

**TOWN OF WRIGHTSVILLE BEACH
NORTH CAROLINA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2024

Prepared by the Town of Wrightsville Beach Finance Office
Brian Murray, Finance Officer

TOWN OF WRIGHTSVILLE BEACH NORTH CAROLINA



1899

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024

*Prepared by Town of Wrightsville Beach Finance
Department*

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024**

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Introductory Section

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Town of Wrightsville Beach

P. O. Box 626, 321 Causeway Drive
Wrightsville Beach, North Carolina 28480
Phone: 910-256-7900 – Fax: 910-256-7910

November 4, 2024

The Honorable Mayor Darryl Mills,
Board of Aldermen, and Citizens of the
Town of Wrightsville Beach, North Carolina

The Comprehensive Annual Financial Report of the Town of Wrightsville Beach (Town) for the fiscal year ending June 30, 2024, is hereby submitted as mandated by North Carolina General Statutes. State law requires that all general-purpose governments publish a complete set of financial statements annually. These statements must be presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the Town of Wrightsville Beach. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

INDEPENDENT AUDIT

The General Statutes of North Carolina (Section 159-34) require an independent financial audit of all local government units. The Town of Wrightsville Beach's financial statements have been audited by Martin Starnes and Associates CPAs, P.A. an independent firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the Town's financial statements for the fiscal year ending June 30, 2024 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Wrightsville Beach's financial statements for the fiscal year ended June 30, 2024, were fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditor.

THE TOWN AND ITS GOVERNMENTAL STRUCTURE

The Town of Wrightsville Beach is located in the eastern portion of New Hanover County. The Town consists of two islands and a small area of commercial satellite annexations on the mainland. Wrightsville Beach is located about ten miles east of downtown Wilmington, North Carolina. The islands are located on the Atlantic Ocean and separated from the mainland by the Intracoastal Waterway and tidal marshes. Access is limited to a drawbridge that is maintained by the State of North Carolina. The Town, which was incorporated in 1899, consists of 1.3 square miles of land.

The Town has a Council-Manager form of government. The Board of Aldermen consists of a Mayor and four Aldermen elected at large every four years with staggered terms. The Mayor is elected for a two-year term. The Board of Aldermen is the governing body of the Town with the Mayor as a voting member and the presiding officer. The Town Manager, who is appointed by the Board of Aldermen, administers the daily operations of the Town and is responsible for implementing the policies of the Board.

The Town provides a full range of services including police and fire protection, ocean rescue, first responder medical services, planning and inspections, construction and maintenance of streets and infrastructure, water and wastewater services, stormwater management, sanitation, animal control, and parks and recreation. The Town also provides administrative and technical services.

Wrightsville Beach is a well-established "family" beach resort community with excellent facilities for wading, swimming, boating and fishing. The Town has no manufacturing industry and is served by two US highways. The permanent population of 2,485 increases dramatically in the summer season to an estimated 30,000 plus.

ECONOMIC CONDITIONS AND OUTLOOK

In Wrightsville Beach, North Carolina, approximately 7.3% of the population lives below the poverty line, according to recent data. This rate is significantly lower than the national poverty average, reflecting the town's higher median income and property values. Wrightsville Beach has a median household income of over \$111,000, which is well above national averages, contributing to a relatively low poverty rate for the area.

The unemployment rate in Wrightsville Beach, NC, is currently estimated at 1.9%, reflecting a particularly low unemployment rate compared to national and state averages. This low rate is consistent with the town's high median income and strong economic stability, as seen in New Hanover County generally.

Tourism is the Town's main industry. Revenues from the room occupancy tax have more than doubled since 2014. The Town relies heavily on this revenue to help offset the cost of providing services such as ocean rescue, beach patrol and additional trash collection for tourists and seasonal residents.

The Town finished the fiscal year in excellent financial condition. Overall, revenues exceeded projections due in part to increases in sales tax, recreation fees, parking revenues, and room occupancy tax. Conservative revenue projections and expenditure policies resulted in a healthy fund balance at the end of FY 2024. The Town began the fiscal year with a general fund balance of \$25,072 million and ended the year with a general fund balance of \$29,573 million. The Town continues to prioritize fund balance in order to have the necessary resources to recover from emergencies such as hurricanes, floods, or the recent pandemic.

MAJOR INITIATIVES, ISSUES AND ACCOMPLISHMENTS

- Projects funded through Room Occupancy Tax (ROT) Revenues – The Town continued to rely heavily on revenues derived from Room Occupancy Tax (ROT) to support programs critical to both tourism and beach renourishment. The Tourism Development Authority (TDA) oversees the expenditure of a portion of ROT funds dedicated to the Town to support tourism related activities. During FY 2023, the TDA approved over \$800,000 to fund the Town's ocean rescue and beach patrol programs, new lifeguard stands, fireworks and advertising costs for the North Carolina Holiday Flotilla event, and Town restroom facility maintenance in public areas.
- Disaster Recovery and Preparedness – As previously discussed, the Town of Wrightsville Beach is committed to maintaining a more than healthy fund balance to have on hand the financial resources to recover from these events, and to attempt to mitigate these events. In FY 2024, the Town conducted a review of several street end bulkheads and has a plan in place to repair/replace each of these. This will significantly assist in stormwater management and protecting against storm surge.
- General Fund Projects – During FY 2024, the General Fund was able to complete several major projects including the following:
 - Renovating the Public Works Administration building.
 - Improving drainage and re-paving Arrindale Street.
 - A new HVAC system for the public safety building.
 - Installation of security cameras in key areas to improve public safety.
 - Replacement of vehicles in multiple departments.
 - Transfer of funds for future Capital purchases in most departments.
- Utility System Consolidation – The Town continues to experience issues with its wells, which led to a utility consolidation agreement with Cape Fear Public Utility Authority that was executed in June of 2024. CFPUA will be taking over the Town's water and sewer system, its customers, and will become the new service provider for the Town. The transfer of all the Town's assets, customer accounts, contracts, employees, etc. is expected to be completed by September 30, 2025. The utility system operations will remain status quo in FY 24/25 while the transition takes place.

FINANCIAL POLICIES

Fund Balance Policy. Since 1993, one of the Town's key financial goals has been to maintain an undesignated fund balance equal to or greater than 34.5% of current year General Fund expenditures. Even during the recent fiscal climate, the Town has maintained a healthy fund balance due to conservative revenue projections and aggressive management of expenditures.

Budget Control. The North Carolina General Statutes require all governmental units to adopt a balanced budget by July 1st of each year. The annual budget serves as the basis for the Town's financial planning and budgetary control. The Town's responsibility for sound financial management is demonstrated by the statements and schedules included in the financial section of this report.

Long-term Financial Planning through the Capital Improvement Program. In addition to the annual budget, the Town prepares a Five-Year Capital Improvement Program each year. The primary objective is to set aside funds for projects and vehicle and equipment purchases that will occur within a 5-year period. Due to limited revenues, some capital projects and purchases were shifted to future years, but there were several significant items that the Town funded during FY 2024 including:

- Contributions to a dedicated reserve fund for beach and inlet maintenance.
- Contributions to a dedicated reserve fund for a new fire engine.
- Contributions to a dedicated reserve fund for park and playground upgrades.
- Vehicle replacements for multiple departments.

GFOA CERTIFICATE OF ACHIEVEMENT PROGRAM

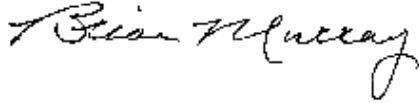
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Wrightsville Beach for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2023. This is the twenty-eighth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements. A special note of appreciation goes to our auditor, Marcie Spivey of Martin Starnes and Associates, CPAs, P.A. Without her dedicated support and assistance, the production of this document would not have been possible.

As required by North Carolina General Statute 159-34, a copy of this report will be filed with the Secretary of the North Carolina Local Government Commission. A copy will also be placed on file in the Clerk's office for public inspection.

Respectfully submitted,

A handwritten signature in cursive script that reads "Brian Murray". The signature is written in black ink and is positioned above the typed name and title.

Brian Murray
Finance Officer

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TOWN OF WRIGHTSVILLE BEACH NORTH CAROLINA

Board of Aldermen

Darryl Mills, Mayor

Hank Miller, III, Mayor Pro Tem

Ken Dull

Jeff DeGroote

Zeke Partin

Town Manager

Haynes Brigman

Finance Officer

Brian Murray

TOWN OF WRIGHTSVILLE BEACH
LIST OF TOWN OFFICIALS
JUNE 30, 2024

<u>TITLE</u>	<u>NAME</u>
Mayor	Darryl Mills
Mayor Pro Tem	Hank Miller, III
Alderman	Ken Dull
Alderman	Jeff DeGroot
Alderman	Zeke Partin
Town Attorney	Brian Edes
Town Manager	Haynes Brigman
Town Clerk	Lance Heater
Finance Officer	Brian Murray
Police Chief	Jason Bishop
Fire Chief	Matt Holland
Public Works Director	Bill Fay
Planning & Parks Director	Tony Wilson



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Wrightsville Beach
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

Financial Section

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MARTIN STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Independent Auditor's Report

To the Honorable Mayor and
Board of Aldermen
Town of Wrightsville Beach, North Carolina

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wrightsville Beach, North Carolina, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows 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.

Basis for Opinions

We conducted our 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the Town's ability to continue as a going concern for 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

Our 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 our opinions. 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*, we:

- exercise professional judgment and maintain 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 the Town'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are 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 we 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, the Other Post-Employment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, the Law Enforcement Officers' Special Separation Allowance Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered-Employee Payroll, and the Local Governmental Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Wrightsville Beach's basic financial statements. The combining and individual fund financial statements, budgetary schedules and other schedules, as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act are presented for 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 our opinion, the combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2024 on our consideration of the Town of Wrightsville Beach's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our 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 Wrightsville Beach's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the Town of Wrightsville Beach's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 4, 2024

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Management's Discussion and Analysis

As management of the Town of Wrightsville Beach (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Wrightsville Beach for the fiscal year ended June 30, 2024. We encourage readers to consider 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

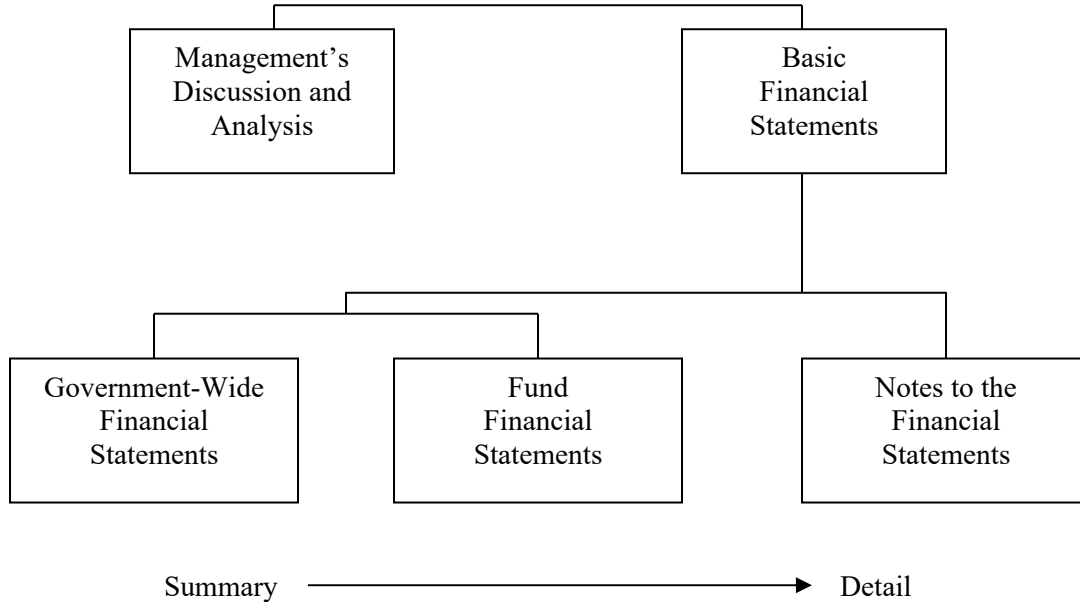
- The assets and the deferred outflows of resources of the Town of Wrightsville Beach exceeded its liabilities and deferred inflows at the close of the fiscal year by \$65,696,126 (*net position*).
- The government's total net position increased by \$8,028,333, primarily due to increases in the governmental activities net position. Key factors in the increase were growth in parking fee revenue, a substantial increase in interest earnings, as well as conservative spending in each department.
- As of the close of the current fiscal year, the Town of Wrightsville Beach's governmental funds reported combined ending fund balances of \$40,853,487, an increase of \$5,830,529 in comparison with the prior year.
- 3.8% of this total amount, or \$1,569,907 is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$27,829,778, or 200.68%, of total General Fund expenditures for the fiscal year.
- The Town's total installment debt decreased by \$342,801 (66%) during the current fiscal year. The key factor in the decrease was timely payment of principal due.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Wrightsville Beach'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 Wrightsville Beach.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits A and B) 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 C through I) 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 to show details about the Town's individual funds. Budgetary information required by the General Statutes and required supplementary information for pensions can also 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.

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 Town's net position (assets and deferred outflows minus liabilities and deferred inflows) has increased steadily since fiscal year 2005 when net position was \$16,301,875. At the end of fiscal year 2024, net position is \$65,696,126.

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes, parking revenues, sales and room occupancy taxes, and refuse fees finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include water and sewer services and stormwater management.

The government-wide financial statements are shown in Exhibits A and B 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 Wrightsville Beach, 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 Wrightsville Beach 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 be readily 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*, which 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 governmental 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.

The Town of Wrightsville Beach 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.

The basic governmental fund financial statements can be found in Exhibits C through F of this report.

Proprietary Funds. The Town of Wrightsville Beach maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Wrightsville Beach uses enterprise funds to account for its water and sewer 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.

The basic proprietary fund financial statements can be found in Exhibits G through I.

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 27-62 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 Wrightsville Beach's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 63 of this report.

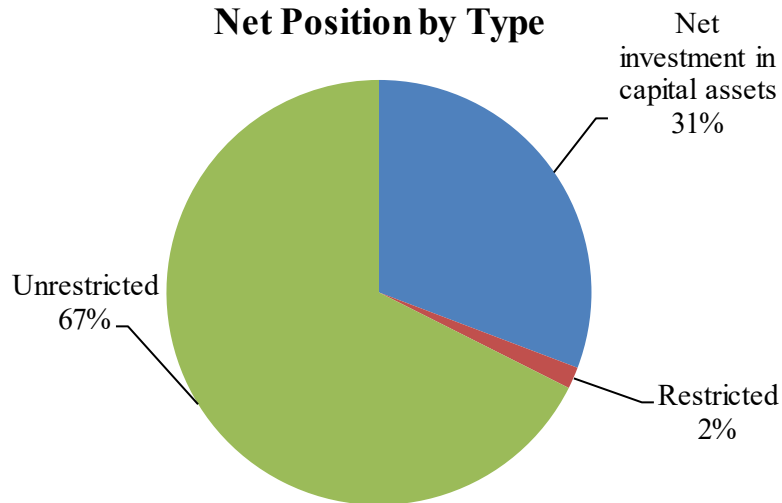
Interdependence with Other Entities. The Town depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications 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 Wrightsville Beach's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 41,955,369	\$ 36,185,070	\$ 12,428,441	\$ 11,735,645	\$ 54,383,810	\$ 47,920,715
Capital assets	16,663,237	15,999,795	3,762,543	4,092,482	20,425,780	20,092,277
Total assets	<u>58,618,606</u>	<u>52,184,865</u>	<u>16,190,984</u>	<u>15,828,127</u>	<u>74,809,590</u>	<u>68,012,992</u>
Deferred outflows of resources	2,439,213	2,652,035	96,212	111,209	2,535,425	2,763,244
Liabilities						
Long-term liabilities outstanding	7,643,226	8,957,654	408,966	487,511	8,052,192	9,445,165
Other liabilities	1,538,037	1,761,302	238,321	173,137	1,776,358	1,934,439
Total liabilities	<u>9,181,263</u>	<u>10,718,956</u>	<u>647,287</u>	<u>660,648</u>	<u>9,828,550</u>	<u>11,379,604</u>
Deferred inflows of resources	1,668,791	1,381,180	151,548	347,659	1,820,339	1,728,839
Net Position:						
Net investment in capital assets	16,452,619	15,443,829	3,762,543	3,924,500	20,215,162	19,368,329
Restricted	1,086,611	1,771,536	-	-	1,086,611	1,771,536
Unrestricted	32,668,535	25,521,399	11,725,818	11,006,529	44,394,353	36,527,928
Total net position	<u>\$ 50,207,765</u>	<u>\$ 42,736,764</u>	<u>\$ 15,488,361</u>	<u>\$ 14,931,029</u>	<u>\$ 65,696,126</u>	<u>\$ 57,667,793</u>



As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Wrightsville Beach exceeded liabilities and deferred inflows by \$65,696,126 as of June 30, 2024. The Town's net position increased by \$8,028,333 for the fiscal year ended June 30, 2024.

A significant portion of the Town of Wrightsville Beach's net position (68%) reflects unrestricted net position and may be used to meet the Town's ongoing obligations to citizens and creditors.

An additional portion of the Town of Wrightsville Beach's net position (2%) represents resources that are subject to external restrictions on how they may be used.

The remaining balance of \$20,215,162 (31%) reflects the Town's net investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The Town of Wrightsville Beach uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town'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.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.9%.
- Attracting tourism to the Town through numerous recreational and community events, which helped parking revenues surpass their budgeted amount by \$1.7 million.
- A commitment to conservative operational spending, which saw the general fund come in 11% under budgeted expenditures.

Town of Wrightsville Beach's Changes in Net Position

Figure 3

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 9,965,946	\$ 8,593,263	\$ 4,120,350	\$ 3,972,282	\$ 14,086,296	\$ 12,565,545
Operating grants and contributions	444,925	459,724	-	-	444,925	459,724
Capital grants and contributions	329,723	72,302	-	-	329,723	72,302
General Revenues:						
Property taxes	3,569,002	3,523,743	-	-	3,569,002	3,523,743
Other taxes	863,280	795,225	-	-	863,280	795,225
Grants and contributions not restricted to specific programs	2,960,593	3,319,557	-	-	2,960,593	3,319,557
Other	2,001,498	1,147,145	524,268	241,774	2,525,766	1,388,919
Total revenues	<u>20,134,967</u>	<u>17,910,959</u>	<u>4,644,618</u>	<u>4,214,056</u>	<u>24,779,585</u>	<u>22,125,015</u>
Expenses:						
General government	2,804,769	2,428,452	-	-	2,804,769	2,428,452
Public safety	7,629,383	7,446,859	-	-	7,629,383	7,446,859
Transportation	211,729	418,583	-	-	211,729	418,583
Environmental protection	1,615,738	1,616,342	-	-	1,615,738	1,616,342
Culture and recreation	907,153	1,189,518	-	-	907,153	1,189,518
Interest on long-term debt	194	11,587	-	-	194	11,587
Water and sewer	-	-	3,582,286	3,535,435	3,582,286	3,535,435
Total expenses	<u>13,168,966</u>	<u>13,111,341</u>	<u>3,582,286</u>	<u>3,535,435</u>	<u>16,751,252</u>	<u>16,646,776</u>
Change in net position before transfers	6,966,001	4,799,618	1,062,332	678,621	8,028,333	5,478,239
Transfers from (to) other funds	<u>505,000</u>	<u>336,551</u>	<u>(505,000)</u>	<u>(336,551)</u>	<u>-</u>	<u>-</u>
Change in net position	7,471,001	5,136,169	557,332	342,070	8,028,333	5,478,239
Net Position:						
Beginning of year - July 1	<u>42,736,764</u>	<u>37,600,595</u>	<u>14,931,029</u>	<u>14,588,959</u>	<u>57,667,793</u>	<u>52,189,554</u>
End of year - June 30	<u>\$ 50,207,765</u>	<u>\$ 42,736,764</u>	<u>\$ 15,488,361</u>	<u>\$ 14,931,029</u>	<u>\$ 65,696,126</u>	<u>\$ 57,667,793</u>

Governmental Activities. Governmental activities increased the Town's net position by \$7,471,001, thereby accounting for 93% of the total growth in the net position of the Town of Wrightsville Beach. Key elements of this increase are as follows:

- The Town's commitment to conservative expending and budgeting. The Town was 11% under budgeted expenditures, and 15% over budgeted revenues. Budgeting conservatively is a proven way to continually have a gain in net position at the end of each year.
- In fiscal year 2023-2024, the Town recognized \$428,500 in American Rescue Plan Act (ARPA) funds that were originally received in 2021. These funds were used to replace revenue lost during the COVID-19 pandemic, helping to stabilize the General Fund and support ongoing operations.
- Increase in room occupancy tax revenue of \$65,000. New Hanover County collects room occupancy tax for the Town of Wrightsville Beach. Room Occupancy Tax revenue for the Town can only be accessed through requesting funds from the Tourism Development Authority. The Town continues to see an increase in tourism related expenditures, and utilizing room occupancy tax helps to keep other revenues of the Town available for general government services.
- The Town's parking revenue saw an increase of approximately \$1.3 million in fiscal year 2023-2024. This growth is attributed to the Town's continued status as a top tourist destination in the state and its role in hosting numerous recreational and community events. Additionally, the Town's Board of Aldermen implemented a \$1 hourly rate increase in certain "premium" parking lots, primarily those located beachfront, further contributing to the revenue boost.

Business-Type Activities. Business-type activities increased the Town of Wrightsville Beach's net position by \$557,332, accounting for 7% of the total growth in the government's net position. The net position for business-type activities increased in fiscal year 2023-2024 due to the Town's ongoing commitment to bolstering its capital reserve funds for future projects. Each year, the Town includes transfers to these capital reserves in the budget to ensure the Capital Improvement Plan (CIP) can be followed. This proactive approach not only strengthens the Town's financial position but also helps to secure the necessary resources for maintaining and enhancing infrastructure and services in the years ahead.

Financial Analysis of the Town's Funds

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

Governmental Funds. The focus of the Town of Wrightsville Beach's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Wrightsville Beach's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Town of Wrightsville Beach. At the end of the current fiscal year, fund balance available in the General Fund was \$28,183,054, while total fund balance reached \$29,572,778. As a measure of the General Fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. Available fund balance represents 186% of total General Fund expenditures and transfers out, while total fund balance represents 195% of that same amount.

The major capital reserve fund added \$1,640,747 to fund balance in the current year. This is a budgeted

transfer from each of the general fund's departments to fund the Town's long-term capital plans.

The major special revenue fund, American Rescue Plan Fund, is used to account for the grant funding of \$814,591 received to date. The Town of Wrightsville Beach has used these funds for revenue replacement, as explained in the US Treasury's Final Rule.

At June 30, 2024, the governmental funds of the Town of Wrightsville Beach reported a combined fund balance of \$40,853,487, a 17% increase over last year. Included in this change in fund balance is an increase in fund balance in the General Fund, and the Major Capital Reserve Fund. The increase in the fund balance for the General Fund was due primarily to an increase in intergovernmental revenues, parking revenue, and conservative spending in each department. The increase in fund balance for the Capital Reserve Fund was due to transfers from the General fund for future capital purchases.

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. Amendments to General Fund expenditures included funding for the purchase of capital assets and transfers to the Water and Sewer Fund for capital projects.

Revenues were more than budgeted amounts primarily due to continued increases in parking fees/revenues, sales tax revenues, and interest rates. Expenditures were less than budgeted amounts due to short staffing in some departments, postponement of projects, and careful management of funds by each department.

Proprietary Funds. The Town of Wrightsville Beach's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$11,725,818. The total increase in net position was \$557,332.

Capital Asset and Debt Administration

Capital Assets. The Town of Wrightsville Beach's investment in capital assets for its governmental and business-type activities as of June 30, 2024, totals \$20,425,780 (net of accumulated depreciation). These assets include building renovations, land, machinery and equipment, vehicles, and water and sewer lines.

Major capital asset transactions during the year include the following additions (there were no significant demolitions or disposals):

- A new HVAC system for the public safety building.
- Construction of two new street-end bulkheads on Columbia and Sweeney Streets.
- Repaving of Arrindale Street

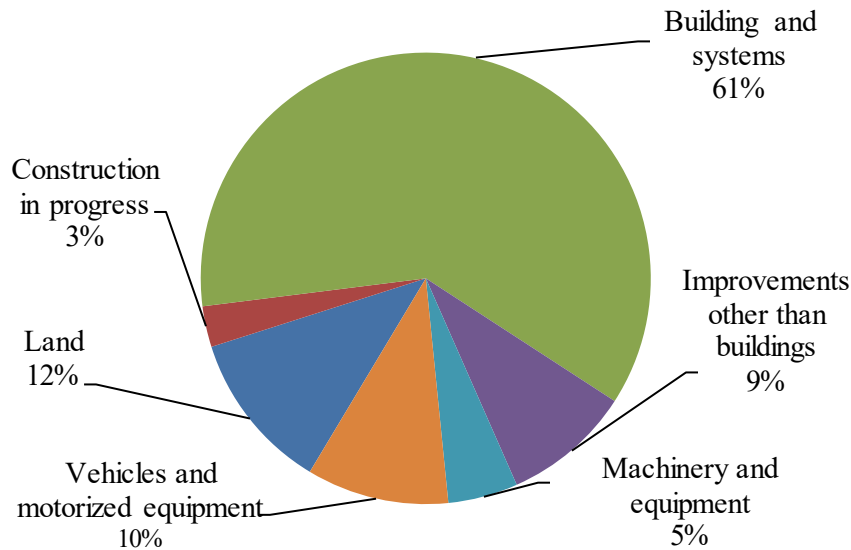
**Town of Wrightsville Beach's Capital Assets
(net of depreciation)**

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 2,342,772	\$ 2,342,772	\$ -	\$ -	\$ 2,342,772	\$ 2,342,772
Construction in progress	595,074	204,246	-	-	595,074	204,246
Total non-depreciable assets	<u>2,937,846</u>	<u>2,547,018</u>	<u>-</u>	<u>-</u>	<u>2,937,846</u>	<u>2,547,018</u>
Building and systems	9,098,376	9,372,379	3,365,822	3,442,835	12,464,198	12,815,214
Improvements other than buildings	1,882,172	1,135,487	-	-	1,882,172	1,135,487
Machinery and equipment	669,623	675,774	353,175	428,510	1,022,798	1,104,284
Vehicles and motorized equipment	2,039,506	2,231,339	43,546	53,155	2,083,052	2,284,494
Right to use lease assets	35,714	37,798	-	-	35,714	37,798
Total assets being depreciated, net	<u>13,725,391</u>	<u>13,452,777</u>	<u>3,762,543</u>	<u>3,924,500</u>	<u>17,487,934</u>	<u>17,377,277</u>
Total capital assets, net	<u>\$ 16,663,237</u>	<u>\$ 15,999,795</u>	<u>\$ 3,762,543</u>	<u>\$ 3,924,500</u>	<u>\$ 20,425,780</u>	<u>\$ 19,924,295</u>

Additional information on the Town's capital assets can be found in Note 2A on pages 40-41 of the basic financial statements.

**Government-Wide Capital Assets
June 30, 2024**



Long-Term Debt. As of June 30, 2024, the Town of Wrightsville Beach had \$210,618 of outstanding loan obligations. In 2021, the Town entered into an agreement with First Citizen's Bank for a Fire Pumper Apparatus loan purchase. A detailed explanation regarding these obligations can be found in Note 2B on pages 57-60 of this report. In 2022, lease liabilities were added to debt. The current lease liability included in the outstanding obligations is \$34,897.

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town of Wrightsville Beach is approximately \$307,917,315.

Additional information regarding the Town of Wrightsville Beach's long-term liabilities can be found in Note 1E on page 34 and in Note 2B on pages 57-60 of this report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the Town and the surrounding area.

- The re-evaluation of property that occurred in 2021 saw assessed home values rise by over a billion dollars in Wrightsville Beach. This is a major indicator that Wrightsville Beach continues to be a desirable location to both vacation and reside.
- New Hanover, Brunswick, and Pender Counties combined for a population growth of over 11% over the past year. The Town of Wrightsville Beach continues to see an increase in visitors as the coastal area of North Carolina has been growing rapidly for the past decade. The majority of visitors to Wrightsville Beach are in-state residents and particularly residents in New Hanover and surrounding counties. This growth continues to bolster the Town of Wrightsville Beach's ABC revenues, as well as room occupancy tax, sales tax, and parking revenues.
- The University of North Carolina at Wilmington is located five miles west of Wrightsville Beach. The university has earned numerous recognitions from U.S. News & World Report, ranking 18th in the nation among "2023 Best Online Bachelor's Programs," 154th for "Best Undergraduate Bachelor of Science in Nursing", 141st among public universities for "Best Schools for Veterans" and 109th overall on a list of "Best Public Colleges 2023".

Budget Highlights for the Fiscal Year Ending June 30, 2025

Governmental Activities. The Town should continue to limit the growth of the General Fund Budget expenditures. With conservative budgeting and no unforeseen expenditures, it is anticipated that there may be some unexpended funds remaining at the end of FY 24/25. This is important to note since it allows the Town to use the unexpended revenue surplus to accomplish two things: 1) Maintain a steady tax rate, and 2) Strengthen the Town's General Fund and General Fund Capital Reserve balances.

Business-Type Activities. The Town continues to experience issues with its wells, which has led to a utility consolidation agreement with Cape Fear Public Utility Authority. CFPUA will be taking over the Town's water and sewer system, its customers, and will become the new service provider for the Town. The transfer of all the Town's assets, customer accounts, contracts, employees, etc. is expected to be completed by September 30, 2025. The utility fund budgets will remain status quo in FY 24/25 while the transition takes place.

Requests for Information

This report is designed to provide an overview of the Town'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 Finance Officer, Town of Wrightsville Beach, P.O. Box 626, Wrightsville Beach, North Carolina 28480.

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Basic Financial Statements

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2024

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Assets:			
Current assets:			
Cash and cash equivalents	\$ 40,111,629	\$ 11,424,850	\$ 51,536,479
Taxes receivable, net	8,714	-	8,714
Accounts receivable, net	417,712	811,674	1,229,386
Due from other governments	479,537	16,988	496,525
Inventories	61,810	106,696	168,506
Prepays	421,486	7,420	428,906
Leases receivable	57,255	57,795	115,050
Cash and cash equivalents, restricted	178,674	-	178,674
Total current assets	<u>41,736,817</u>	<u>12,425,423</u>	<u>54,162,240</u>
Non-current assets:			
Leases receivable, net of current portion	<u>218,552</u>	<u>3,018</u>	<u>221,570</u>
Capital assets:			
Land, non-depreciable improvements, and construction in progress	2,937,846	-	2,937,846
Other capital assets, net of depreciation	<u>13,725,391</u>	<u>3,762,543</u>	<u>17,487,934</u>
Total capital assets	<u>16,663,237</u>	<u>3,762,543</u>	<u>20,425,780</u>
Total non-current assets	<u>16,881,789</u>	<u>3,765,561</u>	<u>20,647,350</u>
Total assets	<u>58,618,606</u>	<u>16,190,984</u>	<u>74,809,590</u>
Deferred Outflows of Resources:			
OPEB deferrals	127,527	9,598	137,125
Pension deferrals	<u>2,311,686</u>	<u>86,614</u>	<u>2,398,300</u>
Total deferred outflows of resources	<u>2,439,213</u>	<u>96,212</u>	<u>2,535,425</u>
Liabilities:			
Current liabilities:			
Accounts payable	550,400	228,252	778,652
Accrued liabilities	277,650	-	277,650
Accrued interest payable	4,769	-	4,769
Unearned revenues	-	-	-
Long term liabilities, due in one year	<u>705,218</u>	<u>10,069</u>	<u>715,287</u>
Total current liabilities	<u>1,538,037</u>	<u>238,321</u>	<u>1,776,358</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**STATEMENT OF NET POSITION
JUNE 30, 2024**

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Long-term liabilities:			
Net pension liability - LGERS	3,449,494	143,729	3,593,223
Total pension liability - LEO	772,307	-	772,307
Total OPEB liability	3,335,284	259,001	3,594,285
Due in more than one year	86,141	6,236	92,377
Total long-term liabilities	<u>7,643,226</u>	<u>408,966</u>	<u>8,052,192</u>
Total liabilities	<u>9,181,263</u>	<u>647,287</u>	<u>9,828,550</u>
Deferred Inflows of Resources:			
Lease deferral	265,119	64,074	329,193
OPEB deferrals	1,130,303	85,076	1,215,379
Pension deferrals	273,369	2,398	275,767
Total deferred inflows of resources	<u>1,668,791</u>	<u>151,548</u>	<u>1,820,339</u>
Net Position:			
Net investment in capital assets	16,452,619	3,762,543	20,215,162
Restricted for:			
Stabilization by state statute	907,937	-	907,937
Streets	155,077	-	155,077
Public safety	23,597	-	23,597
Unrestricted	<u>32,668,535</u>	<u>11,725,818</u>	<u>44,394,353</u>
Total net position	<u>\$ 50,207,765</u>	<u>\$ 15,488,361</u>	<u>\$ 65,696,126</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 2,804,769	\$ 95,869	\$ 394,501	\$ 250,000
Public safety	7,629,383	8,528,446	27,100	-
Transportation	211,729	-	-	79,723
Environmental protection	1,615,738	1,058,479	-	-
Culture and recreation	907,153	283,152	23,324	-
Interest and fees	194	-	-	-
Total governmental activities	<u>13,168,966</u>	<u>9,965,946</u>	<u>444,925</u>	<u>329,723</u>
Business-Type Activities:				
Water and sewer	<u>3,582,286</u>	<u>4,120,350</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 16,751,252</u>	<u>\$ 14,086,296</u>	<u>\$ 444,925</u>	<u>\$ 329,723</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Functions/Programs:			
Primary Government:			
Governmental Activities:			
General government	\$ (2,064,399)	\$ -	\$ (2,064,399)
Public safety	926,163	-	926,163
Transportation	(132,006)	-	(132,006)
Environmental protection	(557,259)	-	(557,259)
Culture and recreation	(600,677)	-	(600,677)
Interest and fees	(194)	-	(194)
Total governmental activities	<u>(2,428,372)</u>	<u>-</u>	<u>(2,428,372)</u>
Business-Type Activities:			
Water and sewer	<u>-</u>	<u>538,064</u>	<u>538,064</u>
Total primary government	<u>(2,428,372)</u>	<u>538,064</u>	<u>(1,890,308)</u>
General Revenues:			
Taxes:			
Property taxes, levied for general purposes	3,569,002	-	3,569,002
Other taxes	863,280	-	863,280
Grants and contributions not restricted to specific programs	2,960,593	-	2,960,593
Investment earnings	1,789,129	524,268	2,313,397
Miscellaneous	212,369	-	212,369
Total general revenues, excluding transfers	<u>9,394,373</u>	<u>524,268</u>	<u>9,918,641</u>
Transfers	<u>505,000</u>	<u>(505,000)</u>	<u>-</u>
Total general revenues and transfers	<u>9,899,373</u>	<u>19,268</u>	<u>9,918,641</u>
Change in net position	7,471,001	557,332	8,028,333
Net Position:			
Beginning of year - July 1	<u>42,736,764</u>	<u>14,931,029</u>	<u>57,667,793</u>
End of year - June 30	<u>\$ 50,207,765</u>	<u>\$ 15,488,361</u>	<u>\$ 65,696,126</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2024

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Fund	Capital Reserve Fund	American Rescue Plan Fund		
Assets:					
Cash and cash equivalents	\$ 28,960,774	\$ 10,301,255	\$ -	\$ 849,601	\$ 40,111,630
Accounts receivable, net	417,712	-	-	-	417,712
Taxes receivable, net	8,714	-	-	-	8,714
Due from other governments	478,028	-	-	1,509	479,537
Leases receivable	275,807	-	-	-	275,807
Prepays	421,486	-	-	-	421,486
Inventory	61,810	-	-	-	61,810
Cash and cash equivalents, restricted	-	-	-	178,674	178,674
Total assets	<u>\$ 30,624,331</u>	<u>\$ 10,301,255</u>	<u>\$ -</u>	<u>\$ 1,029,784</u>	<u>\$ 41,955,370</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ 500,070	\$ -	\$ -	\$ 50,330	\$ 550,400
Accrued liabilities	<u>277,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>277,650</u>
Total liabilities	<u>777,720</u>	<u>-</u>	<u>-</u>	<u>50,330</u>	<u>828,050</u>
Deferred Inflows of Resources:					
Property taxes receivable	8,714	-	-	-	8,714
Lease deferrals	<u>265,119</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>265,119</u>
Total deferred inflows of resources	<u>273,833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>273,833</u>
Fund Balances:					
Non-spendable:					
Inventory	61,810	-	-	-	61,810
Prepays	421,486	-	-	-	421,486
Restricted:					
Stabilization by state statute	906,428	-	-	1,509	907,937
Public safety	-	-	-	23,597	23,597
Streets	-	-	-	155,077	155,077
Committed:					
General government	-	10,301,255	-	390,191	10,691,446
Culture and recreation	-	-	-	391,810	391,810
Public safety	-	-	-	17,270	17,270
Assigned:					
Subsequent year's expenditures	353,149	-	-	-	353,149
Unassigned	<u>27,829,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,829,905</u>
Total fund balances	<u>29,572,778</u>	<u>10,301,255</u>	<u>-</u>	<u>979,454</u>	<u>40,853,487</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 30,624,331</u>	<u>\$ 10,301,255</u>	<u>\$ -</u>	<u>\$ 1,029,784</u>	

The accompanying notes are an integral part of the financial statements.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024**

	<u>Total Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:	
Total fund balances, governmental funds	\$ 40,853,487
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	16,663,237
Liabilities for earned property tax revenues considered deferred inflows of resources in the fund statements.	8,713
Net pension liability - LGERS	(3,449,494)
Total pension liability - LEO	(827,202)
Pension related inflow deferrals	(273,369)
Pension related outflow deferrals	2,311,686
Total OPEB liability	(3,480,346)
OPEB related inflow deferrals	(1,130,303)
OPEB related outflow deferrals	127,527
Some liabilities, including installment debt, leases and accrued interest payable are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(596,171)</u>
Net position of governmental activities	<u>\$ 50,207,765</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Major Funds				Total Governmental Funds
	General Fund	Capital Reserve Fund	American Rescue Plan Fund	Nonmajor Funds	
Revenues:					
Ad valorem taxes	\$ 3,571,151	\$ -	\$ -	\$ -	\$ 3,571,151
Other taxes and licenses	813,384	-	-	49,896	863,280
Unrestricted intergovernmental	2,960,593	-	-	-	2,960,593
Restricted intergovernmental	29,037	-	407,295	353,047	789,379
Permits and fees	492,859	-	-	-	492,859
Sales and services	9,473,087	-	-	-	9,473,087
Investment earnings	1,279,343	447,119	3,118	59,549	1,789,129
Miscellaneous	212,369	-	-	-	212,369
Total revenues	<u>18,831,823</u>	<u>447,119</u>	<u>410,413</u>	<u>462,492</u>	<u>20,151,847</u>
Expenditures:					
Current:					
General government	2,981,810	-	-	268,734	3,250,544
Public safety	7,503,458	-	-	346,209	7,849,667
Transportation	552,942	-	-	236,200	789,142
Environmental protection	1,623,698	-	-	-	1,623,698
Culture and recreation	833,770	-	-	119,519	953,289
Debt service:					
Principal	357,532	-	-	-	357,532
Interest	14,630	-	-	-	14,630
Total expenditures	<u>13,867,840</u>	<u>-</u>	<u>-</u>	<u>970,662</u>	<u>14,838,502</u>
Revenues over (under) expenditures	<u>4,963,983</u>	<u>447,119</u>	<u>410,413</u>	<u>(508,170)</u>	<u>5,313,345</u>
Other Financing Sources (Uses):					
Transfer from:					
General Fund	-	1,321,500	-	10,000	1,331,500
Capital Reserve Fund	97,872	-	-	30,000	127,872
Special Revenue Fund	428,500	-	-	-	428,500
Enterprise Fund	330,000	-	-	175,000	505,000
Transfer to:					
General Fund	-	(97,872)	(428,500)	-	(526,372)
Capital Reserve Fund	(1,321,500)	-	-	-	(1,321,500)
Capital Project Funds	(10,000)	(30,000)	-	-	(40,000)
Long-term debt issued	12,184	-	-	-	12,184
Total other financing sources (uses)	<u>(462,944)</u>	<u>1,193,628</u>	<u>(428,500)</u>	<u>215,000</u>	<u>517,184</u>
Net change in fund balances	4,501,039	1,640,747	(18,087)	(293,170)	5,830,529
Fund Balances:					
Beginning of year - July 1	<u>25,071,739</u>	<u>8,660,508</u>	<u>18,087</u>	<u>1,272,624</u>	<u>35,022,958</u>
End of year - June 30	<u>\$ 29,572,778</u>	<u>\$ 10,301,255</u>	<u>\$ -</u>	<u>\$ 979,454</u>	<u>\$ 40,853,487</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different due to the following items:

Net change in fund balances - total governmental funds (Exhibit D)	\$ 5,830,529
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	(2,149)
Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(10,053)
Pension expense - LGERS	(327,785)
Pension expense - LEO	(42,628)
OPEB plan expense	999,861
Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	357,532
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.	14,436
Lease liabilities issued	(12,184)
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	1,577,961
Cost of capital assets disposed of during the year, not recognized on the modified accrual basis.	(33,879)
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	<u>(880,640)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 7,471,001</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Over/Under
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 3,502,500	\$ 3,502,500	\$ 3,571,151	\$ 68,651
Other taxes and licenses	664,000	805,000	813,384	8,384
Unrestricted intergovernmental	2,543,000	2,543,000	2,960,593	417,593
Restricted intergovernmental	1,750	28,850	29,037	187
Permits and fees	340,200	340,200	492,859	152,659
Sales and services	7,463,894	7,463,893	9,473,087	2,009,194
Investment earnings	500,000	500,000	1,279,343	779,343
Miscellaneous	94,000	94,000	212,369	118,369
Total revenues	<u>15,109,344</u>	<u>15,277,443</u>	<u>18,831,823</u>	<u>3,554,380</u>
Expenditures:				
Current:				
General government	2,783,849	3,478,986	2,981,810	497,176
Public safety	8,197,125	8,235,448	7,503,458	731,990
Transportation	521,379	650,378	552,942	97,436
Environmental protection	1,856,885	1,966,885	1,623,698	343,187
Culture and recreation	891,189	1,016,164	833,770	182,394
Debt service:				
Principal	169,953	358,209	357,532	677
Interest	8,764	14,630	14,630	-
Total expenditures	<u>14,429,144</u>	<u>15,720,700</u>	<u>13,867,840</u>	<u>1,852,860</u>
Revenues over (under) expenditures	<u>680,200</u>	<u>(443,257)</u>	<u>4,963,983</u>	<u>5,407,240</u>
Other Financing Sources (Uses):				
Transfer from:				
Capital Reserve Fund	-	97,872	97,872	-
Enterprise Fund	330,000	330,000	330,000	-
Special Revenue Funds	-	428,500	428,500	-
Transfer to:				
Capital Reserve Fund	(1,321,500)	(1,321,500)	(1,321,500)	-
Capital Project Funds	-	(10,000)	(10,000)	-
Long-term debt issued	-	-	12,184	12,184
Appropriated fund balance	311,300	918,385	-	(918,385)
Total other financing sources (uses)	<u>(680,200)</u>	<u>443,257</u>	<u>(462,944)</u>	<u>(906,201)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	4,501,039	<u>\$ 4,501,039</u>
Fund Balance:				
Beginning of year - July 1			<u>25,071,739</u>	
End of year - June 30			<u>\$ 29,572,778</u>	

The accompanying notes are an integral part of the financial statements.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2024

	<u>Major</u> <u>Water and</u> <u>Sewer Fund</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 11,424,850
Accounts receivable, net	811,420
Accrued interest receivable, leases	254
Lease receivable	57,795
Due from other governments	16,988
Inventories	106,696
Prepays	7,420
Total current assets	<u>12,425,423</u>
Non-current assets:	
Lease receivable	<u>3,018</u>
Capital assets:	
Other capital assets, net of depreciation	<u>3,762,543</u>
Total non-current assets	<u>3,765,561</u>
Total assets	<u>16,190,984</u>
Deferred Outflows of Resources:	
OPEB deferrals	9,598
Pension deferrals	<u>86,614</u>
Total deferred outflows of resources	<u>96,212</u>
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	228,252
Current portion of long term liabilities	<u>10,069</u>
Total current liabilities	<u>238,321</u>
Non-current liabilities:	
Due in more than one year	6,236
Net pension liability	143,729
Total OPEB liability	<u>259,001</u>
Total non-current liabilities	<u>408,966</u>
Total liabilities	<u>647,287</u>
Deferred Inflows of Resources:	
OPEB deferrals	85,076
Pension deferrals	2,398
Leases	<u>64,074</u>
Total deferred inflows of resources	<u>151,548</u>
Net Position:	
Net investment in capital assets	3,762,543
Unrestricted	<u>11,725,818</u>
Total net position	<u>\$ 15,488,361</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Major</u> <u>Water and</u> <u>Sewer Fund</u>
Operating Revenues:	
Charges for services	\$ 3,988,544
Taps and connection fees	14,900
Share fees	3,435
Other operating revenues	113,471
Total operating revenues	<u>4,120,350</u>
Operating Expenses:	
Administration	577,372
Water and sewer operations	2,717,819
Depreciation	287,095
Total operating expenses	<u>3,582,286</u>
Operating income (loss)	<u>538,064</u>
Non-Operating Revenues (Expenses):	
Investment earnings	<u>524,268</u>
Income (loss) before transfers	1,062,332
Transfers in (out)	<u>(505,000)</u>
Change in net position	557,332
Net Position:	
Beginning of year - July 1	<u>14,931,029</u>
End of year - June 30	<u>\$ 15,488,361</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Major</u> <u>Water and</u> <u>Sewer Fund</u>
Cash Flows from Operating Activities:	
Cash received from customers	\$ 4,152,859
Cash paid for goods and services	(2,658,686)
Cash paid to employees	(633,991)
Other operating	(3,066)
Net cash provided (used) by operating activities	<u>857,116</u>
Cash Flows from Non-Capital Financing Activities:	
Transfers to other funds	<u>(505,000)</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	<u>(125,138)</u>
Cash Flows from Investing Activities:	
Interest on investments	<u>524,268</u>
Net increase (decrease) in cash, cash equivalents, and investments	751,246
Cash and Cash Equivalents:	
Beginning of year - July 1	<u>10,673,604</u>
End of year - June 30	<u>\$ 11,424,850</u>
Reconciliation of Operating Income (Loss) to	
Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	<u>\$ 538,064</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	287,095
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	232,483
(Increase) decrease in due from other governments	24,058
(Increase) decrease in inventory	(29,789)
(Increase) decrease in deferred outflows of resources for pensions	(3,372)
Increase (decrease) in net pension liability	16,097
Increase (decrease) in deferred inflows of resources for pensions	932
(Increase) decrease in deferred outflows for OPEB	18,369
Increase (decrease) in deferred inflows OPEB	5,997
Increase (decrease) in OPEB liability	(99,624)
Increase (decrease) in deferred inflows of resources for leases	(203,040)
Increase (decrease) in accounts payable and accrued liabilities	64,864
Increase (decrease) in compensated absences payable	4,982
Total adjustments	<u>319,052</u>
Net cash provided (used) by operating activities	<u>\$ 857,116</u>

The accompanying notes are an integral part of the financial statements.

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TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

1. Summary of Significant Accounting Policies

The accounting policies of the Town of Wrightsville Beach (the “Town”) 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 Wrightsville Beach, North Carolina, is a municipal corporation that is governed by an elected Mayor and a four-member Board of Aldermen. The Town maintains public safety via its own police and fire departments and, also, operates a water and sewer system for the incorporated area.

B. Basis of Presentation

Government-Wide Statements. The Statement of Net Position and the Statement of Activities display information about the primary government (the Town). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities except interfund services provided and used are not eliminated. 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 of the Town 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.

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, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor 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.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The Town reports the following major governmental funds:

General Fund. The General Fund is the primary 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, parking revenues, sales taxes, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, and sanitation services.

Capital Reserve Fund. The Town maintains a Capital Project Reserve Fund for future capital purchases.

American Rescue Plan Fund. This special revenue fund is a grant project fund used to account for the Town's portion of the American Rescue Plan Act (ARPA) funding.

The Town reports the following nonmajor governmental funds:

IT Fund. This capital project fund is used to account for the website redesign, server virtualization, and hosted exchange for the Town.

Parking Fund. This capital project fund is used to improve parking lots for paid parking.

Salisbury Ocean Access Park Fund. The Town maintains a Capital Project Fund to monitor the cost and revenue associated with the redevelopment of the Salisbury Street area, which is a highly used tourist area. The project includes a new bath house, structural and vegetative roadwork changes, and overall increased aesthetics and accessibility.

Municipal Campus Improvements Fund. This capital project fund is used to account for architectural outlays and future building expenditures.

Pickleball & Tennis Reconfig Fund. This capital project fund is used to account for improvements to the Town's racquet sports facilities.

Beach Management Plan Fund. This capital project fund is used to account for grant funds provided by the Department of Environmental Quality for development of a beach nourishment and management plan.

Public Safety Capital Project Fund. This capital project fund is used to account for ongoing public safety capital outlay.

Street Maintenance Fund. This special revenue fund is used to account for Powell Bill funds, and local vehicle tax, which are permitted only for the use of street maintenance.

State Capital and Infrastructure fund. This capital project fund is used to account for the State Capital and Infrastructure Fund grant that was issued to the Town of Wrightsville Beach.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Federal Asset Forfeiture Fund. This special revenue fund is used to account for Federal Asset Forfeiture Funds, which are permitted only for use on police department expenditures.

Unauthorized Substance Tax Fund. This special revenue fund is used to account for Unauthorized Substance Tax Funds, which are permitted only for use on police department expenditures.

The Town reports the following major enterprise fund:

Water and Sewer Fund. This fund is used to account for the Town's water and sewer operations. The Water and Sewer Capital Reserve fund and a Water and Sewer Project fund have been consolidated into the Water and Sewer Fund for financial reporting purposes.

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.

Government-Wide and Proprietary Fund Financial Statements. The government-wide and proprietary financial statements are reported using the economic resources measurement focus and 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's enterprise funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 leases and IT subscriptions 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 are 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.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise 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 of Wrightsville Beach because the tax is levied by New Hanover 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, the Capital Reserve Fund the Water and Sewer Capital Reserve Fund, Special revenue funds except American Rescue Plan Fund, and the enterprise funds. All annual appropriations lapse at the fiscal year-end. A project ordinance is adopted for all other capital project funds and the American Rescue Plan Fund special revenue fund. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

departmental level for all annually budgeted funds and at the object level for the multi-year funds. The Town Manager is authorized to transfer appropriations within a department; however, the governing board must approve any revisions that alter the total expenditures of any department. During the year, several amendments to the original budget were necessary. 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 Outflows and Inflows of Resources, and Fund Equity

Deposits and Investments

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

State law (G.S. 159-30) authorizes the Town and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; 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).

Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments with a maturity of three months or less are essentially demand deposits and are considered cash and cash equivalents.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Restricted Assets

Powell Bill funds are classified as restricted cash because they can be expended only for the purpose outlined in G.S. 136-41.1 through 136-41.4. Federal Asset Seizure Funds are also classified as restricted cash because they can only be expended for the purposes of the expenses associated with forfeited operations or used to finance general investigative expenses. Unauthorized Substance tax is restricted for law enforcement purposes under North Carolina General Statute § 105-113.113.

Governmental Activities:

Streets - Powell Bill	\$	104,331
Streets - Local vehicle tax		50,746
Public Safety Federal Asset Seizure funds		8,303
Public Safety Unauthorized Substance tax		<u>15,294</u>
	\$	<u>178,674</u>

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.

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.

Leases Receivable

The Town's leases receivable are measured at the present value of lease payments expected to be received during the lease term. Under the lease agreements, the Town may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Inventory and Prepaid Items

The inventories of the Town are valued at cost (first-in, first-out), which approximates market. The Town's General Fund inventory consists of expendable supplies that are recorded as expenditures as used rather than when purchased. The inventories of the Town's enterprise funds consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

Capital Assets

The Town defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are reported at acquisition value. All other purchases or constructed capital assets are reported at cost or estimated historical 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. General infrastructure assets acquired prior to implementation of GASB Statement 34 on July 1, 2003, have not been reported. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	30 years
Buildings	50 years
Improvements	25 years
Vehicles	5-10 years
Furniture and equipment	5-10 years
Computer equipment	3-5 years

Right-to-Use Assets

The Town's capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the Town reports a lease (only applies when the Town is the lessee) in accordance with the requirements of GASB 87 respectively.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net 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, OPEB and pension related deferrals. In addition to liabilities, the Statement of Net 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 two items that meet the criterion for this category – OPEB and pension related deferrals and lease deferrals.

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 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 are incurred. 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 withheld from the actual debt proceeds received, are reported as debt service expenditures.

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 and proprietary funds, 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 has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Net Position/Fund Balances

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

Fund Balances. In the governmental fund financial statements, fund balance is composed of five 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:

Non-Spendable Fund Balance: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Prepays – Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

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

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

considered a resource upon which a restriction is “imposed by law through constitutional provisions or enabling legislation.” RSS is reduced by inventories and prepaids as they are classified as non-spendable. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

Restricted for Streets – portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of unspent Powell Bill funds and a percentage of local vehicle tax.

Restricted for Public Safety – portion of fund balance that is restricted by revenue source for certain public safety purposes.

Committed Fund Balance: The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The governing board is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

General Government – portion of fund balance that has been budgeted by the Board for future debt payments and future capital outlay in conjunction with projects of the Town.

Culture and Recreation - portion of fund balance that has been budgeted by the Board for future capital outlay in conjunction with projects of the Town.

Public Safety – portion of fund balance that is restricted by revenue source for certain public safety purposes.

Assigned Fund Balance: The portion of fund balance that the Town of Wrightsville Beach Governing Board intends to use for specific purposes.

Assigned for Subsequent Year’s Expenditures – the portion of fund balance that is appropriated in the next year’s budget that is not already classified as restricted or committed. The governing body approves the appropriation.

Unassigned Fund Balance: The portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. Only the General Fund may report a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in the 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 fund balance.

The Town has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-Town funds, and Town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

first, followed in-order by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

The Town has also adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 34.5% of budgeted expenditures. Any portion of the General Fund balance in excess of 34.5% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the Town in a future budget.

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	\$ 29,572,778
Less:	
Prepays	421,486
Inventory	61,810
Stabilization by state statute	<u>906,428</u>
Total available fund balance	<u>\$ 28,183,054</u>

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 Wrightsville Beach's employer contributions are recognized when due, and the Town of Wrightsville Beach 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.

2. Detail Notes on All Funds

A. Assets

Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in the unit's name. 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, these

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

deposits are considered to be held by the Town’s agent in its name. 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 or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for undercollateralization, 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 that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit 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 provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2024, the Town’s deposits had a carrying amount of \$5,510,258 and a bank balance of \$6,214,425. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. At June 30, 2024, the Town’s petty cash fund totaled \$1,025.

Investments

As of June 30, 2024, the Town had the following investments and maturities.

Investment Type	Valuation Measurement Method	Fair Value	Less Than 6 Months	6 Months to 3 Years
NCCMT Government Portfolio	Fair value - Level 1	\$ 30,220,215	\$ 30,220,215	\$ -
US Treasuries	Fair value - Level 1	15,983,655	7,043,333	8,940,322
		\$ 46,203,870	\$ 37,263,548	\$ 8,940,322

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P and AAA-mf by Moody's Investor Service.

All investments of the Town 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’ relationship to benchmark quoted prices.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

Credit Risk. The Town has no formal policy regarding credit risk. The City's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's and AAA-mf by Moody's Investors Service as of June 30, 2024.

Receivables – Allowance for Doubtful Accounts

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

General Fund:	
Taxes receivable	\$ 28,367
Accounts receivable	16,606
Enterprise Fund:	
Accounts receivable	<u>29,199</u>
Total	<u>\$ 74,172</u>

Due from other governments owed to the Town consists of:

Local option sales tax	\$ 396,083
Utility Franchise/cable TV tax	92,071
Other	<u>8,371</u>
Total	<u>\$ 496,525</u>

Lease Receivables

On 07/01/2021, the Town of Wrightsville Beach, North Carolina, entered into a 96-month lease as lessor for the use of Property - Aquaculture Facility. An initial lease receivable was recorded in the amount of \$424,190. As of 06/30/2024, the value of the lease receivable is \$275,807 and the value of the short-term receivable is \$57,255. The lessee is required to make annual fixed payments of \$51,425. The lease has an interest rate of 0.8450%. The land 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 \$265,119, and the Town of Wrightsville Beach recognized lease revenue of \$63,024 during the fiscal year.

On 08/22/2022, Town of Wrightsville Beach, North Carolina entered into a 36-month lease as Lessor for the use of Tower Space - AT&T Copy. An initial lease receivable was recorded in the amount of \$168,370. As of 06/30/2024, the value of the lease receivable is \$60,813 and the value of the short-term lease receivable is \$57,795. The lessee is required to make annual fixed payments of \$54,731. The lease has an interest rate of 0.4660%. 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 \$64,074, and Town of Wrightsville Beach, North Carolina recognized lease revenue of \$56,123 during the fiscal year.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 115,050	\$ 2,643	\$ 117,693
2026	54,695	1,872	56,567
2027	55,157	1,410	56,567
2028	55,623	944	56,567
2029	56,095	474	56,569
Total	<u>\$ 336,620</u>	<u>\$ 7,343</u>	<u>\$ 343,963</u>

Capital Assets

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

	<u>Balance July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2024</u>
Governmental Activities:				
Non-Depreciable Capital Assets:				
Land	\$ 2,342,772	\$ -	\$ -	\$ 2,342,772
Construction in progress	204,246	390,828	-	595,074
Total non-depreciable capital assets	<u>2,547,018</u>	<u>390,828</u>	<u>-</u>	<u>2,937,846</u>
Depreciable Capital Assets:				
Buildings	12,140,837	-	-	12,140,837
Other improvements	2,260,997	815,846	-	3,076,843
Equipment	3,550,753	145,588	-	3,696,341
Vehicles and motorized equipment	5,283,109	210,464	(455,751)	5,037,822
Right to use leased assets-equipment	56,004	15,235	-	71,239
Total depreciable capital assets	<u>23,291,700</u>	<u>1,187,133</u>	<u>(455,751)</u>	<u>24,023,082</u>
Less Accumulated Depreciation/Amortization:				
Buildings	2,768,458	274,003	-	3,042,461
Other improvements	1,125,510	69,161	-	1,194,671
Equipment	2,874,979	151,739	-	3,026,718
Vehicles and motorized equipment	3,051,770	368,418	(421,872)	2,998,316
Right to use leased assets-equipment	18,206	17,319	-	35,525
Total accumulated depreciation/amortization	<u>9,838,923</u>	<u>880,640</u>	<u>(421,872)</u>	<u>10,297,691</u>
Total depreciable capital assets, net	<u>13,452,777</u>			<u>13,725,391</u>
Governmental activities capital assets, net	<u>\$ 15,999,795</u>			<u>\$ 16,663,237</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

General government	\$	104,375
Public safety		551,504
Transportation		26,606
Environmental protection		31,262
Culture and recreation		166,893
Total	\$	<u>880,640</u>

	<u>Balance</u> <u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2024</u>
Business-Type Activities:				
Depreciable Capital Assets:				
Water distribution system	\$ 6,116,099	\$ 125,138	\$ -	\$ 6,241,237
Sewer disposal system	4,172,158	-	-	4,172,158
Equipment	1,327,767	-	-	1,327,767
Vehicles	362,960	-	-	362,960
Total depreciable capital assets	<u>11,978,984</u>	<u>125,138</u>	<u>-</u>	<u>12,104,122</u>
Less Accumulated Depreciation:				
Water distribution system	3,683,179	124,592	-	3,807,771
Sewer disposal system	3,162,243	77,559	-	3,239,802
Equipment	899,257	75,335	-	974,592
Vehicles	309,805	9,609	-	319,414
Total accumulated depreciation	<u>8,054,484</u>	<u>287,095</u>	<u>-</u>	<u>8,341,579</u>
Total depreciable capital assets, net	<u>3,924,500</u>			<u>3,762,543</u>
Business-type activities capital assets, net	<u>\$ 3,924,500</u>			<u>\$ 3,762,543</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Construction Commitments

The government has active construction projects as of June 30, 2024. The projects include the Northwest project that includes park renovations and an outdoor theatre, school construction, and water district projects. At June 30, 2024, the government’s commitments with contractors are as follows:

<u>Vendor</u>	<u>Project</u>	<u>Contract</u>	<u>Contract Remaining</u>
Cape Fear Engineering	Pickleball Court Survey and Design	\$ 61,548	\$ 3,053
McKim and Creed	Water System Analysis	6,090	26,104
Withers Ravenel	Stormwater Phase II -#02190718.10	31,400	27,158
McKim & Creed INC	Lead and Cooper Rile Compliance	45,100	20,413
Port City Builders	Public Works Renovation	189,785	22,718
The Sign Company	Electronic Message Boards	84,000	41,997
Developmental Associates	Town Manager Recruitment	35,000	33,596

B. Liabilities

Pension Plan Obligations

Local Governmental Employees’ Retirement System

Plan Description. The Town of Wrightsville Beach 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.

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

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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, 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. The Town of Wrightsville Beach 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 Wrightsville Beach's contractually required contribution rate for the year ended June 30, 2024, was 14.10% of compensation for law enforcement officers and 12.85% 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 Wrightsville Beach were \$644,357 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 \$3,593,223 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

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

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, 2023 (measurement date), the Town’s proportion was 0.05425%, which was a decrease of .00231% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Town recognized pension expense of \$985,800. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 400,391	\$ 8,620
Changes of assumptions	152,691	-
Net difference between projected and actual earnings on pension plan investments	961,704	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	6,196	51,335
Town contributions subsequent to the measurement date	<u>644,357</u>	<u>-</u>
Total	<u>\$ 2,165,339</u>	<u>\$ 59,955</u>

The \$644,357 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2025	\$ 535,767
2026	259,027
2027	625,568
2028	40,665
2029	-
Thereafter	<u>-</u>
Total	<u>\$ 1,461,027</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Actuarial Assumptions. The total liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increase	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 actuary currently uses mortality tables that vary by age, gender, employee group (i.e., general and 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. public plan population. The mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions and methods used in the December 31, 2022 valuation, were based on the results of an actuarial experience study prepared as of December 31, 2019, and adopted by the Board of Trustees on January 28, 2021.

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 returns 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.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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, 2023 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%
Opportunistic Fixed Income	7.0%	5.0%
Inflation sensitive	<u>6.0%</u>	2.7%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, and is part of the asset, liability, and investment policy of the North Carolina Retirement Systems. 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 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 6.50%. This discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension liability is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. Based on those 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 benefits payments to determine the total pension liability.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Sensitivity of the County’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%, 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%) or one percentage point higher (7.50%) 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)	<u>\$ 6,225,118</u>	<u>\$ 3,593,223</u>	<u>\$ 1,426,401</u>

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.

Law Enforcement Officers’ Special Separation Allowance

Plan Description. The Town 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 of 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 .85% 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. A separate report was not issued for the plan.

All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2022, the valuation date, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	2
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>27</u>
Total	<u>29</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 and refunds are recognized when due and payable in accordance with the terms of the plan.

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

Actuarial Assumptions

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

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

The discount rate used to measure the TPL is the S&P Municipal Bond 20-Year High Grade Rate Index.

Mortality rates are as follows:

Mortality Assumption: All mortality rates use Pub-2010 amount-weighted tables.

Mortality Projection: All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

Deaths After Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

Deaths After Retirement (Disabled Members at Retirement): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

Deaths After Retirement (Survivors of Deceased Members): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Deaths Prior to Retirement: Mortality rates are based on the Safety Mortality Table for Employees.

Contributions

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments 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. The Town paid \$47,226 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 \$827,202. The total pension liability was measured as of December 31, 2023, based on a December 31, 2022 actuarial valuation. The total pension liability was rolled forward to December 31, 2023, measurement date utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the Town recognized pension expense of \$102,448.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 90,994	\$ 77,505
Changes of assumptions and other inputs	114,519	138,307
Town benefit payments and plan administrative expense made subsequent to the measurement date	27,448	-
Total	\$ 232,961	\$ 215,812

\$27,448 paid as benefits came due subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a decrease of the total pension liability in the year ending June 30, 2025. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2025	\$ 20,464
2026	12,304
2027	(18,708)
2028	(17,230)
2029	(6,414)
Thereafter	(715)
Total	\$ (10,299)

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

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 Town’s total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current rate:

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Total pension liability	\$ 909,268	\$ 827,202	\$ 753,311

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

	<u>2024</u>
Beginning balance	\$ 805,715
Service cost	43,957
Interest on the total pension liability	33,709
Differences between expected and actual experience	(31,007)
Changes of assumptions and other inputs	22,054
Benefit payments	<u>(47,226)</u>
Ending balance of the total pension liability	<u>\$ 827,202</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.

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of an actuarial experience study completed by the Actuary for the Local Governmental Employees’ Retirement System for the five-year period ending December 31, 2019.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

Following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	LEOSSA	Total
Pension liability	\$ 3,593,223	\$ 827,202	\$ 4,420,425
Pension expense	\$ 985,800	\$ 102,448	\$ 1,088,248
Proportionate share of the net pension liability	0.05425%	NA	-

Deferred Outflows of Resources	LGERS	LEOSSA	Total
Difference between expected and actual experience	\$ 400,391	\$ 90,994	\$ 491,385
Changes of assumptions and other inputs	152,691	114,519	267,210
Net difference between projected and actual earnings on pension plan investments	961,704	-	961,704
Changes in proportion and differences between Town contributions and proportionate share of contributions	6,196	-	6,196
Town contributions (LGERS) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	644,357	27,448	671,805
Total deferred outflows of resources	\$ 2,165,339	\$ 232,961	\$ 2,398,300

Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 8,620	\$ 77,505	\$ 86,125
Changes of assumptions and other inputs	-	138,307	138,307
Changes in proportion and differences between Town contributions and proportionate share of contributions	51,335	-	51,335
Total deferred inflows of resources	\$ 59,955	\$ 215,812	\$ 275,767

Supplemental Retirement Income Plan for Law Enforcement Officers

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 permanent employees who wish to participate and 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 Supplemental Retirement Income Plan is included in the Annual Comprehensive Financial Report for the state of North

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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. That report may be obtained by writing to the Office of the Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement employees may make voluntary contributions to the plan. The Town contributes 4% of the salary of other employees who wish to participate in the plan. The Town made contributions of \$174,368 for the reporting year. No amounts were forfeited.

Contributions for law enforcement officers for the year ended June 30, 2024, were \$140,941 which consisted of \$90,028 from the Town and \$50,913 voluntary contributions from the law enforcement officers. Contributions for all other employees were \$203,202, which consisted of \$84,340 from the Town and \$118,862 voluntary contributions from other employees.

Other Post-Employment Benefit

Healthcare Benefits

Plan Description. Under the terms of a Town resolution, the Town administers a single-employer defined benefit Healthcare Benefits Plan (the "HCB Plan"). This plan provides post-employment healthcare benefits to retirees of the Town, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least 20 years of creditable service with the Town. The Town pays the full cost of coverage for these benefits through private insurers. Also, the Town's retirees can purchase coverage for their dependents at the Town's group rates. The Town pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a Town resolution that can be amended by the Board of Aldermen. The Town's members pay \$253 per month for dependent coverage under the PPO plan and \$216 per month for dependent coverage if they elected HDHP-HSA.

The Board of Aldermen passed a resolution ending this benefit for any new employees hired after June 30, 2010. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. Coverage for all retirees who are eligible for Medicare will be transferred to a Medicare Supplemental plan after qualifying for Medicare. A separate report was not issued for the plan.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Membership of the HCB Plan consisted of the following at June 30, 2023, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	26
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	15
Total	41

Total OPEB Liability

The Town’s total OPEB liability of \$3,742,307 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:

Inflation	2.50 percent
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases:	
General	3.25% - 8.41%, including wage inflation
Firefighters	3.25% - 8.15%, including wage inflation
Law enforcement officers	3.25% - 7.90%, including wage inflation
Municipal bond index rate	
Prior measurement date	3.54 percent
Measurement date	3.65 percent
Healthcare cost trend rates	
Pre-Medicare Medical and Prescription Drug	7% for 2023 decreasing to an ultimate rate of 4.5% by 2033
Medicare Medical and Prescription drug	5.125% for 2023 decreasing to an ultimate rate of 4.5% by 2026
Dental	3.50%

The Town selected a municipal bond index rate equal to the Bond Buyer 20-Year General Obligation Bond Index published at the last Thursday of June by the Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the total OPEB liability.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2023	<u>\$ 5,165,507</u>
Changes for the Year:	
Service cost	73,446
Interest on TOL and cash flows	182,953
Differences between expected and actual experience	(1,542,220)
Changes of assumptions or other inputs	5,466
Benefit payments	<u>(142,845)</u>
Net changes	<u>(1,423,200)</u>
Balance at June 30, 2024	<u>\$ 3,742,307</u>

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.54% to 3.65%.

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increase 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 board.

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.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current discount rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	<u>\$ 4,334,084</u>	<u>\$ 3,742,307</u>	<u>\$ 3,266,979</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current	1% Increase
Total OPEB liability	\$ 3,254,973	\$ 3,742,307	\$ 4,349,144

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the Town recognized OPEB expense of \$(946,117). At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 836,962
Changes of assumptions and other inputs	2,947	378,417
Benefit payments and plan administrative expense made subsequent to the measurement date	134,178	-
Total	<u>\$ 137,125</u>	<u>\$ 1,215,379</u>

\$134,178 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Total
2025	\$ (1,092,040)
2026	(120,392)
2027	-
2028	-
2029	-
Thereafter	-
Total	<u>\$ (1,212,432)</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Other Employment Benefit

The Town has 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 payments to beneficiaries are 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. Because all death benefit payments are made from the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly contributions. The Town's 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.

The Town also provides an additional group-term life insurance benefit at a rate of one and one-half times each employee's annual salary. The Hartford currently underwrites this fringe benefit.

Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources reported on the statement of net position are comprised of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension deferrals	\$ 2,398,300	\$ 275,767
OPEB deferrals	137,125	1,215,379
Lease deferral	-	329,193
Taxes receivable, net (General Fund Balance Sheet)	-	8,714
Total	<u>\$ 2,535,425</u>	<u>\$ 1,829,053</u>

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 two 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 \$5 million per occurrence and \$1 million per occurrence respectively, property coverage up to the total insurance values of the property policy, and

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

workers' compensation coverage up to statutory limits. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Aldermen each year. Stop loss insurance is purchased by the Board of Aldermen to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Aldermen 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 carries flood insurance through the National Flood Insurance Plan (NFIP). Because the Town is in an area of the state that has been mapped and designated an "AE" area (an area close to water) by the Federal Emergency Management Agency, the Town is eligible to purchase coverage of \$500,000 per structure (plus additional for contents) through the NFIP. The Town also is eligible to and has purchased commercial flood insurance to cover its buildings and structures in the event of flood damage.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more of the Town's funds at any given time are performance bonded through a commercial surety bond. As of July 1, 2023, the Town's Finance Officer is bonded for \$1,000,000. Ad valorem tax collections are managed by New Hanover County on behalf of the Town.

Claims and Judgements – At June 30, 2024, the Town was a defendant to various lawsuits. In the opinion of the Town's management and the Town attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Town's financial position.

Long-Term Obligations

Leases

The Town has entered into agreements to lease certain equipment. The lease agreements qualify as other than short term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. Details of the town's leases liabilities at June 30, 2024 are as follows:

On 01/31/2022, the Town of Wrightsville Beach, North Carolina, entered into a 60-month lease as Lessee for the use of Ricoh Copier - Parking & Fire. An initial lease liability was recorded in the amount of \$9,993. As of 06/30/2024, the value of the lease liability is

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

\$5,098. The Town of Wrightsville Beach is required to make monthly fixed payments of \$174. The lease has an interest rate of 1.7540%. The Equipment estimated useful life was 0-months as of the contract commencement. The value of the right-to-use asset as of 06/30/2024 was \$9,993 with accumulated amortization of \$4,914.

On 03/15/2022, the Town of Wrightsville Beach entered into a 60-month lease as Lessee for the use of Mailing Machine - Pitney Bowes. An initial lease liability was recorded in the amount of \$10,298. As of 06/30/2024, the value of the lease liability is \$5,258. The Town of Wrightsville Beach is required to make quarterly fixed payments of \$541. The lease has an interest rate of 2.1330%. The Equipment estimated useful life was 0-months as of the contract commencement. The value of the right-to-use asset as of 06/30/2024 was \$10,298 with accumulated amortization of \$4,726.

On 07/01/2021, the Town of Wrightsville Beach, North Carolina, entered into a 48-month lease as Lessee for the use of Ricoh Copier - Planning Dept. An initial lease liability was recorded in the amount of \$5,691. As of 06/30/2024, the value of the lease liability is \$1,444. The Town of Wrightsville Beach is required to make monthly fixed payments of \$121. The lease has an interest rate of 1.0110%. The Equipment estimated useful life was 0-months as of the contract commencement. The value of the right-to-use asset as of 06/30/2024 was \$5,690 with accumulated amortization of \$4,268.

On 03/01/2022, the Town of Wrightsville Beach, North Carolina, entered into a 60-month lease as Lessee for the use of Dex Imaging Copier - Town Hall. An initial lease liability was recorded in the amount of \$12,835. As of 06/30/2024, the value of the lease liability is \$6,971. The Town of Wrightsville Beach is required to make monthly fixed payments of \$223. The lease has an interest rate of 1.7060%. The Equipment estimated useful life was 0-months as of the contract commencement. The value of the right-to-use asset as of 06/30/2024 was \$12,910 with accumulated amortization of \$6,025.

On 07/01/2021, the Town of Wrightsville Beach, North Carolina, entered into a 43-month lease as Lessee for the use of Richo Copier - Public Works. An initial lease liability was recorded in the amount of \$4,290. As of 06/30/2024, the value of the lease liability is \$709. The Town of Wrightsville Beach is required to make monthly fixed payments of \$102. The lease has an interest rate of 1.0110%. The Equipment estimated useful life was 0-months as of the contract commencement. The value of the right-to-use asset as of 06/30/2024 was \$4,290 with accumulated amortization of \$3,548.

On 12/09/2021, the Town of Wrightsville Beach, North Carolina, entered into a 60-month lease as Lessee for the use of DEX - Planning Wide Format. An initial lease liability was recorded in the amount of \$12,748. As of 06/30/2024, the value of the lease liability is \$6,258. The Town of Wrightsville Beach is required to make monthly fixed payments of \$219. The lease has an interest rate of 1.2960%. The Equipment estimated useful life was 0-months as of the contract commencement. The value of the right-to-use asset as of 06/30/2024 was \$12,823 with accumulated amortization of \$6,568.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

On 07/01/2023, Town of Wrightsville Beach, NC entered into a 60 month lease as Lessee for the use of Richo Copier - PD & Parks. An initial lease liability was recorded in the amount of \$15,235. As of 06/30/2024, the value of the lease liability is \$9,159, and the value of the short-term lease liability is \$3,039. Town of is required to make annual fixed payments of \$3,082. The lease has an interest rate of 0.4660%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of \$15,235 with accumulated amortization of \$5,476 is included with Equipment on the Lease Class activities table found below.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 14,418	\$ 387	\$ 14,805
2026	12,436	205	12,641
2027	8,043	44	8,087
2028	-	-	-
Total	<u>\$ 34,897</u>	<u>\$ 636</u>	<u>\$ 35,533</u>

General Obligation Indebtedness. At June 30, 2024, the Town had no general obligation bonds outstanding, no unissued bonds, and a legal debt margin of \$307,917,315.

Installment Loans

On July 8, 2020, the Town entered into an installment loan contract with a bank to pay for equipment. The \$850,000 loan, payable in annual installments of \$178,715, is financed at a fixed rate of interest of 1.690% for a period of 5 years.

The Town's outstanding installment loan from direct placements related to governmental activities of \$175,721 are secured with the purchased equipment. The installment loan contain provisions that an event of default would result in 1) declare the unpaid principal and all accrued interest of the Installment Payments immediately due and payable without notice or demand to the borrower, 2) proceed by appropriate court action to enforce the Town's performance of the applicable covenants of the contract or to recover for the breach thereof, 3) Exercise all the rights and remedies a law or in equity, including those rights and remedies of a secured party or creditor under the Uniform Commercial Code and the general laws of the Sate with respect to the enforcement of the security interest granted or reserved hereunder; and terminate this contract and give notice to the borrower to surrender possession of the bank equipment and use, operate, lease or hold all or any part of the bank equipment in its sole discretion. If borrower remains in possession of the bank equipment or any portion thereof, more than five business days following termination of the contract in accordance with this subsection, the borrower is deemed a lessee-at-will and will pay to the bank a fair and reasonable amount as rental for the use of the bank equipment during such period, as determined by the bank.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Annual debt service requirements to maturity for the Town's governmental funds installment loans payable are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 175,721	\$ 2,970	\$ 178,691

Changes in Long-Term Liabilities

The following is a summary of the changes in the Town's long-term obligations for the fiscal year ended June 30, 2024:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Current Portion
Governmental Activities:					
Direct placement installment loan	\$ 518,522	\$ -	\$ 342,801	\$ 175,721	\$ 175,721
Lease liabilities	37,444	12,184	14,731	34,897	14,418
Compensated absences	370,732	267,998	257,946	380,784	315,122
Total OPEB liability	4,803,922	-	1,323,576	3,480,346	145,062
Net pension liability (LGERS)	3,063,160	386,334	-	3,449,494	-
Total pension liability (LEO)	805,715	21,487	-	827,202	54,895
Total	\$ 9,599,495	\$ 688,003	\$ 1,939,054	\$ 8,348,444	\$ 705,218

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Current Portion
Business-Type Activities:					
Compensated absences	\$ 8,363	\$ 22,276	\$ 17,294	\$ 13,345	\$ 7,109
Total OPEB liability	361,585	-	99,624	261,961	2,960
Net pension liability (LGERS)	127,632	16,097	-	143,729	-
Total	\$ 497,580	\$ 38,373	\$ 116,918	\$ 419,035	\$ 10,069

Compensated absences, net pension liability, total pension liability and total OPEB liability typically has been liquidated in the General Fund.

Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2024, is composed of the following elements:

	Governmental Activities	Business-Type Activities
Capital assets and right to use assets	\$ 16,663,237	\$ 3,762,543
Long-term debt	210,618	-
Total	\$ 16,452,619	\$ 3,762,543

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

C. Interfund Balances and Activity

Transfers to/from other funds for the year ended June 30, 2024, consist of the following:

From the General Fund to the Major Capital Reserve Fund for future capital projects	\$ 1,321,500
From the General Fund to the non major Funds for capital project purposes	10,000
From the American Rescue Plan Fund to the General Fund for revenue replacement	428,500
From Major Capital Reserve Funds to the General Fund for current capital projects	97,872
From the Water and Sewer Fund to the General Fund for future projects	330,000
From Major Capital Reserve Funds to the non major funds for current capital projects	30,000
From the Water and Sewer Fund to the non major capital project fund to fund water study	175,000
Total	<u>\$ 2,392,872</u>

Intrafund Transfers:

Transfer from the Water and Sewer Fund to the Water and Sewer Capital Reserve Fund for future projects	<u>\$ 455,200</u>
Total	<u>\$ 455,200</u>

3. 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 monies 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.

4. Reimbursements for Pandemic-Related Expenditures

The Town of Wrightsville Beach was awarded \$814,591 from the Federal American Rescue Plan, (ARP). The Town has received all funds awarded. One half of the funds were used in fiscal year 2023 for revenue replacement. The other half was used in 2024, also revenue replacement.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

5. Subsequent Event

On June 21, 2024, the Town entered into an agreement with Cape Fear Public Utility Authority to consolidate its utility system as part of a regional utility consolidation effort. Under the terms of the agreement, the Town will transfer the entire balance of its Water and Sewer Fund, as well as all Capital Reserve and Capital Project Funds associated with the Water and Sewer Fund, to Cape Fear Public Utility Authority.

Utility reserve funds will be transferred from the Town to the Authority in three stages. Approximately 90 days following the effective date of the agreement, the Town will transfer \$3,447,000 from utility capital reserves to fund costs associated with the transition. The full transfer date is anticipated to be September 30, 2025. At this date the remainder of utility system reserves will be transferred, aside from an undisclosed amount that the Town will retain for final operational expenses which may occur after the transfer date. Once final utility-related expenses are paid, the remaining balance will be transferred to the Authority.

The financial statements have not been adjusted to reflect this event, as the consolidation and fund transfer relate to conditions that arose after the balance sheet date. The Town anticipates this consolidation will be critical to providing a safe and quality water source to its residents without having to substantially increase utility billing rates.

Required Supplementary Information

This section contains additional information required by generally accepted accounting principles.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST EIGHT FISCAL YEARS**

Law Enforcement Officers' Special Separation Allowance				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 805,715	\$ 855,074	\$ 944,939	\$ 625,935
Service cost	43,957	64,885	60,150	34,529
Interest on the total pension liability	33,709	18,744	17,839	19,698
Differences between expected and actual experience in the measurement of the total pension liability	(31,007)	93,839	(101,015)	53,933
Changes of assumptions or other inputs	22,054	(182,802)	(25,601)	254,240
Benefit payments	(47,226)	(44,025)	(41,238)	(43,396)
Net changes	<u>21,487</u>	<u>(49,359)</u>	<u>(89,865)</u>	<u>319,004</u>
Ending balance of the total pension liability	<u>\$ 827,202</u>	<u>\$ 805,715</u>	<u>\$ 855,074</u>	<u>\$ 944,939</u>

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

The pension schedules are intended to show information for ten years. Additional years will be displayed as they become available.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST EIGHT FISCAL YEARS**

Law Enforcement Officers' Special Separation Allowance				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 547,166	\$ 585,438	\$ 465,289	\$ 480,104
Service cost	28,030	30,909	27,876	30,481
Interest on the total pension liability	18,770	17,692	16,994	16,246
Differences between expected and actual experience in the measurement of the total pension liability	77,412	(15,452)	91,195	(11,481)
Changes of assumptions or other inputs	17,563	(20,282)	34,145	-
Benefit payments	<u>(63,006)</u>	<u>(51,139)</u>	<u>(50,061)</u>	<u>(50,061)</u>
Net changes	<u>78,769</u>	<u>(38,272)</u>	<u>120,149</u>	<u>(14,815)</u>
Ending balance of the total pension liability	<u>\$ 625,935</u>	<u>\$ 547,166</u>	<u>\$ 585,438</u>	<u>\$ 465,289</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF
COVERED EMPLOYEE PAYROLL -
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST EIGHT FISCAL YEARS**

Law Enforcement Officers' Special Separation Allowance				
	2024	2023	2022	2021
Total pension liability	\$ 827,202	\$ 805,715	\$ 855,074	\$ 944,939
Covered employee payroll*	1,693,839	1,642,362	1,472,026	1,349,067
Total pension liability as a percentage of covered employee payroll	48.84%	49.06%	58.09%	70.04%

Notes to the Schedules:

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

The pension schedules are intended to show information for ten years. Additional years will be displayed as they become available.

* Valuation payroll

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF
COVERED EMPLOYEE PAYROLL -
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST EIGHT FISCAL YEARS**

Law Enforcement Officers' Special Separation Allowance				
	2020	2019	2018	2017
Total pension liability	\$ 625,935	\$ 547,166	\$ 585,438	\$ 465,289
Covered employee payroll*	1,197,663	1,176,783	1,211,367	1,250,644
Total pension liability as a percentage of covered employee payroll	52.26%	46.50%	48.33%	37.20%

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
LAST SEVEN FISCAL YEARS

Other Post-Employment Benefits				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Balance at July 1	\$ 5,165,507	\$ 6,382,031	\$ 7,043,691	\$ 5,510,277
Changes for the year:				
Service cost	73,446	111,593	146,706	92,341
Interest on the total OPEB liability	182,953	138,686	157,290	193,649
Differences between expected and actual experience	(1,542,220)	(18,718)	(945,144)	(18,907)
Changes of assumptions or other inputs	5,466	(1,301,383)	126,737	1,407,138
Benefit payments	(142,845)	(146,702)	(147,249)	(140,807)
Net changes	<u>(1,423,200)</u>	<u>(1,216,524)</u>	<u>(661,660)</u>	<u>1,533,414</u>
Balance at June 30	<u>\$ 3,742,307</u>	<u>\$ 5,165,507</u>	<u>\$ 6,382,031</u>	<u>\$ 7,043,691</u>
Covered employee payroll*	\$ 1,176,568	\$ 1,307,101	\$ 1,307,101	\$ 1,454,025
Total OPEB liability as a percentage of covered employee payroll	318.07%	395.19%	488.26%	484.43%

Notes to Schedule:

Changes in 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>
2018	3.56%
2019	3.89%
2020	3.50%
2021	2.21%
2022	2.16%
2023	3.54%
2024	3.65%

* Valuation payroll

The pension schedules are intended to show information for ten years. Additional years will be displayed as they become available.

The Town of Wrightsville Beach has no assets accumulated in a trust that meets the criteria inof GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
LAST SEVEN FISCAL YEARS**

Other Post-Employment Benefits			
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Balance at July 1	\$ 5,367,162	\$ 5,505,378	\$ 5,895,232
Changes for the year:			
Service cost	105,161	112,706	129,778
Interest on the total OPEB liability	206,179	193,672	175,651
Differences between expected and actual experience	2,634	(2,689)	(5,661)
Changes of assumptions or other inputs	(35,730)	(310,454)	(569,438)
Benefit payments	(135,129)	(131,451)	(120,184)
Net changes	<u>143,115</u>	<u>(138,216)</u>	<u>(389,854)</u>
Balance at June 30	<u>\$ 5,510,277</u>	<u>\$ 5,367,162</u>	<u>\$ 5,505,378</u>
Covered employee payroll*	\$ 1,454,025	\$ 1,561,470	\$ 1,561,470
Total OPEB liability as a percentage of covered employee payroll	378.97%	343.72%	352.58%

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

TOWN OF WRIGHTSVILLE BEACH'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS*

	Local Governmental Employees' Retirement System				
	2024	2023	2022	2021	2020
Town of Wrightsville Beach's proportion of the net pension liability (asset) (%)	0.05425%	0.05656%	0.05636%	0.05550%	0.06052%
Town of Wrightsville Beach's proportion of the net pension liability (asset) (\$)	\$ 3,593,223	\$ 3,190,792	\$ 864,335	\$ 1,983,251	\$ 1,652,754
Town of Wrightsville Beach's covered payroll	\$ 4,487,652	\$ 4,308,073	\$ 3,975,209	\$ 3,925,994	\$ 3,899,823
Town of Wrightsville Beach's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	80.07%	74.07%	21.74%	50.52%	42.38%
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	84.14%	95.51%	88.61%	90.86%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

** This will be the same percentage for all participant employers in the LGERS plan.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

TOWN OF WRIGHTSVILLE BEACH'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS*

	Local Governmental Employees' Retirement System				
	2019	2018	2017	2016	2015
Town of Wrightsville Beach's proportion of the net pension liability (asset) (%)	0.06158%	0.06207%	0.06221%	0.07508%	0.07400%
Town of Wrightsville Beach's proportion of the net pension liability (asset) (\$)	\$ 1,652,754	\$ 948,258	\$ 1,320,304	\$ 336,955	\$ (436,412)
Town of Wrightsville Beach's covered payroll	\$ 3,830,051	\$ 3,698,989	\$ 3,618,242	\$ 3,918,755	\$ 3,789,620
Town of Wrightsville Beach's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	43.15%	25.64%	36.49%	8.60%	(11.52%)
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	102.64%

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**TOWN OF WRIGHTSVILLE BEACH'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

Local Governmental Employees' Retirement System					
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 644,357	\$ 559,720	\$ 501,196	\$ 414,290	\$ 362,714
Contributions in relation to the contractually required contribution	<u>644,357</u>	<u>559,720</u>	<u>501,196</u>	<u>414,290</u>	<u>362,714</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town of Wrightsville Beach's covered payroll	\$ 4,835,630	\$ 4,487,652	\$ 4,308,073	\$ 3,975,209	\$ 3,925,994
Contributions as a percentage of covered payroll	13.33%	12.47%	11.63%	10.42%	9.24%

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**TOWN OF WRIGHTSVILLE BEACH'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

Local Governmental Employees' Retirement System					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 313,094	\$ 298,341	\$ 280,389	\$ 246,509	\$ 281,182
Contributions in relation to the contractually required contribution	<u>313,094</u>	<u>298,341</u>	<u>280,389</u>	<u>246,509</u>	<u>281,182</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town of Wrightsville Beach's covered payroll	\$ 3,899,823	\$ 3,830,051	\$ 3,698,989	\$ 3,618,242	\$ 3,918,755
Contributions as a percentage of covered payroll	8.03%	7.79%	7.58%	6.81%	7.18%

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General Fund

The General Fund accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023**

	2024			2023
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad Valorem Taxes:				
Current year	\$ 3,493,000	\$ 3,550,762	\$ 57,762	\$ 3,521,507
Prior year	5,000	14,051	9,051	126
Penalties and interest	4,500	6,338	1,838	8,149
Total	<u>3,502,500</u>	<u>3,571,151</u>	<u>68,651</u>	<u>3,529,782</u>
Other Taxes and Licenses:				
Privilege licenses	3,500	4,200	700	3,600
Room occupancy tax	791,000	799,492	8,492	734,198
Other licenses	10,500	9,692	(808)	57,427
Total	<u>805,000</u>	<u>813,384</u>	<u>8,384</u>	<u>795,225</u>
Unrestricted Intergovernmental:				
Local option sales tax	1,410,000	1,726,894	316,894	1,652,848
Beer and wine tax	8,000	12,094	4,094	11,213
Franchise tax	330,000	374,633	44,633	336,670
Video program tax	45,000	44,488	(512)	48,695
ABC profit distribution	750,000	802,484	52,484	1,270,131
Total	<u>2,543,000</u>	<u>2,960,593</u>	<u>417,593</u>	<u>3,319,557</u>
Restricted Intergovernmental:				
County grants	-	-	-	145
State grants	27,100	27,100	-	31,000
Federal grants	-	-	-	108
Solid waste disposal tax	1,750	1,937	187	2,426
Total	<u>28,850</u>	<u>29,037</u>	<u>187</u>	<u>33,679</u>
Permits and Fees:				
Permits and fees	304,200	449,135	144,935	352,309
Court fees and fines	36,000	43,724	7,724	47,512
Total	<u>340,200</u>	<u>492,859</u>	<u>152,659</u>	<u>399,821</u>
Sales and Services:				
Parking meter collections	6,152,893	8,028,108	1,875,215	6,770,362
Rents	61,000	64,375	3,375	64,025
Refuse fees	1,000,000	1,058,479	58,479	1,049,809
Recreation fees	250,000	322,125	72,125	309,246
Total	<u>7,463,893</u>	<u>9,473,087</u>	<u>2,009,194</u>	<u>8,193,442</u>
Investment Earnings	<u>500,000</u>	<u>1,279,343</u>	<u>779,343</u>	<u>590,937</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023**

	2024			2023
	Budget	Actual	Variance Over/Under	Actual
Miscellaneous Revenues	94,000	212,369	118,369	359,652
Total revenues	15,277,443	18,831,823	3,554,380	17,222,095
Expenditures:				
General Government:				
Governing Body:				
Salaries and employee benefits	40,545	41,099	(554)	38,341
Operating expenditures	535,512	411,180	124,332	306,007
Total	576,057	452,279	123,778	344,348
General Management:				
Salaries and employee benefits	439,790	420,581	19,209	413,895
Operating expenditures	117,505	89,066	28,439	97,935
Capital outlay	2,500	2,165	335	2,165
Total	559,795	511,812	47,983	513,995
Information Technology:				
Salaries and employee benefits	63,191	63,363	(172)	98,852
Operating expenditures	444,450	423,236	21,214	290,802
Capital outlay	13,300	7,039	6,261	6,174
Total	520,941	493,638	27,303	395,828
Public Works Administration:				
Salaries and employee benefits	273,444	198,923	74,521	184,467
Operating expenditures	88,140	60,446	27,694	43,686
Capital outlay	257,886	222,024	35,862	1,488
Total	619,470	481,393	138,077	229,641
Public Works Maintenance:				
Salaries and employee benefits	323,245	315,589	7,656	279,315
Operating expenditures	879,478	727,099	152,379	667,606
Total	1,202,723	1,042,688	160,035	946,921
Total general government	3,478,986	2,981,810	497,176	2,430,733
Public Safety:				
Police:				
Salaries and employee benefits	3,008,377	2,712,611	295,766	2,416,175
Operating expenditures	492,946	401,266	91,680	372,851
Capital outlay	125,255	109,094	16,161	134,541
Total	3,626,578	3,222,971	403,607	2,923,567

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023**

	2024			2023
	Budget	Actual	Variance Over/Under	Actual
Parking:				
Operating expenditures	1,435,022	1,419,086	15,936	1,285,406
Capital outlay	90,000	-	90,000	14,931
Total	1,525,022	1,419,086	105,936	1,300,337
Ocean Rescue:				
Salaries and employee benefits	530,500	507,056	23,444	403,274
Operating expenditures	111,500	113,212	(1,712)	116,686
Capital outlay	47,250	50,860	(3,610)	53,558
Total	689,250	671,128	18,122	573,518
Fire:				
Salaries and employee benefits	1,589,307	1,388,428	200,879	1,299,820
Operating expenditures	148,709	289,179	(140,470)	321,071
Capital outlay	16,000	11,313	4,687	31,175
Total	1,754,016	1,688,920	65,096	1,652,066
Planning and Inspections:				
Salaries and employee benefits	454,574	387,229	67,345	369,116
Operating expenditures	186,008	114,124	71,884	90,054
Total	640,582	501,353	139,229	459,170
Total public safety	8,235,448	7,503,458	731,990	6,908,658
Transportation:				
Streets:				
Salaries and employee benefits	347,603	272,812	74,791	240,731
Operating expenditures	204,352	188,030	16,322	136,930
Capital outlay	98,423	92,100	6,323	-
Total	650,378	552,942	97,436	377,661
Environmental Protection:				
Sanitation:				
Salaries and employee benefits	313,745	288,482	25,263	253,025
Operating expenditures	1,653,140	1,335,216	317,924	1,321,428
Total	1,966,885	1,623,698	343,187	1,574,453
Culture and Recreation:				
Parks and Recreation Programs:				
Salaries and employee benefits	261,261	247,168	14,093	229,507
Operating expenditures	255,285	241,023	14,262	268,634
Capital outlay	87,975	55,436	32,539	1,470
Total	604,521	543,627	60,894	499,611

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023**

	2024			2023
	Budget	Actual	Variance Over/Under	Actual
Parks and Recreation Maintenance:				
Salaries and employee benefits	269,443	178,791	90,652	188,014
Operating expenditures	142,200	111,352	30,848	123,300
Capital outlay	-	-	-	42,800
Total	<u>411,643</u>	<u>290,143</u>	<u>121,500</u>	<u>354,114</u>
Total culture and recreation	<u>1,016,164</u>	<u>833,770</u>	<u>182,394</u>	<u>853,725</u>
Debt Service:				
Principal	358,209	357,532	677	184,024
Interest	14,630	14,630	-	11,587
Total debt service	<u>372,839</u>	<u>372,162</u>	<u>677</u>	<u>195,611</u>
Total expenditures	<u>15,720,700</u>	<u>13,867,840</u>	<u>1,852,860</u>	<u>12,340,841</u>
Revenues over (under) expenditures	<u>(443,257)</u>	<u>4,963,983</u>	<u>5,407,240</u>	<u>4,881,254</u>
Other Financing Sources (Uses):				
Transfer from:				
Capital Reserve Fund	97,872	97,872	-	73,000
Capital Project Fund	-	-	-	9,436
Special Revenue Funds	428,500	428,500	-	407,295
Enterprise Fund	330,000	330,000	-	330,000
Transfer to:				
Capital Reserve Fund	(1,321,500)	(1,321,500)	-	(1,101,000)
Capital Project Funds	(10,000)	(10,000)	-	(547,608)
Special Revenue Funds	-	-	-	(23,395)
Long-term debt issued	-	12,184	12,184	-
Appropriated fund balance	<u>918,385</u>	<u>-</u>	<u>(918,385)</u>	<u>-</u>
Total other financing sources (uses)	<u>443,257</u>	<u>(462,944)</u>	<u>(906,201)</u>	<u>(852,272)</u>
Net change in fund balance	<u>\$ -</u>	<u>4,501,039</u>	<u>\$ 4,501,039</u>	<u>4,028,982</u>
Fund Balance:				
Beginning of year - July 1		<u>25,071,739</u>		<u>21,042,757</u>
End of year - June 30		<u>\$ 29,572,778</u>		<u>\$ 25,071,739</u>

Major Funds

American Rescue Plan Fund

This special revenue fund is a grant project fund used to account for the Town's portion of the American Rescue Plan Act (ARPA) funding.

Capital Reserve Fund

The Town maintains a Capital Project Reserve Fund for future capital purchases.

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TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

MAJOR - SPECIAL REVENUE FUND - AMERICAN RESCUE PLAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual		Total To Date	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
American Rescue Plan Grant	\$ 814,591	\$ 407,295	\$ 407,295	\$ 814,590	\$ (1)
Investment earnings	21,205	18,087	3,118	21,205	-
Total revenues	<u>835,796</u>	<u>425,382</u>	<u>410,413</u>	<u>835,795</u>	<u>(1)</u>
Other Financing Sources (Uses):					
Transfer to the General Fund	<u>(835,796)</u>	<u>(407,295)</u>	<u>(428,500)</u>	<u>(835,795)</u>	<u>1</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 18,087</u>	<u>\$ (18,087)</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

MAJOR - CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023

	2024			2023
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ -	\$ 447,119	\$ 447,119	\$ 136,962
Other Financing Sources (Uses):				
Transfer to the General Fund	(1,419,372)	(97,872)	1,321,500	(73,000)
Transfer to Capital Project Fund	(30,000)	(30,000)	-	(35,000)
Transfer from the General Fund	1,321,500	1,321,500	-	1,101,000
Transfer from Capital Project Fund	-	-	-	12,715
Appropriated fund balance	127,872	-	(127,872)	-
Total other financing sources (uses)	-	1,193,628	1,193,628	1,005,715
Net change in fund balance	\$ -	1,640,747	\$ 1,640,747	1,142,677
Fund Balance:				
Beginning of year - July 1		8,660,508		7,517,831
End of year - June 30		\$ 10,301,255		\$ 8,660,508

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2024

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ -	\$ 849,601	\$ 849,601
Due from other governments	-	1,509	1,509
Restricted cash	<u>23,597</u>	<u>155,077</u>	<u>178,674</u>
Total assets	<u>\$ 23,597</u>	<u>\$ 1,006,187</u>	<u>\$ 1,029,784</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	<u>\$ -</u>	<u>\$ 50,330</u>	<u>\$ 50,330</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	-	1,509	1,509
Public safety	23,597	-	23,597
Streets	-	155,077	155,077
Committed:			
General government	-	390,191	390,191
Culture & recreation	-	391,810	391,810
Public safety	<u>-</u>	<u>17,270</u>	<u>17,270</u>
Total fund balances	<u>23,597</u>	<u>955,857</u>	<u>979,454</u>
Total liabilities and fund balances	<u>\$ 23,597</u>	<u>\$ 1,006,187</u>	<u>\$ 1,029,784</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds	Capital Project Funds	Total
Revenues:			
Interest on investments	\$ -	\$ 59,549	\$ 59,549
Grant funds	-	353,047	353,047
Other taxes and licenses	-	49,896	49,896
Total revenues	<u>-</u>	<u>462,492</u>	<u>462,492</u>
Expenditures:			
Current:			
Culture and recreation	-	119,519	119,519
Public safety	-	346,209	346,209
Transportation	-	236,200	236,200
Total expenditures	<u>-</u>	<u>970,662</u>	<u>970,662</u>
Revenues over (under) expenditures	<u>-</u>	<u>(508,170)</u>	<u>(508,170)</u>
Other Financing Sources (Uses):			
Transfers in:			
General Fund	-	10,000	10,000
Capital Reserve Fund	-	30,000	30,000
Enterprise Fund	-	175,000	175,000
Total other financing sources (uses)	<u>-</u>	<u>215,000</u>	<u>215,000</u>
Net change in fund balances	-	(293,170)	(293,170)
Fund Balances:			
Beginning of year - July 1	<u>23,597</u>	<u>1,249,027</u>	<u>1,272,624</u>
End of year - June 30	<u>\$ 23,597</u>	<u>\$ 955,857</u>	<u>\$ 979,454</u>

Special Revenue Funds

Special revenue funds are used to account for revenues collected that must be used for a specific project.

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TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024**

	Federal Asset Forfeiture Fund	Unauthorized Substance Tax Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Restricted cash	\$ 8,303	\$ 15,294	\$ 23,597
Fund Balances:			
Restricted:			
Public safety	<u>\$ 8,303</u>	<u>\$ 15,294</u>	<u>\$ 23,597</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024**

	Federal Asset Forfeiture Fund	Unauthorized Substance Tax Fund	Total
Net change in fund balances	\$ -	\$ -	\$ -
Fund Balances:			
Beginning of year - July 1	<u>8,303</u>	<u>15,294</u>	<u>23,597</u>
End of year - June 30	<u>\$ 8,303</u>	<u>\$ 15,294</u>	<u>\$ 23,597</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**FEDERAL ASSET FORFEITURE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2024
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023**

	2024			2023
	Budget	Actual	Variance Over/Under	Actual
Other Financing Sources (Uses):				
Interfund transfers				
Transfer from the General Fund	\$ -	\$ -	\$ -	\$ 8,303
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ 8,303</u>
Fund Balance:				
Beginning of year - July 1		<u>8,303</u>		
End of year - June 30		<u>\$ 8,303</u>		

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**UNAUTHORIZED SUBSTANCE TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2024
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023**

	<u>2024</u>			<u>2023</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Unauthorized substance tax	\$ -	\$ -	\$ -	\$ 202
Other Financing Sources (Uses):				
Interfund transfers				
Transfer from the General Fund	-	-	-	15,092
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 15,294</u>
Fund Balance:				
Beginning of year - July 1		<u>15,294</u>		
End of year - June 30		<u>\$ 15,294</u>		

Capital Project Funds

Capital project funds are used to account for the acquisition or construction of major capital facilities other than those financed by proprietary and trust funds.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024

	<u>IT Fund</u>	<u>Parking Fund</u>	<u>Salisbury Ocean Access Park Fund</u>	<u>Municipal Campus Improvements</u>	<u>Pickleball & Tennis Reconfig Fund</u>
Assets:					
Cash and cash equivalents	\$ 10,505	\$ 2,429	\$ 166,791	\$ 235,551	\$ 401,310
Due from other governments	662	-	-	393	-
Restricted cash	-	-	-	-	-
Total assets	<u>\$ 11,167</u>	<u>\$ 2,429</u>	<u>\$ 166,791</u>	<u>\$ 235,944</u>	<u>\$ 401,310</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 40,830	\$ 9,500
Fund Balances:					
Restricted:					
Stabilization by state statute	662	-	-	393	-
Streets	-	-	-	-	-
Committed:					
General government	10,505	2,429	166,791	194,721	-
Culture & recreation	-	-	-	-	391,810
Public safety	-	-	-	-	-
Total fund balances	<u>11,167</u>	<u>2,429</u>	<u>166,791</u>	<u>195,114</u>	<u>391,810</u>
Total liabilities and fund balances	<u>\$ 11,167</u>	<u>\$ 2,429</u>	<u>\$ 166,791</u>	<u>\$ 235,944</u>	<u>\$ 401,310</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024

	<u>Beach Management Plan</u>	<u>Public Safety Capital Project</u>	<u>Street Maintenance Fund</u>	<u>State Capital & Infrastructure Fund</u>	<u>Total</u>
Assets:					
Cash and cash equivalents	\$ 3,802	\$ 17,270	\$ -	11,943	\$ 849,601
Due from other governments	-	454	-	-	1,509
Restricted cash	-	-	155,077	-	155,077
Total assets	<u>\$ 3,802</u>	<u>\$ 17,724</u>	<u>\$ 155,077</u>	<u>\$ 11,943</u>	<u>\$ 1,006,187</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,330</u>
Fund Balances:					
Restricted:					
Stabilization by state statute	-	454	-	-	1,509
Streets	-	-	155,077	-	155,077
Committed:					
General government	3,802	-	-	11,943	390,191
Culture & recreation	-	-	-	-	391,810
Public safety	-	17,270	-	-	17,270
Total fund balances	<u>3,802</u>	<u>17,724</u>	<u>155,077</u>	<u>11,943</u>	<u>955,857</u>
Total liabilities and fund balances	<u>\$ 3,802</u>	<u>\$ 17,724</u>	<u>\$ 155,077</u>	<u>\$ 11,943</u>	<u>\$ 1,006,187</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>IT Fund</u>	<u>Parking Fund</u>	<u>Salisbury Ocean Access Park Fund</u>	<u>Municipal Campus Improvements</u>	<u>Pickleball & Tennis Reconfig Fund</u>
Revenues:					
Interest on investments	\$ 533	\$ 110	\$ 7,569	\$ 13,998	\$ 18,936
Grant funds	-	-	-	-	23,324
Other taxes and licenses	-	-	-	-	-
Total revenues	<u>533</u>	<u>110</u>	<u>7,569</u>	<u>13,998</u>	<u>42,260</u>
Expenditures:					
Current:					
General government	18,734	-	-	-	-
Culture and recreation	-	-	-	40,480	79,039
Public safety	-	-	-	225,900	-
Transportation	-	-	-	-	-
Total expenditures	<u>18,734</u>	<u>-</u>	<u>-</u>	<u>266,380</u>	<u>79,039</u>
Revenues over (under) expenditures	<u>(18,201)</u>	<u>110</u>	<u>7,569</u>	<u>(252,382)</u>	<u>(36,779)</u>
Other Financing Sources (Uses):					
Transfers in:					
General Fund	-	-	-	10,000	-
Capital Reserve Fund	-	-	-	30,000	-
Enterprise Fund	-	-	-	175,000	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>215,000</u>	<u>-</u>
Net change in fund balances	(18,201)	110	7,569	(37,382)	(36,779)
Fund Balances:					
Beginning of year - July 1	<u>29,368</u>	<u>2,319</u>	<u>159,222</u>	<u>232,496</u>	<u>428,589</u>
End of year - June 30	<u>\$ 11,167</u>	<u>\$ 2,429</u>	<u>\$ 166,791</u>	<u>\$ 195,114</u>	<u>\$ 391,810</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Beach Management Plan</u>	<u>Public Safety Capital Project</u>	<u>Street Maintenance Fund</u>	<u>State Capital & Infrastructure Fund</u>	<u>Total</u>
Revenues:					
Interest on investments	\$ 319	\$ 1,486	\$ 11,206	\$ 5,392	\$ 59,549
Grant funds	-	-	79,723	250,000	353,047
Other taxes and licenses	-	-	49,896	-	49,896
Total revenues	<u>319</u>	<u>1,486</u>	<u>140,825</u>	<u>255,392</u>	<u>462,492</u>
Expenditures:					
Current:					
General government	-	-	-	250,000	268,734
Culture and recreation	-	-	-	-	119,519
Public safety	11,755	108,554	-	-	346,209
Transportation	-	-	236,200	-	236,200
Total expenditures	<u>11,755</u>	<u>108,554</u>	<u>236,200</u>	<u>250,000</u>	<u>970,662</u>
Revenues over (under) expenditures	<u>(11,436)</u>	<u>(107,068)</u>	<u>(95,375)</u>	<u>5,392</u>	<u>(508,170)</u>
Other Financing Sources (Uses):					
Transfers in:					
General Fund	-	-	-	-	10,000
Capital Reserve Fund	-	-	-	-	30,000
Enterprise Fund	-	-	-	-	175,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>215,000</u>
Net change in fund balances	(11,436)	(107,068)	(95,375)	5,392	(293,170)
Fund Balances:					
Beginning of year - July 1	<u>15,238</u>	<u>124,792</u>	<u>250,452</u>	<u>6,551</u>	<u>1,249,027</u>
End of year - June 30	<u>\$ 3,802</u>	<u>\$ 17,724</u>	<u>\$ 155,077</u>	<u>\$ 11,943</u>	<u>\$ 955,857</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

IT CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	
Revenues:					
Investment earnings	\$ -	\$ 963	\$ 533	\$ 1,496	\$ 1,496
Expenditures:					
Capital outlay	101,957	73,553	18,734	92,287	9,670
Revenues over (under) expenditures	(101,957)	(72,590)	(18,201)	(90,791)	11,166
Other Financing Sources (Uses):					
Transfer from the General Fund	101,957	101,958	-	101,958	1
Net change in fund balance	\$ -	\$ 29,368	\$ (18,201)	\$ 11,167	\$ 11,167

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

PARKING CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Project</u>	<u>Actual</u>			<u>Variance</u>
	<u>Authorization</u>	<u>Prior</u>	<u>Current</u>	<u>Total</u>	<u>Over/Under</u>
		<u>Years</u>	<u>Year</u>	<u>To Date</u>	
Revenues:					
Investment earnings	\$ -	\$ 305	\$ 110	\$ 415	\$ 415
Expenditures:					
Capital outlay	36,000	33,986	-	33,986	2,014
Revenues over (under) expenditures	(36,000)	(33,681)	110	(33,571)	2,429
Other Financing Sources (Uses):					
Transfer from the General Fund	36,000	36,000	-	36,000	-
Net change in fund balance	\$ -	\$ 2,319	\$ 110	\$ 2,429	\$ 2,429

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

SALISBURY OCEAN ACCESS PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total To Date	
Revenues:					
NHC grant	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	\$ -
CAMA grant	187,500	187,500	-	187,500	-
Donations	1,000,000	1,008,000	-	1,008,000	8,000
Investment earnings	15,000	31,058	7,569	38,627	23,627
Total revenues	<u>1,702,500</u>	<u>1,726,558</u>	<u>7,569</u>	<u>1,734,127</u>	<u>31,627</u>
Expenditures:					
Contracted services	<u>4,329,474</u>	<u>4,194,310</u>	<u>-</u>	<u>4,194,310</u>	<u>135,164</u>
Revenues over (under) expenditures	<u>(2,626,974)</u>	<u>(2,467,752)</u>	<u>7,569</u>	<u>(2,460,183)</u>	<u>166,791</u>
Other Financing Sources (Uses):					
Transfer from the General Fund	1,165,824	1,165,824	-	1,165,824	-
Transfer from the Enterprise Fund	1,132,000	1,132,000	-	1,132,000	-
Transfer from the Capital Reserve Fund	329,150	329,150	-	329,150	-
Total other financing sources (uses)	<u>2,626,974</u>	<u>2,626,974</u>	<u>-</u>	<u>2,626,974</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 159,222</u>	<u>\$ 7,569</u>	<u>\$ 166,791</u>	<u>\$ 166,791</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

MUNICIPAL CAMPUS IMPROVEMENTS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	
Revenues:					
Investment earnings	\$ -	\$ 3,553	\$ 13,998	\$ 17,551	\$ 17,551
Expenditures:					
Contracted services - Public Works	272,000	12,615	217,109	229,724	42,276
Public safety building improvements	45,000	-	3,185	3,185	41,815
Fleet building improvements	60,000	7,802	5,606	13,408	46,592
Parks improvements	75,000	-	40,480	40,480	34,520
Total expenditures	<u>452,000</u>	<u>20,417</u>	<u>266,380</u>	<u>286,797</u>	<u>165,203</u>
Revenues over (under) expenditures	<u>(452,000)</u>	<u>(16,864)</u>	<u>(252,382)</u>	<u>(269,246)</u>	<u>182,754</u>
Other Financing Sources (Uses):					
Transfer from the General Fund	218,500	220,860	10,000	230,860	12,360
Transfer from the Enterprise Fund	203,500	28,500	175,000	203,500	-
Transfer from Capital Reserve Fund	30,000	-	30,000	30,000	-
Total other financing sources (uses)	<u>452,000</u>	<u>249,360</u>	<u>215,000</u>	<u>464,360</u>	<u>12,360</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 232,496</u>	<u>\$ (37,382)</u>	<u>\$ 195,114</u>	<u>\$ 195,114</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

PICKLEBALL & TENNIS RECONFIG
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total To Date	
Revenues:					
NC PARTF	\$ 400,000	\$ -	\$ 23,324	\$ 23,324	\$ (376,676)
Miscellaneous contributions	-	18,128	-	18,128	18,128
Investment earnings	-	10,461	18,936	29,397	29,397
Total revenues	<u>400,000</u>	<u>28,589</u>	<u>42,260</u>	<u>70,849</u>	<u>(329,151)</u>
Expenditures:					
Contracted services	<u>800,000</u>	<u>-</u>	<u>79,039</u>	<u>79,039</u>	<u>720,961</u>
Revenues over (under) expenditures	(400,000)	28,589	(36,779)	(8,190)	391,810
Other Financing Sources (Uses):					
Transfer from the General Fund	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 428,589</u>	<u>\$ (36,779)</u>	<u>\$ 391,810</u>	<u>\$ 391,810</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

BEACH MANAGEMENT PLAN
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total To Date	
Revenues:					
Restricted intergovernmental	\$ 18,750	\$ 18,750	\$ -	\$ 18,750	\$ -
Investment earnings	-	238	319	557	557
Total revenues	<u>18,750</u>	<u>18,988</u>	<u>319</u>	<u>19,307</u>	<u>557</u>
Expenditures:					
Contracted services	<u>40,000</u>	<u>25,000</u>	<u>11,755</u>	<u>36,755</u>	<u>3,245</u>
Revenues over (under) expenditures	(21,250)	(6,012)	(11,436)	(17,448)	3,802
Other Financing Sources (Uses):					
Transfer from the General Fund	<u>21,250</u>	<u>21,250</u>	<u>-</u>	<u>21,250</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 15,238</u>	<u>\$ (11,436)</u>	<u>\$ 3,802</u>	<u>\$ 3,802</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**PUBLIC SAFETY CAPITAL PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	
Revenues:					
NC PARTF					
Miscellaneous contributions					
Investment earnings	\$ -	\$ 424	\$ 1,486	\$ 1,910	\$ 1,910
Expenditures:					
Capital outlay	127,500	3,132	108,554	111,686	15,814
Revenues over (under) expenditures	(127,500)	(2,708)	(107,068)	(109,776)	17,724
Other Financing Sources (Uses):					
Transfer from the General Fund	92,500	92,500	-	92,500	-
Transfer from Capital Reserve Fund	35,000	35,000	-	35,000	-
Total other financing sources (uses)	127,500	127,500	-	127,500	-
Net change in fund balance	\$ -	\$ 124,792	\$ (107,068)	\$ 17,724	\$ 17,724

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

STREET MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total To Date	
Revenues:					
Federal/State grants	\$ 70,000	\$ 72,302	\$ 79,723	\$ 152,025	\$ 82,025
Other taxes and licenses	-	-	49,896	49,896	49,896
Investment earnings	-	4,515	11,206	15,721	15,721
Total revenues	<u>70,000</u>	<u>76,817</u>	<u>140,825</u>	<u>217,642</u>	<u>147,642</u>
Expenditures:					
Arrindale Street	75,000	-	61,200	61,200	13,800
Columbia/Sweeny	175,000	-	175,000	175,000	-
Asheville	85,000	73,669	-	73,669	11,331
Total expenditures	<u>335,000</u>	<u>73,669</u>	<u>236,200</u>	<u>309,869</u>	<u>25,131</u>
Revenues over (under) expenditures	(265,000)	3,148	(95,375)	(92,227)	172,773
Other Financing Sources (Uses):					
Transfer from the General Fund	<u>265,000</u>	<u>247,304</u>	<u>-</u>	<u>247,304</u>	<u>(17,696)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 250,452</u>	<u>\$ (95,375)</u>	<u>\$ 155,077</u>	<u>\$ 155,077</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

STATE CAPITAL AND INFRASTRUCTURE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total To Date	
Revenues:					
Federal/State grants	\$ 250,000	\$ -	250,000	\$ 250,000	\$ -
Investment earnings	-	-	5,392	5,392	5,392
Total revenues	<u>250,000</u>	<u>-</u>	<u>255,392</u>	<u>255,392</u>	<u>5,392</u>
Expenditures:					
Water system	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Revenues over (under) expenditures	-	-	5,392	5,392	5,392
Other Financing Sources (Uses):					
Transfer from the Water Sewer Fund	<u>-</u>	<u>6,551</u>	<u>-</u>	<u>6,551</u>	<u>6,551</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 6,551</u>	<u>\$ 5,392</u>	<u>\$ 11,943</u>	<u>\$ 11,943</u>

Enterprise Fund

Enterprise funds account for operations that are financed and operated in a manner similar to business enterprises – where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

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TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023**

	<u>2024</u>		<u>Variance Over/Under</u>	<u>2023</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Operating Revenues:				
Water and sewer charges	\$ 3,745,840	\$ 3,988,544	\$ 242,704	\$ 3,886,220
Water and sewer taps	14,000	14,900	900	7,750
Reconnection fees	5,000	3,435	(1,565)	4,210
Other operating revenues	98,000	113,471	15,471	74,100
Total operating revenues	<u>3,862,840</u>	<u>4,120,350</u>	<u>257,510</u>	<u>3,972,280</u>
Non-Operating Revenues:				
Interest earnings	50,000	247,009	197,009	128,574
Miscellaneous revenue	-	-	-	5,728
Total non-operating revenues	<u>50,000</u>	<u>247,009</u>	<u>197,009</u>	<u>134,302</u>
Total revenues	<u>3,912,840</u>	<u>4,367,359</u>	<u>454,519</u>	<u>4,106,582</u>
Expenditures:				
Operations:				
Salaries and employee benefits	791,959	837,031	(45,072)	270,618
Operating expenses	2,097,435	1,921,974	175,461	1,660,613
Maintenance and repairs	123,000	94,727	28,273	28,434
Transmission and treatment	726,000	690,833	35,167	645,175
Capital outlay	160,000	125,138	34,862	-
Total operations	<u>3,898,394</u>	<u>3,669,703</u>	<u>228,691</u>	<u>2,604,840</u>
Total expenditures	<u>3,898,394</u>	<u>3,669,703</u>	<u>228,691</u>	<u>2,604,840</u>
Revenues over (under) expenditures	<u>14,446</u>	<u>697,656</u>	<u>683,210</u>	<u>1,501,742</u>
Other Financing Sources (Uses):				
Interfund transfers:				
Transfer to Salisbury Ocean Access Park Fund	(175,000)	(175,000)	-	-
Transfer to General Fund	(330,000)	(330,000)	-	(330,000)
Intrafund transfers:				
Transfer to Water and Sewer Capital Reserve Fund	(455,200)	(455,200)	-	(620,400)
Transfer to Water and Sewer NEI Repair Fund	-	-	-	(75,000)
Transfer from Water and Sewer Capital Reserve Fund	-	-	-	-
Transfer from Water and Sewer projects	-	-	-	437,669
Appropriated fund balance	945,754	-	(945,754)	-
Total other financing sources (uses)	<u>(14,446)</u>	<u>(960,200)</u>	<u>(945,754)</u>	<u>(587,731)</u>

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023**

	<u>2024</u>			<u>2023</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	(262,544)	\$ (262,544)	\$ 914,011

**Reconciliation from Budgetary Basis
(Modified Accrual) to Full Accrual:**

Reconciling items:

Capital outlay	125,138
Project fund expenditures not capitalized	(10,285)
Depreciation	(287,095)
(Increase) decrease in compensated absences	(4,982)
(Increase) decrease in OPEB liability	99,624
Increase (decrease) in deferred outflows - OPEB	(18,369)
(Increase) decrease in deferred inflows - OPEB	(5,997)
(Increase) decrease in net pension liability	(16,097)
Increase (decrease) in deferred outflows - pension	3,372
(Increase) decrease in deferred inflows - pension	(932)
(Increase) decrease in deferred inflows - lease	203,040
Project interfund transfers	455,200
Project investment earnings	<u>277,259</u>

Change in net position \$ 557,332

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**WATER AND SEWER CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023**

	<u>2024</u>			<u>2023</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ -	\$ 248,974	\$ 248,974	\$ 80,517
Revenues over (under) expenditures	-	248,974	248,974	80,517
Other Financing Sources (Uses):				
Intrafund transfers				
Transfer from Water and Sewer Fund	455,200	455,200	-	620,400
Transfer to Water and Sewer Fund	(455,200)	-	455,200	(75,880)
Total other financing sources (uses)	-	455,200	455,200	544,520
Net change in fund balance	\$ -	704,174	\$ 704,174	\$ 625,037
Fund Balance:				
Beginning of year - July 1		4,960,453		
End of year - June 30		\$ 5,664,627		

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

WATER AND SEWER PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total To Date	
Revenues:					
Investment earnings	\$ -	\$ 19,669	\$ 28,285	\$ 47,954	\$ 47,954
Expenditures:					
Contracted services	138,566	-	10,285	10,285	128,281
Revenues over (under) expenditures	(138,566)	19,669	18,000	37,669	176,235
Other Financing Sources (Uses):					
Transfer from Water and Sewer Fund	138,566	585,040	-	585,040	446,474
Net change in fund balance	<u>\$ -</u>	<u>\$ 604,709</u>	<u>\$ 18,000</u>	<u>\$ 622,709</u>	<u>\$ 622,709</u>

Other Schedules

This section contains additional information on property taxes

- **Schedule of Ad Valorem Taxes Receivable**
- **Analysis of Current Year Levy**

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TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2024

Fiscal Year	Uncollected Balance July 1, 2023	Additions	Collections and Credits	Uncollected Balance June 30, 2024
2022-2023	\$ -	\$ 3,558,275	\$ 3,553,659	\$ 4,616
2021-2022	4,051	-	2,350	1,701
2020-2021	2,945	-	1,278	1,667
2019-2020	3,994	-	1,084	2,910
2018-2019	4,984	-	759	4,225
2017-2018	3,726	-	166	3,560
2016-2017	4,544	-	196	4,348
2015-2016	5,202	-	109	5,093
2014-2015	5,283	-	139	5,144
2013-2014	3,834	-	17	3,817
2012-2013	4,734	-	4,734	-
Total	\$ 43,297	\$ 3,558,275	\$ 3,564,491	37,081
Less: allowance for uncollectible ad valorem taxes receivable				28,367
Ad valorem taxes receivable, net				\$ 8,714
Reconciliation with Revenues:				
Ad valorem taxes:				
General Fund				\$ 3,571,151
Reconciling items:				
Interest collected				(6,281)
Taxes written off and credits				4,734
Miscellaneous adjustments				(5,113)
Total collections and credits				\$ 3,564,491

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY
FOR THE YEAR ENDED JUNE 30, 2024

	Town-Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 3,789,851,300	\$ 0.0923	\$ 3,498,033	\$ 3,498,033	\$ -
Motor vehicles	62,016,944	0.0923	57,242	-	57,242
Penalties	-		2,574	2,574	-
Total	<u>3,851,868,244</u>		<u>3,557,849</u>	<u>3,500,607</u>	<u>57,242</u>
Discoveries:					
Current year's taxes	-		1,077	1,077	-
Abatements	<u>(705,298)</u>		<u>(651)</u>	<u>(651)</u>	<u>-</u>
Total property valuation	<u>\$ 3,851,162,946</u>				
Net Levy			3,558,275	3,501,033	57,242
Uncollected taxes at June 30, 2024			<u>4,616</u>	<u>4,616</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 3,553,659</u>	<u>\$ 3,496,417</u>	<u>\$ 57,242</u>
Current Levy Collection Percentage			<u>99.87%</u>	<u>99.87%</u>	<u>100.00%</u>

Statistical Section

(unaudited)

This part of the Town of Wrightsville Beach's Annual Comprehensive Financial Report presents detailed information as a context for understanding how the information in the financial statements, note disclosures, and required supplementary information depicts the government's overall financial health.

Contents

	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	104-113
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the Town's ability to generate its property and sales taxes.	114-118
Debt Capacity These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	119-122
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.	123-126
Operating Information These schedules contain service and infrastructure data to help the reader understand how the Town's financial information relates to the services provided and the activities it performs.	127-130

Table 1
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities					
Net investment in capital assets	\$ 7,530,016	\$ 8,079,153	\$ 8,198,295	\$ 8,332,079	\$ 8,909,547
Restricted	670,608	1,036,037	718,063	874,645	935,230
Unrestricted	<u>6,073,883</u>	<u>7,716,424</u>	<u>9,613,756</u>	<u>8,239,800</u>	<u>11,547,347</u>
Total governmental activities net position	<u>\$ 14,274,507</u>	<u>\$ 16,831,614</u>	<u>\$ 18,530,114</u>	<u>\$ 17,446,524</u>	<u>\$ 21,392,124</u>
Business-type activities					
Net investment in capital assets	\$ 3,891,672	\$ 4,229,193	\$ 4,120,055	\$ 4,096,329	\$ 4,332,323
Unrestricted	<u>6,873,381</u>	<u>6,720,331</u>	<u>7,152,121</u>	<u>7,522,388</u>	<u>7,995,462</u>
Total business-type activities	<u>\$ 10,765,053</u>	<u>\$ 10,949,524</u>	<u>\$ 11,272,176</u>	<u>\$ 11,618,717</u>	<u>\$ 12,327,785</u>
Primary government					
Net investment in capital assets	\$ 11,421,688	\$ 12,308,346	\$ 12,318,350	\$ 12,428,408	\$ 13,241,870
Restricted	670,608	1,036,037	718,063	874,645	935,230
Unrestricted	<u>12,947,264</u>	<u>14,436,755</u>	<u>16,765,877</u>	<u>15,762,188</u>	<u>19,542,809</u>
Total primary government net position	<u>\$ 25,039,560</u>	<u>\$ 27,781,138</u>	<u>\$ 29,802,290</u>	<u>\$ 29,065,241</u>	<u>\$ 33,719,909</u>

Note: The Town began to report accrual information when it implemented GASB Statement 34 in fiscal year 2005.

Table 1
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental activities					
Net investment in capital assets	\$ 12,829,207	\$ 15,251,208	\$ 15,756,244	\$ 15,443,829	\$ 16,452,619
Restricted	922,761	1,254,855	1,906,509	1,771,536	1,086,611
Unrestricted	<u>10,908,761</u>	<u>13,697,669</u>	<u>19,937,842</u>	<u>25,521,399</u>	<u>32,668,535</u>
Total governmental activities net position	<u>\$ 24,660,729</u>	<u>\$ 30,203,732</u>	<u>\$ 37,600,595</u>	<u>\$ 42,736,764</u>	<u>\$ 50,207,765</u>
Business-type activities					
Net investment in capital assets	\$ 4,214,943	\$ 4,130,221	\$ 4,494,627	\$ 3,924,500	\$ 3,762,543
Unrestricted	<u>7,900,988</u>	<u>9,143,059</u>	<u>10,094,332</u>	<u>11,006,529</u>	<u>11,725,818</u>
Total business-type activities	<u>\$ 12,115,931</u>	<u>\$ 13,273,280</u>	<u>\$ 14,588,959</u>	<u>\$ 14,931,029</u>	<u>\$ 15,488,361</u>
Primary government					
Net investment in capital assets	\$ 17,044,150	\$ 19,381,429	\$ 20,250,871	\$ 19,368,329	\$ 20,215,162
Restricted	922,761	1,254,855	1,906,509	1,771,536	1,086,611
Unrestricted	<u>18,809,749</u>	<u>22,840,728</u>	<u>30,032,174</u>	<u>36,527,928</u>	<u>44,394,353</u>
Total primary government net position	<u>\$ 36,776,660</u>	<u>\$ 43,477,012</u>	<u>\$ 52,189,554</u>	<u>\$ 57,667,793</u>	<u>\$ 65,696,126</u>

Table 2
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30				
	2015	2016	2017	2018	2019
Expenses					
Governmental activities:					
General government	\$ 1,739,160	\$ 1,385,811	\$ 2,132,947	\$ 1,982,100	\$ 2,535,661
Public safety	5,117,817	4,860,037	5,364,260	5,105,627	5,608,878
Transportation	523,892	548,689	421,692	584,855	589,862
Environmental protection	796,387	958,315	745,623	805,026	832,650
Cultural and recreation	590,685	628,135	670,034	679,345	649,989
Interest on long-term debt	104,493	85,936	74,836	64,019	53,776
Total governmental activities expenses	<u>8,872,434</u>	<u>8,466,923</u>	<u>9,409,392</u>	<u>9,220,972</u>	<u>10,270,816</u>
Business-type activities:					
Water and sewer	<u>2,151,003</u>	<u>2,349,188</u>	<u>2,666,658</u>	<u>2,497,074</u>	<u>2,681,821</u>
Total primary government expenses	<u>\$ 11,023,437</u>	<u>\$ 10,816,111</u>	<u>\$ 12,076,050</u>	<u>\$ 11,718,046</u>	<u>\$ 12,952,637</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 62,890	\$ 59,451	\$ 60,287	\$ 67,759	\$ 60,102
Public safety	3,091,286	3,187,236	3,663,652	3,500,218	4,151,272
Environmental protection	975,225	959,246	962,118	970,593	1,031,805
Cultural and recreation	251,472	259,297	301,783	306,495	206,209
Operating grants and contributions	4,405	1,197	172,942	101,222	424,904
Capital grants and contributions	169,174	69,277	137,984	71,201	897,932
Total governmental activities program revenues	<u>4,554,452</u>	<u>4,535,704</u>	<u>5,298,766</u>	<u>5,017,488</u>	<u>6,772,224</u>
Business-type activities:					
Charges for services:					
Water and sewer	2,510,724	2,526,237	2,976,457	3,051,144	3,522,693
Operating grants and contributions	-	-	1,371	-	-
Total business-type activities program revenues	<u>2,510,724</u>	<u>2,526,237</u>	<u>2,977,828</u>	<u>3,051,144</u>	<u>3,522,693</u>
Total program revenues	<u>\$ 7,065,176</u>	<u>\$ 7,061,941</u>	<u>\$ 8,276,594</u>	<u>\$ 8,068,632</u>	<u>\$ 10,294,917</u>
Net (Expense)/Revenue					
Governmental activities	\$ (4,317,982)	\$ (3,931,219)	\$ (4,110,626)	\$ (4,203,484)	\$ (3,498,592)
Business-type activities	359,721	177,049	311,170	554,070	840,872
Total net expense	<u>\$ (3,958,261)</u>	<u>\$ (3,754,170)</u>	<u>\$ (3,799,456)</u>	<u>\$ (3,649,414)</u>	<u>\$ (2,657,720)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 3,279,783	\$ 3,301,505	\$ 3,308,754	\$ 3,394,766	\$ 3,411,935
Local option sales tax	1,177,281	1,245,649	1,220,775	1,213,307	1,320,239
Other taxes and licenses	500,488	630,149	601,560	633,178	647,911
Unrestricted grants and contributions	922,943	941,971	1,051,861	1,047,961	1,005,564
Investment earnings	2,758	12,612	27,907	88,819	175,873
Miscellaneous	222,294	356,440	6,032	-	671,520
Transfers	-	-	-	-	211,150
Total governmental activities	<u>6,105,547</u>	<u>6,488,326</u>	<u>6,216,889</u>	<u>6,378,031</u>	<u>7,444,192</u>

Table 2
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30				
	2020	2021	2022	2023	2024
Expenses					
Governmental activities:					
General government	\$ 2,464,626	\$ 2,903,902	\$ 2,406,731	\$ 2,428,452	\$ 2,804,769
Public safety	5,986,336	6,372,388	6,755,578	7,446,859	7,629,383
Transportation	563,395	984,478	621,359	418,583	211,729
Environmental protection	1,044,375	984,477	995,879	1,616,342	1,615,738
Cultural and recreation	651,706	85,463	540,839	1,189,518	907,153
Interest on long-term debt	43,535	45,496	14,365	11,587	194
Total governmental activities expenses	<u>10,753,973</u>	<u>11,376,204</u>	<u>11,334,751</u>	<u>13,111,341</u>	<u>13,168,966</u>
Business-type activities:					
Water and sewer	<u>3,055,861</u>	<u>2,309,935</u>	<u>2,324,445</u>	<u>3,535,435</u>	<u>3,582,286</u>
Total primary government expenses	<u>\$ 13,809,834</u>	<u>\$ 13,686,139</u>	<u>\$ 13,659,196</u>	<u>\$ 16,646,776</u>	<u>\$ 16,751,252</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 61,400	\$ 66,695	\$ 66,287	64,025	95,869
Public safety	3,949,598	7,177,246	8,148,344	7,177,163	8,528,446
Environmental protection	1,024,543	-	-	1,049,809	1,058,479
Cultural and recreation	117,188	1,068,033	1,083,335	302,266	283,152
Operating grants and contributions	625,943	247,662	316,066	459,724	444,925
Capital grants and contributions	431,683	-	-	72,302	329,723
Total governmental activities program revenues	<u>6,210,355</u>	<u>8,559,636</u>	<u>9,614,032</u>	<u>9,125,289</u>	<u>10,740,594</u>
Business-type activities:					
Charges for services:					
Water and sewer	3,523,867	3,710,585	3,637,966	3,972,282	4,120,350
Operating grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>3,523,867</u>	<u>3,710,585</u>	<u>3,637,966</u>	<u>3,972,282</u>	<u>4,120,350</u>
Total program revenues	<u>\$ 9,734,222</u>	<u>\$ 12,270,221</u>	<u>\$ 13,251,998</u>	<u>\$ 13,097,571</u>	<u>\$ 14,860,944</u>
Net (Expense)/Revenue					
Governmental activities	\$ (4,543,618)	\$ (1,979,594)	\$ (1,086,474)	\$ (3,986,052)	\$ (2,428,372)
Business-type activities	468,006	1,400,650	1,313,521	436,847	538,064
Total net expense	<u>\$ (4,075,612)</u>	<u>\$ (578,944)</u>	<u>\$ 227,047</u>	<u>\$ (3,549,205)</u>	<u>\$ (1,890,308)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 3,405,573	\$ 3,455,742	\$ 3,502,016	\$ 3,523,743	\$ 3,569,002
Local option sales tax	1,325,400	1,481,250	1,685,568	1,652,848	1,726,894
Other taxes and licenses	751,674	697,686	595,454	795,225	863,280
Unrestricted grants and contributions	996,393	1,403,000	1,491,176	1,666,709	1,233,699
Investment earnings	150,390	31,023	30,681	769,163	1,789,129
Miscellaneous	432,793	180,043	1,149,942	377,982	212,369
Transfers	750,000	273,853	28,500	336,551	505,000
Total governmental activities	<u>7,812,223</u>	<u>7,522,597</u>	<u>8,483,337</u>	<u>9,122,221</u>	<u>9,899,373</u>

Table 2
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30				
	2015	2016	2017	2018	2019
Business-type activities:					
Investment earnings	2,591	6,339	11,482	37,707	79,346
Impact fees	-	-	-	-	-
Miscellaneous	1,975	1,083	-	-	-
Transfers	-	-	-	-	(211,150)
Total business-type activities	<u>4,566</u>	<u>7,422</u>	<u>11,482</u>	<u>37,707</u>	<u>(131,804)</u>
Total primary government	<u>\$ 6,110,113</u>	<u>\$ 6,495,748</u>	<u>\$ 6,228,371</u>	<u>\$ 6,415,738</u>	<u>\$ 7,312,388</u>
Change in Net Position					
Governmental activities	\$ 1,787,565	\$ 2,557,107	\$ 2,106,263	\$ 2,174,547	\$ 3,945,600
Business-type activities	<u>364,287</u>	<u>184,471</u>	<u>322,652</u>	<u>591,777</u>	<u>709,068</u>
Total change in net position	<u>\$ 2,151,852</u>	<u>\$ 2,741,578</u>	<u>\$ 2,428,915</u>	<u>\$ 2,766,324</u>	<u>\$ 4,654,668</u>

Note: The Town began to report accrual information when it implemented GASB Statement 34 in fiscal year 2005.

Table 2
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30				
	2020	2021	2022	2023	2024
Business-type activities:					
Investment earnings	70,140	30,553	17,842	236,046	524,268
Impact fees	-		-	-	-
Miscellaneous	-		12,816	5,728	-
Transfers	(750,000)	(273,853)	(28,500)	(336,551)	(505,000)
Total business-type activities	<u>(679,860)</u>	<u>(243,300)</u>	<u>2,158</u>	<u>(94,777)</u>	<u>19,268</u>
Total primary government	<u>\$ 7,132,363</u>	<u>\$ 7,279,297</u>	<u>\$ 8,485,495</u>	<u>\$ 9,027,444</u>	<u>\$ 9,918,641</u>
Change in Net Position					
Governmental activities	\$ 3,268,605	\$ 5,543,003	\$ 7,396,863	\$ 5,136,169	\$ 7,471,001
Business-type activities	<u>(211,854)</u>	<u>1,157,350</u>	<u>1,315,679</u>	<u>342,070</u>	<u>557,332</u>
Total change in net position	<u>\$ 3,056,751</u>	<u>\$ 6,700,353</u>	<u>\$ 8,712,542</u>	<u>\$ 5,478,239</u>	<u>\$ 8,028,333</u>

Table 3
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund					
Reserved for:					
Non-spendable prepaid items	\$ 55,560	\$ 37,715	\$ 35,973	\$ 39,244	\$ 83,295
Restricted for Stabilization by State Statute	670,608	757,648	646,160	749,483	810,068
Restricted	-	-	68,530	121,787	121,787
Assigned	327,515	-	-	-	181,735
Unassigned	<u>6,501,883</u>	<u>8,045,197</u>	<u>9,514,553</u>	<u>10,625,770</u>	<u>11,778,826</u>
Total General Fund	<u>\$ 7,555,566</u>	<u>\$ 8,840,560</u>	<u>\$ 10,265,216</u>	<u>\$ 11,536,284</u>	<u>\$ 12,975,711</u>
All Other Governmental Funds					
Restricted for Stabilization by State Statute	-	278,025	3,373	3,375	3,375
Restricted	-	-	-	-	-
Committed:	1,524,216	2,345,767	3,167,861	4,072,527	6,093,158
Assigned	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>(48)</u>	<u>(3,655)</u>	<u>(65,180)</u>
Total all other governmental funds	<u>\$ 1,524,216</u>	<u>\$ 2,623,792</u>	<u>\$ 3,171,186</u>	<u>\$ 4,072,247</u>	<u>\$ 6,031,353</u>

Table 3
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund					
Reserved for:					
Non-spendable prepaid items	\$ 32,012	\$ 316,536	\$ 78,445	\$ 138,077	\$ 483,296
Restricted for Stabilization by State Statute	790,024	830,154	1,343,903	1,493,150	906,428
Restricted	111,380	173,877	247,304	-	-
Assigned	-	-	410,765	311,300	353,149
Unassigned	<u>12,730,439</u>	<u>15,364,121</u>	<u>18,962,340</u>	<u>23,129,212</u>	<u>27,829,905</u>
Total General Fund	<u>\$ 13,663,855</u>	<u>\$ 16,684,688</u>	<u>\$ 21,042,757</u>	<u>\$ 25,071,739</u>	<u>\$ 29,572,778</u>
All Other Governmental Funds					
Restricted for Stabilization by State Statute	21,247	9,866	306,770	4,337	1,509
Restricted	-	240,958	8,532	274,049	178,674
Committed:	110	5,584,604	8,386,607	9,672,833	11,100,526
Assigned	5,203,080	-	-	-	-
Unassigned	<u>(182,194)</u>	<u>(74,436)</u>	<u>(301,626)</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 5,042,243</u>	<u>\$ 5,760,992</u>	<u>\$ 8,400,283</u>	<u>\$ 9,951,219</u>	<u>\$ 11,280,709</u>

Table 4
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues					
Taxes	\$ 3,779,428	\$ 3,938,165	\$ 3,913,195	\$ 4,025,648	\$ 4,054,741
Intergovernmental revenue	2,273,803	2,258,094	2,412,330	2,334,275	2,817,502
Licenses, fees, and permits	426,995	307,841	435,275	375,944	630,561
Charges for services	3,953,878	4,157,389	4,535,078	4,457,899	4,818,827
Investment earnings	2,758	10,466	25,662	86,315	161,938
Miscellaneous	222,294	62,672	188,519	110,638	671,520
Total revenues	<u>10,659,156</u>	<u>10,734,627</u>	<u>11,510,059</u>	<u>11,390,719</u>	<u>13,155,089</u>
Expenditures					
General government	1,607,794	1,545,675	1,880,408	1,845,625	2,350,077
Public safety	4,690,160	4,287,648	4,765,295	4,569,379	5,027,697
Transportation	481,879	499,707	365,412	494,416	545,419
Environmental protection	752,862	667,404	667,804	747,265	773,480
Cultural and recreation	546,271	570,040	595,734	630,459	604,379
Capital outlay	371,723	456,841	300,946	397,268	582,950
Debt service:					
Principal	486,062	486,901	487,753	428,572	428,571
Interest	102,423	91,342	80,246	69,140	58,897
Total expenditures	<u>9,039,174</u>	<u>8,605,558</u>	<u>9,143,598</u>	<u>9,182,124</u>	<u>10,371,470</u>
Revenues over (under) expenditures	<u>1,619,982</u>	<u>2,129,069</u>	<u>2,366,461</u>	<u>2,208,595</u>	<u>2,783,619</u>
Other Financing Sources (Uses)					
Installment purchase proceeds	-	-	-	-	-
Transfers in	870,000	66,427	171,845	142,250	513,308
Transfers out	(870,000)	(910,502)	(1,113,650)	(1,079,777)	(1,857,500)
Total other financing sources (uses)	<u>-</u>	<u>(844,075)</u>	<u>(941,805)</u>	<u>(937,527)</u>	<u>(1,344,192)</u>
Net change in fund balances	<u>\$ 1,619,982</u>	<u>\$ 1,284,994</u>	<u>\$ 1,424,656</u>	<u>\$ 1,271,068</u>	<u>\$ 1,439,427</u>
Debt service as a percentage of non-capital expenditures	<u>6.8%</u>	<u>7.1%</u>	<u>6.4%</u>	<u>5.7%</u>	<u>4.9%</u>

Table 4
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenues					
Taxes	\$ 4,155,022	\$ 4,161,580	\$ 4,100,125	\$ 4,325,007	\$ 4,384,535
Intergovernmental revenue	3,124,419	3,721,224	3,810,989	3,851,583	3,799,868
Licenses, fees, and permits	567,276	560,822	802,681	399,821	492,859
Charges for services	4,585,453	7,998,814	8,811,351	8,193,442	9,473,087
Investment earnings	150,390	31,023	30,681	769,163	1,789,129
Miscellaneous	687,793	180,043	1,149,942	377,982	212,369
Total revenues	<u>13,270,353</u>	<u>16,653,506</u>	<u>18,705,769</u>	<u>17,916,998</u>	<u>20,151,847</u>
Expenditures					
General government	2,250,172	2,339,427	2,222,001	2,430,733	3,250,544
Public safety	5,325,653	5,541,827	6,249,171	6,957,207	7,849,667
Transportation	521,175	923,239	585,140	451,330	789,142
Environmental protection	963,558	888,850	943,701	1,574,453	1,623,698
Cultural and recreation	559,389	308,901	467,640	1,064,297	953,289
Capital outlay	4,224,146	2,275,751	1,079,905	-	-
Debt service:					
Principal	428,569	1,714,286	174,986	184,024	357,532
Interest	48,657	45,496	14,365	11,587	14,630
Total expenditures	<u>14,321,319</u>	<u>14,037,777</u>	<u>11,736,909</u>	<u>12,673,631</u>	<u>14,838,502</u>
Revenues over (under) expenditures	<u>(1,050,966)</u>	<u>2,615,729</u>	<u>6,968,860</u>	<u>5,243,367</u>	<u>5,313,345</u>
Other Financing Sources (Uses)					
Installment purchase proceeds	-	850,000	-	-	-
Transfers in	3,763,574	1,824,706	3,066,115	2,546,000	2,392,872
Transfers out	<u>(3,013,574)</u>	<u>(1,550,853)</u>	<u>(3,037,615)</u>	<u>(2,209,449)</u>	<u>(1,875,688)</u>
Total other financing sources (uses)	<u>750,000</u>	<u>1,123,853</u>	<u>28,500</u>	<u>336,551</u>	<u>517,184</u>
Net change in fund balances	<u>\$ (300,966)</u>	<u>\$ 3,739,582</u>	<u>\$ 6,997,360</u>	<u>\$ 5,579,918</u>	<u>\$ 5,830,529</u>
Debt service as a percentage of non-capital expenditures	<u>4.7%</u>	<u>15.0%</u>	<u>1.5%</u>	<u>2.0%</u>	<u>2.8%</u>

Table 5
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Ad valorem	Sales	Room	Franchise	Total
Ended	Taxes ¹	Taxes	Occupancy	Tax	Taxes
<u>June 30</u>			<u>Tax</u>	<u>Tax</u>	
2015	3,278,940	1,177,281	474,010	336,188	5,266,419
2016	3,308,016	1,245,649	610,603	400,116	5,564,384
2017	3,311,635	1,220,775	524,328	356,352	5,413,090
2018	3,392,470	1,213,307	553,358	367,428	5,526,563
2019	3,406,830	1,320,239	553,100	363,836	5,644,005
2020	3,403,348	1,325,400	656,364	334,377	5,719,489
2021	3,463,894	1,481,250	621,387	331,077	5,897,608
2022	3,494,292	1,443,895	524,994	332,794	5,795,975
2023	3,511,134	1,652,847	734,198	385,365	6,283,544
2024	3,553,659	1,726,894	799,492	419,121	6,499,166
% Change					
2015-2024	<u>8.38%</u>	<u>46.68%</u>	<u>68.67%</u>	<u>24.67%</u>	<u>23.41%</u>

¹ Property tax rates have remained fairly constant over the past ten years. The most recent property re-evaluation was in 2021.

Source: Town records.

Table 6
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property	Personal Property	Public Service Companies	Total Taxable Assessed Value	Total Direct Tax Rate
2015	2,384,852,730	80,654,567	2,641,933	2,468,149,230	0.1330
2016	2,394,410,000	80,197,000	2,640,000	2,477,247,000	0.1330
2017	2,391,952,638	91,871,056	3,577,850	2,487,401,544	1.1330
2018	2,560,294,942	97,194,971	3,816,076	2,661,305,989	0.1275
2019	2,565,794,042	102,859,406	3,939,184	2,672,592,632	0.1275
2020	2,560,056,361	105,230,347	4,289,008	2,669,575,716	0.1275
2021	2,594,314,675	113,024,334	4,261,551	2,711,600,560	0.1275
2022	3,653,331,062	133,081,709	4,395,462	3,790,808,233	0.0923
2023	3,673,054,280	128,659,194	4,182,039	3,805,895,513	0.0923
2024	3,700,078,873	146,555,163	4,528,910	3,851,162,946	0.0923

Notes: The State mandates that property must be reassessed at least once every eight years.
The last re-evaluation was in 2021.
Property is assessed at actual value; therefore, the assessed values are equal to actual values.
Tax rates are per \$100 of assessed value.

Source: New Hanover County Tax Department.

Table 7
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Principal Property Taxpayers
Current Year and Nine Years Ago
Fiscal Year Ended June 30

<u>Taxpayer</u>	<u>2024</u>			<u>2015</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>
Wrightsville Beach Hotels LLC	\$ 33,163,909	1	0.88%	-	-	-
CPH 275 Waynick LLC	29,076,300	2	0.77%	-	-	-
Seapath Yacht Club	23,593,808	3	0.62%	17,325,621	3	0.70%
Wrightsville Yacht Club Inc	15,027,433	4	0.40%	8,727,424	8	0.30%
Hanover Seaside Club	12,990,239	5	0.34%	9,246,984	6	0.40%
Carolina Yacht Club	11,669,156	6	0.31%	9,446,562	5	0.40%
Crystal Pier LLC	10,907,700	7	0.29%	10,878,900	4	0.40%
Parker Christopher B Alison B	9,690,800	8	0.26%	-	-	-
Sea Oats Management Company	8,672,800	9	0.23%	8,485,600	9	0.30%
SSWB Interests LLC	8,538,100	10	0.23%	-	-	-
Moores' Inlet Partnership	-	-	-	32,003,377	1	1.30%
Four Seasons Management	-	-	-	20,039,800	2	0.80%
Surf Club	-	-	-	7,199,472	10	0.30%
Peterson Annie Bryant Hrs	-	-	-	8,886,500	7	0.40%
Total	<u>\$ 163,330,245</u>		<u>4.24%</u>	<u>\$ 132,240,240</u>		<u>5.40%</u>
Total taxable assessed value	<u>\$ 3,851,162,947</u>			<u>\$ 2,468,149,230</u>		

Source: New Hanover County Tax Office.

Table 8
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year Ended June 30	Town of Wrightsville Beach		New Hanover County		Total Direct and Overlapping Rate
	Operating Rate	Total Direct Rate	Operating Rate	Total Direct Rate	
2015	0.1330	0.1330	0.5540	0.5540	0.6870
2016	0.1330	0.1330	0.5740	0.5740	0.7070
2017	0.1330	0.1330	0.6230	0.6230	0.7560
2018	0.1275	0.1275	0.5700	0.5700	0.6975
2019	0.1275	0.1275	0.5550	0.5550	0.6825
2020	0.1275	0.1275	0.5550	0.5550	0.6825
2021	0.1275	0.1275	0.5550	0.5550	0.6825
2022	0.0923	0.0923	0.4750	0.4750	0.5673
2023	0.0923	0.0923	0.4550	0.4550	0.5473
2024	0.0923	0.0923	0.4500	0.4500	0.5423

Note: Overlapping rates are rates of local governments that apply to the property owners within the Town of Wrightsville Beach.

Source: New Hanover County Tax Department.

Table 9
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Property Taxes Levied for the Fiscal Year	Property Taxes Collected within the Fiscal Year of the Levy		Property Tax Collections Subsequent Years	Property Tax Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	3,284,743	3,267,807	99.48%	13,119	3,280,926	99.88%
2016	3,305,200	3,294,274	99.67%	5,782	3,300,056	99.84%
2017	3,311,208	3,301,405	99.70%	4,710	3,306,115	99.85%
2018	3,398,007	3,387,662	99.70%	5,997	3,393,659	99.87%
2019	3,411,304	3,400,696	99.69%	7,048	3,407,744	99.90%
2020	3,407,597	3,392,747	99.56%	10,625	3,403,372	99.88%
2021	3,459,295	3,453,526	99.83%	2,859	3,456,385	99.92%
2022	3,497,813	3,494,292	99.90%	1,854	3,496,146	99.95%
2023	3,515,186	3,511,134	99.88%	2,351	3,513,485	99.95%
2024	3,558,275	3,553,659	99.87%	-	3,553,659	99.87%

Source: New Hanover County Tax Department.

Table 10
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities Installment Debt	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
2015	3,974,652	3,974,652	0.045%	1,587.32
2016	3,487,781	3,487,781	0.037%	1,391.77
2017	2,999,998	2,999,998	0.030%	1,195.69
2018	2,771,162	2,771,162	0.026%	1,087.16
2019	2,142,855	2,142,855	0.018%	855.43
2020	1,714,286	1,714,286	0.013%	677.05
2021	850,000	850,000	0.006%	341.78
2022	685,650	685,650	0.005%	276.59
2023	555,966	555,966	N/A	208.50
2024	175,745	175,745	N/A	70.72

include lease liabilities

¹ See Schedule 13 for personal income and population data.

Note: Details regarding the Town's outstanding debt can be found in the Notes to the Financial Statements.

Personal income statistics are not available for the Town of Wrightsville Beach. Percentages are calculated using data for New Hanover County.

Source: Town of Wrightsville Beach and New Hanover County.

Table 11
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2024

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable¹	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
New Hanover County	\$ <u>427,744,736</u>	7.62%	\$ 32,573,663
Town of Wrightsville Beach debt	\$ <u>175,745</u>	100.00%	<u>175,745</u>
Total direct and overlapping debt			\$ <u>32,749,408</u>

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Wrightsville Beach. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt, of each overlapping government.

¹The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages are estimated by determining the portion of the County's taxable assessed value that is within the Town's boundaries and dividing it by the County's total assessed value.

Source: Town of Wrightsville Beach and New Hanover County.

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Table 12
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 197,451,938	\$ 198,179,760	\$ 198,992,124	\$ 212,904,479	\$ 213,807,411
Total net debt applicable to limit	<u>3,974,652</u>	<u>3,487,751</u>	<u>2,999,998</u>	<u>2,771,162</u>	<u>2,142,855</u>
Legal debt margin	\$ <u>193,477,286</u>	\$ <u>194,692,009</u>	\$ <u>195,992,126</u>	\$ <u>210,133,317</u>	\$ <u>211,664,556</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>2.01%</u>	<u>1.76%</u>	<u>1.51%</u>	<u>1.30%</u>	<u>1.00%</u>

Note: NC General Statute 159 states that the net debt of the unit should not exceed eight percent (8%) of the assessed value of property subject to taxation.

Table 12
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt limit	\$ 213,563,860	\$ 216,930,241	\$ 302,489,049	\$ 304,205,004	\$ 308,093,036
Total net debt applicable to limit	<u>1,714,286</u>	<u>850,000</u>	<u>685,650</u>	<u>555,966</u>	<u>175,721</u>
Legal debt margin	<u>\$ 211,849,574</u>	<u>\$ 216,080,241</u>	<u>\$ 301,803,399</u>	<u>\$ 303,649,038</u>	<u>\$ 307,917,315</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>0.80%</u>	<u>0.39%</u>	<u>0.23%</u>	<u>0.18%</u>	<u>0.06%</u>
Legal Debt Margin Calculation for June 30, 2024					
Total assessed value					<u>\$ 3,851,162,947</u>
Debt limit (8% of assessed value)					<u>\$ 308,093,036</u>
Debt applicable to limit:					
Installment Purchase Agreement					<u>175,721</u>
Total net applicable to limit					<u>175,721</u>
Legal debt margin					<u>\$ 307,917,315</u>

Table 13
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Town of Wrightsville Beach	New Hanover County		
	Population ¹	Personal Income (000's) ²	Per Capita Personal Income ²	Unemployment Rate ³
2015	2,504	8,921,731	40,487	5.7%
2016	2,506	9,444,753	42,262	4.9%
2017	2,509	10,050,351	44,236	4.3%
2018	2,549	10,519,705	45,290	3.9%
2019	2,505	11,938,654	50,960	4.1%
2020	2,532	12,869,618	54,391	7.2%
2021	2,478	13,212,735	57,693	4.4%
2022	2,479	14,316,813	60,943	4.9%
2023	2,487	n/a	n/a	3.3%
2024	2,485	n/a	n/a	3.5%

Note: Personal income and unemployment statistics are not available for the Town of Wrightsville Beach.

¹ Source: North Carolina State Demographer and Town.

² Source: Bureau of Economic Analysis.

³ Source: Bureau of Labor Statistics

Table 14
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Principal Employers in New Hanover County
Current Fiscal Year and Nine Years Ago

Employer (Top Ten)	2024			2015		
	Employees	Rank	Percentage	Employees	Rank	Percentage
			of Total County Employment			of Total County Employment
Novant Health (New Hanover Health Network)	8,553	1	6.68%	6,120	1	5.76%
New Hanover County Schools	3,700	2	2.89%	4,440	2	4.18%
General Electric Companies	3,300	3	2.58%	2,175	3	2.05%
University of NC at Wilmington	2,326	4	1.82%	1,860	4	1.75%
New Hanover County Government	2,124	5	1.66%	1,610	6	1.52%
Thermo Fisher Scientific (PPD)	1,700	6	1.33%	1,500	7	1.41%
Cape Fear Community College	1,283	7	1.00%	-----	-----	-----
City of Wilmington	1,191	8	0.93%	1,000	9	0.94%
Wilmington Health	1,116	9	0.87%	-----	-----	-----
Corning, Inc.	1,000	10	0.78%	1,000	10	-----
Wal-Mart	-----	-----	-----	1,755	5	-----
Verizon Wireless	-----	-----	-----	1,410	8	1.33%
Total New Hanover County Employment	<u>128,125</u>			<u>106,218</u>		

Note: Employment data for the Town of Wrightsville Beach is not available.

Source: New Hanover County

Table 15
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Full-Time Equivalent Government Employees by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General government	12	12	12	12	12
Public safety	45	45	45	45	45
Transportation	5	5	5	5	5
Environmental protection	8	8	8	8	8
Cultural and recreation	5	5	5	5	5
Water and sewer	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>
Total	<u>84</u>	<u>84</u>	<u>84</u>	<u>84</u>	<u>84</u>

Source: Town records

Table 15
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Full-Time Equivalent Government Employees by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General government	12	13	13	13	13
Public safety	45	43	43	48	48
Transportation	5	6	6	4	4
Environmental protection	8	7	7	4	4
Cultural and recreation	5	5	5	6	6
Water and sewer	<u>9</u>	<u>8</u>	<u>8</u>	<u>7</u>	<u>7</u>
Total	<u><u>84</u></u>	<u><u>82</u></u>	<u><u>82</u></u>	<u><u>82</u></u>	<u><u>82</u></u>

Table 16
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Operating Indicators by Function
Last Ten Fiscal Years
(Calendar Years Where Indicated)

Function	Fiscal Year Ended June 30				
	2015	2016	2017	2018	2019
Public Safety:					
Police Department:					
Criminal charges (calendar years)					
Reported serious offenses (calendar years)					
* Incident and Invest (Total Offenses), Group A Offenses	212	222	541	106	405
* Incident and Invest (Total Offenses), Group B Offenses	518	252	110	110	434
* Other Miscellaneous Crimes	62	39	394	195	236
* Total Ordinance Tickets Issued	763	1,033	953	754	1,332
* Total Criminal Citations Issued	1,246	2,008	3,230	1,508	1,996
* Represents a change in Police Department reporting as of 1/1/13					
Fire Department:					
Fire alarms (calendar years)	166	175	175	90	160
EMS calls (calendar years)	478	415	450	205	342
Planning and Inspections:					
Building permits issued	547	412	375	229	425
Value (\$000)	\$ 23,232	\$ 21,379	\$ 18,596	\$ 14,466	\$ 47,258
Cultural and recreation					
Softball field reservations (calendar years)	47	50	35	18	30
Recreation center reservations (calendar years)	8	71	64	36	66
Recreation programs (calendar years)	26	22	22	22	22
Water and Sewer					
Customers	2,695	2,703	2,719	2,721	2,743
Water - average daily consumption in gallons	826,000	783,870	803,279	689,807	759,332
Sewer - average daily inflow (in gallons)	580,169	496,710	592,279	524,668	598,584

Note: 2018 calendar year is for the period January-June.

Source: Town records

Table 16
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Operating Indicators by Function
Last Ten Fiscal Years
(Calendar Years Where Indicated)

Function	Fiscal Year Ended June 30				
	2020	2021	2022	2023	2024
Public Safety:					
Police Department:					
Criminal charges (calendar years)					
Reported serious offenses (calendar years)					
* Incident and Invest (Total Offenses), Group A Offenses	612	303	360	286	329
* Incident and Invest (Total Offenses), Group B Offenses	334	119	154	140	390
* Other Miscellaneous Crimes	489	239	330	239	590
* Total Ordinance Tickets Issued	1,280	1,132	1,861	906	645
* Total Criminal Citations Issued	1,388	1,026	1,021	852	1,325
* Represents a change in Police Department reporting as of 1/1/13					
Fire Department:					
Fire alarms (calendar years)	120	212	211	264	352
EMS calls (calendar years)	337	659	411	430	338
Planning and Inspections:					
Building permits issued	453	477	282	261	189
Value (\$000)	\$ 45,399	\$ 35,002	\$ 52,363	39,859	7,876
Cultural and recreation					
Softball field reservations (calendar years)	25	25	27	30	37
Recreation center reservations (calendar years)	59	13	34	61	61
Recreation programs (calendar years)	25	25	23	21	19
Water and Sewer					
Customers	2,740	2,731	2,768	2,813	2,813
Water - average daily consumption in gallons	793,825	877,681	834,000	861,469	871,805
Sewer - average daily inflow (in gallons)	626,340	621,712	595,000	583,498	61,086

Table 17
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Public Safety:					
Police stations	1	1	1	1	1
Fire stations	1	1	1	1	1
Cultural and Recreation:					
Parks	7	7	7	7	7
Park acreage	30	30	30	30	30
Recreation centers	1	1	1	1	1
Water and Sewer					
Pump stations	7	7	7	7	7
Water treatment centers	2	2	2	2	2
Wells	8	8	8	8	8
Ground storage water tanks	2	2	2	2	2
Elevated water storage tanks	2	2	2	2	2

Source: Town records.

Table 17
TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Public Safety:					
Police stations	1	1	1	1	1
Fire stations	1	1	1	1	1
Cultural and Recreation:					
Parks	7	7	7	7	7
Park acreage	30	30	30	30	30
Recreation centers	1	1	1	1	1
Water and Sewer					
Pump stations	7	7	7	7	7
Water treatment centers	2	2	2	2	2
Wells	8	8	8	8	8
Ground storage water tanks	2	2	2	2	2
Elevated water storage tanks	2	2	2	2	2

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Compliance Section

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MARTIN STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

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
Board of Aldermen
Town of Wrightsville Beach, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wrightsville Beach, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated November 4, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency or 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Wrightsville Beach's financial statements are free from material misstatement, we 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance 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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 4, 2024

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Honorable Mayor and
Board of Aldermen
Town of Wrightsville Beach, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Town of Wrightsville Beach, North Carolina's, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the Town of Wrightsville Beach's major state programs for the year ended June 30, 2024. The Town of Wrightsville Beach's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses and Questioned Costs.

In our opinion, the Town of Wrightsville Beach complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Wrightsville Beach and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Town of Wrightsville Beach's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town of Wrightsville Beach's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Wrightsville Beach's compliance based on our audit. 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, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Town of Wrightsville Beach's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, 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 Town of Wrightsville Beach's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Town of Wrightsville Beach's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the Town of Wrightsville Beach's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a state program will not

be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 4, 2024

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA
SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

1. Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified? None reported

Non-compliance material to financial statements noted? No

State Awards

Internal control over major state programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

Type of auditor’s report issued on compliance for major state programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? No

Identification of major state programs:

Program Name

State Capital and Infrastructure Fund

Auditee qualified as low-risk auditee? No

2. Findings Related to the Audit of the Basic Financial Statements

None reported.

3. Findings and Questioned Costs Related to the Audit of State Awards

None reported.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

None reported.

TOWN OF WRIGHTSVILLE BEACH, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL # Number</u>	<u>State/Pass- Through Grantor's Number</u>	<u>Federal (Direct & Pass- Through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-Through to Subrecipients</u>
Federal Programs:					
<u>U.S. Department of Treasury</u>					
Direct Program:					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	NC0523	\$ 407,295	\$ -	\$ -
Total U.S. Department of Treasury			<u>407,295</u>	<u>-</u>	<u>-</u>
Total federal awards			<u>\$ 407,295</u>	<u>-</u>	<u>-</u>
State Programs:					
<u>N.C. Department of Transportation:</u>					
Powell Bill		4000061897		236,200	-
<u>N.C. Office of State Budget and Management</u>					
State Capital and Infrastructure Fund		11801		250,000	-
<u>N.C. Department of Natural and Cultural Resources</u>					
PARTF Grant		2023-1036-4		<u>23,324</u>	<u>-</u>
Total state awards				<u>\$ 509,524</u>	<u>\$ -</u>

Notes to the Schedule of Expenditures of Federal and State Awards:

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and state grant activity of the Town of Wrightsville Beach under the programs of the federal government and the state of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rates

The Town has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.