

**TOWN COUNCIL
STAFF REPORT
Department of Finance & Administration**



MEETING DATE:	January 12, 2021
PROJECT:	Acceptance of the Presentation of the Town of Bluffton Fiscal Year 2020 Audit by Mauldin and Jenkins, LLC
PROJECT MANAGER:	Chris Forster, MPA, CPFO, CGFM, Director of Finance and Administration

RECOMMENDATION:

Town Council accept the Fiscal Year 2020 Audit for the Town of Bluffton presented by Mauldin & Jenkins, LLC and its inclusion in the Comprehensive Annual Financial Report for the year ending June 30, 2020.

BACKGROUND/DISCUSSION:

On April 4, 2018, the Town of Bluffton solicited a Request for Proposal (RFP) for Financial Audit Services. As a result, Town Council authorized the Town Manager to execute a contract with Mauldin & Jenkins, LLC for audit services for fiscal years ending June 30, 2018, 2019 and 2020 during the June 13, 2018 Town Council meeting. This is the third year Mauldin & Jenkins has audited the Town of Bluffton's financial records and assisted in the preparation of the Comprehensive Annual Financial Report (CAFR).

CURRENT STATUS:

Mauldin & Jenkins has substantially completed their audit of the Town of Bluffton for the fiscal year ended June 30, 2020 and is expected to issue an unmodified (clean) opinion.

Governmental Funds Financial Statements The governmental fund financial statements give the reader a detailed short-term view that helps determine if there are more or less financial resources available to finance the Town's programs. 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.

Revenues have increased over prior year for consolidated budgeted funds. The Town continues to see larger than anticipated revenues with the strength in business licenses and franchise fees. Property Taxes have increased 8.3% from prior year in the General Fund along with a (1.2%) decrease in the Licenses and Permits category with a slight decrease in permit revenue.

Expenditures are approximately \$400,000 less than the prior year for the consolidated funds due to the completed Capital Improvements Program Fund project expenditures of approximately \$6.5 million in the prior year and \$5.2 million in the current year. General Fund expenditures have increased approximately \$0.8 million from prior year due to additional expenses for Community Safety and Policing with the addition of staff and equipment.

General Fund Fund Balance remains strong and had an increase of \$1,395,980 in FY 20, due to the strong performance of revenues and conservative spending. At June 30 the Town's General Fund had an unassigned (unrestricted) fund balance of approximately \$12.3 million or 71% of FY 20 expenditures.

NEXT STEPS:

A complete draft of the Comprehensive Annual Financial Report will be provided to Council prior to the January 12th Council meeting. With Town Council's acceptance of the Fiscal Year 2020 Audit, staff will complete the Comprehensive Annual Financial Report and submit it to the necessary federal and state agencies, bond monitoring, GFOA and post to the Town's website for financial transparency by January 31, 2021.

ATTACHMENTS:

Attachment 1: DRAFT Fund Level Statements

Attachment 2: Recommended Motion

TOWN OF BLUFFTON, SOUTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2020

	General Fund	Capital Improvements Program Fund	Debt Service Fund	Stormwater Fund	Hospitality Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 14,177,847	\$ 2,454,182	\$ -	\$ -	\$ 1,296,606	\$ 2,028,555	\$ 19,957,190
Restricted cash and cash equivalents	148,888	1,898,344	6,206,538	4,010,676	-	94,233	12,358,679
Property taxes receivable, net	50,585	-	7,783	-	-	-	58,368
Other receivables	1,659,224	1,019,822	113	16,754	236,435	235,117	3,167,465
Prepaid assets	339,693	-	-	-	-	-	339,693
Due from other funds	3,526,106	1,621,433	-	2,613	880,447	366,095	6,396,694
Total assets	<u>\$ 19,902,343</u>	<u>\$ 6,993,781</u>	<u>\$ 6,214,434</u>	<u>\$ 4,030,043</u>	<u>\$ 2,413,488</u>	<u>\$ 2,724,000</u>	<u>\$ 42,278,089</u>
LIABILITIES							
Accounts payable	\$ 701,866	\$ 1,040,973	\$ -	\$ 95,693	\$ -	\$ 74,576	\$ 1,913,108
Deposits and bonds payable	460,505	-	-	-	-	-	460,505
Due to other funds	1,361,632	316,691	1,271,750	1,954,950	502,425	1,050,758	6,458,206
Due to component unit	3,045	-	-	-	-	-	3,045
Due to other governments	565,360	7,942	-	-	-	-	573,302
Unearned revenue	-	834,181	-	-	-	-	834,181
Salaries and benefits payable	538,812	-	-	17,270	-	-	556,082
Total liabilities	<u>3,631,220</u>	<u>2,199,787</u>	<u>1,271,750</u>	<u>2,067,913</u>	<u>502,425</u>	<u>1,125,334</u>	<u>10,798,429</u>
FUND BALANCES							
Nonspendable	339,693	-	-	-	-	-	339,693
Restricted	150,982	2,956,948	4,805,368	1,962,130	1,515,336	1,549,918	12,940,682
Committed	3,566,936	-	137,316	-	395,727	48,748	4,148,727
Assigned	-	1,837,046	-	-	-	-	1,837,046
Unassigned	12,213,512	-	-	-	-	-	12,213,512
Total fund balances	<u>16,271,123</u>	<u>4,793,994</u>	<u>4,942,684</u>	<u>1,962,130</u>	<u>1,911,063</u>	<u>1,598,666</u>	<u>31,479,660</u>
Total liabilities and fund balance	<u>\$ 19,902,343</u>	<u>\$ 6,993,781</u>	<u>\$ 6,214,434</u>	<u>\$ 4,030,043</u>	<u>\$ 2,413,488</u>	<u>\$ 2,724,000</u>	<u>\$ 42,278,089</u>

The accompanying notes are an integral part of these financial statements.

Draft - Subject to Revision

TOWN OF BLUFFTON, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Capital Improvements Program Fund	Debt Service Fund	Stormwater Fund	Hospitality Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes	\$ 6,530,273	\$ -	\$ 3,050,278	\$ -	\$ -	\$ -	\$ 9,580,551
Hospitality and accommodations taxes	-	-	-	-	2,072,352	1,131,109	3,203,461
Licenses and permits	9,603,354	354,600	281,250	-	-	-	10,239,204
Stormwater utility fees	-	-	-	1,463,203	-	-	1,463,203
Grants and entitlements	23,580	1,158,180	-	1,400	-	8,850	1,192,010
Intergovernmental	701,852	689,352	94,802	-	-	-	1,486,006
Service revenues	845,986	-	-	-	-	17,225	863,211
Fees and fines	777,341	-	-	-	-	-	777,341
Interest income	46,432	16,106	7,721	-	3,341	3,460	77,060
Miscellaneous	155,367	5,600	-	-	-	-	160,967
Total revenues	18,684,185	2,223,838	3,434,051	1,464,603	2,075,693	1,160,644	29,043,014
Expenditures:							
Current:							
Legislative	145,606	-	-	-	-	-	145,606
Economic development	380,474	-	-	-	-	-	380,474
Executive	904,947	-	-	-	-	-	904,947
Human Resources	385,606	-	-	-	-	-	385,606
Non-departmental	1,901,339	-	-	-	-	-	1,901,339
Finance	885,793	-	-	-	-	-	885,793
Municipal court	359,046	-	-	-	-	-	359,046
Municipal judges	51,847	-	-	-	-	-	51,847
Information technology	1,166,554	-	-	-	-	-	1,166,554
Facilities and asset management	1,481,690	-	-	-	-	-	1,481,690
Stormwater management	-	-	-	1,082,133	-	-	1,082,133
Project management	829,930	-	-	-	-	-	829,930
Growth management	185,769	-	-	-	-	-	185,769
Planning and environmental sustainability	1,029,394	-	-	-	-	-	1,029,394
Building Safety	651,005	-	-	-	-	-	651,005
Police	6,677,882	-	-	-	-	-	6,677,882
Community development	-	-	-	-	-	509,820	509,820
Capital outlay	-	5,178,788	-	-	-	-	5,178,788
Debt service:							
Principal retirement	334,998	-	1,032,895	-	-	-	1,367,893
Interest	15,736	-	432,401	-	-	-	448,137
Total expenditures	17,387,616	5,178,788	1,465,296	1,082,133	-	509,820	25,623,653
Excess (deficiency) of revenues over (under) expenditures	1,296,569	(2,954,950)	1,968,755	382,470	2,075,693	650,824	3,419,361
Other financing sources (uses):							
Transfers in	643,272	3,637,957	-	-	-	-	4,281,229
Transfers out	(970,393)	-	(553,481)	(59,883)	(2,270,458)	(427,014)	(4,281,229)
Capital leases	426,522	-	-	-	-	-	426,522
Total other financing sources (uses)	99,401	3,637,957	(553,481)	(59,883)	(2,270,458)	(427,014)	426,522
Net change in fund balances	1,395,970	683,007	1,415,274	322,587	(194,765)	223,810	3,845,883
Fund balances, beginning of year	14,875,153	4,110,987	3,527,410	1,639,543	2,105,828	1,374,856	27,633,777
Fund balances end of year	<u>\$ 16,271,123</u>	<u>\$ 4,793,994</u>	<u>\$ 4,942,684</u>	<u>\$ 1,962,130</u>	<u>\$ 1,911,063</u>	<u>\$ 1,598,666</u>	<u>\$ 31,479,660</u>

The accompanying notes are an integral part of these financial statements.

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TOWN OF BLUFFTON, SOUTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2020

	Special Revenue Funds				
	Boat Ramp Fund	State Accommodations Tax Fund	Local Accommodations Tax Fund	Seized and Forfeited Assets Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash	\$ -	\$ 577,701	\$ 1,450,854	\$ -	\$ 2,028,555
Restricted cash and cash equivalents	46,250	-	-	47,983	94,233
Other receivables	-	101,167	133,950	-	235,117
Due from other funds	60,325	10,178	294,792	800	366,095
Total assets	<u>\$ 106,575</u>	<u>\$ 689,046</u>	<u>\$ 1,879,596</u>	<u>\$ 48,783</u>	<u>\$ 2,724,000</u>
LIABILITIES					
Accounts payable	\$ 0	\$ 48,235	\$ 14,591	\$ 11,750	\$ 74,576
Due to other funds	-	72,788	975,834	2,136	1,050,758
Total liabilities	<u>-</u>	<u>121,023</u>	<u>990,425</u>	<u>13,886</u>	<u>1,125,334</u>
FUND BALANCES					
Restricted:					
Public safety	-	-	-	34,897	34,897
Tourism	-	568,023	840,423	-	1,408,446
Capital projects	106,575	-	-	-	106,575
Committed:					
Tourism	-	-	48,748	-	48,748
Total fund balances	<u>106,575</u>	<u>568,023</u>	<u>889,171</u>	<u>34,897</u>	<u>1,598,666</u>
Total liabilities and fund balances	<u>\$ 106,575</u>	<u>\$ 689,046</u>	<u>\$ 1,879,596</u>	<u>\$ 48,783</u>	<u>\$ 2,724,000</u>

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TOWN OF BLUFFTON, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Special Revenue Funds				
	Boat Ramp Fund	State Accommodations Tax Fund	Local Accommodations Tax Fund	Seized and Forfeited Assets Fund	Total Nonmajor Governmental Funds
Revenues:					
Accommodations taxes	\$ -	\$ 429,256	\$ 701,853	\$ -	\$ 1,131,109
Development fees	17,225	-	-	-	17,225
Interest income	70	872	2,500	18	3,460
Confiscated revenues	-	-	-	8,850	8,850
Total revenues	17,295	430,128	704,353	8,868	1,160,644
Expenditures:					
Current:					
Community development	-	307,643	202,177	-	509,820
Total expenditures	-	307,643	202,177	-	509,820
Excess of revenues over expenditures	17,295	122,485	502,176	8,868	650,824
Other financing uses					
Transfers out	-	(45,213)	(381,801)	-	(427,014)
Total other financing uses	-	(45,213)	(381,801)	-	(427,014)
Net change in fund balances	17,295	77,272	120,375	8,868	223,810
Fund balances, beginning of year	89,280	490,751	768,796	26,029	1,374,856
Fund balances, end of year	\$ 106,575	\$ 568,023	\$ 889,171	\$ 34,897	\$ 1,598,666

Council Motion Recommendation

Acceptance of the Presentation of the Town of Bluffton Fiscal Year 2020 Audit by
Mauldin and Jenkins, LLC

"I make a motion to accept the Fiscal Year 2020 Audit for the Town of Bluffton presented by Mauldin & Jenkins, LLC and its inclusion in the Comprehensive Annual Financial Report for the year ending June 30, 2020."