



# Town of North Topsail Beach

## Board of Aldermen Regular Meeting Agenda

Wednesday, February 01, 2023, at 11:00 AM

Town Hall - 2008 Loggerhead Court, North Topsail Beach, NC 28460

(910) 328-1349 | [www.northtopsailbeachnc.gov](http://www.northtopsailbeachnc.gov)

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*Mayor - Joann M. McDermon  
Alderman - Richard Grant  
Alderman - Connie Pletl  
Town Manager - Alice Derian*

*Mayor Pro Tem - Mike Benson  
Alderman – Alfred Fontana  
Alderman – Tom Leonard  
Interim Town Clerk – Nancy Avery*

- I. CALL TO ORDER (Mayor McDermon)**
- II. INVOCATION (Alderman Grant)**
- III. PLEDGE OF ALLEGIANCE (Mayor McDermon)**
- IV. APPROVAL OF AGENDA**

**Specific Action Requested: Mayor will request for a motion to adopt the agenda**

- V. MANAGER'S REPORT (Manager Derian)**
- VI. OPEN FORUM**

Citizens have the opportunity to address the Board for no more than three minutes per comment on any issue upon which the Board of Alderman has control.

### **VII. CONSENT AGENDA**

#### A. Department Head Reports

1. Finance Department
2. Fire Department
3. Inspections Department
4. Planning Department
5. Police Department

#### B. Approval of Minutes from January 4, 2023

#### C. Committee Reports

1. Planning Board & PPI Committee
2. Board of Adjustment
3. TISPC <https://tispc.org/minutes/>
4. ONWASA

**Specific Action Requested: Mayor will request a motion to approve the Consent Agenda**

## VIII. PUBLIC PRESENTATIONS AND HEARINGS

- A. Presentation of FY 2021-2022 Audit report by Austin Banks, CPA, CFE - Audit Manager
- B. Coastal Engineer update (Mr. Fran Way)

## IX. CONTINUING BUSINESS

- A. Topsail Island Shoreline and Protection Committee (TISPC) 2023 Advocate Goals (Mayor Pro Tem Benson)

***Specific Action Requested: Mayor may request a motion to approve the TISPC 2023 Advocate Goals as presented***

- B. BISAC (Beach, Inlet, Sound Advisory Committee) Update (Mayor Pro Tem Benson)
- C. Phase I Nourishment Project (Manager Derian)

***Specific Action Requested - Mayor may request a motion to authorize the Town's contractor to proceed with the placement of sand for beach nourishment in Phase I***

## X. NEW BUSINESS

- A. North Topsail Beach Music Festival (Manager Derian)

Discussion and possible action concerning third-party vendor sale of alcohol at Richard Peters Park for the North Topsail Beach music festival on April 1, 2023.

- B. Resolution 2023-01 Official Notification to the Board of Elections on the 2023 election (Edes/Avery)

The resolution is to provide clarification to the Board of Elections on the 2023 election after the results of the local bill 2021-49 and the resignations and appointments of two aldermen positions.

The ballot for the 2023 election will have three aldermen vacancies for four-year terms each. Terms expiring in 2023 are Aldermen Fred Fontana, Tom Leonard, and Connie Pletl. The ballot will also have one mayor vacancy for a two-year term. The mayor's term expiring in 2023 is Joann McDermon.

***Specific Action Requested: The mayor may request a motion to approve the Resolution to the Board of Elections as presented.***

- C. 2023 Washington DC federal meetings (Manager Derian)

1. In-person meetings with Congressional representatives, FEMA, and the US Army Corp of Engineers to take place in Washington DC the week of March 20th

2. American Shore and Beach Preservation Association (ASBPA) Coastal Summit on March 21-23

***Specific Action Requested - Mayor may ask for a motion to appoint Town representative(s) for attendance at each meeting***

**XI. OPEN FORUM**

Citizens have the opportunity to address the Board for no more than three minutes per comment on any issue upon which the Board of Alderman has control.

**XII. ATTORNEY'S REPORT**

**XIII. MAYOR'S REPORT**

**XIV. ALDERMAN'S REPORT**

**XV. CLOSED SESSION**

To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged.

**XVI. ADJOURNMENT**



**BOARD OF ALDERMEN  
MEMORANDUM**

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**TO:** MAYOR MCDERMON AND ALDERMEN

**FROM:** Caitlin Elliott, Finance Officer

**SUBJECT:** Monthly Financial Report

**DATE:** January 25, 2022


The following events occurred during the month of January of 2023 in the Finance Department:

- The first payment of \$2,625,000 was received for the \$10,500,000 grant with North Carolina Department of Environmental Quality (NCDEQ). The Finance Officer is working with the Auditor to ensure proper accounting for this grant.
- The Town has received their bi-annual Powell Bill funds in the amount of \$17,058.27. These funds are for Town maintenance and upkeep of State roadways.
- We are awaiting reimbursement from North Carolina Department of Transportation for our annual mowing agreement amount. This year the agreement is for \$8,395.67. I am expecting to receive these funds in the next 30 days.
- In December the Town collected \$40,950 in interest within the North Carolina Capital Management Trust account.
- We received a reimbursement from FEMA in the amount of \$8,556.31. This is for the Hurricane Florence, Category G, Beach Renourishment project in Phase 5. These funds are in the process of being applied to our 2022A FEMA Special Obligation Bond.

- Documents have been submitted to FEMA to create a Category B project (expenses and cost for emergency work before, during and after the storm) for Hurricane Ian. We should know the award status in the next few weeks.
- A Budget to Actual report is contained in this month's packet as well as a graph for the fiscal year. A separate Budget to Actual report is provided for Fund 31, the Capital Project Fund for the beach renourishment project.
- We received \$6,201 in paid parking revenues for the month of December.
- We have received \$680,193.04 from Onslow County for property taxes. December's Motor Vehicle taxes have been deposited in the amount of \$6,717.
- So far in January, we have processed approximately \$303,533.54 in accounts payable. The check register is enclosed for review. Please be aware that there is one remaining check run for this month yet to be processed.
- During the month of January, we have received \$42,312 for Occupancy Taxes from short-term rentals during December. The detailed report is provided. Last year during the same time frame we received \$30,659, for comparison. Please note that we have already exceeded our projected figure for Occupancy Taxes in the Budget to Actual report, Fund 30 revenues.
- Lastly, we received \$257,655 for Sales and Use Tax, for collections during December. Last year, for revenue comparison, we collected \$223,063 for the same period.

If anyone has any questions, concerns, or needs additional information, please do not hesitate to ask!

Respectfully submitted,



Caitlin Elliott  
Finance Officer

## Budget vs Actual

NORTH TOPSAIL BEACH  
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Period Ending 6/30/2023

10 GENERAL FUND							
Description	Budget	Encumbrance	MTD	YTD	Variance	Percent	
<b>Revenues</b>							
10-301-00 AD VALOREM TAX - Current Year	3,678,714	0.00	0.00	4,891,434.49	1,212,720.49	133%	
10-301-01 AD VALOREM TAX - Prior Years	50,000	0.00	0.00	11,811.23	(38,188.77)	24%	
10-301-02 AD VALOREM TAX - MOTV	70,000	0.00	0.00	45,747.50	(24,252.50)	65%	
10-317-00 AD VALOREM TAX Penalties	3,000	0.00	0.00	1,378.31	(1,621.69)	46%	
10-317-01 COUNTY GRANT FUNDING	10,000	0.00	0.00	2,701.75	(7,298.25)	27%	
10-329-00 INTEREST	15,000	0.00	0.00	122,480.74	107,480.74	817%	
10-335-00 MISCELLANEOUS	5,000	0.00	0.00	14,849.71	9,849.71	297%	
10-335-01 MEETING ROOM	500	0.00	0.00	0.00	(500.00)		
10-336-07 SALE OF TOWN MERCHANDISE	5,000	0.00	0.00	0.00	(5,000.00)		
10-337-00 UTILITIES FRANCHISE TAX	330,000	0.00	0.00	178,767.45	(151,232.55)	54%	
10-341-00 BEER & WINE TAX	3,400	0.00	0.00	30.00	(3,370.00)	1%	
10-343-00 POWELL BILL ALLOCATIONS	25,000	0.00	0.00	34,116.54	9,116.54	136%	
10-345-00 LOCAL OPTION SALES TAX	1,864,500	0.00	0.00	1,462,009.54	(402,490.46)	78%	
10-347-02 SOLID WASTE DISP TAX	750	0.00	0.00	370.73	(379.27)	49%	
10-350-00 RECREATION -RENTAL FEES	1,500	0.00	0.00	1,925.00	425.00	128%	
10-350-01 PAID PARKING REVENUE	182,500	0.00	0.00	82,360.64	(100,139.36)	45%	
10-351-01 OFFICER CITATIONS & COURT	5,000	0.00	0.00	1,494.05	(3,505.95)	30%	
10-352-01 FIRE FINES & VIOLATIONS	2,000	0.00	0.00	0.00	(2,000.00)		
10-352-02 PARKING/CODE ENFORCEMENT FINES	20,000	0.00	0.00	1,200.00	(18,800.00)	6%	
10-352-03 PLANNING DEPT. FEES	6,000	0.00	0.00	0.00	(6,000.00)		
10-355-00 BUILDING PERMITS	85,000	0.00	0.00	62,194.15	(22,805.85)	73%	
10-355-01 MECHANICAL PERMITS	15,000	0.00	0.00	5,600.00	(9,400.00)	37%	
10-355-02 ELECTRICAL PERMITS	18,000	0.00	0.00	9,870.00	(8,130.00)	55%	
10-355-03 PLUMBING PERMITS	2,500	0.00	0.00	1,470.00	(1,030.00)	59%	
10-355-04 INSULATION PERMITS	500	0.00	0.00	0.00	(500.00)		
10-355-05 HOMEOWNERS RECOVERY FEE	300	0.00	0.00	103.00	(197.00)	34%	
10-355-06 TECHNOLOGY FEE	7,500	0.00	0.00	4,214.21	(3,285.79)	56%	

## Budget vs Actual

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Period Ending 6/30/2023

10 GENERAL FUND							
Description	Budget	Encumbrance	MTD	YTD	Variance	Percent	
10-355-07 REINSPECTION FEE/FINES	3,000	0.00	0.00	550.00	(2,450.00)	18%	
10-357-08 ZONING PERMITS	20,000	0.00	0.00	14,525.00	(5,475.00)	73%	
10-359-00 REFUSE COLLECTION FEES	514,524	0.00	0.00	294,917.36	(219,607.00)	57%	
10-359-50 VACANT LOT SWF	10,000	0.00	0.00	150.00	(9,850.00)	2%	
10-359-51 LOST CART REPLACEMENT	2,000	0.00	0.00	320.00	(1,680.00)	16%	
10-359-52 ADD'L CART RECYCLING	2,500	0.00	0.00	400.00	(2,100.00)	16%	
10-367-01 SALES TAX REFUNDS	20,000	0.00	0.00	24,233.92	4,233.92	121%	
10-368-01 GRASS MOWING REIMB	8,396	0.00	0.00	0.00	(8,396.00)		
10-368-02 GRANT FUNDS	57,400	0.00	0.00	0.00	(57,400.00)		
10-382-00 SALE OF LESO ASSETS	5,000	0.00	0.00	0.00	(5,000.00)		
10-383-00 SALE OF FIXED ASSETS	20,000	0.00	0.00	9,036.00	(10,964.00)	45%	
<b>Revenues Totals:</b>	<b>7,069,484</b>	<b>0.00</b>	<b>0.00</b>	<b>7,280,261.32</b>	<b>210,776.96</b>	<b>103%</b>	
<b>Expenses</b>							
10-410-02 SALARIES	36,000	0.00	0.00	19,000.00	17,000.00	53%	
10-410-05 FICA (7.65%)	2,754	0.00	0.00	1,453.50	1,300.50	53%	
10-410-14 TRAVEL & TRAINING	2,000	0.00	0.00	225.00	1,775.00	11%	
10-410-33 DEPARTMENTAL SUPPLIES	1,500	0.00	0.00	377.79	1,122.21	25%	
10-410-42 CHARTER CODES SERVICE	5,000	0.00	0.00	0.00	5,000.00		
10-410-43 AUDITOR FEES	15,500	0.00	0.00	9,375.00	6,125.00	60%	
10-410-45 TAX COLLECTION FEES	62,000	0.00	0.00	65,450.01	(3,450.01)	106%	
10-410-47 PROFESSIONAL SERVICES	100,000	0.00	0.00	30,077.50	69,922.50	30%	
10-410-50 DONATIONS OTHER AGENCIES	6,000	0.00	0.00	3,500.00	2,500.00	58%	
10-410-53 DUES & SUBSCRIPTIONS	2,750	0.00	0.00	3,354.70	(604.70)	122%	
10-410-57 MISCELLANEOUS	500	0.00	0.00	84.97	415.03	17%	
10-410-58 TAX REFUNDS	2,500	0.00	0.00	249.90	2,250.10	10%	
10-410-95 BOARD STIPEND	3,600	0.00	0.00	600.00	3,000.00	17%	
<b>GOVERNING BODY Totals:</b>	<b>240,104</b>	<b>0.00</b>	<b>0.00</b>	<b>133,748.37</b>	<b>106,355.63</b>	<b>56%</b>	
10-420-02 SALARIES	397,000	0.00	0.00	211,021.78	185,978.22	53%	
10-420-05 FICA (7.65%)	30,371	0.00	0.00	16,095.97	14,274.53	53%	

## Budget vs Actual

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Period Ending 6/30/2023

10 GENERAL FUND							
Description	Budget	Encumbrance	MTD	YTD	Variance	Percent	
10-420-06 GROUP INSURANCE	42,250	0.00	0.00	22,226.24	20,023.76	53%	
10-420-07 ORBIT RETIREMENT (12.23%)	48,553	0.00	0.00	25,712.18	22,840.92	53%	
10-420-08 401K (3%)	11,910	0.00	0.00	5,779.45	6,130.55	49%	
10-420-09 TOWN INSURANCE HRA	30,000	0.00	0.00	17,936.28	12,063.72	60%	
10-420-10 EMPLOYEE TRAINING	6,000	0.00	0.00	246.00	5,754.00	4%	
10-420-11 POSTAGE	2,500	0.00	0.00	347.80	2,152.20	14%	
10-420-12 MANAGER EXPENSE ACCT	1,000	0.00	0.00	0.00	1,000.00		
10-420-13 TUITION REIMBURSEMENT	2,500	0.00	0.00	0.00	2,500.00		
10-420-15 BANK CHARGES	2,500	0.00	0.00	450.20	2,049.80	18%	
10-420-16 M & R EQUIPMENT	500	0.00	0.00	0.00	500.00		
10-420-17 M & R VEHICLE	1,500	0.00	0.00	52.24	1,447.76	3%	
10-420-18 CONSUMABLES	4,000	0.00	0.00	2,952.59	1,047.41	74%	
10-420-26 ADVERTISING	1,500	0.00	0.00	0.00	1,500.00		
10-420-31 GAS, OIL & TIRES	2,000	0.00	0.00	775.05	1,224.95	39%	
10-420-33 DEPARTMENT SUPPLIES	6,000	0.00	0.00	4,454.46	1,545.54	74%	
10-420-34 TOWN APPAREL & MERCH EXPENSE	3,000	0.00	0.00	6.54	2,993.46	0%	
10-420-35 IT EQUIPMENT & SERVICES	6,500	0.00	0.00	8,886.06	(2,386.06)	137%	
10-420-45 CONTRACTED SERVICES	26,200	0.00	0.00	26,093.96	106.04	100%	
10-420-53 DUES & SUBSCRIPTIONS	8,000	0.00	0.00	5,430.51	2,569.49	68%	
10-420-57 MISCELLANEOUS	500	0.00	0.00	173.39	326.61	35%	
10-420-58 EMPLOYEE ENGAGEMENT	10,000	0.00	0.00	807.00	9,193.00	8%	
10-420-74 CAPITAL OUTLAY	16,000	0.00	0.00	6,512.57	9,487.43	41%	
10-420-76 EQUIPMENT LEASE PAYMENTS	27,500	0.00	0.00	22,317.56	5,182.44	81%	
ADMINISTRATION Totals:	687,784	0.00	0.00	378,277.83	309,505.77	55%	
10-490-02 SALARIES	92,500	0.00	0.00	52,958.35	39,541.65	57%	
10-490-03 PART-TIME SALARIES	15,500	0.00	0.00	7,791.23	7,708.77	50%	
10-490-05 FICA (7.65%)	8,262	0.00	0.00	4,647.36	3,614.64	56%	
10-490-06 GROUP INSURANCE	8,500	0.00	0.00	4,861.99	3,638.01	57%	



## Budget vs Actual

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10 GENERAL FUND							
Description	Budget	Encumbrance	MTD	YTD	Variance	Percent	
10-490-07 ORBIT RETIREMENT (12.23%)	11,313	0.00	0.00	6,452.48	4,860.27	57%	
10-490-08 401K (3%)	2,775	0.00	0.00	1,572.19	1,202.81	57%	
10-490-10 EMPLOYEE TRAINING	3,000	0.00	0.00	251.10	2,748.90	8%	
10-490-16 M & R EQUIPMENT	500	0.00	0.00	0.00	500.00		
10-490-17 M & R VEHICLES	1,000	0.00	0.00	991.70	8.30	99%	
10-490-31 GAS, OIL, & TIRES	1,000	0.00	0.00	1,316.12	(316.12)	132%	
10-490-45 CONTRACTED SERVICES	6,000	0.00	0.00	4,800.00	1,200.00	80%	
10-490-53 DUES & SUBSCRIPTIONS	1,650	0.00	0.00	0.00	1,650.00		
10-490-57 MISCELLANEOUS	250	0.00	0.00	0.00	250.00		
10-490-58 CRS FLOOD ACTIVITY	1,400	0.00	0.00	0.00	1,400.00		
PLANNING/ZONING/CAMA Totals:	153,650	0.00	0.00	85,642.52	68,007.23	56%	
10-491-02 SALARIES	135,500	0.00	0.00	79,979.53	55,520.47	59%	
10-491-05 FICA (7.65%)	10,366	0.00	0.00	6,029.83	4,335.92	58%	
10-491-06 GROUP INSURANCE	17,000	0.00	0.00	9,723.98	7,276.02	57%	
10-491-07 ORBIT RETIREMENT (12.23%)	16,572	0.00	0.00	9,595.32	6,976.33	58%	
10-491-08 401K (3%)	4,065	0.00	0.00	2,341.65	1,723.35	58%	
10-491-10 EMPLOYEE TRAINING	4,500	0.00	0.00	2,501.89	1,998.11	56%	
10-491-17 M & R VEHICLES	1,200	0.00	0.00	30.99	1,169.01	3%	
10-491-31 GAS, OIL & TIRES	3,000	0.00	0.00	1,236.04	1,763.96	41%	
10-491-33 DEPARTMENTAL SUPPLIES	1,050	0.00	0.00	0.00	1,050.00		
10-491-45 CONTRACTED SERVICES	10,000	0.00	0.00	4,800.00	5,200.00	48%	
10-491-53 DUES & SUBSCRIPTIONS	1,555	0.00	0.00	200.00	1,355.00	13%	
10-491-54 DEMOLITION	135,000	0.00	0.00	0.00	135,000.00		
10-491-57 MISCELLANEOUS	500	0.00	0.00	0.00	500.00		
10-491-75 DEBT SERVICE	10,651	0.00	0.00	0.00	10,651.00		
INSPECTIONS Totals:	350,958	0.00	0.00	116,439.23	234,519.17	33%	
10-500-11 PHONES	30,000	0.00	0.00	12,411.50	17,588.50	41%	
10-500-13 UTILITIES	50,000	0.00	0.00	19,269.09	30,730.91	39%	
10-500-15 M & R BUILDINGS/GROUNDS	47,000	0.00	0.00	17,880.25	29,119.75	38%	

## Budget vs Actual

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10 GENERAL FUND							
Description	Budget	Encumbrance	MTD	YTD	Variance	Percent	
10-500-17 LANDSCAPING EXPENSE	7,750	0.00	0.00	1,302.54	6,447.46	17%	
10-500-33 BUILDING SUPPLIES	6,500	0.00	0.00	533.54	5,966.46	8%	
10-500-35 FURNITURE	7,500	0.00	0.00	610.42	6,889.58	8%	
10-500-43 CLEANING SERVICES	7,000	0.00	0.00	3,500.00	3,500.00	50%	
10-500-45 PEST CONTROL	1,500	0.00	0.00	714.00	786.00	48%	
10-500-57 TOWN SIGN M & R	5,000	0.00	0.00	0.00	5,000.00		
10-500-58 WEB EOC SERVICE	1,500	0.00	0.00	6,821.62	(5,321.62)	455%	
10-500-74 CAPITAL OUTLAY	350,000	0.00	0.00	4,402.02	345,597.98	1%	
PUBLIC BLDGS Totals:	513,750	0.00	0.00	67,444.98	446,305.02	13%	
10-501-09 WORKER'S COMPENSATION	55,000	0.00	0.00	47,318.73	7,681.27	86%	
10-501-13 PROPERTY LIABILITY & BONDS	129,000	0.00	0.00	110,305.89	18,694.11	86%	
10-501-17 VFIS INSURANCE	22,500	0.00	0.00	22,400.00	100.00	100%	
10-501-53 CYBER INSURANCE	26,000	0.00	0.00	13,626.78	12,373.22	52%	
10-501-54 FLOOD INSURANCE	45,000	0.00	0.00	2,943.00	42,057.00	7%	
INSURANCE Totals:	277,500	0.00	0.00	196,594.40	80,905.60	71%	
10-509-02 PSA SALARY	15,905	0.00	0.00	9,175.05	6,729.95	58%	
10-509-05 FICA (7.65%)	1,220	0.00	0.00	701.85	518.15	58%	
PSA - RETIRED POLICE OFFICERS Totals:	17,125	0.00	0.00	9,876.90	7,248.10	58%	
10-510-02 SALARIES	788,610	0.00	0.00	407,810.30	380,799.70	52%	
10-510-03 PART-TIME SALARIES	5,000	0.00	0.00	8,214.77	(3,214.77)	164%	
10-510-04 OVERTIME	35,000	0.00	0.00	16,674.36	18,325.64	48%	
10-510-05 FICA (7.65%)	65,178	0.00	0.00	32,641.16	32,536.84	50%	
10-510-06 GROUP INSURANCE	111,000	0.00	0.00	55,889.24	55,110.76	50%	
10-510-07 ORBIT RETIREMENT (13.04%)	103,200	0.00	0.00	54,669.42	48,530.58	53%	
10-510-08 401K (5%)	38,000	0.00	0.00	20,149.51	17,850.49	53%	
10-510-09 BEACH PATROL EXPENSE	15,000	0.00	0.00	384.00	14,616.00	3%	
10-510-10 EMPLOYEE TRAINING	10,000	0.00	0.00	4,143.74	5,856.26	41%	
10-510-16 M & R EQUIPMENT	3,500	0.00	0.00	99.99	3,400.01	3%	

## Budget vs Actual

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Period Ending 6/30/2023

10 GENERAL FUND							
Description	Budget	Encumbrance	MTD	YTD	Variance	Percent	
10-510-17 M & R VEHICLES	11,000	0.00	0.00	4,513.66	6,486.34	41%	
10-510-31 GAS,OIL & TIRES	55,000	0.00	0.00	31,164.78	23,835.22	57%	
10-510-32 OFFICE SUPPLIES	1,000	0.00	0.00	221.08	778.92	22%	
10-510-33 DEPARTMENTAL SUPPLIES	5,050	0.00	0.00	3,019.44	2,030.56	60%	
10-510-36 UNIFORMS	12,000	0.00	0.00	3,026.59	8,973.41	25%	
10-510-37 BALLISTIC VEST GRANT EXPENSE	4,570	0.00	0.00	0.00	4,570.00		
10-510-47 PROFESSIONAL SERVICES	4,160	0.00	0.00	356.00	3,804.00	9%	
10-510-53 DUES & SUBSCRIPTIONS	21,671	0.00	0.00	9,373.50	12,297.50	43%	
10-510-57 K-9 EXPENSES	2,000	0.00	0.00	812.76	1,187.24	41%	
10-510-60 LESO PROGRAM	5,000	0.00	0.00	720.00	4,280.00	14%	
10-510-73 NON-CAPITAL OUTLAY	26,290	39,786.50	0.00	6,766.09	(20,262.59)	177%	
10-510-74 CAPITAL OUTLAY	75,000	12,947.44	0.00	71,996.00	(9,943.44)	113%	
10-510-75 DEBT SERVICE	35,712	0.00	0.00	0.00	35,712.00		
10-510-76 TAXES & TITLES	2,250	0.00	0.00	2,118.97	131.03	94%	
POLICE Totals:	1,435,191	52,733.94	0.00	734,765.36	647,691.70	55%	
10-545-02 SALARIES	183,500	0.00	0.00	105,532.09	77,967.91	58%	
10-545-03 PART-TIME SALARIES	43,000	0.00	0.00	9,930.05	33,069.95	23%	
10-545-04 OVERTIME	2,000	0.00	0.00	3,603.64	(1,603.64)	180%	
10-545-05 FICA (7.65%)	17,480	0.00	0.00	9,108.59	8,371.66	52%	
10-545-06 GROUP INSURANCE	34,000	0.00	0.00	19,304.12	14,695.88	57%	
10-545-07 ORBIT RETIREMENT (12.23%)	27,946	0.00	0.00	14,505.63	13,439.92	52%	
10-545-08 401K (3%)	6,855	0.00	0.00	3,235.03	3,619.97	47%	
10-545-14 EMPLOYEE TRAINING	2,500	0.00	0.00	0.00	2,500.00		
10-545-16 M & R EQUIPMENT	20,000	0.00	0.00	7,636.25	12,363.75	38%	
10-545-17 M & R VEHICLES	15,000	0.00	0.00	7,256.65	7,743.35	48%	
10-545-31 GAS, OIL & TIRES	20,000	0.00	0.00	12,645.94	7,354.06	63%	
10-545-32 OFFICE SUPPLIES	500	0.00	0.00	0.00	500.00		
10-545-33 DEPARTMENTAL SUPPLIES &	6,000	0.00	0.00	2,513.98	3,486.02	42%	

## Budget vs Actual

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10 GENERAL FUND							
Description	Budget	Encumbrance	MTD	YTD	Variance	Percent	
<b>EQUIP</b>							
10-545-34 MOSQUITO CONTROL EXPENSE	5,000	0.00	0.00	0.00	5,000.00		
10-545-36 UNIFORMS	1,500	0.00	0.00	615.95	884.05	41%	
10-545-53 DUES & SUBSCRIPTIONS	0	0.00	0.00	32.08	(32.08)		
10-545-57 MISCELLANEOUS	100	0.00	0.00	0.00	100.00		
10-545-74 CAPITAL OUTLAY	245,000	0.00	0.00	289,039.24	(44,039.24)	118%	
10-545-75 DEBT SERVICE	11,053	0.00	0.00	850.00	10,203.00	8%	
PUBLIC WORKS Totals:	641,434	0.00	0.00	485,809.24	155,624.56	76%	
10-560-13 STREET LIGHT EXPENSE	30,000	0.00	0.00	16,984.87	13,015.13	57%	
10-560-15 M & R PUBLIC PARKING	25,000	0.00	0.00	9,274.32	15,725.68	37%	
10-560-33 DEPARTMENTAL SUPPLIES	4,000	0.00	0.00	1,064.82	2,935.18	27%	
10-560-43 TOWN ENTRANCE SIGNS	2,000	0.00	0.00	0.00	2,000.00		
10-560-73 STREET PAVING & REPAIR	40,000	0.00	0.00	0.00	40,000.00		
10-560-74 CAPITAL OUTLAY	40,000	0.00	0.00	(36,000.00)	76,000.00	-90%	
STREETS Totals:	141,000	0.00	0.00	(8,675.99)	149,675.99	-6%	
10-580-45 SANITATION CONTRACTS	413,969	0.00	0.00	202,665.90	211,303.46	49%	
10-580-46 TIPPING FEES	70,555	0.00	0.00	54,349.50	16,205.50	77%	
10-580-47 RECYCLING	30,000	0.00	0.00	2,181.29	27,818.71	7%	
SANITATION Totals:	514,524	0.00	0.00	259,196.69	255,327.67	50%	
10-620-12 SNOWFLAKES	12,000	0.00	0.00	3,954.24	8,045.76	33%	
10-620-14 PARK WELL	1,500	0.00	0.00	0.00	1,500.00		
10-620-15 PARK MAINTENANCE	40,000	0.00	0.00	3,510.31	36,489.69	9%	
10-620-17 PARK LANDSCAPING	22,250	0.00	0.00	4,891.47	17,358.53	22%	
10-620-18 M & R BIKE PATH	1,500	0.00	0.00	0.00	1,500.00		
10-620-27 SPECIAL EVENTS	40,000	0.00	0.00	20,119.97	19,880.03	50%	
10-620-33 PARK SUPPLIES	3,500	0.00	0.00	794.53	2,705.47	23%	
10-620-72 OCEAN CITY GRANT EXPENSE	10,000	0.00	0.00	5,403.50	4,596.50	54%	
RECREATION Totals:	130,750	0.00	0.00	38,674.02	92,075.98	30%	
10-690-02 SALARIES	865,500	0.00	0.00	487,565.86	377,934.14	56%	

## Budget vs Actual

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10 GENERAL FUND							
Description	Budget	Encumbrance	MTD	YTD	Variance	Percent	
10-690-03 VOL INCENTIVE PAY	2,500	0.00	0.00	0.00	2,500.00		
10-690-04 OVERTIME	40,000	0.00	0.00	20,844.27	19,155.73	52%	
10-690-05 FICA (7.65%)	69,462	0.00	0.00	38,320.05	31,141.95	55%	
10-690-06 GROUP INSURANCE	143,750	0.00	0.00	68,319.58	75,430.42	48%	
10-690-07 ORBIT RETIREMENT (12.23%)	110,743	0.00	0.00	61,783.13	48,959.52	56%	
10-690-08 401K (3%)	27,165	0.00	0.00	15,093.29	12,071.71	56%	
10-690-10 EMPLOYEE TRAINING	5,000	0.00	0.00	2,756.21	2,243.79	55%	
10-690-16 M & R EQUIPMENT	20,000	0.00	0.00	3,883.50	16,116.50	19%	
10-690-17 M & R VEHICLES	17,500	0.00	0.00	17,293.45	206.55	99%	
10-690-31 GAS, OIL & TIRES	20,000	0.00	0.00	11,367.68	8,632.32	57%	
10-690-32 OFFICE SUPPLIES	1,500	0.00	0.00	691.20	808.80	46%	
10-690-33 DEPARTMENTAL SUPPLIES	45,500	9,885.00	0.00	10,132.68	25,482.32	44%	
10-690-34 FIRE FIGHTER PHYSICALS	6,000	0.00	0.00	0.00	6,000.00		
10-690-36 UNIFORMS	8,000	(2,581.00)	0.00	5,924.20	4,656.80	42%	
10-690-53 DUES & SUBSCRIPTIONS	8,500	0.00	0.00	5,897.75	2,602.25	69%	
10-690-57 MISCELLANEOUS	250	0.00	0.00	152.82	97.18	61%	
10-690-73 COMUNICATIONS EQUIP	6,000	3,440.88	0.00	140.12	2,419.00	60%	
10-690-74 CAPITAL OUTLAY	240,000	0.00	0.00	0.00	240,000.00		
FIRE DEPARTMENT Totals:	1,637,370	10,744.88	0.00	750,165.79	876,458.98	46%	
10-695-91 PLANNING BOARD EXPENSE	1,000	0.00	0.00	0.00	1,000.00		
10-695-92 BOARD OF ADJUSTMENT EXPENSE	1,000	0.00	0.00	0.00	1,000.00		
COMMITTEES Totals:	2,000	0.00	0.00	0.00	2,000.00		
10-720-10 BEACH LOBBIST CONTRACT	0	0.00	0.00	33,841.18	(33,841.18)		
10-720-14 BEACH RELATED MEETINGS & CONFERENCES	0	0.00	0.00	3,300.00	(3,300.00)		
10-720-45 CONTRACTED SERVICES	0	0.00	0.00	160.00	(160.00)		
BEACH REN. / DUNE STAB. Totals:	0	0.00	0.00	37,301.18	(37,301.18)		
10-999-01 CONTINGENCY	326,345	0.00	0.00	1,806.24	324,538.56	1%	

## Budget vs Actual

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CONTINGENCY Totals:	326,345	0.00	0.00		1,806.24	324,538.56	1%
Expenses Totals:	7,069,484	63,478.82	0.00		3,287,066.76	3,718,938.78	47%
10 GENERAL FUND Revenues Over/(Under) Expenses:			0.00		3,993,194.56		

## Budget vs Actual

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12 CAPITAL IMPROVEMENT FUND							
Description	Budget	Encumbrance	MTD	YTD	Variance	Percent	
<b>Revenues</b>							
12-301-00 AD VALOREM TAX (.07)	990,423	0.00	0.00	1,277,190.21	286,767.21	129%	
12-383-00 SALE OF FIXED ASSETS	125,000	0.00	0.00	116,970.00	(8,030.00)	94%	
<b>Revenues Totals:</b>	1,115,423	0.00	0.00	1,394,160.21	278,737.21	125%	
<b>Expenses</b>							
12-750-01 FIRE DEPARTMENT	424,467	0.00	0.00	136,318.14	288,148.86	32%	
12-750-02 FIRE TRUCK	141,489	0.00	0.00	0.00	141,489.00		
12-750-11 FUTURE CAPITAL IMPROVEMENTS	549,467	0.00	0.00	0.00	549,467.00		
<b>Totals:</b>	1,115,423	0.00	0.00	136,318.14	979,104.86	12%	
<b>Expenses Totals:</b>	1,115,423	0.00	0.00	136,318.14	979,104.86	12%	
12 CAPITAL IMPROVEMENT FUND	Revenues Over/(Under) Expenses:		0.00	1,257,842.07			

## Budget vs Actual

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15 AMERICAN RESCUE PLAN FUNDING							
Description	Budget	Encumbrance	MTD	YTD	Variance	Percent	
<b>Revenues</b>							
15-305-00 AMERICAN RESCUE PLAN FUNDING	118,396	0.00	0.00	118,396.10	0.10	100%	
<b>Revenues Totals:</b>	118,396	0.00	0.00	118,396.10	0.10	100%	
<b>Expenses</b>							
15-790-00 AMERICAN RESCUE PLAN	118,396	0.00	0.00	0.00	118,396.00		
<b>Totals:</b>	118,396	0.00	0.00	0.00	118,396.00		
<b>Expenses Totals:</b>	118,396	0.00	0.00	0.00	118,396.00		
15 AMERICAN RESCUE PLAN FUNDING	Revenues Over/(Under) Expenses:		0.00	118,396.10			



## Budget vs Actual

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Period Ending 6/30/2023

Description	Budget	Encumbrance	MTD	YTD	Variance	Percent
<b>30 SHORELINE PROTECTION</b>						
<b>Revenues</b>						
30-301-00 ACCOMMODATION TAX	1,500,000	0.00	0.00	1,863,944.92	363,944.92	124%
30-301-05 AD VALOREM TAX - Beach	1,414,890	0.00	0.00	1,924,716.62	509,826.62	136%
30-317-01 COUNTY GRANT FUNDING	150,000	0.00	0.00	0.00	(150,000.00)	
30-329-00 INTEREST INCOME	1,000	0.00	0.00	40,851.17	39,851.17	4085%
30-336-00 SEA OATS PROGRAM	25,000	0.00	0.00	0.00	(25,000.00)	
30-345-00 LOCAL OPTION SALES TAX	653,873	0.00	0.00	500,419.39	(153,453.61)	77%
30-350-01 PAID PARKING REVENUE	547,500	0.00	0.00	247,081.91	(300,418.09)	45%
30-383-02 SPECIAL ASSESSMENT	7,000	0.00	0.00	0.00	(7,000.00)	
<b>Revenues Totals:</b>	<b>4,299,263</b>	<b>0.00</b>	<b>0.00</b>	<b>4,577,014.01</b>	<b>277,751.01</b>	<b>106%</b>
<b>Expenses</b>						
30-710-08 LEASE PAYMENTS	48,000	0.00	0.00	0.00	48,000.00	
30-710-10 BEACH LOBBYIST CONTRACT	60,000	0.00	0.00	0.00	60,000.00	
30-710-12 BEACH/ACCESS MAINTENANCE	50,000	0.00	0.00	13,682.92	36,317.08	27%
30-710-14 BEACH MEETINGS / CONFERENCES	20,000	0.00	0.00	891.00	19,109.00	4%
30-710-15 M & R DUNE/CROSSWALK	8,000	0.00	0.00	0.00	8,000.00	
30-710-45 CONTRACTED SERVICES	10,000	0.00	0.00	0.00	10,000.00	
30-710-59 SEA OATS PROGRAM	50,000	0.00	0.00	44,250.00	5,750.00	89%
<b>Totals:</b>	<b>246,000</b>	<b>0.00</b>	<b>0.00</b>	<b>58,823.92</b>	<b>187,176.08</b>	<b>24%</b>
30-720-07 Harden Structure Permit/Design	280,000	0.00	0.00	73,937.40	206,062.60	26%
30-720-08 CONTRACTS, PLANS, SPECS	134,000	0.00	0.00	97,135.03	36,864.97	72%
30-720-18 OTHER CONTRACTS & PLANS	60,000	0.00	0.00	41,800.00	18,200.00	70%
30-720-50 2022B SOB PAYMENT	2,030,484	0.00	0.00	2,022,357.92	8,126.08	100%
30-720-57 2022C FEMA SOB FEES	0	0.00	0.00	22,500.00	(22,500.00)	
30-720-58 2022A FEMA SOB FEES	0	0.00	0.00	133,200.00	(133,200.00)	
30-720-59 2022B USDA SOB FEES	0	0.00	0.00	35,059.09	(35,059.09)	
30-720-60 30 YEAR BEACH PLAN	30,000	0.00	0.00	0.00	30,000.00	
30-720-64 Sandbag Repair Project	200,000	0.00	0.00	0.00	200,000.00	

## Budget vs Actual

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30 SHORELINE PROTECTION							
Description	Budget	Encumbrance	MTD	YTD	Variance	Percent	
30-720-68 Future Projects Fund	1,318,779	0.00	0.00	0.00	1,318,779.00		
BEACH REN. / DUNE STAB. Totals:	4,053,263	0.00	0.00	2,425,989.44	1,627,273.56	60%	
Expenses Totals:	4,299,263	0.00	0.00	2,484,813.36	1,814,449.64	58%	
30 SHORELINE PROTECTION Revenues Over/(Under) Expenses:			0.00	2,092,200.65			

## Budget vs Actual

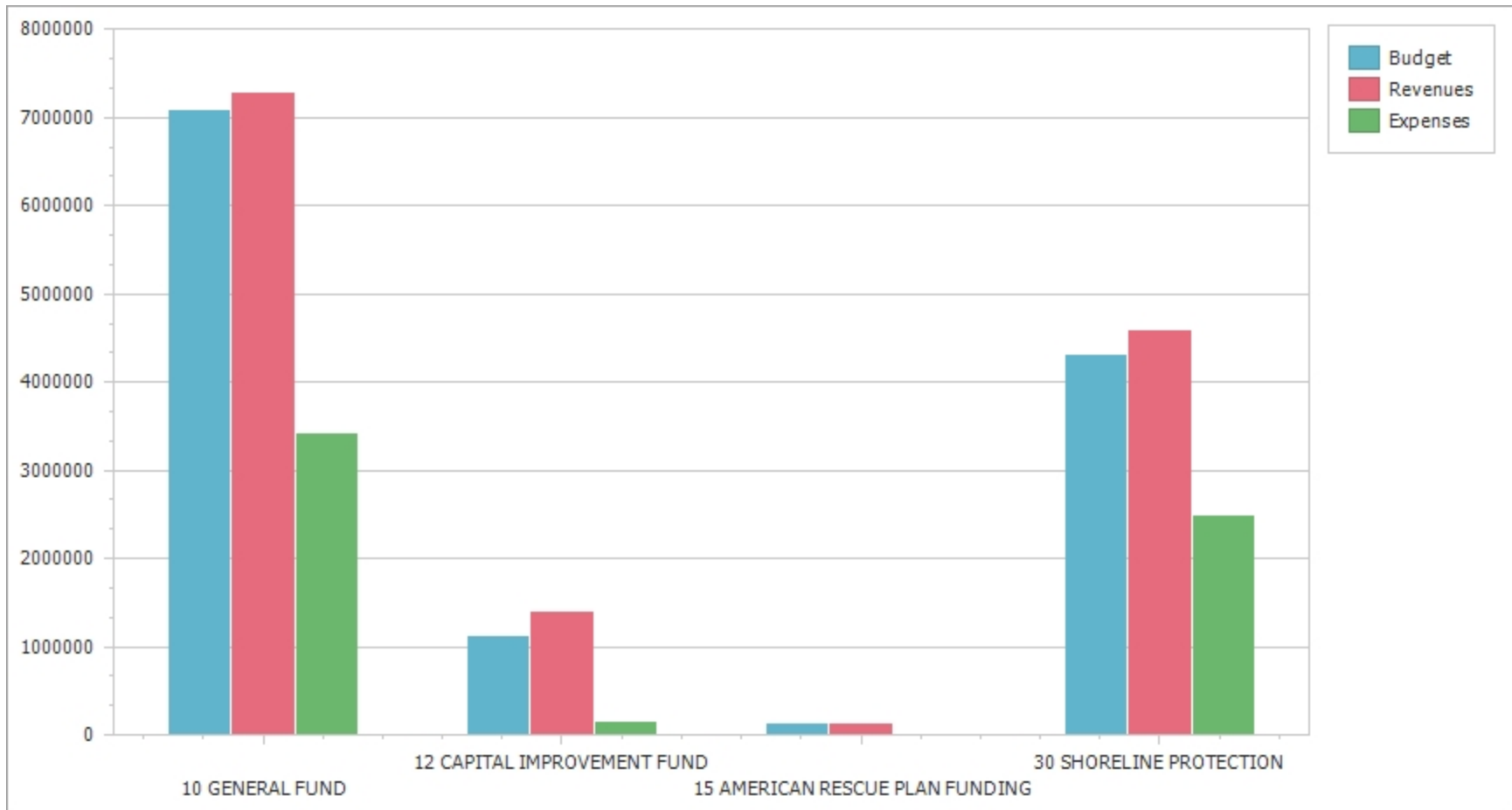
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### 31 CAPITAL PROJECT BEACH MAINTENANCE

Description	Budget	Encumbrance	MTD	YTD	Variance	Percent
<b>Revenues</b>						
31-330-00 LOAN PROCEEDS	0	0.00	0.00	4,110,678.96	4,110,678.96	
31-348-08 FEMA REIMBURSEMENT	9,000,000	0.00	0.00	3,838,292.60	(5,161,707.40)	43%
<b>Revenues Totals:</b>	9,000,000	0.00	0.00	7,948,971.56	(1,051,028.44)	88%
<b>Expenses</b>						
31-450-01 ENGINEERING & CONSTRUCTION PHASE SUPPORT	9,000	0.00	0.00	3,996.00	5,004.00	44%
31-450-02 CONSTRUCTION MANAGEMENT & ADMINISTRATION	210,000	0.00	0.00	198,520.50	11,479.50	95%
31-450-03 LABORATORY ANALYSIS	44,400	0.00	0.00	0.00	44,400.00	
31-450-04 REGULATORY COORDINATION & CLOSEOUT	10,000	0.00	0.00	3,102.50	6,897.50	31%
31-450-05 MOBILIZATION & DEMOBILIZATION	180,000	0.00	0.00	180,000.00	0.00	100%
31-450-06 HAUL & PLACEMENT OF BEACH FILL	8,378,110	0.00	0.00	4,316,458.01	4,061,651.99	52%
31-450-07 PAYMENT & PERFORMANCE BONDS	45,000	0.00	0.00	45,000.00	0.00	100%
31-450-08 PROFESSIONAL FEES	123,490	0.00	0.00	498,700.00	(375,210.00)	404%
31-450-11 TRANCHE 2 CONTINGENCY	0	0.00	0.00	595.00	(595.00)	
<b>Totals:</b>	9,000,000	0.00	0.00	5,246,372.01	3,753,627.99	58%
<b>Expenses Totals:</b>	9,000,000	0.00	0.00	5,246,372.01	3,753,627.99	58%
<b>31 CAPITAL PROJECT BEACH MAINTENANCE</b>	<b>Revenues Over/(Under) Expenses:</b>		<b>0.00</b>	<b>2,702,599.55</b>		



Southern Software FMS Budget vs Actual Graph

# GL Account History Summary

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Account Range: 30-301-00 ACCOMMODATION TAX - 30-301-00 ACCOMMODATION TAX

Date Range: 1/1/2023 - 1/25/2023

<b>GL Account - 30-301-00 ACCOMMODATION TAX</b>					
Date	Description	Source	Debits	Credits	Date
Fiscal Period - FY 22-23		Beg Balance	\$0.00	\$3,762,862.12	
01/04/2023	OCC TAX	GL GJ	\$0.00	\$114.00	01/05/2023
01/06/2023	OCC TAX	GL GJ	\$0.00	\$478.32	01/09/2023
01/06/2023	OCC TAX	GL GJ	\$0.00	\$84.75	01/12/2023
01/13/2023	OCC TAX	GL GJ	\$0.00	\$2,610.04	01/13/2023
01/18/2023	OCC TAX	GL GJ	\$0.00	\$6,059.22	01/19/2023
01/19/2023	OCC TAX	GL GJ	\$0.00	\$25,522.05	01/20/2023
01/23/2023	OCC TAX	GL GJ	\$0.00	\$7,443.70	01/23/2023
Transaction Totals			\$0.00	\$42,312.08	
**		End Balance	\$0.00	\$42,312.08	**

## Check Listing

Date From: 1/1/2023 Date To: 1/25/2023

Vendor Range: A PLUS WAREHOUSE EQUIPMENT & SUPPLY - ZOCKLEIN & ASSOCIATES

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Check Number	Bank	Vendor	Date	Amount
46706	1	BLACKS TIRE SERVICE	01/05/2023	<u>\$5,536.88</u>
46707	1	CHARTER COMMUNICATIONS	01/05/2023	<u>\$824.13</u>
46708	1	COLONIAL LIFE	01/05/2023	<u>\$1,175.82</u>
46709	1	COMPUTER WARRIORS, INC.	01/05/2023	<u>\$739.69</u>
46710	1	CROSSLEY MCINTOSH COLLIER	01/05/2023	<u>\$2,041.40</u>
46711	1	DODSON PEST CONTROL	01/05/2023	<u>\$119.00</u>
46712	1	GREATAMERICA FINANCIAL SERVS	01/05/2023	<u>\$795.62</u>
46713	1	JONES ONSLOW ELECTRIC COMPANY	01/05/2023	<u>\$1,209.43</u>
46714	1	LOWE'S HOME CENTERS	01/05/2023	<u>\$914.23</u>
46715	1	MULTICOPTER WHAREHOUSE	01/05/2023	<u>\$6,497.98</u>
46716	1	NANCY ANN AVERY	01/05/2023	<u>\$2,652.50</u>
46717	1	NC INTERLOCAL RISK MGMT AGENCY	01/05/2023	<u>\$829.28</u>
46718	1	O'REILLY AUTOMOTIVE INC.	01/05/2023	<u>\$948.89</u>
46719	1	PEACHY CLEAN	01/05/2023	<u>\$250.00</u>
46720	1	PLEASURE ISLAND ANIMAL HOSPITAL	01/05/2023	<u>\$278.20</u>
46721	1	SNEADS FERRY OIL & LP GAS	01/05/2023	<u>\$932.63</u>
46722	1	VERIZON WIRELESS	01/05/2023	<u>\$844.40</u>
46723	1	VILLAGE HARDWARE	01/05/2023	<u>\$1,555.44</u>
46724	1	ALL PRO FIRE & SAFETY, LLC	01/12/2023	<u>\$2,105.70</u>
46725	1	BLACKS TIRE SERVICE	01/12/2023	<u>\$5,194.05</u>
46726	1	GFL ENVIRONMENTAL	01/12/2023	<u>\$33,966.51</u>
46727	1	ILDERTON CHRYSLER DODGE	01/12/2023	<u>\$71,996.00</u>
46728	1	JONES ONSLOW ELECTRIC COMPANY	01/12/2023	<u>\$5,171.37</u>
46729	1	KNOX COMPANY	01/12/2023	<u>\$5,865.09</u>
46730	1	LEXI LETT	01/12/2023	<u>\$68.00</u>
46731	1	MARKER 8 LLC	01/12/2023	<u>\$367.75</u>
46732	1	NAPA FOUR CORNERS	01/12/2023	<u>\$186.17</u>
46733	1	NC LICENSING BOARD - GEN. CONTR	01/12/2023	<u>\$126.00</u>
46734	1	ONSLow WATER & SEWER AUTHORITY	01/12/2023	<u>\$477.07</u>
46735	1	PLURIS, LLC	01/12/2023	<u>\$497.56</u>
46736	1	PNC BANK	01/12/2023	<u>\$88,994.89</u>
46737	1	SHEPARD'S WRECKER SERVICE	01/12/2023	<u>\$81,556.00</u>

## Check Listing

Date From: 1/1/2023 Date To: 1/25/2023

Vendor Range: A PLUS WAREHOUSE EQUIPMENT & SUPPLY - ZOCKLEIN & ASSOCIATES

NORTH TOPSAIL BEACH

01/25/2023 01:16 PM

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Check Number	Bank	Vendor	Date	Amount
46738	1	SOUTHERN SOFTWARE INC.	01/12/2023	<u>\$4,104.00</u>
46739	1	TI COASTAL SERVICES, INC.	01/12/2023	<u>\$6,000.00</u>
46740	1	TOWN OF SURF CITY	01/12/2023	<u>\$3,538.63</u>
46741	1	TRUIST BANK	01/12/2023	<u>\$4,206.96</u>
46742	1	BLACKS TIRE SERVICE	01/19/2023	<u>\$914.99</u>
46743	1	CAPE FEAR GENERATORS	01/19/2023	<u>\$695.50</u>
46744	1	COLONIAL LIFE	01/19/2023	<u>\$1,175.82</u>
46745	1	DYLAN O'DWYER	01/19/2023	<u>\$300.00</u>
46746	1	FIRST CITIZENS BANK CC	01/19/2023	<u>\$2,774.15</u>
46747	1	N.C. DEPARTMENT OF LABOR	01/19/2023	<u>\$200.00</u>
46748	1	ONSLOW FIRE PROTECTION	01/19/2023	<u>\$882.92</u>
46749	1	ONSLOW WATER & SEWER AUTHORITY	01/19/2023	<u>\$278.70</u>
46750	1	PEACHY CLEAN	01/19/2023	<u>\$250.00</u>
46751	1	RALPH ALLEN	01/19/2023	<u>\$146.68</u>
46752	1	RICK'S REPAIR SERVICE	01/19/2023	<u>\$13.60</u>
46753	1	STAPLES	01/19/2023	<u>\$54.55</u>
46754	1	T-N-T ENTERPRISES	01/19/2023	<u>\$1,673.80</u>
46755	1	TI COASTAL SERVICES, INC.	01/19/2023	<u>\$31,900.00</u>
46756	1	VIKING LAWN CARE	01/19/2023	<u>\$1,180.00</u>
51	Checks Totaling -			<b>\$303,533.54</b>

### Totals By Fund

	Checks	Voids	Total
10	\$174,981.65		\$174,981.65
30	\$96,651.89		\$96,651.89
31	\$31,900.00		\$31,900.00
Totals:	\$303,533.54		\$303,533.54

# Town of North Topsail Beach Fire Department

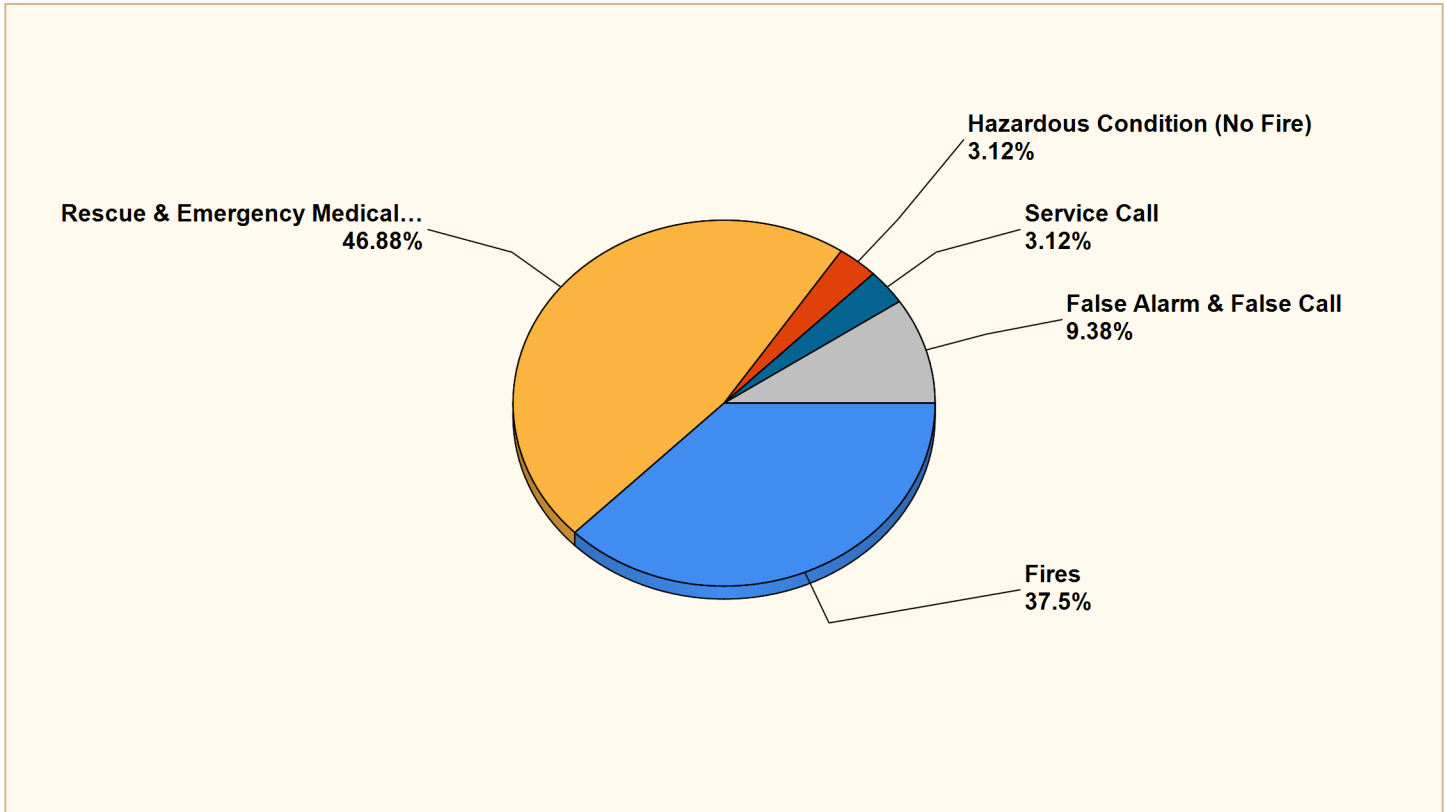
North Topsail Beach, NC

This report was generated on 1/18/2023 2:37:15 PM



## Breakdown by Major Incident Types for Date Range

Zone(s): All Zones | Start Date: 12/07/2022 | End Date: 01/18/2023



MAJOR INCIDENT TYPE	# INCIDENTS	% of TOTAL
Fires	12	37.5%
Rescue & Emergency Medical Service	15	46.88%
Hazardous Condition (No Fire)	1	3.12%
Service Call	1	3.12%
False Alarm & False Call	3	9.38%
<b>TOTAL</b>	<b>32</b>	<b>100%</b>

Only REVIEWED and/or LOCKED IMPORTED incidents are included. Summary results for a major incident type are not displayed if the count is zero.

Section VII, Item A.



emergencyreporting  
Doc Id: 553  
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### Detailed Breakdown by Incident Type

INCIDENT TYPE	# INCIDENTS	% of TOTAL
100 - Fire, other	1	3.12%
111 - Building fire	9	28.12%
130 - Mobile property (vehicle) fire, other	1	3.12%
143 - Grass fire	1	3.12%
311 - Medical assist, assist EMS crew	11	34.38%
321 - EMS call, excluding vehicle accident with injury	1	3.12%
352 - Extrication of victim(s) from vehicle	1	3.12%
353 - Removal of victim(s) from stalled elevator	2	6.25%
463 - Vehicle accident, general cleanup	1	3.12%
550 - Public service assistance, other	1	3.12%
733 - Smoke detector activation due to malfunction	3	9.38%
<b>TOTAL INCIDENTS:</b>	<b>32</b>	<b>100%</b>

Only REVIEWED and/or LOCKED IMPORTED incidents are included. Summary results for a major incident type are not displayed if the count is zero.

Section VII, Item A.



## 📈 Permits Issued List

From Date: 12/16/2022

To Date: 01/23/2023

Permit Type	Sub Type	Permit#	Address	Issue Date	Permit Fee
Addition Permit	Single Family	AP22-000010	3592 ISLAND DR	01/12/2023	380.00
<b>Addition Permit Total</b>	<b>Single Family Total</b>			1	380.00
<b>Addition Permit Total</b>				1	380.00
Boat Lift Permit	Residential	BTL22-000005	41 SAILVIEW DR	01/03/2023	0.00
<b>Boat Lift Permit Total</b>	<b>Residential Total</b>			1	0.00
<b>Boat Lift Permit Total</b>				1	0.00
Contractor Change Request	Contractor Change Request	CCR22-000044	124 S PERMUDA WYND	12/29/2022	0.00
Contractor Change Request	Contractor Change Request	CCR23-000001	7604 8TH AVE	01/04/2023	0.00
Contractor Change Request	Contractor Change Request	CCR22-000060	4210 ISLAND DR	12/29/2022	0.00
<b>Contractor Change Request Total</b>	<b>Contractor Change Request Total</b>			3	0.00
<b>Contractor Change Request Total</b>				3	0.00
Demolition Permit	Residential	D22-000003	2691 ISLAND DR	01/12/2023	75.00
<b>Demolition Permit Total</b>	<b>Residential Total</b>			1	75.00
<b>Demolition Permit Total</b>				1	75.00
Dock/Bulkhead/Retaining Wall Permit	Dock	DBR22-000010	41 SAILVIEW DR	01/03/2023	275.00
<b>Dock/Bulkhead/Retaining Wall Permit Total</b>	<b>Dock Total</b>			1	275.00
<b>Dock/Bulkhead/Retaining Wall Permit Total</b>				1	275.00
Driveway Permit	Driveway Permit	DVW23-000003	2331 new river	01/20/2023	50.00
Driveway Permit	Driveway Permit	DVW22-000038	1511 NEW RIVER INLET RD	12/19/2022	0.00
Driveway Permit	Driveway Permit	DVW22-000079	221 PORTO VISTA DR	01/20/2023	0.00
Driveway Permit	Driveway Permit	DVW22-000081	323 GOLDSBORO LN	12/19/2022	50.00

Driveway Permit	Driveway Permit	DVW22-000083	1243 NEW RIVER INLET RD	12/22/2022	0.00
<b>Driveway Permit Total</b>	<b>Driveway Permit Total</b>			5	100.00
<b>Driveway Permit Total</b>				5	100.00
Electrical Permit	Commercial	E22-000366	1928 NEW RIVER INLET RD	12/29/2022	75.00
<b>Electrical Permit Total</b>	<b>Commercial Total</b>			1	75.00
Electrical Permit	Residential	E22-000334	41 SAILVIEW DR	01/03/2023	0.00
Electrical Permit	Residential	E22-000358	2671 ISLAND DR	12/21/2022	75.00
Electrical Permit	Residential	E22-000350	202 PORTO VISTA DR	01/09/2023	75.00
Electrical Permit	Residential	E22-000341	3592 ISLAND DR	01/12/2023	0.00
Electrical Permit	Residential	E23-000002	206 PORTO VISTA DR	01/17/2023	0.00
Electrical Permit	Residential	E22-000365	64 BERMUDA LANDING PL	12/29/2022	75.00
Electrical Permit	Residential	E22-000356	2385 NEW RIVER INLET RD	12/19/2022	75.00
Electrical Permit	Residential	E22-000364	504 OCEAN DR	12/28/2022	75.00
Electrical Permit	Residential	E23-000005	7401 9TH AVE	01/12/2023	75.00
Electrical Permit	Residential	E22-000196	1081 NEW RIVER INLET RD	01/18/2023	0.00
Electrical Permit	Residential	E22-000197	1073 NEW RIVER INLET RD	01/18/2023	0.00
Electrical Permit	Residential	E23-000010	2664 ISLAND DR	01/23/2023	75.00
Electrical Permit	Residential	E22-000354	1243 NEW RIVER INLET RD	12/22/2022	0.00
Electrical Permit	Residential	E22-000352	105 BARTON BAY CT	01/09/2023	0.00
Electrical Permit	Residential	E22-000194	1077 NEW RIVER INLET RD	01/18/2023	0.00
Electrical Permit	Residential	E23-000007	3880 ISLAND DR	01/20/2023	147.00
Electrical Permit	Residential	E22-000328	221 PORTO VISTA DR	01/20/2023	0.00
Electrical Permit	Residential	E22-000195	1079 NEW RIVER INLET RD	01/18/2023	0.00
Electrical Permit	Residential	E22-000360	300 SEA SHORE DR	12/21/2022	75.00
Electrical Permit	Residential	E22-000368	1243 NEW RIVER INLET RD	01/19/2023	0.00
<b>Electrical Permit Total</b>	<b>Residential Total</b>			20	747.00
<b>Electrical Permit Total</b>				21	822.00
Elevator Permit	Residential	EL23-000001	4214 ISLAND DR	01/23/2023	0.00
Elevator Permit	Residential	EL22-000013	220 OCEANO VISTA DR	01/03/2023	0.00
<b>Section VII, Item A. Total</b>	<b>Residential Total</b>			2	

<b>Elevator Permit Total</b>				2	0.00
Fence Permit	Residential	FNC22-000020	3505 ISLAND DR	12/16/2022	50.00
Fence Permit	Residential	FNC23-000001	2331 NEW RIVER INLET RD	01/13/2023	50.00
<b>Fence Permit Total</b>	<b>Residential Total</b>			2	100.00
<b>Fence Permit Total</b>				2	100.00
Fuel Gas Permit	Residential	FG22-000045	221 PORTO VISTA DR	01/20/2023	0.00
Fuel Gas Permit	Residential	FG22-000044	610 HAMPTON COLONY CIR	12/22/2022	75.00
<b>Fuel Gas Permit Total</b>	<b>Residential Total</b>			2	75.00
<b>Fuel Gas Permit Total</b>				2	75.00
Insulation Permit	Residential	I22-000071	221 PORTO VISTA DR	01/20/2023	0.00
Insulation Permit	Residential	I22-000075	1243 NEW RIVER INLET RD	12/22/2022	0.00
<b>Insulation Permit Total</b>	<b>Residential Total</b>			2	0.00
<b>Insulation Permit Total</b>				2	0.00
Mechanical Permit	Residential	M22-000258	1243 NEW RIVER INLET RD	12/22/2022	0.00
Mechanical Permit	Residential	M22-000266	2264 NEW RIVER INLET RD 201	01/03/2023	75.00
Mechanical Permit	Residential	M22-000260	1866 NEW RIVER INLET RD 3104	01/17/2023	75.00
Mechanical Permit	Residential	M23-000007	3920 RIVER RD	01/17/2023	75.00
Mechanical Permit	Residential	M23-000006	236 SEA SHORE DR	01/12/2023	75.00
Mechanical Permit	Residential	M22-000239	221 PORTO VISTA DR	01/20/2023	0.00
Mechanical Permit	Residential	M23-000001	180 TOPSAIL RD	01/03/2023	75.00
Mechanical Permit	Residential	M23-000005	790 NEW RIVER INLET RD 316B	01/12/2023	75.00
Mechanical Permit	Residential	M22-000263	504 OCEAN DR	12/28/2022	75.00
Mechanical Permit	Residential	M23-000008	134 OCEANVIEW LN	01/18/2023	75.00

Mechanical Permit	Residential	M22-000261	134 OCEANVIEW LN	12/22/2022	75.00
Mechanical Permit	Residential	M22-000262	204 GYSGT D W BOATMAN DR	12/28/2022	75.00
Mechanical Permit	Residential	M22-000163	1967 NEW RIVER INLET RD	01/12/2023	75.00
<b>Mechanical Permit Total</b>	<b>Residential Total</b>			13	825.00
<b>Mechanical Permit Total</b>				13	825.00
New Construction Permit	Single Family	C22-000061	1243 NEW RIVER INLET RD	12/22/2022	2,051.69
New Construction Permit	Single Family	C22-000059	221 PORTO VISTA DR	01/20/2023	1,796.80
<b>New Construction Permit Total</b>	<b>Single Family Total</b>			2	3,848.49
<b>New Construction Permit Total</b>				2	3,848.49
Plumbing Permit	Residential	P21-000049	4210 ISLAND DR	12/29/2022	0.00
Plumbing Permit	Residential	P22-000095	64 BERMUDA LANDING PL	01/18/2023	75.00
Plumbing Permit	Residential	P21-000008	124 S PERMUDA WYND	12/29/2022	0.00
Plumbing Permit	Residential	P22-000037	7604 8TH AVE	01/04/2023	0.00
Plumbing Permit	Residential	P22-000091	1243 NEW RIVER INLET RD	12/22/2022	0.00
Plumbing Permit	Residential	P23-000007	2664 ISLAND DR	01/23/2023	75.00
Plumbing Permit	Residential	P22-000078	221 PORTO VISTA DR	01/20/2023	0.00
<b>Plumbing Permit Total</b>	<b>Residential Total</b>			7	150.00
<b>Plumbing Permit Total</b>				7	150.00
Simple Build Permit	Single Family	SB23-000002	206 PORTO VISTA DR	01/17/2023	150.00
Simple Build Permit	Single Family	SB23-000001	2928 ISLAND DR	01/20/2023	200.00
<b>Simple Build Permit Total</b>	<b>Single Family Total</b>			2	350.00
<b>Simple Build Permit Total</b>				2	350.00
Swimming Pool Permit	Residential	SP22-000040	3592 ISLAND DR	01/12/2023	0.00
Swimming Pool Permit	Residential	SP22-000042	105 BARTON BAY CT	01/09/2023	305.00
Swimming Pool Permit	Residential	SP22-000044	1243 NEW RIVER INLET RD	01/19/2023	305.00
<b>Swimming Pool Permit Total</b>	<b>Residential Total</b>			3	610.00
<b>Swimming Pool Permit Total</b>				3	610.00
Zoning and Floodplain Development	Residential	ZFP22-000234	1243 NEW RIVER INLET RD	01/19/2023	0.00

Zoning and Floodplain Development Permit	Residential	ZFP22-000203	221 PORTO VISTA DR	01/20/2023	0.00
Zoning and Floodplain Development Permit	Residential	ZFP22-000223	105 BARTON BAY CT	01/09/2023	0.00
Zoning and Floodplain Development Permit	Residential	ZFP22-000216	1243 NEW RIVER INLET RD	12/22/2022	0.00
Zoning and Floodplain Development Permit	Residential	ZFP22-000207	3592 ISLAND DR	01/12/2023	0.00
Zoning and Floodplain Development Permit	Residential	ZFP22-000208	41 SAILVIEW DR	01/03/2023	0.00
Zoning and Floodplain Development Permit	Residential	ZFP23-000004	2928 ISLAND DR	01/20/2023	0.00
<b>Zoning and Floodplain Development Permit Total</b>	<b>Residential Total</b>			7	0.00
<b>Zoning and Floodplain Development Permit Total</b>				7	0.00
<b>All Permits Total</b>				75	7,610.49

# Town of North Topsail Beach

Service



Integrity

## Police Department

Chief William K. Younginer

### Department Report for December 1, 2022 - December 31, 2022

Arrests	
Hit & Run	1
Narcotics	1
Public Urination	1
Traffic	6

Citations	
State Citations	11
Town Citations	0
Warning Citations	2

Summary	
Total Calls for Service	66
Total Citations Issued	13
Total Reports	42
Total Security Checks	1017

Calls For Service	
Accidents	1
Alarm Calls	7
B&E	2
Cit / Mot / Ped Assists	8
Disturbances	3
Domestics	1
911 Hang Up	3
Larceny	3
Misc. Calls	10
Suspicious Activity	4
Trespassing	1

Assist Other Agencies	
E. M. S.	7
N.T.B. F.D.	9
O. C. S. D.	7

# Town of North Topsail Beach

Joann M. McDermon, Mayor  
Mike Benson, Mayor Pro Tem

Aldermen:  
Richard Grant  
Connie Pletl  
Alfred Fontana  
Tom Leonard



Alice Derian, ICMA-CM  
Town Manager

Nancy Avery  
Interim Town Clerk

## Nature's Tranquil Beauty

### Board of Aldermen Regular Meeting minutes Wednesday, January 4, 2023, at 11:00 AM North Topsail Beach Town Hall

The Town of North Topsail Beach Board of Aldermen held its regular meeting on Wednesday, January 4, 2023. There was a quorum of the Board present and the Town Attorney was in attendance.

Board members present: Mayor Joann McDermon, Mayor Pro Tem Mike Benson  
Aldermen: Connie Pletl, Fred Fontana, Tom Leonard, Richard Grant

Board members absent: None

Staff present: Finance Officer Caitlin Elliott, Fire Chief Chad Soward, Police Chief William Younginer, Planning Director Deborah J. Hill, IT Director Ricky Schwisow, Interim Town Clerk Nancy Avery, Town Manager Alice Derian and Town Attorney Brian Edes

Mayor McDermon called the meeting to order at 11 am. Mayor Pro Tem Benson gave the invocation and Mayor McDermon led in the Pledge of Allegiance.

#### Approval of agenda

Alderman Leonard requested addition of a new item (b) under New Business 'Legislative and CIP goals'.

Alderman Grant requested the finance report be taken off the Consent Agenda as there is an item on the agenda under New Business.

Mayor Pro Tem Benson requested removal of item 9a under Continuing Business as the BISAC committee has not met since the last meeting.

Mayor McDermon stated Topsail Island Shoreline and Protection goals need to be discussed but that can be done under the Legislative Goals items.



Motion - Alderman Grant motioned to adopt the agenda as amended with the addition of a new item under New Business, and removal of items under Consent Agenda and Continuing Business; seconded by Alderman Leonard; motion was approved unanimously.

#### Manager report

Town Manager Derian provided the following report:

##### *Phase 5*

ST Wooten continues with the Phase 5 project. They paused operations for the holidays on Dec 22<sup>nd</sup> and resumed today January 4<sup>th</sup>. Approximately 55,869 CY's have been placed as of end of day on December 21<sup>st</sup>. The contractor's holiday schedule and progress were posted and updated on the projects page.

##### *Channel to Jacksonville*

This is a USACE project. Their contractor mobilized as scheduled and currently on schedule to start on or before January 6<sup>th</sup>. They expect to work through January 20<sup>th</sup>. The contractor finished laying the pipeline and are prepping to start dredging as of yesterday.

##### Discussion:

- She received an email from St. Regis with questions about placement of the pipeline. It was placed as far south as possible with the goal to get the sand down towards St. Regis to have it flow back, is that correct? (McDermon)

Manager Derian replied that is correct they are pumping towards St. Regis.

- They normally start at the north limit and start pumping and add pipe as they go. Is that what they are doing now? Are they pumping north to south or south to north? (Leonard)

Manager Derian said there has been no change from how they have done it in the past. This is the Army Corps project. We met on site to discuss where the pipe would go. Because of the back and forth discussions the Army Corps decided they were going to place the pipe off in the water to avoid private property and disruptions. They are pumping now towards St. Regis. As there is another project coming, the idea was to have the Army Corps do its project first so we could see how much sand and where it was placed and then we can come in with the FEMA project afterwards and fill in to get the most benefit.

- How far south is the pipe? Will it end at the Reef area or beyond? (Fontana)
- The pipe will start at Building One at the Reef and depending on their template they will add sections to the pipe to move it south. (Benson)
- The pipe is at 2342 New River Inlet Road. This is not a nourishment project. The Army Corps is getting rid of sand that was spoils from a dredging project. (Pletl)

Manager Derian said before the email was received by the mayor, she had reached out to the Army Corps for an update. She does not want to report anything that is not correct as it is their project. She feels it is important to relay everything as it comes directly from them.

- The person on site from Army Corps is telling people these are decisions made by the Board and it has changed and that concerns her.(McDermon)

Manager Derian said she has shared that concern about comments made in the field to the Army Corps representative.

- It is their project and we talked about where they are starting which is a lot further south than they normally start to get down to the St. Regis. To your point Mayor, with the money we have from FEMA we are basically supposed to not duplicate by putting sand down and then have it covered up but make the projects work together.(Grant)

#### *Phase 4 / Coastal Storm Damage Mitigation Fund Grant*

Manager Derian said we received the fully executed contract from the state. She will be scheduling another meeting this month with Mr. Carter and the engineers to finalize a timeline and schedule for financing and construction.

#### *Environmental Impact Study*

The latest meeting with Mickey Suggs, of the Army Corps and our engineers along with Mayor and Mayor Pro-Tem was held on December 15<sup>th</sup> to discuss the EIS. Mr. Way was continuing to review the modeling completed by CPE that is to be completed this week. Steve Dial was working to complete Chapter 4. Another meeting is scheduled for January 12<sup>th</sup> to determine if we will meet the target goal of issuing the Notice of Intent by end of January.

#### *Vitex*

Manager Derian said she met with the Town Managers from Surf City and Topsail Beach to discuss vitex eradication. We are in agreement to propose an island wide project, potentially make a joint application to the state for CSDM funding in the next cycle, and have a contractor provide a turnkey project. She along with the other two towns have been in contact with Coastal Transplants on timing. This would be a project proposed for October. In 2022, Steve Mercer did a quick survey and identified 26 sites with Vitex on North Topsail Beach. We are currently discussing a memorandum of understanding to confirm/outline responsibilities for the three towns and for each respective Board to review and consider for approval. Vitex is an invasive low growing shoreline shrub that is known to cause extensive and long-term damage to dunes in NC. This plant is known to spread rapidly and choke out other vegetation with weak shallow rooting that produces dense mats spreading more than 10 yards. She proposes that we should have an Ordinance in place prior to any actions. She has reached out to Oak Island and Emerald Isle to review what they adopted for reference in preparation of a draft for review.

#### Discussion:

- This will not be a one- time project, correct, since it is so invasive.(Grant)

Manager Derian replied it will need to be on-going effort.

- It also impedes sea turtle nesting and hatching. (Pletl)

*Finance:*

Manager Derian said the auditor has reported that the last Fiscal Year (FY) audit has been completed. I am pleased to report that there are no audit findings and our fund balance increased. We increased 9.17% over last year. Several aspects of our financial operations positively influenced the total unrestricted governmental net position; Continued diligence in the collection of property taxes (maintained a tax collection % of 99.31%, increase in grant revenues and property taxes). Having no findings and our increase in fund balance will certainly help our standing with the Local Government Commission (LGC) going forward. The auditor will be here to present the full report and to answer questions. Ms. Elliott, Finance Director will be providing a report of budget vs actuals later in today's meeting under new business.

*Fire Station Replacement:*

Manager Derian reported that meetings have continued between the architect, Fire Chief and herself to finalize the drawings to prepare for bidding. Plans have been submitted to our Planning Director in preparation for the upcoming Planning Board meeting on January 12<sup>th</sup>. We anticipate that we will be ready to bid the project in March.

Discussion:

- Who is presenting the plan at the February meeting? (McDermon)
- Manager Derian said she reached out to Becker Morgan to attend. Planning Director Hill will be at the meeting.
  
- Has it been decided what to do in the interim. (Fontana)

Manager Derian replied that we have looked at several sites to contain a temporary station in the meantime. The Fire Chief has been getting estimates for trailers. She recommends Rodney Knowles as the site if we are not able to purchase property. Some infrastructure will need to be put there and that will set us up for future growth.

*Parking Lot Signage:*

The parking lot signage replacement project has been completed by the vendor.

*Announcements*

Grinding of the Greens – she has coordinated with a contractor to grind natural, ornament free Christmas trees after Christmas. Residents can drop off their undecorated trees to the designated area at Public Works through January 11<sup>th</sup>. Grinding of the Greens will take place on January 12<sup>th</sup> and free mulch will be available after January 12<sup>th</sup> on a first come first served basis.

She attended the 2<sup>nd</sup> annual Shrimp Dip at BA #30 held by the Rotary Satellite Club of Sneads Ferry on New Year's Day and posted pictures of the event. Thank you to the Fire Department staff in attendance and the organizers of the event.

The Sledgehammer Beach Run will take place once again on North Topsail Beach this year on Saturday February 4<sup>th</sup> at 8am at 2950 Island Dr. There is still time to register for half marathon, 5k or 10k. She would like to say congratulations to the Jacksonville Onslow Sports Commission who received a platinum award at the North Carolina Travel Industry Association's Annual Banquet for their Sledgehammer Beach Run held on NTB last year.

Open forum – none

Public presentations

A. Topsail Pump Station

Mr. Howard, Chief Operating Office, Onslow County Water and Sewer Authority (ONWASA) stated:

- We have a great working relationship with the manager and the Police Chief on this project. We did some soil testing last October
- After the storm season, Public Works helped to uncover some meters to assist us with moving forward with the project
- The pump station project has been in the works for a while and is due to water pressure issues

Mr. Mohr, Chief Operations Officer for ONWASA stated:

- Due to customer concerns about pressure during high demands we evaluated different alternatives and decided a booster pumping station was the best fix
- It will automatically operate during periods of high demand and help to reduce sustained decreases in system pressure
- After consideration of locations on or off the island, we determined a site adjacent to Town Hall was best. The area is adjacent to the primary water mains feeding the island, and the north and south secondary mains running up and down the island. It provides easy access and avoids potential wetland impacts
- ONWASA is responsible for all costs to construct and operate
- It is a two pump system and will be monitored twenty-four hours a day from our control center in Jacksonville
- It is meant to come on when pressure starts to drop
- DK Dixon company out of Wilmington prepared the drawing
- Temporary and permanent easements are necessary for construction
- We instructed the engineer to design and use a very similar color scheme and materials to Town Hall
- Thirty percent of the design is done and we are here today to determine if the site is acceptable to the Town and whether we can move forward with necessary easements. If so, we can move forward with completing the design and bidding the project
- The goal is to have it completed no later than the 2024 summer season. There are challenges with material purchases and permitting
- We made operational changes this last summer to help pressure problems on the island including how we use the water tank at Snead's Ferry and purchasing supplemental water. We do monitor the pressure here all summer long with devices on some hydrants.

Discussion:

- Thank you, Mr. Mohr, for all the work. She said we are still having issues with some large beach homes getting water pressure up to all three floors. Is there any recommendation or demand from ONWASA when service is set up for these homes to install a booster pump? (McDermon)

Mr. Mohr replied that we do that now and we get questions about booster pumps. It is not mandated. Most customers believe it is our problem, not theirs. Our goal is to be as close to 60 psi as we can.

- The rendering has a fair amount of open space. Is that for temperature control? Do you ever allow other equipment to be in your buildings, such as cell phone tower equipment? We have such bad cell service on the island. (Grant)

Mr. Mohr said they would need more detail to make that decision.

- We are sixty-eight percent built out for structures on parcels. Sixty-five new building permits have been issued and construction is yet to be completed. Are you looking at capacity needs for the future? What will the noise volume be? The plan looks like there will be a horizontal drill. Will there be any loss to use of the parking lot? (Benson)

Mr. Mohr said we will have additional capacity to help with future needs. We are looking at a larger pump. The pump is inside the building with no windows which is as bunker like as possible. Noise will be limited. The drilling will be set up next to the building and the road and will not be cut into or access the driveway.

Consensus- the manager is to continue to work with ONWASA on easements to move forward with this project.

Mr. Howard said there are two connections to the water from ONWASA's system. We are going to put meter vaults in so we can monitor and understand there are further issues.

- Will the booster pump will help them at the far north end with the water pressure issues. (Leonard)

Mr. Howard replied yes.

- If the water got cut off and we cannot get it is there a way to be connected to water from Surf City? (Fontana)

Mr. Howard said we are connected to Surf City now. It is a small connection and he is not sure how adequate that would be for the north end but there is an emergency connection with Surf City.

#### Coastal Engineer Monthly Report

Mr. Fran Way, Coastal Engineer, stated:

- Phase One is near the New River Inlet and Phases Two through Five are down to the Surf City Town limit. Different phases are based on difference in shoreline and CBRA regulations.
- Army Corps dredging project is status quo. The dredging firm Cottrell is good and is placing 15,000 cubic yards of material for Category G FEMA mitigation for Hurricane Dorian. There is permitting for placement of more sand if needed. It will work north to south. We can do about 10,000 cubic yards a day which is about 17.3 days if everything goes as it should. With mobilization before and demobilization after the project, the whole project should take about six weeks.

- Topsail Reef area is one nourishment project that is permitted. It will be truck haul material and will be on the beach at the dune. As soon as the Army Corps finishes its project, we will come in and survey to update our plans and resubmit to the CAMA folks. This usually takes a couple of weeks. 15,000 cubic yards is what FEMA mitigated.
- Phase Five is going well but a little slower. They are placing 205,000 cubic yards daily. Truck hauls are always slower than dredging operations. They are making good progress.
- Phase Four will start where Phase Five stops and will continue north to where the Town Hall is. Permitting is ongoing. There will be placement of 465,000 cubic yards over two and a half miles of shoreline.
- We had to resubmit post Hurricane Ian survey data for the county beach access dune rehabilitation project. DCM has said they are good with the data. We have an updated cost and we are good from a permitting point of view and are in a position to start this project this month.

Discussion:

- She noticed this past week significant erosion in front of Dolphin Shores north of St. Regis. She wants to be sure we can get as much sand as possible as far south as we can for that area. (McDermon)
- The Army Corps project is sugar sand going on the beach. The Phase One Hurricane Dorian project is also on the beach, not the dunes. We are going to get two different types of sand for each of these projects, correct? (Grant)

Mr. Way responded that is correct.

- How will the two different sands react? The sand from the Army Corps project is different granularity sand. Then you put on top of that beach granularity sand. What happens when you do that? (Leonard)

Mr. Way replied that both sands are beach compatible. Sugar sand is finer, but it is still within the beach compatible range. The trucked in sand is courser but still very beach compatible. It will usually mix. The channel dredging sand is 0.2 millimeters and the truck haul is 0.4 millimeters. Native sediment grain size is .25 millimeters. Both the sands getting placed is within the natural range and they will mix a little bit. The courser sand will mix in and help the sugar sand stay there longer.

- Have you accounted for the sand that formed a dune during one of the storms? (Grant)

Mr. Way stated some material moved post Hurricane Ian. The volume came down, so the cost estimate from the truck hauler is less.

- We are only seeing part of the Army project (170,000 cubic yards) coming to North Topsail Beach. As the project gets further upriver towards Jacksonville, that sand is too fine to be compatible on the beach and so 30,000 cubic yards is going to be disposed of on Bird Island. If you are a boater and drive up to Jacksonville you will notice those sand flats off either side of the channel, so that is where the sand that is not compatible will go. He does not think we should be worrying so much about the 170,000 cubic yards of sand coming here to our beaches because the Army Corps is regulating the fact that it is at least within the grain size that will do some good in the environment of the sand onshore

and offshore. He did not realize we already had a contract for the truck haul project, is that correct? So the project could start next week? (Benson)

Mr. Way explained there will have to be an amendment to the existing contract.

- Mr. Way has been communicating with the contractor CM Mitchell. We have the updated numbers already. (Derian)
- As far as he knows, we have not nourished the beach for ten or even twenty years for the state grant project. Is there more environmental work that has to be done by the Army Corps and CAMA than normally would be done than for an area that has been renourished. (Benson)

Mr. Way said possibly, but the 2009 Environmental Impact Study covered the entire shoreline. We are not starting with a blank slate.

- Is there any reason why the analysis of the four-year simulation of the EIS that you are working on now will hold us up from getting on the Army Corps to issue a Notice of Intent? Will you have enough data analysis to satisfy the Army Corps next week? (Benson)

Mr. Way said the modeling that has been done that shows a terminal groin will work. The New River Inlet channel has a major influence on the New River Inlet and the modelling shows the terminal groin is a much smaller element to the project than the dredging.

#### Consent Agenda

Motion – Mayor Pro Tem Benson motioned to approve the Consent Agenda as presented; seconded by Alderman Leonard; motion passed unanimously.

Consent Agenda items:

- Onslow County Notice of MOTV Tax Refund
- Approval of Minutes December 7, 2022, Regular Meeting
- Approval of Minutes December 16, 2022, Work session
- Draft December 7, 2022, regular minutes
- Draft December 16, 2022, work session minutes

#### Continuing Business

A. BISAC guidelines and objects

Alderman Grant referenced the discussion at the December BOA meeting regarding the BISAC guidelines issues (such as super majority and that no other town committee has guidelines) and that the guidelines be directed to the town attorney for review and recommendations but that those issues had not been resolved by the town attorney. He suggests that we direct BISAC committee to review the current beach plan and work with the beach engineer to determine issues that need to be addressed. There are no guidelines or charters for other committees. It needs to be simplified that the Board of Aldermen authorizes committees.

Discussion:

- At the BISAC meeting later this month, goals will be developed by BISAC and brought to this Board in February. (Benson)

- The issue is with chain of command. Who sets the tone and tasks for BISAC. Is it the Board of Aldermen (BOA) or BISAC telling BOA what they will do. He thinks it should be BOA telling BISAC. (Leonard) The consensus is that the BOA provides direction not the BISAC committee.
- He agrees that BISAC needs direction. If not, then just disband the committee. (Benson)
- It was agreed that BISAC is not to come up with new goals but instead identify what needs to be done in response to the goal identified by Alderman Grant (Mayor)

## New Business

### A. Budget versus current and forecast

Finance Officer Caitlin stated:

- This is a review of the financial status and outlook for the remaining fiscal year
- There are three Funds:
  - Fund 10 is the General Fund
  - Fund 12 is the Capital Improvement Fund
  - Fund 30 is the Shoreline Protection Fund
- Year to Date (July 1 through December 22) the biggest revenues are property taxes, occupancy taxes, parking revenues and sales and use taxes
- Fund 10 is a \$7 million budget. We have received \$5 million in revenue and expended just shy of \$3 million dollars. We have spent 42% of the budget. Last year at this time, we had spent 50% . We do have some expenditures that have not been spent yet such as some demolition costs, Fire Department renovations, park renovations and concerts. She expects a surplus in Fund 10 at the end of the fiscal year.
- Fund 12 has a budget of \$1.1 million. We have received \$930,000 in revenue (all property tax) and expended \$136,000. The majority of expenditures is for the architect Becker Morgan fees for the new fire station. This is a new Fund, so there is no comparison to last year
- Fund 30 has a budget of \$4.2 million. \$3.6 million in revenue has been received and we have expended \$2.3 million. 56% of the budget has been spent. The majority covers the first payment on the USDA loan we restructured. Last year at this point, we had spent 2% of the budget.
- Main revenue year to date is Ad valorem tax revenue. Budget is \$6,084,027 and we have collected \$5,032,947 which leaves over a million dollars left to collect. We are still receiving monies from Onslow County for property taxes.
- Occupancy tax budget is \$1.5 and we have collected \$1.8 million. This is very encouraging. Last year at this same time frame, we received \$1.4 million. We are at 121% revenue collected.
- Parking revenue budget is \$730,000 and we have collected 311,000. We have \$400,00 remaining revenue to collect. It was predicted that it might decrease after the initial roll out of paid parking. Last year we had \$266,000 collected. Annual permit sales begin next month, so she expects to see increase. We also have high traffic months coming in which bring more revenue so she thinks it will come in lower.



- Sales and Use taxes has a budget of \$2.5 million. We have collected \$1.7 million and have \$813,000 left to collect. We have collected 68% and she expects to exceed that. Last year we received \$1.3 million dollars and we projected a 10% increase and we are seeing that come to fruition.
- We have not had to dip into our contingency fund which is another reason why she expects to have a surplus in Fund 10 at the end of the fiscal year. The inflation percentage has decreased as of November 2022 with June 2022 being the highest.
- In December, Federal Reserve raised its basis points by 50 points. This benefits the Town for our reinvested dividends in our trust account. There is currently \$12 million dollars in that account. Last fiscal year we received just over \$16,000 dollars. Last month we received over \$34,000, so it is a significant increase for us.
- In the past, requests have been made for month to month reports instead of year to date. The system does not currently provide month to month and we have requested the ability to compare month to month from the vendor. She can create it but has not had the time to do.

Discussion:

- Since we have spent less this year in Fund 10 than last year, is that because of a lag in expenses? (Fontana)

Finance Officer Elliott responded that routine costs such as salaries, insurance, etc. are paid about the same time of the year but there are still some expenses to be paid. For the most part, it applies to apples with everything that has been paid as to what we paid for last year.

- How much of a lag time there is in getting tax money from Onslow County. (Grant)

Finance Officer Elliott said there is a thirty-day lag time. We budgeted conservatively because of uncollectible taxes and a revaluation. Our collection rate is 99%. We have collected 83% of projected revenue so far.

- Does the shortfall have to do with tickets not being paid? (McDermon)

Manager Derian stated that ticket collection funds are not rolled into these funds. She can check on how collections are going.

- The vendor downsized what he thought we could get from parking when he first presented the plan. We have also had some bad weather over peak holidays. (Grant)
- The first year was in the middle of the pandemic and it was easier to buy passes and now that has leveled out. (Pletl)
- When we rolled this out, the County had not gotten all of its free lots upgraded and people are not traveling. (Leonard)
- If they do not pay the ticket, are there any repercussions with DMV? (Fontana)

Manager Derian said when this was rolled out, there was nothing put in place for collections. We discussed options and decided to enter into an agreement with a collection agency to collect.

- When they met with the County, there was talk about a relationship between how much we get in sales and use taxes and that could be increased somehow. (Grant)

Finance Officer Elliott said there are two options the state provides: ad valorem or population. Ad valorem is better financially for us even with revaluation.

- He thought there was special legislation that allowed Onslow County to have a blend of the two. (Leonard)

Attorney Edes said that did happen and each year they can elect one of three options.

- My compliments to Finance Officer Elliott on getting a clean audit report especially with such a small staff. He believes she said expenses this year will be a little bit less than budgeted and revenues will be a little bit more than budgeted. Is that a fair assessment? (Grant)

Finance Officer Elliott said that is correct.

- What usually gets small towns is the delegation of responsibilities and it sounds like you have that worked out. (Fontana)

## B. Board of Aldermen Goals

Mayor McDermon stated some committees have provided their goals, so we should run through them now. That would be Legislative and CIP goals.

### 1. Legislative Committee 2023 goals

Alderman Leonard said he wrote them up and submitted them to the mayor for review who is in concurrence with them. They are straightforward and simple. He reviewed the list of draft goals as follows:

#### Federal (CBRA)

-Work simultaneously through our Washington lobbyist and our contacts in Congressman Murphy's office to reintroduce CBRA bills in both congressional chambers during this session.

#### State

##### a. House

-Set up meeting, via Connie Wilson, with our new State Representative, Carson Smith.  
-Consider an introduction from Phil Shepard. We need to establish a dialogue with Representative Smith and begin forming a relationship, and I think Phil could really assist here.

#### Topics:

-Brief Representative Smith on the town's issues and challenges with the New River Inlet, with the goal of receiving a pledge of his support. Discuss the hardened structure/terminal groin, and how a permanent solution that would stabilize the inlet would benefit not just the town, but the commercial and recreational fishing industries, the military, etc. Use the recent Ocean Isle Beach project as an example.

- Funding and timeline for adding shoulders to SR-1568 (New River Inlet Rd)
- State assistance with beach nourishment/improvement/shoreline protection, primarily in Phases 2 & 3, as they have received no attention.
- Other relevant topics, as suggested by Connie Wilson, our lobbyist

b. Senate

- Continue dialogue with State Senator Lazzara in order to accomplish:

1. Reintroduction of language to repeal Section 4, Senate Bill 110 of 2011, which reads, *“No State funds may be spent for any activities related to a terminal groin and its accompanying beach fill project permitted pursuant to G.S. 113A-115.1, as amended by Section 1 of this act, unless the General Assembly enacts legislation appropriating funds explicitly for such purpose. This section shall not apply to any beach fill or beach nourishment project initiated prior to the effective date of this act.”*

2. Reintroduction of Senate Bill DRS45031-MH-4B of January 2021, entitled, *AN ACT TO CLARIFY THAT A TERMINAL GROIN IS NOT AN EROSION CONTROL STRUCTURE AND THEREFORE IS NOT SUBJECT TO LIMITATIONS ON THOSE STRUCTURES.*

Alderman Leonard said he is open to any suggestions on these draft goals.

2. Topsail Island Shoreline Protection Committee (TISPC) 2023 goals

Alderman Leonard said they received goals from the TISPC for the upcoming year. Primarily our legislative goals here are captured in the 2023 advocate goals for TISPC. There is one at the Federal level, item D to continue legislation to amend CBRA map L06 and on the State level, item C to continue state funding in local guidelines for terminal groins. TISPC goals include what we are trying to do at the town level and he thinks they match up fairly well.

Discussion:

- He has not had time to look at the goals and he would like to have time to review them. (Grant)
- The process TISPC takes several months to develop goals. The problem is timing. We have to work in contract agreement with lobbyists at the beginning of the year. That is why Chairman Smith asked the Board to look over the goals so they can move forward with direction to do contracts with the lobbyists. If we cannot agree today, then can we do it by consensus so the Chairman can move forward? (Benson)
- She wants to reword planning retreat into maybe more regular monthly work sessions rather than one session, so that things are not waiting until the next meeting. She thinks it is not fair to give something to Board the night before and ask them to approve it the next day. She thinks we can give Mr. Smith our feedback by the end of the next week. She thinks there are things that came up today that will require a planning meeting before February meeting such as updates on the Phase Four contracting, remaining goals for BISAC and Parks and Recreation, the location of the temporary fire station, demolition expenses, and ongoing financial questions. (McDermon)

- She thought these items would be addressed at the meeting the Board would schedule today. (Derian)
- She still wants to set a date but call it a work session and not a planning retreat. She wants to figure out if it is best to have a regular work session instead. (McDermon)
- Surf City has work sessions all the time, so this is not an unusual procedure to follow to handle things that come up in the short term. (Benson)
- He thinks Mayor Pro Tem Benson has the consensus of the Board on the TISPC goals. We also need to know when this information is ready to be able to set a date. (Grant)

### C. Planning retreat date and details

*Consensus* – hold work session on Friday the 13th from 1:00 pm – 3:00 pm to discuss remaining goals, BISAC guidelines, the location of the temporary fire station.

#### Public Forum

1. We have been encouraging people to come to the meetings. He has been coming to the meetings a long time and he thinks the Board should tell people what the items are that you talk about such as EIS. He knows what it is but he is sure other folks may not know.
2. Susan Myer, 2224 New River Inlet Road, Topsail Reef, said she thinks there is still confusion about where they are going to pump sand. For example, the comment that they are pumping and expect to go back to put sand at St. Regis. It sounded like the pipe might be moved for more pumping rather than you expect the sand to flow back toward that area.

#### Attorney's Report

None

#### Mayor's Report

Mayor McDermon said she is glad to hear from so many folks. She appreciates everything that the staff has done through the holidays and all year long.

#### Aldermen report

Alderman Grant thanked everyone for coming and said 2023 should be a good year for the beach.

Alderman Fontana said he is glad folks come to the meetings. If you do not come, we do not know what is on your mind.

Mayor Pro Tem Benson stated he and Alderman Leonard initiated a comment letter from the Town to US Fish and Wildlife. They do a five-year review of the CBRA maps. Congressman Murphy made a comment back in November on our behalf that the maps should not include areas of the CBRA zone that have infrastructure which has been a long-standing argument. The Town developed a comment to submit to Fish and Wildlife to support Congressman Murphy's

comment to Fish and Wildlife and he thanked the Board members along with advocate and former Congressman McIntyre for providing editing and comments to our comments. He thinks it turned out well. He gave a shout out to the Public Works Department for the excellent job of cleaning up all debris on the north end that blew up on the sandbags from further south on the island before the storm on the weekend. There is a great article about the Mayor in Topsail magazine. He thanked the staff for their excellent performance.

Alderman Leonard said he will be calling the contact at Congressman Murphy's office to see what our way ahead is to get a bill for this session and determine what our strategy is going forward. He assumes the Board will need to pass some sort of resolution requesting they move a bill forward. He thanked the interim clerk for a great job, specifically on the minutes from the work session that covered the meeting thoroughly without a lot of words and was easy to follow. Alderman Pletl thanked all who came out today and watched via the internet. She thanked the administrative and finance staff for all their work and the whole staff, Fire and Police, that helped with the shrimp dip. She received a lot of good feedback about the event. She said she is looking forward to working with the Board on goals to move the Town forward in a positive direction that benefits everyone.

Closed session

Motion – Alderman Leonard motioned to go into a closed session at 12:53 pm as per NCGS 143-318.11 (a) (3) to preserve attorney client privilege; seconded by Mayor Pro Tem Benson; motion passed unanimously

Open session

Motion – Alderman Leonard motioned to return to open session at 1:23 pm; seconded by Alderman Pletl; motion passed unanimously.

Mayor McDermon said no action was taken in closed session.

Adjournment

Motion Alderman Pletl motioned to adjourn at 1:24 pm; seconded by Alderman Fontana; motion passed unanimously.

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Joann McDermon, Mayor

ATTEST: \_\_\_\_\_  
Nancy Avery, Interim Town Clerk



*Town of North Topsail Beach*  
Board of Aldermen

Agenda	Consent
Item:	Agenda
Date:	02 01 2023

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**Issue:** Planning Board Committee Report  
Hanna McCloud, Chair  
**Department:** Planning  
**Prepared by:** Deborah J. Hill MPA AICP CFM CZO  
**Presentation:** No

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The Planning Board held their regular meeting on January 12, 2023.

**Commercial Plan Review: Fire Station** (ref § 2.06.07, § 4.03.19, 44 CFR § 60.22) presented by Ernie Olds AIA, Brad Shuler, **Brice M. Reid, AIA** and Rob Ballard of Becker Morgan Group, Inc.

Mr. Dorazio made a motion in accordance with § 2.06.07(A)(1), that the Planning Board returns the development plan to the applicant/owner for revision and/or additional information before recommending action by the Board to include a review and certification by the Public Works Director, Fire Marshall, Police Chief, Building Inspector and Planning Director and completion of the 2018 Appendix B Building Code Summery for All Commercial Projects by the engineer. Motion was seconded by Mrs. Stigall and passed unanimously, 5-0.

Planning Board reviewed CRC-21-24 **Artificial Turfgrass** within the Coastal Shoreline Buffer. No further action to be taken at this time.

Planning Board reviewed § 4.03.20, § 11.02 **Duplex**, Dwelling and 2018 NC Residential Code R302.3 Two-family dwellings. Planning Director will draft proposed amendment to address discrepancy/typo between UDO and NC Residential Code.

Planning Board discussed **fences**. Planning Director to draft amendment to allow for 6' fence up to front of house to provide for privacy and security.

The Planning Director provided the following updates:

- A. Wetland Protection, efforts working with both DCM and USACE.
- B. NCRCCP PH 3: Concept Review Meeting 12/7/2022
- C. Permuda Island Local Advisory Committee Meeting 12/13/2022
- D. CAMA Workshop 12/15/2022
- E. CRS Cycle Verification Meeting for 4/18/2023



*Town of North Topsail Beach*  
Board of Aldermen

Agenda	Consent
Item:	Agenda
Date:	02 01 2023

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**Issue:** Board of Adjustment Committee Report  
Hanna McCloud, Chair

**Department:** Planning

**Prepared by:** Deborah J. Hill MPA AICP CFM CZO

**Presentation:** No

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Public Notice has been made to hold an Evidentiary Hearing following quasi-judicial procedures on Monday, January 30, 2023 at 5:30 p.m to hear and decide Case #V-23-01, a variance request by Paramounte Engineering, Inc. on behalf of its client the Town of North Topsail Beach from Unified Development Ordinance § 7.05 (G), in addition to the provisions of § 7.05 (A) and (B) to allow for construction of Fire Station 2 at 3304 Gray Street.

Town of North Topsail Beach  
ANNUAL FINANCIAL REPORT  
Year Ended June 30, 2022



**BOARD OF ALDERMAN**

Joann McDermon – Mayor  
Mike Benson – Mayor Pro Tem  
Connie Pletl  
Richard Grant  
Thomas Leonard  
Alfred Fontana

**OFFICIALS**

Town Manager  
Alice Derian

Finance Officer  
Caitlin Elliott

Interim Town Clerk  
Nancy Avery

**Town of North Topsail Beach  
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June 30, 2022**

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## FINANCIAL SECTION



Thompson, Price, Scott, Adams & Co., P.A.  
4024 Oleander Drive Suite 103  
Wilmington, North Carolina 28403  
Telephone (910) 791-4872  
Fax (910) 239-8294

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## Independent Auditor's Report

To the Mayor and Members of the Board of Alderman  
North Topsail Beach, North Carolina

### Report on the Audit of Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of North Topsail Beach, North Carolina as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Town of North Topsail Beach's basic financial statements as listed in the table of contents.

In our opinion, based upon our audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Town of North Topsail Beach as of June 30, 2022, and the respective changes in financial position, and cash flows thereof and the respective budgetary comparison for the General Fund, Shoreline Protection Fund and American Rescue Plan 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. 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 North Topsail Beach 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 Audit of 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; 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 raises substantial doubt about the Town of North Topsail Beach's ability to continue as a going concern for the 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 of 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 *Governmental Auditing Standards* will always detect 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 *Governmental Auditing Standards* we

- exercised professional judgement and maintained 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 North Topsail Beach' 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 North Topsail Beach' 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, and the Other Post Employment Benefit and Law Enforcement Officers' Special Separation Allowance Schedules of Funding Progress and Employer Contributions, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management,

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 the 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 consist 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 North Topsail Beach's basic financial statements. The combining and individual fund financial statements, budgetary schedules, 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 by us. In our opinion, based on our audit, the procedures performed as described above, 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2023, on our consideration of the Town of North Topsail 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 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 Town of North Topsail 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 Town of North Topsail Beach's internal control over financial reporting and compliance.

*Thompson, Price, Scott, Adams & Co., PA*  
Wilmington, North Carolina  
January 17, 2023

## MANAGEMENT'S DISCUSSION AND ANALYSIS



**Management’s Discussion and Analysis**

As management of the Town of North Topsail Beach, we offer readers of the Town of North Topsail Beach’s financial statements this narrative overview and analysis of the financial activities of the Town of North Topsail Beach for the fiscal year ended June 30, 2022. 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.

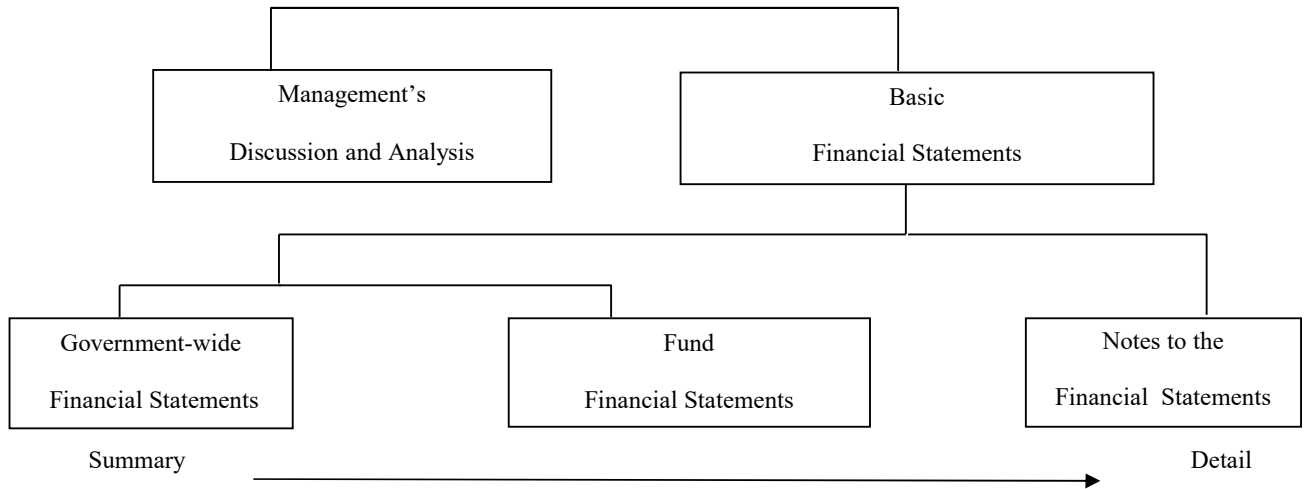
**Financial Highlights**

- The assets and deferred outflows of resources of the Town of North Topsail Beach exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$29,331,468 (net position).
- The government's total net position increased by \$3,592,240.
- As of the close of the current fiscal year, the Town of North Topsail Beach's governmental funds reported combined ending fund balances of \$17,074,287 with an increase of \$2,535,818 in fund balance.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,385,429 or 76.95 percent of total general fund expenditures for the fiscal year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to Town of North Topsail 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 North Topsail Beach.

**Required Components of Annual Financial Report  
Figure 1**



## Basic Financial Statements

The first two statements (Exhibits 1 and 2) 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 3 through 6) 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 two parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison 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 additional details about the Town's individual funds. Budgetary information required by the North Carolina General Statutes 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 and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities. The governmental activities include most of the Town's basic services such as public safety, environmental protection, and general administration. Property taxes and State and federal grant funds finance most of these activities.

The government-wide financial statements are on Exhibits 1 and 2 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 North Topsail 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 North Carolina General Statutes or the Town's budget ordinance. All of the funds of the Town of North Topsail Beach are governmental 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 readily be 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 government 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 North Topsail 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.

**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 follow Exhibit 6 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 North Topsail Beach’s progress in funding its obligation to provide pension benefits to its employees.

**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**

**The Town of North Topsail Beach's Net Position  
 Figure 2**

	<b>Governmental Activities</b>	
	2022	2021
Current and other assets	\$ 17,580,987	\$ 14,801,678
Capital assets	26,334,815	26,684,344
Deferred outflows of resources	900,083	668,071
Total assets and deferred outflows of resources	<u>44,815,885</u>	<u>42,154,093</u>
Long-term liabilities outstanding	12,250,927	15,520,221
Other liabilities	2,376,576	786,919
Deferred inflows of resources	856,914	107,725
Total liabilities and deferred inflows of resources	<u>15,484,417</u>	<u>16,414,865</u>
Net position:		
Net Investment in Capital Assets	13,116,798	12,018,527
Restricted	7,664,934	7,403,858
Unrestricted	8,549,736	6,316,843
Total net position	<u>\$ 29,331,468</u>	<u>\$ 25,739,228</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 North Topsail Beach exceeded liabilities and deferred inflows by \$29,331,468 as of June 30, 2022. The Town’s net position increased by \$3,592,240 for the fiscal year ended June 30, 2022. However, the largest portion \$13,113,798 (44.71%) reflects the Town’s net investments 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 North Topsail Beach uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of North Topsail Beach’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. An additional portion of the Town of North Topsail Beach’s net position of \$7,664,934 represents sources that are subject to external restrictions on how they may be used. The remaining balance of \$8,549,736 is unrestricted.

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 99.31%.

**The Town of North Topsail Beach’s Changes in Net Position**  
**Figure 3**

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 1,386,750	\$ 1,184,587
Operating grants and contributions	5,335,723	1,057,836
Capital grants and contributions	-	-
General revenues:		
Property taxes	4,533,896	3,979,374
Other taxes	5,335,183	4,866,549
Investment earnings	35,008	20,196
<b>Total revenues</b>	<b>16,626,560</b>	<b>11,108,542</b>
<b>Expenses</b>		
General Government	1,732,453	1,657,160
Public Safety	3,488,524	2,661,652
Sanitation	487,638	510,664
Street Department	38,795	124,193
Environmental Protection	6,699,760	5,446,073
Community Development	24,483	13,569
Beach and Strand	-	880
Beach Nourishment/Dune Stabilization	131,162	153,020
Interest on long-term debt	431,505	487,774
<b>Total expenses</b>	<b>13,034,320</b>	<b>11,054,985</b>
<b>Change in net position</b>	<b>3,592,240</b>	<b>53,557</b>
<b>Net Position, beginning</b>	<b>\$ 25,739,228</b>	<b>\$ 25,685,671</b>
<b>Net Position, June 30</b>	<b>\$ 29,331,468</b>	<b>\$ 25,739,228</b>

**Governmental activities.** Governmental activities increased the Town's net position by \$3,592,240. Key element of this increase is as follows:

- Increase in grant and property taxes revenues

### **Financial Analysis of the Town's Funds**

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

**Governmental Funds.** The focus of the Town of North Topsail 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 North Topsail Beach's financing requirements.

The general fund is the chief operating fund of Town of North Topsail Beach. At the end of the current fiscal year, Town of North Topsail Beach's fund balance available in the General Fund was \$4,385,429, while total fund balance reached \$5,133,511. The Town currently has an available fund balance of 76.95 percent of total General Fund expenditures, while total fund balance represents 90.08 percent of the same amount.

At June 30, 2022, the governmental funds of Town of North Topsail Beach reported a combined fund balance of \$17,074,287, with a net increase in fund balance of \$2,538,818. Included in this change in fund balance are increases in fund balance in the General Fund.

**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.

Revenues were greater than budget amounts primarily because the Town received more unrestricted intergovernmental funds than anticipated. Overall, expenditures were less than budgeted amounts.

### **Capital Asset and Debt Administration**

**Capital assets.** The Town of North Topsail Beach's investment in capital assets for its governmental -type activities as of June 30, 2022 total \$26,334,815 (net of accumulated depreciation). These assets include buildings, land, vehicles, infrastructure, and equipment.

Major capital asset transactions during the year include the following:

- Brush truck in the amount of \$69,367.
- Construction in progress in the amount of \$691,366.

**Town of North Topsail Beach's Capital Assets  
 (Net of depreciation)**

**Figure 4**

	Governmental Activities	
	2022	2021
Land	\$ 1,082,341	\$ 1,082,341
Construction in Progress	2,399,807	1,708,441
Buildings	332,193	366,306
Vehicles & equipment	347,776	487,517
Infrastructure	22,172,698	23,039,739
<b>Total</b>	<b>\$ 26,334,815</b>	<b>\$ 26,684,344</b>

Additional information on the Town's capital assets can be found in note III, A, 3 of the Notes to the Financial Statements.

**Long-term Debt.** As of June 30, 2022, the Town of North Topsail Beach had total debt outstanding of \$13,218,017.

**Outstanding Debt  
 Figure 5**

**Town of North Topsail Beach's Outstanding Debt**

	Governmental Activities	
	2022	2021
Installment Purchases	\$ 47,530	\$ 144,817
Special Obligation Bonds	13,170,487	14,521,000
Compensated Absences	137,645	94,135
Net Pension Liability (LGRS)	504,093	969,828
Total Pension Liability (LEO)	292,764	357,351
<b>Total Liabilities</b>	<b>\$ 14,152,519</b>	<b>\$ 16,087,131</b>

The Town of North Topsail Beach's total debt decreased by \$1,447,800 during the fiscal year.

### **Economic Factors for Next Year's Budgets and Rates**

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

Population growth – The Town’s permanent population continues to grow as more secondary homeowners become permanent residents and due to the rise of long-term renters. While our seasonal population continues to increase annually, we conservatively anticipated our Accommodation Tax revenues to remain at \$1.5 million this fiscal year.

The Town will continue monitoring the balances of each fund and make every effort to stay within the realm of the adopted Budget, with appropriate amendments approved by the Governing Body as necessary. The Town is continuing to move forward with ongoing Shoreline and Beach related projects in progress, which include the Hardened Structure and Hurricane Florence and Dorian dune and beach restoration projects.

### **Budget Highlights for the Fiscal Year Ending June 30, 2023**

**Governmental Activities.** As a result of the re-valuation completed by Onslow County, property tax rates were decreased by \$0.03 this year, totaling \$0.43 per \$100 valuation. The revenues produced will allow the Town to continue to provide and expand necessary services as well as plan for upcoming improvements and purchases.

**Business-type Activities.** The Town has continued the paid parking program, working with a third-party vendor, Otto Connect, expecting that this will increase revenues. Residential garbage and recycling service rates increased by \$0.52 a month for this fiscal year. The increase was due to rising costs for tipping fees and recycling services. The Town does not own or operate any electrical, water or sewer facilities.

### **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 following:

**Caitlin Elliott  
Finance Officer  
Town of North Topsail Beach  
2008 Loggerhead Court  
North Topsail Beach, NC 28460**

## BASIC FINANCIAL STATEMENTS



**Town of North Topsail Beach, North Carolina**  
**Statement of Net Position**  
**June 30, 2022**

	<b>Primary Government</b>	
	<b>Governmental Activities</b>	<b>Total</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 14,841,856	\$ 14,841,856
Restricted cash and cash equivalents	397,301	397,301
Taxes receivable (net)	41,602	41,602
Accounts receivable (net)	457,685	457,685
Due from other governmental agencies	1,834,219	1,834,219
Accrued interest receivable on taxes	8,324	8,324
Total current assets	<u>17,580,987</u>	<u>17,580,987</u>
Non-current assets:		
Capital assets		
Land and improvements	3,482,148	3,482,148
Other capital assets, net of depreciation	22,852,667	22,852,667
Total capital assets	<u>26,334,815</u>	<u>26,334,815</u>
Total assets	<u>43,915,802</u>	<u>43,915,802</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension deferrals - LGERS	826,554	826,554
Pension deferrals - LEO	73,529	73,529
Total deferred outflows of resources	<u>900,083</u>	<u>900,083</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable and accrued expenses	374,787	374,787
Liabilities payable from restricted assets	81,987	81,987
Accrued interest payable	18,210	18,210
Current portion of long-term liabilities	1,901,592	1,901,592
Total current liabilities	<u>2,376,576</u>	<u>2,376,576</u>
Long-term liabilities:		
Special obligation bonds	11,358,525	11,358,525
Compensated absences	95,545	95,545
Net pension liability	504,093	504,093
Total pension liability	292,764	292,764
Total liabilities	<u>14,627,503</u>	<u>14,627,503</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension deferrals - LGERS	743,889	743,889
Pension deferrals - LEO	113,025	113,025
Total deferred inflows of resources	<u>856,914</u>	<u>856,914</u>
<b>NET POSITION</b>		
Net investment in capital assets	13,116,798	13,116,798
Restricted for:		
Stabilization by state statute	2,291,904	2,291,904
Economic development	5,198,990	5,198,990
Transportation	34,371	34,371
Unrestricted	8,689,405	8,689,405
Total net position	<u>\$ 29,331,468</u>	<u>\$ 29,331,468</u>

**Town of North Topsail Beach, North Carolina  
Statement of Activities  
For the Year Ended June 30, 2022**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Primary Government</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
<b>Primary government:</b>						
Governmental Activities:						
General government	\$ 1,732,453	\$ 210,595	\$ 369,985	\$ -	\$ (1,151,873)	\$ (1,151,873)
Public safety	3,488,524	4,176	-	-	(3,484,348)	(3,484,348)
Street department	38,795	-	33,808	-	(4,987)	(4,987)
Sanitation	487,638	447,699	-	-	(39,939)	(39,939)
Environmental protection	6,699,760	724,280	4,931,930	-	(1,043,550)	(1,043,550)
Community development	24,483	-	-	-	(24,483)	(24,483)
Beach Renourishment/Dune Stabilization	131,162	-	-	-	(131,162)	(131,162)
Interest on long-term debt	431,505	-	-	-	(431,505)	(431,505)
Total governmental activities	<u>\$ 13,034,320</u>	<u>\$ 1,386,750</u>	<u>\$ 5,335,723</u>	<u>\$ -</u>	<u>(6,311,847)</u>	<u>(6,311,847)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purpose					4,533,896	4,533,896
Other taxes					5,335,183	5,335,183
Unrestricted investment earnings					35,008	35,008
Total general revenues					<u>9,904,087</u>	<u>9,904,087</u>
Change in net position					3,592,240	3,592,240
Net position-beginning					25,739,228	25,739,228
Net position-ending					<u>\$ 29,331,468</u>	<u>\$ 29,331,468</u>

Section VIII, Item A. the financial statements are an integral part of this statement.

**Town of North Topsail Beach, North Carolina**  
**Balance Sheet**  
**Governmental Fund**  
**June 30, 2022**

	Major Funds					Total Governmental Funds
	General Fund	Shoreline Protection Fund	American Rescue Plan Fund	Beach Maintenance Project	Non-Major Funds	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 4,433,141	\$ 10,008,321	\$ -	\$ -	\$ 400,394	\$ 14,841,856
Restricted cash	34,371	-	81,987	280,943	-	397,301
Taxes receivable	41,602	-	-	-	-	41,602
Receivables, net	179,382	278,303	-	-	-	457,685
Receivable from other governments	534,329	1,299,890	-	-	-	1,834,219
Total assets	<u>5,222,825</u>	<u>11,586,514</u>	<u>81,987</u>	<u>280,943</u>	<u>400,394</u>	<u>17,572,663</u>
<b>LIABILITIES</b>						
Accounts payable	47,712	191,080	-	103,953	32,042	374,787
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	81,987	-	-	81,987
Total liabilities	<u>47,712</u>	<u>191,080</u>	<u>81,987</u>	<u>103,953</u>	<u>32,042</u>	<u>456,774</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property taxes receivable	41,602	-	-	-	-	41,602
Assessment receivable	-	-	-	-	-	-
Total deferred inflows of resources	<u>41,602</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,602</u>
<b>FUND BALANCES</b>						
Restricted						
Stabilization by state statute	713,711	1,578,193	-	-	-	2,291,904
Economic development	-	5,022,000	-	176,990	-	5,198,990
Streets	34,371	-	-	-	-	34,371
Unassigned	4,385,429	4,795,241	-	-	368,352	9,549,022
Total fund balances	<u>5,133,511</u>	<u>11,395,434</u>	<u>-</u>	<u>176,990</u>	<u>368,352</u>	<u>17,074,287</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,222,825</u>	<u>\$ 11,586,514</u>	<u>\$ 81,987</u>	<u>\$ 280,943</u>	<u>\$ 400,394</u>	<u>\$ 17,572,663</u>
Total fund balance, governmental funds						\$ 17,074,287
Amounts reported for governmental activities in the Statement of Net Position are different because: Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.						
Gross capital assets at historical cost					39,809,765	
Accumulated depreciation					<u>(13,474,950)</u>	26,334,815
Deferred outflows of resources related to pensions are not reported in the funds						
Pension deferrals - LGERS					826,554	
Pension deferrals - LEO					<u>73,529</u>	900,083
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current period expenditures and therefore are inflows of resources in the funds.						
						8,324
Liabilities for earned revenues considered deferred inflows of resources in fund statements						
Ad valorem taxes						41,602
Deferred inflows of resources related to pensions are not reported in the funds						
Pension deferrals - LGERS					(743,889)	
Pension deferrals - LEO					<u>(113,025)</u>	(856,914)
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.						
Installment purchases						(47,530)
Bonds payable						(13,170,487)
Compensated absences						(137,645)
Accrued interest						(18,210)
Net pension liability						(504,093)
Total pension liability						<u>(292,764)</u>
Net position of governmental activities						<u>\$ 29,331,468</u>

**Town of North Topsail Beach, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Fund**  
**For the Year Ended June 30, 2022**

	Major Funds					Total Governmental Funds
	General Fund	Shoreline Protection Fund	American Rescue Plan Fund	Beach Maintenance Project	Non-Major Funds	
<b>REVENUES</b>						
Ad valorem taxes	\$ 2,784,924	\$ 1,379,124	\$ -	\$ -	\$ 400,394	\$ 4,564,442
Accommodations tax	-	1,941,229	-	-	-	1,941,229
Permits and fees	201,917	446,523	-	-	-	648,440
Sales and services	662,470	-	-	-	-	662,470
Unrestricted intergovernmental revenues	2,458,999	732,307	-	-	-	3,191,306
Restricted intergovernmental revenue:	368,115	4,931,930	36,409	-	-	5,336,454
Miscellaneous	-	277,757	-	-	-	277,757
Interest income	28,591	6,417	-	-	-	35,008
Total revenues	<u>6,505,016</u>	<u>9,715,287</u>	<u>36,409</u>	<u>-</u>	<u>400,394</u>	<u>16,657,106</u>
<b>EXPENDITURES</b>						
Current:						
General government	2,295,884	-	36,409	-	-	2,332,293
Public safety	2,620,884	-	-	-	32,042	2,652,926
Street department	38,795	-	-	-	-	38,795
Sanitation	487,638	-	-	-	-	487,638
Environmental protection	-	2,605,682	-	3,933,689	-	6,539,371
Community development	24,483	-	-	-	-	24,483
Beach Renourishment/Dune Stabilization	131,162	-	-	-	-	131,162
Debt service	100,183	5,922,116	-	-	-	6,022,299
Total expenditures	<u>5,699,029</u>	<u>8,527,798</u>	<u>36,409</u>	<u>3,933,689</u>	<u>32,042</u>	<u>18,228,967</u>
Excess (deficiency) of revenues over expenditures	<u>805,987</u>	<u>1,187,489</u>	<u>-</u>	<u>(3,933,689)</u>	<u>368,352</u>	<u>(1,571,861)</u>
Other financing sources						
Issuance of debt	-	-	-	4,110,679	-	4,110,679
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,110,679</u>	<u>-</u>	<u>4,110,679</u>
Net change in fund balance	805,987	1,187,489	-	176,990	368,352	2,538,818
Fund balances-beginning	4,327,524	10,207,945	-	-	-	14,535,469
Fund balances-ending	<u>\$ 5,133,511</u>	<u>\$ 11,395,434</u>	<u>\$ -</u>	<u>\$ 176,990</u>	<u>\$ 368,352</u>	<u>\$ 17,074,287</u>

**Town of North Topsail Beach, North Carolina**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2022**

Net change in fund balances - total governmental funds		\$ 2,538,818
<p>Amounts reported to Governmental Activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Capital outlay	760,733	
Depreciation	<u>(1,110,262)</u>	(349,529)
<p>Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities</p>		
		256,786
<p>Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.</p>		
Change in unavailable revenue for tax revenues		(7,512)
Change in accrued interest receivable on taxes		11,197
Change in unavailable revenue for special assessment		(23,034)
<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>		
Debt issuance	(4,110,679)	
Principal payments	5,558,479	1,447,800
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:</p>		
Accrued interest not reflected on Governmental fund		21,118
Pension expense		(259,894)
Compensated absences		<u>(43,510)</u>
Change in net position of governmental activities		<u>\$ 3,592,240</u>

**Town of North Topsail Beach, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2022**

	General Fund			Variance With Final Budget Positive (Negative)
	Budget Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 2,798,898	\$ 2,798,898	\$ 2,784,924	\$ (13,974)
Permits and fees	282,200	217,063	201,917	(15,146)
Sales and services	740,187	759,228	662,470	(96,758)
Unrestricted intergovernmental revenues	1,695,000	1,998,400	2,458,999	460,599
Restricted intergovernmental revenue:	322,000	510,178	368,115	(142,063)
Interest income	15,000	15,000	28,591	13,591
Total revenues	<u>5,853,285</u>	<u>6,298,767</u>	<u>6,505,016</u>	<u>206,249</u>
Expenditures				
General government	2,278,941	2,551,091	2,295,884	255,207
Public safety	2,890,232	2,842,074	2,620,884	221,190
Street department	100,000	54,000	38,795	15,205
Sanitation	500,412	491,662	487,638	4,024
Community development	11,000	25,125	24,483	642
Beach Renourishment/Dune Stabilization	199,500	179,375	131,162	48,213
Debt Service	-	100,416	100,183	233
Total expenditures	<u>5,980,085</u>	<u>6,243,743</u>	<u>5,699,029</u>	<u>495,626</u>
Excess (deficiency) of revenues over expenditures	<u>(126,800)</u>	<u>55,024</u>	<u>805,987</u>	<u>701,875</u>
Other financing sources (uses):				
Contingency	(126,800)	(77,341)	-	-
Fund balance appropriated	126,800	22,317	-	22,317
Total other financing sources (uses)	<u>126,800</u>	<u>(55,024)</u>	<u>-</u>	<u>(55,024)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>805,987</u>	<u>\$ 805,987</u>
Fund balance - beginning			<u>4,327,524</u>	
Fund balance - ending			<u>\$ 5,133,511</u>	

**Town of North Topsail Beach, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual - Shoreline Protection Fund**  
**For the Year Ended June 30, 2022**

	<b>Shoreline Protection Fund</b>			Variance With Final Budget Positive (Negative)
	Budget Amounts		Actual Amounts	
	Original	Final		
<b>Revenues:</b>				
Ad valorem taxes	\$ 1,396,542	\$ 1,397,061	\$ 1,379,124	\$ (17,937)
Accommodations tax	1,500,000	1,200,000	1,941,229	741,229
Unrestricted intergovernmental	594,430	478,692	732,307	253,615
Restricted intergovernmental	-	-	4,931,930	4,931,930
Permits and fees	600,000	-	446,523	446,523
Investment earnings	1,000	14,000	6,417	(7,583)
Miscellaneous	25,000	25,000	277,757	252,757
Total Revenues	<u>4,116,972</u>	<u>9,192,072</u>	<u>9,715,287</u>	<u>523,215</u>
<b>Expenditures:</b>				
Environmental Protection				
Operating expenditures	3,216,857	2,700,000	2,605,682	94,318
Debt service	900,115	6,492,072	5,922,116	569,956
Total Expenditures	<u>4,116,972</u>	<u>9,192,072</u>	<u>8,527,798</u>	<u>664,274</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,187,489</u>	<u>1,187,489</u>
Appropriated Fund Balance	-	-	-	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,187,489</u>	<u>\$ 1,187,489</u>
Fund Balance, beginning of year			<u>10,207,945</u>	
Fund Balance, end of year			<u>\$ 11,395,434</u>	

**Town of North Topsail Beach, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual - American Rescue Plan Fund**  
**For the Year Ended June 30, 2022**

	<b>American Rescue Plan Fund</b>			Variance With Final Budget Positive (Negative)
	Budget Amounts		Actual Amounts	
	Original	Final		
<b>Revenues:</b>				
Restricted intergovernmental	\$ 118,396	\$ 118,396	\$ 36,409	\$ (81,987)
Total Revenues	<u>118,396</u>	<u>118,396</u>	<u>36,409</u>	<u>(81,987)</u>
<b>Expenditures:</b>				
General government				
Operating expenditures	118,396	118,396	36,409	81,987
Total Expenditures	<u>118,396</u>	<u>118,396</u>	<u>36,409</u>	<u>81,987</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year			-	
Fund Balance, end of year			<u>\$ -</u>	



## NOTES TO THE FINANCIAL STATEMENTS

**Town of North Topsail Beach, North Carolina**  
Notes to the Financial Statements  
June 30, 2022

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town of North Topsail Beach, North Carolina 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 North Topsail Beach (the "Town") is a municipal corporation that is governed by an elected mayor and a five member council. As required by generally accepted accounting principles, these financial statements present the Town.

**B. Basis of Presentation**

*Government-wide Statements* : The statement of net position and the statement of activities display information about the primary government. Eliminations have been made to minimize the double counting of internal activities. These statements report the *governmental activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues 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. The Town currently maintains only one fund category - governmental. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Town reports the following major governmental funds:

**General Fund.** This fund is the general 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, State grants, and various other taxes and licenses. The primary expenditures are for public safety, general government, street maintenance and construction, and sanitation services.

**Shoreline Protection Fund** - This is a special revenue fund used to account for shoreline and beach protection.

**American Rescue Plan Fund** - This fund accounts for transaction related to the American Rescue Plan Fund.

**Beach Maintenance Project** - This is a capital project fund used to account for beach maintenance project.

**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 Financial Statements.* The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the 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.

*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 capital leases 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 North Topsail Beach because the tax is levied by Onslow 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. 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 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 and Beach Nourishment Fund. All annual appropriations lapse at the fiscal year end. Project length ordinances are utilized in capital project funds whereby appropriations lapse at project completion. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. The finance officer is authorized by the budget ordinance to transfer appropriations between departmental areas within a fund up to \$2,500; however, any revisions that alter total expenditures of any fund or that change departmental appropriations by more than \$2,500 must be approved by the governing board. The budget ordinance must be adopted by July 1 of the fiscal year or the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

**1. 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(c)] authorizes the Town 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). The Town's investments are reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT Term Portfolio is bond fund, has no rating and is measured at fair value. As of June 30, 2022, The Term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

In accordance with State law, the Town has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

**2. 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 are essentially demand deposits and are considered cash and cash equivalents.

**3. Restricted Assets**

The USDA requires that three years of debt service payments be restricted per the loan agreement for the bond issued. Also, the Town must deposit into a restricted special savings account ten percent of the annual payment with each payment. Powell Bill funds are also classified as restricted cash because they can be expended only for the purposes outlined in G.S. 136-41.1 through 136-41.4.

Town of North Topsail Beach Restricted Cash

Governmental Activities	
General Fund	
Streets	\$ 34,371
American Rescue Plan Fund	81,987
Beach Maintenance Project	<u>280,943</u>
Total Governmental Activities	<u>397,301</u>
Total Restricted Cash	<u>\$ 397,301</u>

**4. 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 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2021. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

**5. 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.

**6. Prepaid Items**

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.

**7. Capital Assets**

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. The minimum capitalization cost is \$5,000. 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 recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and drainage system assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	20
Buildings	40
Vehicles and Equipment	5-10

**8. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial 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 position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meets this criterion, pension deferrals for the 2022 fiscal year. In addition to liabilities, the statement of financial 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 position that applies to a future period and so will not be recognized as revenue until then. The Town has several items that meet the criterion for this category - property taxes receivable, assessments receivable, and pension deferrals.

**9. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities 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 or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**10. Compensated Absences**

The vacation policy of the Town provides for the accumulation of up to 30 days of earned vacation leave with such leave being fully vested when earned. For the Town's government-wide 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 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.

**11. Net Position/Fund Balances**

Net Position

Net position in government-wide financial statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are externally imposed either 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:

**Nonspendable 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.

Prepaid Expense - portion of fund balance that is not an available resource because it represents the year-end balance of expense prepaid for future use, which are not spendable resources.

**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 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 nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted for Economic development - portion of the fund balance that is restricted by the USDA for future debt service.

Restricted for Streets - Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of unexpended Powell Bill funds.

Restricted for Shoreline Protection - portion of fund balance assigned by the Board for Shoreline Protection.

**Committed Fund Balance** - portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town of North Topsail Beach's governing body (highest level of decision-making authority). The governing body 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.

Assigned Fund Balance - portion of fund balance that the Town of North Topsail Beach intends to use for specific purposes.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed.

Unassigned Fund Balance - portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

**12. 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 North Topsail Beach's employer contributions are recognized when due and the Town of North Topsail 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.

**II. Stewardship, Compliance, and Accountability**

A. Significant Violations of Finance-Related Legal and Contractual Provisions

1. Noncompliance with North Carolina General Statutes

None.

2. Contractual Violations

None.

B. Deficit in Fund Balance or Net Position of Individual Funds

None.

C. Excess of Expenditures over Appropriations

None.

**II. DETAIL NOTES ON ALL FUNDS**

A. **Assets**

**1. 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 these units' names. 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 deposits are considered to be held by the Town's agents in their names. 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 under-collateralization. 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, 2022, the Town's deposits had a carrying amount of \$4,888,560 and a bank balance of \$5,801,787. The total balance was fully covered by federal depository insurance, and the remainder was covered by collateral held under the pooling method. Cash on hand at June 30, 2022 was \$250.

**2. Investments**

At June 30, 2022, the Town of North Topsail Beach had \$10,350,347 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Town has no policy regarding credit risk.

**3. Receivables - Allowances for Doubtful Accounts**

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2022 are net of the following allowances for doubtful accounts:

Fund	6/30/2022
General Fund	
Property Taxes	\$ 6,000
Total	<u>\$ 6,000</u>

**4. Capital Assets****Primary Government**

Capital asset activity for the year ended June 30, 2022, was as follows:

<u>GOVERNMENTAL ACTIVITIES</u>	<u>Beginning</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending</u>
<b>Capital assets not being depreciated</b>				
Land	\$ 1,082,341	-	-	\$ 1,082,341
Construction in Progress	1,708,441	691,366	-	2,399,807
Total capital assets not being depreciated	<u>2,790,782</u>	<u>691,366</u>	<u>-</u>	<u>3,482,148</u>
<b>Capital assets being depreciated</b>				
Buildings and structures	1,364,535	-	-	1,364,535
Vehicles and motor equipment	2,739,591	69,367	105,465	2,703,493
Infrastructure	32,259,589	-	-	32,259,589
Total capital assets being depreciated	<u>36,363,715</u>	<u>69,367</u>	<u>105,465</u>	<u>36,327,617</u>
<b>Less accumulated depreciation</b>				
Buildings and structures	998,229	34,113	-	1,032,342
Vehicles and motor equipment	2,252,074	209,108	105,465	2,355,717
Infrastructure	9,219,850	867,041	-	10,086,891
Total capital assets being depreciated	<u>12,470,153</u>	<u>1,110,262</u>	<u>105,465</u>	<u>13,474,950</u>
Total capital assets being depreciated	<u>23,893,562</u>			<u>22,852,667</u>
<b>Governmental activity capital assets, net</b>	<u>\$ 26,684,344</u>			<u>\$ 26,334,815</u>

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

General government	\$ 83,903
Public Safety	865,970
Environmental Protection	160,389
Total	<u>\$ 1,110,262</u>

**B. Liabilities****1. Pension Plan Obligations****a. Local Governmental Employees' Retirement System**

**Plan Description.** The Town of North Topsail 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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](http://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 20 years of creditable service or at age 60 with five years of creditable service. 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 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 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's contractually required contribution rate for the year ended June 30, 2022, was 11.53% for general employees, 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 were \$256,786 for the year ended June 30, 2022.

**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, 2022, the Town reported a liability of \$504,093 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures 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, 2020 (measurement date), the Town's proportion was 0.03287%, which was an increase of .00573% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Town recognized pension expense of \$241,369. At June 30, 2022 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 160,370	\$ -
Changes of assumptions	316,699	-
Net difference between projected and actual earnings on pension plan investments	-	720,197
Changes in proportion and differences between Town contributions and proportionate share of contributions	92,699	23,692
Town contributions subsequent to the measurement date	256,786	-
Total	\$ 826,554	\$ 743,889

\$256,786 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	
2022	\$ 68,221
2023	5,642
2024	(27,600)
2025	(220,384)
2026	-
Thereafter	-
	\$ (174,121)



**Actuarial Assumptions.** The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of position plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, 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. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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 return 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. 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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. 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 3.00%. All rates of return and inflation are annualized.

**Discount rate.** The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these 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 benefit payments to determine the total pension liability.

**Sensitivity of the Town'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 percent, 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 percent) or one percentage point higher (7.50 percent) 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)	\$1,956,847	\$504,093	(\$691,439)

*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.

**b. Law Enforcement Officers Special Separation Allowance**

**1. Plan Description**

The Town of North Topsail Beach 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 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.

All full-time law enforcement officers of the Town are covered by the Separation Allowance.

At December 31, 2020 the Separation Allowance's membership consisted of:

Inactive members currently receiving benefits	1
Active plan members	<u>13</u>
Total	<u><u>14</u></u>

**2. 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 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.

**3. Actuarial Assumptions**

The entry age actuarial cost method was used in the December 31, 2020 valuation. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary Increases	3.25 to 7.75 percent, including inflation and productivity factor
Investment rate of return	2.50 percent, net of position plan investment expense, including inflation

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020.

Mortality rates are based on the RP-2000 Mortality tables with adjustments for mortality improvements based on Scale AA.

**4. Contributions**

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned 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. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid \$15,903 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, 2022, the Town reported a total pension liability of \$292,764. The total pension liability was measured as of December 31, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the Town recognized pension expense of \$18,525.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,193	\$ 101,084
Changes of assumptions	60,336	11,941
Town benefit payments and plan administrative expense made subsequent to the measurement date	-	-
Total	<u>\$ 73,529</u>	<u>\$ 113,025</u>

\$0 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 31, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30:</b>	
2023	\$ (7,397)
2024	(10,746)
2025	(7,111)
2026	(842)
2027	(8,328)
Thereafter	(5,072)
	<u>\$ (39,496)</u>

**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 1.93 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 (percent) or 1-percentage point higher (3.25 percent) than the current rate:

	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>(1.25%)</b>	<b>(2.25%)</b>	<b>(3.25%)</b>
Total pension liability	\$ 316,152	\$ 292,764	\$ 271,250

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

	<b>2022</b>
Beginning Balance	\$ 357,351
Service Cost	18,855
Interest on the total pension liability	6,743
Differences between expected and actual experience in the measurement of the total pension liability	(67,005)
Changes of assumptions or other inputs	(7,277)
Benefit payments	<u>(15,903)</u>
Ending balance of the total pension liability	<u>\$ 292,764</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, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

**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:

	<b>LGERS</b>	<b>LEOSSA</b>	<b>Total</b>
Pension Expense	\$ 241,369	\$ 18,525	\$ 259,894
Pension Liability	504,093	292,764	796,857
Proportionate share of the net pension liability	0.32870	n/a	
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	160,370	13,193	173,563
Changes of assumptions	316,699	60,336	377,035
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	92,699	-	92,699
Benefit payments and administrative costs paid subsequent to the measurement date	256,786	-	256,786
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	720,197	101,084	821,281
Changes of assumptions	-	11,941	11,941
Benefit payments and administrative costs paid subsequent to the measurement date	23,692	-	23,692

**c. 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 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 for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State 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 that the Town contribute each month an amount equal to 5 percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contribution to the plan. The Town made contributions of \$15,903 for law enforcement officers for the reporting year. No amounts were forfeited.

**2. Other Employment Benefits**

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 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.

**3. Deferred Outflows and Inflows of Resources**

The Town has several deferred outflows of resources. Deferred outflows of resources is comprised of the following:

Contributions to Pension Plan in Current Fiscal Year	\$ 256,786
Benefit payments and administrative expenses for LEOSSA made subsequent to measurement date	-
Differences between expected and actual experience	173,563
Changes of assumptions	377,035
Net difference between projected and actual	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	92,699
Total	<u>\$ 900,083</u>

Deferred inflows of resources at year-end are comprised of the following:

	Statement of Net Position	General Fund Balance Sheet	Beach Nourishment
Taxes Receivable (General Fund)	\$ -	\$ 41,602	\$ -
Assessments Receivable (Shoreline Protection)	-	-	-
Changes in assumptions	11,941	-	-
Differences between expected and actual experience	821,281	-	-
Benefit payments and administrative costs paid subsequent to the measurement date	23,692	-	-
Total	<u>\$ 856,914</u>	<u>\$ 41,602</u>	<u>\$ -</u>

**4. 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 three 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 \$1 million per occurrence, property coverage up to the total insured values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Excess insurance coverage is purchased by the Board of Trustees to protect against large workers' compensation claims that exceed certain dollar cost levels. Medical stop loss insurance is purchased by the Board of Trustees 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 Trustees 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.

In accordance with F.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The Finance Officer is individually bonded for \$50,000. The remaining employees that have access to funds are bonded under a blanket bond for \$1,000,000.

The town has a VFIS policy with American Alternative Insurance Corporation covering certain fire department equipment and property. The Town also has a flood insurance policy with Lloyd's of London.

**5. Claims, Judgments and Contingent Liabilities**

At June 30, 2022, the Town did not have any litigation pending.

**6. Long-Term Obligations**

**a. Installment Purchases**

In September 2019, the Town entered into a loan to finance the purchase of a various vehicles. The financing contract requires principal payments beginning in 2020 with an interest rate of 2.84%. The vehicles are security for the loan. The outstanding principal balance at June 30, 2022 was \$ 47,531.

Annual debt service payments of the installment purchases as of June 30, 2022, including interest are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	47,531	1,350
Total	\$ 47,531	\$ 1,350

**b. Special Obligation Indebtedness**

Special Obligation Bonds (SOBs) are authorized by N.C. Statutes and are available for use by cities and towns in N.C. A SOB pledges a specific town revenue or revenues as the collateral for the repayment of the bonds. Accordingly the SOBs are not a general obligation of the town and the remedies for collection are restricted to the pledged revenues.

Bonds payable at June 30, 2022 are comprised of the following individual issue:

Serviced by the Shoreline Protection Fund:

\$9,059,808 Special Obligation, Series 2022B Bonds issued on March 8, 2022, and due on June 1st in various installments plus interest through June 1, 2027; interest at 2.68% \$ 9,059,808

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	1,811,962	218,523
2024	1,811,962	169,982
2025	1,811,962	121,401
2026	1,811,962	72,841
2027	1,811,962	24,280
Total	\$ 9,059,808	\$ 607,027

Serviced by the Beach Maintenance Project Fund:

\$4,110,679 Special Obligation, Series 2022A Bonds issued in fiscal year 2022. Total Bond limit is \$9,000,000 with interest rate of 1.96%. Bonds will be paid with FEMA reimbursements for the ongoing Beach Maintenance Project.

**c. Long-Term Obligation Activity**

<u>Governmental activities:</u>	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Direct placement note payable	\$ 144,817	\$ -	\$ 97,287	\$ 47,530	\$ 47,530
Special obligation bonds - 2022B	14,521,000	-	5,461,192	9,059,808	1,811,962
Special obligation bonds - FEMA	-	4,110,679	-	4,110,679	-
Compensated absences	94,135	85,610	42,100	137,645	42,100
Net pension obligation (LGERS)	969,828	-	465,735	504,093	-
Total pension liability (LEO)	357,351	-	64,587	292,764	-
Governmental activities long-term liabilities	<u>\$ 16,087,131</u>	<u>\$ 4,196,289</u>	<u>\$ 6,130,901</u>	<u>\$ 14,152,519</u>	<u>\$ 1,901,592</u>

Compensated absences for governmental activities typically have been liquidated in the General Fund.

**C. Net Investment in Capital Assets**

	<u>Governmental</u>
Capital Assets	\$ 26,334,815
less: long term debt	(13,218,017)
Net investment in capital asset	<u>\$ 13,116,798</u>

**D. Fund Balance**

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	\$ 5,133,511
Less:	
Stabilization by State Statute	713,711
Streets - Powell Bill	34,371
Remaining Fund Balance	4,385,429

**III. Summary Disclosure of Significant Contingencies**

**A. 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 moneys 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.

**IV. Subsequent Events**

Events occurring after June 30, 2022 were evaluated by management on January 17, 2023 to ensure that any subsequent events that met the criteria for recognition and/or disclosure to these financial statements have been included. There were no subsequent events requiring disclosure.

REQUIRED  
SUPPLEMENTAL FINANCIAL  
DATA

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This section contains additional information required by  
generally accounting principals.

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Schedule of the Proportionate Share of the Net Pension  
Asset – Local Government Employees’ Retirement System

Schedule of Contributions – Local Government Employees’ Retirement System

Schedule of Changes in Total Pension Liability - Law Enforcement Officer's Special  
Separation Allowance

**Town of North Topsail Beach, North Carolina**  
**Camden County's Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information**  
**Last Nine Fiscal Years\***

**Local Government Employees' Retirement System**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
North Topsail Beach's proportion of the net pension liability (asset) (%)	0.03287%	0.02714%	0.03054%	0.02792%	0.02581%	0.02612%	0.03091%	0.03100%	0.02480%
North Topsail Beach's proportion of the net pension liability (asset) (\$)	\$ 504,093	\$ 969,828	\$ 834,024	\$ 662,358	\$ 394,305	\$ 554,354	\$ 138,722	\$ (182,821)	\$ 298,935
North Topsail Beach's covered-employee payroll	\$ 2,107,990	\$ 1,989,600	\$ 2,038,073	\$ 1,616,324	\$ 1,627,781	\$ 1,604,908	\$ 1,599,383	\$ 1,510,668	\$ 1,253,500
North Topsail Beach's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	23.91%	48.74%	40.92%	40.98%	24.22%	34.54%	8.67%	( 12.10%)	23.85%
Plan fiduciary net position as a percentage of the total pension liability**	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

\* 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 North Topsail Beach, North Carolina**  
**Required Supplementary Information**  
**Last Nine Fiscal Years**

**Local Government Employees' Retirement System**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 256,786	\$ 220,861	\$ 184,774	\$ 164,550	\$ 122,528	\$ 117,456	\$ 104,513	\$ 113,221	\$ 103,790
Contributions in relation to the contractually required contribution	256,786	220,861	184,774	164,550	122,528	117,456	104,513	113,221	103,790
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
North Topsail Beach's covered payroll	\$ 2,199,680	\$ 2,107,990	\$ 1,989,600	\$ 2,038,073	\$ 1,616,324	\$ 1,627,781	\$ 1,604,908	\$ 1,599,383	\$ 1,510,668
Contributions as a percentage of covered payroll	11.67%	10.48%	9.29%	8.07%	7.58%	7.22%	6.51%	7.08%	6.87%

**Town of North Topsail Beach, North Carolina**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**June 30, 2022**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Beginning balance	357,351	286,631	360,852	336,687	299,382	283,172
Service Cost	18,855	11,179	12,938	15,414	13,560	14,398
Interest on the total pension liability	6,743	9,069	12,729	10,286	11,159	10,109
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(67,005)	(9,112)	(85,313)	35,446	9,908	-
Changes of assumptions or other inputs	(7,277)	76,477	7,759	(14,647)	23,281	(8,297)
Benefit payments	(15,903)	(16,893)	(22,334)	(22,334)	(20,603)	-
Other changes	-	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 292,764</u>	<u>\$ 357,351</u>	<u>\$ 286,631</u>	<u>\$ 360,852</u>	<u>\$ 336,687</u>	<u>\$ 299,382</u>

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

**Town of North Topsail Beach, North Carolina**  
**Schedule of Total Pension Liability as a Percentage of Covered Payroll**  
**Law Enforcement Officers' Special Separation Allowance**  
**June 30, 2022**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total pension liability	\$ 292,764	\$ 357,351	\$ 286,631	\$ 360,852	\$ 336,687	\$ 299,382
Covered payroll	639,431	595,749	650,515	513,035	497,026	498,295
Total pension liability as a percentage of covered payroll	45.79%	59.98%	44.06%	70.34%	67.74%	60.08%

Notes to the schedules:

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

## GENERAL FUND

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The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

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**Town of North Topsail Beach, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2022**

	2022		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues:</b>			
Ad valorem taxes:			
Taxes		\$ 2,783,054	
Penalties and interest		1,870	
Total	<u>\$ 2,798,898</u>	<u>2,784,924</u>	<u>\$ (13,974)</u>
Permits and fees			
Inspection Fees		201,917	
Total	<u>217,063</u>	<u>201,917</u>	<u>(15,146)</u>
Sales and services			
Solid waste		447,699	
Rents		115,832	
Fines and penalties		4,176	
Miscellaneous		94,763	
Total	<u>759,228</u>	<u>662,470</u>	<u>(96,758)</u>
Unrestricted intergovernmental revenues:			
Local option sales taxes		2,139,529	
Franchise tax		315,477	
Beer and wine tax		3,993	
Total	<u>1,998,400</u>	<u>2,458,999</u>	<u>460,599</u>
Restricted intergovernmental revenue:			
Grants		333,576	
Solid waste disposal tax		731	
Powell bill		33,808	
Total	<u>510,178</u>	<u>368,115</u>	<u>(142,063)</u>
Interest income	<u>15,000</u>	<u>28,591</u>	<u>13,591</u>
Total Revenues	<u>6,298,767</u>	<u>6,505,016</u>	<u>206,249</u>

**Town of North Topsail Beach, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2022**

	2022		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Expenditures:</b>			
General government			
Governing body			
Salaries and employee benefits		38,216	
Operating Expenditures		187,563	
Total Governing body	243,920	225,779	18,141
Administration			
Salaries and employee benefits		385,618	
Operating Expenditures		128,949	
Total Administration	548,963	514,567	34,396
Planning & zoning			
Salaries and employee benefits		127,781	
Operating Expenditures		8,907	
Total Planning & zoning	143,226	136,688	6,538
Insurance			
Operating Expenditures		180,249	
Total Insurance	182,750	180,249	2,501
Public buildings			
Operating Expenditures		246,932	
Capital Outlay		691,366	
Total Public buildings	1,093,387	938,298	155,089
Public works			
Salaries and employee benefits		265,556	
Operating Expenditures		34,747	
Total Public works	338,845	300,303	38,542
Total General government	2,551,091	2,295,884	255,207
Public safety			
Police			
Salaries and employee benefits		969,287	
Operating Expenditures		169,970	
Capital outlay		69,367	
Total Police	1,321,919	1,208,624	113,295
Police separation allowance			
Salaries and employee benefits		17,120	
Total debt service	17,125	17,120	5

**Town of North Topsail Beach, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2022**

	2022		Variance Favorable (Unfavorable)
	Budget	Actual	
Inspections and zoning			
Salaries and employee benefits		172,891	
Operating Expenditures		13,579	
Total Inspections and zoning	211,596	186,470	25,126
Fire			
Salaries and employee benefits		1,077,546	
Operating Expenditures		131,124	
Total fire	1,291,434	1,208,670	82,764
Total public safety	2,842,074	2,620,884	221,190
Street department			
Operating Expenditures		38,795	
Total street department	54,000	38,795	15,205
Sanitation			
Operating expenditures		487,638	
Total Sanitation	491,662	487,638	4,024
Community development			
Operating expenditures		24,483	
Capital outlay		-	
Total community development	25,125	24,483	642
Beach renourishment/dune stabilization			
Operating Expenditures		131,162	
Total beach renourishment/dune stabilization	179,375	131,162	48,213

**Town of North Topsail Beach, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2022**

	2022		Variance Favorable (Unfavorable)
	Budget	Actual	
Debt Service			
Principal paid		97,287	
Interest paid		2,896	
Total debt service	<u>100,416</u>	<u>100,183</u>	<u>233</u>
Total expenditures	<u>6,243,743</u>	<u>5,699,029</u>	<u>544,714</u>
Revenues over (under) expenditures	<u>55,024</u>	<u>805,987</u>	<u>750,963</u>
Other financing sources (uses):			
Contingency	(77,341)	-	77,341
Fund balance appropriated	<u>22,317</u>	-	<u>(22,317)</u>
Total	<u>(55,024)</u>	<u>-</u>	<u>55,024</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>805,987</u>	<u>\$ 805,987</u>
Fund balance-beginning		<u>4,327,524</u>	
Fund balance-ending		<u>\$ 5,133,511</u>	



**Town of North Topsail Beach, North Carolina**  
**Shoreline Protection Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Fore the Fiscal Year Ended June 30, 2022**

	2022		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues:</b>			
Ad valorem taxes		\$ 1,379,124	
Accommodations tax		1,941,229	
Unrestricted intergovernmental		732,307	
Restricted intergovernmental		4,931,930	
Permits and fees		446,523	
Investment earnings		6,417	
Miscellaneous		277,757	
Total Revenues	<u>\$ 9,192,072</u>	<u>9,715,287</u>	<u>\$ 523,215</u>
<b>Expenditures:</b>			
Environmental protection			
Operating expenditures		2,605,682	
Total environmental protection	<u>2,700,000</u>	<u>2,605,682</u>	<u>94,318</u>
Debt service			
Principal		5,461,192	
Interest		460,924	
Total debt service	<u>6,492,072</u>	<u>5,922,116</u>	<u>569,956</u>
Total expenditures	<u>9,192,072</u>	<u>8,527,798</u>	<u>664,274</u>
Net Change in Fund Balance	<u>\$ -</u>	1,187,489	<u>\$ 1,187,489</u>
Fund balance-beginning		10,207,945	
Fund Balance-ending		<u>\$ 11,395,434</u>	

**Town of North Topsail Beach, North Carolina**  
**American Rescue Plan Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Fore the Fiscal Year Ended June 30, 2022**

	2022		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues:</b>			
Restricted intergovernmental		\$ 36,409	
Total Revenues	\$ 118,396	36,409	\$ (81,987)
<b>Expenditures:</b>			
General government			
Operating expenditures		36,409	
Total expenditures	118,396	36,409	81,987
Net Change in Fund Balance	\$ -	-	\$ -
Fund balance-beginning		-	
Fund balance-ending		\$ -	

**Town of North Topsail Beach, North Carolina**  
**Beach Maintenance Project**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual (Non-GAAP)**  
**From Inception and For the Fiscal Year Ended June 30, 2022**

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
<b>Revenues:</b>					
Restricted intergovernmental					
FEMA reimbursement	\$ 9,000,000	\$ -	\$ -	\$ -	\$ (9,000,000)
Total non-operating revenue	<u>9,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,000,000)</u>
<b>Expenditures:</b>					
Administration	210,000	-	193,116	193,116	16,884
Haul & placement of beach fill	8,378,110	-	3,513,480	3,513,480	4,864,630
Professional fees	123,490	-	-	-	123,490
Mobilization and demobilization	180,000	-	180,000	180,000	-
Other	108,400	-	47,093	47,093	61,307
Total	<u>9,000,000</u>	<u>-</u>	<u>3,933,689</u>	<u>3,933,689</u>	<u>5,066,311</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(3,933,689)</u>	<u>(3,933,689)</u>	<u>(3,933,689)</u>
<b>Other financing sources (Uses):</b>					
Long-term debt issued	-	-	4,110,679	4,110,679	4,110,679
Total	<u>-</u>	<u>-</u>	<u>4,110,679</u>	<u>4,110,679</u>	<u>4,110,679</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>176,990</u>	<u>\$ 176,990</u>	<u>\$ 176,990</u>
<b>Fund Balance:</b>					
Fund balance-beginning			<u>-</u>		
Fund balance-ending			<u>\$ 176,990</u>		

**Town of North Topsail Beach, North Carolina**  
**Capital Improvement Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2022**

	2022		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues:</b>			
Ad valorem taxes		\$ 400,394	
Total revenues	\$ 389,280	400,394	\$ 11,114
<b>Expenditures:</b>			
Public safety			
Fire department		32,042	
Total expenditures	389,280	32,042	357,238
Revenues over (under) expenditures	-	368,352	368,352
Net change in fund balance	\$ -	368,352	\$ 368,352
Fund balance-beginning		-	
Fund balance-ending		\$ 368,352	

## OTHER SCHEDULES

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This section includes additional information on property taxes.

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- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

**Town of North Topsail Beach, North Carolina**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2022**

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2021</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2022</u>
2021-2022	\$ -	\$ 4,566,306	\$ 4,534,879	\$ 31,427
2020-2021	25,300	-	19,728	5,572
2019-2020	11,394	-	9,060	2,334
2018-2019	2,583	-	948	1,635
2017-2018	2,381	-	1,385	996
2016-2017	1,853	-	1,233	620
2015-2016	1,885	-	1,291	594
2014-2015	1,943	-	1,281	662
2013-2014	3,581	-	1,376	2,205
2012-2013	2,108	-	551	1,557
2011-2012	2,086	-	2,086	-
	<u>\$ 55,114</u>	<u>\$ 4,566,306</u>	<u>\$ 4,573,818</u>	<u>47,602</u>
				6,000
				<u>\$ 41,602</u>
<u>Reconciliation to revenues:</u>				
				\$ 4,564,442
				(1,870)
				11,246
				<u>\$ 4,573,818</u>

**Town of North Topsail Beach, North Carolina**  
**Analysis of Current Tax Levy**  
**For the Fiscal Year Ended June 30, 2022**

	Town - Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 992,675,217	\$ 0.46	\$ 4,566,306	\$ 4,484,673	\$ 81,633
Total Property Valuation	\$ 992,675,217				
Net levy			4,566,306	4,484,673	81,633
Uncollected taxes at June 30, 2022			31,427	31,427	-
Current year's taxes collected			\$ 4,534,879	\$ 4,453,246	\$ 81,633
Current levy collection percentage			99.31%	99.30%	100.00%

## COMPLIANCE SECTION





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**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  
Members of the Town Alderman  
North Topsail 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 the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of North Topsail Beach, North Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprises the Town of North Topsail Beach's basic financial statements, and have issued our report thereon dated January 17, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of North Topsail Beach'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 of North Topsail Beach'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 a 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 material weaknesses. However, material weaknesses may exist that have not been identified.

#### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of North Topsail Beach's financial statements are free of 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 determination of financial statement amounts. 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 noncompliance 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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Thompson, Price, Scott, Adams & Co., PA*

*Wilmington, North Carolina*

*January 17, 2023*



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**Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; With OMB Uniform Guidance and the State Single Audit Implementation Act**

**Independent Auditor's Report**

To the Honorable Mayor and  
Members of the Town Alderman  
Town of North Topsail Beach, North Carolina

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Town of North Topsail Beach, North Carolina, compliance with the types of compliance requirements described 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 North Topsail Beach's major federal programs for the year ended June 30, 2022. The Town of North Topsail Beach's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of North Topsail Beach complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 Town of North Topsail 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 provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of North Topsail 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 Town of North Topsail Beach federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Town of North Topsail 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*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance 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. Noncompliance 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 judgment made by a reasonable user of the report on compliance about Town of North Topsail Beach's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Town of North Topsail Beach compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Town of North Topsail Beach 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, but not for the purpose of expressing an opinion on the effectiveness of Town of North Topsail Beach 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, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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 Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses 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. However, material weaknesses or significant deficiencies 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.

Thompson, Price, Scott, Adams & Co., PA

Wilmington, North Carolina

January 17, 2023



Thompson, Price, Scott, Adams & Co., P.A.  
4024 Oleander Drive Suite 103  
Wilmington, North Carolina 28403  
Telephone (910) 791-4872  
Fax (910) 239-8294

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**Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; With OMB Uniform Guidance and the State Single Audit Implementation Act**

**Independent Auditor's Report**

To the Honorable Mayor and  
Members of the Town Alderman  
North Topsail Beach, North Carolina

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited the Town of North Topsail Beach, North Carolina, compliance with the types of compliance requirements described 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 North Topsail Beach's major State programs for the year ended June 30, 2022. The Town of North Topsail Beach's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of North Topsail Beach complied, in all material respects, with the types of 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, 2022.

***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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 North Topsail 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 provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of the Town of North Topsail 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 Town of North Topsail Beach State programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Town of North Topsail 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*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance 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. Noncompliance 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 judgment made by a reasonable user of the report on compliance about Town of North Topsail 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*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Town of North Topsail 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 Town of North Topsail 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, but not for the purpose of expressing an opinion on the effectiveness of Town of North Topsail 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, noncompliance 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance 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 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 Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses 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. However, material weaknesses or significant deficiencies 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.

*Thompson, Price, Scott, Adams & Co., PA*

*Wilmington, North Carolina*

*January 17, 2023*



Town of North Topsail Beach, North Carolina  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2022

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**Section I. Summary of Auditor's Results**

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Financial Statements

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

Internal control over financial reporting:

- Material weakness(es) identified?           \_\_\_yes Xno
- Significant Deficiency(s) identified?       \_\_\_yes Xno

Noncompliance material to financial statements noted?                   \_\_\_yes Xno

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?           \_\_\_yes Xno
- Significant Deficiency(s) identified       \_\_\_yes X none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   \_\_\_yes Xno

Identification of major federal programs:

CFDA No(s).           Names of Federal Program

97.036                   Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B Programs           \$750,000

Auditee qualified as low-risk auditee?           \_\_\_yes Xno

State Awards

Internal control over major state programs:

- Material weakness(es) identified?           \_\_\_yes Xno
- Significant Deficiency(s) identified       \_\_\_yes X 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 State Single Audit Implementation Act?                   \_\_\_yes Xno

Identification of major state programs:

Program Name

Disaster Grants – Public Assistance (Presidentially Declared Disasters) – State Share

Town of North Topsail Beach, North Carolina  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2022

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**Section II – Financial Statement Findings**

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None

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**Section III – Federal Award Findings and Questioned Costs**

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None.

Town of North Topsail Beach, North Carolina  
Summary Schedule of Prior Audit Findings  
For the Fiscal Year Ended June 30, 2022

2021-001  
Corrected.

TOWN OF NORTH TOPSAIL BEACH, NORTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL ASSISTANCE Listing No.	STATE/FEDERAL PASS-THROUGH GRANTOR'S NUMBER	FEDERAL (DIRECT AND PASS-THROUGH) EXPENDITURES	STATE EXPENDITURES	PROVIDED TO SUBRECIPIENTS
<b>FEDERAL GRANTS</b>					
Cash Programs					
<u>U.S. Dept. of Commerce</u>					
Passed-through N.C. Department of Environmental Quality Coastal Zone Management Administration Awards	11.419	CW23458	\$ 14,400	\$ -	\$ -
<u>U.S. Dept. of Treasury</u>					
Coronavirus State Local Fiscal Recovery Funds	21.027		36,409	-	-
<u>U.S. Dept. of Homeland Security</u>					
Passed-through N.C. Department of Public Safety Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		3,656,713	1,218,904	-
Total Federal Cash Assistance			<u>3,707,522</u>	<u>1,218,904</u>	<u>-</u>
Total Federal Assistance			<u>3,707,522</u>	<u>1,218,904</u>	<u>-</u>
<b>STATE GRANTS</b>					
Cash Programs					
<u>NC Office of State Budget and Management</u>					
State Capital and Infrastructure Fund			-	280,943	-
<u>NC Department of Public Safety</u>					
Governor's Crime Commission			-	52,198	-
<u>NC Department of Transportation</u>					
State Street-Aid - Powell Bill		32570	-	14,012	-
Golden Leaf			-	56,502	-
Total State Cash Assistance			<u>-</u>	<u>122,712</u>	<u>-</u>
Total State Assistance			<u>-</u>	<u>1,745,271</u>	<u>-</u>
Total Assistance			<u>\$ 3,707,522</u>	<u>\$ 1,745,271</u>	<u>\$ -</u>

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

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 North Topsail Beach under the programs of the federal government and the State of North Carolina for the year ended June 30, 2022. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for the Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the Town of North Topsail Beach, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town of North Topsail Beach.

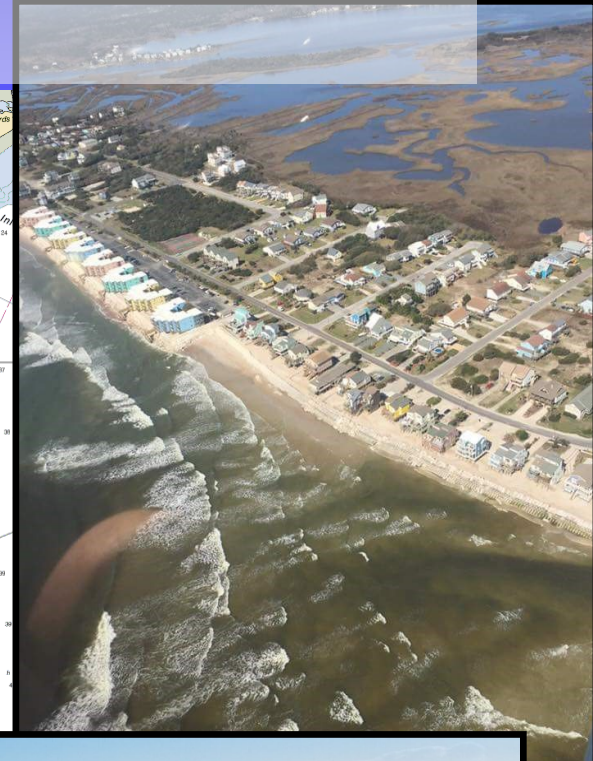
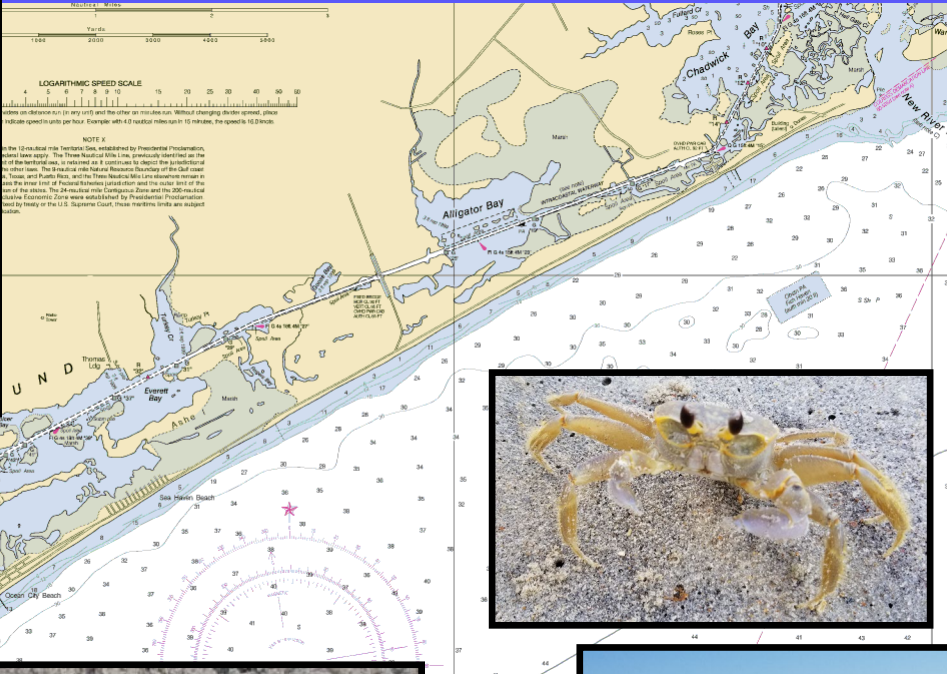
2. Summary of Significant Accounting Policies

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

3. Indirect Cost Rate

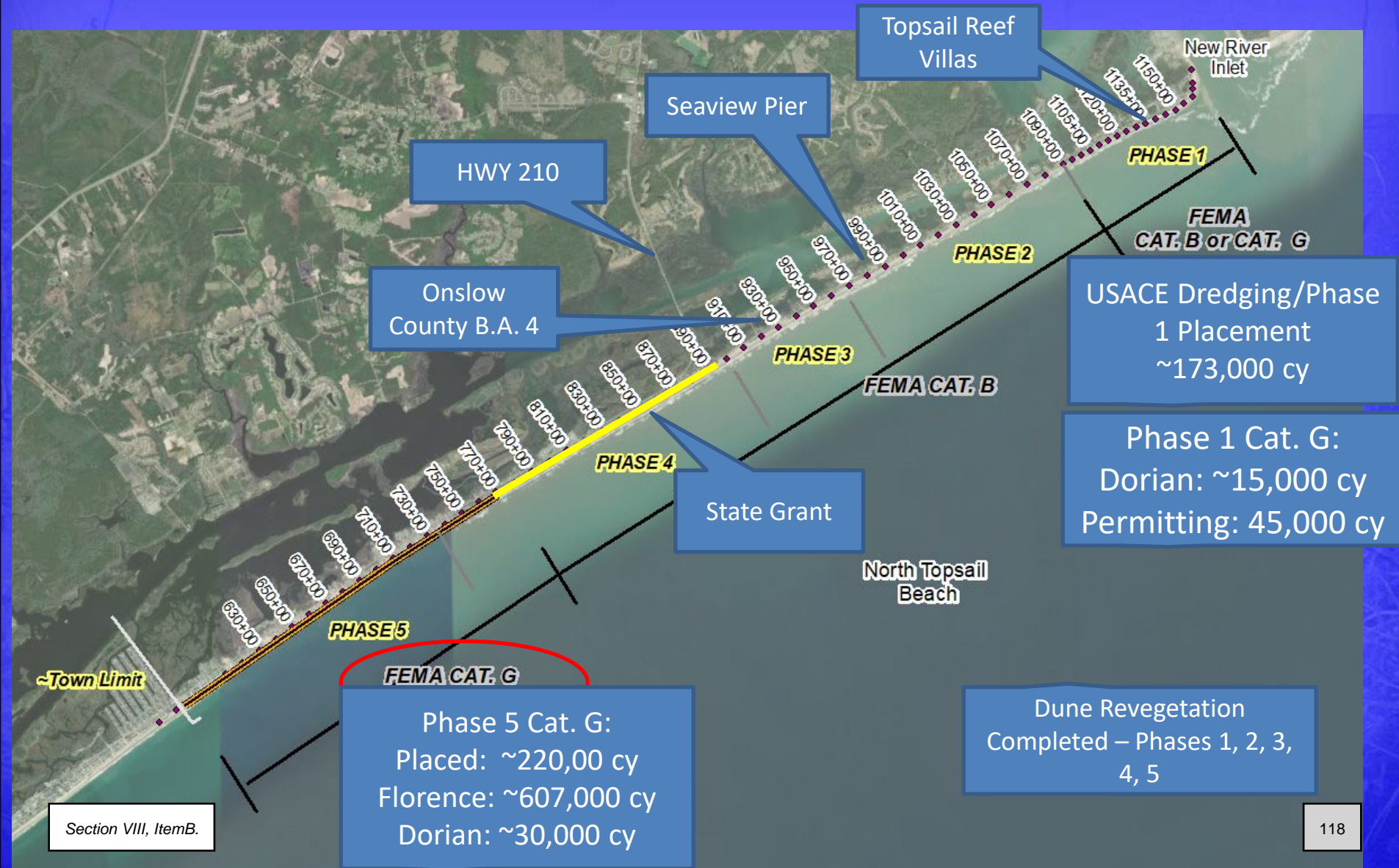
The Town of North Topsail Beach has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

# North Topsail Beach Coastal Update February 2023



# Ongoing and Upcoming Projects Overview

## State Grant, Dorian and Florence FEMA Category G., USACE



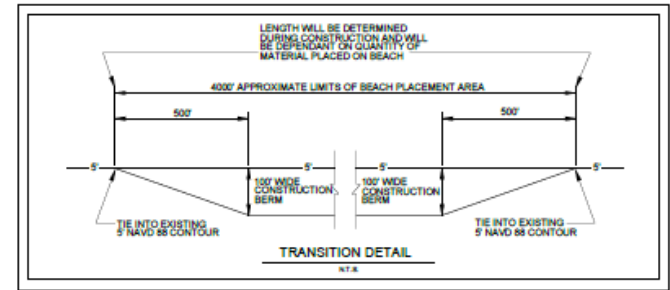
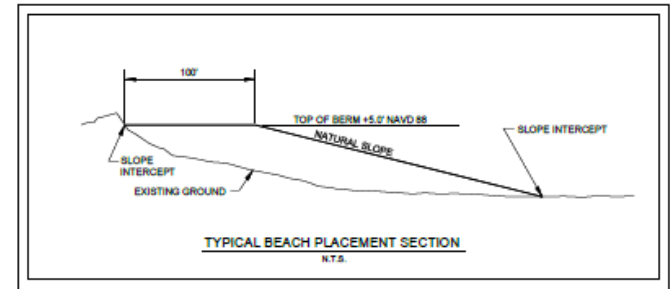
# USACE (Corps) AIWW/Channel Dredging.

## ~173,000 cy.

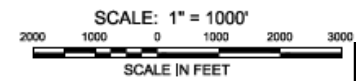


Section VIII, Item B.

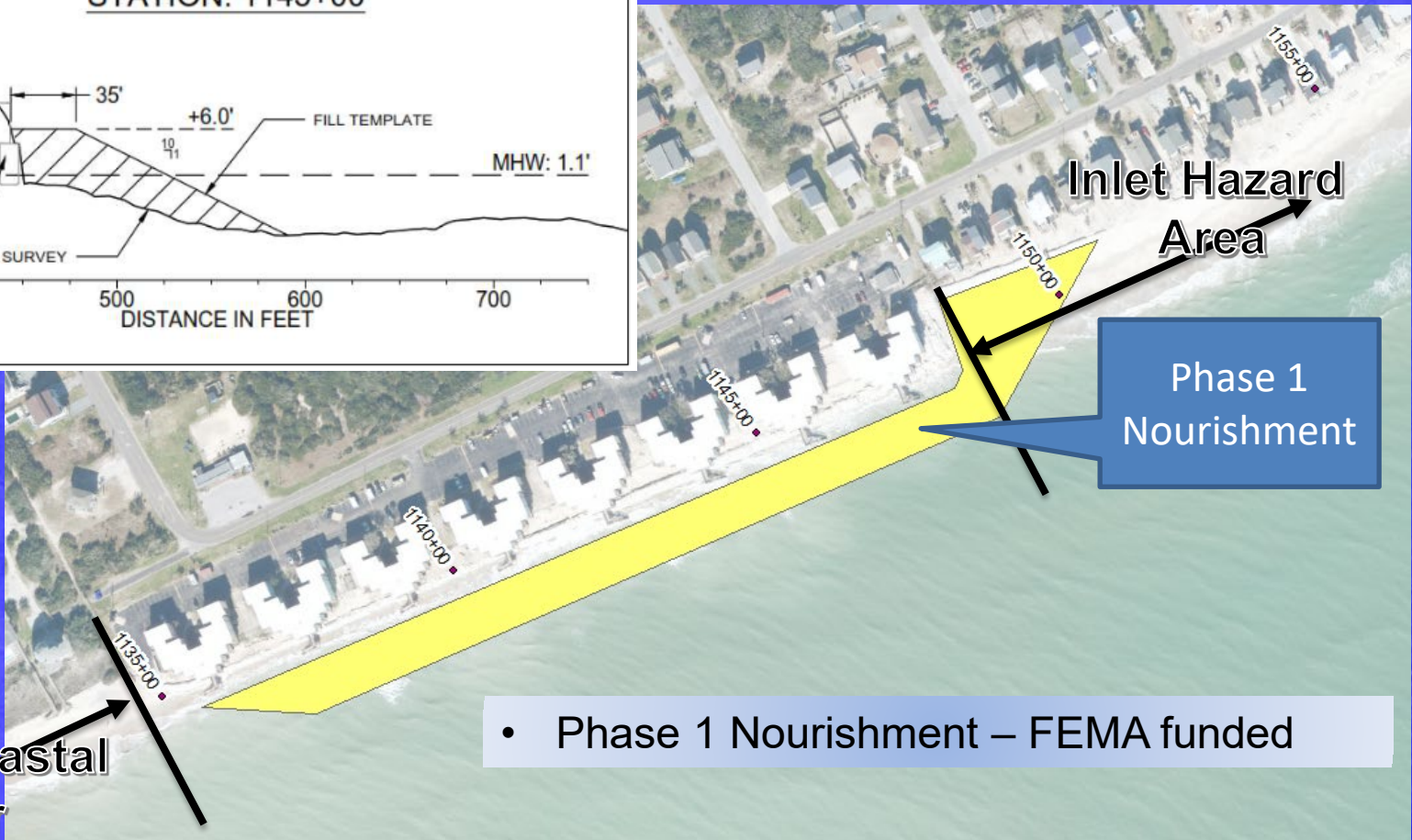
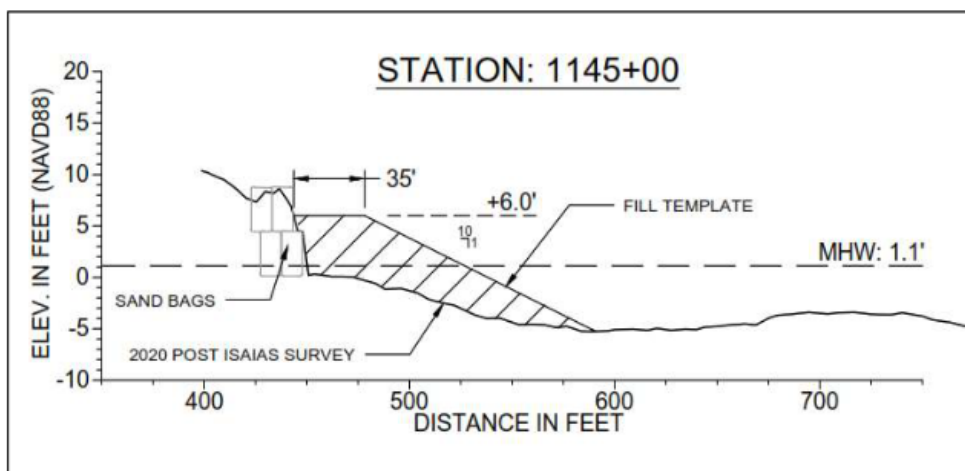
FILL MATERIAL SHALL BE PLACED AT TYPICAL BEACH PLACEMENT SECTION UNTIL MATERIAL TO BE DREDGED IS EXHAUSTED. WIDTH OF TYPICAL BEACH PLACEMENT SECTION MAY BE ADJUSTED AT THE DISCRETION OF THE C.O.R. TO ASSURE MATERIAL PLACEMENT WITHIN THE LIMITS INDICATED. PLACEMENT FOR TANGENT 1 AND TANGENT 2 STATION 0+00 - 30+00.



- NOTES**
1. DUE TO AGE OF PHOTOGRAPHY, PIPELINE ROUTE IS APPROXIMATE. THE CONTRACTOR SHALL NOTIFY THE TOWN OF NORTH TOPSAIL BEACH NO LATER THAN 15 DAYS PRIOR TO COMMENCEMENT OF PIPELINE PLACEMENT. POINT OF CONTACT WITH THE TOWN OF NORTH TOPSAIL BEACH IS STEVE FOSTER, TOWN MANAGER PHONE NO.: 910-328-1346. PRIOR TO THE PLACEMENT OF PIPE, THE CONTRACTOR SHALL MEET ON SITE WITH THE CONTRACTING OFFICER OR HIS/HER DESIGNATED REPRESENTATIVE AND A REPRESENTATIVE OF THE NORTH CAROLINA WILDLIFE RESOURCES COMMISSION TO DETERMINE THE EXACT PIPELINE ROUTE. AS PIPELINE IS BEING Laid, CONTRACTOR SHALL CONSTRUCT BARRIERS WHERE NECESSARY TO ALLOW PASSAGE OF VEHICLES OVER PIPELINE; THIS INCLUDES BUT IS NOT LIMITED TO, ALL DRIVEWAYS FOR HOMEOWNERS.
  2. VERTICAL DATUM NAVD88. THE CONTRACTOR SHALL BE RESPONSIBLE FOR ESTABLISHING HORIZONTAL AND VERTICAL CONTROL PRIOR TO PLACEMENT OF DREDGED MATERIAL IN THE DESIGNATED PLACEMENT AREA.
  3. HORIZONTAL DATUM NAD 1983.
  4. PHOTOGRAPHY DATE: FEBRUARY 2019, COPYRIGHT 2019 DIGITAL GLOBE.
  5. AREA TO BE DREDGED SHOWN THIS:
  6. FOR DETAILS OF AREAS TO BE DREDGED, SEE SHEETS CH106, CH107, CH108, & CH109.
  7. THE CONTRACTOR SHALL BEGIN PLACEMENT OF DREDGED MATERIAL ON THE BEACH IN THE VICINITY OF THE INTERSECTION OF RIVER DRIVE AND NEW RIVER INLET ROAD. DUE TO ONGOING CHANGES TO THE SHORELINE CAUSED BY OCEAN WAVES, THE EXACT BEGINNING POINT FOR PLACEMENT OF DREDGED MATERIAL WILL BE ESTABLISHED BY THE CONTRACTING OFFICER OR HIS/HER DESIGNATED REPRESENTATIVE IMMEDIATELY PRIOR TO THE START OF DREDGING AND PLACEMENT OPERATIONS. PLACEMENT OF THE 100-FOOT WIDE BERM SHALL CONTINUE DOWN THE BEACH AS FAR AS THE QUANTITY OF DREDGED MATERIAL WILL ALLOW.
  8. ALL CONTRACTOR OPERATIONS SHALL BE PERFORMED IN A MANNER THAT AVOIDS DAMAGE TO EXISTING SANDWEDGE, STRUCTURES AND ROADS. SANDWEDGE, STRUCTURES AND ROADS DAMAGED BY CONTRACTOR OPERATIONS SHALL BE REPAIRED TO THE SATISFACTION OF THE CONTRACTING OFFICER OR HIS/HER DESIGNATED REPRESENTATIVE AT NO COST TO THE GOVERNMENT OR TO THE OWNERS OF THE DAMAGED PROPERTY. IN ORDER TO MINIMIZE THE RISK OF DAMAGE, WHEELS OR TRACKED EARTH MOVING EQUIPMENT SHALL NOT WORK CLOSER THAN 10 FEET FROM STRUCTURES DURING ALL WORK INCLUDING DISTRIBUTION AND MOVEMENT OF BEACH FILL MATERIAL. EXISTING SANDWAGES BELOW ELEVATION 5 FEET THAT LIE WITHIN THE BEACH FILL LIMITS SHALL BE COVERED WITH FILL EXCEPT EXISTING SANDWAGES AT TOPSAIL REEFERS SHALL NOT BE COVERED. IN AREAS WHERE IT IS NOT POSSIBLE TO TIE INTO THE FOOT CONTOUR, THE CONTRACTOR SHALL CONSTRUCT THE BACKSLOPE TO THE NATURAL ANGLE OF REPOSE.
  9. NORTH TOPSAIL BEACH AND THE INLET BEACH ARE CONSIDERED SUITABLE HABITAT FOR SHORE BIRDS AND SEA TURTLES. ALL WORK ON THE BEACH INCLUDING PIPE REMOVAL SHALL BE COMPLETED BY 31 MARCH 2023. SEE PARAGRAPH ENVIRONMENTAL WINDOWS OF SECTION 01 57 19 OF THE SPECIFICATIONS FOR ENVIRONMENTAL WINDOWS AND RESTRICTIONS.



# Permitted Nourishment NON-COBRA Areas in Phase 1 Beach (not Dune) Nourishment

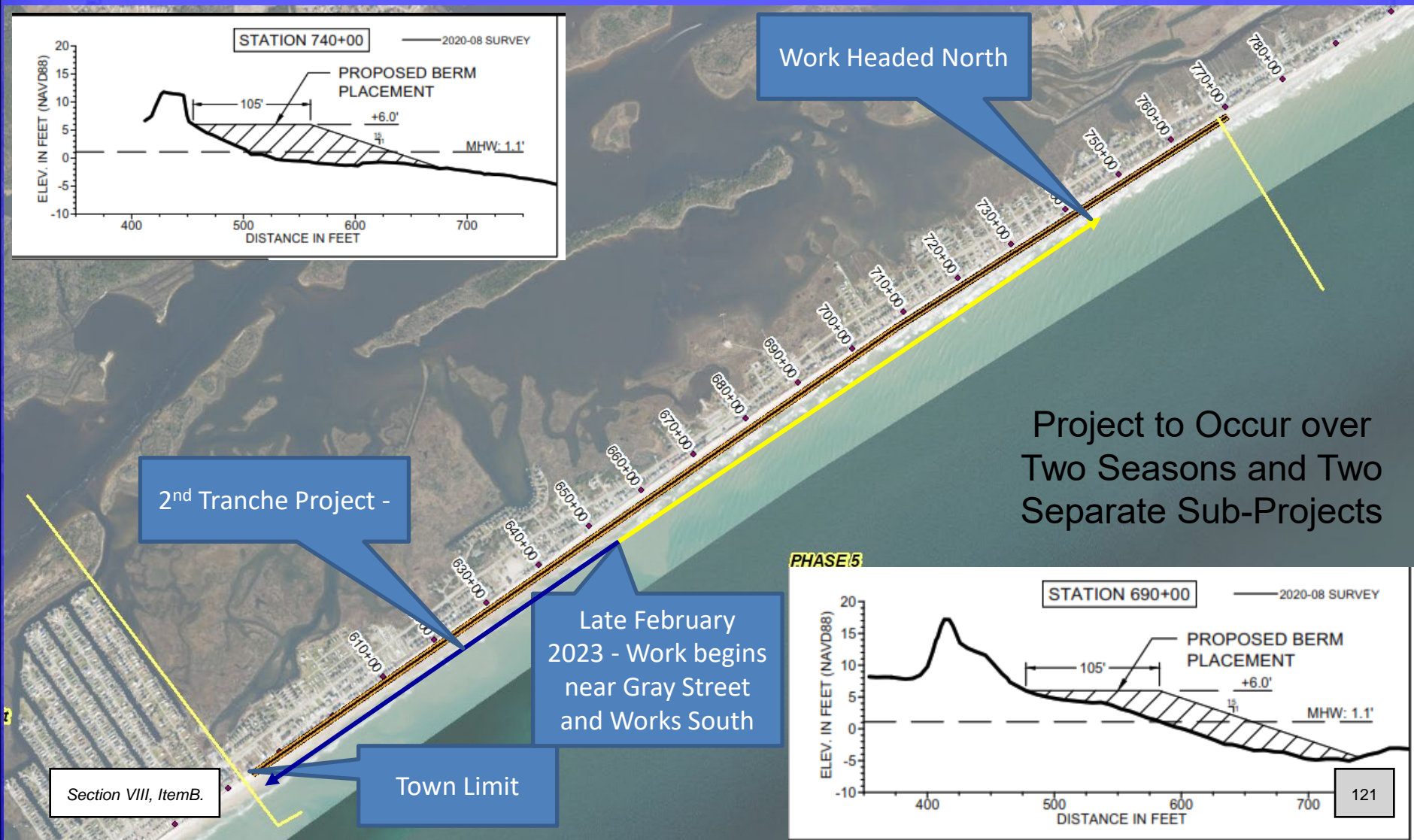


- Phase 1 Nourishment – FEMA funded

USFWS Coastal  
Barrier  
Resources Act Unit



# Florence & Dorian Nourishment in Phase 5 Has Begun. Beach (not Dune) Nourishment



Work Headed North

2<sup>nd</sup> Tranche Project -

Late February 2023 - Work begins near Gray Street and Works South

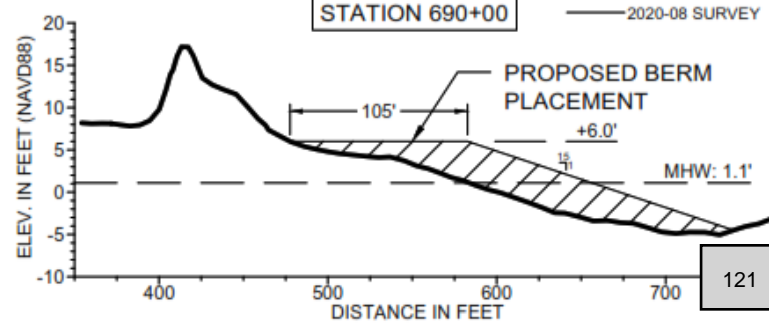
Town Limit

Section VIII, Item B.

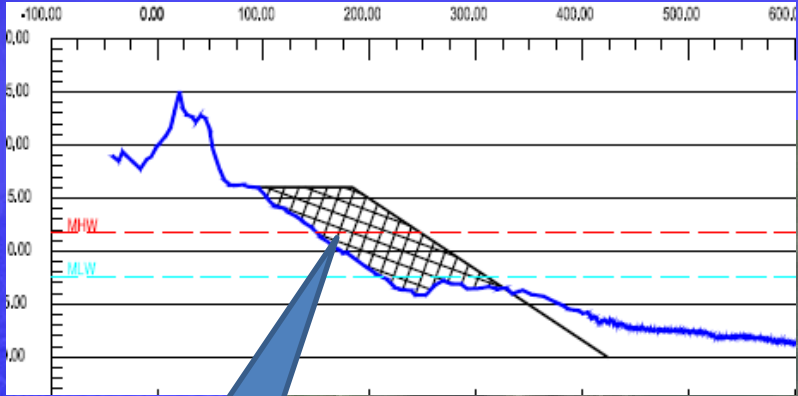
Project to Occur over Two Seasons and Two Separate Sub-Projects

PHASE 5

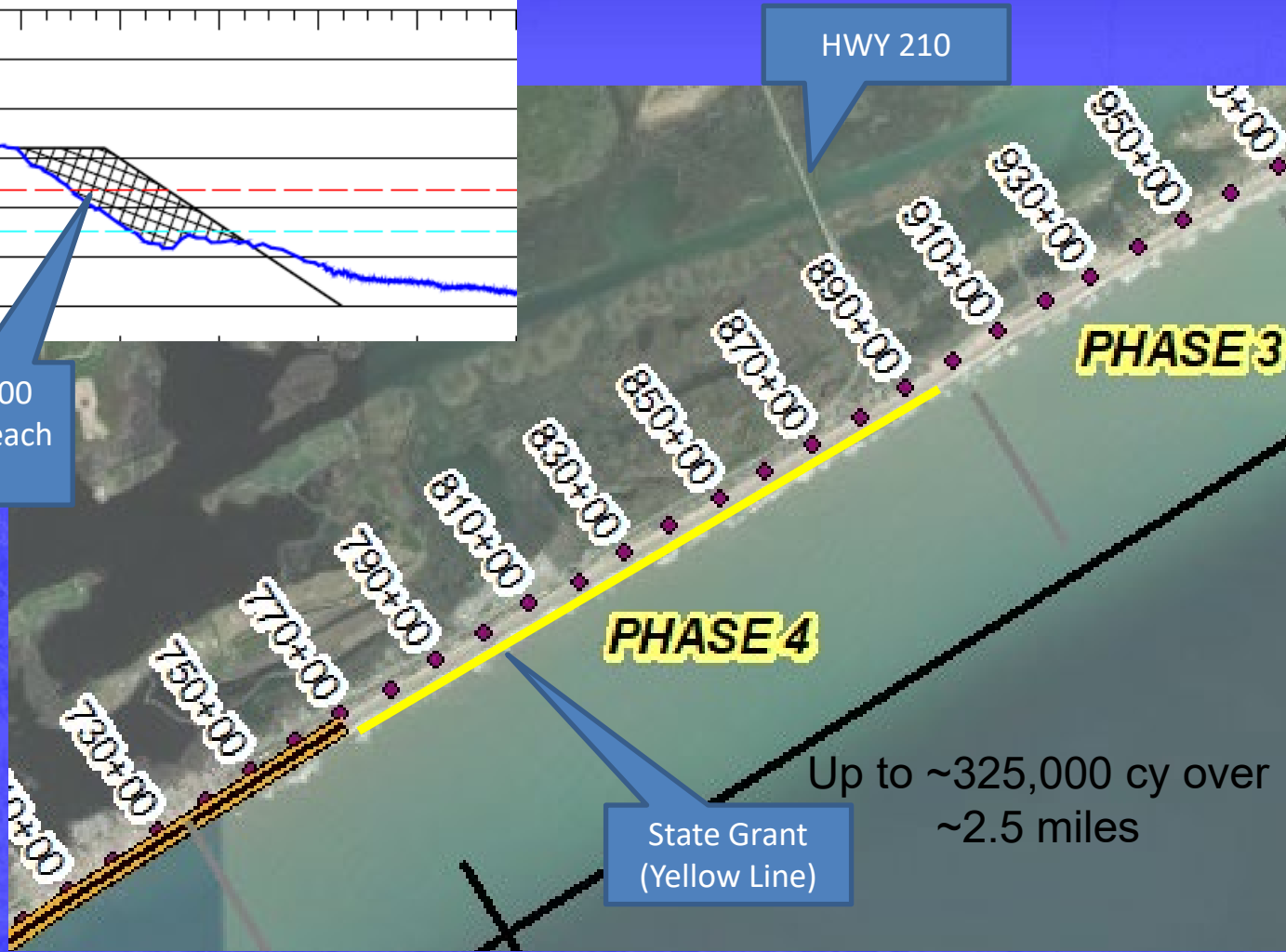
STATION 690+00



# Successful State Grant in Phase 4. Beach (not Dune) Nourishment



~80 to 100 Feet of Beach Width



Project to Occur Next Season –  
Permitting Ongoing

# County Beach Access Dune Rehabilitation

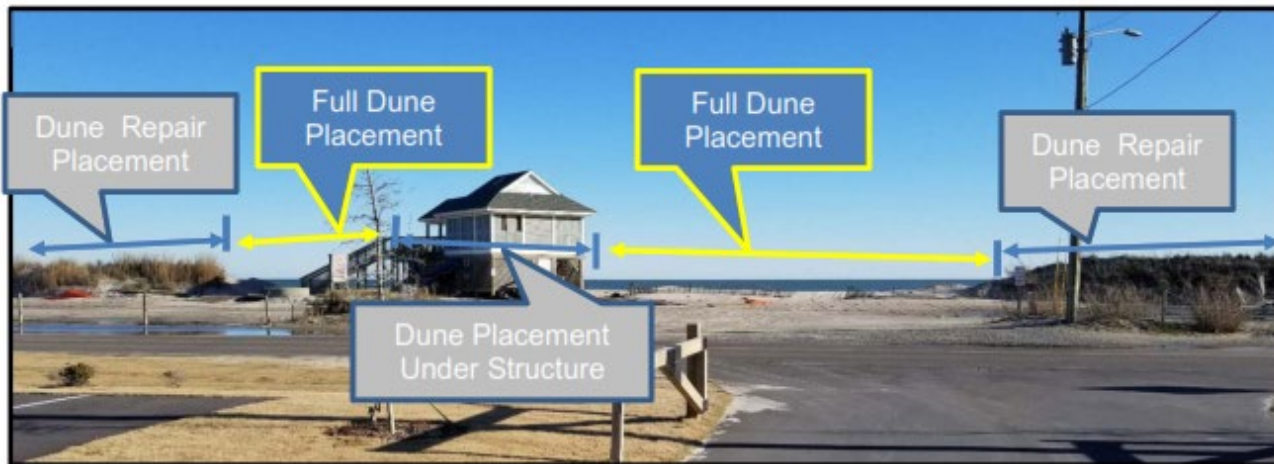
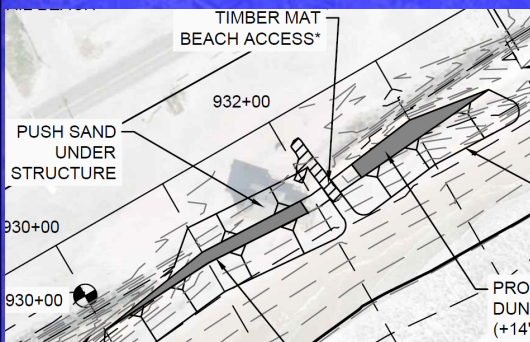


Figure 1: Dune Material Placement (photo taken February 3, 2021).



Section VIII, Item B.

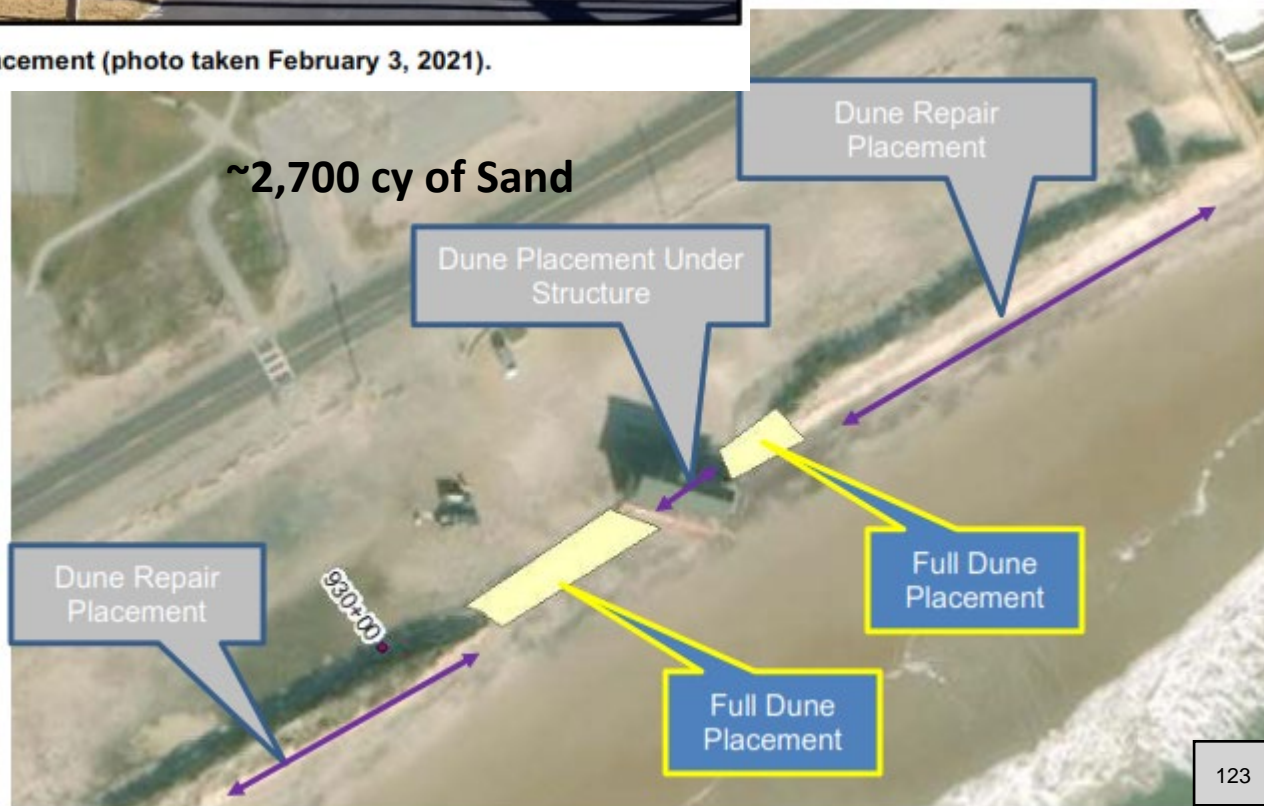


Figure 2: Plan view dune placement schematic.

# Town Beach Projects Updates

- USACE AIWW/Channel Dredging and Phase 1 Placement (~173,000 cy)
- Hurricane Dorian Phase 1 FEMA Category G (~15,000 cy) near Topsail Reef Villas and ~45,000 cy permitted (Nov 16, 2022, to April 1, 2023).
- New River Inlet Management Master Plan EIS: Continued EIS processing and meetings. Additional Modeling Completed.
- County Beach Access (Phase 3)
- State Grant Nourishment (Phase 4 and connects with Phase 5 Truck Haul)
- Phase 5 Beach Nourishment - ST Wooten started hauling and working north. ~220,000 cy placed, ~80,000 cy remain.
- Separate 2<sup>nd</sup> Tranche Truck Haul for Phase 5 - ~290,000 cy. Start at Gray Street and work south – Late February 2023
- Working with NTB Finance Officer and DEC Associates regarding funding for FEMA and State funded projects
- Permitting Coordination (all projects)





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## 2023 Advocate Goals [Revised Dec 16<sup>th</sup>]

### State Goals:

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- A. Advocate for recurring funding for the Coastal Storm Damage Mitigation Fund
  - B. Continue to ensure funding for the Shallow Draft Inlet Dredging Fund
  - C. Work to change state funding and local financing guidelines for terminal groins
  - D. Request state support for the non-Federal Owners obligation under the USACE Flood Control and Coastal Emergencies Fund (PL 84-99) following storm damage
  - E. Work to pass state legislation to ban and to remove derelict vessels
  - F. Continue to advocate for funding addressing island-wide resiliency projects
  - G. Notify TISPC of pending legislation and regulations that impacts Topsail Island
- 

### Federal Goals

- A. Obtain legislation to allow the continued use of sand from the New Topsail Inlet and New River Inlet CBRA zones for non-CBRA zone beach nourishment when federal funds are involved
  - B. Advocate to promote Community Rating System discounts while working to support the Federal Flood Insurance Program with emphasis based on fairness of historical claims
  - C. Develop an island-wide consistency with one FEMA team to assist towns in dealing with disaster recovery efforts and to improve knowledge of local coastal conditions
  - D. Continue to pursue legislation to amend the NTB CBRA Map Unit L06
  - E. Notify TISPC of pending legislation and regulations that impacts Topsail Island
-



## **Local Commission Goals**

- A. Promote adoption of the 'Beach Clean' initiative by businesses and educate public to its goals
- B. Encourage Pender and Onslow County to adopt a ban on use of non-encapsulated Styrofoam in docks and piers
- C. Encourage Pender and Onslow County to adopt a ban on derelict vessels
- D. Work to increase understanding and cooperation between TISPC and environmental groups locally as well as regionally
- E. Work through NC BIWAYS or other groups to identify and partner with communities (e.g. Wrightsville Beach) within and outside of NC that have similar situations where inlet maintenance complements beach nourishment with no environmental impacts.
- F. Promote a Vitex education and eradication program for Topsail Island
- G. Move to use of mats versus permanent structures over new dune systems
- H. Complete joint RCCP project and continue to upgrade storm runoff system across the island
- I. Stay abreast of studies on sea-level rise particularly as it relates to coastal and sound-side flooding then integrate into state and federal goals as appropriate
- J. Understand and monitor CRC regulations and proposed rulemaking for integration into state and federal goals as appropriate
- K. Be involved with efforts to find solutions for the disposal of non-federal dredge materials

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**To:** NTB Board of Aldermen

**Subject:** BISAC Monthly Report for January 24, 2023, Meeting

**From:** Mike Benson, Chair

**Date:** January 25, 2023

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**Manager's Update.** Manager Derian, *ex officio*, updated the committee on the status of the FEMA projects, the US Army Corps Dredge Project at the New River Inlet, and the state CSDM fund grant that the Town was awarded as well as BA#4 repairs and the inlet EIS status.

ST Wooten continues work with the Phase 5 truck haul project. At EOD on January 19th, they have placed approximately 95,838 CY's of sand. The project will continue to April 30, 2023. Any remaining work will be completed in November and December of 2023. The project in total consists of hauling and placing approximately 636,000 CY's of sand along 18,500 feet of shoreline from the Surf City border to around 3686 Island Drive.

The contract for the Coastal Storm Damage Mitigation Fund grant has been fully executed with the state. The permit for the CSDM work that was filed is still pending. She worked with Onslow County to remove the lattice work from the bathhouse at County BA#4 in preparation for the contractor to start dune restoration work. The contractor has failed to return a signed change order acknowledging the work with a schedule. She has asked the town attorney for his recommendation to proceed with another contractor.

Our engineer has completed the review of the additional EIS modeling which has been provided to USACE that suggests a terminal groin with Inlet Mgt remains as the preferred alternative. She also briefed the committee on the January conference call with Mickey Sugg, Corps Regulatory Director for the Wilmington District, and the hope that the Notice of Intent for the NRI EIS would be published prior to the February 1 Board of Alderman Meeting. She announced that the Army Corps dredge project in the ICW and Channel to Jacksonville would be extended until February 9. She hopes to have a dredge volume update soon.

**Committee organization.** After discussion towards the election of a chair and vice chair, this agenda item was tabled until the February 21 meeting. The committee did adopt a new meeting schedule for the year that will be posted on the committee webpage. Meetings will now be held the third Tuesday of the month at 10:30 in Town Hall.

**Charter update.** This item was tabled until the February meeting.

**Goals for 2023.** The Committee received the following goal from the Board of Alderman; "Review the current beach plan and with the input of the beach engineer identify the issues the town needs to address." The committee had a good discussion surrounding this goal and came up with several 'sub-goals' or 'components' associated with it. As was discussed by the coastal engineer during a previous meeting, the Division of Coastal Management (DCM) has mandated the need for each coastal municipality in the state to develop a '30-yr Beach and Inlet

## *Town of North Topsail Beach* **Beach, Inlet, and Sound Advisory Committee**

Management Plan (BIMP).’ The BIMP will be based on discussions by the committee over the coming year of our current five-year-old beach plan and the need to revise it given the current situation as well as the need for strategic planning for the future. Actual production of the NTB BIMP to meet the annotated DCM content will require the expertise of a coastal engineering firm.

Another important component of the board goal is education. BISAC would like a focus on providing information to educate the public about the beach, inlet, and sound. Several suggested areas include supporting the island-wide, educational effort for the ‘Beach Clean’ Initiative, reviewing and updating Town F&Q fact sheets, for instance about terminal groins, as well as providing new informational pieces to educate the public about shoreline protection. Educating the Onslow County Commissioners on the need to pass an ordinance banning unencapsulated polystyrene in dock floats and floating walkways as has been done by the three Topsail Island towns would help to protect County waterways and wetlands from this long-term environmental pollutant.

To make informed recommendations to the board, the committee members themselves must be well versed in coastal management. To attain a level of expertise to make these informed recommendations, the committee will hold education sessions with our coastal engineer advisor as time permits throughout the year.

Finally, the committee wants to be involved in finding funding sources outside of the state Shallow Draft Inlet and Aquatic Weed Fund, and the state Coastal Storm Damage Mitigation Fund to support our shoreline protection needs.

**TISPC at-large recommendation.** Discussion of this agenda item was tabled until the February meeting.

**--The next BISAC meeting is Tuesday, February 21 at 10:30 in Town Hall--**



*Town of North Topsail Beach*

Joann M. McDermon, Mayor  
Mike Benson, Mayor Pro Tem

Aldermen:  
Richard Grant  
Connie Pletl  
Alfred Fontana  
Tom Leonard



Alice Derian, ICMA-CM  
Town Manager

Nancy Avery  
Interim Town Clerk

*Nature's Tranquil Beauty*

**Resolution 2023 – 01 Official Notification to the Board of Elections  
2023 Elections for Town of North Topsail Beach**

**WHEREAS**, the Town of North Topsail Beach Local Bill 2021-49 governed the 2021 elections for the purpose of retaining staggered Board of Aldermen terms; and

**WHEREAS**, the bill did not amend the Charter but mandated that future elections follow section 3.3 of the Town's Charter which reads “Beginning at the regular municipal election to be held in 1993, and every four years thereafter, three members of the Board of Aldermen shall be elected to serve for four-year terms”; and

**WHEREAS**, two of the aldermen elected in the 2021 election resigned and appointments were made for both positions; and

**WHEREAS**, North Carolina General Statute 160A-63 Vacancies states that an appointed person serves until the next election;

**NOW, THEREFORE BE IT RESOLVED**, that the ballot for the 2023 municipal election for the Town of North Topsail Beach will be as follows:

1. Three alderman vacancies for four-year terms each. Current aldermen terms expiring in 2023 are Fred Fontana, Tom Leonard and Connie Pletl. (Fontana and Leonard were appointed to replace resigning members Harte and Swantek)
2. One mayor vacancy for a two-year term. Current mayor term expiring in 2023 is Joann McDermon.

This resolution duly adopted by the Town of North Topsail Beach Board of Aldermen this the first day of February 2023.

\_\_\_\_\_  
Joann McDermon, Mayor

ATTEST: \_\_\_\_\_  
Nancy Avery, Interim Town Clerk