

# *Town of Hilton Head Island, SC*



***Financial Audit – June 30, 2024***



***Presented by:***  
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***Partner***



## Purpose of Today's Presentation

- Introduction of Mauldin & Jenkins
- Overview of:
  - Independent Auditor's Report
  - Compliance Reports
  - Financial Statements
- Required Communications
- Answer Any Questions

# Introduction of Mauldin & Jenkins

## MAULDIN & JENKINS BY THE NUMBERS



CONSISTENTLY RANKED AS A TOP ACCOUNTING FIRM IN THE U.S.

**100+** year

HISTORY

OF QUALITY SERVICE

**Serve 725+**

GOVERNMENT CLIENTS

GOVERNMENTAL PARTNERS & DIRECTORS

**25**



**150+**

TEAM MEMBERS DEDICATED TO SERVING THE GOVERNMENTAL INDUSTRY



VISION

*To be a trusted advisor, earning trust and building respect through our consistent commitment to sustainable excellence, leadership, and integrity.*



**220+**

SINGLE AUDITS PERFORMED LAST YEAR COVERING OVER \$6 BILLION OF FEDERAL GRANTS



**156,000+**

HOURS ANNUALLY PROVIDED TO GOVERNMENTAL CLIENTS

**175+**

CURRENT CLIENTS AWARDED THE GFOA CERTIFICATE OF EXCELLENCE

**6**

STATES

**14**

OFFICES



## **Audit Opinion**

- **Town: responsible for financial statements.**
- **M&J: to express opinions.**
- **Auditing Standards = *Generally Accepted Auditing Standards and Government Auditing Standards***
- **Financial Audit : Unmodified (Clean) Opinion**
  - **Highest level of Assurance**
  - **Financial Statements are fairly presented in all material respects, in accordance with GAAP**

## Compliance Reports

- **Yellow Book Report**
  - **Report on Town’s Internal Controls and Compliance – No opinion – 1 Finding (OPEB)**
- **Single Audit Report**
  - **Report on Town’s internal control and compliance related to federal grant programs – No opinion on controls (ARPA CSLFRF – Major program)**
  - **Unmodified (Clean) opinion on compliance.**

# Annual Comprehensive Financial Report

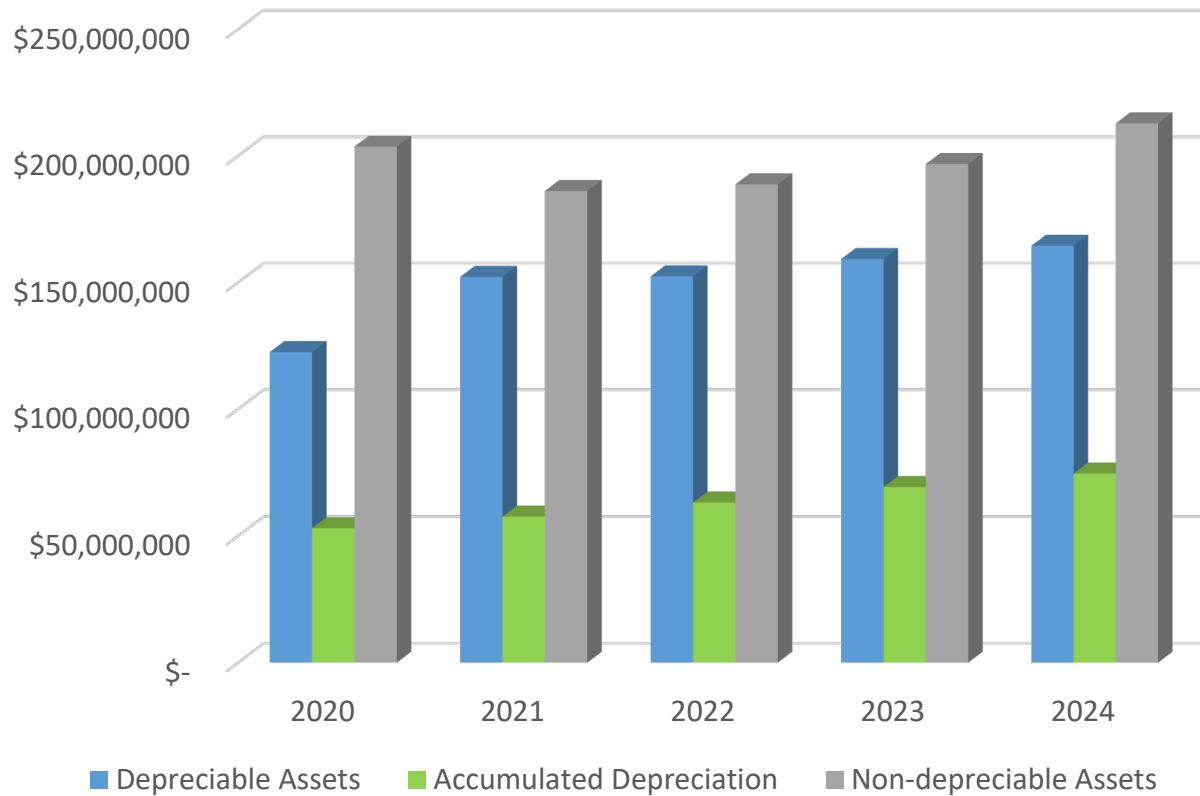
- Goes above and beyond required reporting
- Includes additional sections – introductory and statistical
- Submitted to the GFOA's Certificate of Excellence in Financial Reporting program annually
- FY 2023 certificate is included in the FY 2024 ACFR



## **Government Wide Financial Statements**

- **\$561.0 Million = total assets and deferred outflows**
- **\$313.3 Million = capital assets, net of A/D**
- **\$225.0 Million = cash and investments**
- **\$127.6 Million = total liabilities and deferred inflows**
- **\$108.5 Million = noncurrent liabilities**
- **\$433.4 Million = net position *(or equity)***
- **\$131.1 M revenue, \$80.1 M expense = \$51.0 M inc. NP**

# Governmental Capital Asset Activity





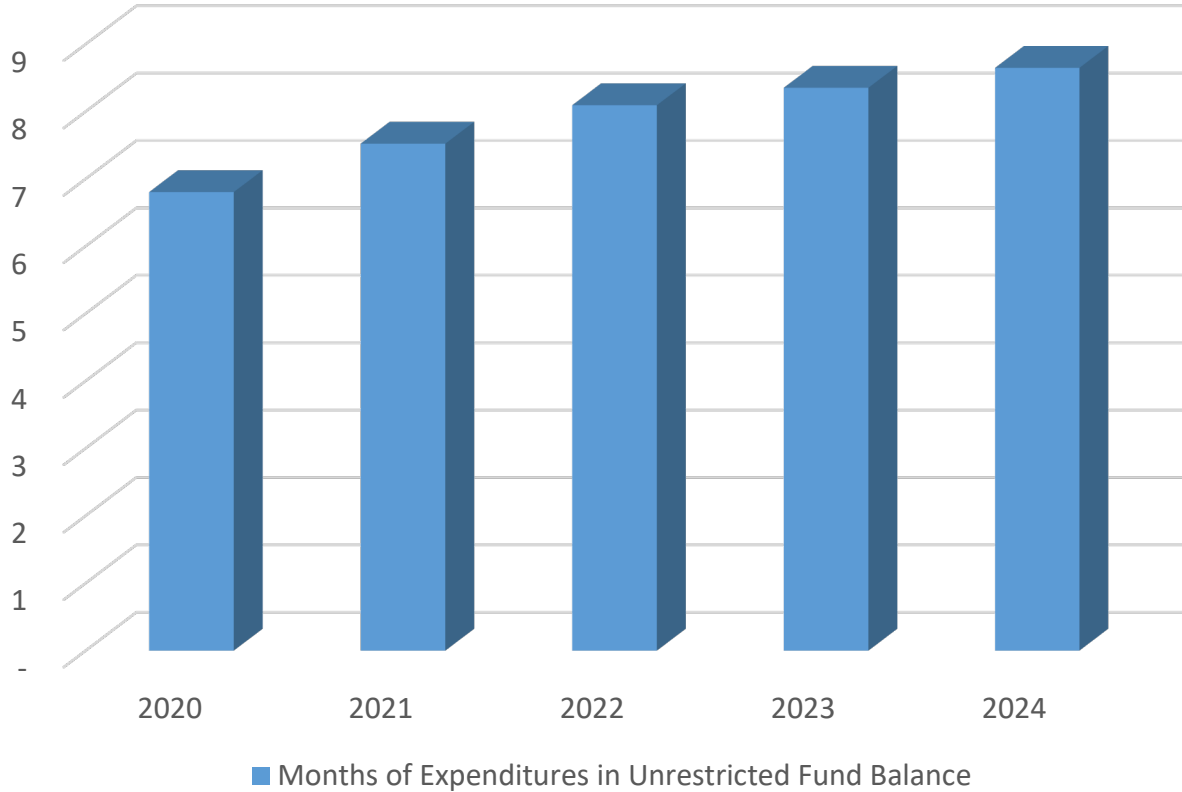
## General Fund

- **\$57.4 Million = assets**
- **\$17.9 Million = liabilities and deferred inflows**
- **\$39.5 Million = fund balance (\$15.1 M unassigned, \$24.4 M Committed-Disaster Recovery)**
- **\$49.3 M rev., \$54.8 Million exp., \$11.5 M other fin. sources**
- **\$6.0 Million = Increase in fund balance**
- **~ 3.3 months of exp in unassigned FB (8.6 months unrest.)**
- **Liquid ratio of 3.2:1 – good liquid position**

# General Fund – Revenue, Expenditures and Fund Balance History



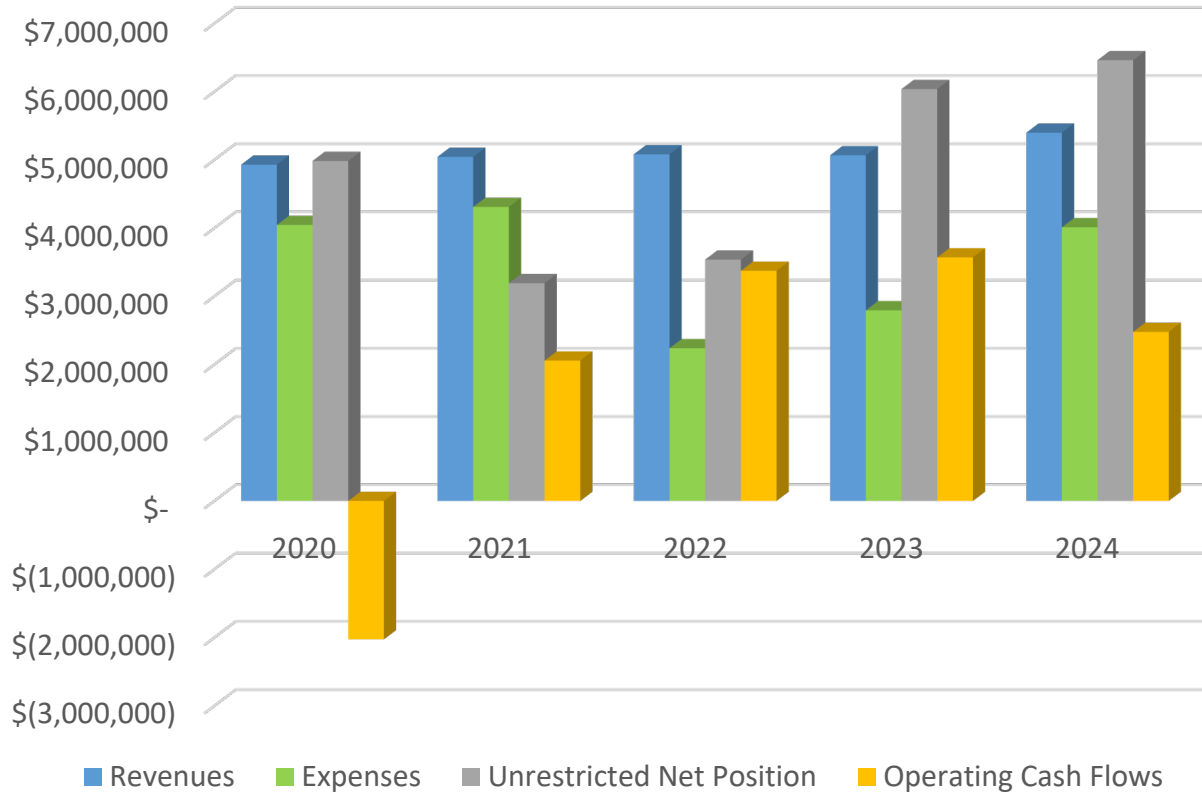
# General Fund – Fund Balance History



## Stormwater Fund

- **\$17.5 Million = assets and deferred outflows**
- **\$3.7 Million = liabilities**
- **\$13.8 Million = net position (\$6.5 M unrestricted)**
- **\$5.4 M rev., \$4.0 Million exp., \$0.2 M net, non-op and transfers**
- **\$.6 Million = Increase in net position**

# Stormwater Five Year Comparison



## **Other Items of Note – Govt Wide**

- **\$25.4 Million – capital asset additions**
- **\$13.0 Million – principal payments on bonds**
- **Net pension liability (PORS) - \$19.0 Million – increase of \$1 Million from the prior year – very long term liability**
- **OPEB liability - \$3.7 Million**
- **No significant impact from new GASB standards anticipated in the next few years.**

## **Required Communications**

- **Clean Opinion, MW Finding, No Mgmt Letter Comments**
- **FS Disclosures and Significant Estimates – Mgmt Responsibility – Integral Parts of the ACFR**
- **No Difficulties in Dealing with Management**
- **No Disagreements with Management**
- **No Uncorrected Misstatements**
- **We are Independent of the Town**

# Closing

We appreciate the opportunity to serve the Town and look forward to serving you in the future.

