

TOWN OF OAK ISLAND NORTH CAROLINA



**AUDIT PRESENTATION FOR THE
FISCAL YEAR ENDED JUNE 30, 2023**

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TOWN OF OAK ISLAND, NORTH CAROLINA
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Independent Auditor's Report

To the Honorable Mayor
and Members of the Town Council
Oak Island, North Carolina

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Oak Island, North Carolina, as of and for the year ended June 30, 2023, 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 Oak Island, North Carolina, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with 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. 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 of Oak Island, North Carolina, 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 opinion. The financial statements of the Oak Island ABC Board were not audited in accordance with Government Auditing Standards.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 of Oak Island, North Carolina'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 Responsibility

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Governmental Auditing Standards will always detect material statement 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 generally accepted auditing standards and Governmental 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 of Oak Island, North Carolina's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Oak Island, North Carolina'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.

Other Matters

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 Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions, and the Law Enforcement Officers' Special Separation Allowance Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, respectively, be presented to supplement the basic financial statements. Such information, although not a required 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Oak Island, North Carolina. The introductory information, combining and individual fund statements, budgetary schedules, and other schedules and statistical section, 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 purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements, budgetary schedules, other schedules and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund 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 Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2023 on our consideration of Town of Oak Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, and other matters. The purpose of the report is 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 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 Town of Oak Island's internal control over financial reporting and compliance.

S. Preston Douglas & Associates, LLP

Whiteville, North Carolina

December 11, 2023

**Town of Oak Island, North Carolina
Management's Discussion and Analysis
June 30, 2023**

Management's Discussion and Analysis

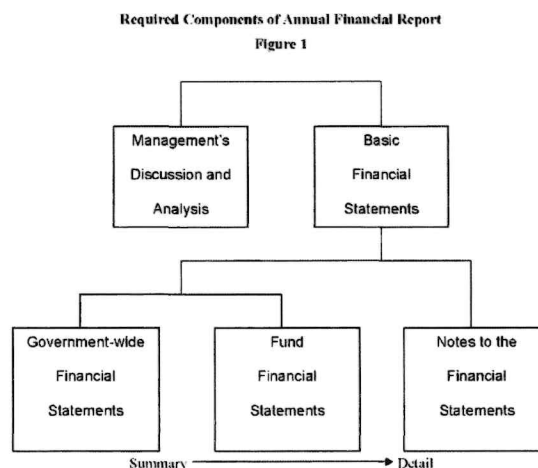
As management of the Town of Oak Island, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Oak Island for the fiscal year ending June 30, 2023. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the Town of Oak Island exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$128,342,845 (*net position*).
- Net position increased by \$25,522,897 during the fiscal year.
- As of the close of the current fiscal year, the Town of Oak Island's governmental funds reported combined ending fund balances of \$57,039,155 with an increase of \$21,894,246 in fund balance.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$26,368,634, or 103.12% percent of total governmental fund expenditures for the fiscal year.
- The Town continued its diligence in the collection of property taxes by maintaining a tax collection percentage of 98.27%.
- Increased sales tax revenues of approximately \$516,000 due to the economic growth of the town.
- The Town continues to incur a low cost of debt due to the Town's high bond rating.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Town of Oak Island'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 using 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 Oak Island.



TOWN OF OAK ISLAND, NORTH CAROLINA
Statement of Net Position
June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Oak Island ABC Board
ASSETS				
Current Assets				
Cash and Equivalent	\$ 53,926,820	\$ 33,155,404	\$ 87,082,224	\$ 475,061
Taxes Receivables, Net	591,916	-	591,916	-
Assessments Receivable	16,562	-	16,562	-
Accounts Receivable, Net	628,946	3,016,357	3,645,303	-
Due From Component Unit	-	-	-	-
Inventories	35,779	839,785	875,564	253,329
Prepaid Items	63,417	-	63,417	17,074
Total Current Assets	55,263,440	37,011,546	92,274,986	745,464
Non-current Assets				
Restricted Cash and Cash Equivalents	4,640,328	6,426,670	11,066,998	358,290
Restricted Receivables	-	557,129	557,129	-
Accrued Interest on Restricted Assets	-	56,080	56,080	-
Prepaid Bond Insurance	-	507,506	507,506	-
Capital Assets				
Land, Non-depreciable Improvements, and Construction in Progress	9,254,457	5,933,618	15,188,075	101,178
Other Capital Assets, Net of Depreciation	15,985,774	84,106,405	100,092,179	703,197
Total Capital Assets	25,240,231	90,040,023	115,280,254	804,375
Total Non-current Assets	29,880,559	97,587,408	127,467,967	1,162,665
Total Assets	85,143,999	134,598,954	219,742,953	1,908,129
DEFERRED OUTFLOWS OF RESOURCES				
Pension Deferrals	2,873,028	862,000	3,735,028	79,978
OPEB Deferrals	659,594	247,160	906,754	3,529
Total Deferred Outflows of Resources	\$ 3,532,622	\$ 1,109,160	\$ 4,641,782	\$ 83,507

TOWN OF OAK ISLAND, NORTH CAROLINA
Statement of Net Position (Continued)
June 30, 2023

	Primary Government		Component Unit	
	Governmental Activities	Business-Type Activities	Total	Oak Island ABC Board
LIABILITIES				
Current Liabilities				
Accounts Payable and Accrued Expenses	\$ 363,024	\$ 899,208	\$ 1,262,232	\$ 216,109
Accrued Interest Payable	-	227,636	227,636	-
Customer Deposits	94,203	79,434	173,637	-
Due to Other Funds	-	-	-	-
Due to Primary Government	-	-	-	214,655
Current Portion of Long-Term Liabilities	10,061,294	4,676,391	14,737,685	29,133
Total Current Liabilities	10,518,521	5,882,669	16,401,190	459,897
Long-Term Liabilities				
Due In More Than One Year	457,015	64,837,806	65,294,821	355,393
Net Pension Liability	3,821,410	1,295,364	5,116,774	82,365
Total Pension Liability	1,021,701	-	1,021,701	-
OPEB Liability	2,709,980	1,465,248	4,175,228	58,201
Total Long-Term Liabilities	8,010,106	67,598,418	75,608,524	495,959
Total Liabilities	18,528,627	73,481,087	92,009,714	955,856
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	2,243,903	90,361	2,334,264	-
Pension Deferrals	233,590	33,290	266,880	617
OPEB Deferrals	1,150,268	280,764	1,431,032	32,081
Total Deferred Inflows of Resources	3,627,761	404,415	4,032,176	32,698
NET POSITION				
Net Investment in Capital Assets	25,240,231	27,553,389	52,793,620	422,500
Restricted For:				
Stabilization by State Statute	1,210,835	-	1,210,835	-
Streets	467,664	-	467,664	-
General Government	-	-	-	-
Public Safety	-	-	-	-
Environmental Protection	29,725,551	-	29,725,551	-
Tourism	-	-	-	-
Cultural and Recreation	-	-	-	-
Other Functions	-	79,434	79,434	509,125
Unrestricted	9,875,952	34,189,789	44,065,741	71,457
Total Net Position	\$ 66,520,233	\$ 61,822,612	\$ 128,342,845	\$ 1,003,082

TOWN OF OAK ISLAND, NORTH CAROLINA
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 2,999,132	\$ 2,440,101	\$ 864,645	-
Public Safety	7,909,841	-	2,424,568	-
Transportation	2,556,667	-	358,310	-
Environmental Protection	8,897,851	-	20,830,855	-
Cultural and Recreation	1,236,110	219,559	-	-
Interest on Long-Term Debt	383,789	-	-	-
Total Governmental Activities	23,983,390	2,659,660	24,478,378	-
Business-Type Activities:				
Water Operations	4,933,526	5,129,878	-	153,096
Wastewater Operations	12,196,533	12,941,466	-	682,869
Solid Waste Operations	1,899,749	1,730,215	-	6,837
Golf Course Operations	389,772	209,025	-	-
Stormwater Operations	779,387	1,055,243	-	-
Pier Complex	565,739	575,763	-	-
Parking Fund	87,727	325,682	-	-
Total Business-Type Activities	20,852,433	21,967,272	-	842,802
Total Primary Government	\$ 44,835,823	\$ 24,626,932	\$ 24,478,378	\$ 842,802
Component Units:				
Oak Island ABC Board	\$ 5,111,374	\$ 5,153,048	\$ -	\$ -
Total Component Units	\$ 5,111,374	\$ 5,153,048	\$ -	\$ -

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Primary Government:				
Governmental Activities:				
General Government	\$ 305,614	\$ -	\$ 305,614	\$ -
Public Safety	(5,485,273)	-	(5,485,273)	-
Transportation	(2,198,357)	-	(2,198,357)	-
Environmental Protection	11,933,004	-	11,933,004	-
Cultural and Recreation	(1,016,551)	-	(1,016,551)	-
Interest on Long-Term Debt	(383,789)	-	(383,789)	-
Total Governmental Activities	3,154,648	-	3,154,648	-
Business-Type Activities:				
Water Operations	-	349,448	349,448	-
Wastewater Operations	-	1,427,802	1,427,802	-
Solid Waste Operations	-	(162,697)	(162,697)	-
Golf Course Operations	-	(180,747)	(180,747)	-
Stormwater Operations	-	275,856	275,856	-
Pier Complex	-	10,024	10,024	-
Parking Fund	-	237,955	237,955	-
Total Business-Type Activities	-	1,957,641	1,957,641	-
Total Primary Government	3,154,648	1,957,641	5,112,289	-
Component Units:				
Oak Island ABC Board	\$ -	\$ -	\$ -	\$ 41,674
Total Component Units	\$ -	\$ -	\$ -	\$ 41,674
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purpose	10,366,740	-	10,366,740	-
Local Option Sales Taxes	3,767,505	-	3,767,505	-
Accommodations Taxes	4,670,046	-	4,670,046	-
Unrestricted Investment Earnings	1,390,162	-	1,390,162	1,550
Miscellaneous	81,201	-	81,201	15,927
Sale of Capital Assets and Materials	134,954	-	134,954	-
Total General Revenues	20,410,608	-	20,410,608	17,477
Transfers	(99,855)	99,855	-	-
Total General Revenues, Special Items, and Transfers	20,310,753	99,855	20,410,608	17,477
Change in Net Position	23,465,401	2,057,496	25,522,897	59,151
Net Position Beginning	43,054,832	59,765,116	102,819,948	943,931
Net Position -Ending	\$ 66,520,233	\$ 61,822,612	\$ 128,342,845	\$ 1,003,082

TOWN OF OAK ISLAND, NORTH CAROLINA
Balance Sheet
Governmental Funds
June 30, 2023

	Major Funds			Total Non-Major Funds	Total Governmental Funds
	General	Accommodations Tax	Beach Renourishment		
ASSETS					
Cash and Cash Equivalents	\$ 22,075,378	\$ 7,601,923	\$19,079,762	\$ 5,076,328	\$ 53,833,391
Restricted Cash	4,728,192	-	5,565	-	4,733,757
Receivables (net):					-
Taxes	565,327	-	26,589	-	591,916
Assessments	16,562	-	-	-	16,562
Accounts	628,946	-	-	-	628,946
Due from Component Unit	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Inventories	35,779	-	-	-	35,779
Prepays	63,417	-	-	-	63,417
Total Assets	\$ 28,113,601	\$ 7,601,923	\$19,111,916	\$ 5,076,328	\$ 59,903,768
LIABILITIES					
Accounts Payable	324,700	789	37,535	-	363,024
Due to Other Funds	-	-	-	-	-
Customer Deposits	94,203	-	-	-	94,203
Total Liabilities	418,903	789	37,535	-	457,227
DEFERRED INFLOWS OF REOURCES					
Unavailable Revenue	244,200	-	-	1,999,703	2,243,903
Property Taxes Receivable	136,894	-	26,589	-	163,483
Total Deferred Inflows of Resources	381,094	-	26,589	1,999,703	2,407,386
FUND BALANCES					
Non Spendable					
Inventories	35,779	-	-	-	35,779
Prepays	63,417	-	-	-	63,417
Restricted:					
Stabilization by State Statute	378,110	-	-	-	378,110
Streets - Powell Bill	467,664	-	-	-	467,664
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Environmental Protection	-	7,601,134	19,047,792	3,076,625	29,725,551
Tourism	-	-	-	-	-
Cultural and Recreation	-	-	-	-	-
Assigned					
Subsequent Year's Expenditures	-	-	-	-	-
Unassigned:	26,368,634	-	-	-	26,368,634
Total Fund Balances	27,313,604	7,601,134	19,047,792	3,076,625	57,039,155
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 28,113,601	\$ 7,601,923	\$19,111,916	\$ 5,076,328	\$ 59,903,768

TOWN OF OAK ISLAND, NORTH CAROLINA
 Balance Sheet
 Governmental Funds
 June 30, 2023

	Total Governmental Funds
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>	
Total Fund Balance, Governmental Funds	\$ 57,039,155
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds</p>	
Gross capital assets at historical cost	42,534,325
Accumulated depreciation	(17,294,094)
	25,240,231
<p>Deferred outflows of resources related to pensions are not reported in the funds</p>	
	2,873,028
<p>Deferred outflows of resources related to OPEB are not reported in the funds</p>	
	659,594
<p>Earned revenues considered deferred inflows of resources in fund statements</p>	
	163,483
<p>Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.</p>	
Special Obligation Bonds	(10,061,294)
Compensated absences payable	(457,015)
OPEB Liability	(2,709,980)
Net Pension Liability	(3,821,410)
Total Pension Liability	(1,021,701)
	(18,071,400)
<p>Deferred inflows of resources related to pensions are not reported in the funds</p>	
	(233,590)
<p>Deferred inflows of resources related to OPEB are not reported in the funds</p>	
	(1,150,268)
Net Position of Governmental Activities	<u>\$ 66,520,233</u>

TOWN OF OAK ISLAND, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Major Funds			Total Non-Major Funds	Total Governmental Funds
	General	Accommodations Tax	Beach Renourishment		
Revenues					
Ad Valorem Taxes	\$ 8,622,932	\$ -	\$ 1,759,069	\$ -	\$ 10,382,001
Other Taxes and Licenses	3,767,505	2,801,609	-	1,868,437	8,437,551
Unrestricted Intergovernmental	1,584,119	-	-	-	1,584,119
Restricted Intergovernmental	2,954,872	-	20,830,855	692,651	24,478,378
Permits and Fees	855,982	-	-	-	855,982
Sales and Services	219,559	-	-	-	219,559
Investment Earnings	1,372,822	204	-	-	1,373,026
Miscellaneous	81,201	-	17,136	-	98,337
Total Revenues	19,458,992	2,801,813	22,607,060	2,561,088	47,428,953
Expenditures					
Current:					
General Government	3,062,892	-	-	-	3,062,892
Public Safety	7,665,871	-	-	-	7,665,871
Transportation	2,465,633	-	-	-	2,465,633
Environmental Protection	-	241,838	8,655,713	300	8,897,851
Tourism	-	-	-	-	-
Cultural and Recreational	1,064,523	-	-	-	1,064,523
Debt Service:					
Principal	-	-	2,014,587	-	2,014,587
Interest and Other Charges	-	-	383,789	-	383,789
Total Expenditures	14,258,919	241,838	11,054,089	300	25,555,146
Excess (Deficiency) of Revenues Over Expenditures	5,200,073	2,559,975	11,552,971	2,560,788	21,873,807
Other Financing Sources (Uses)					
Transfers from Other Funds	1,156,203	-	3,154,191	-	4,310,394
Transfers to Other Funds	(523,407)	(1,994,191)	-	(1,892,651)	(4,410,249)
Sales of Capital Assets	132,661	-	-	-	132,661
Sales of Materials	2,293	-	-	-	2,293
Special Obligation Bonds Issued	-	-	-	-	-
Total Other Financing Sources (Uses)	767,750	(1,994,191)	3,154,191	(1,892,651)	35,099
Net Change in Fund Balance	5,967,823	565,784	14,707,162	668,137	21,908,906
Fund Balance - Beginning	21,345,781	7,035,350	4,340,630	2,408,488	35,130,249
Prior Period Adjustment	-	-	-	-	-
Net Change in Fund Balance	5,967,823	565,784	14,707,162	668,137	21,908,906
Fund Balance - Ending	\$ 27,313,604	\$ 7,601,134	\$ 19,047,792	\$ 3,076,625	\$ 57,039,155

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

TOWN OF OAK ISLAND, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds		\$ 21,908,906
<p>Governmental funds report outlays for capital assets as expenditures. However, in the Statement of Activities the cost of those assets is allocated over the assets' estimated lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Capital outlay expenditures which were capitalized	1,377,961	
Depreciation expense for governmental assets	(1,282,374)	95,587
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		731,955
Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities		74,553
OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities		108,612
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		
Change in unavailable revenue for property tax revenues		(15,261)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
New long term debt issued		-
Principal payments on long-term debt		2,014,587
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:</p>		
Compensated absences	(24,139)	
Pension Expense LGERS	(1,075,600)	
Pension Expense LEOSSA	(131,408)	
OPEB plan expense	(222,391)	(1,453,538)
Change in net position of governmental activities		<u>\$ 23,465,401</u>

TOWN OF OAK ISLAND, NORTH CAROLINA
Statement of Fund Net Position
Proprietary Funds
June 30, 2023

	Major Funds		Non-Major Funds	Total
	Water Fund	Wastewater Fund	Other Enterprise Funds	
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 19,122,453	\$ 12,974,145	\$ 1,058,806	\$ 33,155,404
Accounts Receivables (net):	1,006,634	1,628,418	381,305	3,016,357
Inventories	303,277	507,617	28,891	839,785
Prepaid Items	-	-	-	-
Total Current Assets	20,432,364	15,110,180	1,469,002	37,011,546
Non-Current Assets				
Restricted Assets				
Cash and Cash Equivalents	79,434	6,347,236	-	6,426,670
Assessments Receivables (net):	-	400,412	-	400,412
Sewer District Fees Receivable (net)	-	156,717	-	156,717
Accrued Interest Receivable	-	56,080	-	56,080
Total Restricted Assets	79,434	6,960,445	-	7,039,879
Other Assets				
Prepaid Bond Insurance Costs	-	507,506	-	507,506
Capital Assets				
Land and Construction in Progress	145,068	3,304,611	2,483,939	5,933,618
Other Capital Assets, Net of Depreciation	4,005,513	77,243,910	2,856,982	84,106,405
Capital Assets	4,150,581	80,548,521	5,340,921	90,040,023
Total Non-Current Assets	4,230,015	88,016,472	5,340,921	97,587,408
TOTAL ASSETS	24,662,379	103,126,652	6,809,923	134,598,954
DEFERRED OUTFLOWS OF RESOURCES				
Pension Deferrals	271,168	342,106	248,726	862,000
OPEB Deferrals	-	86,377	160,783	247,160
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 271,168	\$ 428,483	\$ 409,509	\$ 1,109,160

TOWN OF OAK ISLAND, NORTH CAROLINA
Statement of Fund Net Position
Proprietary Funds
June 30, 2023

	<u>Major Funds</u>		<u>Non-Major Funds</u>	<u>Total</u>
	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Other Enterprise Funds</u>	
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 287,204	\$ 284,688	\$ 198,032	\$ 769,924
Salaries Payable	32,893	48,619	47,772	129,284
Accrued Interest Payable	-	227,636	-	227,636
Due to Other Funds	-	-	-	-
Customer Deposits	79,434	-	-	79,434
Compensated Absences Payable, Current	50,933	84,959	36,929	172,821
Revenue Notes Payable, Current	-	763,570	-	763,570
Revenue Bonds Payable, Current	-	3,740,000	-	3,740,000
Total Current Liabilities	450,464	5,149,472	282,733	5,882,669
Non-current Liabilities				
Other Postemployment Benefits	639,808	476,720	348,720	1,465,248
Net Pension Liability	399,812	525,969	369,583	1,295,364
Revenue Notes Payable, Non-current	-	4,483,481	-	4,483,481
Revenue Bonds Payable, Non-current	-	60,354,325	-	60,354,325
Total Non-Current Liabilities	1,039,620	65,840,495	718,303	67,598,418
TOTAL LIABILITIES	1,490,084	70,989,967	1,001,036	73,481,087
DEFERRED INFLOWS OF RESOURCES				
Unearned Revenue	90,361	-	-	90,361
Pension Deferrals	19,745	12,394	1,151	33,290
OPEB Deferrals	-	7,913	272,851	280,764
TOTAL DEFERRED INFLOWS OF RESOURCES	110,106	20,307	274,002	404,415
NET POSITION				
Net Investment in Capital Assets	4,150,581	18,061,887	5,340,921	27,553,389
Restricted Customer Deposits	79,434	-	-	79,434
Unrestricted	19,103,342	14,482,974	603,473	34,189,789
NET POSITION OF BUSINESS-TYPE ACTIVITIES	\$ 23,333,357	\$ 32,544,861	\$ 5,944,394	\$ 61,822,612

TOWN OF OAK ISLAND, NORTH CAROLINA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Major Funds		Non-Major Funds	Total
	Water Fund	Wastewater Fund	Other Enterprise Funds	
Revenues				
Charges for Services	\$ 4,754,279	\$ 12,941,466	\$ 3,895,928	\$ 21,591,673
Other Operating Revenues	375,599	-	-	375,599
Total Operating Revenues	<u>5,129,878</u>	<u>12,941,466</u>	<u>3,895,928</u>	<u>21,967,272</u>
Operating Expenses				
Administration	1,021,087	-	733,473	1,754,560
Water Purchases	2,385,650	-	-	2,385,650
Waste Collection and Treatment	-	6,309,195	1,821,865	8,131,060
Maintenance	1,243,920	-	224,764	1,468,684
Other Operating	-	-	625,907	625,907
Depreciation	282,869	3,319,208	316,365	3,918,442
Total Operating Expenses	<u>4,933,526</u>	<u>9,628,403</u>	<u>3,722,374</u>	<u>18,284,303</u>
Operating Income (Loss)	<u>196,352</u>	<u>3,313,063</u>	<u>173,554</u>	<u>3,682,969</u>
Non-Operating Revenues (Expenses)				
Interest	-	5,705	-	5,705
System Development Fees	153,096	677,164	-	830,260
Interest and Other Charges	-	(2,580,147)	-	(2,580,147)
Sale of Capital Assets	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>153,096</u>	<u>(1,897,278)</u>	<u>-</u>	<u>(1,744,182)</u>
Income (Loss) Before Contributions and Transfers	<u>349,448</u>	<u>1,415,785</u>	<u>173,554</u>	<u>1,938,787</u>
Capital Contributions	-	4,967	13,887	18,854
Transfers In	-	225,000	488,407	713,407
Transfers Out	(527,572)	(85,980)	-	(613,552)
Change in Net Position	<u>(178,124)</u>	<u>1,559,772</u>	<u>675,848</u>	<u>2,057,496</u>
Net Position- Beginning	<u>23,511,481</u>	<u>30,985,089</u>	<u>5,268,546</u>	<u>59,765,116</u>
Total Net Position - Ending	<u>\$ 23,333,357</u>	<u>\$ 32,544,861</u>	<u>\$ 5,944,394</u>	<u>\$ 61,822,612</u>

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TOWN OF OAK ISLAND, NORTH CAROLINA
Schedule of Ad Valorem Taxes Receivable
June 30, 2023

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2022</u>	<u>Additions and Adjustments</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2023</u>
2022-23	\$ -	\$ 9,815,270	\$ 9,719,058	\$ 96,212
2021-22	146,173	95	112,171	34,097
2020-21	38,750	(97)	21,848	16,805
2019-20	6,415	9	4,223	2,201
2018-19	7,469	189	1,367	6,291
2017-18	8,810	(2,370)	736	5,704
2016-17	3,412	(3)	-	3,409
2015-16	3,921	-	72	3,849
2014-15	3,494	(22)	(4)	3,476
2013-12	1,928	-	-	1,928
2012-13	1,900	(1,900)	-	-
	<u>\$ 222,272</u>	<u>\$ 9,811,171</u>	<u>\$ 9,859,471</u>	<u>173,972</u>

Ad Valorem Taxes Receivable - Net \$ 173,972

Reconciliation with Revenues

Ad Valorem Taxes - General Fund and Beach Renourishment	\$ 9,924,163
Reconciling Items:	
Interest Collected	-
Penalties Collected	(62,792)
Taxes Written Off	<u>(1,900)</u>
Total Collections and Credits	<u>\$ 9,859,471</u>

TOWN OF OAK ISLAND, NORTH CAROLINA
 Analysis of Current Tax Levy
 Town-Wide Levy
 June 30, 2023

	Town-Wide			Total Levy	
	Property Valuation	Rate Per \$100	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property Taxed at Current Year's Rate	\$ 3,580,463,625	0.2800	\$ 10,025,298	\$ 9,566,212	\$ 459,086
Total Levy	<u>3,580,463,625</u>		<u>10,025,298</u>	<u>9,566,212</u>	<u>459,086</u>
Discoveries:					
Current and Previous Year Taxes	5,880,693		16,466	16,466	-
Releases					
Property Taxes - Current Year's Rate	<u>(2,724,611)</u>		<u>(7,629)</u>	<u>(7,629)</u>	<u>-</u>
Total Property Valuations	<u><u>\$ 3,583,619,707</u></u>				
Net Levy			10,034,135	9,575,049	459,086
Uncollected Taxes at June 30, 2023			<u>(173,972)</u>	<u>(173,972)</u>	<u>-</u>
Current Year's Taxes Collected			<u><u>\$ 9,860,163</u></u>	<u><u>\$ 9,401,077</u></u>	<u><u>\$ 459,086</u></u>
Current Levy Collection Percentage			<u><u>98.27%</u></u>	<u><u>98.18%</u></u>	<u><u>100.00%</u></u>

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