



**CITY OF SOUTHPORT  
BOARD OF ALDERMEN  
REGULAR MEETING AGENDA**

223 E. BAY STREET

January 8, 2026

6:00 PM

Agenda

Please turn off all cell phones

Meetings are open to the public. If you are not able to attend the Board of Aldermen meetings in person, the meeting will be available for you to watch via live-stream on the City of Southport website (<https://cityofsouthport.com/board-of-aldermen-meetings/>), Facebook page, and YouTube channel.

- A. Call to Order**
- B. Invocation**
- C. Pledge of Allegiance**
- D. Public Comment (3 Minute Time Limit)**
- E. Approval of Agenda**
  
- F. Ethics Statement-** If any members know of any conflict of interest or the appearance of a conflict of interest concerning matters on the agenda, please so state at this time.
- G. Approval of the Consent Agenda**
  - 1. Minutes of the December 11, 2025 Regular Aldermen Meeting (Pgs.3-12)
  - 2. 2026 Paving Project Contract (Pg.13-20)
- H. Special Recognition**
  - 1. Recognition of the Southport Historical Society 50th Anniversary
  - 2. Proclamation in Recognition of the Rev. Dr. Martin Luther King Jr. Holiday
- I. Agenda**
  - 1. Presentation of FY2025 Audit (Auditor Jay Sharpe, CPA of Sharpe Patel PLLC, Pgs.21-105)
  - 2. Franklin Square Park Update (Parks and Recreation Department Director Heather Hemphill and Emma Thomas, Chair of the Parks and Recreation Committee, Pgs.106-222)
  - 3. Southport Specialty License Plate and New City Website Update (Public Information Officer ChyAnn Ketchum,Pg.223)
- J. Committee Reports**
- K. Manager's Report**
- L. Mayor's Comments**

**M. Staff Reports**

1. Year to Date Revenues Vs Expense Report (Pgs.224-259)
2. Development Services (Pgs.260-266)
3. Parks and Recreation (Pgs.267-269)
4. Capital Projects (Pgs.270-271)

**N. Board Comments**

**O. Adjourn**



**CITY OF SOUTHPORT  
BOARD OF ALDERMEN – REGULAR MEETING  
COMMUNITY BUILDING  
223 E BAY STREET, SOUTHPORT NC 28461  
DECEMBER 11, 2025 | 6:00 PM**

---

**Present Members:**

Mayor Rich Alt, Rebecca Kelley, Karen Mosteller, Robert Carroll, Lowe Davis, Frank Lai, Newly Elected Mayor Dr. Joseph P. Hatem, Paul Gross

**Staff Present:**

City Manager Noah Saldo, City Clerk Tori Deviney, Public Information Officer ChyAnn Ketchum, Planning Services Director Maureen Meehan, Building Inspector Kiley Barefoot, Police Chief Todd Coring, Fire Chief Charles Drew, Battalion Chief Ralph Treadway, Public Works Director Tom Stanley, Parks and Recreation Director Heather Hemphill

**Other Members:**

City Attorney Brady Herman

---

**A. Call to Order**

Mayor Alt called the meeting to order at 6:00 PM

**B. Invocation**

Pastor Tim Davis provided the invocation

**C. Pledge of Allegiance**

Mayor Alt led everyone in the Pledge of Allegiance

**D. Public Comment**

**Sue Hodgin – 608 Cottage Point Way, Southport**

Ms. Hodgin, co-chair of the Winter Festival of Trees and representative of the Southport Garden Club, addressed the Board regarding what she hopes will become a new holiday tradition in Franklin Square Park. Ms. Hodgin explained that individuals, businesses, and

nonprofit organizations were invited to decorate Christmas trees for display throughout Winterfest, noting that the trees remain on display and continue to bring joy to visitors.

Ms. Hodgkin thanked the City for its recent work in Franklin Square Park, stating that the improvements stemmed from a maintenance and care plan and demonstrated the success of a public-private partnership in a park donated for the enjoyment of the people, as originally intended by Benjamin Smith. She publicly acknowledged the “tree designers,” owners, and registrants who donated their time and resources to create the displays and noted that a full list of participants would be shared through media outlets.

She also expressed appreciation to the Southport Baptist Children’s Choir, Magnolia Singers, Dirk Mercer, and Tim Brown for providing music throughout the evening; Intracoastal Realty for providing cookies; and Randy Jones for serving as master of ceremonies. Ms. Hodgkin thanked City departments for their assistance, including Parks and Recreation Director Heather Hemphill and Mike McGee for children’s crafts and overall planning support; Public Works Director Tom Stanley and his crew for logistical assistance; Fire Chief Drew and the Fire Department for providing equipment, manpower, and the department’s “Little Red House”; and Community Relations staff Allayna Dail, Jessie, and Gionna for publicity and signage.

Ms. Hodgkin stated that the event highlighted the strong sense of community spirit in Southport, with music filling the park, neighbors greeting one another, children playing, and widespread joy throughout the evening. She shared that the Garden Club was honored to gift the festival to the City and community and expressed appreciation for the encouragement and enthusiasm received for continuing the event in future years. She concluded by wishing everyone a heartfelt Merry Christmas.

**Emery B. Doughtie – 400 Sunset Ave, Roanoke Rapids**

Mr. Doughtie, Mayor of Roanoke Rapids, stated that he traveled approximately 175 miles to attend the meeting in support of Mayor-elect Dr. Joseph Hatem as he took the oath of office. Mr. Doughtie shared personal reflections on his long friendship with Dr. Hatem and his family, noting their lasting contributions to their hometown and community.

Mr. Doughtie spoke about his own experience serving multiple terms as mayor and reflected on leadership, public service, and the importance of community engagement. He remarked on the welcoming nature of Southport residents and noted that multiple people offered assistance in helping him find City Hall upon his arrival. He commented on the strong community turnout at the meeting and expressed admiration for the sense of unity and civic pride present in Southport. Mr. Doughtie concluded by expressing appreciation for the opportunity to attend the meeting and support Mayor-elect Hatem.

**Pat Kirkman – 119 Park Ave, Southport**

Ms. Kirkman, a longtime Southport resident, reflected on her many years speaking before the Board on matters related to historic preservation, including her service as a former president of the Southport Historical Society. Ms. Kirkman shared her personal connection to Southport and her long-standing advocacy for preservation issues.

Ms. Kirkman recalled past efforts to determine the future of the historic Brunswick County Courthouse and expressed hope that restoration efforts would soon be realized. She also referenced her advocacy for the City cemetery, noting ongoing concerns related to maintenance, records, and preservation, and expressed hope that future efforts would address those issues. Additionally, she referenced the work completed toward establishing a Historic Preservation District and stated that the matter now rests with the Board for final consideration.

Ms. Kirkman congratulated newly elected and returning Board members, welcomed Mayor-elect Dr. Hatem, and noted that she would continue following City matters from home. She concluded by expressing appreciation for the community turnout and wishing the Board well moving forward.

**Ginny Prunty – 5906 Dutchman Creek Rd, Southport**

Ms. Prunty thanked all members for their service over the past two years, including those whose terms were concluding and those continuing in office. Ms. Prunty expressed appreciation for the time, effort, and commitment required to serve and acknowledged the personal sacrifices involved.

Ms. Prunty individually recognized several Board members for their contributions, highlighting experience brought from prior public service, local knowledge of Southport's history, thoughtful leadership, attention to transparency, and diligence in addressing complex issues such as development planning, the Unified Development Ordinance, and long-term community goals. She commended Mayor Alt for his leadership, preparedness, and commitment to attending meetings prior to his term, and for encouraging critical thinking, open dialogue, and direct communication over reliance on social media.

Ms. Prunty also welcomed Mayor-elect Dr. Hatem and thanked him for his willingness to serve again, acknowledging the significant time and responsibility associated with the role. She encouraged continued problem-solving and collaboration moving forward and concluded by wishing the Board success.

**Shirley Sullivan – 5002 Seaward Ct, Southport**

Ms. Sullivan thanked all members for their service over the past two years. Ms. Sullivan stated that she found the term both interesting and educational and expressed appreciation for the dedication shown by the Board. She specifically thanked Mayor Alt for his leadership

during a period marked by challenges and opposition and commended his perseverance and service.

#### **E. Approval of Agenda**

Mayor Alt read the conflict of interest statement and asked whether any Board member was aware of a conflict of interest or the appearance of a conflict of interest related to any matter on the agenda. No conflicts were stated.

Mayor Alt entertained a motion to approve the agenda. A motion was made by Alderman Lai and seconded by Alderman Kelley. The motion passed unanimously.

#### **F. Consent Agenda**

Mayor Alt entertained a motion to approve the consent agenda. A motion was made by Alderman Kelley and seconded by Alderman Lai. The motion passed unanimously.

Mayor Alt noted that the consent agenda included approval of minutes from prior meetings and renewal of the Maritime Museum lease. He explained that the Maritime Museum building is City-owned and has historically been leased to the Museum for \$1.00 per year, with the Museum responsible for maintenance of the building. The proposed lease would extend the agreement for an additional ten years under the same terms. Mayor Alt added that the arrangement is similar to the City's lease with the Franklin Square Park Art Gallery, which is also City-owned and maintained by the tenant organization.

#### **G. Recognition of Departing Mayor and Aldermen**

Mayor Alt called Alderman Frank Lai forward for recognition and read a proclamation honoring his service as Alderman for the City of Southport. The proclamation recognized Alderman Lai's dedication to the community, equity in leadership, commitment to the well-being of residents, contributions to public safety and community programs, promotion of transparency in governance, and service as ABC Board Liaison. Mayor Alt expressed the City's gratitude for Alderman Lai's leadership and public service and presented the recognition on behalf of the Board of Aldermen and the citizens of Southport.

Alderman Lai thanked City staff for their work and professionalism, noting that Southport residents expect a high level of service. He expressed appreciation for Public Works, emergency services, and City departments for their consistent efforts and support. Alderman Lai also thanked his fellow Board members for their collaboration, counsel, and ability to work toward consensus, even when disagreements occurred. He expressed gratitude to the citizens of Southport for their engagement and support and stated that he would remain involved in the community.

Alderman Davis recognized Alderman Lai's service by highlighting his wisdom, professionalism, extensive background and experience, and particularly his expertise in

human resources, which helped guide the Board's decision-making. Board members thanked Alderman Lai for his leadership and steady guidance during his tenure.

Alderman Kelley presented a plaque recognizing Mayor Rich Alt for his service as Mayor since 2023, following prior service as Alderman. The recognition acknowledged Mayor Alt's collaboration with the Board, City staff, and regional, state, and federal partners to advance City projects and advocate on behalf of Southport. Mayor Alt was thanked for his dedication and commitment to the community, and best wishes were extended for his next chapter.

Alderman Davis highlighted Mayor Alt's persistence and leadership in addressing community concerns, including efforts related to development impacts and environmental issues. She noted his willingness to engage directly with agencies, developers, and partners to resolve problems and protect the community.

Mayor Alt addressed the Board, staff, and audience, stating that his guiding principle during his tenure was to leave the City stronger, more resilient, and better prepared for the future. He emphasized that complex City projects require teamwork and credited City staff for their dedication and professionalism.

Mayor Alt thanked City Manager Noah Saldo and department leadership, including Public Works, Community Relations, Human Resources, Finance, Engineering, and the Public Information Officer, for translating Board vision into tangible progress. He highlighted several ongoing and completed initiatives, including restoration efforts for the 1844 courthouse, progress toward a permanent police department facility, shoreline restoration, stormwater improvements, street and sidewalk repair programs, updates to personnel policies, festival management reforms, and development of a comprehensive disaster response framework.

Mayor Alt expressed appreciation for the community's strong civic engagement and concluded by wishing everyone a Merry Christmas and a happy holiday season.

A motion was made by Alderman Spencer and seconded by Alderman Kelley to recess for ten minutes. With no discussion, the motion passed unanimously, and the Board recessed at 6:49 PM.

## **H. Swearing in of Mayor and Aldermen**

North Carolina State Representative Charlie Miller administered the oath of office to Dr. Joseph P. Hatem. The Honorable Judge Sarah McPherson stood alongside during the administration of the oath.

Following the Mayor's oath, The Honorable Judge Sarah McPherson administered the oath of office to Alderman Robert Carroll, Alderman Paul Gross, and Alderman Karen Mosteller.

Mayor Hatem shared that he was honored to return and serve as Mayor for the next two years. He expressed appreciation for the opportunity to work with the Board, City Manager, and City staff, and emphasized his commitment to serving the citizens of Southport. Mayor Hatem noted that he remains accessible and looks forward to working collaboratively during the upcoming term.

### **I. Selection of Mayor Pro-Tem**

Mayor Hatem opened the floor for selection of the Mayor Pro Tem.

A motion was made by Alderman Kelley to appoint Alderman Karen Mosteller as Mayor Pro Tem. The motion was seconded by Alderman Davis.

During discussion, Board members commended Alderman Mosteller for her experience, prior service as Mayor Pro Tem, and her dedication and effectiveness on the Board.

With no further discussion, a vote was taken. The motion passed 5–1, and Alderman Karen Mosteller was appointed Mayor Pro Tem.

Yay – Alderman Gross

Yay – Alderman Kelley

Yay – Alderman Davis

Yay – Alderman Carroll

Yay – Alderman Mosteller

Nay – Alderman Spencer

### **J. 2026 Aldermen Regular Meeting Schedule**

Mayor Hatem introduced the proposed 2026 regular meeting schedule. City Manager Saldo explained that, following discussion with the Mayor, staff recommended reducing the regular meeting schedule to one meeting per month, to be held on the second Thursday of each month at 6:00 p.m. at the Community Building. He noted that special meetings and workshops could be scheduled as needed.

A motion was made and seconded by Alderman Carroll to approve the 2026 regular meeting schedule as presented. With no discussion, the motion passed unanimously.

### **K. Committee Reports**

Alderman Spencer reported on Board of Adjustment matters, noting ongoing drainage issues behind the ABC Store and in other areas of the City where development has impacted drainage patterns. He stated that several similar issues have been identified and would need to be addressed.

Alderman Kelley reported that the Fourth of July Festival Committee is actively planning for the 2026 celebration, which will mark a significant anniversary. She noted that additional

events previously held in Southport may be brought back and that fundraising opportunities, including a possible ticketed boat cruise, are being considered.

Mayor Pro-Tem Mosteller reported that the Beautification and Forestry Committees continue their work throughout the City. She noted upcoming tree plantings and stated that potential updates to the City's tree ordinance are being discussed.

#### **L. Manager's Report**

City Manager Saldo reported that he attended the Doshier Memorial Hospital Emergency Department ribbon cutting earlier that afternoon alongside Mayor Hatem. He noted that it was a positive event and highlighted the continued expansion of the hospital and its importance in serving the Southport community.

City Manager Saldo provided an update on the Wilmington Harbor re-dredging project involving the Cape Fear River, referencing the Board's special meeting held on December 2. He stated that City staff have remained actively engaged in the project and are continuing work toward submitting the City's official comments to the North Carolina Department of Environmental Quality (DEQ). He noted that staff will remain involved through the December 20 DEQ comment deadline and will continue coordination with state and federal legislators, as well as with other regional local governments. City Manager Saldo also acknowledged Bill Cary for his presentation and expertise shared with the Board regarding the project.

City Manager Saldo further reported that he attended the New Hanover County Ports, Waterways, and Beach Commission meeting in Wilmington alongside Mayor Pro-Tem Mosteller, where the City's resolution was presented and awareness of the project was raised.

City Manager Saldo also highlighted several upcoming community holiday events, including the annual Light Up the Night Christmas Parade scheduled for the following evening and the Winterfest Flotilla planned for Saturday. He expressed appreciation for the strong community participation in recent holiday events and stated that staff looks forward to continuing that momentum.

City Manager Saldo concluded by stating that City staff are looking ahead to the new year and extended holiday and New Year well wishes to the Board and the community.

#### **M. Staff Reports**

Mayor Hatem noted that staff reports were included in the meeting packet and are available online for public review

#### **N. Mayor and Aldermen Comments**

Mayor Hatem began by thanking North Carolina State Representative Charlie Miller and The Honorable Judge Sarah McPherson for attending the meeting and participating in the

evening's ceremonies. He expressed appreciation to those in attendance, those watching from home, and welcomed family and friends present for the occasion.

Mayor Hatem acknowledged Mayor Emery Doughtie of Roanoke Rapids and his sister, Anne, sharing personal remarks about their long-standing friendship and expressing gratitude for their presence. He stated that their attendance was meaningful to both him and his wife, Tish, and welcomed future visits.

Mayor Hatem thanked the community for the honor and privilege of serving again as Mayor and stated his commitment to promoting peace, progress, projects, and civility within the City. He reflected on the positive holiday season in Southport, specifically thanking the Southport Garden Club for the Festival of Trees in Franklin Square Park and recognizing Sue Hodgins and Tish Hatem as co-chairs.

Mayor Hatem highlighted several upcoming community events, including the Christmas parade, Santa at the Fire Station, the Winterfest Flotilla, the Holiday Home Tour, and encouraged residents to shop locally and support downtown businesses.

Mayor Hatem expressed appreciation to City staff, department heads, and employees for their dedication and service, and stated that he looks forward to working closely with them moving forward. Mayor Hatem also noted his familiarity with much of the Board and expressed enthusiasm for continuing collaboration, including welcoming new members.

Mayor Hatem concluded by thanking friends and family in attendance, including Kevin and Mary Locklin, who traveled from South Carolina, and expressed gratitude to everyone who attended in recognition of the swearing-in ceremony. He then opened the floor for Alderman comments.

Alderman Paul Gross thanked his wife for her support throughout the recent campaign period and expressed appreciation to his family, friends, and the voters of Southport. He stated that he was humbled by the trust placed in him and looks forward to serving all residents and businesses within the City. Alderman Gross referenced his prior service as Interim Finance Director in 2023 and his background in policy and finance, noting that he brings 39 years of state and local government experience. He expressed his commitment to continuing the City's progress through civil, transparent, and collaborative service.

Alderman Spencer congratulated all newly elected and re-elected officials and stated that serving on the Board continues to be a great honor. He emphasized that while the evening was a celebration, significant infrastructure challenges remain, including flooding issues, shoreline stabilization, and rebuilding City facilities. Alderman Spencer thanked Mayor Alt for his leadership over the past two years and expressed appreciation for Alderman Lai's friendship and service. He noted the importance of focusing on the City's future growth and infrastructure needs while remaining committed to serving the community in the coming term.

Alderman Kelley welcomed Mayor Hatem back to the Board and congratulated Alderman Gross. She expressed appreciation for serving alongside Mayor Pro-Tem Mosteller and Alderman Carroll and reflected positively on the strength of the Board over the past two years. Alderman Kelley thanked former Mayor Alt for his guidance and leadership and stated her enthusiasm for continuing collaborative work under Mayor Hatem. She highlighted the success of Winterfest activities, thanking the Southport Garden Club, Beautification Committee, and City staff for their efforts in creating a festive holiday atmosphere. Alderman Kelley provided an update regarding the ice-skating rink, noting that Saturday would be the final day of operation due to weather conditions and logistical requirements. She concluded by expressing excitement for the upcoming Christmas parade and holiday events.

Alderman Davis commented on the uniqueness of having ice skating in Southport and thanked the Community Relations Department for their role in bringing the attraction to the City. She posed a lighthearted remark regarding the timing of the Doshier Memorial Hospital Emergency Department ribbon cutting in relation to ice-skating, which Mayor Hatem clarified was ceremonial and that the facility had not yet opened.

Alderman Carroll welcomed Mayor Hatem back to the Mayor's seat and congratulated Alderman Gross. He expressed appreciation for Alderman Kelley's service as Mayor Pro Tem and thanked her for her leadership during meetings. Alderman Carroll also reflected on the service of former Mayor Alt and Alderman Lai, noting Alderman Lai's wisdom, professionalism, and thoughtful contributions to the Board.

Mayor Pro-Tem Mosteller provided an update regarding outreach efforts following the December 2 special meeting concerning the Wilmington Harbor dredging project. She stated that she had shared the City's adopted resolution with elected officials and communities along the Lower Cape Fear River to raise awareness of the December 20 DEQ comment deadline and encourage coordinated responses. Mayor Pro-Tem Mosteller reported that multiple municipalities have expressed similar concerns and support, and that efforts are underway to draft a joint letter for broader community consideration. She thanked City staff for their continued work on preparing Southport's official comments.

Mayor Pro-Tem Mosteller expressed gratitude to Representative Miller and Senator Rabon for their accessibility and service and thanked City employees across departments for their dedication. She also recognized the City's volunteers and committees for their contributions to Southport's quality of life. Mayor-Pro-Tem Mosteller concluded by expressing pride in the Southport community and wishing everyone a safe and happy holiday season.

Mayor Hatem recognized Tom Woerner with the State Port of Pilot and David Gale, Mayor Hatem's Wife's son who traveled from Rocky Mount to attend the meeting. Mayor Hatem thanked all attendees for their presence and concluded with a holiday message emphasizing peace and goodwill.

A motion was made by Alderman Carroll and seconded by Alderman Kelley to adjourn the meeting. The motion passed unanimously.

**O. Adjourn**

The meeting adjourned at 7:34 PM.

\_\_\_\_\_  
*Joseph P. Hatem, M.D., M.P.H, Mayor*

*ATTEST:*

\_\_\_\_\_  
*Tori Deviney, City Clerk*

DRAFT

**DATE:** January 8th, 2025

**DEPARTMENT:** Public Works

**PRESENTED BY:** Tom Stanley, Public Works Director

**ITEM SPONSORED BY:** Public Works

**ITEM/TOPIC:** 2026 Paving Project

**COST:** NTE \$270,000

**BUDGET LINE ITEM:** 23-23-7300-9100; \$150,000  
23-23-7300-9700; \$120,000

**JUSTIFICATION:** Paving deteriorating streets improves safety, enhances accessibility, and strengthens neighborhood connectivity. Smooth, well-maintained roads reduce risks for drivers, cyclists, and pedestrians, while also lowering long-term costs by preventing major infrastructure failures. Proactive investment in paving ensures safe, reliable travel and supports the overall quality of life in our community.

This project represents a necessary investment in both public safety and the longevity of the City's infrastructure network.

**IMPACT IF NOT APPROVED:** If the paving project is not approved, the streets will continue to deteriorate, increasing the risk of vehicle damage and creating potential safety concerns for motorists. Deferred maintenance will also accelerate infrastructure decline, ultimately resulting in significantly higher long-term repair and rehabilitation costs for the City.

**DEPARTMENT HEAD COMMENTS:** Proposals were solicited from multiple paving contractors for a total of 1.5 street miles of paving, and Highland Paving submitted the lowest responsive and responsible bid. Staff recommends awarding the contract to Highland Paving for the City's paving project, with funding provided through the allocated Powell Bill funds. The project is anticipated to be completed by June 15, 2026.

**CITY MANAGER COMMENTS:** Approval of this contract will ensure that we can continue to improve our City streets. The funds for this project have been budgeted for in this year's budget. This is a great step forward in providing improved City streets in the most needed areas of the City.

**ATTACHMENTS:** Paving Contract, Project Area Map

**REQUESTED ACTION:** Staff recommends and requests that Board of Alderman approve the paving contract with Highland Paving to address deteriorating roadway conditions, reduce long-term repair costs, and ensure timely project completion by June 15, 2026. Highland Paving has paved previously in the city and has done an outstanding job.

**PROPOSED MOTION:** I move that the Board of Aldermen award the City's paving contract to Highland Paving, the lowest responsive bidder, with project funding provided through Capital Project allocations,

and authorize the public works director to move forward with the project once all necessary agreements are executed to ensure project completion by June 15, 2026.

**STATE OF NORTH CAROLINA**

**COUNTY OF BRUNSWICK**

**THIS CONTRACT**, made and entered into this \_\_\_\_\_ day of **January** 2026, by and between Highland Paving a North Carolina corporation of the County of New Hanover, State of North Carolina, Party of the First Part (hereinafter sometimes referred to as "Contractor"); and the **CITY OF SOUTHPORT**, a duly chartered municipal corporation and body corporate and politic of the County of Brunswick, State of North Carolina, Party of the Second Part (hereinafter sometimes referred to as "the City");

**WITNESSETH:**

**THAT WHEREAS**, the Contractor is engaged in the business of **asphalt paving**, as an independent contractor; and

**WHEREAS**, the City has the need for the services of Contractor to repave/repair various streets in various areas of the city; and

**WHEREAS**, it has been determined by the City of Southport that it would be in the best interest of the City and its citizens and residents to enter into this agreement with the Contractor for the purpose of engaging its' services to mill and pave various city streets in various areas of the city.

**NOW, THEREFORE**, for and in consideration of the charges, and the terms, covenants, promises and conditions hereinafter set forth, the City engages the services of the Contractor for the purpose to mill and pave various streets in various areas of the city as set forth on **Exhibit "A"** attached hereto.

The terms, covenants, promises and conditions of this agreement and contract are as follows:

Contractor agrees to provide all services as set forth and described on Exhibit A attached hereto and incorporated herein by reference.

For these services outlined above, the City of Southport shall compensate Contractor in accordance with the schedule and terms not to exceed **two hundred seventy thousand (\$270,000.00)**.

Contractor agrees that it will furnish all the necessary labor, equipment, materials and apparatuses to provide for these services in a good and workmanlike manner free from defects in workmanship or materials.

It is understood and agreed that the Contractor shall be responsible for all worker's compensation and other types of insurance necessary to protect it and its' employees and the City and its' employees and officials from any liability whatsoever and the Contractor will provide the City with a copy of each Policy. Contractor shall pay all taxes and other expenses required in its/his/her business, and it is clearly understood and agreed that the Contractor is an independent contractor operating strictly on its' own and will not be considered as an employee of the City of Southport.

The Contractor shall indemnify and hold the City, its agents, officials and employees, harmless against any and all claims, demands, causes of action, or other liability, including attorney fees, on account of personal injuries or death or on account of property damages arising out of or relating to the work to be performed by Contractor hereunder, resulting from the negligence of or the willful act or omission of Contractor or his employees

It is necessary and required by the City that this contract is performed by the contractor in a timely, efficient and effective manner; and in the event the Contractor should fail to so perform said contract or fail to make progress satisfactory to City, then, and in such event, the Contractor agrees that the City of Southport shall have full and complete authority to terminate this contract, summarily, and to engage another contractor to carry out the performance of these functions. *In addition, the City reserves the right to terminate this contract upon ten (10) days written notice to contractor, solely at the election of the City.*

The contractor will perform all work in compliance with state and local law, including OSHA Safety and other governmental guidelines.

The contractor will provide all safety equipment to perform duties such as traffic control and personal protective equipment.

Contractor certifies that, as of the date listed below, it is not on the Final Divestment List as created by the State Treasurer pursuant to N.C.G.S. § 143-6A-4. In compliance with the requirements of the Iran Divestment Act and N.C.G.S. § 143C-6A-5(b), Contractor shall not utilize in the performance of the contract any subcontractor that is identified on the Final Divestment List.

**IN WITNESS WHEREOF**, the City of Southport has caused this contract to be executed by the Mayor of the City of Southport and has caused its municipal seal to be here on impressed, all by authority of the Board of Aldermen duly given; and **Highland Paving** has hereunto executed this contract, all on the day and year first above written.

**Highland Paving**

\_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_ County, North Carolina

I, \_\_\_\_\_, a Notary Public in and for the state and county aforesaid, do hereby certify that \_\_\_\_\_, as president of **Highland Paving**, personally appeared before me this day and acknowledged the due execution of the foregoing document in the capacity indicated.

Witness my hand and official seal this the \_\_\_\_\_ day of \_\_\_\_\_, 2026

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

CITY OF SOUTHPORT

Date: \_\_\_\_\_

\_\_\_\_\_  
City Manager, City of Southport

Brunswick County, North Carolina

I, \_\_\_\_\_, a Notary Public in and for the state and county aforesaid, do hereby certify that Noah Saldo, as the City Manager of the City of Southport, personally appeared before me this day and acknowledged the due execution of the foregoing document in the capacity indicated.

Witness my hand and official seal this the \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Notary Public

My commission expires: February 21, 2029 \_\_\_\_\_

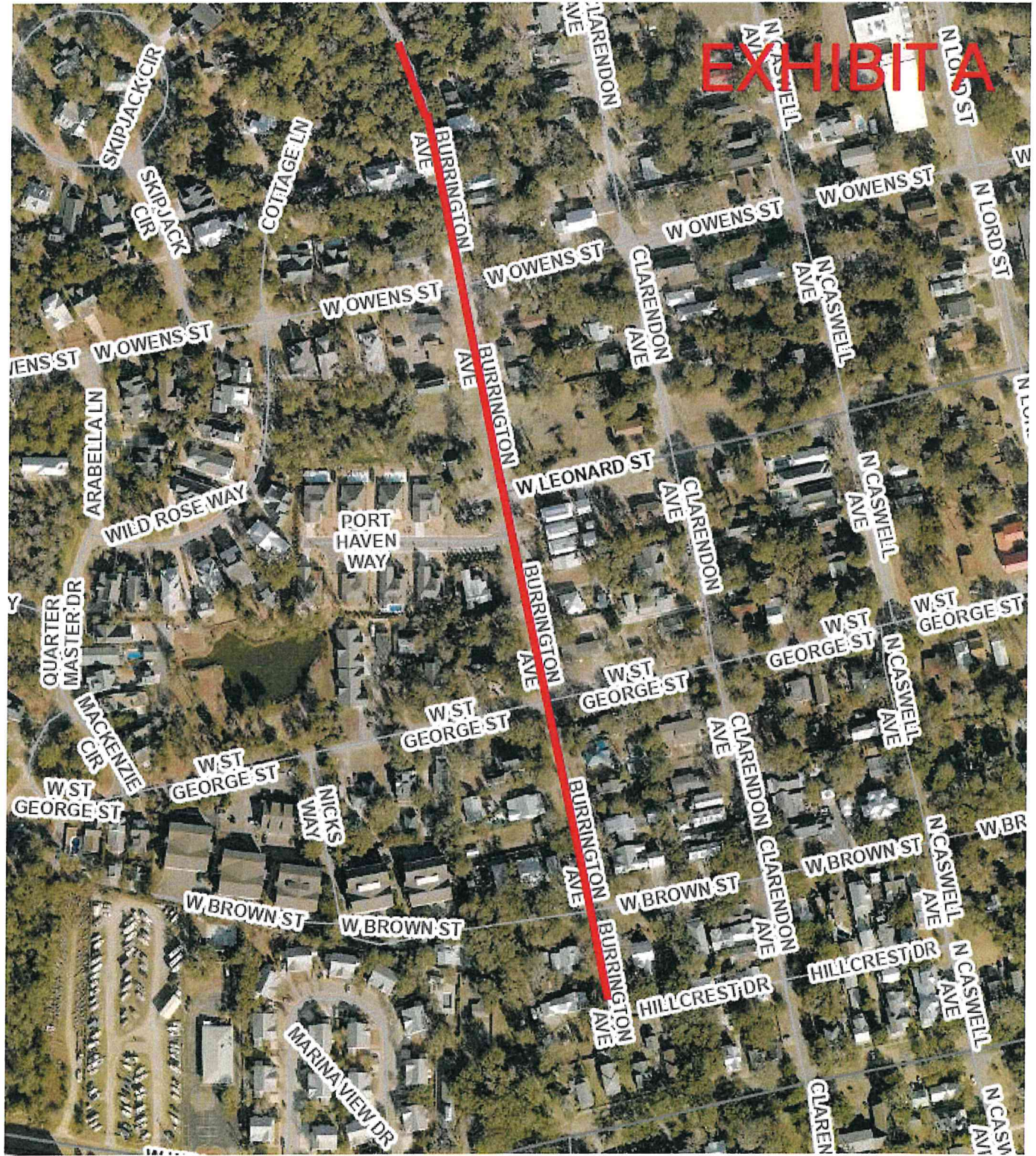
Certification:

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

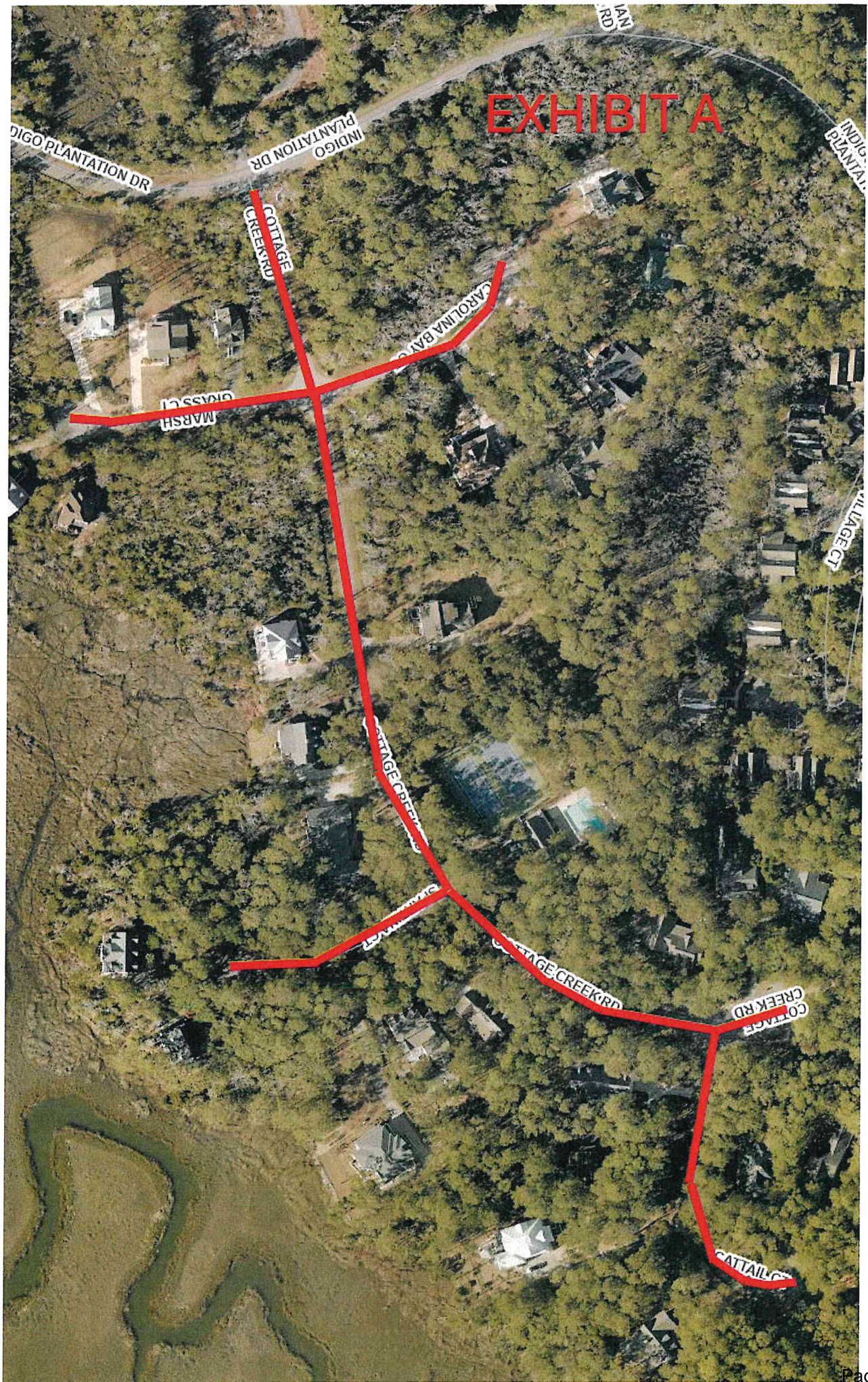
\_\_\_\_\_  
Joey Kronenwetter, Finance Officer

# EXHIBIT A





# EXHIBIT A



**CITY OF SOUTHPORT**

**Financial Statements**

Southport, North Carolina

For the Year Ended June 30, 2025

Draft

City of Southport, North Carolina  
Financial Statements  
June 30, 2025

Mayor

Rich Alt

Board of Aldermen

Rebecca Kelley

Karen Mosteller

Robert Carroll

Marc Spencer

Frank Lai

Lowe Davis

City Manager

Noah Saldo

Finance Director

Joey Kronenwetter

City Clerk

Tori Deviney

City of Southport, North Carolina  
Table of Contents  
June 30, 2025

<u>Exhibit</u>		<u>Page(s)</u>
<b>Financial Section:</b>		
	Independent Auditors' Report	1-3
	Management's Discussion and Analysis	5-10
<b>Basic Financial Statements:</b>		
Government-wide Financial Statements:		
1	Statement of Net Position	11
2	Statement of Activities	12
Fund Financial Statements:		
3	Balance Sheet – Governmental Funds	13
3	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
4	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	15
5	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
6	Statement of Revenues, Expenditures, and Changes in Fund Balances – Annual Budget and Actual – General Fund	17
7	Statement of Fund Net Position– Proprietary Funds	18
8	Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	19
9	Statement of Cash Flows – Proprietary Funds	20-21
	Notes to the Financial Statements	22-48

City of Southport, North Carolina  
Table of Contents  
June 30, 2025

<u>Exhibit</u>		<u>Page(s)</u>
<b>Required Supplementary Information</b>		
A-1	Schedule of Proportionate Share of the Net Pension Asset - Local Government Employees' Retirement System	49
A-2	Schedule of Contributions - Local Government Employees' Retirement System	50
A-3	Schedule of Changes in Total Pension Liability - Law Enforcement Officers' Special Separation Allowance	51
A-4	Schedule of Total Pension Liability as a Percentage of Covered Payroll - Law Enforcement Officers' Special Separation Allowance	52
A-5	Schedule of Changes in the Total Pension Liability - Firefighters' Supplemental Retirement Plan	53
A-6	Schedule of Changes in the Total OPEB Liability and Related Ratios	54
<b>Individual Fund Statements and Schedules:</b>		
B-1	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual - General Fund	55-59
B-2	Schedule of Revenues and Expenditures-Budget and Actual Water Stabilization Fund	60
C-1	Combining Balance Sheet- Nonmajor Governmental Funds	61
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Nonmajor Governmental Funds	62
C-3	Schedule of Revenues and Expenditures - Budget and Actual - Capital Projects	63
C-4	Schedule of Revenues and Expenditures - Budget and Actual - Taylor Field Part F Grant Phase 1 Capital Project	64
C-5	Schedule of Revenues and Expenditures - Budget and Actual - Stormwater Mapping Project	65
D-1	Schedule of Revenues and Expenditures - Budget and Actual - Electric Fund	66-67

City of Southport, North Carolina  
Table of Contents  
June 30, 2025

<u>Exhibit</u>		<u>Page(s)</u>
<b>Other Schedules</b>		
E-1	Schedule of Ad Valorem Taxes Receivable	68
E-2	Analysis of Current Tax Levy (City - Wide Levy)	69
<b>Compliance Section:</b>		
	Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other matters based on an Audit of Financial Statements performed in accordance with <i>Governmental Auditing Standards</i>	70-71
	Schedule of Findings and Questioned Cost	72-73
	Summary Schedule of Prior Year Audit Findings	74

Draft

FINANCIAL SECTION

Draft



## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor  
and Members of the Board of Aldermen  
City of Southport  
Southport, North Carolina

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Southport, North Carolina as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Southport, North Carolina, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of City of Southport ABC Board, which represents 100 percent of the assets, net position, and revenues of the aggregate discretely presented component unit as of June 30, 2025, and the respective changed in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Southport ABC Board, is based solely on the report of the other auditors.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 City of Southport, North Carolina, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Local Government Employee's Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, the Law Enforcement's Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability, the Total Pension Liability as a Percentage of Covered Payroll, the Other Postemployment Benefits Schedule of Changes in the Total OPEB Liability and Related Ratios, and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements, budgetary schedules and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 November 21, 2025, on our consideration of the City of Southport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Southport'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 City of Wilson's Mills' internal control over financial reporting and compliance.

*Sharpe Patel PLLC*

Raleigh, North Carolina

November 21, 2025

## Management's Discussion and Analysis

As management of the City of Southport, we offer readers of the City of Southport's financial statements this narrative overview and analysis of the financial activities of the City of Southport for the fiscal year ended June 30, 2025. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which

### Financial Highlights

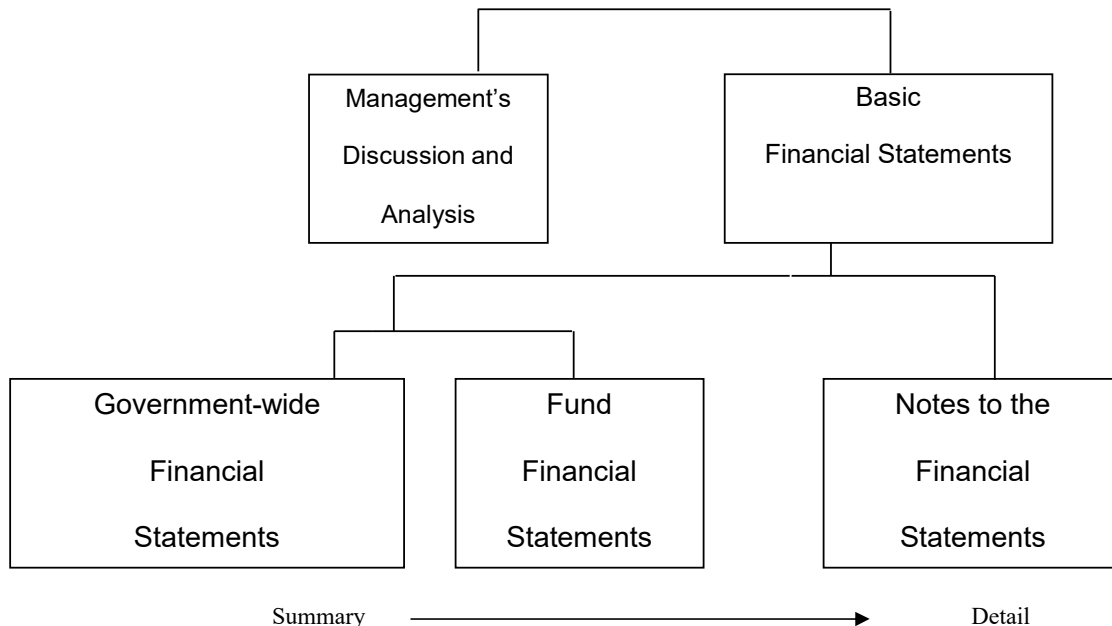
- The assets and deferred outflows of the City of Southport exceeded its liabilities and deferred inflows at the close of the fiscal year by \$40,708,977 (net position).
- Total government's total net position increased by \$628,317 which consisted of an increase in governmental activities of \$437,234 and an increase in business-type activities of \$191,083.
- As of the close of the current fiscal year, the City of Southport's governmental funds reported combined ending fund balances of \$16,694,598, an increase of \$626,918 in comparison with the prior year. Approximately \$5,762,244 (34.52 percent) is unavailable (nonspendable or restricted). Approximately 68.46 percent is unassigned or available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10,730,830 or 87.33 percent of total general fund expenditures for the fiscal year; compared to \$9,018,945, or 81.10 percent of total general fund expenditures in the
- The City of Southport's total debt (excluding compensated absences, net pension liability, total pension liability, and total OPEB liability) increased during the current fiscal year by new borrowings of \$1,506,000 less current year payments. The new debt is related to future plans to purchase a fire truck and ambulance.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to City of Southport's basic financial statements. The City'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 City 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 City of Southport. As an overview, the following chart outlines the required components of the annual financial report.

**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 City's financial status.

The next statements (Exhibits 3 through 10) are Fund Financial Statements. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the City's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

## Government-Wide Financial Analysis

The government-wide financial statements are designed to provide the reader with a broad overview of the City'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 City's financial status as a whole.

The two government-wide statements report the City's net position and how it has changed. Net position is the difference between the City's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the City's financial condition.

Government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the City's basic services such as public safety, streets and public works, sanitation, culture and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the City charges customers to provide. These include the water, sewer, and electric services offered by the City of Southport. The final category is the component unit. Although legally separate from the City, the ABC Board is important to the City. The City exercises control over the Board by appointing its members and the Board is required to distribute its profits to the City.

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 City'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 City of Southport, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of City of Southport can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City'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 City'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.

An annual budget is adopted for the City of Southport General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City 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. This 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.

**Proprietary Funds** – The City of Southport has one type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. City of Southport uses enterprise funds to account for its water and sewer activities and for its electric operations. These funds are the same as the separate activity shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are included in this report after Exhibit 10 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Southport's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on Exhibit A-1 of this report.

**Interdependence with Other Entities** - The City depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the City 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**

**City of Southport's Net Position  
Figure 2**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Current and other assets	\$ 22,894,720	\$ 21,841,181	\$ 5,874,527	\$ 14,862,740	\$ 28,769,247	\$ 36,703,921
Capital assets	16,177,120	14,884,167	13,806,590	12,408,512	29,983,710	27,292,679
Deferred outflows of resources	2,667,235	2,524,598	49,868	503,618	2,717,103	3,028,216
<b>Total assets and deferred outflows of resources</b>	<b>41,739,075</b>	<b>39,249,946</b>	<b>19,730,985</b>	<b>27,774,870</b>	<b>61,470,060</b>	<b>67,024,816</b>
Other liabilities	6,586,664	5,856,573	852,545	8,299,754	7,439,209	14,156,327
Long-term liabilities	10,950,219	8,543,753	92,281	1,260,882	11,042,500	9,804,635
Deferred inflows of resources	2,256,319	2,347,113	23,056	423,024	2,279,375	2,770,137
<b>Total liabilities and deferred inflows of resources</b>	<b>19,793,201</b>	<b>16,747,439</b>	<b>967,882</b>	<b>9,983,660</b>	<b>20,761,083</b>	<b>26,731,099</b>
Net position:						
Invested in capital assets, net of related debt	13,382,720	13,212,852	13,806,582	12,408,467	27,189,302	25,621,319
Restricted	4,598,569	5,628,627	-	-	4,598,569	5,628,627
Unrestricted	3,964,585	3,661,028	4,956,521	5,382,743	8,921,106	9,043,771
<b>Total net position</b>	<b>\$ 21,945,874</b>	<b>\$ 22,502,507</b>	<b>\$ 18,763,103</b>	<b>\$ 17,791,210</b>	<b>\$ 40,708,977</b>	<b>\$ 40,293,717</b>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$40,708,977 as of June 30, 2025. The City's net position increased by \$419,128 for the fiscal year ended June 30, 2025. The largest portion of net position \$27,189,302 (66.78%) reflects the City's investment in capital assets (e.g. land, buildings, and equipment) less any related debt still outstanding that was issued to acquire those items. The City of Southport uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the City's net position \$4,103,026 (10.08%) represents resources that are subject to external restriction on how they may be used. The remaining balance of \$9,420,517 (23.14%) is unrestricted.

Several particular aspects of the City'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 99.34%.

**City of Southport' Changes in Net Position**  
**Figure 3**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 4,434,201	\$ 3,734,944	\$ 8,557,960	\$13,504,861	\$ 12,992,161	\$ 17,239,805
Operating grants and contributions	468,367	1,877,473	5,288	-	473,655	1,877,473
Capital grants and contributions	399,791	674,094	-	806,298	399,791	1,480,392
General revenues:						
Property taxes	5,216,329	4,483,458	-	-	5,216,329	4,483,458
Other taxes and licenses	216,271	210,216	-	-	216,271	210,216
Unrestricted intergovernmental	2,960,885	3,014,655	-	-	2,960,885	3,014,655
Investment earnings, unrestricted	940,182	772,989	243,733	810,688	1,183,915	1,583,677
Other	329,960	150,450	-	-	329,960	150,450
Gain/Loss on disposal of fixed assets	500,509	-	-	-	500,509	-
<b>Total revenues</b>	<b>15,466,495</b>	<b>14,918,279</b>	<b>8,806,981</b>	<b>15,121,847</b>	<b>24,273,476</b>	<b>30,040,126</b>
<b>Expenses</b>						
General government	5,788,852	4,186,544	-	-	5,788,852	4,186,544
Public safety	7,023,886	5,473,748	-	-	7,023,886	5,473,748
Transportation	1,146,936	733,140	-	-	1,146,936	733,140
Environmental Protection	545,942	351,625	-	-	545,942	351,625
Cultural and recreation	1,004,802	850,096	-	-	1,004,802	850,096
Interest on long-term debt	37,134	75,014	-	-	37,134	75,014
Electric	-	-	8,097,607	7,384,825	8,097,607	7,384,825
Water and sewer	-	-	-	4,752,874	-	4,752,874
<b>Total expenses</b>	<b>15,547,552</b>	<b>11,670,167</b>	<b>8,097,607</b>	<b>12,137,699</b>	<b>23,645,159</b>	<b>23,807,866</b>
Change in net position before Transfers	(81,057)	3,248,112	709,374	2,984,148	628,317	6,232,260
Transfers	518,291	3,586,624	(518,291)	(27,517,637)	-	(23,931,013)
<b>Change in net position</b>	<b>437,234</b>	<b>6,834,736</b>	<b>191,083</b>	<b>(24,533,489)</b>	<b>628,317</b>	<b>(17,698,753)</b>
<b>Net Position</b>						
Beginning of year - July 1	22,502,507	15,667,771	17,791,210	42,884,541	40,293,717	58,552,312
Restatement	(993,867)	-	780,810	(559,842)	(213,057)	(559,842)
Beginning of year, as restated	21,508,640	15,667,771	18,572,020	42,324,699	40,080,660	57,992,470
<b>End of year - June 30</b>	<b>\$21,945,874</b>	<b>\$ 22,502,507</b>	<b>\$ 18,763,103</b>	<b>\$17,791,210</b>	<b>\$ 40,708,977</b>	<b>\$40,293,717</b>

**Governmental activities.** Governmental activities revenues exceeded expenses by \$441,102. Contributions to this net revenue are as follows:

Revenues:

- Local Option Sales Tax exceeded budget by \$137,730
- Sale of fixed assets exceeded budget by \$637,647
- Interest earned exceeded budget by \$102,669
- Proceeds from Southport ABC Store were \$155,602 under budget
- FEMA reimbursements from PTC 8 and other prior storms in the amount of \$227,701
- Municipal vehicle tax was \$42,180 under budget
- Planning/zoning/permit fees were \$270,381 over budget

Expenses:

- Expenses were \$282,272 under budget
- Salary and benefits were \$44,016 under budget
- Capital costs were \$151,800 under budget
- Contract services exceeded budget by \$23,379
- Insurance and bonding exceeded budget by \$73,306

**Business-type activities.** Business-type activities increased the City's net position by \$191,083. During the fiscal year ending June 30, 2025, Southport operated one business-type enterprise, the Electric enterprise. Prior year included both the Electric enterprise and the Water-Sewer enterprise. Electric enterprise revenues remained relatively constant in 2025 while the purchase of power increased by \$1,321,260.

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

As noted earlier, the City of Southport uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund was established in fiscal year 2024 to manage grant funds associated with a major Waterfront Stabilization project. Funds are expected to be fully expended in fiscal year 2026.

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

The general fund is the chief operating fund of the City of Southport. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$10,730,830, while total fund balance reached \$14,192,356. The City currently has an available fund balance of 77.42% of total General Fund expenditures, while total fund balance represents 97.87% of that same amount.

At June 30, 2025, the governmental funds of the City of Southport reported a combined fund balance of \$16,694,598, a 3.93% increase over last year.

**General Fund Budgetary Highlights:** During the fiscal year, the City 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. Total amendments were made during the year to increase the General Fund budget by \$519,819.

**Proprietary Funds.** The City of Southport's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Electric Fund was \$4,956,521. The Electric Fund had a total increase in net position of \$191,083.

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

**Capital Assets.** The City of Southport's capital assets for its governmental and business-type activities as of June 30, 2025 totals \$29,983,710 (net of accumulated depreciation). These assets include buildings, land, improvements, equipment, vehicles, infrastructure, utility systems, and construction in progress.

Major capital asset transactions during the year include:

- Continuation of the Waterfront Stabilization project
- Continuation of the migration of the electric power lines from overhead to underground
- Acquisition of a new street sweeper
- Acquisition of new radios for the Fire Department
- Commencement of a remediation project of Old City Hall
- Sale of Sunny Point Property

**City of Southport's Capital Assets  
(Net of depreciation)  
Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 2,946,646	\$ 2,946,646	\$ -	\$ -	\$ 2,946,646	\$ 2,946,646
Building and improvements	6,191,502	6,423,870	62,342	64,238	6,253,844	6,488,108
Improvements other than Buildings	606,281	255,203	-	-	606,281	255,203
Utility systems	-	-	13,722,200	12,308,908	13,722,200	12,308,908
Furniture and Equipment	1,642,247	921,899	22,048	35,366	1,664,295	957,265
Infrastructure	3,112,402	2,455,917	-	-	3,112,402	2,455,917
Vehicles and motorized equipment	913,342	734,582	-	-	913,342	734,582
Construction in progress	764,700	1,146,050	-	-	764,700	1,146,050
<b>Total</b>	<b>\$ 16,177,120</b>	<b>\$ 14,884,167</b>	<b>\$ 13,806,590</b>	<b>\$ 12,408,512</b>	<b>\$ 29,983,710</b>	<b>\$ 27,292,679</b>

**Long-term Debt.** As of June 30, 2025, the City of Southport had total debt from financing of assets outstanding of \$2,786,332 as noted in the following table. The City also had \$732,658 in lease liabilities outstanding.

**City of Southport's Outstanding Debt  
Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Direct Borrowing / Placement						
Installment Agreements	\$ 2,786,332	\$ 1,636,682	\$ -	\$ -	\$ 2,786,332	\$ 1,636,682
Leases	732,658	679,362	1,117	7,801	733,775	687,163
Compensated absences	444,782	411,019	499	11,273	445,281	422,292
Net pension liability (LGERS)	3,583,330	2,645,788	46,750	608,731	3,630,080	3,254,519
Total pension liability (FIRE)	501,818	520,803	-	-	501,818	520,803
Total pension liability (LEOSSA)	578,636	588,120	-	-	578,636	588,120
Total OPEB Liability	3,489,922	2,789,872	45,531	641,883	3,535,453	3,431,755
<b>Total</b>	<b>\$ 12,117,478</b>	<b>\$ 9,271,646</b>	<b>\$ 93,897</b>	<b>\$ 1,269,688</b>	<b>\$ 12,211,375</b>	<b>\$ 10,541,334</b>

The City of Southport's total debt increased by \$1,196,262 during the past fiscal year, primarily due to new debt taken out during the year ended June 30, 2025.

The state of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the City of Southport is approximately \$102,823,173.

Additional information regarding the City of Southport's long-term debt can be found in the notes of this audited financial report.

**Economic Factors and Next Year's Budget Rates**

The following key economic indicators reflect the growth and prosperity of the City:

- All city facilities and surrounding businesses are fully open, paired with an increase in visitors year after year resulting in higher revenues from sources such as Occupancy Tax, Facility Rentals, and Local Option Sales Tax.
- Residential homes continue to be built at a consistent rate, thus increasing the number of residents in the city and increasing Tax Value within the city.
- Revenue from building permits and inspections remains strong, with the increased growth.

## **Budget Highlights for the Fiscal Year Ending June 30, 2026**

**Governmental Activities:** The City was awarded a grant for Waterfront Stabilization Project in the amount of \$5,000,000 to begin stabilizing the erosion of the waterfront. This work is continuing as planned. The continuance of FEMA reimbursement, for prior hurricanes, will be disbursed to the City until all eligible projects or repairs have been accounted for. Budgeted expenditures in the General Fund are expected to rise approximately 7% to \$15,090,032.

Management believes that increased revenues and continued restrictions on spending will maintain the City's financial position. The city has gone to a tax rate of 31.0 cents per \$100 of assessed property value for 2026 fiscal year with 1 cent of that directly supporting the Capital Fund.

**Business-Type Activities:** The Electric Fund continues to invest in underground infrastructure and improvements to the Electric service of the city.

### **Requests for Information**

This report is designed to provide an overview of the City'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 Director of Finance, City of Southport, 1029 N. Howe St, Southport, NC 28461. One can also call (910) 457-7900, visit our website [www.CityofSouthport.com](http://www.CityofSouthport.com), or send an email to [www.SouthportNC.com](http://www.SouthportNC.com) for more information.

BASIC FINANCIAL STATEMENTS

Draft

**City of Southport, North Carolina**  
**Statement of Net Position**  
**June 30, 2025**

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental</b>	<b>Business-type</b>	<b>Total</b>	<b>Southport ABC</b>
	<b>Activities</b>	<b>Activities</b>		<b>Board</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 19,659,398	\$ 4,760,927	\$ 24,420,325	\$ 373,962
Taxes receivables (net)	53,011	-	53,011	-
Accounts receivable (net)	67	910,896	910,963	-
Accrued interest receivable on taxes	2,675	-	2,675	-
Due from other governments	946,820	-	946,820	-
Inventories	-	-	-	531,305
Prepaid expenses	1,088,775	-	1,088,775	15,150
Restricted cash and cash equivalents	419,384	201,595	620,979	-
Total current assets	<u>22,170,130</u>	<u>5,873,418</u>	<u>28,043,548</u>	<u>920,417</u>
Non-current assets:				
Right to use assets, net	724,590	1,109	725,699	-
Capital assets:				
Land, non-depreciable, improvements, and construction in process	3,711,346	-	3,711,346	333,232
Other capital assets, net of depreciation	12,465,774	13,806,590	26,272,364	960,427
Total capital assets	<u>16,177,120</u>	<u>13,806,590</u>	<u>29,983,710</u>	<u>1,293,659</u>
Total non-current assets	<u>16,901,710</u>	<u>13,807,699</u>	<u>30,709,409</u>	<u>1,293,659</u>
<b>Total assets</b>	<u>39,071,840</u>	<u>19,681,117</u>	<u>58,752,957</u>	<u>2,214,076</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related deferrals	2,454,477	47,092	2,501,569	167,795
OPEB related deferrals	212,758	2,776	215,534	30,151
<b>Total deferred outflows of resources</b>	<u>2,667,235</u>	<u>49,868</u>	<u>2,717,103</u>	<u>197,946</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued expenses	662,005	649,334	1,311,339	486,493
Customer deposits	-	201,595	201,595	-
Unspent grant proceeds	4,757,399	-	4,757,399	-
Current portion of long-term liabilities	1,167,260	1,616	1,168,876	62,815
Total current liabilities	<u>6,586,664</u>	<u>852,545</u>	<u>7,439,209</u>	<u>549,308</u>
Long-term liabilities:				
Net pension liability (LGERS)	3,583,330	46,750	3,630,080	261,367
Total pension liability	1,080,454	-	1,080,454	-
Total OPEB liability	3,489,922	45,531	3,535,453	204,900
Due in more than one year	2,796,513	-	2,796,513	955,774
Total long-term liabilities	<u>10,950,219</u>	<u>92,281</u>	<u>11,042,500</u>	<u>1,422,041</u>
<b>Total liabilities</b>	<u>17,536,882</u>	<u>944,826</u>	<u>18,481,708</u>	<u>1,971,349</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension deferrals	505,648	222	505,870	308
OPEB related deferrals	1,750,229	22,834	1,773,063	29,475
Unearned income	442	-	442	-
<b>Total deferred inflows of resources</b>	<u>2,256,319</u>	<u>23,056</u>	<u>2,279,375</u>	<u>29,783</u>
<b>NET POSITION</b>				
Net investment in capital assets	13,382,720	13,806,582	27,189,302	280,089
Restricted for:				
Stabilization by State Statute	1,442,430	-	1,442,430	-
Streets - Powell Bill	419,384	-	419,384	-
Other functions	-	-	-	183,206
Capital projects	2,736,755	-	2,736,755	-
Unrestricted	3,964,585	4,956,521	8,921,106	(52,405)
<b>Total net position</b>	<u>\$ 21,945,874</u>	<u>\$ 18,763,103</u>	<u>\$ 40,708,977</u>	<u>\$ 410,890</u>

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

**City of Southport, North Carolina  
Statement of Activities  
For the Year Ended June 30, 2025**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Southport ABC Board
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 5,788,852	\$ -	\$ 227,701	\$ -	\$ (5,561,151)	\$ -	\$ (5,561,151)	
Public safety	7,023,886	3,511,365	240,666	149,791	(3,122,064)	-	(3,122,064)	
Transportation	1,146,936	299,648	-	-	(847,288)	-	(847,288)	
Cultural and recreational	1,004,802	277,015	-	-	(727,787)	-	(727,787)	
Environmental protection	545,942	346,173	-	250,000	50,231	-	50,231	
Interest on long-term debt	37,134	-	-	-	(37,134)	-	(37,134)	
Total governmental activities	15,547,552	4,434,201	468,367	399,791	(10,245,193)	-	(10,245,193)	
Business-type activities:								
Electric	8,097,607	8,557,960	5,288	-	-	465,641	465,641	
Water and Sewer	-	-	-	-	-	-	-	
Total business-type activities	8,097,607	8,557,960	5,288	-	-	465,641	465,641	
Total primary government	\$ 23,645,159	\$ 12,992,161	\$ 473,655	\$ 399,791	(10,245,193)	465,641	(9,779,552)	
Component units:								
ABC Board	\$ 6,138,984	\$ 6,246,980	\$ -	\$ -				\$ 107,996
Total component units	\$ 6,138,984	\$ 6,246,980	\$ -	\$ -				\$ 107,996
General revenues:								
Taxes:								
Ad valorem taxes					5,216,329	-	5,216,329	-
Unrestricted intergovernmental					2,960,885	-	2,960,885	-
Other taxes and licenses					216,271	-	216,271	-
Unrestricted investment earnings					940,182	243,733	1,183,915	-
Miscellaneous					329,960	-	329,960	-
Transfers					518,291	(518,291)	-	-
Gain (loss) on disposal of fixed assets					500,509	-	500,509	-
Total general revenues, special items, and transfers					10,682,427	(274,558)	10,407,869	-
Change in net position					437,234	191,083	628,317	107,996
Net position beginning, as previously reported					22,502,507	17,791,210	40,293,717	302,894
Restatement					(993,867)	780,810	(213,057)	-
Net position beginning, as restated					21,508,640	18,572,020	40,080,660	302,894
Net position, ending					\$ 21,945,874	\$ 18,763,103	\$ 40,708,977	\$ 410,890

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

**City of Southport, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2025**

	<u>Major Fund</u>		<u>Non-Major</u>	<u>Total</u>
	<u>General Fund</u>	<u>Waterfront Stabilization Fund</u>	<u>Other Governmental Funds</u>	
<b>ASSETS</b>				
Cash and investments	\$ 12,385,258	\$ 4,958,923	\$ 2,315,215	\$ 19,659,396
Restricted cash and cash equivalents	419,384	-	-	419,384
Taxes receivable, net	53,011	-	-	53,011
Accounts and other receivable	67	-	-	67
Due from other governments	946,820	-	-	946,820
Prepaid expenses	1,088,775	-	-	1,088,775
Total assets	<u>\$ 14,893,315</u>	<u>\$ 4,958,923</u>	<u>\$ 2,315,215</u>	<u>\$ 22,167,453</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 462,877	\$ -	\$ 14,497	\$ 477,374
Accrued payroll and payroll liabilities	184,629	-	-	184,629
Unspent grant proceeds	-	4,757,399	-	4,757,399
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Customer deposits	-	-	-	-
Total liabilities	<u>647,506</u>	<u>4,757,399</u>	<u>14,497</u>	<u>5,419,402</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes receivable	53,011	-	-	53,011
Prepaid property taxes	442	-	-	442
Total deferred inflows of resources	<u>53,453</u>	<u>-</u>	<u>-</u>	<u>53,453</u>
<b>Fund balances:</b>				
Nonspendable:				
Prepaid expenses	1,088,775	-	-	1,088,775
Restricted:				
Stabilization by State Statute	1,442,430	-	-	1,442,430
Streets	419,384	-	-	419,384
ARPA	-	-	-	-
Capital outlay	436,037	-	2,300,718	2,736,755
Committed:				
General government	74,900	-	-	74,900
Assigned:				
Subsequent year's expenditures	-	-	-	-
Unassigned	10,730,830	201,524	-	10,932,354
Total fund balances	<u>14,192,356</u>	<u>201,524</u>	<u>2,300,718</u>	<u>16,694,598</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,893,315</u>	<u>\$ 4,958,923</u>	<u>\$ 2,315,215</u>	<u>\$ 22,167,453</u>

(cont)

**City of Southport, North Carolina**  
**Reconciliation of the Governmental Funds to the Statement of Net Position**  
**June 30, 2025**

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balance, governmental funds	\$ 16,694,598
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	16,177,120
Right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.	724,590
Earned revenues considered deferred inflows of resources in fund statements.	53,011
Certain other long-term assets (accrued interest receivable from taxes) are not available to pay current period expenditures and therefore are deferred in the funds.	2,675
Deferred outflows of resources related to OPEB are not reported in the funds	212,758
Deferred outflows of resources related to pensions are not recorded on the fund statements	2,454,477
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	
Installment purchase agreements	(2,786,332)
Lease liability	(732,658)
Compensated absences	(444,782)
Net pension liability (LGERS)	(3,583,330)
Total pension liability (LEOSSA)	(578,636)
Total pension liability (Fire)	(501,818)
Total OPEB liability	(3,489,922)
Deferred inflows of resources related to OPEB are not reported in the funds	(1,750,229)
Deferred inflows of resources related to pensions are not recorded on the fund statements	(505,648)
Net position of governmental activities	<u>\$ 21,945,874</u>

**City of Southport, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2025**

	<u>Major Funds</u>		<u>Total Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Waterfront Stabilization Fund</u>		
<b>REVENUES</b>				
Ad valorem taxes	\$ 5,054,818	\$ -	\$ 158,775	\$ 5,213,593
Other taxes and licenses	212,679	-	-	212,679
Unrestricted intergovernmental	2,960,885	-	-	2,960,885
Restricted intergovernmental	2,771,014	149,790	250,000	3,170,804
Permits and fees	996,315	-	-	996,315
Sales and services	1,139,381	-	-	1,139,381
Investment earnings	664,648	201,524	10,898	877,070
Miscellaneous	230,710	-	-	230,710
Total revenues	<u>14,030,450</u>	<u>351,314</u>	<u>419,673</u>	<u>14,801,437</u>
<b>EXPENDITURES</b>				
Current:				
General government	5,069,437	-	-	5,069,437
Public safety	6,656,552	-	-	6,656,552
Street and public works	1,086,290	-	-	1,086,290
Sanitation	361,142	-	-	361,142
Cultural and recreation	1,034,401	-	-	1,034,401
Debt service:				
Principal	356,350	-	-	356,350
Interest and other charges	37,268	-	-	37,268
Capital outlay	-	149,790	2,405,979	2,555,769
Total expenditures	<u>14,601,440</u>	<u>149,790</u>	<u>2,405,979</u>	<u>17,157,209</u>
Excess (deficiency) of revenues over expenditures	<u>(570,990)</u>	<u>201,524</u>	<u>(1,986,306)</u>	<u>(2,355,772)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	329,232	-	189,059	518,291
Lease proceeds	222,052	-	-	222,052
Insurance proceeds	-	-	98,700	98,700
Sale of fixed assets	637,647	-	-	637,647
Loan proceeds	1,506,000	-	-	1,506,000
Total other financing sources (uses)	<u>2,694,931</u>	<u>-</u>	<u>287,759</u>	<u>2,982,690</u>
Net change in fund balance	<u>2,123,941</u>	<u>201,524</u>	<u>(1,698,547)</u>	<u>626,918</u>
Fund balances, beginning	<u>12,068,415</u>	<u>-</u>	<u>3,999,265</u>	<u>16,067,680</u>
Fund balances, ending	<u>\$ 14,192,356</u>	<u>\$ 201,524</u>	<u>\$ 2,300,718</u>	<u>\$ 16,694,598</u>

**City of Southport, North Carolina**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2025**

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

Net changes in fund balances - total governmental funds	\$	626,918
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>		
Capital outlay expenditures which were capitalized	3,097,077	
Depreciation expense for governmental assets	(1,102,890)	
(Gain) loss on disposal of capital assets	(137,138)	1,857,049
<p>Right to use lease assets used in governmental activities are not financial resources and therefore are not reported in the funds</p>		
Right to use assets at historical cost	222,053	
Accumulated amortization	(324,474)	(102,421)
<p>Contributions to the pension plan in the current fiscal year are not included on the statement of activities</p>		
		865,824
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Change in unavailable revenue for tax revenues		2,736
<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>		
Loan proceeds	(1,506,000)	
Lease proceeds	(222,052)	
Principal payments on debt	356,350	
Principal payments on leases	311,961	(1,059,741)
<p>Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)</p>		
		63,112
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated absences		(33,763)
Pension expense		(1,630,856)
Separation allowance		(59,553)
Firefighters' retirement		(101,005)
OPEB expense		8,934
Total changes in net position of governmental activities	\$	437,234

**City of Southport, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Annual Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 5,048,519	\$ 5,048,519	\$ 5,054,818	\$ 6,299
Other taxes and licenses	211,350	211,350	212,679	1,329
Unrestricted intergovernmental	2,884,766	2,884,766	2,960,885	76,119
Restricted intergovernmental	2,363,729	2,590,695	2,771,014	180,319
Permits and fees	696,150	696,150	996,315	300,165
Sales and services	1,192,252	1,222,697	1,139,381	(83,316)
Investment earnings	561,979	561,979	664,648	102,669
Miscellaneous	213,830	330,911	230,710	(100,201)
Total revenues	<u>13,172,575</u>	<u>13,547,067</u>	<u>14,030,450</u>	<u>483,383</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	5,013,631	5,203,946	5,069,437	134,509
Public safety	6,185,665	6,521,154	6,656,552	(135,398)
Transportation	1,010,263	1,056,565	1,086,290	(29,725)
Environmental protection	371,306	371,305	361,142	10,163
Cultural and recreation	1,103,812	1,107,371	1,034,401	72,970
<b>Debt service:</b>				
Principal retirement	388,091	388,092	393,618	(5,526)
Total expenditures	<u>14,072,768</u>	<u>14,648,433</u>	<u>14,601,440</u>	<u>46,993</u>
Revenues over (under) expenditures	<u>(900,193)</u>	<u>(1,101,366)</u>	<u>(570,990)</u>	<u>530,376</u>
<b>Other financing sources (uses):</b>				
Appropriated fund balance	495,000	696,173	-	(696,173)
Lease proceeds	-	-	222,052	222,052
Transfers from other funds	405,193	405,193	329,232	(75,961)
Sale of fixed assets	-	-	637,647	637,647
Loan proceeds	-	-	1,506,000	1,506,000
Total other financing sources (uses)	<u>900,193</u>	<u>1,101,366</u>	<u>2,694,931</u>	<u>1,593,565</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>2,123,941</u>	<u>\$ 2,123,941</u>
Fund balances, beginning			<u>12,068,415</u>	
Fund balances, ending			<u>\$ 14,192,356</u>	

**City of Southport, North Carolina**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2025**

	<b>Major Enterprise Funds</b>		<b>Total</b>
	<b>Electric Fund</b>	<b>Water and Sewer Fund</b>	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 4,760,927	\$ -	\$ 4,760,927
Accounts receivable customers, net	425,266	-	425,266
Accounts receivable BEMC	485,630	-	485,630
Restricted assets:			
Cash and cash equivalents	201,595	-	201,595
Total current assets	<u>5,873,418</u>	<u>-</u>	<u>5,873,418</u>
Non-current assets:			
Right to use asset, net	1,109	-	1,109
Capital assets:			
Land and other non-depreciable assets	-	-	-
Other capital assets, net of depreciation	13,806,590	-	13,806,590
Capital assets (net)	<u>13,806,590</u>	<u>-</u>	<u>13,806,590</u>
Total noncurrent assets	<u>13,807,699</u>	<u>-</u>	<u>13,807,699</u>
Total assets	<u>19,681,117</u>	<u>-</u>	<u>19,681,117</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	47,092	-	47,092
OPEB deferrals	2,776	-	2,776
Total deferred outflows of resources	<u>49,868</u>	<u>-</u>	<u>49,868</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	647,457	-	647,457
Due to other governments	-	-	-
Salaries payable	1,877	-	1,877
Customer deposits	201,595	-	201,595
Compensated absences	499	-	499
Bonds, notes, leases and loans payable	1,117	-	1,117
Total current liabilities	<u>852,545</u>	<u>-</u>	<u>852,545</u>
Noncurrent liabilities:			
Other non-current liabilities:			
Net pension liability	46,750	-	46,750
Total OPEB liability	45,531	-	45,531
Total non-current liabilities	<u>92,281</u>	<u>-</u>	<u>92,281</u>
Total liabilities	<u>944,826</u>	<u>-</u>	<u>944,826</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferrals	222	-	222
OPEB deferrals	22,834	-	22,834
Total deferred inflows of resources	<u>23,056</u>	<u>-</u>	<u>23,056</u>
<b>NET POSITION</b>			
Net investment in capital assets	13,806,582	-	13,806,582.00
Unrestricted	4,956,521	-	4,956,521
Total net position	<u>\$ 18,763,103</u>	<u>\$ -</u>	<u>\$ 18,763,103</u>

**City of Southport, North Carolina**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

	<b>Major Enterprise Funds</b>		<b>Total</b>
	<b>Electric Fund</b>	<b>Water and Sewer Fund</b>	
<b>OPERATING REVENUES</b>			
Charges for services	\$ 8,527,007	\$ -	\$ 8,527,007
Other operating revenues	30,953	-	30,953
Total operating revenues	<u>8,557,960</u>	<u>-</u>	<u>8,557,960</u>
<b>OPERATING EXPENSES</b>			
Electric operations	1,507,050	-	1,507,050
Power / water purchases	6,047,510	-	6,047,510
Water and sewer operations	-	-	-
Depreciation and amortization	543,047	-	543,047
Total operating expenses	<u>8,097,607</u>	<u>-</u>	<u>8,097,607</u>
Operating income (loss)	<u>460,353</u>	<u>-</u>	<u>460,353</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	243,733	-	243,733
FEMA reimbursements	5,288	-	5,288
Total nonoperating revenues (expenses)	<u>249,021</u>	<u>-</u>	<u>249,021</u>
Income (loss) before contributions and transfers	709,374	-	709,374
Transfer in (out)	<u>(518,291)</u>	<u>-</u>	<u>(518,291)</u>
Total income (loss) after contributions and transfers	<u>191,083</u>	<u>-</u>	<u>191,083</u>
Change in net position	191,083	-	191,083
Total net position, beginning as previously reported	18,572,020	(780,810)	17,791,210
Restatement	<u>-</u>	<u>780,810</u>	<u>780,810</u>
Total net position, beginning as restated	<u>18,572,020</u>	<u>-</u>	<u>18,572,020</u>
Total net position, ending	<u>\$ 18,763,103</u>	<u>\$ -</u>	<u>\$ 18,763,103</u>

**City of Southport, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

	<b>Major Enterprise Funds</b>		<b>Total</b>
	<b>Electric Fund</b>	<b>Water and Sewer Fund</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 8,472,482	\$ -	\$ 8,472,482
Cash paid for goods and services	(7,565,850)	(7,642,051)	(15,207,901)
Cash paid to or on behalf of employees for services	(126,756)	-	(126,756)
Net customer deposits	5,563	-	5,563
Other operating revenues	30,953	-	30,953
Net cash provided (used) by operating activities	<u>816,392</u>	<u>(7,642,051)</u>	<u>(6,825,659)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers	(518,291)	-	(518,291)
Net cash provided (used) by noncapital financing activities	<u>(518,291)</u>	<u>-</u>	<u>(518,291)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(1,934,478)	-	(1,934,478)
FEMA reimbursements and other grants	5,288	-	5,288
Repayment of debt obligations	(6,684)	-	(6,684)
Net cash provided (used) by capital and related financing activities	<u>(1,935,874)</u>	<u>-</u>	<u>(1,935,874)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	243,733	-	243,733
Net cash provided (used) by investing activities	<u>243,733</u>	<u>-</u>	<u>243,733</u>
Net increase (decrease) in cash and investments	(1,394,040)	(7,642,051)	(9,036,091)
Balances, beginning	6,356,562	7,642,051	13,998,613
Balances, ending	<u>\$ 4,962,522</u>	<u>\$ -</u>	<u>\$ 4,962,522</u>

**City of Southport, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

	<b>Major Enterprise Funds</b>		<b>Total</b>
	<b>Electric Fund</b>	<b>Water and Sewer Fund</b>	
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ 460,353	\$ -	\$ 460,353
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation and amortization	543,047	-	543,047
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(54,525)	-	(54,525)
(Increase) decrease in due from other governments	-	(7,642,051)	(7,642,051)
(Increase) decrease in inventory	-	-	-
(Increase) decrease in prepaid expenses	-	-	-
(Increase) in deferred outflows of resources - pensions	93,655	-	93,655
(Increase) in deferred outflows of resources - OPEB	24,006	-	24,006
Increase (decrease) in accounts payable and accrued liabilities	197,262	-	197,262
Increase (decrease) in accounts paid in advance	-	-	-
Increase (decrease) in accrued payroll and payroll liabilities	(793)	-	(793)
Increase (decrease) in customer deposits	5,563	-	5,563
Increase (decrease) in accrued vacation pay	(10,774)	-	(10,774)
Increase (decrease) in net pension liability	(155,745)	-	(155,745)
Increase (decrease) in deferred inflows of resources - pension	(802)	-	(802)
Increase (decrease) in deferred inflows of resources - OPEB	(116,862)	-	(116,862)
Increase (decrease) in OPEB liability	(167,993)	-	(167,993)
Total adjustments	<u>\$ 356,039</u>	<u>\$ (7,642,051)</u>	<u>\$ (7,286,012)</u>
Net cash provided (used) by operating activities	<u>\$ 816,392</u>	<u>\$ (7,642,051)</u>	<u>\$ (6,825,659)</u>

**City of Southport, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2025**

**I. Summary of Significant Accounting Policies**

The accounting policies of the City of Southport (the "City") and its discretely presented component unit conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant account policies:

**A. Reporting Entity**

The City is a municipal corporation, which is governed by an elected mayor and a six-member Board of Aldermen. As required by generally accepted accounting principles, these financial statements present the City and its component unit, a legally separate entity for which the City is financially accountable. The discretely presented component unit presented below is reported in a separate column in the City's financial statements in order to emphasize that it is legally separate from the City.

City of Southport ABC Board

The members of the ABC Board's governing board are appointed by the City. In addition, the ABC Board is required by State Statute to distribute 100% of its surpluses to the General fund of the City. The ABC Board, which has a June 30th year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at Southport ABC Board, 714 North Howe Street, Southport, NC 28461.

**B. Basis of Presentation**

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City'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 City's funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental funds:

**General Fund.** The General Fund is the general operating fund of the City. It is used to account 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, street maintenance and construction, and recreational facilities and programs.

**Waterfront Stabilization Fund.** The Waterfront Stabilization fund is used to account for controlling the erosion along the City's waterfront.

The City reports the following non-major governmental funds:

**Capital Project Fund.** The Capital Project Fund is used to account for the construction of various projects including: sidewalk and road repair, erosion control, storm water projects, City Hall building upgrades, a kayak launch, pier construction, and other capital projects.

**Taylor Field Part F Grant Phase 1 Capital Project Fund.** This fund is used to account for the construction of a new city park. This project was completed during the current fiscal year.

**Stormwater Mapping Project Fund.** This fund is used to account for the city wide asset inventory and assessment of the condition of the stormwater system. This project was completed during the current fiscal year.

The City reports the following major enterprise funds:

**Electric Fund.** This fund is used to account for the City's electric fund operations. An NCDOT Improvement Program Fund has been consolidated into the Electric Fund for financial reporting purposes. The budgetary comparison for the NCDOT Improvement Program Fund has been included in the supplemental information.

### **C. Measurement Focus and Basis of Accounting**

In accordance with North Carolina General Statutes, all funds of the City are maintained during the year using the modified accrual basis of accounting.

*Government-wide and Proprietary Fund Financial Statements.* The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund 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 City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

*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. Issuance of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The City 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 a 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 beer and wine tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City because the tax is levied by Brunswick County and remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the City 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 City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

#### **D. Budgetary Data**

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Funds. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for capital project funds. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. The City manager is authorized to reallocate departmental appropriations among the various objects of expenditures as he or she sees necessary; however, the governing board must approve any revisions that alter the total expenditures on any fund by \$5,000. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers the 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 City and the ABC Board are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The City and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the City and the ABC Board may establish time deposit accounts such as NOW and Super NOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the City and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust ("NCCMT").

The majority of the City's and the ABC Board's investments are generally reported at fair value. Non-participating interest earning investment contracts are accounted for at cost.

The North Carolina Capital Management Trust ("NCCMT"), which consists of an SEC-registered money market mutual fund, (the "Government Portfolio"), is authorized by G.S. 159-30(c)(8). The Government Portfolio, which invests in treasuries and government agencies, is a money market fund (2a7) and maintains an AAAM rating from S&P and AAAMf by Moody's Investor Service. It is reported at fair value.

The North Carolina Cooperative Liquid Assets Security System ("NC CLASS") is an investment pool created by an Interlocal agreement and an Indenture of Trust, pursuant to G.S. 159-30 ©(10). NCCLASS is invested in prime or high grade, short term fixed income instruments with the goal of providing program safety, liquidity and competitive rates of return and it maintains an AAM rating from S&P. It is reported at fair value.

##### **2. Cash and Cash Equivalents**

The City 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. The ABC Board considers all highly liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash and cash equivalents.

3. Restricted Assets

The unexpended impact fees of the Water and Sewer Fund are classified as restricted assets for the enterprise fund because their use is completely restricted to the purposes of water and sewer system expansion. Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing, or widening of local streets per G.S. 136-41.1 through 136-41.4. In addition, money received for Coronavirus State and Local Fiscal Recovery Funds received from the U.S. Treasury under the American Rescue Plan Act are restricted by federal law for the intended purposes.

**City of Southport Restricted Cash**

Governmental activities:		
General Fund:		
Customer deposits	\$	-
Streets		419,384
Total governmental activities	\$	<u>419,384</u>
Business-type activities:		
Electric Fund:		
Customer deposits	\$	201,595
Total business-type activities	\$	<u>201,595</u>
Total Restricted Cash	\$	<u>620,979</u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the City 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, 2024.

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. Inventory and Prepaid Items

The inventories of the ABC Board are valued at the lower cost (first in, first out) or market. The inventory consists of products for resale to customers. The cost of these inventories is expensed when sold rather than when purchased. The ABC Board also has payments to vendors which reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements and are recorded as expenditures as used rather than when purchased.

## 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. Minimum capitalization costs is \$5,000. Purchased or constructed capital assets are reported at cost or estimated historical costs. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to July 1, 2003, consisting mainly of road networks, are not reported, because the City is a Phase III city under GASB 34, and not required to report those assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives to cost of the assets:

<u>Asset Class</u>	<u>Years</u>
Infrastructure	25-30
Utility systems	40
Intangible assets	40
Buildings	50
Improvements	25
Vehicles	5-10

The City has a collection of art work and historical artifacts for public exhibition and education that is being preserved for future generations. This collection was donated and has restrictions on both its use and disposal. The collection is not capitalized or depreciated as part of capital assets.

Property, plant and equipment of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

<u>Asset Class</u>	<u>Years</u>
Buildings	25
Furniture and equipment	10
Building improvements	10-20

## 8. Right to Use Assets

The City has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

## 9. 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 City has two items that meets this criterion; pension related deferrals and OPEB related deferrals. 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 City has several items that meet the criterion for this category - prepaid taxes, property taxes receivable, deferrals of pension expense, and OPEB related deferrals.

## 10. Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type actives, or proprietary fund type statement of net position.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources.

## 11. Compensated Absences

The vacation policy of the City provides for the accumulation of up to two hundred forty (240) hours earned vacation leave with such leave being fully vested when earned. For the City's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The City has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The ABC Board employees may accumulate up to thirty days of vacation which is fully vested when earned. The current portion of the accumulated vacation pay is not considered to be material.

Both the City's and the ABC Board'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 neither the City nor the ABC Board has any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

During the year ended June 30, 2025, the City implemented GASB Statement No. 101, *Compensated Absences*. This standard requires recognition of a liability for certain types of compensated absences, including sick leave, when specified criteria are met. During the year ended June 30, 2025 those criteria have not been met.

## 12. Net Position/Fund Balances

### Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through state statute.

### Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

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

Prepaid expenses - Portion of the fund balance that is not an available recourse because it represents the year-end balance of ending prepaid expenses, which are not spendable resources. At June 30, 2025, the City of Southport had \$1,088,775 fund balance with this classification which represents prepayment for a new fire truck.

**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.

## Fund Balances (continued)

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

Restricted for Capital Outlay - portion of fund balance restricted for capital outlay by G.S. Chapter 159, Article 3, Part 2.

Committed Fund Balance - portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the City of Southport'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.

Committed for general government - portion of fund balance allowed by the Board to be used at the discretion of the leadership of the general government departments. This balance represents balance of funds raised by the general government through various fund-raising programs.

Assigned Fund Balance - portion of fund balance that the City of Southport intends to use for specific purposes.

Assigned for 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. The governing body approves the appropriation; however, the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$5,000.

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

The City of Southport has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Director will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-City funds, and City funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and, lastly, unassigned fund balance. The Finance Director has the authority to deviate from this policy if it is in the best interest of the City.

### 13. Defined Benefit Cost-Sharing Plans

For the 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 City's employer contributions are recognized when due and the City has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the LGERS. Investments are reported as fair value.

### 14. Use of Estimates

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas where estimates are made are allowance for doubtful accounts and depreciation lives.

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

### A. Excess of Expenditures over Appropriation

For the year ended June 30, 2025, the City spent \$5,526 more for general fund debt service, \$29,725 more for transportation and \$135,398 for public safety than appropriated in the budget. The debt service expenditures were budgeted for as other categories as they were lease payments, therefore that was no over expenditure of the budget overall related to those payments. The City also had minor amounts expended over budget in several of the proprietary expense line items. Management and the Board will carefully monitor the budget in future years.

### **III. Detail Notes on All Funds**

#### **A. Assets**

##### **1. Deposits**

All the deposits of the City and ABC Board 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 City's and ABC Board agents in the City's 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 City and ABC Board, these deposits are considered to be held by the City's and ABC Boards agents in their name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the pooling method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City and ABC Board or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the City and ABC Board under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits, 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 City complies with the provisions of G.S. 159.31 when designating official depositories and verifying that deposits are property secured. The ABC Board has no formal policy regarding custodial credit risk for deposits.

At June 30, 2025, the City's deposits had a carrying amount of \$4,522,346 and a bank balance of \$5,121,987. Of the bank balance, \$500,000 was covered by federal depository insurance and the remainder was covered under the pooling method. The carrying amount of the deposits of the ABC Board was \$372,462 and the bank balance was \$361,777. \$250,000 of the bank balance was covered by federal depository insurance, and the remainder was covered under the pooling method. The City's cash on hand totaled \$300 at June 30, 2025.

##### **2. Investments**

At June 30, 2025, the City had \$432,992 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The City has no policy regarding credit risk.

At June 30, 2025, the City had \$20,085,666 invested with the North Carolina CLASS Portfolio which carried a credit rating of AAAM by Standard and Poor's. The City has no policy regarding credit risk.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets. Level of fair value hierarchy: Level 1: Debt securities using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2 debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' benchmark quoted prices.

*Interest Rate Risk.* The City does not have a formal investment policy that specifically limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates.

*Credit Risk.* The City has no formal policy regarding credit risk. The City's investment in the NC Capital Management Trust Government Portfolio and North Carolina CLASS carried a credit rating of AAAM by Standard & Poor's and AAAM-mf by Moody's Investor Service as of June 30, 2025.

*Concentration of Credit Risk.* The City places no limit on the amount that the City may invest in any one issuer.

### 3. Receivables – Allowance for Doubtful Accounts

The amounts presented in the balance sheet and the statement of net position for the year ended June 30, 2025 are net of the following allowances for doubtful accounts.

	Accounts	Taxes	Due from other governments	Total
Governmental activities:				
General	\$ 67	\$ 53,011	\$ 946,820	\$ 999,898
Allowance for doubtful accounts	-	-	-	-
Total governmental activities	<u>\$ 67</u>	<u>\$ 53,011</u>	<u>\$ 946,820</u>	<u>\$ 999,898</u>
Business-type activities:				
Electric	\$ 910,896	\$ -	\$ -	\$ 910,896
Allowance for doubtful accounts	-	-	-	-
Total business-type activities	<u>\$ 910,896</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 910,896</u>

Due from other governments consisted of the following:

Local option sales tax	\$ 351,099
Franchise tax	114,700
Sales tax	278,419
FEMA	202,602
	<u>\$ 946,820</u>

### 4. Capital Assets

#### Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2025 was as follows:

	Beginning Balances <i>as restated</i>	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 2,946,646	\$ -	\$ -	\$ 2,946,646
Construction in progress	893,916	2,304,524	(2,433,740)	764,700
Total capital assets not being depreciated	<u>3,840,562</u>	<u>2,304,524</u>	<u>(2,433,740)</u>	<u>3,711,346</u>
<b>Capital assets being depreciated:</b>				
Buildings	9,607,763	95,221	(250,165)	9,452,819
Other Improvements	993,660	401,034	-	1,394,694
Infrastructure	4,534,542	869,509	-	5,404,051
Vehicles and motorized equipment	5,473,104	500,815	(406,283)	5,567,636
Furniture and equipment	2,579,548	1,047,753	(489,177)	3,138,124
Total capital assets being depreciated	<u>23,188,617</u>	<u>2,914,332</u>	<u>(1,145,625)</u>	<u>24,957,324</u>
<b>Less accumulated depreciation for:</b>				
Buildings	3,183,893	190,450	(113,026)	3,261,317
Other improvements	738,457	49,956	-	788,413
Infrastructure	2,078,625	213,024	-	2,291,649
Vehicle and motorized equipment	4,738,522	322,055	(406,283)	4,654,294
Furniture and equipment	1,657,649	327,405	(489,177)	1,495,877
Total accumulated depreciation	<u>12,397,146</u>	<u>\$ 1,102,890</u>	<u>\$ (1,008,486)</u>	<u>12,491,550</u>
Total capital assets being depreciated, net	<u>10,791,471</u>			<u>12,465,774</u>
Governmental activity capital assets, net	<u>\$ 14,632,033</u>			<u>\$ 16,177,120</u>

4. Capital Assets (continued)

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

General government	\$ 135,479
Public safety	557,598
Transportation	334,155
Cultural and recreational	75,658
	<u>\$ 1,102,890</u>

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
<b>Business-type activities:</b>				
<b>Electric Fund</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Capital assets being depreciated:</b>				
Buildings	94,816	-	-	94,816
Utility systems	18,567,361	1,934,478	-	20,501,839
Vehicles and motorized equipment	21,156	-	(21,156)	-
Furniture and equipment	292,986	-	(122,844)	170,142
Total capital assets being depreciated	<u>18,976,319</u>	<u>1,934,478</u>	<u>(144,000)</u>	<u>20,766,797</u>
<b>Less accumulated depreciation for:</b>				
Buildings	30,578	1,896	-	32,474
Utility systems	6,258,453	521,186	-	6,779,639
Vehicles and motorized equipment	21,156	-	(21,156)	-
Furniture and equipment	257,620	13,318	(122,844)	148,094
Total accumulated depreciation	<u>6,567,807</u>	<u>\$ 536,400</u>	<u>\$ (144,000)</u>	<u>6,960,207</u>
Electric fund capital assets, net	<u>12,408,512</u>			<u>13,806,590</u>
Business-type activities capital assets, net	<u>\$ 12,408,512</u>			<u>\$ 13,806,590</u>

Construction Commitments

The City has active construction projects as of June 30, 2025. At year-end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining</u> <u>Commitment</u>
Electric Overhead to Underground	\$ 1,815,147	\$ 1,034,879
Mapping of Stormwater System	\$ 7,360	\$ 469,720
Weather Tower	\$ -	\$ 77,925
Indian Trail	\$ 12,020	\$ 2,300

4. Capital Assets (continued)

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2025, was as follows:

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
<b>Capital assets not being depreciated:</b>				
Land	\$ 333,232	\$ -	\$ -	\$ 333,232
Total capital assets not being depreciated:	<u>333,232</u>	<u>-</u>	<u>-</u>	<u>333,232</u>
<b>Capital assets being depreciated:</b>				
Buildings	872,212	-	-	872,212
Building improvements	328,710	-	-	328,710
Furniture and fixtures	4,620	-	-	4,620
Equipment	101,787	34,631	-	136,418
Total capital assets being depreciated:	<u>1,307,329</u>	<u>34,631</u>	<u>-</u>	<u>1,341,960</u>
<b>Less accumulated depreciation for:</b>				
Buildings	109,678	20,336	-	130,014
Building improvements	129,344	21,914	-	151,258
Furniture and fixtures	3,415	462	-	3,877
Equipment	71,987	24,397	-	96,384
Total accumulated depreciation	<u>314,424</u>	<u>\$ 67,109</u>	<u>\$ -</u>	<u>381,533</u>
Total capital assets being depreciated, net:	<u>992,905</u>			<u>960,427</u>
ABC Board capital assets, net:	<u>\$ 1,326,137</u>			<u>\$ 1,293,659</u>

5. Right to Use Leased Assets

The City has recorded several right to use leased assets. The assets are right to use assets for leased vehicles. The related leases are discussed in the Leases subsection of the Liabilities section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the City for the year ended June 30, 2025, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
<b>Right to use assets:</b>	<i>as restated</i>			
Leased building	\$ 328,503	\$ -	\$ -	\$ 328,503
Leased equipment	26,890	8,699	-	35,589
Leased vehicles	1,083,547	213,354	(149,797)	1,147,104
Total right to use assets	<u>1,438,940</u>	<u>222,053</u>	<u>(149,797)</u>	<u>1,511,196</u>
<b>Less accumulated amortization for:</b>				
Leased building	5,475	65,701	-	71,176
Leased equipment	8,709	5,581	-	14,290
Leased vehicles	597,745	253,192	(149,797)	701,140
Total accumulated amortization	<u>611,929</u>	<u>324,474</u>	<u>(149,797)</u>	<u>786,606</u>
Right to use assets, net	<u>\$ 827,011</u>			<u>\$ 724,590</u>
<b>Business-type activities:</b>				
<b>Electric Fund</b>	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Right to use assets:</b>				
Leased vehicles	\$ 27,697	\$ -	\$ -	\$ 27,697
Total right to use assets	<u>27,697</u>	<u>-</u>	<u>-</u>	<u>27,697</u>
<b>Less accumulated amortization for:</b>				
Leased vehicles	19,941	6,647	-	26,588
Total accumulated amortization	<u>19,941</u>	<u>6,647</u>	<u>-</u>	<u>26,588</u>
Right to use assets, net	<u>\$ 7,756</u>			<u>\$ 1,109</u>

## **B. Liabilities**

### **1. Pension Plan Obligations**

#### **a. Local Governmental Employees' Retirement System**

*Plan Description.* The City of Southport is a participating employer in the statewide Local Governmental Employees' Retirement System ("LGERS"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers ("LEOs") of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members - nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or 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 (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service of 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. City of Southport employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Southport contractually required contribution rate for the year ended June 30, 2025, was 15.10% of compensation for law enforcement officers and 13.60% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City of Southport were \$853,098 for the year ended June 30, 2025.

*Refunds of Contributions* - City 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, 2025, the City reported a liability of \$3,630,080 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension asset was based on a projection of the City'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, 2024 (measurement date), the City's proportion was 0.0539% which was an increase of 0.0048% from its proportion measured as of June 30, 2023.

**B. Liabilities (continued)**

For the year ended June 30, 2025, the City recognized pension expense of \$1,228,024. At June 30, 2025, the City 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	\$ 636,127	\$ 4,277
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	493,507	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	272,147	4,325
Employer contributions subsequent to the measurement date	853,098	-
Total	<u>\$ 2,254,879</u>	<u>\$ 8,602</u>

\$853,098 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2026. 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>	
2026	\$ 462,614
2027	820,084
2028	166,283
2029	(55,802)
2030	-
Thereafter	-
	<u>\$ 1,393,179</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.5 percent
Salary Increases	3.25 to 8.25 percent, including inflation and productivity factor of 3.25%
Investment rate of return	6.5 percent, net of pension 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, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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 expectations of forward yields projected and interpolated for multiple tenor 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 for each major asset class as of June 30, 2025 are summarized in the following table:

**B. Liabilities (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2022 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 2.50%. 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 City's proportionate share of the net pension asset to changes in the discount rate*. The following presents the City's proportionate share of the net pension asset calculated using the discount rate of 6.50 percent, as well as what the City'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:

	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
City's proportionate share of the net pension liability (asset)	\$ 6,432,608	\$ 3,630,080	\$ 1,324,615

*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 City of Southport administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full time law enforcement officers of the City are covered by the Separation Allowance. At December 31, 2024, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	14
Total	<u>15</u>

**B. Liabilities (continued)**

*2. Summary of Significant Accounting Policies:*

*Basis of Accounting.* The City has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

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

*3. Actuarial Assumptions*

The entry age actuarial cost method was used in the June 30, 2023 valuation. The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	4.28 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2024.

Mortality Rates are based on the Pub-2010 amount-weighted tables, projected from 2010 using generational improvement with Scale MP-2019.

*4. Contributions.*

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees. The City paid \$21,186 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, 2025, the City reported a total pension liability of \$578,636. The total pension liability was measured as of December 31, 2024 based on a June 30, 2023 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2024 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the City recognized pension expense of \$86,340.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 75,141	\$ 23,465
Changes of assumptions	15,298	46,017
City benefit payments and plan administrative expense made subsequent to the measurement date	-	-
Total	\$ 90,439	\$ 69,482

\$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 30, 2026. 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>	
2026	\$ (25,839)
2027	(20,770)
2028	(18,384)
2029	(4,489)
2030	-
Thereafter	-

**B. Liabilities (continued)**

*Sensitivity of the City's total pension liability to changes in the discount rate.* The following presents the City's total pension liability calculated using the discount rate of 4.28 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.28 percent) and 1-percentage-point higher (5.28 percent) than the current rate.

	1% Decrease (3.28%)	Discount Rate (4.28%)	1% Increase (5.28%)
Total pension liability	\$ 611,129	\$ 578,636	\$ 548,128

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

	<b>2025</b>
Beginning balance	\$ 588,120
Service Cost	22,250
Interest on the total pension liability	21,482
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(23,813)
Changes of assumptions or other inputs	(16,584)
Benefit payments	(12,819)
Other changes	-
Net Change	(9,484)
Ending balance of the total pension liability	\$ 578,636

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 June 30, 2023 actuarial valuation were based on the results of an actuarial experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2019.

c. Volunteer Firefighters' Supplemental Retirement Plan

*1. Plan Description*

The City of Southport administers a public employee retirement system, the Volunteer Firefighters Retirement Plan (the "Plan"), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified volunteer firefighters age 55 and over, who have completed at least 20 years of service with the City of Southport. The annual benefit is equal to \$100 per month. Members with 20 years of service can continue to work and accrue a greater benefit while continuing to receive monthly payments. For each additional year employed with the City beyond 20 years, a Firefighter's benefit will increase by \$5 per month.

All volunteer firefighters of the City are covered by the Plan. At the June 30, 2023 valuation, the plans membership consisted of:

Retiree receiving benefits	15
Terminated plan members entitled to but not yet receiving benefits	1
Active Plan members	51
Total	67

**B. Liabilities (continued)**

*2. Summary of Significant Accounting Policies*

Basis of Accounting - The City has chosen to fund the Plan 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 volunteer Firefighters Supplemental Retirement Plan has no assets accumulated in a trust that meet the following criteria which are outlined in GASB Statement 73.

*3. Actuarial Assumptions*

The entry age normal actuarial cost method was used in the June 30, 2023 valuation. The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement.

Inflation	2.50 Percent
Salary increases	Not applicable
Discount Rate	4.28 Percent

The discount rate is based on the yield of the bond buyer General Obligation 20-year Municipal Bond Index Rate at December 31, 2024.

Mortality Rates are based on the Pub-2010 amount-weighted tables, projected from 2010 using generational improvement with Scale MP-2019.

*4. Contributions*

The retirement benefits were established by Board action. The Board has chosen to fund the benefit payments and administrative costs on a pay as you go basis through the appropriations made in the General Fund operating budget. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The City paid \$28,437 as benefits came due for the reporting period.

*5. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.*

At June 30, 2025, the City reported a total pension liability of \$501,818. The total pension liability was measured as of December 31, 2024 based on a June 30, 2023 actuarial valuation. For the year ended June 30, 2025, the City recognized pension expense of \$14,665.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 236,887
Changes of assumptions	156,251	190,942
City benefits payments and plan and plan administrative expense made subsequent to the measurement date	-	-
	<u>\$ 156,251</u>	<u>\$ 427,829</u>

\$0 was reported as deferred outflows of resources related to pensions resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2026. 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>		
2026	\$	51,767
2027		51,767
2028		51,767
2029		51,767
2030		51,767
Thereafter		168,994

**B. Liabilities (continued)**

*6. Sensitivity of the City's Total Pension liability to changes in Discount Rate*

The following presents the City's total pension liability calculated using the discount rate of 4.28% as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.28 percent) or 1 percent point higher (5.28 percent) than the current rate:

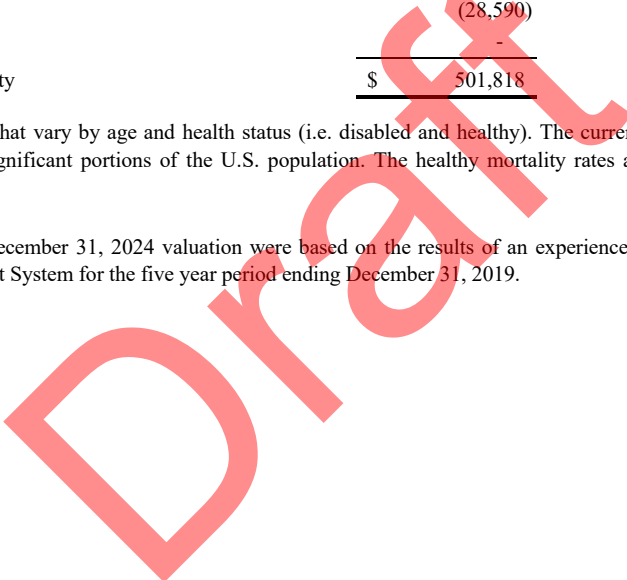
	1% Decrease (3.28%)	Discount Rate (4.28%)	1% Increase (5.28%)
Total pension liability	\$ 577,198	\$ 501,818	\$ 441,136

**Schedule of Changes in Total Pension Liability  
Volunteer Firefighters' Supplemental Retirement Plan**

	<u>2025</u>
Beginning Balance	\$ 520,803
Service Cost	29,013
Interest on the total pension liability	19,095
Change of benefit terms	-
Differences between expected and actual experience in the measurement of total pension liability	-
Changes of assumptions and inputs	(38,503)
Benefit payments	(28,590)
Other Charges	-
Ending balance of the total pension liability	<u>\$ 501,818</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 the 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, 2024 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2019.



**B. Liabilities (continued)**

**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:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>VFSRP</u>	<u>TOTAL</u>
Pension expense	\$ 1,228,024	\$ 86,340	\$ 14,665	\$ 1,329,029
Pension liability	3,630,080	578,636	501,818	4,710,534
Proportionate share of the net pension liability	0.05385%	n/a	n/a	

**Deferred Outflows of Resources**

Differences between expected and actual experience	636,127	75,141	-	711,268
Changes of assumptions	-	15,298	156,251	171,549
Net difference between projected and actual earnings on plan investments	493,507	-	-	493,507
Changes in proportion and differences between contributions and proportionate share of contributions	272,147	-	-	272,147
Benefit payments and administrative costs paid subsequent to the measurement date	853,098	-	-	853,098
<b>Total</b>	<b>\$ 2,254,879</b>	<b>\$ 90,439</b>	<b>\$ 156,251</b>	<b>\$ 2,501,569</b>

**Deferred Inflows of Resources**

Differences between expected and actual experience	\$ 4,277	\$ 23,465	\$ 236,887	\$ 264,629
Changes of assumptions	-	46,017	190,942	236,959
Changes in proportion and differences between contributions and proportionate share of contributions	4,325	-	-	4,325
<b>Total</b>	<b>\$ 8,602</b>	<b>\$ 69,482</b>	<b>\$ 427,829</b>	<b>\$ 505,913</b>

**d. Supplemental Retirement Income Plan**

**Plan Description.** The City 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 City. 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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan 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 the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. The City has elected to contribute five percent for non-law enforcement employees. Also, the employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2025 were \$244,369 for nonlaw and \$61,209 for law, with no amounts forfeited.

**B. Liabilities (continued)**

**e. Other Post-Employment Benefits - Retiree's Health Care Plan**

Healthcare Benefits

*Plan Description* . According to City personnel policy and City resolution on September 11, 2003, the City provides postretirement health and dental care benefits to retirees of the City who meet the following requirements:

- (1) Employees retiring with ten years of continuous service with Southport may continue in the City's group health and dental plan, if allowed by the plan provider, with the premium for the employee's coverage paid at 50% by the City, and 50% by the employee. Family or spouse coverage premiums shall be paid 100% by the employee.
- (2) Employees retiring with twenty years of continuous service with Southport may continue in the City's group health and dental plan, if allowed by the plan provider, with the City paying 100% of the premium for the employee's coverage and the employee paying 100% of the premium for family or spouse coverage.

When the employee becomes eligible for Medicare, such coverage in the City's group plan will be the Medicare supplement, if offered by the plan provider.

On March 14, 2013, the above policy was changed to state that the City would not provide retiree insurance to any employee who began creditable service in the retirement system as a City of Southport employee after March 14, 2013 or who is hired as a City employee after March 14, 2013.

The Retiree Health Plan does not issue a publicly available financial report.

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

Inactive employees or Beneficiaries Currently Receiving Benefits	21
Inactive Members Entitled to but not Receiving Benefits	0
Active Employees	77
Total	98

**Total OPEB Liability**

The City's total OPEB liability of \$3,535,453 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Real wage growth	0.75 percent
Wage inflation	3.25 percent
Salary increases	
General employees	3.25% - 8.41%
Law enforcement employees	3.25% - 7.90%
Discount rate	3.97 percent
Healthcare cost trend rate	
Pre-Medicare	7.00% for 2021 decreasing to an ultimate rate of 4.5% by 2031
Medicare	5.125% for 2021 decreasing to an ultimate rate of 4.5% by 2024
Dental	3.50%

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of the measurement date.

**B. Liabilities (continued)**

**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balance at July 1, 2024</b>	\$ 3,431,753
<b>Changes for the year</b>	
Service cost	177,429
Interest	129,649
Changes of benefit terms	-
Differences between expected and actual experience	(1,378)
Changes in assumptions or other inputs	(57,411)
Benefit payments	(144,589)
<b>Net changes</b>	<u>103,700</u>
<b>Balance at June 30, 2025</b>	<u>\$ 3,535,453</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.86% to 3.97%.

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

*Sensitivity of the Total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.97 percent) and 1-percentage-point higher (4.97 percent).

	1% Decrease (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB liability	\$ 4,110,289	\$ 3,535,453	\$ 3,075,303

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB liability	\$ 3,035,840	\$ 3,535,453	\$ 4,175,091

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

For the year ended June 30, 2025, the City recognized OPEB expense of \$(8,934). At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows</b>		<b>Deferred Inflows</b>	
	<b>of Resources</b>		<b>of Resources</b>	
Differences between expected and actual experience	\$	2,390	\$	1,037,469
Changes of assumptions		213,144		735,594
Benefit payments and administrative costs made subsequent to the measurement date		-		-
<b>Total</b>	<u>\$</u>	<u>215,534</u>	<u>\$</u>	<u>1,773,063</u>

**B. Liabilities (continued)**

\$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 30, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement period ended June 30:		
2026	\$	470,543
2027		469,972
2028		449,234
2029		220,318
2030		156,857
Thereafter		6,139

**2. Other Employment Benefits**

The City has also 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 month's 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 City, the City does not determine the number of eligible participants. The City 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.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience		
LGERS	\$ 636,127	\$ 4,277
LEOSSA	75,141	23,465
VFSR	-	236,887
OPEB	2,390	1,037,469
Changes of assumptions		
LGERS	-	-
LEOSSA	15,298	46,017
VFSR	156,251	190,942
OPEB	213,144	735,594
Difference between projected and actual investment		
LGERS	493,507	-
Change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	272,147	4,325
Contributions to pension plan in current fiscal year		
LGERS	853,098	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	-	-
Benefit payments/administration costs paid subsequent to the measurement date (VFSR)	-	-
Benefit payments/administration costs paid subsequent to the measurement date (OPEB)	-	-
Prepaid property taxes (General)	-	442
Total Government-wide statements	2,717,103	2,279,418
Prepaid property taxes (General)	-	442
Taxes receivable, net (General, on General Fund Balance Sheet)	-	53,011
Total	\$ -	\$ 53,453

**B. Liabilities (continued)**

**4. Risk Management**

The City 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 City participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the City obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insured values of the property policy, worker's 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. 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 contracting 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 City upon request.

The City carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The City does not carry flood insurance. There are only three structures in the flood plain, the sewer plant and two pump stations. The pump stations have been elevated and made flood proof. The Sewer plant is below ground and cannot be insured. The City does not believe that separate flood insurance is necessary.

In accordance with G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The Finance and deputy finance officer are both bonded for \$1,000,000.

**5. Claims and Judgements**

The City believes there are no material claims of judgements to be reported for the year ended June 30, 2025.

**6. Long-Term Obligations**

a. Leases

The City has adopted GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

The City is the lessee of a building, multiple vehicles, and pieces of equipment. The various fixed lease payments range from \$410 to \$4,479 and bear various interest rates that range from 0.417% to 3.00%. Lease terms range from 48 months to 60 months, with final maturity in 2030.

<u>Asset Class</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Buildings	\$ 356,200	\$ (97,764)	\$ 258,436
Equipment	35,589	(14,290)	21,299
Vehicles	1,147,104	(701,140)	445,964
Total	\$ 1,538,893	\$ (813,194)	\$ 725,699

Annual debt service requirements to maturity for the City's leases are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2026	\$ 247,914	\$ 22,218	\$ 1,117	\$ 1	\$ 271,250
2027	186,382	16,210	-	-	202,592
2028	142,178	10,234	-	-	152,412
2029	133,632	4,044	-	-	137,676
2030	22,552	577	-	-	23,129
	\$ 732,658	\$ 53,283	\$ 1,117	\$ 1	\$ 787,059

**B. Liabilities (continued)**

**a. Installment Purchases**

In June 2009, the City obtained \$3,784,000 in installment notes to finance the construction of a new fire station. The installment agreements required principal payments beginning in the fiscal year 2011 with an interest rate of 4.490%. Effective with the July 2014 payment, these notes were refinanced reducing the interest rate to 2.85% while annual payments remain the same. In the event of default BB&T may a) declare the unpaid principal components of the installment payments immediately due and payable; b) proceed by appropriate court action to enforce the Borrower's performance of the applicable covenants of this agreement or to recover for the breach thereof; c) as provided in the Project Fund Agreements, require BB&T to pay over any balance remaining in the Project Fund to be applied against outstanding Required Payments in any manner BB&T may reasonably deem appropriate; and d) avail itself of all available remedies under this Agreement, including execution as provided, and recovery of attorneys' fees and other expenses. The property is held as collateral while the debt is outstanding. Balance of the loan was \$946,000 at June 30, 2025.

On October 15, 2021, the City entered into a financing agreement of \$824,210 for the purchases of two fire trucks. The agreement required principal and interest payments of \$171,930 annually for five years with an interest rate of 1.42%. In the event of default Truist Bank may a) declare the unpaid principal components of the installment payments immediately due and payable; b) proceed by appropriate court action to enforce the Borrower's performance of the applicable covenants of this agreement or to recover for the breach thereof; c) as provided in the Project Fund Agreements, require Truist Bank to pay over any balance remaining in the Project Fund to be applied against outstanding Required Payments in any manner Truist Bank may reasonably deem appropriate; and d) avail itself of all available remedies under this Agreement, including execution as provided, and recovery of attorneys' fees and other expenses. The fire trucks are held as collateral while the debt is outstanding. The balance at June 30, 2025 was \$334,332.

On July 10, 2024, the City entered into a financing agreement of \$1,506,000 for the purchases of two rescue vehicles. The agreement requires semi-annual principal payments of \$150,600 for five years. In the event of default First Citizens Bank may a) declare the unpaid principal components of the installment payments immediately due and payable; b) proceed by appropriate court action to enforce the Borrower's performance of the applicable covenants of this agreement or to recover for the breach thereof; c) as provided in the Project Fund Agreements, require First Citizens Bank to pay over any balance remaining in the Project Fund to be applied against outstanding Required Payments in any manner First Citizens Bank may reasonably deem appropriate; and d) avail itself of all available remedies under this Agreement, including execution as provided, and recovery of attorneys' fees and other expenses. The rescue vehicles are held as collateral while the debt is outstanding. The balance at June 30, 2025 was \$1,506,000.

Annual debt service payments of the installment purchase as of June 30, 2025, including \$280,368 of interest is as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2026	\$ 808,150	\$ 127,923
2027	657,582	68,810
2028	490,400	47,215
2029	679,600	32,971
2030	150,600	3,449
2030-2034	-	-
Total	\$ 2,786,332	\$ 280,368

**B. Liabilities (continued)**

**b. Changes in Long-Term Liabilities**

A summary of changes in long-term obligations follows:

	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025	Current Portion of Balance
<b>Governmental activities:</b>					
<i>as restated</i>					
Direct placement and direct borrowing installment purchases	\$ 1,636,682	\$ 1,506,000	\$ 356,350	\$ 2,786,332	\$ 808,150
Leases	822,567	222,052	311,961	732,658	247,914
Compensated absences	411,019	33,763	-	444,782	111,196
Net pension liability (LGERS)	2,645,788	937,542	-	3,583,330	-
Total pension liability (FIRE)	520,803	-	18,985	501,818	-
Total pension liability (LEOSSA)	588,120	-	9,484	578,636	-
Total OPEB Liability	2,789,872	700,050	-	3,489,922	-
Total governmental activities	\$ 9,414,851	\$ 3,399,407	\$ 696,780	\$ 12,117,478	\$ 1,167,260
<b>Business-type activities:</b>					
<b>Electric Fund</b>					
Leases	\$ 7,801	\$ -	\$ 6,684	\$ 1,117	\$ 1,117
Compensated absences	11,273	-	10,774	499	499
Net pension liability (LGERS)	202,495	-	155,745	46,750	-
Total OPEB liability	213,524	-	167,993	45,531	-
Total Electric Fund	\$ 435,093	\$ -	\$ 341,196	\$ 93,897	\$ 1,616
Total business-type activities	\$ 435,093	\$ -	\$ 341,196	\$ 93,897	\$ 1,616

Compensated absences and OPEB liability have typically been liquidated in the General Fund. Compensated absences are accounted for on a LIFO basis.

At June 30, 2025, the City of Southport had a legal debt margin of \$102,823,173.

**C. Interfund Balances and Activity**

There were no balances due to/from other funds at June 30, 2025.

During the year ended June 30, 2025, the City transferred \$518,291 from the Electric Fund to the General Fund to pay for expense allocations of administrative staff in support of the Electric Fund.

**D. Contracts**

**1. Electric Maintenance Contract and Billing/Collections Contract**

The City of Southport has awarded a contract to Brunswick Electric Membership Corporation for the operation and maintenance of the Electric Distribution System and electric customer account services. The contract is for a five-year term beginning on July 1, 2022 and ending June 30, 2027. The initial cost to the City under the contract was \$13.640642 per meter per month for the operation and maintenance and \$6.247788 per meter per month for the customer account services. Effective each July 1, under the contract the annual fee will be adjusted based on the increase in the Consumer Price Index and City customer growth. Non-basic operations and maintenance service such as power restoration after catastrophic events, system improvements and upgrades, and system extension are to be provided on a cost-plus basis. The cost of non-basic service will be based on cost of materials, equipment and labor. System additions and extensions are to be approved by the City. For the year ended June 30, 2025, the City payments under this contract totaled \$623,900.

**E. Net Investment in Capital Assets**

	Governmental	Business-Type
Capital assets	\$ 16,177,120	\$ 13,806,590
Right to use assets	724,590	1,109
less: long-term debt	(3,518,990)	(1,117)
add: unexpended debt proceeds	-	-
Net investment in capital assets	<u>\$ 13,382,720</u>	<u>\$ 13,806,582</u>

**F. 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	\$ 14,192,356
Less restricted for:	
Stabilization by State statute	1,442,430
Streets (Powell Bill)	419,384
Appropriated fund balance in 2026 budget	-
Capital Outlay	436,037
Committed for general government (weather tower)	74,900
Nonspendable - prepaid items	1,088,775
Remaining fund balance	<u>\$ 10,730,830</u>

Outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. At June 30, 2025 the City had outstanding encumbrances of \$495,543 in the General Fund, \$469,720 in the Capital Projects Fund and \$1,034,879 in the Electric Fund.

**V. Jointly Governed Organizations**

**A. North Carolina Eastern Municipal Power Agency**

The City is a member of the North Carolina Eastern Municipal Power Agency ("Agency"). The Agency was formed to enable municipalities that own electric distribution systems to finance, construct, own, operate, and maintain generation and transmission facilities. Each participating government appoints one commissioner to the Agency's governing board. The twenty-one members, who receive power from the Agency, have signed power sales agreements to purchase a specified share of the power generated by the Agency. Except for the power purchase requirements, no local government participant has any obligation, entitlement, or residual interest. The City's purchases of power for the fiscal year ended June 30, 2025 were \$6,047,510.

**B. Cape Fear Council of Governments**

The City, in conjunction with four counties and forty other municipalities established the Cape Fear Council of Governments ("Council"). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. Dues in the amount of \$1,112 were paid to the Council during the fiscal year ended June 30, 2025.

**C. Brunswick County Airport Commission**

The City in conjunction with Brunswick County and the Town of Oak Island established the Brunswick County Airport Commission. The purpose of the Commission is to acquire land, establish, construct, own, control, lease, equip, improve, maintain, operate, and regulate airports or landing fields within the County and to provide and maintain an airport facility for the use of the general aviation public and to promote the economic development of Brunswick County. The City of Southport appoints one member to the Commission. The Town of Oak Island appoints two members as the result of the merger of the Town of Long Beach and the Town of Yaupon Beach. Brunswick County appoints a total of four members. The City is not obligated to furnish any funds to the Commission but has made contributions in prior years. During the year ended June 30, 2025, the City made no contributions to the Commission. The participating governments do not have any equity interest in the Commission, so no equity interest has been reflected in the financial statements at June 30, 2025. Complete financial information for the Airport Commission can be obtained from the Airport's administrative offices at 380 Long Beach Road, Southport, North Carolina 28461.

**VI. Summary Disclosure of Significant Contingencies**

Federal and State Assisted Programs

The City 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 moneys.

**VII. Significant Effects of Subsequent Events**

Every year since 2018, there have been major hurricanes to strike the coast of Southeastern North Carolina. The infrastructure of the City suffered severe damage. Claims for damages have been filed with FEMA for damages of around three million dollars. Subsequent to the fiscal year ended June 30, 2025, the Town has received reimbursements of old claims, and management believes all remaining open claims will be paid. No allowance has been recorded in these financial statements.

Events occurring after June 30, 2025 were evaluated by management on November 21, 2025 to ensure that any subsequent events that met the criteria for recognition and/or disclosure in these financial statements have been included. There were no subsequent events needing disclosure.

**VIII. Restatement**

During the year ended June 30, 2025, management noted several issues that required restatement as follows:

	<u>Governmental</u>	<u>Business Type</u>	<u>Total</u>
Expensed previously capitalized construction in progress	\$ (252,134)	\$ -	\$ (252,134)
Recording of previous leases not capitalized under GASB 87, net	39,077	-	39,077
Reallocation of pension and OPEB balances for removal of Water & Sewer fund	(780,810)	780,810	-
	<u>\$ (993,867)</u>	<u>\$ 780,810</u>	<u>\$ (213,057)</u>

The restatement was only to net position and not fund balances.

Draft

## REQUIRED SUPPLEMENTAL FINANCIAL DATA

---

This section contains additional information required by generally accepted accounting principles. Presentation conforms to requirements of the Local Government Commission in North Carolina.

---

Schedule of Proportionate Share of the Net Pension Asset - Local Government Employee's Retirement System

Schedule of Contributions - Local Government Employees' Retirement System

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

Schedule of Total Pension Liability as a Percentage of Covered Payroll - Law Enforcement Officers' Special Separation Allowance

Schedule of Changes in Total Pension Liability - Volunteer Firefighters' Supplemental Retirement Plan

Schedule of Changes in the Total OPEB Liability and Related Ratios

**City of Southport, North Carolina**  
**City of Southport's Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information**  
**Last Ten Fiscal Years**

**Local Government Employees' Retirement System**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Southport's proportion of the net liability (asset) (%)	0.0539%	0.0491%	0.0426%	0.0405%	0.0370%
Southport's proportion of the net pension liability (asset) (\$)	\$ 3,630,080	\$ 3,254,519	\$ 2,403,812	\$ 620,646	\$ 1,322,525
Southport's covered payroll	\$ 5,189,646	\$ 4,384,160	\$ 3,107,698	\$ 3,103,894	\$ 2,809,085
Southport's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	69.95%	74.23%	77.35%	20.00%	47.08%
Plan fiduciary net position as a percentage of the total pension liability**	83.30%	82.49%	84.14%	95.51%	88.61%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Southport's proportion of the net liability (asset) (%)	0.0320%	0.0365%	0.03576%	0.03179%	0.03025%
Southport's proportion of the net pension liability (asset) (\$)	\$ 874,168	\$ 866,142	\$ 546,314	\$ 674,690	\$ 135,760
Southport's covered payroll	\$ 2,364,012	\$ 2,228,199	\$ 2,000,892	\$ 2,000,892	\$ 1,863,345
Southport's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	36.98%	38.87%	27.30%	33.72%	7.29%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	91.63%	94.18%	91.47%	98.09%

\* 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.

**City of Southport, North Carolina  
City of Southport's Contributions  
Required Supplementary Information  
Last Ten Fiscal Years**

**Local Government Employees' Retirement System**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 853,098	\$ 672,033	\$ 534,487	\$ 359,323	\$ 321,389
Contributions in relation to the contractually required contribution	<u>853,098</u>	<u>672,033</u>	<u>534,487</u>	<u>359,323</u>	<u>321,389</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Southport's covered payroll	\$ 6,186,128	\$ 5,189,646	\$ 4,384,160	\$ 3,107,698	\$ 3,103,894
Contributions as a percentage of covered payroll	13.79%	12.95%	12.19%	11.56%	10.35%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 256,871	\$ 187,871	\$ 171,008	\$ 160,063	\$ 135,756
Contributions in relation to the contractually required contribution	<u>256,871</u>	<u>187,871</u>	<u>171,008</u>	<u>160,063</u>	<u>135,756</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Southport's covered payroll	\$ 2,809,085	\$ 2,364,012	\$ 2,228,199	\$ 2,164,697	\$ 2,000,892
Contributions as a percentage of covered payroll	9.14%	7.95%	7.67%	7.39%	6.78%

**City of Southport, North Carolina**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**Last Eight Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 588,120	\$ 471,276	\$ 507,470	\$ 409,347	\$ 356,652
Service Cost	22,250	19,377	25,352	24,554	11,962
Interest on the total pension liability	21,482	18,827	11,274	7,777	11,418
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(23,813)	82,945	-	89,292	(37,039)
Changes of assumptions or other inputs	(16,584)	8,514	(59,992)	(10,681)	79,173
Benefit payments	(12,819)	(12,819)	(12,828)	(12,819)	(12,819)
Other changes	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 578,636</u>	<u>\$ 588,120</u>	<u>\$ 471,276</u>	<u>\$ 507,470</u>	<u>\$ 409,347</u>

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Beginning balance	\$ 200,689	\$ 204,305	\$ 127,190
Service Cost	10,300	13,484	11,669
Interest on the total pension liability	7,072	6,253	4,662
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	141,477	(2,276)	61,353
Changes of assumptions or other inputs	9,933	(8,258)	12,250
Benefit payments	(12,819)	(12,819)	(12,819)
Other changes	-	-	-
Ending balance of the total pension liability	<u>\$ 356,652</u>	<u>\$ 200,689</u>	<u>\$ 204,305</u>

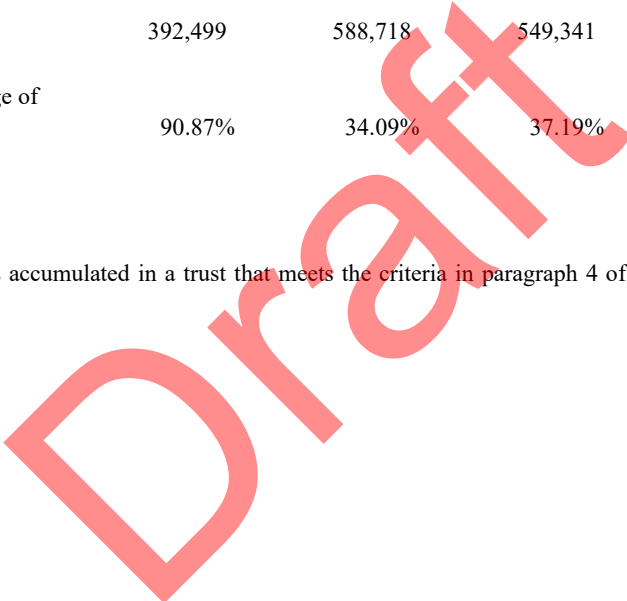
\*The amounts presented for each fiscal year were determined as of the prior year ending December 31.

**City of Southport, North Carolina**  
**Schedule of Total Pension Liability as a Percentage of Covered Payroll**  
**Law Enforcement Officers' Special Separation Allowance**  
**Last Eight Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability	\$ 578,636	\$ 588,120	\$ 471,276	\$ 507,470	\$ 409,347
Covered payroll	840,919	840,919	694,651	694,651	510,625
Total pension liability as a percentage of covered payroll	68.81%	69.94%	67.84%	73.05%	80.17%
	<u>2020</u>	<u>2019</u>	<u>2018</u>		
Total pension liability	\$ 356,652	\$ 200,689	\$ 204,305		
Covered payroll	392,499	588,718	549,341		
Total pension liability as a percentage of covered payroll	90.87%	34.09%	37.19%		

Notes to the schedules:

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



**City of Southport, North Carolina**  
**Schedule of Changes in the Total Pension Liability**  
**Firefighters' Supplemental Retirement Plan**  
**Last Eight Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 520,803	\$ 491,355	\$ 817,018	\$ 817,081	\$ 697,962
Service cost	29,013	25,563	53,504	51,820	38,094
Interest on the total pension liability	19,095	19,410	18,111	15,541	22,382
Changes in benefit terms	-	-	-	-	-
Difference between expected and actual experience in the measurement of the total pension liability	-	(10,626)	(250,612)	-	(47,564)
Changes of assumptions	(38,503)	19,281	(122,486)	(43,704)	129,007
Benefit payments	(28,590)	(24,180)	(24,180)	(23,720)	(22,800)
Other charges	-	-	-	-	-
Ending balance of the total pension liability:	<u>\$ 501,818</u>	<u>\$ 520,803</u>	<u>\$ 491,355</u>	<u>\$ 817,018</u>	<u>\$ 817,081</u>

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Beginning balance	\$ 625,124	\$ 667,767	\$ 573,282
Service cost	33,124	36,691	24,438
Interest on the total pension liability	22,340	20,736	21,684
Changes in benefit terms	-	-	-
Difference between expected and actual experience in the measurement of the total pension liability	-	(28,860)	-
Changes of assumptions	40,174	(48,060)	71,418
Benefit payments	(22,800)	(23,150)	(23,055)
Other charges	-	-	-
Ending balance of the total pension liability:	<u>\$ 697,962</u>	<u>\$ 625,124</u>	<u>\$ 667,767</u>

## Notes to the statements:

The City of Southport has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 73 to pay related benefits.

**City of Southport, North Carolina**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**Last Eight Fiscal Years**

<b>Total OPEB Liability</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Service cost	\$ 177,429	\$ 143,309	\$ 206,926	\$ 202,551
Interest	129,649	169,489	124,976	127,506
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(1,378)	(1,417,340)	4,778	(124,411)
Changes of assumptions	(57,411)	11,207	(1,373,506)	179,488
Benefit payments	(144,589)	(136,241)	(175,548)	(155,884)
Other changes	-	-	-	-
<b>Net change in total OPEB liability</b>	<b>103,700</b>	<b>(1,229,576)</b>	<b>(1,212,374)</b>	<b>229,250</b>
<b>Total OPEB liability - beginning</b>	<b>3,431,753</b>	<b>4,661,329</b>	<b>5,873,703</b>	<b>5,644,453</b>
<b>Total OPEB liability - ending</b>	<b>\$ 3,535,453</b>	<b>\$ 3,431,753</b>	<b>\$ 4,661,329</b>	<b>\$ 5,873,703</b>
<b>Covered payroll</b>	<b>\$ 4,032,093</b>	<b>\$ 4,032,093</b>	<b>\$ 2,850,283</b>	<b>\$ 2,850,283</b>
<b>Total OPEB liability as a percentage of covered payroll</b>	<b>87.68%</b>	<b>85.11%</b>	<b>163.54%</b>	<b>206.07%</b>
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Service cost	\$ 132,536	\$ 192,535	\$ 97,192	\$ 109,016
Interest	158,028	177,124	150,311	135,410
Changes in benefit terms	-	-	431,879	-
Differences between expected and actual experience in the measurement of the total pension liability	(4,157)	(370,197)	21,056	24,508
Changes of assumptions	1,054,545	(15,169)	(209,436)	(381,868)
Benefit payments	(156,763)	(153,229)	(166,608)	(160,683)
Other changes	-	-	-	-
<b>Net change in total OPEB liability</b>	<b>1,184,189</b>	<b>(168,936)</b>	<b>324,394</b>	<b>(273,617)</b>
<b>Total OPEB liability - beginning</b>	<b>4,460,264</b>	<b>4,629,200</b>	<b>4,304,806</b>	<b>4,578,423</b>
<b>Total OPEB liability - ending</b>	<b>\$ 5,644,453</b>	<b>\$ 4,460,264</b>	<b>\$ 4,629,200</b>	<b>\$ 4,304,806</b>
<b>Covered payroll</b>	<b>\$ 2,228,360</b>	<b>\$ 2,228,360</b>	<b>\$ 1,920,483</b>	<b>\$ 989,080</b>
<b>Total OPEB liability as a percentage of covered payroll</b>	<b>253.30%</b>	<b>200.16%</b>	<b>241.04%</b>	<b>435.23%</b>

**Notes to Schedule**

Changes of assumptions: Changes of assumptions and other inputs reflect the effect of changes in the discount rate of each period. The following are the discount rates used in each period:

	<b>Rate</b>
2018	3.56%
2019	3.89%
2020	3.50%
2021	2.21%
2022	2.16%
2023	3.69%
2024	3.86%
2025	3.97%

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

---

This section contains additional information required by the  
Local Government Commission in North Carolina

---

Draft

**City of Southport, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual**  
**For the Year Ended June 30, 2025**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
<b>Ad valorem taxes</b>			
Current year	\$ 4,762,204	\$ 4,763,244	\$ 1,040
Prior years	29,940	25,762	(4,178)
Motor vehicles taxes	245,728	252,758	7,030
Penalties and interest	10,647	13,054	2,407
Total	5,048,519	5,054,818	6,299
<b>Other taxes and licenses</b>			
Dog taxes	-	913	913
Privilege licenses	1,200	1,590	390
Itinerant peddler permit	150	-	(150)
Civil penalties	-	100	100
Accommodation tax	210,000	210,076	76
Total	211,350	212,679	1,329
<b>Unrestricted intergovernmental</b>			
Local option sales tax	1,876,633	2,016,363	139,730
Beer and wine tax	19,000	18,685	(315)
ABC board profit distribution	572,379	416,777	(155,602)
Utility franchise tax	416,754	509,060	92,306
Total	2,884,766	2,960,885	76,119
<b>Restricted intergovernmental</b>			
Powell Bill allocation	179,538	179,538	-
Solid Waste disposal tax	3,734	3,592	(142)
FEMA assistance to firefighters	-	-	-
ABC revenue for law enforcement	54,622	21,680	(32,942)
FEMA reimbursement	143,478	227,701	84,223
Fire district fees	1,978,933	2,001,477	22,544
Vehicle fees	138,540	96,360	(42,180)
Other miscellaneous grants	91,850	240,666	148,816
Total	2,590,695	2,771,014	180,319
<b>Permits and fees</b>			
Building permits	580,000	828,171	248,171
Fire inspection fees	40,000	60,076	20,076
Reinspection fees	12,000	3,045	(8,955)
Golf cart fees	29,150	23,750	(5,400)
Planning and zoning fees	35,000	81,273	46,273
Total	696,150	996,315	300,165

**City of Southport, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual**  
**For the Year Ended June 30, 2025**

	Budget	Actual	Variance Positive (Negative)
<b>Sales and Services</b>			
Cemetery lot sales	\$ 800	\$ 550	\$ (250)
Refuse collection fees	367,572	346,173	(21,399)
Rescue squad fees	597,325	515,643	(81,682)
Community building rent	200,000	226,095	26,095
Payment in lieu - recreation facilities	12,000	11,650	(350)
Tourism - visitor center sales	5,000	14,950	9,950
Recreation fees	40,000	24,320	(15,680)
Total	<u>1,222,697</u>	<u>1,139,381</u>	<u>(83,316)</u>
<b>Investment earnings</b>	<u>561,979</u>	<u>664,648</u>	<u>102,669</u>
<b>Miscellaneous</b>			
Fire department response fees	10,000	35,842	25,842
Homeowners recovery fund	80	(45)	(125)
Police - shop with a cop	10,000	11,151	1,151
Miscellaneous	310,831	183,762	(127,069)
Total	<u>330,911</u>	<u>230,710</u>	<u>(100,201)</u>
<b>Total revenues</b>	<u>13,547,067</u>	<u>14,030,450</u>	<u>483,383</u>
<b>Expenditures:</b>			
<b>General government:</b>			
<b>Board expenses</b>			
Salaries and benefits	92,073	90,652	1,421
Operating expenditures	123,922	136,072	(12,150)
Capital outlay	78,804	-	78,804
Total	<u>294,799</u>	<u>226,724</u>	<u>68,075</u>
<b>Administration</b>			
Salaries and benefits	870,224	849,908	20,316
Operating expenditures	268,221	326,640	(58,419)
Capital outlay	100,583	116,461	(15,878)
Total	<u>1,239,028</u>	<u>1,293,009</u>	<u>(53,981)</u>

**City of Southport, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual**  
**For the Year Ended June 30, 2025**

	Budget	Actual	Variance Positive (Negative)
<b>Finance</b>			
Salaries and benefits	\$ 666,424	\$ 693,919	\$ (27,495)
Operating expenditures	142,522	154,631	(12,109)
Total	808,946	848,550	(39,604)
<b>Buildings and grounds</b>			
Salaries and benefits	777,465	778,525	(1,060)
Operating expenditures	444,435	379,873	64,562
Capital outlay	52,500	68,007	(15,507)
Total	1,274,400	1,226,405	47,995
<b>Tourism</b>			
Salaries and benefits	205,055	201,534	3,521
Operating expenditures	92,377	95,678	(3,301)
Total	297,432	297,212	220
<b>Community building</b>			
Salaries and benefits	155,127	117,668	37,459
Operating expenditures	30,400	26,570	3,830
Total	185,527	144,238	41,289
<b>Permitting and Inspections</b>			
Salaries and benefits	375,817	357,643	18,174
Operating expenditures	42,877	31,684	11,193
Capital outlay	14,000	21,190	(7,190)
Total	432,694	410,517	22,177
<b>Information technology</b>			
Operating expenditures	155,400	108,708	46,692
Total	155,400	108,708	46,692
<b>Public works</b>			
Salaries and benefits	247,048	255,765	(8,717)
Total	247,048	255,765	(8,717)
<b>City garage</b>			
Salaries and benefits	214,681	210,498	4,183
Operating expenditures	41,991	32,565	9,426
Capital outlay	12,000	15,246	(3,246)
Total	268,672	258,309	10,363
<b>Total general government</b>	<b>5,203,946</b>	<b>5,069,437</b>	<b>134,509</b>

**City of Southport, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual**  
**For the Year Ended June 30, 2025**

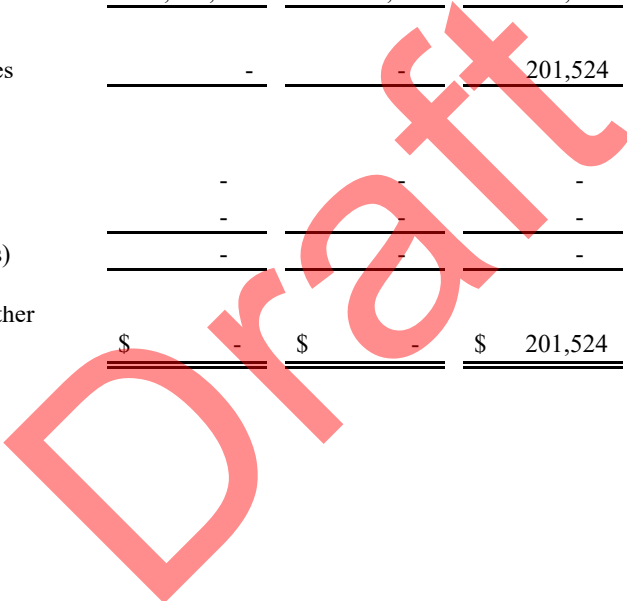
	Budget	Actual	Variance Positive (Negative)
<b>Public safety:</b>			
<b>Police</b>			
Salaries and benefits	\$ 1,877,476	\$ 1,859,850	\$ 17,626
Operating expenditures	393,190	382,420	10,770
Capital outlay	206,463	347,552	(141,089)
Total	<u>2,477,129</u>	<u>2,589,822</u>	<u>(112,693)</u>
<b>Fire department</b>			
Salaries and benefits	1,826,471	1,930,556	(104,085)
Operating expenditures	489,864	424,397	65,467
Capital outlay	115,000	85,884	29,116
Total	<u>2,431,335</u>	<u>2,440,837</u>	<u>(9,502)</u>
<b>Code enforcement</b>			
Salaries and benefits	349,521	316,877	32,644
Operating expenditures	120,652	135,357	(14,705)
Capital outlay	26,000	32,552	(6,552)
Total	<u>496,173</u>	<u>484,786</u>	<u>11,387</u>
<b>Rescue</b>			
Salaries and benefits	796,372	786,801	9,571
Operating expenditures	255,145	292,729	(37,584)
Capital outlay	65,000	61,577	3,423
Total	<u>1,116,517</u>	<u>1,141,107</u>	<u>(24,590)</u>
<b>Total public safety</b>	<u>6,521,154</u>	<u>6,656,552</u>	<u>(135,398)</u>
<b>Transportation:</b>			
<b>Street</b>			
Salaries and benefits	555,480	558,131	(2,651)
Operating expenditures	253,085	244,248	8,837
Capital outlay	48,000	18,936	29,064
Total	<u>856,565</u>	<u>821,315</u>	<u>35,250</u>
<b>Powell Bill</b>			
Capital outlay	200,000	264,975	(64,975)
Total	<u>200,000</u>	<u>264,975</u>	<u>(64,975)</u>
<b>Total transportation</b>	<u>1,056,565</u>	<u>1,086,290</u>	<u>(29,725)</u>

**City of Southport, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual**  
**For the Year Ended June 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Environmental protection:</b>			
<b>Solid waste</b>			
Contract services	\$ 371,305	\$ 361,142	\$ 10,163
<b>Total environmental protection</b>	<u>371,305</u>	<u>361,142</u>	<u>10,163</u>
<b>Cultural and recreational:</b>			
<b>Parks and recreation</b>			
Salaries and benefits	688,471	644,310	44,161
Operating expenditures	214,600	198,265	16,335
Capital outlay	<u>204,300</u>	<u>191,826</u>	<u>12,474</u>
<b>Total cultural and recreational</b>	<u>1,107,371</u>	<u>1,034,401</u>	<u>72,970</u>
<b>Debt service:</b>			
Principal retirement	388,092	393,618	(5,526)
Interest and other charges	-	-	-
<b>Total debt service</b>	<u>388,092</u>	<u>393,618</u>	<u>(5,526)</u>
<b>Total expenditures</b>	<u>14,648,433</u>	<u>14,601,440</u>	<u>46,993</u>
<b>Revenues over (under) expenditures</b>	<u>(1,101,366)</u>	<u>(570,990)</u>	<u>530,376</u>
Other financing sources (uses):			
Appropriated fund balance	696,173	-	(696,173)
Transfers from other funds	405,193	329,232	(75,961)
Loan proceeds	-	1,506,000	1,506,000
Sales - fixed assets	-	637,647	637,647
Proceeds from lease liabilities	-	222,052	222,052
<b>Total other financing sources (uses)</b>	<u>1,101,366</u>	<u>2,694,931</u>	<u>1,593,565</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>2,123,941</u>	<u>\$ 2,123,941</u>
Fund balance, beginning		<u>12,068,415</u>	
Fund balance, ending		<u>\$ 14,192,356</u>	

**City of Southport, North Carolina**  
**Waterfront Stabilization Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**For the Year Ended June 30, 2025**

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Grant revenue	\$ 5,000,000	\$ 92,811	\$ 149,790	\$ 242,601	\$ (4,757,399)
Interest	-	-	201,524	201,524	201,524
Total revenues	<u>5,000,000</u>	<u>92,811</u>	<u>351,314</u>	<u>444,125</u>	<u>(4,555,875)</u>
Expenditures:					
Capital outlay	5,000,000	92,811	149,790	242,601	4,757,399
Total expenditures	<u>5,000,000</u>	<u>92,811</u>	<u>149,790</u>	<u>242,601</u>	<u>4,757,399</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>201,524</u>	<u>201,524</u>	<u>201,524</u>
Other financing sources (uses):					
Appropriated fund balance	-	-	-	-	-
Transfer from General Fund	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201,524</u>	<u>\$ 201,524</u>	<u>\$ 201,524</u>



NON-MAJOR GOVERNMENTAL FUNDS

Draft

**City of Southport, North Carolina**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2025**

	Capital Project Fund	Taylor Field Part F Grant Phase 1	Stormwater Mapping Project	Total Non-Major Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$2,315,215	\$ -	\$ -	\$ 2,315,215
Restricted cash	-	-	-	-
Taxes receivable (net)	-	-	-	-
Accounts receivable	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Prepaid expenses	-	-	-	-
Total assets	<u>\$2,315,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,315,215</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 14,497	\$ -	\$ -	\$ 14,497
Due to other funds	-	-	-	-
Total liabilities	<u>14,497</u>	<u>-</u>	<u>-</u>	<u>14,497</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Taxes receivable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted:				
Capital projects - cultural and recreational	2,300,718	-	-	2,300,718
Committed:				
General government	-	-	-	-
Economic development	-	-	-	-
Public safety	-	-	-	-
Industrial development	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>2,300,718</u>	<u>-</u>	<u>-</u>	<u>2,300,718</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$2,315,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,315,215</u>

**City of Southport, North Carolina**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2025**

	Capital Project Fund	Taylor Field Part F Grant Phase 1	Stormwater Mapping Project	Total Non-Major Governmental Funds
Revenues:				
Restricted intergovernmental	\$ -	\$ -	\$ 250,000	\$ 250,000
Investment earnings	10,898	-	-	10,898
Ad valorem taxes	158,775	-	-	158,775
Total revenues	<u>169,673</u>	<u>-</u>	<u>250,000</u>	<u>419,673</u>
Expenditures:				
Capital outlay	2,221,179	-	184,800	2,405,979
Total expenditures	<u>2,221,179</u>	<u>-</u>	<u>184,800</u>	<u>2,405,979</u>
Revenues over (under) expenditures	<u>(2,051,506)</u>	<u>-</u>	<u>65,200</u>	<u>(1,986,306)</u>
Other financing sources (uses):				
Insurance proceeds	98,700	-	-	98,700
Transfer from other funds	-	30,059	-	30,059
Transfer from General Fund	-	-	159,000	159,000
Total other financing sources (uses)	<u>98,700</u>	<u>30,059</u>	<u>159,000</u>	<u>287,759</u>
Revenues over expenditures and other financing sources (uses)	<u><u>\$ (1,952,806)</u></u>	<u><u>\$ 30,059</u></u>	<u><u>\$ 224,200</u></u>	<u><u>\$ (1,698,547)</u></u>

**City of Southport, North Carolina**  
**Capital Project Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**For the Year Ended June 30, 2025**

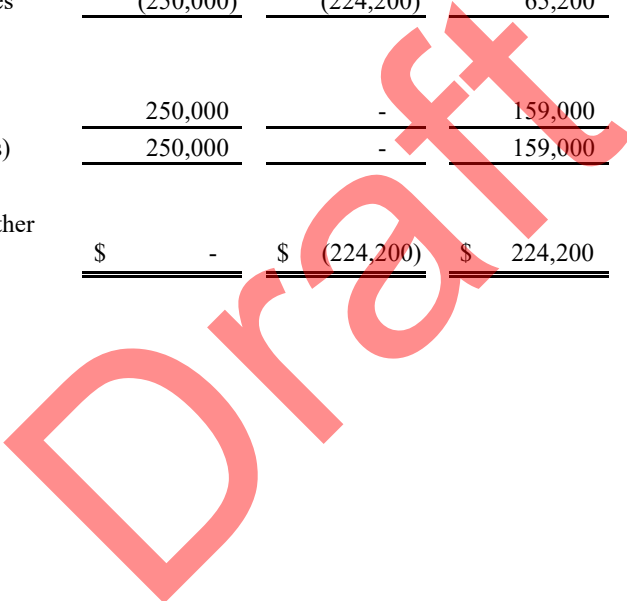
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	\$ 147,845	\$ -	\$ 268,373	\$ 268,373	\$ 120,528
Expenditures:					
Capital outlay	3,216,470	1,205,490	2,221,179	3,426,669	(210,199)
Total expenditures	3,216,470	1,205,490	2,221,179	3,426,669	(210,199)
Revenues over (under) expenditures	(3,068,625)	(1,205,490)	(1,952,806)	(3,158,296)	(89,671)
Other financing sources (uses):					
Appropriated fund balance	3,068,625	-	-	-	(3,068,625)
Transfer from General Fund	-	5,459,014	-	5,459,014	5,459,014
Total other financing sources (uses)	3,068,625	5,459,014	-	5,459,014	2,390,389
Revenues over expenditures and other financing sources (uses)	\$ -	\$ 4,253,524	\$ (1,952,806)	\$ 2,300,718	\$ 2,300,718

**City of Southport, North Carolina**  
**Capital Project Fund - Taylor Field Part F Grant Phase 1**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**For the Year Ended June 30, 2025**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Restricted intergovernmental:					
Part F Grant	\$ 421,224	\$ 421,194	\$ -	\$ 421,194	\$ (30)
Total revenues	<u>421,224</u>	<u>421,194</u>	<u>-</u>	<u>421,194</u>	<u>(30)</u>
Expenditures:					
Capital outlay	<u>615,644</u>	<u>645,673</u>	<u>-</u>	<u>645,673</u>	<u>(30,029)</u>
Total expenditures	<u>615,644</u>	<u>645,673</u>	<u>-</u>	<u>645,673</u>	<u>(30,029)</u>
Revenues over (under) expenditures	<u>(194,420)</u>	<u>(224,479)</u>	<u>-</u>	<u>(224,479)</u>	<u>(30,059)</u>
Other financing sources (uses):					
Appropriated fund balance	-	-	-	-	-
Transfer (to) from other funds	<u>194,420</u>	<u>194,420</u>	<u>30,059</u>	<u>224,479</u>	<u>30,059</u>
Total other financing sources (uses)	<u>194,420</u>	<u>194,420</u>	<u>30,059</u>	<u>224,479</u>	<u>30,059</u>
Revenues over expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ (30,059)</u>	<u>\$ 30,059</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Southport, North Carolina**  
**Stormwater Mapping Project**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**For the Year Ended June 30, 2025**

	Project Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Grants	\$ 250,000	\$ -	\$ 250,000	\$ 250,000	\$ -
Total revenues	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Expenditures:					
Contract Services	-	-	-	-	-
Capital outlay	500,000	224,200	184,800	409,000	91,000
Total expenditures	<u>500,000</u>	<u>224,200</u>	<u>184,800</u>	<u>409,000</u>	<u>91,000</u>
Revenues over (under) expenditures	<u>(250,000)</u>	<u>(224,200)</u>	<u>65,200</u>	<u>(159,000)</u>	<u>91,000</u>
Other financing sources (uses):					
Transfer from General Fund	250,000	-	159,000	159,000	(91,000)
Total other financing sources (uses)	<u>250,000</u>	<u>-</u>	<u>159,000</u>	<u>159,000</u>	<u>(91,000)</u>
Revenues over expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ (224,200)</u>	<u>\$ 224,200</u>	<u>\$ -</u>	<u>\$ -</u>



## ENTERPRISE FUNDS

---

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

---

Electric Fund - This fund is used to account for the City's electric fund operations

Water and Sewer Fund - This fund is used to account for the City's water and sewer operations

**City of Southport, North Carolina**  
**Electric Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**For the Year Ended June 30, 2025**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Operating revenues			
Electricity sales	\$ 7,920,849	\$ 8,527,007	\$ 606,158
Service charges	26,653	25,978	(675)
Total charges for services	<u>7,947,502</u>	<u>8,552,985</u>	<u>605,483</u>
Other operating revenues			
Miscellaneous	-	4,975	4,975
Total operating revenues	<u>-</u>	<u>4,975</u>	<u>4,975</u>
Nonoperating revenues:			
FEMA reimbursement	-	5,288	5,288
Interest on investments	204,547	243,733	39,186
Total nonoperating revenues	<u>204,547</u>	<u>249,021</u>	<u>44,474</u>
Total revenues	<u>8,152,049</u>	<u>8,806,981</u>	<u>654,932</u>
<b>Expenditures:</b>			
Salaries	72,943	71,949	994
Employee overtime	669	373	296
Professional services	11,500	-	11,500
Social security	5,631	5,852	(221)
Group insurance	20,656	21,267	(611)
Retirement	9,938	22,070	(12,132)
401(k) retirement supplement	3,654	4,146	(492)
Workers compensation insurance	306	306	-
Uniforms and protective gear	1,100	656	444
Telephone and postage	10,301	4,446	5,855
Utilities	109,500	107,549	1,951
Travel and training	5,000	1,500	3,500
Vehicle maintenance	1,000	75	925
Gas, oil and tires	650	720	(70)
Departmental supplies	2,000	996	1,004
Utility sales tax	551,396	564,203	(12,807)
Power purchased	5,925,632	6,047,510	(121,878)
Billing contract	255,400	271,301	(15,901)
Contract services	117,680	105,553	12,127
Operations and maintenance contract	597,763	623,900	(26,137)
Install load management switches	44,478	8,709	35,769
Insurance and bonding	9,071	10,720	(1,649)
Contingency	145,000	-	145,000
Total expenditures	<u>7,901,268</u>	<u>7,873,801</u>	<u>27,467</u>

**City of Southport, North Carolina**  
**Electric Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**For the Year Ended June 30, 2025**

	Budget	Actual	Variance Positive (Negative)
Supplemental budget expenditures:			
Capital outlay	3,451,978	1,949,752	1,502,226
Total supplemental budget expenditures	3,451,978	1,949,752	1,502,226
Total expenditures	11,353,246	9,823,553	1,529,693
Excess of revenues over (under) expenditures	(3,201,197)	(1,016,572)	2,184,625
Other financing sources (uses):			
Appropriated fund balance	3,606,390	-	(3,606,390)
Transfer to general fund	(405,193)	(518,291)	(113,098)
Total other financing sources (uses)	3,201,197	(518,291)	(3,719,488)
Revenues over expenditures and other financing sources (uses)	\$ -	(1,534,863)	\$ (1,534,863)
<b>Reconciliation from budgetary basis (modified accrual to full accrual):</b>			
Revenues and other sources over expenditures and other uses		(1,534,863)	
Reconciliation of modified accrual basis to full accrual basis:			
Depreciation		(536,400)	
Amortization		(6,647)	
Capital outlay		1,934,478	
Increase (decrease) in deferred outflows of resources - pensions		(93,655)	
Increase (decrease) in deferred outflows of resources - OPEB		(24,006)	
(Increase) decrease in deferred inflows of resources - pension		802	
(Increase) decrease in deferred inflows of resources - OPEB		116,862	
(Increase) decrease in net pension liability		155,745	
(Increase) decrease in net OPEB liability		167,993	
(Increase) decrease in compensated absences		10,774	
Total reconciling items		1,725,946	
Change in Net Position		\$ 191,083	

## OTHER SCHEDULES

---

This section contains additional information required  
on property taxes.

---

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

**City of Southport, North Carolina**  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**For the Year Ended June 30, 2025**

Fiscal Year	Uncollected Balance July 1, 2024	Additions	Collections and Credits	Uncollected Balance June 30, 2025
2025	\$ -	\$ 442	\$ 442	\$ -
2024	703	4,960,184	4,926,695	34,192
2023	25,324	-	19,500	5,824
2022	8,172	-	5,015	3,157
2021	2,437	-	1,198	1,239
2020	1,485	-	308	1,177
2019	2,252	-	279	1,973
2018	1,015	-	206	809
2017	2,989	-	1,564	1,425
2016	1,482	-	479	1,003
2015	1,097	-	295	802
2014	1,608	-	198	1,410
2013	1,711	-	1,711	-
	<u>\$ 50,275</u>	<u>\$ 4,960,626</u>	<u>\$ 4,957,890</u>	<u>\$ 53,011</u>
Less allowance for uncollectible ad valorem taxes receivable:				\$ -
Ad valorem taxes receivable, net				<u>\$ 53,011</u>
Reconciliation with revenues:				
Ad valorem taxes:				
General Fund				4,947,781
Interest collected				10,558
Releases and adjustments				(449)
Total adjustments				<u>10,109</u>
				<u>\$ 4,957,890</u>

**City of Southport, North Carolina**  
**Analysis of Current Tax Levy**  
**City - Wide Levy**  
**For the Year Ended June 30, 2025**

	City-Wide Levy			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current real and personal property	\$ 1,679,408,710	0.3100	\$ 5,206,167	\$ 4,953,409	\$ 252,758
Discoveries	<u>2,185,484</u>	0.3100	<u>6,775</u>	<u>6,775</u>	<u>-</u>
Total Property Valuation	<u><u>\$ 1,681,594,194</u></u>				
Net levy			5,212,942	4,960,184	252,758
Uncollected taxes at June 30, 2025			<u>34,192</u>	<u>34,192</u>	<u>-</u>
Current year's taxes collected			<u><u>\$ 5,178,750</u></u>	<u><u>\$ 4,925,992</u></u>	<u><u>\$ 252,758</u></u>
Current levy collection percentage			<u><u>99.34%</u></u>	<u><u>99.31%</u></u>	<u><u>100.00%</u></u>

Draft



**Independent Auditors' Report On Internal Controls Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards***

To the Honorable Mayor  
And Members of the Board of Commissioners  
City of Southport  
Southport, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Southport (the "City") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 21, 2025. Our report includes a reference to other auditors who audited the financial statements of the City of Southport ABC Board, as described in our report on the City of Southport's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the City of Southport ABC Board were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the 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 City's internal controls. Accordingly, we do not express an opinion on the effectiveness of the City'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal controls or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Sharpe Patel PLLC*

Raleigh, North Carolina  
November 21, 2025

Draft

**CITY OF SOUTHPORT, NORTH CAROLINA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2025**

---

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

---

**Financial Statements**

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

Internal control over financial reporting:

Material weaknesses identified?	_____	yes	_____ <b>x</b> _____	no
Significant deficiency(s) identified that are not considered to be material weaknesses?	_____	yes	_____ <b>x</b> _____	none reported
Noncompliance material to financial statements noted	_____	yes	_____ <b>x</b> _____	no

**Federal Awards**

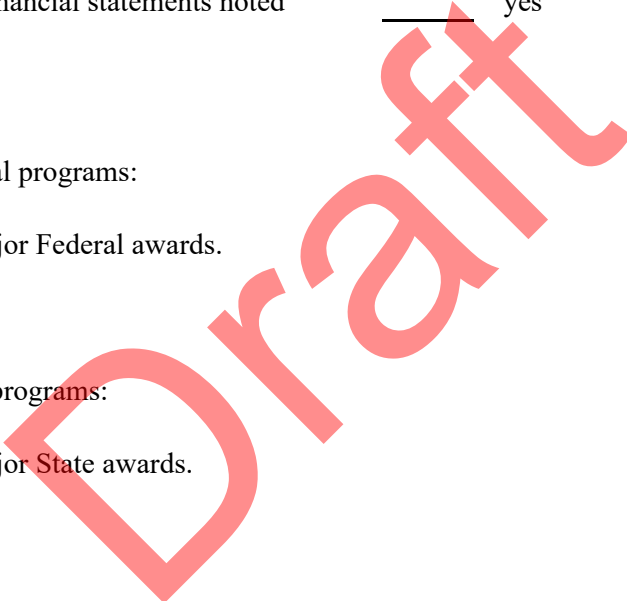
Identification of major Federal programs:

There are no major Federal awards.

**State Awards**

Identification of major State programs:

There are no major State awards.



**CITY OF SOUTHPORT, NORTH CAROLINA**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended June 30, 2025**

---

**SECTION II - FINANCIAL STATEMENT FINDINGS**

---

None reported.

Draft



## BOARD OF ALDERMEN – AGENDA ITEM SUMMARY

**Date:** January 8, 2026

**Department:** Parks and Recreation

**Presented By:** Heather Hemphill, Parks and Recreation Director, and Emma Thomas, Chair, Southport Parks and Recreation Advisory Committee

**Item Sponsored By:** Southport Parks and Recreation Department and Parks and Recreation Committee

**Item/Topic:** 2026/2027 FY Franklin Square Park Maintenance and Restoration Project approved by the Parks and Recreation Advisory Committee

**Justification:**

The City has spent \$183,000 over the last 2½ years in tree and soil maintenance plus restoration efforts in Franklin Square Park. After the 2025 annual assessment results completed by Bartlett Tree Service in November 2025, along with soil sampling results, the 2026/2027 FY recommendations for next steps in Franklin Square Park.

Without the ongoing care and maintenance recommended by Bartlett, the soil in Franklin Square Park will continue to deteriorate and will not allow any further plant, shrubbery, or tree growth.

**Department Head Comments:**

After thoroughly reviewing the tree and soil assessments completed by Bartlett, I recommend continuing to maintain proper tree and tree root system care, plus a highly recommended focus on soil and nutrient restoration. Growth of any kind will NOT happen if the soil is not healthy.

**City Manager Comments:**

The City has received a \$10,000 grant from the Orton Foundation. As part of accepting the grant, the foundation would like us to amend the adopted Franklin Square Park guiding plan that the Board adopted in January 2025. The foundation would like the following language to be added:

*The City of Southport will not host large-scale events requiring temporary structures, commercial vendors, or heavy equipment in the Park that may reasonably cause damage to Park grounds, facilities, vegetation, wildlife, or infrastructure. Events that pose a risk of environmental degradation or excessive wear to the Park grounds will be prohibited.*

Staff believed that the current adopted plan already addresses their concerns, which were pointed out to them. However, they are requiring this new language to be added in order to accept the grant. If the Board wishes to accept the grant, a motion can be made to adopt the new language amendment.

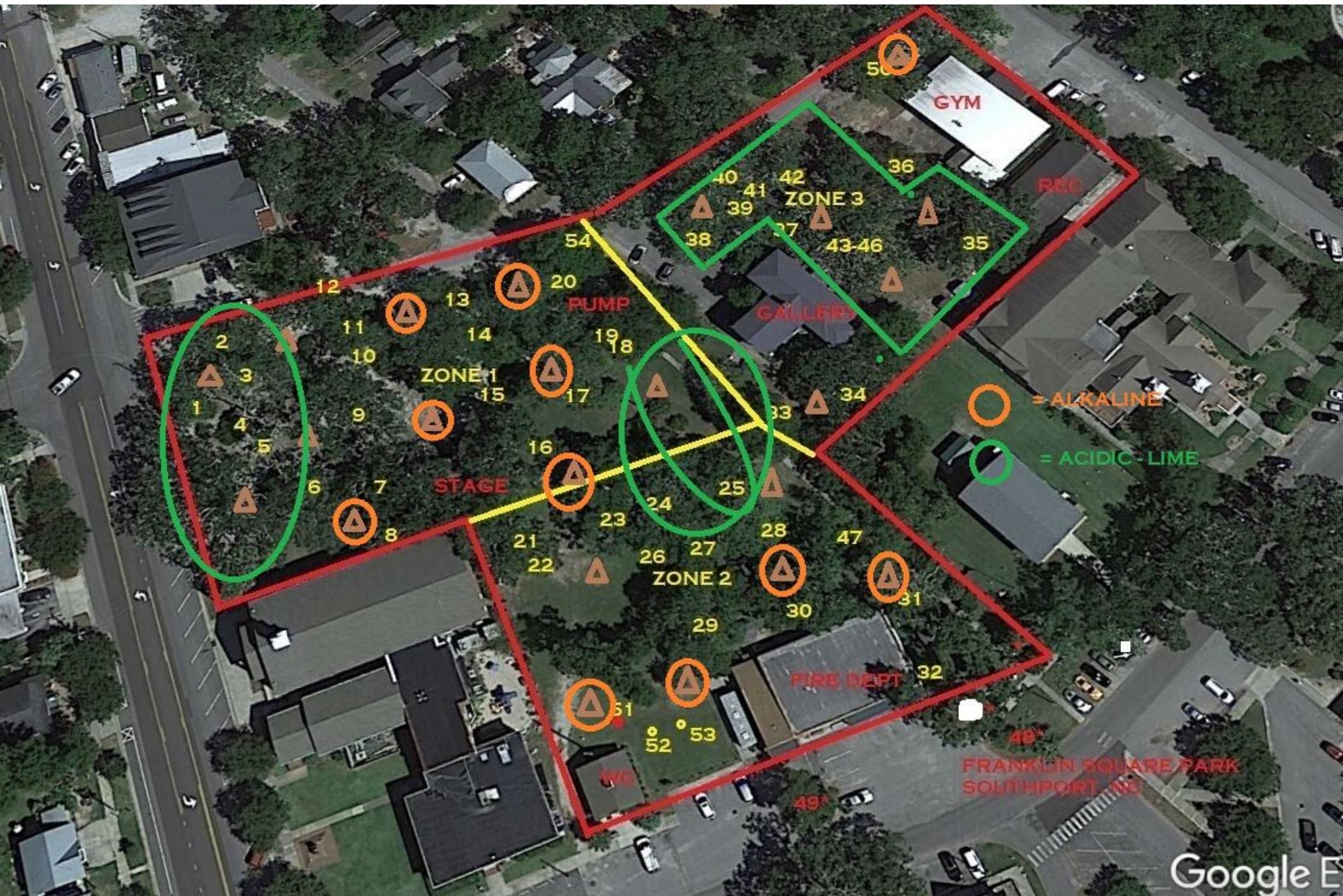
**Attachments:**

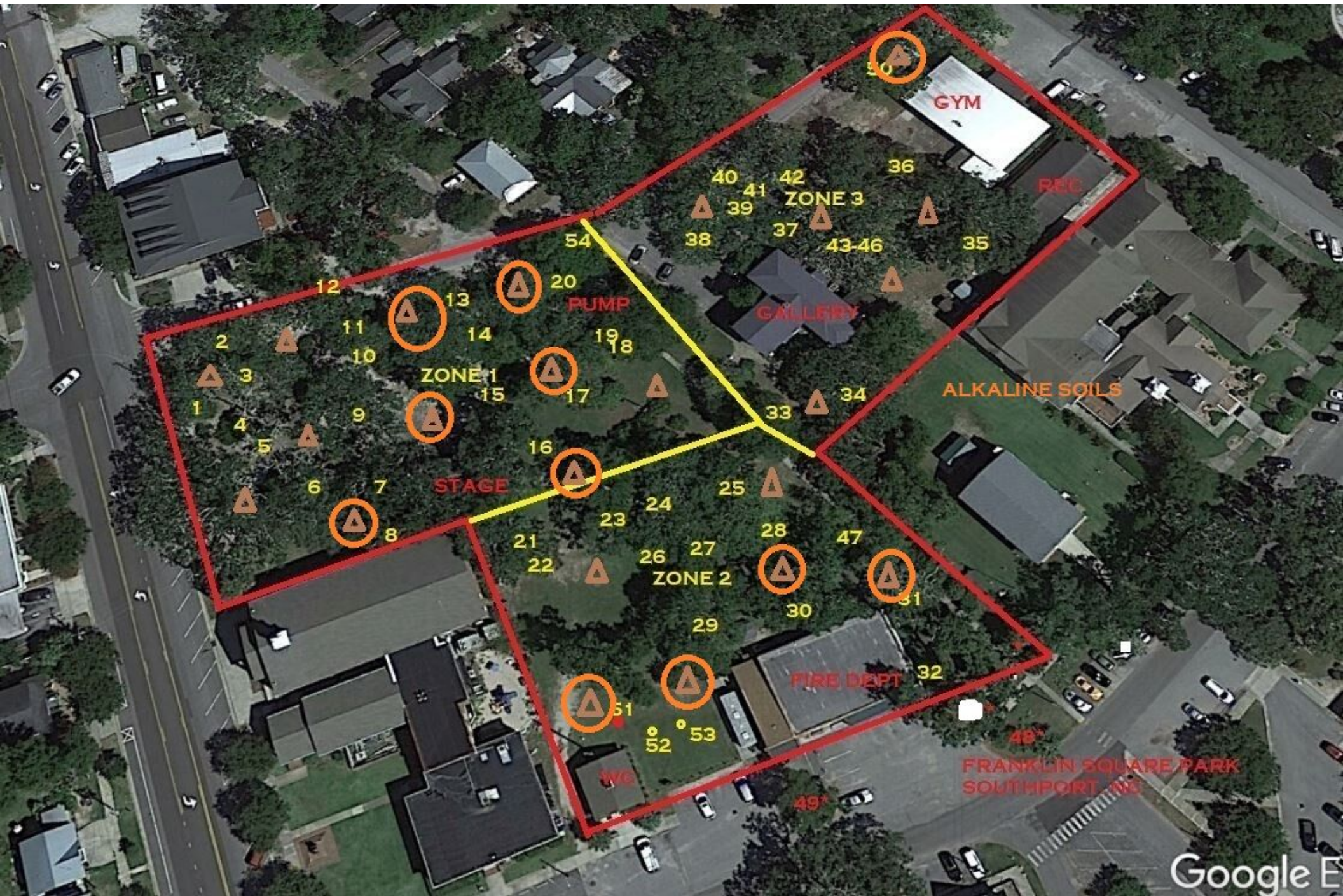
- Soil Assessment results
- 2025 Bartlett Tree Assessment results
- List of 2025/26 completed tasks in Franklin Square Park
- Parks and Recreation Advisory Committee 2026/27 Franklin Square Park recommendations

# SOUTHPORT FORESTRY COMMITTEE



Franklin Park Soil Sampling  
April 2024





**FRANKLIN SQUARE PARK  
SOIL SAMPLING APRIL 13, 2024**

SAMPLE NO.	SAMPLE ID	ZONE	CODE*	pH	LIME	10 10 10	8 0 24	6 6 18	15 0 14
1	F0005	1	31/29	4.8	60			17	
2	F0102	1	31/29	5.8	15		12		
3	F0312	1	31/29	6.6			12		
4	F0509	1	31/29	6.4				17	
5	F0608	1	31/29	7.1		10			
6	F1213	1	31/29	7.9				17	
7	F0915	1	31/29	7.1				17	
8	F1320	1	31/29	7.3			12		
9	F1417	1	31/29	7.4		10			
10	F1623	1	31/29	7.9		10			
11	F1825	1	31/29	5.6	25				7
12	F2226	2	31/29	5.9			12		
13	F0051	2	31/29	7.8			12		
14	F2953	2	31/29	7.9			12		
15	F2830	2	31/29	7.2					7
16	F2500	2	31/29	5.9			12		
17	F3147	2	31/29	7.6		10			
18	F3840	3	31/29	5.8	15		12		
19	F3743	3	31/29	4.9	85	10			
20	F4635	3	31/29	5.4	40			17	
21	F3536	3	31/29	5.6	30			17	
22	F3334	3	31/29	6.2			12		
23	F50	3	31/29	7.1		10			
				Alkaline	270#	60#	108#	102#	14#

\*Sample area is municipal park containing primarily a grove of live oak trees with an understory of azaleas. Application rates are in LBS/1000 sq. ft.



Predictive Home & Garden

# Soil Report

Mehlich-3 Extraction

[Soil Testing Section](#)

**Client:** Scott Len  
318 Willis Drive  
Southport, NC 28461

**Advisor:**

Sampled County : Brunswick

**Client ID:** 427511

**Advisor ID:**

**Sampled:**                      **Received:** 04/17/2024    **Completed:** 04/26/2024    **Farm:**

**Agronomist's Comments:**

This report provides Test Results and Recommendations for each sample submitted for testing. Look for Lime Recommendations and N-P-K Fertilizer Recommendations. The lime recommendation is always listed next to the first crop and will be based on the higher target pH if the pH targets for crop 1 and crop 2 differ. Application at the indicated rate will raise soil pH to the optimal level for the plant you specified and should be sufficient for 2 to 3 years, depending on soil type. Common target pH values are as follows: 5.0 for azalea, camellia, rhododendron and mt. laurel; 5.5 for centipedegrass; 6.0 for other lawn grasses, shrubbery, and; flowering plants; and 6.5 for vegetable gardens. N-P-K Recommendations are based on the nitrogen (N) needs of the plants being grown and the soil test results for phosphorus (P-I) and potassium (K-I); a 50 to 70 index for either is optimum. If the exact fertilizer cannot be found, find the closest match and adjust the rate accordingly. Refer to "Understanding the Soil Report" (last page of this report) for additional explanation and links to helpful information.

Zinc and/or copper levels are abnormally high (indices > 2000) in some samples. Zinc and copper are necessary nutrients for proper plant growth but can be toxic to plants at certain levels. If any type of waste is being used as a soil amendment, discontinue its use or have it analyzed by our Plant/Waste/Solution lab since it may be a source of metals. High copper and zinc can be related to application of pesticides to control diseases. High zinc levels may also be related to fertilization of pecan trees. Zinc can also be associated with sampling using tools that are galvanized. High zinc can also be associated with old building with tin roofs (old sites) or water coming from gutter systems.

<b>Sample ID:</b> F0051  <b>Lime History:</b>  Scott Len	<b>Lime Recommendations</b> Crop 1- Tree, shade                      0.0 lb per 1,000 sq ft Crop 2-    0.0 lb per 1,000 sq ft		<b>N-P-K Fertilizer Recommendations *</b> 12 lb per 1,000 sq ft 8-0-24 Group C																	
	<b>Test Results:</b> pH = 7.8 		Phosphorus Index (P-I) =87  Potassium Index (K-I) =23 																	
<b>Additional Test Results:</b> <table border="1"> <thead> <tr> <th>Soil Class</th> <th>HM%</th> <th>W/V</th> <th>CEC</th> <th>Mn-I</th> <th>Zn-I</th> <th>Cu-I</th> <th>S-I</th> </tr> </thead> <tbody> <tr> <td>Mineral</td> <td>0.22</td> <td>1.27 g/cm<sup>3</sup></td> <td>23.9 meq/100 cm<sup>3</sup></td> <td>72</td> <td>1595</td> <td>730</td> <td>30</td> </tr> </tbody> </table>			Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I	Mineral	0.22	1.27 g/cm <sup>3</sup>	23.9 meq/100 cm <sup>3</sup>	72	1595	730	30	*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report. Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.	
Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I													
Mineral	0.22	1.27 g/cm <sup>3</sup>	23.9 meq/100 cm <sup>3</sup>	72	1595	730	30													



Reprogramming of the laboratory-information-management system that makes this report possible is being funded through a grant from the North Carolina Tobacco Trust Fund Commission.

Thank you for using agronomic services to manage nutrients and safeguard environmental quality.

- Steve Troxler, Commissioner of Agriculture

Scott Len

Page 2 of 11

Sample ID: F2953

**Lime Recommendations**

**N-P-K Fertilizer Recommendations \***

Crop 1- Tree, shade  
Crop 2-

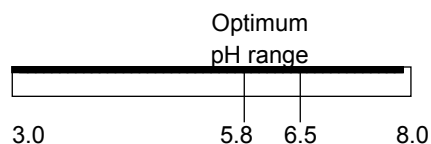
0.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

12 lb per 1,000 sq ft 8-0-24 Group C

Lime History:

**Test Results:**

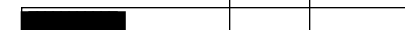
pH = 7.9



Phosphorus Index (P-I) =60



Potassium Index (K-I) =24



Below Optimum Optimum Above Optimum

Scott Len

Additional Test Results:

Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I
Mineral	0.46	1.22 g/cm <sup>3</sup>	19.5 meq/100 cm <sup>3</sup>	50	541	402	35

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*

Sample ID: F2830

**Lime Recommendations**

**N-P-K Fertilizer Recommendations \***

Crop 1- Tree, shade  
Crop 2-

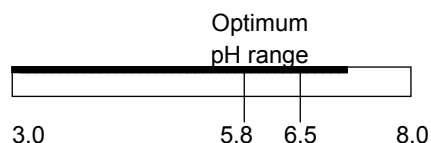
0.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

7 lbs per 1,000 sq ft 15-0-14 Group C

Lime History:

**Test Results:**

pH = 7.2



Phosphorus Index (P-I) =68



Potassium Index (K-I) =26



Below Optimum Optimum Above Optimum

Scott Len

Additional Test Results:

Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I
Mineral	0.46	1.24 g/cm <sup>3</sup>	10.2 meq/100 cm <sup>3</sup>	62	260	137	35

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*

Scott Len

Page 3 of 11

Sample ID: F2500

**Lime Recommendations**

**N-P-K Fertilizer Recommendations \***

Crop 1- Tree, shade  
Crop 2-

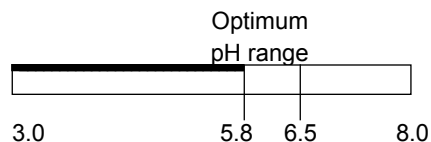
0.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

12 lb per 1,000 sq ft 8-0-24 Group C

Lime History:

**Test Results:**

pH = 5.9



Phosphorus Index (P-I) =65



Potassium Index (K-I) =16



Below Optimum Optimum Above Optimum

Scott Len

Additional Test Results:

Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I
Mineral	0.76	1.20 g/cm <sup>3</sup>	6.5 meq/100 cm <sup>3</sup>	50	240	78	33

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*

Sample ID: F3147

**Lime Recommendations**

**N-P-K Fertilizer Recommendations \***

Crop 1- Tree, shade  
Crop 2-

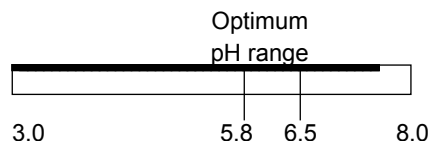
0.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

10 lbs per 1,000 sq ft 10-10-10 Group A

Lime History:

**Test Results:**

pH = 7.6



Phosphorus Index (P-I) =44



Potassium Index (K-I) =36



Below Optimum Optimum Above Optimum

Scott Len

Additional Test Results:

Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I
Mineral	0.32	0.99 g/cm <sup>3</sup>	21.4 meq/100 cm <sup>3</sup>	102	843	129	47

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*

Scott Len

Page 4 of 11

Sample ID: F3840

**Lime Recommendations**

**N-P-K Fertilizer Recommendations \***

Crop 1- Tree, shade  
Crop 2-

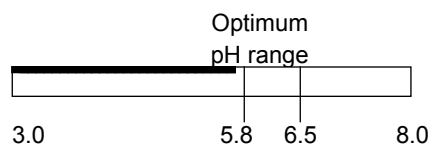
15.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

12 lb per 1,000 sq ft 8-0-24 Group C

Lime History:

**Test Results:**

pH = 5.8



Phosphorus Index (P-I) =64



Potassium Index (K-I) =23



Below Optimum Optimum Above Optimum

Scott Len

Additional Test Results:

Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I
Mineral	0.60	1.31 g/cm <sup>3</sup>	5.6 meq/100 cm <sup>3</sup>	57	291	489	30

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*

Sample ID: F0005

**Lime Recommendations**

**N-P-K Fertilizer Recommendations \***

Crop 1- Tree, shade  
Crop 2-

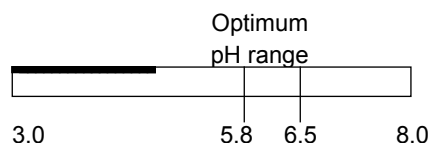
60.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

17 lb per 1,000 sq ft 6-6-18 Group C

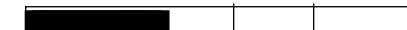
Lime History:

**Test Results:**

pH = 4.8



Phosphorus Index (P-I) =35



Potassium Index (K-I) =24



Below Optimum Optimum Above Optimum

Scott Len

Additional Test Results:

Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I
Mineral	0.46	1.26 g/cm <sup>3</sup>	4.0 meq/100 cm <sup>3</sup>	19	143	132	46

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*

Scott Len

Page 5 of 11

Sample ID: F0102

**Lime Recommendations**

**N-P-K Fertilizer Recommendations \***

Crop 1- Tree, shade  
Crop 2-

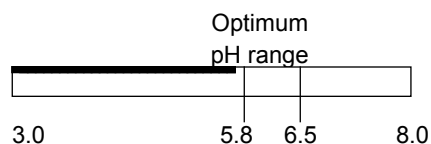
15.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

12 lb per 1,000 sq ft 8-0-24 Group C

Lime History:

**Test Results:**

pH = 5.8



Phosphorus Index (P-I) =55



Potassium Index (K-I) =20



Below Optimum Optimum Above Optimum

Scott Len

Additional Test Results:

Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I
Mineral	0.51	1.27 g/cm <sup>3</sup>	4.6 meq/100 cm <sup>3</sup>	21	131	86	36

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*

Sample ID: F0312

**Lime Recommendations**

**N-P-K Fertilizer Recommendations \***

Crop 1- Tree, shade  
Crop 2-

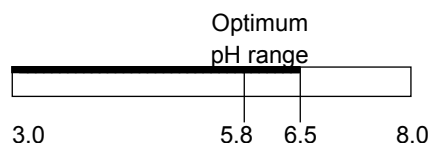
0.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

12 lb per 1,000 sq ft 8-0-24 Group C

Lime History:

**Test Results:**

pH = 6.6



Phosphorus Index (P-I) =56



Potassium Index (K-I) =17



Below Optimum Optimum Above Optimum

Scott Len

Additional Test Results:

Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I
Mineral	0.46	1.26 g/cm <sup>3</sup>	7.0 meq/100 cm <sup>3</sup>	29	115	77	45

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*

Scott Len

Page 6 of 11

Sample ID: F0509

**Lime Recommendations**

**N-P-K Fertilizer Recommendations \***

Crop 1- Tree, shade  
Crop 2-

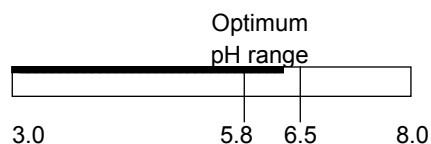
0.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

17 lb per 1,000 sq ft 6-6-18 Group C

Lime History:

**Test Results:**

pH = 6.4



Phosphorus Index (P-I) =48



Potassium Index (K-I) =15



Scott Len

Additional Test Results:

Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I
Mineral	0.41	1.29 g/cm <sup>3</sup>	5.4 meq/100 cm <sup>3</sup>	31	109	56	28

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*

Sample ID: F0608

**Lime Recommendations**

**N-P-K Fertilizer Recommendations \***

Crop 1- Tree, shade  
Crop 2-

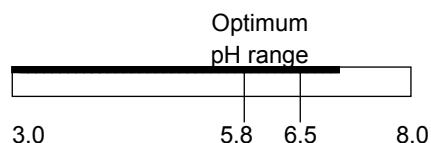
0.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

10 lbs per 1,000 sq ft 10-10-10 Group A

Lime History:

**Test Results:**

pH = 7.1



Phosphorus Index (P-I) =35



Potassium Index (K-I) =43



Scott Len

Additional Test Results:

Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I
Mineral	0.32	1.11 g/cm <sup>3</sup>	20.0 meq/100 cm <sup>3</sup>	91	495	147	46

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*

Scott Len

Page 7 of 11

Sample ID: F1213

**Lime Recommendations**

**N-P-K Fertilizer Recommendations \***

Crop 1- Tree, shade  
Crop 2-

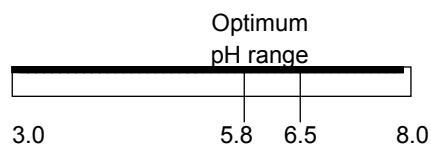
0.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

17 lb per 1,000 sq ft 6-6-18 Group C

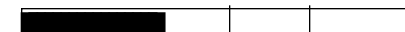
Lime History:

**Test Results:**

pH = 7.9



Phosphorus Index (P-I) =34



Potassium Index (K-I) =19



Below Optimum Optimum Above Optimum

Scott Len

Additional Test Results:

Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I
Mineral	0.22	1.35 g/cm <sup>3</sup>	24.6 meq/100 cm <sup>3</sup>	54	275	115	48

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*

Sample ID: F0915

**Lime Recommendations**

**N-P-K Fertilizer Recommendations \***

Crop 1- Tree, shade  
Crop 2-

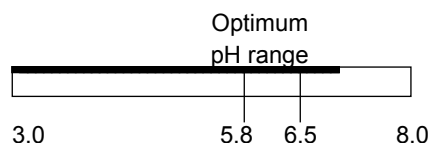
0.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

17 lb per 1,000 sq ft 6-6-18 Group C

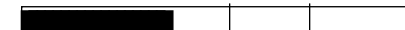
Lime History:

**Test Results:**

pH = 7.1



Phosphorus Index (P-I) =36



Potassium Index (K-I) =16



Below Optimum Optimum Above Optimum

Scott Len

Additional Test Results:

Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I
Mineral	0.41	1.25 g/cm <sup>3</sup>	17.3 meq/100 cm <sup>3</sup>	85	194	100	45

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*

Scott Len

Page 8 of 11

Sample ID: F1320

**Lime Recommendations**

**N-P-K Fertilizer Recommendations \***

Crop 1- Tree, shade  
Crop 2-

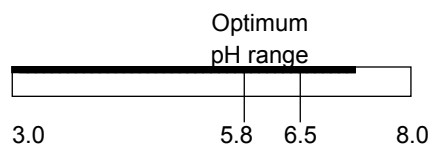
0.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

12 lb per 1,000 sq ft 8-0-24 Group C

Lime History:

**Test Results:**

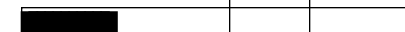
pH = 7.3



Phosphorus Index (P-I) =67



Potassium Index (K-I) =23



Below Optimum Optimum Above Optimum

Scott Len

Additional Test Results:

Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I
Mineral	0.36	1.29 g/cm <sup>3</sup>	10.9 meq/100 cm <sup>3</sup>	83	169	91	43

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*

Sample ID: F1417

**Lime Recommendations**

**N-P-K Fertilizer Recommendations \***

Crop 1- Tree, shade  
Crop 2-

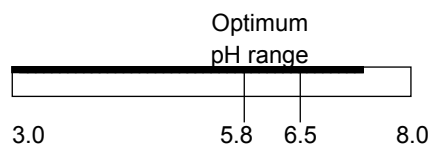
0.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

10 lbs per 1,000 sq ft 10-10-10 Group A

Lime History:

**Test Results:**

pH = 7.4



Phosphorus Index (P-I) =34



Potassium Index (K-I) =26



Below Optimum Optimum Above Optimum

Scott Len

Additional Test Results:

Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I
Mineral	0.51	1.30 g/cm <sup>3</sup>	11.6 meq/100 cm <sup>3</sup>	68	149	80	36

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*

Scott Len

Page 9 of 11

Sample ID: F1623

**Lime Recommendations**

**N-P-K Fertilizer Recommendations \***

Crop 1- Tree, shade  
Crop 2-

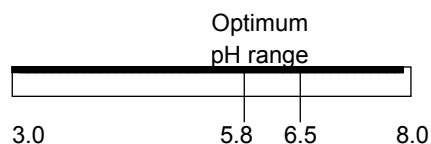
0.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

10 lbs per 1,000 sq ft 10-10-10 Group A

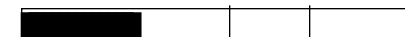
Lime History:

**Test Results:**

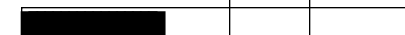
pH = 7.9



Phosphorus Index (P-I) =29



Potassium Index (K-I) =35



50 70  
Below Optimum Optimum Above Optimum

Scott Len

Additional Test Results:

Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I
Mineral	0.32	1.14 g/cm <sup>3</sup>	31.4 meq/100 cm <sup>3</sup>	112	825	89	63

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*

Sample ID: F1825

**Lime Recommendations**

**N-P-K Fertilizer Recommendations \***

Crop 1- Tree, shade  
Crop 2-

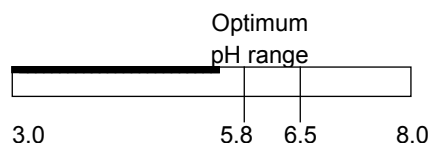
25.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

7 lbs per 1,000 sq ft 15-0-14 Group C

Lime History:

**Test Results:**

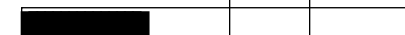
pH = 5.6



Phosphorus Index (P-I) =70



Potassium Index (K-I) =31



50 70  
Below Optimum Optimum Above Optimum

Scott Len

Additional Test Results:

Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I
Mineral	0.76	1.20 g/cm <sup>3</sup>	5.3 meq/100 cm <sup>3</sup>	57	296	248	62

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*

Scott Len

Page 10 of 11

Sample ID: F2226

**Lime Recommendations**

**N-P-K Fertilizer Recommendations \***

Crop 1- Tree, shade  
Crop 2-

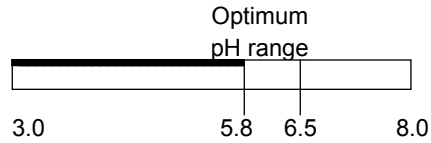
0.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

12 lb per 1,000 sq ft 8-0-24 Group C

**Lime History:**

**Test Results:**

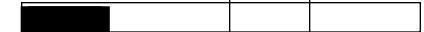
pH = 5.9



Phosphorus Index (P-I) =52



Potassium Index (K-I) =20



Below Optimum    Optimum    Above Optimum

Scott Len

**Additional Test Results:**

Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I
Mineral	0.71	1.21 g/cm <sup>3</sup>	4.8 meq/100 cm <sup>3</sup>	39	173	88	28

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*

**Understanding the Soil Report**

Lime

Application of lime at the recommended rate will raise soil pH to the optimum range. Do not apply too much lime. When soil pH becomes too high, lowering it is very difficult. Often, the best solution then is to choose plants that can tolerate a high pH.

Choosing dolomitic lime can be advantageous because it contains the nutrients calcium and magnesium. Pelleted lime is easier to spread uniformly than powdered lime.

Lime can be applied at any time of year, but because it reacts slowly, it is best to apply it several months before a new planting. Mixing it into the soil will speed the reaction time. Lime applied to the soil surface takes much longer to correct soil pH.

A surface application should not exceed 60 lb per 1,000 sq ft. If a soil report recommends more than this, apply 60 lb per 1,000 sq ft initially and the rest in similar increments every 6-9 months until the full rate is applied.

Fertilizer

Soil tests do not measure nitrogen (N) since it is very unstable in soils; the N recommendations provided on the soil report are based on plant needs. If soil-test P-I and K-I values are adequate (>50), only nitrogen is recommended- Group D below. A mixed (N-P-K) fertilizer is recommended if P-I and K-I values are less than optimum- Groups A - C below. Although a specific fertilizer grade may be recommended (e.g., 5-10-10), other equivalent options are likely to be available (e.g., any fertilizer in Group A from Table 1).

Tips on Fertilizer Application

- To determine how much fertilizer to buy, estimate (in feet) the length (L) and width (W) of the area to be treated:  $L \times W = \text{sq ft}$ . Square off curves to make estimates easier. If the recommendation is 20 lb per 1,000 sq ft and your area is 5,000 sq ft, then you need 100 lb (20 × 5) for your 5,000-sq-ft area.
- Calibrate your spreader according to manufacturer settings. Apply half the total rate in one direction; apply the rest at a 90° angle. This cross-hair pattern provides a more uniform application.
- After application, sweep up any fertilizer on hard surfaces and apply to fertilized areas so rainfall does not carry fertilizer to a storm drain.

**Table 1. Groups of equivalent fertilizers that supply 1 lb of N per 1,000 sq ft \***

<u>Group A: low P-I + low K-I</u>		<u>Group B: low P-I + high K-I</u>		<u>Group C: high P-I + low K-I</u>		<u>Group D: N only</u>	
5-10-10	@ 20 lb	5-10-5	@ 20 lb	8-0-24	@ 12 lb	15-0-0	@ 7 lb
3-9-9	@ 30 lb	18-46-0	@ 6 lb	10-0-14	@ 10 lb	21-0-0	@ 5 lb
10-10-10	@ 10 lb	18-24-10	@ 6 lb	15-0-14	@ 7 lb	16-0-0	@ 6 lb
11-15-11	@ 10 lb	9-13-7	@ 11 lb	6-6-18	@ 17 lb	28-0-4	@ 4 lb
8-10-8	@ 12 lb	9-17-8	@ 11 lb	5-5-15	@ 15 lb	12-6-6	@ 8 lb

\* Since these rates supply 1 lb N per 1,000 sq ft, use half the rate if centipede is the grass type.

**Report Abbreviations**

<b>CEC</b>	cation exchange capacity
<b>Cu-I</b>	copper index
<b>HM%</b>	percent humic matter
<b>Mn-I</b>	manganese index
<b>pH</b>	soil pH
<b>S-I</b>	sulfur index
<b>SS-I</b>	soluble salt index
<b>W/V</b>	weight per volume
<b>Zn-I</b>	zinc index

**Time Fertilizer Application to Coincide with Plant Growth Cycle:**

- Bermudagrass: May, July, Sept
- Centipedegrass: May
- St. Augustine grass: May, August
- Tall fescue: Sept, Nov, Feb
- Zoysia: May, July
- Flowers/shrubs: prior to planting or during the growing season
- Vegetables: prior to planting

[A Homeowner's Guide to Fertilizer](#)

[Note 4: Fertilization of Lawns, Gardens & Ornamentals](#)

[Caring for Your Lawn & Environment](#)

[Carolina Lawns](#)

[Soil Acidity and Liming: Basic Information for Farmers & Gardeners](#)



Predictive Home & Garden

# Soil Report

Mehlich-3 Extraction

[Soil Testing Section](#)

**Client:** Scott Len  
318 Willis Drive  
Southport, NC 28461

**Advisor:**

Sampled County : Brunswick

**Client ID:** 427511

**Advisor ID:**

**Sampled:**      **Received:** 04/17/2024    **Completed:** 04/26/2024    **Farm:**

**Agronomist's Comments:**

This report provides Test Results and Recommendations for each sample submitted for testing. Look for Lime Recommendations and N-P-K Fertilizer Recommendations. The lime recommendation is always listed next to the first crop and will be based on the higher target pH if the pH targets for crop 1 and crop 2 differ. Application at the indicated rate will raise soil pH to the optimal level for the plant you specified and should be sufficient for 2 to 3 years, depending on soil type. Common target pH values are as follows: 5.0 for azalea, camellia, rhododendron and mt. laurel; 5.5 for centipedegrass; 6.0 for other lawn grasses, shrubbery, and; flowering plants; and 6.5 for vegetable gardens. N-P-K Recommendations are based on the nitrogen (N) needs of the plants being grown and the soil test results for phosphorus (P-I) and potassium (K-I); a 50 to 70 index for either is optimum. If the exact fertilizer cannot be found, find the closest match and adjust the rate accordingly. Refer to "Understanding the Soil Report" (last page of this report) for additional explanation and links to helpful information.

**Sample ID:** F3743

**Lime History:**

Crop 1- Tree, shade  
Crop 2-

**Lime Recommendations**

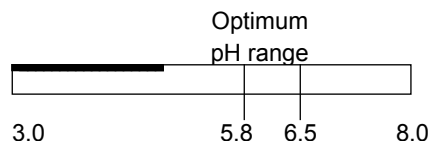
85.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

**N-P-K Fertilizer Recommendations \***

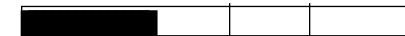
10 lbs per 1,000 sq ft 10-10-10 Group A

**Test Results:**

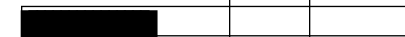
pH = 4.9



Phosphorus Index (P-I) =33



Potassium Index (K-I) =33



Below Optimum    Optimum    Above Optimum

Scott Len

**Additional Test Results:**

Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I
Mineral	0.60	1.24 g/cm <sup>3</sup>	7.2 meq/100 cm <sup>3</sup>	46	265	80	28

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*



Reprogramming of the laboratory-information-management system that makes this report possible is being funded through a grant from the North Carolina Tobacco Trust Fund Commission.

Thank you for using agronomic services to manage nutrients and safeguard environmental quality.

- Steve Troxler, Commissioner of Agriculture

Scott Len

Page 2 of 4

Sample ID: F4635

**Lime Recommendations**

**N-P-K Fertilizer Recommendations \***

Crop 1- Tree, shade  
Crop 2-

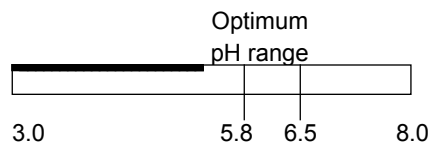
40.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

17 lb per 1,000 sq ft 6-6-18 Group C

Lime History:

**Test Results:**

pH = 5.4



Phosphorus Index (P-I) =43



Potassium Index (K-I) =20



Below Optimum Optimum Above Optimum

Scott Len

Additional Test Results:

Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I
Mineral	0.46	1.31 g/cm <sup>3</sup>	5.1 meq/100 cm <sup>3</sup>	27	376	201	22

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*

Sample ID: F3536

**Lime Recommendations**

**N-P-K Fertilizer Recommendations \***

Crop 1- Tree, shade  
Crop 2-

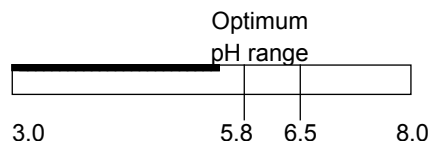
30.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

17 lb per 1,000 sq ft 6-6-18 Group C

Lime History:

**Test Results:**

pH = 5.6



Phosphorus Index (P-I) =49



Potassium Index (K-I) =24



Below Optimum Optimum Above Optimum

Scott Len

Additional Test Results:

Soil Class	HM%	W/V	CEC	Mn-I	Zn-I	Cu-I	S-I
Mineral	0.60	1.28 g/cm <sup>3</sup>	5.8 meq/100 cm <sup>3</sup>	28	387	138	24

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*

Scott Len

Page 3 of 4

Sample ID: F3334

**Lime Recommendations**

**N-P-K Fertilizer Recommendations \***

Crop 1- Tree, shade  
Crop 2-

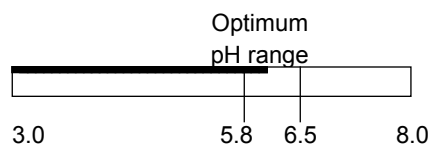
0.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

12 lb per 1,000 sq ft 8-0-24 Group C

Lime History:

**Test Results:**

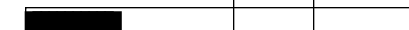
pH = 6.2



Phosphorus Index (P-I) =83



Potassium Index (K-I) =22



Scott Len

Additional Test Results:

Soil Class	HM%	W/V	CEC	Mn-l	Zn-l	Cu-l	S-l
Mineral	0.51	1.31 g/cm <sup>3</sup>	5.1 meq/100 cm <sup>3</sup>	48	340	66	24

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*

Sample ID: F50

**Lime Recommendations**

**N-P-K Fertilizer Recommendations \***

Crop 1- Tree, shade  
Crop 2-

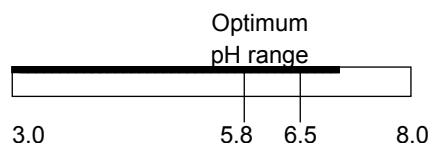
0.0 lb per 1,000 sq ft  
0.0 lb per 1,000 sq ft

10 lbs per 1,000 sq ft 10-10-10 Group A

Lime History:

**Test Results:**

pH = 7.1



Phosphorus Index (P-I) =50



Potassium Index (K-I) =38



Scott Len

Additional Test Results:

Soil Class	HM%	W/V	CEC	Mn-l	Zn-l	Cu-l	S-l
Mineral	0.46	1.17 g/cm <sup>3</sup>	16.8 meq/100 cm <sup>3</sup>	86	416	93	49

*\*If you cannot find the fertilizer recommended here, choose one from the same Group (A, B, C or D) listed on the last page of this report.  
Note: This soil test does not measure nitrogen (N) levels. N fertilizer recommendations are based only on needs of the designated crop.*

**Understanding the Soil Report**

Lime

Application of lime at the recommended rate will raise soil pH to the optimum range. Do not apply too much lime. When soil pH becomes too high, lowering it is very difficult. Often, the best solution then is to choose plants that can tolerate a high pH.

Choosing dolomitic lime can be advantageous because it contains the nutrients calcium and magnesium. Pelleted lime is easier to spread uniformly than powdered lime.

Lime can be applied at any time of year, but because it reacts slowly, it is best to apply it several months before a new planting. Mixing it into the soil will speed the reaction time. Lime applied to the soil surface takes much longer to correct soil pH.

A surface application should not exceed 60 lb per 1,000 sq ft. If a soil report recommends more than this, apply 60 lb per 1,000 sq ft initially and the rest in similar increments every 6-9 months until the full rate is applied.

Fertilizer

Soil tests do not measure nitrogen (N) since it is very unstable in soils; the N recommendations provided on the soil report are based on plant needs. If soil-test P-I and K-I values are adequate (>50), only nitrogen is recommended- Group D below. A mixed (N-P-K) fertilizer is recommended if P-I and K-I values are less than optimum- Groups A - C below. Although a specific fertilizer grade may be recommended (e.g., 5-10-10), other equivalent options are likely to be available (e.g., any fertilizer in Group A from Table 1).

Tips on Fertilizer Application

- To determine how much fertilizer to buy, estimate (in feet) the length (L) and width (W) of the area to be treated:  $L \times W = \text{sq ft}$ . Square off curves to make estimates easier. If the recommendation is 20 lb per 1,000 sq ft and your area is 5,000 sq ft, then you need 100 lb (20 × 5) for your 5,000-sq-ft area.
- Calibrate your spreader according to manufacturer settings. Apply half the total rate in one direction; apply the rest at a 90° angle. This cross-hair pattern provides a more uniform application.
- After application, sweep up any fertilizer on hard surfaces and apply to fertilized areas so rainfall does not carry fertilizer to a storm drain.

**Table 1. Groups of equivalent fertilizers that supply 1 lb of N per 1,000 sq ft \***

<u>Group A: low P-I + low K-I</u>		<u>Group B: low P-I + high K-I</u>		<u>Group C: high P-I + low K-I</u>		<u>Group D: N only</u>	
5-10-10	@ 20 lb	5-10-5	@ 20 lb	8-0-24	@ 12 lb	15-0-0	@ 7 lb
3-9-9	@ 30 lb	18-46-0	@ 6 lb	10-0-14	@ 10 lb	21-0-0	@ 5 lb
10-10-10	@ 10 lb	18-24-10	@ 6 lb	15-0-14	@ 7 lb	16-0-0	@ 6 lb
11-15-11	@ 10 lb	9-13-7	@ 11 lb	6-6-18	@ 17 lb	28-0-4	@ 4 lb
8-10-8	@ 12 lb	9-17-8	@ 11 lb	5-5-15	@ 15 lb	12-6-6	@ 8 lb

\* Since these rates supply 1 lb N per 1,000 sq ft, use half the rate if centipede is the grass type.

**Report Abbreviations**

<b>CEC</b>	cation exchange capacity
<b>Cu-I</b>	copper index
<b>HM%</b>	percent humic matter
<b>Mn-I</b>	manganese index
<b>pH</b>	soil pH
<b>S-I</b>	sulfur index
<b>SS-I</b>	soluble salt index
<b>W/V</b>	weight per volume
<b>Zn-I</b>	zinc index

**Time Fertilizer Application to Coincide with Plant Growth Cycle:**

- Bermudagrass: May, July, Sept
- Centipedegrass: May
- St. Augustine grass: May, August
- Tall fescue: Sept, Nov, Feb
- Zoysia: May, July
- Flowers/shrubs: prior to planting or during the growing season
- Vegetables: prior to planting

[A Homeowner's Guide to Fertilizer](#)

[Note 4: Fertilization of Lawns, Gardens & Ornamentals](#)

[Caring for Your Lawn & Environment](#)

[Carolina Lawns](#)

[Soil Acidity and Liming: Basic Information for Farmers & Gardeners](#)

## Soil Alkalinity within Franklin Square Park

The Forestry Committee conducted soil testing within the confines of Franklin Square Park (FSP) in the spring of 2024. There were 24 samples taken and the results were received from the NC Dept. of Agriculture testing lab in April 2024. Following this, a report on the results was compiled and provided to Heather Hemphill of Southport Parks & Recreation, as well as the City Manager Bonnie Thierren. The intent of this report was to not only inform, but as a tool for managing the soil within the park through the application of organic material and fertilizers as necessary to reach a state of balance given the wide variety of results found.

The soil testing results report on a variety of factors, but the most basic is the Soil pH, which is the measure of acidity or alkalinity of soil. pH plays a crucial role in determining plant health and productivity, influences nutrient availability, microbial activity, and overall soil chemistry. The pH scale ranges from 0 to 14, with 7 being “neutral” with regard to acidity. Each number on the scale represents an increase or decrease of acidity by a factor of 10. Trees, including the Southern Live Oak (*Quercus virginiana*) thrive in the 5.5-6.5pH range, which is mildly acidic. Sandy soils, which are prevalent in Southport, are typically slightly acidic by nature and therefore our expectation was that the test results would reflect an acidic environment within the park.

However, when the results were received, they indicated that 11 of the 23 test locations were not acidic, but alkaline, with a few sites measuring as high as 7.9 – almost 10 times higher than neutral. The results were puzzling, until they were mapped out and we remembered that while boring for many of the soil samples we ran across crushed oyster shells in the sample. Oyster shells, made of calcium, are highly alkaline and in fact crushed oyster shells are used as a soil amendment in gardening to moderate acidic soils.

Why is this significant to tonight’s conversation? There is a proposal to install walking paths within the park made up of

stone or crushed stone. If that is the case, choice of materials is critical. The highly alkaline samples that we found in the park most likely can be attributed to the oyster shell paths that were laid as part of the original park design in the 1930's. Having this material in the soil for the past 90 years fundamentally changed the pH of the soil, changing the naturally slightly acidic soil to highly alkaline and certainly had some impact on the health of the signature live oaks within the park.

What is the effect of alkaline soils on trees? Soil pH directly affects the availability of essential nutrients to plants. Alkaline soils often experience reduced availability of micronutrients like iron, manganese, and zinc. These micronutrient deficiencies can stunt growth and cause nutrient-related disorders. Alkaline soils may limit root expansion due to these nutrient deficiencies and poor soil structure, which impacts plant stability and water uptake. This is the very situation we are trying to correct at this point through the application of organic material and a prescribed fertilizer regimen.

The introduction of crushed gravel paths to the park could exacerbate our efforts to correct the soil pH, and introduce more alkaline substances that will leach into the soil over time. The pH of crushed gravel does vary depending on the specific material but are typically alkaline due to limestone which is a common component of gravel products. As an example, crushed concrete or limestone can have a pH as high as 10.5 – 13.5; while decomposed granite is essentially pH neutral. Introduction of any material that falls on the alkaline side of the pH scale will ultimately raise the pH of surrounding soil, thus negatively impacting the health of the live oaks, azaleas, camellias and other plants which all prefer a slightly acidic soil profile.

I will make no comment on the aesthetics, cost, or practical impact of installing walking paths within the park – that is the purview of the Parks and Rec Committee. However, I did want to provide some facts with regard to the likely impact to the natural environment within the park, as well as the impact these paths would have on our current efforts to correct identified soil issues as well as the potential long term effect on the park's flora in the years to come.

## **Southport Parks and Recreation Advisory Committee's 2026/2027 Recommendations for Franklin Square Park**

### **Proceeding with ongoing Park Maintenance and Tree Care**

- Continue the ongoing commitment to maintain and care for the health of the soil and trees within Franklin Square Park.
- Continue yearly soil samples within FSP collecting data for comparison. The health of the trees and the entire park depends on the health of the soil.
- Continue annual tree assessment from Bartlett Tree Experts.
- Follow recommendations from tree and soil assessment from Bartlett Tree Experts for 2026/2027.

Group 1: Root Invigoration

Group 2: Tree and Shrub Work

Group 3: Soil Care and Fertilization

- Continue adding mulch for soil renourishment in needed areas of the park. Mulch adds nutrients to the sandy soil, holds moisture for the trees and limits soil compaction.
- Continue the ongoing collaboration working with the city's Forestry and Beautification Committees on replanting Live Oaks, shrubbery and any plantings within the park where appropriate.
- Use mulch on East West Street for golf cart parking area. Adding signage defining golf cart parking.
- Define handicap parking access area to FSP from current paved public parking area along East West Street (by the Franklin Square Art Gallery) with additional marked handicapped spaces (signage and marked on pavement).
- Install post and rope fencing along the corner of East West Street and Atlantic Ave.
- Continue offering approved events and activities for residents, citizens and the general public to enjoy.

These recommendations are being made following a careful and extensive review of the reports provided by Bartlett Tree Experts, 2025 annual tree assessment and the Southport Forestry Committee's soil testing.

The Parks and Recreation Advisory Committee does not recommend the inclusion of pathways in future planning for Franklin Square Park. Such additions would

have a detrimental impact on the park's natural environment, particularly the health of the soil, existing trees and would compromise the overall health condition of the park.

The Parks and Recreation Advisory Committee does recommend continuing maintenance and care for the soil and trees within Franklin Square Park and to allow the park to continue to be natural and open space for the public to enjoy.

## Sidewalk Repair Near Trees

By The Bartlett Lab Staff  
Directed by Kelby Fite, PhD

Tree roots grow underneath sidewalk pavement when there is oxygen, water and space for them to grow. Roots are very small when they start growing under pavement but then increase in diameter as the tree grows, resulting in lifting or cracking of the pavement. When pavement lifting is excessive (Figure 1), a pedestrian tripping hazard is created. It then becomes a challenge to preserve the tree while continuing to allow pedestrian use of the sidewalk.

**Figure 1: Extreme sidewalk lifting associated with tree roots**



The best opportunity for dealing with sidewalk lifting problems is at the time of tree planting or concrete installation. Tree species can be selected to fit the available space. If space is limited, small-maturing trees or species known not to damage pavement should be planted. Alternatively, modifications can be made under or next to the pavement to reduce root growth.

**Figure 2: Bartlett Lab research plot showing different root growth patterns with no base layer (upper) and where foam board was installed**



Modifications that will extend the useful life of sidewalk pavement include installation of root barriers alongside the pavement or installing a root-excluding base beneath the concrete (Figure 2). Root barriers must be at least 18 inches (45 cm) deep and the top must be above the soil and mulch surface to be effective. Base layers that successfully exclude roots include washed coarse gravel (1-1.5 inches, 2.5-3.7 cm diameter, with no fines) and foam insulation boards. A gravel base at least 4 inches (10 cm) thick is recommended; thicker is probably better. Gravel is only effective in well drained soils. Foam boards are commonly available from ½ to 2 inches (1.25 to 5 cm) thick. Two 2 inch (5 cm) thick boards can be glued together to provide a 4 inch (10 cm) base for the greatest protection from root growth damage.

When roots do lift sidewalks, there are a number of actions that can be taken to ameliorate the problem.

These solutions have varying costs and impacts on tree health, longevity and stability. They may be used alone or in combination and include:

**1. Shaving the top of the concrete or installing a ramp** to even the surface and reduce the tripping hazard (Figure 3). Shaving or grinding the concrete is done with a specialized cutting machine. The goal is to lower the raised concrete edge to the level of the lower slab. Concrete can be ground to about ½ of its original thickness. The other commonly used alternative is to install a ramp or wedge of asphalt or concrete to smoothly bring the lower level up to the lifted edge (Figure 4).

**Figure 3: Concrete shaved/ground to smooth**



**Figure 4: Asphalt ramp/wedge installed to reduce tripping hazard**



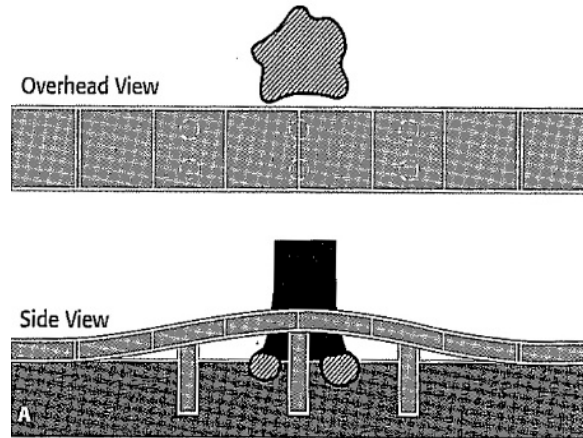
**2. Increasing the distance from the tree to the edge of the sidewalk.** This can be done by either narrowing the sidewalk or rerouting it around the tree. The Americans with Disabilities Act (ADA) limits sidewalk width to no less than 39 inches (1m). By increasing the distance from the sidewalk to the trunk, the roots that are most likely to cause damage will no longer be underneath the pavement. Sidewalks can often be curved around a tree with the permission of the property owner (Figure 5). These techniques can avoid damage to large roots that are primarily responsible for tree stability.

**3. Bridging the pavement over the roots.** Bridges are simply sidewalks that are raised near the tree to allow root growth beneath. They may be supported near the tree by concrete piers or they may be supported by the base layer (Figure 6). The steps to install bridges are: remove the existing concrete, base and soil from above the existing roots; drill holes and install concrete form tubes (e.g. Sonotubes®, Quick-Tube®) if needed for additional support; level the base with the top of the roots using coarse sand or pea gravel; apply a layer of foam board with holes cut for piers (if installed); frame for concrete, pour reinforced concrete and finish. The maximum ADA allowed slope for this type of construction is 1:20.

**Figure 5: Sidewalk rerouted to increase the distance from the trunk and avoid root damage**



**Figure 6: Sidewalk bridging plan from Costello and Jones**



**4. Replacing concrete with interlocking paver blocks or rubber pavers** (Figure 7). This alternative will not slow pavement lifting, but will allow for a smoother transition and the removal of blocks that have lifted too high. Pavers are installed by removing the concrete and base materials above the roots and removing the soil between the roots (if needed) using a supersonic air excavation tool, installing a new sub-base of coarse sand or pea gravel and leveling and compacting the sub-base slightly above the existing roots. Next, install a geotextile fabric (e.g. Typar 3341) on top of the base, install and compact a coarse sand base layer, and finally, install the pavers. Paver joints should *not* be mortared.

**Figure 7: Sidewalk narrowed and pavers installed to provide more room for root growth**



**5. Root shaving then installing new concrete.** If the pavement must be reinstalled flat and in the same location from which it was removed, the height of the offending roots will need to be lowered. For mature trees, it is best not to cut roots greater than 2 inches (5 cm) in diameter. However, it is usually roots that are larger than this that create sidewalk lifting problems. It is better to remove the top surface of a root rather than the entire root (Figure 8). This is done by shaving the root using a chainsaw or debarking tool. Large roots should not be cut more than 1/3 of their diameter. Cut roots do tend to callus quickly, so a layer of rigid foam or pipe insulation foam should be installed between the shaved root surface and the new concrete. The loss of tree stability from root shaving and the rate of decay in shaved roots are not known. The tree should be inspected annually for health and stability if shaving is done closer than three times the trunk diameter (DBH) from the base of the tree.

**Figure 8: Root top shaved to lower the surface**



**6. Root removal and sidewalk replacement.** The removal of roots at the edge of the sidewalk followed by concrete replacement will provide a longer term solution to sidewalk lifting but will have the greatest effect on tree health and stability. A thorough tree structural analysis should be

conducted before roots are removed. It is recommended that buttress roots not be cut closer to the trunk than a distance equal to three times the trunk diameter (DBH). If they need to be severed closer than 1.5 times trunk diameter, tree removal should be considered since it is very likely that tree stability will be affected at this distance, depending on tree species and condition (Figure 9). When reinstalling the pavement next to a root cut tree, allow space for callus and trunk diameter growth. Installation of a root barrier or root-excluding base (foam board or washed gravel) should also be considered under the new pavement to avoid reoccurrence of the problem.

**Figure 9: This new smooth and level sidewalk required root cutting within 1.5 times trunk diameter.**



Trees provide many benefits in urban areas; however they do occasionally conflict with sidewalks, especially when trees are not designed into the urban infrastructure. It is best to plan for these conflicts and install trees that are compatible with sidewalks or implement measures at the time of planting to reduce conflicts. If this cannot be done, there are many techniques that can be used to retain trees and reduce damage to the pavement. The method that is least damaging to the tree while allowing for a safe sidewalk should be used. *Always have a qualified arborist present for any root cutting.*

**For more details see:**

Larry Costello and Katherine Jones. 2003. *Reducing infrastructure damage by tree roots: a compendium of strategies*. ISA Press Champaign IL. 119pp.

James Urban. 2008. *Up by roots*. ISA Press Champaign IL. 479pp.

**Sources:**

ADA [ada.gov/pubs/ada.htm](http://ada.gov/pubs/ada.htm)

Geotextile [typargeotextiles.com/paved.html](http://typargeotextiles.com/paved.html)

Sonotubes [sonotube.com](http://sonotube.com)

Pavers [pavarsearch.com](http://pavarsearch.com)



Founded in 1926, The Bartlett Tree Research Laboratories is the research wing of Bartlett Tree Experts. Scientists here develop guidelines for all of the Company's services. The Lab also houses a state-of-the-art plant diagnostic clinic and provides vital technical support to Bartlett arborists and field staff for the benefit of our clients.

## Understanding Prescription Fertilization Interpreting the Soil Analysis Report

By E. Thomas Smiley, PhD, Soil Scientist

An essential factor in the Bartlett Soil Prescription Fertilization program is the soil analysis report which provides a comprehensive assessment of the levels of plant nutrients in the sampled soil. In addition, the soil organic matter levels and pH are reported. Using this report, Plant Health Care Specialists can provide itemized prescription fertilization, conventional Boost fertilization or use natural products.

The purpose of this prescription fertilization program is to determine plant health goals, identify deficient nutrients, pH problems and organic matter problems and then treat those identified problems with just the nutrients needed to achieve the established goals. This reduces the potential for applying unnecessary nutrients and assures that application rates will address the nutrient problem.

### Interpreting the Results

**Soil pH** is a measure of acidity or alkalinity of the soil. Most plants require a slightly acidic pH for optimum health. Both the current pH and the ideal range for the species sampled are listed. If the pH is either too high or too low for the species, a pH adjustment is recommended below. Changing the soil pH can be a difficult and lengthy process if the soil is highly buffered. The Nutrient Retention Capacity (CEC) of the soil is one measure of the soils buffering capacity; if the reported number is high, it will be difficult to make dramatic changes to the pH.

**Nitrogen (ENR) level.** Nitrogen is the most commonly deficient nutrient for landscape plants. It is also one of the most difficult to measure in a soil analysis. This is due to the numerous forms that nitrogen can take in the soil (e.g. nitrate, ammonium or urea) with varying availability to the plant. Even under ideal sampling and testing conditions, the analyses often do not correlate well with plant

response to fertilization. The Estimated Nitrogen Release (ENR) value is a rough indication of the nitrogen determined from the soil organic matter level. Due to the poor correlation between analysis levels and plant response to fertilizer, the nitrogen recommendation is based more on the goal than on the ENR. So, if nitrogen is reported as high and there is still a recommendation for nitrogen application, the amount recommended is strictly at a maintenance level. If the goal or analysis values indicate a higher need, higher fertilizer levels are prescribed.

**Phosphorus (P), Potassium (K), Magnesium (Mg), and Calcium (Ca) levels** were determined by extracting the soil using a common standard procedure (Bray 1). Since other laboratories may use different extraction methods, direct comparison of numbers from other laboratories may be difficult. The number presented in the nutrient level are in pounds per 1,000 square feet. The interpretive descriptions next to the current levels (e.g. Very Low, Medium, High) correlate to the probability of plant response. For example, if the interpretation is “Very Low,” there

is a very high probability of plant response. If the interpretation is “High,” there is an unlikely probability of response. If the result is “Medium” or less, a fertilizer recommendation is made.

Analyses of the **microelements (Iron, Manganese, Copper, Boron, and Zinc)** are also reported in pounds per 1,000 square feet with an interpretation. If very high levels are reported in a range that could be harmful to the plant, this is also noted as a potential toxicity.

**Soil organic matter (OM)** is usually seen as the “blackness” in soil. If there are high levels of organic matter, there will usually be high levels of beneficial soil microorganisms and nutrients available to the plant. The reported level is a percent of the weight of the soil. Three percent is the minimum required for most plants, higher levels are beneficial. Organic matter is added using mulch or large amounts of organic fertilizers.

## Recommendations

Fertilizers that should be applied to correct or begin correction of nutrient deficiencies are listed. In some cases, more than one material is listed. The selection of the material is based on the site and application equipment to be used. All of the products are selected to provide maximum benefit to the plant by having the longest retention time in the soil. This allows the plant to absorb the nutrients, as they are needed. When “O.O” is listed, the element is not required.

When the report is used to guide conventional fertilization, rates for Boost, Boost Granular and Milorganite (or equivalent organic fertilizer) are listed. Even when conventional fertilizers are used, supplemental additions of gypsum, lime, sulfur, or chelates are recommended if listed on the report.

If the organic matter level was low for the plant, the addition of mulch, biochar or other organic matter is recommended.

## Frequently Asked Questions

- Q. I have had Bartlett fertilizing my trees and shrubs for years with Boost. Now I am told that additional products are required. Why has my fertilizer program changed?
- A. With advancing soil analysis technology and our increased ability to deliver a better service, we now try to identify and correct deficiencies of nutrients other than just nitrogen, phosphorus and potassium. This should increase the health of the plants allowing them to live longer and be more attractive in the landscape.
- Q. My trees look green, but the soil analysis says that there is a nutrient deficiency. Do I really need to fertilize?
- A. Nutrient deficiencies may not always be apparent from visual observation. Many trees in urban areas lose large amounts of nutrients when fallen leaves are removed in autumn. The resulting mild deficiencies may be detrimental to plant health even though the leaves appear green. When trees are grown with adequate amounts of all elements essential for plant growth, they tend to live longer and be healthier.



**Founded in 1926, The Bartlett Tree Research Laboratories is the research wing of Bartlett Tree Experts. Scientists here develop guidelines for all of the Company’s services. The Lab also houses a state-of-the-art plant diagnostic clinic and provides vital technical support to Bartlett arborists and field staff for the benefit of our clients**

## Preventing Construction Damage to Trees Bruce R. Fraedrich, PhD, Plant Pathology

The presence of trees surrounding a residence contributes greatly to both the aesthetic and monetary value of the home site. Studies have shown the presence of established trees usually increases the value of a building lot by 10% and sometimes as much as 25% over a similar lot lacking trees.

Most homeowners recognize trees provide many benefits including beautifying a residence, providing shade, noise abatement, privacy, and reducing home energy costs. Most progressive homebuilders also recognize the value of trees and usually leave as many as possible on newly constructed home sites. Unfortunately, trees often are damaged so severely during construction that many die following development.

The loss of the trees not only reduces the value of the house but also adds considerable costs to a new home due to tree removal or hazard reduction pruning. Healthy trees can be maintained on new home sites if they are carefully selected and some basic precautions are undertaken to prevent damage during construction.

### Types of Construction Damage

Tree decline and mortality around newly constructed homes occur primarily from damage caused to the root system. During construction, roots are frequently cut when installing foundations, water and sewer lines, driveways, and sidewalks. Roots are also lost when soil is removed during grading (Figure 1). Fine (absorption) roots occur primarily within the top six to eight inches of soil, and removing just a few inches of soil during grading can significantly impact water and nutrient absorption. Cutting large roots increases the likelihood of wind-throw especially during storms. This may also lead to structural decay of support roots and the lower stem tissues that can cause tree failure years after construction.

Compaction of the soil or placing fill over a tree root system during grading is equally as destructive as cutting and removing roots. All plant cells, including those in the roots, require oxygen to survive. Root cells obtain oxygen from pores within the soil. When the soil is compacted or fill is added during grading, pore space is greatly reduced resulting in root mortality and tree decline.

**Figure 1: Declining oak (left) following grading during house construction**



Mechanical injuries to the stem and limbs also contribute to tree decline. Bark injuries inhibit transport of water and nutrients to the crown and allow entrance of decay and other disease organisms.

## Tree Selection

The initial selection of trees chosen to remain on a building lot is one of the most important considerations for ensuring tree survival. A competent arborist together with the builder should undertake the tree selection together. Each tree should be considered individually before a decision is made to save it or not. Factors to consider in evaluating a tree are its location in relationship to construction activities, species, age and condition.

### Location

Trees to be saved should allow adequate access to the lot for construction equipment and should fit into the landscape after the house is built. Trees extremely close to the house should not remain. Severe root damage usually occurs when digging foundations and these trees often become a nuisance after the house is completed. Leave deciduous trees on the south-southwest side of the house whenever possible. This will reduce energy costs by shading the house from hot, summer sun but will allow rays to penetrate in autumn and winter after the leaves have fallen. Trees that will screen the house from winds, noise pollution, or objectionable views should be left, if possible.

### Species

Tree species that are inherently deep-rooted including oak, hickory and ash, usually withstand site changes better than surface-rooted trees such as dogwood, most conifers and certain maples. Select only those species with strong wood and good branching habits when leaving trees close to the house. Favor species that are relatively pest-free. Elm, for example, is a beautiful shade tree that tolerates extreme site changes; however, the species is subject to a lethal vascular disease limiting its usefulness as a landscape tree. A diversity of species should be left whenever possible.

### Age and Condition

There is a tendency to save the largest and oldest trees on the lot since these are most prominent and attractive to the home-buyer. However, mature trees are much less adaptable to site changes

occurring during construction. Young, vigorously growing trees should be favored as much as possible. Choose only healthy trees free of trunk decay, severe injuries, and pest damage.

## Preventing Construction Damage

### Root Damage

Reducing root damage is the key to preventing tree decline and death after building construction. Physical barriers such as fencing should be erected around trees to prevent encroachment by construction equipment (Figure 2). This will minimize soil compaction and also prevent fill and other debris from being placed over the root system. Location of the barrier must be decided by the arborist based on the species, size and condition of the tree.

If construction equipment must pass close to the tree, a bridge can be constructed over the root system. This is done by placing a steel plate over railroad ties, placed at intervals along the ground as supports.

**Figure 2: Construction barriers installed to reduce damage to roots and soil**



### Grade Changes

Grade changes around trees should be avoided whenever possible. If fill must be placed over the root system of a tree, construction of a tree well will help minimize the impact of the fill. If the grade must be cut, this should be done outside the critical root zone.

### Pruning

Prior to the initiation of construction, prune any interfering lower limbs on trees to be preserved to

allow access for construction equipment. Large dead branches also should be removed at this time in order to eliminate a possible safety hazard to construction workers.

## After Construction

### Soil Treatments

After construction is complete, trees and new plantings should be fertilized and any necessary amendments applied based on soil analysis. If soils have been disturbed within the critical root zone, Bartlett's Root Invigoration should be considered to alleviate soil compaction, introduce organic amendments and ensure a desirable rooting environment. Mulching the critical root zone appropriately is also key to promoting root development and health. Apply two-to-four inches of organic mulch beneath the canopy of the plants, keeping it off of the root flare at the base of the stem.

### Bark Wounds

All bark wounds should be traced back to live tissue and the dead tissue removed. Do not enlarge the wounds by removing living tissue. If wound wood ("callus") is present on the margins of the wound, no further treatment is needed.

### Irrigation

Apply supplemental irrigation during dry periods to compensate for any root loss or damage to soil within the critical root zone. Water should be applied by drip irrigation to maintain soil moisture in the upper twelve inches of soil.

### Pest Management

Trees weakened due to construction are more susceptible to secondary insect pests and disease agents. Insect borers, bark beetles, and canker and root disease organisms commonly invade stressed trees. Monitor trees routinely during and after construction for pest outbreaks and general plant health and apply appropriate treatments as needed to maintain health.



**Founded in 1926, The Bartlett Tree Research Laboratories is the research wing of Bartlett Tree Experts. The Lab also houses a state-of-the-art plant diagnostic clinic and provides vital technical support to Bartlett arborists and field staff for the benefit of our clients.**

## Mulch Application Guidelines

Drew C. Zwart, PhD, Plant Physiology

Mulches provide many benefits for trees and shrubs. Properly applied mulch will moderate soil temperatures, reduce soil moisture loss, reduce soil compaction, provide nutrients, improve soil structure, foster beneficial microbial communities, and keep mowers and string trimmers away from the trunk. These benefits result in more root growth and healthier plants. When applying mulch, the following guidelines should be observed:

1. The best mulch materials are fresh woodchips, bark nuggets, composted leaves or pine needles. Plastic, stone, sawdust, finely shredded bark, and grass clippings should be avoided. Do not use fresh woodchips from redwood or walnut due to potential allelopathic effects.
2. Mulch should be applied from near the trunk to the dripline (Figure 1). If this is not practical, minimum mulch circle radii should be 3 feet for small trees, 8 feet for medium trees and 12 feet for large trees.
3. When applying mulch, it is not necessary to kill or remove existing ground cover. However, turf

should be mowed very short and clippings removed prior to application. Mulch should be applied directly to the soil surface. Do not use landscape fabric to separate the mulch from the soil.

4. The mulch layer should be 2-4 inches depending on tree species and mulch (Figure 2).

**Figure 2: Mulch layer should be 2-4 inches thick and not be against the trunk.**



5. Mulch will slowly decompose, and additional mulch should be added to maintain a 2 to 4-inch depth.
6. Mulch should not be placed against the trunk because it will retain too much moisture against the trunk, potentially resulting in disease or decay problems.

**Figure 1: Mulch should be applied from the trunk to the dripline.**



Founded in 1926, The Bartlett Tree Research Laboratories is the research wing of Bartlett Tree Experts. Scientists here develop guidelines for all of the Company's services.

## Fresh Woodchip Mulch

E. Thomas Smiley, PhD, Urban Forestry

Applying mulch is one of the best arboricultural practices available to improve tree and shrub health. Mulches provide many benefits including moderating soil temperatures, reducing soil moisture loss, reducing soil compaction, providing nutrients, reducing weed competition and improving soil structure. These soil factors result in more efficient root growth and healthier plants. Mulch also keeps mowers and string trimmers away from the trunk, preventing one of the most common forms of mechanical damage to young trees.

There are many materials that are used for mulching trees and shrubs. One of the most economical is fresh woodchip mulch produced by tree pruning and removal operations.

Fresh woodchips are a mixture of wood, bark and leaves. This mixture is very desirable because of its carbon:nitrogen (C:N) ratio, which is lower than pure wood-based mulches. Research data confirms no nitrogen tie-up occurs when this type of mulch is applied to the soil surface.

Fresh woodchip mulch should be applied from near the base of the tree to near the dripline (width of tree canopy). If space is limited, the width of the mulch bed should be as large as possible. Near the trunk, the

mulch should taper down to a very thin layer (Figure 1). Mulch should never contact the trunk directly.

**Figure 2: Mulch layer should be applied from near the trunk to the dripline of the tree in a 2-4 inches thick layer, never against the trunk**



**Figure 1: Proper mulching to the dripline of the tree is demonstrated**



The optimum depth of fresh woodchip mulch is 2 to 4 inches (5-10 cm) (Figure 2). This thickness will greatly reduce the growth of weeds and will not allow the buildup of heat from leaf decomposition.

Turf does not need to be killed or removed before mulch is applied. A 2-4 inch layer of mulch will quickly kill any turf grass. Weed barrier fabric is **not** needed to prevent weeds from growing up through a proper layer of woodchip mulch. Fabric barriers interfere with the breakdown of mulch, can girdle tree trunks, and may affect water movement into the soil. For these reasons, fabric is not recommended to be used with fresh woodchip mulch.

Weed seeds that germinate on top of mulch can easily be pulled out or they can be treated with a foliar-absorbed herbicide.

In most cases, fresh woodchip mulches can be used without composting or additional treatment. However, there are exceptions to this:

Trees susceptible to insects that are attracted to fresh wounds should not be mulched with fresh chips from the same species. Examples include pine in pine bark beetle infested areas, oaks in oak wilt areas, and elm in Dutch elm disease areas when the beetles are active. The volatile compounds of fresh woodchip mulch usually dissipate within weeks of placement.

Mulch from trees that produce allelopathic chemicals (natural herbicides) such as black walnut and redwood (Sequoia) should not be applied fresh.

Mulches containing wood from *Verticillium*-infected trees should not be applied fresh. Although transmission is highly unlikely, this disease is one of the few shown to be transmitted from fresh woodchip mulch to healthy, susceptible trees.

Many fungi grow in mulch derived from hardwood trees. Most of these fungi are beneficial to the soil. There are a few that homeowners do not appreciate. These include the stinkhorn fungi, various mushroom forming fungi, slime mold fungi (the “dog barf” fungus) and the artillery fungi that shoot small, black, sticky spores toward light surfaces. When growth of any of these fungi is noticed, the mulch surface can be raked to break them up and mix them in with the rest of the mulch.

Irrigation practices may need to be adjusted after any type of mulch is applied. Mulch slows water infiltration into soil. This is beneficial in that soil below mulch will dry more slowly. On the other hand, initially, overhead irrigation may need to be run for a longer period of time to encourage water movement into the soil. In wet soils, irrigation can often be reduced or eliminated because mulch reduces water loss from the soil.



**Founded in 1926, The Bartlett Tree Research Laboratories is the research wing of Bartlett Tree Experts. Scientists here develop guidelines for all of the Company’s services. The Lab also houses a state-of-the-art plant diagnostic clinic and provides vital technical support to Bartlett arborists and field staff for the benefit of our clients.**

# City of Southport - Franklin Square Park Tree Inventory and Management Plan | 2025



Submitted by:  
Bartlett Tree Experts

**Zachary LeBlanc, Field Consulting Arborist Trainee**  
ISA Certified Arborist #NE-7074A, ISA Tree Risk Assessment Qualified

**Carl Courter, Arborist Representative**  
[ARBORIST REPRESENTATIVE CREDENTIALS]



**Bartlett Tree Experts**  
Wilmington, NC Office  
2725 Old Wrightsboro Rd  
Wilmington, North Carolina 28405  
910-444-1907  
[www.bartlett.com](http://www.bartlett.com)

## TABLE OF CONTENTS

MAKING THE MOST OF YOUR INVENTORY MANAGEMENT PLAN .....	1
Who's Who.....	1
Subject Trees.....	2
Definitions & Bolded Terms.....	2
How This Document is Organized.....	2
EXECUTIVE SUMMARY .....	4
INTRODUCTION .....	6
GOALS & OBJECTIVES .....	6
DATA COLLECTION & TREE INSPECTION METHODOLOGY .....	7
Data Collection Equipment & Attribute Data.....	7
Specifications/Definitions.....	8
Tree Risk Assessment Limitations.....	10
TREE RISK ASSESSMENT RECOMMENDATIONS .....	13
Tree Risk Assessments and Mitigation.....	13
STAND DYNAMICS RESULTS .....	21
Stand Dynamics .....	22
RECOMMENDATIONS .....	33
Soil Care.....	34
Plant Health Care .....	44
Tree Pruning.....	46
Structural Support Systems.....	57
Lightning Protection Systems.....	60
Tree Removal.....	62
ENTIRE INVENTORY .....	64
ADDITIONAL RESOURCES.....	68
GLOSSARY OF TERMS.....	69

# City of Southport - Franklin Square Park 2025 Tree Inventory and Management Plan

## **MAKING THE MOST OF YOUR INVENTORY MANAGEMENT PLAN**

Those who operate a large business or institution understand how inventory impacts operations and budgeting. One must know what's there, how much or how many, and where it all is. But the task doesn't end there. To obtain the greatest benefit from inventory, owners or their designers must manage it. Are a company's tools, for example, old and defective, in need of repair, in short supply, or useless and taking up space that could be better occupied? A good management plan will address these issues and keep the inventory current, in good condition, and functioning for the benefit and safety of those involved.

Managing trees on a large property can seem like an overwhelming task, but the same principles of inventory management apply. This inventory and management plan should provide managers with the data they need to develop realistic budgets for their tree maintenance needs, and it will help make Franklin Square Park in Southport, NC a safer and more beautiful environment.

The following tips will assist you in making the most of this document:

### **Who's Who**

Those who conducted the inventory and prepared this document are members of the Bartlett Consulting team. They are also employees of Bartlett Tree Experts. The Bartlett Consulting team is overseen by Consulting Advisors, strategically placed throughout the company footprint. The advisors are primarily charged with client support, coordination, quality control, and documentation of inventories and related data. Extensively trained Consulting Arborists from the local Bartlett Tree Experts offices are the primary data collectors and authors of the management plans. Readers may interpret the terms "Bartlett Tree Experts," "Bartlett," "the Inventory Team," "the team," "we," and "our" as the Bartlett company and those who conducted the inventory and prepared this management plan. In addition to the primary author(s) listed on the cover page, Team Member(s) involved in this project included:

#### **Consulting Advisor**

#### **John Colavecchio, Consulting Advisor**

Registered Consulting Arborist 649

ISA Board Certified Master Arborist #NE-1070B

Tree Risk Assessment Qualified

## Subject Trees

In this document, the term "subject trees" refers (depending on context) to some, or all the 48 trees included in the inventory.

## Definitions & Bolded Terms

Some definitions or specifications are detailed within a given section to explain how readers should interpret certain terms or classifications. We have also appended a Glossary for other terms that appear throughout the document. The first reference to each of these terms appears in **bold** for the reader's convenience.

## How This Document is Organized

An outline appears below that introduces the order in which the sections of the management plan will appear. The management plan layout is as follows:

- **Table of Contents**
  - Road map for the management plan
- **Making the Most of Your Inventory Management Plan**
  - Explanations for how to efficiently and effectively understand and navigate this management plan document
- **Executive Summary**
  - Synopsis of the major findings and recommendations
- **Introduction**
  - Brief explanation of the inventory and what was included
- **Goals & Objectives**
  - Explanation of the specific goals and objectives for this inventory
- **Data Collection & Tree Inspection Methodology**
  - Lists, explanations, and definitions of all data collected during the inventory
- **Tree Risk Assessment Recommendations**
  - Recommend Level 2 basic tree risk assessments and Level 3 *advanced assessments* where applicable
- **Stand Dynamics Results**
  - Summary information for the entire tree population inventoried

- **Recommendations**
  - Summary of all recommendations made during the inventory including associated table and map displays, explanations and examples, and figures if applicable
- **Defects or Observations**
  - List of all trees observed to have defects in the field in a table view with associated descriptive figures and maps if applicable
- **Entire Inventory**
  - List of all trees collected in a table display
- **Additional Resources**
  - Listing of all appended items for this management plan

## EXECUTIVE SUMMARY

In November 2025, the Bartlett Consulting Team from Bartlett Tree Experts conducted an inventory of trees in Franklin Square Park, Southport, NC. We identified 48 trees, which included 5 species. The attributes that we collected include tree latitude and longitude, size, size, age and condition class, and a visual assessment of tree structure, health, and **vigor**.

We conducted the attribute collection using a sub-meter accuracy Global Navigation Satellite System (GNSS) receiver with an error-in-location potential of not greater than three meters. Our recommendations for the subject trees are based on the number of desired management cycles. All tree work activities will comply with current American National Standards Institute (ANSI) Z133.1 requirements for safety.

### **Tree Risk Assessment Recommendations**

Perform tree risk assessments for the 17 trees (35%) which we found defects or concerns that prompted the recommendations. Risk mitigation assessments will comply with current ANSI A300 standard practices and International Society of Arboriculture (ISA) Best Management Practices (BMP).

### **Level 3 Advanced Assessment Recommendations**

Provide *Level 3 Advanced assessments* for 17 trees (35%) to evaluate the potential loss of structural integrity that may increase the potential for failure.

### **Soil Sampling**

Taking soil samples throughout planting beds and actively managed areas. Soil analysis provides information on the presence of soil nutrients, pH, organic matter, and cation exchange capacity.

### **Bulk Density Sampling**

Taking bulk density samples throughout planting beds and actively managed areas to determine the amount of soil compaction.

### **Soil Rx®**

Apply Bartlett's Soil Rx® program to 9 trees (19%) to correct nutrient deficiencies and optimize soil conditions for the designated trees.

### **Root Invigoration™**

Perform Bartlett's patented Root Invigoration™ on 6 trees (13%) to improve aeration and promote more efficient root growth, especially for high-value trees in disturbed areas.

### **Mulching**

Wherever possible, apply 2-4 inches of mulch within the root zone to help moderate soil temperatures, reduce soil moisture loss, reduce soil compaction, provide nutrients, improve soil structure, and keep mowers and string trimmers away from tree trunks. The best mulch materials are wood chips, bark nuggets, composted leaves, or pine needles. To avoid potential disease problems, mulch should not be placed directly against the trunk.

### **Root Collar Excavations**

Perform **root collar** excavations to 20 trees (42%) to lower risk of damaging conditions such as **girdling roots**, basal cankers, masking of root decay and lower-stem decay, and predisposing trees to various insect and disease pests.

### **Plant Health Care (PHC)**

Implement Bartlett's PHC program to monitor pests and diseases on the subject trees. Treatments are therapeutic and preventive, and treatment timing is based on pest life cycle.

### **Pruning**

Prune 44 trees (92%) for safety, health, structure, and appearance. Pruning will comply with current ANSI A300 standard practices for pruning.

### **Structural Support**

There are structural support system recommendations for 6 trees (13%) to reduce risk of branch or whole tree failure. All structural support systems will comply with current ANSI A300 standard practices for supplemental support systems.

### **Lightning Protection**

There are lightning protection system recommendations for 15 trees (31%) to try and intercept lightning strikes and conduct them to the ground. All lightning protection systems will comply with current ANSI A300 standard practices for lightning protection systems.

### **Removals**

Remove 1 tree (2%) due to condition or because of their location in relation to other trees to try and prevent competition or damage to infrastructure.

## INTRODUCTION

In November 2025, the City of Southport, North Carolina retained Bartlett Tree Experts to perform an inventory of trees in Franklin Square Park. The park was located east of N Howe St, between E West St and E Nash St. Zachary LeBlanc visited the site on November 21, 2025, to conduct the inventory.

The inventory included:

- identifying trees and assigning a Tree ID number (Tree ID numbers ranging from 1 to 54), this inventory contains 48 trees as 6 trees had been removed;
- identifying the trees' condition, health, and vigor;
- recommending Level 2 basic tree risk assessments and Level 3 *advanced assessments*;
- recommending pruning and removals of appropriate trees and tree parts;
- recommending tree care, soil care, structural support, and pest management treatments to promote tree safety, health, appearance, and longevity; and
- mapping the trees using GNSS hardware and Geographic Information System (GIS) software, and Bartlett Tree Experts' ArborScope™ web-based management system

The methods and procedures we used to make the above determinations and recommendations are detailed in the following sections.

## GOALS & OBJECTIVES

An effective management plan communicates clear goals and the specific objectives designed to carry out those goals. We intend "goal" to mean the overall aim or result we expect to achieve for the client in producing the inventory and management plan. The objectives are the specific actions taken or recommended to support goal completion. The table below describes each goal and its corresponding objective(s).

## GOALS & OBJECTIVES

GOAL	OBJECTIVES TO ACCOMPLISH GOAL
<b>Establish the tree inventory (per numbers agreed) on the City of Southport - Franklin Square Park 2025 site.</b>	<ul style="list-style-type: none"> <li>• Using Trimble® Catalyst DA2 GNSS receiver and ArborScope™ Inventory Management Tools, collect data such as tree name, location, size, age class, and condition class.</li> <li>• Assign a Tree ID number to each tree inventoried.</li> </ul>
<b>Provide mechanism for managing inventory, recommendations, and related budget planning.</b>	<ul style="list-style-type: none"> <li>• Provide map or maps of the inventoried trees to assist the client in managing property areas.</li> <li>• Submit a comprehensive management plan that documents and organizes findings and provides other resources to assist the client in efficient use of the information.</li> </ul>
<b>Maximize client understanding and implementation of management plan.</b>	<ul style="list-style-type: none"> <li>• Include in management plan specific explanations and visuals related to plan recommendations.</li> <li>• Provide appended resources that address health, procedures, and standards related to tree care.</li> <li>• Make periodic contact with client to follow up and answer any questions about the management plan's contents.</li> </ul>
<b>Maximize immediate and long-term tree health and aesthetics.</b>	Implement recommended plant-health-care program that uses <ul style="list-style-type: none"> <li>• integrated pest management</li> <li>• soil care</li> <li>• maintenance pruning</li> </ul>
<b>Recommend tree risk assessment to help manage immediate and long-term risk associated with trees in high-use areas.</b>	Recommended risk-assessment measures that include <ul style="list-style-type: none"> <li>• Level 2 basic tree risk assessments</li> </ul> Level 3 <i>advanced assessments</i>

## DATA COLLECTION & TREE INSPECTION METHODOLOGY

In conducting the inventory, we used specialized equipment and software and followed specific procedures to determine tree characteristics and recommendations. The following explanation will assist the reader in interpreting the findings of this management plan.

### Data Collection Equipment & Attribute Data

The Inventory Team used Trimble® Catalyst DA2 GNSS receivers, TerraFlex® and Connect software, and Bartlett Tree Experts' ArborScope™ web-based management system to inventory the trees. The attribute data we collected on site are listed below.

- botanical name and regional common name according to local ISA Chapter Tree Species List

- tree location based on GPS coordinate system
- tree ID number
- diameter at breast height (**DBH**)
- canopy radius
- age class
- height class
- condition class
- root zone infringement, based on **dripline** and estimated **grayscale** (e.g., sidewalks) impact on root zone
- infrastructure interaction (between trees and grayscale that may cause an undesirable condition)
- Tree & Shrub Work phase (based on number of desired management cycles)
- pruning category
- need for and inspection of existing structural support systems
- need for and inspection of existing lightning protection systems
- need for Level 2 basic assessment of tree risk
- need for *Level 3 Advanced assessment* for tree risk
- tree removals
- soil care recommendations
- plant health care recommendations
- noted defects/observations
- observed pests/diseases

## Specifications/Definitions

### Age Class

<b>New Planting</b>	Tree not yet established
<b>Young</b>	Established tree but not in the landscape for many years
<b>Semi-mature</b>	Established tree but has not yet reached full growth potential
<b>Mature</b>	Tree within its full growth potential
<b>Over-mature</b>	Tree that is declining or beginning to decline due to its age

## Height Class

<b>Small</b>	Less than 15 feet
<b>Medium</b>	15 to 40 feet
<b>Large</b>	Greater than 40 feet

## Condition Class

### Dead

**Poor** Most of the canopy displays dieback and undesirable leaf color, inappropriate leaf size, or inadequate new growth. tree or parts of tree are in the process of failure.

**Fair** Parts of canopy display undesirable leaf color, inappropriate leaf size, and inadequate new growth. Parts of the tree are likely to fail.

**Good** Tree health and condition are acceptable.

## Tree & Shrub Work Phase

Tree & Shrub Work phase takes into consideration tree species, condition, location, age, and proximity to infrastructure. We intend for this rating system to assist decision makers in prioritizing risk mitigation, tree pruning, cabling and bracing, and tree lightning protection recommendations. *Trees with an ASAP and an overall tree risk rating of extreme or high (see definitions in the next section) should be addressed immediately.* Prioritization does not take into account any budgetary or financial considerations.

Phase 1, 2, 3, 4, and 5 are all based on observations by the inventory arborist according to the manager's goals. The following additional information clarifies each priority:

**ASAP** Trees with recommendations that should be addressed As Soon As Possible.

**Phase 1** Typically addressed in the first management cycle. Trees located in high-use sites, have a high aesthetic value, have an elevated *overall tree risk rating*, and/or parts that are currently in conflict with infrastructure.

**Phase 2** Typically addressed in the second management cycle. Trees with moderate aesthetic value don't have an elevated *overall tree risk rating*, and/or parts that are anticipated to be in conflict with infrastructure.

**Phase 3** Typically addressed in the third management cycle. Tree parts that are anticipated to be in conflict with infrastructure and/or recommendations based on anticipated growth.

**Phase 4** Typically addressed in the fourth management cycle. Recommendations are for future consideration and anticipated growth.

**Phase 5** Typically addressed in the fifth management cycle. Recommendations are for future consideration and anticipated growth.

## Pruning Category

All trees identified in this management plan that have tree care recommendations are listed within a specific pruning category. Trees within each pruning category can be prioritized by the specific goals of the manager. It is recommended that specific goals be discussed prior to any pruning.

<b>Risk Mitigation</b>	This goal requires pruning of any tree where risk mitigation should take precedence over other pruning goals. Typically aims to reduce the <i>overall tree risk rating</i> by branch removal and/or branch reduction.
<b>Maintenance</b>	This goal typically requires routine pruning of large/mature trees. Includes branch removal and/or branch reduction to help reduce <i>likelihood of failure</i> and/or conflict with infrastructure. Trees with this goal are typically climbed or require the use of aerial lifts and/or other specialized equipment.
<b>Developmental</b>	This goal typically requires routine pruning of small/young trees. Includes structural pruning to develop a strong central stem, establish proper branch spacing, and/or develop branch structure.
<b>Ornamental</b>	This goal typically requires pruning of small trees. Includes reduction and/or shearing to its desired shape, size, and/or structure.
<b>Specialized</b>	Trees with this goal require a unique treatment that may include, but not limited to, targeted pruning cuts, removal of nuisance fruit/parasitic plants, and/or rejuvenation/internodal pruning.

\* The listed descriptions of goals, tools, and/or techniques are not limited to these definitions. Specific individual goals and species profiles should guide the pruning recommendations.

## Tree Risk Assessment Limitations

In accordance with industry standards, tree risk ratings are derived from a combination of three factors: the *likelihood of failure*, the *likelihood of the failed tree part impacting a target*, and the *consequences* of the target being struck. The guidelines used to classify each of these factors are presented in the *ISA's BMP for Tree Risk Assessment* and guidelines developed by the Bartlett Tree Research Laboratories. *These factors are then used to categorize tree risk as Extreme, High, Moderate, or Low.* The factors used to define your risk ratings are identified in this report. An explanation of terms used in this report appears in the glossary located in the appendix. The information provided in this report is based on the conditions identified at the time of inspection. Tree conditions do change over time, so reassessment is recommended annually and after major storm events.

## Limitations of Tree Risk Assessments

It is important for the tree owner or manager to know and understand that all trees pose some degree of risk from failure or other conditions. The information and recommendations within this report have been derived from the level of tree risk assessment identified in this report, using the information and practices outlined in the *International Society of Arboriculture's Best Management Practices for Tree Risk Assessment*, as well as the information available at the time of the inspection. However, the *overall tree risk rating*, the mitigation recommendations, or any other conclusions do not preclude the possibility of failure from undetected conditions, weather events, or other acts of man or nature. Trees can unpredictably fail even if no defects or other conditions are present. It is the responsibility of the tree owner or manager to schedule repeat or *Advanced assessments*, determine actions, and implement follow up recommendations, monitoring and/or mitigation.

Bartlett Tree Experts can make no warranty or guarantee whatsoever regarding the safety of any tree, trees, or parts of trees, regardless of the level of tree risk assessment provided, the risk rating, or the residual risk rating after mitigation. The information in this report should not be considered as making safety, legal, architectural, engineering, landscape architectural, land surveying advice or other professional advice. This information is solely for the use of the tree owner and manager to assist in the decision making process regarding the management of their tree or trees. Tree risk assessments are simply tools which should be used in conjunction with the owner or tree manager's knowledge, other information and observations related to the specific tree or trees discussed, and sound decision making.

For this inventory, none of the subject trees were assessed for risk. As such, no overall risk ratings were assigned to any tree. All 48 subject trees were recommended for a Level 2 basic tree risk assessment. The 17 trees recommended for Level 3 *advanced assessments are listed in the following section of this report.*

# TREE RISK ASSESSMENT RECOMMENDATIONS



## TREE RISK ASSESSMENT RECOMMENDATIONS

In reviewing the results and recommendations, the reader will find useful the specifications and definitions detailed in the preceding methodology. We used the following categories to organize recommendations, which are displayed in tables:

- **Subject Trees Summarized According to:**
  - Tree Risk Assessment Recommendations
  - *Level 3 Advanced Assessment* Recommendations

### Tree Risk Assessments and Mitigation

As part of the inventory process, the Inventory Team recommends a Level 2 Basic assessment from the ground. While every tree poses a risk, typically low, any trees that were found to have conditions that posed a hazardous situation, prompting the arborists to recommend going through the steps outlined in the Tree Risk Assessments, Limitations, and Glossary section of this plan. *Overall Tree Risk Ratings* will be assigned to these trees at the completion of the Level 2 basic tree risk assessment process.

The Consulting Arborist can determine whether some aspect of tree structure or health indicates that a more comprehensive tree structure evaluation, called a Level 3 *advanced assessment*, is needed to more thoroughly evaluate tree condition and *likelihood of failure*.



**Fungal conk on live oak #5 necessitates a *Level 3 Advanced assessment* to more thoroughly assess risk of failure.**

In such cases, we may recommend *Level 3 advanced assessments* of the roots, stem, or crown. These assessments may include climbing inspections, examination of the root system using a compressed-air tool (that avoids damage to roots and underground utilities), resistance-recording drilling, or sonic tomography that produces a visual representation of internal conditions based on how sound moved through the tree. The goal is to use the appropriate method to evaluate impact of wood decay in stems and buttress roots that show potential for failure and to determine presence and condition of the root system. Once those *Level 3 Advanced assessments* are completed, more specific recommendations can be made, such as remediation, maintenance, or removal.

All 48 subject trees are recommended for a *Level 2 basic tree risk assessment*. The *Tree Risk Recommendations Table* below summarizes those trees recommended for *Level 3 Advanced assessments*. The table is organized by *Tree & Shrub Work Phase* (ascending order), and finally by *Tree ID* (ascending order).

**TREE RISK ASSESSMENT RECOMMENDATIONS (17 Trees)**

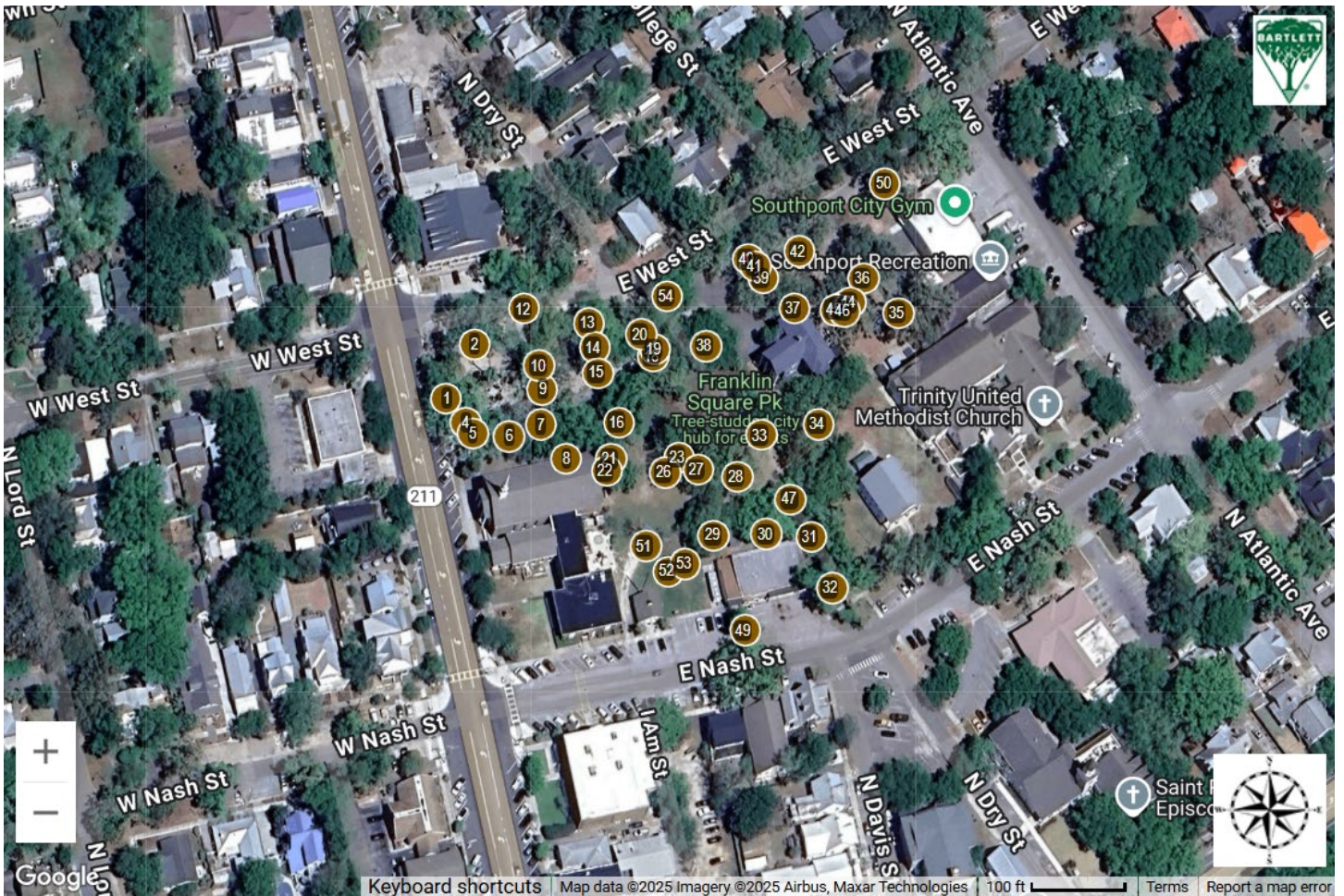
Tree ID	Common Name	DBH	Condition	Tree & Shrub Work Phase	Recommendation	Defect(s) or Observation(s)
16 *	Oak-Live	46	Fair	1	<ul style="list-style-type: none"> <li>• <i>Level 3 Advanced Assessment:</i> Stem</li> <li>• Prune: Reduce weight of branch ends</li> <li>• LP</li> </ul>	<ul style="list-style-type: none"> <li>• Cavity-stem</li> <li>• Fungi/conks</li> <li>• Lean</li> </ul>
31 *	Oak-Live	48	Fair	1	<ul style="list-style-type: none"> <li>• <i>Level 3 Advanced Assessment:</i> Stem and Root</li> <li>• Prune: Reduce risk of branch stem and/or root failure</li> <li>• Prune: Clearance</li> <li>• RCX</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Cavity-branch</li> <li>• Dead branches &gt;2</li> <li>• Wound-root flare</li> <li>• Wound-stem</li> </ul>
35 *	Oak-Live	62	Fair	1	<ul style="list-style-type: none"> <li>• <i>Level 3 Advanced Assessment:</i> Crown and Stem</li> <li>• Prune: Clearance</li> <li>• Prune: Reduce risk of branch stem and/or root failure</li> <li>• Prune: Reduce weight of branch ends</li> <li>• LP</li> <li>• RCX</li> <li>• Cable: Inspect</li> <li>• Brace Rod: Inspect</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Co-dominant stems</li> <li>• Crack-stem</li> <li>• Dead branches &gt;2</li> <li>• Fungi/conks</li> </ul>
4 *	Oak-Live	39	Fair	2	<ul style="list-style-type: none"> <li>• <i>Level 3 Advanced Assessment:</i> Crown and Stem</li> <li>• Prune: Reduce weight of branch ends</li> <li>• Prune: Improve appearance</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Lean</li> <li>• Wound-branch</li> </ul>
9 *	Oak-Live	30	Fair	2	<ul style="list-style-type: none"> <li>• <i>Level 3 Advanced Assessment:</i> Stem</li> <li>• Prune: Reduce risk of branch stem and/or root failure</li> <li>• Prune: Reduce weight of branch ends</li> </ul>	<ul style="list-style-type: none"> <li>• Fungi/conks</li> <li>• Overextended branch</li> <li>• Wound-stem</li> </ul>
18 *	Oak-Live	29	Fair	2	<ul style="list-style-type: none"> <li>• <i>Level 3 Advanced Assessment:</i> Stem</li> <li>• Prune: Reduce weight of branch ends</li> </ul>	<ul style="list-style-type: none"> <li>• Cavity-stem</li> <li>• Overextended branch</li> </ul>

Tree ID	Common Name	DBH	Condition	Tree & Shrub Work Phase	Recommendation	Defect(s) or Observation(s)
27 *	Oak-Live	27	Fair	2	<ul style="list-style-type: none"> <li>• <i>Level 3 Advanced Assessment:</i> Stem and Root</li> <li>• Prune: Reduce weight of branch ends</li> </ul>	<ul style="list-style-type: none"> <li>• Lean</li> <li>• Wound-root flare</li> </ul>
29 *	Oak-Live	40	Fair	2	<ul style="list-style-type: none"> <li>• <i>Level 3 Advanced Assessment:</i> Stem</li> <li>• Prune: Clearance</li> <li>• RCX</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Lean</li> </ul>
43 *	Oak-Live	37	Fair	2	<ul style="list-style-type: none"> <li>• <i>Level 3 Advanced Assessment:</i> Stem and Root</li> <li>• Prune: Reduce weight of branch ends</li> <li>• Prune: Improve appearance</li> <li>• LP</li> <li>• Cable: Inspect</li> </ul>	<ul style="list-style-type: none"> <li>• Cavity-root flare</li> <li>• Dead branches &lt;=2</li> <li>• Lean</li> <li>• Low vigor</li> <li>• Overextended branch</li> </ul>
45 *	Oak-Live	46	Fair	2	<ul style="list-style-type: none"> <li>• <i>Level 3 Advanced Assessment:</i> Stem and Root</li> <li>• Prune: Reduce weight of branch ends</li> <li>• Prune: Clearance</li> <li>• LP</li> <li>• Cable: Inspect</li> </ul>	<ul style="list-style-type: none"> <li>• Cavity-stem</li> <li>• Fungi/conks</li> <li>• Low vigor</li> <li>• Overextended branch</li> <li>• Wound-root flare</li> </ul>
46 *	Oak-Live	34	Fair	2	<ul style="list-style-type: none"> <li>• <i>Level 3 Advanced Assessment:</i> Root</li> <li>• Prune: Reduce weight of branch ends</li> <li>• Prune: Reduce risk of branch stem and/or root failure</li> <li>• Cable: Inspect</li> </ul>	<ul style="list-style-type: none"> <li>• Dead branches &gt;2</li> <li>• Overextended branch</li> <li>• Wound-stem</li> </ul>
49 *	Oak-Sand Live	33	Fair	2	<ul style="list-style-type: none"> <li>• <i>Level 3 Advanced Assessment:</i> Stem</li> <li>• Prune: Improve appearance</li> <li>• RCX</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Dead branches &lt;=2</li> <li>• Wound-root flare</li> </ul>
8 *	Oak-Live	53	Fair	3	<ul style="list-style-type: none"> <li>• <i>Level 3 Advanced Assessment:</i> Stem and Root</li> <li>• Prune: Clearance</li> <li>• LP</li> <li>• RCX</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Cavity-stem</li> <li>• Wound-branch</li> </ul>
10 *	Oak-Live	30	Fair	3	<ul style="list-style-type: none"> <li>• <i>Level 3 Advanced Assessment:</i> Stem</li> <li>• Prune: Reduce weight of branch ends</li> </ul>	<ul style="list-style-type: none"> <li>• Lean</li> <li>• Wound-root flare</li> <li>• Wound-stem</li> </ul>

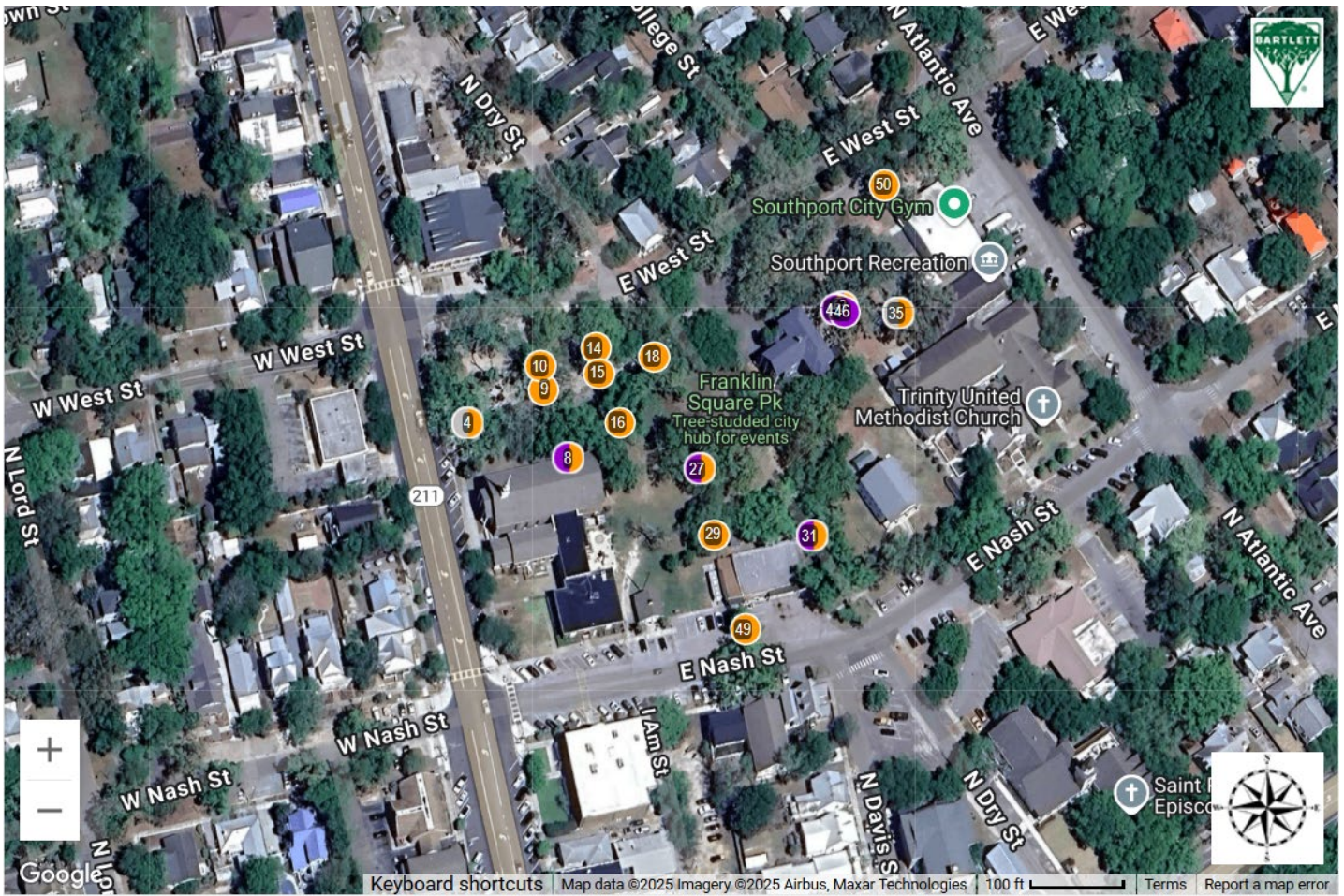
Tree ID	Common Name	DBH	Condition	Tree & Shrub Work Phase	Recommendation	Defect(s) or Observation(s)
14 *	Oak-Live	44	Fair	3	<ul style="list-style-type: none"> <li>• <i>Level 3 Advanced Assessment:</i> Stem</li> <li>• Prune: Improve appearance</li> <li>• LP</li> </ul>	<ul style="list-style-type: none"> <li>• Wound-root flare</li> <li>• Wound-stem</li> </ul>
15 *	Oak-Live	30	Fair	3	<ul style="list-style-type: none"> <li>• <i>Level 3 Advanced Assessment:</i> Stem</li> <li>• Prune: Reduce weight of branch ends</li> <li>• RCX</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Cavity-stem</li> <li>• Wound-root</li> <li>• Wound-root flare</li> </ul>
50 *	Oak-Live	53	Fair	3	<ul style="list-style-type: none"> <li>• <i>Level 3 Advanced Assessment:</i> Stem</li> <li>• Prune: Clearance</li> <li>• Prune: Reduce weight of branch ends</li> <li>• RCX</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Wound-stem</li> </ul>

\*Tree has a Mitigation Recommendation and a *Level 3 Advanced Assessment* Recommendation. Outcome of the *Level 3 Advanced assessment* will guide the final recommendations.

# INVENTORIED TREES RECOMMENDED FOR A BASIC TREE RISK ASSESSMENT



**INVENTORIED TREES RECOMMENDED FOR LEVEL 3 ADVANCED ASSESSMENTS**



# STAND DYNAMICS RESULTS



## STAND DYNAMICS RESULTS

In reviewing the results and recommendations, the reader will find useful the specifications and definitions detailed in the preceding methodology above. We used the following categories to organize the stand dynamics results, which are displayed in tables:

- **Subject Trees Summarized According to:**
  - Tree Species Identified
  - Condition Class
  - Age Class
  - Tree Size per DBH
  - Estimated Tree Asset Value
  - Tree Location Value

Where appropriate, we have included explanations, photos, drawings, or other information to illuminate the table contents.

## Stand Dynamics

### Tree Species Identified

Our inventory revealed 5 species of trees, as detailed in the following table:

#### TREE SPECIES IDENTIFIED

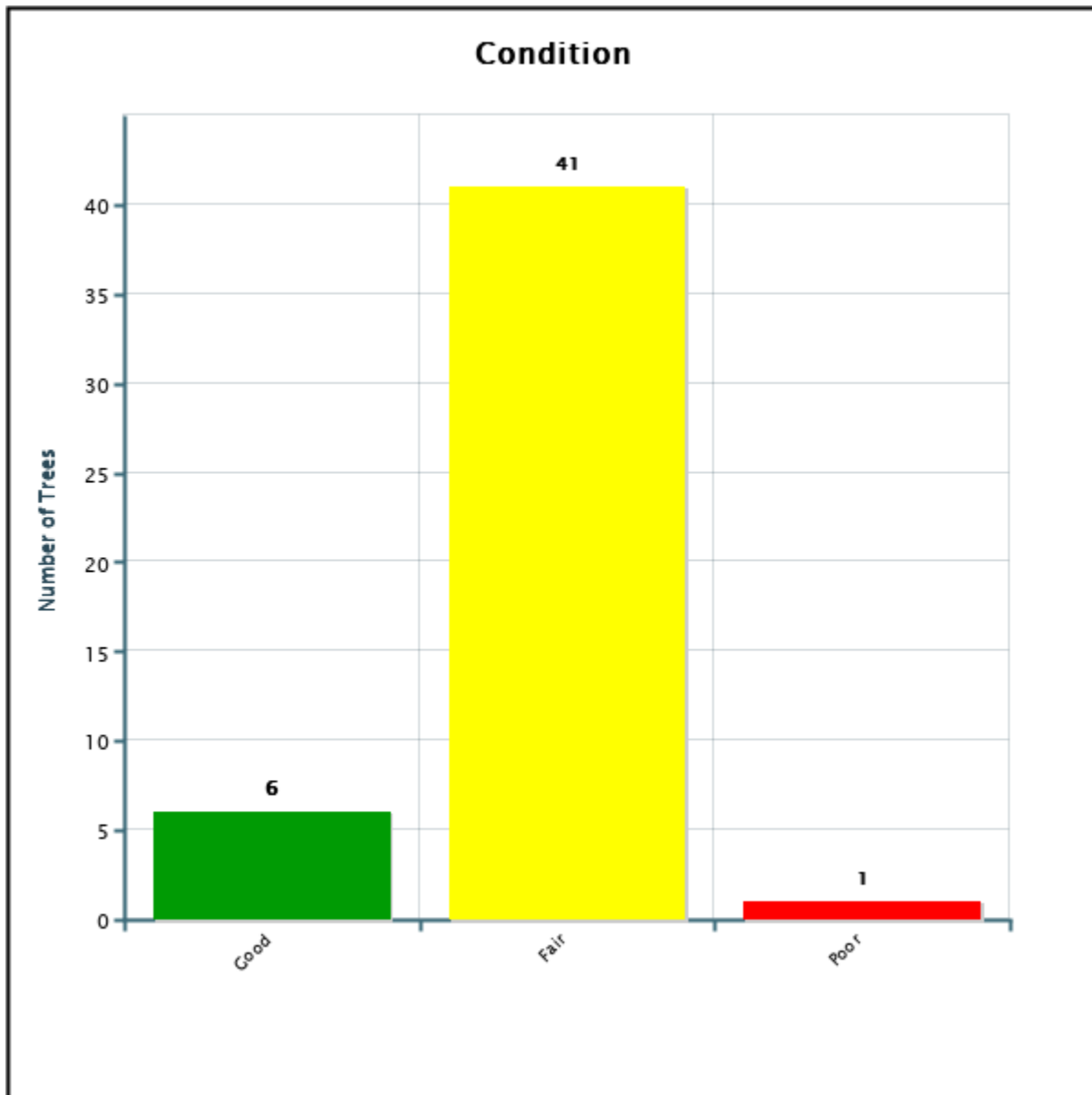
Genus	Species	Common Name	Count	% Distribution Total
<i>Carya</i>	<i>illinoensis</i>	Pecan	1	2%
<i>Prunus</i>	<i>serotina</i>	Cherry-Black	1	2%
<i>Quercus</i>	<i>geminata</i>	Oak-Sand Live	1	2%
	<i>hemisphaerica</i>	Oak-Laurel	1	2%
	<i>virginiana</i>	Oak-Live	44	92%
<b>Quercus Total</b>			<b>46</b>	<b>96%</b>
<b>Grand Total</b>			<b>48</b>	<b>100%</b>

## Condition Class

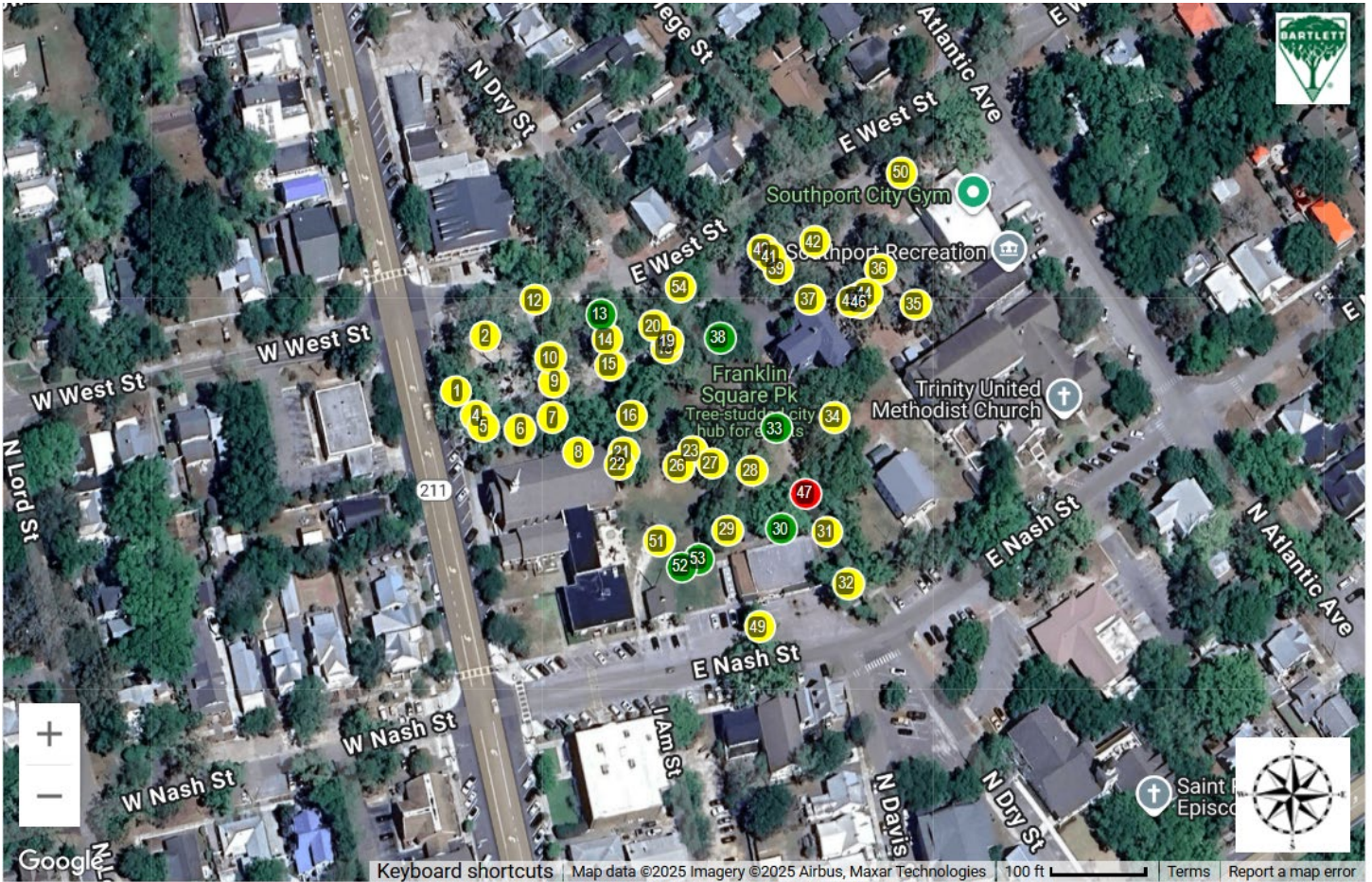
The breakdown of tree condition follows:

### CONDITION CLASS BREAKDOWN

Condition Class	Quantity	% of Total
Good	6	13%
Fair	41	85%
Poor	1	2%



## INVENTORIED TREES BY CONDITION CLASS

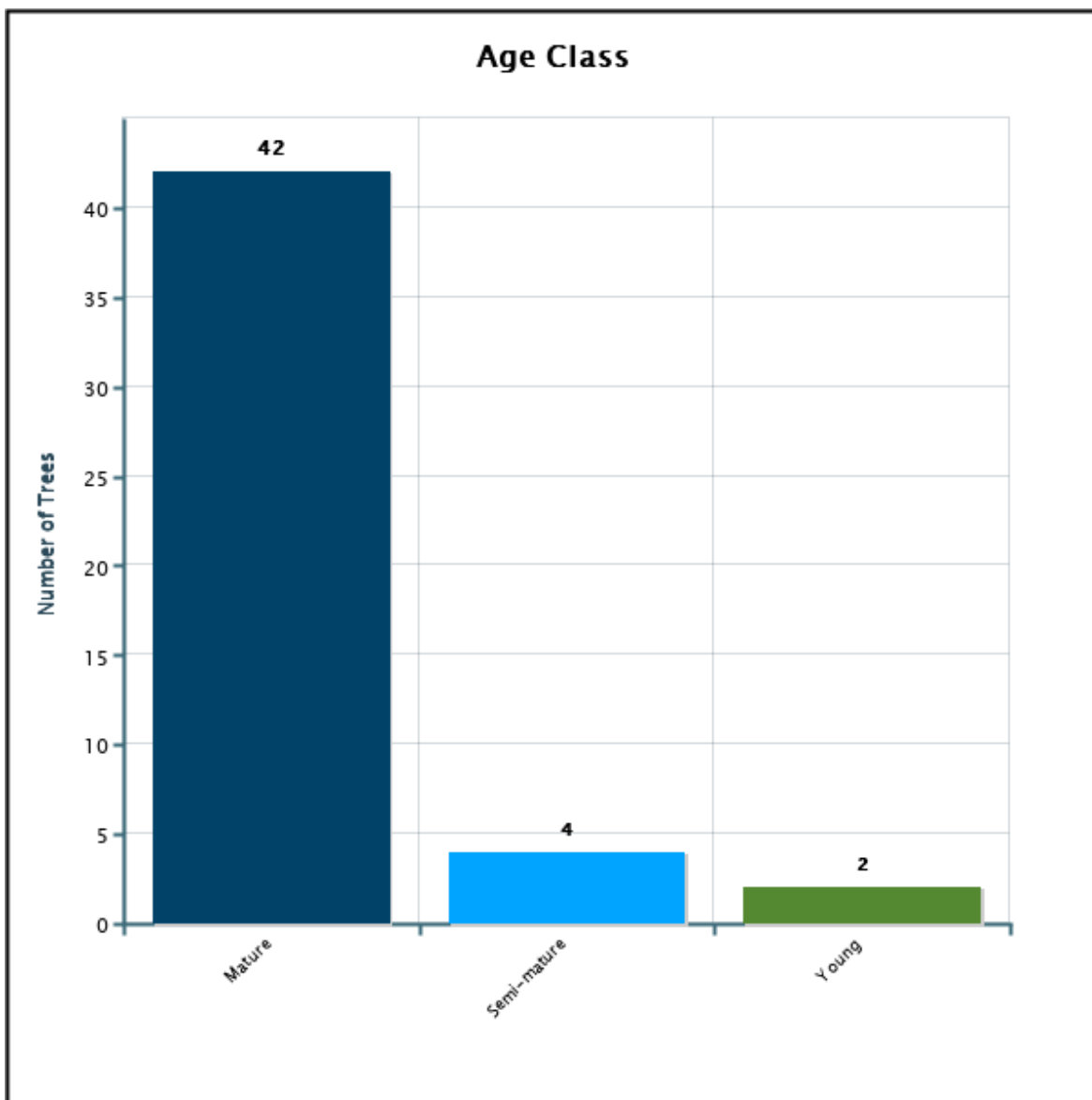


## Age Class

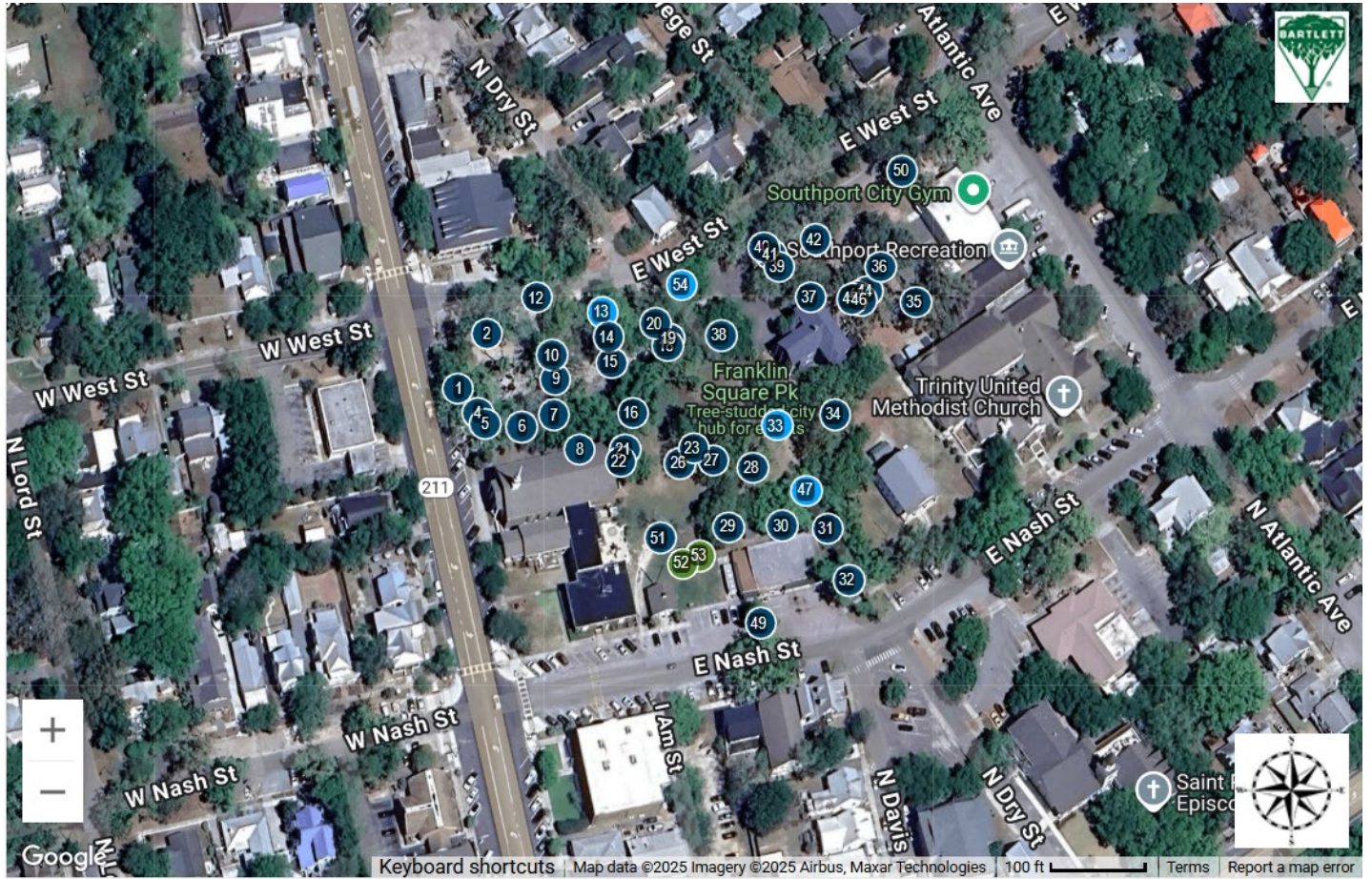
The breakdown of tree age class follows:

### AGE CLASS BREAKDOWN

Age Class	Quantity	% of Total
Mature	42	88%
Semi-mature	4	8%
Young	2	4%



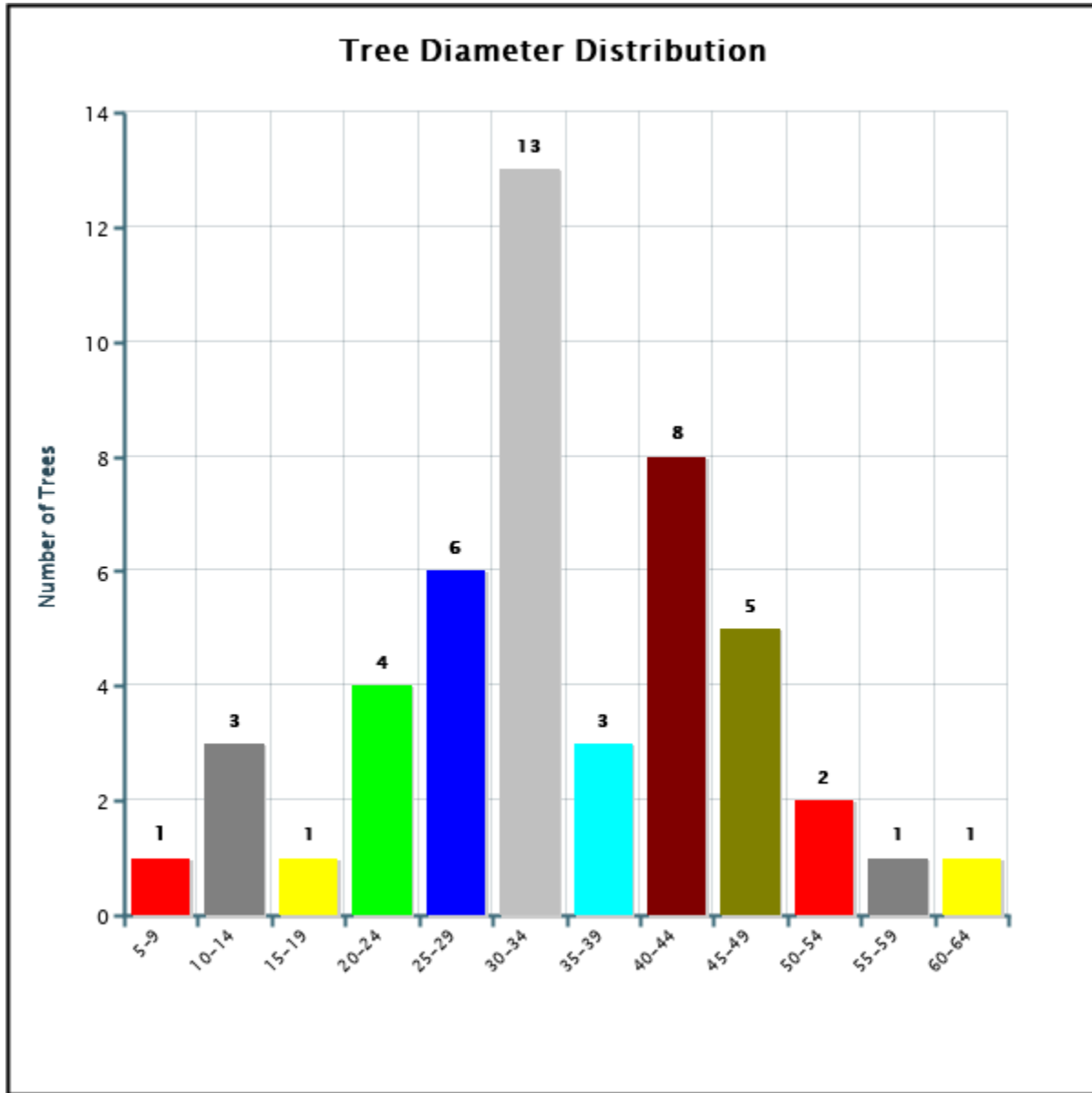
## INVENTORIED TREES BY AGE CLASS



**Age:** ● Young ● Semi-mature ● Mature

## Tree Size (DBH)

The following chart illustrates numbers of trees according to size per DBH:



## Estimated Tree Asset Value

As part of the Bartlett inventory process, we have included an Estimated Tree Asset Value for each tree and a cumulative total for all trees inventoried. We use an average per square inch nursery price, size (DBH), species factor, condition factor, and location factor to estimate the tree asset value. This is not intended to replace a tree appraisal.

The following data fields are used in this formula:

Data Field	Description
<b>Average Per Square Inch Nursery Price</b>	Based on the average nursery prices for two common tree species and one exotic tree species within a region, then taking the average of those three as the average per square inch price for the region
<b>Size</b>	Based on tree DBH (4.5 feet above grade)
<b>Species Factor</b>	Relative species desirability based on 100% for the tree in that geographical location. In most cases, species desirability ratings, published by the International Society of Arboriculture, are used for adjustment.
<b>Condition Factor</b>	Rating of the tree's structure and health based on 100%
<b>Location Factor</b>	Average rating for the site and the tree's contribution and placement, based on 100%

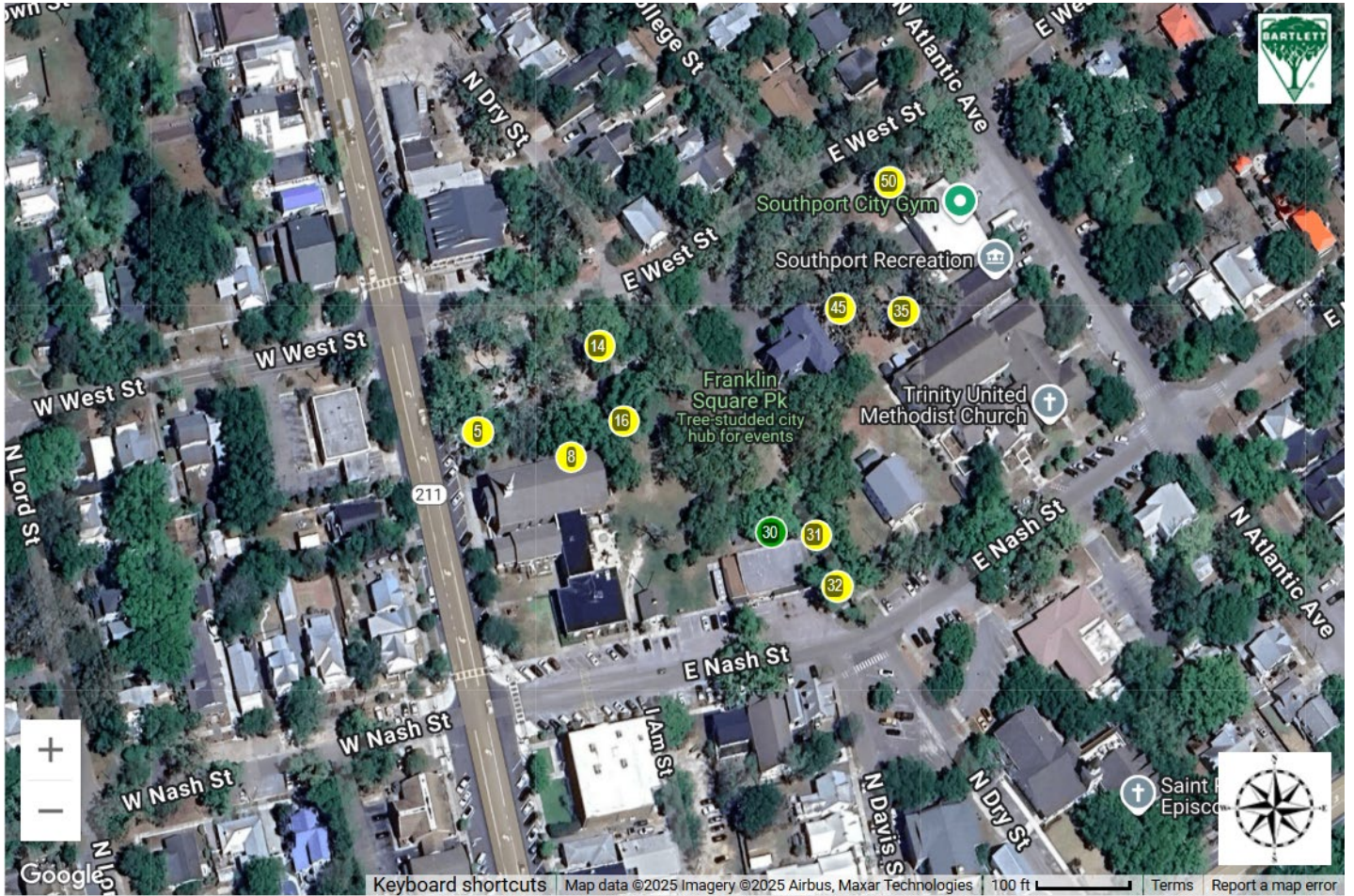
$$\text{Estimated Tree Asset Value} = (\text{Average Per Square Inch Nursery Price} * \text{Size}) * \text{Species Factor} * \text{Condition Factor} * \text{Location Factor}$$

The estimated cumulative total value for all trees inventoried is **\$936,889.00**. The following table lists the ten trees with the highest Tree Asset Values:

### TOP TEN TREES - HIGHEST ESTIMATED TREE ASSET VALUE

Tree ID	Common Name	Genus	Species	DBH	Tree Asset Value
30	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	47	\$43,165.00
35	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	62	\$41,435.00
32	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	56	\$37,584.00
8	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	53	\$35,463.00
50	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	53	\$35,463.00
31	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	48	\$31,640.00
5	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	47	\$30,832.00
16	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	46	\$30,010.00
45	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	46	\$30,010.00
14	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	44	\$28,322.00

### TOP TEN TREES - HIGHEST TREE ASSET VALUE



## Tree Location Value

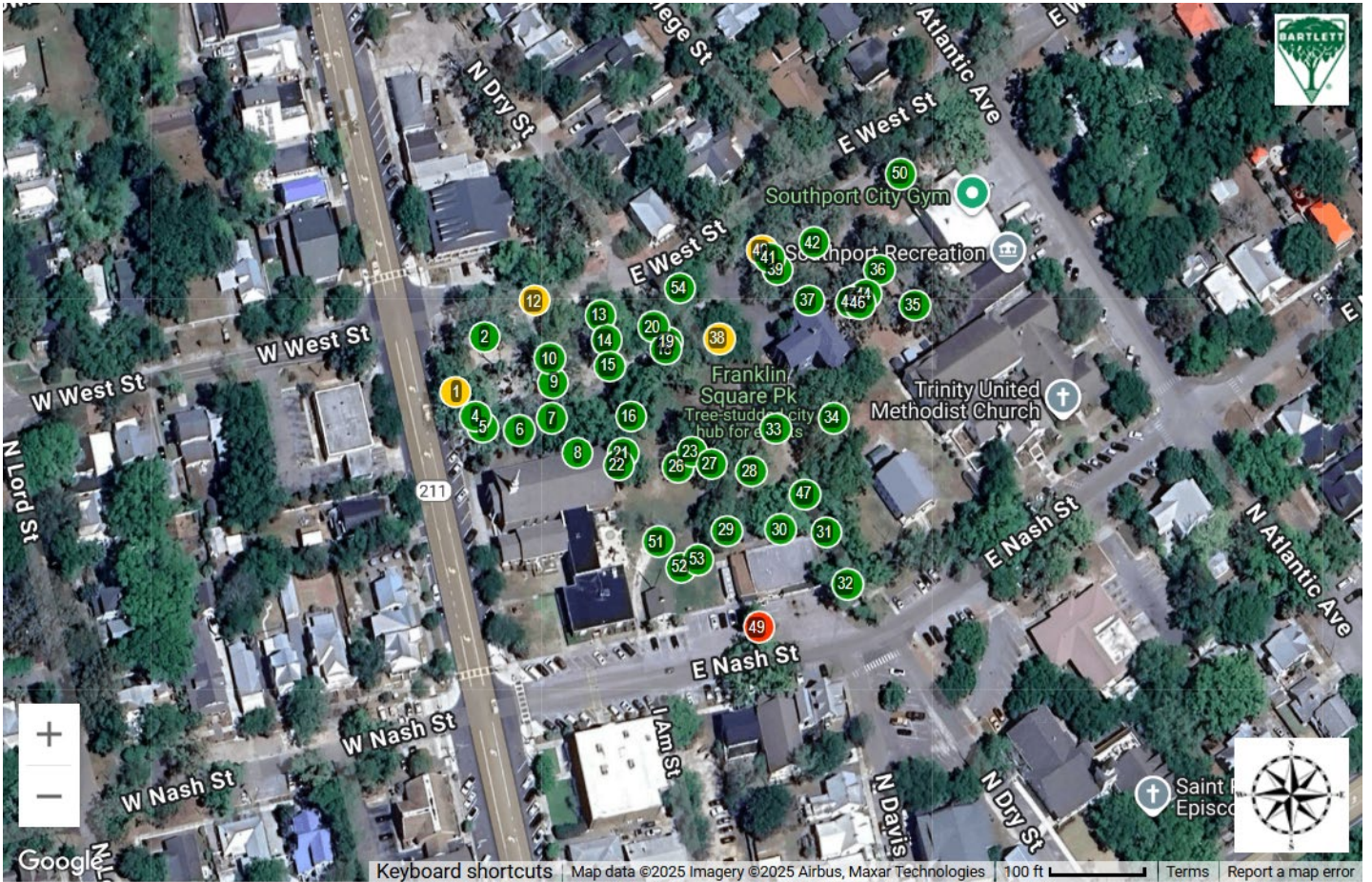
Each tree at Franklin Square Park was assigned a location value of good, fair, or poor. Five trees (10%) were assigned a location value of fair or poor due to present or anticipated conflicts with infrastructure or utilities. Trees with conflicts that can easily be mitigated with a one-time raise or reduction prune were not classified as existing in a fair or poor location.

It is recommended that the remaining 5 trees (10%) with fair, or poor location values and not recommended for removal continue to be monitored for intolerable levels of conflict with the surrounding infrastructure. If the level of conflict continues to increase and cannot be easily mitigated, a removal and replacement program should be considered for these trees. If removal and replacement is deemed appropriate, please consult with your local Bartlett Arborist Representative for information on desirable replacement plantings.

### INVENTORIED TREES WITH A FAIR OR POOR LOCATION VALUE (5 Trees)

Tree ID	Common Name	Location Type	Location Value	DBH	Root Zone Infringement	Nature of Conflict
49	Oak-Sand Live	Street tree	Poor	33	<25%	...
1	Oak-Live	Open	Fair	32	25-50%	<ul style="list-style-type: none"> <li>• Limited rooting space</li> <li>• Proximity to sidewalk</li> <li>• Proximity to wall</li> </ul>
12	Oak-Live	Street tree	Fair	40	25-50%	<ul style="list-style-type: none"> <li>• Proximity to overhead lines</li> <li>• Proximity to parking</li> <li>• Proximity to street</li> </ul>
38	Oak-Live	Open	Fair	28	<25%	<ul style="list-style-type: none"> <li>• Proximity to lighting</li> <li>• Sidewalk lifting (minor)</li> </ul>
40	Oak-Live	Open	Fair	29	51-75%	<ul style="list-style-type: none"> <li>• Proximity to driveway</li> <li>• Proximity to street</li> </ul>

## INVENTORIED TREES WITH A FAIR OR POOR LOCATION VALUE



**Location Value:** ● Good ● Fair ● Poor

# RECOMMENDATIONS



## RECOMMENDATIONS

In reviewing the results and recommendations, the reader will find useful the specifications and definitions detailed in the preceding methodology. We used the following categories to organize the results and recommendations, which are displayed in tables:

### Recommendations

- Soil Care
- Root Collar Excavation
- Plant Health Care
- Tree Pruning
- Structural Support Systems
- Lightning Protection Systems
- Tree Removal

## **Soil Care**

Healthy soil is critical to the health and longevity of trees. Soil provides trees with the essential nutrients required for their growth. Many secondary problems such as reduced vigor, inadequate growth, branch dieback, and pest or disease concerns are related to the primary stress of poor soil conditions. Undisturbed, native forest soils generally contain adequate levels of organic matter, soil microbes, and nutrients. Urban, suburban, and landscape soils (as opposed to forest soils) usually lack these qualities, and are often compacted. In many cases, trees in a landscaped environment suffer from inadequate soil fertility, soil compaction, root zone competition with turf grasses, and inadequate total soil volume. Soil Care treatments should be applied as soon as possible, therefore they do not have a Tree & Shrub Work phase.

Bartlett Tree Experts recommends several procedures and treatments that address soil quality. Taking soil samples is perhaps the most important. Proper tree care cannot be initiated unless it is known what type of soil environment the trees are growing in. Soil testing results can help to create a path forward for improved tree health. We address some of these below.

### **Soil Sampling**

Collecting soil samples and having them tested helps determine nutrients that may be lacking, unfavorable soil pH values, and adequacy of soil organic matter. Laboratory tests and analyses can determine the need for soil amendments.

### **Bulk Density**

Compacted soils are regrettably common in the urban setting. A bulk density test, which requires an undisturbed core sample, measures the level of soil compaction. Arborists can use the results to diagnose problems or to determine what size holes to dig for planting. If soil density exceeds a measured threshold for a given soil type and tree species, we recommend Bartlett's Root Invigoration™ program.

### **Soil Rx®**

Bartlett's Soil Rx® program, which is a prescription soil amendment program, aims to correct nutrient deficiencies and optimize soil conditions for designated trees.

## **Root Invigoration™**

The aim of Bartlett's patented Root Invigoration™ Program is to improve soil conditions by addressing soil compaction and promoting efficient root growth, especially for high-value trees in disturbed areas. The process includes taking soil samples to determine what nutrients are deficient, performing a root collar excavation, "air-tilling" a portion of the root zone to find fine roots, incorporating organic matter, applying soil amendments (based on soil sample), and applying mulch. The area of the root system treated can vary by tree. For the Root Invigoration™ Program to be successful, proper watering techniques must be employed after the process is complete.

## **Mulch Application**

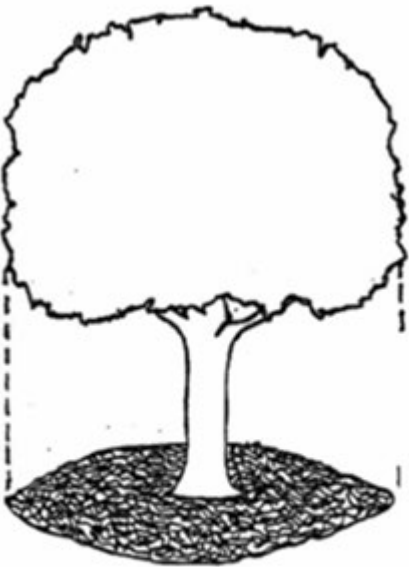
Proper mulching (top left and bottom left) provides many benefits to trees and shrubs. It moderates soil temperatures, reduces soil moisture loss, reduces soil compaction, provides nutrients, and improves soil structure. This practice results in more root growth and healthier plants. The image on the top right illustrates root growth density under grass versus mulch. Mulch is frequently applied incorrectly (bottom right), so we recommend that readers inspect the technical report on mulch application guidelines that appears in the Appendix.



Example of how mulch should be installed, 2-4 inches thick and not against the trunk.



Example of root density under grass versus mulch.



Example of how mulch should be applied from the trunk to the dripline.



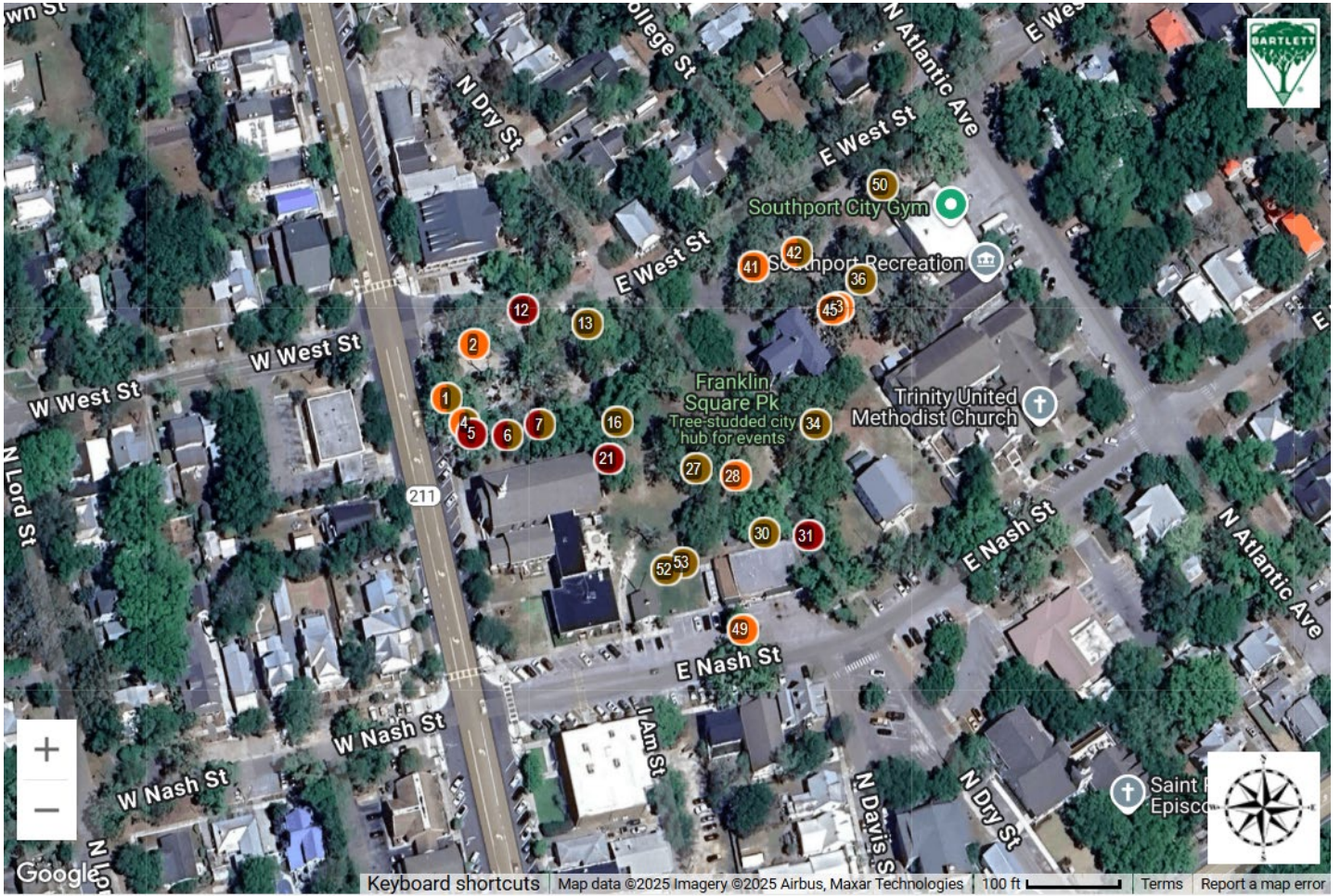
Example of improper mulch application, known as "volcano mulch".

The following inventoried trees are recommended for soil care because of possible nutrient deficiencies, soil compaction, or inadequate soil conditions:

**INVENTORIED TREES RECOMMENDED FOR SOIL CARE (24 Trees)**

Tree ID	Common Name	DBH	Soil Care	Mulch Recommended
1	Oak-Live	32	• Soil Rx ®	Yes
2	Oak-Live	43	• Soil Rx ®	...
4	Oak-Live	39	• Soil Rx ®	Yes
5	Oak-Live	47	• Root Invigoration™	...
6	Oak-Live	33	• Root Invigoration™	Yes
7	Oak-Live	34	• Root Invigoration™	Yes
12	Oak-Live	40	• Root Invigoration™	...
13	Oak-Live	12	...	Yes
16	Oak-Live	46	...	Yes
21	Oak-Live	24	• Root Invigoration™	...
27	Oak-Live	27	...	Yes
28	Oak-Live	29	• Soil Rx ®	...
30	Oak-Live	47	...	Yes
31	Oak-Live	48	• Root Invigoration™	...
34	Oak-Live	37	...	Yes
36	Oak-Live	41	...	Yes
41	Oak-Live	27	• Soil Rx ®	...
42	Oak-Live	43	• Soil Rx ®	Yes
43	Oak-Live	37	• Soil Rx ®	...
45	Oak-Live	46	• Soil Rx ®	...
49	Oak-Sand Live	33	• Soil Rx ®	...
50	Oak-Live	53	...	Yes
52	Oak-Live	10	...	Yes
53	Oak-Live	9	...	Yes

## INVENTORIED TREES RECOMMENDED FOR SOIL CARE



## **Root Collar Excavation**

Excavating the root collar is necessary for trees whose buttress roots are covered by excess soil or mulch. Buried root collars can contribute to tree health problems, including girdling roots, basal cankers, and masking root and lower stem decay. Trees in the root collar excavation table do not have a Tree & Shrub Work phase and should be completed as soon as possible. The top image shows a buried root collar and the bottom image shows an exposed root collar.



**Example of a buried root collar.**



**Example of an exposed root collar.**

## **Girdling Roots**

Girdling roots (top left and right) restrict water and nutrient movement throughout the tree. If left untreated they can cause the tree to decline, fail (bottom), and eventually die in severe cases. Girdling roots should be removed as soon as possible, unless removal of roots will significantly impact the condition or stability of the tree. In some cases, the presence of significant or severe girdling roots may cause the tree to be recommended for removal.



**Examples of girdling roots.**



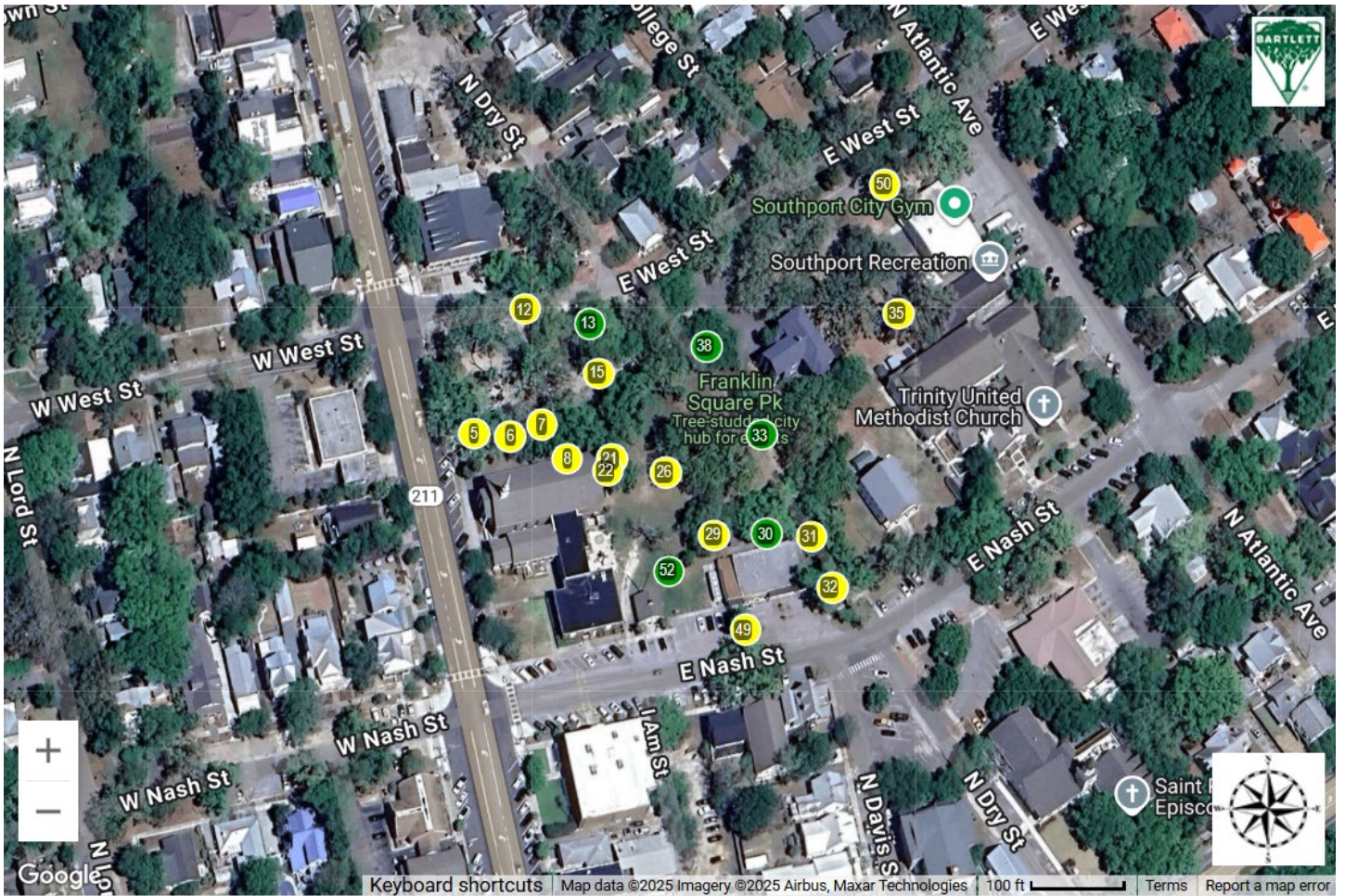
**Example of tree failure from girdling roots.**

The following trees are recommended for a root collar excavation:

**INVENTORIED TREES RECOMMENDED FOR A ROOT COLLAR EXCAVATION (20 Trees)**

Tree ID	Common Name	DBH	Root Collar Observation
5	Oak-Live	47	• Buried root collar
6	Oak-Live	33	• Buried root collar
7	Oak-Live	34	• Buried root collar
8	Oak-Live	53	• Buried root collar
12	Oak-Live	40	• Buried root collar
13	Oak-Live	12	• Buried root collar
15	Oak-Live	30	• Buried root collar
21	Oak-Live	24	• Buried root collar
22	Oak-Live	34	• Buried root collar
26	Oak-Live	24	• Buried root collar
29	Oak-Live	40	• Buried root collar
30	Oak-Live	47	• Buried root collar
31	Oak-Live	48	• Buried root collar
32	Oak-Live	56	• Buried root collar
33	Oak-Live	22	• Buried root collar
35	Oak-Live	62	• Buried root collar
38	Oak-Live	28	• Girdling roots present (moderate)
49	Oak-Sand Live	33	• Buried root collar
50	Oak-Live	53	• Buried root collar
52	Oak-Live	10	• Girdling roots present

## INVENTORIED TREES RECOMMENDED FOR A ROOT COLLAR EXCAVATION



## Plant Health Care

The Inventory Team also recommends Plant Health Care (PHC) programs for trees in the formal landscape. In addition, an Integrated Pest Management (IPM) program monitors for potentially damaging insects, diseases and cultural problems that are often seasonal and may not have been evident during our inventory visit. Plant Health Care treatments should be applied as soon as possible, therefore they do not have a Tree & Shrub Work phase. These pests and diseases include, but are not limited to, the following:

- Anthracnose - on a variety of species
- Aphids - on a variety of species
- Bacterial Leaf Scorch - on trees within red oak group
- Bagworms - on a variety of tree species
- Boring Insects - on a variety of tree species
- Caterpillar Defoliators - on a variety of tree species, especially oak
- Gall Insects - on a variety of species
- Lacebugs - on a variety of species
- Scab and Rust Fungi - on crabapple and apple species.
- Suspected Phytophthora Root Rot and Canker - on a variety of tree species, especially beech species
- Scale Insects - on a variety of tree species, especially oak
- Spider Mites - on a variety of tree species

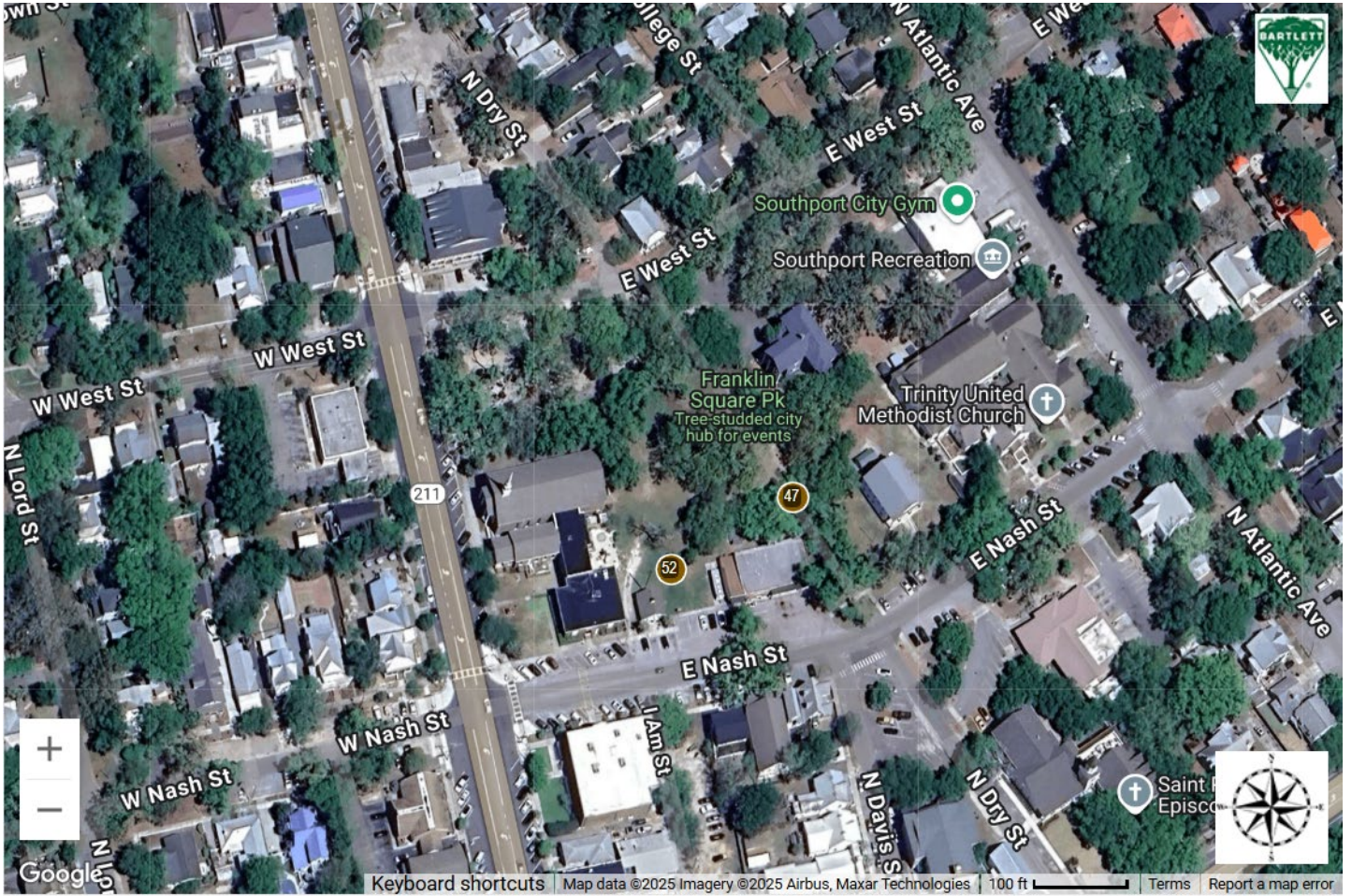
We identified pests or diseases and/or provided plant health care recommendations on the following inventoried trees at the time of the inventory:

### INVENTORIED TREES IDENTIFIED FOR PLANT HEALTH CARE (2 Trees)

Tree ID	Common Name	DBH	Pest(s) or Disease(s)
47*	Cherry-Black	11,8,8	• Borers
52	Oak-Live	10	• Sapsucker

\* Trees that are recommended for removal in the Tree Removal Section

## INVENTORIED TREES IDENTIFIED FOR PLANT HEALTH CARE



## Tree Pruning

A commonly offered service among tree companies, pruning trees is one of the most poorly executed practices by tree workers who lack training in the basics of tree biology. "Lion's tailing," topping, and flush cuts are a few examples, and these can lead to hazardous conditions over time.

Because this practice is so misunderstood, and because specific standards exist to perform pruning correctly, the Inventory Team decided to include some explanation in the main body of this management plan.

Tree owners and tree-care practitioners should always keep in mind that any pruning cut is a wound. Informed tree-care professionals have learned to manage that wounding to preserve the health, safety, and integrity of the tree.

### Improper Pruning Practices

A few of the most common pruning abuses are:

- Lion's Tailing - pruning that removes interior branches along the stem and scaffold branches. This encourages poor branch taper, poor wind load distribution, and risk of branch failure. It also deprives the tree of foliage it needs to produce **photosynthates**. See next page, top left.
- Topping - pruning cuts that reduce a tree's size by using heading cuts that shorten branches to a predetermined size. Topping substantially reduces the functional benefits a tree is capable of providing and predisposes trees to structural defects that can contribute to failures in the future. It also reduces the value of the trees substantially and deprives the tree of adequate foliage. See next page, top right.
- Flush Cuts - pruning cut through the **branch collar**, flush against the trunk or parent stem, causing unnecessary injury. See next page, bottom.
- Using Climbing Spikes Inappropriately - Using climbing spikes on a healthy tree, for example, wounds healthy stem tissues and can lead to infection by fungal pathogens.



**Example of Lion's tailing.**



**Examples of topping.**



**Examples of flush cuts.**

**Pruning with a Goal**

Below are illustrations of common pruning goals:



**Illustration of improving airflow to reduce disease.**



**Illustration of branch weight reduction.**

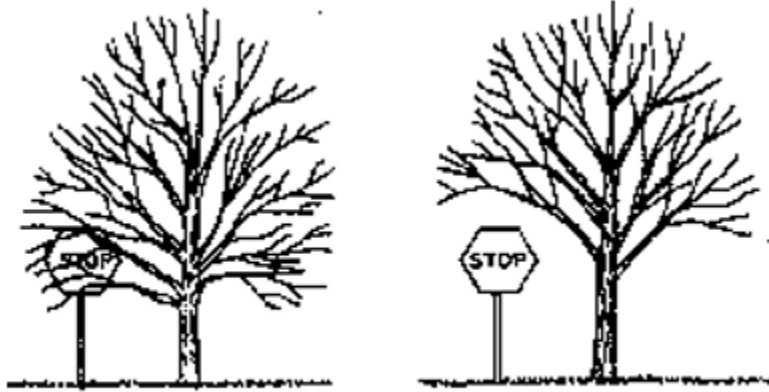


Illustration of raising branch elevation to improve clearance.

Without Development of Central Leader				
	At Planting	2-4 Years	5-7 Years	8-10 Years
With Development of Central Leader				

Illustration of promoting a strong central leader.

## Pruning Category

All trees identified in this management plan that have pruning recommendations are listed with a specific pruning category. The listed order of these pruning categories are typical to most managers. Trees within each category are prioritized by the specific goals of most managers. It is recommended that specific goals be discussed with your local Bartlett Arborist Representative. Pruning categories are separated into individual tables below where each table lists specific arboricultural pruning goals and recommendations for each tree.

## Risk Mitigation Pruning

Any tree identified with a Risk Mitigation Pruning category to reduce the *Overall Tree Risk Rating*, was previously summarized in the Tree Risk Assessments and Mitigation section earlier in the document.

## Maintenance Pruning

This goal typically requires routine pruning of large/mature trees. Includes branch removal and/or branch reduction to help reduce *likelihood of failure* and/or conflict with infrastructure. Trees with these goals are typically climbed or require the use of aerial lifts and/or other specialized equipment.

The trees in this table are recommended for maintenance pruning:

### INVENTORIED TREES RECOMMENDED FOR MAINTENANCE PRUNING (44 Trees)

Tree ID	Common Name	DBH	Tree & Shrub Work Phase	Pruning Goal	Defect(s) or Observation(s)
1	Oak-Live	32	1	<ul style="list-style-type: none"> <li>Reduce weight of branch ends</li> <li>Improve appearance</li> </ul>	<ul style="list-style-type: none"> <li>Cavity-root flare</li> <li>Crack-branch</li> <li>Dead branches &lt;=2</li> <li>Low vigor</li> </ul>
5	Oak-Live	47	1	<ul style="list-style-type: none"> <li>Reduce risk of branch stem and/or root failure</li> <li>Reduce weight of branch ends</li> </ul>	<ul style="list-style-type: none"> <li>Buried root collar</li> <li>Dead branches &gt;2</li> <li>Fungi/conks</li> <li>Wound-branch</li> <li>Wound-stem</li> </ul>
7	Oak-Live	34	1	<ul style="list-style-type: none"> <li>Reduce weight of branch ends</li> </ul>	<ul style="list-style-type: none"> <li>Buried root collar</li> <li>Overextended branch</li> <li>Wound-branch</li> <li>Wound-stem</li> </ul>

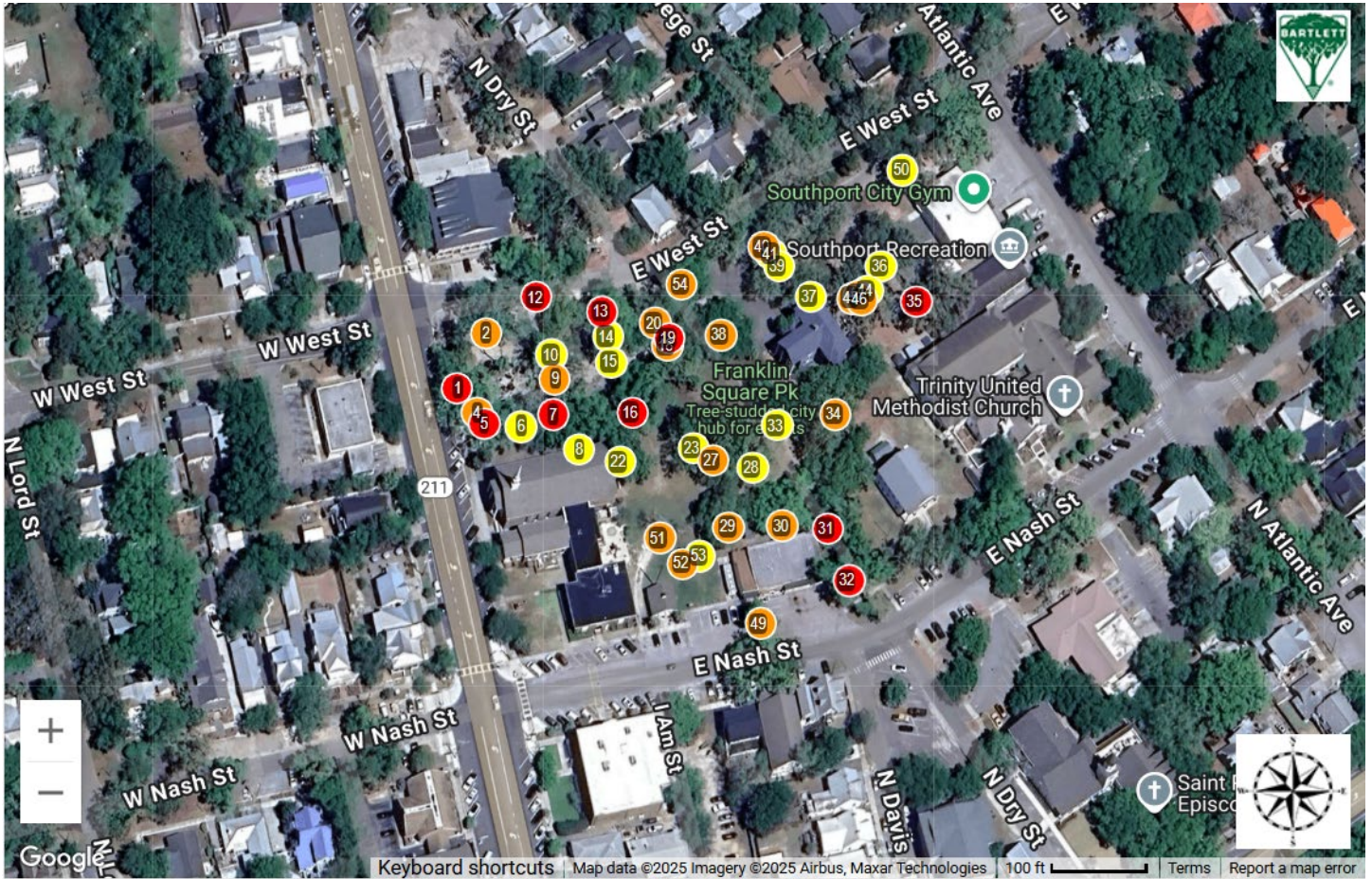
Tree ID	Common Name	DBH	Tree & Shrub Work Phase	Pruning Goal	Defect(s) or Observation(s)
12	Oak-Live	40	1	<ul style="list-style-type: none"> <li>• Reduce risk of branch stem and/or root failure</li> <li>• Clearance</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Dead branches &gt;2</li> <li>• Low vigor</li> </ul>
13	Oak-Live	12	1	<ul style="list-style-type: none"> <li>• Clearance</li> <li>• Improve appearance</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Dead branches &lt;=2</li> </ul>
16	Oak-Live	46	1	<ul style="list-style-type: none"> <li>• Reduce weight of branch ends</li> </ul>	<ul style="list-style-type: none"> <li>• Cavity-stem</li> <li>• Fungi/conks</li> <li>• Lean</li> </ul>
19	Oak-Live	32	1	<ul style="list-style-type: none"> <li>• Reduce risk of branch stem and/or root failure</li> </ul>	<ul style="list-style-type: none"> <li>• Dead branches &gt;2</li> <li>• Wound-root</li> </ul>
31	Oak-Live	48	1	<ul style="list-style-type: none"> <li>• Reduce risk of branch stem and/or root failure</li> <li>• Clearance</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Cavity-branch</li> <li>• Dead branches &gt;2</li> <li>• Wound-root flare</li> <li>• Wound-stem</li> </ul>
32	Oak-Live	56	1	<ul style="list-style-type: none"> <li>• Clearance</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Cavity-stem</li> <li>• Co-dominant stems</li> </ul>
35	Oak-Live	62	1	<ul style="list-style-type: none"> <li>• Clearance</li> <li>• Reduce risk of branch stem and/or root failure</li> <li>• Reduce weight of branch ends</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Co-dominant stems</li> <li>• Crack-stem</li> <li>• Dead branches &gt;2</li> <li>• Fungi/conks</li> </ul>
2	Oak-Live	43	2	<ul style="list-style-type: none"> <li>• Improve appearance</li> <li>• Reduce weight of branch ends</li> </ul>	<ul style="list-style-type: none"> <li>• Lean</li> <li>• Low vigor</li> <li>• Wound-branch</li> <li>• Wound-root</li> </ul>
4	Oak-Live	39	2	<ul style="list-style-type: none"> <li>• Reduce weight of branch ends</li> <li>• Improve appearance</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Lean</li> <li>• Wound-branch</li> </ul>
9	Oak-Live	30	2	<ul style="list-style-type: none"> <li>• Reduce risk of branch stem and/or root failure</li> <li>• Reduce weight of branch ends</li> </ul>	<ul style="list-style-type: none"> <li>• Fungi/conks</li> <li>• Overextended branch</li> <li>• Wound-stem</li> </ul>
18	Oak-Live	29	2	<ul style="list-style-type: none"> <li>• Reduce weight of branch ends</li> </ul>	<ul style="list-style-type: none"> <li>• Cavity-stem</li> <li>• Overextended branch</li> </ul>
20	Oak-Live	34	2	<ul style="list-style-type: none"> <li>• Improve appearance</li> </ul>	<ul style="list-style-type: none"> <li>• Dead branches &lt;=2</li> <li>• Wound-branch</li> </ul>
27	Oak-Live	27	2	<ul style="list-style-type: none"> <li>• Reduce weight of branch ends</li> </ul>	<ul style="list-style-type: none"> <li>• Lean</li> <li>• Wound-root flare</li> </ul>
29	Oak-Live	40	2	<ul style="list-style-type: none"> <li>• Clearance</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Lean</li> </ul>
30	Oak-Live	47	2	<ul style="list-style-type: none"> <li>• Clearance</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> </ul>

Tree ID	Common Name	DBH	Tree & Shrub Work Phase	Pruning Goal	Defect(s) or Observation(s)
34	Oak-Live	37	2	<ul style="list-style-type: none"> <li>• Clearance</li> <li>• Reduce weight of branch ends</li> </ul>	<ul style="list-style-type: none"> <li>• Overextended branch</li> </ul>
38	Oak-Live	28	2	<ul style="list-style-type: none"> <li>• Reduce weight of branch ends</li> <li>• Improve appearance</li> </ul>	<ul style="list-style-type: none"> <li>• Dead branches &lt;=2</li> <li>• Girdling roots present (moderate)</li> <li>• Overextended branch</li> </ul>
40	Oak-Live	29	2	<ul style="list-style-type: none"> <li>• Reduce weight of branch ends</li> <li>• Clearance</li> </ul>	<ul style="list-style-type: none"> <li>• Overextended branch</li> <li>• Wound-stem</li> </ul>
43	Oak-Live	37	2	<ul style="list-style-type: none"> <li>• Reduce weight of branch ends</li> <li>• Improve appearance</li> </ul>	<ul style="list-style-type: none"> <li>• Cavity-root flare</li> <li>• Dead branches &lt;=2</li> <li>• Lean</li> <li>• Low vigor</li> <li>• Overextended branch</li> </ul>
45	Oak-Live	46	2	<ul style="list-style-type: none"> <li>• Reduce weight of branch ends</li> <li>• Clearance</li> </ul>	<ul style="list-style-type: none"> <li>• Cavity-stem</li> <li>• Fungi/conks</li> <li>• Low vigor</li> <li>• Overextended branch</li> <li>• Wound-root flare</li> </ul>
46	Oak-Live	34	2	<ul style="list-style-type: none"> <li>• Reduce weight of branch ends</li> <li>• Reduce risk of branch stem and/or root failure</li> </ul>	<ul style="list-style-type: none"> <li>• Dead branches &gt;2</li> <li>• Overextended branch</li> <li>• Wound-stem</li> </ul>
49	Oak-Sand Live	33	2	<ul style="list-style-type: none"> <li>• Improve appearance</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Dead branches &lt;=2</li> <li>• Wound-root flare</li> </ul>
51	Pecan	24	2	<ul style="list-style-type: none"> <li>• Reduce weight of branch ends</li> <li>• Reduce risk of branch stem and/or root failure</li> </ul>	<ul style="list-style-type: none"> <li>• Dead branches &gt;2</li> <li>• Overextended branch</li> <li>• Wound-root flare</li> </ul>
52	Oak-Live	10	2	<ul style="list-style-type: none"> <li>• Establish proper branch spacing</li> <li>• Improve form and shape</li> </ul>	<ul style="list-style-type: none"> <li>• Girdling roots present</li> <li>• Poor branch structure</li> </ul>
54	Oak-Laurel	18,18	2	<ul style="list-style-type: none"> <li>• Clearance</li> <li>• Reduce weight of branch ends</li> <li>• Improve appearance</li> </ul>	<ul style="list-style-type: none"> <li>• Co-dominant stems</li> <li>• Dead branches &lt;=2</li> </ul>

Tree ID	Common Name	DBH	Tree & Shrub Work Phase	Pruning Goal	Defect(s) or Observation(s)
6	Oak-Live	33	3	<ul style="list-style-type: none"> <li>• Improve appearance</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Dead branches &lt;=2</li> <li>• Wound-branch</li> </ul>
8	Oak-Live	53	3	<ul style="list-style-type: none"> <li>• Clearance</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Cavity-stem</li> <li>• Wound-branch</li> </ul>
10	Oak-Live	30	3	<ul style="list-style-type: none"> <li>• Reduce weight of branch ends</li> </ul>	<ul style="list-style-type: none"> <li>• Lean</li> <li>• Wound-root flare</li> <li>• Wound-stem</li> </ul>
14	Oak-Live	44	3	<ul style="list-style-type: none"> <li>• Improve appearance</li> </ul>	<ul style="list-style-type: none"> <li>• Wound-root flare</li> <li>• Wound-stem</li> </ul>
15	Oak-Live	30	3	<ul style="list-style-type: none"> <li>• Reduce weight of branch ends</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Cavity-stem</li> <li>• Wound-root</li> <li>• Wound-root flare</li> </ul>
22	Oak-Live	34	3	<ul style="list-style-type: none"> <li>• Clearance</li> <li>• Improve appearance</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Dead branches &lt;=2</li> <li>• Wound-stem</li> </ul>
23	Oak-Live	31	3	<ul style="list-style-type: none"> <li>• Improve appearance</li> </ul>	<ul style="list-style-type: none"> <li>• Dead branches &lt;=2</li> <li>• Lean</li> <li>• Wound-stem</li> </ul>
28	Oak-Live	29	3	<ul style="list-style-type: none"> <li>• Reduce weight of branch ends</li> </ul>	<ul style="list-style-type: none"> <li>• Chlorosis</li> <li>• Lean</li> <li>• Low vigor</li> <li>• Wound-root flare</li> </ul>
33	Oak-Live	22	3	<ul style="list-style-type: none"> <li>• Develop branch structure</li> <li>• Reduce weight of branch ends</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Co-dominant stems</li> </ul>
36	Oak-Live	41	3	<ul style="list-style-type: none"> <li>• Reduce risk of branch stem and/or root failure</li> </ul>	<ul style="list-style-type: none"> <li>• Broken branch(s)</li> <li>• Dead branches &lt;=2</li> <li>• Wound-branch</li> </ul>
37	Oak-Live	33	3	<ul style="list-style-type: none"> <li>• Reduce weight of branch ends</li> </ul>	<ul style="list-style-type: none"> <li>• Overextended branch</li> </ul>
39	Oak-Live	41	3	<ul style="list-style-type: none"> <li>• Reduce weight of branch ends</li> <li>• Clearance</li> </ul>	<ul style="list-style-type: none"> <li>• Overextended branch</li> </ul>
41	Oak-Live	27	3	<ul style="list-style-type: none"> <li>• Improve appearance</li> </ul>	<ul style="list-style-type: none"> <li>• Low vigor</li> </ul>
44	Oak-Live	43	3	<ul style="list-style-type: none"> <li>• Improve appearance</li> </ul>	<ul style="list-style-type: none"> <li>• Dead branches &lt;=2</li> <li>• Wound-stem</li> </ul>
50	Oak-Live	53	3	<ul style="list-style-type: none"> <li>• Clearance</li> <li>• Reduce weight of branch ends</li> </ul>	<ul style="list-style-type: none"> <li>• Buried root collar</li> <li>• Wound-stem</li> </ul>

Tree ID	Common Name	DBH	Tree & Shrub Work Phase	Pruning Goal	Defect(s) or Observation(s)
53	Oak-Live	9	3	<ul style="list-style-type: none"> <li>• Improve light and air penetration through crown</li> <li>• Reduce weight of branch ends</li> </ul>	<ul style="list-style-type: none"> <li>• Wound-root</li> </ul>

## INVENTORIED TREES RECOMMENDED FOR MAINTENANCE PRUNING



**Tree & Shrub Work Phase:** ● 1 ● 2 ● 3

### **Developmental Pruning**

This goal typically requires routine pruning of small/young trees. Includes structural pruning to develop a strong central stem, establish proper branch spacing, and/or develop branch structure.

At the time of inventory, no trees were recommended for developmental pruning. However, we recommend close monitoring of trees for changes in condition, especially after weather events not considered normal for the area.

### **Ornamental Pruning**

This goal typically requires pruning of small trees. Includes reduction and/or shearing to its desired shape, size, and/or structure.

At the time of inventory, no trees were recommended for ornamental pruning. However, we recommend close monitoring of trees for changes in condition, especially after weather events not considered normal for the area.

### **Specialized Pruning**

Trees with this goal require a unique treatment that may include, but not limited to, targeted pruning cuts, removal of nuisance fruit/parasitic plants, and/or rejuvenation/internodal pruning.

At the time of inventory, no trees were recommended for specialized pruning. However, we recommend close monitoring of trees for changes in condition, especially after weather events not considered normal for the area.

## **Structural Support Systems**

Structural support systems can reduce risk of tree or tree part(s) failure by limiting movement of stems or branches in certain situations. Examples include co-dominant stems or overextended branches with heavy foliage loads.

### **Cabling**

Cabling is the process of connecting two or more upright stems to one another to add stability and reduce the *likelihood of failure*. In some instances, a lateral branch may be secured to the central leader using a cabling system to support the weight of the branch.

### **Bracing**

Bracing is the process of securing the union of two co-dominant stems using high strength steel rods to alleviate stresses at the union and reduce the *likelihood of failure*. Bracing may also be used to reinforce trees that have a partial failure and are likely to benefit from bracing.

### **Guying**

Guying is the process of anchoring a tree's stem to the ground or another immovable object to reduce the likelihood of root failure. Guying can be temporary or permanent and is most often used for establishing a tree in the landscape.

### **Propping**

Propping is the process of using rigid structures that are built on or into the ground to help support the trunk or branch(s) that are oriented near the ground in a horizontal position to reduce the *likelihood of failure* from the weight or defect of the tree part being supported.



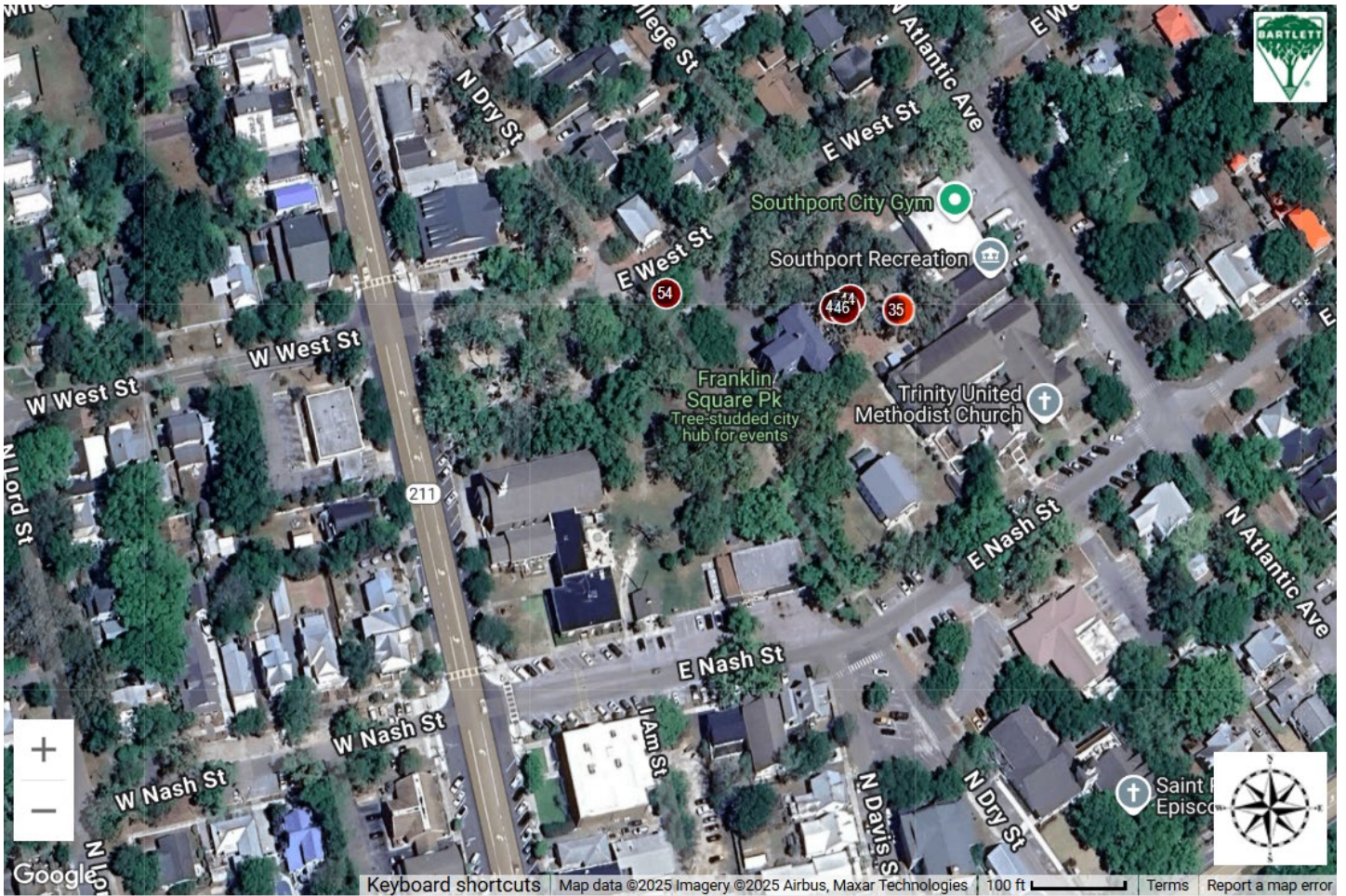
**Live oak #35 recommended for brace rod inspection due to vertical crack.**

The following table lists all inventoried trees with structural support system recommendations:

**INVENTORIED TREES WITH STRUCTURAL SUPPORT SYSTEM RECOMMENDATIONS (6 Trees)**

Tree ID	Common Name	DBH	Tree & Shrub Work Phase	Structural Support
35	Oak-Live	62	1	<ul style="list-style-type: none"> <li>• Cable: Yes</li> <li>• Brace Rod: Inspect</li> </ul>
43	Oak-Live	37	2	<ul style="list-style-type: none"> <li>• Cable: Yes</li> </ul>
44	Oak-Live	43	3	<ul style="list-style-type: none"> <li>• Cable: Yes</li> </ul>
45	Oak-Live	46	2	<ul style="list-style-type: none"> <li>• Cable: Yes</li> </ul>
46	Oak-Live	34	2	<ul style="list-style-type: none"> <li>• Cable: Yes</li> </ul>
54	Oak-Laurel	18,18	2	<ul style="list-style-type: none"> <li>• Cable: Yes</li> </ul>

## INVENTORIED TREES WITH STRUCTURAL SUPPORT SYSTEM RECOMMENDATIONS



**Structural Support:** ● Cable, Brace Rod    ● Cable

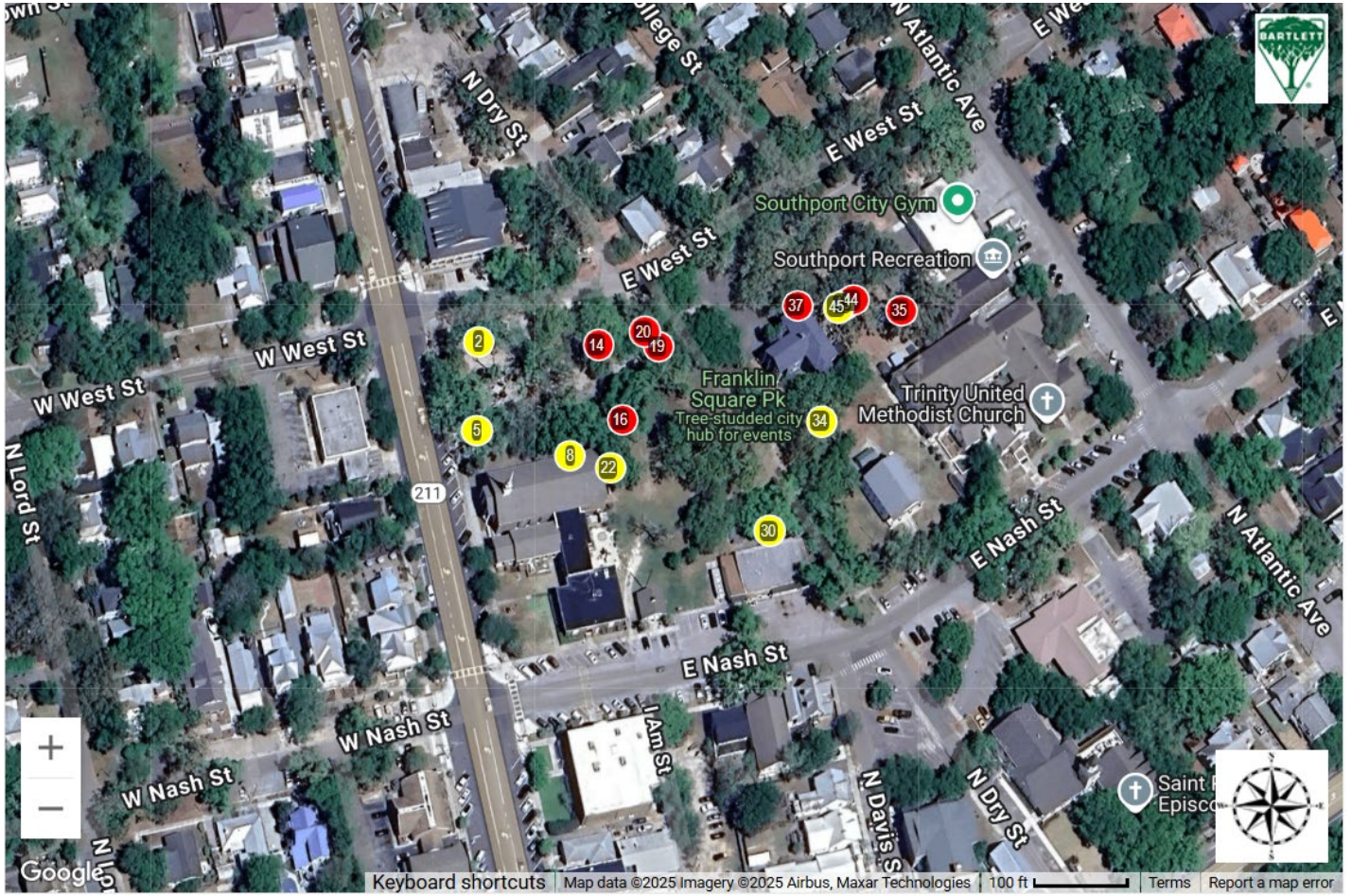
## Lightning Protection Systems

Lightning strikes kill many people each year and can cause significant damage to objects on the property. Lightning protection systems are designed to provide a preferred path for lightning to the ground in a manner that minimizes tree damage; adjacent tree damage; and also, to buildings, property, animals, and people near the tree. Tree species that are naturally more susceptible to lightning strikes, valuable to the landscape, and trees that are within 10 feet of, taller than, or have limbs that are extending over a structure are recommended for lightning protection systems due to the possibility of damage, "sideflashes", and step voltage.

### INVENTORIED TREES WITH LIGHTNING PROTECTION SYSTEM RECOMMENDATIONS (15 Trees)

Tree ID	Common Name	DBH	Tree & Shrub Work Phase	Lightning Protection
2	Oak-Live	43	2	Inspect
5	Oak-Live	47	1	Inspect
8	Oak-Live	53	3	Inspect
14	Oak-Live	44	3	Repair
16	Oak-Live	46	1	Repair
19	Oak-Live	32	1	Repair
20	Oak-Live	34	2	Repair
22	Oak-Live	34	3	Inspect
30	Oak-Live	47	2	Inspect
34	Oak-Live	37	2	Inspect
35	Oak-Live	62	1	Repair
37	Oak-Live	33	3	Repair
43	Oak-Live	37	2	Repair
44	Oak-Live	43	3	Repair
45	Oak-Live	46	2	Inspect

## INVENTORIED TREES WITH LIGHTNING PROTECTION SYSTEM RECOMMENDATIONS



**Lightning Protection:** ● Inspect ● Repair

## Tree Removal

In some cases, the inspector may determine need for removal while assessing the tree. Trees may be recommended for removal during the inventory for several reasons:

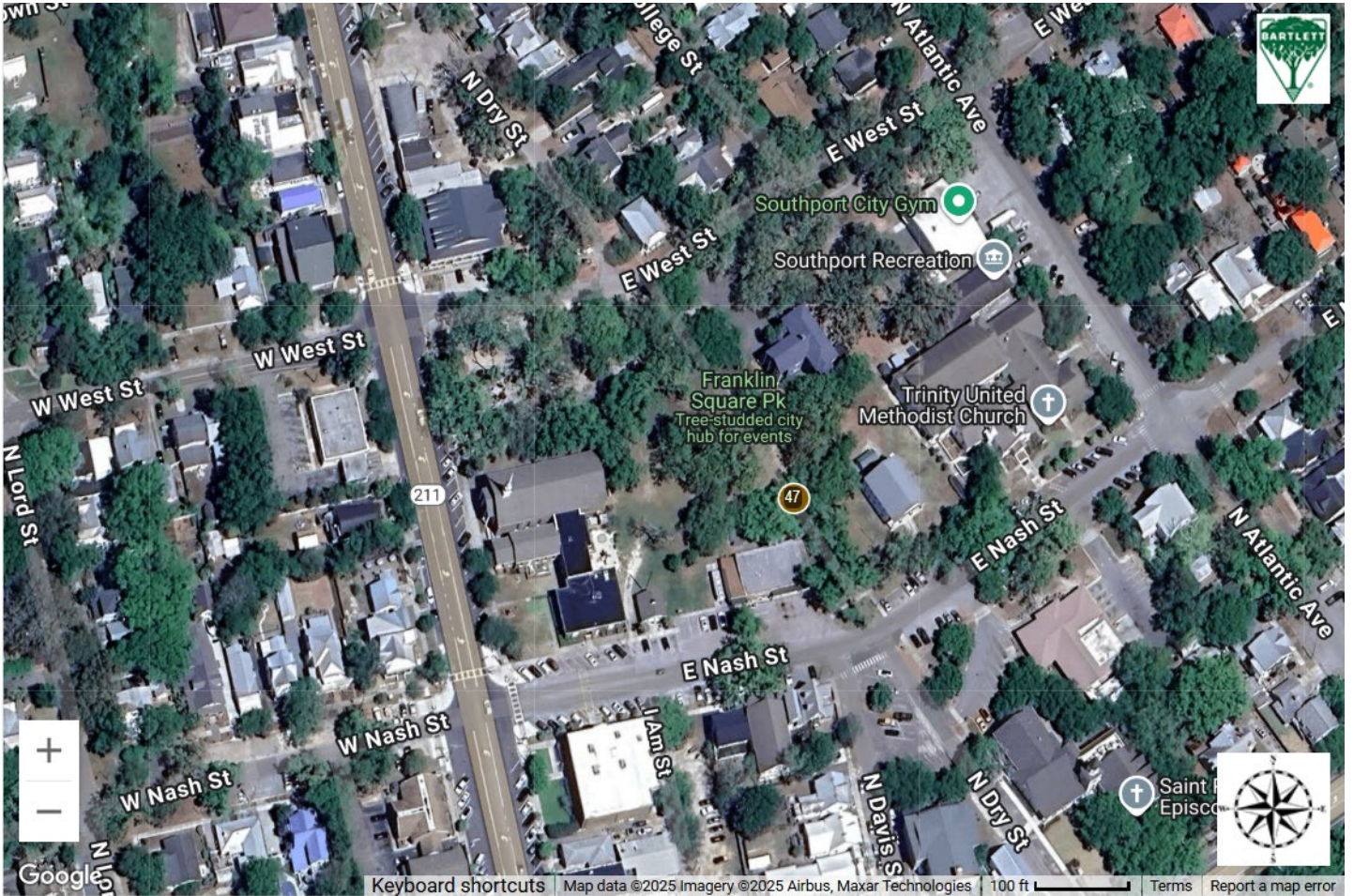
- The tree is dead;
- The tree is in poor condition and thought to be beyond rehabilitation;
- The tree is over-mature and will continue to decline in condition;
- The tree has significant structural weaknesses that cannot be addressed;
- The tree is already or will interfere with infrastructure (overhead lines for example);
- The location value for the tree is poor or unacceptable (for example, large maturing tree growing directly under overhead lines); and/or,
- The tree species has been declared an invasive for the given area or region.

The trees listed in the table below are recommended for removal:

### INVENTORIED TREES RECOMMENDED FOR REMOVAL (1 Trees)

Tree ID	Common Name	DBH	Condition	Tree & Shrub Work Phase	Defect(s) or Observation(s)
47	Cherry-Black	11,8,8	Poor	ASAP	<ul style="list-style-type: none"> <li>• Dead branches &lt;=2</li> <li>• Dead/dying stem</li> <li>• Dieback (moderate)</li> <li>• Low vigor</li> <li>• Wound-root</li> <li>• Wound-stem</li> </ul>

## INVENTORIED TREES RECOMMENDED FOR REMOVAL



# ENTIRE INVENTORY



**ENTIRE INVENTORY (48 Trees)**

Tree ID	Common Name	Genus	Species	DBH	Height Class	Age Class	Stems	Condition Class	Tree & Shrub Work Phase	Tree Asset Value
1	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	32	Large	Mature	1	Fair	1	\$12,128.00
2	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	43	Large	Mature	1	Fair	2	\$27,456.00
4	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	39	Large	Mature	1	Fair	2	\$23,848.00
5	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	47	Large	Mature	1	Fair	1	\$30,832.00
6	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	33	Large	Mature	1	Fair	3	\$18,004.00
7	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	34	Large	Mature	1	Fair	1	\$19,014.00
8	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	53	Large	Mature	1	Fair	3	\$35,463.00
9	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	30	Large	Mature	1	Fair	2	\$15,232.00
10	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	30	Large	Mature	1	Fair	3	\$15,232.00
12	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	40	Large	Mature	1	Fair	1	\$17,694.00
13	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	12	Medium	Semi-mature	1	Good	1	\$3,411.00
14	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	44	Large	Mature	1	Fair	3	\$28,322.00
15	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	30	Large	Mature	1	Fair	3	\$15,232.00
16	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	46	Large	Mature	1	Fair	1	\$30,010.00
18	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	29	Large	Mature	1	Fair	2	\$14,233.00
19	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	32	Large	Mature	1	Fair	1	\$16,979.00
20	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	34	Large	Mature	1	Fair	2	\$19,014.00
21	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	24	Large	Mature	1	Fair	...	\$9,748.00
22	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	34	Large	Mature	1	Fair	3	\$19,014.00
23	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	31	Large	Mature	1	Fair	3	\$15,940.00
26	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	24	Large	Mature	1	Fair	...	\$9,748.00
27	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	27	Large	Mature	1	Fair	2	\$12,338.00
28	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	29	Large	Mature	1	Fair	3	\$14,233.00
29	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	40	Large	Mature	1	Fair	2	\$24,772.00
30	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	47	Large	Mature	1	Good	2	\$43,165.00
31	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	48	Large	Mature	1	Fair	1	\$31,640.00
32	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	56	Large	Mature	1	Fair	1	\$37,584.00
33	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	22	Large	Semi-mature	1	Good	3	\$11,468.00

Tree ID	Common Name	Genus	Species	DBH	Height Class	Age Class	Stems	Condition Class	Tree & Shrub Work Phase	Tree Asset Value
34	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	37	Large	Mature	1	Fair	2	\$21,958.00
35	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	62	Large	Mature	1	Fair	1	\$41,435.00
36	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	41	Large	Mature	1	Fair	3	\$25,681.00
37	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	33	Large	Mature	1	Fair	3	\$18,004.00
38	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	28	Large	Mature	1	Good	2	\$13,268.00
39	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	41	Large	Mature	1	Fair	3	\$25,681.00
40	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	29	Large	Mature	1	Fair	2	\$10,166.00
41	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	27	Large	Mature	1	Fair	3	\$12,338.00
42	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	43	Large	Mature	1	Fair	...	\$27,456.00
43	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	37	Large	Mature	1	Fair	2	\$21,958.00
44	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	43	Large	Mature	1	Fair	3	\$27,456.00
45	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	46	Large	Mature	1	Fair	2	\$30,010.00
46	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	34	Large	Mature	1	Fair	2	\$19,014.00
47	Cherry-Black	<i>Prunus</i>	<i>serotina</i>	11,8,8	Large	Semi-mature	3	Poor	ASAP	\$2,528.00
49	Oak-Sand Live	<i>Quercus</i>	<i>geminata</i>	33	Large	Mature	1	Fair	2	\$7,716.00
50	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	53	Large	Mature	1	Fair	3	\$35,463.00
51	Pecan	<i>Carya</i>	<i>illinoensis</i>	24	Large	Mature	1	Fair	2	\$9,748.00
52	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	10	Medium	Young	1	Good	2	\$2,369.00
53	Oak-Live	<i>Quercus</i>	<i>virginiana</i>	9	Medium	Young	1	Good	3	\$1,919.00
54	Oak-Laurel	<i>Quercus</i>	<i>hemisphaerica</i>	18,18	Large	Semi-mature	2	Fair	2	\$10,967.00

# APPENDIX



## **ADDITIONAL RESOURCES**

Bartlett publishes a variety of tree-resource documents, including technical reports, plant health care recommendations, and service brochures. The following technical reports may be pertinent to your inventory. To access these documents and view the complete Bartlett Resource Library online, please follow this URL:

<https://www.bartlett.com/resourcelist.cfm>

**Girdling Roots**

**Lightning Protection Systems**

**Maintenance Pruning Program**

**Monitor IPM Program**

**Mulch Application Guidelines**

**Tree Risk Assessments**

**Tree Structure Evaluation**

## GLOSSARY OF TERMS

**air pollution removal:** removal of pollutants from the air by plants through natural processes

**arborist:** 1. An individual engaged in the profession of arboriculture who, through experience, education and related training, possesses the competence to provide for, or supervise the management of, trees and other woody ornamentals. [ANSI A300 (Part 1, 2, 4, 5, 6)] 2. An individual engaged in the profession of arboriculture. [ANSI Z133.1-2000 Safety Requirements for Arboricultural Operations]

**bracing:** The installation of lag-thread screw or threaded-steel rods in limbs, leaders, or trunks to provide supplemental support. [ANSI A300 (Part 3)-2000 Support Systems]

**branch:** An outgrowing shoot, stem or twig that grows from the main stem or trunk. [ANSI Z60.1-2004 Nursery Stock]

**buttress roots:** Lateral surface roots that aid in stabilizing the tree.

**cable:** 1) Zinc coated strand per ASTM A-475 for dead-end grip applications. 2) Wire rope or strand for general applications. 3) Synthetic-fiber rope or synthetic-fiber webbing for general applications. [ANSI A300 (Part 3)-2000 Support Systems]

**cabling:** The installation of a steel wire rope, steel strand, or synthetic-fiber system within a tree between limbs or leaders to limit movement and provide supplemental support. [ANSI A300 (Part 3)-2000 Support Systems]

**canopy:** collective branches and foliage of a tree or group of trees' crowns

**carbon sequestration:** removal of carbon from the air by plants through natural processes

**carbon storage:** storage of carbon removed from the air in plant tissues

**cation exchange capacity (CEC):** The ability of soil to absorb nutrients.

**cavity:** An open wound characterized by the presence of decay and resulting in a hollow.

**cleaning:** Selective pruning to remove one or more of the following parts: dead, diseased, and/ or broken branches (5.6.1). [ANSI A300 (Part 1)-2001 Pruning]

**co-dominant branches:** Equal in size and importance, usually associated with either the trunks, stems, or scaffold limbs.

**conk:** fruiting body or non-fruiting body of a fungus. Often associated with decay.

**critical root zone (CRZ):** area of soil around a tree trunk where roots are located that provide stability and uptake of water and minerals required for tree survival.

**crown:** 1. The leaves and branches of a tree measured from the lowest branch on the trunk to the top of the tree. [ANSI A300 (Part 1)-2001 Pruning] [ANSI A300 (Part 6)-2005 Transplanting] 2. The portion of a tree comprising the branches. [ANSI Z60.1-2004 Nursery Stock]

**D.B.H. [diameter at breast height]:** Measurement of trunk diameter taken at 4.5 feet (1.4 m) off the ground. [ANSI A300 (Part 6)-2005 Transplanting]

**decay:** The degradation of woody tissue caused by microorganisms. [ANSI A300 (Part 1)-2001 Pruning]

**Geographic Information System (GIS):** is any system for capturing, storing, analyzing and managing data and associated attributes which are spatially referenced to earth.

**girdling root:** A root that may impede proper development of other roots, trunk flare, and/or trunk. [ANSI A300 (Part 6)-2005 Transplanting]

**Global Navigation Satellite System (GNSS):** A system that provides robust autonomous geopositioning services via multiple orbiting satellites, ground control stations, and receivers to provide location information.

**Global Positioning System (GPS):** A constellation of at least 24 Medium Earth Orbit satellites that transmit precise microwave signals, the system enables a GPS receiver to determine its location, speed, direction, and time.

**heading:** cutting a shoot back to a bud or cutting branches back to buds, stubs, or lateral branches not large enough to assume apical dominance. Cutting an older branch or stem back to meet a structural objective

**integrated pest management (IPM):** A pest control strategy that uses an array of complementary methods: mechanical devices, physical devices, genetic, biological, legal, cultural management, and chemical management. These methods are done in three stages of prevention, Observation, and finally Intervention. It is an ecological approach that has its main goal is to significantly reduce or eliminate the use of pesticides.

**lateral branch:** A shoot or stem growing from a parent branch or stem. [ANSI A300 (Part 1)-2001 Pruning]

**leader:** A dominant or co-dominant, upright stem. [ANSI A300 (Part 1)-2001 Pruning]

**lean:** Departure from vertical of the stem, beginning at or near the base of the trunk.

**limb:** A large, prominent branch. [ANSI A300 (Part 1)-2001 Pruning]

**lion's tailing:** The removal of an excessive number of inner, lateral branches from parent branches. Lion's tailing is not an acceptable pruning practice (5.5.7). [ANSI A300 (Part 1)-2001 Pruning]

**macronutrient:** Nutrient required in relatively large amounts by plants, such as nitrogen (N), phosphorus (P), potassium (K), and sulfur (S). [ANSI A300 (Part 2)-2004 Fertilization]

**micronutrient:** Nutrient required in relatively small amounts by plants, such as iron (Fe), manganese (Mn), zinc (Zn), copper (Cu), and boron (B). [ANSI A300 (Part 2)-2004 Fertilization]

**noise attenuation:** reducing sound levels via materials, structures, plants, etc.

**nutrient:** Element or compound required for growth, reproduction or development of a plant. [ANSI A300 (Part 2)-2004 Fertilization]

**organic matter:** material derived from the growth (and death) of living organisms. The organic components of soil.

**parent branch or stem:** A tree trunk, limb, or prominent branch from which shoots or stems grow. [ANSI A300 (Part 1)-2001 Pruning]

**pH:** unit of measurement that describes the alkalinity or acidity of a solution. Measured on a scale of 0 to 14. Greater than 7 is alkaline, less than 7 is acid, and 7 is neutral (pure water).

**pruning:** The selective removal of plant parts to meet specific goals and objectives. [ANSI A300 (Part 1)-2001 Pruning]

**qualified arborist:** An individual who, by possession of a recognized degree, certification, or professional standing, or through related training and on-the-job experience, is familiar with the equipment and hazards involved in arboricultural operations and who has demonstrated ability in the performance of the special techniques involved. [ANSI Z133.1-2000 Safety Requirements for Arboricultural Operations]

**raising:** Selective pruning to provide vertical clearance (5.6.3). [ANSI A300 (Part 1)-2001 Pruning]

**reduction:** Selective pruning to decrease height and/or spread (5.6.4). [ANSI A300 (Part 1)-2001 Pruning]

**risk assessment:** process of evaluating what unexpected things could happen, how likely it is, and what the likely outcomes are. In tree management, the systematic process to determine the level of risk posed by a tree, tree part, or group of trees.

**root collar:** 1. The transition zone between the trunk and the root system. [ANSI A300 (Part 6)-2005 Transplanting] 2. See COLLAR. [ANSI Z60.1-2004 Nursery Stock]

**root flare or trunk flare:** The area at the base of the plant's stem or trunk where the stem or trunk broadens to form roots; the area of transition between the root system and the stem or trunk. [ANSI Z60.1-2004 Nursery Stock] [ANSI A300 (Part 6)-2005 Transplanting]

**root zone:** The volume of soil containing the roots of a plant. [ANSI A300 (Part 5)-2005 Management]

**secondary nutrient:** Nutrient required in moderate amounts by plants, such as calcium (Ca) and magnesium (Mg). [ANSI A300 (Part 2)-2004 Fertilization]

**seam:** Vertical line that appears where two edges of wound wood or callus ridge meet.

**soil amendment:** Any material added to soil to alter its composition and structure, such as sand, fertilizer, or organic matter. [ANSI A300 (Part 6)-2005 Transplanting]

**soil pH:** A measure of the acidity or alkalinity of the soil.

**stormwater runoff:** water (generally from rain or snow melt) that flows over the ground after storm events.

**structural support system:** hardware installed in tree, may be; cables, braces, or guys, to provide supplemental support.

**sweep:** Departure from vertical of the stem, beginning above the base of the trunk.

**thinning:** Selective pruning to reduce density of live branches (5.6.2). [ANSI A300 (Part 1)-2001 Pruning]

**tree risk assessment:** Closer inspection of visibly damaged, dead, defected, diseased, leaning or dying tree to determine management needs.

**topping:** The reduction of a tree's size using heading cuts that shorten limbs or branches back to a predetermined crown limit. Topping is not acceptable pruning practice. (5.5.7). [ANSI A300 (Part 1)-2001 Pruning]

**tree inventory:** A comprehensive list of individual trees providing descriptive information on all or a portion of the project area. [ANSI A300 (Part 5)-2005 Management during site planning, site development, and construction]

**tree protection zone:** A space above and belowground within which trees are to be retained and protected. [ANSI A300 (Part 5)-2005 Management during site planning, site development, and construction]

**trunk:** That portion of a stem or stems of a tree before branching occurs. [ANSA Z60.1-2004 Nursery Stock]

**vigor:** Overall health. Capacity to grow and resist stress. [ISA Municipal Specialist Certification Study Guide 2008]

**wound:** An opening that is created when the bark of a living branch or stem is penetrated, cut, or removed. [ANSI A300 (Part 1)-2001 Pruning]

## Bartlett's Root Invigoration

By Kelby Fite, PhD, Plant & Environmental Science  
& E. Thomas Smiley, PhD, Urban Forestry

Bartlett's Root Invigoration is designed to repair damaged soils and promote an efficient soil environment which optimizes fine root performance. This procedure is useful to prevent decline in aging trees, promote growth in younger trees, prepare planting beds, stimulate the recovery of trees damaged by construction, and aid establishment of newly planted trees, among other uses. This program creates a natural, forest-like soil in the developed environment. These soils provide for efficient uptake of higher levels of water and nutrients by the fine root system, resulting in an improvement in tree health.

Our root invigoration is a comprehensive program that begins with site evaluation consisting of a tree and soil analysis. The physical and chemical properties of the soil are assessed to determine the treatment area and level of amendments necessary to achieve satisfactory results. This treatment is frequently employed on declining trees so an assessment of plant health, including pests and problems that may cause the decline, must be performed during the initial evaluation process.

Soil moisture is critical to this program. Dry soils must be irrigated to a depth of 6-8 inches prior to treatment. After treatment, consistent irrigation will be necessary to achieve desired results. The success of root invigoration relies heavily on the proper application of water both before and after treatment.

Once soil moisture levels are adequate, turf or other dense ground cover must be removed. The soil is then loosened and cultivated to a depth of 6-8 inches (15-20cm) using an air tool designed to excavate and till the soil while minimizing disturbance to the root system (Figure 1). This same tool is also used to excavate the root collar (transition area from trunk to roots), which may be buried by excessive soil or mulch. Based on prior soil and tree analyses, nutrients,

**Figure 1: Soil decompaction using an air tool**



mycorrhizal fungi and organic amendments are applied and incorporated using the air tool. This program may be completed in stages to accommodate client or site restrictions. Typically, the treatment will begin adjacent to the trunk and extend outward toward the dripline; however, the size and shape of this area are determined by the site evaluation and owner preferences.

Once irrigated to settle the soil and ensure root-to-soil contact, a 2-3 inch layer of organic mulch is applied. Sufficient soil moisture should be maintained for

weeks or months following the process, which will require regular irrigation if precipitation does not occur. Trees should be monitored for insects, diseases and cultural problems that may arise and hinder program response.

The result of this process is a decompacted, fertile, biologically-active soil which now mimics soils of undisturbed forests and is an optimal environment for the uptake of water and nutrients by fine roots. Most trees respond within a few years of treatment by producing very efficient fine feeder roots to take advantage of the improved soil conditions (Figure 2). The program is best implemented as a preventive measure to alleviate soil stress before decline of the tree is noted. Once decline begins, it is challenging to reverse, but this program is designed to take a holistic approach to relieve stress on root system function and restore tree health.

**Figure 2: Fine root growth in organic layer 10 months after treatment**



Typical candidate trees are those which have been recently transplanted, are struggling to establish, have limited soil volume, construction-damaged, aging, or those that will be underplanted with shrub or herbaceous plant material (Figure 3).

**Figure 3: Red maple one year following root invigoration (right) compared to one without treatment (left)**



Founded in 1926, The Bartlett Tree Research Laboratories is the research wing of Bartlett Tree Experts. Scientists here develop guidelines for all of the Company's services. The Lab also houses a state-of-the-art plant diagnostic clinic and provides vital technical support to Bartlett arborists and field staff for the benefit of our clients.

## Bartlett's Root Invigoration

### Before and After Care

Kelby Fite, PhD, Plant & Environmental Science

& E. Thomas Smiley, PhD, Urban Forestry

Bartlett's Root Invigoration is a treatment regime intended to promote a favorable soil environment for root growth and tree performance. The program has been successful on young trees, recent transplants, maturing trees, and even some declining trees. Increased root function leads to higher levels of water and nutrient uptake, resulting in an overall improvement in tree health.

### How does root invigoration promote root function?

Root growth occurs when soil conditions are favorable. Often in urban and suburban areas, soil conditions deteriorate due to turf management practices, soil compaction, lack of organic matter in the soil, lack of nutrients and low levels of mycorrhizae. Root invigoration incorporates appropriate amendments such as organic matter, biochar, prescription fertilizer, pH modifiers, and mycorrhizal fungi, while reducing soil compaction and aerating the soil. By optimizing these factors, root invigoration provides the optimum environment for root growth.

### What will be done?

There are several steps involved in setting up and implementing Bartlett's Root Invigoration:

#### **Site evaluation, tree evaluation and soil sampling.**

The landscape and trees are examined to ensure that they are suitable candidates for the service. Not all trees will respond to this treatment and you should be especially mindful of this when considering declining trees. Soil analysis options provide information on the current nutrient, pH and organic matter levels as well as soil penetrability/density.

**Program recommendations.** Root invigoration will be more effective when larger areas of soil volume can be improved. Due to root distribution, we would prefer to treat the soil from the root collar out to the dripline. This is often not practical or exceeds the budget for the project. In these situations, it is often preferred to treat the soil nearest the root collar and work out to a radius of 3-5 times dbh (12" dbh = 3-5' radius treated). This may be reduced or expanded as the site and budget allow. The treated area can and should be expanded over time. The shape of the treated area may also be tailored to the site as circular areas may not work for all situations.

**Irrigation.** Soil moisture at the time of treatment is the most *critical factor* for efficiency and cleanliness of treatment. The ideal soil moisture is near field capacity, that is, one or two days after heavy rain. Irrigate the treatment area heavily two or three days prior to the scheduled treatment if less than an inch of rain fell during the previous week. If soils are extremely dry, soaker hoses may need to be placed and cycled several times for many hours in order to achieve sufficient water infiltration into heavy, compacted soil. Proper soil moisture is critical to allow for a more effective and less dusty treatment. If there is standing water in the landscape or if the soil is dry or frozen, treatment should be delayed.

**Fertilizer Application.** Bartlett's Soil Prescription Fertilization matches fertilizer to your soil and tree needs and provides the greatest benefits with the least environmental impact.

**Soil Conditioning.** On the day of treatment, a crew will arrive with a large air compressor and the materials that will be incorporated into the soil. They will cultivate the soil to a depth of six to eight inches using a tool designed to till the soil while minimizing disturbance to the roots (Figure 1). Following this operation, appropriate amendments such as organic matter, biochar, fertilizer and mycorrhizal fungi will be incorporated into the treatment zone. The root collar must be excavated so that buttress roots are visible as part of the program. Irrigation should be applied after soil conditioning to settle the soil and ensure proper soil contact with fine roots.

**Figure 1: Soil conditioning is underway as part of the root invigoration process**



**Mulching.** The work area will be covered with mulch at the end of the process. Maintain the mulch level at a depth of two to four inches. Although not recommended, if it is not desirable to mulch the area, it can be seeded in ground cover, but planting grass is not recommended. Turf will inhibit tree root development and make the treatment much less beneficial.

**Root Diseases.** If root disease is suspected of playing a role in the tree decline, a root sample will be collected for additional diagnostic testing. Treatment recommendations will be provided at a later date, if required.

### What results can be anticipated?

Every tree is a unique biological specimen, so the results of this treatment are also unique. Typically, a treated tree will have a denser and greener crown by the next growing season or with the next flush of growth. Immediately after root invigoration you may notice that water penetrates more rapidly into the treated soil, this is due to the increased soil porosity.

Declining trees may need additional treatments including pruning, borer and secondary insect treatments and tree risk assessments, especially root evaluation. Check with your Bartlett Arborist for details on additional treatments.

### How can you assist in the treatment and recovery of the tree?

**Irrigation** prior to treatment is essential in providing an effective treatment if drought conditions exist. Irrigation after treatment will provide the moisture required for root growth. Irrigation once a week during drought periods is usually sufficient. Consider adding a dedicated irrigation zone for specimen trees.

**Monitor Soil Moisture.** Moisture levels are easily monitored with tensiometers or other soil moisture monitoring devices. You should notice that water is now quickly absorbed into the mulch and soil.

**Weed Management.** If weeds start growing in the mulch, they should be pulled or treated with an appropriate herbicide. Pre-emergent herbicides should not be applied for two months following treatment. After that period, they can be used very effectively in preventing weed growth in mulched areas.

**Integrated Pest Management.** The Bartlett's Monitor Integrated Pest Management Program will have an expert on your property on a regularly scheduled basis to examine all of your trees and shrubs and treat pests before they become a serious problem.

**Monitor the Tree.** If you notice any problems with the tree, call your Bartlett Arborist immediately.



**Founded in 1926, The Bartlett Tree Research Laboratories is the research wing of Bartlett Tree Experts. Scientists here develop guidelines for all of the Company's services. The Lab also houses a state-of-the-art plant diagnostic clinic and provides vital technical support to Bartlett arborists and field staff for the benefit of our clients.**



## BOARD OF ALDERMEN AGENDA ITEM SUMMARY

**DATE:** January 8, 2025

**DEPARTMENT:** Public Information Office/Administration

**PRESENTED BY:** ChyAnn Ketchum, PIO

**ITEM SPONSORED BY:** n/a

**ITEM/TOPIC:** Southport Specialty Plate Project & New City Website Update

**DEPARTMENT HEAD COMMENTS:** I am coming before you this evening to provide an update on the Southport Specialty License Plate Project. As you know, we are required to have a minimum of 500 **(as of this submission, we have 167/500, which is approximately 33%)** before we can send the application package and pre-order forms to the NC General Assembly for approval. Once the General Assembly approves the plate, it will then be sent to the NC DMV for production and distribution.

We will continue to post any updates on the city's website and social media. As a reminder, proceeds from the Southport Specialty License Plate Project will go towards Emergency Management initiatives.

I will provide a verbal update on the status of the new website and when we plan to publicly launch the new website, as well answer questions that we have received over the past few weeks.

# General Ledger

## Revenues vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 11:01:15 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period Amt	Current Year	Variance	Encumbered	Uncollected	% Uncollected	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>10</b>	<b>General Fund</b>										
<b>00</b>	<b>General Government</b>										
10-00-3100-1100	Ad Valorem Taxes	4,939,010.00	2,711,607.24	2,711,607.24	2,227,402.76	0.00	2,227,402.76	45.10	4,763,244.16	4,186,602.95	4,291,865.20
10-00-3100-1200	Motor Vehicles Tax Collections	255,308.00	114,670.10	114,670.10	140,637.90	0.00	140,637.90	55.09	252,758.25	230,944.74	241,767.64
10-00-3100-1300	NCDOT Specialty License Plate	15,000.00	7,230.00	7,230.00	7,770.00	0.00	7,770.00	51.80	0.00	0.00	0.00
10-00-3100-1700	InterestPenalties -Taxes	10,321.00	2,969.98	2,969.98	7,351.02	0.00	7,351.02	71.22	10,558.46	8,748.48	9,153.79
10-00-3100-1710	Motor Vehicle Interest	2,094.00	481.28	481.28	1,612.72	0.00	1,612.72	77.02	2,495.52	1,893.98	1,597.50
10-00-3102-0000	Ad Valorem Tax Prior Years	33,119.00	28,272.80	28,272.80	4,846.20	0.00	4,846.20	14.63	25,761.53	30,793.19	25,055.69
10-00-3230-0000	Local Option Sales Tax	2,131,403.00	741,934.68	741,934.68	1,389,468.32	0.00	1,389,468.32	65.19	2,016,363.04	1,937,859.67	1,802,305.98
10-00-3260-0000	Privilege Licenses	1,500.00	0.00	0.00	1,500.00	0.00	1,500.00	100.00	1,590.00	1,530.00	1,390.00
10-00-3260-0800	ItinerantPeddler Permit	150.00	100.00	100.00	50.00	0.00	50.00	33.33	0.00	50.00	200.00
10-00-3322-0000	Beer & Wine Tax	23,934.00	0.00	0.00	23,934.00	0.00	23,934.00	100.00	18,685.37	21,930.78	19,153.64
10-00-3324-0000	Utility Franchise Tax	505,177.00	128,610.89	128,610.89	376,566.11	0.00	376,566.11	74.54	509,059.68	484,863.85	405,209.42
10-00-3420-0000	Grant Reimbursements	330,000.00	0.00	0.00	330,000.00	0.00	330,000.00	100.00	0.00	0.00	0.00
10-00-3420-0200	FEMA Reimbursement	0.00	346,935.32	346,935.32	-346,935.32	0.00	-346,935.32	0.00	227,701.28	139,568.66	38,049.71
10-00-3474-0000	Cemetery Lot Sales & Fees	500.00	450.00	450.00	50.00	0.00	50.00	10.00	550.00	674.00	600.00
10-00-3713-0200	Transfer From Powell Bill	419,000.00	238,378.51	238,378.51	180,621.49	0.00	180,621.49	43.11	0.00	0.00	0.00
10-00-3810-0000	Interest Earned	600,000.00	166,738.18	166,738.18	433,261.82	0.00	433,261.82	72.21	664,648.12	771,068.91	479,496.47
10-00-3833-0005	Donations	2,000.00	24,000.00	24,000.00	-22,000.00	0.00	-22,000.00	-1,100.00	5,000.00	11,500.00	20,100.00
10-00-3833-0100	Forestry Committee Donations	750.00	500.00	500.00	250.00	0.00	250.00	33.33	1,000.00	2,050.00	750.00
10-00-3837-0000	Southport ABC Distribution	558,291.00	47,973.00	47,973.00	510,318.00	0.00	510,318.00	91.41	416,776.64	570,000.00	601,989.71
10-00-3839-0100	Miscellaneous Revenues	2,000.00	6,386.16	6,386.16	-4,386.16	0.00	-4,386.16	-219.31	-5,945.75	11,413.01	9,352.22
10-00-3839-0200	Insurance Recovery	0.00	8,664.97	8,664.97	-8,664.97	0.00	-8,664.97	0.00	0.00	809.00	130.81
10-00-3970-0000	Transfer in from other funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10-00-3991-0000	Appropriated Fund Balance	900,000.00	0.00	0.00	900,000.00	0.00	900,000.00	100.00	0.00	-1,250.00	0.00
<b>00</b>	<b>General Government</b>	<b>10,729,557.00</b>	<b>4,575,903.11</b>	<b>4,575,903.11</b>	<b>6,153,653.89</b>	<b>0.00</b>	<b>6,153,653.89</b>	<b>57.35</b>	<b>8,910,246.30</b>	<b>8,411,051.22</b>	<b>7,948,167.78</b>

# General Ledger

## Revenues vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 11:01:15 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period Amt	Current Year	Variance	Encumbered	Uncollected	Uncollected	%	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>05</b>	<b>Streets</b>											
10-05-3316-0000	NC Powell Bill Funds	0.00	177,090.89	177,090.89	-177,090.89	0.00	-177,090.89	0.00	0.00	0.00	0.00	0.00
10-05-4511-1200	Municipal Vehicle Fee	85,500.00	97,045.64	97,045.64	-11,545.64	0.00	-11,545.64	-13.50	96,360.00	0.00	0.00	0.00
10-05-4511-2000	Powell Bill Funds	179,000.00	0.00	0.00	179,000.00	0.00	179,000.00	100.00	0.00	0.00	0.00	0.00
<b>05</b>	<b>Streets</b>	<b>264,500.00</b>	<b>274,136.53</b>	<b>274,136.53</b>	<b>-9,636.53</b>	<b>0.00</b>	<b>-9,636.53</b>	<b>-3.64</b>	<b>96,360.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

# General Ledger

## Revenues vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 11:01:15 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period Amt	Current Year	Variance	Encumbered	Uncollected	Uncollected %	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>06</b>	<b>Animal Protective Services</b>										
10-06-3210-0000	Civil Penalties	0.00	200.00	200.00	-200.00	0.00	-200.00	0.00	100.00	155.00	320.00
10-06-3220-0000	Pet license & tags	500.00	1,480.86	1,480.86	-980.86	0.00	-980.86	-196.17	913.27	1,707.18	810.44
10-06-3833-0005	Donations Animal Care	0.00	734.00	734.00	-734.00	0.00	-734.00	0.00	0.00	30.00	0.00
<b>06</b>	<b>Animal Protective Services</b>	<b>500.00</b>	<b>2,414.86</b>	<b>2,414.86</b>	<b>-1,914.86</b>	<b>0.00</b>	<b>-1,914.86</b>	<b>-382.97</b>	<b>1,013.27</b>	<b>1,892.18</b>	<b>1,130.44</b>

# General Ledger

## Revenues vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 11:01:15 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period Amt	Current Year	Variance	Encumbered	Uncollected	% Uncollected	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>10</b>	<b>Police</b>										
10-10-3437-0600	Misc. ReceiptsPolice Dept.	5,000.00	11,653.70	11,653.70	-6,653.70	0.00	-6,653.70	-133.07	4,289.23	9,281.19	7,819.09
10-10-3437-0601	Police Shop with a Cop	10,000.00	20,656.00	20,656.00	-10,656.00	0.00	-10,656.00	-106.56	11,151.00	11,938.00	17,150.22
10-10-3437-0602	Golf Cart Fees	22,500.00	4,950.00	4,950.00	17,550.00	0.00	17,550.00	78.00	23,750.00	12,150.00	15,595.00
10-10-3437-0603	Police ODM Vehicle Revenue	12,000.00	0.00	0.00	12,000.00	0.00	12,000.00	100.00	10,900.56	0.00	0.00
10-10-3443-0300	Police Misc Grants	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00	100.00	41,850.00	201,720.00	0.00
10-10-3838-0000	ABC Revenue for Law Enf.	25,000.00	4,042.00	4,042.00	20,958.00	0.00	20,958.00	83.83	21,680.15	22,100.00	29,326.96
<b>10</b>	<b>Police</b>	<b>79,500.00</b>	<b>41,301.70</b>	<b>41,301.70</b>	<b>38,198.30</b>	<b>0.00</b>	<b>38,198.30</b>	<b>48.05</b>	<b>113,620.94</b>	<b>257,189.19</b>	<b>69,891.27</b>

# General Ledger

## Revenues vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 11:01:15 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period	Amt	Current Year	Variance	Encumbered	Uncollected	Uncollected	%	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>11</b>	<b>Fire</b>												
10-11-3434-0100	Fire District Fees	2,127,353.00	1,021,130.00	1,021,130.00	1,106,223.00	0.00	1,106,223.00	52.00	2,001,477.26	1,941,488.69	1,412,237.08		
10-11-3434-0400	Fire Response Fees	12,000.00	2,400.34	2,400.34	9,599.66	0.00	9,599.66	80.00	35,841.91	8,432.16	6,214.17		
10-11-3434-0500	Fire - Miscellaneous Revenue	50,000.00	9,229.02	9,229.02	40,770.98	0.00	40,770.98	81.54	112,081.53	0.00	0.00		
10-11-3434-0700	Fire Inspections & Permit Fees	40,000.00	24,645.87	24,645.87	15,354.13	0.00	15,354.13	38.39	60,075.93	26,948.55	10,256.00		
<b>11</b>	<b>Fire</b>	<b>2,229,353.00</b>	<b>1,057,405.23</b>	<b>1,057,405.23</b>	<b>1,171,947.77</b>	<b>0.00</b>	<b>1,171,947.77</b>	<b>52.57</b>	<b>2,209,476.63</b>	<b>1,976,869.40</b>	<b>1,428,707.25</b>		

# General Ledger

## Revenues vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 11:01:15 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period	Amt	Current Year	Variance	Encumbered	Uncollected	Uncollected	%	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>12</b>	<b>Rescue</b>												
10-12-3437-0400	Rescue Dept Misc. Receipts	20,000.00		0.00	0.00	20,000.00	0.00	20,000.00	100.00		30,444.80	0.00	2,242.16
10-12-3437-0500	Rescue Squad Fees	590,000.00	197,328.73	197,328.73	392,671.27	0.00	392,671.27	66.55		485,198.47	285,788.41	274,260.10	
<b>12</b>	<b>Rescue</b>	<b>610,000.00</b>	<b>197,328.73</b>	<b>197,328.73</b>	<b>412,671.27</b>	<b>0.00</b>	<b>412,671.27</b>	<b>67.65</b>		<b>515,643.27</b>	<b>285,788.41</b>	<b>276,502.26</b>	

# General Ledger

## Revenues vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 11:01:15 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period Amt	Current Year	Variance	Encumbered	Uncollected	Uncollected %	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>40</b>	<b>Planning and Permitting</b>										
10-40-3220-0000	Civil Penalties	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00	100.00	16,936.00	18,845.82	0.00
10-40-3343-0400	Planning & Zoning Fees	35,000.00	17,435.00	17,435.00	17,565.00	0.00	17,565.00	50.19	81,273.00	67,981.00	22,619.00
<b>40</b>	<b>Planning and Permitting</b>	<b>40,000.00</b>	<b>17,435.00</b>	<b>17,435.00</b>	<b>22,565.00</b>	<b>0.00</b>	<b>22,565.00</b>	<b>56.41</b>	<b>98,209.00</b>	<b>86,826.82</b>	<b>22,619.00</b>

# General Ledger

## Revenues vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 11:01:15 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period Amt	Current Year	Variance	Encumbered	Uncollected	% Uncollected	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>41</b>	<b>DEPT</b>										
10-41-3343-0000	Inspection Permits	635,000.00	323,343.00	323,343.00	311,657.00	0.00	311,657.00	49.08	799,108.10	0.00	0.00
10-41-3343-0100	Home Owners Recovery Fund	80.00	150.00	150.00	-70.00	0.00	-70.00	-87.50	172.00	0.00	0.00
10-41-3343-0200	Permitting Penalties	10,000.00	2,068.50	2,068.50	7,931.50	0.00	7,931.50	79.32	12,127.00	0.00	0.00
10-41-3343-0300	Reinspection Fees	3,000.00	510.00	510.00	2,490.00	0.00	2,490.00	83.00	3,045.00	0.00	0.00
<b>41</b>	<b>DEPT</b>	<b>648,080.00</b>	<b>326,071.50</b>	<b>326,071.50</b>	<b>322,008.50</b>	<b>0.00</b>	<b>322,008.50</b>	<b>49.69</b>	<b>814,452.10</b>	<b>0.00</b>	<b>0.00</b>

# General Ledger

## Revenues vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 11:01:15 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period Amt	Current Year	Variance	Encumbered	Uncollected	Uncollected	%	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>80</b>	<b>Parks &amp; Recreation</b>											
10-80-3410-0100	Parks & Rec Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	138,066.37	0.00	30,353.40
10-80-3437-0700	Rent Recreation Facilities	12,000.00	3,500.00	3,500.00	8,500.00	0.00	8,500.00	70.83	70.83	11,650.00	8,095.00	11,291.00
10-80-3612-0000	Recreation Programs Receipts	40,000.00	10,165.00	10,165.00	29,835.00	0.00	29,835.00	74.59	74.59	24,320.00	27,292.00	33,990.00
10-80-3612-0200	Parks & Recreation Donations	2,000.00	0.00	0.00	2,000.00	0.00	2,000.00	100.00	100.00	4,371.93	1,800.00	10,369.37
<b>80</b>	<b>Parks &amp; Recreation</b>	<b>54,000.00</b>	<b>13,665.00</b>	<b>13,665.00</b>	<b>40,335.00</b>	<b>0.00</b>	<b>40,335.00</b>	<b>74.69</b>	<b>74.69</b>	<b>178,408.30</b>	<b>37,187.00</b>	<b>86,003.77</b>

# General Ledger

## Revenues vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 11:01:15 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period Amt	Current Year	Variance	Encumbered	Uncollected	Uncollected	%	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>81</b>	<b>Community Building</b>											
10-81-3834-0000	Community Bldg Rental	310,000.00	102,889.33	102,889.33	207,110.67	0.00	207,110.67	66.81		223,044.01	219,699.53	201,141.76
10-81-3835-0100	Community Bldg CC Fees	3,000.00	376.25	376.25	2,623.75	0.00	2,623.75	87.46		3,051.46	0.00	0.00
<b>81</b>	<b>Community Building</b>	<b>313,000.00</b>	<b>103,265.58</b>	<b>103,265.58</b>	<b>209,734.42</b>	<b>0.00</b>	<b>209,734.42</b>	<b>67.01</b>		<b>226,095.47</b>	<b>219,699.53</b>	<b>201,141.76</b>

# General Ledger

## Revenues vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 11:01:15 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period	Amt	Current Year	Variance	Encumbered	Uncollected	Uncollected	%	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>82</b>	<b>Tourism</b>												
10-82-3270-0000	Local Occupancy Tax	210,000.00		114,951.55	114,951.55	95,048.45	0.00	95,048.45	45.26		210,076.12	206,285.79	217,538.25
10-82-3617-0000	Tourism Special Events	39,350.00		52,461.26	52,461.26	-13,111.26	0.00	-13,111.26	-33.32		41,261.80	34,415.51	11,105.00
10-82-3834-0300	Tourism - Misc Revenue	7,600.00		3,579.49	3,579.49	4,020.51	0.00	4,020.51	52.90		8,971.68	7,456.72	13,901.00
10-82-3839-0501	Tourism - Filming Fees	15,000.00		125.16	125.16	14,874.84	0.00	14,874.84	99.17		14,950.00	1,850.00	0.00
10-82-3839-0502	Ft. Johnston Gift Shop	5,000.00		11,955.53	11,955.53	-6,955.53	0.00	-6,955.53	-139.11		0.00	0.00	0.00
<b>82</b>	<b>Tourism</b>	<b>276,950.00</b>		<b>183,072.99</b>	<b>183,072.99</b>	<b>93,877.01</b>	<b>0.00</b>	<b>93,877.01</b>	<b>33.90</b>		<b>275,259.60</b>	<b>250,008.02</b>	<b>242,544.25</b>

General Ledger  
 Revenues vs Budget with  
 Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 11:01:15 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period	Amt	Current Year	Variance	Encumbered	Uncollected	Uncollected	%	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>96</b>	<b>Solid Waste</b>												
10-96-3325-0000	Solid Waste Disposal Tax	3,750.00		1,796.77	1,796.77	1,953.23	0.00	1,953.23	52.09		3,592.42	488.40	3,267.47
10-96-3500-0000	Refuse Revenue	375,000.00		157,425.98	157,425.98	217,574.02	0.00	217,574.02	58.02		346,173.07	305,205.67	291,809.49
<b>96</b>	<b>Solid Waste</b>	<b>378,750.00</b>		<b>159,222.75</b>	<b>159,222.75</b>	<b>219,527.25</b>	<b>0.00</b>	<b>219,527.25</b>	<b>57.96</b>		<b>349,765.49</b>	<b>305,694.07</b>	<b>295,076.96</b>

# General Ledger

## Revenues vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 11:01:15 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period Amt	Current Year	Variance	Encumbered	Uncollected	Uncollected	%	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>99</b>	<b>DEPT</b>											
10-99-4110-3790	Cost Transfer from Other Funds	0.00	1,510.26	1,510.26	-1,510.26	0.00	-1,510.26	0.00	0.00	0.00	0.00	0.00
10-99-4120-3970	Cost Transfer from Other Funds	153,502.00	43,741.22	43,741.22	109,760.78	0.00	109,760.78	71.50	0.00	0.00	0.00	0.00
10-99-4140-3970	Cost Transfer from Other Funds	113,704.00	37,107.85	37,107.85	76,596.15	0.00	76,596.15	67.36	0.00	0.00	0.00	0.00
10-99-4560-3970	Cost Transfer From Other Funds	98,636.00	32,068.28	32,068.28	66,567.72	0.00	66,567.72	67.49	0.00	0.00	0.00	0.00
<b>99</b>	<b>DEPT</b>	<b>365,842.00</b>	<b>114,427.61</b>	<b>114,427.61</b>	<b>251,414.39</b>	<b>0.00</b>	<b>251,414.39</b>	<b>68.72</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

General Ledger  
 Revenues vs Budget with  
 Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 11:01:15 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period	Amt	Current Year	Variance	Encumbered	Uncollected	Uncollected	%	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>Revenue Total</b>		<b>15,990,032.00</b>	<b>7,065,650.59</b>	<b>7,065,650.59</b>	<b>8,924,381.41</b>	<b>0.00</b>	<b>8,924,381.41</b>	<b>55.8122</b>	<b>13,788,550.37</b>	<b>11,832,205.84</b>	<b>10,571,784.74</b>		
<b>10</b>	<b>General Fund</b>	<b>15,990,032.00</b>	<b>7,065,650.59</b>	<b>7,065,650.59</b>	<b>8,924,381.41</b>	<b>0.00</b>	<b>8,924,381.41</b>	<b>55.81</b>	<b>13,788,550.37</b>	<b>11,832,205.84</b>	<b>10,571,784.74</b>		

General Ledger  
 Revenues vs Budget with  
 Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 11:01:15 AM  
 Period 01 - 12  
 Fiscal Year 2026

<u>Department Description</u>	<u>Budget</u>	<u>Period</u>	<u>Amt</u>	<u>Current</u>	<u>Variance</u>	<u>Encumbered</u>	<u>Uncollected</u>	<u>Uncollected</u>	<u>%</u>	<u>One Year</u>	<u>Two Year</u>	<u>Three Year</u>
				<u>Year</u>						<u>Prior Actual</u>	<u>Prior Actual</u>	<u>Prior Actual</u>
Revenue	15,990,032.00	7,065,650.59	7,065,650.59	8,924,381.41		0.00	8,924,381.41	55.8122		13,788,550.37	11,832,205.84	10,571,784.74
Total												

# General Ledger

## Expenditures vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 10:57:34 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period Amt	Current Year	Variance	Encumbered	Available	% Available	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>10</b>	<b>General Fund</b>										
<b>00</b>	<b>General Government</b>										
10-00-4110-0000	Full-Time Employees	84,000.00	35,000.00	35,000.00	49,000.00	0.00	49,000.00	58.33	84,000.00	24,301.95	27,484.14
10-00-4110-0900	F.I.C.A.	6,426.00	2,677.50	2,677.50	3,748.50	0.00	3,748.50	58.33	6,426.00	1,872.50	1,532.23
10-00-4110-1100	HealthLifeDental Insurance	350.00	94.80	94.80	255.20	0.00	255.20	72.91	195.05	708.11	263.34
10-00-4110-1400	Workers Compensation Insurance	143.00	0.00	0.00	143.00	0.00	143.00	100.00	30.56	182.65	232.42
10-00-4110-1800	Professional Fees	36,110.00	54,088.00	54,088.00	-17,978.00	0.00	-17,978.00	-49.79	43,558.00	33,834.33	44,110.64
10-00-4110-2600	Departmental Supplies	6,000.00	4,624.94	4,624.94	1,375.06	161.27	1,213.79	20.23	5,150.74	6,002.48	15,799.08
10-00-4110-3100	Travel & Training	3,000.00	1,317.99	1,317.99	1,682.01	1,180.00	502.01	16.73	3,371.82	2,668.55	3,428.84
10-00-4110-3200	Communications	2,625.00	870.44	870.44	1,754.56	0.00	1,754.56	66.84	2,834.60	2,424.65	311.50
10-00-4110-3900	Other Services	200.00	100.00	100.00	100.00	0.00	100.00	50.00	0.00	200.00	200.00
10-00-4110-4400	Contract Services	140,000.00	66,508.84	66,508.84	73,491.16	0.00	73,491.16	52.49	50,269.41	90,363.86	91,524.90
10-00-4110-4500	Insurance & Bonding	1,924.00	2,110.85	2,110.85	-186.85	0.00	-186.85	-9.71	5,040.01	3,645.08	3,445.43
10-00-4110-5600	Capital Outlay - Weather tower	0.00	26,215.00	26,215.00	-26,215.00	48,685.00	-74,900.00	0.00	0.00	500.00	0.00
10-00-4110-6000	Donations	10,000.00	0.00	0.00	10,000.00	0.00	10,000.00	100.00	10,000.00	10,000.00	0.00
10-00-4110-6800	Election Expense	5,500.00	0.00	0.00	5,500.00	0.00	5,500.00	100.00	0.00	5,342.20	0.00
<b>00</b>	<b>General Government</b>	<b>296,278.00</b>	<b>193,608.36</b>	<b>193,608.36</b>	<b>102,669.64</b>	<b>50,026.27</b>	<b>52,643.37</b>	<b>17.77</b>	<b>210,876.19</b>	<b>182,046.36</b>	<b>188,332.52</b>

# General Ledger

## Expenditures vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 10:57:34 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period Amt	Current Year	Variance	Encumbered	Available	% Available	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>01</b>	<b>Administration</b>										
10-01-4120-0000	Full-Time Employees	572,545.00	173,205.17	173,205.17	399,339.83	0.00	399,339.83	69.75	476,815.63	147,127.66	120,030.61
10-01-4120-0001	Employee Overtime	2,214.00	2,785.56	2,785.56	-571.56	0.00	-571.56	-25.82	2,884.14	939.04	578.85
10-01-4120-0200	Part-Time Employees	0.00	29,956.74	29,956.74	-29,956.74	0.00	-29,956.74	0.00	77,338.13	0.00	0.00
10-01-4120-0700	401K Retirement Supplement	24,145.00	8,568.93	8,568.93	15,576.07	0.00	15,576.07	64.51	19,204.37	8,257.23	5,744.94
10-01-4120-0900	F.I.C.A.	43,969.00	15,685.16	15,685.16	28,283.84	0.00	28,283.84	64.33	41,682.06	12,722.05	9,189.85
10-01-4120-1000	LGERS Retirement	69,539.00	24,678.35	24,678.35	44,860.65	0.00	44,860.65	64.51	52,326.71	21,249.83	13,910.62
10-01-4120-1100	HealthLifeDental Insurance	127,697.00	66,215.15	66,215.15	61,481.85	26,965.62	34,516.23	27.03	66,779.05	15,604.81	14,442.50
10-01-4120-1400	Workers Compensation	977.00	0.00	0.00	977.00	0.00	977.00	100.00	2,300.31	1,084.49	1,126.65
	Insurance										
10-01-4120-2100	Uniforms & Protective Gear	2,500.00	0.00	0.00	2,500.00	0.00	2,500.00	100.00	165.61	590.53	0.00
10-01-4120-2500	Vehicle Supplies	500.00	526.18	526.18	-26.18	72.30	-98.48	-19.70	708.38	688.43	292.10
10-01-4120-2600	Departmental Supplies	22,000.00	10,961.65	10,961.65	11,038.35	2,513.73	8,524.62	38.75	21,894.64	32,911.43	20,477.92
10-01-4120-3100	Travel & Training	20,000.00	16,281.23	16,281.23	3,718.77	1,175.00	2,543.77	12.72	15,135.97	13,660.34	5,922.28
10-01-4120-3150	Tuition Reimbursement	5,000.00	1,000.00	1,000.00	4,000.00	0.00	4,000.00	80.00	0.00	0.00	0.00
10-01-4120-3200	Communications	6,000.00	2,193.55	2,193.55	3,806.45	663.24	3,143.21	52.39	5,947.33	7,529.90	4,305.15
10-01-4120-3300	Utilities - Admin	6,300.00	1,828.84	1,828.84	4,471.16	416.98	4,054.18	64.35	6,638.57	6,559.99	6,539.93
10-01-4120-3400	Emergency Preparedness	25,000.00	384.78	384.78	24,615.22	0.00	24,615.22	98.46	17,968.32	2,259.37	18,319.78
10-01-4120-3401	NCDOT Specialty Plate Fee	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00	100.00	0.00	0.00	0.00
10-01-4120-3900	Other Services	2,000.00	513.68	513.68	1,486.32	1,952.53	-466.21	-23.31	1,298.68	2,177.21	1,228.80
10-01-4120-4400	Contract Services	42,690.00	82,064.81	82,064.81	-39,374.81	3,771.76	-43,146.57	-101.07	215,803.14	195,655.07	40,862.94
10-01-4120-4500	Insurance & Bonding	5,552.00	6,940.65	6,940.65	-1,388.65	0.00	-1,388.65	-25.01	8,032.11	5,809.59	5,570.30
10-01-4120-5400	Capital Outlay - Vehicles	3,075.00	3,073.80	3,073.80	1.20	0.00	1.20	0.04	6,646.38	6,968.93	6,950.89
10-01-4120-5800	Capital Outlay -Capital	20,000.00	14,750.00	14,750.00	5,250.00	0.00	5,250.00	26.25	102,912.48	0.00	0.00
	Improv										
10-01-4120-7100	Debt Service	108,081.00	108,080.50	108,080.50	0.50	0.00	0.50	0.00	110,776.60	113,472.71	116,168.81
<b>01</b>	<b>Administration</b>	<b>1,114,784.00</b>	<b>569,694.73</b>	<b>569,694.73</b>	<b>545,089.27</b>	<b>37,531.16</b>	<b>507,558.11</b>	<b>45.53</b>	<b>1,253,258.61</b>	<b>595,268.61</b>	<b>391,662.92</b>

# General Ledger

## Expenditures vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 10:57:34 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period Amt	Current Year	Variance	Encumbered	Available	% Available	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>02</b>	<b>Finance</b>										
10-02-4140-0000	Full-Time Employees	390,524.00	155,732.03	155,732.03	234,791.97	0.00	234,791.97	60.12	472,964.49	135,506.31	143,774.68
10-02-4140-0001	Employee Overtime	750.00	338.66	338.66	411.34	0.00	411.34	54.85	2,937.62	763.74	3,502.74
10-02-4140-0200	Part Time Employees	0.00	1,898.56	1,898.56	-1,898.56	0.00	-1,898.56	0.00	13,319.60	25,170.41	21,059.18
10-02-4140-0700	401K Retirement Supplement	19,572.00	7,652.04	7,652.04	11,919.96	0.00	11,919.96	60.90	23,803.72	8,028.54	8,823.26
10-02-4140-0900	F.I.C.A.	29,947.00	11,748.78	11,748.78	18,198.22	0.00	18,198.22	60.77	35,499.18	13,852.92	15,866.31
10-02-4140-1000	LGERS Retirement	56,371.00	22,037.74	22,037.74	34,333.26	0.00	34,333.26	60.91	64,588.56	20,702.49	21,651.91
10-02-4140-1100	HealthLifeDental Insurance	71,355.00	28,882.64	28,882.64	42,472.36	650.54	41,821.82	58.61	78,710.80	21,538.64	26,072.40
10-02-4140-1400	Workers Compensation Insurance	665.00	0.00	0.00	665.00	0.00	665.00	100.00	2,093.65	1,319.27	1,728.20
10-02-4140-2600	Departmental Supplies	10,770.00	3,856.96	3,856.96	6,913.04	3,053.54	3,859.50	35.84	12,711.40	11,083.61	31,209.36
10-02-4140-3100	Travel & Training	7,500.00	7,689.53	7,689.53	-189.53	1,409.71	-1,599.24	-21.32	10,502.25	2,537.92	11,253.09
10-02-4140-3200	Communications	1,600.00	507.90	507.90	1,092.10	331.62	760.48	47.53	1,608.49	7,836.82	5,612.16
10-02-4140-3300	Utilities	4,000.00	997.28	997.28	3,002.72	0.00	3,002.72	75.07	3,901.08	3,705.69	3,399.37
10-02-4140-3900	Other Services	1,750.00	908.26	908.26	841.74	3,975.90	-3,134.16	-179.09	2,267.05	0.00	0.00
10-02-4140-4400	Contract Services	291,000.00	327,226.86	327,226.86	-36,226.86	6,029.61	-42,256.47	-14.52	71,555.24	44,076.25	57,408.77
10-02-4140-4410	Property Tax Fees	37,291.00	20,741.07	20,741.07	16,549.93	0.00	16,549.93	44.38	37,190.50	31,677.75	32,425.47
10-02-4140-4411	Motor Vehicle Fees	12,002.00	2,275.81	2,275.81	9,726.19	0.00	9,726.19	81.04	11,575.68	9,510.62	9,038.05
10-02-4140-4500	Insurance & Bonding	6,140.00	6,938.09	6,938.09	-798.09	0.00	-798.09	-13.00	2,565.50	2,874.22	1,859.84
<b>02</b>	<b>Finance</b>	<b>941,237.00</b>	<b>599,432.21</b>	<b>599,432.21</b>	<b>341,804.79</b>	<b>15,450.92</b>	<b>326,353.87</b>	<b>34.67</b>	<b>847,794.81</b>	<b>340,185.20</b>	<b>394,684.79</b>

# General Ledger

## Expenditures vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 10:57:34 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period	Current Year Amt	Variance	Encumbered	Available	% Available	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>03</b>	<b>Buildings &amp; Grounds</b>										
10-03-4190-0000	Full-Time Employees	564,476.00	225,941.53	225,941.53	338,534.47	0.00	338,534.47	59.97	509,799.18	503,351.65	476,817.75
10-03-4190-0001	Employee Overtime	4,000.00	2,133.19	2,133.19	1,866.81	0.00	1,866.81	46.67	4,007.48	2,664.41	2,410.57
10-03-4190-0700	401K Retirement Supplement	28,506.00	11,024.96	11,024.96	17,481.04	0.00	17,481.04	61.32	25,540.36	24,741.60	23,606.81
10-03-4190-0900	F.I.C.A.	43,610.00	16,128.50	16,128.50	27,481.50	0.00	27,481.50	63.02	36,631.82	37,314.27	35,923.38
10-03-4190-1000	LGERS Retirement	82,092.00	31,751.74	31,751.74	50,340.26	0.00	50,340.26	61.32	69,529.11	66,823.29	57,182.37
10-03-4190-1100	HealthLifeDental Insurance	134,209.00	73,485.27	73,485.27	60,723.73	1,674.33	59,049.40	44.00	128,365.91	129,958.10	128,638.15
10-03-4190-1400	Workers Compensation Insurance	16,031.00	0.00	0.00	16,031.00	0.00	16,031.00	100.00	4,652.49	10,192.12	8,572.81
10-03-4190-2100	Uniforms & Protective Gear	7,500.00	2,356.34	2,356.34	5,143.66	3,266.98	1,876.68	25.02	9,398.73	7,376.52	9,039.86
10-03-4190-2500	Vehicle Supplies	16,000.00	3,156.01	3,156.01	12,843.99	397.61	12,446.38	77.79	6,811.62	11,633.66	14,565.13
10-03-4190-2600	Departmental Supplies	20,000.00	3,787.17	3,787.17	16,212.83	3,100.68	13,112.15	65.56	19,119.18	19,639.84	21,488.66
10-03-4190-3100	Travel & Training	3,000.00	1,372.45	1,372.45	1,627.55	451.77	1,175.78	39.19	4,463.47	774.91	576.60
10-03-4190-3200	Communications	1,750.00	530.72	530.72	1,219.28	0.00	1,219.28	69.67	1,724.14	2,208.63	2,917.47
10-03-4190-3300	Utilities - Bldgs & Grounds	14,400.00	8,217.37	8,217.37	6,182.63	1,077.92	5,104.71	35.45	13,679.56	12,819.64	14,224.84
10-03-4190-3500	RM Equipment	9,000.00	0.00	0.00	9,000.00	0.00	9,000.00	100.00	7,915.46	10,775.26	4,011.66
10-03-4190-3501	RM Vehicles	5,000.00	1,276.11	1,276.11	3,723.89	282.26	3,441.63	68.83	2,381.15	1,535.26	2,864.99
10-03-4190-3502	RM Facilities	150,000.00	32,711.75	32,711.75	117,288.25	19,808.56	97,479.69	64.99	153,796.64	171,056.69	158,098.37
10-03-4190-3503	RM Cemetery	73,000.00	30,953.00	30,953.00	42,047.00	42,047.00	0.00	0.00	67,787.50	53,586.24	0.00
10-03-4190-3504	Forestry Projects	5,250.00	619.99	619.99	4,630.01	0.00	4,630.01	88.19	2,357.49	3,321.21	0.00
10-03-4190-3900	Other Services	18,000.00	14,111.32	14,111.32	3,888.68	0.00	3,888.68	21.60	15,331.32	14,903.11	17,677.62
10-03-4190-4400	Contract Services	16,800.00	8,196.14	8,196.14	8,603.86	2,793.86	5,810.00	34.58	16,268.65	19,942.32	13,956.56
10-03-4190-4500	Insurance & Bonding	39,398.00	47,354.90	47,354.90	-7,956.90	0.00	-7,956.90	-20.20	49,480.71	35,788.05	35,289.47
10-03-4190-5000	Capital Purchases Under \$5000	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00	100.00	4,957.41	2,055.95	11,075.78
10-03-4190-5400	Capital Outlay - Vehicles	22,000.00	9,321.30	9,321.30	12,678.70	0.00	12,678.70	57.63	29,234.51	20,796.69	20,744.87
<b>03</b>	<b>Buildings &amp; Grounds</b>	<b>1,279,022.00</b>	<b>524,429.76</b>	<b>524,429.76</b>	<b>754,592.24</b>	<b>74,900.97</b>	<b>679,691.27</b>	<b>53.14</b>	<b>1,183,233.89</b>	<b>1,163,259.42</b>	<b>1,059,683.72</b>

# General Ledger

## Expenditures vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 10:57:34 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period Amt	Current Year	Variance	Encumbered	Available	% Available	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>04</b>	<b>Garage</b>										
10-04-4250-0000	Full-Time Employees	149,270.00	61,985.25	61,985.25	87,284.75	0.00	87,284.75	58.47	143,872.43	131,092.17	125,063.06
10-04-4250-0001	Employee Overtime	600.00	55.82	55.82	544.18	0.00	544.18	90.70	278.19	699.03	545.04
10-04-4250-0700	401K Retirement Supplement	7,513.00	3,026.30	3,026.30	4,486.70	0.00	4,486.70	59.72	7,188.54	6,235.58	6,226.25
10-04-4250-0900	F.I.C.A.	11,496.00	4,716.34	4,716.34	6,779.66	0.00	6,779.66	58.97	10,997.12	9,569.76	9,544.94
10-04-4250-1000	LGERS Retirement	21,639.00	8,715.67	8,715.67	12,923.33	0.00	12,923.33	59.72	19,564.03	16,810.88	15,058.33
10-04-4250-1100	HealthLifeDental Insurance	22,040.00	11,915.60	11,915.60	10,124.40	274.96	9,849.44	44.69	26,999.86	32,651.77	36,802.52
10-04-4250-1400	Workers Compensation Insurance	3,192.00	0.00	0.00	3,192.00	0.00	3,192.00	100.00	1,597.84	2,833.14	2,897.55
10-04-4250-2100	Uniforms & Protective Gear	2,700.00	646.89	646.89	2,053.11	1,500.26	552.85	20.48	1,589.20	1,783.29	3,462.61
10-04-4250-2500	Vehicle Supplies	4,110.00	787.41	787.41	3,322.59	240.82	3,081.77	74.98	1,715.70	4,564.78	4,744.68
10-04-4250-2600	Departmental Supplies	5,250.00	1,862.20	1,862.20	3,387.80	885.30	2,502.50	47.67	4,029.42	4,759.09	8,385.66
10-04-4250-3100	Travel & Training	700.00	202.95	202.95	497.05	0.00	497.05	71.01	210.00	0.00	644.32
10-04-4250-3200	Communications	1,250.00	411.18	411.18	838.82	0.00	838.82	67.11	1,335.31	1,230.46	1,479.67
10-04-4250-3300	Utilities - Garage	9,000.00	3,043.97	3,043.97	5,956.03	221.37	5,734.66	63.72	9,449.83	9,003.34	8,122.84
10-04-4250-3500	RM Equipment	3,400.00	21.98	21.98	3,378.02	0.00	3,378.02	99.35	785.43	2,969.26	813.00
10-04-4250-3501	RM Vehicles	1,000.00	42.50	42.50	957.50	0.00	957.50	95.75	139.04	0.00	724.83
10-04-4250-4400	Contract Services	2,700.00	660.59	660.59	2,039.41	350.72	1,688.69	62.54	1,826.69	1,979.23	2,005.45
10-04-4250-4500	Insurance & Bonding	5,605.00	6,966.49	6,966.49	-1,361.49	0.00	-1,361.49	-24.29	1,832.84	1,325.48	1,272.16
10-04-4250-5400	Capital Outlay - Vehicles	6,000.00	2,885.68	2,885.68	3,114.32	0.00	3,114.32	51.91	15,246.13	11,978.62	11,927.53
<b>04</b>	<b>Garage</b>	<b>257,465.00</b>	<b>107,946.82</b>	<b>107,946.82</b>	<b>149,518.18</b>	<b>3,473.43</b>	<b>146,044.75</b>	<b>56.72</b>	<b>248,657.60</b>	<b>239,485.88</b>	<b>239,720.44</b>

# General Ledger

## Expenditures vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 10:57:34 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period	Amt	Current Year	Variance	Encumbered	Available	% Available	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>05</b>	<b>Streets</b>											
10-05-4511-0000	Full-Time Employees	291,969.00	108,609.51	108,609.51	183,359.49	0.00	183,359.49	62.80	264,958.41	157,377.11	119,381.50	
10-05-4511-0001	Employee Overtime	10,110.00	3,266.41	3,266.41	6,843.59	0.00	6,843.59	67.69	10,764.44	4,539.65	5,180.82	
10-05-4511-0200	Part-Time Employees	95,000.00	43,465.60	43,465.60	51,534.40	0.00	51,534.40	54.25	101,276.96	80,107.63	25,146.43	
10-05-4511-0700	401K Retirement Supplement	15,103.00	5,404.43	5,404.43	9,698.57	0.00	9,698.57	64.22	13,720.43	9,079.43	6,920.73	
10-05-4511-0900	F.I.C.A.	31,288.00	11,712.67	11,712.67	19,575.33	0.00	19,575.33	62.56	28,561.36	20,364.48	12,457.23	
10-05-4511-1000	LGERS Retirement	58,896.00	21,769.25	21,769.25	37,126.75	0.00	37,126.75	63.04	51,195.24	26,992.91	16,926.50	
10-05-4511-1100	HealthLifeDental Insurance	58,977.00	31,004.90	31,004.90	27,972.10	808.39	27,163.71	46.06	79,989.93	35,483.48	31,550.90	
10-05-4511-1400	Workers Compensation	16,201.00	0.00	0.00	16,201.00	0.00	16,201.00	100.00	7,665.52	3,034.11	2,677.86	
	Insurance											
10-05-4511-2100	Uniforms & Protective Gear	6,200.00	1,283.07	1,283.07	4,916.93	1,198.80	3,718.13	59.97	12,614.23	3,062.27	2,511.34	
10-05-4511-2500	Vehicle Supplies	25,000.00	14,637.04	14,637.04	10,362.96	1,252.49	9,110.47	36.44	25,221.56	7,574.37	9,220.34	
10-05-4511-2600	Departmental Supplies	65,000.00	11,283.48	11,283.48	53,716.52	625.10	53,091.42	81.68	63,977.62	26,584.62	29,018.05	
10-05-4511-3100	Travel & Training	3,000.00	0.00	0.00	3,000.00	219.00	2,781.00	92.70	1,491.26	0.00	0.00	
10-05-4511-3200	Communications	2,200.00	490.18	490.18	1,709.82	0.00	1,709.82	77.72	2,275.44	1,252.25	880.57	
10-05-4511-3300	Utilities - Streets	2,250.00	1,273.57	1,273.57	976.43	804.28	172.15	7.65	2,637.73	72,134.37	116,021.00	
10-05-4511-3500	RM Equipment	20,000.00	3,642.30	3,642.30	16,357.70	0.00	16,357.70	81.79	20,016.31	7,214.28	3,403.72	
10-05-4511-3501	RM Vehicles	25,000.00	4,193.61	4,193.61	20,806.39	0.00	20,806.39	83.23	12,605.54	2,336.12	1,953.87	
10-05-4511-4400	Contract Services	23,425.00	12,168.61	12,168.61	11,256.39	255.47	11,000.92	46.96	26,777.06	6,006.25	23,716.49	
10-05-4511-4500	Insurance & Bonding	39,067.00	48,400.72	48,400.72	-9,333.72	319.52	-9,653.24	-24.71	52,636.85	16,568.54	15,689.75	
10-05-4511-5000	Capital Purchases Under \$5000	5,000.00	4,955.50	4,955.50	44.50	0.00	44.50	0.89	6,026.00	4,700.00	5,920.00	
10-05-4511-5400	Capital Outlay - Vehicles	30,000.00	16,831.27	16,831.27	13,168.73	0.00	13,168.73	43.90	18,693.51	5,808.11	5,785.34	
<b>05</b>	<b>Streets</b>	<b>823,686.00</b>	<b>344,392.12</b>	<b>344,392.12</b>	<b>479,293.88</b>	<b>5,483.05</b>	<b>473,810.83</b>	<b>57.52</b>	<b>803,105.40</b>	<b>490,219.98</b>	<b>434,362.44</b>	

# General Ledger

## Expenditures vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 10:57:34 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget Period Amt	Current Year	Variance	Encumbered	Available	% Available	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual	
<b>07</b>	<b>Human Resources</b>										
10-07-4700-4400	Contract Services	0.00	5.89	5.89	-5.89	0.00	-5.89	0.00	12,178.41	30,404.20	0.00
<b>07</b>	<b>Human Resources</b>	<b>0.00</b>	<b>5.89</b>	<b>5.89</b>	<b>-5.89</b>	<b>0.00</b>	<b>-5.89</b>	<b>0.00</b>	<b>12,178.41</b>	<b>30,404.20</b>	<b>0.00</b>

# General Ledger

## Expenditures vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 10:57:34 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period Amt	Current Year	Variance	Encumbered	Available	% Available	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>08</b>	<b>DEPT</b>										
10-08-4560-0000	Full-Time Employees	183,763.00	75,265.50	75,265.50	108,497.50	0.00	108,497.50	59.04	181,063.70	0.00	0.00
10-08-4560-0001	Employee Overtime	163.00	0.00	0.00	163.00	0.00	163.00	100.00	142.15	0.00	0.00
10-08-4560-0700	401K Retirement Supplement	9,196.00	3,687.49	3,687.49	5,508.51	0.00	5,508.51	59.90	9,049.35	0.00	0.00
10-08-4560-0900	F.I.C.A.	14,070.00	5,559.55	5,559.55	8,510.45	0.00	8,510.45	60.49	13,160.49	0.00	0.00
10-08-4560-1000	LGERS Retirement	26,485.00	10,620.03	10,620.03	15,864.97	0.00	15,864.97	59.90	24,612.90	0.00	0.00
10-08-4560-1100	HealthLifeDental Insurance	25,917.00	14,036.25	14,036.25	11,880.75	314.80	11,565.95	44.63	27,705.57	-3,005.00	0.00
10-08-4560-1400	Workers Compensation Insurance	313.00	0.00	0.00	313.00	0.00	313.00	100.00	31.30	0.00	0.00
10-08-4560-2500	Vehicle Supplies	2,400.00	0.00	0.00	2,400.00	0.00	2,400.00	100.00	0.00	0.00	0.00
10-08-4560-3200	Communications	1,200.00	0.00	0.00	1,200.00	0.00	1,200.00	100.00	0.00	0.00	0.00
10-08-4560-3501	RM Vehicles	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	100.00	0.00	0.00	0.00
10-08-4560-4500	Insurance & Bonding	2,241.00	2,738.96	2,738.96	-497.96	0.00	-497.96	-22.22	0.00	0.00	0.00
<b>08</b>	<b>DEPT</b>	<b>266,748.00</b>	<b>111,907.78</b>	<b>111,907.78</b>	<b>154,840.22</b>	<b>314.80</b>	<b>154,525.42</b>	<b>57.93</b>	<b>255,765.46</b>	<b>-3,005.00</b>	<b>0.00</b>

# General Ledger

## Expenditures vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 10:57:34 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period	Current Year Amt	Variance	Encumbered	Available	% Available	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>10</b>	<b>Police</b>										
10-10-4310-0000	Full-Time Employees	1,233,766.00	486,047.15	486,047.15	747,718.85	0.00	747,718.85	60.60	1,126,530.98	930,436.70	830,705.71
10-10-4310-0001	Employee Overtime	87,000.00	34,590.66	34,590.66	52,409.34	0.00	52,409.34	60.24	86,001.46	58,601.04	55,446.52
10-10-4310-0200	Part time Salaries	69,672.00	21,949.10	21,949.10	47,722.90	0.00	47,722.90	68.50	58,105.66	40,183.40	54,677.41
10-10-4310-0400	Separation Allowance-Leo	25,638.00	9,290.71	9,290.71	16,347.29	0.00	16,347.29	63.76	21,185.95	12,185.13	13,452.95
10-10-4310-0700	401K Retirement Supplement	66,133.00	25,537.96	25,537.96	40,595.04	0.00	40,595.04	61.38	61,208.51	48,935.71	43,672.41
10-10-4310-0900	F.I.C.A.	109,001.00	41,616.31	41,616.31	67,384.69	0.00	67,384.69	61.82	97,102.20	78,494.30	72,055.93
10-10-4310-1000	LGERS Retirement	212,116.00	81,611.15	81,611.15	130,504.85	0.00	130,504.85	61.53	182,056.57	137,578.28	113,391.09
10-10-4310-1100	HealthLifeDental Insurance	231,255.00	115,852.59	115,852.59	115,402.41	2,472.17	112,930.24	48.83	209,455.52	170,130.06	158,022.69
10-10-4310-1400	Workers Compensation Insurance	31,841.00	0.00	0.00	31,841.00	0.00	31,841.00	100.00	19,286.80	29,407.08	24,416.01
10-10-4310-1800	Professional Services	578.00	102.00	102.00	476.00	0.00	476.00	82.35	270.00	0.00	366.10
10-10-4310-2100	Uniforms & Protective Gear	15,000.00	7,074.33	7,074.33	7,925.67	3,412.36	4,513.31	30.09	15,727.48	11,293.40	21,705.53
10-10-4310-2500	Vehicle Supplies	57,000.00	18,390.48	18,390.48	38,609.52	4,309.32	34,300.20	60.18	50,975.20	58,443.26	6,080.70
10-10-4310-2600	Departmental Supplies	16,000.00	5,673.55	5,673.55	10,326.45	4,009.22	6,317.23	39.48	13,461.48	10,488.46	89,077.48
10-10-4310-2602	Animal Care	6,500.00	4,692.19	4,692.19	1,807.81	0.00	1,807.81	27.81	8,297.48	0.00	0.00
10-10-4310-3100	Travel & Training	16,000.00	4,374.15	4,374.15	11,625.85	904.92	10,720.93	67.01	16,527.80	9,465.43	10,885.61
10-10-4310-3101	Community Resource Program	15,000.00	11,936.67	11,936.67	3,063.33	80.32	2,983.01	19.89	13,945.00	14,336.74	18,400.00
10-10-4310-3102	ABC Tax Expenditures	5,000.00	809.48	809.48	4,190.52	1,875.93	2,314.59	46.29	41,739.32	0.00	0.00
10-10-4310-3200	Communications	22,000.00	8,020.78	8,020.78	13,979.22	857.19	13,122.03	59.65	23,968.36	27,488.52	23,545.62
10-10-4310-3300	Utilities	6,500.00	3,295.21	3,295.21	3,204.79	895.59	2,309.20	35.53	6,643.94	4,599.30	3,399.13
10-10-4310-3500	RM Equipment	2,500.00	0.00	0.00	2,500.00	0.00	2,500.00	100.00	1,848.23	2,567.31	801.78
10-10-4310-3501	RM Vehicles	8,000.00	3,763.00	3,763.00	4,237.00	672.45	3,564.55	44.56	17,750.75	16,167.94	60,339.85
10-10-4310-4400	Contract Services	120,000.00	49,660.75	49,660.75	70,339.25	33,380.50	36,958.75	30.80	125,113.35	97,398.19	64,454.47
10-10-4310-4500	Insurance & Bonding	51,882.00	69,188.56	69,188.56	-17,306.56	0.00	-17,306.56	-33.36	46,153.50	33,823.98	34,238.48
10-10-4310-5400	Capital Outlay - Vehicles	164,613.00	159,834.27	159,834.27	4,778.73	0.00	4,778.73	2.90	183,843.12	115,883.88	118,734.99
10-10-4310-5500	Capital Outlay - Equipment	0.00	37,685.45	37,685.45	-37,685.45	1,163.70	-38,849.15	0.00	12,638.05	261,286.92	0.00
<b>10</b>	<b>Police</b>	<b>2,572,995.00</b>	<b>1,200,996.50</b>	<b>1,200,996.50</b>	<b>1,371,998.50</b>	<b>54,033.67</b>	<b>1,317,964.83</b>	<b>51.22</b>	<b>2,439,836.71</b>	<b>2,169,195.03</b>	<b>1,817,870.46</b>

# General Ledger

## Expenditures vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 10:57:34 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period Amt	Current Year	Variance	Encumbered	Available	% Available	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>11</b>	<b>Fire</b>										
10-11-4340-0000	Full-Time Employees	1,217,409.00	475,570.20	475,570.20	741,838.80	0.00	741,838.80	60.94	1,097,017.08	821,942.16	718,179.80
10-11-4340-0001	Employee Overtime	150,906.00	63,234.30	63,234.30	87,671.70	0.00	87,671.70	58.10	183,409.71	94,601.61	107,746.31
10-11-4340-0100	Volunteer Fire Fees	25,000.00	0.00	0.00	25,000.00	0.00	25,000.00	100.00	32,038.75	102,982.73	103,128.33
10-11-4340-0200	Employee Volunteer Stipend	35,000.00	50,326.10	50,326.10	-15,326.10	0.00	-15,326.10	-43.79	65,039.44	20,055.93	87,100.00
10-11-4340-0700	401K Retirement Supplement	66,371.00	26,276.59	26,276.59	40,094.41	0.00	40,094.41	60.41	63,922.03	44,581.65	40,966.02
10-11-4340-0900	F.I.C.A.	111,447.00	44,907.01	44,907.01	66,539.99	0.00	66,539.99	59.71	106,063.54	78,896.62	77,038.50
10-11-4340-1000	Fire Fighter Pension Plan	192,536.00	75,974.99	75,974.99	116,561.01	0.00	116,561.01	60.54	174,060.59	115,162.49	99,022.20
	Cont										
10-11-4340-1002	Payments To Retirees	28,500.00	10,662.50	10,662.50	17,837.50	0.00	17,837.50	62.59	19,337.50	22,089.29	24,755.71
10-11-4340-1100	HealthLifeDental Insurance	174,130.00	87,456.13	87,456.13	86,673.87	2,102.04	84,571.83	48.57	166,017.37	125,556.27	91,134.72
10-11-4340-1400	Workers Compensation Insurance	48,996.00	500.00	500.00	48,496.00	0.00	48,496.00	98.98	23,649.05	20,667.46	17,564.36
10-11-4340-1800	Professional Fees	5,000.00	643.51	643.51	4,356.49	0.00	4,356.49	87.13	2,585.00	8,942.99	2,929.96
10-11-4340-2100	Uniforms & Protective Gear	15,000.00	17,847.60	17,847.60	-2,847.60	385.00	-3,232.60	-21.55	10,545.85	41,261.65	27,215.73
10-11-4340-2500	Vehicle Supplies	40,000.00	13,054.45	13,054.45	26,945.55	2,253.17	24,692.38	61.73	36,332.53	49,612.71	47,032.37
10-11-4340-2600	Departmental Supplies	25,000.00	16,691.26	16,691.26	8,308.74	88.78	8,219.96	32.88	19,197.54	23,865.13	20,409.25
10-11-4340-2604	Fire Prevention	20,000.00	2,411.57	2,411.57	17,588.43	0.00	17,588.43	87.94	17,014.27	32,244.80	18,608.97
10-11-4340-3100	Travel & Training	20,000.00	834.15	834.15	19,165.85	0.00	19,165.85	95.83	23,484.04	23,799.01	11,928.73
10-11-4340-3200	Communications	8,000.00	3,049.52	3,049.52	4,950.48	0.00	4,950.48	61.88	8,617.86	23,768.66	11,484.91
10-11-4340-3300	Utilities - Fire Dept	35,000.00	13,370.82	13,370.82	21,629.18	2,957.26	18,671.92	53.35	34,884.58	38,473.48	38,095.36
10-11-4340-3500	RM Equipment	12,000.00	2,915.67	2,915.67	9,084.33	0.00	9,084.33	75.70	11,621.53	17,049.24	11,173.47
10-11-4340-3501	RM Vehicles	45,000.00	36,653.51	36,653.51	8,346.49	2,915.84	5,430.65	12.07	117,296.22	60,357.70	41,036.36
10-11-4340-3502	RM Facilities	18,000.00	4,791.65	4,791.65	13,208.35	443.25	12,765.10	70.92	18,008.87	17,874.41	14,476.69
10-11-4340-3503	Substation Lease	15,000.00	7,500.00	7,500.00	7,500.00	7,500.00	0.00	0.00	15,000.00	15,000.00	15,000.00
10-11-4340-4400	Contract Services	33,000.00	28,902.31	28,902.31	4,097.69	3,911.77	185.92	0.56	40,745.15	47,418.92	12,521.90
10-11-4340-4500	Insurance & Bonding	96,667.00	116,380.20	116,380.20	-19,713.20	500.00	-20,213.20	-20.91	69,062.07	48,921.00	42,885.61
10-11-4340-5500	Capital Outlay - Equipment	100,000.00	108,929.69	108,929.69	-8,929.69	6,660.00	-15,589.69	-15.59	83,277.92	156,623.40	0.00
10-11-4340-7100	Debt Service	675,064.00	546,062.53	546,062.53	129,001.47	0.00	129,001.47	19.11	282,706.87	285,402.96	383,487.20
<b>11</b>	<b>Fire</b>	<b>3,213,026.00</b>	<b>1,754,946.26</b>	<b>1,754,946.26</b>	<b>1,458,079.74</b>	<b>29,717.11</b>	<b>1,428,362.63</b>	<b>44.46</b>	<b>2,720,935.36</b>	<b>2,337,152.27</b>	<b>2,064,922.46</b>

# General Ledger

## Expenditures vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 10:57:34 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period Amt	Current Year	Variance	Encumbered	Available	% Available	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>12</b>	<b>Rescue</b>										
10-12-4370-0000	Full-Time Employees	391,922.00	156,115.96	156,115.96	235,806.04	0.00	235,806.04	60.17	359,068.06	180,286.36	56,791.57
10-12-4370-0001	Employee Overtime	61,126.00	28,736.74	28,736.74	32,389.26	0.00	32,389.26	52.99	79,270.82	37,635.89	14,259.82
10-12-4370-0200	Volunteer Rescue Fees	115,000.00	47,338.26	47,338.26	67,661.74	0.00	67,661.74	58.84	148,472.97	221,967.78	193,525.51
10-12-4370-0700	401K Retirement Supplement	22,040.00	9,361.63	9,361.63	12,678.37	0.00	12,678.37	57.52	21,867.58	9,878.94	3,525.53
10-12-4370-0900	F.I.C.A.	43,455.00	15,925.98	15,925.98	27,529.02	0.00	27,529.02	63.35	40,563.33	32,618.45	20,132.64
10-12-4370-1000	RetirementState Shared	63,472.00	26,961.41	26,961.41	36,510.59	0.00	36,510.59	57.52	59,515.54	25,487.58	8,582.37
10-12-4370-1100	HealthLifeDental Insurance	86,252.00	51,041.22	51,041.22	35,210.78	1,180.30	34,030.48	39.45	65,649.25	21,608.41	5,978.60
10-12-4370-1400	Workers Compensation Insurance	21,547.00	0.00	0.00	21,547.00	0.00	21,547.00	100.00	12,392.79	2,220.09	1,652.79
10-12-4370-2100	Uniforms & Protective Gear	15,000.00	15,028.80	15,028.80	-28.80	0.00	-28.80	-0.19	17,550.33	16,718.22	11,784.30
10-12-4370-2500	Vehicle Supplies	25,000.00	9,141.08	9,141.08	15,858.92	1,464.29	14,394.63	57.58	26,514.14	27,348.08	14,420.03
10-12-4370-2600	Departmental Supplies	18,000.00	4,375.18	4,375.18	13,624.82	6,940.67	6,684.15	37.13	14,630.99	20,906.80	9,648.32
10-12-4370-2601	Medical Supplies	30,000.00	12,088.16	12,088.16	17,911.84	1,158.92	16,752.92	55.84	33,535.60	34,333.06	19,727.85
10-12-4370-3100	Travel & Training	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00	100.00	878.42	2,595.30	6,418.44
10-12-4370-3200	Communications	2,500.00	749.14	749.14	1,750.86	0.00	1,750.86	70.03	2,534.26	9,417.08	6,702.22
10-12-4370-3300	Utilities	10,000.00	2,105.76	2,105.76	7,894.24	727.39	7,166.85	71.67	8,788.82	986.56	5,777.38
10-12-4370-3500	RM Equipment	12,000.00	2,089.76	2,089.76	9,910.24	0.00	9,910.24	82.59	12,302.49	10,297.12	8,072.05
10-12-4370-3501	RM Vehicles	18,000.00	10,254.05	10,254.05	7,745.95	778.65	6,967.30	38.71	47,574.80	10,504.77	6,996.40
10-12-4370-3502	RM Facilities	7,000.00	2,556.75	2,556.75	4,443.25	200.00	4,243.25	60.62	7,601.53	319.65	9,933.63
10-12-4370-4400	Contract Services	45,000.00	24,803.23	24,803.23	20,196.77	982.09	19,214.68	42.70	52,836.29	42,741.93	40,383.44
10-12-4370-4500	Insurance & Bonding	88,530.00	46,292.55	46,292.55	42,237.45	0.00	42,237.45	47.71	67,982.07	45,532.00	40,114.00
10-12-4370-5400	Capital Outlay - Vehicles	12,286.00	6,158.38	6,158.38	6,127.62	0.00	6,127.62	49.87	10,322.40	16,164.80	0.00
10-12-4370-5500	Capital Outlay - Equipment	50,000.00	0.00	0.00	50,000.00	7,206.00	42,794.00	85.59	51,254.99	42,550.60	0.00
10-12-4370-7100	Debt Service	154,040.00	103,739.87	103,739.87	50,300.13	0.00	50,300.13	32.65	0.00	53,892.06	52,726.00
<b>12</b>	<b>Rescue</b>	<b>1,297,170.00</b>	<b>574,863.91</b>	<b>574,863.91</b>	<b>722,306.09</b>	<b>20,638.31</b>	<b>701,667.78</b>	<b>54.09</b>	<b>1,141,107.47</b>	<b>866,011.53</b>	<b>537,152.89</b>

# General Ledger

## Expenditures vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 10:57:34 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period Amt	Current Year	Variance	Encumbered	Available	% Available	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>13</b>	<b>DEPT</b>										
10-13-4400-3200	Communications	55,400.00	28,394.97	28,394.97	27,005.03	27,194.43	-189.40	-0.34	59,271.05	0.00	0.00
10-13-4400-4400	Contract Services	100,000.00	62,555.24	62,555.24	37,444.76	0.00	37,444.76	37.44	49,437.34	0.00	0.00
10-13-4400-5500	Capital Outlay - Equipment	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00	100.00	0.00	0.00	0.00
<b>13</b>	<b>DEPT</b>	<b>160,400.00</b>	<b>90,950.21</b>	<b>90,950.21</b>	<b>69,449.79</b>	<b>27,194.43</b>	<b>42,255.36</b>	<b>26.34</b>	<b>108,708.39</b>	<b>0.00</b>	<b>0.00</b>

# General Ledger

## Expenditures vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 10:57:34 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period Amt	Current Year	Variance	Encumbered	Available	% Available	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>40</b>	<b>Planning and Permitting</b>										
10-40-4350-0000	Full-Time Employees	253,218.00	103,583.64	103,583.64	149,634.36	0.00	149,634.36	59.09	215,909.92	102,788.46	283,961.84
10-40-4350-0001	Employee Overtime	679.00	1,006.26	1,006.26	-327.26	0.00	-327.26	-48.20	2,665.92	4,696.75	5,479.46
10-40-4350-0700	401K Retirement Supplement	12,695.00	5,115.86	5,115.86	7,579.14	0.00	7,579.14	59.70	10,904.65	5,197.20	14,312.08
10-40-4350-0900	F.I.C.A.	19,424.00	7,750.33	7,750.33	11,673.67	0.00	11,673.67	60.10	16,249.36	7,947.35	21,670.84
10-40-4350-1000	LGERS Retirement	36,561.00	14,733.70	14,733.70	21,827.30	0.00	21,827.30	59.70	29,647.88	13,579.35	34,698.04
10-40-4350-1100	HealthLifeDental Insurance	39,450.00	21,296.64	21,296.64	18,153.36	467.77	17,685.59	44.83	40,431.03	19,117.60	47,354.31
10-40-4350-1400	Workers Compensation Insurance	432.00	0.00	0.00	432.00	0.00	432.00	100.00	1,068.30	2,045.58	3,365.15
10-40-4350-2500	Vehicle Supplies	1,500.00	803.93	803.93	696.07	91.15	604.92	40.33	2,054.27	1,185.74	1,982.60
10-40-4350-2600	Departmental Supplies	5,000.00	2,510.46	2,510.46	2,489.54	354.93	2,134.61	42.69	6,390.05	3,771.14	16,100.10
10-40-4350-3100	Travel & Training	7,000.00	3,654.32	3,654.32	3,345.68	0.00	3,345.68	47.80	5,215.93	2,373.67	8,811.74
10-40-4350-3200	Communications	6,000.00	513.00	513.00	5,487.00	0.00	5,487.00	91.45	1,517.03	3,807.07	6,672.37
10-40-4350-3300	Utilities	4,000.00	1,079.26	1,079.26	2,920.74	98.04	2,822.70	70.57	3,930.73	2,511.15	3,770.88
10-40-4350-3501	RM Vehicles	1,000.00	184.02	184.02	815.98	0.00	815.98	81.60	826.77	934.57	545.46
10-40-4350-3900	Other Services	0.00	500.00	500.00	-500.00	0.00	-500.00	0.00	0.00	0.00	12,741.25
10-40-4350-4400	Contract Services	100,000.00	41,827.51	41,827.51	58,172.49	34,723.07	23,449.42	23.45	109,734.58	79,106.73	66,043.78
10-40-4350-4500	Insurance & Bonding	2,214.00	3,344.34	3,344.34	-1,130.34	0.00	-1,130.34	-51.05	5,497.33	3,976.45	7,923.80
10-40-4350-5400	Capital Outlay - Vehicles	7,000.00	4,487.80	4,487.80	2,512.20	0.00	2,512.20	35.89	6,646.50	8,747.48	13,879.82
10-40-4350-5600	Capital Outlay-Studies & Plans	15,000.00	0.00	0.00	15,000.00	0.00	15,000.00	100.00	19,000.00	0.00	0.00
<b>40</b>	<b>Planning and Permitting</b>	<b>511,173.00</b>	<b>212,391.07</b>	<b>212,391.07</b>	<b>298,781.93</b>	<b>35,734.96</b>	<b>263,046.97</b>	<b>51.46</b>	<b>477,690.25</b>	<b>261,786.29</b>	<b>549,313.52</b>

# General Ledger

## Expenditures vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 10:57:34 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period	Current Year	Variance	Encumbered	Available	% Available	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>41</b>	<b>DEPT</b>										
10-41-4380-0000	Full-Time Employees	238,612.00	97,908.31	97,908.31	140,703.69	0.00	140,703.69	58.97	245,646.68	203,550.38	0.00
10-41-4380-0001	Employee Overtime	2,300.00	148.87	148.87	2,151.13	0.00	2,151.13	93.53	2,433.75	3,223.77	0.00
10-41-4380-0200	Part-Time Employees	0.00	871.52	871.52	-871.52	0.00	-871.52	0.00	0.00	2,274.79	0.00
10-41-4380-0700	401K Retirement Supplement	12,158.00	4,789.13	4,789.13	7,368.87	0.00	7,368.87	60.61	12,341.69	10,079.22	0.00
10-41-4380-0900	F.I.C.A.	18,602.00	7,399.31	7,399.31	11,202.69	0.00	11,202.69	60.22	18,485.24	15,739.82	0.00
10-41-4380-1000	LGERS Retirement	35,016.00	13,792.98	13,792.98	21,223.02	0.00	21,223.02	60.61	33,601.27	26,004.28	0.00
10-41-4380-1100	HealthLifeDental Insurance	36,937.00	20,013.59	20,013.59	16,923.41	452.28	16,471.13	44.59	44,008.92	27,482.23	0.00
10-41-4380-1400	Workers Compensation Insurance	410.00	0.00	0.00	410.00	0.00	410.00	100.00	1,125.31	2,045.58	0.00
10-41-4380-2500	Vehicle Supplies	1,600.00	420.96	420.96	1,179.04	165.64	1,013.40	63.34	1,203.14	839.87	0.00
10-41-4380-2600	Departmental Supplies	5,000.00	2,415.26	2,415.26	2,584.74	465.24	2,119.50	42.39	4,705.50	9,092.88	0.00
10-41-4380-3100	Travel & Training	7,000.00	2,849.33	2,849.33	4,150.67	593.89	3,556.78	50.81	5,922.68	6,294.78	0.00
10-41-4380-3200	Communications	3,500.00	1,075.30	1,075.30	2,424.70	0.00	2,424.70	69.28	3,928.36	5,476.02	0.00
10-41-4380-3300	Utilities	1,800.00	227.40	227.40	1,572.60	78.06	1,494.54	83.03	696.58	1,578.27	0.00
10-41-4380-3501	RM Vehicles	1,500.00	0.00	0.00	1,500.00	0.00	1,500.00	100.00	0.00	331.57	0.00
10-41-4380-4400	Contract Services	21,000.00	11,548.96	11,548.96	9,451.04	499.06	8,951.98	42.63	10,644.50	25,590.44	0.00
10-41-4380-4500	Insurance & Bonding	2,844.00	3,796.29	3,796.29	-952.29	0.00	-952.29	-33.48	4,581.50	3,437.43	0.00
10-41-4380-5400	Capital Outlay - Vehicles	14,000.00	9,960.84	9,960.84	4,039.16	256.48	3,782.68	27.02	14,284.54	9,276.63	0.00
<b>41</b>	<b>DEPT</b>	<b>402,279.00</b>	<b>177,218.05</b>	<b>177,218.05</b>	<b>225,060.95</b>	<b>2,510.65</b>	<b>222,550.30</b>	<b>55.32</b>	<b>403,609.66</b>	<b>352,317.96</b>	<b>0.00</b>

# General Ledger

## Expenditures vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 10:57:34 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period Amt	Current Year	Variance	Encumbered	Available	% Available	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>80</b>	<b>Parks &amp; Recreation</b>										
10-80-6120-0000	Full-Time Employees	382,064.00	156,073.49	156,073.49	225,990.51	0.00	225,990.51	59.15	364,180.18	214,845.38	165,371.01
10-80-6120-0001	Employee Overtime	12,784.00	5,043.05	5,043.05	7,740.95	0.00	7,740.95	60.55	13,886.12	9,953.46	9,422.99
10-80-6120-0200	Part Time Salaries	115,000.00	40,917.15	40,917.15	74,082.85	0.00	74,082.85	64.42	96,597.68	91,976.91	115,237.46
10-80-6120-0700	401K Retirement Supplement	19,742.00	7,828.57	7,828.57	11,913.43	0.00	11,913.43	60.35	18,834.20	11,102.40	8,638.56
10-80-6120-0900	F.I.C.A.	40,339.00	15,020.87	15,020.87	25,318.13	0.00	25,318.13	62.76	35,439.16	23,403.98	21,522.37
10-80-6120-1000	LGERS Retirement	56,859.00	22,546.22	22,546.22	34,312.78	0.00	34,312.78	60.35	51,253.41	29,203.53	20,909.17
10-80-6120-1100	HealthLifeDental Insurance	66,120.00	35,490.59	35,490.59	30,629.41	824.88	29,804.53	45.08	53,658.62	32,854.47	33,965.60
10-80-6120-1400	Workers Compensation Insurance	14,225.00	0.00	0.00	14,225.00	0.00	14,225.00	100.00	10,460.81	7,356.05	3,217.43
10-80-6120-2100	Uniforms & Protective Gear	5,000.00	1,193.04	1,193.04	3,806.96	1,000.00	2,806.96	56.14	5,488.88	2,000.25	779.62
10-80-6120-2500	Vehicle Supplies	6,500.00	5,116.99	5,116.99	1,383.01	548.85	834.16	12.83	8,369.15	4,866.81	5,914.97
10-80-6120-2600	Departmental Supplies	50,000.00	24,646.52	24,646.52	25,353.48	11,236.99	14,116.49	28.23	58,095.86	44,830.73	50,231.90
10-80-6120-3100	Travel & Training	5,500.00	2,059.46	2,059.46	3,440.54	0.00	3,440.54	62.56	2,600.65	4,264.65	2,225.00
10-80-6120-3200	Communications	4,750.00	1,850.35	1,850.35	2,899.65	891.73	2,007.92	42.27	4,904.87	6,446.07	4,832.55
10-80-6120-3300	Utilities - Parks & Recreation	46,200.00	13,944.00	13,944.00	32,256.00	2,492.08	29,763.92	64.42	36,495.35	46,688.95	41,021.58
10-80-6120-3500	RM Equipment	2,000.00	255.13	255.13	1,744.87	0.00	1,744.87	87.24	1,273.83	175.44	1,336.50
10-80-6120-3501	RM Vehicles	12,150.00	10,681.02	10,681.02	1,468.98	0.00	1,468.98	12.09	2,677.44	2,565.27	572.14
10-80-6120-3502	RM Facilities	41,600.00	19,546.12	19,546.12	22,053.88	6,495.68	15,558.20	37.40	42,055.57	29,410.21	24,814.97
10-80-6120-4400	Contract Services	32,850.00	24,449.13	24,449.13	8,400.87	3,766.47	4,634.40	14.11	28,683.20	36,061.73	25,939.25
10-80-6120-4500	Insurance & Bonding	22,889.00	27,000.61	27,000.61	-4,111.61	0.00	-4,111.61	-17.96	1,490.60	551.03	4.61
10-80-6120-5000	Capital Purchases Under \$5000	4,000.00	0.00	0.00	4,000.00	2,006.88	1,993.12	49.83	6,129.36	3,045.07	18,202.06
10-80-6120-5400	Capital Outlay - Vehicles	40,225.00	23,385.32	23,385.32	16,839.68	0.00	16,839.68	41.86	24,932.63	15,350.41	6,843.09
10-80-6120-5500	Capital Outlay -Equipment	52,000.00	27,772.75	27,772.75	24,227.25	18,024.61	6,202.64	11.93	47,910.20	0.00	0.00
10-80-6120-5900	Capital Outlay - Improvements	0.00	32,220.00	32,220.00	-32,220.00	0.00	-32,220.00	0.00	42,101.47	0.00	0.00
<b>80</b>	<b>Parks &amp; Recreation</b>	<b>1,032,797.00</b>	<b>497,040.38</b>	<b>497,040.38</b>	<b>535,756.62</b>	<b>47,288.17</b>	<b>488,468.45</b>	<b>47.30</b>	<b>957,519.24</b>	<b>616,952.80</b>	<b>561,002.83</b>

# General Ledger

## Expenditures vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 10:57:34 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period	Current Year Amt	Variance	Encumbered	Available	% Available	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>81</b>	<b>Community Building</b>										
10-81-6150-0000	Full-Time Employees	108,572.00	44,512.26	44,512.26	64,059.74	0.00	64,059.74	59.00	59,653.28	21,796.45	0.00
10-81-6150-0001	Employee Overtime	0.00	478.87	478.87	-478.87	0.00	-478.87	0.00	902.62	597.07	63.79
10-81-6150-0200	Part-Time Employees	22,300.00	5,430.71	5,430.71	16,869.29	0.00	16,869.29	75.65	27,904.04	33,415.89	36,555.92
10-81-6150-0700	401K Retirement Supplement	5,429.00	2,173.84	2,173.84	3,255.16	0.00	3,255.16	59.96	2,955.93	1,055.14	24.47
10-81-6150-0900	F.I.C.A.	10,011.00	3,857.30	3,857.30	6,153.70	0.00	6,153.70	61.47	6,767.18	4,231.74	2,833.96
10-81-6150-1000	LGERS Retirement	15,634.00	6,260.55	6,260.55	9,373.45	0.00	9,373.45	59.96	8,336.99	2,722.26	63.13
10-81-6150-1100	HealthLifeDental Insurance	22,040.00	11,242.36	11,242.36	10,797.64	175.33	10,622.31	48.20	10,778.88	3,329.65	198.50
10-81-6150-1400	Workers Compensation Insurance	2,120.00	0.00	0.00	2,120.00	0.00	2,120.00	100.00	369.00	1,700.18	550.93
10-81-6150-2600	Departmental Supplies	4,000.00	2,025.78	2,025.78	1,974.22	333.43	1,640.79	41.02	3,595.92	4,338.94	1,888.55
10-81-6150-2700	Marketing	4,000.00	2,408.37	2,408.37	1,591.63	0.00	1,591.63	39.79	5,003.84	4,736.17	2,263.73
10-81-6150-3200	Communications	1,400.00	342.00	342.00	1,058.00	0.00	1,058.00	75.57	1,364.71	2,825.47	1,492.95
10-81-6150-3300	Utilities - Community Bldg	12,500.00	3,254.86	3,254.86	9,245.14	1,275.27	7,969.87	63.76	10,933.99	10,631.93	11,004.41
10-81-6150-3502	RM Facilities	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	100.00	121.25	0.00	0.00
10-81-6150-4400	Contract Services	5,500.00	2,500.00	2,500.00	3,000.00	0.00	3,000.00	54.55	5,550.00	9,668.26	-1,646.98
10-81-6150-4500	Insurance & Bonding	8,195.00	7,401.26	7,401.26	793.74	0.00	793.74	9.69	0.00	0.00	0.00
<b>81</b>	<b>Community Building</b>	<b>222,701.00</b>	<b>91,888.16</b>	<b>91,888.16</b>	<b>130,812.84</b>	<b>1,784.03</b>	<b>129,028.81</b>	<b>57.94</b>	<b>144,237.63</b>	<b>101,049.15</b>	<b>55,293.36</b>

# General Ledger

## Expenditures vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 10:57:34 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period	Amt	Current Year	Variance	Encumbered	Available	% Available	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>82</b>	<b>Tourism</b>											
	10-82-1776-2026 NC A250 Planning	5,000.00		0.00	0.00	5,000.00	0.00	5,000.00	100.00	0.00	0.00	0.00
	10-82-6170-0000 Full-Time Employees	149,557.00		61,587.59	61,587.59	87,969.41	0.00	87,969.41	58.82	141,798.83	118,259.91	188,385.55
	10-82-6170-0700 401K Retirement Supplement	7,478.00		3,003.56	3,003.56	4,474.44	0.00	4,474.44	59.83	7,071.88	5,305.01	9,345.84
	10-82-6170-0900 F.I.C.A.	11,442.00		4,693.13	4,693.13	6,748.87	0.00	6,748.87	58.98	10,816.68	9,005.76	14,285.11
	10-82-6170-1000 LGERS Retirement	21,537.00		8,650.35	8,650.35	12,886.65	0.00	12,886.65	59.83	19,246.99	13,797.66	22,608.00
	10-82-6170-1100 HealthLifeDental Insurance	22,040.00		12,379.15	12,379.15	9,660.85	274.96	9,385.89	42.59	21,971.10	18,866.23	31,008.13
	10-82-6170-1400 Workers Compensation Insurance	2,423.00		0.00	0.00	2,423.00	0.00	2,423.00	100.00	607.00	3,153.78	1,844.24
	10-82-6170-2600 Departmental Supplies	11,500.00		3,758.57	3,758.57	7,741.43	2,085.45	5,655.98	49.18	11,051.35	10,885.42	12,674.75
	10-82-6170-2601 Beautification Committee	5,000.00		1,383.26	1,383.26	3,616.74	0.00	3,616.74	72.33	4,550.68	3,385.43	3,008.92
	10-82-6170-2710 Tourism Community Events	10,000.00		10,638.75	10,638.75	-638.75	221.54	-860.29	-8.60	26,262.57	26,549.99	11,676.27
	10-82-6170-2711 Special Marketing Opps	15,000.00		1,790.99	1,790.99	13,209.01	3,261.57	9,947.44	66.32	14,733.50	12,166.39	8,159.03
	10-82-6170-2712 Grant Matching Funds	10,000.00		0.00	0.00	10,000.00	0.00	10,000.00	100.00	2,764.64	0.00	0.00
	10-82-6170-3100 Travel & Training	3,000.00		1,187.29	1,187.29	1,812.71	535.59	1,277.12	42.57	2,279.96	3,001.07	2,611.63
	10-82-6170-3200 Communications	15,780.00		10,456.88	10,456.88	5,323.12	2,880.00	2,443.12	15.48	5,136.81	7,905.08	23,259.50
	10-82-6170-3300 Utilities-Community Relations	12,500.00		3,096.54	3,096.54	9,403.46	591.42	8,812.04	70.50	7,607.51	12,054.95	11,536.71
	10-82-6170-4400 Contract Services	5,000.00		1,470.00	1,470.00	3,530.00	1,579.87	1,950.13	39.00	7,663.73	7,703.27	5,481.08
	10-82-6170-4500 Insurance & Bonding	7,264.00		6,385.84	6,385.84	878.16	0.00	878.16	12.09	4,758.50	6,399.91	0.00
	10-82-6170-8000 Gift Shop InventoryExpenses	5,000.00		4,890.07	4,890.07	109.93	830.03	-720.10	-14.40	0.00	0.00	0.00
<b>82</b>	<b>Tourism</b>	<b>319,521.00</b>		<b>135,371.97</b>	<b>135,371.97</b>	<b>184,149.03</b>	<b>12,260.43</b>	<b>171,888.60</b>	<b>53.80</b>	<b>288,321.73</b>	<b>258,439.86</b>	<b>345,884.76</b>

# General Ledger

## Expenditures vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 10:57:34 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget Period Amt		Current Year	Variance	Encumbered	Available	% Available	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>96</b>	<b>Solid Waste</b>										
10-96-4170-4400	Contract Services	378,750.00	188,713.28	188,713.28	190,036.72	189,326.72	710.00	0.19	361,142.33	351,624.59	308,232.44
<b>96</b>	<b>Solid Waste</b>	<b>378,750.00</b>	<b>188,713.28</b>	<b>188,713.28</b>	<b>190,036.72</b>	<b>189,326.72</b>	<b>710.00</b>	<b>0.19</b>	<b>361,142.33</b>	<b>351,624.59</b>	<b>308,232.44</b>

# General Ledger

## Expenditures vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 10:57:34 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period	Current Year Amt	Variance	Encumbered	Available	% Available	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>99</b>	<b>DEPT</b>										
10-99-3970-9600	Transfer to Capital Fund	900,000.00	900,000.00	900,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10-99-4110-9600	Transfers Btwn Departments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-29,804.53	0.00	0.00
10-99-4120-9600	Transfers Btwn Departments	0.00	-26,816.60	-26,816.60	26,816.60	0.00	26,816.60	0.00	-308,078.83	0.00	0.00
10-99-4140-9600	Transfers Btwn Departments	0.00	-12,157.41	-12,157.41	12,157.41	0.00	12,157.41	0.00	-215,886.18	0.00	0.00
10-99-4350-9600	Transfers to Other Funds	0.00	-30,428.75	-30,428.75	30,428.75	0.00	30,428.75	0.00	-64,139.07	0.00	0.00
10-99-4380-9600	Transfer to Other Funds	0.00	48,452.52	48,452.52	-48,452.52	0.00	-48,452.52	0.00	195,273.09	0.00	0.00
10-99-4560-9600	Transfers Btwn Depts	0.00	-8,350.79	-8,350.79	8,350.79	0.00	8,350.79	0.00	-79,838.90	0.00	0.00
10-99-8111-9600	Transfer to Other Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	159,000.00	0.00	0.00
<b>99</b>	<b>DEPT</b>	<b>900,000.00</b>	<b>870,698.97</b>	<b>870,698.97</b>	<b>29,301.03</b>	<b>0.00</b>	<b>29,301.03</b>	<b>3.26</b>	<b>-343,474.42</b>	<b>0.00</b>	<b>0.00</b>

# General Ledger

## Expenditures vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 10:57:34 AM  
 Period 01 - 12  
 Fiscal Year 2026

Department	Description	Budget	Period	Amt	Current Year	Variance	Encumbered	Available	% Available	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
<b>Expense Total</b>		<b>15,990,032.00</b>	<b>8,246,496.43</b>	<b>8,246,496.43</b>	<b>7,743,535.57</b>	<b>607,669.08</b>	<b>7,135,866.49</b>	<b>44.627</b>		<b>13,514,504.72</b>	<b>10,352,394.13</b>	<b>8,948,119.55</b>
<b>10</b>	<b>General Fund</b>	<b>15,990,032.00</b>	<b>8,246,496.43</b>	<b>8,246,496.43</b>	<b>7,743,535.57</b>	<b>607,669.08</b>	<b>7,135,866.49</b>	<b>44.63</b>		<b>13,514,504.72</b>	<b>10,352,394.13</b>	<b>8,948,119.55</b>

# General Ledger

## Expenditures vs Budget with Encumbrances by Depart



User: jkronenwetter@cityofsouthport.com  
 Printed: 12/31/2025 10:57:34 AM  
 Period 01 - 12  
 Fiscal Year 2026

<u>Department Description</u>	<u>Budget</u>	<u>Period</u>	<u>Amt</u>	<u>Current</u>	<u>Variance</u>	<u>Encumbered</u>	<u>Available</u>	<u>%</u>	<u>One Year</u>	<u>Two Year</u>	<u>Three Year</u>
				<u>Year</u>				<u>Available</u>	<u>Prior Actual</u>	<u>Prior Actual</u>	<u>Prior Actual</u>
Expense	15,990,032.00	8,246,496.43	8,246,496.43	7,743,535.57	607,669.08	7,135,866.49	44.627	13,514,504.72	10,352,394.13	8,948,119.55	
<b>Total</b>											



## **Development Services Highlights – January 2026**

**Planning Board:** Regular meetings of the Planning Board are every 3<sup>rd</sup> Thursday at 6 p.m. at the Southport Community Building.

The Planning Board is finalizing their formal Rules of Procedure and a new board member handbook. The draft documents were distributed at the November meeting for review with the anticipation that they will be adopted in January. Staff will provide updated language for Vape/Tobacco Shop land use standards and Bed and Breakfast land use standards at the January 15, 2026, meeting.

**Board of Adjustment:** Regular meetings of the Board of Adjustment are every 4<sup>th</sup> Tuesday at 4:30 p.m. at the Indian Trail Meeting Hall. **January – April meetings of the Board of Adjustment will be held at the Southport Community Center – 223 E. Bay Street at 4:30 p.m.**

January's meeting has a full agenda, including two postponed appeals of staff determinations, two special use permits for an accessory dwelling unit, and one special use permit for an accessory dwelling unit continued from the December meeting being withdrawn by the applicant.

**Historic Preservation Commission:** Regular meetings of the Historic Preservation Commission are every 1<sup>st</sup> Wednesday at 4:00 p.m. at the Indian Trail Meeting Hall. **January – April meetings of the HPC will be held at the Southport Fire Department Emergency Operation Center (EOC) – 1011 N Howe Street 2<sup>nd</sup> Floor at 4:00 p.m.**

The draft local historic design standards have been updated to reflect the recommended changes from the HPC's December 3, 2025, meeting and are available on the city's website. The HPC will review the document at its January 7, 2026, meeting. The recommended changes from July 2025 through December 2025 are highlighted yellow. New language is underlined, and removed language is struck through.

<https://cityofsouthport.com/wp-content/uploads/2025/12/HPC-Recommendations-Design-Standards-12-22-25.pdf>

**Forestry Committee:** Regular meetings of the Forestry Committee are every 2<sup>nd</sup> Tuesday at 5:00 p.m. at Indian Trail Meeting Hall. **January – April meetings of the Forestry Committee will be held at the Southport Jaycee Building – 309 N Fodale Avenue at 5:00 p.m.**

The 2025 Tree City USA application was submitted by staff in early December. The application has received regional approval and is pending State Coordinator approval. When approved, this will mark the 22<sup>nd</sup> consecutive year of designation as a Tree City USA community.

**Other Staff Projects:**

- The NC Resilient Coastal Communities Program (RCCP) Phase 1 & 2 project is in the beginning stages of preparing a vulnerability assessment report. The early stages include data collection, stakeholder identification, and development of a community engagement strategy. Information will be found on the Development Services website as it is available. This project is fully funded by a grant from the RCCP, through the General Assembly, and the National Fish & Wildlife Foundation.
- The Multimodal Acceleration Plan is moving forward, and the online survey and interactive project priority map is closed at the end of November. The plan is in the final stages of completion, which will include creating project details for the prioritized pedestrian and bicycle improvements, including cost estimates, funding opportunities, and public input on the prioritized projects. A multimodal grant from NCDOT funds the plan.
- The Southeastern NC Hazard Mitigation Plan Update identifies hazards that can affect the region and actions to reduce the impact of future hazard events. Staff are reviewing the risk assessment action items for the updated Plan. Future input opportunities will be shared. Updates to the project can be found at the following website. <https://storymaps.arcgis.com/stories/800f3a2d116d437093ce694d241406e7>. The Plan is anticipated to be completed in early winter for local adoption before the April completion deadline.
- The Southport 2050 Comprehensive Plan has been submitted to the Division of Coastal Management for certification by the Coastal Resources Commission.

Staff continue to assist citizens with questions regarding signs, zoning, ROW permits, minor and major subdivisions, minor and major site plans, CAMA Minor Permits, tree permits, special flood hazard areas, text and map amendments, and any other items that come to the Department.



Protecting Quality of Life

Alliance Code  
Enforcement LLC

Monthly Report for December  
City of Southport

Updated  
December 31, 2025

ADDRESS	VIOLATION	STATUS
416 E Bay St	ZV	OPEN
724 N Lord St	MH/JP	OPEN
712 N Lord St	JV	OPEN
806 Clarendon Ave	MH/JV/JP	OPEN
803 Clarendon Ave	JV	OPEN
813 Clarendon Ave	MH	OPEN
801 N Caswell Ave	MH	HOLD
306 W 9 <sup>th</sup> St	MH/OL	OPEN
926 Hankinsville Rd	MH/JP/OL	OPEN
913 Hankinsville Rd	MH	OPEN
301 W 11 <sup>th</sup> St	MH	HOLD
712 Clarendon Ave	JV	OPEN
409 N Lord St	MH	OPEN
410 N Lord St	MH	OPEN
410 E Bay St	ZV	OPEN
305 Yaupon Dr Ext	JP/OL	OPEN
503 Clarendon Ave	JP	OPEN
401 N Fodale Ave	OL	OPEN
605 Clarendon Ave	MH/JP	OPEN
315 W 8 <sup>th</sup> St	JV/JP	OPEN
825 N Caswell Ave	OL/JP/MH	OPEN
829 N Caswell Ave	MH/OL	OPEN
228 W 9 <sup>th</sup> St	JP	OPEN
913 N Caswell Ave	JV	OPEN
511 W 11 <sup>th</sup> St	JP	OPEN
609 W 11 <sup>th</sup> St	ZV	OPEN
514 W 11 <sup>th</sup> St	JV/JP	OPEN
PID 237DF01412 W 9 <sup>TH</sup> ST	OL	OPEN
1012 N Caswell Ave	JP	OPEN
210 N Fodale Ave	JP	OPEN
210 E Brown St	JV	OPEN
807 N Howe St	JV	OPEN



Protecting Quality of Life

Alliance Code  
Enforcement LLC

Monthly Report for December  
City of Southport

Updated  
December 31, 2025

1211 N Caswell Ave Apt 3C	MH	<b>OPEN</b>
1211 N Caswell Ave Apt 2A	MH	<b>OPEN</b>
1211 N Caswell Ave Apt 2D	MH	<b>OPEN</b>
1211 N Caswell Ave Apt 5A	MH	<b>OPEN</b>
1211 N Caswell Ave Apt 6C	MH	<b>OPEN</b>
1211 N Caswell Ave Apt 6D	MH/JP	<b>OPEN</b>
PID 237EC036	OL/JV	<b>OPEN</b>
718 Clarendon Ave	OL/JP	<b>OPEN</b>
520 N Caswell Ave	OL	<b>OPEN</b>
205 W Leonard St	OL	<b>OPEN</b>
115 E Howe St	OL	<b>OPEN</b>
PID 237EA013 N Caswell Ave	OL/JP	<b>OPEN</b>
616 N Caswell Ave	OL/JP	<b>OPEN</b>
620 N Caswell Ave	OL	<b>OPEN</b>
PID 237EC026 N Caswell Ave	OL	<b>OPEN</b>
206 Frink Dr	OL	<b>OPEN</b>
507 N Caswell Ave	JV	<b>OPEN</b>
215 W 11 <sup>th</sup> St	JP	<b>OPEN</b>
803 Clarendon Ave	MH/JP	<b>OPEN</b>
415 W Owens St	JP	<b>OPEN</b>
PID 237DF01408 Hankinsville Rd	OL	<b>OPEN</b>
609 N Caswell Ave	OL	<b>OPEN</b>
PID 222PA00101 E Leonard St	OL	<b>OPEN</b>
116 E Owen St	MH	<b>OPEN</b>
PID 237EC016 N Caswell Ave	JP/OL	<b>ABATED</b>
111 W Leonard St	OL/JV	<b>ABATED</b>
PID 238AD021 Herring Dr	OL	<b>OPEN</b>
PID 238HB00101 Herring Dr	OL	<b>OPEN</b>
306 N Fodale Ave	OL	<b>OPEN</b>
315 Clarendon Ave	OL/JP/MH	<b>OPEN</b>
730 N Lord St	OL	<b>OPEN</b>
PID 237LA01901 Clarendon Ave	OL/MH/JP	<b>OPEN</b>
PID 237DD006 E Cape Harbor	JP	<b>ABATED</b>



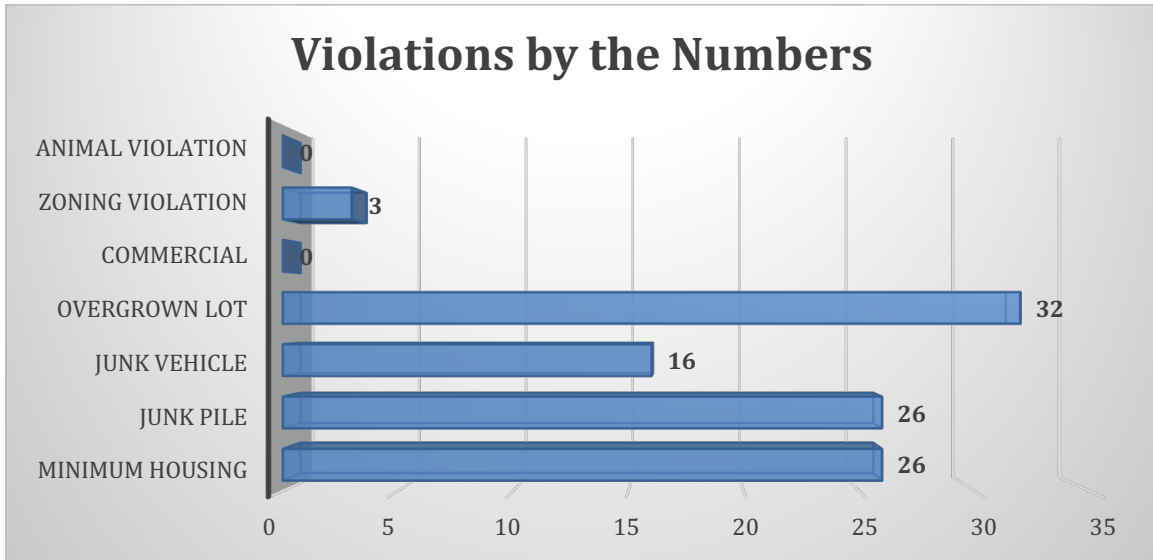
Protecting Quality of Life

Alliance Code  
Enforcement LLC

Monthly Report for December  
City of Southport

Updated  
December 31, 2025

804 Cape Harbor Dr	OL	<b>OPEN</b>
829 N Lord St	MH	<b>OPEN</b>
PID 237EA002 Clarendon Ave	JV	<b>OPEN</b>
502 N Atlantic Ave	MH/JV/JP	<b>ABATED</b>
402 N Atlantic Ave	JV	<b>OPEN</b>
6173 River Sound Circle	MH	<b>OPEN</b>
914 Hankinsville Rd	JP	<b>OPEN</b>
802 Clarendon Ave	MH	<b>OPEN</b>





Protecting Quality of Life

Alliance Code  
Enforcement LLC

Monthly Report for December  
City of Southport

Updated  
December 31, 2025

### **MONTHLY HIGHLIGHTS**

- During the month of December, we focused on previously opened cases and opened 3 new Cases. After contacting property owners, we successfully ABATED and CLOSED 4 cases. We have opened and addressed a total of 522 Cases to date.
- **502 N Atlantic Ave.** – Case was opened for Minimum Housing, Nuisance/Junk Pile and Nuisance/Junk Vehicle due to damaged/boarded up windows, various items all over the front porch and to two vehicles that appeared disabled in the rear yard. After contacting the property owner, one vehicle was covered, the junk pile and other vehicle were removed and the windows repaired. Case is Abated and Closed.
- **111 W Leonard St.** – Case was opened for Overgrown Lot and Nuisance/Junk Vehicle due to an apparent inoperable boat located on the property. After contacting the property owner, the overgrowth was cut, and the Boat was removed. This case is now Abated and Closed.
- **PID 237DD06 (Cape Harbor Rd.)** – Case was opened for Nuisance/Junk Pile of tree limbs/debris. After contacting the property owner, the Junk Pile was removed. Case is Abated and Closed.
- **PID 237EC016 N Caswell Ave** – Case was opened in reference to a Nuisance/junk pile of a large, downed tree covered in overgrowth which provides a breeding ground for rodents and other pests and is a potential health hazard. After contacting the property owner, the tree and overgrowth was removed. Case is Abated and Closed.

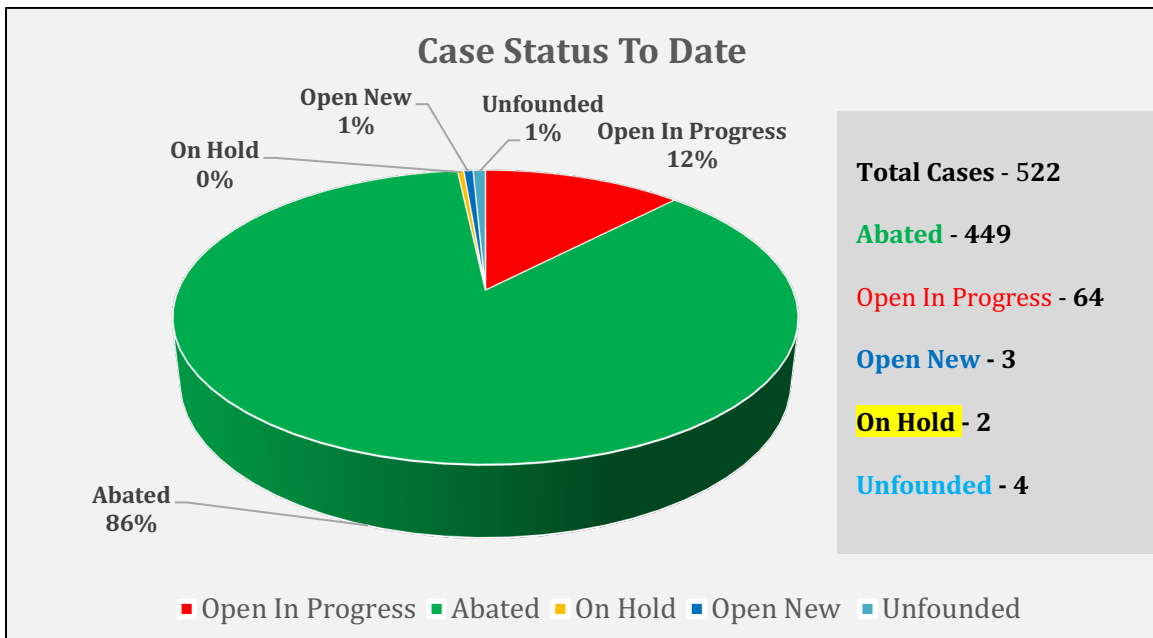


Protecting Quality of Life

Alliance Code  
Enforcement LLC

Monthly Report for December  
City of Southport

Updated  
December 31, 2025



*Southport Parks and Recreation Department  
December 2025 Monthly Report*

**Before and After school**

M-F 6:45 AM with transportation from PR building to school and transportation from school to PR Building and supervision till 5:30pm

**Basketball**

Open gym hours Thursday – Monday 5:00pm – 9:00pm

**Senior Activities**

Senior Preventative Exercise

No impact stretching held at the Senior Building every MWF at 9AM

Senior Crafts

Craft classes are held every Monday at 10AM at the Senior Building

Saturday Morning

Seniors meet every Saturday morning for coffee and light breakfast at the building for fellowship.

Senior Luncheon

Seniors had their annual Thanksgiving luncheon

**Fitness Classes**

Martial Arts

Held at the Jaycee Building Tuesdays at 4:30pm

Yoga

Mondays: 7:30am Chair Yoga  
10:30am Gentle Yoga

Wednesdays: 7:30am Gentle Yoga  
10:30am Chair Yoga

Fridays: 8:00am Gentle Yoga

Aerobics rotating in Franklin  
In FSP, Caviness Park, and LWP

M-F at 9:00am

**Buildings and Facilities Utilized and Rented out by Parks and Recreation**

Franklin Square Park  
City Pier  
Kinglsey Park  
Central Office  
Waterfront Park  
Riverwalk Gazebo  
Atlantic Street Park

Caviness Park  
Ft. Johnston Tennis Courts  
City Gym  
Jaycee Building  
Ft. Johnston Playground  
City Dock  
Taylor Field Park

Historic Riverwalk  
Lowe/White Park  
Garrison Lawn  
Keziah Park  
Senior Building  
Bay Street Overlook  
Kayak Launch

### Monthly Highlights

- Stage and Well in Franklin Square Park have been pressure washed and stained
- In conjunction with the Beautification Committee, PR staff selected and installed shrubs and flowers at the formal entrance of FSP on November 12<sup>th</sup>. It was followed up by mulch per Bartlett guidelines.
- Bartlett completed their annual tree and soil assessment for FSP the week of November 17-21.
- Bartlett sent the FSP assessment report to PR on November 24<sup>th</sup> (hot off the press)
- Due to the popularity of the Peace Day activities offered in September, we offered Finding peace within at FSP November 12, Tai Chi in ITHM November 17, and Sound bath in JCB November 19<sup>th</sup>.
- Attended a PARTF 2026/2027 application webinar on November 12.
- Youth Basketball registration was held in the month of November. We have 134 participants aged 5-17 signed up. We will have a skills clinic on December 13, the draft held and put on teams, and practice begins in December. Games will be January – March 2026.
- Caviness Park restoration was completed this month and all inspections passed. All permits have been closed out. It looks fantastic.
- Lots of preparation went on this month for the City's Winterfest Event as a lot comes from the PR staff in parks plus recreation staff in the event side.
- Maintenance Staff put up lights, trees, and decorations for Christmas in the parks. Michael worked hard on preliminary set up for the event co-sponsored with the Garden Club to be held in FSP.
- On going routine maintenance continued in all parks.
- Watering all planters from DSI and trash cans are done daily.





# ENGINEERING MEMORANDUM

**To:** Noah Saldo, City Manager  
**From:** Robert Jarvis, P.E. *RAJ*  
**Date:** December 24, 2025  
**Re:** Project Status update

---

## 1) Shoreline Protection – Phase 1 (Revetment)

- a) CAMA Major permit application approved by NC DEQ, USACE, et al.
- b) Phase 1 permit executed by City and forwarded to Consultant
- c) Foth/Olsen, and City Staff, preparing Final Design/Bid Documents.

## 2) Shoreline Protection – Phase 2 (Offshore breakwaters/sand beach)

- a) CAMA Major permit application accepted as complete and under review submitted to NC DEQ and others.
- b) Expect approval early Spring.
- c) Foth/Olsen, and City Staff, preparing Final Design/Bid Documents.

## 3) Shoreline Protection – East Bay Street Living Shoreline (Jesse McPherson)

- a) BOA approved access through Kingsley Park 1-6-25.
  - i) Access License agreement executed by City and McPherson
- b) NC Coastal Federation offering 50% cost share
- c) CAMA Major permit application accepted as complete and under review submitted to NC DEQ.
  - i) Awaiting permit approval – expected by early 2026.

## 4) City Dock Slips

- a) This project will replace slips damaged by previous hurricanes (FEMA reimbursable)
- b) USACE will not allow this project, or the Yacht Basin dredging, to move ahead until dock encroachment issue is resolved

## 5) City Dock - USACE Encroachment

- a) A deauthorization request, for a section of USACE/Yacht Basin channel, has been submitted to the USACE, Todd Horton.
- b) USACE team is reviewing the request. Staff is addressing comments as necessary.

## 6) Yacht Basin Dredging

- a) 75-25 state grant. City will be responsible for \$900k (+/-), based on \$3.6MM cost estimate.
- b) Searching for spoils disposal sites.



# ENGINEERING MEMORANDUM

---

---

c) No action until resolution of City Dock encroachment issue.

## **7) Wilmington Harbor Navigation Channel**

- a) USACE is overseeing a project to deepen and widen the navigation channel at Wilmington Harbor.
- b) The project limits extend from the channel entrance of the Cape Fear River, at the Outer Ocean Bar, to the Port of Wilmington at the Anchorage Basin, a distance of 38 miles.
- c) The Project is in the Draft Environmental Impact Statement (EIS) phase.
- d) The City/Ti Coastal Services submitted comments, and a Board of Aldermen Resolution, to NCDEQ and USACE.
  - i) Comments questioned

## **8) 6-Year Capital Improvement Program – FY2027-FY2032**

- a) The initial planning for the FY27-32 CIP is underway.
- b) Feedback from stakeholders has been collected and the draft plan is being prepared.
- c) Expect to meet with CIP Task Team in mid-January.