


# Town of Swansboro Audit Report Presentation

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*Gregory T. Redman, CPA*  


# Independent Auditor's Report

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## Opinion

In my opinion, based on my audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Swansboro, North Carolina as of June 30, 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

	<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	\$ 5,264,302	\$ -	\$ -	\$ 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>

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

	<u>Major</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>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>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<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>
<b>Net Change In Fund Balance</b>	<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	\$ 4,989,424	\$ 556,648	\$ 847,758	\$ 6,393,830

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

	<b>2025</b>	<b>2024</b>
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%

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# Statement of Net Positions Proprietary Funds

	<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	\$ 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	<u>\$ 29,436</u>	<u>\$ 29,436</u>	<u>\$ 58,872</u>
<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	<u>\$ 12,116</u>	<u>\$ 12,116</u>	<u>\$ 24,232</u>
<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>

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

	Major Enterprise Funds		
	Storm water Fund	Solid Waste Fund	Totals
<b>Operating Revenues</b>			
Charges for services	\$ 157,779	\$ 481,582	\$ 639,361
Other operating revenues	5,143	-	5,143
Total Operating Revenues	<u>\$ 162,922</u>	<u>\$ 481,582</u>	<u>\$ 644,504</u>
<b>Operating Expenses</b>			
Administration	\$ -	\$ -	\$ -
Storm water operations	116,418	-	116,418
Solid waste operations	-	465,360	465,360
Depreciation	17,119	17,562	34,681
Total Operating Expenses	<u>\$ 133,537</u>	<u>\$ 482,922</u>	<u>\$ 616,459</u>
Operating income (loss)	<u>\$ 29,385</u>	<u>\$ (1,340)</u>	<u>\$ 28,045</u>
<b>Non-operating Revenues (Expenses)</b>			
Investment earnings	\$ -	\$ -	\$ -
State and local grants	-	-	-
Total Non-operating Revenues (expenses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Income (loss) before contributions and transfers</b>	<u>\$ 29,385</u>	<u>\$ (1,340)</u>	<u>\$ 28,045</u>
Capital contributions	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Change in net position	<u>\$ 29,385</u>	<u>\$ (1,340)</u>	<u>\$ 28,045</u>
Net position, beginning	<u>349,769</u>	<u>254,554</u>	<u>604,323</u>
Net position, ending	<u><u>\$ 379,154</u></u>	<u><u>\$ 253,214</u></u>	<u><u>\$ 632,368</u></u>

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of the Audit Report

# Changes in Long-term Liabilities

	Beginning			Ending	Current
Governmental Activities:	Balance	Increases	Decreases	Balance	Portion of 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
Total	\$ 3,890,586	\$ 666,239	\$ 539,411	\$ 4,017,414	\$ 433,744

	Beginning			Ending	Current
Business-type Activities:	Balance	Increases	Decreases	Balance	Portion of 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
Total	\$ 111,290	\$ 239,080	\$ 7,869	\$ 342,501	\$ 37,980

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# Analysis of Current Tax Levy

				Total Levy	
	Town-wide			Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Amount of Levy		
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	-	229,105
Total property valuation	<u>\$ 740,770,286</u>				
Net levy			\$ 2,592,696	\$ 2,363,591	\$ 229,105
Unpaid (by taxpayer) at June 30, 2025			<u>(36,960)</u>	<u>(36,960)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 2,555,736</u>	<u>\$ 2,326,631</u>	<u>\$ 229,105</u>
Current levy collection percentage			<u>98.57%</u>	<u>98.44%</u>	<u>100.00%</u>

# **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*.