

Town of Swansboro Audit Report Presentation

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GTR



Independent Auditor's Report

Opinion

In my opinion, based on my audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Swansboro, North Carolina as of June 30, 2022, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended **in accordance with accounting principles generally accepted in the United States of America**.

“Unmodified Opinion”

Reference Page 1 of the Annual
Comprehensive Financial Report

Government-Wide Financial Analysis

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 11,531,614	\$ 4,666,799	\$ 293,069	\$ 163,641	\$ 11,824,683	\$ 4,830,440
Capital and other noncurrent assets	6,733,814	7,053,832	258,974	227,836	6,992,788	7,281,668
Total assets	<u>\$ 18,265,428</u>	<u>\$11,720,631</u>	<u>\$ 552,043</u>	<u>\$ 391,477</u>	<u>\$ 18,817,471</u>	<u>\$ 12,112,108</u>
Deferred outflows of resources	\$ 850,945	\$ 710,088	\$ 40,990	\$ 24,842	\$ 891,935	\$ 734,930
Long-term liabilities	\$ 1,962,369	\$ 2,898,586	\$ 48,518	\$ 85,184	\$ 2,010,887	\$ 2,983,770
Other liabilities	7,593,321	1,065,007	32,799	33,974	7,626,120	1,098,981
Total liabilities	<u>\$ 9,555,690</u>	<u>\$ 3,963,593</u>	<u>\$ 81,317</u>	<u>\$ 119,158</u>	<u>\$ 9,637,007</u>	<u>\$ 4,082,751</u>
Deferred inflows of resources	\$ 1,181,755	\$ 293,926	\$ 50,926	\$ 132	\$ 1,232,681	\$ 294,058
Net position:						
Net investment in capital assets	\$ 5,573,365	\$ 5,599,105	\$ 258,974	\$ 227,836	\$ 5,832,339	\$ 5,826,941
Restricted	1,079,103	1,169,631	-	-	1,079,103	1,169,631
Unrestricted	1,726,460	1,404,464	201,816	69,193	1,928,276	1,473,657
Total net position	<u>\$ 8,378,928</u>	<u>\$ 8,173,200</u>	<u>\$ 460,790</u>	<u>\$ 297,029</u>	<u>\$ 8,839,718</u>	<u>\$ 8,470,229</u>

Reference Page 8 of the Annual
Comprehensive Financial Report

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 437,882	\$ 493,238	\$ 605,915	\$ 533,193	\$ 1,043,797	\$ 1,026,431
Operating grants and contributions	459,558	584,617	-	-	459,558	584,617
Capital grants and contributions	147,807	9,474	-	-	147,807	9,474
General revenues:						
Property taxes	1,893,788	1,827,866	-	-	1,893,788	1,827,866
Other taxes	102,690	78,930	-	-	102,690	78,930
Grants and contributions not restricted to specific programs	1,617,719	1,473,942	-	-	1,617,719	1,473,942
Other	54,199	98,952	10,035	5,415	64,234	104,367
Total revenues	<u>\$ 4,713,643</u>	<u>\$ 4,567,019</u>	<u>\$ 615,950</u>	<u>\$ 538,608</u>	<u>\$ 5,329,593</u>	<u>\$ 5,105,627</u>
Expenses:						
General government	\$ 924,517	\$ 700,524	\$ -	\$ -	\$ 924,517	\$ 700,524
Public safety	2,031,383	2,266,322	-	-	2,031,383	2,266,322
Transportation	430,280	449,106	-	-	430,280	449,106
Economic development	331,837	143,597	-	-	331,837	143,597
Environmental protection	-	-	-	-	-	-
Cultural and recreation	419,503	369,351	-	-	419,503	369,351
Other	297,584	221,532	-	-	297,584	221,532
Interest on long-term debt	2,657	9,706	-	-	2,657	9,706
Stormwater	-	-	122,200	117,630	122,200	117,630
Solid Waste	-	-	400,143	405,335	400,143	405,335
Total expenses	<u>\$ 4,437,761</u>	<u>\$ 4,160,138</u>	<u>\$ 522,343</u>	<u>\$ 522,965</u>	<u>\$ 4,960,104</u>	<u>\$ 4,683,103</u>
Increase in net position before transfers and special items	\$ 275,882	\$ 406,881	\$ 93,607	\$ 15,643	\$ 369,489	\$ 422,524
Transfers and special items	(70,154)	(27,510)	70,154	27,511	-	1
Increase in net position	\$ 205,728	\$ 379,371	\$ 163,761	\$ 43,154	\$ 369,489	\$ 422,525
Net position, July 1	8,173,200	7,793,829	297,029	253,875	8,470,229	8,047,704
Net position-beginning, restated	-	-	-	-	-	-
Net position, June 30	<u>\$ 8,378,928</u>	<u>\$ 8,173,200</u>	<u>\$ 460,790</u>	<u>\$ 297,029</u>	<u>\$ 8,839,718</u>	<u>\$ 8,470,229</u>

Balance Sheet Governmental Funds

Town of Swansboro, North Carolina Balance Sheet Governmental Funds June 30, 2022

	2022 General Fund	2021 General Fund
Assets		
Cash and cash equivalents	\$ 3,766,706	\$ 3,442,222
Restricted cash	56,790	39,235
Receivables, net:		
Taxes	25,045	26,394
Accounts	281,974	527,007
Leases	133,450	-
Grants	166,879	-
Due from other funds	-	-
Total Assets	<u>\$ 4,430,844</u>	<u>\$ 4,034,858</u>
Liabilities		
Liabilities payable from restricted assets	\$ -	\$ 11,991
Accounts payable and accrued liabilities	661,396	737,366
Other liabilities	141,777	-
Total Liabilities	<u>\$ 803,173</u>	<u>\$ 749,357</u>
Deferred Inflows of Resources		
Property taxes receivable	\$ 25,045	\$ 26,394
Prepaid taxes	131,649	26,507
Total Deferred Inflows of Resources	<u>\$ 156,694</u>	<u>\$ 52,901</u>
Fund Balances		
Nonspendable:		
Leases	\$ 1,801	\$ -
Restricted:		
Stabilization by State Statute	450,654	527,007
Streets	41,880	24,325
Capital improvements	-	-
Assigned:		
Subsequent year's expenditures	-	249,260
Unassigned	<u>\$ 2,976,642</u>	<u>\$ 2,432,008</u>
Total Fund Balances	<u>\$ 3,470,977</u>	<u>\$ 3,232,600</u>
Total Liabilities, Deferred Inflows of Resources, And Fund Balances	<u>\$ 4,430,844</u>	<u>\$ 4,034,858</u>

Unassigned Fund Balance as a Percentage of Total General Fund Expenditures

	<u>2022</u>	<u>2021</u>
Unassigned fund balance	\$ 2,976,642	\$ 2,432,008
Total General Fund expenditures	4,306,320	4,057,911
Unassigned fund balance as a Percentage of Total General Fund expenditures	69%	60%
LGC recommended amount	34%	34%
Average of similar-sized towns	63%	63%

Reference Page 18 and 20 of the Annual
Comprehensive Financial Report

Statement of Net Positions Proprietary Funds

Town of Swansboro, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2022

	Major Enterprise Funds		
	Stormwater	Solid Waste	Totals
Assets			
Current assets:			
Cash and cash equivalents	\$ 87,078	\$ 125,689	\$ 212,767
Accounts receivable (net)	80,302	-	80,302
Due from other funds	-	-	-
Total Current Assets	<u>\$ 167,380</u>	<u>\$ 125,689</u>	<u>\$ 293,069</u>
Noncurrent assets:			
Capital assets:			
Land and other non-depreciable assets	-	-	-
Other capital assets, net of depreciation	102,994	155,980	258,974
Capital assets (net)	<u>\$ 102,994</u>	<u>\$ 155,980</u>	<u>\$ 258,974</u>
Total Assets	<u>\$ 270,374</u>	<u>\$ 281,669</u>	<u>\$ 552,043</u>
Deferred Outflows of Resources			
Pension deferrals	<u>\$ 20,495</u>	<u>\$ 20,495</u>	<u>\$ 40,990</u>
Liabilities			
Current liabilities:			
Accounts payable - trade	\$ 3,522	\$ 28,285	\$ 31,807
Due to other funds	-	-	-
Customer deposits	-	-	-
Compensated absences - current	496	496	992
Total Current Liabilities	<u>\$ 4,018</u>	<u>\$ 28,781</u>	<u>\$ 32,799</u>
Noncurrent liabilities:			
Compensated absences	\$ 921	\$ 922	\$ 1,843
Net pension liability	9,631	9,631	19,262
Total OPEB liability	<u>13,706</u>	<u>13,707</u>	<u>27,413</u>
Total non-current liabilities	<u>\$ 24,258</u>	<u>\$ 24,260</u>	<u>\$ 48,518</u>
Total Liabilities	<u>\$ 28,276</u>	<u>\$ 53,041</u>	<u>\$ 81,317</u>
Deferred Inflows of Resources			
Pension deferrals	<u>\$ 25,463</u>	<u>\$ 25,463</u>	<u>\$ 50,926</u>
Net Position			
Net investment in capital assets	\$ 102,994	\$ 155,980	\$ 258,974
Restricted net position	-	-	-
Unrestricted net position	<u>134,136</u>	<u>67,680</u>	<u>201,816</u>
Total Net Position	<u>\$ 237,130</u>	<u>\$ 223,660</u>	<u>\$ 460,790</u>

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

Town of Swansboro, North Carolina
Statement of Revenues, Expenses, And Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2022

	Major Enterprise Funds		
	Stormwater	Solid Waste	Totals
Operating Revenues			
Charges for services	\$ 150,813	\$ 455,102	\$ 605,915
Other operating revenues		-	-
Total Operating Revenues	<u>\$ 150,813</u>	<u>\$ 455,102</u>	<u>\$ 605,915</u>
Operating Expenses			
Administration	\$ -	\$ -	\$ -
Stormwater operations	-	-	-
Solid waste operations	120,062	392,527	512,589
Depreciation	2,138	7,616	9,754
Total Operating Expenses	<u>\$ 122,200</u>	<u>\$ 400,143</u>	<u>\$ 522,343</u>
Operating income (loss)	<u>\$ 28,613</u>	<u>\$ 54,959</u>	<u>\$ 83,572</u>
Non-operating Revenues (Expenses)			
Investment earnings	\$ -	\$ -	\$ -
Grants	10,035	-	10,035
Total Non-operating Revenues (expenses)	<u>\$ 10,035</u>	<u>\$ -</u>	<u>\$ 10,035</u>
Income (loss) before contributions and transfers	<u>\$ 38,648</u>	<u>\$ 54,959</u>	<u>\$ 93,607</u>
Capital contributions	-	-	-
Transfers from other funds	68,708	1,446	70,154
Transfers to other funds	-	-	-
Change in net position	<u>\$ 107,356</u>	<u>\$ 56,405</u>	<u>\$ 163,761</u>
Net position, beginning	<u>129,774</u>	<u>167,255</u>	<u>297,029</u>
Net position, ending	<u>\$ 237,130</u>	<u>\$ 223,660</u>	<u>\$ 460,790</u>

Changes in Long-term Liabilities

	Beginning			Ending	Current
	Balance	Increases	Decreases	Balance	Portion of
Governmental Activities:					Balance
Notes from direct placements	\$ 1,454,727	\$ -	\$ 294,278	\$ 1,160,449	\$ 247,374
Total pension liability (LEO)	108,015	-	21,434	86,581	-
Net pension liability (LGERS)	812,365	-	446,388	365,977	-
Total OPEB liability	703,090	-	182,240	520,850	-
Compensated absences	134,902	89,022	107,176	116,748	40,862
Total	<u>\$ 3,213,099</u>	<u>\$ 89,022</u>	<u>\$ 1,051,516</u>	<u>\$ 2,250,605</u>	<u>\$ 288,236</u>
	Beginning			Ending	Current
	Balance	Increases	Decreases	Balance	Portion of
Business-type Activities:					Balance
Net pension liability (LGERS)	\$ 42,756	\$ -	\$ 23,494	\$ 19,262	\$ -
Total OPEB liability	37,004	-	9,591	27,413	-
Compensated absences	6,026	2,486	5,677	2,835	992
Total	<u>\$ 85,786</u>	<u>\$ 2,486</u>	<u>\$ 38,762</u>	<u>\$ 49,510</u>	<u>\$ 992</u>

Reference Page 56-57 of the Annual
Comprehensive Financial Report

Analysis of Current Tax Levy

Town of Swansboro, North Carolina
Analysis of Current Tax Levy
Town-wide Levy
For the Fiscal Year Ended June 30, 2022

	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	\$ 497,092,571	0.35	\$ 1,739,824	\$ 1,739,824	\$ -
Registered motor vehicles taxed at current rate	48,355,714	0.35	169,245	-	169,245
Total property valuation	<u>\$ 545,448,286</u>				
Net levy			\$ 1,909,069	\$ 1,739,824	\$ 169,245
Unpaid (by taxpayer) at June 30, 2022			<u>(11,028)</u>	<u>(11,028)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 1,898,041</u>	<u>\$ 1,728,796</u>	<u>\$ 169,245</u>
Current levy collection percentage			<u>99.42%</u>	<u>99.37%</u>	<u>100.00%</u>

Reference Page 86 of the Annual
Comprehensive Financial Report

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

Compliance and Other Matters

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