

**TOWN OF
HOLDEN BEACH**

TOWN OF HOLDEN BEACH

Presentation of Audit Results

Fiscal Year Ended
June 30, 2016



**CERTIFIED PUBLIC ACCOUNTANTS
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TOWN OF HOLDEN BEACH

Presentation Agenda

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November 30, 2016

To the Board of Commissioners
Town of Holden Beach
Holden Beach, North Carolina

We have audited the financial statements, of the governmental activities, the business-type activities, each major fund and the remaining fund information of the Town of Holden Beach for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated April 20, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Holden Beach are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based upon management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no changes to sensitive estimate(s) affecting the financial statements.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Some of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statement or auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 30, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Schedules of Schedule of the Proportionate Share of the Net Pension Liability (Asset) and Schedule of Contributions, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining statements and the individual fund financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Members of the Board of Commissioners and management of the Town of Holden Beach, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Thompson, Price, Scott, Adams & Co., P.A.

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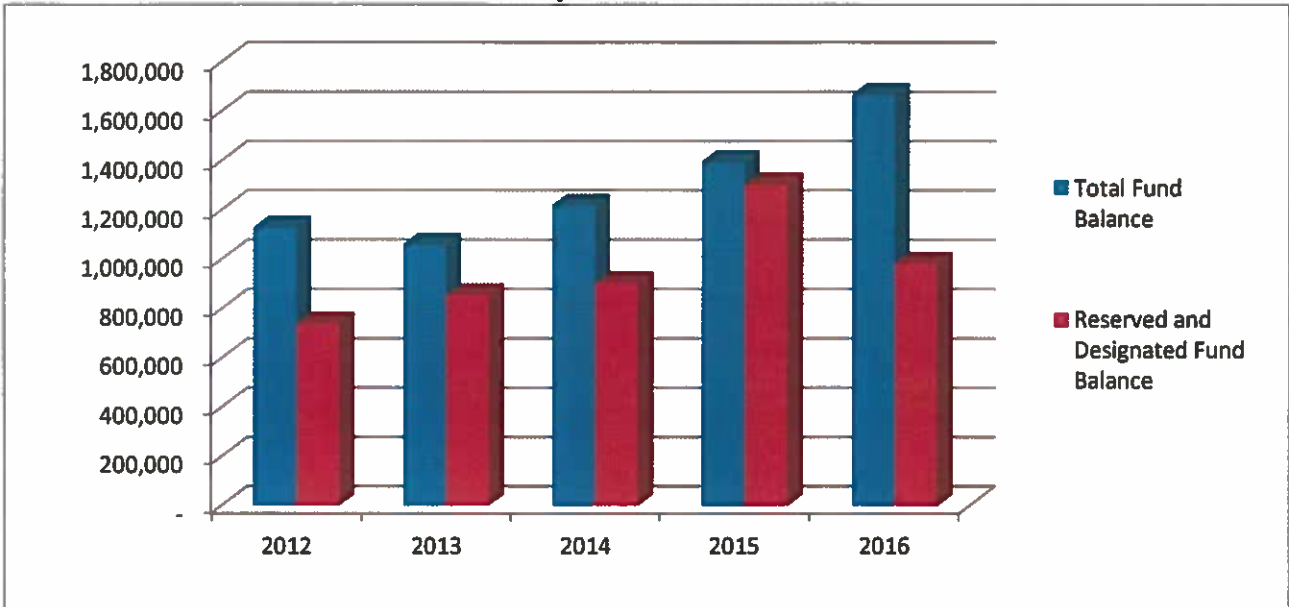
TOWN OF HOLDEN BEACH

FINANCIAL INFORMATION FOR 5 YEARS

	2016	2015	2014	2013	2012
Total Fund Balance - General Fund	1,669,226	1,398,852	1,221,653	1,063,321	1,129,608
Unavailable Fund Balance - GF	608,339	921,299	541,579	474,014	179,709
Restricted and Assigned Fund Balance	987,188	1,305,766	906,053	857,647	741,835
General Fund Expenditures (Including transfers)	2,523,521	2,445,375	2,267,416	2,290,226	2,328,483
Fund Balance Available as % of General Fund Expenditures	42.04%	19.53%	29.99%	25.73%	40.79%
Unreserved and Undesignated Fund Balance	682,038	93,086	315,600	205,674	387,773
Unreserved and Undesignated Fund Balance as % of General Fund Expenditures	27.03%	3.81%	13.92%	8.98%	16.65%
Revenues over (under) expenditures before transfers					
General Fund	48,095	(234,447)	(147,634)	(161,121)	(274,175)
BPART	(81,330)	725,273	572,769	95,548	477,246
Water & Sewer Fund	531,596	640,234	(61,832)	467,933	331,045
Cash vs. Accumulated Depreciation - Water & Sewer Fund					
Total Fixed Assets	23,275,547	23,275,547	23,202,271	22,687,944	22,687,944
Accumulated Depreciation	5,920,446	5,421,781	4,995,700	4,509,617	4,024,705
Cash	4,730,903	4,388,632	3,898,834	3,973,493	3,399,334
6/30/15 Cash vs. Fund Balance					
Cash - General	1,187,447	681,428	907,181	820,848	1,190,219
Cash - BPART	5,708,445	6,050,362	5,250,163	4,917,554	4,744,169
Cash - Water & Sewer Fund	4,730,903	4,388,632	3,898,834	3,973,493	3,399,334
Cash - Other Governmental	1,364,781	1,172,717	1,050,805	785,297	593,843
Totals - Cash	12,991,576	12,293,139	11,106,983	10,497,192	9,927,565
Fund Balance - General	1,669,226	1,398,852	1,221,653	1,063,321	1,129,608
Fund Balance - BPART	5,994,858	6,168,337	5,547,190	5,102,571	4,995,301
Fund Balance - Water & Sewer Fund	19,729,133	19,301,379	18,809,536	18,438,902	17,956,599
Fund Balance - Other Governmental Funds	1,420,457	1,228,393	1,106,481	820,952	649,519
Totals - Fund Balance	28,813,674	28,096,961	26,684,860	25,425,746	24,731,027
Property Tax Rates	0.150	0.127	0.127	0.127	0.127
Collection Percentages	98.64%	97.78%	97.33%	97.37%	96.94%
Collection Percentages (excluding Motor Vehicle)	98.63%	97.76%	97.32%	97.37%	96.97%
Total Property Valuation	1,199,800,667	1,239,190,551	1,235,616,047	1,228,883,464	1,222,148,869
Total Levy Amount	1,799,701	1,573,772	1,569,232	1,560,682	1,552,129
Breakdown of General Fund Revenues - 2016					
Ad Valorem Taxes	1,855,591	1,607,209	1,567,059	1,578,387	1,546,943
Other Taxes, License & Permits	364,116	325,457	335,564	326,441	271,416
Intergovernment Revenue	292,832	261,589	200,679	205,800	214,427
Sales and Services	12,628	10,652	9,279	7,628	117
Investment Earnings	49	-	-	453	3,356
Miscellaneous	46,400	6,021	7,201	10,396	18,049
Total	2,571,616	2,210,928	2,119,782	2,129,105	2,054,308
Breakdown of General Fund Expenditures - 2016					
General Government	712,749	712,959	719,362	689,598	710,099
Public Safety	928,766	969,732	842,581	879,307	869,189
Transportation	317,214	209,601	185,833	207,492	240,312
Environmental Protection	129,019	127,813	128,472	124,626	119,258
Debt Service	435,773	425,270	391,168	389,203	389,625
Total	2,523,521	2,445,375	2,267,416	2,290,226	2,328,483

TOWN OF HOLDEN BEACH

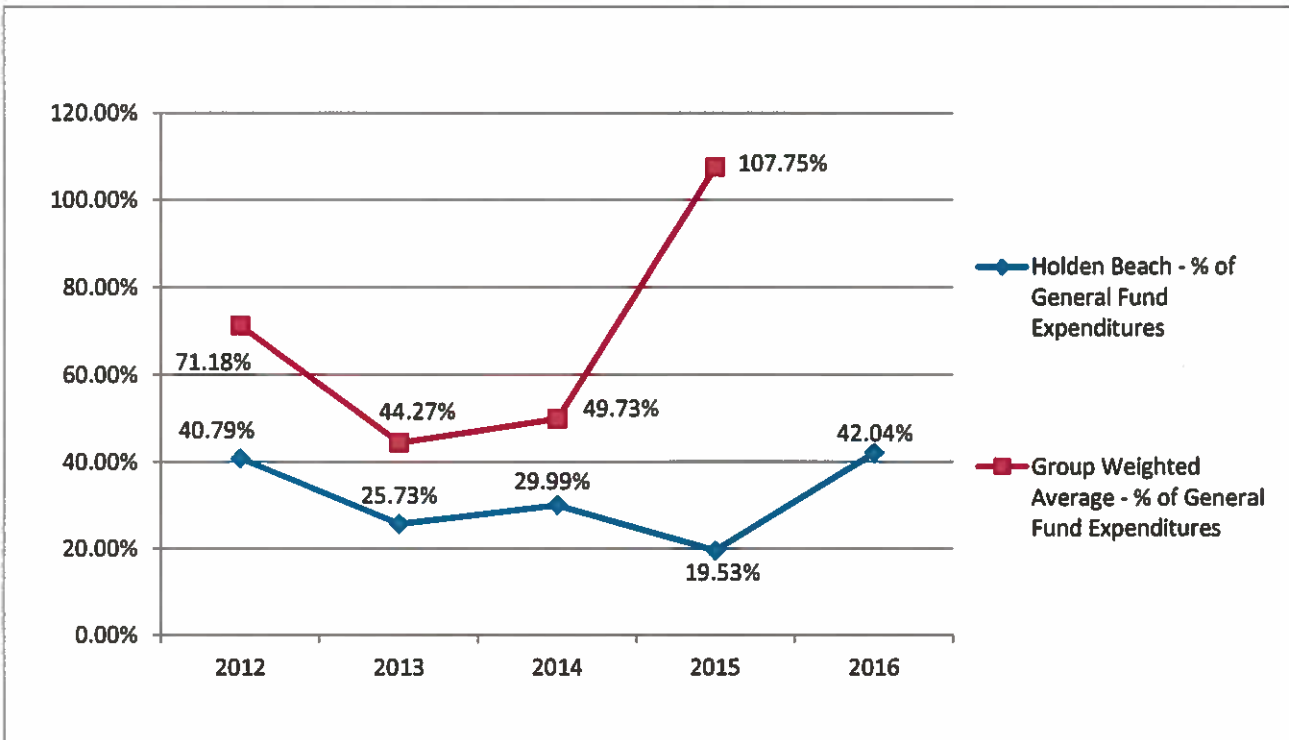
Analysis of Fund Balance



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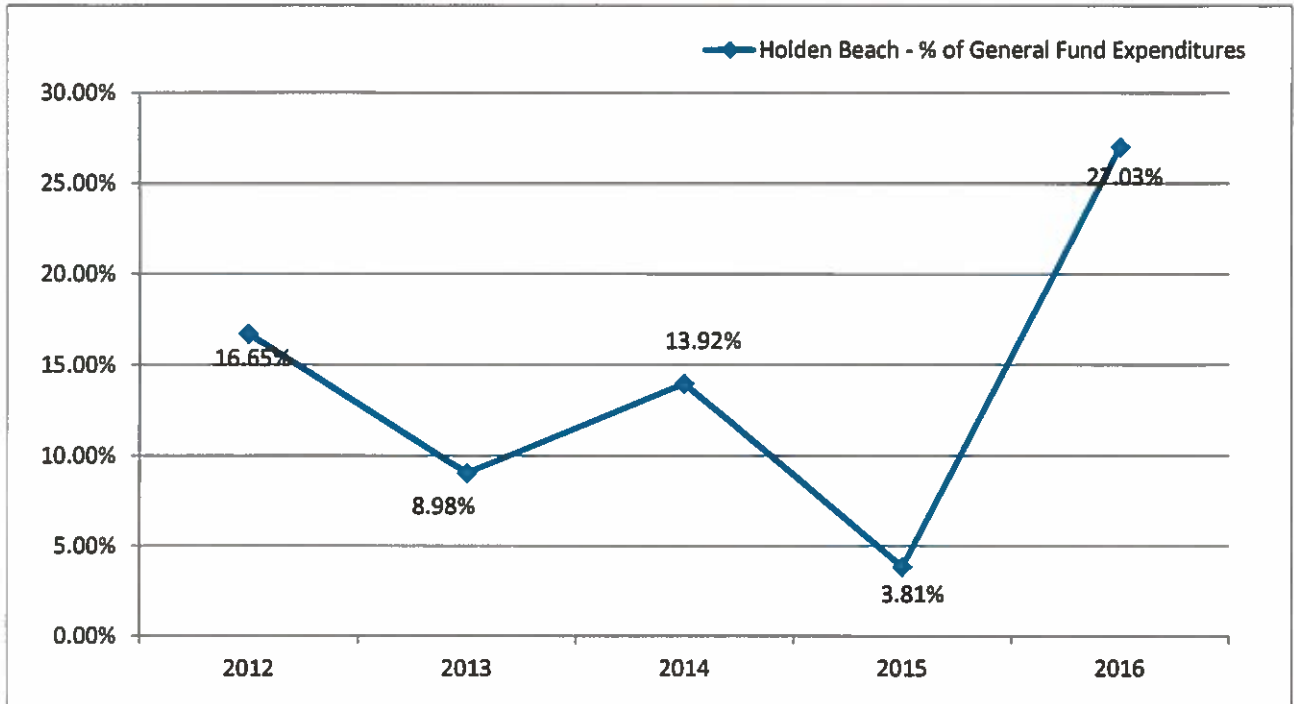
Analysis of Fund Balance Available

(Note - 2016 Group Weighted Average Not Available at Date of Presentation)



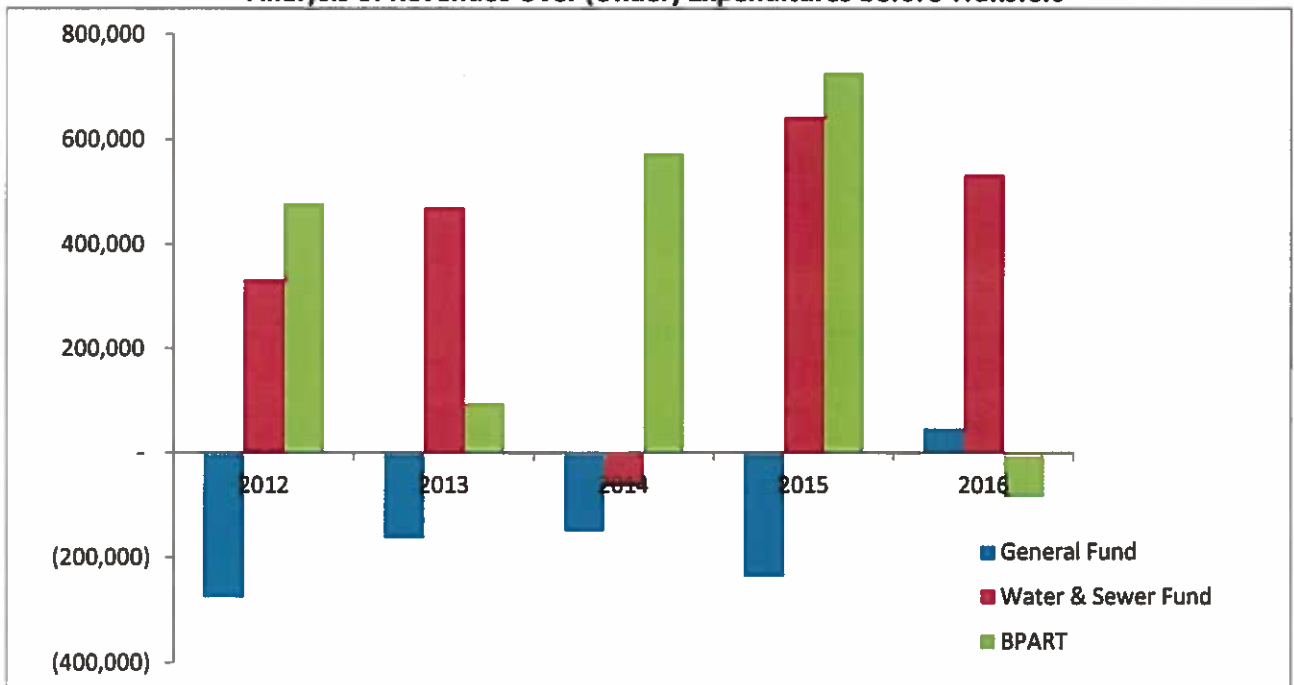
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Analysis of Unreserved and Undesignated Fund Balance as a % of General Fund Expenditures



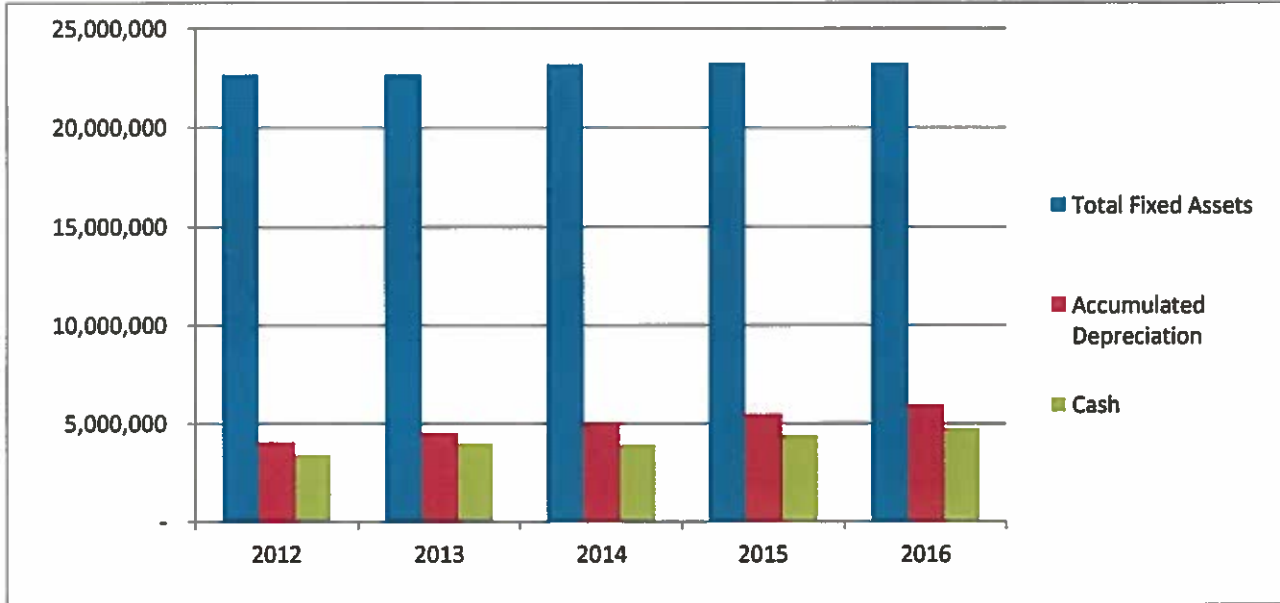
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Analysis of Revenues Over (Under) Expenditures before Transfers



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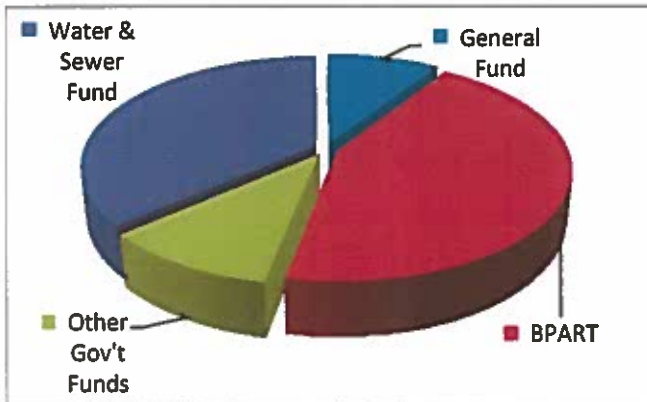
Cash vs. Accumulated Depreciation (Funded Depreciation) Water & Sewer Fund



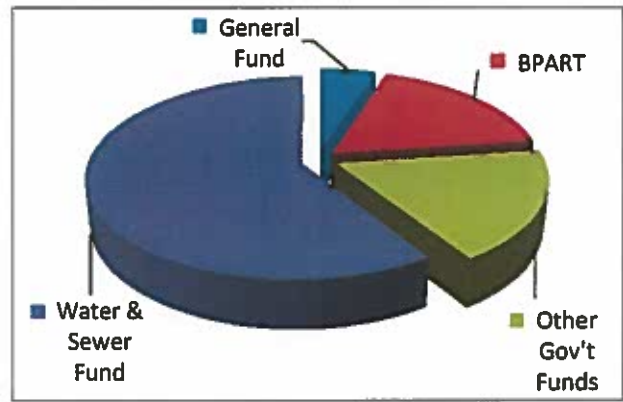
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Analysis of Cash and Fund Balances at June 30, 2016

CASH BALANCES



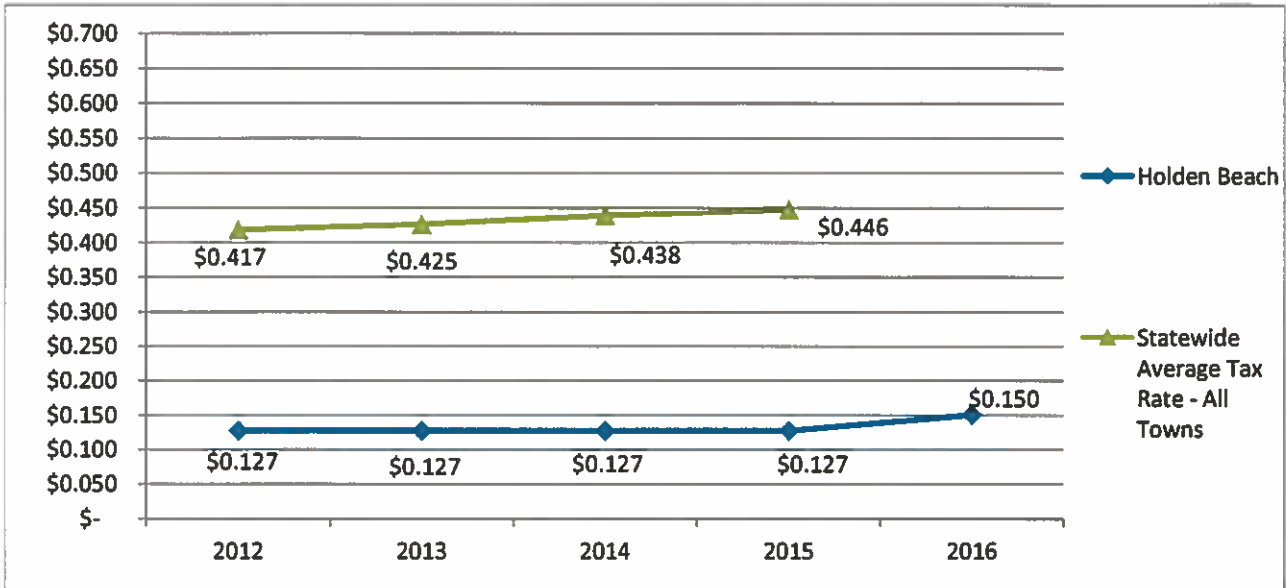
FUND BALANCES



2015

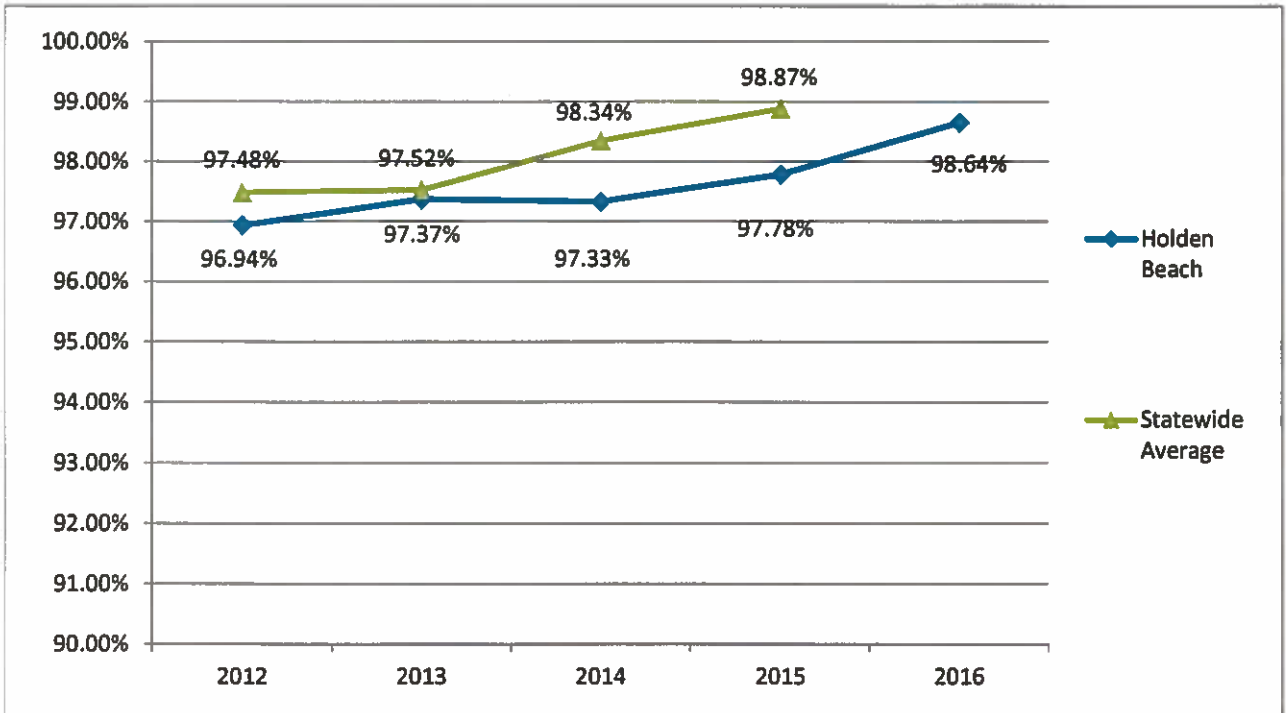
	<u>Cash Balances</u>	<u>Fund Balances</u>
General Fund	\$ 1,187,447	\$ 1,669,226
BPART	5,708,445	5,994,858
Other Governmental Funds	1,364,781	1,420,457
Water and Sewer Fund	4,730,903	19,729,133
Total	\$ 12,991,576	\$ 28,813,674

TOWN OF HOLDEN BEACH Property Tax Rates



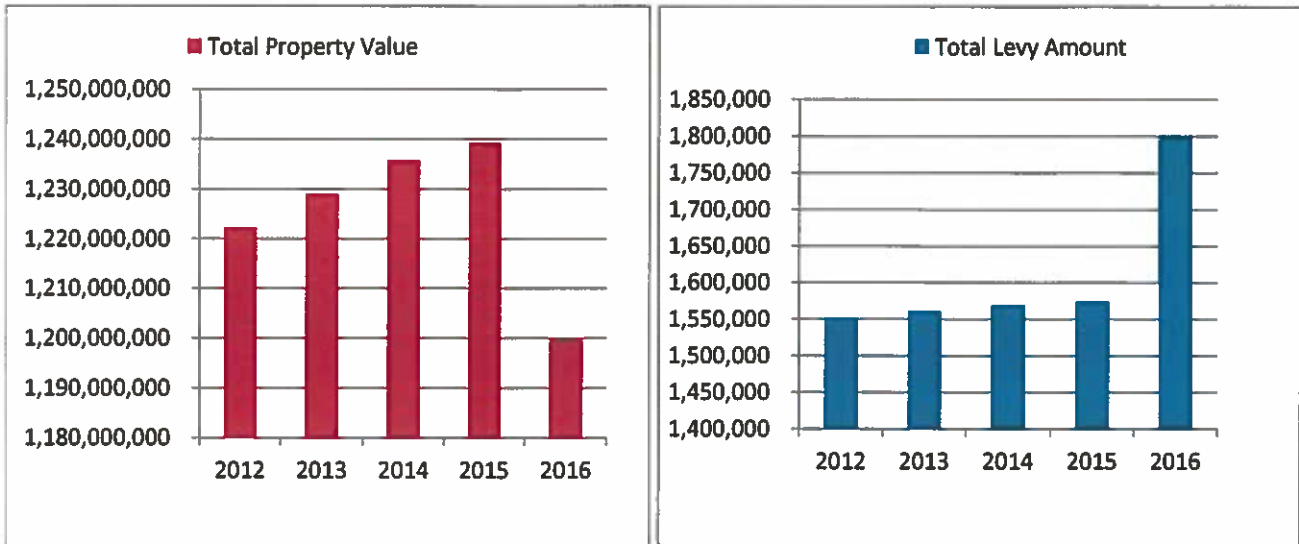
TOWN OF HOLDEN BEACH Collection Percentages

(Note - 2016 Group Weighted Average Not Available at Date of Presentation)



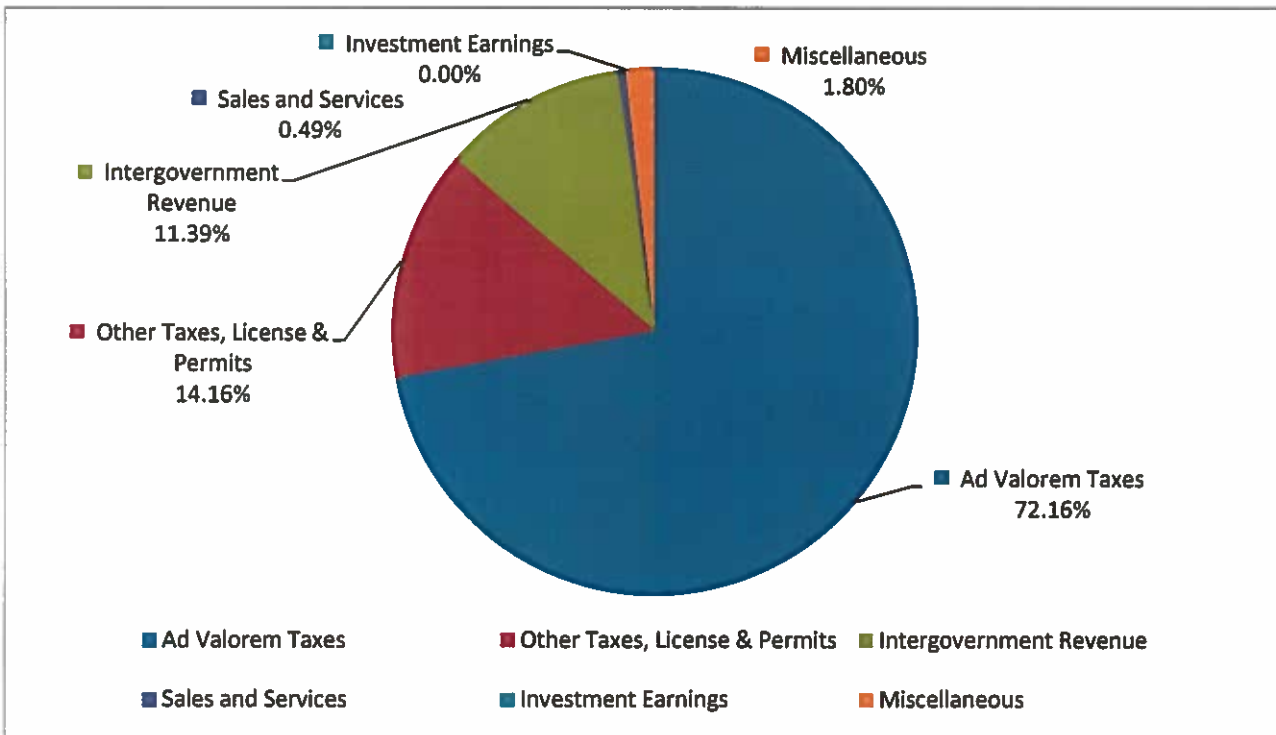
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Property Valuation and Levy Amount



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Break Down of General Fund Revenue FYE June 30, 2016



TOWN OF HOLDEN BEACH
Break Down of General Fund Expenditures
FYE June 30, 2016

