



TOWN COUNCIL AGENDA ITEM

MEETING DATE: November 25, 2024

Agenda Title/Category:	FYE24 Audit Presentation			
Staff Contact/Presenter:	Christopher Tucker, Asst. Town Manager			
Meets Strategic Initiative or Approved Plan:	Yes	No	If yes, list:	N/A
Background:	The Local Government Budget and Fiscal Control Act (NC-GS 159) requires local governments to have their accounts audited by a CPA or CPA firm after the close of the fiscal year. The results of the audited accounts become the Town’s financial statements, often called the audit report.			
Discussion:	Beau Hildebrand with Martin Starnes and Associates will be in attendance with the attached presentation to go over the results of his firm’s audit of our financials.			
Fiscal impact:	None			
Attachments:	Staff Memo MSA Powerpoint Presentation FYE24 ToP Financial Statements			
Recommended Motion to be made by Council:	No Action. Receive information			



November 19, 2024

To: Honorable Mayor and Town Council
Ryan Spitzer, Town Manager
Lisa Snyder, Town Clerk

From: Christopher Tucker, Asst. Town Manager CMT

RE: Council Information – Audit Presentation

The Local Government Budget and Fiscal Control Act (NC-GS 159) requires local governments to have their accounts audited by a CPA or CPA firm after the close of the fiscal year. The results of the audited accounts become the Town's financial statements, often called the audit report.

For Council's information at the November 25, 2024 Work Session, Beau Hildebrand with Martin Starnes and Associates will be in attendance with the attached presentation to go over the results of his firm's audit of our financials.

Martin Starnes has issued an unmodified opinion with no findings or performance indicators, which is our desired outcome. The Local Government Commission (LGC) has also accepted the report as presented in advance of our item on their agenda, which is also our desired outcome.

At a high level, all funds had positive outcomes in FYE24, and the Town remains fiscally well positioned to operate efficiently in the immediate and short-term futures, while having available resources to leverage for opportunities.

There is no Council action required other than to receive information and pose any questions to myself or Mr. Hildebrand.

A bound copy of the report will be provided at the meeting and the full report will be available on the Town's website once presented to Council.



Town of Pineville

2024 Audited Financial Statements



Audit Highlights

- ❑ UNMODIFIED OPINION ON THE FINANCIAL STATEMENTS
- ❑ COOPERATIVE STAFF

FUND BALANCE

- ❖ Serves as a measure of the Town's financial resources available.
 - ❑ $(\text{Assets} + \text{Deferred outflows}) - (\text{Liabilities} + \text{Deferred inflows}) = \text{Fund Balance/Net Position}$



FUND BALANCE

Available fund balance as defined by the Local Government Commission (LGC) is calculated as follows:

Total Fund Balance

Less: Non spendable (not in cash form, not available)

Less: Stabilization by State Statute (by state law, not available)

Available Fund Balance

This is the calculation utilized as the basis for comparing you to other units and calculating your fund balance percentages.

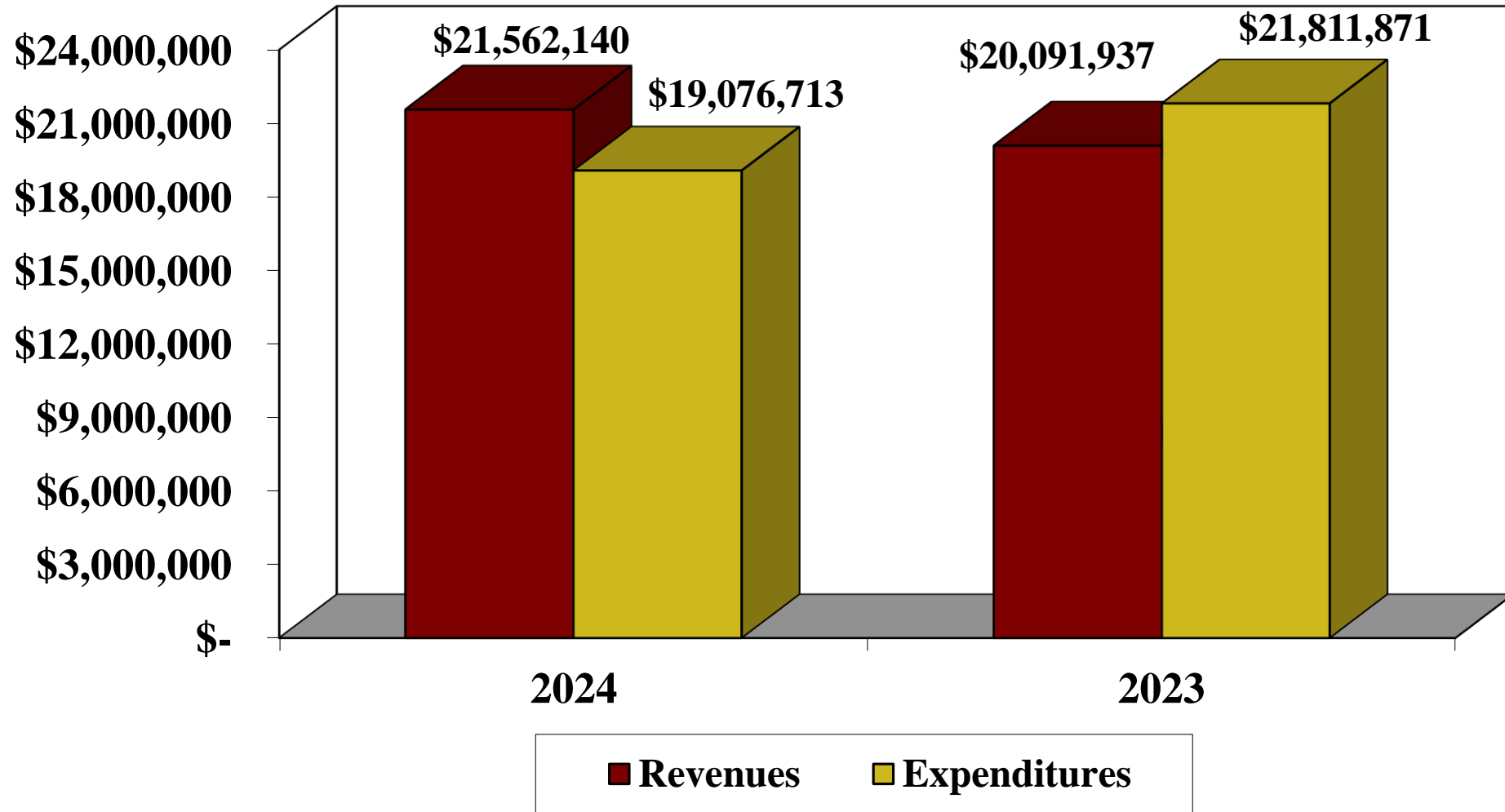


FUND BALANCE POSITION – GENERAL FUND

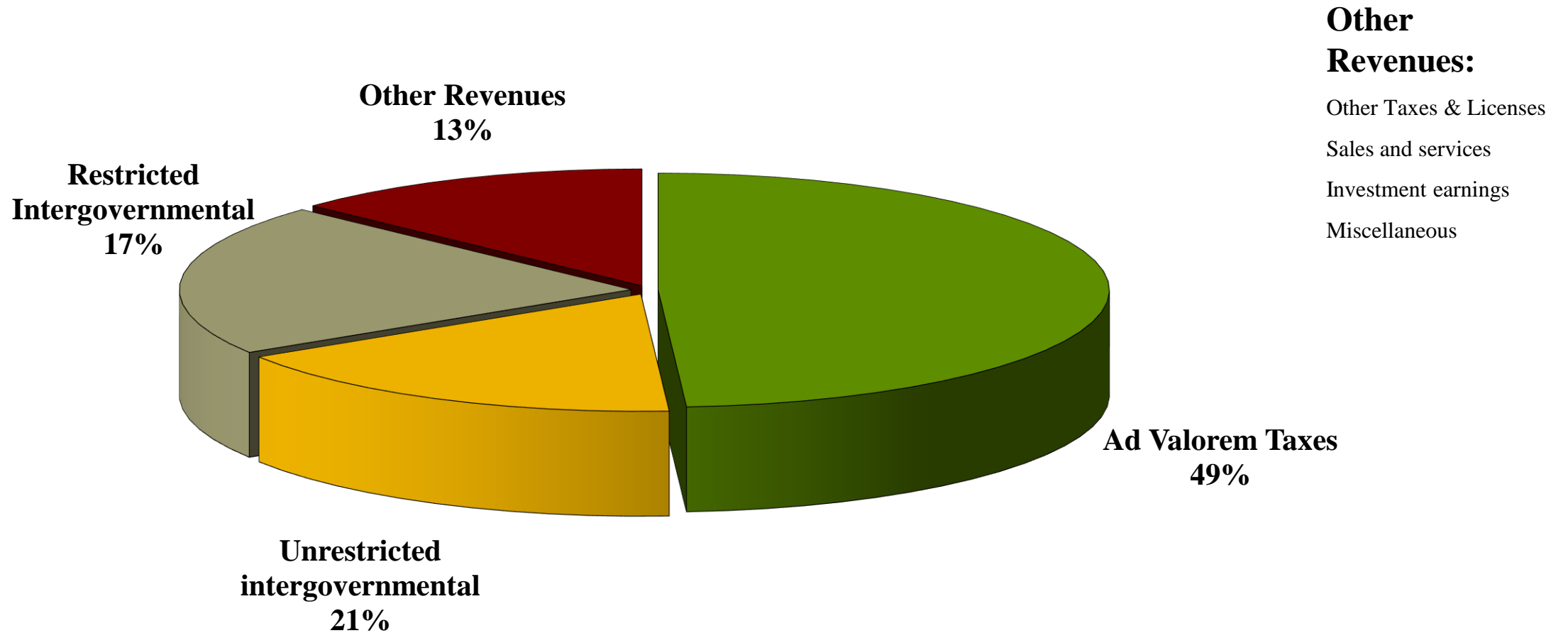
Total Fund Balance - 2024	\$ 23,939,894
Prepaid items	-
Leases	(103,532)
Stabilization by state statute	(1,795,865)
Available Fund Balance	<u>\$ 22,040,497</u>
Available Fund Balance - 2023	\$ 19,335,295
Increase in available FB	\$ 2,705,202



GENERAL FUND SUMMARY

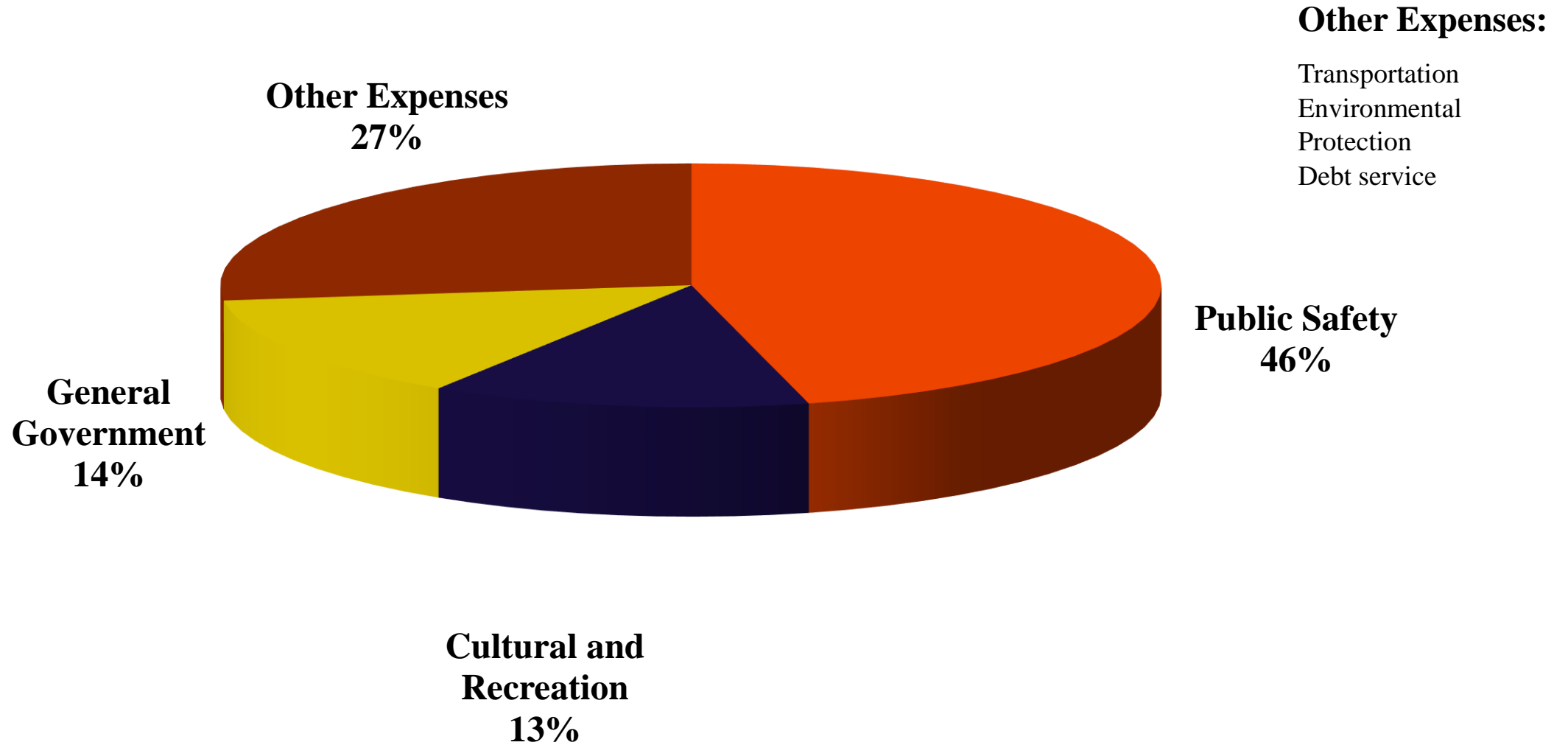


TOP 3 REVENUES: GENERAL FUND



Top 3 comprise \$ 18,955,158 (88%) of revenues

TOP 3 EXPENDITURES: GENERAL FUND



Top 3 comprise \$13,886,235 (73%) of expenditures

3-YEAR COMPARISON – GENERAL FUND

	<u>2022</u>	<u>2023</u>	<u>2024</u>
Available Fund Balance	\$ 20,603,173	\$ 18,983,824	\$ 21,645,898
Total Exp+Transf out less proceeds	13,489,984	23,074,635	19,181,713
Avail FB/Total Exp+Transf out	152.73%	82.27%	112.85%
Increase (decrease) in FB	\$ 2,889,667	\$ (2,050,450)	\$ 3,055,989

ELECTRIC FUND

<u>Charges For Services</u>	<u>Unrestricted Net Position</u>	<u>Total Net Position</u>
\$ 12,786,402	\$ 4,338,025	\$ 26,365,815

Comparison to June 30, 2023

\$ 12,338,060	\$ 3,914,176	\$ 24,474,481
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3-YEAR COMPARISON – ELECTRIC FUND

	<u>2022</u>	<u>2023</u>	<u>2024</u>
Current Assets	\$ 5,994,016	\$ 5,467,454	\$ 5,893,847
Current Liabilities	1,106,466	1,327,555	1,325,303
Quick Ratio	5.42	4.12	4.45
Operating net income excluding depreciation + debt service	1,486,773	2,146,362	2,543,726
Unrestricted cash/total expenses less depreciation + debt service	38.45%	29.64%	31.63%

ILEC FUND

<u>Charges For Services</u>	<u>Unrestricted Net Position</u>	<u>Total Net Position</u>
\$ 1,090,046	\$ 1,948,794	\$ 5,094,652

Comparison to June 30, 2023

\$ 1,084,680	\$ 1,867,117	\$ 5,044,651
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CLEC FUND

<u>Charges For Services</u>	<u>Unrestricted Net Position</u>	<u>Total Net Position</u>
\$ 1,300,936	\$ (695,037)	\$ 1,102,918

Comparison to June 30, 2023

\$ 1,220,168	\$ (646,470)	\$ 1,069,754
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PERFORMANCE INDICATORS

- No findings
- No general performance indicators of concern for FY 2024





Questions?

Beau Hildebrand



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www.msa.cpa

