

# BOARD OF ALDERMEN

ITEM NO. E(2)

## AGENDA ITEM ABSTRACT MEETING DATE: November 11, 2003

**TITLE: Presentation of Audit Report for Fiscal Year Ending June 30, 2003**

<b>DEPARTMENT: Management Services</b>	<b>PUBLIC HEARING: YES ____ NO <u>x</u></b>
<b>ATTACHMENTS:</b> A. Resolution B. 2002-2003 Audit Report C. Memo – Audit Management Letter	<b>FOR INFORMATION CONTACT:</b> L. Bingham Roenigk, Assistant Town Manager, 918-7315

### PURPOSE

In accordance with principles of accountability and state statutes, the town undergoes an annual financial audit by independent auditors. The town contracted with Dixon Odom PLLC to perform the audit for the fiscal year ending June 30, 2003. The purpose of this agenda item is for the Board to receive the audit report. LaVonne Montague, CPA, of Dixon Odom PLLC, who oversees the town's audit, will present the report.

### INFORMATION

Annually, the Board of Aldermen receives the audit report that evaluates the Town's system of internal accounting controls to express an opinion on the Town's financial statements. The auditors find the general-purpose financial statements present fairly, in all material respects, the financial position of the Town as of June 30, 2003 and thus issue an "unqualified" or clean opinion (attachment C).

**FISCAL IMPACT:** In the previous year, the auditors estimated that additional costs might be incurred with implementation of GASB 34. The Management Services Department budgeted \$5,000 in anticipation of additional audit assistance. Town staff will be meeting with the auditors in late November or early December to ascertain the additional audit assistance needed.

More recently, it has come to light that the Town may also need appraisal services to provide estimated historical costs for town building and property where no historical information is available. Town staff is researching appraisal services available and may, depending on the costs associated with this service, return to the Board for additional funding.

### ADMINISTRATION'S RECOMMENDATION

The Board is requested to receive the audit report and approve a resolution accepting the 2002-03 audit report.