate increase of \$0.22, for the usage per thousand gallons in the Sewer Fund. The water base rate demand component was increased

Management Discussion and Analysis

Town of River Bend

by \$2 per month for residential users as well as the equivalent unit demand component increase for all other classes. There also was a small rate increase of \$0.20 for the usage per thousand gallons in the Water Fund.

Town of River Bend's Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues:						
Program revenues:						
Charges for services	\$ 56,988	\$ 47,418	\$ 1,146,272	\$ 1,127,670	\$ 1,203,260	\$ 1,175,088
Operating grants and contributions	820,652	237,252	-	-	820,652	237,252
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	827,716	800,636	-	-	827,716	800,636
Other taxes	673,659	618,623	-	-	673,659	618,623
Investment earnings, unrestricted	2,570	367	2,852	443	5,422	810
Miscellaneous, unrestricted	<u>46,838</u>	<u>13,960</u>	<u>-</u>	<u>3,284</u>	<u>46,838</u>	<u>17,244</u>
Total revenues	<u>2,428,423</u>	<u>1,718,256</u>	<u>1,149,124</u>	<u>1,131,397</u>	<u>3,577,547</u>	<u>2,849,653</u>
Expenses:						
General government	655,539	902,802	-	-	655,539	902,802
Public safety	677,492	639,067	-	-	677,492	639,067
Transportation	153,537	232,384	-	-	153,537	232,384
Environmental protection	46,673	72,241	-	-	46,673	72,241
Cultural and recreational	322,549	113,659	-	-	322,549	113,659
Water	-	-	457,702	499,321	457,702	499,321
Sewer	<u>-</u>	<u>-</u>	<u>501,346</u>	<u>547,167</u>	<u>501,346</u>	<u>547,167</u>
Total expenses	<u>1,855,790</u>	<u>1,960,153</u>	<u>959,048</u>	<u>1,046,488</u>	<u>2,814,838</u>	<u>3,006,641</u>
Increase in net position before special items	572,633	(241,897)	190,076	84,909	762,709	(156,988)
Special item - gain on sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,638</u>	<u>-</u>	<u>1,638</u>
Increase in net position:	572,633	(241,897)	190,076	86,547	762,709	(155,350)
Beginning of year - July 1	<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>
End of year - June 30	<u>\$ 5,923,179</u>	<u>\$ 5,350,546</u>	<u>\$ 2,477,359</u>	<u>\$ 2,287,283</u>	<u>\$ 8,400,538</u>	<u>\$ 7,637,829</u>

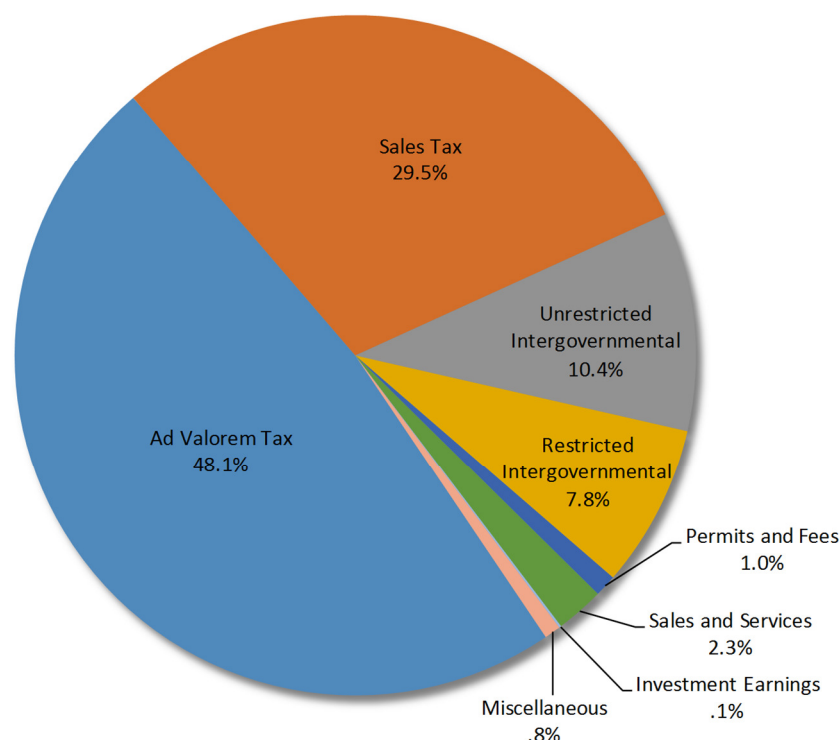
Management Discussion and Analysis

Town of River Bend

Governmental Activities. The total net position of the Town increased by \$762,709; governmental activities accounted for \$572,633 of the increase to the Town's net position. Key elements that affected net position are as follows:

- Funds totaling \$482,189 were received from the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund (ARP/CSLFRF). These funds were used to reimburse the Town for salaries and benefits paid to employees during the period March 7, 2021 through June 30, 2022.
- Other taxes and licenses exceeded budget by \$87,157 as the Town continues to take a more conservative approach when budgeting for this revenue source.
- The abovementioned revenue sources combined with the Town's vigilant monitoring of expenditures contributed to this year's positive effect on net position.
- Fund balance of \$244,602 was originally budgeted to balance the General Fund budget. Budget amendment details are covered under **General Fund Budgetary Highlights**.
- Ad Valorem taxes make up 48% of the governmental activity revenue. 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 tax rate was \$0.26 with a net property tax valuation of \$315,779,126. Craven County's collection rate was 99.22%.
- 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 \$181,251, of which the General Fund Capital Improvement Plan contributed \$65,342 from Capital Reserves.

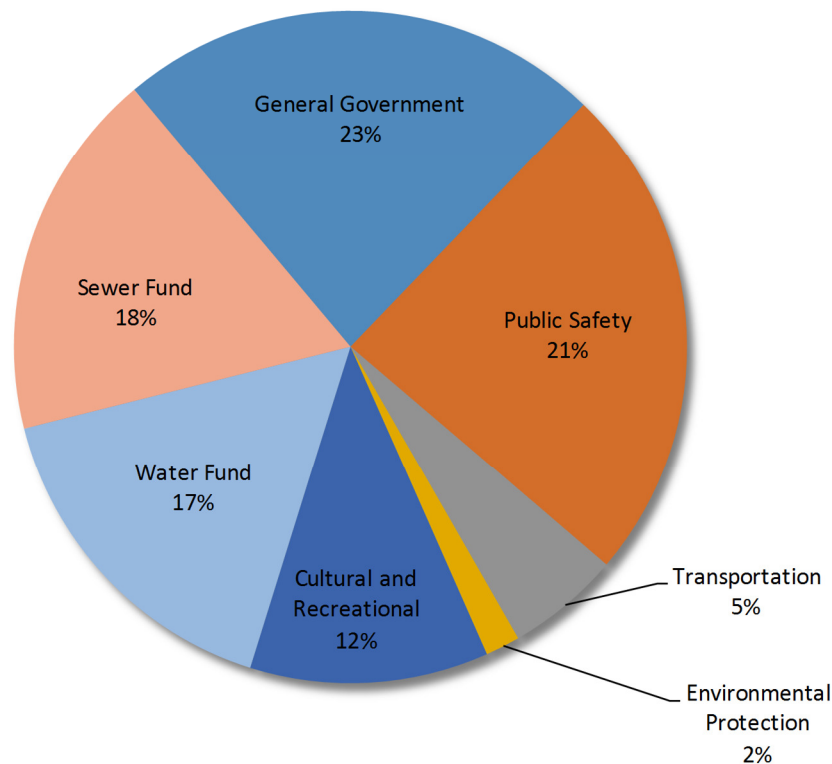
Town of River Bend
Figure 4. Revenue Sources - Governmental Activities - Fiscal Year 2022



Management Discussion and Analysis

Town of River Bend

Town of River Bend
Figure 5. Functional Expenses - Fiscal Year 2022



Business-Type Activities. Business-type activities increased the Town's net position by \$190,076. 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 sewer utility usage rate for all classes increased 2.4% as of May 1, 2022. This small increase was approved in order to receive additional points on a grant the Town applied for to revitalize the Waste Water Treatment Plant (WWTP). Prior to this increase, the usage rate had remained the same since 2015. That increase will help maintain a cash balance projected to be at 99% of expenditures at the end of the next three years.
- The water base rate demand component was last increased \$3 per month for residential users on April 9, 2020. The equivalent unit demand component was increased for all other classes beginning July 1, 2021. On May 1, 2022, the Council approved a rate increase for the water base rate demand component of \$2.00, as well as a water usage rate increase of \$0.20 in order to receive additional points on a grant the Town applied for to revitalize the WWTP. These increases also will help maintain a cash balance projected to be at least 91% of expenditures at the end of the next three years.
- Operating revenues from sewer services adequately covered the operating expenses, which resulted in operating income and an increase in net position of \$126,357. Water Fund net position increased by \$63,719.

Management Discussion and Analysis

Town of River Bend

- The Water Fund cash and cash equivalents decreased by \$316,163 resulting in ending cash balance of \$740,899.
- The Sewer Fund decreased its cash and cash equivalents balance by \$19,403 resulting in an ending cash balance of \$1,093,549.

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.

Water Fund:

- The Water Fund increased net position by \$63,719 over last year to \$1,044,494 at year-end.
- Operating income was \$82,785, which increased \$50,222 over last year's operating income of \$32,563. This increase is mainly due to decreased operating expenses during the fiscal year.
- Capital assets of \$64,965 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 \$78,185, compared to \$110,971 last year.

Sewer Fund:

- The Sewer Fund increased net position by \$126,357 from last year to \$1,432,865 at year-end.
- Operating income was \$142,089, which increased \$51,120 over last year's operating income of \$90,969. This increase is mainly due to decreased operating expenses during the fiscal year.
- Capital assets of \$64,965 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 \$62,222, compared to \$101,316 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 \$1,866,260, an increase of \$530,682 over the prior year. Included in this change is an increase of \$63,300 in fund balance in the Capital Reserve Funds.

The General Fund is the chief operating fund of the Town of River Bend. For the fiscal year ended June 30, 2022, the Town's fund balance available in the General Fund was \$1,202,358 and unassigned fund balance of the General Fund was \$979,555, a 9% increase from prior year. Total fund balance is \$1,365,837. 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.

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At year-end, unassigned General Fund balance represents 60.4% of total General Fund expenditures. The Town'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 84.1% of total General Fund expenditures and available fund balance represents 74.1% of total General Fund expenditures.

The Department of State Treasurer reported the average fund balance of 91.97% for the group of non-electric cities with annual general fund expenditures between \$1,000,000 and \$9,999,999 for the year ended June 30, 2021.

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 of \$9,824, appropriated for various incomplete projects, rolled over from FY20-21. Proceeds from the sale of the NCORR Dodge Durango (\$31,008) and a transfer from Capital Reserve Fund (\$21,492) were to be used to purchase a police vehicle.
- Fund balance of \$56,040 was appropriated to purchase new financial software.
- Interdepartmental transfers of \$10,000 allowed for Town Hall interior improvements.
- Powell Bill funds of \$15,739, received above budget, were utilized for road paving. Federal Disaster Assistance funds of \$35,434 were received and used to fund bonuses to full-time employees (\$19,825); and the remainder reduced appropriated fund balance (\$15,609). Appropriated fund balance of \$12,154 was used to fund payroll for a part-time Project Manager for the new financial software project (\$6,415) and landscaping at Town Hall (\$5,739).
- Excess budgeted funds from the Stormwater department were shifted to the Street Maintenance department to cover the increased purchase price of a backhoe.
- Transfer from the American Rescue Plan Act (ARPA) Grants Project of \$964,378 allowed for funding of the Public Works Capital Projects Fund (\$964,378).
- Interdepartmental transfers of \$8,000 were used for the Administrative Department bonus and merit pay, as well as legal services to cover a potential shortfall at the end of the year (\$1,000).

Excluding restricted intergovernmental revenues, General Fund revenues finished with a positive budget variance of \$131,236. The main component of this positive variance was \$89,215 in Sales Tax revenues, which continued to rise during the fiscal year. Other intergovernmental revenues continue to decline; despite conservative budgeting, with most ending in negative variances. Ad Valorem tax collections were above budget by \$27,227.

Departmental expenditures were less than the final budgeted amounts by \$304,487. Each functional area contributed to this total amount, with the most significant of \$136,768, coming from Police due to changes in staff as well as reduced spending. 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 a net position of \$1,044,494 and \$1,432,865, respectively, for a total of

Management Discussion and Analysis

Town of River Bend

\$2,477,359. This represents an increase of \$190,076 from last fiscal year. As previously stated, a key element each year is depreciation. For this year in the Water Fund, it was \$78,185. In the Sewer Fund it was \$62,222. Unrestricted net position of the Water Fund and Sewer Fund at the end of the fiscal year amounted to \$2,218,848.

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, 2022 totaled \$5,774,542 (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:

- \$30,000, John Deere 310 SL loader/backhoe, shared cost
- \$104,631, 2022 Street Paving Program
- \$46,620, Edmunds GovTech financial software, shared cost

Water Fund:

- \$30,000, John Deere 310 SL loader/ backhoe, shared cost
- \$34,965, Edmunds GovTech financial software, shared cost

Sewer Fund:

- \$30,000, John Deere 310 SL loader/ backhoe, shared cost
- \$34,965, Edmunds GovTech financial software, shared cost

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.

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

Town of River Bend's Capital Assets

Figure 6

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 989,320	\$ 929,320	\$ 183,357	\$ 183,357	\$ 1,172,677	\$ 1,112,677
Construction in progress	16,198	-	220,070	220,070	236,268	220,070
Plant and distribution system	-	-	5,818,448	5,818,448	5,818,448	5,818,448
Furniture and equipment	-	-	464,600	334,670	464,600	334,670
Building and improvements	2,803,346	2,803,346	8,960	8,960	2,812,306	2,812,306
Equipment and vehicles	534,899	487,768	-	-	534,899	487,768
Infrastructure	2,552,983	2,448,352	-	-	2,552,983	2,448,352
Subtotal	<u>6,896,746</u>	<u>6,668,786</u>	<u>6,695,435</u>	<u>6,565,505</u>	<u>13,592,181</u>	<u>13,234,291</u>
Less accumulated depreciation	<u>(2,555,715)</u>	<u>(2,341,518)</u>	<u>(5,261,924)</u>	<u>(5,121,517)</u>	<u>(7,817,639)</u>	<u>(7,463,035)</u>
Capital assets, net	<u>\$ 4,341,031</u>	<u>\$ 4,327,268</u>	<u>\$ 1,433,511</u>	<u>\$ 1,443,988</u>	<u>\$ 5,774,542</u>	<u>\$ 5,771,256</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, 2022, the Town had total bonded debt outstanding of \$1,175,000, 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
General obligation bonds	\$ -	\$ -	\$ 1,175,000	\$ 1,415,000	\$ 1,175,000	\$ 1,415,000
Unamortized premium on bonds	-	-	53,569	66,870	53,569	66,870
Compensated absences	38,244	49,372	18,898	21,553	57,142	70,925
Net pension liability (LGERS)	173,577	402,033	50,788	120,402	224,365	522,435
Total pension liability (LEO)	<u>185,532</u>	<u>226,362</u>	<u>-</u>	<u>-</u>	<u>185,532</u>	<u>226,362</u>
Total debt	<u>\$ 397,353</u>	<u>\$ 677,767</u>	<u>\$ 1,298,255</u>	<u>\$ 1,623,825</u>	<u>\$ 1,695,608</u>	<u>\$ 2,301,592</u>

Management Discussion and Analysis

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In the process to restructure 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 90 in the notes to the basic financial statements. The Town's legal debt margin at June 30, 2022 was \$24,700,000.

Economic Factors

The Town of River Bend is a small residential community in Craven County, home to approximately 3,000 residents. Located a few miles south of the City of New Bern on Highway 17, residents are employed by industry and government within a wide radius of the Town, while a high percentage are retirees. The local area economy seems to have rebounded from the COVID-19 pandemic and unemployment rates are back to pre-pandemic levels. Craven County's unemployment rate at the end of June 2022 was reported at 3.4%, compared to the State seasonally adjusted rate of 3.4%, and a national rate of 3.6%.

Budget Highlights and Rates for the Fiscal Year Ending June 30, 2023

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 2022. These goals are the foundation upon which the budget is built. We invite you to review the annual budget message on our website www.riverbendnc.org/finance. The Town was been awarded the Distinguished Budget Presentation Award by the Government Finance Officers Association for eleven consecutive years.

The General Fund budget is formulated in compliance with the Financial and Budgetary Policies, which stipulate a minimum contingency level of 1% of budgeted General Fund expenditures and a goal to maintain a fund balance of no less than 50%, with the total amount of unassigned fund balance at \$2,000,000. General Fund revenues and other financing sources (excluded \$964,378 transferred to the Public Works Capital Project) are budgeted at \$1,870,931, which is a 9.3% decrease from the 2022 fiscal year-end budgeted revenues.

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 \$200,813.

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 5% cost-of-living increase and 1% for longevity increases. An additional 2% merit pool is available to recognize outstanding performance of individual employees. Shortly after the start of the fiscal year, the Council approved another 5% cost-of-living increase due to the current economy and rising inflation across the nation.

Included in the budget is an allocation for \$13,500 to fund the Law Enforcement Officers' Separation Allowance. The Town does not have a financial obligation this year.

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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 some streets 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 \$48,950 will be budgeted to complete this project.

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

CIP budgeted expenditures this year are \$3,000 for the replacement of information technology hardware, and \$30,000 for storm water maintenance. 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 FEMA hazard mitigation project funded by public assistance and town funds. Phase I was completed in FY 2021. At the end of FY2021-22, the Town was awarded a grant totaling \$250,000 from the Golden LEAF Foundation. This grant, along with 28,295 of Town funding, will be used to complete the drainage project in the Channel Run area by re-grading and re-sloping the natural drainage infrastructure throughout the area to promote efficient and effective water flow out of the area.

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 enables 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 keep our CIP funding to approximately \$3,000 per year. During FY2021-22, the Town purchased new Enterprise Resource Planning (ERP) software to aid in efficiency and streamlined operations with increased accessibility to information without the addition of staffing costs. The conversion process will be finalized during this fiscal year.

The Town will receive the remaining tranche of American Rescue Plan Act of 2021 Coronavirus State and Local Fiscal Recovery Funds (ARP/CSLFRF), \$482,189, during the first quarter of the fiscal year. The entire allocation of funds, \$964,378, will be spent on revenue replacement by electing the standard allowance method. The Town will use the funds to reimburse for salaries and benefits paid to general administration, finance, law enforcement and planning and zoning departments for the period March 7, 2021 through June 30, 2022. This will allow the Town to use non-grant revenues to construct a Public Works Administration building to support the needs of our public works departments.

Business-Type Activities. The adopted rate schedule reflects the increases which were effective May 1, 2022 and included a small rate increase of \$0.22, for the usage per thousand gallons in the Sewer Fund. The water base rate demand component was increased \$2 per month for residential users, as well as the equivalent unit demand component increase for all other classes. There was also a small rate increase of \$0.20, for the usage per thousand gallons in the Water Fund. Using the professionally designed utility rate model, revenues are projected and the expenditures needed 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 are identified. Debt service accounts for 22% and 21% of the total expenditures for the Water Fund and the Sewer Fund, respectively. Based upon the proposed expenditures and revenue projections, the cash balance in this utility is reasonably sufficient to respond to unknown conditions. At the end of the next four years, it is projected that Water Fund cash reserves will be

Management Discussion and Analysis

Town of River Bend

81% of expenditures. At the end of the next four years, it is projected that the Sewer Fund cash reserves will be at 78% 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 \$13,000 for filter media replacement.

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. During fiscal year 2021-22, the Town solicited bids for the water meter replacement project and the low bid for the project was higher than the grant amount. The Town applied for a low interest loan through the Drinking Water State Revolving Fund in the amount of \$130,310 and the loan application was approved. This project is expected to be completed during this fiscal year.

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 2023, capital expenditures include sewer camera, \$15,000, sewer drain cleaner, \$7,000, and skimmer replacement, \$20,000.

In July 2022, the Town was awarded two Asset Inventory and Assessment (AIA) grants, \$150,000 each. The AIA grant received from the North Carolina Environmental Quality Drinking Water Reserve will be used to assess the condition of, produce a map of and inventory components of the water system. The AIA grant received from the North Carolina Environmental Quality Wastewater Reserve will be used to assess the condition of, produce a map of and inventory components of the sewer system.

The Town also received a grant totaling \$9,108,500 from the State of North Carolina to fund wastewater treatment plan enhancements. Specifically, these funds will be used to fund a major upgrade and rehabilitation of the existing treatment plan, which will essentially result in a new treatment plant.

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, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,620,286	\$ 1,834,448	\$ 3,454,734
Taxes receivable (net)	7,208	-	7,208
Accounts receivable (net)	1,152	220,569	221,721
Due from other governments	162,327	-	162,327
Total current assets	1,790,973	2,055,017	3,845,990
Non-current assets:			
Restricted cash and cash equivalents	115,745	278,781	394,526
Capital assets:			
Land and construction in progress	1,005,517	403,427	1,408,944
Other capital assets, net of depreciation	3,335,514	1,030,084	4,365,598
Total capital assets (net)	4,341,031	1,433,511	5,774,542
Total non-current assets	4,456,776	1,712,292	6,169,068
Total assets	6,247,749	3,767,309	10,015,058
Deferred Outflows of Resources:			
Contributions to pension plan in current fiscal year - LGERS	46,181	25,251	71,432
Contributions to pension plan in current fiscal year - LEO	51,925	-	51,925
Pension deferrals - LGERS	208,141	52,520	260,661
Pension deferrals - LEO	95,945	-	95,945
Deferred charge on refunding	-	53,569	53,569
Total deferred outflows of resources:	402,192	131,340	533,532
Liabilities:			
Current liabilities:			
Accounts payable	27,907	22,083	49,990
Accrued expenses	1,919	-	1,919
Unearned revenue - rents	3,424	-	3,424
Liabilities payable from restricted assets	-	22,427	22,427
Current portion of compensated absences	32,507	14,174	46,681
Current portion of long-term debt	-	251,145	251,145
Total current liabilities	65,757	309,829	375,586
Non-current liabilities:			
Non-current portion of compensated absences	5,737	4,724	10,461
Net pension liability - LGERS	173,576	50,789	224,365
Total pension liability - LEO	185,532	-	185,532
Non-current portion of long-term debt	-	979,580	979,580
Total long-term liabilities	364,845	1,035,093	1,399,938
Total liabilities	430,602	1,344,922	1,775,524
Deferred Inflows of Resources			
Pension deferrals	249,550	76,368	325,918
Deferred benefit payments and administrative expenses - LEO	46,610	-	46,610
Total deferred inflows of resources	296,160	76,368	372,528
Net Position			
Net investment in capital assets	4,341,031	258,511	4,599,542
Restricted for stabilization by State statute	163,479	-	163,479
Unrestricted	1,418,669	2,218,848	3,637,517
Total net position	\$ 5,923,179	\$ 2,477,359	\$ 8,400,538

TOWN OF RIVER BEND, NORTH CAROLINA

Exhibit 2

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs:	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary Government:						
Governmental Activities:						
General government	\$ 655,539	\$ 41,521	\$ -	\$ (614,018)	\$ -	\$ (614,018)
Public safety	677,492	180	38,611	(638,701)	-	(638,701)
Transportation	153,537	-	94,631	(58,906)	-	(58,906)
Environmental protection	46,673	15,287	687,410	656,024	-	656,024
Cultural and recreational	322,549	-	-	(322,549)	-	(322,549)
Total governmental activities	1,855,790	56,988	820,652	(978,150)	-	(978,150)
Business-Type Activities:						
Water Fund	457,702	520,283	-	-	62,581	62,581
Sewer Fund	501,346	625,989	-	-	124,643	124,643
Total business-type activities	959,048	1,146,272	-	-	187,224	187,224
Total primary government	\$ 2,814,838	\$ 1,203,260	\$ 820,652	(978,150)	187,224	(790,926)
General Revenues:						
Ad valorem taxes				827,716	-	827,716
Local option sales taxes				385,517	-	385,517
Franchise taxes				111,604	-	111,604
Other taxes and licenses				176,538	-	176,538
Interest earned on investments, unrestricted				2,570	2,852	5,422
Insurance settlements				2,603	-	2,603
Miscellaneous, unrestricted				44,235	-	44,235
Total general revenues				1,550,783	2,852	1,553,635
Change in net position				572,633	190,076	762,709
Net Position:						
Beginning of year - July 1				5,350,546	2,287,283	7,637,829
End of year - June 30				\$ 5,923,179	\$ 2,477,359	\$ 8,400,538

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

TOWN OF RIVER BEND, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	Major Funds				Total Governmental Funds
	General Fund	Capital Reserve	Public Works Capital Project	Non-Major Funds	
ASSETS					
Cash and cash equivalents	\$ 1,213,491	\$ -	\$ 406,688	\$ 107	\$ 1,620,286
Restricted cash	21,990	93,755	-	-	115,745
Taxes receivable, net	7,208	-	-	-	7,208
Accounts receivable, net	1,152	-	-	-	1,152
Due from other governments	162,327	-	-	-	162,327
Total assets	<u>\$ 1,406,168</u>	<u>\$ 93,755</u>	<u>\$ 406,688</u>	<u>\$ 107</u>	<u>\$ 1,906,718</u>
LIABILITIES					
Accounts payable	\$ 27,780	\$ -	\$ 127	\$ -	\$ 27,907
Accrued expenses	1,919	-	-	-	1,919
Unearned revenue - rents	3,424	-	-	-	3,424
Total liabilities	<u>33,123</u>	<u>-</u>	<u>127</u>	<u>-</u>	<u>33,250</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes receivable	<u>7,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,208</u>
FUND BALANCES					
Restricted for stabilization by State statute	163,479	-	-	-	163,479
Committed for general government capital outlay	-	93,755	406,561	-	500,316
Assigned:					
Law Enforcement Separation Allowance	21,990	-	-	-	21,990
Subsequent year's expenditures	200,813	-	-	-	200,813
Unassigned	979,555	-	-	107	979,662
Total fund balances	<u>1,365,837</u>	<u>93,755</u>	<u>406,561</u>	<u>107</u>	<u>1,866,260</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,406,168</u>	<u>\$ 93,755</u>	<u>\$ 406,688</u>	<u>\$ 107</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	\$ 4,341,031
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position (Exhibit 1).	98,106
Earned revenues considered deferred inflows of resources in fund statements.	7,208
Pension related deferrals	7,926
Net pension liability	(173,576)
Total pension liability	(185,532)
Other long-term liabilities (compensated absences) are not due and payable in the current period and, therefore, are not reported in the funds.	(38,244)
Net position of governmental activities per Exhibit 1	<u>\$ 5,923,179</u>

TOWN OF RIVER BEND, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2022

	Major Funds				Total
	General Fund	Capital Reserve	Public Works Capital Project	Non-Major Funds	Governmental Funds
REVENUES					
Ad valorem taxes	\$ 824,190	\$ -	\$ -	\$ -	\$ 824,190
Other taxes and licenses	505,168	-	-	-	505,168
Unrestricted intergovernmental revenues	177,408	-	-	-	177,408
Restricted intergovernmental revenues	133,241	-	-	1,169,599	1,302,840
Permits and fees	17,787	-	-	-	17,787
Sales and services	52,428	-	-	-	52,428
Investment earnings	1,744	150	569	107	2,570
Total revenues	1,711,966	150	569	1,169,706	2,882,391
EXPENDITURES					
Current:					
General government	611,693	-	-	-	611,693
Public safety	584,649	-	-	-	584,649
Transportation	153,537	-	-	-	153,537
Environmental protection	46,673	-	-	-	46,673
Cultural and recreational	44,915	-	-	686,405	731,320
Capital Outlay	181,251	-	76,197	-	257,448
Total expenditures	1,622,718	-	76,197	686,405	2,385,320
Excess (deficiency) of revenues over expenditures	89,248	150	(75,628)	483,301	497,071
OTHER FINANCING SOURCES (USES)					
Transfer (to) from other funds	(63,150)	63,150	482,189	(482,189)	-
Sale of capital assets	31,008	-	-	-	31,008
Insurance settlement	2,603	-	-	-	2,603
Total other financing sources	(29,539)	63,150	482,189	(482,189)	33,611
Net change in fund balance	59,709	63,300	406,561	1,112	530,682
Fund balances, beginning	1,306,128	30,455	-	(1,005)	1,335,578
Fund balances, ending	\$ 1,365,837	\$ 93,755	\$ 406,561	\$ 107	\$ 1,866,260

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, 2022

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)	\$	530,682
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period

Capital Outlay expenditures which were capitalized	383,931	
Depreciation expense for governmental assets	<u>(240,936)</u>	142,995

Pension deferrals		(28,759)
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Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities (Exhibit 2).		98,106
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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		(3,682)
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Some expenses reported in the Statement of Activities (Exhibit 2) do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds statement.

Compensated absences		(11,128)
Pension expense		<u>(155,581)</u>

Change in net position of governmental activities, per Exhibit 2	\$	<u>572,633</u>
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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, 2022

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive/(Negative)</u>
REVENUES				
Ad valorem taxes	\$ 796,963	\$ 796,963	\$ 824,190	\$ 27,227
Other taxes and licenses	418,011	418,011	505,168	87,157
Unrestricted intergovernmental revenues	177,825	177,825	177,408	(417)
Restricted intergovernmental revenues	155,445	228,788	133,241	(95,547)
Permits and fees	7,500	7,500	17,787	10,287
Sales and services	36,565	36,565	39,201	2,636
Investment earnings	580	625	1,744	1,119
Miscellaneous	10,000	10,000	13,227	3,227
Total revenues	<u>1,602,889</u>	<u>1,676,277</u>	<u>1,711,966</u>	<u>35,689</u>
EXPENDITURES				
General government	618,700	668,175	611,693	56,482
Public safety	642,974	734,289	584,649	149,640
Transportation	205,000	212,707	153,537	59,170
Environmental protection	80,000	78,584	46,673	31,911
Cultural and recreational	50,500	52,199	44,915	7,284
Capital Outlay	156,000	181,251	181,251	-
Total expenditures	<u>1,753,174</u>	<u>1,927,205</u>	<u>1,622,718</u>	<u>304,487</u>
Revenues over (under) expenditures	<u>(150,285)</u>	<u>(250,928)</u>	<u>89,248</u>	<u>340,176</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	43,850	1,043,220	539,539	(503,681)
Transfers to other funds	(120,500)	(1,084,878)	(602,689)	482,189
Sale of capital assets	-	31,008	31,008	-
Insurance settlement	-	-	2,603	2,603
Future commitments	-	(12,028)	-	12,028
Contingency	(17,667)	(17,666)	-	17,666
Appropriated fund balance	<u>244,602</u>	<u>291,272</u>	<u>-</u>	<u>(291,272)</u>
Total other financing sources (uses)	<u>150,285</u>	<u>250,928</u>	<u>(29,539)</u>	<u>(280,467)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>59,709</u>	<u>\$ 59,709</u>
Fund balances, beginning			<u>1,306,128</u>	
Fund balances, ending			<u>\$ 1,365,837</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, 2022**

	Major Enterprise Funds		
	Water Fund	Sewer Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 740,899	\$ 1,093,549	\$ 1,834,448
Accounts receivable (net)	112,903	107,666	220,569
Total current assets	853,802	1,201,215	2,055,017
Non-current assets:			
Restricted cash and cash equivalents	253,808	24,973	278,781
Capital assets (net):			
Land and construction in progress	118,171	285,256	403,427
Other capital assets, net of depreciation	501,810	528,274	1,030,084
Total capital assets (net)	619,981	813,530	1,433,511
Total non-current assets	873,789	838,503	1,712,292
Total assets	1,727,591	2,039,718	3,767,309
DEFERRED OUTFLOWS OF RESOURCES			
Contributions to pension plan in current fiscal year	11,923	13,328	25,251
Pension deferrals	24,824	27,696	52,520
Deferred charge on refunding	28,746	24,823	53,569
Total deferred outflows of resources	65,493	65,847	131,340
LIABILITIES			
Current liabilities:			
Accounts payable	10,196	11,887	22,083
Liabilities payable from restricted assets	8,720	13,707	22,427
Compensated absences - current	6,902	7,272	14,174
Current portion of long-term debt	134,769	116,376	251,145
Total current liabilities	160,587	149,242	309,829
Non-current liabilities:			
Compensated absences	2,300	2,424	4,724
Net pension liability	24,034	26,755	50,789
Long-term debt	525,608	453,972	979,580
Total non-current liabilities	551,942	483,151	1,035,093
Total liabilities	712,529	632,393	1,344,922
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	36,061	40,307	76,368
Total deferred inflows of resources	36,061	40,307	76,368
NET POSITION			
Net investment in capital assets	(10,497)	269,008	258,511
Unrestricted	1,054,991	1,163,857	2,218,848
Total net position	\$ 1,044,494	\$ 1,432,865	\$ 2,477,359

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

TOWN OF RIVER BEND, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2022

	Major Enterprise Funds		
	Water Fund	Sewer Fund	Total
OPERATING REVENUES			
Charges for services	\$ 496,996	\$ 615,887	\$ 1,112,883
Water and sewer taps	3,420	1,250	4,670
Other operating revenues	19,867	8,852	28,719
Total operating revenues	520,283	625,989	1,146,272
OPERATING EXPENSES			
Administration	278,365	294,336	572,701
Operations	80,948	127,342	208,290
Depreciation and amortization	78,185	62,222	140,407
Total operating expenses	437,498	483,900	921,398
Operating income (loss)	82,785	142,089	224,874
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	1,138	1,714	2,852
Interest and fees	(20,204)	(17,446)	(37,650)
Other nonoperating revenues	-	-	-
Total nonoperating revenues (expenses)	(19,066)	(15,732)	(34,798)
Income (loss) before contributions and transfers	63,719	126,357	190,076
Transfers to other funds	-	-	-
Total income (loss) after contributions and transfers	63,719	126,357	190,076
CHANGE IN NET POSITION	63,719	126,357	190,076
Total net position, beginning	980,775	1,306,508	2,287,283
Total net position, ending	\$ 1,044,494	\$ 1,432,865	\$ 2,477,359

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, 2022

	Major Enterprise Funds		
	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 522,046	\$ 612,221	\$ 1,134,267
Cash paid for goods and services	(222,853)	(338,388)	(561,241)
Cash paid to or on behalf of employees for services	(177,316)	(91,756)	(269,072)
Net customer deposits	38	168	206
Other operating revenues	19,867	-	19,867
Net cash provided (used) by operating activities	141,782	182,245	324,027
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	(64,965)	(64,965)	(129,930)
Principal paid on long-term debt	(128,788)	(111,212)	(240,000)
Interest and other costs paid on long-term debt	(20,204)	(15,733)	(35,937)
Net cash provided (used) by capital and related financing activities	(213,957)	(191,910)	(405,867)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received	1,138	1,714	2,852
Net increase (decrease) in cash and cash equivalents	(71,037)	(7,951)	(78,988)
Balances, beginning	1,065,744	1,126,491	2,192,235
Balances, ending	\$ 994,707	\$ 1,118,540	\$ 2,113,247
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income	\$ 82,785	\$ 142,089	\$ 224,874
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	78,185	62,222	140,407
Amortization	-	-	-
Nonoperating revenue	-	-	-
Change in assets and liabilities:			
(Increase) decrease in accounts receivables	(27,715)	(12,978)	(40,693)
(Increase) decrease in deferred outflows of resources - pensions	3,266	(3,651)	(385)
Increase (decrease) in net pension liability	(32,871)	(36,743)	(69,614)
Increase (decrease) in deferred inflows of resources - pensions	34,980	39,101	74,081
Increase (decrease) in accounts payable	1,642	(9,191)	(7,549)
Increase (decrease) in customer deposits	38	168	206
Increase (decrease) in compensated absences	1,472	1,228	2,700
Total Adjustments	58,997	40,156	99,153
Net cash provided (used) by operating activities	\$ 141,782	\$ 182,245	\$ 324,027
Noncash investing, capital, and financing activities:			
Net amortization of bond premium and deferred charges on refunding	\$ -	\$ -	\$ -

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, 2022

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 and used to account for funds set aside for future capital outlay by members of the Town Council.

Public Works Capital Projects Fund. The Public Works Capital Projects Fund is used to account for the construction of a public works building.

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

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, 2022

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, seven 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, 2022

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, 2022 for customer deposits and Water and Sewer reserve funds were \$278,781.

Restricted cash and cash equivalents at June 30, 2022 for the General Fund was \$21,990 for the law officers separation allowance and \$93,755 in reserve funds for the Capital Reserve Fund.

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, 2021.

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, 2022

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:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
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, 2022

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, 2022 was \$0.

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

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, 2022 was \$163,479.

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, 2022, commitment for capital outlay was \$93,755.

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 2022-23 budget to balance the budget, \$200,813.

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, 2022, assigned fund balance for this purpose was \$21,990.

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. Effective May 20, 2021, the Financial and Budgetary Policy was amended to state 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 with a total amount of \$2,000,000. 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

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Balances (continued)

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

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

Total fund balance - General Fund	\$	1,365,837
Less:		
Stabalization by State statute		163,479
LEO Separation Allowance		21,990
FY 2021-22 Fund Balance Appropriated		200,813
Remaining available fund balance	\$	979,555

The remaining available fund balance is 60% of the actual expenditures for the fiscal year (\$1,622,718), which exceeds the adopted fund balance policy which requires the remaining available fund balance to be at least 50% of actual expenditures.

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.

B. Deficit in Fund Balance or Net Position of Individual Funds
None.

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

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

- 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, 2022, the Town's deposits had a carrying amount of \$127,827 and a bank balance of \$147,381. 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, 2022.

2. Investments

At June 30, 2022, the Town had \$3,600,588 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, 2022

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, 2022 were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Total</u>
Governmental Activities:			
General	\$ -	\$ 10,787	\$ 10,787
Wildwood storage receivables	5,891	-	5,891
Other receivables	2,463	-	2,463
Due from other governments	162,327	-	162,327
Allowance for doubtful accounts	(7,202)	(3,579)	(10,781)
Total governmental activities	<u>\$ 163,479</u>	<u>\$ 7,208</u>	<u>\$ 170,687</u>
Business-Type Activities:	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Accounts	\$ 79,950	\$ 59,690	\$ 139,640
Unbilled receivables	92,365	109,777	202,142
Allowance for doubtful accounts	(59,412)	(61,801)	(121,213)
Total business-type activities	<u>\$ 112,903</u>	<u>\$ 107,666</u>	<u>\$ 220,569</u>

Due from other governments consisted of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Local option sales tax	\$ 133,070	\$ -
Sales tax refund receivable	22,083	-
Due from Craven County	7,174	-
Total	<u>\$ 162,327</u>	<u>\$ -</u>

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 3 - Detail Notes on All Funds (continued)

4. Capital Assets

Governmental Activities

Capital assets activity for the year ended June 30, 2022 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 929,320	\$ 60,000	\$ -	\$ 989,320
Construction in progress	-	16,198	-	16,198
Total capital assets not being depreciated	<u>929,320</u>	<u>76,198</u>	<u>-</u>	<u>1,005,518</u>
Capital assets being depreciated:				
Buildings and improvements	2,803,346	-	-	2,803,346
Equipment and vehicles	487,768	76,620	29,489	534,899
Infrastructure	<u>2,448,352</u>	<u>104,631</u>	<u>-</u>	<u>2,552,983</u>
Total capital assets being depreciated	<u>5,739,466</u>	<u>181,251</u>	<u>29,489</u>	<u>5,891,228</u>
Less accumulated depreciation for:				
Buildings and improvements	1,143,845	65,802	-	1,209,647
Equipment and vehicles	367,925	38,204	12,287	393,842
Infrastructure	<u>829,748</u>	<u>122,478</u>	<u>-</u>	<u>952,226</u>
Total accumulated depreciation	<u>2,341,518</u>	<u>\$ 226,484</u>	<u>\$ 12,287</u>	<u>2,555,715</u>
Total capital assets being depreciated, net	<u>3,397,948</u>			<u>3,335,513</u>
Governmental activities capital assets, net	<u>\$ 4,327,268</u>			<u>\$ 4,341,031</u>

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

General government	\$ 154,443
Public safety	24,094
Transportation	48,187
Cultural and recreational	<u>(240)</u>
Total	<u>\$ 226,484</u>

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

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, 2022 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 118,171	\$ -	\$ -	\$ 118,171
Capital assets being depreciated:				
Plant and distribution system	3,169,790	-	-	3,169,790
Buildings and improvements	4,480	-	-	4,480
Furniture and equipment	164,020	64,965	-	228,985
Total capital assets being depreciated:	3,338,290	64,965	-	3,403,255
Less accumulated depreciation for:				
Plant and distribution system	2,678,696	68,362	-	2,747,058
Buildings and improvements	1,232	112	-	1,344
Furniture and equipment	143,333	9,711	-	153,044
Total accumulated depreciation	2,823,261	\$ 78,185	\$ -	2,901,446
Total capital assets being depreciated, net	515,029			501,809
Total water capital assets, net	\$ 633,200			\$ 619,980

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 3 – Detail Notes on All Funds (continued)

Capital Assets (continued)

Capital assets activity for the Sewer Fund for the year ended June 30, 2022 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 65,186	\$ -	\$ -	\$ 65,186
Construction in progress	220,070	-	-	220,070
Total capital assets not being depreciated	<u>285,256</u>	<u>-</u>	<u>-</u>	<u>285,256</u>
Capital assets being depreciated:				
Plant and collection system	2,648,658	-	-	2,648,658
Buildings and improvements	4,480	-	-	4,480
Furniture and equipment	170,650	64,965	-	235,615
Total capital assets being depreciated	<u>2,823,788</u>	<u>64,965</u>	<u>-</u>	<u>2,888,753</u>
Less accumulated depreciation for:				
Plant and distribution system	2,166,671	49,972	-	2,216,643
Buildings and improvements	1,232	112	-	1,344
Furniture and equipment	130,353	12,138	-	142,491
Total accumulated depreciation	<u>2,298,256</u>	<u>\$ 62,222</u>	<u>\$ -</u>	<u>2,360,478</u>
Total capital assets being depreciated, net	<u>525,532</u>			<u>528,275</u>
Total sewer capital assets, net	<u>\$ 810,788</u>			<u>\$ 813,531</u>
 Total business-type activities capital assets, net	 <u>\$ 1,443,988</u>			 <u>\$ 1,433,511</u>

Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2022 is composed of the following elements:

	<u>Governmental Activities</u>	<u>Business-Type Activities Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Capital assets	\$ 4,341,031	\$ 619,980	\$ 813,531	\$ 5,774,542
Deferred outflows of resources- refunding	-	28,746	24,823	53,569
Less: Debt related to capital assets	-	(659,223)	(569,346)	(1,228,569)
Net investment in capital assets	<u>\$ 4,341,031</u>	<u>\$ (10,497)</u>	<u>\$ 269,008</u>	<u>\$ 4,599,542</u>

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 3 – Detail Notes on All Funds (continued)

B. Liabilities

1. Accounts Payable

Payables at the government-wide level at June 30, 2022, were as follows:

	<u>Vendors</u>
Governmental Activities:	
General	\$ 27,780
	<u>\$ 27,780</u>
Business-type Activities:	
Water fund	\$ 10,196
Sewer fund	11,887
Total	<u>\$ 22,083</u>

2. Pension Plan and Other Post-Employment Obligations

a. Local Governmental Employees' Retirement System

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

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined 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, 2022

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, 2022, was 12.04% of compensation for law enforcement officers and 11.35% 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 \$108,117 for the year ended June 30, 2022.

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, 2022, the Town reported a liability of \$224,365 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2022, the Town's proportion was 0.01462%.

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 3 – Detail Notes on All Funds (continued)

Local Governmental Employees' Retirement System (continued)

For the year ended June 30, 2022, the Town recognized pension expense of \$97,627. At June 30, 2022, 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	\$ 71,379	\$ -
Changes of assumptions	140,959	-
Net difference between projected and actual earnings on pension plan investments	-	320,550
Changes in proportion and differences between Town contributions and proportionate share of contributions	11,638	5,368
Town contributions subsequent to the measurement date	108,117	-
Total	<u>\$ 332,093</u>	<u>\$ 325,918</u>

\$108,117 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$ 22,452
2023	(1,455)
2024	(24,851)
2025	(98,090)
2026	-
Thereafter	-
	<u>\$ (101,944)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2020 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, 2022

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, 2020 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	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS.

The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

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)	\$ 870,967	\$ 224,365	\$ (307,750)

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, 2022

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, 2020, the Separation Allowance's membership consisted of:

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

2. *Summary of Significant Accounting Policies*

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

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

3. *Actuarial Assumptions*

The entry age actuarial cost method was in the December 31, 2020 valuation. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Discount	2.25 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, 2020.

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

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 3 - Detail Notes on All Funds (continued)

Law Enforcement Officers' Special Separation Allowance (continued)

4. Contributions

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. For the current year, the Town contributed \$51,925, or 11.58% 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 \$5,072 as benefit came due for the reporting period.

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

At June 30, 2022, the Town reported a total pension liability of \$185,532. The total pension liability was measured as of December 31, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2021 utilizing procedures incorporating the actuarial assumption. For the year ended June 30, 2022 the Town recognized pension expense of \$35,772.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 44,767	\$ 40,328
Changes of assumptions	51,178	6,282
Town benefit and plan administrative expense made subsequent to the measurement date	51,925	-
Total	<u>\$ 147,870</u>	<u>\$ 46,610</u>

\$51,925 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:	
2023	\$ 21,427
2024	21,427
2025	11,252
2026	4,468
2027	(339)
Thereafter	<u>(8,900)</u>
	<u>\$ 49,335</u>

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

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 2.25 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 (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1 % Decrease (1.25 %)	Discount Rate (2.25 %)	1 % Increase (3.25 %)
Town's proportionate share of the net pension liability (asset)	\$ 209,111	\$ 185,532	\$ 164,179

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

	2022
Beginning balance	\$ 226,362
Service cost	14,074
Interest on the total pension liability	4,320
Changes of benefit terms	-
Difference between expected and actuarial experience	(46,853)
Changes of assumptions and other inputs	(7,299)
Benefit payments	(5,072)
Other	-
Ending balance of the total pension liability	<u>\$ 185,532</u>

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 3 - Detail Notes on All Funds (continued)

Law Enforcement Officers' Special Separation Allowance (continued)

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

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

	LGERS	LEOSSA	Total
Pension Expense	\$ 97,627	\$ 35,772	\$ 133,399
Pension Liability	224,365	185,532	409,897
Proportionate share of the net pension liability	0.01462%	N/A	
Deferred Outflows of Resources			
Differences between expected and actual experience	71,379	44,767	116,146
Changes of assumptions	140,959	51,178	192,137
Changes in proportion and differences between contributions and proportionate share of contributions	11,638	-	11,638
Benefit payments and administrative costs paid subsequent to the measurement date	108,117	51,925	160,042
Deferred Inflows of Resources			
Differences between expected and actual experience	-	40,328	40,328
Changes of assumptions	-	6,282	6,282
Net difference between projected and actual earnings on plan investments	320,550	-	320,550
Changes in proportion and differences between contributions and proportionate share of contributions	5,368	-	5,368

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

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 3 - Detail Notes on All Funds (continued)

Supplemental Retirement Income Plan for Law Enforcement Officers (continued)

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan.

The Town made contributions of \$15,570 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, 2022, the Town made contributions to the State for death benefits of \$427. The Town's required contributions for law enforcement officers represented 0.14% of covered payroll.

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

4. Deferred Compensation Plans

The Town also offers, to employees not engaged in law enforcement, a deferred compensation plan created in accordance with Internal Revenue Code Section 401 (k). Employee participation is discretionary and is limited to the amount allowable under the Internal Revenue Code. For each qualified employee, the Town contributes 5% of the employee's pre-tax annual compensation to the Plan. Contributions for the year ended June 30, 2022 were \$82,986, which consisted of \$32,292 from the Town and \$50,694 from the employees. A separate report was not issued for the Plan because the required contributions are considered immaterial to the financial statements.

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 3 - Detail Notes on All Funds (continued)

5. Deferred Outflows/Inflows of Resources and Unavailable Revenues

The amount of deferred outflows of resources is an unamortized deferred charge on refunding for the Water and Sewer Funds' bond refunded in fiscal year 2013. The amount on the government-wide and fund financial statement is \$53,569. The second item included in deferred outflows of resources is contributions to the pension plan in the current fiscal year and totals \$123,357. The final item included in deferred outflows of resources is pension deferrals and totals \$356,606. Of that amount \$95,945 are benefit payments made for the LEOSA subsequent to the measurement date. The remaining \$260,661 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)	\$	7,208
Pension deferrals	\$	372,528

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 \$9.9 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.

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.

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 3 - Detail Notes on All Funds (continued)

Long-Term Obligations (continued)

The Town's general obligation bonds payable at June 30, 2022 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%

\$630,477

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%

\$544,523

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

Year Ending June 30	Serviced by the Water Fund			Serviced by the Sewer Fund		
	Principal	Interest	Total	Principal	Interest	Total
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>\$ 630,477</u>	<u>\$ 55,298</u>	<u>\$ 685,775</u>	<u>\$ 544,523</u>	<u>\$ 47,752</u>	<u>\$ 592,275</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, 2022, the Town's legal debt margin was approximately \$24,700,000.

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, 2022, the remaining unamortized balances for the refunding charge and premium were \$28,746 and \$24,823, respectively.

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 3 - Detail Notes on All Funds (continued)

Long-Term Obligations (continued)

d. Changes in Long-Term Liabilities

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

	Balance July 01, 2021	Increases	Decreases	Balance June 30, 2022	Current Portion
Compensated absences	49,372	-	11,128	38,244	32,507
Net pension liability (LGERS)	402,033	-	228,456	173,577	-
Total pension liability (LEO)	226,362	-	40,830	185,532	-
	<u>\$ 677,767</u>	<u>\$ -</u>	<u>\$ 280,414</u>	<u>\$ 397,353</u>	<u>\$ 32,507</u>

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

	Balance July 01, 2021	Increases	Decreases	Balance June 30, 2022	Current Portion
Direct placement general obligation bonds	\$ 759,265	\$ -	\$ 128,788	\$ 630,477	\$ 128,788
Unamortized premium on bonds	35,881	-	7,135	28,746	5,981
Compensated absences	10,629	-	1,427	9,202	6,902
Net pension liability (LGERS)	56,905	-	32,871	24,034	-
Total Water Fund	862,680	-	170,221	692,459	141,671
Direct placement general obligation bonds	655,735	-	111,212	544,523	111,212
Unamortized premium on bonds	30,989	-	6,166	24,823	5,164
Compensated absences	10,924	-	1,228	9,696	7,272
Net pension liability (LGERS)	63,497	-	36,743	26,754	-
Total Sewer Fund	761,145	-	155,349	605,796	123,648
Total Business-Type Activities	<u>\$ 1,623,825</u>	<u>\$ -</u>	<u>\$ 325,570</u>	<u>\$ 1,298,255</u>	<u>\$ 265,319</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.

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.

Town of River Bend, North Carolina
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

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, 2022, the Water Fund and the Sewer Fund each reimbursed the General Fund \$92,200 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, 2022, the General Fund reimbursed the Water Fund and the Sewer Fund \$38,869 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

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, 2022, 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 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, 2022

Note 9 – Transfers

Transfers were allocated for capital projects and acquisitions as follows:

To General Fund from Capital Reserve	\$ 43,850
To General Fund from ARPA Fund	482,189
To Public Works Capital Projects from General Fund	(482,189)
To Capital Reserve from General Fund	107,000
From General Fund to Capital Reserve	(107,000)
From Capital Reserve to General Fund	(43,850)
From General Fund to LEO Separation Allowance	(13,500)
To LEO Separation Allowance from General Fund	13,500

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 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 NINE FISCAL YEARS*

LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

	2022	2021	2020	2019	2018	2017	2016	2015	2014
River Bend's proportion of the net pension liability (asset) (%)	0.01462%	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) (\$)	\$ 224,365	\$ 522,435	\$ 375,229	\$ 295,594	\$ 221,062	\$ 303,494	\$ 56,906	\$ (83,096)	\$ 154,289
River Bend's covered payroll	\$ 934,043	\$ 1,029,271	\$ 970,111	\$ 908,407	\$ 783,565	\$ 798,855	\$ 810,291	\$ 803,165	\$ 742,978
River Bend's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	24.02%	50.76%	338.68%	32.54%	28.21%	37.99%	7.02%	(10.68%)	20.77%
Plan fiduciary net position as a percentage of the total pension liability	90.86%	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:

Fiscal Year	Rate
2022	7.00%
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 NINE FISCAL YEARS
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 108,117	\$ 106,650	\$ 89,082	\$ 72,671	\$ 60,527	\$ 59,842	\$ 55,392	\$ 57,802	\$ 55,585
Contributions in relation to the contractually required contribution	108,117	106,650	89,082	72,671	60,527	59,842	55,392	57,802	55,585
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
River Bend's covered payroll	\$ 934,043	\$ 1,029,271	\$ 970,111	\$ 908,407	\$ 783,565	\$ 798,855	\$ 810,291	\$ 803,165	\$ 777,738
Contributions as a percentage of covered payroll	11.58%	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

	2022	2021	2020	2019	2018	2017	2016
Beginning balance	\$ 226,362	\$ 141,438	\$ 64,083	\$ 111,227	\$ 143,109	\$ 161,530	\$ 180,260
Service cost	14,074	8,497	6,956	3,821	5,367	5,907	3,959
Interest on the total pension liability	4,320	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	(46,853)	8,987	86,633	(21,674)	(19,705)	-	-
Changes of assumptions or other inputs	(7,299)	70,276	4,946	(2,521)	8,086	(1,730)	-
Benefit payments	(5,072)	(7,327)	(23,092)	(29,814)	(30,564)	(27,867)	(27,867)
Other changes	-	-	-	-	-	-	-
Ending balance of the total pension liability	\$ 185,532	\$ 226,362	\$ 141,438	\$ 64,083	\$ 111,227	\$ 143,109	\$ 161,530

Notes to schedule:

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

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

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

Fiscal Year	Rate
2022	3.26%
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, 2022

	2022	2021	2020	2019	2018	2017	2016
Total pension liability	\$ 185,532	\$ 226,362	\$ 141,438	\$ 64,083	\$ 111,227	\$ 143,109	161,530
Covered payroll	316,312	313,756	298,463	189,509	293,489	306,026	269,860
Total pension liability as a percentage of covered payroll	58.65%	72.15%	47.39%	33.82%	37.90%	46.76%	59.86%

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, 2022**

	General Fund	Capital Reserve Fund	Eliminations	Total General Fund
Revenues:				
Ad valorem taxes	\$ 824,190	\$ -	\$ -	\$ 824,190
Other taxes and licenses	505,168	-	-	505,168
Unrestricted intergovernmental revenues	177,408	-	-	177,408
Restricted intergovernmental revenues	133,241	-	-	133,241
Permits and fees	17,787	-	-	17,787
Sales and services	39,201	-	-	39,201
Investments earnings	1,744	150	-	1,894
Miscellaneous	13,227	-	-	13,227
Total revenues	<u>1,711,966</u>	<u>150</u>	<u>-</u>	<u>1,712,116</u>
Expenditures:				
General government	658,313	-	-	658,313
Public safety	584,649	-	-	584,649
Transportation	288,168	-	-	288,168
Environmental protection	46,673	-	-	46,673
Cultural and Recreation	44,915	-	-	44,915
Total expenditures	<u>1,622,718</u>	<u>-</u>	<u>-</u>	<u>1,622,718</u>
Revenue over (under) expenditures	<u>89,248</u>	<u>150</u>	<u>-</u>	<u>89,398</u>
Other Financing Sources (Uses):				
Transfers from other funds	539,539	107,000	-	646,539
Transfers to other funds	(602,689)	(43,850)	-	(646,539)
Insurance settlement	2,603	-	-	2,603
Sale of capital assets	31,008	-	-	31,008
Total other financing sources (uses)	<u>(29,539)</u>	<u>63,150</u>	<u>-</u>	<u>33,611</u>
Net change in fund balance	<u>59,709</u>	<u>63,300</u>	<u>-</u>	<u>123,009</u>
Fund Balances:				
Beginning of year - July 1	<u>1,306,128</u>	<u>30,455</u>	<u>-</u>	<u>1,336,583</u>
End of year - June 30	<u>\$ 1,365,837</u>	<u>\$ 93,755</u>	<u>\$ -</u>	<u>\$ 1,459,592</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, 2022

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

	2022			2021
	Final Budget	Actual	Variance Positive/(Negative)	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 796,963	\$ 824,190	27,227	\$ 809,357
Other Taxes and Licenses:				
Local option sales tax	322,043	389,078	67,035	346,546
Hold harmless tax	86,068	108,248	22,180	89,522
Telecommunications sales tax	9,900	7,842	(2,058)	8,967
Total other taxes and licenses	418,011	505,168	87,157	445,035
Unrestricted Intergovernmental Revenues:				
Utility franchise tax	111,000	114,604	3,604	108,626
Video programming	53,600	51,306	(2,294)	52,578
Beer and wine tax	13,225	11,498	(1,727)	12,383
Total unrestricted intergovernmental revenues	177,825	177,408	(417)	173,587
Restricted Intergovernmental Revenues:				
Federal and State grants	134,049	36,381	(97,668)	91,552
Solid waste disposal tax	2,200	2,229	29	2,211
Powell Bill allocation	92,539	94,631	2,092	80,899
Total restricted intergovernmental revenues	228,788	133,241	(95,547)	174,662
Permits and Fees:				
Zoning permits	5,000	15,287	10,287	8,250
Animal licenses	2,000	2,320	320	2,430
Court cost fees	500	180	(320)	310
Total permits and fees	7,500	17,787	10,287	10,990
Sales and Services:				
Rents and concessions	36,144	39,201	3,057	36,428
Contributions and refunds	421	-	(421)	1,915
Total sales and services	36,565	39,201	2,636	38,343
Investments Earnings	625	1,744	1,119	285
Miscellaneous Revenue	10,000	13,227	3,227	12,045
Total revenues	1,676,277	1,711,966	35,689	1,664,304

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, 2022

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

	2022			2021
	Final Budget	Actual	Variance Positive/(Negative)	Actual
Expenditures:				
General Government:				
Governing Body:				
Salaries and benefits	18,300	18,300	-	20,198
Other operating expenditures	23,587	15,376	8,211	10,012
Salaries allocated to Water and Sewer	(9,887)	(9,886)	(1)	(9,890)
Total governing body	32,000	23,790	8,210	20,320
Administration:				
Salaries and benefits	271,479	266,818	4,661	249,381
Other operating expenditures	72,374	68,511	3,863	70,408
Salaries allocated to Water and Sewer	(64,278)	(64,278)	-	(63,854)
Total administration	279,575	271,051	8,524	255,935
Finance:				
Salaries and benefits	110,574	105,309	5,265	103,573
Other operating expenditures	80,592	74,165	6,427	76,412
Capital outlay	51,725	46,620	5,105	-
Salaries allocated to Water and Sewer	(50,873)	(50,874)	1	(49,542)
Total finance	192,018	175,220	16,798	130,443
Tax Listing:				
Contracted services	11,200	10,655	545	10,461
Legal:				
Professional services	25,000	22,125	2,875	16,000
Elections:				
Contracted services	-	-	-	-
Public Buildings:				
Salaries and benefits	16,187	15,798	389	15,133
Other operating expenditures	95,849	82,621	13,228	155,172
Buildings, structures, improvements	12,403	11,284	1,119	-
Total public buildings	124,439	109,703	14,736	170,305
Central Services - Planning:				
Salaries and benefits	74,265	71,945	2,320	70,681
Other operating expenditures	4,800	2,326	2,474	2,583
Salaries allocated to Water and Sewer	(28,502)	(28,502)	-	(27,488)
Total central services - planning	50,563	45,769	4,794	45,776
Total general government	714,795	658,313	56,482	649,240

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, 2022

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

	2022			2021
	Final Budget	Actual	Variance Positive/(Negative)	Actual
Public Safety:				
Police:				
Salaries and benefits	491,067	451,185	39,882	466,791
Other operating expenditures	101,246	56,861	44,385	63,814
Salaries allocated to Water and Sewer	(4,699)	(4,700)	1	(4,488)
LEO Separation Allowance	1,517	1,517	-	-
Capital outlay	52,500	-	52,500	41,368
Total police	641,631	504,863	136,768	567,485
Emergency Management:				
Other operating expenditures	1,560	399	1,161	1,845
Contracted Services	2,440	2,604	(164)	2,619
Total emergency management	4,000	3,003	997	4,464
Recovery Grant NCORR-FDLG-004:				
Salaries and benefits	73,702	70,469	3,233	95,496
Other operating expenditures	3,900	1,292	2,608	3,505
Total recovery grant NCORR-FDLG-004	77,602	71,761	5,841	99,001
Animal Control:				
Salaries and benefits	13,125	7,440	5,685	14,768
Other operating expenditures	547	198	349	114
Salaries allocated to Water and Sewer	(2,616)	(2,616)	-	(3,464)
Total animal control	11,056	5,022	6,034	11,418
Total public safety	734,289	584,649	149,640	682,368
Transportation:				
Powell Bill:				
Salaries and benefits	32,408	18,603	13,805	36,927
Other operating expenditures	9,500	2,988	6,512	2,871
Salaries allocated to Water and Sewer	(6,540)	(6,540)	-	(8,660)
Contracted services	8,773	7,325	1,448	10,168
Capital outlay	112,000	104,631	7,369	146,817
Total Powell Bill	156,141	127,007	29,134	188,123
Non-Powell Bill:				
Salaries and benefits	45,456	26,047	19,409	51,696
Other operating expenditures	73,929	71,183	2,746	20,623
Salaries allocated to Water and Sewer	(9,156)	(9,156)	-	(12,124)
Utilities	44,000	41,177	2,823	41,429
Contracted services	6,968	1,910	5,058	53,929
Capital outlay	30,000	30,000	-	-
Total Non-Powell Bill	191,197	161,161	30,036	155,553
Total transportation	347,338	288,168	59,170	343,676

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, 2022

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

	2022			2021
	Final Budget	Actual	Variance Positive/(Negative)	Actual
Environmental Protection:				
Salaries and benefits	19,574	11,307	8,267	22,153
Other operating expenditures	6,934	589	6,345	4,992
Salaries allocated to Water and Sewer	(3,924)	(3,924)	-	(5,196)
Contracted services	47,000	38,701	8,299	51,818
Capital outlay	9,000	-	9,000	251,400
Total environmental protection	78,584	46,673	31,911	325,167
Cultural and recreational:				
Salaries and benefits	26,548	20,742	5,806	27,922
Other operating expenditures	20,475	20,019	456	12,173
Salaries allocated to Water and Sewer	(3,924)	(3,924)	-	(5,196)
Contracted services	9,100	8,078	1,022	7,131
Capital Outlay	-	-	-	-
Total cultural and recreational	52,199	44,915	7,284	42,030
Debt Service:				
NCORR loan principal reduction	-	-	-	-
Total expenditures	<u>1,927,205</u>	<u>1,622,718</u>	<u>304,487</u>	<u>2,042,481</u>
Revenue over (under) expenditures	<u>(250,928)</u>	<u>89,248</u>	<u>340,176</u>	<u>(378,177)</u>
Other financing sources (uses):				
Transfers from other funds	1,043,220	539,539	(503,681)	167,895
Transfers to other funds	(1,084,878)	(602,689)	482,189	(133,500)
Sale of capital assets	31,008	31,008	-	-
Future commitments	(12,028)	-	12,028	-
Insurance Settlement	-	2,603	2,603	-
Contingency	(17,666)	-	17,666	-
Appropriated fund balance	291,272	-	(291,272)	-
Total other financing sources (uses)	<u>250,928</u>	<u>(29,539)</u>	<u>(280,467)</u>	<u>34,395</u>
Net change in fund balance	<u>\$ -</u>	<u>59,709</u>	<u>\$ 59,709</u>	<u>(343,782)</u>
Fund Balance:				
Beginning of year - July 1		<u>1,306,128</u>		<u>1,649,910</u>
End of year - June 30		<u>\$ 1,365,837</u>		<u>\$ 1,306,128</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, 2022****WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021**

	2022			2021
	Budget	Actual	Variance Positive/(Negative)	Actual
Revenues:				
Investment income	\$ 187	\$ 150	\$ (37)	\$ 31
Other Financing Sources (Uses):				
Transfers out	(65,342)	(43,850)	21,492	(164,663)
Transfers in	107,000	107,000	-	60,000
Future procurement	(41,845)	-	41,845	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	(187)	63,150	63,337	(104,663)
Net change in fund balance	\$ -	63,300	\$ 63,300	(104,632)
Fund Balance:				
Beginning of year - July 1		30,455		135,087
End of year - June 30		<u>\$ 93,755</u>		<u>\$ 30,455</u>

TOWN OF RIVER BEND, NORTH CAROLINA

PUBLIC WORKS 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, 2022

		Actual			
	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	-	-	-	-	-
Investment income	-	-	569	569	569
Miscellaneous revenue	-	-	-	-	-
Total revenue	-	-	569	569	569
Expenditures:					
Administration and engineering, construction and capital spending	964,378	-	76,197	76,197	(888,181)
Total expenditures	964,378	-	76,197	76,197	(888,181)
Revenues over (under) expenditures	(964,378)	-	(75,628)	(75,628)	888,750
Other financing sources (uses):					
Long-term debt issued	-	-	-	-	-
Transfers (to) from other funds	964,378	-	482,189	482,189	(482,189)
Contingency	-	-	-	-	-
Total other financing sources (uses)	964,378	-	482,189	482,189	(482,189)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>406,561</u>	<u>\$ 406,561</u>	<u>\$ 406,561</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ 406,561</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, 2022

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

TOWN OF RIVER BEND, NORTH CAROLINA

ARP PROJECT FUND - 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, 2022

	Project Authorization	Actual		Total Project to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental	\$ 964,378	\$ -	\$ 482,189	\$ 482,189	\$ (482,189)
Donations	-	-	-	-	-
Investment income	-	-	107	107	107
Miscellaneous revenue	-	-	-	-	-
Total revenue	<u>964,378</u>	<u>-</u>	<u>482,296</u>	<u>482,296</u>	<u>(482,082)</u>
Expenditures:					
Administration and engineering	-	-	-	-	-
Construction and capital spending	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>964,378</u>	<u>-</u>	<u>482,296</u>	<u>482,296</u>	<u>(482,082)</u>
Other financing sources (uses):					
Long-term debt issued	-	-	-	-	-
Transfers (to) from other funds	(964,378)	-	(482,189)	(482,189)	482,189
Contingency	-	-	-	-	-
Total other financing sources (uses)	<u>(964,378)</u>	<u>-</u>	<u>(482,189)</u>	<u>(482,189)</u>	<u>482,189</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>107</u>	<u>\$ 107</u>	<u>\$ 107</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ 107</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, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021**

	2022			2021
	Final Budget	Actual	Variance Positive/(Negative)	Actual
Revenues:				
Operating Revenues:				
Charges for services	\$ 476,422	\$ 496,996	\$ 20,574	\$ 483,993
Water taps	1,250	3,420	2,170	4,650
Other operating revenues	17,338	19,867	2,529	20,515
Total operating revenues	495,010	520,283	25,273	509,158
Non-Operating Revenues:				
Interest earnings	1,276	1,138	(138)	229
Total non-operating revenues	1,276	1,138	(138)	229
Total revenues	496,286	521,421	25,135	509,387
Expenditures:				
Water Administration:				
Salaries and benefits	157,406	149,391	8,015	151,308
Allocated costs reimbursed by General Fund	(38,869)	(38,869)	-	(38,025)
Operating expenses	183,273	175,481	7,792	173,455
Repairs and maintenance	1,050	894	156	698
Capital outlay	68,793	64,965	3,828	11,680
Total administration	371,653	351,862	19,791	299,116
Water Operations:				
Operating expenses	140,300	78,741	61,559	68,237
Repairs and maintenance	9,100	2,207	6,893	3,250
Capital outlay	-	-	-	11,980
Total operations	149,400	80,948	68,452	83,467
Debt Service:				
Principal repayment	128,788	128,788	-	126,105
Interest	20,204	20,204	-	22,726
Total debt service	148,992	148,992	-	148,831
Total expenditures	670,045	581,802	88,243	531,414

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, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021**

	2022			2021
	Final Budget	Actual	Variance Positive/(Negative)	Actual
Revenue over (under) expenditures	<u>(173,759)</u>	<u>(60,381)</u>	<u>113,378</u>	<u>(22,027)</u>
Other Financing Sources (Uses):				
Sale of capital assets	-	-	-	819
Insurance settlements	-	1,000	1,000	3,131
Transfers to other funds	-	-	-	-
Designated/future capital outlay	(3,500)	-	3,500	-
Contingency	-	-	-	-
Appropriated fund balance (contingency)	<u>177,259</u>	<u>-</u>	<u>(177,259)</u>	<u>-</u>
Total other financing sources (uses)	<u>173,759</u>	<u>1,000</u>	<u>(172,759)</u>	<u>3,950</u>
Revenue and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(59,381)</u>	<u>\$ (59,381)</u>	<u>\$ (18,077)</u>

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

Reconciling items:	
Depreciation	(78,185)
Capital outlay	64,965
Repayment of long-term debt principal	128,788
Increase (decrease) in deferred outflows of resources - pensions	(3,266)
(Increase) decrease in net pension liability	(32,871)
Pension expense	8,689
(Increase) decrease in deferred inflows of resources - pensions	<u>34,980</u>
Change in net position	<u>\$ 63,719</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, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021**

	2022			2021
	Budget	Actual	Variance Positive/(Negative)	Actual
Revenues:				
Operating Revenues:				
Charges for services	\$ 607,886	\$ 615,887	\$ 8,001	\$ 609,760
Sewer taps	1,250	1,250	-	-
Other operating revenues	7,902	8,852	950	8,752
Total operating revenues	617,038	625,989	8,951	618,512
Non-Operating Revenues:				
Interest earnings	1,918	1,714	(204)	214
Total non-operating revenues	1,918	1,714	(204)	214
Total revenues	618,956	627,703	8,747	618,726
Expenditures:				
Sewer Administration:				
Salaries and benefits	174,754	167,131	7,623	169,043
Allocated costs reimbursed by General Fund	(38,869)	(38,869)	-	(38,025)
Operating expenses	179,947	171,634	8,313	170,769
Repairs and maintenance	1,200	894	306	698
Capital outlay	68,793	64,965	3,828	11,680
Total administration	385,825	365,755	20,070	314,165
Sewer Operations:				
Operating expenses	163,100	111,412	51,688	102,815
Repairs and maintenance	22,500	15,930	6,570	13,297
Capital outlay	30,000	-	30,000	5,852
Total operations	215,600	127,342	88,258	121,964
Debt Service:				
Principal repayment	111,212	111,212	-	108,895
Interest	17,446	17,446	-	19,624
Total debt service	128,658	128,658	-	128,519
Total expenditures	730,083	621,755	108,328	564,648

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, 2022

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

	2022			2021
	Budget	Actual	Variance Positive/(Negative)	Actual
Revenue over (under) expenditures	<u>(111,127)</u>	<u>5,948</u>	<u>117,075</u>	<u>54,078</u>
Other Financing Sources (Uses):				
Sale of capital assets	-	-	-	819
Insurance settlements	-	-	-	153
Transfers to other funds	-	-	-	-
Contingency	-	-	-	-
Designated/future capital outlay	(3,500)	-	3,500	-
Appropriated fund balance	<u>114,627</u>	<u>-</u>	<u>(114,627)</u>	<u>-</u>
Total other financing sources (uses)	<u>111,127</u>	<u>-</u>	<u>(111,127)</u>	<u>972</u>
Revenue and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>5,948</u>	<u>\$ 5,948</u>	<u>\$ 55,050</u>

Reconciliation from Budgetary Basis

(Modified Accrual) to Full Accrual:

Reconciling items:

Depreciation	(62,222)
Capital outlay	64,965
Repayment of long-term debt principal	111,212
Increase (decrease) in deferred outflows of resources - pensions	(3,651)
(Increase) decrease in net pension liability	(36,742)
Pension expense	7,746
(Increase) decrease in deferred inflows of resources - pensions	<u>39,101</u>

Change in net position \$ 126,357

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, 2022

Fiscal Year June 30	Uncollected Balance July 1, 2021	Additions	Collections and Credits	Uncollected Balance June 30, 2022
2021-2022	\$ -	\$ 822,017	\$ 814,959	\$ 7,058
2020-2021	2,336	-	1,312	1,024
2019-2020	6,506	-	6,292	214
2018-2019	310	-	177	133
2017-2018	691	-	18	673
2016-2017	211	-	-	211
2015-2016	164	-	-	164
2014-2015	163	-	-	163
2013-2014	439	-	11	428
2012-2013	720	-	2	718
2011-2012	640	-	640	-
Total	<u>\$ 12,180</u>	<u>\$ 822,017</u>	<u>\$ 823,411</u>	\$ 10,786
Less: allowance for uncollectible ad valorem taxes receivable:				<u>(3,578)</u>
Ad valorem taxes receivable, net				<u>\$ 7,208</u>
Reconciliation of Collections and Credits with Revenues:				
Ad valorem taxes - General Fund			\$ 824,190	
Motor vehicle taxes			-	
Taxes written off, statute of limitations			640	
Miscellaneous adjustments			(1,419)	
Total collections and credits			<u>\$ 823,411</u>	

TOWN OF RIVER BEND, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY - GENERAL FUND PROPERTY TAX
FOR THE YEAR ENDED JUNE 30, 2022

	Town-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy	\$ 314,559,272	\$ 0.26	\$ 817,855	\$ 723,181	\$ 94,674
Discoveries	1,601,235	0.26	4,163	4,163	-
Abatements	<u>(381,381)</u>	0.26	<u>(992)</u>	<u>(992)</u>	<u>-</u>
Total property valuation	<u><u>\$ 315,779,126</u></u>				
Net Levy			821,026	726,352	94,674
Uncollected taxes at June 30, 2014			<u>(6,367)</u>	<u>(6,367)</u>	<u>-</u>
Current Year's Taxes Collected			<u><u>\$ 814,659</u></u>	<u><u>\$ 719,985</u></u>	<u><u>\$ 94,674</u></u>
Current Levy Collection Percentage			<u>99.22%</u>	<u>99.12%</u>	<u>100.00%</u>
Prior Year's Collection Percentage			<u>99.71%</u>	<u>99.67%</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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment in Capital Assets	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	4,341,031
Restricted	115,098	139,611	144,785	138,198	129,245	146,368	162,507	148,249	156,054	163,479
Unrestricted	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	1,418,669
Total Governmental Activities Net Position	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	5,923,179
Business-Type Activities										
Net Investment in Capital Assets	(791,348)	(687,217)	(417,397)	(245,853)	(197,227)	(159,089)	(112,135)	(50,432)	15,687	258,511
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	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	2,218,848
Total Business-type Activities Net Position	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	2,477,359
Primary Government										
Net Investment in Capital Assets	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	4,599,542
Restricted	115,098	139,611	144,785	138,198	129,245	146,368	162,507	148,249	156,054	163,479
Unrestricted	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	3,637,517
Total Primary Government Net Position	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	8,400,538

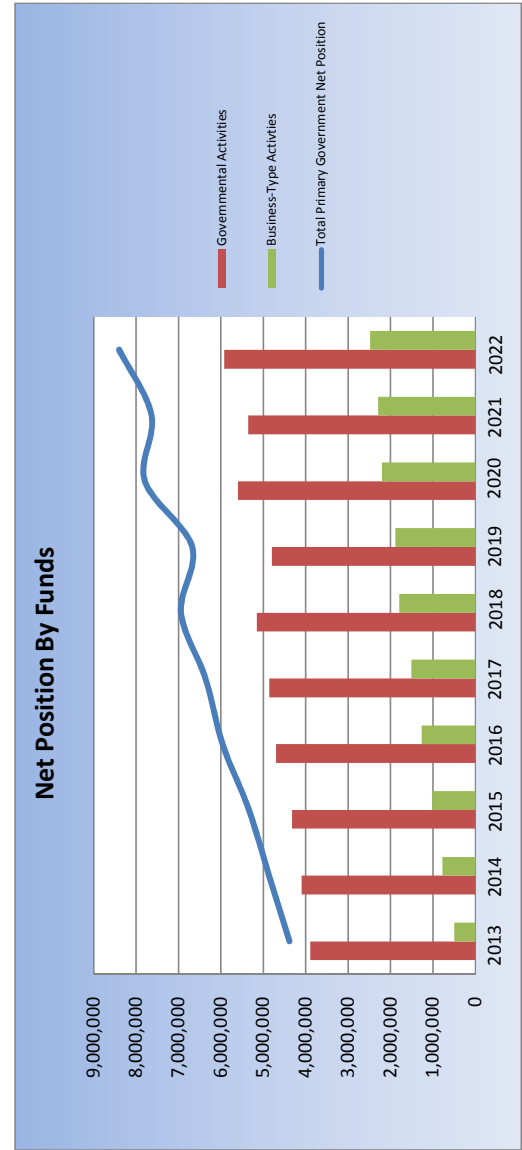


TABLE 2
TOWN OF RIVER BEND, NORTH CAROLINA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities:										
General Government	\$ 557,376	\$ 617,455	\$ 531,640	\$ 567,114	\$ 615,785	\$ 687,079	\$ 695,858	\$ 781,056	\$ 902,802	\$ 655,539
Public Safety	472,581	522,568	494,107	496,151	459,255	426,631	1,329,186	636,538	639,067	677,492
Transportation	188,420	206,270	210,594	211,497	214,804	190,723	208,321	230,521	232,384	153,537
Environmental Protection	51,972	51,960	84,328	65,071	79,573	59,221	59,928	62,457	72,241	46,673
Cultural and Recreational	44,149	49,876	52,512	45,448	45,638	51,850	49,621	41,473	113,659	322,549
Interest on Long-Term Debt	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	1,314,499	1,448,129	1,373,181	1,385,281	1,415,055	1,415,504	2,342,914	1,752,045	1,960,153	1,855,790
Business-Type Activities:										
Water	537,884	439,060	426,220	431,291	452,844	446,522	470,606	491,059	499,321	457,702
Sewer	600,186	477,208	461,629	483,761	498,011	478,317	514,709	528,940	547,167	501,346
Total Business-Type Activities	1,138,070	916,268	887,849	915,052	950,855	924,839	985,315	1,019,999	1,046,488	959,048
Total Primary Government Expenses	\$ 2,452,569	\$ 2,364,397	\$ 2,261,030	\$ 2,300,333	\$ 2,365,910	\$ 2,340,343	\$ 3,328,229	\$ 2,772,044	\$ 3,006,641	\$ 2,814,838
Program Revenue										
Governmental Activities:										
Charges for Services										
General Government	81,018	86,957	80,935	71,544	79,198	63,302	44,020	33,399	38,858	41,521
Public Safety	480	1,266	3,615	3,586	3,733	3,706	310	383	310	180
Environmental protection	1,975	1,755	1,980	1,964	2,061	2,089	16,080	7,984	8,250	15,287
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
General Government	636	367	338	-	17,636	-	356,983	1,042,743	93,763	38,611
Public Safety	-	-	-	-	-	-	-	-	62,590	687,410
Environmental protection	93,318	93,909	92,300	90,502	88,873	89,226	86,045	87,033	80,899	94,631
Cultural and Recreational	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	55,092	-	-	-	-	-	-	-	-	-
Cultural and Recreational	-	13,272	140	-	-	-	-	-	-	-
Public Safety	232,519	197,526	179,308	167,596	191,501	158,323	503,438	1,171,542	284,670	877,640
Total Governmental Activities Program Revenue										
Business-Type Activities:										
Charges for Services - Water	611,303	591,985	531,268	534,842	545,246	541,022	428,400	589,963	509,158	520,283
Charges for Services - Sewer	596,143	597,489	623,644	624,112	636,054	642,705	589,105	721,420	618,512	625,989
Operating Grants and Contributions	5,410	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenue	1,212,856	1,189,474	1,154,912	1,158,954	1,181,300	1,183,727	1,017,505	1,311,383	1,127,670	1,146,272
Total Primary Government Revenues	\$ 1,445,375	\$ 1,387,000	\$ 1,334,220	\$ 1,326,550	\$ 1,372,801	\$ 1,342,050	\$ 1,520,943	\$ 2,482,925	\$ 1,412,340	\$ 2,023,912
Net (Expense) Revenue										
Governmental Activities	(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)	(978,150)
Business-Type Activities	74,786	273,206	267,063	243,902	230,445	258,888	32,190	291,384	81,182	187,224
Total Primary Government Net Expense	\$ (1,007,194)	\$ (977,397)	\$ (926,810)	\$ (973,783)	\$ (993,109)	\$ (998,293)	\$ (1,807,286)	\$ (289,119)	\$ (1,594,301)	\$ (790,926)

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes, levied for general purpose	879,221	907,885	889,746	892,127	926,553	870,529	725,978	747,969	800,636	827,716
Local Option Sales Tax	369,175	371,846	394,208	411,712	417,859	451,350	359,236	296,758	346,546	385,517
Other Taxes and Licenses	166,530	176,176	212,617	211,163	208,107	204,013	300,336	273,021	272,077	288,142
Grants and Contributions not Restricted to Specific Programs										
Investment Earnings, unrestricted	626	243	394	3,689	9,012	26,544	50,173	37,711	367	2,570
Miscellaneous, unrestricted	-	-	-	8,331	12,490	-	46,933	21,943	13,960	46,838
Total Governmental Activities	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	1,550,783
Business-Type Activities:										
Investment Earnings, unrestricted	335	98	190	2,377	6,739	19,889	37,921	24,374	443	2,852
Miscellaneous, unrestricted	-	4,180	742	55	5,906	2,800	25,218	-	4,922	-
Total Business Type Revenues	335	4,278	932	2,432	12,645	22,689	63,139	24,374	5,365	2,852
Total Primary Government	\$ 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	\$ 1,553,635
Change in Net Position										
Governmental Activities	333,572	205,547	303,092	309,337	350,467	295,255	(356,820)	796,899	(241,897)	572,633
Business-Type Activities	75,121	277,484	267,995	246,334	243,090	281,577	95,329	315,758	86,547	190,076
Total Primary Government Change in Net Position	\$ 408,693	\$ 483,031	\$ 571,087	\$ 555,671	\$ 593,557	\$ 576,832	\$ (261,491)	\$ 1,112,657	\$ (155,350)	\$ 762,709

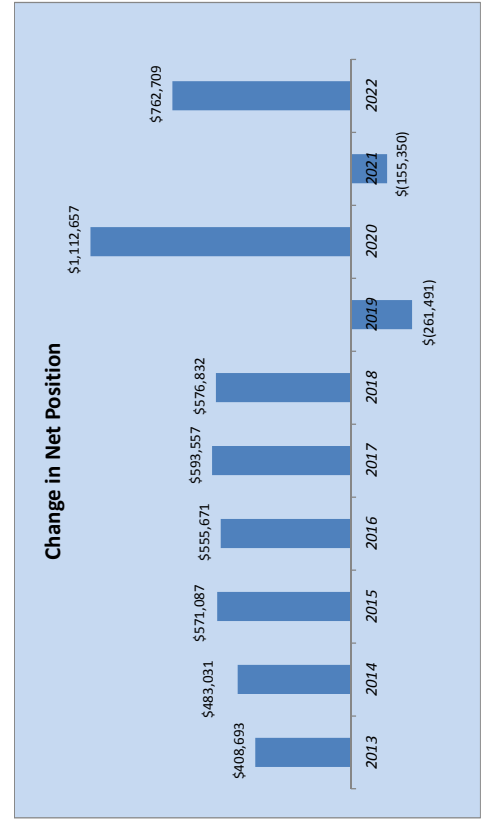
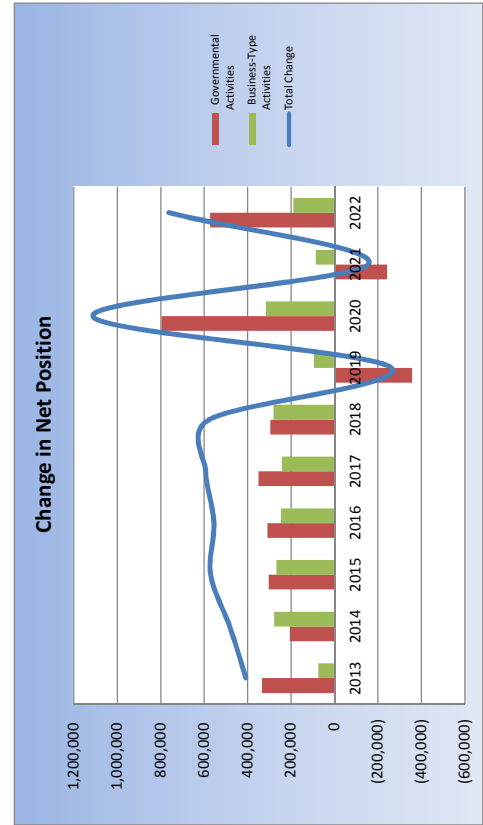


TABLE 3

TOWN OF RIVER BEND, NORTH CAROLINA
FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Non-Spendable:										
Prepaid Items	2,958	3,619	-	-	-	-	-	199	-	-
Restricted:										
Streets	-	-	-	-	-	-	-	-	-	-
Stabilization by State Statute	115,098	139,611	144,785	138,198	129,245	146,368	162,507	148,249	156,054	163,479
Assigned:										
Subsequent years' expenditures	6,144	97,322	77,029	46,729	-	147,270	173,970	224,262	244,602	200,813
Law Enforcement Separation Allowance Fund					36,064	26,582	13,207	11,799	9,971	21,990
Unassigned	1,240,360	1,287,611	1,432,625	1,678,409	1,941,209	1,974,278	2,437,822	1,265,401	895,501	979,555
Total General Fund	1,364,560	1,528,163	1,654,439	1,863,336	2,106,518	2,294,498	2,787,506	1,649,910	1,306,128	1,365,837
Other Governmental Funds										
Committed										
General Government Capital Outlay	312,155	228,892	257,594	278,654	356,534	415,228	432,035	135,087	30,455	500,316
Unassigned	-	-	-	-	-	-	-	-	(1,005)	107
Total Other Governmental Funds	312,155	228,892	257,594	278,654	356,534	415,228	432,035	135,087	29,450	500,423
Total Governmental Funds	\$ 1,676,715	\$ 1,757,055	\$ 1,912,033	\$ 2,141,990	\$ 2,463,052	\$ 2,709,726	\$ 3,219,541	\$ 1,784,997	\$ 1,335,578	\$ 1,866,260

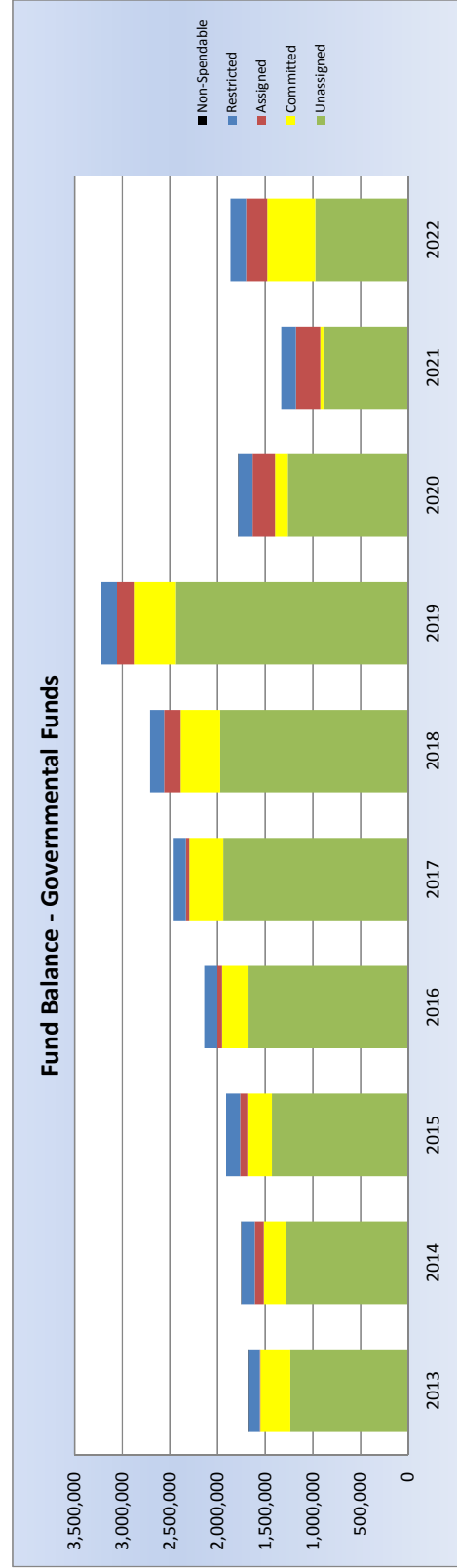


TABLE 4
TOWN OF RIVER BEND, NORTH CAROLINA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Ad Valorem Taxes	\$ 874,300	\$ 918,326	\$ 891,577	\$ 891,338	\$ 926,035	\$ 870,529	\$ 728,213	\$ 740,181	\$ 809,357	\$ 824,190
Other Taxes and Licenses	380,440	387,091	413,408	427,023	433,766	464,930	468,267	387,149	445,035	505,168
Unrestricted Intergovernmental	155,265	160,931	193,417	195,852	192,200	190,433	189,185	180,343	173,587	177,408
Restricted Intergovernmental	150,557	109,303	94,758	92,466	108,569	91,315	445,147	1,132,063	237,252	1,302,840
Permits and Fees	4,304	7,189	6,311	7,227	8,674	7,587	16,390	8,366	10,990	17,787
Sales and Services	77,658	81,034	78,240	67,903	74,257	59,421	79,278	41,806	50,388	52,428
Investment Earnings	626	243	394	3,689	9,012	26,544	50,173	37,711	367	2,570
Miscellaneous	-	-	-	2,381	5,589	-	8,526	8,351	-	-
Total Revenues	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	2,882,391
Expenditures										
Current										
General Government	473,771	527,309	473,932	477,398	479,688	561,307	556,085	574,852	665,813	611,693
Public Safety	483,414	509,449	506,223	500,640	475,333	456,309	1,366,425	666,530	641,000	584,649
Transportation	163,065	178,698	191,944	190,469	191,305	166,859	184,803	203,988	196,859	153,537
Environmental Protection	51,972	51,960	85,353	66,053	80,579	60,300	61,131	63,820	73,767	46,673
Cultural and Recreational	37,810	42,983	47,972	40,371	39,988	45,886	43,740	34,857	104,778	731,320
Capital Projects	236,566	273,378	217,703	255,541	177,051	173,424	216,176	1,011,070	965,869	257,448
Debt Service	-	-	-	-	-	-	50,154	949,846	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total Expenditures	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	2,385,320
Revenues Over (Under) Expenditures	\$ 196,552	\$ 80,340	\$ 154,978	\$ 157,407	\$ 314,158	\$ 246,674	\$ (493,335)	\$ (968,993)	\$ (921,110)	497,071
Other Financing Sources (Uses)										
Transfers to Other Funds	(108,000)	(105,000)	(105,000)	(461,553)	(274,052)	(199,803)	(241,470)	(1,305,900)	(104,663)	(545,339)
Transfers from Other Funds	108,000	105,000	105,000	461,553	274,052	199,803	241,470	1,305,900	104,663	545,339
NCORR zero-interest Loan Proceeds	-	-	-	-	-	-	1,000,000	-	-	-
Insurance Settlement	-	-	-	-	-	-	-	1,090	-	2,603
Sale of Capital Assets	-	-	-	5,950	6,901	-	3,150	5,050	-	31,008
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ 5,950	\$ 6,901	\$ -	\$ 1,003,150	\$ 6,140	\$ -	\$ 33,611
Net Change in Fund Balance	\$ 196,552	\$ 80,340	\$ 154,978	\$ 163,357	\$ 321,059	\$ 246,674	\$ 509,815	\$ (962,853)	\$ (921,110)	\$ 530,682
Debt Service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.27%	40.25%	0.00%	0.00%

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

Fiscal Year	Assessed Value ⁽¹⁾			Total	Property Tax Rate ⁽³⁾	Percent Increase in Value ⁽⁴⁾
	Real Property	Personal Property ⁽²⁾	Public Service Companies			
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%
2022	272,010,285	41,534,281	2,234,560	315,779,126	0.2600	2.28%

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

Fiscal Year	Tax Year	Town of River Bend	County of Craven	West New Bern II (Rhems) Fire District
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
2022	2021	0.2600	0.5600	0.035

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 2022			Fiscal Year 2013		
		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	1.73%	(1)		
Riverstone Assisted Living LLC ⁽²⁾	Assisted Living Facility	2,317,700	2	0.73%	2,017,800	2	0.61%
Trent River Adventures LLC ⁽³⁾	Country Club and Golf Course	1,835,510	3	0.58%	2,838,305	1	0.86%
Jonathan & Karen Segal Revocable Trust	Residence	1,673,890	4	0.53%	(1)		
Degraw, Martin C & Denise N	Residence	1,489,530	5	0.47%	(1)		
Peck, Berit	Commercial	1,234,350	6	0.39%	1,642,680	3	0.50%
Duke Energy Progress, Inc. ⁽⁴⁾	Electricity	1,084,910	7	0.34%	1,300,597	4	0.39%
Piedmont Natural Gas	Utility	1,061,282	8	0.34%	(1)		
Efird, J Frank & Margaret M	Land Development	875,990	9	0.28%	967,990	6	0.29%
Grant, Lee & Grant, Sommer	Caro-San Maintenance Supplies Store	846,800	10	0.27%	(1)		
Camille Hoffman	Residence	(1)			1,175,900	5	0.35%
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%
Mattocks Family Properties LLC	Land Development	(1)			864,790	10	0.26%
		<u>\$17,897,652</u>		<u>5.67%</u>	<u>\$13,576,522</u>		<u>4.10%</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
2013	2012	878,256	869,025	98.95%	8,489	877,514	99.92%
2014	2013	904,777	900,702	99.55%	3,672	904,374	99.96%
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%	3,710	779,079	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%	1,312	711,275	99.86%
2022	2021	726,352	719,985	99.12%	⁽²⁾	719,985	99.12%

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						
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	61,592	4.16%
2022	-	-	-	-	1,228,569	-	-	-	1,228,569	2895	424	(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:		Legal Debt Margin
		8% of Total Assessed Value	Total Net Debt Applicable to Limit	
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
2022	315,779,126	25,262,330	544,523	\$ 24,700,000

Gross debt:	
Installment financing	\$ -
Water & Sewer General Obligation Bonds	1,175,000
Total gross debt	1,175,000
Less: Statutory Deductions	
Water GO Bonds	630,477
Amount of debt applicable to limit - net debt	<u>\$ 544,523</u>

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

Craven County							
Fiscal Year	General Obligation Bonds		River Bend Assessed Valuation ⁽¹⁾	Percentage Applicable to Town ⁽²⁾	Bonded Debt Applicable to River Bend	Population	Per Capita
	Outstanding ⁽¹⁾	Assessed Valuation ⁽¹⁾					
2013	24,447,675	9,738,049,583	331,417,348	3.40%	832,034	3119	267
2014	21,736,331	10,005,692,123	341,425,554	3.41%	741,712	3119	238
2015	19,064,987	9,904,145,988	334,843,709	3.38%	644,557	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
2022	1,365,892	10,244,131,256	315,779,126	3.08%	42,104	2895	15

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⁾
2013	103,573	4,094,203	39,078	14,606	9.70%
2014	103,219	4,100,424	39,243	14,472	9.00%
2015	102,048	4,121,440	39,436	14,297	6.80%
2016	101,875	4,195,496	40,555	14,120	6.12%
2017	101,863	4,340,800	41,962	14,002	5.26%
2018	101,809	4,345,888	42,367	13,778	4.73%
2019	101,167	4,493,680	43,665	13,584	4.19%
2020	100,534	4,743,930	46,446	13,113	4.08%
2021	100,128	4,943,453	48,832	12,542	6.66%
2022	99,851	⁽⁶⁾	⁽⁶⁾	12,353	4.68%

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⁾	2022			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Department of Defense ⁽²⁾	5,456	1	13.92%	5,274	1	13.34%
CarolinaEast Health Systems	2,759	2	7.04%	2,192	2	5.55%
BSH Home Appliances	1,724	3	4.40%	884	5	2.24%
Craven County Schools	1,439	4	3.67%	1,942	3	4.91%
Moen Incorporated	835	5	2.13%	935	4	2.37%
State of North Carolina	801	6	2.04%	817	6	2.07%
Craven County	694	7	1.77%	587	7	1.48%
Wal-Mart	537	8	1.37%	481	9	1.22%
Craven Community College	524	9	1.34%	533	8	1.35%
City of New Bern	477	10	1.22%	479	10	1.21%
	15,246		38.90%	14,124		35.74%

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

<u>Department</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General government:										
Administration	3	3	3	3	3	3	3	3	3	3
Finance	1	1	1	1	1	1	1	1	1	1
Zoning	1	1	1	1	1	1	2	1	1	1
Public Works	2.5	3.5	3.5	3.5	3.5	3.5	4.5	5.5	4.5	3.5
Public safety- Police	5.36	6.48	6.48	6.48	6.48	6.48	6.68	6.45	6.27	6.39
Water/Sewer:										
Finance	1	1	1	1	1	1	1	1	1	1
Utility Operators	4	3	3	3	3	3	3	3	3	3
Total	17.86	18.98	18.98	18.98	18.98	18.98	21.18	20.95	19.77	18.89

Source: Town of River Bend Finance Department

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

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Public Safety - Police										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	3	3	3	4	4	4	5	5	5	6
Cultural and Recreational										
Recreation and Parks										
Number of Parks	5	5	5	5	5	5	5	5	5	5
Number of Picnic Shelters	2	2	2	2	2	2	2	2	2	2
Public Works and Utilities										
Miles of Paved Streets	16.48	16.48	16.48	16.48	16.48	16.48	16.48	17.13	17.13	17.13
Water										
Number of Hydrants	112	112	112	112	112	112	112	112	112	112
Water Mains (miles)	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
Number of Water Towers	2	2	2	2	2	2	2	2	2	2
Sewer										
Sewer Lines (miles)	11	11	11	11	11	11	11	11	11	11
Number of Lift Stations	9	9	9	9	9	9	9	9	9	9
Number of Treatment Plants	2	2	2	2	2	2	2	2	2	2

Source: Town of River Bend Department Heads

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Police Activity</u>										
Violent Crime	48	58	97	44	9	11	-	2	2	3
Property Crime	134	83	109	54	65	28	18	15	12	13
Arrests	235	252	178	225	45	49	17	43	29	19
Motor Vehicle	827	1,400	1,112	1,127	1,115	486	304	1,013	529	409
Agency Assist	1,144	691	903	647	33	26	13	16	15	15
Quality of Life	445	297	362	308	2,124	1,419	790	2,184	1,844	1,407
Community Policing	13,245	15,079	15,126	14,873	10,753	17,826	10,540	18,857	14,120	11,027
Total Activity	16,078	17,860	17,887	17,278	14,144	19,845	11,682	22,130	16,551	12,893
<u>Roadway Maintenance</u>										
Miles of Paved Road	16.48	16.48	16.48	16.48	16.48	16.48	16.48	17.13	17.13	17.13
Miles of Road Resurfaced	0.52	0.53	0.25	0.43	0.40	0.54	0.54	0.22	0.20	0.20
<u>Zoning</u>										
Permits Issued	26	54	42	26	72	84	464 ⁽²⁾	87	113	137
New Residences	2	1	1	2	1	1	2	4	6	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
Water Treated	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	99,059,000
Residential Water Customers	1,411	1,412	1,417	1,418	1,431	1,438	1,438	1,429	1,442	1,453
<u>Wastewater</u>										
Treatment Capacity	120,450,000	120,450,000	120,450,000	120,450,000	120,450,000	120,450,000	120,450,000	120,450,000	120,450,000	120,450,000
Wastewater Treated	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	40,121,000
Residential Sewer Customers	950	952	951	948	954	958	958	949	949	952
<u>Leaf and Limb</u>										
Total Tons Collected ⁽¹⁾	257.50	222.93	343.63	317.69	279.90	266.26	279.83	246.98	219.72	290.36

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, 2021 - June 30, 2022

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	9,901,161 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: Town of River Bend Finance Department

TABLE 18
TOWN OF RIVER BEND, NORTH CAROLINA
UTILITY RATE INFORMATION
Fiscal Year 2022 Approved Operating Budget Ordinance

WATER RATES

	METER SIZE			
	3/4"	1"	2"	4"
Customer Base Charge per month	13.24	25.90	72.32	224.24
Initial Connection (Tap Fee) ⁽¹⁾	1,250	1,500	3,500	5,000
Non-payment Fee	70	100	100	200
Usage Charge per 1,000 gallons	\$ 4.02			
Fire Hydrant Availability Annual Charge	\$ 183.00			

SEWER RATES

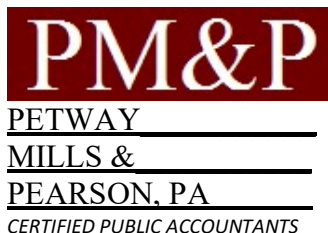
	METER SIZE			
	3/4"	1"	2"	4"
Customer Base Charge per month	24.18	49.43	141.99	444.93
Initial Connection (Tap Fee) ⁽¹⁾	1,250	1,250	1,250	1,250
Usage Charge per 1,000 gallons	\$ 9.08			

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



COMPLIANCE SECTION





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Accountants

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Of Certified Public
Accountants

Medical Group
Management
Association

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of River Bend, North Carolina, as of and for the year ended June 30, 2022, 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 January 26, 2023.

Internal Control Over Financial Reporting

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

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

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

we consider material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Petway Mills & Pearson, PA

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

January 26, 2023

TOWN OF RIVER BEND, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2022

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, 2022**

SECTION II. FINANCIAL STATEMENT FINDINGS

None.

TOWN OF RIVER BEND, NORTH CAROLINA

CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2022

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, 2022**

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, 2022**

<u>Grantor/Pass-through/ Grantor-Program Title</u>	<u>Assistance Listing 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 Florence	97.036		\$ 35,434
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>686,405</u>
TOTAL FEDERAL AWARDS			<u>721,839</u>
STATE AWARDS			
NC Department of Transportation			
Direct Program			
Powell Bill		DOT-4	<u>127,007</u>
NC Office of Recovery and Resilience			
Direct Program			
State Grants for Financially Distressed Local Governments		NCORR-FDLG-004	<u>71,762</u>
TOTAL STATE AWARDS			<u>198,769</u>
TOTAL FEDERAL AND STATE ASSISTANCE			<u>\$ 920,608</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 Federal Government and the State of North Carolina for the year ended June 30, 2022. Because the Schedule presents only a selected portion of the operations of Town of River Bend, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town of River Bend.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Costs

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