# Audit Wrap-up

# **City of Greensboro**

Eddie Burke, CPA

Audit Partner

February 15, 2018





# Agenda

**Client Service Team** 

**Role of External Auditor** 

Key Highlights - Results

**Internal Controls** 

Significant Audit Areas

**Financial Results** 

Summary

**Questions and Comments** 



# Client Service Team



**Eddie Burke** Audit Engagement Partner



**Lonnie Keogh** Audit Senior Manager



Andrea King
Audit Senior Accountant

Mackenzie Palmer Audit Staff Accountant



# Role of the External Auditor

## **Actions**

- •Plan & Perform Procedures
- Obtain Reasonable Assurance

## Results

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

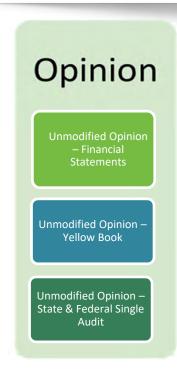
# Communications

- Policy Changes
- Estimates
- Journal Entries



# **Key Highlights**

# Results



# Internal Controls

**No Findings** 

# Single Audit

No Findings:
-20.507 Federal
Transit Cluster
-Powell Bill
-High Point Road
Resurfacing

# AU-260

GASB Implementation
GASB 73 - LEOSSA Trust Fund
GASB 74 - OPEB

-No difficulties
completing our audit
-JE for removal of
duplicated loan
--No disagreement with
management
-No management
consultations with other
accountants



# **Internal Controls**

#### **Financial Statements**

# Significant Transaction Cycles

- Cash Receipts
- Cash Disbursements
- Payroll
- Grant Process
- Financial Statement Close

#### **Testing of Controls**

- Budget
- Payroll

#### **Journal Entries**

• Active Data

#### **IT Controls**

- IT Entity Level
- Backup & Recovery
- Access & Security
- Network Security
- Change Management
- System Development Life Cycle



# Significant Audit Areas

#### **Financial Statements**

#### **Assets & Revenues**

- Taxes Receivable
- Accounts, Notes and Mortgages Receivable
- Intergovernmental Receivable
- Revenues

#### **Liabilities & Expenses**

- Expenses
- Payroll

#### **Other Items**

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



# General Fund Revenues (thousands)

General Fund Revenues	Comp	Comparison		
	2016	2017		
Taxes	\$198,821	\$203,120		
Intergovernmental	32,518	32,033		
Licenses and Permits	4,390	4,282		
Fines and Forfeitures	1,864	2,020		
Charges for Current Services	17,344	16,901		
Investment Income/Miscellaneous	2,648	3,457		
TOTAL	\$257,585	\$261,813		



General Fund Expenses (thousands)

General Fund Expenses	Comparison	
	2016	2017
General Government	\$20,072	\$20,224
Public Safety	122,709	123,109
Transportation	9,372	9,924
Engineering and Building Maintenance	14,777	15,305
Field Operations	33,754	34,952
Culture and Recreation	25,970	26,571
Neighborhood Development	371	122
Economic Opportunity	1,507	956
Intergovernmental	2,032	2,043
TOTAL	\$230,564	\$233,206

General Fund – Fund Balance (thousands)

General Fund – Fund Balance	Comparison	
	2016	2017
Non-Spendable	\$1,201	\$1,247
Restricted	28,002	28,346
Committed	6,366	-
Assigned	16,804	14,247
Unassigned	24,800	25,758
TOTAL	\$77,173	\$69,598



## Proprietary Funds Operating Revenues (thousands)

Proprietary Funds Operating Revenues	Comparison	
	2016	2017
Charges for Current Services	\$148,139	\$158,774
Other Operating Revenues	3,965	4,041
TOTAL	\$152,104	\$162,815



## Proprietary Funds Operating Expenses (thousands)

Proprietary Funds Operating Expenses	Comparison	
	2016	2017
Personal Services	\$25,345	\$26,166
Fringe Benefits	10,103	11,528
Maintenance and Operations	70,671	75,030
Depreciation/Amortization	29,320	31,985
TOTAL	\$135,439	\$144,709



## Cash and Investments (thousands) – Primary Government

Cash and Investments	Comparison	
	2016	2017
Cash carrying amount and cash on hand	\$4,885	\$6,957
US Government Agencies	245,456	258,954
Commercial Paper	9,959	-
NCCMT Government Portfolio	33,369	55,685
NCCMT Term Fund	10,564	698
TOTAL	\$304,233	\$322,294

Capital Assets (thousands)

Capital Assets	Comparison	
	2016	2017
Land	\$137,680	\$149,172
Construction in Progress	107,127	86,137
Intangible Assets - Easements	22,252	23,208
Land Improvements	38,158	47,921
Buildings	305,349	301,502
Improvements Other than Buildings	4,958	4,717
Furniture, Fixtures, Machinery & Equipment	82,920	109,305
Infrastructure	512,195	568,330
Intangible Assets	78,311	77,467
TOTAL	\$1,288,950	\$1,367,759

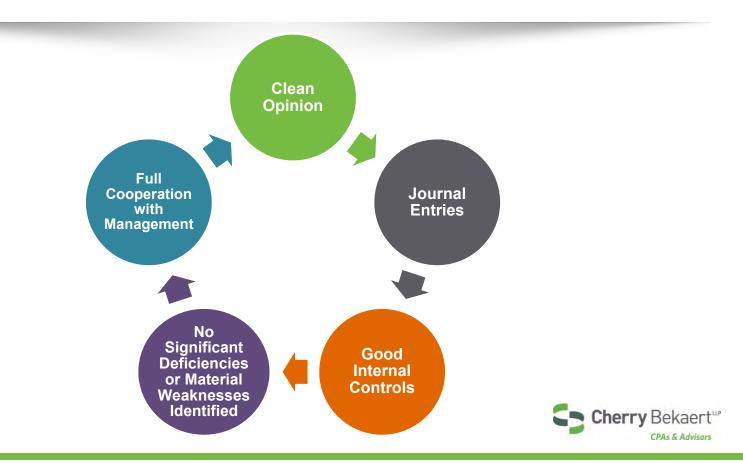


## Long-Term Debt (thousands)

Long-Term Debt	Comparison	
	2016	2017
General Obligation Bonds/Notes	\$173,007	\$198,400
Limited Obligation Bonds/Notes	26,402	35,955
Certificates of Participation	6,262	5,930
Lease-Purchase and Other Financing Agreements	25,437	35,886
Net Pension Liability (LGERS and LEOSSA)	37,222	79,390
Compensated Absences	14,228	14,694
Revenue Bonds Payable	254,002	260,601
Special Obligation Bonds	2,930	2,250
Accrued Landfill Liability	25,602	26,054
Other Postemployment Benefits	6,764	11,326
TOTAL	\$571,856	\$670,486



# Summary



# Questions & Comments?

**Eddie Burke, CPA** 

Audit Partner
<a href="mailto:eburke@cbh.com">eburke@cbh.com</a>
919.782.1040



