

**FINANCIAL
HIGHLIGHTS
AUDIT
PERFORMED BY
BERNARD
ROBINSON &
COMPANY, L.L.P.**

**AS OF
JUNE 30, 2021**



**NEW
REQUIREMENTS
UNDER NORTH
CAROLINA
ADMINISTRATIVE
CODE**

FOR AUDITORS

- Report Financial Performance Indicators to the governing board.
- Notify the governing board to submit a response to the LGC if there are Financial Performance Indicators of Concern or if the audited financial statements included one or more significant deficiencies, material weaknesses or other findings.

**NEW
REQUIREMENTS
UNDER NORTH
CAROLINA
ADMINISTRATIVE
CODE**

FOR GOVERNING BODIES

- Submit a response to the LGC if there are Financial Performance Indicators of Concern or if the audited financial statements included one or more significant deficiencies, material weaknesses or other findings.

**AUDIT
OPINION,
SIGNIFICANT
DEFICIENCIES,
MATERIAL
WEAKNESSES
OR OTHER
FINDINGS**

AUDIT OPINION

Based on the audit, the basic financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the Town of Kure Beach as of June 30, 2021, the respective changes in financial position and cash flows 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.

**SIGNIFICANT DEFICIENCIES, MATERIAL
WEAKNESSES OR OTHER FINDINGS**

During the audit, no significant deficiencies, material weaknesses or other findings were identified.

FINANCIAL PERFORMANCE INDICATORS

GENERAL FUND

Fund Balance Available (FBA)

- FBA is an important reserve for local governments to provide cash flow during periods of declining revenues and to be used for emergencies and unforeseen expenditures.
- The calculation looks at fund balance available less Powell Bill. This number is then divided by the total expenditures.

FINANCIAL PERFORMANCE INDICATORS

GENERAL FUND

Fund Balance Available (FBA)

For municipalities with General Fund expenditures between \$1,000,000 and \$9,999,999:

Median FBA as a % of Expenditures	Minimum Thresholds FBA as a % of Expenditures	No. of Months FBA Using Annualized Expenditures	Kure Beach FBA as a % of Expenditures	Kure Beach No. of Months FBA Using Annualized Expenditures
63%	34%	4.08	92.6%	11.11

Fiscal Year	Kure Beach FBA as a % of Expenditures
2019	69.0%
2020	77.8%
2021	92.6%

FINANCIAL PERFORMANCE INDICATORS

WATER & SEWER FUND

Quick Ratio

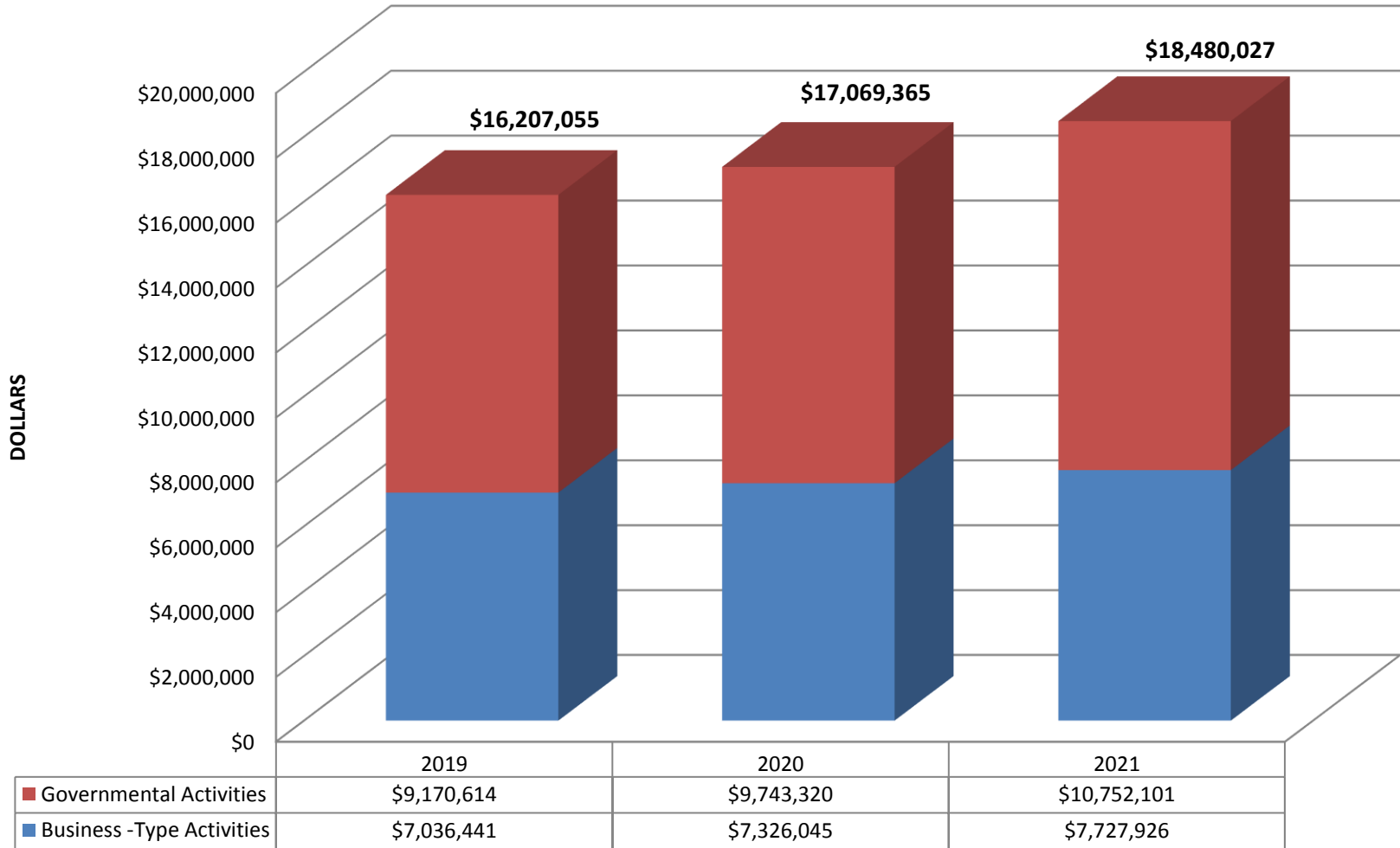
- Quick Ratio is a measure of short-term liquidity (the utility's ability to pay its current bills).
- It may be calculated as the ratio of unrestricted current assets to current liabilities.
- The industry accepted minimum benchmark for this ratio is 1, although utilities should strive to achieve a higher ratio for financial security.

FINANCIAL PERFORMANCE INDICATORS

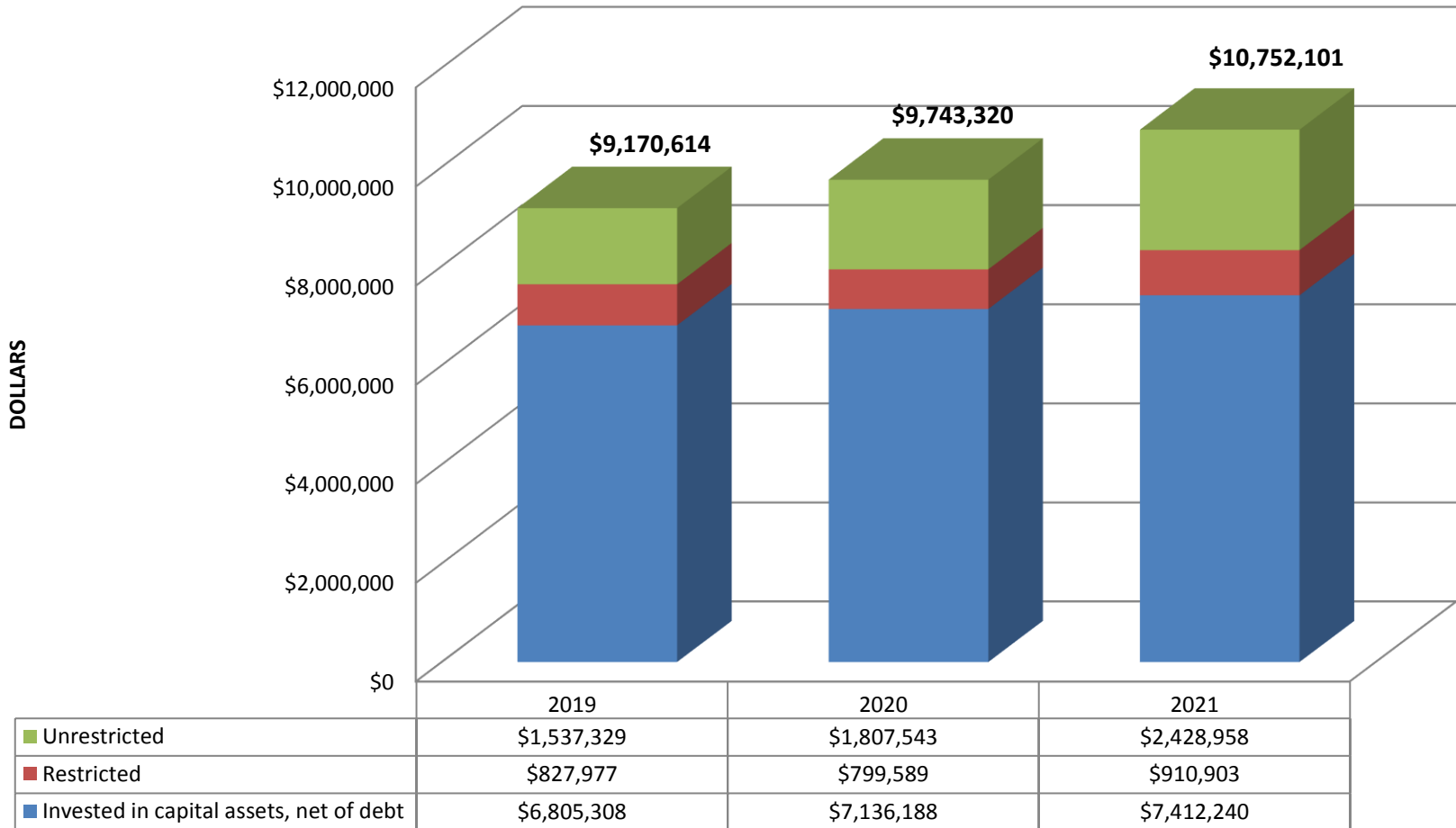
WATER & SEWER FUND

	Minimum Threshold	Kure Beach FY 2019	Kure Beach FY 2020	Kure Beach FY 2021
Quick Ratio	Equal to or Greater Than 1	7.58	6.12	6.44
Operating Net Income (Loss) Excluding Depreciation & Debt Service Principal	Greater Than Zero	\$274,876	\$285,390	\$352,198
Unrestricted Cash / Total Expenses Less Depreciation & Debt Service Principal	Greater Than 16%	115.8%	129.6%	133.3%

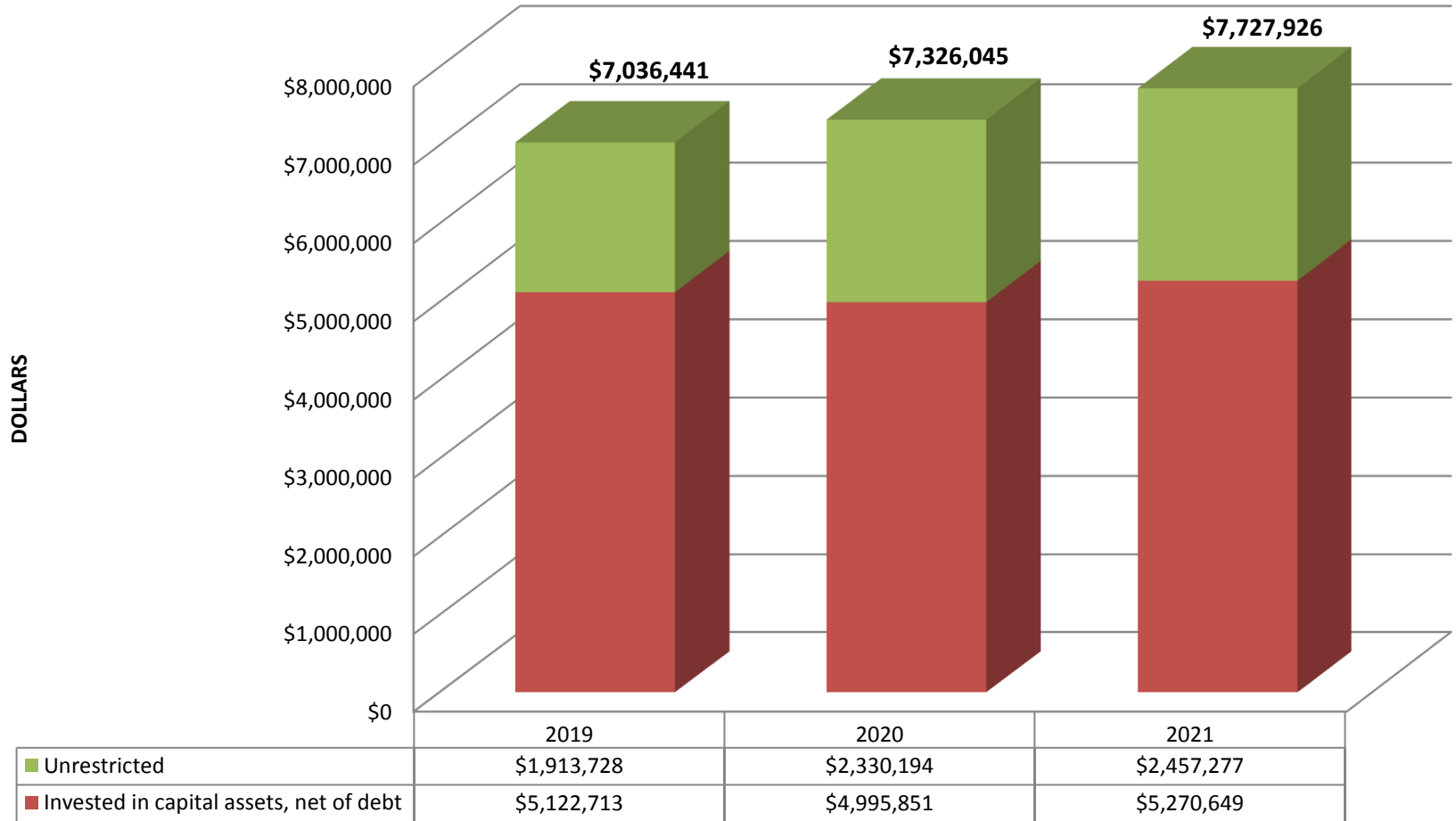
TOWN OF KURE BEACH TOTAL NET POSITION



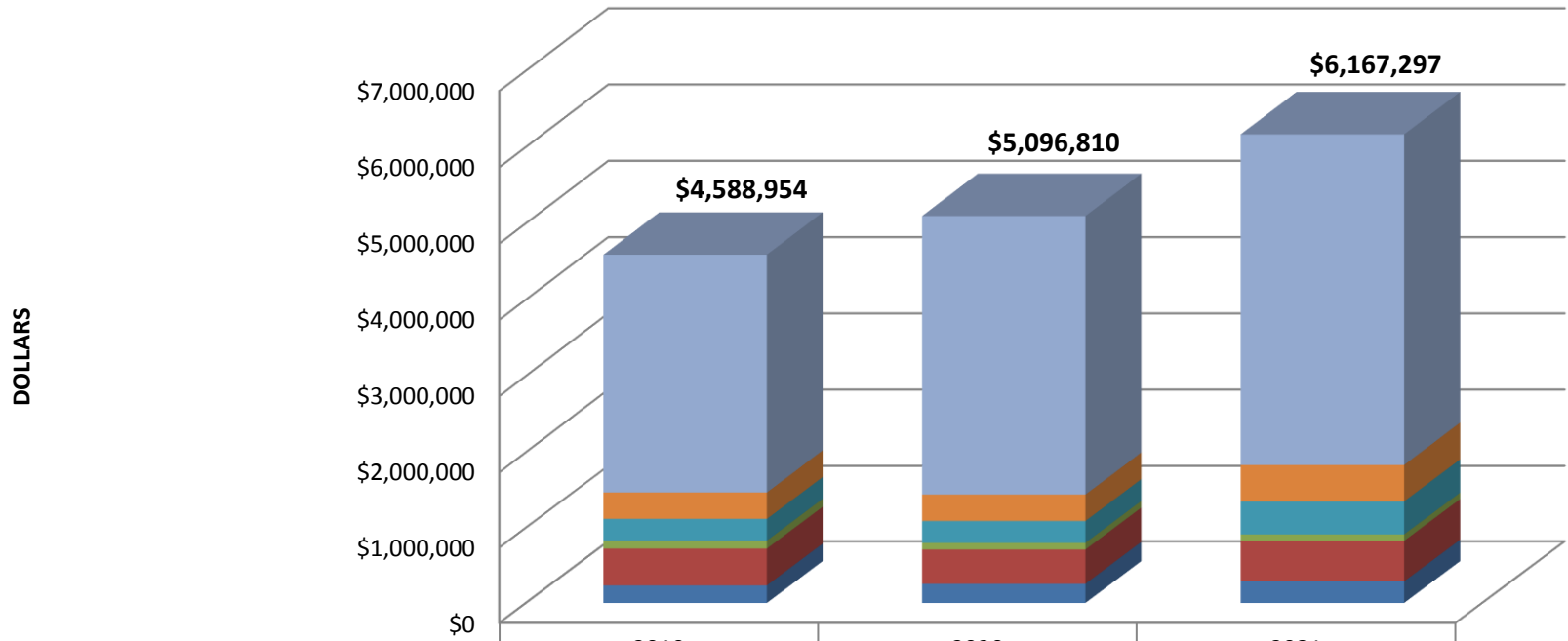
TOWN OF KURE BEACH GOVERNMENTAL ACTIVITIES NET POSITION



TOWN OF KURE BEACH BUSINESS-TYPE ACTIVITIES NET POSITION



**TOWN OF KURE BEACH
GOVERNMENTAL FUNDS
(General, Powell, Storm Water, Forfeiture, Beach Protection, Capital Projects)
FUND BALANCE**



	2019	2020	2021
Unassigned	\$3,119,557	\$3,655,801	\$4,335,032
Assigned - Beach Protection	\$351,597	\$351,597	\$481,020
Assigned - Storm Water	\$289,823	\$289,823	\$440,342
Restricted - Capital Projects	\$609	\$0	\$0
Restricted - Federal Asset Forfeitures	\$104,431	\$89,269	\$86,104
Restricted - State Statute	\$490,333	\$455,060	\$539,341
Restricted - Streets	\$232,604	\$255,260	\$285,458

**TOWN OF KURE BEACH
GOVERNMENTAL FUND BALANCE
(includes General, Storm Water, Powell, Beach Protection & Federal Asset Forfeiture)
June 30, 2021**

	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE – POSITIVE/ (NEGATIVE)
Total Revenue	\$6,235,365	\$6,840,049	\$604,684
Total Expenditures	<u>\$6,745,232</u>	<u>\$5,792,324</u>	<u>\$952,908</u>
Revenues over (under) expenditures	(\$509,867)	\$1,047,725	\$1,557,592
Other Financing Sources (Uses) & Transfers	\$277,500	\$22,762	(\$254,738)
Fund Balance Appropriation	<u>\$232,367</u>	<u>\$0</u>	<u>(\$232,367)</u>
Net Change in Fund Balance	<u>\$0</u>	\$1,070,487	<u>\$1,070,487</u>
Fund Balance, beginning		<u>\$5,096,810</u>	
Fund Balance, ending		<u>\$6,167,297</u>	

**TOWN OF KURE BEACH
WATER AND SEWER FUND (including SERF)
REVENUES, EXPENSES AND NET POSITION
JUNE 30, 2021**

	ACTUAL AMOUNTS
Total Operating Revenues	\$2,498,539
Total Operating Expenses	<u>\$2,078,262</u>
Operating Income	\$420,277
Total Non-Operating Revenue/(Expense)	<u>(\$18,396)</u>
Change in Net Position	\$401,881
Total Net Position, Beginning	\$7,326,045
Total Net Position, Ending	<u>\$7,727,926</u>