

VILLAGE OF  
BALD HEAD  
ISLAND, NORTH  
CAROLINA

REPORT OF CERTIFIED PUBLIC  
ACCOUNTANTS  
JUNE 30, 2022

Financial statements are broken down into 8 parts:

**1. Independent Auditor's Opinion- *Unqualified***

In our opinion, ***the 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 Village of Bald Head Island, North Carolina as of June 30, 2022, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

2. Management's Discussion and Analysis

MD&A is management's way of addressing issues facing municipalities & to answer questions posed by users of the statements

3. Full Accrual Government Wide Statements

Similar format to a regular for-profit business

4. Modified Accrual Statements

Traditional Government Statements

5. Notes to the Financial Statements

Provides additional details to help understand the statements

6. Schedule of the Individual Fund Statements

7. Required Supplementary Information

Tax levy and pension information

8. Compliance section- Yellow Book

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Excerpts from Annual Audit  
June 30, 2022

	<u>Budget Current Year</u>	<u>Actual Current Year</u>	<u>Actual Prior Year</u>
<b>General Fund</b>			
Cash and investments (Nonrestricted)		4,951,248	4,612,626
Fund balance, beginning of year		6,064,000	7,439,856
Revenues	12,871,900	13,659,674	13,306,211
Expenditures	(13,959,700)	(13,300,663)	(12,641,647)
Other financing sources (uses)	(973,200)	755,184	(2,040,420)
Fund balance appropriated	<u>2,061,000</u>	-	-
Net increase (decrease)	<u>-</u>	<u>1,114,195</u>	<u>(1,375,856)</u>
Fund balance, end of year		<u>7,178,195</u>	<u>6,064,000</u>
Allocation of fund balance:			
Non-Spendable :			
Prepaid expenses		14,500	14,500
Inventories		24,299	17,961
Restricted:			
Stabilization by State Statute		1,167,657	1,073,793
Economic development		3,968,040	993,213
Inspections		132,680	45,605
Assigned:			
Subsequent year's expenditures		469,000	750,400
Unassigned		<u>3,969,451</u>	<u>3,387,326</u>
		<u>9,745,627</u>	<u>6,282,798</u>

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**Water and Sewer Utility Fund**

Cash and investments (Nonrestricted)		1,730,734	1,406,768
Fund balance, beginning of year		1,714,441	1,942,489
Operating revenues	3,331,400	2,996,322	2,763,001
Non operating revenues	-	382,335	230,158
Operating expenditures	(2,471,290)	(2,143,954)	(1,992,170)
Debt service	(12,700)	(12,604)	(631,084)
Capital outlay - system purchase and additions	(798,510)	(417,162)	(359,953)
Other financing sources (uses)	(48,900)	(469,220)	(238,000)
Fund balance appropriated	-	-	-
Net increase (decrease)	<u>-</u>	<u>335,717</u>	<u>(228,048)</u>
Fund balance, end of year		<u>2,050,158</u>	<u>1,714,441</u>

**BRRAT Fund**

Fund balance, beginning of year		-	-
Interest earned	-	305	-
Expenditures	(420,000)	(10,565)	-
Other financing sources (uses)	2,365,000	-	-
Future appropriation	(1,945,000)	2,361,002	-
Net increase (decrease)	<u>-</u>	<u>2,350,742</u>	<u>-</u>
Fund balance, end of year		<u>2,350,742</u>	<u>-</u>

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**Stormwater Management Capital Reserve Fund**

Fund balance, beginning of year		218,798	123,015
Stormwater fees	126,300	129,315	126,674
Interest earned	-	1,470	59
Expenditures	(266,000)	(132,893)	(30,950)
Other financing sources (uses)	139,700	-	-
Net increase (decrease)	<u>-</u>	<u>(2,108)</u>	<u>95,783</u>
Fund balance, end of year		<u>216,690</u>	<u>218,798</u>

Project Author- ization	Project Current Year	Project Total to Date
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**Capital Project Funds:**

**Capital Project Fund - Beach Stabilization**

Marina Entrance Agreement/NC Refund	1,359,000	-	1,357,481
FEMA reimbursement	1,877,000	-	1,876,290
Investment earnings	264,300	-	263,733
Expenditures - Beach renourishment	(6,138,000)	(106,001)	(6,132,901)
Expenditures - Engineered beach	(553,000)		(552,929)
Expenditures - Marine groins	(341,000)		(340,833)
Expenditures - BHI Creek dredging	(220,700)	-	(220,687)
Expenditures - Jetty extension project	(1,456,500)	-	(1,456,315)
Expenditures - Sand replacement project	(16,682,600)		(16,682,466)
Expenditures - Terminal groins project	(9,075,200)	-	(9,075,094)
Expenditures - BHI creek dredging	(1,653,100)	-	(1,652,926)
Expenditures - Sandtube groins	(739,000)	-	(738,920)
Expenditures - Row boat row beach	(1,294,300)	(2,617)	(1,294,254)
Expenditures - Shoreline beach renourishment	(13,839,700)	-	(13,839,685)
Other financing sources (uses):			
Transfers in/out	10,073,800	(1,586,287)	10,070,781
Bonds issued	38,419,000	-	38,418,725
Net Change and Fund balance, End of Year	<u>-</u>	<u>(1,694,905)</u>	<u>-</u>

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**Capital Project Fund - Contractor Svcs/Pub Works Redesign**

Investment earnings	-	97	488
Expenditures	(1,905,000)	(334,212)	(1,744,503)
Other financing sources - loan proceeds	-	-	-
Other financing sources - transfers in	2,095,000	185,000	2,095,000
Other financing sources - transfers out	(190,000)	-	(190,000)
Net Change and Fund balance, End of Year	<u>-</u>	<u>(149,115)</u>	<u>160,985</u>

**Capital Project Fund - IPC Improvements**

Investment earnings	-	-	-
Expenditures	(378,459)	(323,582)	(378,459)
Other financing sources - loan proceeds	-	-	-
Other financing sources - transfers in	400,000	-	400,000
Other financing sources - transfers out	(21,541)	(21,541)	(21,541)
Net Change and Fund balance, End of Year	<u>-</u>	<u>(345,123)</u>	<u>-</u>

**Capital Project Fund - New Village Hall**

Investment earnings	-	45	45
Expenditures	(225,000)	(142,964)	(157,419)
Other financing sources - loan proceeds	-	-	-
Other financing sources - transfers in	225,000	35,000	225,000
Other financing sources - transfers out	-	-	-
Net Change and Fund balance, End of Year	<u>-</u>	<u>(107,919)</u>	<u>67,626</u>

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**Capital Project Fund - Ladder Truck Acquisition**

Donations	500,000	447,030	447,030
Investment earnings		280	280
Expenditures	(1,228,000)	(132)	(132)
Other financing sources - loan proceeds	728,000	-	-
Other financing sources - transfers in	-	-	-
Other financing sources - transfers out	-	-	-
Net Change and Fund balance, End of Year	<u>-</u>	<u>447,178</u>	<u>447,178</u>

**ARP Grant Fund**

Grant Funds	60,000	29,001	29,001
Investment earnings		18	18
Expenditures	(60,000)	-	-
Other financing sources -	-	-	-
Net Change and Fund balance, End of Year	<u>-</u>	<u>29,019</u>	<u>29,019</u>

**Fines & Forfeitures Special Revenue Fund**

Fines	-	22,300	22,300
Expenditures	-	(20,070)	(20,070)
Other financing sources -	-	-	-
Net Change and Fund balance, End of Year	<u>-</u>	<u>2,230</u>	<u>2,230</u>

**Capital Project Fund - Wastewater Treatment Upgrade**

Investment earnings	-	128	128
Expenditures	(238,000)	(65,588)	(65,588)
Other financing sources - loan proceeds	-	-	-
Other financing sources - transfers in	238,000	-	238,000
Other financing sources - transfers out	-	-	-
Net Change and Fund balance, End of Year	<u>-</u>	<u>(65,460)</u>	<u>172,540</u>

**Capital Project Fund - Lift Station Upgrade**

Investment earnings	-	139	139
Expenditures	(488,000)	(67,000)	(67,000)
Other financing sources - loan proceeds	-	-	-
Other financing sources - transfers in	488,000	-	488,000
Other financing sources - transfers out	-	-	-
Net Change and Fund balance, End of Year	<u>-</u>	<u>(66,861)</u>	<u>421,139</u>

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	Current Year	Prior Year
<b>Tax levy:</b>		
Total valuation	1,170,350,504	1,164,464,536
Tax rate	0.6863	0.6863
Tax levy	8,032,116	7,991,720
Plus special tax districts	445,132	444,494
	8,477,248	8,436,214
Percent collected	99.77%	99.69%
<b>Investment Earnings</b>	7,667	2,818
<b>As a percent of total revenue:</b>		
Ad valorem taxes	62%	64%
Other taxes	16%	16%
Intergovernmental revenues	8%	8%
Licenses and permits	6%	5%
Sales and services	7%	6%
Other	1%	1%
	100%	100%
<b>As a percent of total expenditures:</b>		
General government	25%	22%
Public safety	23%	23%
Transportation	5%	1%
Environmental protection	14%	15%
Economic and physical development	6%	5%
Debt service	27%	34%
	100%	100%