

**TOWN OF SWANSBORO  
NORTH CAROLINA**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED JUNE 30, 2024**

**GREGORY T. REDMAN, CPA  
TARBORO, NORTH CAROLINA**

Financial Statements  
Town of Swansboro  
Swansboro, North Carolina

Board of Commissioners

John Davis, Mayor  
William Justice, Mayor Pro Tem  
Joseph Brown  
Jeff Conaway  
Douglas Eckendorf  
Patricia Turner

Administrative Staff

Jonathan Barlow, Town Manager  
Sonia Johnson, Finance Director

**Town of Swansboro, North Carolina**  
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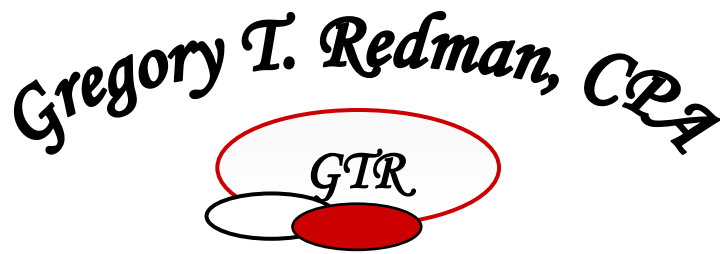
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## **Financial Section**



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## Independent Auditor's Report

To the Honorable Mayor and  
Members of the Board of Commissioners  
Swansboro, North Carolina

### Report on the Audit of Financial Statements

#### *Opinion*

I have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Town of Swansboro, North Carolina as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Town of Swansboro, North Carolina's basic financial statements as listed in the table of contents.

In my opinion, based on my audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of Town of Swansboro, North Carolina as of June 30, 2024, and the respective changes in financial position, cash flows, and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Town of Swansboro, North Carolina and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Responsibilities of Management for the Audit of 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Swansboro, North Carolina's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, I:

- Exercised professional judgment and maintained professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Swansboro, North Carolina's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events considered in the aggregate that raise substantial doubt about the Town of Swansboro, North Carolina's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis Other Postemployment Benefits' Schedules of Changes in Total OPEB Liability and Related Ratios, Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability, and Total Pension Liability as a Percentage of Covered Payroll be presented to supplement the basic financial statements. Such



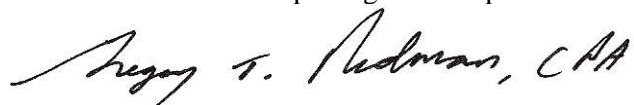
information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

#### Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Swansboro, North Carolina's basic financial statements. The combining and individual fund financial statements, budgetary schedules, and other schedules are presented purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 my opinion based on my audit the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued my report dated October 30, 2024, on my consideration of the Town of Swansboro, North Carolina's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Swansboro, North Carolina's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Swansboro, North Carolina's internal control over financial reporting and compliance.



Tarboro, North Carolina  
October 30, 2024

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

## Management's Discussion and Analysis

As management of the Town of Swansboro, we offer readers of the Town of Swansboro's financial statements this narrative overview and analysis of the financial activities of the Town of Swansboro for the fiscal year ended June 30, 2024. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

### Financial Highlights

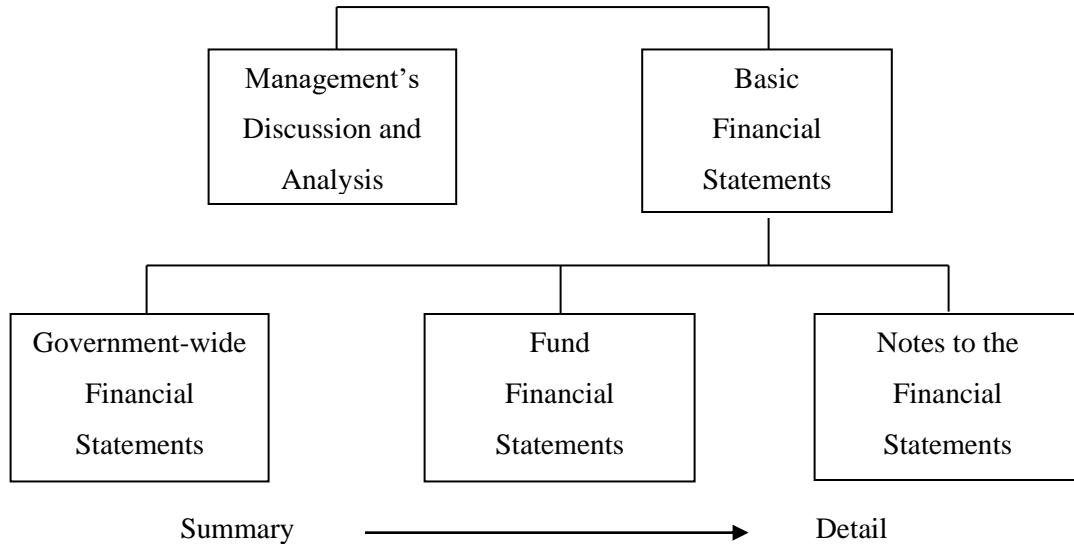
Highlights of the Town's fiscal year ended June 30, 2024 include:

- The assets and deferred outflows of resources of the Town of Swansboro exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$10,514,772 (*net position*)
- The government's total net position increased by \$792,194.
- As of the close of the current fiscal year, the Town of Swansboro's governmental funds reported combined ending fund balances of \$6,084,735, an increase of \$1,092,399 in comparison with the prior year. Approximately 63 percent of this total amount, or \$3,852,321 is unassigned and available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,852,321, or 74 percent of total general fund expenditures for the fiscal year.
- Property and sales taxes are the two largest sources of revenues within the Town's governmental fund.
- The Town has achieved the Certificate of Achievement for Excellence in Financial Reporting for the 28th consecutive year.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Swansboro's basic financial statements. The Town's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town 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 Swansboro.

### Required Components of Annual Financial Report



#### Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements (Exhibits 3 through 5-A) 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 about the Net Pension Liability, Law Enforcement Officer's Special Separation Allowance, and the Town's Health Care Plan. A section follows 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.

#### 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.

Management Discussion and Analysis  
Town of Swansboro

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 three categories: 1) governmental activities and 2) business-type activities; and 3) component units. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes, other taxes, and intergovernmental revenues principally support these activities. The business-type activities are those that the Town charges customers to provide. These include stormwater and solid waste services offered by the Town of Swansboro. The final category is the component unit. Although legally separate from the Town, the Swansboro Tourism Development Authority is important to the Town. The Town exercises control over the Authority by appointing its members and the Town is responsible for the collection and accounting of all funds remitted to or disbursed by the Authority.

The government-wide financial statements are on 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 Swansboro, 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 Swansboro 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.

Management Discussion and Analysis  
Town of Swansboro

The Town of Swansboro 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. Because the Town's budgetary basis of accounting does not differ from the modified accrual basis used in the funds statements, reconciliation is not necessary at the end of the statement.

**Proprietary Funds** –The Town of Swansboro has one proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Town of Swansboro uses enterprise funds to account for its stormwater and solid waste activity operations. 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 are on pages 26-58 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 Swansboro's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 59-63 of this report.

**Interdependence with Other Entities** – The Town depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

**Government-Wide Financial Analysis**

**Town of Swansboro's Net Position  
Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 12,971,453	\$ 12,533,766	\$ 555,652	\$ 424,523	\$ 13,527,105	\$ 12,958,289
Capital and other noncurrent assets	6,367,716	6,650,498	167,386	228,757	6,535,102	6,879,255
Total assets	<u>\$ 19,339,169</u>	<u>\$ 19,184,264</u>	<u>\$ 723,038</u>	<u>\$ 653,280</u>	<u>\$ 20,062,207</u>	<u>\$ 19,837,544</u>
Deferred outflows of resources	\$ 1,140,649	\$ 1,079,137	\$ 59,068	\$ 55,646	\$ 1,199,717	\$ 1,134,783
Long-term liabilities	\$ 2,753,805	\$ 2,693,579	\$ 108,780	\$ 98,708	\$ 2,862,585	\$ 2,792,287
Other liabilities	7,084,582	7,687,609	40,139	57,580	7,124,721	7,745,189
Total liabilities	<u>\$ 9,838,387</u>	<u>\$ 10,381,188</u>	<u>\$ 148,919</u>	<u>\$ 156,288</u>	<u>\$ 9,987,306</u>	<u>\$ 10,537,476</u>
Deferred inflows of resources	\$ 730,982	\$ 684,583	\$ 28,864	\$ 27,690	\$ 759,846	\$ 712,273
Net position:						
Net investment in capital assets	\$ 5,413,142	\$ 5,648,992	\$ 167,386	\$ 228,757	\$ 5,580,528	\$ 5,877,749
Restricted	1,508,845	1,047,781	-	-	1,508,845	1,047,781
Unrestricted	2,988,462	2,500,857	436,937	296,191	3,425,399	2,797,048
Total net position	<u>\$ 9,910,449</u>	<u>\$ 9,197,630</u>	<u>\$ 604,323</u>	<u>\$ 524,948</u>	<u>\$ 10,514,772</u>	<u>\$ 9,722,578</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Town of Swansboro's government-wide activities exceeded its liabilities and deferred inflows by \$9,910,449 as of June 30, 2024.

The Town's net position increased by \$712,819 for the fiscal year ended June 30, 2024. The Town of Swansboro uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Swansboro's net investment in its 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 Swansboro's net position, \$1,508,845, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,425,399 is unrestricted.

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

- Continued diligence by Onslow County in the collection of property taxes, achieving a tax collection rate of 98.74%.
- Continued success with the combined method of sales tax distribution, ad valorem and per capita which enhances our sales tax revenue.
- Due diligence in operational spending.

Management Discussion and Analysis  
Town of Swansboro

**Changes in net position-** The following table presents the Town's changes in net position for the fiscal year ended June 30, 2024:

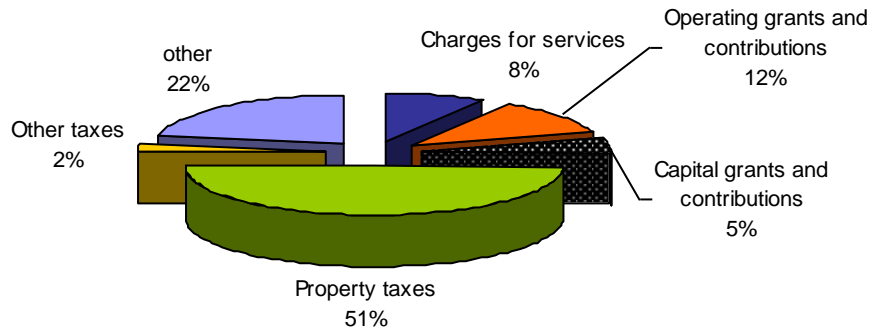
**Town of Swansboro Changes in Net Position  
Figure 3**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 433,431	\$ 402,909	\$ 672,467	\$ 625,794	\$ 1,105,898	\$ 1,028,703
Operating grants and contributions	618,520	486,161	-	-	618,520	486,161
Capital grants and contributions	232,289	728,531	-	-	232,289	728,531
General revenues:						
Property taxes	2,558,431	2,441,160	-	-	2,558,431	2,441,160
Other taxes	121,780	120,925	-	-	121,780	120,925
Grants and contributions not restricted to specific programs	1,869,631	1,745,259	-	-	1,869,631	1,745,259
Unrestricted investment earnings	477,271	62,397	-	-	477,271	62,397
Other	73,295	78,872	4,861	86,510	78,156	165,382
Total revenues	<u>\$ 6,384,648</u>	<u>\$ 6,066,214</u>	<u>\$ 677,328</u>	<u>\$ 712,304</u>	<u>\$ 7,061,976</u>	<u>\$ 6,778,518</u>
Expenses:						
General government	\$ 1,154,304	\$ 986,279	\$ -	\$ -	\$ 1,154,304	\$ 986,279
Public safety	2,778,620	2,183,653	-	-	2,778,620	2,183,653
Transportation	318,865	391,538	-	-	318,865	391,538
Economic development	657,323	964,839	-	-	657,323	964,839
Environmental protection	-	-	-	-	-	-
Cultural and recreation	402,106	401,829	-	-	402,106	401,829
Other	324,439	308,153	-	-	324,439	308,153
Interest on long-term debt	5,732	8,993	-	-	5,732	8,993
Stormwater	-	-	119,772	218,147	119,772	218,147
Solid Waste	-	-	478,621	432,227	478,621	432,227
Total expenses	<u>\$ 5,641,389</u>	<u>\$ 5,245,284</u>	<u>\$ 598,393</u>	<u>\$ 650,374</u>	<u>\$ 6,239,782</u>	<u>\$ 5,895,658</u>
Increase in net position before transfers and special items	\$ 743,259	\$ 820,930	\$ 78,935	\$ 61,930	\$ 822,194	\$ 882,860
Transfers and special items	(30,440)	(2,228)	440	2,228	(30,000)	-
Increase in net position	\$ 712,819	\$ 818,702	\$ 79,375	\$ 64,158	\$ 792,194	\$ 882,860
Net position, July 1	9,197,630	8,378,928	524,948	460,790	9,722,578	8,839,718
Net position-beginning, restated	-	-	-	-	-	-
Net position, June 30	<u>\$ 9,910,449</u>	<u>\$ 9,197,630</u>	<u>\$ 604,323</u>	<u>\$ 524,948</u>	<u>\$ 10,514,772</u>	<u>\$ 9,722,578</u>

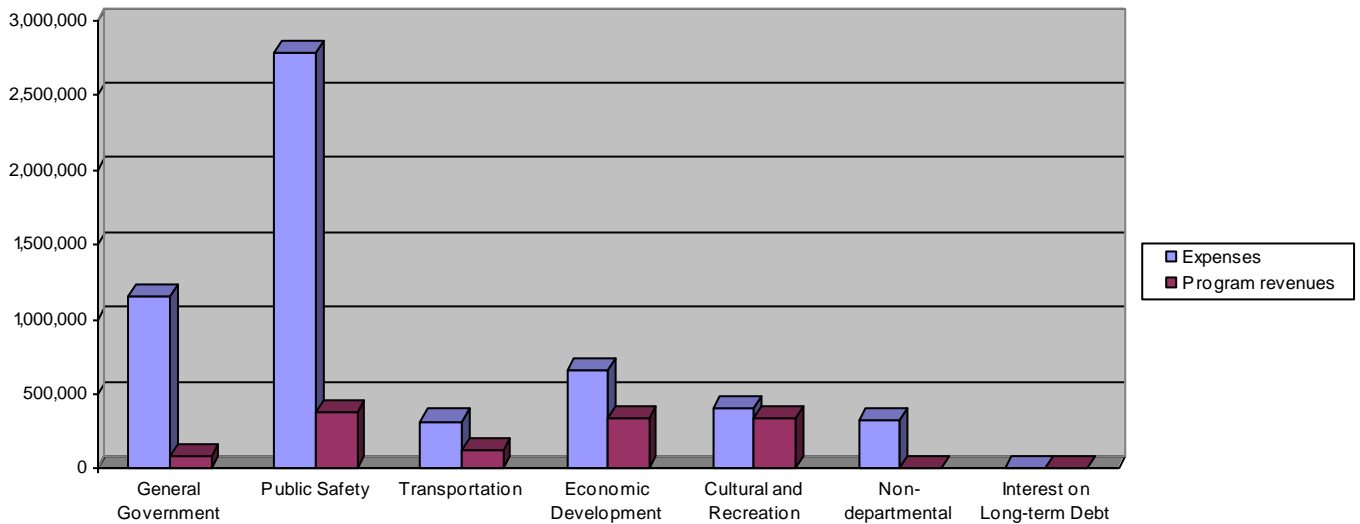


**Governmental Activities**

**Revenues by Source – Governmental Activities**



**Expenses and Program Revenues – Governmental Activities**



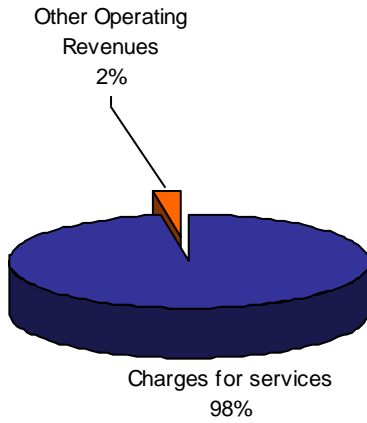
Total government-wide revenues were primarily derived from property taxes, other taxes, and grants and contributions not restricted to specific programs.

The total expenses of all programs cover a range of services, primarily public safety and general government.

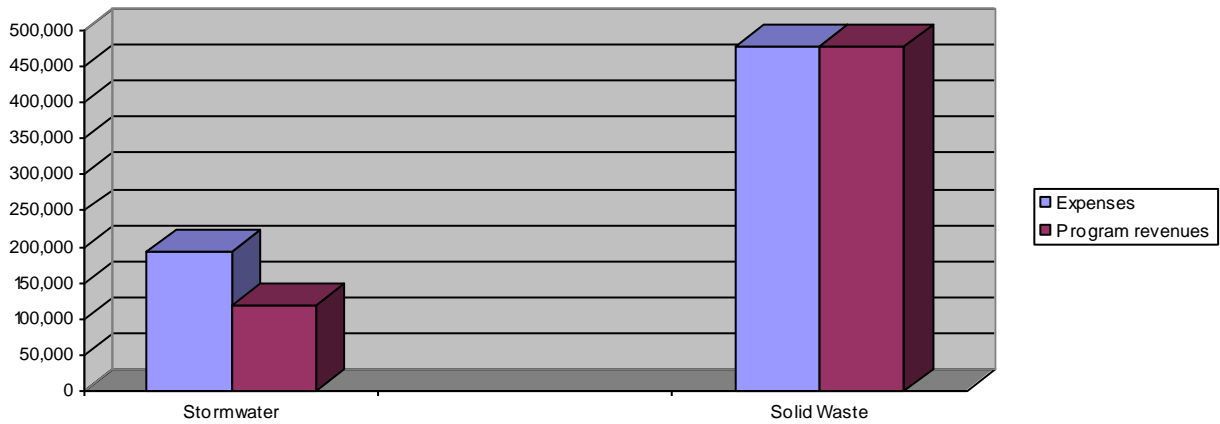
Governmental activities increased the Town’s net position by \$712,819.

**Business-type Activities**

**Revenues by Source – Business-type Activities**



**Expenses and Program Revenues – Business-type Activities**



Revenues from the business-type activities were derived from charges for services.

Expenses were mainly due to general operational costs for stormwater and solid waste.

Business-type activities increased the Town’s net position by \$79,375.

### **Financial Analysis of the Town's Funds**

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

**Governmental Funds:** The focus of the Town of Swansboro's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town of Swansboro, North Carolina's financing requirements.

The general fund is the chief operating fund of the Town of Swansboro. At the end of the current fiscal year, the Town of Swansboro's fund balance available in the General Fund was \$3,852,321, while the total fund balance reached \$6,084,735. As a measure of the general fund's liquidity, fund balance was calculated in accordance with North Carolina General Statute 159-8(a). The Town currently has an available fund balance of 74% of general fund expenditures, while total fund balance represents 117% of the same amount.

At June 30, 2024, the governmental funds of Town of Swansboro reported a combined fund balance of \$6,084,735, a 22% increase from last year. The increase is associated with additional property tax revenue, sales tax revenue, and a reduction in departmental expenditures.

**Proprietary Funds:** The Town's proprietary fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Stormwater and Solid Waste Fund at the end of the fiscal year amounted to \$436,937.

**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. Key differences between original and the final budget are as follows:

Appropriation from Fund Balance:

- Admin Services-\$23,137 for reappropriation for personnel costs
- Finance-\$3,600-personnel cost/tax collection expense
- Legal-\$30,000 for legal fees
- Public Buildings-\$7,435-personnel costs/PEV Charging Station repairs
- Fire-\$47,207 for personnel costs/reappropriation for equipment/fuel
- Permitting-\$4,300 for personnel costs/services-professional
- Police-\$14,125 for personnel costs/patrol vehicle
- Public Works-Streets-\$76,988 for Christmas lights
- Powell Bill-Streets-\$16,542 for personnel costs and repair/maintenance of streets
- Parks & Recreation-\$2,400 for personnel costs
- Church Street Dock/Visitor Center-\$1,401 for dock repairs
- Emergency Management-\$41,394 for reappropriation for supplies
- Non-Departmental-\$148,382 for a transfer to Capital Reserve Fund and Swansboro Bicentennial Park Boardwalk Extension project/reappropriation for software.

Management Discussion and Analysis  
Town of Swansboro

Transfer to Capital Reserve

- Non-Departmental-\$52,350 for sidewalks
- Fire-\$109,380
- Police-\$8,000

Transfer to Swansboro Bicentennial Boardwalk Extension

- \$126,450 for bulkhead repairs and construction costs

Transfer to American Rescue Plan

- \$15,000 for Splash Pad enhancements

Transfer to Stormwater Enterprise Fund

- \$440 for personnel costs

Transfer to Solid Waste Enterprise Fund

- \$440 for personnel costs

**Capital Asset and Debt Administration**

**Capital assets.** The Town of Swansboro's investment in capital assets for its governmental and business-type activities as of June 30, 2024, totals \$6,535,102 (net of accumulated depreciation). These assets include buildings, improvements other than buildings, land, machinery and equipment, and vehicles.

Major capital asset transactions during the year include the following additions:

- PEV Charging Station-\$5,700
- Police Interceptor-\$47,021
- Gym Equipment-\$5,488
- Public Works-Vehicles-\$123,379
- Board Streaming System-\$3,568
- Splashpad Enhancement-\$21,725

**Town of Swansboro’s Capital Assets (net of depreciation)**  
**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 987,588	\$ 987,588	\$ -	\$ -	\$ 987,588	\$ 987,588
Buildings and systems	2,684,328	2,868,288	-	-	2,684,328	2,868,288
Improvements other than buildings	553,808	542,942	-	-	553,808	542,942
Machinery and equipment	153,823	195,897	167,386	228,757	321,209	424,654
Software	77,262	88,432	-	-	77,262	88,432
Vehicles and motorized equipment	544,804	524,388	-	-	544,804	524,388
Monuments	67,198	67,198	-	-	67,198	67,198
Infrastructure	1,298,905	1,375,765	-	-	1,298,905	1,375,765
Construction in progress	-	-	-	-	-	-
<b>Total</b>	<b>\$6,367,716</b>	<b>\$6,650,498</b>	<b>\$167,386</b>	<b>\$228,757</b>	<b>\$6,535,102</b>	<b>\$6,879,255</b>

Additional information on the Town’s capital assets can be found in note III.A.4. of the Basic Financial Statements.

**Long-term Debt.** As of June 30, 2024, the Town of Swansboro had total debt outstanding of \$916,182.

**Town of Swansboro’s Outstanding Debt**  
**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Installment notes	\$ 916,182	\$ 913,074	\$ -	\$ -	\$ 916,182	\$ 913,074

The Town of Swansboro’s total debt decreased by \$3,108 during the past fiscal year.

Additional information on the Town’s long-term debt can be found in note III.B.6. of the Basic Financial Statements.

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

The following economic indicators reflect the growth and prosperity of the Town:

- Increase in property tax base due to increase in residential and business construction.
- Slight increase in funding received from Onslow County for Fire protection services.
- Increase in sales and use tax revenue.
- Current service levels maintained with the appropriation of fund balance.

All of these factors were considered in preparing the Town of Swansboro’s budget for the 2024-2025 fiscal year.

**Budget Highlights for the Fiscal Year Ending June 30, 2025**

**Governmental Activities:** Property taxes, sales taxes, other tax revenues are expected to lead the increase in budgeted revenues. The Town will use these revenues to finance programs currently in place.

The Town has maintained its current service levels with the appropriation of the General Fund Balance.

The budget includes a stormwater and solid waste enterprise fund. This will eliminate further deterioration of the general fund and fund reserves to carry out these respective programs and services.

Budgeted expenditures in the General Fund are expected to decrease. The largest increments are in employee compensation, including funding compensation and benefits adjustments.

**Business-type Activities:** Fees will be reviewed and updated on an ongoing basis to ensure that they keep pace with the changes in service delivery costs as well as changes in methods or levels of service delivery.

**Requests for Information**

This financial report is designed to provide an overview of the Town of Swansboro'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 the Town of Swansboro, Finance Director, 601 W. Corbett Avenue, Swansboro, NC 28584 or [sjohnson@ci.swansboro.nc.us](mailto:sjohnson@ci.swansboro.nc.us).

## **Basic Financial Statements**

**Town of Swansboro, North Carolina**  
**Statement of Net Position**  
**June 30, 2024**

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Swansboro Tourism Development Authority</b>
<b>Assets</b>				
Current Assets:				
Cash and cash equivalents	\$ 5,039,721	\$ 391,587	\$ 5,431,308	\$ 196,098
Restricted cash	7,403,844	-	7,403,844	-
Account interest receivable on taxes	9,015	-	9,015	-
Taxes receivable (net)	45,485	-	45,485	-
Deposits	-	-	-	50
Leases receivable	131,510	-	131,510	-
Accounts receivable (net)	287,828	164,065	451,893	52,953
Grants receivable	54,050	-	54,050	-
Total Current Assets	\$ 12,971,453	\$ 555,652	\$ 13,527,105	\$ 249,101
Non-current Assets:				
Capital Assets:				
Land and non-depreciable assets	1,054,786	-	1,054,786	-
Depreciable assets, net	5,312,930	167,386	5,480,316	-
Total Capital Assets	\$ 6,367,716	\$ 167,386	\$ 6,535,102	\$ -
Total Assets	\$ 19,339,169	\$ 723,038	\$ 20,062,207	\$ 249,101
<b>Deferred Outflows of Resources</b>				
Pension and OPEB deferrals	\$ 1,140,649	\$ 59,068	\$ 1,199,717	\$ -
<b>Liabilities</b>				
Current Liabilities:				
Accounts payable	\$ 262,561	\$ 37,627	\$ 300,188	\$ 13,238
Liabilities payable from restricted assets	6,187,514	-	6,187,514	-
Other liabilities	250,633	-	250,633	-
Current portion long-term liabilities	383,874	2,512	386,386	-
Total Current Liabilities	\$ 7,084,582	\$ 40,139	\$ 7,124,721	\$ 13,238
Long-term liabilities:				
Due in more than one year	2,753,805	108,780	2,862,585	-
Total Long-term Liabilities	\$ 2,753,805	\$ 108,780	\$ 2,862,585	\$ -
Total Liabilities	\$ 9,838,387	\$ 148,919	\$ 9,987,306	\$ 13,238
<b>Deferred Inflows of Resources</b>				
Pension and OPEB deferrals	\$ 599,472	\$ 28,864	\$ 628,336	\$ -
Leases	131,510	-	131,510	-
Total Deferred Inflows of Resources	\$ 730,982	\$ 28,864	\$ 759,846	\$ -
<b>Net Position</b>				
Net investment in capital assets	\$ 5,413,142	\$ 167,386	\$ 5,580,528	\$ -
Restricted for:				
Stabilization by State Statute	322,828	-	322,828	52,953
Streets	163,870	-	163,870	-
Capital improvements	1,022,147	-	1,022,147	-
Unrestricted	2,988,462	436,937	3,425,399	182,910
Total Net Position	\$ 9,910,449	\$ 604,323	\$ 10,514,772	\$ 235,863

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



**Town of Swansboro, North Carolina  
Statement of Activities  
For the Year Ended June 30, 2024**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Swansboro Tourism Development Authority
	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	\$ 1,154,304	\$ 89,521	\$ -	\$ -	\$ (1,064,783)	\$ -	\$ (1,064,783)	
Public safety	2,778,620	133,422	380,977	-	(2,264,221)	-	(2,264,221)	
Transportation	318,865	-	126,626	-	(192,239)	-	(192,239)	
Economic development	657,323	-	110,917	232,289	(314,117)	-	(314,117)	
Environmental protection	-	-	-	-	-	-	-	
Cultural and recreation	402,106	210,488	-	-	(191,618)	-	(191,618)	
Non-departmental	324,439	-	-	-	(324,439)	-	(324,439)	
Interest on long-term debt	5,732	-	-	-	(5,732)	-	(5,732)	
Total Governmental Activities	<u>\$ 5,641,389</u>	<u>\$ 433,431</u>	<u>\$ 618,520</u>	<u>\$ 232,289</u>	<u>\$ (4,357,149)</u>	<u>\$ -</u>	<u>\$ (4,357,149)</u>	
Business-type Activities:								
Stormwater	\$ 119,772	\$ 193,981	\$ -	\$ -	\$ -	\$ 74,209	\$ 74,209	
Solid waste	478,621	478,486	-	-	-	(135)	(135)	
Total business-type activities	<u>\$ 598,393</u>	<u>\$ 672,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,074</u>	<u>\$ 74,074</u>	
Total Primary Government	<u>\$ 6,239,782</u>	<u>\$ 1,105,898</u>	<u>\$ 618,520</u>	<u>\$ 232,289</u>	<u>\$ (4,357,149)</u>	<u>\$ 74,074</u>	<u>\$ (4,283,075)</u>	
Component Unit:								
Swansboro Tourism Development Authority	<u>\$ 97,613</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ 97,613</u>
General Revenues:								
Taxes:								
Property taxes					\$ 2,558,431	\$ -	\$ 2,558,431	\$ -
Other taxes					121,780	-	121,780	121,052
Grants and contributions not restricted to specific programs					1,869,631	-	1,869,631	-
Unrestricted investment earnings					477,271	-	477,271	-
Miscellaneous					73,295	4,861	78,156	4,600
Total General Revenues Not Including Transfers					<u>\$ 5,100,408</u>	<u>\$ 4,861</u>	<u>\$ 5,105,269</u>	<u>\$ 125,652</u>
Transfers					(30,440)	440	(30,000)	-
Total General Revenues and Transfers					<u>\$ 5,069,968</u>	<u>\$ 5,301</u>	<u>\$ 5,075,269</u>	<u>\$ 125,652</u>
Change In Net Position					712,819	79,375	792,194	28,039
Net position, beginning					9,197,630	524,948	9,722,578	207,824
Net position, ending					<u>\$ 9,910,449</u>	<u>\$ 604,323</u>	<u>\$ 10,514,772</u>	<u>\$ 235,863</u>

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

**Town of Swansboro, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

	<u>Major Funds</u>		<u>Non-Major Funds</u>	
	<u>General Fund</u>	<u>State Capital Infrastructure Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
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>
<b>Liabilities</b>				
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>
<b>Deferred Inflows of Resources</b>				
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>
<b>Fund Balances</b>				
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>

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

**Town of Swansboro, North Carolina**  
**Reconciliation of the Balance Sheet of the**  
**Governmental Funds to the Statement of Net Position**  
**June 30, 2024**

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

Total Fund Balance, Governmental Funds		\$ 6,084,735
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Gross capital assets at historical cost	10,702,234	
Accumulated depreciation	<u>(4,334,518)</u>	\$ 6,367,716
Deferred outflows of resources related to pensions are not reported in the funds		1,140,649
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.		9,015
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.		(3,137,679)
Earned revenue considered deferred inflows of resources in fund statements		45,485
Deferred inflows of resources related to pensions are not reported in the funds		<u>(599,472)</u>
Net Position of Governmental Activities		<u><u>\$ 9,910,449</u></u>

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

**Town of Swansboro, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

	<u>Major</u>		<u>Non-Major Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
	<u>General</u> <u>Fund</u>	<u>State Capital</u> <u>Infrastructure</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	
<b>Revenues</b>				
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>
<b>Expenditures</b>				
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 Over Expenditures	<u>\$ 796,985</u>	<u>\$ 168,049</u>	<u>\$ (96,695)</u>	<u>\$ 868,339</u>
<b>Other Financing Sources (Uses)</b>				
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>

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

**Town of Swansboro, North Carolina**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2024**

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

Net change in fund balances - governmental funds	\$	1,092,399
<p>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 capital outlays exceeded depreciation in the current period.</p>		
Capital outlay expenditures which were capitalized	\$	208,329
Depreciation expense for governmental assets	<u>(491,111)</u>	\$ (282,782)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		324,820
Benefit payments paid for LEOSSA are not included on the Statement of Activities		6,804
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
New long-term debt issued	\$	(254,500)
Principal payments on long-term debt	<u>301,432</u>	\$ 46,932
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:</p>		
Change in unavailable revenue for tax revenues		(12,119)
<p>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:</p>		
Compensated absences	(111,600)	
Pension expense	(345,866)	
Other postemployment benefits	<u>(5,769)</u>	<u>(463,235)</u>
Total Change in Net Position of Governmental Activities	<u>\$</u>	<u>712,819</u>

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

**Town of Swansboro, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2024**

	<b>General Fund</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Ad valorem taxes	\$ 2,485,679	\$ 2,485,679	\$ 2,570,550	\$ 84,871
Other taxes and licenses	-	121,186	121,780	594
Unrestricted intergovernmental	1,654,000	1,680,360	1,869,631	189,271
Restricted intergovernmental	398,219	665,665	618,520	(47,145)
Permits and fees	193,510	334,575	432,941	98,366
Sales and services	-	500	490	(10)
Investment earnings	1,000	1,000	308,660	307,660
Miscellaneous	558,565	71,649	72,491	842
Contributions	-	3,900	804	(3,096)
<b>Total Revenues</b>	<b>\$ 5,290,973</b>	<b>\$ 5,364,514</b>	<b>\$ 5,995,867</b>	<b>\$ 631,353</b>
<b>Expenditures</b>				
Current:				
General government	\$ 1,187,907	\$ 1,119,764	\$ 1,032,159	\$ 87,605
Public safety	2,837,620	2,887,245	2,638,214	249,031
Transportation	544,254	683,784	297,575	386,209
Economic development	300,780	421,841	327,777	94,064
Cultural and recreational	354,732	352,732	321,594	31,138
Non-departmental	457,729	352,952	324,439	28,513
Debt Service:				
Principal	-	258,974	257,124	1,850
Interest and other charges	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 5,683,022</b>	<b>\$ 6,077,292</b>	<b>\$ 5,198,882</b>	<b>\$ 878,410</b>
Revenues Over (Under) Expenditures	<b>\$ (392,049)</b>	<b>\$ (712,778)</b>	<b>\$ 796,985</b>	<b>\$ 1,509,763</b>
<b>Other Financing Sources (Uses)</b>				
Loan issuance	\$ -	\$ 221,938	\$ 254,500	\$ 32,562
Capital reserve	-	-	-	-
Transfers-In	6,166	6,166	6,166	-
Transfers-Out	-	(318,120)	(311,620)	6,500
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 6,166</b>	<b>\$ (90,016)</b>	<b>\$ (50,954)</b>	<b>\$ 39,062</b>
Fund balance appropriated	\$ 385,883	\$ 802,794	\$ -	\$ (802,794)
Net Change In Fund Balance	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 746,031</b>	<b>\$ 746,031</b>
Fund balance, beginning			4,316,557	
Fund Balance, ending			<b>\$ 5,062,588</b>	

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

**Town of Swansboro, North Carolina**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2024**

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

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

**Town of Swansboro, North Carolina**  
**Statement of Revenues, Expenses, And Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	<b>Major Enterprise Funds</b>		
	<b>Stormwater Fund</b>	<b>Solid Waste Fund</b>	<b>Totals</b>
<b>Operating Revenues</b>			
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>
<b>Operating Expenses</b>			
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>
<b>Non-operating Revenues (Expenses)</b>			
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>
<b>Income (loss) before contributions and transfers</b>	<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>

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



**Town of Swansboro, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	<b>Major Enterprise Funds</b>		
	<b>Stormwater Fund</b>	<b>Solid Waste Fund</b>	<b>Total</b>
<b>Cash Flows From Operating Activities</b>			
Cash received from customers	\$ 167,833	\$ 469,069	\$ 636,902
Cash paid for goods and services	(46,213)	(367,499)	(413,712)
Cash paid to or on behalf of employees for services	(64,663)	(63,708)	(128,371)
Other operating revenues	4,861	-	4,861
Net cash provided (used) by operating activities	<u>\$ 61,818</u>	<u>\$ 37,862</u>	<u>\$ 99,680</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Other revenue	\$ -	\$ -	\$ -
Transfers from other funds	6,253	220	6,473
Transfer to other funds	-	(6,033)	(6,033)
Net cash provided by noncapital financing activities	<u>\$ 6,253</u>	<u>\$ (5,813)</u>	<u>\$ 440</u>
<b>Cash Flows From Capital and Related Financing</b>			
Acquisition of capital assets	\$ -	\$ -	\$ -
Capital contributions	-	-	-
Net cash provided (used) by capital and related financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash Flows From Investing Activities</b>			
Interest and dividends	\$ -	\$ -	\$ -
Net increase (decrease) in cash and cash equivalents	\$ 68,071	\$ 32,049	\$ 100,120
Balances - Beginning of year	90,393	196,213	286,606
Balances - End of year	<u>\$ 158,464</u>	<u>\$ 228,262</u>	<u>\$ 386,726</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 80,242	\$ (6,168)	\$ 74,074
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	\$ 16,391	\$ 44,980	\$ 61,371
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(26,148)	-	(26,148)
(Increase) decrease in deferred outflows	(1,711)	(1,711)	(3,422)
Increase (decrease) in accounts payable and accrued liabilities	(11,801)	(4,084)	(15,885)
Increase (decrease) in net pension liability	5,195	5,195	10,390
Increase (decrease) in OPEB liability	(937)	(937)	(1,874)
Increase (decrease) in deferred inflows	587	587	1,174
Total adjustments	<u>\$ (18,424)</u>	<u>\$ 44,030</u>	<u>\$ 25,606</u>
Net cash provided by operating activities	<u>\$ 61,818</u>	<u>\$ 37,862</u>	<u>\$ 99,680</u>

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

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

**I. Summary of Significant Accounting Policies**

The accounting policies of the Town of Swansboro, North Carolina and its discretely presented component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town of Swansboro, North Carolina (the Town) is a municipal corporation that is governed by an elected mayor and a five-member board. 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. The discretely presented component unit presented below is reported in a separate column in the Town's financial statement in order to emphasize that it is legally separate from the Town.

**Swansboro Tourism Development Authority (TDA)**

The members of the Swansboro TDA governing board are appointed by the Town. In addition, the Town shall be responsible for the collection and accounting of all funds remitted to or disbursed by the Swansboro TDA. The Swansboro TDA, which has a June 30 year end, is presented as if it were a governmental fund (discrete presentation). Complete financial statements for the Swansboro TDA may be obtained from the Town's administrative offices at Swansboro Town Hall, 601 W Corbett Avenue, Swansboro, NC 28584.

B. Basis of Presentation

*Government-wide Statements.* The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government and its component unit. Eliminations have been made to minimize the double counting of internal activities. All transactions from interfund services provided and used are not eliminated in the process of consolidation. 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 and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (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.

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

*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 Town has no fiduciary funds to report. The emphasis of fund financial statements is on major governmental and enterprise funds. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

The Town reports the following major governmental funds:

*General Fund.* This Fund 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, general government, environmental protection, street maintenance and construction, and recreation.

*Capital Project Fund.* State Capital Infrastructure Fund - This Fund is a direct grant fund administered by the Office of State Budget and Management.

The Town reports the following non-major governmental funds:

*Capital Project Funds.* These Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The Town has seven non-major Capital Project Funds: Park and Recreation Reserve Fund, Waterfront Plan Implementation Fund, Municipal Park Improvement Fund, Information Technology Project Fund, American Rescue Plan Act, Capital Reserve Fund, Special Capital Infrastructure Fund-Sidewalk, Emmerton School Repairs Grant Fund, Swansboro Bicentennial Park Boardwalk Extension, and Master Plan Project within its governmental fund types.

The Town reports the following major enterprise funds:

Stormwater Fund – This fund is used to account for the Town's stormwater operations.

Solid Waste Fund – This fund is used to account for the Town's solid waste operations.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

*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 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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

The Town considers all revenues available if they are collected within 90 days after year end, except for property taxes. Ad valorem taxes receivable is not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. 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 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.

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

Sales taxes and certain intergovernmental revenues, such as the beer and wine 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 because the tax is levied by Onslow County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Funds. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for the Capital Projects Funds. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the project level for the capital project funds. The finance officer may transfer amounts between objects of expenditures within a department without limitations and without an official report being requested. Any other transfer or revisions that later the total expenditures of any fund must be approved by the governing board. During the year, several material amendments to the original budget were necessary mainly due to funding capital project funds. The budget ordinance must be adopted by July 1 of the fiscal year, or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity

1. Deposits and Investments

All deposits of the Town and Swansboro TDA are made in board-designated official depositories and are secured as required by State law (G.S. 159-31). The Town and Swansboro TDA may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town and Swansboro TDA may establish time deposit accounts such as NOW and Super NOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Town and Swansboro TDA to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States or 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).

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

The Town’s investments are reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool is measured at fair value. The NCCMT-Term Portfolio is a bond fund, has no rating, and is measured at fair value. As of June 30, 2024, the Term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

The Town pools moneys from several funds to facilitate disbursement and investment and to maximize investment income. All cash and investments are essentially demand deposits and are considered cash and cash equivalents.

3. Restricted Assets

Money in the Drug Seizure fund is classified as restricted cash because its use is restricted for drug seizure purposes within the Town. Powell Bill funds are also classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4.

Town of Swansboro Restricted Cash	
Streets	\$ 163,870
Public safety	15,251
Reserved for capital projects	7,224,723
Total Restricted Cash	<u><u>\$ 7,403,844</u></u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2023. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

6. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization cost for all types of capital assets is \$5,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost.

General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Asset Class	Estimated Useful Life
Buildings	50
Infrastructure	30
Improvements	25
Heavy equipment	10
Software	8
Vehicles	5
Furniture and equipment	5
Computer equipment	3

Property, plant, and equipment of the Swansboro Tourism Development Authority are depreciated over their useful lives on a straight-line basis as follows:

Asset Class	Estimated Useful Life
Buildings	20
Equipment and furniture	10
Vehicles	3-5
Computers	3

7. 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 assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has two items that meet this criterion – pension deferrals and OPEB deferrals for the 2024 fiscal year. In addition to

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

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 assets that applies to a future period and so will not be recognized as revenue until then. The Town has several items that meet the criterion for this category – property taxes receivable, OPEB deferrals, and pension deferrals.

8. 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. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they occurred. Prepaid insurance costs are expensed over the life of the debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the Town's government-wide fund, 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 has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

10. Net Position/Fund Balances

a. 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 a) externally imposed by creditors,



**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

grantors, contributors, or laws or regulations of other governments, or b) imposed by law through state statute.

b. Fund Balances

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

The governmental fund types classify fund balances as follows:

**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 the law through constitutional provisions or enabling legislation". RSS is reduced by inventories and prepaids as they are classified as nonspendable. 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.

Restricted for Capital Improvements – portion of fund balance that is restricted for future capital improvements.

Lease Receivable, net – portion of fund balance that is not an available resource because it is not in spendable form. The reported amount is calculated by reducing the lease receivable by the related deferred inflow of resources.

Assigned Fund Balance – portion of fund balance that the Town of Swansboro 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.

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

Unassigned Fund Balance - portion of total fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

11. 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 Swansboro, North Carolina's employer contributions are recognized when due and the Town of Swansboro, North Carolina has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

**II. Stewardship, Compliance, and Accountability**

A. Noncompliance with North Carolina General Statutes

There were no violations of noncompliance with North Carolina General Statutes reported for the year ended June 30, 2024.

**III. Detail Notes on All Funds**

A. Assets

1. Deposits

All the deposits of the Town and the Swansboro TDA are either insured or collateralized by using one method. 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 and Swansboro Tourism Development Authority, these deposits are considered to be held by the Town's and Swansboro Tourism Development Authority agent in their names. 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 and Swansboro Tourism Development Authority, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town and Swansboro Tourism Development Authority under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial 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 provision of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

The Swansboro TDA has no formal policy regarding custodial credit risk for deposits.

At June 30, 2024, the Town’s deposits had a carrying amount of \$6,766,128 and a bank balance of \$6,939,700. Of the bank balance, \$356,941 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. At June 30, 2024, the Town had \$150 cash on hand.

The carrying amount of deposits for the Swansboro TDA was \$196,098 and the bank balance was \$199,635. All of the bank balance was covered by federal depository insurance.

2. Investments

At June 30, 2024, the investments of the Town were as follows:

<b>Investment by Type</b>	<b>Valuation Measurement Method</b>	<b>Book Value at 6/30/2024</b>	<b>Maturity</b>	<b>Rating</b>
NC Capital Management Trust - Government Portfolio	Fair Value Level 1	\$ 6,068,874	N/A	AAAm
Total		\$ 6,068,874		

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2 debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ benchmark quoted prices.

*Interest Rate Risk.* The Town has no formal investment policy regarding interest rate risk.

*Credit Risk.* The Town has no formal policy regarding credit risk but has internal management procedures that limits the Town’s investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The Town’s investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor’s and AAAm-mf by Moody’s Investors Service as of June 30, 2024.

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

*Custodial Credit Risk.* The Town has no formal policy on custodial credit risk, but management procedures are that the Town shall utilize a third-party custodial agent for book entry transactions, all of which shall be held in the Town’s name.

3. Receivables – Allowance for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2024 are net of the following allowances for doubtful accounts:

Fund	June 30, 2024
General Fund - Taxes receivable	\$ 7,281
Enterprise Fund-Stormwater customer A/R	12,568
	\$ 19,849

For the year ended 6/30/2024, the financial statements include GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 07/01/2021, Town of Swansboro entered into a month lease as Lessor for the use of the Old Town Hall and Town Hall Community Room. An initial lease receivable was recorded in the amount of \$41,665.44. As of 06/30/2024, the value of the lease receivable is \$32,598. The lessee is required to make monthly fixed payments of \$3,581.41. The lease has an interest rate of 0.1869%. The Infrastructure estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2024 was \$32,598, and Town of Swansboro recognized lease revenue of \$32,598 during the fiscal year. The lease terms are on a month-to-month basis.

On 12/14/2020, Town of Swansboro entered into a 60-month lease as Lessor for the use of 106 Church Street. An initial lease receivable was recorded in the amount of \$86,296.50. As of 06/30/2024, the value of the lease receivable is \$28,797. The lessee is required to make monthly fixed payments of \$1,720.72. The lease has an interest rate of 0.0607%. The Infrastructure estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2024 was \$28,797, and Town of Swansboro recognized lease revenue of \$21,000 during the fiscal year.

On 08/01/2023, Town of Swansboro entered into a 60-month lease as Lessor for the use of municipal Public Works Complex. An initial lease receivable was recorded in the amount of \$14,023. As of 06/30/2024, the value of the lease receivable is \$70,115. The lessee is required to make semi-annual payment of \$7,011. The lease has an interest rate of 0.3639%.

**Town of Swansboro, North Carolina**  
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The Infrastructure estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2024 was \$13,614.14, and Town of Swansboro recognized lease revenue of \$13,614.14 during the fiscal year.

Principal and Interest Expected to Maturity

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 43,836.67	\$ 165.71	\$ 44,002.38
2026	\$ 43,836.67	\$ 281.03	\$ 44,117.70
2027	\$ 43,836.66	\$ 155.70	\$ 43,992.36

4. Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balances	Increases Increases	Decreases Decreases	Ending Balances
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 987,588	\$ -	\$ -	\$ 987,588
Monuments	67,198	-	-	67,198
Construction in progress	-	-	-	-
Total Capital Assets Not Being Depreciated	\$ 1,054,786	\$ -	\$ -	\$ 1,054,786
Capital Assets Being Depreciated:				
Buildings	\$ 3,606,457	\$ -	\$ -	\$ 3,606,457
Software	113,038	-	-	113,038
Infrastructure	2,197,713	-	-	2,197,713
Equipment	863,218	25,269	-	888,487
Vehicles	1,705,452	161,335	-	1,866,787
Park improvements	953,241	21,725	-	974,966
Total Capital Assets Being Depreciated	\$ 9,439,119	\$ 208,329	\$ -	\$ 9,647,448
Less Accumulated Depreciation For:				
Buildings	\$ 738,169	\$ 183,960	\$ -	\$ 922,129
Software	24,606	11,170	-	35,776
Infrastructure	821,948	76,860	-	898,808
Equipment	667,321	67,343	-	734,664
Vehicles	1,181,064	140,919	-	1,321,983
Park improvements	410,299	10,859	-	421,158
Total Accumulated Depreciation	\$ 3,843,407	\$ 491,111	\$ -	\$ 4,334,518
Total Capital Assets Being Depreciated, net	\$ 5,595,712			\$ 5,312,930
Governmental Activity Capital Assets, net	\$ 6,650,498			\$ 6,367,716

**Town of Swansboro, North Carolina**  
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Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 242,099
Public safety	147,210
Transportation	21,290
Cultural and recreation	80,512
Total	\$ 491,111

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activities: Stormwater Fund				
Capital Assets Not Being Depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total Capital Assets Not Being Depreciated	\$ -	\$ -	\$ -	\$ -
Capital Assets Being Depreciated:				
Stormwater system	\$ -	\$ -	\$ -	\$ -
Buildings	-	-	-	-
Equipment	133,399	-	6,033	127,366
Total Capital Assets Being Depreciated	\$ 133,399	\$ -	\$ 6,033	\$ 127,366
Less Accumulated Depreciation For:				
Stormwater system	\$ -	\$ -	\$ -	\$ -
Buildings	-	-	-	-
Equipment	40,844	16,391	-	57,235
Total Accumulated Depreciation	\$ 40,844	\$ 16,391	\$ -	\$ 57,235
Total Capital Assets Being Depreciated, net	\$ 92,555			\$ 70,131
Stormwater Fund Capital Assets, net	\$ 92,555			\$ 70,131
	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activities: Solid Waste Fund				
Capital Assets Not Being Depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total Capital Assets Not Being Depreciated	\$ -	\$ -	\$ -	\$ -
Capital Assets Being Depreciated:				
Buildings	\$ -	\$ -	\$ -	\$ -
Equipment	205,878	6,033	-	211,911
Total Capital Assets Being Depreciated	\$ 205,878	\$ 6,033	\$ -	\$ 211,911
Less Accumulated Depreciation For:				
Buildings	\$ -	\$ -	\$ -	\$ -
Equipment	69,676	44,980	-	114,656
Total Accumulated Depreciation	\$ 69,676	\$ 44,980	\$ -	\$ 114,656
Total Capital Assets Being Depreciated, net	\$ 136,202			\$ 97,255
Solid Waste Capital Assets, net	\$ 136,202			\$ 97,255

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B. Liabilities

1. Pension Plan and Postemployment Obligations

a. Local Governmental Employees' Retirement System

*Plan Description.* The Town of Swansboro, North Carolina 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 local 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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981- 5454, or at [www.osc.nc.gov](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,

**Town of Swansboro, North Carolina**  
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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 Swansboro, North Carolina 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 Swansboro, North Carolina's contractually required contribution rate for the year ended June 30, 2024, was 13.19 of compensation for law enforcement officers and 13.19% 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 Swansboro, North Carolina were \$324,820 for the year ended June 30, 2024.

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

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

At June 30, 2024, the Town reported a liability of \$1,690,344 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023, utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2022, the Town's proportion was 0.02552%, which was a decrease of 0.00076% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Town recognized pension expense of \$488,549. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



**Town of Swansboro, North Carolina**  
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**For the Year Ended June 30, 2024**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 188,354	\$ 4,055
Changes of assumptions	71,830	-
Net difference between projected and actual earnings on pension plan investments	452,410	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	16,561	47,992
Town contributions subsequent to the measurement date	324,820	-
Total	\$ 1,053,975	\$ 52,047

\$324,820 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2025	\$ 250,631
2026	118,554
2027	288,793
2028	19,130
2029	-
Thereafter	-
	\$ 677,108

*Actuarial Assumptions.* The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 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.

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
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The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Total	100%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2023 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 2.50%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 6.50%. 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.

**Town of Swansboro, North Carolina**  
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**For the Year Ended June 30, 2024**

*Sensitivity of the Town's proportionate share of the net pension liability 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 6.50 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 (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Town's proportionate share of the net pension liability (asset)	\$ 2,928,455	\$ 1,690,344	\$ 671,015

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

b. Law Enforcement Officers' Special Separation Allowance

1) Plan Description

The Town of Swansboro 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 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 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2021, the Separation Allowance's membership consisted of:

Retirees receiving benefits	0
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	10
	10

2) Summary of Significant Accounting Policies

Basis of Accounting

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

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

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

3) Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2022 valuation. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	4.00 percent

The discount rate is the weekly average of the Bond Buyer General Obligation 20-Year Municipal Bond Index at the end of each month. Maturity rates are based on the RP-014 Mortality tables.

4) Contributions

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget.

There were no contributions made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid \$6,804 as 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, 2024, the Town reported a total pension liability of \$79,936. The total pension liability was measured as of December 31, 2023, based on a December 31, 2022 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2023, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the Town recognized pension expense of \$10,655.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 324	\$ 31,943
Changes of assumptions	11,244	19,108
Town benefit payments and plan administrative expense made subsequent to the measurement date	6,804	-
Total	<u>\$ 18,372</u>	<u>\$ 51,051</u>

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
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\$6,804 reported as deferred outflows of resources related to pensions resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Amount Recognized as Pension Expense</u>
2025	\$ 5,450	\$ 13,880	\$ (8,430)
2026	4,258	13,880	(9,622)
2027	420	11,647	(11,227)
2028	420	7,499	(7,079)
2029	420	2,255	(1,835)
Thereafter	600	1,890	(1,290)
	<u>\$ 11,568</u>	<u>\$ 51,051</u>	<u>\$ (39,483)</u>

*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 4.00 percent, as well as what the total pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.00 percent) or one percentage point higher (5.00 percent) than the current rate:

	<u>1% Decrease (3.00%)</u>	<u>Discount Rate (4.00%)</u>	<u>1% Increase (5.00%)</u>
Town's proportionate share of the total pension liability	\$ 92,309	\$ 79,936	\$ 69,157

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

	<u>2024</u>
Beginning balance	\$ 70,108
Service cost	13,550
Interest	3,022
Changes of benefit terms	-
Differences between expected and actual experience in the	(9,864)
Changes of assumptions or other inputs	3,120
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	<u>\$ 79,936</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.

**Town of Swansboro, North Carolina**  
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The actuarial assumptions used in the December 31, 2022 valuation was based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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	\$ 488,549	\$ 10,655	\$ 499,204
Pension Liability	1,690,344	79,936	1,770,280
Proportionate share of the net pension liability	0.02552%	n/a	0.02393%
Deferred of Outflows of Resources			
Differences between expected and actual experience	188,354	324	188,678
Changes of assumptions	71,830	11,244	83,074
Net difference between projected and actual earnings on pension plan investments	452,410	-	452,410
Changes in proportion and differences between contributions and proportionate share of contributions	16,561	-	16,561
Benefit payments and administrative costs paid subsequent to the measurement date	324,820	6,804	331,624
Deferred of Inflows of Resources			
Differences between expected and actual experience	4,055	31,943	35,998
Changes of assumptions	-	19,108	19,108
Net difference between projected and actual earnings on pension plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	47,992	-	47,992

c. Supplemental Retirement Income Plan for Law Enforcement Officers

1) 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

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

2) 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. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2024 were \$35,798 which consisted of \$31,674 from the Town and \$4,124 from the law enforcement officers. No amounts were forfeited.

The Town has also elected to contribute to the Supplemental Retirement Income Plan for general employees. Contributions for the year ended June 30, 2024 were \$35,182 which consisted of \$15,989 from the Town and \$19,193 from the employees. No amounts were forfeited.

d. Other Postemployment Benefits

Health Care Benefits

1) Plan Description

The Town of Swansboro, North Carolina administers a health care plan, a single employer defined benefit pension plan that provides a stipend for health insurance to retirees who have completed a specified number of years of service to the town and in service to local government. Employees who retire under the provisions of the North Carolina Local Government Employees' Retirement System (NCLGERS) and have at least 10 (ten) years of consecutive service with the Town and at least 25 years of service with the NCLGERS are eligible to participate in the Town's health care plan.

The Town's plan is not administered through a trust or equivalent arrangement. Accordingly, there are no assets accumulated in any trust.

The Town provides a portion of the total cost for individual coverage for retirees based on years of service at retirement. The amount paid by the Town is based on the current value of the monthly premium being paid by the town for group health insurance to current employees.

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Years of Service with the Town at Retirement	Years of Service with the NCLGERS at Retirement	Town Contribution
10-14	25	25%
15-19	25	50%
20 or more	25	75%

All full-time employees of the Town are covered by the Health Care Plan. At June 30, 2024, the Plan's membership consisted of:

Retirees and dependents receiving benefits	1
Active plan members	10
	11

***Total OPEB Liability***

The District's Total OPEB Liability (TOL) of \$391,922 was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2023.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Paragraph 166: Listed below is the information to be disclosed regarding the actuarial assumptions and other inputs used to measure the TOL. The complete set of actuarial assumptions and other inputs utilized in developing the TOL are outlined in Schedule C. The TOL was determined by an actuarial valuation as of June 30, 2023, using the following key actuarial assumptions and other inputs:

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary Increases, including wage inflation:	
General employees	3.25% - 8.41%
Firefighters	3.25% - 8.15%
Law Enforcement	3.25% - 7.90%
Municipal Bond Index Rate:	
Prior measurement date	3.54%
Measurement date	3.65%
Health Care Cost Trends:	
Pre-Medicare	7.00% for 2023 decreasing to an ultimate rate of 4.50% by 2033
Medicare	5.125% for 2023 decreasing to an ultimate rate of 4.50% by 2026



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The discount rate used to measure the TOL was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – December 31, 2019, adopted by the LGERS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023 valuation were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation.

Paragraph 167(a): This paragraph requires disclosure of the sensitivity of the TOL to changes in the health care cost trend rates. The following exhibit presents the TOL of the Plan, calculated using the health care cost trend rates, as well as what the Plan’s TOL would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

**Health Care Cost Trend Rate Sensitivity**

	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 307,326	\$ 391,922	\$ 508,508

Paragraph 167(b): This paragraph requires disclosure of the sensitivity of the TOL to changes in the discount rate. The following exhibit presents the TOL of the Plan, calculated using the discount rate of 2.65%, as well as what the Plan’s TOL would be if it were calculated using a Discount Rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

**Discount Rate Sensitivity**

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 491,587	\$ 391,922	\$ 316,838

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

Paragraph 168(a)-(c): This paragraph requires a schedule of changes in the TOL. The needed information is shown in the following table:

**Changes in the TOL**

Total OPEB Liability as of June 30, 2023	\$ 429,390
Changes for the year:	
Service Cost at the end of the year*	26,113
Interest on TOL and Cash Flows	16,024
Change in benefit terms	-
Difference between expected and actual experience	(71,060)
Changes of assumptions or other inputs	(2,776)
Benefit payments and implicit subsidy credit	(5,769)
Other	-
Net Changes	(37,468)
Total OPEB Liability as of June 30, 2024	\$ 391,922

\* The service cost includes interest for the year.

Paragraph 168(d): The employer does not have a special funding situation.

Paragraph 169(a): The TOL is based upon an actuarial valuation performed as of the Valuation Date, June 30, 2023. An expected TOL is determined as of June 30, 2023, the Prior Measurement Date, using standard roll back techniques. The roll back calculation begins with the TOL, as of the Measurement Date, June 30, 2023, adds the expected benefit payments for the year, deducts interest at the Discount Rate for the year, and then subtracts the annual Normal Cost (also called the Service Cost).

CMC has assumed no significant changes, other than the change in the Municipal Bond Index Rate, have occurred between the Valuation Date and the Measurement Date. If a significant change, other than the change in the Municipal Bond Index Rate, has occurred between the Valuation Date and the Measurement Date, an updated valuation may need to be performed.

Paragraph 169(b): Our understanding is that the employer does not have a special funding situation.

Paragraph 169(c): Since the Prior Measurement Date, the Discount Rate has changed from 2.21% to 3.54% due to a change in the Municipal Bond Rate.

Paragraph 169(d): There are no changes in benefit terms since the Prior Measurement Date.

Paragraph 169(e): No benefit payments are attributable to the purchase of allocated insurance contracts.

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

Paragraph 169(f): CMC was not expected to supply this information.

Paragraph 169(g): Please see Section IV for the development of the OPEB Expense (OE).

Paragraph 169(h)(1)-(2): Since certain expense items are recognized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts will increase OPEB Expense, they are labeled Deferred Outflows of Resources. If they serve to reduce OPEB Expense, they are labeled Deferred Inflows of Resources. The recognition of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions or other inputs, if any, are recognized over the average expected remaining service life of the active and inactive Plan members at the beginning of the measurement period.

The following table provides a summary of the Deferred Outflows of Resources and Deferred Inflows of Resources as of June 30, 2024:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 360	\$ 335,406
Changes of assumptions or other inputs	127,010	189,832
Total	\$ 127,370	\$ 525,238

Paragraph 169(h)(3): Our understanding is that the employer does not have a special funding situation.

Paragraph 169(h)(4): CMC was not expected to supply this information.

Paragraph 169(i)(1)-(2): Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB benefits will be recognized in OPEB Expense as follows:

Measurement Period Ended June 30:		
2025	\$	(74,751)
2026		(74,751)
2026		(74,751)
2028		(69,929)
2029		(62,959)
Thereafter		(40,727)

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

Paragraph(i)(3): Our understanding is that the employer does not have a special funding situation.

Paragraph(j): CMC was not expected to supply this information.

2. Other Employment Benefits

The Town has also 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 payment to beneficiaries is equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

3. Deferred Outflows and Inflows of Resources

Deferred outflows of resources at year-end are comprised of the following:

Contributions to pension plan in current fiscal year	\$	324,820
Benefit payments made and administrative expenses for LEOSSA subsequent to measurement date		6,804
Differences between expected and actual experience		189,038
Changes of assumptions		210,084
Net difference between projected and actual earnings on plan investments		452,410
Changes in proportion and differences between employer contributions and proportionate share of contributions		16,561
	\$	1,199,717

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

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

	Statement of Net Position	General Fund Balance Sheet
Taxes receivable, less penalties (General Fund)	\$ -	\$ 45,485
Changes in assumptions	208,940	
Leases	-	-
Differences between expected and actual experience	371,404	-
Net difference between projected and actual earnings on pension plan investments	-	
Changes in proportion and differences between Town contributions and proportionate share of contributions	47,992	-
Total	\$ 628,336	\$ 45,485

4. 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 participates in three self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$3 million per occurrence, property coverage up to the total insurance values of the property policy, and workers' compensation coverage up to statutory limits, and employee health coverage. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limit of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town did not carry flood insurance during the year ended June 30, 2024. The Town has received all certifications for eligible properties but has not purchased flood insurance.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$810,634. The remaining employees that have access to funds are bonded under a blanket bond for \$50,000.

5. Claims, Judgments and Contingent Liabilities

At June 30, 2024, the Town was a defendant in a lawsuit. In the opinion of the Town's management and the Town attorney, the ultimate effect of this legal matter will not have a material adverse effect on the Town's financial position.

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

6. Long-term Obligations

a. Subscription Payable

*Capital Assets and Depreciation.* Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Subscription-based information technology arrangements (“SBITA”) minimum capitalization cost policies were established at \$50,000; minimum capitalization cost policies were established at \$2,000 for all other capital assets. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the time of donation. General infrastructure assets acquired prior to July 1, 2003, consist of water and sewer system assets and improvements. 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.

*Subscription Based Information Technology Arrangements.* The Town has recorded Subscription-Based Information Technology Arrangement (“SBITA”) assets and liabilities as a result of implementing GASB 96. The SBITA assets are initially measured at an amount equal to the initial measurement of the related SBITA liability plus any SBITA payments made prior to the subscription term, less SBITA incentives, and plus any ancillary charges necessary to place the SBITA into service. The SBITA assets are amortized on a straight-line basis over the life of the related contract. SBITAs which are based on variable payments (or user seats) are not recorded as subscription assets or liabilities and are expenses as incurred.

For the year ended 06/30/2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based information Technology Arrangements (SBITAs). The primary objective of this statement is to provide guidance on accounting for and disclosing SBITAs. SBITAs are contracts where a vendor provides access to one or more software applications or information technology services where the customer pays a subscription fee for access to those services. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 09/30/2021, the Town of Swansboro entered into a 48-month lease as a Lessee for the use of NC ERP Pro 10 Financial Software from Tyler Technologies. An initial subscription liability was recorded in the amount of \$88,432. The lessee is required to make annual fixed payments of \$38,392. The infrastructure estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2024 was \$38,392, and the Town of Swansboro recognized a subscription liability of \$38,392 during the fiscal year.

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

	Beginning Balances July 1, 2023	Increases	Decreases	Ending Balances June 30, 2024	Current Portion of Balance
Subscription liabilities	\$ 88,432	\$ -	\$ 50,040	\$ 38,392	\$ 38,392

SBITA debt service requirements to maturity are as follows:

Principal and Interest Expected to Maturity

Business-Type Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	\$ 38,392	\$ 141	\$ 38,533

For the year ended June 30, 2024, the Town had SBITAs with variable payments that were based on user seats.

For the year ended June 30, 2024, the Town had no other payments, such as termination penalties, not previously included in the measurement of the subscription liability.

For the year ended June 30, 2024, the Town had no commitments under SBITAs before the commencement of the subscription term or any losses associated with an impairment.

b. Notes from Direct Placements

In March 2013, the Town entered into a note agreement to re-finance the installment purchase contracts for the town hall annex and tanker truck in the amount of \$1,034,486. The note agreement requires principal payments beginning in 2014, with an interest rate of 2.69%.

In December 2014, the Town entered into a note agreement to finance the construction of a public safety building in the amount of \$400,000. The note agreement requires principal payments beginning in 2015, with an interest rate of 2.58%.

In November 2016, the Town entered into a financing agreement to finance the purchase of a fire truck in the amount of \$425,000. The note will be paid in annual installments of \$47,512 at an interest rate of 2.08% for 10 years.

In November 2016, the Town entered into a financing agreement to finance the purchase of various equipment and vehicles in the amount of \$245,000. The note will be paid in annual installments of \$51,783 at an interest rate of 1.87% for 5 years.

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

In December 2016, the Town entered into a financing agreement to finance the renovation of the former town hall for the Sleeping Quarters capital project in the amount of \$250,000. The note will be paid in annual installments at an interest rate of 2.43% for 10 years.

In June 2020, the Town entered into a financing agreement to finance the purchase of a grapple truck and a generator in the amount of \$227,700. The note will be paid in annual installments of \$47,916 at an interest rate of 1.72% for 5 years.

In June 2022, the Town entered into a financing agreement to finance vehicles and equipment in the amount of \$110,700. The note will be paid in annual installments of \$22,970 at an interest rate of 1.84% for 5 years.

In February 2024, the Town entered into a financing agreement with First Citizens Bank to finance the purchase of a John Deere Tractor and a Dump Truck in the amount of \$254,500. The note will be paid in annual instalments of \$58,490 at an interest rate of 4.82% for 5 years.

The future minimum payments of the installment purchase as of June 30, 2024, including \$54,483 of interest, are as follows:

Year Ended June 30	Principal	Interest	Interest
2025	\$ 301,726	\$ 27,734	\$ 329,460
2026	220,241	19,656	239,897
2027	202,675	13,660	216,335
2028	135,740	7,475	143,215
2029	55,800	2,690	58,490
2030-2034	-	-	-
Total	\$ 916,182	\$ 71,215	\$ 987,397

At June 30, 2024, the Town of Swansboro, North Carolina had a legal debt margin of \$57,972,344.

c. Changes in Long-term Liabilities

Compensated absences, pension liabilities and OPEB liabilities for governmental activities have typically been liquidated in the General fund.

	Beginning			Ending Balance	Current Portion of Balance
	Balance	Increases	Decreases		
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	\$ 3,009,674	\$ 576,631	\$ 448,626	\$ 3,137,679	\$ 383,874



**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

Business-type Activities:	Beginning			Ending	Current
	Balance	Increases	Decreases	Balance	Portion of
					Balance
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>

Notes from direct placements are collateralized by capital assets with a carrying value of \$1,278,597.

The Town's outstanding note from direct placements related to governmental activities of \$100,000 (Sleeping Quarters) is secured with collateral of the building and property. The note contains provision that an event of default would result in: (1) declare the unpaid principal components of the Installment Payments immediately due and payable, (2) proceed by appropriate court action to enforce the Town's performance of the applicable covenants of this Agreement or to recover for the breach thereof, (3) as provided in the Project Fund Agreement, pay over any balance remaining in the Project Fund to be applied against outstanding Required Payments in any manner BB&T may reasonably deem appropriate, and (4) avail itself of all available remedies under the Agreement, including execution and foreclosure and recovery of attorney's fees and other expenses.

The Town's outstanding note from direct placements related to governmental activities of \$180,562 (Fire Truck, Vehicles & Equipment) is secured with collateral of the personal property purchased. The note contains provision that an event of default would result in: (1) declare the unpaid principal components of the Installment Payments immediately due and payable, (2) proceed by appropriate court action to enforce the Town's performance of the applicable covenants of this Agreement or to recover for the breach thereof, (3) as provided in the Project Fund Agreement, pay over any balance remaining in the Project Fund to be applied against outstanding Required Payments in any manner BB&T may reasonably deem appropriate, and (4) avail itself of all available remedies under the Agreement, including execution and foreclosure and recovery of attorney's fees and other expenses.

The Town's outstanding note from direct placements related to governmental activities of \$80,000 (Public Safety Building) is secured with collateral of the building and property improved. The note contains provision that an event of default would result in: (1) declare the unpaid principal components of the Installment Payments immediately due and payable, (2) proceed by appropriate court action to enforce the Town's performance of the applicable covenants of this Agreement or to recover for the breach thereof, (3) as provided in the Project Fund Agreement, pay over any balance remaining in the Project Fund to be applied against outstanding Required Payments in any manner BB&T may reasonably deem appropriate, and (4) avail itself of all available remedies under the Agreement, including execution and foreclosure and recovery of attorney's fees and other expenses.

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

The Town's outstanding note from direct placements related to governmental activities of \$391,469 (Town Hall Annex and Tanker) is secured with collateral of the building and property improved. The note contains provision that an event of default would result in: (1) declare the unpaid principal components of the Installment Payments immediately due and payable, (2) proceed by appropriate court action to enforce the Town's performance of the applicable covenants of this Agreement or to recover for the breach thereof, (3) as provided in the Project Fund Agreement, pay over any balance remaining in the Project Fund to be applied against outstanding Required Payments in any manner BB&T may reasonably deem appropriate, and (4) avail itself of all available remedies under the Agreement, including execution and foreclosure and recovery of attorney's fees and other expenses.

The Town's outstanding note from direct placements related to governmental activities of \$93,416 is secured with collateral of the personal property purchased. The note contains provision that an event of default would result in: (1) declare the unpaid principal components of the Installment Payments immediately due and payable, (2) proceed by appropriate court action to enforce the Town's performance of the applicable covenants of this Agreement or to recover for the breach thereof, (3) as provided in the Project Fund Agreement, pay over any balance remaining in the Project Fund to be applied against outstanding Required Payments in any manner BB&T may reasonably deem appropriate, and (4) avail itself of all available remedies under the Agreement, including execution and foreclosure and recovery of attorney's fees and other expenses.

The Town's outstanding note from direct placements related to governmental activities of \$67,627 (vehicles and equipment) is secured with collateral of the personal property purchased. The note contains provision that an event of default would result in: (1) declare the unpaid principal components of the Installment Payments immediately due and payable, (2) proceed by appropriate court action to enforce the Town's performance of the applicable covenants of this Agreement or to recover for the breach thereof, (3) as provided in the Project Fund Agreement, pay over any balance remaining in the Project Fund to be applied against outstanding Required Payments in any manner BB&T may reasonably deem appropriate, and (4) avail itself of all available remedies under the Agreement, including execution and foreclosure and recovery of attorney's fees and other expenses.

The Town's outstanding note from direct placements related to governmental activities of \$254,500 (vehicles and equipment) is secured with collateral of the personal property purchased. The note contains provision that an event of default would result in: (1) declare the unpaid principal components of the Installment Payments immediately due and payable, (2) proceed by appropriate court action to enforce the Town's performance of the applicable covenants of this Agreement or to recover for the breach thereof, (3) as provided in the Project Fund Agreement, pay over any balance remaining in the Project Fund to be applied against outstanding Required Payments in any manner First Citizens Bank may reasonably deem appropriate, and (4) avail itself of all available remedies under the Agreement, including execution and foreclosure and recovery of attorney's fees and other expenses.

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2024, consist of the following:

From the General Fund to the Solid Waste Fund to assist with operations	\$ 220
From the General Fund to the Stormwater Fund to assist with operations	220
From the Capital Reserve Fund to the General Fund for asset purchase	\$ 6,166
From the General Fund to the Capital Reserve Fund for future purchases	169,730
From the General Fund to the Swansboro Bicentennial Park Extension for project start-up expenses	126,450
From the ARPA Fund to the General Fund to reimburse expenses	15,000
Total	\$ 317,786

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided matching funds for various grant programs.

D. Net Investment in Capital Assets

	Governmental	Business-type
Capital assets	\$ 6,367,716	\$ 167,386
Less: long-term debt	954,574	-
Net Investment in Capital Assets	\$ 5,413,142	\$ 167,386

E. Fund Balance

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

Total fund balance - General Fund	\$ 5,062,588
Less:	
Stabilization by State Statute	322,828
Streets-Powell Bill	163,870
Appropriated Fund Balance in 2024 Budget	723,569
Remaining Fund Balance	\$ 3,852,321

IV. Jointly Governed Organization

The Town, in conjunction with 9 counties and 46 municipalities, established the East Carolina Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The Town considers the membership fees paid to the Council during the fiscal year ended June 30, 2024 to be immaterial. The Town has no equity interest nor does the town materially contribute to the continued existence of the Council. The Town's interests are other than financial.

**Town of Swansboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

**V. Summary Disclosure of Significant Contingencies**

*Federal and State Assisted Programs*

The Town has received proceeds from several federal and State grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

**VI. Subsequent Events**

As of October 30, 2024, the date of completion of the financial statements, there were no material subsequent events that were required to be reported.

## Required Supplemental 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 Schedule
- 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
- Schedule of Changes in the Total OPEB Liability

**Town of Swansboro, North Carolina**  
**Town of Swansboro's Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information**  
**Last Ten Fiscal Years**

**Local Government Employees' Retirement System**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town of Swansboro's proportion of the net pension liability (asset) (%)	0.02552%	0.02628%	0.02512%	0.02393%	0.02172%	0.02179%	0.02138%	0.01978%	0.02512%	0.0230%
Town of Swansboro's proportion of the net pension liability (asset) (\$)	\$ 1,690,344	\$ 1,482,567	\$ 385,239	\$ 855,121	\$ 593,156	\$ 516,933	\$ 326,627	\$ 419,798	\$ 112,737	\$ (135,936)
Town of Swansboro's covered payroll	\$ 1,923,342	\$ 1,868,987	\$ 1,664,582	\$ 1,618,540	\$ 1,395,261	\$ 1,359,899	\$ 1,294,306	\$ 1,098,158	\$ 1,197,066	\$ 1,205,459
Town of Swansboro's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	87.89%	79.32%	23.14%	52.83%	42.51%	38.01%	25.24%	38.23%	9.42%	-11.28%
Plan fiduciary net position as a percentage of the total pension liability	86.07%	85.14%	95.51%	91.63%	94.18%	91.47%	98.09%	99.07%	102.64%	94.35%

**Town of Swansboro, North Carolina  
Town of Swansboro's Contributions  
Required Supplementary Information  
Last Nine Fiscal Years**

**Local Government Employees' Retirement System**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 324,820	\$ 238,317	\$ 217,512	\$ 173,652	\$ 149,972	\$ 112,470	\$ 105,976	\$ 97,659	\$ 78,302	\$ 86,146
Contributions in relation to the contractually required contributions	<u>324,820</u>	<u>238,317</u>	<u>217,512</u>	<u>173,652</u>	<u>149,972</u>	<u>112,470</u>	<u>105,976</u>	<u>97,659</u>	<u>78,302</u>	<u>86,146</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town of Swansboro's covered payroll	<u>\$ 2,462,006</u>	<u>\$ 1,923,342</u>	<u>\$ 1,868,987</u>	<u>\$ 1,664,582</u>	<u>\$ 1,618,540</u>	<u>\$ 1,395,261</u>	<u>\$ 1,359,899</u>	<u>\$ 1,294,306</u>	<u>\$ 1,098,158</u>	<u>\$ 1,197,066</u>
Contributions as a percentage of covered payroll	13.19%	12.39%	11.64%	10.43%	9.27%	8.06%	7.79%	7.55%	7.13%	7.20%

**Town of Swansboro, North Carolina**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**June 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 70,108	\$ 86,581	\$ 108,015	\$ 75,611	\$ 63,708	\$ 70,646	\$ 95,469	\$ 97,664
Service cost	13,550	19,525	19,576	13,322	10,609	8,953	6,719	8,244
Interest	3,022	1,948	2,017	2,270	2,101	2,044	3,454	3,273
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(9,864)	(12,301)	(32,207)	945	8,795	(3,986)	(27,478)	-
Changes of assumptions or other inputs	3,120	(25,645)	(3,846)	27,823	2,354	(1,993)	4,438	(1,756)
Benefit payments	-	-	(6,974)	(11,956)	(11,956)	(11,956)	(11,956)	(11,956)
Other changes	-	-	-	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 79,936</u>	<u>\$ 70,108</u>	<u>\$ 86,581</u>	<u>\$ 108,015</u>	<u>\$ 75,611</u>	<u>\$ 63,708</u>	<u>\$ 70,646</u>	<u>\$ 95,469</u>

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



**Town of Swansboro, North Carolina**  
**Schedule of Total Pension Liability as a Percentage of Covered Payroll**  
**Law Enforcement Officers' Special Separation Allowance**  
**June 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 79,936	\$ 70,108	\$ 86,581	\$ 108,015	\$ 75,611	\$ 63,708	\$ 70,646	\$ 95,469
Covered-employee payroll	520,848	641,569	598,345	587,045	474,898	437,602	401,145	429,917
Total pension liability as a percentage of covered payroll	15.35%	10.93%	14.47%	18.40%	15.92%	14.56%	17.61%	22.21%

Notes to the schedules:

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

**Town of Swansboro, North Carolina**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**June 30, 2024**

<b>Total OPEB Liability</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Service Cost	\$ 26,113	\$ 40,892	\$ 72,798	\$ 44,160	\$ 66,334	\$ 71,196	\$ 82,197
Interest	16,024	12,664	17,902	18,037	26,975	23,521	19,727
Change in benefit terms	-	-	-	-	(113,072)	-	-
Difference between expected and actual experience	(71,060)	(200)	(275,274)	592	(183,249)	(3,447)	(2,439)
Changes of assumptions or other inputs	(2,776)	(166,460)	(1,488)	208,822	(14,186)	(53,792)	(89,242)
Benefit payments and implicit subsidy credit	(5,769)	(5,769)	(5,769)	(5,360)	(4,779)	(4,703)	(5,124)
Net Change in Total OPEB Liability	<u>(37,468)</u>	<u>(118,873)</u>	<u>(191,831)</u>	<u>266,251</u>	<u>(221,977)</u>	<u>32,775</u>	<u>5,119</u>
Total OPEB Liability - beginning	<u>429,390</u>	<u>548,263</u>	<u>740,094</u>	<u>473,843</u>	<u>695,820</u>	<u>663,045</u>	<u>657,926</u>
Total OPEB Liability - ending	<u><u>\$ 391,922</u></u>	<u><u>\$ 429,390</u></u>	<u><u>\$ 548,263</u></u>	<u><u>\$ 740,094</u></u>	<u><u>\$ 473,843</u></u>	<u><u>\$ 695,820</u></u>	<u><u>\$ 663,045</u></u>
Covered-employee Payroll	\$ 566,237	\$ 876,805	\$ 876,805	\$ 1,106,396	\$ 1,106,396	\$ 1,231,757	\$ 1,231,757
Total OPEB Liability as a Percentage of Covered Employee Payroll	69.22%	48.97%	62.53%	66.89%	42.83%	56.49%	53.83%

**Notes to Schedule**

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

<u>Fiscal Year</u>	<u>Rate</u>
2024	3.65%
2023	3.54%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

Information on this schedule will report 10 years' information once the 10<sup>th</sup> year of implementation occurs.

## **Individual Fund Statements and Schedules**

**Town of Swansboro, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2024**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2023)**

	Final Budget	Actual 2024	Variance Positive (Negative)	Actual 2023
<b>Revenues</b>				
Ad Valorem Taxes:				
Current year		\$ 2,536,419		\$ 2,409,296
Prior year		24,174		6,033
Penalties and interest		9,957		7,422
Total	<u>\$ 2,485,679</u>	<u>\$ 2,570,550</u>	<u>\$ 84,871</u>	<u>\$ 2,422,751</u>
Other Taxes and Licenses:				
Occupancy tax		\$ 121,780		\$ 60,000
Animal taxes		-		-
Total	<u>\$ 121,186</u>	<u>\$ 121,780</u>	<u>\$ 594</u>	<u>\$ 60,000</u>
Unrestricted Intergovernmental:				
Utility franchise tax		\$ 273,858		\$ 244,780
Local option sales tax		1,498,693		1,404,828
Beer and wine tax		21,050		18,578
ABC profit distribution		49,653		54,531
Tax refunds		13,147		12,591
Administrative fees		13,230		-
Total	<u>\$ 1,680,360</u>	<u>\$ 1,869,631</u>	<u>\$ 189,271</u>	<u>\$ 1,735,308</u>
Restricted Intergovernmental:				
Powell Bill allocation		\$ 126,626		\$ 110,084
Various State and local grants		110,917		196,021
County - fire department		380,977		177,037
Solid waste disposal tax		-		3,019
Total	<u>\$ 665,665</u>	<u>\$ 618,520</u>	<u>\$ (47,145)</u>	<u>\$ 486,161</u>
Permits and Fees:				
Building permits and inspection fees		\$ 109,050		\$ 112,566
Planning and zoning fees		11,419		8,785
Court and police fees		12,463		9,951
Recreation contract fees		80,413		112,456
Marina fees		41,590		-
Festivals and events		88,485		83,719
Lease income		89,521		74,993
Easements		-		10,000
Total	<u>\$ 334,575</u>	<u>\$ 432,941</u>	<u>\$ 98,366</u>	<u>\$ 412,470</u>
Sales and Services:				
Homeowners recovery fund	<u>500</u>	<u>490</u>	<u>(10)</u>	<u>390</u>
Investment Earnings	<u>1,000</u>	<u>308,660</u>	<u>307,660</u>	<u>56,402</u>
Miscellaneous:				
Miscellaneous income		\$ 1,824		\$ 37,094
Insurance proceeds		37,084		-
Sale of fixed assets		1,500		-
ONWASA reimbursements		32,083		35,000
Total	<u>\$ 71,649</u>	<u>\$ 72,491</u>	<u>\$ 842</u>	<u>\$ 72,094</u>

**Town of Swansboro, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2024**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2023)**

	Final Budget	Actual 2024	Variance Positive (Negative)	Actual 2023
<b>Contributions:</b>				
Donations - Memorial Trees		\$ -		\$ -
Donations - Park		120		1,498
Donations - Police		639		4,180
Donations - Fire Department		45		1,100
Total	<u>\$ 3,900</u>	<u>\$ 804</u>	<u>\$ (3,096)</u>	<u>\$ 6,778</u>
Total Revenues	<u>\$ 5,364,514</u>	<u>\$ 5,995,867</u>	<u>\$ 631,353</u>	<u>\$ 5,252,354</u>
<b>Expenditures</b>				
<b>Governing Body:</b>				
Salaries - elected officials		\$ 9,419		\$ 9,338
FICA		721		714
Community relations		1,666		-
Miscellaneous		8,700		2,628
Supplies		1,528		1,165
Election expense		8,968		-
Travel		3,832		2,234
Contributions		7,500		7,500
Total	<u>\$ 43,476</u>	<u>\$ 42,334</u>	<u>\$ 1,142</u>	<u>\$ 23,579</u>
<b>Administration:</b>				
Salaries and wages		\$ 279,253		\$ 233,657
FICA		21,469		17,476
Group insurance		23,896		25,401
Retirement		33,012		34,340
Employee allowances		16,809		5,450
Department supplies		1,284		1,412
Dues & subscriptions		8,301		7,741
Miscellaneous		75		415
Professional services		11,450		38,636
Travel		12,464		4,961
Capital outlay		-		-
Capital outlay (non-capitalized)		-		1,209
Total	<u>\$ 449,823</u>	<u>\$ 408,013</u>	<u>\$ 41,810</u>	<u>\$ 370,698</u>
<b>Public Buildings:</b>				
Salaries and wages		\$ 70,000		\$ 58,764
FICA		5,400		4,544
Group insurance		10,693		10,274
Retirement		9,110		7,196
Employee allowances		594		715
Maintenance and renovations		8,708		12,014
Vehicle maintenance		4,822		3,766
Professional services		43,312		36,303
Supplies		8,570		10,472
Utilities		67,500		55,610
Miscellaneous		-		-
Capital outlay		5,760		-
Capital outlay (non-capitalized)		1,455		2,874
Total	<u>\$ 261,120</u>	<u>\$ 235,924</u>	<u>\$ 25,196</u>	<u>\$ 202,532</u>

**Town of Swansboro, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2024**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2023)**

	Final Budget	Actual 2024	Variance Positive (Negative)	Actual 2023
Legal:				
Professional services	\$ 73,000	\$ 58,223	\$ 14,777	\$ 41,417
Finance:				
Salaries and wages		\$ 166,615		\$ 150,891
FICA		12,325		11,059
Group Insurance		17,890		17,420
Retirement		24,451		19,827
Employee allowances		1,425		650
Miscellaneous				-
Office supplies		3,037		2,590
Department supplies		1,257		1,575
Dues & subscriptions		499		160
Fees		5,406		1,684
Professional service		17,837		21,577
Tax collection		34,545		28,951
Travel		2,378		2,125
Capital outlay				-
Capital outlay (non-capitalized)				474
Total	\$ 292,345	\$ 287,665	\$ 4,680	\$ 258,983
Total General Government	\$ 1,119,764	\$ 1,032,159	\$ 87,605	\$ 897,209
Police and Fire:				
Salaries and wages		\$ 1,433,639		\$ 1,098,434
FICA		109,612		83,612
Fees		532		-
Group insurance		163,517		131,203
Retirement		216,937		162,878
Employee allowances		8,375		909
Automotive supplies		56,980		38,392
Department supplies		8,090		21,041
Dues & subscriptions		2,411		4,568
Fire prevention				1,804
Maintenance - building				-
Maintenance - equipment		9,156		4,012
Maintenance - vehicle		40,267		26,425
Miscellaneous		5,121		5,298
Professional services		15,762		17,765
Telephone		8,414		6,778
Travel		8,413		1,743
Uniforms		11,863		11,154
Utilities		240		142
Volunteer retention		10,027		6,342
Capital outlay		50,827		37,556
Capital outlay (non-capitalized)		97,472		26,202
Total	\$ 2,449,347	\$ 2,257,655	\$ 191,692	\$ 1,686,258

**Town of Swansboro, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2024**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2023)**

	Final Budget	Actual 2024	Variance Positive (Negative)	Actual 2023
<b>Planning:</b>				
Salaries and wages		\$ 267,686		\$ 213,881
FICA		19,737		16,161
Group insurance		26,098		28,546
Retirement		34,797		26,666
Employee allowances		1,906		1,000
Automotive supplies		1,189		-
Department supplies		465		271
Professional services		1,286		4,583
Miscellaneous		1,365		1,375
Travel		5,987		3,589
Dues and subscriptions		410		173
Capital outlay (non-capitalized)		170		1,209
Total	<u>\$ 393,592</u>	<u>\$ 361,096</u>	<u>\$ 32,496</u>	<u>\$ 297,454</u>
<b>Emergency Management:</b>				
Salaries and wages		\$ -		\$ -
Maintenance - equipment		6,586		-
Automotive supplies		1,282		-
Department supplies		3,629		-
Professional services		2,135		1,125
Miscellaneous		1,068		1,654
Capital outlay (non-capitalized)		4,763		-
Total	<u>\$ 44,306</u>	<u>\$ 19,463</u>	<u>\$ 24,843</u>	<u>\$ 2,779</u>
Total Public Safety	<u>\$ 2,887,245</u>	<u>\$ 2,638,214</u>	<u>\$ 249,031</u>	<u>\$ 1,986,491</u>
<b>Transportation:</b>				
<b>Streets and Highways:</b>				
Salaries and wages		\$ 127,201		\$ 153,201
FICA		9,928		11,816
Group insurance		19,805		25,697
Retirement		16,868		19,289
Employee allowances		1,922		955
Automotive supplies		3,564		3,994
Department supplies		147		786
Fees		-		-
Maintenance - building		1,467		-
Maintenance - equipment		861		2,027
Maintenance - traffic signs		460		1,718
Maintenance - storm drains		-		-
Maintenance - streets		10,933		694
Maintenance - vehicles		-		887
Sidewalk repairs		3,170		-
Street lights		57,997		49,317
Miscellaneous		-		57
Professional services		-		469
Travel		299		275
Telephone		-		345
Uniforms		1,677		-
Utilities		-		-
Capital outlay		150		12,438
Capital outlay (non-capitalized)		2,328		8,955
Total	<u>\$ 557,148</u>	<u>\$ 258,777</u>	<u>\$ 298,371</u>	<u>\$ 292,920</u>

**Town of Swansboro, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2024**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2023)**

	Final Budget	Actual 2024	Variance Positive (Negative)	Actual 2023
State Street - Aid:				
Maintenance - streets	\$ 126,636	\$ 38,798	\$ 87,838	\$ 81,732
Total Transportation	<u>\$ 683,784</u>	<u>\$ 297,575</u>	<u>\$ 386,209</u>	<u>\$ 374,652</u>
Economic Development:				
Tourism Development Authority	117,886	\$ 121,052		\$ 120,821
Festivals	124,653	121,415		87,181
Old Town Hall	-	-		-
Church Street Dock	179,302	85,310		8,476
Total Economic Development	<u>\$ 421,841</u>	<u>\$ 327,777</u>	<u>\$ 94,064</u>	<u>\$ 216,478</u>
Cultural and Recreation:				
Parks and Recreation:				
Salaries and wages		\$ 186,539		\$ 193,577
FICA		15,381		14,800
Group insurance		14,861		8,406
Retirement		20,532		19,548
Employee allowances		2,950		1,050
Automotive supplies		2,025		1,654
Department supplies		15,767		15,149
Insurance		-		-
Miscellaneous		4,225		2,134
Maintenance - building		10,876		12,253
Maintenance - vehicles		1,780		1,598
Maintenance - equipment		10,043		15,057
Professional services		20,378		17,832
Travel		3,473		2,973
Utilities		1,358		1,409
Capital outlay		5,801		-
Capital outlay (non-capitalized)		5,605		16,585
Total Cultural and Recreation	<u>\$ 352,732</u>	<u>\$ 321,594</u>	<u>\$ 31,138</u>	<u>\$ 324,025</u>
Non-departmental:				
Miscellaneous		\$ 14,287		\$ 9,417
Supplies		-		963
Insurance		172,887		149,125
Services		121,195		133,147
Telephone		9,382		8,329
Maintenance - equipment		508		992
Utilities		6,180		6,180
Total Non-departmental	<u>\$ 352,952</u>	<u>\$ 324,439</u>	<u>\$ 28,513</u>	<u>\$ 308,153</u>



**Town of Swansboro, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2024**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2023)**

	Final Budget	Actual 2024	Variance Positive (Negative)	Actual 2023
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Debt Service:				
Principal retirement		\$ 251,392	\$ -	\$ 247,375
Interest and other charges		5,732	-	8,993
Total Debt Service	<u>\$ 258,974</u>	<u>\$ 257,124</u>	<u>\$ 1,850</u>	<u>\$ 256,368</u>
Total Expenditures	<u>\$ 6,077,292</u>	<u>\$ 5,198,882</u>	<u>\$ 878,410</u>	<u>\$ 4,363,376</u>
<b>Revenues Over Expenditures</b>	<u>\$ (712,778)</u>	<u>\$ 796,985</u>	<u>\$ 1,509,763</u>	<u>\$ 888,978</u>
<b>Other Financing Sources (Uses)</b>				
Loan issuance	\$ 221,938	\$ 254,500	\$ 32,562	\$ -
Sale of capital assets	-	-	-	-
Transfers in:				
Capital Reserve and Capital Projects	6,166	6,166	-	-
Transfers out:				
Waterfront Plan Implementation		-	-	-
Capital Reserve	(176,230)	(169,730)	6,500	(75,095)
Other	(141,450)	(141,450)	-	(27,000)
Stormwater Fund	(440)	(440)	-	(2,228)
Solid Waste Enterprise Fund	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ (90,016)</u>	<u>\$ (50,954)</u>	<u>\$ 39,062</u>	<u>\$ (104,323)</u>
Fund balance appropriated	<u>\$ 802,794</u>	<u>\$ -</u>	<u>\$ (802,794)</u>	<u>\$ -</u>
<b>Net Change in Fund Balance</b>	<u><u>\$ -</u></u>	<u><u>\$ 746,031</u></u>	<u><u>\$ 746,031</u></u>	<u><u>\$ 784,655</u></u>
Fund Balance, beginning		<u>4,316,557</u>		<u>3,470,977</u>
Fund Balance, ending		<u><u>\$ 5,062,588</u></u>		<u><u>\$ 4,255,632</u></u>

**Town of Swansboro, North Carolina**  
**Capital Project Fund - State Capital Infrastructure Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2024**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>					
State grant	\$ 6,000,000	\$ 19,520	\$ -	\$ 19,520	\$ (5,980,480)
Investment earnings	-	6,945	168,611	175,556	175,556
Total Revenues	\$ 6,000,000	\$ 26,465	\$ 168,611	\$ 195,076	\$ (5,804,924)
<b>Expenditures:</b>					
Capital outlay	6,000,000	19,520	562	20,082	5,979,918
Revenues Over (Under) Expenditures	\$ -	\$ 6,945	\$ 168,049	\$ 174,994	\$ 174,994
<b>Other Financing Sources:</b>					
Transfer in	-	-	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 6,945</u>	<u>\$ 168,049</u>	<u>\$ 174,994</u>	<u>\$ 174,994</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			<u>6,945</u>		
End of year, June 30			<u>\$ 174,994</u>		

## **Nonmajor Governmental Funds**

The following funds are Capital Project Funds of the Town of Swansboro that are combined as Nonmajor Governmental Funds.

- Master Plan Project
- Park & Recreation Reserve
- Municipal Park Improvements
- Waterfront Plan Implementation
- Information Technology
- American Rescue Plan Act
- Capital Reserve Fund
- State Capital Infrastructure Fund Sidewalk
- Emmerton School Repairs Grant Fund
- Swansboro Bicentennial Park Boardwalk Extension

**Town of Swansboro, North Carolina**  
**Non-major Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2024**

	<b>Master Plan Project</b>	<b>Park &amp; Recreation Reserve</b>	<b>Municipal Park Improvements</b>	<b>Waterfront Plan Implementation</b>	<b>Information Technology</b>	<b>American Rescue Plan Act</b>
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ 147,205	\$ 13,879	\$ 2,802	\$ 5,478	\$ 120,958
Grants receivable	19,050	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 19,050</b>	<b>\$ 147,205</b>	<b>\$ 13,879</b>	<b>\$ 2,802</b>	<b>\$ 5,478</b>	<b>\$ 120,958</b>
<b>Liabilities and Fund Balances</b>						
Current Liabilities:						
Liabilities payable from restricted assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107,033
Accounts payable	19,050	-	1,137	-	-	13,925
<b>Total Liabilities</b>	<b>\$ 19,050</b>	<b>\$ -</b>	<b>\$ 1,137</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 120,958</b>
Fund Balances:						
Restricted:						
Capital improvements	\$ -	\$ 147,205	\$ 12,742	\$ 2,802	\$ 5,478	\$ -
<b>Total Fund Balances</b>	<b>\$ -</b>	<b>\$ 147,205</b>	<b>\$ 12,742</b>	<b>\$ 2,802</b>	<b>\$ 5,478</b>	<b>\$ -</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 19,050</b>	<b>\$ 147,205</b>	<b>\$ 13,879</b>	<b>\$ 2,802</b>	<b>\$ 5,478</b>	<b>\$ 120,958</b>

**Town of Swansboro, North Carolina**  
**Non-major Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2024**

	<b>Capital Reserve Fund</b>	<b>Emmertton School Repairs Grant Fund</b>	<b>Swansboro Bicentennial Park Boardwalk Extension</b>	<b>State Capital Infrastructure Fund-Sidewalk</b>	<b>Total Combining</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 666,366	\$ -	\$ 12,560	\$ 100,000	\$ 1,069,248
Grants receivable	-	-	-	-	19,050
Total Assets	<u>\$ 666,366</u>	<u>\$ -</u>	<u>\$ 12,560</u>	<u>\$ 100,000</u>	<u>\$ 1,088,298</u>
<b>Liabilities and Fund Balances</b>					
Current Liabilities:					
Liabilities payable from restricted assets	\$ -	\$ -	\$ -	\$ 100,000	\$ 207,033
Accounts payable	-	-	-	-	34,112
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 241,145</u>
Fund Balances:					
Restricted:					
Capital improvements	\$ 666,366	\$ -	\$ 12,560	\$ -	\$ 847,153
Total Fund Balances	<u>\$ 666,366</u>	<u>\$ -</u>	<u>\$ 12,560</u>	<u>\$ -</u>	<u>\$ 847,153</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 666,366</u>	<u>\$ -</u>	<u>\$ 12,560</u>	<u>\$ 100,000</u>	<u>\$ 1,088,298</u>

**Town of Swansboro, North Carolina**  
**Non-major Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2024**

	<u>Master Plan Project</u>	<u>Park &amp; Recreation Reserve</u>	<u>Municipal Park Improvements</u>	<u>Waterfront Plan Implementation</u>	<u>Information Technology</u>	<u>American Rescue Plan Act</u>
<b>Revenues</b>						
Total Revenues	\$ 19,050	\$ 2,295	\$ -	\$ -	\$ -	\$ 188,819
<b>Expenditures</b>						
Total Expenditures	\$ 19,050	\$ -	\$ -	\$ 100	\$ -	\$ 173,819
<b>Revenues Over Expenditures</b>	\$ -	\$ 2,295	\$ -	\$ (100)	\$ -	\$ 15,000
<b>Other Financing Sources (Uses)</b>						
Transfers in:						
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Reserve Fund	-	-	-	-	-	-
Transfers out:						
General Fund	-	-	-	-	-	(15,000)
Other funds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (15,000)
<b>Net Change in Fund Balance</b>	\$ -	\$ 2,295	\$ -	\$ (100)	\$ -	\$ -
Fund Balance, beginning	-	144,910	12,742	2,902	5,478	-
Fund Balance, ending	<u>\$ -</u>	<u>\$ 147,205</u>	<u>\$ 12,742</u>	<u>\$ 2,802</u>	<u>\$ 5,478</u>	<u>\$ -</u>

**Town of Swansboro, North Carolina**  
**Non-major Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2024**

	<b>Capital Reserve Fund</b>	<b>Emmerton School Repairs Grant Fund</b>	<b>Swansboro Bicentennial Park Boardwalk Extension</b>	<b>State Capital Infrastructure Fund-Sidewalk</b>	<b>Total Combining</b>
<b>Revenues</b>					
Total Revenues	\$ -	\$ 22,125	\$ -	\$ -	\$ 232,289
<b>Expenditures</b>					
Total Expenditures	\$ -	\$ 22,125	\$ 113,890	\$ -	\$ 328,984
<b>Revenues Over Expenditures</b>	\$ -	\$ -	\$ (113,890)	\$ -	\$ (96,695)
<b>Other Financing Sources (Uses)</b>					
Transfers in:					
General Fund	\$ 169,730	\$ -	\$ 126,450	\$ -	\$ 296,180
Capital Reserve Fund	-	-	-	-	-
Transfers out:					
General Fund	(6,166)	-	-	-	(21,166)
Other funds	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ 163,564	\$ -	\$ 126,450	\$ -	\$ 275,014
<b>Net Change in Fund Balance</b>	\$ 163,564	\$ -	\$ 12,560	\$ -	\$ 178,319
Fund Balance, beginning	502,802	-	-	-	668,834
Fund Balance, ending	<u>\$ 666,366</u>	<u>\$ -</u>	<u>\$ 12,560</u>	<u>\$ -</u>	<u>\$ 847,153</u>

**Town of Swansboro, North Carolina**  
**Capital Project Fund - Master Plan Project**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2024**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
			<u>Current Year</u>			
<b>Revenues:</b>						
NCDENR grant	\$ 400,000	\$ -	\$ 19,050		\$ 19,050	\$ (380,950)
Total Revenues	\$ 400,000	\$ -	\$ 19,050		\$ 19,050	\$ (380,950)
<b>Expenditures:</b>						
Professional services	400,000	-	19,050		19,050	380,950
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -		\$ -	\$ -
Other Financing Sources (Uses): Transfer from Capital Reserve	-	-	-		-	-
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>						
Beginning of year, July 1			<u>-</u>			
End of year, June 30			<u>\$ -</u>			



**Town of Swansboro, North Carolina**  
**Capital Project Fund - Parks & Recreation Reserve Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2024**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>					
Restricted intergovernmental					
Parks & recreation development fee	\$ 103,180	\$ 248,090	\$ 2,295	\$ 250,385	\$ 147,205
<b>Other Financing Sources (Uses)</b>					
Transfers out:					
Waterfront Plan Implementation Project	\$ (46,600)	\$ -	\$ -	\$ -	\$ (46,600)
Municipal Park Improvements	(49,080)	-	-	-	(49,080)
General Fund	(7,500)	-	-	-	(7,500)
Total Other Financing Sources (Uses)	<u>\$ (103,180)</u>	<u>\$ 103,180</u>	<u>\$ -</u>	<u>\$ 103,180</u>	<u>\$ (103,180)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 248,090</u>	\$ 2,295	<u>\$ 250,385</u>	<u>\$ 250,385</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			<u>144,910</u>		
End of year, June 30			<u>\$ 147,205</u>		

**Town of Swansboro, North Carolina**  
**Capital Project Fund - Municipal Park Improvement Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2024**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
		<u>Prior Years</u>	<u>Current Year</u>		
<b>Revenues:</b>					
Restricted intergovernmental:					
PARTF grant	\$ 500,000	\$ 477,642	\$ -	\$ 477,642	\$ (22,358)
NC Dept of Natural & Cultural Resources	196,324	195,187	-	195,187	(1,137)
Donations	100,000	100,000	-	100,000	-
	<u>\$ 796,324</u>	<u>\$ 772,829</u>	<u>\$ -</u>	<u>\$ 772,829</u>	<u>\$ (23,495)</u>
<b>Expenditures:</b>					
Design and engineering	\$ 30,000	\$ 28,297	\$ -	\$ 28,297	\$ 1,703
Construction-recreation center	708,000	694,661	-	694,661	13,339
Construction-concession stand	75,000	69,402	-	69,402	5,598
Construction-SMP enhancement	295,404	282,901	-	282,901	12,503
Exercise trail	26,900	26,836	-	26,836	64
Skateboard area	58,500	58,192	-	58,192	308
Playground structure	81,500	81,434	-	81,434	66
Equipment	9,800	9,800	-	9,800	-
Contingency	40,000	37,344	-	37,344	2,656
	<u>\$ 1,325,104</u>	<u>\$ 1,288,867</u>	<u>\$ -</u>	<u>\$ 1,288,867</u>	<u>\$ 36,237</u>
<b>Other Financing Sources (Uses):</b>					
Transfers-in:					
General Fund	\$ 160,000	\$ 160,000	\$ -	\$ 160,000	\$ -
Parks & Recreation Reserve Fund	368,780	368,780	-	368,780	-
	<u>\$ 528,780</u>	<u>\$ 528,780</u>	<u>\$ -</u>	<u>\$ 528,780</u>	<u>\$ -</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 12,742</u>	<u>\$ -</u>	<u>\$ 12,742</u>	<u>\$ 12,742</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			<u>12,742</u>		
End of year, June 30			<u>\$ 12,742</u>		

**Town of Swansboro, North Carolina**  
**Capital Project Fund - Waterfront Plan Implementation Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2024**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
		<u>Prior Years</u>	<u>Current Year</u>		
<b>Revenues:</b>					
Restricted Intergovernmental					
Local grants	\$ 29,182	\$ 32,182	\$ -	\$ 32,182	\$ 3,000
State grants	328,035	255,059	-	255,059	(72,976)
	<u>\$ 357,217</u>	<u>\$ 287,241</u>	<u>\$ -</u>	<u>\$ 287,241</u>	<u>\$ (69,976)</u>
<b>Expenditures:</b>					
Surveying	\$ 4,200	\$ 4,200	\$ -	\$ 4,200	\$ -
Planning services	50,311	47,088	100	47,188	3,123
Engineering	30,012	26,452	-	26,452	3,560
Construction	429,294	363,199	-	363,199	66,095
	<u>\$ 513,817</u>	<u>\$ 440,939</u>	<u>\$ 100</u>	<u>\$ 441,039</u>	<u>\$ 72,778</u>
Revenues Over (Under) Expenditures	<u>\$ (156,600)</u>	<u>\$ (153,698)</u>	<u>\$ (100)</u>	<u>\$ (153,798)</u>	<u>\$ 2,802</u>
<b>Other Financing Sources (Uses):</b>					
Transfers-in:					
General fund	\$ 141,000	\$ 141,000	\$ -	\$ 141,000	\$ -
Parks and Recreation Reserve Fund	46,600	46,600	-	46,600	-
Capital reserve fund	10,000	10,000	-	10,000	-
Transfers-out:					
Port of Swannsborough	(41,000)	(41,000)	-	(41,000)	-
	<u>\$ 156,600</u>	<u>\$ 156,600</u>	<u>\$ -</u>	<u>\$ 156,600</u>	<u>\$ -</u>
Total Other Financing Sources	<u>\$ 156,600</u>	<u>\$ 156,600</u>	<u>\$ -</u>	<u>\$ 156,600</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 2,902</u>	<u>\$ (100)</u>	<u>\$ 2,802</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			2,902		
			<u>2,902</u>		
End of year, June 30			<u>\$ 2,802</u>		

**Town of Swansboro, North Carolina**  
**Capital Project Fund - Information Technology Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2024**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
		<u>Prior Years</u>	<u>Current Year</u>		
<b>Revenues:</b>					
Restricted intergovernmental Time Warner contribution	\$ 55,300	\$ 55,300	\$ -	\$ 55,300	\$ -
Total Revenues	<u>\$ 55,300</u>	<u>\$ 55,300</u>	<u>\$ -</u>	<u>\$ 55,300</u>	<u>\$ -</u>
<b>Expenditures:</b>					
Construction	\$ 82,500	\$ 101,486	\$ -	\$ 101,486	\$ (18,986)
Supplies	22,800	1,273	-	1,273	21,527
Capital Outlay	15,000	14,302	-	14,302	698
Miscellaneous	5,000	2,761	-	2,761	2,239
Total Expenditures	<u>\$ 125,300</u>	<u>\$ 119,822</u>	<u>\$ -</u>	<u>\$ 119,822</u>	<u>\$ 5,478</u>
Revenues Over (Under) Expenditures	<u>\$ (70,000)</u>	<u>\$ (64,522)</u>	<u>\$ -</u>	<u>\$ (64,522)</u>	<u>\$ 5,478</u>
<b>Other Financing Sources (Uses):</b>					
Transfers-in:					
General Fund	\$ 45,000	\$ 45,000	\$ -	\$ 45,000	\$ -
Town Hall Offices Project	25,000	25,000	-	25,000	-
Total Other Financing Sources	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ -</u>
Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 5,478</u>	<u>\$ -</u>	<u>\$ 5,478</u>	<u>\$ 5,478</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			<u>5,478</u>		
End of year, June 30			<u>\$ 5,478</u>		

**Town of Swansboro, North Carolina**  
**Capital Project Fund - American Rescue Plan Act**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2024**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>					
ARPA Funds	\$ 1,065,724	\$ 821,749	\$ 188,819	\$ 1,010,568	\$ (55,156)
Total Revenues	\$ 1,065,724	\$ 821,749	\$ 188,819	\$ 1,010,568	\$ (55,156)
<b>Expenditures:</b>					
ARPA expenditures	1,065,724	821,749	173,819	995,568	70,156
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ 15,000
Other Financing Sources (Uses):					
Transfer to General Fund	-	-	(15,000)	-	-
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ -</u>		

**Town of Swansboro, North Carolina**  
**Capital Project Fund - Capital Reserve Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2024**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Favorable (Unfavorable)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
<b>Revenues:</b>					
Reserve for capital	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Financing Sources (Uses)</b>					
Transfers out:					
Waterfront Project	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund	(47,450)	-	(6,166)	(6,166)	41,284
Transfers in:					
General Fund	461,509	550,252	169,730	719,982	258,473
Fund balance appropriated	(414,059)	-	-	-	414,059
Total Other Financing Sources (Uses)	\$ -	\$ 550,252	\$ 163,564	\$ 713,816	\$ 713,816
Revenues Over (Under) Expenditures	\$ -	\$ 550,252	\$ 163,564	\$ 713,816	\$ 713,816
<b>Fund Balance:</b>					
Beginning of year, July 1			502,802		
End of year, June 30			\$ 666,366		

**Town of Swansboro, North Carolina**  
**Capital Project Fund - State Capital Infrastructure Fund - Sidewalk**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2024**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>					
State grant	\$ 100,000	\$ -	\$ -	\$ -	\$ (100,000)
Total Revenues	\$ 100,000	\$ -	\$ -	\$ -	\$ (100,000)
<b>Expenditures:</b>					
Capital outlay - Sidewalk	100,000	-	-	-	100,000
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Other Financing Sources (Uses):					
Transfer out to General Fund	-	-	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ -</u>		

**Town of Swansboro, North Carolina**  
**Capital Project Fund - Emmerton School Repairs Grant Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2024**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>					
State grant	\$ 424,000	\$ 9,055	\$ 22,125	\$ 31,180	\$ (392,820)
Total Revenues	\$ 424,000	\$ 9,055	\$ 22,125	\$ 31,180	\$ (392,820)
<b>Expenditures:</b>					
Capital outlay - Sidewalk	424,000	9,055	22,125	31,180	392,820
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Other Financing Sources (Uses): Transfer out to General Fund	-	-	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ -</u>		



**Town of Swansboro, North Carolina**  
**Capital Project Fund - Swansboro Bicentennial Park Boardwalk Extension**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2024**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues:</b>					
State grant	\$ 100,000	\$ 3,124	\$ -	\$ 3,124	\$ (96,876)
Total Revenues	\$ 100,000	\$ 3,124	\$ -	\$ 3,124	\$ (96,876)
<b>Expenditures:</b>					
Capital outlay - Sidewalk	100,000	30,124	113,890	144,014	(44,014)
Revenues Over (Under) Expenditures	\$ -	\$ (27,000)	\$ (113,890)	\$ (140,890)	\$ (140,890)
Other Financing Sources (Uses):					
Transfer from General Fund	-	27,000	126,450	153,450	153,450
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	\$ 12,560	<u>\$ 12,560</u>	<u>\$ 12,560</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ 12,560</u>		

**Town of Swansboro, North Carolina**  
**Stormwater Fund**  
**Schedule of Revenues And Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Year Ended June 30, 2024**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Revenues			
Charges for services	\$ 128,652	\$ 193,981	\$ 65,329
Other operating revenues	4,861	-	(4,861)
Total Operating Revenues	\$ 133,513	\$ 193,981	\$ 60,468
Expenditures			
Stormwater:			
Salaries and employee benefits		\$ 78,276	
Supplies		3,096	
Maintenance		8,564	
Tipping fees		180	
Other operating expenditures		10,364	
Total	\$ 133,733	\$ 100,480	\$ 33,253
Capital outlay	-	-	-
Total Expenditures	\$ 133,733	\$ 100,480	\$ 33,253
Revenues Over (Under) Expenditures	\$ (220)	\$ 93,501	\$ 93,721
Other Financing Sources (Uses)			
Transfers from (to) other funds	\$ 220	\$ 6,253	\$ 6,033
Fund balance appropriated	-	-	-
Contributed capital	-	-	-
Total Other Financing Sources	\$ 220	\$ 6,253	\$ 6,033
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 99,754	\$ 99,754
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues and Other Sources Over Expenditures and Other Uses		\$ 99,754	
Reconciling items:			
Capital outlay		-	
(Increase) decrease in deferred outflows of resources		(1,711)	
Increase (decrease) in net pension liability		5,195	
Increase (decrease) in deferred inflows		(587)	
Depreciation		(16,391)	
Increase (decrease) in OPEB liability		(937)	
Total reconciling items		\$ (14,431)	
Change in Net Position		\$ 85,323	

**Town of Swansboro, North Carolina**  
**Solid Waste Fund**  
**Schedule of Revenues And Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Year Ended June 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Charges for services		\$ 478,486	
Other operating revenues		-	
Total operating revenues	\$ 463,922	\$ 478,486	\$ 14,564
Non-operating revenues:			
Interest earnings	-	-	-
Total Revenues	\$ 463,922	\$ 478,486	\$ 14,564
Expenditures			
Sewer			
Salaries and employee benefits		\$ 90,643	
Supplies		4,844	
Tipping fees		88,630	
Other operating expenditures		252,523	
Total	\$ 463,922	\$ 436,640	\$ 27,282
Capital Outlay	\$ -	\$ -	\$ -
Total Expenditures	\$ 463,922	\$ 436,640	\$ 27,282
Revenues Over (Under) Expenditures	\$ -	\$ 41,846	\$ 41,846
Other Financing Sources (Uses)			
Transfers from (to) other funds	\$ -	\$ (5,948)	\$ (5,948)
Fund balance increase	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ (5,948)	\$ (5,948)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 35,898	\$ 35,898
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues and Other Sources Over Expenditures and Other Uses		\$ 35,898	
Reconciling items:			
Depreciation		(44,980)	
Capital outlay		-	
(Increase) decrease in deferred outflows or resources		(1,711)	
Increase (decrease) in net pension liability		5,195	
Increase (decrease) in deferred inflows of resources		587	
Increase (decrease) in OPEB liability		(937)	
Total Reconciling Items		\$ (41,846)	
Change in Net Position		\$ (5,948)	

## Other Schedules

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This section contains additional information on property taxes.

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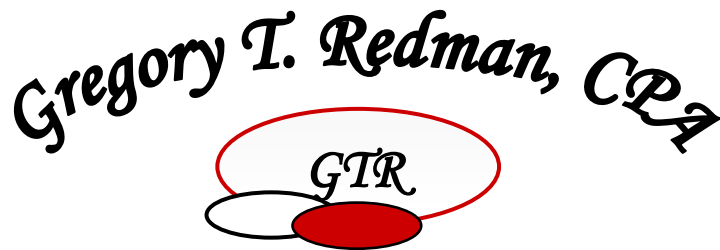
- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

**Town of Swansboro, North Carolina**  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2024**

Fiscal Year	Uncollected Balance June 30, 2023	Additions	Collections And Credits	Uncollected Balance June 30, 2024
2023-2024	\$ -	\$ 2,576,373	\$ 2,543,906	\$ 32,467
2022-2023	31,747	-	23,859	7,888
2021-2022	4,622	-	1,550	3,072
2020-2021	4,206	-	1,623	2,583
2019-2020	1,395	-	426	969
2018-2019	1,528	-	300	1,228
2017-2018	1,359	-	279	1,080
2016-2017	1,040	-	95	945
2015-2016	1,356	-	115	1,241
2014-2015	1,467	-	174	1,293
2013-2014	3,384	-	3,384	-
	\$ 52,104	-	2,575,711	\$ 52,766
				7,281
				\$ 45,485
				Reconciliation with Revenues:
				\$ 2,570,550
				Reconciling items:
				Releases and adjustments 11,734
				Taxes written off 3,384
				Interest collected (9,957)
				\$ 5,161
				\$ 2,575,711

**Town of Swansboro, North Carolina**  
**Analysis of Current Tax Levy**  
**Town-wide Levy**  
**For the Fiscal Year Ended June 30, 20234**

	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	57,674,571	0.35	201,861	-	201,861
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>



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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*

Independent Auditor's Report

To the Honorable Mayor and  
Members of the Board of Commissioners  
Town of Swansboro, North Carolina

I have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, and each major fund, and the aggregate remaining fund information of Town of Swansboro, North Carolina as of and for the year ended June 30, 2024, the related notes to the financial statements, and have issued my report thereon dated October 30, 2024.

Report on Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Town of Swansboro, North Carolina's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

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

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit, I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 statements 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*.

#### Purpose of this Report

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



Tarboro, North Carolina  
October 30, 2024