

# Town of Swansboro Audit Report Presentation

---

*Gregory T. Redman, CPA*



## 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, 2025, 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”**

# Balance Sheet-Governmental Funds

|   | Major Funds         |   | Non-Major Funds                |              | Total<br>Governmental<br>Funds |
|---|---------------------|---|--------------------------------|--------------|--------------------------------|
|   | General<br>Fund     | State Capital<br>Infrastructure<br>Fund | Other<br>Governmental<br>Funds |              |                                |
| <b>Assets</b>   |                     |   |                                |              |                                |
| Cash and cash equivalents   | \$ 5,264,302        | \$ -                                    | \$ -                           | \$ 5,264,302 |                                |
| Restricted cash   | 133,665             | 9,523,762                               | 898,742                        |              | 10,556,169                     |
| Receivables, net:   |                     |   |                                |              |                                |
| Taxes   | 63,598              | -                                       | -                              |              | 63,598                         |
| Accounts  | 343,970             | -                                       | -                              |              | 343,970                        |
| Leases  | 282,748             | -                                       | -                              |              | 282,748                        |
| Grants  | 64,378              | -                                       | 49,108                         |              | 113,486                        |
| Due from other funds  | -                   | -                                       | -                              |              | -                              |
| Total Assets  | <u>\$ 6,152,661</u> | <u>\$ 9,523,762</u>                     | <u>\$ 947,850</u>              |              | <u>\$ 16,624,273</u>           |
| <b>Liabilities</b>  |                     |   |                                |              |                                |
| Liabilities payable from restricted assets                          | \$ -                | \$ 8,961,114                            | \$ 48,475                      | \$ 9,009,589 |                                |
| Accounts payable and accrued liabilities                            | 618,943             | 6,000                                   | 51,617                         |              | 676,560                        |
| Due to other funds  | -                   | -                                       | -                              |              | -                              |
| Other liabilities   | 197,948             | -                                       | -                              |              | 197,948                        |
| Total Liabilities   | <u>\$ 816,891</u>   | <u>\$ 8,967,114</u>                     | <u>\$ 100,092</u>              |              | <u>\$ 9,884,097</u>            |
| <b>Deferred Inflows of Resources</b>                                |                     |   |                                |              |                                |
| Property taxes receivable   | \$ 63,598           | \$ -                                    | \$ -                           | \$ 63,598    |                                |
| Leases  | 282,748             | -                                       | -                              |              | 282,748                        |
| Total Deferred Inflows of Resources                                 | <u>\$ 346,346</u>   | <u>\$ -</u>                             | <u>\$ -</u>                    |              | <u>\$ 346,346</u>              |
| <b>Fund Balances</b>  |                     |   |                                |              |                                |
| Restricted:   |                     |   |                                |              |                                |
| Stabilization by State Statute                                      | \$ 408,348          | \$ -                                    | \$ -                           | \$ 408,348   |                                |
| Streets   | 133,665             | -                                       | -                              |              | 133,665                        |
| Capital improvements  | -                   | 556,648                                 | 847,758                        |              | 1,404,406                      |
| Assigned:   |                     |   |                                |              |                                |
| Subsequent year's expenditures                                      | 773,654             | -                                       | -                              |              | 773,654                        |
| Unassigned  | 3,673,757           | -                                       | -                              |              | 3,673,757                      |
| Total Fund Balances   | <u>\$ 4,989,424</u> | <u>\$ 556,648</u>                       | <u>\$ 847,758</u>              |              | <u>\$ 6,393,830</u>            |
| Total Liabilities, Deferred Inflows of Resources, And Fund Balances | <u>\$ 6,152,661</u> | <u>\$ 9,523,762</u>                     | <u>\$ 947,850</u>              |              | <u>\$ 16,624,273</u>           |

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

|  | Major               |   | Non-Major Funds                |                       | Total<br>Governmental<br>Funds |
|--|---------------------|---|--------------------------------|-----------------------|--------------------------------|
|  | General<br>Fund     | State Capital<br>Infrastructure<br>Fund | Other<br>Governmental<br>Funds | Governmental<br>Funds |                                |
| <b>Revenues</b>                                      |                     |   |                                |                       |                                |
| Ad valorem taxes                                     | \$ 2,568,734        | \$ -                                    | \$ -                           | \$ 2,568,734          |                                |
| Other taxes and licenses                             | 123,191             | -                                       | -                              | 123,191               |                                |
| Unrestricted intergovernmental                       | 1,979,668           | -                                       | -                              | 1,979,668             |                                |
| Restricted intergovernmental                         | 650,528             | 19,367                                  | 654,649                        | 1,324,544             |                                |
| Permits and fees                                     | 456,028             | -                                       | -                              | 456,028               |                                |
| Sales and services                                   | 460                 | -                                       | -                              | 460                   |                                |
| Investment earnings                                  | 272,846             | 381,092                                 | -                              | 653,938               |                                |
| Miscellaneous  | 108,192             | -                                       | -                              | 108,192               |                                |
| Contributions  | 18,309              | -                                       | -                              | 18,309                |                                |
| <b>Total Revenues</b>                                | <b>\$ 6,177,956</b> | <b>\$ 400,459</b>                       | <b>\$ 654,649</b>              | <b>\$ 7,233,064</b>   |                                |
| <b>Expenditures</b>                                  |                     |   |                                |                       |                                |
| Current:   |                     |   |                                |                       |                                |
| General government                                   | \$ 1,047,419        | \$ -                                    | \$ -                           | \$ 1,047,419          |                                |
| Public safety  | 3,059,304           | -                                       | -                              | 3,059,304             |                                |
| Transportation                                       | 1,072,453           | -                                       | -                              | 1,072,453             |                                |
| Economic development                                 | 358,311             | 18,805                                  | 748,494                        | 1,125,610             |                                |
| Cultural and recreational                            | 327,350             | -                                       | -                              | 327,350               |                                |
| General services                                     | 293,493             | -                                       | -                              | 293,493               |                                |
| Debt service:  |                     |   |                                |                       |                                |
| Principal  | 340,118             | -                                       | -                              | 340,118               |                                |
| Interest and other charges                           | 24,032              | -                                       | -                              | 24,032                |                                |
| <b>Total Expenditures</b>                            | <b>\$ 6,522,480</b> | <b>\$ 18,805</b>                        | <b>\$ 748,494</b>              | <b>\$ 7,289,779</b>   |                                |
| Excess (Deficiency) Of Revenues<br>Over Expenditures | <b>\$ (344,524)</b> | <b>\$ 381,654</b>                       | <b>\$ (93,845)</b>             | <b>\$ (56,715)</b>    |                                |
| <b>Other Financing Sources (Uses)</b>                |                     |   |                                |                       |                                |
| Loan issuance  | \$ 349,860          | \$ -                                    | \$ -                           | \$ 349,860            |                                |
| Contribution from Swansboro Tourism                  |                     |   | 15,950                         | 15,950                |                                |
| Transfers in:  |                     |   |                                |                       |                                |
| Capital projects                                     | -                   | -                                       | -                              | -                     |                                |
| General fund   | -                   | -                                       | 78,500                         | 78,500                |                                |
| Transfers out:                                       |                     |   |                                |                       |                                |
| Capital projects                                     | -                   | -                                       | -                              | -                     |                                |
| Other  | (78,500)            | -                                       | -                              | (78,500)              |                                |
| <b>Total Other Financing Sources And Uses</b>        | <b>\$ 271,360</b>   | <b>\$ -</b>                             | <b>\$ 94,450</b>               | <b>\$ 365,810</b>     |                                |
| Net Change In Fund Balance                           | <b>\$ (73,164)</b>  | <b>\$ 381,654</b>                       | <b>\$ 605</b>                  | <b>\$ 309,095</b>     |                                |
| Fund balances, beginning                             | 5,062,588           | 174,994                                 | 847,153                        | 6,084,735             |                                |
| Fund balances, ending                                | <b>\$ 4,989,424</b> | <b>\$ 556,648</b>                       | <b>\$ 847,758</b>              | <b>\$ 6,393,830</b>   |                                |

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

|   | 2025         | 2024         |
|---|--------------|--------------|
| Unassigned fund balance   | \$ 3,673,757 | \$ 3,852,321 |
| Total General Fund expenditures   | 6,522,480    | 5,198,882    |
| Unassigned fund balance as a Percentage of Total General Fund expenditures                          | 56%          | 74%          |
| Unassigned fund balance at 6/30/24 as a percentage of 2024/2025 budgeted expenditures (\$7,498,704) | 51%          | 51%          |
| LGC recommended amount  | 34%          | 34%          |
| Average of similar-sized towns  | 63%          | 63%          |

Reference page 18 and 20 of the Audit Report

# Statement of Net Positions

## Proprietary Funds

|   | Major Enterprise Funds |                     |                     |
|---|------------------------|---------------------|---------------------|
|   | Stormwater<br>Fund     | Solid Waste<br>Fund | Totals              |
|   |                        |                     |                     |
| <b>Assets</b>                             |                        |                     |                     |
| Current assets:                           |                        |                     |                     |
| Cash and cash equivalents                 | \$ 193,184             | \$ 278,239          | \$ 471,423          |
| Accounts receivable (net)                 | 178,476                | -                   | 178,476             |
| Due from other funds                      | -                      | -                   | -                   |
| Total Current Assets                      | <u>\$ 371,660</u>      | <u>\$ 278,239</u>   | <u>\$ 649,899</u>   |
| Noncurrent assets:                        |                        |                     |                     |
| Capital assets:                           |                        |                     |                     |
| Land and other non-depreciable assets     | -                      | -                   | -                   |
| Other capital assets, net of depreciation | 169,115                | 183,730             | 352,845             |
| Capital assets (net)                      | <u>\$ 169,115</u>      | <u>\$ 183,730</u>   | <u>\$ 352,845</u>   |
| Total Assets                              | <u>\$ 540,775</u>      | <u>\$ 461,969</u>   | <u>\$ 1,002,744</u> |
| <b>Deferred Outflows of Resources</b>     |                        |                     |                     |
| Pension deferrals                         | \$ 29,436              | \$ 29,436           | \$ 58,872           |
| <b>Liabilities</b>                        |                        |                     |                     |
| Current liabilities:                      |                        |                     |                     |
| Accounts payable - trade                  | \$ 7,690               | \$ 54,825           | \$ 62,515           |
| Due to other funds                        | -                      | -                   | -                   |
| Customer deposits                         | -                      | -                   | -                   |
| Compensated absences - current            | 534                    | 534                 | 1,068               |
| Current portion of long-term liabilities  | <u>18,456</u>          | <u>18,456</u>       | <u>36,912</u>       |
| Total Current Liabilities                 | <u>\$ 26,680</u>       | <u>\$ 73,815</u>    | <u>\$ 100,495</u>   |
| Noncurrent liabilities:                   |                        |                     |                     |
| Compensated absences                      | \$ 2,136               | \$ 2,136            | \$ 4,272            |
| Long-term liabilities                     | 91,614                 | 91,614              | 183,228             |
| Net pension liability                     | 48,664                 | 48,663              | 97,327              |
| Total OPEB liability                      | <u>9,847</u>           | <u>9,847</u>        | <u>19,694</u>       |
| Total non-current liabilities             | <u>\$ 152,261</u>      | <u>\$ 152,260</u>   | <u>\$ 304,521</u>   |
| Total Liabilities                         | <u>\$ 178,941</u>      | <u>\$ 226,075</u>   | <u>\$ 405,016</u>   |
| <b>Deferred Inflows of Resources</b>      |                        |                     |                     |
| Pension deferrals                         | \$ 12,116              | \$ 12,116           | \$ 24,232           |
| <b>Net Position</b>                       |                        |                     |                     |
| Net investment in capital assets          | \$ 59,045              | \$ 73,660           | \$ 132,705          |
| Restricted net position                   | -                      | -                   | -                   |
| Unrestricted net position                 | <u>320,109</u>         | <u>179,554</u>      | <u>499,663</u>      |
| Total Net Position                        | <u>\$ 379,154</u>      | <u>\$ 253,214</u>   | <u>\$ 632,368</u>   |

Reference page 23 of the  
Audit Report

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

**Operating Revenues**  
 Charges for services  
 Other operating revenues  
 Total Operating Revenues

| Major Enterprise Funds |                   |                   |
|------------------------|-------------------|-------------------|
| Stormwater Fund        | Solid Waste Fund  | Totals            |
| \$ 157,779             | \$ 481,582        | \$ 639,361        |
| 5,143                  | -                 | 5,143             |
| <u>\$ 162,922</u>      | <u>\$ 481,582</u> | <u>\$ 644,504</u> |

**Operating Expenses**  
 Administration  
 Stormwater operations  
 Solid waste operations  
 Depreciation  
 Total Operating Expenses

|                   |                   |                   |
|-------------------|-------------------|-------------------|
| \$ -              | \$ -              | \$ -              |
| 116,418           | -                 | 116,418           |
| -                 | 465,360           | 465,360           |
| 17,119            | 17,562            | 34,681            |
| <u>\$ 133,537</u> | <u>\$ 482,922</u> | <u>\$ 616,459</u> |
| <u>\$ 29,385</u>  | <u>\$ (1,340)</u> | <u>\$ 28,045</u>  |

**Non-operating Revenues (Expenses)**  
 Investment earnings  
 State and local grants  
 Total Non-operating Revenues (expenses)

|             |             |             |
|-------------|-------------|-------------|
| \$ -        | \$ -        | \$ -        |
| -           | -           | -           |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**Income (loss) before contributions and transfers**

\$ 29,385 \$ (1,340) \$ 28,045

Capital contributions  
 Transfers from other funds  
 Transfers to other funds

-  
 -  
 -

Change in net position

\$ 29,385 \$ (1,340) \$ 28,045

Net position, beginning

349,769 254,554 604,323

Net position, ending

\$ 379,154 \$ 253,214 \$ 632,368

# Changes in Long-term Liabilities

|                               |                     |                   |                   | Current             |                       |
|-------------------------------|---------------------|-------------------|-------------------|---------------------|-----------------------|
|                               | Beginning           | Increases         | Decreases         | Ending              | Portion of<br>Balance |
| Governmental Activities:      | Balance             |                   |                   | Balance             |                       |
| Notes from direct placements  | \$ 916,182          | \$ 349,860        | \$ 301,726        | \$ 964,316          | \$ 287,501            |
| Subscription liability        | 38,392              | -                 | 38,392            | -                   | -                     |
| Total pension liability (LEO) | 79,936              | 18,547            | -                 | 98,483              | 1,966                 |
| Net pension liability (LGERS) | 1,605,827           | 243,378           | -                 | 1,849,205           | -                     |
| Total OPEB liability          | 372,326             | 1,868             | -                 | 374,194             | 8,694                 |
| Compensated absences          | 877,923             | 52,586            | 199,293           | 731,216             | 135,583               |
| <b>Total</b>                  | <b>\$ 3,890,586</b> | <b>\$ 666,239</b> | <b>\$ 539,411</b> | <b>\$ 4,017,414</b> | <b>\$ 433,744</b>     |

|                               |                   |                   |                 | Current           |                       |
|-------------------------------|-------------------|-------------------|-----------------|-------------------|-----------------------|
|                               | Beginning         | Increases         | Decreases       | Ending            | Portion of<br>Balance |
| Business-type Activities:     | Balance           |                   |                 | Balance           |                       |
| Notes from direct placements  | \$ -              | \$ 226,172        | \$ 6,032        | \$ 220,140        | \$ 36,912             |
| Net pension liability (LGERS) | 84,517            | 12,810            | -               | 97,327            | -                     |
| Total OPEB liability          | 19,596            | 98                | -               | 19,694            | -                     |
| Compensated absences          | 7,177             | -                 | 1,837           | 5,340             | 1,068                 |
| <b>Total</b>                  | <b>\$ 111,290</b> | <b>\$ 239,080</b> | <b>\$ 7,869</b> | <b>\$ 342,501</b> | <b>\$ 37,980</b>      |

Reference page 56-58 of  
the Audit Report

# Analysis of Current Tax Levy

|   | Town-wide             |                | Total Levy                                   |                           |
|---|-----------------------|----------------|--|---------------------------|
|   | Property Valuation    | Amount of Levy | Property excluding Registered Motor Vehicles | Registered Motor Vehicles |
| Original levy:                                  |                       |                |  |                           |
| Property taxed at current year's rate           | \$ 675,311,714        | 0.35           | \$ 2,363,591                                 | \$ 2,363,591              |
| Registered motor vehicles taxed at current rate | 65,458,571            | 0.35           | 229,105                                      | -                         |
| Total property valuation                        | <u>\$ 740,770,286</u> |                |  | <u>229,105</u>            |
| Net levy  |                       |                | \$ 2,592,696                                 | \$ 2,363,591              |
| \$ 229,105                                      |                       |                |  |                           |
| Unpaid (by taxpayer) at June 30, 2025           |                       |                | (36,960)                                     | (36,960)                  |
| -   |                       |                |  |                           |
| Current year's taxes collected                  |                       |                | <u>\$ 2,555,736</u>                          | <u>\$ 2,326,631</u>       |
| \$ 229,105                                      |                       |                |  |                           |
| Current levy collection percentage              |                       |                | <u>98.57%</u>                                | <u>98.44%</u>             |
|   |                       |                | <u>100.00%</u>                               |                           |

Reference page 91 of  
the Audit Report

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

**Compliance and Other Matters**

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