

Audit Wrap-Up

City of High Point

Eddie Burke, CPA
Partner

November 18, 2019



Agenda

Client Service Team

Role of External Auditor

Key Highlights

Internal Controls

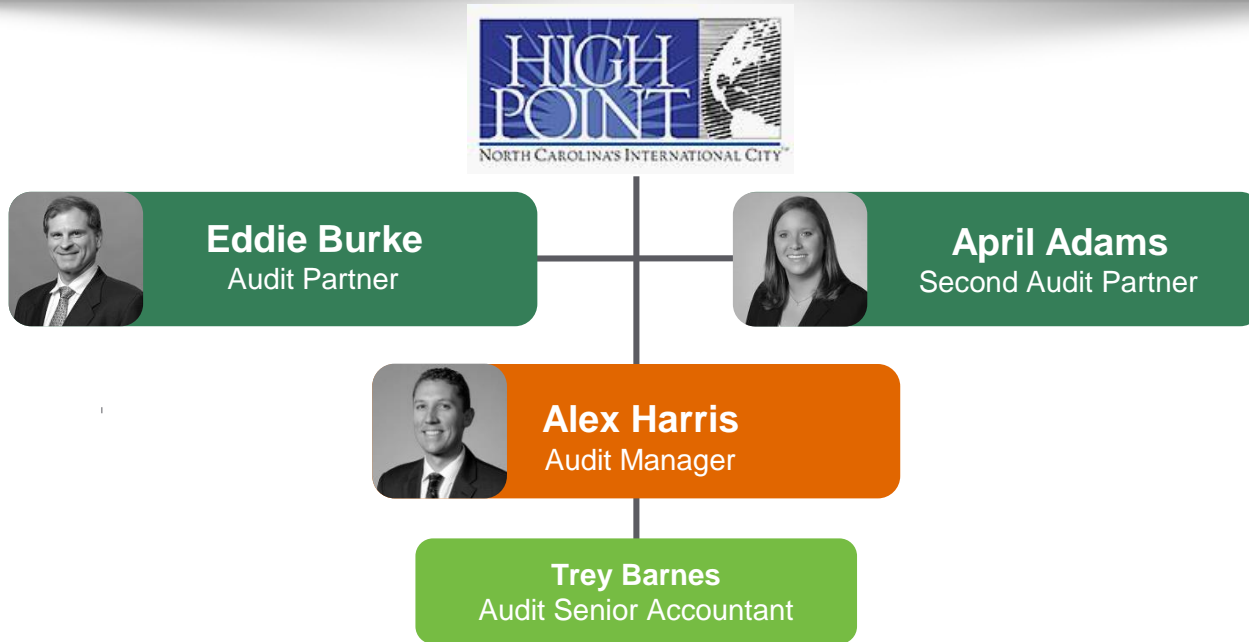
Significant Audit Areas

Financial Results

Summary

Questions and Comments

Client Service Team



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

- No current year findings
- 1 prior year finding which was corrected

AU – 260

- No new accounting policies implemented in the current year
- Component Units – ABC Board discretely presented – Forward High Point – blended
- Financial Statements completed by October 31, 2019
- Transition of new team in the finance department went extremely well

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 Payroll 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)

2019	Amount
Taxes	\$59,836
Intergovernmental Services	36,961
Licenses and Permits	5,002
Charges for Services	5,004
Other	5,201

2019 Total: \$112,004

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

Financial Results

General Fund Expenses (thousands)

2019	Amount	2018	Amount
General Government	\$12,651	General Government	\$13,271
Public Safety	52,334	Public Safety	51,639
Public Services	11,903	Public Services	12,008
Community & Economic Development	9,569	Community & Economic Development	11,068
Cultural and Recreation	20,930	Cultural and Recreation	20,130
Debt Service	410	Debt Service	567

2019 Total: \$107,797

2018 Total: \$108,683

Financial Results

General Fund – Fund Balance (thousands)

2019	Amount
Non Spendable	\$102
Restricted	13,052
Committed	2,027
Assigned	406
Unassigned	11,955

Total 2019: \$27,542

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

Total 2018: \$20,707

Financial Results

Proprietary Funds Operating Revenues (thousands)

2019	Amount
Charges for Services	\$202,619
Licenses and Permits	394
Intergovernmental	5,045
Miscellaneous and Other	252

Total 2019: \$208,310

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

Total 2018: \$202,559

Financial Results

Proprietary Funds Operating Expenses (thousands)

2019	Amount
Management & Administration	\$30,121
Maintenance & Distribution	27,139
Power Purchases	91,411
Treatment Plants	10,013
Other Services & Charges	5,695
Depreciation & Amortization	18,552

Total 2019: \$182,931

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

Financial Results

Cash and Investments (thousands)

2019	Amount
Cash Carrying Amount	\$37,024
Government Agencies	77,215
NC Capital Management Trust-Cash Portfolio	75,741
NC Capital Management Trust-Team Portfolio	59,806
Petty Cash	48
Commercial Paper	2,000

Total 2019: \$251,834

2018	Amount
Cash Carrying Amount	\$9,718
Government Agencies	81,181
NC Capital Management Trust-Cash Portfolio	74,661
NC Capital Management Trust-Team Portfolio	72,712
Petty Cash	46
Commercial Paper	-

Total 2018: \$238,318

Financial Results

Capital Assets (thousands)

Government Wide

2019	Amount	2018	Amount
Land	\$33,281	Land	\$32,051
Buildings & Other Improvements	183,192	Buildings & Other Improvements	182,118
Equipment	136,457	Equipment	130,777
Infrastructure	1,076,486	Infrastructure	1,058,574
Intangible Assets	3,853	Intangible Assets	3,845
Construction In Progress	153,998	Construction In Progress	113,111

Total 2019: \$1,587,267

Total 2018: \$1,520,476

Financial Results

Long-Term Debt (thousands)

Government Wide

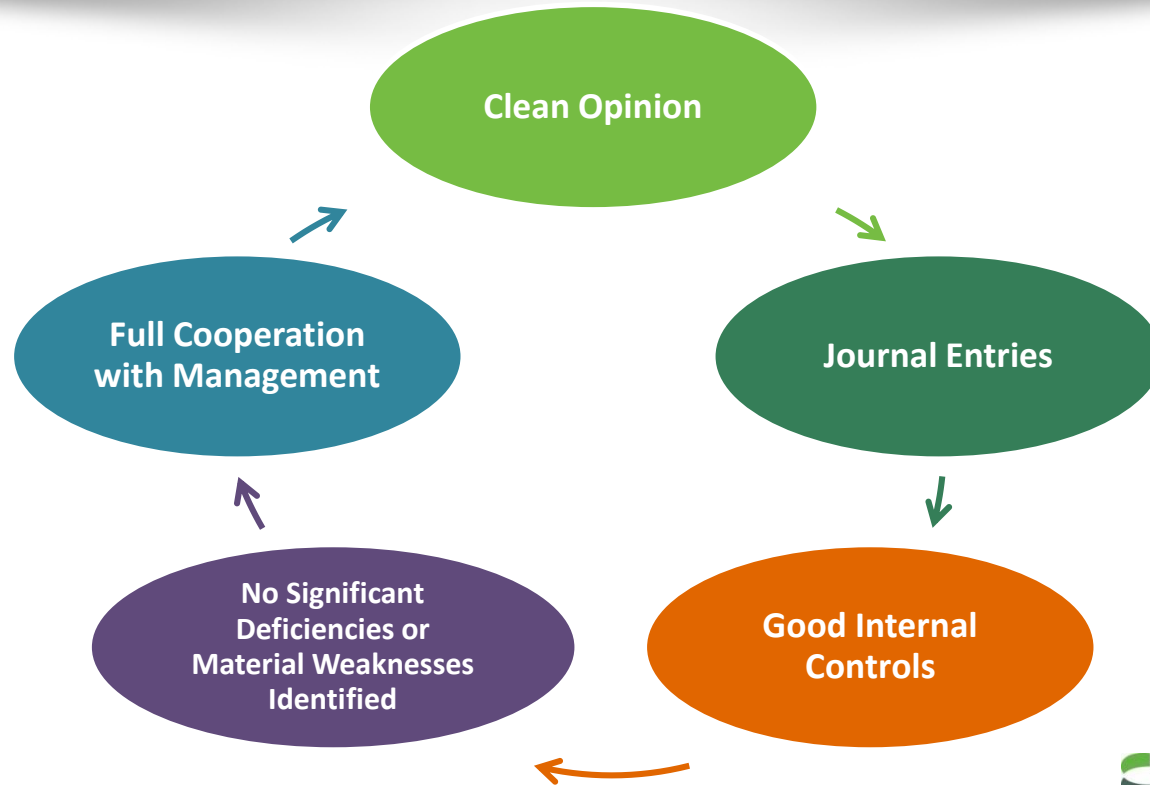
2019	Amount
General & Limited Obligations Bonds	\$102,260
Notes and Loans Payables & Installment Purchase Agreements	20,865
Compensated Absences	4,733
Revenue Bonds	165,517
LEOSSA, LGERS, OPEB, Retirement Stipend	39,552
Landfill Closure & Post Closure	13,421
Line of Credit	420

Total 2019: \$346,768

2018	Amount
General & Limited Obligations Bonds	\$104,090
Notes and Loans Payables & Installment Purchase Agreements	15,390
Compensated Absences	4,716
Revenue Bonds	136,686
LEOSSA, LGERS, OPEB, Retirement Stipend	34,280
Landfill Closure & Post Closure	13,132
Line of Credit	420

Total 2018: \$308,714

Summary



Questions & Comments?

Eddie Burke, CPA

Partner

eburke@cbh.com

919.782.1040

