TOWN OF HOLDEN BEACH
AUDIT COMMITTEE MEETING
HOLDEN BEACH TOWN HALL – PUBLIC ASSEMBLY
MONDAY, NOVEMBER 17, 2025 - 2:00 P.M.

1. Call to Order
2. Agenda Approval
3. Approval of Minutes
4. Public Comment
5. Presentation of Fiscal Year 2024 – 2025 Audit
6. Discussion and Possible Action on Proposed BPART Fund Balance Policy
7. Discussion and Possible Action on Collection of Occupancy Tax Revenues
8. Adjournment

Town of Holden Beach

2025 Audit Financial Statements

OFFICIAL SEAL ★ Town Of Holden Beach, NC ★ 1969

MARTIN ♦ STARNES
& ASSOCIATES, CPAs, P.A.

Audit Highlights

- ❑ Unmodified opinion "Clean Opinion"
- ❑ Cooperative staff
- ❑ No internal control or compliance findings

FUND BALANCE

Available fund balance as defined by the Local Government Commission (LGC) is calculated as follows:

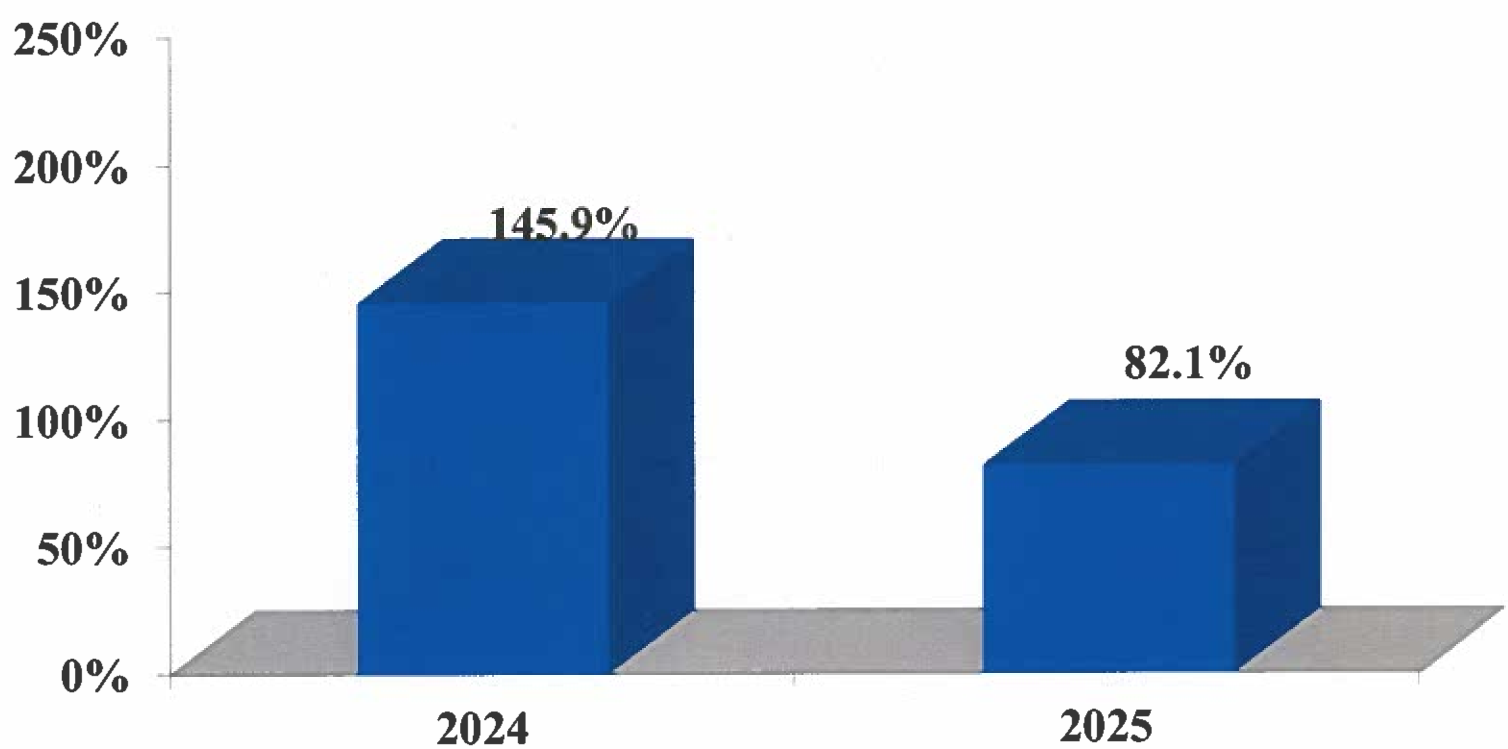
Total Fund Balance
Less: Non spendable (not in cash form, not available)
<u>Less: Stabilization by State Statute (by state law, not available)</u>
Available Fund Balance

This is the calculation utilized as the basis for comparing the Town to other units and calculating the fund balance percentages.

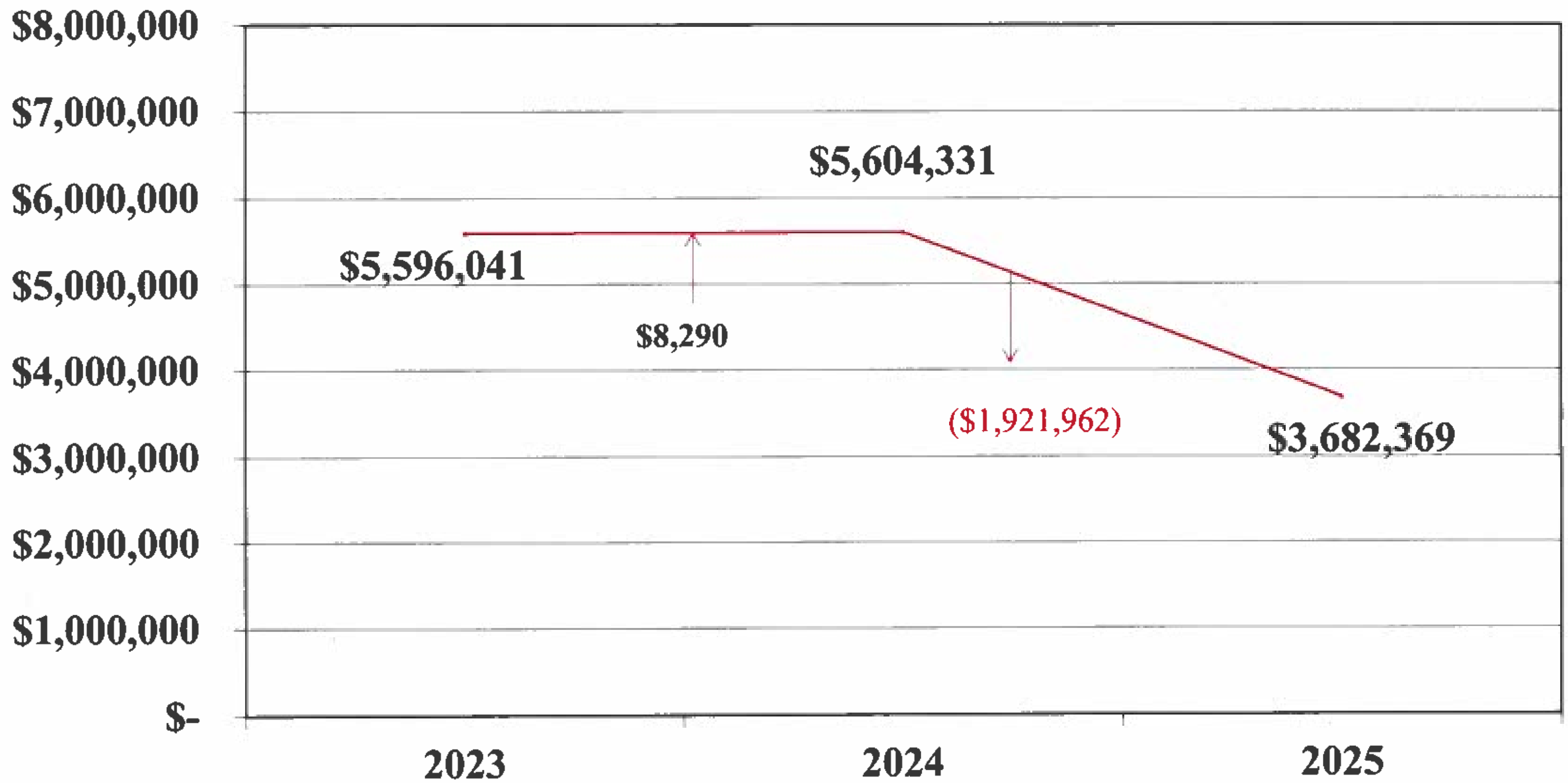
Fund Balance Position – General Fund

Total Fund Balance - 2025	$ 3,682,369
Stabilization by State Statute	(272,052)
Available Fund Balance	$ 3,410,317
Available Fund Balance - 2024	$ 5,347,024
Decrease in available FB	$ (1,936,707)

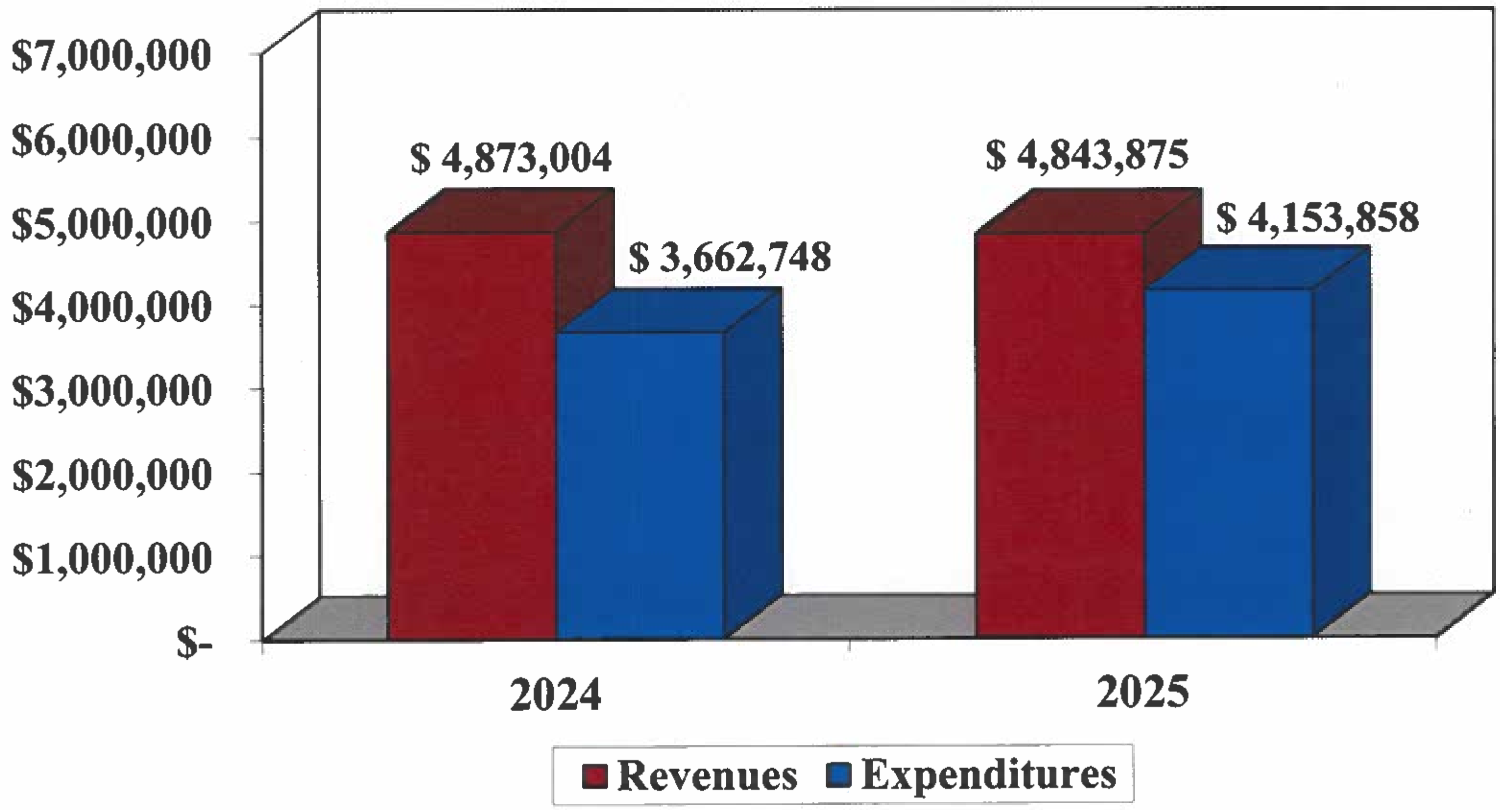
Available Fund Balance as a % of Expenditures – General Fund



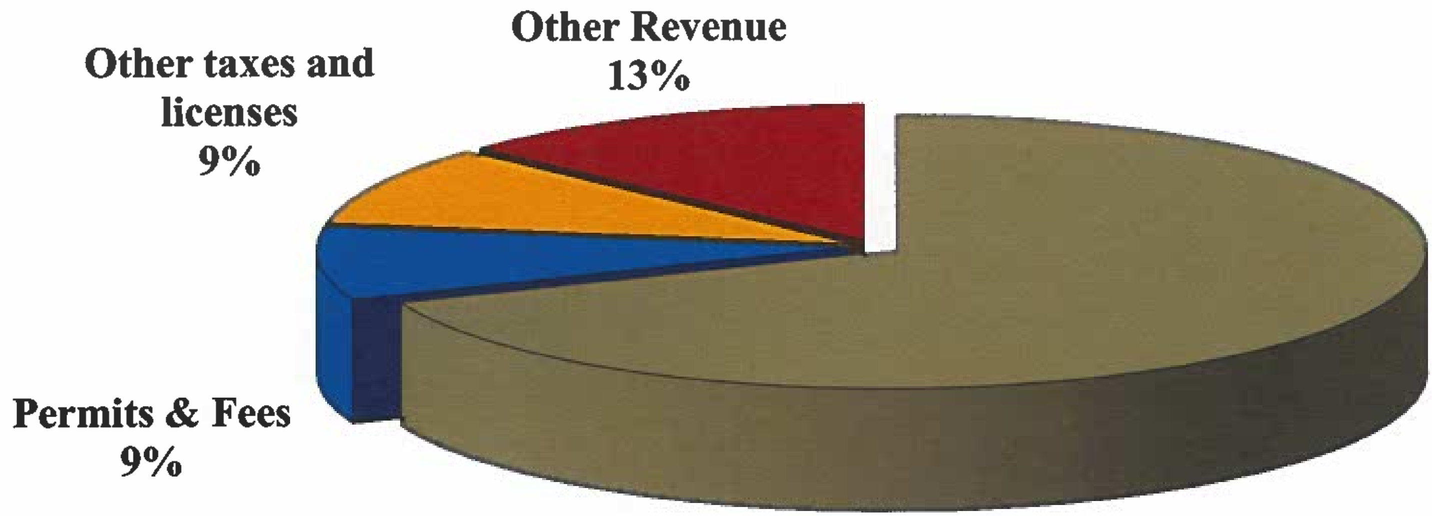
TOTAL FUND BALANCE: GENERAL FUND



General Fund Summary



TOP 3 REVENUES: GENERAL FUND

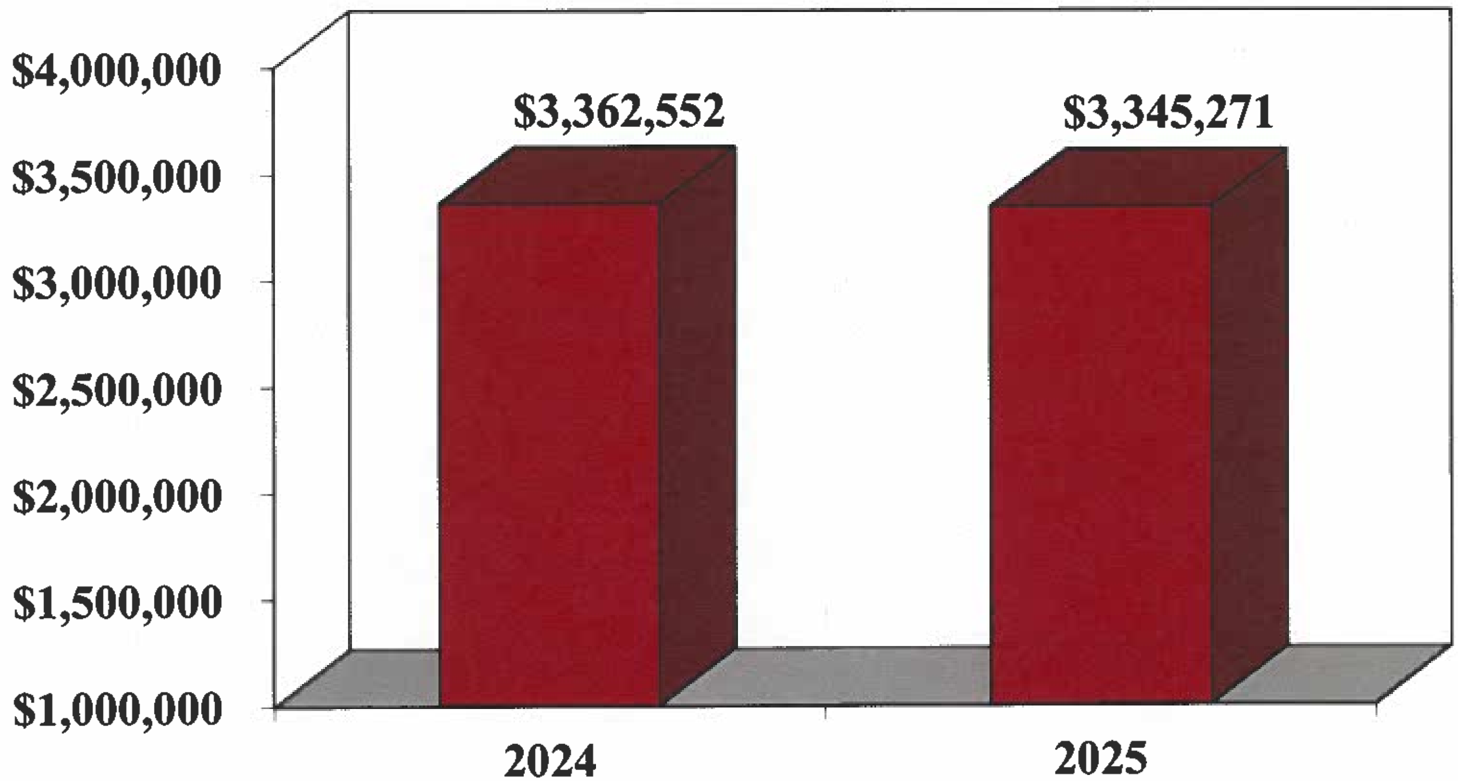


Other Revenue:

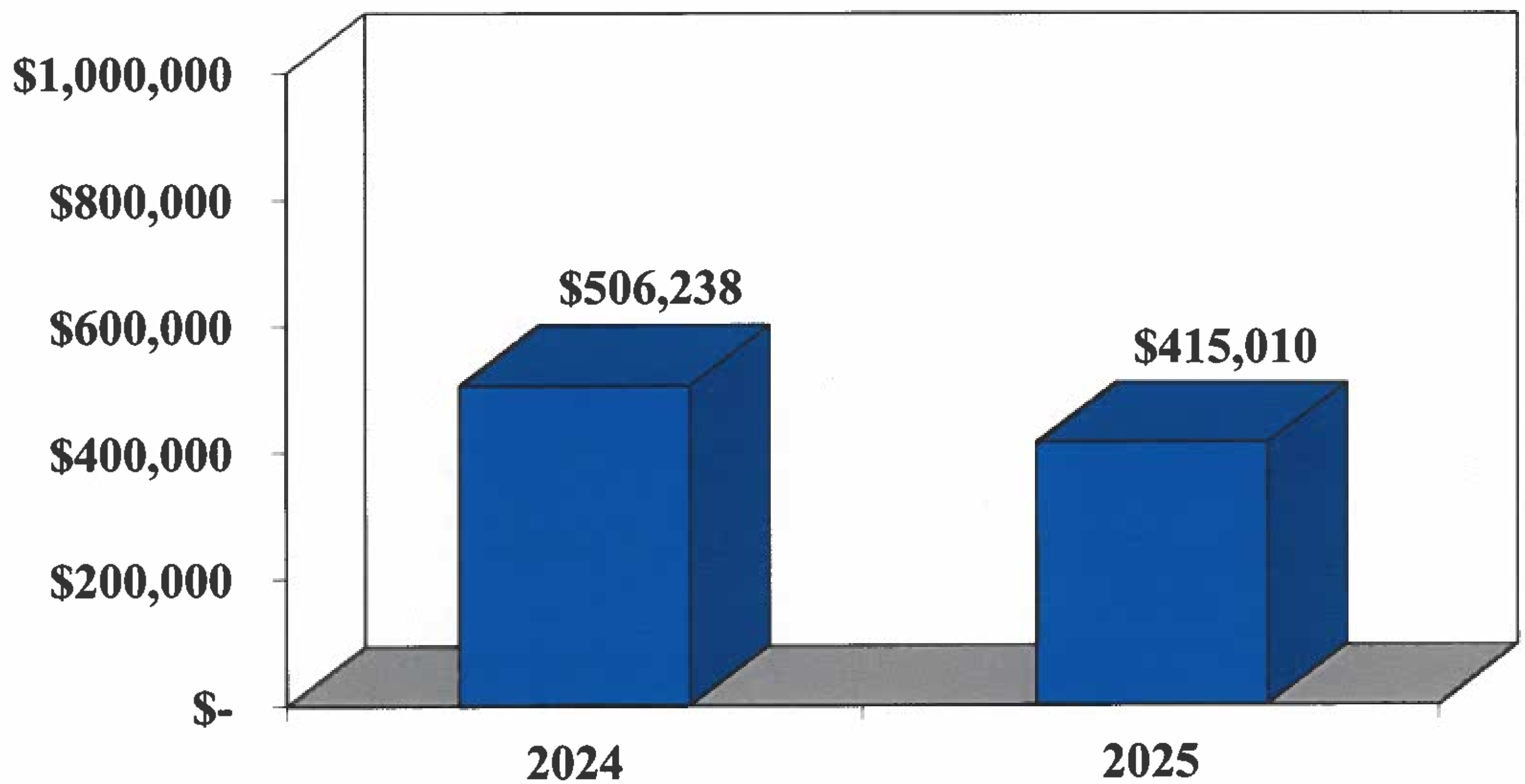
Restricted & unrestricted intergovt'l
Sales and Services
Interest on Investments
Miscellaneous

Top 3 comprise $ 4,220,420 (87%) of revenues

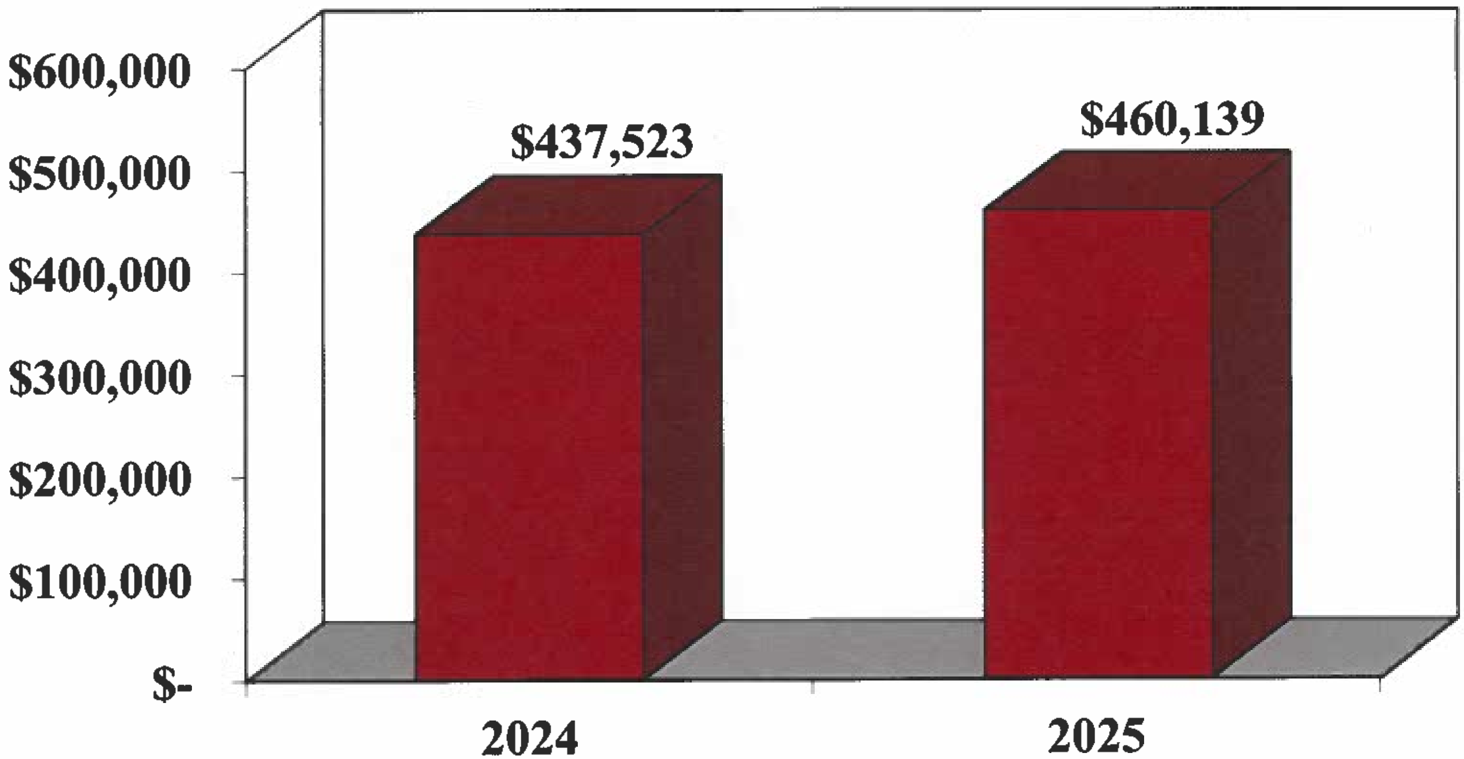
Ad Valorem Taxes



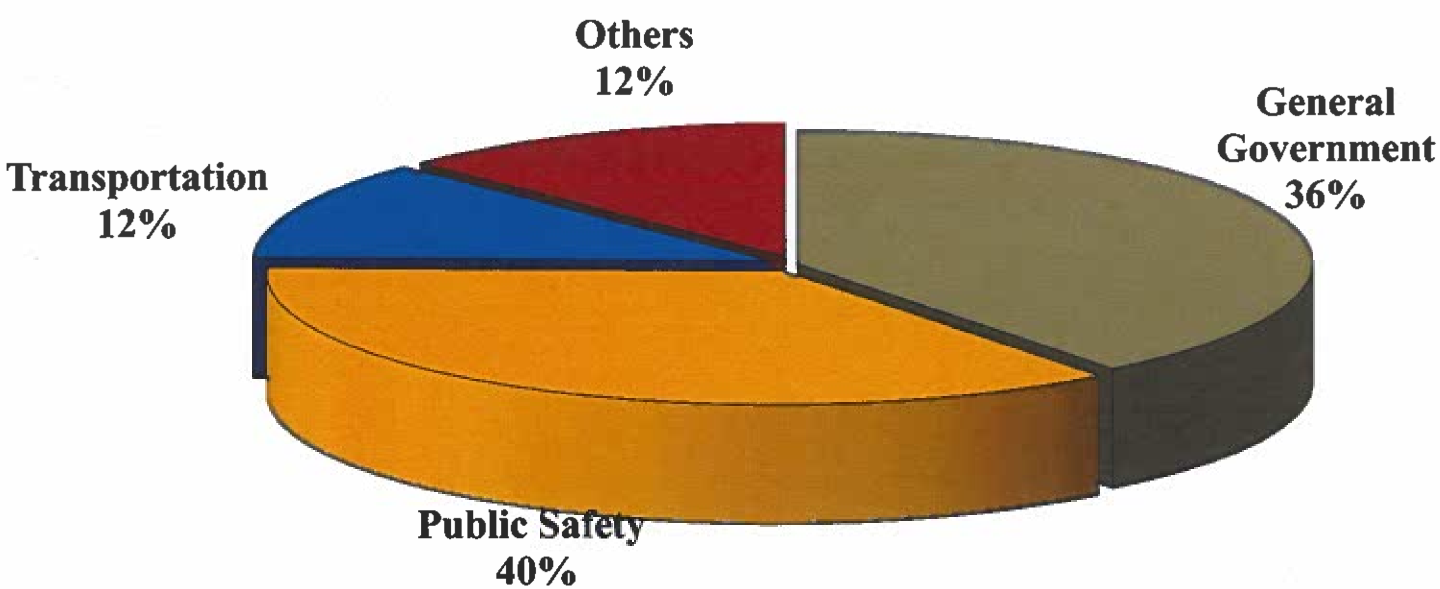
Permits & Fees



Other Taxes and Licenses



Top 3 Expenditures: General Fund

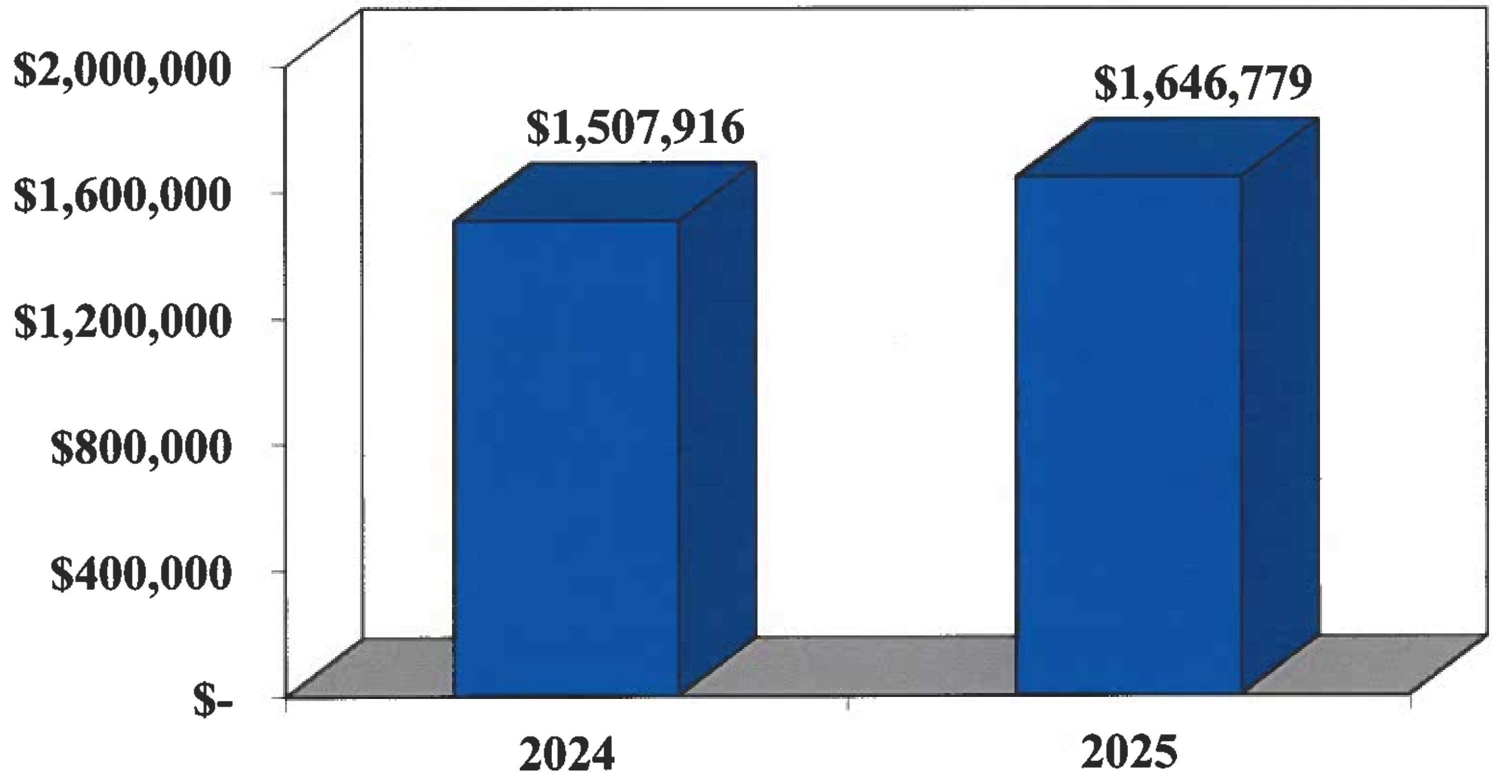


Other Expenditures:

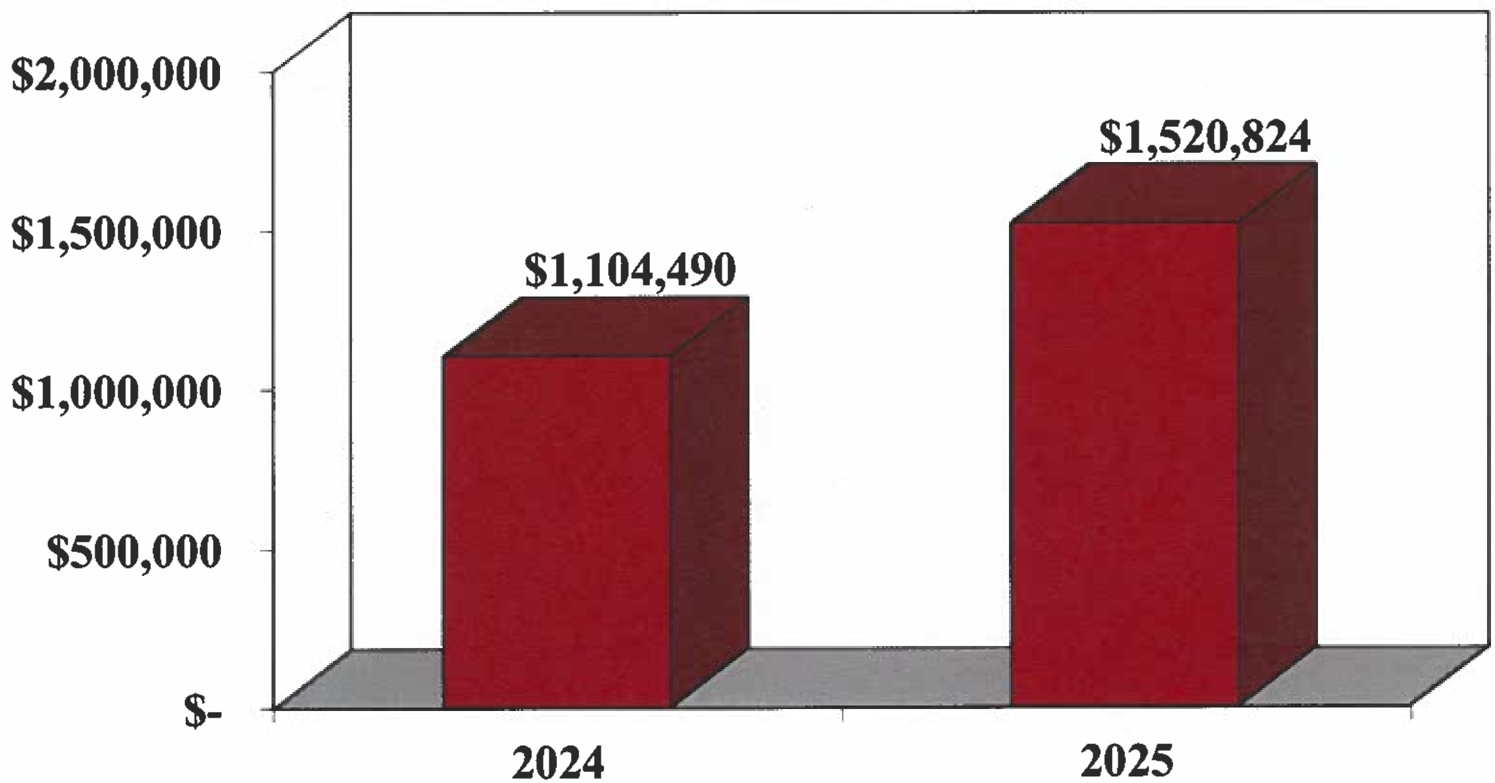
Environmental Protection
Debt Service

Top 3 comprise $ 3,660,887 (88%) of expenditures

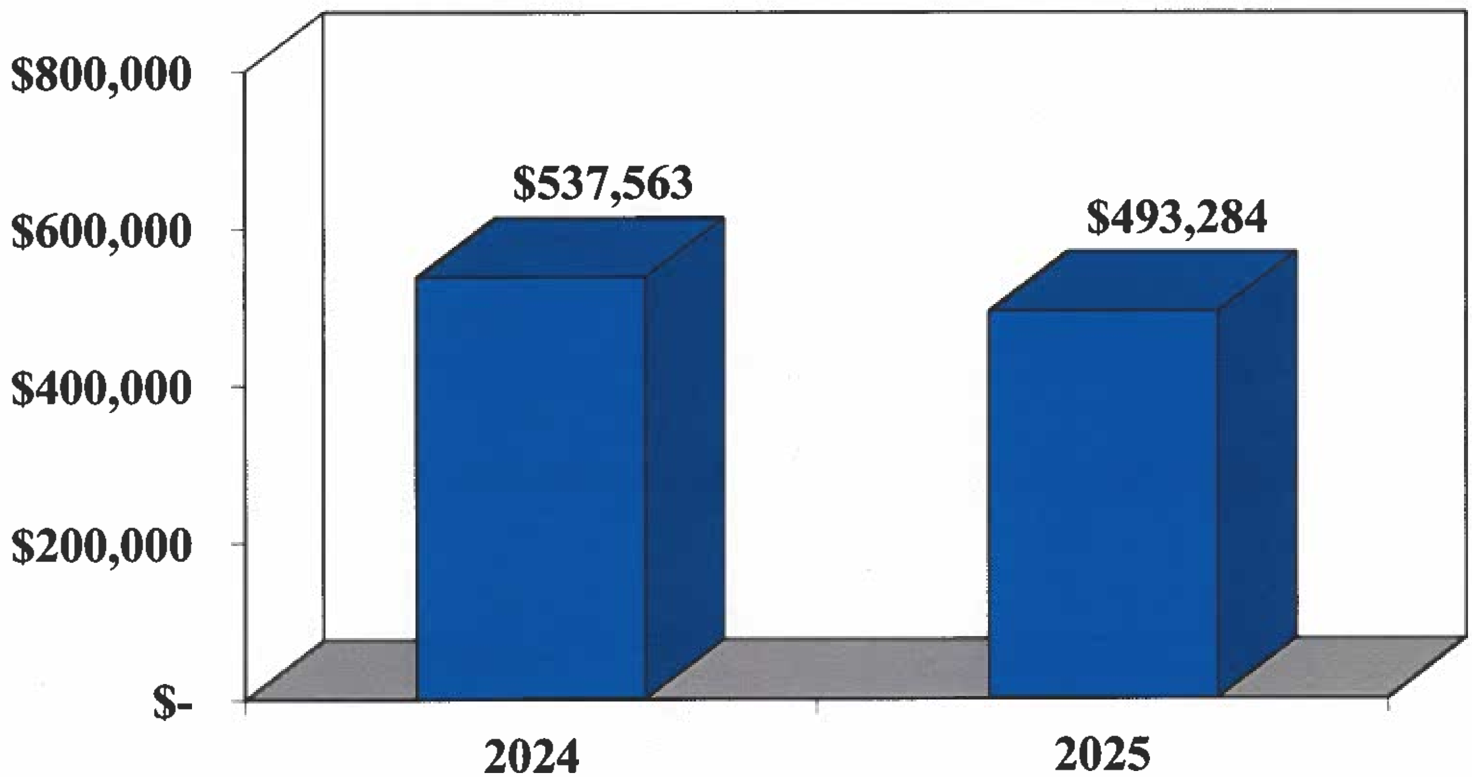
Public Safety Expenditures



GENERAL GOVERNMENT



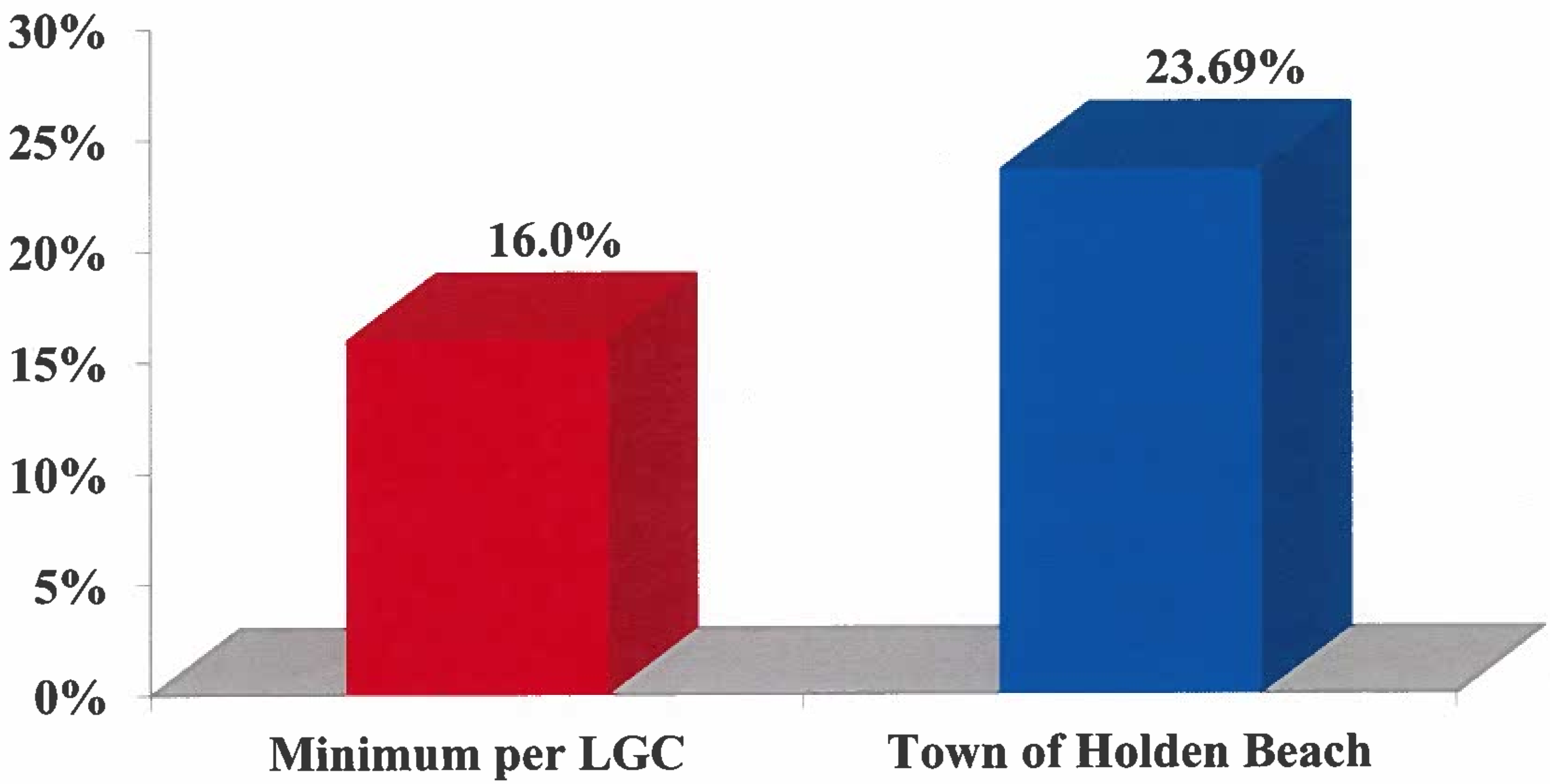
TRANSPORTATION



Quick Ratio - Water Sewer Fund

	2024	2025
Current Assets	$ 1,197,035	$ 1,908,699
Current Liabilities	$ 380,892	$ 300,549
Quick Ratio	3.14	6.35

Performance Indicator



Operating Income Performance – Water and Sewer

	2024	2025
Operating Income (Loss)	$ (272,610)	$ (512,686)
Add: Depreciation	640,691	640,516
Less: Debt Service	(510,171)	(662,970)
Operating Income Performance	$ (142,090)	$ (535,140)

Performance Indicator

- ☐ Performance Indicator of Concern:
  Water and Sewer- operating net loss (previous slide)
- ☐ Must provide letter to LGC within 60 days of audit presentation

Questions?

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TOWN OF HOLDEN BEACH
BPART FUND ACTIVITY
2015 THROUGH 2025

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
REVENUES										
Occupancy Tax	1,887,106	2,138,047	2,104,926	2,211,132	3,121,144	3,757,813	3,963,288	4,191,305		
Permits and Fees						24,086	85,985	797,325		
FEMA Grants & DENR	3,322,051									
Investment Earnings	6,690	26,947	83,218	49,812	4,523	7,042	137,945	248,980		
Sales Tax Refund	-									
Restricted Intergovernmental	-	221,989	2,654	330,655	365,585		803,984	465,945		
Miscellaneous	44,498	45,340	63,025	122,372	43,134	202,193	545,619	177,611		
Total	5,260,345	2,432,323	2,253,823	2,713,971	3,534,386	3,991,134	5,536,821	5,881,166	-	-
EXPENDITURES										
Salaries and Employee Benefits	236,514									
Operating Expenditures	560,042									
FEMA Expenditures	1,337,711									
Capital Outlay	130,800	66,654								
Lockwood Folly Dredging & Beach	-									
Principal		1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,724,405	1,725,096		
Interest		248,084	222,287	196,127	170,839	144,067	238,410	200,172		
Beach Renourishment	98,500	953,854	1,354,215	1,369,564	2,094,681	2,673,458	3,167,926	2,682,722		
Transportation						6,105,352	100,947	212,234		
County's Share of Occupancy Tax	312,427									
Total	2,675,994	2,468,592	2,776,502	2,765,691	3,465,520	10,122,877	5,231,688	4,820,224	-	-
Revenues Over (Under) Expenditures	2,584,351	(36,269)	(522,679)	(51,720)	68,866	(6,131,743)	305,133	1,060,942	-	-
OTHER FINANCING SOURCES (USES)										
Transfer (to) from General Fund	835,344	806,576	564,866	279,905				510,000		
Transfer from Other Funds					1,473,190		1,146,287			
Transfer to Other Funds					(107,888)					
Transfer to BPART Tax Fund				30,000						
Transfer from Beach Renourishment Fund						383,096		135,741		
Transfer (to) Central Reach Project	(2,956,208)									
Transfer to Brunswick County		(357,550)	(350,753)							
Brunswick County Interlocal Reserve	-									
Transfer to Capital Reserve Fund			(3,000,000)	(29,492)		(39,240)				
Subscriptions							1,711			
Loan Proceeds						4,057,150				
Fund Balance Appropriated	-				-					
Total Other Financing Sources (Uses)	(2,120,864)	449,026	(2,785,887)	280,413	1,365,302	4,401,006	1,147,998	645,741	-	-
NET CHANGE IN FUND BALANCE	463,487	412,757	(3,308,566)	228,693	1,434,168	(1,730,737)	1,453,131	1,706,683	-	-
FUND BALANCE BEGINNING OF YEAR	5,994,858	6,458,345	6,871,102	3,562,536	3,791,229	5,225,397	3,494,660	4,947,791	6,654,474	6,654,474
FUND BALANCE END OF YEAR	6,458,345	6,871,102	3,562,536	3,791,229	5,225,397	3,494,660	4,947,791	6,654,474	6,654,474	6,654,474