



Date: October 11, 2014

To: Board of Commissioners

From: Mayor Pro Tem Myers, Audit Chair

Re: Audit Committee Report

The audit committee met on Friday, October 11th, to review and discuss the draft audit report information with the external auditor and Town staff.

The following topics were discussed:

- Overall change in net position, the reasons behind it, and possible future trends
- General Fund balance, unassigned fund balance ratio, and potential future actions
- General Fund, BPART, and paid parking revenues
- Water & Sewer fund revenues, changes in net position, and unrestricted fund balance
- The impact of capital charges making the Water & Sewer fund show an operating loss and triggering a required letter to the LGC

Based on the information the auditor presented, their responses to our questions, and the results of our discussions, our findings are as follows:

- The audit reflects very strong financial results with a total net position increase of over \$4.5M
- We will receive a clean opinion from the auditor
- There are no internal control deficiencies
- There are no issues with the Water Resources Development Grant Program
- The audit is on track for meeting the October 31st filing deadline with the LGC
- Similar to last year, the BOC will need to sign a letter to the LGC explaining the appearance of an operating loss in the Water & Sewer fund