

Audit Wrap-up

City of High Point

Eddie Burke, CPA
Partner

Your guide forward



Agenda

Client Service Team

Role of External Auditor

Key Highlights

Internal Controls

Significant Audit Areas

Financial Results

Summary

Questions and Comments

Client Service Team



Eddie Burke
Audit Partner



April Adams
Second Audit Partner



Michael Schertzinger
Audit Senior Manager

Trey Barnes
Audit Senior Accountant

Role of the External Auditor

Actions

Plan & Perform
Procedures

Obtain Reasonable
Assurance

Results

Express Opinions:
- Financial Statements
- Yellow Book
- Federal
- State

Required Communications

Policy Changes

Estimates

Journal Entries

Key Highlights

Results

Opinion

Unmodified Opinion – Financial Statements

Unmodified Opinion – Yellow Book

Unmodified Opinion – Federal & State Single Audit

Internal Controls

No findings

Cyber Security

Single Audit

2018-001 – Nonmaterial Noncompliance – Reporting – Federal Transit Cluster – 20.507CC

No Federal Findings – Highway Planning & Construction Cluster

No State Findings – SMAP, Powell Bill, Furniture Market Transportation

AU-260

Implemented GASB Statement No. 75 – requiring the reporting of the City's OPEB

New Blended Component Units

Fund Balance Policy

Issuance of Financial Statements

Internal Controls

Financial Statements

Significant Cycles

- Payroll
- Cash Receipts
- Cash Disbursements
- Financial Statement Close
- Managing Investments

Testing of Controls

- Budget
- Journal Entries
- Payroll

Journal Entries

- Active Data

IT Controls

- IT Entity Level
- Backup & Recovery
- Access & Security
- Network Security
- Cyber Security

Significant Audit Areas

Financial Statements

Assets & Revenues

- Accounts Receivable
- Revenues

Liabilities & Expenses

- Expenses
- Payroll and Related Liabilities

Other Items

- Cash and Investments
- Capital Assets
- Accounts Payable and Accrued Liabilities
- Long Term Debt
- Net Position
- Related Parties
- Estimates
- Legal

Financial Results

General Fund Revenues (thousands)

2018	Amount
Taxes	\$59,140
Intergovernmental Services	37,485
Licenses and Permits	4,669
Charges for Services	4,848
Other	975

2018 Total: \$107,117

2017	Amount
Taxes	\$56,693
Intergovernmental Services	36,427
Licenses and Permits	4,085
Charges for Services	4,956
Other	703

2017 Total: \$102,864

Financial Results

General Fund Expenses (thousands)

2018	Amount	2017	Amount
General Government	\$13,271	General Government	\$11,223
Public Safety	51,639	Public Safety	48,700
Public Services	12,008	Public Services	11,327
Community & Economic Development	11,068	Community & Economic Development	9,277
Cultural and Recreation	20,130	Cultural and Recreation	19,709
Debt Service	567	Debt Service	787

2018 Total: \$108,683

2017 Total: \$101,023

Financial Results

General Fund – Fund Balance (thousands)

2018	Amount
Non Spendable	\$30
Restricted	11,641
Committed	2,299
Assigned	3,568
Unassigned	3,169

Total 2018: \$20,707

2017	Amount
Non Spendable	\$45
Restricted	10,240
Committed	2,171
Assigned	5,151
Unassigned	11,890

Total 2017: \$29,497

Financial Results

Proprietary Funds Operating Revenues (thousands)

2018	Amount
Charges for Services	\$200,749
Licenses and Permits	395
Intergovernmental	1,255
Miscellaneous and Other	160

Total 2018: \$202,559

2017	Amount
Charges for Services	\$197,246
Licenses and Permits	407
Intergovernmental	9,524
Miscellaneous and Other	172

Total 2017: \$207,349

Financial Results

Proprietary Funds Operating Expenses (thousands)

2018	Amount
Management & Administration	\$26,204
Maintenance & Distribution	20,683
Power Purchases	97,839
Treatment Plants	13,645
Other Services & Charges	5,552
Depreciation & Amortization	19,179

Total 2018: \$183,102

2017	Amount
Management & Administration	\$23,810
Maintenance & Distribution	23,905
Power Purchases	99,257
Treatment Plants	14,187
Other Services & Charges	5,406
Depreciation & Amortization	19,038

Total 2017: \$185,603

Financial Results

Cash and Investments (thousands)

2018	Amount	2017	Amount
Cash Carrying Amount	\$9,718	Cash Carrying Amount	\$15,471
Government Agencies	81,181	Government Agencies	117,570
NC Capital Management Trust-Cash Portfolio	74,661	NC Capital Management Trust-Cash Portfolio	58,358
NC Capital Management Trust-Team Portfolio	72,712	NC Capital Management Trust-Team Portfolio	23,773
Petty Cash	46	Petty Cash	46
Commercial Paper	0	Commercial Paper	6,969

Total 2018: \$238,318

Total 2017: \$222,187

Financial Results

Capital Assets (thousands)

Government Wide

2018	Amount
Land	\$32,051
Buildings & Other Improvements	63,365
Equipment	48,789
Infrastructure	374,256
Intangible Assets	116
Construction In Progress	113,111

Total 2018: \$631,688

2017	Amount
Land	\$31,545
Buildings & Other Improvements	65,965
Equipment	47,383
Infrastructure	394,774
Intangible Assets	478
Construction In Progress	70,853

Total 2017: \$610,998

Financial Results

Long-Term Debt (thousands)

Government Wide

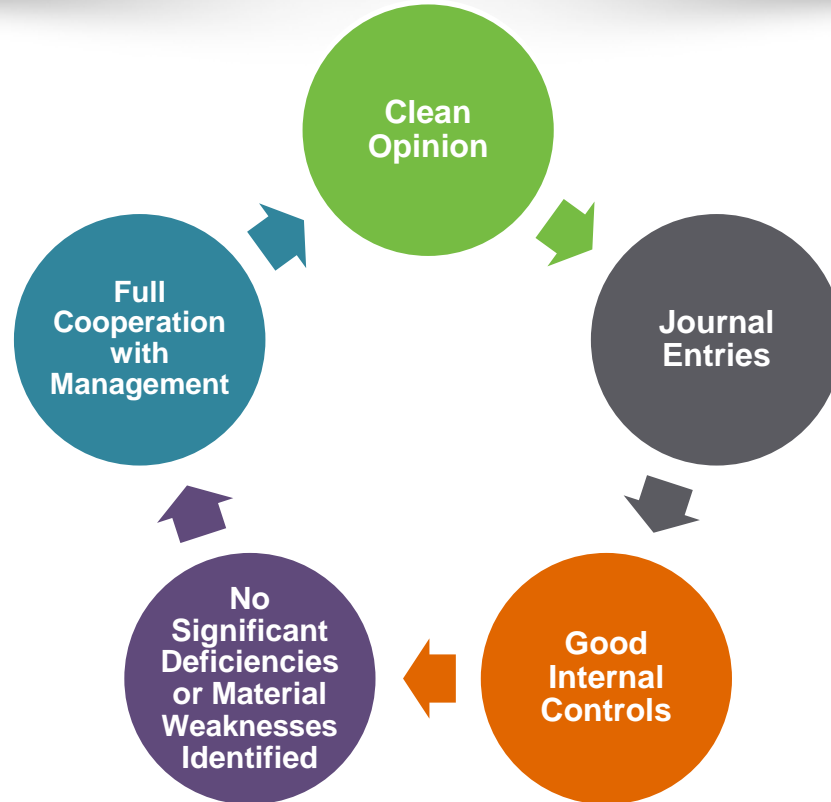
2018	Amount
General & Limited Obligations Bonds	\$104,090
Notes and Loans Payables & Installment Purchase Agreements	15,390
Compensated Absences	6,334
Revenue Bonds	136,686
LEOSSA, LGERS, OPEB, Retirement Stipend	44,259
Landfill Closure & Post Closure	13,132
Line of Credit	420

Total 2018: \$320,311

2017	Amount
General Obligations Bonds	\$78,995
Notes and Loans Payable & Installment Purchase Agreements	17,666
Compensated Absences	6,187
Revenue Bonds	141,867
LEOSSA, LGERS, OPEB, Retirement Stipend	44,462
Landfill Closure & Post Closure	12,900

Total 2017: \$302,077

Summary



Questions & Comments?

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