



City of High Point

2021 Audit Summary





Agenda

- ▶ Role of External Auditor
- ▶ Key Highlights: Results
- ▶ Internal Controls
- ▶ Significant Audit Areas
- ▶ Local Government Commission Financial Performance Indicators
- ▶ Summary
- ▶ Questions and Comments

Role of the External Auditor

Actions

Plan & Perform Procedures

Obtain Reasonable Assurance

Free from Material Misstatement

Results

Express Opinion

Required Communications

Policy Changes

Estimates

Journal Entries



Key Highlights: Results

Results	Opinions	Unmodified Opinion – Financial Statements	Unmodified Opinion – Internal Controls over Financial Reporting	Unmodified Opinion – Federal and State Single Audits
	Internal Controls	No Material Weaknesses or Significant Deficiencies		
	Single Audit	Major Programs: (Federal) Transit Authority (20.500-CL), Coronavirus Relief Fund (21.019), (State) Furniture Market Transportation and Powell Bill.		
	Required Communications	No policy changes	Estimates	No Adjusting or Passed Entries



Internal Controls

Identify Significant Transaction Cycles

Obtain Understanding

Walkthroughs

Single Audit

Compliance

Controls

Journal Entry Review

Mine for Unusual Transactions

Verify there is proper support and approval for manual entries

Information Technology Controls

IT Questionnaire



Significant Audit Areas

Statement of Activities

- Governmental/Proprietary Revenue
- Expenditures/Expenses including Payroll

Statement of Net Position

- Cash and Investments
- Governmental/Proprietary Receivables
- Accounts Payable and Other Liabilities
- Payroll Accrual and Related Liabilities
- Pension/LEOSSA/OPEB

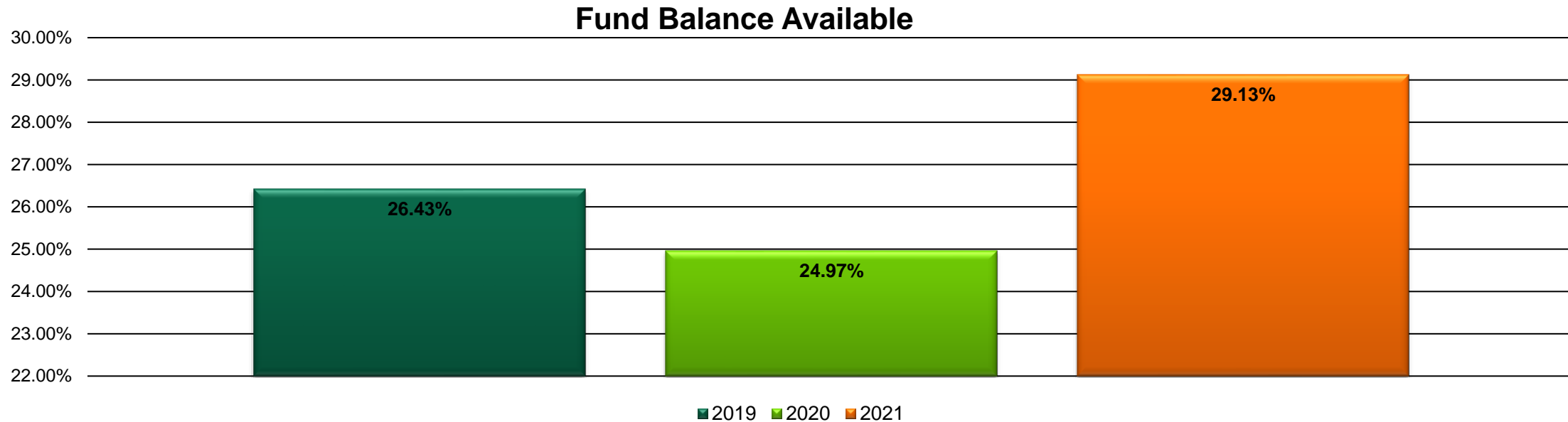
Other Items

- Due to/from Funds
- Net Position/Fund Balance
- Capital Assets
- Debt
- Landfill Liability
- Related Parties
- Legal
- Estimates



Local Government Commission (LGC) Performance Indicators – General Fund

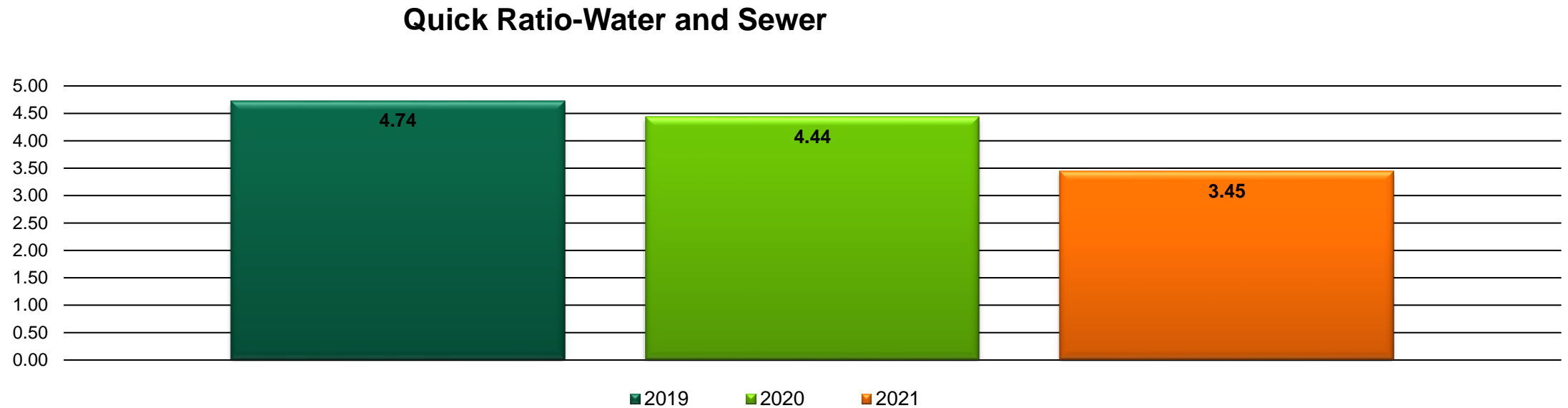
* Included in the LGC's calculation is the municipal debt service fund balance



✓ LGC Required Minimum Threshold – 25%



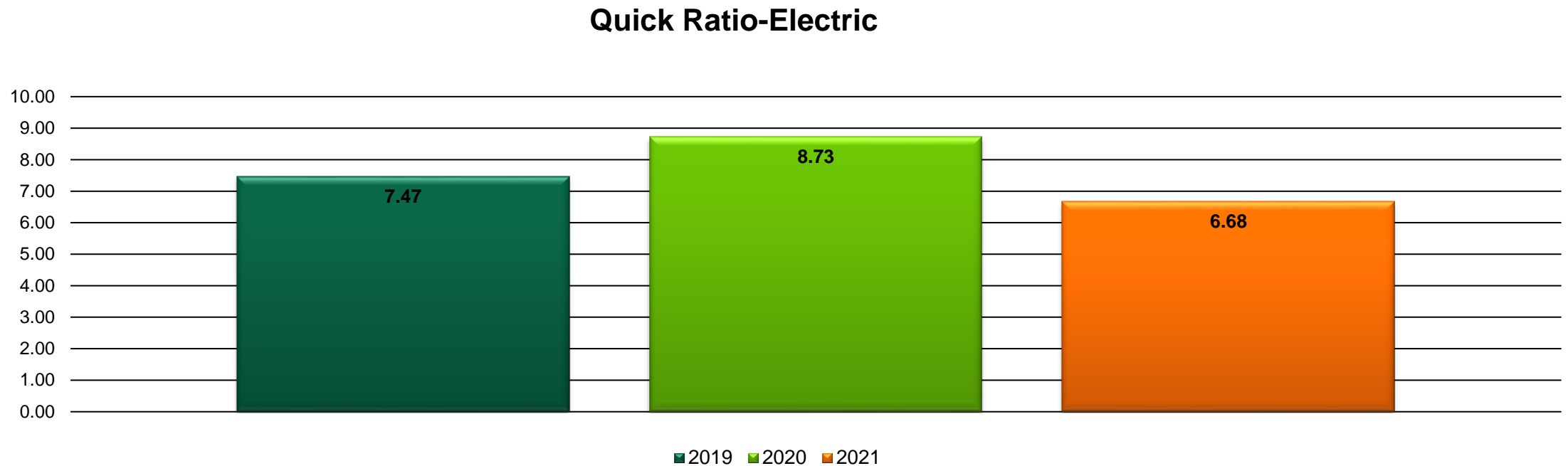
LGC Performance Indicators – Quick Ratio – Water and Sewer



✓ LGC Required Minimum Threshold – Equal or greater than 1.00



LGC Performance Indicators – Quick Ratio – Electric



✓ LGC Required Minimum Threshold – Equal or greater than 1.00



LGC Performance Indicators – Water and Sewer

Performance Indicator	2021	Minimum Threshold
Operating Net Income (loss) excluding depreciation+ debt service principal	\$17,596,993	Greater than \$0
Unrestricted cash / Total expenses less depreciation + debt service principal	84.66%	Greater than 16% (2 months)



LGC Performance Indicators – Electric

Performance Indicator	2021	Minimum Threshold
Operating Net Income (loss) excluding depreciation+ debt service principal	\$8,868,998	Greater than \$0
Unrestricted cash / Total expenses less depreciation + debt service principal	50.09%	Greater than 16% (2 months)



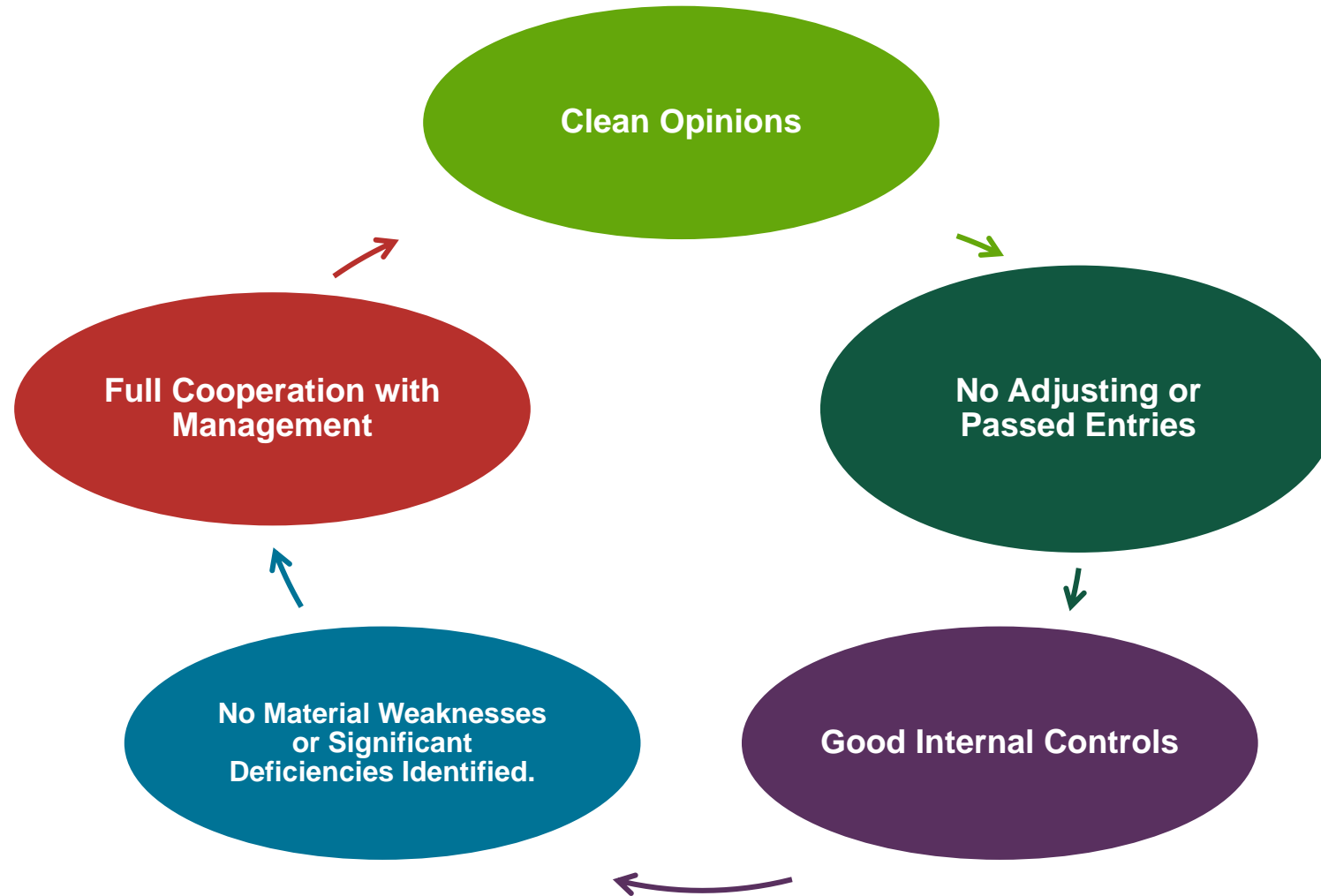
LGC Performance Indicators

Audit Report –

- ✓ Submitted within five (5) months from fiscal year end.
- ✓ Budgeted tax levy for the General Fund had less than 3% uncollected
- ✓ Effective pre-audit process to avoid pervasive budget violations
- ✓ No late debt service payments or debt covenant compliance issues
- ✓ No statutory violation within Annual Comprehensive Financial Report



Summary



Questions & Comments?

Daniel T. Gougherty, CPA

Director

dgougherty@cbh.com

704-940-2631

Richard Hart, CISA

Manager

richard.hart@cbh.com

704-940-2698

About Cherry Bekaert

2021 Cherry Bekaert LLP. All Rights Reserved. This material has been prepared for general informational purposes only and is not intended to be relied upon as tax, accounting, or other professional advice. Before taking any action, you should consult a professional advisor familiar with your particular facts and circumstances.



CBH.com

