

Town of Swansboro Audit Report Presentation

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GTR



Independent Auditor's Report

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, 2024, 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 Audit Report

Balance Sheet - Governmental Funds

	Major Funds		Non-Major Funds	Total Governmental Funds
	General Fund	State Capital Infrastructure Fund	Other Governmental Funds	
Assets				
Cash and cash equivalents	\$ 5,039,721	\$ -	\$ -	\$ 5,039,721
Restricted cash	179,121	6,155,475	1,069,248	7,403,844
Receivables, net:				
Taxes	45,485	-	-	45,485
Accounts	287,828	-	-	287,828
Leases	131,510	-	-	131,510
Grants	35,000	-	19,050	54,050
Due from other funds	-	-	-	-
Total Assets	<u>\$ 5,718,665</u>	<u>\$ 6,155,475</u>	<u>\$ 1,088,298</u>	<u>\$ 12,962,438</u>
Liabilities				
Liabilities payable from restricted assets	\$ -	\$ 5,980,481	\$ 207,033	\$ 6,187,514
Accounts payable and accrued liabilities	228,449	-	34,112	262,561
Due to other funds	-	-	-	-
Other liabilities	250,633	-	-	250,633
Total Liabilities	<u>\$ 479,082</u>	<u>\$ 5,980,481</u>	<u>\$ 241,145</u>	<u>\$ 6,700,708</u>
Deferred Inflows of Resources				
Property taxes receivable	\$ 45,485	\$ -	\$ -	\$ 45,485
Leases	131,510	-	-	131,510
Total Deferred Inflows of Resources	<u>\$ 176,995</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,995</u>
Fund Balances				
Restricted:				
Stabilization by State Statute	\$ 322,828	\$ -	\$ -	\$ 322,828
Streets	163,870	-	-	163,870
Capital improvements	-	174,994	847,153	1,022,147
Assigned:				
Subsequent year's expenditures	723,569	-	-	723,569
Unassigned	3,852,321	-	-	3,852,321
Total Fund Balances	<u>\$ 5,062,588</u>	<u>\$ 174,994</u>	<u>\$ 847,153</u>	<u>\$ 6,084,735</u>
Total Liabilities, Deferred Inflows of Resources, And Fund Balances	<u>\$ 5,718,665</u>	<u>\$ 6,155,475</u>	<u>\$ 1,088,298</u>	<u>\$ 12,962,438</u>

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the Audit Report

Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds

	Major		Non-Major Funds	Total Governmental Funds
	General Fund	State Capital Infrastructure Fund	Other Governmental Funds	
Revenues				
Ad valorem taxes	\$ 2,570,550	\$ -	\$ -	\$ 2,570,550
Other taxes and licenses	121,780	-	-	121,780
Unrestricted intergovernmental	1,869,631	-	-	1,869,631
Restricted intergovernmental	618,520	-	232,289	850,809
Permits and fees	432,941	-	-	432,941
Sales and services	490	-	-	490
Investment earnings	308,660	168,611	-	477,271
Miscellaneous	72,491	-	-	72,491
Contributions	804	-	-	804
Total Revenues	<u>\$ 5,995,867</u>	<u>\$ 168,611</u>	<u>\$ 232,289</u>	<u>\$ 6,396,767</u>
Expenditures				
Current:				
General government	\$ 1,032,159	\$ -	\$ -	\$ 1,032,159
Public safety	2,638,214	-	-	2,638,214
Transportation	297,575	-	-	297,575
Economic development	327,777	562	328,984	657,323
Cultural and recreational	321,594	-	-	321,594
Non-departmental	324,439	-	-	324,439
Debt service:				
Principal	251,392	-	-	251,392
Interest and other charges	5,732	-	-	5,732
Total Expenditures	<u>\$ 5,198,882</u>	<u>\$ 562</u>	<u>\$ 328,984</u>	<u>\$ 5,528,428</u>
Excess (Deficiency) Of Revenues	<u>\$ 796,985</u>	<u>\$ 168,049</u>	<u>\$ (96,695)</u>	<u>\$ 868,339</u>
Other Financing Sources (Uses)				
Loan issuance	\$ 254,500	\$ -	\$ -	\$ 254,500
Transfers in:				
Capital projects	6,166	-	-	6,166
General fund	-	-	296,180	296,180
Transfers out:				
Capital projects	(311,180)	-	-	(311,180)
Other	(440)	-	(21,166)	(21,606)
Total Other Financing Sources And Uses	<u>\$ (50,954)</u>	<u>\$ -</u>	<u>\$ 275,014</u>	<u>\$ 224,060</u>
Net Change In Fund Balance	\$ 746,031	\$ 168,049	\$ 178,319	\$ 1,092,399
Fund balances, beginning	4,316,557	6,945	668,834	4,992,336
Fund balances, ending	<u>\$ 5,062,588</u>	<u>\$ 174,994</u>	<u>\$ 847,153</u>	<u>\$ 6,084,735</u>

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Unassigned Fund Balance as a Percentage of Total General Fund Expenditures

	2024	2023
Unassigned fund balance	\$ 3,852,321	\$ 3,557,332
Total General Fund expenditures	5,198,882	4,363,376
Unassigned fund balance as a Percentage of Total General Fund expenditures	74%	82%
Unassigned fund balance at 6/30/24 as a percentage of 2024/2025 budgeted expenditures (\$7,498,704)	51%	0%
LGC recommended amount	34%	34%
Average of similar-sized towns	63%	63%

Reference page 18 and 20 of the Audit Report

Statement of Net Positions - Proprietary Funds

	Major Enterprise Funds		
	Stormwater Fund	Solid Waste Fund	Totals
Assets			
Current assets:			
Cash and cash equivalents	\$ 163,325	\$ 228,262	\$ 391,587
Accounts receivable (net)	164,065	-	164,065
Due from other funds	-	-	-
Total Current Assets	<u>\$ 327,390</u>	<u>\$ 228,262</u>	<u>\$ 555,652</u>
Noncurrent assets:			
Capital assets:			
Land and other non-depreciable assets	-	-	-
Other capital assets, net of depreciation	70,131	97,255	167,386
Capital assets (net)	<u>\$ 70,131</u>	<u>\$ 97,255</u>	<u>\$ 167,386</u>
Total Assets	<u>\$ 397,521</u>	<u>\$ 325,517</u>	<u>\$ 723,038</u>
Deferred Outflows of Resources			
Pension deferrals	<u>\$ 29,534</u>	<u>\$ 29,534</u>	<u>\$ 59,068</u>
Liabilities			
Current liabilities:			
Accounts payable - trade	\$ 7,208	\$ 30,419	\$ 37,627
Due to other funds	-	-	-
Customer deposits	-	-	-
Compensated absences - current	1,256	1,256	2,512
Total Current Liabilities	<u>\$ 8,464</u>	<u>\$ 31,675</u>	<u>\$ 40,139</u>
Noncurrent liabilities:			
Compensated absences	\$ 2,333	\$ 2,333	\$ 4,666
Net pension liability	42,259	42,259	84,518
Total OPEB liability	9,798	9,798	19,596
Total non-current liabilities	<u>\$ 54,390</u>	<u>\$ 54,390</u>	<u>\$ 108,780</u>
Total Liabilities	<u>\$ 62,854</u>	<u>\$ 86,065</u>	<u>\$ 148,919</u>
Deferred Inflows of Resources			
Pension deferrals	<u>\$ 14,432</u>	<u>\$ 14,432</u>	<u>\$ 28,864</u>
Net Position			
Net investment in capital assets	\$ 70,131	\$ 97,255	\$ 167,386
Restricted net position	-	-	-
Unrestricted net position	279,638	157,299	436,937
Total Net Position	<u>\$ 349,769</u>	<u>\$ 254,554</u>	<u>\$ 604,323</u>

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

	Major Enterprise Funds		
	Stormwater Fund	Solid Waste Fund	Totals
Operating Revenues			
Charges for services	\$ 193,981	\$ 478,486	\$ 672,467
Other operating revenues		-	-
Total Operating Revenues	<u>\$ 193,981</u>	<u>\$ 478,486</u>	<u>\$ 672,467</u>
Operating Expenses			
Administration	\$ -	\$ -	\$ -
Stormwater operations	103,381	-	103,381
Solid waste operations	-	433,641	433,641
Depreciation	16,391	44,980	61,371
Total Operating Expenses	<u>\$ 119,772</u>	<u>\$ 478,621</u>	<u>\$ 598,393</u>
Operating income (loss)	<u>\$ 74,209</u>	<u>\$ (135)</u>	<u>\$ 74,074</u>
Non-operating Revenues (Expenses)			
Investment earnings	\$ -	\$ -	\$ -
State and local grants	4,861	-	4,861
Total Non-operating Revenues (expenses)	<u>\$ 4,861</u>	<u>\$ -</u>	<u>\$ 4,861</u>
Income (loss) before contributions and transfers	<u>\$ 79,070</u>	<u>\$ (135)</u>	<u>\$ 78,935</u>
Capital contributions	-	-	-
Transfers from other funds	6,253	220	6,473
Transfers to other funds	-	(6,033)	(6,033)
Change in net position	<u>\$ 85,323</u>	<u>\$ (5,948)</u>	<u>\$ 79,375</u>
Net position, beginning	<u>264,446</u>	<u>260,502</u>	<u>524,948</u>
Net position, ending	<u><u>\$ 349,769</u></u>	<u><u>\$ 254,554</u></u>	<u><u>\$ 604,323</u></u>

Reference page 24
of the Audit Report

Changes in Long-term Liabilities

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental Activities:					
Notes from direct placements	\$ 913,074	\$ 254,500	\$ 251,392	\$ 916,182	\$ 301,726
Subscription liability	88,432	-	50,040	38,392	38,392
Total pension liability (LEO)	70,108	9,828	-	79,936	-
Net pension liability (LGERS)	1,408,439	197,388	-	1,605,827	-
Total OPEB liability	407,920	-	35,594	372,326	-
Compensated absences	121,701	114,915	111,600	125,016	43,756
Total	<u>\$ 3,009,674</u>	<u>\$ 576,631</u>	<u>\$ 448,626</u>	<u>\$ 3,137,679</u>	<u>\$ 383,874</u>

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Business-type Activities:					
Net pension liability (LGERS)	\$ 74,128	\$ 10,389	\$ -	\$ 84,517	\$ -
Total OPEB liability	21,470	-	1,874	19,596	-
Compensated absences	4,785	4,595	2,203	7,177	2,512
Total	<u>\$ 100,383</u>	<u>\$ 14,984</u>	<u>\$ 4,077</u>	<u>\$ 111,290</u>	<u>\$ 2,512</u>

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Analysis of Current Tax Levy

	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	\$ 678,432,000	0.35	\$ 2,374,512	\$ 2,374,512	\$ -
Registered motor vehicles taxed at current rate	<u>57,674,571</u>	0.35	<u>201,861</u>	<u>-</u>	<u>201,861</u>
Total property valuation	<u>\$ 736,106,571</u>				
Net levy			\$ 2,576,373	\$ 2,374,512	\$ 201,861
Unpaid (by taxpayer) at June 30, 2024			<u>(32,467)</u>	<u>(32,467)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 2,543,906</u>	<u>\$ 2,342,045</u>	<u>\$ 201,861</u>
Current levy collection percentage			<u>98.74%</u>	<u>98.63%</u>	<u>100.00%</u>

Reference page 90 of the Audit 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”

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*.