


# Town of Swansboro Audit Report Presentation

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*Gregory T. Redman, CPA*  
GTR



# Independent Auditor's Report

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## Opinion

In my opinion, based on my 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Swansboro, North Carolina as of June 30, 2023, 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.**

**“Unmodified Opinion”**

**Reference Page 1 of the Annual  
Comprehensive Financial Report**

## Government-Wide Financial Analysis

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 12,533,766	\$ 11,531,614	\$ 424,523	\$ 293,069	\$ 12,958,289	\$ 11,824,683
Capital and other noncurrent assets	6,650,498	6,733,814	228,757	258,974	6,879,255	6,992,788
Total assets	<u>\$ 19,184,264</u>	<u>\$ 18,265,428</u>	<u>\$ 653,280</u>	<u>\$ 552,043</u>	<u>\$ 19,837,544</u>	<u>\$ 18,817,471</u>
Deferred outflows of resources	<u>\$ 1,079,137</u>	<u>\$ 850,945</u>	<u>\$ 55,646</u>	<u>\$ 40,990</u>	<u>\$ 1,134,783</u>	<u>\$ 891,935</u>
Long-term liabilities	\$ 2,693,579	\$ 1,962,369	\$ 98,708	\$ 48,518	\$ 2,792,287	\$ 2,010,887
Other liabilities	7,687,609	7,593,321	57,580	32,799	7,745,189	7,626,120
Total liabilities	<u>\$ 10,381,188</u>	<u>\$ 9,555,690</u>	<u>\$ 156,288</u>	<u>\$ 81,317</u>	<u>\$ 10,537,476</u>	<u>\$ 9,637,007</u>
Deferred inflows of resources	<u>\$ 684,583</u>	<u>\$ 1,181,755</u>	<u>\$ 27,690</u>	<u>\$ 50,926</u>	<u>\$ 712,273</u>	<u>\$ 1,232,681</u>
Net position:						
Net investment in capital assets	\$ 5,648,992	\$ 5,573,365	\$ 228,757	\$ 258,974	\$ 5,877,749	\$ 5,832,339
Restricted	1,047,781	1,079,103	-	-	1,047,781	1,079,103
Unrestricted	2,500,857	1,726,460	296,191	201,816	2,797,048	1,928,276
Total net position	<u>\$ 9,197,630</u>	<u>\$ 8,378,928</u>	<u>\$ 524,948</u>	<u>\$ 460,790</u>	<u>\$ 9,722,578</u>	<u>\$ 8,839,718</u>

## Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 402,909	\$ 437,882	\$ 625,794	\$ 605,915	\$ 1,028,703	\$ 1,043,797
Operating grants and contributions	486,161	459,558	-	-	486,161	459,558
Capital grants and contributions	728,531	147,807	-	-	728,531	147,807
General revenues:						
Property taxes	2,441,160	1,893,788	-	-	2,441,160	1,893,788
Other taxes	120,925	102,690	-	-	120,925	102,690
Grants and contributions not restricted to specific programs	1,745,259	1,617,719	-	-	1,745,259	1,617,719
Other	141,269	54,199	86,510	10,035	227,779	64,234
Total revenues	<u>\$ 6,066,214</u>	<u>\$ 4,713,643</u>	<u>\$ 712,304</u>	<u>\$ 615,950</u>	<u>\$ 6,778,518</u>	<u>\$ 5,329,593</u>
Expenses:						
General government	\$ 986,279	\$ 924,517	\$ -	\$ -	\$ 986,279	\$ 924,517
Public safety	2,183,653	2,031,383	-	-	2,183,653	2,031,383
Transportation	391,538	430,280	-	-	391,538	430,280
Economic development	964,839	331,837	-	-	964,839	331,837
Environmental protection	-	-	-	-	-	-
Cultural and recreation	401,829	419,503	-	-	401,829	419,503
Other	308,153	297,584	-	-	308,153	297,584
Interest on long-term debt	8,993	2,657	-	-	8,993	2,657
Stormwater	-	-	218,147	122,200	218,147	122,200
Solid Waste	-	-	432,227	400,143	432,227	400,143
Total expenses	<u>\$ 5,245,284</u>	<u>\$ 4,437,761</u>	<u>\$ 650,374</u>	<u>\$ 522,343</u>	<u>\$ 5,895,658</u>	<u>\$ 4,960,104</u>
Increase in net position before transfers and special items	\$ 820,930	\$ 275,882	\$ 61,930	\$ 93,607	\$ 882,860	\$ 369,489
Transfers and special items	(2,228)	(70,154)	2,228	70,154	-	-
Increase in net position	\$ 818,702	\$ 205,728	\$ 64,158	\$ 163,761	\$ 882,860	\$ 369,489
Net position, July 1	8,378,928	8,173,200	460,790	297,029	8,839,718	8,470,229
Net position-beginning, restated	-	-	-	-	-	-
Net position, June 30	<u>\$ 9,197,630</u>	<u>\$ 8,378,928</u>	<u>\$ 524,948</u>	<u>\$ 460,790</u>	<u>\$ 9,722,578</u>	<u>\$ 8,839,718</u>

Reference Page 9 of the  
Annual Comprehensive  
Financial Report

# Balance Sheet Governmental Funds

**Town of Swansboro, North Carolina  
Balance Sheet  
Governmental Funds  
June 30, 2023**

	<u>Major Funds</u>		<u>Non-Major Funds</u>	<u>Total</u>
	<u>General</u>	<u>State Capital</u>	<u>Other</u>	
<b>Assets</b>				
Cash and cash equivalents	\$ 4,887,960	\$ -	\$ -	\$ 4,887,960
Restricted cash	83,026	5,988,665	1,094,922	7,166,613
Receivables, net:				
Taxes	44,823	-	-	44,823
Accounts	292,758	-	-	292,758
Leases	104,637	-	-	104,637
Grants	10,000	-	12,179	22,179
Due from other funds	-	-	-	-
Total Assets	<u>\$ 5,423,204</u>	<u>\$ 5,988,665</u>	<u>\$ 1,107,101</u>	<u>\$ 12,518,970</u>
<b>Liabilities</b>				
Liabilities payable from restricted assets	\$ -	\$ 5,980,480	\$ 365,851	\$ 6,346,331
Accounts payable and accrued liabilities	894,848	1,240	72,416	968,504
Other liabilities	63,679	-	-	63,679
Total Liabilities	<u>\$ 958,527</u>	<u>\$ 5,981,720</u>	<u>\$ 438,267</u>	<u>\$ 7,378,514</u>
<b>Deferred Inflows of Resources</b>				
Property taxes receivable	\$ 44,823	\$ -	\$ -	\$ 44,823
Leases	103,297	-	-	103,297
Total Deferred Inflows of Resources	<u>\$ 148,120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,120</u>
<b>Fund Balances</b>				
Nonspendable:				
Leases receivable, net	\$ 1,340	\$ -	\$ -	\$ 1,340
Restricted:				
Stabilization by State Statute	304,098	-	-	304,098
Streets	67,904	-	-	67,904
Capital improvements	-	6,945	668,834	675,779
Assigned:				
Subsequent year's expenditures	385,883	-	-	385,883
Unassigned	3,557,332	-	-	3,557,332
Total Fund Balances	<u>\$ 4,316,557</u>	<u>\$ 6,945</u>	<u>\$ 668,834</u>	<u>\$ 4,992,336</u>
Total Liabilities, Deferred Inflows of Resources, And Fund Balances	<u>\$ 5,423,204</u>	<u>\$ 5,988,665</u>	<u>\$ 1,107,101</u>	<u>\$ 12,518,970</u>

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Annual Comprehensive  
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## Unassigned Fund Balance as a Percentage of Total General Fund Expenditures

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	<u>2023</u>	<u>2022</u>
Unassigned fund balance	\$ 3,557,332	\$ 2,976,642
Total General Fund expenditures	4,363,376	4,306,320
Unassigned fund balance as a Percentage of Total General Fund expenditures	82%	69%
LGC recommended amount	34%	34%
Average of similar-sized towns	63%	63%

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the Annual Comprehensive  
Financial Report

# Statement of Net Positions Proprietary Funds

Town of Swansboro, North Carolina  
Statement of Net Position  
Proprietary Funds  
June 30, 2023

	<b>Major Enterprise Funds</b>		
	<b>Stormwater</b>	<b>Solid Waste</b>	<b>Totals</b>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 90,393	\$ 196,213	\$ 286,606
Accounts receivable (net)	137,917	-	137,917
Due from other funds	-	-	-
Total Current Assets	<u>\$ 228,310</u>	<u>\$ 196,213</u>	<u>\$ 424,523</u>
Noncurrent assets:			
Capital assets:			
Land and other non-depreciable assets	-	-	-
Other capital assets, net of depreciation	92,555	136,202	228,757
Capital assets (net)	<u>\$ 92,555</u>	<u>\$ 136,202</u>	<u>\$ 228,757</u>
Total Assets	<u>\$ 320,865</u>	<u>\$ 332,415</u>	<u>\$ 653,280</u>
<b>Deferred Outflows of Resources</b>			
Pension deferrals	<u>\$ 27,823</u>	<u>\$ 27,823</u>	<u>\$ 55,646</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable - trade	\$ 20,205	\$ 35,700	\$ 55,905
Due to other funds	-	-	-
Customer deposits	-	-	-
Compensated absences - current	837	838	1,675
Total Current Liabilities	<u>\$ 21,042</u>	<u>\$ 36,538</u>	<u>\$ 57,580</u>
Noncurrent liabilities:			
Compensated absences	\$ 1,556	\$ 1,554	\$ 3,110
Net pension liability	37,064	37,064	74,128
Total OPEB liability	10,735	10,735	21,470
Total non-current liabilities	<u>\$ 49,355</u>	<u>\$ 49,353</u>	<u>\$ 98,708</u>
Total Liabilities	<u>\$ 70,397</u>	<u>\$ 85,891</u>	<u>\$ 156,288</u>
<b>Deferred Inflows of Resources</b>			
Pension deferrals	<u>\$ 13,845</u>	<u>\$ 13,845</u>	<u>\$ 27,690</u>
<b>Net Position</b>			
Net investment in capital assets	\$ 92,555	\$ 136,202	\$ 228,757
Restricted net position	-	-	-
Unrestricted net position	171,891	124,300	296,191
Total Net Position	<u>\$ 264,446</u>	<u>\$ 260,502</u>	<u>\$ 524,948</u>

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# Statement of Revenues, Expenses, And Changes in Fund Net Position Proprietary Funds

**Town of Swansboro, North Carolina  
Statement of Revenues, Expenses, And Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2023**

	<b>Major Enterprise Funds</b>		
	<b>Stormwater</b>	<b>Solid Waste</b>	<b>Totals</b>
<b>Operating Revenues</b>			
Charges for services	\$ 156,725	\$ 469,069	\$ 625,794
Other operating revenues	-	-	-
Total Operating Revenues	<u>\$ 156,725</u>	<u>\$ 469,069</u>	<u>\$ 625,794</u>
<b>Operating Expenses</b>			
Administration	\$ -	\$ -	\$ -
Stormwater operations	207,708	-	207,708
Solid waste operations	-	412,449	412,449
Depreciation	10,439	19,778	30,217
Total Operating Expenses	<u>\$ 218,147</u>	<u>\$ 432,227</u>	<u>\$ 650,374</u>
Operating income (loss)	<u>\$ (61,422)</u>	<u>\$ 36,842</u>	<u>\$ (24,580)</u>
<b>Non-operating Revenues (Expenses)</b>			
Investment earnings	\$ -	\$ -	\$ -
State and local grants	86,510	-	86,510
Total Non-operating Revenues (expenses)	<u>\$ 86,510</u>	<u>\$ -</u>	<u>\$ 86,510</u>
<b>Income (loss) before contributions and transfers</b>	<u>\$ 25,088</u>	<u>\$ 36,842</u>	<u>\$ 61,930</u>
Capital contributions	-	-	-
Transfers from other funds	2,228	-	2,228
Transfers to other funds	-	-	-
Change in net position	<u>\$ 27,316</u>	<u>\$ 36,842</u>	<u>\$ 64,158</u>
Net position, beginning	<u>237,130</u>	<u>223,660</u>	<u>460,790</u>
Net position, ending	<u><u>\$ 264,446</u></u>	<u><u>\$ 260,502</u></u>	<u><u>\$ 524,948</u></u>

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## Changes in Long-term Liabilities

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	Beginning			Ending	Current
	Balance	Increases	Decreases	Balance	Portion of
Governmental Activities:					Balance
Notes from direct placements	\$ 1,160,449	\$ -	\$ 247,375	\$ 913,074	\$ 251,392
Subscription liability	-	88,432	-	88,432	22,108
Total pension liability (LEO)	86,581	-	16,473	70,108	-
Net pension liability (LGERS)	365,977	-	(1,042,462)	1,408,439	-
Total OPEB liability	520,850	-	112,930	407,920	-
Compensated absences	116,748	90,249	85,296	121,701	42,595
Total	<u>\$ 2,250,605</u>	<u>\$ 178,681</u>	<u>\$ (580,388)</u>	<u>\$ 3,009,674</u>	<u>\$ 316,095</u>

	Beginning			Ending	Current
	Balance	Increases	Decreases	Balance	Portion of
Business-type Activities:					Balance
Net pension liability (LGERS)	\$ 19,262	\$ 54,866	\$ -	\$ 74,128	\$ -
Total OPEB liability	27,413	-	5,943	21,470	-
Compensated absences	2,835	4,207	2,257	4,785	1,675
Total	<u>\$ 49,510</u>	<u>\$ 59,073</u>	<u>\$ 8,200</u>	<u>\$ 100,383</u>	<u>\$ 1,675</u>

# Analysis of Current Tax Levy

**Town of Swansboro, North Carolina**  
**Analysis of Current Tax Levy**  
**Town-wide Levy**  
**For the Fiscal Year Ended June 30, 2023**

	Town-wide		Total Levy		
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 645,366,000	0.35	\$ 2,258,781	\$ 2,258,781	\$ -
Registered motor vehicles taxed at current rate	<u>53,170,000</u>	0.35	<u>186,095</u>	<u>-</u>	<u>186,095</u>
Total property valuation	<u>\$ 698,536,000</u>				
Net levy			\$ 2,444,876	\$ 2,258,781	\$ 186,095
Unpaid (by taxpayer) at June 30, 2023			<u>(31,747)</u>	<u>(31,747)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 2,413,129</u>	<u>\$ 2,227,034</u>	<u>\$ 186,095</u>
Current levy collection percentage			<u>98.70%</u>	<u>98.59%</u>	<u>100.00%</u>

Reference Page 90 of the Annual Comprehensive Financial Report

# Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with “Government Auditing Standards”

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## Compliance and Other Matters

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