

**TOWN OF EAST BEND, NORTH CAROLINA**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION**

**JUNE 30, 2020**

**TOWN OF EAST BEND, NORTH CAROLINA**

**MEMBERS OF BOARD OF COMMISSIONERS**

Larry Adams  
Wanda Johnson

Neal Nichols

George Burns  
Mae Luffman

**TOWN OFFICIALS**

Archie Hicks, Jr. .... Mayor

Vickie Matthews ..... Town Clerk/Administrator

# TOWN OF EAST BEND, NORTH CAROLINA

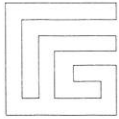
## TABLE OF CONTENTS

	<u>Page No.</u>
<b>Independent Auditors' Report .....</b>	<b>1</b>
<b>Management's Discussion and Analysis .....</b>	<b>4</b>
<b>Basic Financial Statements:</b>	
<u>Government-wide Financial Statements</u>	
Statement of Net Position (Exhibit 1).....	12
Statement of Activities (Exhibit 2) .....	13
<u>Fund Financial Statements</u>	
Balance Sheet – Governmental Funds (Exhibit 3).....	14
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds (Exhibit 4) .....	15
Statement of Revenues, Expenditures, and Changes in Fund Balance – Annual Budget and Actual – General Fund (Exhibit 5) .....	17
Statement of Net Position – Proprietary Fund (Exhibit 6).....	18
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund (Exhibit 7) .....	19
Statement of Cash Flows – Proprietary Fund (Exhibit 8).....	20
Notes to Financial Statements .....	21

# TOWN OF EAST BEND, NORTH CAROLINA

## TABLE OF CONTENTS (CONTINUED)

	<u>Page No.</u>
<b>Required Supplemental Financial Data:</b>	
Schedule of the Proportionate Share of the Net Pension Liability (Asset) – Local Government Employees’ Retirement System .....	41
Schedule of Contributions – Local Government Employees’ Retirement System.....	42
Schedule of Changes in Total Pension Liability – Law Enforcement Officers’ Special Separation Allowance .....	43
Schedule of Total Pension Liability as a Percentage of Covered Payroll - Law Enforcement Officers’ Special Separation Allowance .....	44
<b>Individual Fund Statements:</b>	
<b>Governmental Funds</b>	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – General Fund .....	45
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Town Square Fund.....	49
<b>Enterprise Fund</b>	
Water and Sewer Fund: Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) .....	50
<b>Other Schedules</b>	
Schedule of Ad Valorem Taxes Receivable .....	51
Analysis of Current Tax Levy-Town-Wide Levy.....	52



## GIBSON & COMPANY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

### Independent Auditor's Report

To the Honorable Mayor  
and Members of the Board of Commissioners  
Town of East 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 East Bend, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of East Bend, North Carolina as of June 30, 2020, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 11, the Local Governmental Employees' Retirement System's Schedules of the Proportionate Share of Net Pension Liability (Asset) and Contributions on pages 41 and 42, and the Law Enforcement Officer's Special Separation Allowance on pages 43 and 44, respectively be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of East Bend, North Carolina. The combining and individual fund statements, budgetary schedules, and other schedules 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

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

*Jelison + Company, P.A.*

Winston-Salem, North Carolina  
December 8, 2020

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Management's Discussion and Analysis**

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

#### **Financial Highlights**

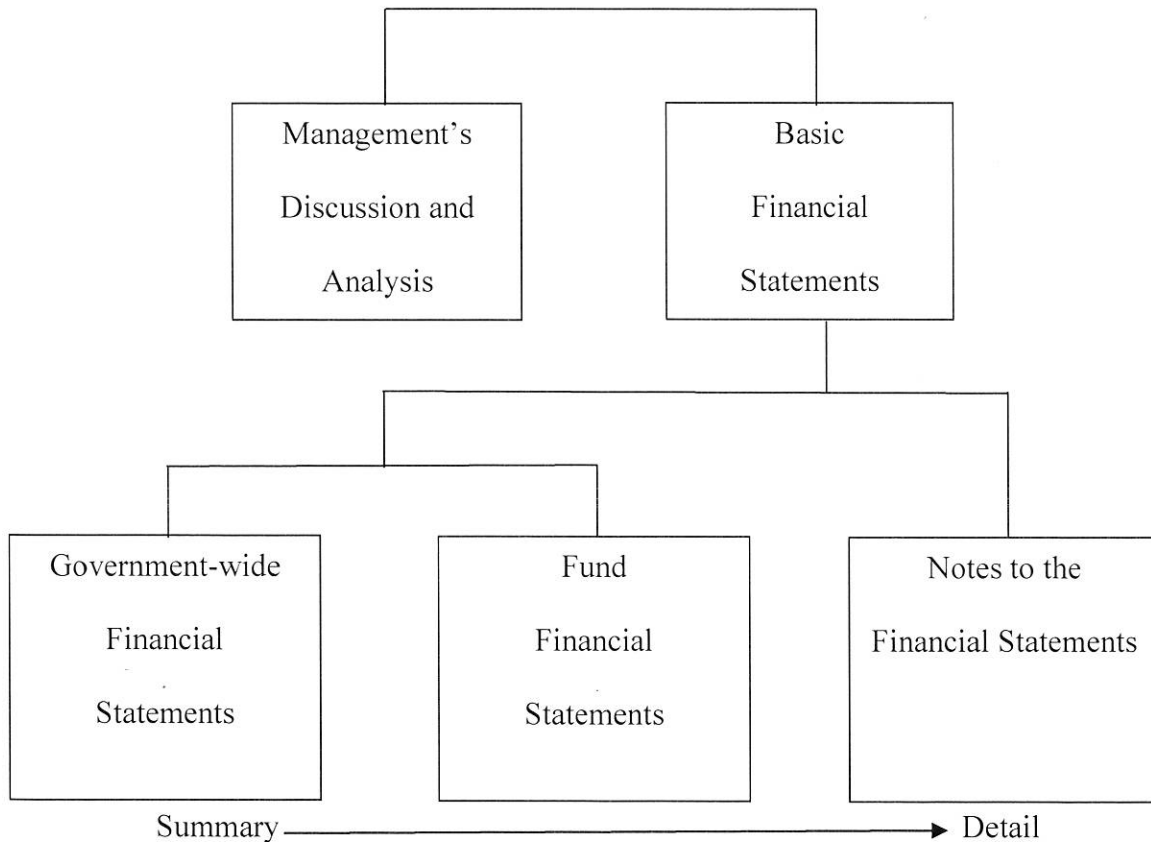
- The assets and deferred outflows of resources of the Town of East Bend exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$2,063,237 (*net position*).
- The government's total net position increased by \$162,915, due to an increase in net position of the governmental fund activities (\$133,968) and an increase in net position of business-type activities (\$28,947), respectively.
- As of the close of the current fiscal year, the Town of East Bend's governmental funds reported an ending fund balance of \$847,880 with a net increase of \$158,886 in fund balance. Approximately 6.2 percent of this total amount, or \$52,315 is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$713,633 or 218.94 percent of total general fund expenditures for the fiscal year.

#### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Town of East Bend's basic financial statements. The Town of East Bend's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of East 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 of East Bend's financial status.

The next statements (Exhibits 3 through 8) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

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

**TOWN OF EAST BEND, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
For the Fiscal Year Ended June 30, 2020

---

**Government-Wide Financial Statements**

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

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

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

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

**Fund Financial Statements**

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of East 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 East Bend can be divided into two categories: governmental funds and proprietary funds.

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

The Town of East 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 Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

**TOWN OF EAST BEND, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
For the Fiscal Year Ended June 30, 2020

**Proprietary Funds** – The Town of East Bend has one kind of proprietary fund. The *Enterprise Fund* is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of East Bend uses an enterprise fund to account for its water and sewer activity. This fund is the same as those functions shown in the business-type activities in the Statement of Net position and the Statement of Activities.

**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 21 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 East Bend's progress in funding its obligations to provide pension benefits to its employees. Required supplementary information can be found beginning on page 41 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.

**Government-Wide Financial Analysis**

**Town of East Bend's Net Position**  
**Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 883,829	\$ 725,641	\$ 404,999	\$ 338,726	\$ 1,288,828	\$ 1,064,367
Noncurrent assets	-	-	-	-	-	-
Capital assets	226,003	237,582	644,738	682,887	870,741	920,469
Deferred outflows of resources	31,504	24,904	14,190	10,856	45,694	35,760
Total assets and deferred outflows of resources	1,141,336	988,127	1,063,927	1,032,469	2,205,263	2,020,596
Current liabilities	17,526	11,863	38,426	42,694	55,952	54,557
Long-term liabilities	46,180	43,934	19,556	11,900	65,736	55,834
Deferred inflows of resources	19,433	8,101	905	1,782	20,338	9,883
Total liabilities and deferred inflows of resources	83,139	63,898	58,887	56,376	142,026	120,274
Net position:						
Net investment in capital assets	226,003	237,582	644,738	682,887	870,741	920,469
Nonspendable	-	-	-	-	-	-
Restricted	52,315	54,399	-	-	52,315	54,399
Unrestricted	779,879	632,248	360,302	293,206	1,140,181	925,454
Total net position	\$ 1,058,197	\$ 924,229	\$ 1,005,040	\$ 976,093	\$ 2,063,237	\$ 1,900,322

**TOWN OF EAST BEND, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
For the Fiscal Year Ended June 30, 2020

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 East Bend exceeded liabilities and deferred inflows by \$2,063,237 as of June 30, 2020. The Town's net position increased by \$162,915 for the fiscal year ended June 30, 2020. However, the largest portion, 42%, reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of East Bend uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of East Bend's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of East Bend's net position, \$52,315, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1,140,181 is unrestricted.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 96.58%.

**Town of East Bend's Changes in Net Position**  
**Figure 3**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 112	\$ 216	\$ 355,063	\$ 336,137	\$ 355,175	\$ 336,353
Operating grants and contributions	21,994	22,218	-	-	21,994	22,218
General revenues:						
Property taxes	221,703	217,905	-	-	221,703	217,905
Other taxes	158,768	152,615	-	-	158,768	152,615
Other	88,252	10,485	431	564	88,683	11,049
Total revenues	490,829	403,439	355,494	336,701	846,323	740,140
Expenses:						
General government	102,178	99,954	-	-	102,178	99,954
Public safety	144,719	126,305	-	-	144,719	126,305
Highways / Streets	56,679	38,778	-	-	56,679	38,778
Sanitation	36,315	34,260	-	-	36,315	34,260
Culture and recreation	16,970	6,000	-	-	16,970	6,000
Water and sewer	-	-	326,547	391,523	326,547	391,523
Total expenses	356,861	305,297	326,547	391,523	683,408	696,820
Change in net position	133,968	98,142	28,947	(54,822)	162,915	43,320
Net position, beginning	924,229	826,087	976,093	1,030,915	1,900,322	1,857,002
Net position, June 30	\$ 1,058,197	\$ 924,229	\$ 1,005,040	\$ 976,093	\$ 2,063,237	\$ 1,900,322

**TOWN OF EAST BEND, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
For the Fiscal Year Ended June 30, 2020

---

**Governmental activities:** Governmental activities increased the Town's net position by \$133,968, thereby accounting for 82.2% of the total growth in the net position of the Town of East Bend.

**Business-type activities:** Business-type activities increased the Town's net position by \$28,947.

**Financial Analysis of the Town of East Bend's Funds**

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

**Governmental Funds:** The focus of the Town of East 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 of East Bend's financing requirements.

The general fund is the chief operating fund of the Town of East Bend. At the end of the current fiscal year, the Town of East Bend's fund balance available in the General Fund was \$713,633 while total fund balance was \$765,948. 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. Unassigned fund balance represents 218.94 percent of total General Fund expenditures.

At the end of the current fiscal year, the Town of East Bend's fund balance available in the Town Square Fund was \$81,932.

At June 30, 2020 the governmental funds of Town of East Bend reported a combined fund balance of \$847,880 with a net increase in fund balance of \$158,886.

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

**Proprietary Funds:** The Town of East Bend's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$360,302. The total change in net position for the Water and Sewer Fund was an increase of \$28,947. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town of East Bend's business-type activities.

**Capital Asset and Debt Administration**

**Capital Assets:** The Town of East Bend's investment in capital assets for its governmental and business-type activities as of June 30, 2020, totals \$870,741 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, and vehicles.

**TOWN OF EAST BEND, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
For the Fiscal Year Ended June 30, 2020

**Town of East Bend's Capital Assets**  
(net of depreciation)

**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 151,103	\$ 151,103	\$ 3,350	\$ 3,350	\$ 154,453	\$ 154,453
Buildings	44,955	48,670	7,478	8,798	52,433	57,468
Other improvements	6,345	7,092	621,970	665,757	628,315	672,849
Automotive equipment	10,806	18,531	-	1,900	10,806	20,431
Other equipment	12,794	12,186	11,940	3,082	24,734	15,268
Total	\$ 226,003	\$ 237,582	\$ 644,738	\$ 682,887	\$ 870,741	\$ 920,469

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

**Long-term Debt.** As of June 30, 2020, the Town of East Bend had no debt outstanding.

**Town of East Bend's Outstanding Debt**  
**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Compensated absences	\$ 5,242	\$ 3,362	\$ 2,671	\$ 2,148	\$ 7,913	\$ 5,510
Pension related debt (LGERS)	39,705	24,160	19,556	11,900	59,261	36,060
Pension related debt (LEO)	6,475	19,774	-	-	6,475	19,774
Total	\$ 51,422	\$ 47,296	\$ 22,227	\$ 14,048	\$ 73,649	\$ 61,344

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town of East Bend is \$3,600,720.

Additional information regarding the Town of East Bend's long-term debt can be found in Note B beginning on page 39.

**TOWN OF EAST BEND, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
For the Fiscal Year Ended June 30, 2020

---

**Economic Factors and Next Year's Budgets and Rates**

- Some new businesses have located in the Town of East Bend. It is anticipated that there will be moderate growth in the Town in the next year.

**Budget Highlights for the Fiscal Year Ending June 30, 2021**

**Governmental Activities:** Property tax rates remained at a rate of \$0.50 per one hundred dollars of assessed taxable valuation of property for the 2020-21 budget year.

**Business – type Activities:** Water and sewer rates will remain unchanged for 2020-2021 for inside and outside town limits.

**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 Vickie Matthews, Town of East Bend, 108 W. Main Street, East Bend, NC 27018, or 336-699-8560, or fax 336-699-4335 or email [eastbend@yadtel.net](mailto:eastbend@yadtel.net).

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF EAST BEND, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 807,849	\$ 329,098	\$ 1,136,947
Restricted cash and cash equivalents	6,053	11,070	17,123
Taxes receivables (net)	19,205	-	19,205
Accrued interest receivable on taxes	4,460	-	4,460
Accounts receivable (net)	-	64,831	64,831
Due from other funds	-	-	-
Due from other governments	46,262	-	46,262
Total current assets	883,829	404,999	1,288,828
Capital assets:			
Land, non-depreciable improvements	151,103	3,350	154,453
Other capital assets, net of depreciation	74,900	641,388	716,288
Total capital assets	226,003	644,738	870,741
Total assets	1,109,832	1,049,737	2,159,569
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	31,504	14,190	45,694
Total deferred outflows of resources	31,504	14,190	45,694
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued expenses	12,284	24,685	36,969
Customer deposits	-	11,070	11,070
Current portion of long-term liabilities	5,242	2,671	7,913
Total current liabilities	17,526	38,426	55,952
Long-term liabilities:			
Net pension liability	39,705	19,556	59,261
Total pension liability	6,475	-	6,475
Total liabilities	63,706	57,982	121,688
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferrals	19,433	905	20,338
Total deferred inflows of resources	19,433	905	20,338
<b>NET POSITION</b>			
Net investment in capital assets	226,003	644,738	870,741
Restricted for:			
Stabilization by State Statute	46,262	-	46,262
Streets	6,053	-	6,053
Unrestricted	779,879	360,302	1,140,181
Total net position	\$ 1,058,197	\$ 1,005,040	\$ 2,063,237

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

**TOWN OF EAST BEND, NORTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental Activities:							
General government	\$ 102,178	\$ -	\$ -	\$ -	\$ (102,178)	\$ -	\$ (102,178)
Public safety	144,719	112	-	-	(144,607)	-	(144,607)
Transportation	56,679	-	21,994	-	(34,685)	-	(34,685)
Environmental protection	36,315	-	-	-	(36,315)	-	(36,315)
Cultural and recreation	16,970	-	-	-	(16,970)	-	(16,970)
Total governmental activities	356,861	112	21,994	-	(334,755)	-	(334,755)
Business-type activities:							
Water and sewer	326,547	355,063	-	-	-	28,516	28,516
Total business-type activities	326,547	355,063	-	-	-	28,516	28,516
Total primary government	\$ 683,408	\$ 355,175	\$ 21,994	\$ -	(334,755)	28,516	(306,239)
General revenues:							
Taxes:							
Property taxes, levied for general purpose					221,703	-	221,703
Grants and contributions not restricted to specific programs					158,768	-	158,768
Unrestricted investment earnings					2,150	431	2,581
Miscellaneous					86,102	-	86,102
Transfer					-	-	-
Total general revenues and transfers					468,723	431	469,154
Change in net position					133,968	28,947	162,915
Net postion, beginning					924,229	976,093	1,900,322
Net position, ending					\$ 1,058,197	\$ 1,005,040	\$ 2,063,237

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

**TOWN OF EAST BEND, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2020

	Major Fund General Fund	Total Non-major Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 725,017	\$ 82,832	\$ 807,849
Restricted cash and cash equivalents	6,053	-	6,053
Taxes receivable, net	38,184	-	38,184
Due from other funds	900	(900)	-
Due from other governments	46,262	-	46,262
Total assets	<u>816,416</u>	<u>81,932</u>	<u>898,348</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	<u>12,284</u>	<u>-</u>	<u>12,284</u>
Total liabilities	<u>12,284</u>	<u>-</u>	<u>12,284</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes receivable	<u>38,184</u>	<u>-</u>	<u>38,184</u>
Total deferred inflows of resources	<u>38,184</u>	<u>-</u>	<u>38,184</u>
<b>FUND BALANCES</b>			
Restricted:			
Stabilization by State Statute	46,262	-	46,262
Streets	6,053	-	6,053
Unassigned	<u>713,633</u>	<u>81,932</u>	<u>795,565</u>
Total fund balances	<u>765,948</u>	<u>81,932</u>	<u>847,880</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 816,416</u>	<u>\$ 81,932</u>	<u>\$ 898,348</u>

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

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

Gross capital assets at historical cost	\$ 575,782	
Accumulated depreciation	<u>(349,779)</u>	226,003

Deferred outflows of resources related to pensions are not reported in the funds 31,504

Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are inflows of resources in the funds 4,460

Earned revenues considered deferred inflows of resources in fund statements 19,205

Net pension liability (39,705)

Total pension liability (6,475)

Deferred inflows of resources related to pensions are not reported in the funds (19,433)

Liabilities for compensated absences are not due and payable in the current period and therefore are not included in the fund statements (5,242)

Net position of governmental activities \$ 1,058,197

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

**TOWN OF EAST BEND, NORTH CAROLINA****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2020

	<u>Major Fund</u>	<u>Total</u>	<u>Total</u>
	<u>General Fund</u>	<u>Non-major</u>	<u>Governmental</u>
		<u>Fund</u>	<u>Funds</u>
<b>REVENUES</b>			
Ad valorem taxes	\$ 226,184	\$ -	\$ 226,184
Unrestricted intergovernmental	158,768	-	158,768
Restricted intergovernmental	21,994	-	21,994
Investment earnings	2,150	-	2,150
Miscellaneous	4,812	81,402	86,214
Total revenues	<u>413,908</u>	<u>81,402</u>	<u>495,310</u>
<b>EXPENDITURES</b>			
Current:			
General government	94,786	-	94,786
Public safety	133,389	-	133,389
Transportation	55,255	-	55,255
Environmental protection	36,024	-	36,024
Cultural and recreation	6,500	10,470	16,970
Total expenditures	<u>325,954</u>	<u>10,470</u>	<u>336,424</u>
Excess of revenues over expenditures	87,954	70,932	158,886
Transfer to Park Fund	<u>(11,000)</u>	<u>11,000</u>	<u>-</u>
Net change in fund balance	76,954	81,932	158,886
Fund balances, beginning	<u>688,994</u>	<u>-</u>	<u>688,994</u>
Fund balances, ending	<u>\$ 765,948</u>	<u>\$ 81,932</u>	<u>\$ 847,880</u>

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

**TOWN OF EAST BEND, NORTH CAROLINA****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****GOVERNMENTAL FUNDS (CONTINUED)**

For the Year Ended June 30, 2020

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

Net changes in fund balances - total governmental funds		\$ 158,886
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital outlay expenditures which were capitalized	\$ 4,627	
Depreciation expense for governmental assets	<u>(16,206)</u>	(11,579)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		10,241
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in:		
Unavailable revenue for tax revenues		(3,750)
Interest on taxes receivable and loan		(731)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		
Change in compensated absences		(1,880)
Pension expense		<u>(17,219)</u>
Total changes in net position of governmental activities		<u>\$ 133,968</u>

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

**TOWN OF EAST BEND, NORTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2020**

	General Fund			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 198,580	\$ 198,580	\$ 226,184	\$ 27,604
Unrestricted intergovernmental	146,800	146,800	158,768	11,968
Restricted intergovernmental	21,500	21,500	21,994	494
Investment earnings	-	-	2,150	2,150
Miscellaneous	1,200	1,200	4,812	3,612
Total revenues	368,080	368,080	413,908	45,828
Expenditures:				
Current:				
General government	118,256	118,256	94,786	23,470
Public safety	147,972	147,972	133,389	14,583
Transportation	57,682	67,024	55,255	11,769
Environmental protection	37,670	37,670	36,024	1,646
Cultural and recreation	6,500	6,500	6,500	-
Total expenditures	368,080	377,422	325,954	51,468
Revenues over expenditures	-	(9,342)	87,954	97,296
Other financing sources(uses):				
Transfer to Park Fund	-	(11,000)	(11,000)	-
Fund balance appropriated	-	20,342	-	(20,342)
Total other financing sources (uses)	-	9,342	(11,000)	(20,342)
Revenues and other financing sources over expenditures	\$ -	-	76,954	\$ 76,954
Net change in fund balance			76,954	
Fund balances, beginning			688,994	
Fund balances, ending			\$ 765,948	

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

**TOWN OF EAST BEND, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
June 30, 2020

	<b>Water and Sewer Fund</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 329,098
Restricted cash and cash equivalents	11,070
Accounts receivable (net) - billed	55,418
Accounts receivables (net) - unbilled	<u>9,413</u>
Total current assets	<u>404,999</u>
Noncurrent assets:	
Capital assets:	
Land	3,350
Other capital assets, net of depreciation	<u>641,388</u>
Capital assets	<u>644,738</u>
Total noncurrent assets	<u>644,738</u>
Total assets	<u><u>\$ 1,049,737</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension deferrals	\$ 14,190
Total deferred outflows of resources	<u>14,190</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	24,685
Customer deposits	11,070
Compensated absences - current	<u>2,671</u>
Total current liabilities	<u>38,426</u>
Noncurrent liabilities:	
Net pension liability	<u>19,556</u>
Total liabilities	<u>57,982</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension deferrals	<u>905</u>
<b>NET POSITION</b>	
Net investment in capital assets	644,738
Unrestricted	<u>360,302</u>
Total net position	<u><u>\$ 1,005,040</u></u>

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

**TOWN OF EAST BEND, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
For the Year Ended June 30, 2020

	<b>Water and Sewer Fund</b>
<b>OPERATING REVENUES</b>	
Water and sewer charges	\$ 343,101
Other operating revenues	11,962
<b>Total operating revenues</b>	<u>355,063</u>
<b>OPERATING EXPENSES</b>	
Operating expenses:	
Water department	243,281
Sewer department	34,161
Depreciation	49,105
<b>Total operating expenses</b>	<u>326,547</u>
<b>Operating income</b>	<u>28,516</u>
<b>NONOPERATING REVENUES</b>	
Investment earnings	<u>431</u>
<b>Total nonoperating revenues</b>	<u>431</u>
<b>Change in net position</b>	28,947
<b>Total net position, previously reported</b>	<u>976,093</u>
<b>Total net position, ending</b>	<u><u>\$ 1,005,040</u></u>

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

**TOWN OF EAST BEND, NORTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
For the Fiscal Year Ended June 30, 2020

	<b>Water and Sewer Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 341,429
Cash paid for goods and services	(219,008)
Cash paid to or on behalf of employees for services	(59,931)
Customer deposits received	3,400
Customer deposits returned	(2,725)
Other operating revenues	11,962
Net cash provided by operating activities	<u>75,127</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Asset additions	<u>(10,956)</u>
Net cash used by capital and related financing activities	<u>(10,956)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	<u>431</u>
Net cash provided by investing activities	<u>431</u>
Net increase in cash and cash equivalents	64,602
Balances, beginning	<u>275,566</u>
Balances, ending	<u><u>\$ 340,168</u></u>
Reconciliation of operating earnings to net cash provided by operating activities	
Operating earnings	<u>\$ 28,516</u>
Adjustments to reconcile operating earnings to net cash provided by operating activities:	
Depreciation	49,105
Changes in assets and liabilities:	
Increase in accounts receivable	(1,672)
Increase in deferred outflows of resources - pensions	(3,334)
Increase in net pension liability	7,656
Decrease in deferred inflows of resources - pensions	(877)
Decrease in accounts payable and accrued liabilities	(5,465)
Increase in customer deposits	675
Increase in accrued vacation pay	523
Total adjustments	<u>46,611</u>
Net cash provided by operating activities	<u><u>\$ 75,127</u></u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**TOWN OF EAST BEND, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2020

---

**NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

The Town of East Bend is a municipal corporation which is governed by an elected mayor and a five-member council. As required by generally accepted accounting principles, these financial statements present the Town and its component unit, a legally separate entity for which the Town is financially accountable. There were no component units for which the Town was financially accountable at June 30, 2020.

**Basis of Presentation**

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

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 and investment earnings, result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

The Town reports the following governmental funds:

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

**Town Square Fund.** This fund is used to account for funds to construct a Town park.

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

**TOWN OF EAST BEND, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2020

---

**NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 and Proprietary Fund Financial Statements.* The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 fund are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for 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 nonoperating revenues and expenses.

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

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

**TOWN OF EAST BEND, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2020

---

**NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 East Bend because the tax is levied by Yadkin 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.

**Budgetary Data**

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Fund. All annual appropriations lapse at the fiscal year end.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$2,500. All amendments must be approved by the governing board. During the year, some amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers the time until the annual ordinance can be adopted.

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Equity**

**Deposits and Investments**

All deposits of the Town are made in board-designated official depositories and are secured as required by State law (G. S. 159-31). The Town may designate, as an official depository, any bank or savings and loan 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).

**Cash and Cash Equivalents**

The Town pools money from the general fund and the water and sewer fund 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.

**TOWN OF EAST BEND, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2020

---

**NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Restricted Assets**

Cash in the Water and Sewer Fund is restricted in the amount of \$11,070 for customer deposits. Powell Bill funds are also classified as restricted cash because they can be expended only for the purposes outlined in G.S. 136-41.1 through 136-41.4. Restricted cash relating to Powell Bill funds totaled \$6,053 at June 30, 2020.

**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, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2019. As allowed by State law, the Town has established a schedule of discounts that apply to taxes which are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

**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.

**Capital Assets**

Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings	20-40 years
Other improvements	5-40 years
Automotive equipment	5 years
Other equipment	3-10 years

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or

**TOWN OF EAST BEND, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2020

---

**NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

expenditure until then. The Town has one item that meets this criterion which is pension deferrals for the 2020 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has two items that meet the criterion for this category - property taxes receivable and pension deferrals.

**Long Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

**Compensated Absences**

The vacation policy of the Town provides for an accumulation of up to 80 hours earned vacation leave with such leave being fully vested when earned. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first in, first out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year had been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for an unlimited accumulation of 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 has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

**Net Position/Fund Balances**

**Net Position**

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

**Fund Balances**

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

The governmental fund types classify fund balances as follows:

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

**TOWN OF EAST BEND, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2020

---

**NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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 - portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town of East Bend's governing body (highest level of decision-making authority). Any changes or removal of specific purpose requires a majority action by the governing body.

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

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation.

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

**Defined Benefit Cost-Sharing Plans**

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

**TOWN OF EAST BEND, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2020

---

**NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

**NOTE B – DETAIL NOTES ON ALL FUNDS**

**Assets**

**Deposits**

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's 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 the Town's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G. S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2020, the Town's deposits had a carrying amount of \$1,153,710 and a bank balance of \$1,182,406. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered under the pooling method. At June 30, 2020, the Town's petty cash fund totaled \$360.

**Receivables – Allowances for Doubtful Accounts**

The amounts receivables presented in the Balance Sheet and the Statement of Net Position for the year June 30, 2020 are net of the following allowance for doubtful accounts:

General Fund - taxes receivable	\$ 18,979
Enterprise Fund - accounts receivable	<u>1,131</u>
Total	<u><u>\$ 20,110</u></u>

**TOWN OF EAST BEND, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2020

**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

**Capital Assets**

Capital asset activity for the Primary Government for the year ended June 30, 2020 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 151,103	\$ -	\$ -	\$ 151,103
Total capital assets not being depreciated	151,103	-	-	151,103
<b>Capital assets being depreciated:</b>				
Buildings	161,064	-	-	161,064
Other improvements	36,059	-	-	36,059
Automotive equipment	133,557	-	-	133,557
Other equipment	89,372	4,627	-	93,999
Total capital assets being depreciated	420,052	4,627	-	424,679
<b>Less accumulated depreciation for:</b>				
Buildings	112,394	3,715	-	116,109
Other improvements	28,967	747	-	29,714
Automotive equipment	115,026	7,725	-	122,751
Other equipment	77,186	4,019	-	81,205
Total accumulated depreciation	333,573	16,206	-	349,779
Total capital assets being depreciated, net	86,479			74,900
<b>Governmental activity capital assets, net</b>	<u>\$ 237,582</u>			<u>\$ 226,003</u>

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

General government	\$ 5,413
Public safety	9,527
Transportation	1,266
Total depreciation expense	<u>\$ 16,206</u>

**TOWN OF EAST BEND, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2020

**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 3,350	\$ -	\$ -	\$ 3,350
Total capital assets not being depreciated	3,350	-	-	3,350
<b>Capital assets being depreciated:</b>				
Building	97,836	-	-	97,836
Water and sewer system	1,449,271	-	-	1,449,271
Automotive equipment	19,000	-	-	19,000
Other equipment	56,555	10,956	-	67,511
Total capital assets being depreciated	1,622,662	10,956	-	1,633,618
<b>Less accumulated depreciation for:</b>				
Building	89,038	1,320	-	90,358
Water and sewer system	783,514	43,787	-	827,301
Automotive equipment	17,100	1,900	-	19,000
Other equipment	53,473	2,098	-	55,571
Total accumulated depreciation	943,125	49,105	-	992,230
Total capital assets being depreciated, net	679,537			641,388
<b>Water and Sewer fund capital assets, net</b>	682,887			644,738
<b>Business-type activity capital assets, net</b>	<u>\$ 682,887</u>			<u>\$ 644,738</u>

**Liabilities**

**Pension Plan and Postemployment Obligations**

**Local Governmental Employees' Retirement System**

**Plan Description.** The Town of East Bend is a participating employer in the statewide 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 governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410

**TOWN OF EAST BEND, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2020

---

**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at [www.osc.nc.gov](http://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 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 East 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 East Bend's contractually required contribution rate for the year ended June 30, 2020, was 9.70% of compensation for law enforcement officers and 9.06% 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 East Bend were \$15,382 for the year ended June 30, 2020.

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

**TOWN OF EAST BEND, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2020

**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

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

At June 30, 2020, the Town reported a liability of \$59,261 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2019, the Town's proportion was 0.00217% which was an increase of 0.00065% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Town recognized pension expense of \$10,440. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 10,147	\$ -
Changes of assumptions	9,659	-
Net difference between projected and actual earnings on pension plan investments	1,445	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	6,366	2,741
Town contributions subsequent to the measurement date	15,382	-
Total	<u>\$ 42,999</u>	<u>\$ 2,741</u>

\$15,382 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**TOWN OF EAST BEND, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2020

---

**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

**Year ended June 30:**

2021	\$	10,777
2022		3,732
2023		7,436
2024		2,931
2025		-
Thereafter		-

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

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation

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

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 are summarized in the following table:

**TOWN OF EAST BEND, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2020

**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

<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 2017 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Town's proportionate share of the net pension liability (asset)	\$ 135,541	\$ 59,261	\$ (4,143)

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

**TOWN OF EAST BEND, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2020

---

**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

**Law Enforcement Officers' Special Separation Allowance**

**Plan Description**

The Town of East Bend administers a public employee retirement system (the “*Separation Allowance*”), a single-employer defined benefit pension plan that provides retirement benefits to the Town’s qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2018, the Separation Allowance’s membership consisted of:

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

**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 and refunds are recognized when due and payable in accordance with the terms of the plan.

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

**Actuarial Assumptions**

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

Inflation	2.5 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.26 percent

**TOWN OF EAST BEND, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2020

---

**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018.

Mortality rates are based on the RP-2014 Mortality tables with adjustments for mortality improvements based on Scale AA.

**Contributions**

The Town is required by Article 12D of Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina

General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. No benefits came due for the reporting period.

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

At June 30, 2020, the Town reported a total pension liability of \$6,475. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the Town recognized pension income of \$17.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,783	\$ 16,769
Changes of assumptions	912	828
Benefit payments and plan administrative expense made subsequent to the measurement date	-	-
Total	<u>\$ 2,695</u>	<u>\$ 17,597</u>

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

**Year ended June 30:**

2021	\$ (2,628)
2022	(2,628)
2023	(2,628)
2024	(2,072)
2025	(1,966)
Thereafter	(2,980)

**TOWN OF EAST BEND, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2020

**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

**Sensitivity of the Town's total pension liability to changes in the discount rate**

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

	<b>1% Decrease (2.26%)</b>	<b>Discount Rate (3.26%)</b>	<b>1% Increase (4.26%)</b>
Total pension liability	\$ 7,752	\$ 6,475	\$ 5,395

**Schedule of Changes in Total Pension Liability**

**Law Enforcement Officers' Special Separation Allowance**

	<b>2020</b>
Beginning balance	\$ 19,774
Service cost	1,891
Interest on the total pension liability	720
Changes of benefit terms	-
Differences between expected and actual experience in the measurements of the total pension liability	(16,342)
Changes in assumptions or other inputs	432
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	<u>\$ 6,475</u>

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

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

**TOWN OF EAST BEND, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2020

**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

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

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

	LGERS	LEOSSA	Total
Pension expense	\$ 10,440	\$ (17)	\$ 10,423
Pension liability	59,261	6,475	65,736
Proportionate share of the net pension liability	0.00217%	n/a	
Deferred outflow of resources			
Differences between expected and actual experience	10,147	1,783	11,930
Changes in assumptions	9,659	912	10,571
Net difference between projected and actual earnings on plan investments	1,445	-	1,445
Changes in proportion and differences between contributions and proportionate share of contributions	6,366	-	6,366
Benefit payments and administrative costs paid subsequent to the measurement date	15,382	-	15,382
			-
Deferred inflows of resources			
Differences between expected and actual experience	-	16,769	16,769
Changes of assumptions	-	828	828
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	2,741	-	2,741

**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 Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. The 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 EAST BEND, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2020

---

**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

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

The town made contributions of \$3,156 for the reporting year. No amounts were forfeited.

**Other Employment Benefits**

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest month's salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because a death benefit payment is 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 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.

**Deferred Outflows and Inflows of Resources**

The Town has several deferred outflows of resources. Deferred outflows of resources is comprised of the following:

Contributions to pension plan in current fiscal year	\$ 15,382
Differences between expected and actual experience	11,930
Changes of assumptions	10,571
Net difference between projected and actual earnings on pension plan investments	1,445
Changes in proportion and differences between Town contributions and proportionate share of contributions	6,366
Total	<u><u>\$ 45,694</u></u>

**TOWN OF EAST BEND, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2020

**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

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

	Statement of Net Position	General Fund Balance Sheet
Taxes receivable (General Fund)	\$ -	\$ 38,184
Changes in assumptions	828	
Differences between expected and actual experience	16,769	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,741	-
Total	<u>\$ 20,338</u>	<u>\$ 38,184</u>

**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 has property, general liability, auto liability, worker's compensation and employee health coverages. The finance officer is individually bonded for \$50,000. There have been no significant reductions in insurance coverage in the prior year, and settled claims from these risks have not exceeded the commercial coverage in any of the past three fiscal years.

The Town does not carry flood insurance as the Town limits are not in a designated flood area.

**Long-Term Obligations**

At June 30, 2020, the Town had long-term obligations consisting of compensated absences. The Town has a legal debt margin of \$3,600,720.

**TOWN OF EAST BEND, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2020

**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

Changes in Long-Term Liabilities

During the year ended June 30, 2020, the following changes occurred in long-term liabilities:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental activities:					
Compensated absences	\$ 3,362	\$ 1,880	\$ -	\$ 5,242	\$ 5,242
Net pension liability (LGERS)	24,160	15,545	-	39,705	-
Total pension liability (LEO)	19,774	-	13,299	6,475	-
	<u>\$ 47,296</u>	<u>\$ 17,425</u>	<u>\$ 13,299</u>	<u>\$ 51,422</u>	<u>\$ 5,242</u>
Business-type activities:					
Compensated absences	\$ 2,148	\$ 523	\$ -	\$ 2,671	\$ 2,671
Net pension liability (LGERS)	11,900	7,656	-	19,556	-
Total business-type activities	<u>\$ 14,048</u>	<u>\$ 8,179</u>	<u>\$ -</u>	<u>\$ 22,227</u>	<u>\$ 2,671</u>

**NOTE C – JOINTLY GOVERNED ORGANIZATION**

The Town, in conjunction with twelve counties and seventy-three other municipalities established the Piedmont Triad Regional Council (PTRC). The participating governments established the PTRC to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the PTRC's governing board. The Town paid membership fees of \$650 to PTRC during the fiscal year ended June 30, 2020.

**NOTE D – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through December 8, 2020, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY  
FINANCIAL DATA**

---

This section contains additional information required by generally accepted accounting principles.

---

- Schedule of Proportionate Share of Net Pension Liability for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System
- Schedule of Changes in Total Pension Liability
- Schedule of Total Pension Liability as a Percentage of Covered Payroll

**TOWN OF EAST BEND, NORTH CAROLINA**  
**TOWN OF EAST BEND'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Last Seven Fiscal Years\***

<b>Local Government Employees' Retirement System</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Town of East Bend's proportion of the net pension liability (asset) (%)	0.00217%	0.00152%	0.00158%	0.00251%	0.00257%	0.00301%	0.00300%
Town of East Bend's proportion of the net pension liability (asset) (\$)	\$ 59,261	\$ 36,060	\$ 24,138	\$ 53,270	\$ 11,535	\$ (17,751)	\$ 36,162
Town of East Bend's covered payroll	\$ 156,885	\$ 159,717	\$ 155,798	\$ 172,576	\$ 159,697	\$ 122,403	\$ 127,581
Town of East Bend's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	37.77%	22.58%	15.49%	30.87%	7.22%	-14.50%	28.34%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	102.64%

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

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

**TOWN OF EAST BEND, NORTH CAROLINA**  
TOWN OF EAST BEND'S CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION  
Last Seven Fiscal Years

<b>Local Government Employees' Retirement System</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 15,382	\$ 11,201	\$ 10,154	\$ 9,268	\$ 8,959	\$ 8,971	\$ 8,791
Contributions in relation to the contractually required contribution	<u>15,382</u>	<u>11,201</u>	<u>10,154</u>	<u>9,268</u>	<u>8,959</u>	<u>8,971</u>	<u>8,791</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town of East Bend's covered-employee payroll	\$ 164,518	\$ 156,885	\$ 159,717	\$ 155,798	\$ 172,576	\$ 159,697	\$ 122,403
Contributions as a percentage of covered-employee payroll	9.35%	7.14%	6.36%	5.95%	5.19%	5.62%	7.18%

**TOWN OF EAST BEND, NORTH CAROLINA**  
**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY**  
June 30, 2020

<b>Law Enforcement Officers' Special Separation Allowance</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Beginning balance	\$ 19,774	\$ 16,396	\$ 19,094	\$ 17,774
Service cost	1,891	1,141	599	1,275
Interest on the total pension liability	720	518	737	635
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience in the measurement	(16,342)	2,537	(5,065)	-
Changes of assumptions or other inputs	432	(818)	1,031	(590)
Benefit payments	-	-	-	-
Other changes	-	-	-	-
Ending balance of the total pension liability	<u>\$ 6,475</u>	<u>\$ 19,774</u>	<u>\$ 16,396</u>	<u>\$ 19,094</u>

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

**TOWN OF EAST BEND, NORTH CAROLINA**  
**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL**  
June 30, 2020

<b>Law Enforcement Officers' Special Separation Allowance</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total pension liability	\$ 6,475	\$ 19,774	\$ 16,396	\$ 19,094
Covered payroll	59,686	67,661	68,040	66,423
Total pension liability as a percentage of covered payroll	10.85%	29.23%	24.10%	28.75%

Notes to the schedules:

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

## **INDIVIDUAL FUND STATEMENTS**

**TOWN OF EAST BEND, NORTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Ad valorem taxes:			
Current year, net of discounts	\$ -	\$ 210,286	\$ -
Prior years		11,814	
Penalties and interest		4,084	
Total	<u>198,580</u>	<u>226,184</u>	<u>27,604</u>
Unrestricted intergovernmental:			
Local option sales taxes		112,537	
Telecommunications sales tax		9,249	
Utility franchise tax		30,700	
Video franchise fee		3,274	
Solid waste disposal fee		453	
Beer and wine tax		2,555	
Total	<u>146,800</u>	<u>158,768</u>	<u>11,968</u>
Restricted intergovernmental:			
Powell Bill allocation	<u>21,500</u>	<u>21,994</u>	<u>494</u>
Investment earnings	<u>-</u>	<u>2,150</u>	<u>2,150</u>
Other revenues:			
Cablevision fees		1,083	
Court Fees		112	
Miscellaneous		3,617	
Total	<u>1,200</u>	<u>4,812</u>	<u>3,612</u>
Total revenues	<u>368,080</u>	<u>413,908</u>	<u>45,828</u>

(continued)

**TOWN OF EAST BEND, NORTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (CONTINUED)**  
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures:</b>			
General government:			
Administration:			
Salaries		35,049	
Employee benefits		8,511	
Professional services		16,409	
Telephone and postage		1,902	
Utilities		2,293	
Christmas lights		683	
Annual benefits		675	
Advertising		97	
Supplies and materials		2,393	
Dues and subscriptions		2,465	
Insurance and bonds		9,913	
Computer software fees		7,019	
Security		168	
Economic development		125	
Other departmental		69	
Total Administration	<u>109,561</u>	<u>87,771</u>	<u>21,790</u>
Public Buildings:			
Salaries		2,117	
Employee benefits		643	
Building maintenance		841	
Grounds maintenance		1,798	
Contracted services		1,448	
Security		168	
Total Public Buildings	<u>8,695</u>	<u>7,015</u>	<u>1,680</u>
Total General Government	<u>118,256</u>	<u>94,786</u>	<u>23,470</u>

(continued)

**TOWN OF EAST BEND, NORTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (CONTINUED)**  
For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Public safety:			
Salaries		79,548	
Employee benefits		27,599	
Computer software fees		3,220	
Telephone and postage		2,423	
Automotive supplies		11,585	
Other supplies		1,796	
Uniforms		2,336	
Security		168	
Other departmental		87	
Capital outlay		4,627	
Total public safety	147,972	133,389	14,583
<b>Expenditures (continued):</b>			
Transportation:			
Street department:			
Salaries		2,338	
Employee benefits		602	
Utilities		10,981	
Maintenance and repair		3,229	
Supplies and materials		5,006	
Contracted services		1,275	
Sidewalks		6,540	
	36,182	29,971	6,211
Powell Bill:			
Contracted services		21,784	
Sidewalks		3,500	
	30,842	25,284	5,558
Total transportation	67,024	55,255	11,769

(continued)

**TOWN OF EAST BEND, NORTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (CONTINUED)**  
For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Environmental protection:			
Sanitation:			
Salaries		3,981	
Employee benefits		1,209	
Contract labor		5,720	
Maintenance and repair		615	
Automotive and other supplies		1,622	
Landfill fees		12,895	
Supplies and materials		82	
Recycling fees		9,900	
Total environmental protection	37,670	36,024	1,646
Cultural and recreation:			
Library		5,000	
School		500	
Small town celebration		1,000	
Total	6,500	6,500	-
Total expenditures	377,422	325,954	51,468
Revenues over (under) expenditures	(9,342)	87,954	97,296
Other financing sources (uses):			
Transfer to Park Fund	(11,000)	(11,000)	-
Fund balance appropriated	20,342	-	(20,342)
Total other financing sources (uses)	9,342	(11,000)	(20,342)
Revenues and other financing sources over expenditures and other uses	\$ -	76,954	\$ 76,954
Less debt payment		-	
Net increase in fund balance		76,954	
Fund balances, beginning as previously reported		688,994	
Fund balances, ending		\$ 765,948	

**TOWN OF EAST BEND, NORTH CAROLINA**  
TOWN SQUARE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Donations	\$ -	\$ 80,622	\$ -
Miscellaneous		780	
Total revenues	<u>25,000</u>	<u>81,402</u>	<u>56,402</u>
<b>Expenditures</b>			
Supplies and materials		1,267	
Postage		257	
Contracted services		7,747	
Miscellaneous		1,199	
Total	<u>32,200</u>	<u>10,470</u>	<u>21,730</u>
Revenues over (under) expenditures	<u>(7,200)</u>	<u>70,932</u>	<u>78,132</u>
<b>Other financing sources (uses):</b>			
Transfer from General fund	11,000	11,000	-
Fund balance appropriated	<u>(3,800)</u>	<u>-</u>	<u>3,800</u>
Total other financing sources (uses)	<u>7,200</u>	<u>11,000</u>	<u>3,800</u>
Revenues and other financing sources over expenditures and other uses	<u>\$ -</u>	<u>81,932</u>	<u>\$ 81,932</u>
Net increase in fund balance		81,932	
Fund balances, beginning as previously reported		<u>-</u>	
Fund balances, ending		<u>\$ 81,932</u>	

TOWN OF EAST BEND, NORTH CAROLINA  
WATER AND SEWER FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP)  
For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Operating revenues:			
Water charges	\$ -	\$ 321,636	\$ -
Sewer charges		19,793	
Water reconnection and penalties		8,260	
Other operating revenues		3,702	
Total operating revenues	<u>348,500</u>	<u>353,391</u>	<u>4,891</u>
Nonoperating revenues:			
Interest earnings		431	
	<u>-</u>	<u>431</u>	<u>431</u>
Total revenues	<u>348,500</u>	<u>353,822</u>	<u>5,322</u>
<b>Expenditures:</b>			
Water:			
Salaries		60,651	
Employee benefits		17,889	
Dues and subscriptions		550	
Professional services		7,280	
Telephone and postage		2,414	
Utilities		413	
County water		133,076	
Maintenance and repairs		4,097	
Automotive supplies		2,238	
Supplies and materials		3,309	
Uniforms		627	
Insurance and bonds		4,732	
Security		168	
Other operating expenditures		1,869	
Capital outlay		7,100	
Total water operations	<u>306,625</u>	<u>246,413</u>	<u>60,212</u>
Sewer:			
Professional fees		8,773	
Telephone and postage		821	
Utilities		5,758	
Repairs and maintenance		2,865	
Supplies and chemicals		2,413	
Contracted services		12,354	
Permits		1,010	
Security		167	
Capital outlay		3,856	
Total sewer operations	<u>41,875</u>	<u>38,017</u>	<u>3,858</u>
Total expenditures	<u>348,500</u>	<u>284,430</u>	<u>64,070</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 69,392</u>	<u>\$ 69,392</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues over expenditures		\$ 69,392	
Reconciling items:			
Depreciation		(49,105)	
Increase in accounts receivable, net of allowance for doubtful accounts		1,672	
Capital outlay		10,956	
Increase in accrued vacation pay		(523)	
Increase in deferred outflows of resources - pension		3,334	
Increase in net pension liability		(7,656)	
Decrease in deferred inflows of resources - pensions		877	
Total reconciling items		<u>(40,445)</u>	
Change in net position		<u>\$ 28,947</u>	

## **OTHER SCHEDULES**

---

This section contains additional information on property taxes.

---

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

**TOWN OF EAST BEND, NORTH CAROLINA**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
June 30, 2020

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2019</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2020</u>
2019-2020	\$ -	\$ 225,704	\$ 218,000	\$ 7,704
2018-2019	10,576	-	2,795	7,781
2017-2018	9,660	-	4,325	5,335
2016-2017	3,106	-	449	2,657
2015-2016	3,998	-	2,877	1,121
2014-2015	1,287	-	463	824
2013-2014	7,387	-	172	7,215
2012-2013	3,633	-	171	3,462
2011-2012	1,644	-	382	1,262
2010-2011	972	-	149	823
2009-2010	1,845	-	1,845	-
	<u>\$ 44,108</u>	<u>\$ 225,704</u>	<u>\$ 231,628</u>	<u>38,184</u>
Less: allowance for uncollectible accounts:				
General Fund				<u>18,979</u>
Ad valorem taxes receivable - net				<u>\$ 19,205</u>
<u>Reconciliation to revenues:</u>				
Ad valorem taxes - General Fund				\$ 226,184
Reconciling items:				
Interest collected				(4,084)
Discounts and collection fees				7,055
Adjustments prior year taxes				628
Taxes written off				<u>1,845</u>
Total collections and credits				<u>\$ 231,628</u>

**TOWN OF EAST BEND, NORTH CAROLINA**  
**ANALYSIS OF CURRENT TAX LEVY**  
**TOWN-WIDE LEVY**  
For the Fiscal Year Ending June 30, 2020

	Town - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 45,140,800	0.50	\$ 225,704	\$ 198,802	\$ 26,902
Discoveries	-		-	-	-
Abatements	(131,800)		(659)	(659)	-
Total property valuation	<u>\$ 45,009,000</u>				
Net levy			225,045	198,143	26,902
Uncollected taxes at June 30, 2020			(7,704)	(7,704)	-
Current year's taxes collected			<u>\$ 217,341</u>	<u>\$ 190,439</u>	<u>\$ 26,902</u>
Current levy collection percentage			<u>96.58%</u>	<u>96.11%</u>	<u>100.00%</u>