



TOWN COUNCIL AGENDA ITEM

MEETING DATE: November 27, 2023

Agenda Title/Category:	Receive FY23 Audit results			
Staff Contact/Presenter:	Christopher Tucker, Finance Director Ethan Bumgarner, Martin Starnes and Assoc			
Meets Strategic Initiative or Approved Plan:	Yes	No	If yes, list:	N/A
Background:	Memo Attached			
Discussion:	Memo Attached			
Fiscal impact:				
Attachments:	Staff Memo, PowerPoint Presentation			
Recommended Motion to be made by Council:	Receive Information, No Action			



November 22, 2023

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

From: Christopher Tucker, Finance Director 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 27, 2023 Work Session, Ethan Bumgarner 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.

Unfortunately, the State has not yet accepted our report, but we do not anticipate them having any major concerns or recommending any material changes. Due to this, we have not yet printed the bound copies of the report. However, it is best practice to communicate the results of the fiscal year within six months of the close of the fiscal year, and I feel this presentation accomplishes that.

Our auditors have issued us an unmodified opinion with no findings or performance indicators, which is our desired outcome. There is no action required other than to hear the information and pose any questions to myself or Mr. Bumgarner.

If you desire to view a watermarked draft of the full financials, please reach out to me. Otherwise, I will distribute the final accepted version as soon as they become available and prepare a presentation for the new Council to convey our financial position.



Town of Pineville

2023 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.

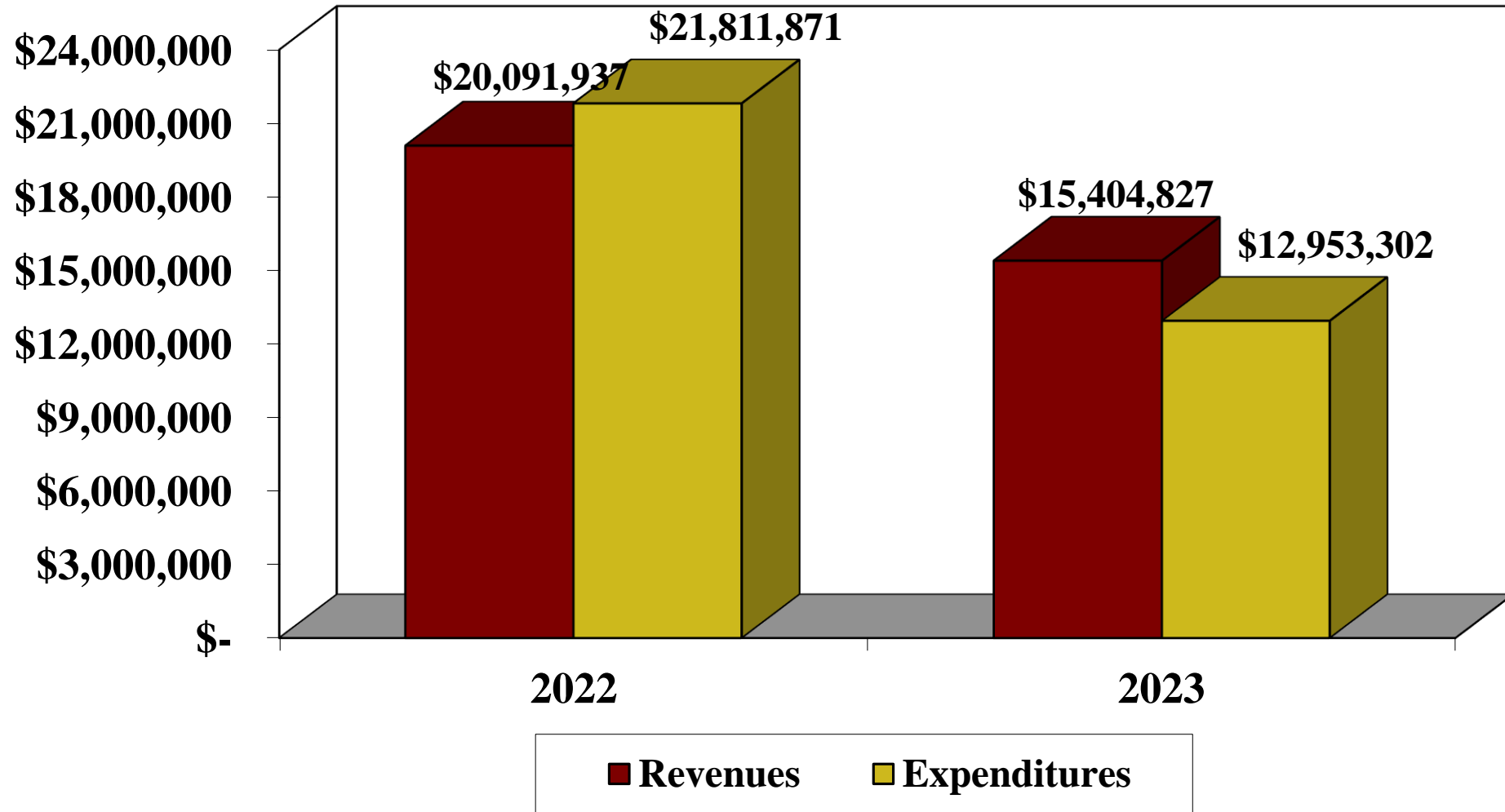


FUND BALANCE POSITION – GENERAL FUND

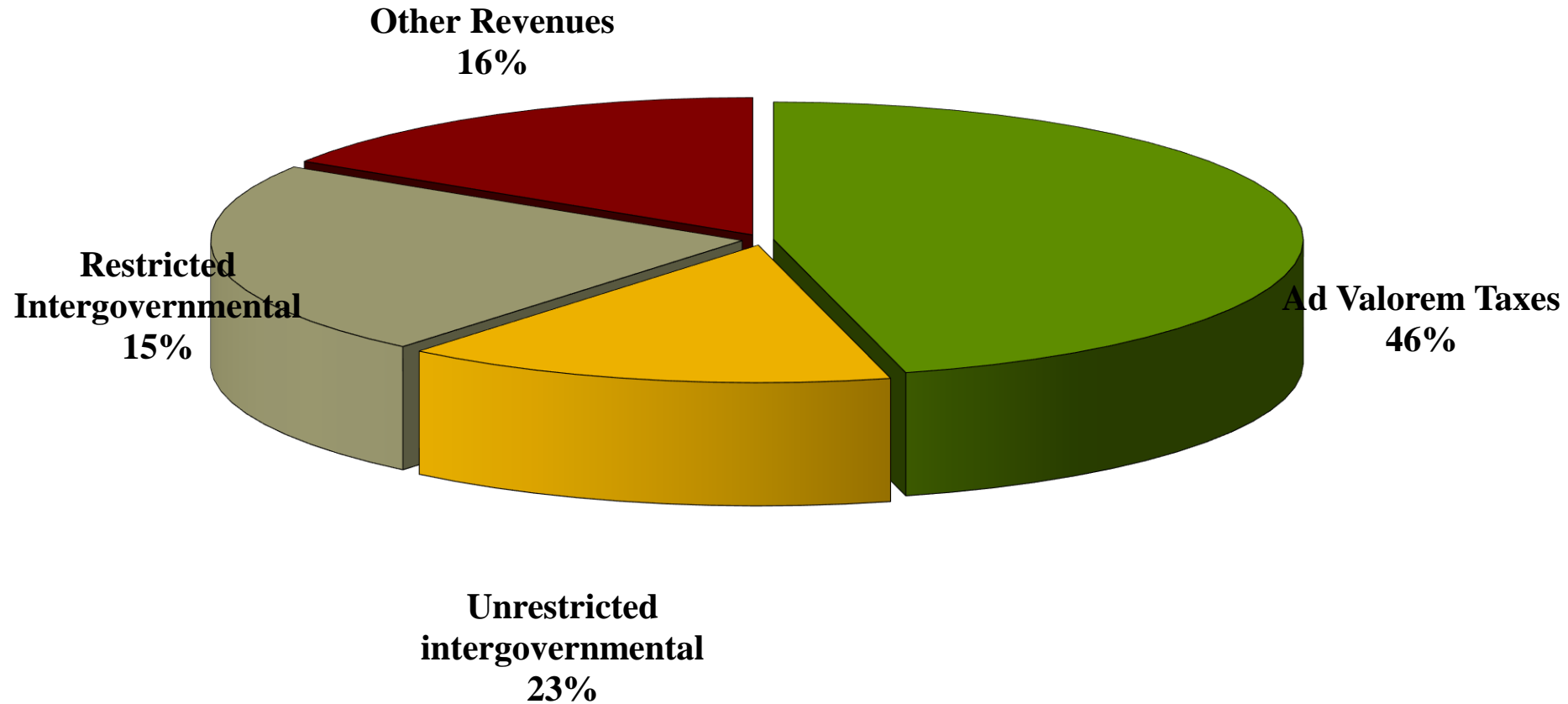
Total Fund Balance - 2023	\$ 20,883,905
Prepaid items	-
Leases	(40,573)
Stabilization by state statute	(1,508,037)
Available Fund Balance	<u>\$ 19,335,295</u>
Available Fund Balance - 2022	\$ 21,072,821
Decrease in available FB	\$ (1,737,526)



GENERAL FUND SUMMARY



TOP 3 REVENUES: GENERAL FUND

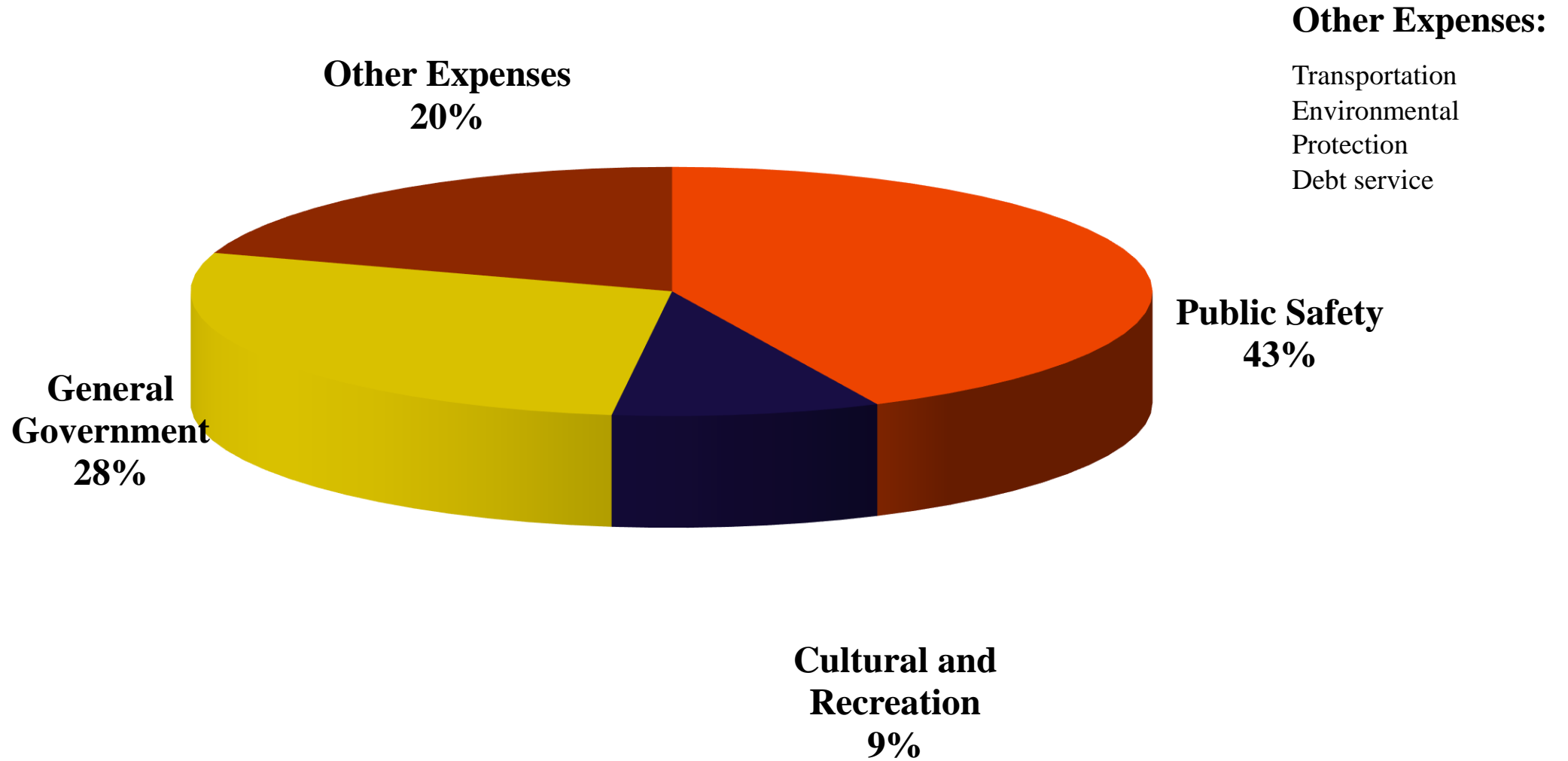


Other Revenues:

- Other Taxes & Licenses
- Sales and services
- Investment earnings
- Miscellaneous

Top 3 comprise \$ 16,728,088 (84%) of revenues

TOP 3 EXPENDITURES: GENERAL FUND



Top 3 comprise \$17,357,635 (80%) of expenditures

3-YEAR COMPARISON – GENERAL FUND

	<u>2021</u>	<u>2022</u>	<u>2023</u>
Available Fund Balance	\$ 18,830,977	\$ 20,603,173	\$ 18,983,824
Total Exp+Transf out less proceeds	16,492,319	13,489,984	23,074,635
Avail FB/Total Exp+Transf out	114.18%	152.73%	82.27%
Increase (decrease) in FB	\$ (1,046,217)	\$ 2,889,667	\$ (2,050,450)

ELECTRIC FUND

<u>Charges For Services</u>	<u>Unrestricted Net Position</u>	<u>Total Net Position</u>
\$ 12,338,060	\$ 3,914,176	\$ 24,474,481

Comparison to June 30, 2022

\$ 11,948,221	\$ 5,104,607	\$ 22,881,706
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3-YEAR COMPARISON – ELECTRIC FUND

	<u>2021</u>	<u>2022</u>	<u>2023</u>
Current Assets	\$ 6,350,863	\$ 5,994,016	\$ 5,467,454
Current Liabilities	1,000,854	1,106,466	1,327,555
Quick Ratio	6.35	5.42	4.12
Operating net income excluding depreciation + debt service	1,389,853	1,486,773	2,146,362
Unrestricted cash/total expenses less depreciation + debt service	46.08%	38.45%	49.89%

ILEC FUND

<u>Charges For Services</u>	<u>Unrestricted Net Position</u>	<u>Total Net Position</u>
\$ 1,084,680	\$ 1,867,117	\$ 5,044,651

Comparison to June 30, 2022

\$ 1,040,889	\$ 2,059,631	\$ 5,093,244
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CLEC FUND

<u>Charges For Services</u>	<u>Unrestricted Net Position</u>	<u>Total Net Position</u>
\$ 1,220,168	\$ (646,470)	\$ 1,069,754

Comparison to June 30, 2022

\$ 1,066,856	\$ (673,777)	\$ 1,042,548
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PERFORMANCE INDICATORS

- No findings
- No general performance indicators of concern for FY 2023





Questions?

Ko Tang Cha-Moses



(828)327.2727



kchamoses@msa.cpa



www.msa.cpa

