# Finance Report

SHERI POWERS

FINANCE AND BUDGET DIRECTOR

# Fiscal Year 2022 Audit Update…

- Nancy Lux, CPA, with the Town's Audit firm Ray, Burnbarner, Kingshill & Assoc., PA has submitted the annual audit document to the NC LGC for review and approval.

- Printed Audit Documents will be distributed to the Council at the next meeting and will be available in the Town Clerk's office and on our website for Public review.

- During the audit, several Council Members had questions regarding internal controls and operational procedures related to purchasing and contracting, banking, check issuance and electronic payments, and other related financial practices of the Town. The Town's Internal Control Procedures Memorandum is attached for Council review.
  - Statutory Requirements - Separation of Duties - Timely Reconciliations - Periodic Reporting - Audit

# Fund Balance - 5 Year Snapshot

| | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 Projected |
|---|---|---|---|---|---|---|
| Total General Fund Revenue | 3,778,703 | 4,155,029 | 4,735,552 | 5,308,210 | 6,552,652 | 6,729,302 |
| Total General Fund Expenditures | 4,014,045 | 4,002,628 | 4,625,086 | 4,302,858 | 4,085,412 | 8,288,157 |
| Net Change in Fund Balance | (235,342) | 152,401 | 127,308 | 1,005,352 | 2,467,240 | (1,558,855) |
| Ending Total Fund Balance | 2,746,602 | 2,932,949 | 2,976,162 | 3,981,514 | 6,448,754 | 4,889,899 |
| Less Restricted Portion of Fund Balance | 396,037 | 538,152 | 393,340 | 672,461 | 443,535 | 488,,232 |
| Unrestricted Fund Balance | 2,350,565 | 2,394,797 | 2,582,822 | 3,309,053 | 6,005,219 | **4,401,667** |
| As a Percentage of Expenditures | 58.56% | 59.83% | 55.84% | 76.90% | 146.99% | **53.10%** |

FY 2022 Budgeted Expenditures
$ 8,289,157

| | | | |
|---|---|---|---|
| Fund Balance required At: | Minimum | 30% | 2,486,447 |
| | Target | 50% | 4,144,079 |
| | Maximum | 70% | 5,801,710 |

Note: FY2023 Fund Balance Appropriation $1,558,855 = Projected Decrease in Fund Balance due to one-time budgeted expenditures.

# Town of Woodfin's General Fund Balance Breakdown as of June 30, 2022

- Ending FY 2021 Fund Balance $ 3,981,514
- FY 2022 Revenues over Expenditures 2,467,240
- **FY2022 Ending Fund Balance 6,448,754**
- Restricted Portion of Fund Balance :
  - Stabilization by State Statute - 1.554,875
  - Streets - 381,120
  - Public Safety - 11,180
  - Parks - 325,057
  - Total Restricted $ 2,272,232
- **Unrestricted Fund Balance $ 4,176,522**
- **FY2023 Appropriated Fund Balance -$ 1,558,855**
- **Projected FY23 Ending Fund Balance $ 4,889,899**

# FY2023 YTD General Fund Revenue

| | |
|---|---|
| Amended Budget | $ 8,289,157 |
| Collected to Date | 1,205,936 |
| Revenue to be Received | $ 7,083,221 |

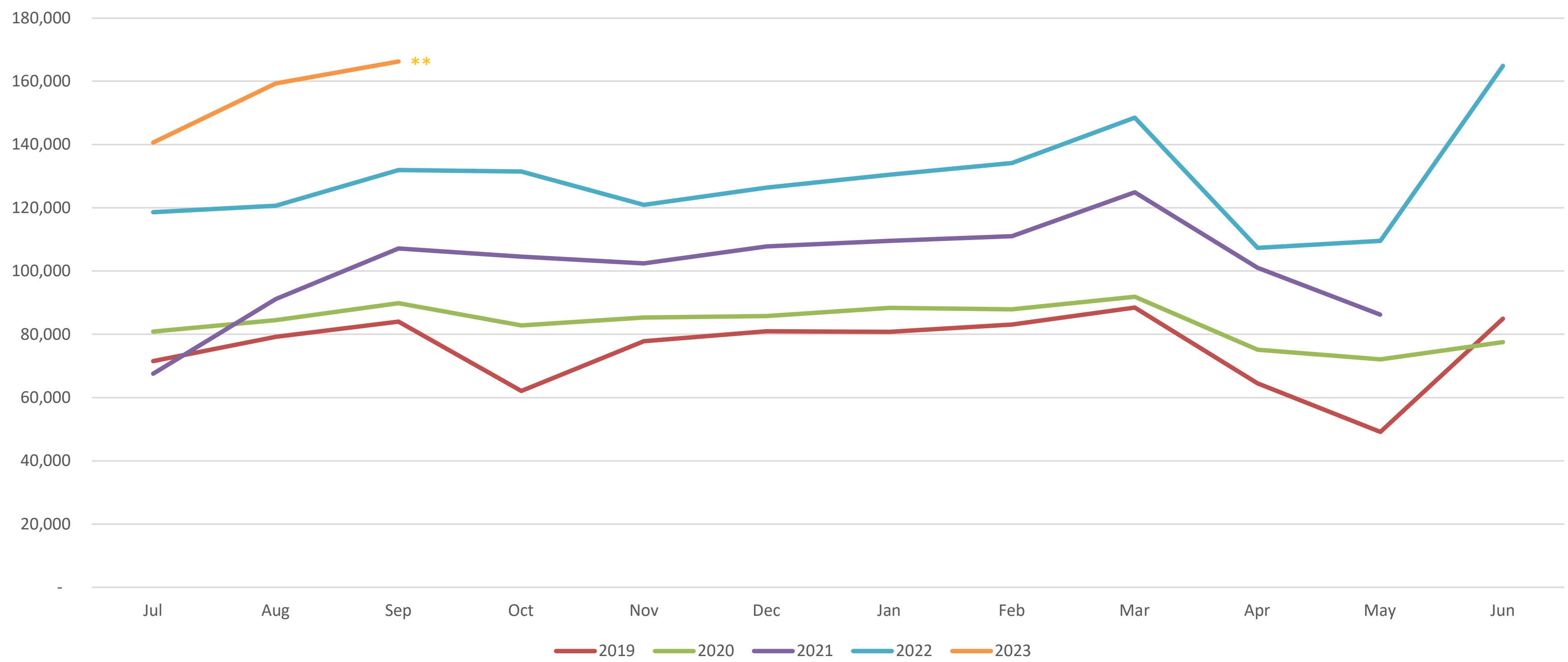
15 % of Budget

Note: Major Revenue Sources are on Track to meet or exceed Budget.

# Property Tax and Assessed Property Value


| Revenue | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 Budget |
|---|---|---|---|---|---|---|
| Property taxes | $ 2,223,540 | $ 2,375,739 | $ 2,549,668 | $ 3,162,212 | 3,701,937 | 3,752,018 |
| Property valuation | 799423214 | 845,581,785 | 899,000,000 | 946,694,715 | 1,123,299,260 | 1,157,373,931 |

# Monthly NC Sales and Use Tax Revenue




**If collections continue at the current level, the Town will add surplus revenue of over $600,000

# Powell Bill Distribution

October 1, 2022 distribution received in the amount of $117,549.25

Second distribution will come in on January 1st in the same amount for a total of $235,098.50.

# FY2023 YTD General Fund Expenditures

| | |
|---|---|
| Amended Budget | $ 8,289,157 |
| | |
| Expenditures to date | $ 1,179,513 |
| Encumbered/Committed | 511,093 |
| Total Committed | $ 1,690,606 |
| | |
| Available Budget | $ 6,598,551 |

20% Expended

As of September 30, 2022

# Parks and Recreation Capital Projects Fund

| Account | Object | Expended Current Month | Expended YTD | Encumbered YTD | Committed YTD | Current Appropriation | Available Appropriation |
|---|---|---|---|---|---|---|---|
| 620001 Greenway Project | 305 Professional Services | 0.00 | 25,523.58 | 0.00 | 25,523.58 | 29,874.00 | 4,350.42 |
| 620001 Greenway Project | 501 Design | 0.00 | 692.50 | 0.00 | 692.50 | 0.00 | -692.50 |
| 620001 Greenway Project | 502 Acquisition | 0.00 | 1,644.78 | 0.00 | 1,644.78 | 1,645.00 | 0.22 |
| 620001 Greenway Project | 503 Construction | 0.00 | 0.00 | 0.00 | 0.00 | 300,607.00 | 300,607.00 |
| 620002 Silver-Line Park | 305 Professional Services | 0.00 | 58,489.52 | 0.00 | 58,489.52 | 58,495.00 | 5.48 |
| 620002 Silver-Line Park | 501 Design | 2,285.50 | 325,391.89 | 0.00 | 325,391.89 | 330,311.00 | 4,919.11 |
| 620002 Silver-Line Park | 503 Construction | 0.00 | 2,441,194.15 | 0.00 | 2,441,194.15 | 2,697,541.00 | 256,346.85 |
| 620003 Whitewater Wave | 501 Design | 38,936.25 | 187,503.79 | 55,687.62 | 243,191.41 | 386,460.00 | 143,268.59 |
| 620003 Whitewater Wave | 503 Construction | 0.00 | 0.00 | 0.00 | 0.00 | 1,262,000.00 | 1,262,000.00 |
| 620003 Whitewater Wave | 520 Contingency | 0.00 | 0.00 | 0.00 | 0.00 | 307,667.00 | 307,667.00 |
| 620004 Riverside Park | 305 Professional Services | 13,406.25 | 68,531.19 | 47,500.00 | 116,031.19 | 594,082.00 | 478,050.81 |
| 620004 Riverside Park | 416 Lease Payments | 3,500.00 | 21,000.00 | 0.00 | 21,000.00 | 132,000.00 | 111,000.00 |
| 620004 Riverside Park | 501 Design | 0.00 | 442,188.00 | 137,175.12 | 579,363.12 | 585,539.00 | 6,175.88 |
| 620004 Riverside Park | 502 Acquisition | 0.00 | 607,693.74 | 0.00 | 607,693.74 | 607,694.00 | 0.26 |
| 620004 Riverside Park | 503 Construction | 0.00 | 824.87 | 0.00 | 824.87 | 2,045,660.00 | 2,044,835.13 |
| 620004 Riverside Park | 520 Contingency | 0.00 | 0.00 | 0.00 | 0.00 | 306,849.00 | 306,849.00 |
| 620004 Riverside Park | 740 Capital Outlay | 0.00 | 201,085.00 | 0.00 | 201,085.00 | 201,085.00 | 0.00 |
| | **Total** | **58,128.00** | **4,381,763.01** | **240,362.74** | **4,622,125.75** | **9,847,509.00** | **5,225,383.25** |

Note…Remaining GO Bond is set to close on October 26th providing $1.5m in funding.

# Streets Capital Project Fund

| | | Expended | Expended | Encumbered | Committed | Current | Available |
|---|---|---|---|---|---|---|---|
| **Account** | **Object** | **Current Month** | **YTD** | **YTD** | **YTD** | **Appropriation** | **Appropriation** |
| 541000 Street Department | 305 Professional Services | 7,645.00 | 56,473.98 | 18,968.00 | 75,441.98 | 54,000.00 | -21,441.98 |
| 541000 Street Department | 503 Construction | 587,466.20 | 1,916,902.10 | 788,711.93 | 2,705,614.03 | 2,720,532.00 | 14,917.97 |
| 541000 Street Department | 520 Contingency | 0.00 | 0.00 | 0.00 | 0.00 | 299,226.00 | 299,226.00 |
| | **Total** | **595,111.20** | **1,973,376.08** | **807,679.93** | **2,781,056.01** | **3,073,758.00** | **292,701.99** |

10 GENERAL FUND

| Account Object | Committed Current Month | Committed YTD | Original Appropriation | Current Appropriation | Available Appropriation | % Commit |
|---|---|---|---|---|---|---|
| 420000 Administration | | | | | | |
| 420000 Administration | | | | | | |
| 100 Salaries and Wages | 28,135.44 | 79,306.14 | 372,194.00 | 372,194.00 | 292,887.86 | 21 % |
| 102 Alderman Compensation | 1,500.00 | 4,500.00 | 18,000.00 | 18,000.00 | 13,500.00 | 25 % |
| 105 Overtime | 196.43 | 383.05 | 5,000.00 | 5,000.00 | 4,616.95 | 8 % |
| 220 F.I.C.A. Tax | 2,243.06 | 6,323.22 | 30,232.00 | 30,232.00 | 23,908.78 | 21 % |
| 230 Group Health Insurance | 3,153.77 | 9,420.65 | 53,152.00 | 53,152.00 | 43,731.35 | 18 % |
| 240 Retirement - Local Government | 3,428.16 | 10,219.76 | 45,640.00 | 45,640.00 | 35,420.24 | 22 % |
| 250 Workers Compensation Insurance | 0.00 | 4,071.70 | 7,950.00 | 7,950.00 | 3,878.30 | 51 % |
| 255 Unemployment Insurance | 0.00 | 0.00 | 2,000.00 | 2,000.00 | 2,000.00 | % |
| 260 401(K) Contribution | 1,471.78 | 4,381.41 | 30,176.00 | 30,176.00 | 25,794.59 | 15 % |
| 305 Professional Services | 6,750.00 | 50,493.00 | 120,000.00 | 120,000.00 | 69,507.00 | 42 % |
| 310 Telephone | 431.23 | 1,668.88 | 9,440.00 | 9,440.00 | 7,771.12 | 18 % |
| 311 Postage | 503.50 | 530.45 | 2,215.00 | 2,215.00 | 1,684.55 | 24 % |
| 312 Printing | 311.19 | 878.67 | 5,000.00 | 5,000.00 | 4,121.33 | 18 % |
| 326 Advertising | 0.00 | 734.37 | 14,596.00 | 14,596.00 | 13,861.63 | 5 % |
| 330 Utilities | 998.39 | 2,221.59 | 13,031.00 | 13,031.00 | 10,809.41 | 17 % |
| 333 Departmental Supplies | 1,922.30 | 2,719.50 | 32,953.00 | 32,953.00 | 30,233.50 | 8 % |
| 338 Website & Computer | 379.07 | 11,157.93 | 19,500.00 | 19,500.00 | 8,342.07 | 57 % |
| 340 Travel & Training | 800.00 | 800.00 | 8,743.00 | 8,743.00 | 7,943.00 | 9 % |
| 400 Janitorial Services | 561.00 | 2,060.00 | 12,000.00 | 12,000.00 | 9,940.00 | 17 % |
| 450 Maintenance & Repairs - | 225.87 | 806.77 | 19,646.00 | 19,646.00 | 18,839.23 | 4 % |
| 500 Engineering Services/Studies | 0.00 | 0.00 | 140,000.00 | 140,000.00 | 140,000.00 | % |
| 530 Dues & Subscriptions | 1,338.88 | 18,971.26 | 21,607.00 | 21,607.00 | 2,635.74 | 88 % |
| 540 Insurance & Bonds | 0.00 | 13,847.94 | 21,450.00 | 21,450.00 | 7,602.06 | 65 % |
| 550 Election Expense | 0.00 | 0.00 | 13,500.00 | 13,500.00 | 13,500.00 | % |
| 570 Miscellaneous Expense | 526.51 | 1,741.12 | 7,500.00 | 7,500.00 | 5,758.88 | 23 % |
| 740 Capital Outlay | 0.00 | 0.00 | 5,000.00 | 5,000.00 | 5,000.00 | % |
| **Account Total:** | **54,876.58** | **227,237.41** | **1,030,525.00** | **1,030,525.00** | **803,287.59** | **22 %** |
| **Account Group Total:** | **54,876.58** | **227,237.41** | **1,030,525.00** | **1,030,525.00** | **803,287.59** | **22 %** |
| 460000 Tax Collections | | | | | | |
| 460000 Tax Collections | | | | | | |
| 575 Tax Collection Fees | 3,728.54 | 4,122.21 | 79,548.00 | 79,548.00 | 75,425.79 | 5 % |
| 576 Debt Service - Downtown | 0.00 | 0.00 | 313,278.00 | 313,278.00 | 313,278.00 | % |
| **Account Total:** | **3,728.54** | **4,122.21** | **392,826.00** | **392,826.00** | **388,703.79** | **1 %** |
| **Account Group Total:** | **3,728.54** | **4,122.21** | **392,826.00** | **392,826.00** | **388,703.79** | **1 %** |
| 490000 Planning & Zoning | | | | | | |
| 490000 Planning & Zoning | | | | | | |
| 100 Salaries and Wages | 3,250.00 | 14,879.26 | 142,942.00 | 142,942.00 | 128,062.74 | 10 % |
| 105 Overtime | 203.63 | 203.63 | 3,668.00 | 3,668.00 | 3,464.37 | 6 % |
| 220 F.I.C.A. Tax | 264.21 | 1,153.82 | 11,216.00 | 11,216.00 | 10,062.18 | 10 % |
| 230 Group Health Insurance | 0.00 | 1,406.28 | 18,325.00 | 18,325.00 | 16,918.72 | 8 % |
| 240 Retirement - Local Government | 417.89 | 1,956.41 | 17,740.00 | 17,740.00 | 15,783.59 | 11 % |
| 250 Workers Compensation Insurance | 0.00 | 2,035.85 | 2,492.00 | 2,492.00 | 456.15 | 82 % |
| 260 401(K) Contribution | 0.00 | 1,017.21 | 11,729.00 | 11,729.00 | 10,711.79 | 9 % |
| 305 Professional Services | 2,127.50 | 3,162.50 | 185,000.00 | 185,000.00 | 181,837.50 | 2 % |
| 310 Telephone | 90.67 | 379.20 | 2,100.00 | 2,100.00 | 1,720.80 | 18 % |
| 311 Postage | 0.00 | 34.53 | 2,500.00 | 2,500.00 | 2,465.47 | 1 % |
| 326 Advertising | 0.00 | 565.84 | 5,500.00 | 5,500.00 | 4,934.16 | 10 % |

10 GENERAL FUND

| Account Object | Committed Current Month | Committed YTD | Original Appropriation | Current Appropriation | Available Appropriation | % Commit |
|---|---|---|---|---|---|---|
| 331 Vehicle Supplies - Gas, Oil | 0.00 | 19.44 | 1,800.00 | 1,800.00 | 1,780.56 | 1 % |
| 333 Departmental Supplies | 32.81 | 1,099.81 | 10,000.00 | 10,000.00 | 8,900.19 | 11 % |
| 338 Website & Computer | 182.57 | 7,047.71 | 7,210.00 | 7,210.00 | 162.29 | 98 % |
| 340 Travel & Training | 295.00 | 295.00 | 4,000.00 | 4,000.00 | 3,705.00 | 7 % |
| 420 Maintenance & Repairs - | 0.00 | 0.00 | 500.00 | 500.00 | 500.00 | % |
| 530 Dues & Subscriptions | 100.00 | 1,822.58 | 250.00 | 250.00 | -1,572.58 | 729 % |
| 540 Insurance & Bonds | 0.00 | 2,080.00 | 3,300.00 | 3,300.00 | 1,220.00 | 63 % |
| **Account Total:** | **6,964.28** | **39,159.07** | **430,272.00** | **430,272.00** | **391,112.93** | **9 %** |
| **Account Group Total:** | **6,964.28** | **39,159.07** | **430,272.00** | **430,272.00** | **391,112.93** | **9 %** |
| 510000 Police | | | | | | |
| 510000 Police | | | | | | |
| 100 Salaries and Wages | 80,132.00 | 218,090.63 | 1,087,726.00 | 1,087,726.00 | 869,635.37 | 20 % |
| 105 Overtime | 5,105.78 | 13,557.08 | 53,036.00 | 53,036.00 | 39,478.92 | 26 % |
| 120 Special Separation Allowance | 1,279.16 | 3,837.48 | 15,350.00 | 15,350.00 | 11,512.52 | 25 % |
| 220 F.I.C.A. Tax | 6,123.24 | 16,609.98 | 88,443.00 | 88,443.00 | 71,833.02 | 19 % |
| 230 Group Health Insurance | 19,337.55 | 54,162.58 | 246,026.00 | 246,026.00 | 191,863.42 | 22 % |
| 240 Retirement - Local Government | 11,052.36 | 31,916.23 | 148,755.00 | 148,755.00 | 116,838.77 | 21 % |
| 250 Workers Compensation Insurance | 0.00 | 16,286.79 | 31,800.00 | 31,800.00 | 15,513.21 | 51 % |
| 260 401(K) Contribution | 5,722.84 | 16,501.93 | 91,261.00 | 91,261.00 | 74,759.07 | 18 % |
| 301 Contract Labor | 1,620.00 | 5,940.00 | 5,000.00 | 5,000.00 | -940.00 | 119 % |
| 305 Professional Services | 1,864.72 | 3,098.01 | 151,827.00 | 151,827.00 | 148,728.99 | 2 % |
| 310 Telephone | 453.35 | 3,789.80 | 22,000.00 | 22,000.00 | 18,210.20 | 17 % |
| 311 Postage | 0.00 | 0.00 | 500.00 | 500.00 | 500.00 | % |
| 312 Printing | 0.00 | 0.00 | 1,500.00 | 1,500.00 | 1,500.00 | % |
| 331 Vehicle Supplies - Gas, Oil | 5,790.85 | 11,527.36 | 60,000.00 | 60,000.00 | 48,472.64 | 19 % |
| 333 Departmental Supplies | 3,620.05 | 16,004.36 | 54,353.00 | 64,353.00 | 48,348.64 | 25 % |
| 336 Uniforms | 383.95 | 2,234.13 | 10,000.00 | 10,000.00 | 7,765.87 | 22 % |
| 338 Website & Computer | 1,551.65 | 5,221.17 | 30,000.00 | 30,000.00 | 24,778.83 | 17 % |
| 340 Travel & Training | 376.50 | 1,113.75 | 28,492.00 | 28,492.00 | 27,378.25 | 4 % |
| 415 Lease Vehicles | 4,823.02 | 14,469.06 | 116,933.00 | 116,933.00 | 102,463.94 | 12 % |
| 420 Maintenance & Repairs - | 1,011.16 | 4,701.91 | 20,000.00 | 20,000.00 | 15,298.09 | 24 % |
| 430 Maintenance & Repairs - | 0.00 | 0.00 | 500.00 | 500.00 | 500.00 | % |
| 437 K-9 Unit | 0.00 | 0.00 | 5,000.00 | 5,000.00 | 5,000.00 | % |
| 530 Dues & Subscriptions | 80.99 | 1,460.98 | 77,000.00 | 77,000.00 | 75,539.02 | 2 % |
| 540 Insurance & Bonds | 0.00 | 25,191.00 | 38,755.00 | 38,755.00 | 13,564.00 | 65 % |
| 555 Personnel Testing | 1,087.36 | 1,087.36 | 2,500.00 | 2,500.00 | 1,412.64 | 43 % |
| 570 Miscellaneous Expense | 0.00 | 0.00 | 1,000.00 | 1,000.00 | 1,000.00 | % |
| 740 Capital Outlay | 0.00 | 0.00 | 76,049.00 | 76,049.00 | 76,049.00 | % |
| 742 Non-Capital Outlay | 0.00 | 22,763.76 | 32,145.00 | 54,908.76 | 32,145.00 | 41 % |
| **Account Total:** | **151,416.53** | **489,565.35** | **2,495,951.00** | **2,528,714.76** | **2,039,149.41** | **19 %** |
| **Account Group Total:** | **151,416.53** | **489,565.35** | **2,495,951.00** | **2,528,714.76** | **2,039,149.41** | **19 %** |
| 540000 Public Works | | | | | | |
| 541000 Street Department | | | | | | |
| 100 Salaries and Wages | 16,810.81 | 47,339.50 | 230,152.00 | 230,152.00 | 182,812.50 | 21 % |
| 105 Overtime | 817.77 | 1,082.59 | 5,250.00 | 5,250.00 | 4,167.41 | 21 % |
| 220 F.I.C.A. Tax | 1,344.40 | 3,691.73 | 18,114.00 | 18,114.00 | 14,422.27 | 20 % |
| 230 Group Health Insurance | 3,156.58 | 9,469.74 | 28,996.00 | 28,996.00 | 19,526.26 | 33 % |
| 240 Retirement - Local Government | 2,133.05 | 6,209.90 | 28,484.00 | 28,484.00 | 22,274.10 | 22 % |
| 250 Workers Compensation Insurance | 0.00 | 2,035.85 | 3,980.00 | 3,980.00 | 1,944.15 | 51 % |

10 GENERAL FUND

| Account Object | Committed Current Month | Committed YTD | Original Appropriation | Current Appropriation | Available Appropriation | % Commit |
|---|---|---|---|---|---|---|
| 260 401(K) Contribution | 1,410.29 | 4,105.73 | 18,832.00 | 18,832.00 | 14,726.27 | 22 % |
| 305 Professional Services | 0.00 | 0.00 | 38,000.00 | 38,000.00 | 38,000.00 | % |
| 310 Telephone | 0.00 | 0.00 | 500.00 | 500.00 | 500.00 | % |
| 330 Utilities | 0.00 | 0.00 | 3,280.00 | 3,280.00 | 3,280.00 | % |
| 331 Vehicle Supplies - Gas, Oil | 1,721.52 | 3,134.02 | 15,188.00 | 15,188.00 | 12,053.98 | 21 % |
| 333 Departmental Supplies | 198.31 | 398.61 | 15,000.00 | 15,000.00 | 14,601.39 | 3 % |
| 336 Uniforms | 0.00 | 0.00 | 4,213.00 | 4,213.00 | 4,213.00 | % |
| 340 Travel & Training | 0.00 | 0.00 | 2,600.00 | 2,600.00 | 2,600.00 | % |
| 420 Maintenance & Repairs - | 2,736.02 | 2,852.01 | 20,000.00 | 20,000.00 | 17,147.99 | 14 % |
| 430 Maintenance & Repairs - | 1,200.31 | 1,200.31 | 6,670.00 | 6,670.00 | 5,469.69 | 18 % |
| 440 Street Lighting | 4,598.37 | 9,281.82 | 63,550.00 | 63,550.00 | 54,268.18 | 15 % |
| 450 Maintenance & Repairs - | 4,160.00 | 18,160.00 | 57,596.00 | 57,596.00 | 39,436.00 | 32 % |
| 540 Insurance & Bonds | 0.00 | 5,242.00 | 8,016.00 | 8,016.00 | 2,774.00 | 65 % |
| 740 Capital Outlay | 0.00 | 0.00 | 90,000.00 | 90,000.00 | 90,000.00 | % |
| 750 Debt Service | 1,163.06 | 3,489.18 | 91,637.00 | 91,637.00 | 88,147.82 | 4 % |
| **Account Total:** | **41,450.49** | **117,692.99** | **750,058.00** | **750,058.00** | **632,365.01** | **16 %** |
| 542000 Powell Bill | | | | | | |
| 456 Patching & Resurfacing Streets | 0.00 | 102.72 | 233,000.00 | 233,000.00 | 232,897.28 | % |
| **Account Total:** | **0.00** | **102.72** | **233,000.00** | **233,000.00** | **232,897.28** | **%** |
| 543000 Stormwater Management | | | | | | |
| 100 Salaries and Wages | 0.00 | 0.00 | 60,100.00 | 60,100.00 | 60,100.00 | % |
| 105 Overtime | 0.00 | 0.00 | 2,500.00 | 2,500.00 | 2,500.00 | % |
| 220 F.I.C.A. Tax | 0.00 | 0.00 | 4,598.00 | 4,598.00 | 4,598.00 | % |
| 230 Group Health Insurance | 0.00 | 0.00 | 12,003.00 | 12,003.00 | 12,003.00 | % |
| 240 Retirement - Local Government | 0.00 | 0.00 | 7,272.00 | 7,272.00 | 7,272.00 | % |
| 250 Workers Compensation Insurance | 0.00 | 0.00 | 1,064.00 | 1,064.00 | 1,064.00 | % |
| 260 401(K) Contribution | 0.00 | 0.00 | 2,504.00 | 2,504.00 | 2,504.00 | % |
| 305 Professional Services | 0.00 | 3,695.00 | 50,000.00 | 50,000.00 | 46,305.00 | 7 % |
| 311 Postage | 0.00 | 0.00 | 2,000.00 | 2,000.00 | 2,000.00 | % |
| 333 Departmental Supplies | 0.00 | 0.00 | 3,000.00 | 3,000.00 | 3,000.00 | % |
| 340 Travel & Training | 0.00 | 0.00 | 10,000.00 | 10,000.00 | 10,000.00 | % |
| 445 Maintenance & Repairs - Storm | 0.00 | 3,000.00 | 250,000.00 | 250,000.00 | 247,000.00 | 1 % |
| 530 Dues & Subscriptions | 0.00 | 0.00 | 7,500.00 | 7,500.00 | 7,500.00 | % |
| 740 Capital Outlay | 0.00 | 0.00 | 180,000.00 | 180,000.00 | 180,000.00 | % |
| **Account Total:** | **0.00** | **6,695.00** | **592,541.00** | **592,541.00** | **585,846.00** | **1 %** |
| 545000 Sanitation | | | | | | |
| 100 Salaries and Wages | 18,190.53 | 50,203.50 | 233,471.00 | 233,471.00 | 183,267.50 | 22 % |
| 105 Overtime | 1,749.02 | 1,752.82 | 9,063.00 | 9,063.00 | 7,310.18 | 19 % |
| 220 F.I.C.A. Tax | 1,513.26 | 3,938.29 | 18,554.00 | 18,554.00 | 14,615.71 | 21 % |
| 230 Group Health Insurance | 6,032.36 | 18,097.08 | 86,504.00 | 86,504.00 | 68,406.92 | 21 % |
| 240 Retirement - Local Government | 2,412.68 | 6,642.66 | 29,347.00 | 29,347.00 | 22,704.34 | 23 % |
| 250 Workers Compensation Insurance | 0.00 | 8,143.39 | 13,910.00 | 13,910.00 | 5,766.61 | 59 % |
| 260 401(K) Contribution | 1,595.16 | 3,962.31 | 19,403.00 | 19,403.00 | 15,440.69 | 20 % |
| 310 Telephone | 240.65 | 829.13 | 3,540.00 | 3,540.00 | 2,710.87 | 23 % |
| 330 Utilities | 522.86 | 1,035.86 | 6,290.00 | 6,290.00 | 5,254.14 | 16 % |
| 331 Vehicle Supplies - Gas, Oil | 3,157.28 | 6,195.76 | 23,495.00 | 23,495.00 | 17,299.24 | 26 % |
| 333 Departmental Supplies | 412.19 | 1,557.18 | 6,500.00 | 6,500.00 | 4,942.82 | 24 % |
| 336 Uniforms | 0.00 | 0.00 | 5,000.00 | 5,000.00 | 5,000.00 | % |

10 GENERAL FUND

| Account Object | Committed Current Month | Committed YTD | Original Appropriation | Current Appropriation | Available Appropriation | % Commit |
|---|---|---|---|---|---|---|
| 340 Travel & Training | 0.00 | 0.00 | 2,000.00 | 2,000.00 | 2,000.00 | % |
| 420 Maintenance & Repairs - | 3,568.46 | 4,712.90 | 30,000.00 | 30,000.00 | 25,287.10 | 16 % |
| 430 Maintenance & Repairs - | 0.00 | 0.00 | 1,000.00 | 1,000.00 | 1,000.00 | % |
| 438 Animal Control | 0.00 | 0.00 | 1,500.00 | 1,500.00 | 1,500.00 | % |
| 450 Maintenance & Repairs - | 342.75 | 1,929.59 | 4,000.00 | 4,000.00 | 2,070.41 | 48 % |
| 530 Dues & Subscriptions | 14.99 | 29.98 | 500.00 | 500.00 | 470.02 | 6 % |
| 540 Insurance & Bonds | 0.00 | 15,093.00 | 23,220.00 | 23,220.00 | 8,127.00 | 65 % |
| 580 Landfill Tipping Fees | 8,533.04 | 16,336.92 | 108,192.00 | 108,192.00 | 91,855.08 | 15 % |
| 585 Recycling | 10,097.18 | 20,778.66 | 124,920.00 | 124,920.00 | 104,141.34 | 17 % |
| 740 Capital Outlay | 0.00 | 592,401.00 | 364,000.00 | 578,821.00 | -13,580.00 | 102 % |
| 750 Debt Service | 1,163.06 | 3,489.18 | 111,366.00 | 111,366.00 | 107,876.82 | 3 % |
| **Account Total:** | **59,545.47** | **757,129.21** | **1,225,775.00** | **1,440,596.00** | **683,466.79** | **53 %** |
| **Account Group Total:** | **100,995.96** | **881,619.92** | **2,801,374.00** | **3,016,195.00** | **2,134,575.08** | **29 %** |
| 620000 Parks & Rec | | | | | | |
| 620000 Parks & Rec | | | | | | |
| 100 Salaries and Wages | 6,393.68 | 18,868.77 | 89,930.00 | 89,930.00 | 71,061.23 | 21 % |
| 220 F.I.C.A. Tax | 489.10 | 1,362.84 | 6,880.00 | 6,880.00 | 5,517.16 | 20 % |
| 230 Group Health Insurance | 703.14 | 2,707.86 | 13,752.00 | 13,752.00 | 11,044.14 | 20 % |
| 240 Retirement - Local Government | 773.64 | 2,423.86 | 10,882.00 | 10,882.00 | 8,458.14 | 22 % |
| 250 Workers Compensation Insurance | 0.00 | 1,017.92 | 2,028.00 | 2,028.00 | 1,010.08 | 50 % |
| 260 401(K) Contribution | 511.50 | 1,602.56 | 7,194.00 | 7,194.00 | 5,591.44 | 22 % |
| 305 Professional Services | 0.00 | 0.00 | 11,000.00 | 11,000.00 | 11,000.00 | % |
| 330 Utilities | 690.16 | 1,399.51 | 11,338.00 | 11,338.00 | 9,938.49 | 12 % |
| 333 Departmental Supplies | 95.55 | 151.96 | 12,000.00 | 12,000.00 | 11,848.04 | 1 % |
| 338 Website & Computer | 0.00 | 0.00 | 500.00 | 500.00 | 500.00 | % |
| 340 Travel & Training | 0.00 | 541.59 | 1,650.00 | 1,650.00 | 1,108.41 | 33 % |
| 450 Maintenance & Repairs - | 1,767.92 | 18,633.33 | 26,120.00 | 26,120.00 | 7,486.67 | 71 % |
| 530 Dues & Subscriptions | 191.88 | 191.88 | 500.00 | 500.00 | 308.12 | 38 % |
| 750 Debt Service | 0.00 | 0.00 | 287,250.00 | 287,250.00 | 287,250.00 | % |
| 910 Woodfin Golden Age Club | 0.00 | 0.00 | 6,000.00 | 6,000.00 | 6,000.00 | % |
| 970 Woodfin Elementary School | 0.00 | 0.00 | 2,000.00 | 2,000.00 | 2,000.00 | % |
| **Account Total:** | **11,616.57** | **48,902.08** | **489,024.00** | **489,024.00** | **440,121.92** | **10 %** |
| **Account Group Total:** | **11,616.57** | **48,902.08** | **489,024.00** | **489,024.00** | **440,121.92** | **10 %** |
| 990000 Other Financial Sources & Uses | | | | | | |
| 990000 Other Financial Sources & Uses | | | | | | |
| 992 Transfer Out | 0.00 | 0.00 | 401,600.00 | 401,600.00 | 401,600.00 | % |
| **Account Total:** | **0.00** | **0.00** | **401,600.00** | **401,600.00** | **401,600.00** | **%** |
| **Account Group Total:** | **0.00** | **0.00** | **401,600.00** | **401,600.00** | **401,600.00** | **%** |
| **Fund Total:** | **329,598.46** | **1,690,606.04** | **8,041,572.00** | **8,289,156.76** | **6,598,550.72** | **20 %** |

TOWN OF WOODFIN
Statement of Expenditure - Budget vs. Actual Report
For the Accounting Period: 9 / 22



41 PARKS AND RECREATION CAPITAL PROJECT FUND

| Account Object | Committed Current Month | Committed YTD | Original Appropriation | Current Appropriation | Available Appropriation | % Commit |
|---|---|---|---|---|---|---|
| 620000 Parks & Rec | | | | | | |
| 620001 Greenway Project | | | | | | |
| 305 Professional Services | 0.00 | 25,523.58 | 29,874.00 | 29,874.00 | 4,350.42 | 85 % |
| 501 Design | 0.00 | 692.50 | 0.00 | 0.00 | -692.50 | % |
| 502 Acquisition | 0.00 | 1,644.78 | 1,645.00 | 1,645.00 | 0.22 | 100 % |
| 503 Construction | 0.00 | 0.00 | 300,607.00 | 300,607.00 | 300,607.00 | % |
| **Account Total:** | **0.00** | **27,860.86** | **332,126.00** | **332,126.00** | **304,265.14** | **8 %** |
| 620002 Silver-Line Park | | | | | | |
| 305 Professional Services | 0.00 | 58,489.52 | 58,495.00 | 58,495.00 | 5.48 | 100 % |
| 501 Design | 2,285.50 | 325,391.89 | 330,311.00 | 330,311.00 | 4,919.11 | 99 % |
| 503 Construction | 0.00 | 2,441,194.15 | 2,295,941.00 | 2,697,541.00 | 256,346.85 | 90 % |
| **Account Total:** | **2,285.50** | **2,825,075.56** | **2,684,747.00** | **3,086,347.00** | **261,271.44** | **92 %** |
| 620003 Whitewater Wave | | | | | | |
| 501 Design | 0.00 | 243,191.41 | 386,460.00 | 386,460.00 | 143,268.59 | 63 % |
| 503 Construction | 0.00 | 0.00 | 1,262,000.00 | 1,262,000.00 | 1,262,000.00 | % |
| 520 Contingency | 0.00 | 0.00 | 307,667.00 | 307,667.00 | 307,667.00 | % |
| **Account Total:** | **0.00** | **243,191.41** | **1,956,127.00** | **1,956,127.00** | **1,712,935.59** | **12 %** |
| 620004 Riverside Park | | | | | | |
| 305 Professional Services | 13,406.25 | 116,031.19 | 594,082.00 | 594,082.00 | 478,050.81 | 20 % |
| 416 Lease Payments | 3,500.00 | 21,000.00 | 132,000.00 | 132,000.00 | 111,000.00 | 16 % |
| 501 Design | 0.00 | 579,363.12 | 585,539.00 | 585,539.00 | 6,175.88 | 99 % |
| 502 Acquisition | 0.00 | 607,693.74 | 607,694.00 | 607,694.00 | 0.26 | 100 % |
| 503 Construction | 0.00 | 824.87 | 2,045,660.00 | 2,045,660.00 | 2,044,835.13 | % |
| 520 Contingency | 0.00 | 0.00 | 306,849.00 | 306,849.00 | 306,849.00 | % |
| 740 Capital Outlay | 0.00 | 201,085.00 | 201,085.00 | 201,085.00 | 0.00 | 100 % |
| **Account Total:** | **16,906.25** | **1,525,997.92** | **4,472,909.00** | **4,472,909.00** | **2,946,911.08** | **34 %** |
| **Account Group Total:** | **19,191.75** | **4,622,125.75** | **9,445,909.00** | **9,847,509.00** | **5,225,383.25** | **47 %** |
| **Fund Total:** | **19,191.75** | **4,622,125.75** | **9,445,909.00** | **9,847,509.00** | **5,225,383.25** | **47 %** |

44 STREETS - CAPITAL PROJECTS FUND

| Account Object | Committed Current Month | Committed YTD | Original Appropriation | Current Appropriation | Available Appropriation | % Commit |
|---|---|---|---|---|---|---|
| 540000 Public Works | | | | | | |
| 541000 Street Department | | | | | | |
| 305 Professional Services | 1,452.00 | 75,441.98 | 54,000.00 | 54,000.00 | -21,441.98 | 140 % |
| 503 Construction | 0.00 | 2,705,614.03 | 2,720,532.00 | 2,720,532.00 | 14,917.97 | 99 % |
| 520 Contingency | 0.00 | 0.00 | 299,226.00 | 299,226.00 | 299,226.00 | % |
| **Account Total:** | **1,452.00** | **2,781,056.01** | **3,073,758.00** | **3,073,758.00** | **292,701.99** | **90 %** |
| **Account Group Total:** | **1,452.00** | **2,781,056.01** | **3,073,758.00** | **3,073,758.00** | **292,701.99** | **90 %** |
| **Fund Total:** | **1,452.00** | **2,781,056.01** | **3,073,758.00** | **3,073,758.00** | **292,701.99** | **90 %** |
| **Grand Total:** | **350,242.21** | | | | | |
| | | 0.00 | | | | |
| | | 9,093,787.80 | 20,561,239.00 | 21,210,423.76 | 9,962,389.21 | 43 % |

TOWN OF WOODFIN
Statement of Revenue Budget vs Actuals
For the Accounting Period: 9 / 22



10 GENERAL FUND

| Account | Received Current Month | Received YTD | Estimated Revenue | Revenue To Be Received | % Received |
|---|---|---|---|---|---|
| 300000 Ad Valorem Tax | | | | | |
| 301000 Ad Valorem Tax - Current Year | 186,427.03 | 206,110.69 | 3,752,018.00 | 3,545,907.31 | 5 % |
| 301002 Ad Valorem Tax - DMV | 20,466.94 | 64,269.12 | 225,358.00 | 161,088.88 | 29 % |
| **Account Group Total:** | **206,893.97** | **270,379.81** | **3,977,376.00** | **3,706,996.19** | **7 %** |
| 310000 Other Taxes & Licenses | | | | | |
| 311000 Local Option Sales & Use Tax | 166,234.89 | 466,204.81 | 1,611,310.00 | 1,145,105.19 | 29 % |
| 312000 Solid Waste Disposal Tax | 0.00 | 1,388.07 | 5,390.00 | 4,001.93 | 26 % |
| **Account Group Total:** | **166,234.89** | **467,592.88** | **1,616,700.00** | **1,149,107.12** | **29 %** |
| 320000 Unrestricted Intergovernmental | | | | | |
| 321000 Utilities Franchise Tax | 82,946.47 | 82,946.47 | 356,576.00 | 273,629.53 | 23 % |
| 322000 Beer & Wine Tax | 0.00 | 0.00 | 28,427.00 | 28,427.00 | 0 % |
| 327000 ABC Distribution | 0.00 | 15,000.00 | 75,000.00 | 60,000.00 | 20 % |
| **Account Group Total:** | **82,946.47** | **97,946.47** | **460,003.00** | **362,056.53** | **21 %** |
| 340000 Restricted Intergovernmental | | | | | |
| 343000 Powell Bill | 117,549.25 | 117,549.25 | 233,957.00 | 116,407.75 | 50 % |
| 347000 Unauthorized Substance Tax | 0.00 | 0.00 | 1,340.00 | 1,340.00 | 0 % |
| 348000 ABC Distribution - Law Enforcement | 0.00 | 1,500.00 | 7,000.00 | 5,500.00 | 21 % |
| 349000 Grant | 0.00 | 1,000.00 | 119,804.76 | 118,804.76 | 1 % |
| **Account Group Total:** | **117,549.25** | **120,049.25** | **362,101.76** | **242,052.51** | **33 %** |
| 350000 Permits & Fees | | | | | |
| 351000 Court Costs and Fees | 31.50 | 72.00 | 500.00 | 428.00 | 14 % |
| 352000 Administrative Impound Fees | 2,192.00 | 3,127.00 | 4,000.00 | 873.00 | 78 % |
| 353000 Beer & Wine Licenses | 0.00 | 0.00 | 200.00 | 200.00 | 0 % |
| 355000 Zoning Permits | 2,496.00 | 7,011.00 | 30,000.00 | 22,989.00 | 23 % |
| **Account Group Total:** | **4,719.50** | **10,210.00** | **34,700.00** | **24,490.00** | **29 %** |
| 360000 Sales & Services | | | | | |
| 361000 Rental Income | 2,815.50 | 10,624.20 | 22,500.00 | 11,875.80 | 47 % |
| **Account Group Total:** | **2,815.50** | **10,624.20** | **22,500.00** | **11,875.80** | **47 %** |
| 370000 Investment Earnings | | | | | |
| 370011 Proceeds From Installment Loan Financing | 0.00 | 204,108.83 | 214,821.00 | 10,712.17 | 95 % |
| 371000 Interest On Investments | 7,346.35 | 15,913.06 | 1,500.00 | -14,413.06 | *** % |
| **Account Group Total:** | **7,346.35** | **220,021.89** | **216,321.00** | **-3,700.89** | **102 %** |
| 380000 Miscellaneous | | | | | |
| 380100 Miscellaneous | 492.20 | 5,318.75 | 25,000.00 | 19,681.25 | 21 % |
| 382000 Sale of Recyclables | 139.50 | 139.50 | 600.00 | 460.50 | 23 % |
| 383000 Sale of Fixed Assets | 600.00 | 3,653.00 | 15,000.00 | 11,347.00 | 24 % |
| **Account Group Total:** | **1,231.70** | **9,111.25** | **40,600.00** | **31,488.75** | **22 %** |
| 390000 Transfers To/From Other Funds | | | | | |
| 399000 Fund Balance Appropriated | 0.00 | 0.00 | 1,558,855.00 | 1,558,855.00 | 0 % |
| **Account Group Total:** | **0.00** | **0.00** | **1,558,855.00** | **1,558,855.00** | **0 %** |
| **Fund Total:** | **589,737.63** | **1,205,935.75** | **8,289,156.76** | **7,083,221.01** | **15 %** |

TOWN OF WOODFIN
Statement of Revenue Budget vs Actuals
For the Accounting Period: 9 / 22



41 PARKS AND RECREATION CAPITAL PROJECT FUND

| Account | Received Current Month | Received YTD | Estimated Revenue | Revenue To Be Received | % Received |
|---|---|---|---|---|---|
| 370000 Investment Earnings | | | | | |
| 370013 Proceeds from general obligation bonds | 0.00 | 3,000,000.00 | 4,500,000.00 | 1,500,000.00 | 67 % |
| 370025 Public Grants | 0.00 | 0.00 | 2,055,000.00 | 2,055,000.00 | 0 % |
| **Account Group Total:** | **0.00** | **3,000,000.00** | **6,555,000.00** | **3,555,000.00** | **46 %** |
| 380000 Miscellaneous | | | | | |
| 380015 Individual & Corporate Donations | 0.00 | 64,862.16 | 35,414.00 | -29,448.16 | 183 % |
| 388000 Lease Liabilities Issued | 0.00 | 201,085.00 | 201,085.00 | 0.00 | 100 % |
| **Account Group Total:** | **0.00** | **265,947.16** | **236,499.00** | **-29,448.16** | **112 %** |
| 390000 Transfers To/From Other Funds | | | | | |
| 390000 Transfers To/From Other Funds | 0.00 | 287,127.86 | 559,075.00 | 271,947.14 | 51 % |
| 397000 Intergovernmental Transfers | 0.00 | 0.00 | 2,496,935.00 | 2,496,935.00 | 0 % |
| **Account Group Total:** | **0.00** | **287,127.86** | **3,056,010.00** | **2,768,882.14** | **9 %** |
| **Fund Total:** | **0.00** | **3,553,075.02** | **9,847,509.00** | **6,294,433.98** | **36 %** |

TOWN OF WOODFIN
Statement of Revenue Budget vs Actuals
For the Accounting Period: 9 / 22

44 STREETS - CAPITAL PROJECTS FUND

| Account | Received Current Month | Received YTD | Estimated Revenue | Revenue To Be Received | % Received |
|---|---|---|---|---|---|
| 370000 Investment Earnings | | | | | |
| 370011 Proceeds From Installment Loan Financing | 1,126,896.13 | 1,126,896.13 | 2,354,000.00 | 1,227,103.87 | 48 % |
| **Account Group Total:** | **1,126,896.13** | **1,126,896.13** | **2,354,000.00** | **1,227,103.87** | **48 %** |
| 390000 Transfers To/From Other Funds | | | | | |
| 390000 Transfers To/From Other Funds | 0.00 | 0.00 | 719,758.00 | 719,758.00 | 0 % |
| **Account Group Total:** | **0.00** | **0.00** | **719,758.00** | **719,758.00** | **0 %** |
| **Fund Total:** | **1,126,896.13** | **1,126,896.13** | **3,073,758.00** | **1,946,861.87** | **37 %** |
| **Grand Total:** | **1,716,633.76** | **5,885,906.90** | **21,210,423.76** | **15,324,516.86** | **28 %** |

# Town of Woodfin, North Carolina
# Internal Control Procedures Memorandum

Internal control procedures should include controls that safeguard assets, ensure that financial information is accurate and reliable and The Town of Woodfin complies with applicable laws and regulations.

Extensive separation of duties is not always possible in a smaller unit of local government. Woodfin Finance and Administrative staff will strive to ensure duties are separated as much as possible and alternative controls used to compensate for lack of separation. Staff will also review internal controls on a periodic basis.

Internal controls, no matter how well designed and operated, can only provide reasonable assurance that the operations of the governmental entity are followed, that financial reporting is accurate, and that laws and regulations are complied with. Certain limitations are inherent in all internal control systems.

**1. <u>General Controls</u>** – Those that can be applied to all areas of the governmental unit.

a. Written organization plan – A plan of organization should be developed and communicated to all parties involved (governing body, mayor, city manager, finance officer, and anyone else elected or employed). This plan should include (at least):

- Clear lines of authority and responsibility
- Up-to-date job descriptions
- Criteria to be observed by employees in initiating transactions (approval authority and amount limitations)

Woodfin has adopted a Procurement and contracting policy, a budget ordinance, a banking resolution, and other financial policies providing transparency in which positions have authority to access and sign off on financial transactions.

b. Woodfin employ personnel with the ability and experience required to perform satisfactorily the responsibilities assigned to them. This includes continuing education for present employees.

c. Monthly financial reports are presented to and reviewed by the Board. These reports at a minimum should reflect the budget and actual revenues and expenditures.

d. All employees are encouraged to take annual vacations. The duties should be performed by another employee during their absence. This will reduce the likelihood of fraud since employees are aware that at any given time, someone else could perform their duties.

e. Woodfin's Personnel Ordinance contains a written code of conduct or ethics that is communicated to their employees in writing when hired by the Town.

2. **Controls in the Accounting System**

a. Finance staff should work to keep all journals, ledgers and other accounting records up to date at all times and in balance.

b. All subsidiary records should be periodically reconciled to the control accounts and should be reconciled in a timely manner.

c. Duties should be segregated as much as possible between custody of assets and recording of the transactions.

d. Woodfin requires a Purchase Order be established for all planned expenditures over $5,000. Our purchase order contains a preaudit statement that is signed by the finance officer upon approval. All contracts and other agreements must contain a preaudit statement and be signed by the finance officer to be valid. This process is described in the Town's Purchase manual and reviewed with key staff members periodically.

e. Finance staff reviews budget to actual reports on a monthly basis and all expenditures made in excess of appropriations are investigated and resolved.

f. Woodfin has adopted a Records Retention and Disposal policy in compliance with the Public Records Laws, G.S. Chapter 132 and other State records retention guidelines.

3. **Controls- Statutory**

a. All minutes of the governing body are maintained in final form in the permanent records of the Town.

b. All funds remaining unclaimed after one year should be escheated to the State as required by G.S. Chapter 116B.

c. The Town develops, adopts and accounts for the Town's budget according to G.S. 159-13.

d. All employees who handle public moneys or have access to inventories are bonded either individually or under a blanket insurance coverage (G.S. 159-29).

e. The Finance Director must be individually bonded for at least $50,000 (G.S. 159-29).

f. A complete schedule of insurance coverage and limits is maintained, showing expiration dates, premiums, and other essential information.

**Specific Controls** – Those that can be applied to the various functions within the Town.

Units of government have various accounting functions. The major functions and the related internal controls are addressed here. The procedures used in each function are outlined, followed by guidelines on how we work to divide duties between staff members for more effective internal control.

The major functions addressed in this memo are:

| | | |
|---|---|---|
| Cash Receipts | Cash Disbursement Nonpayroll | Accounts Payable and Expenditures |
| Financial Institutions | Cash Disbursement –Payroll | Purchasing and Contracting |
| Petty Cash | Accounts Receivable | Inventories |
| Revenue-(including tax revenues) | Investments | Capital Assets |

1. **<u>Internal Controls – Cash Receipts</u>**

   a. All cash receipts received will be recorded on a cash receipt, noting the name of the payer, date, amount, and the form of payment. All checks should be endorsed and prenumbered receipts prepared for all payments received.

   b. The Town Clerk receives the payments and completes the cash receipt and prepare the deposit slip in duplicate. Bank deposits are made in accordance with G.S. 159-32.

   c. Copies of all cash receipts along with deposit information are given to the Accounting Technician. The activity on the duplicate deposit slip (which should show validation by the bank) is compared to the Daily Collection Receipts to verify that all cash that was received has been deposited. The person performing this task should initial the deposit slip.

   d. The activity on the Daily Collection Report is recorded in the General Ledger.

   e. Funds not deposited, such as Clerk's change drawer or petty cash are located in a safe location, locked in an office desk or in the Town vault that has controlled access.

   .

2. **<u>Internal Controls – Financial Institutions</u>**

   a. All deposits should only be in institutions authorized by the governing body of the unit.

   b. The financial institutions that hold the unit's funds should be instructed to notify appointed person, of any unusual items or transactions occurring on the account, such as insufficient funds notices or checks made payable to cash.

   c. Current signature cards should be maintained on file with the unit's financial institution at all times. Terminated employees should be removed from signature cards immediately.

   d. All bank statements are reconciled promptly upon receipt to help identify any errors or discrepancies. The Accounting Technician completes the bank reconciliation which is review and signed by the Finance Director. Any discrepancies should be investigated immediately and acted upon accordingly.

3. **<u>Internal Controls – Petty Cash</u>**

a. Petty cash funds should be maintained by one individual who will be responsible for the fund and should maintain sole control over it.

b. Petty cash should only be used to reimburse employees for small purchases, generally under $50. Employees seeking reimbursement should present a receipt that documents what was bought, the purpose and the amount, and should sign the receipt in exchange for being reimbursed.

e. All petty cash funds are subject to a surprise cash audit from time to time. The Town Manager or Finance Director are responsible for the audit. The Finance Director also reviews all requests to replenish the fund ensuring proper receipts exist for any reimbursement.

## 4. <u>Internal Controls – Revenues/Billing</u>

a. There should be, to the greatest extent possible, a separation of duties between the collections, billing, and receivable functions.

b. All subsidiary records should be reconciled with the control accounts on a monthly basis.

c. All delinquent accounts should be periodically reviewed by Finance Director or Town Manager who are outside of the collection function.

## 5. <u>Internal Controls –Tax Revenues</u>

a. Woodfin contracts with Buncombe County to perform all property tax billing and collection.

b. All uncollected delinquent taxes more than ten years old should be written off the books, unless collection proceedings are underway.

## 6. <u>Internal Controls –Cash Disbursements (Non-Payroll)</u>

a. Prenumbered checks are used for all disbursements paid by check.

b. The unused check supply should be locked in the Town vault at all times.

c. Voided checks should be indicated in the check register. The checks themselves should be sufficiently defaced so that no one else could use them. Voided checks should be maintained on file in numerical order.

d. Blank checks should never be signed in advance.

e. Checks should never be made payable to cash.

f. Checks are prepared by the Accounting Technician. Checks require two signatures. The town maintains a resolution authorizing the individuals who have been approved to sign checks. The Signers are the Mayor, Town Manager, Finance Director, and the Accounting Technician. Due to the limited number of staff members the Accounting Technician is authorized to sign checks but will only do so if two other signers are unavailable (i.e.. Vacation, illness, or vacant positions) Check signers should review supporting documentation for disbursements prior to signing the checks and review for verification that the goods or services were received.

g. All purchase orders (if used), contracts, or checks and warrants must have a properly signed pre-audit certificate (G.S. 159-28).

h. If applicable, receiving confirmation should be verified and matched to the purchase order prior to entering the invoice for payment.

i. Two signatures are required on all checks per G.S. 159-25(b). The second signatory, the Mayor or Town Manager do not have access to edit the accounting records, read only access. Maintaining the two-signature requirement strengthens internal controls.

j. Disbursements should only be made to authorized vendors.

k. All items that are outstanding for a lengthy period of time should be investigated; anything outstanding more than one year should be escheated.

l. All wire or other electronic transfers should be made by persons authorized by the governing body to sign on bank accounts. All wires or electronic payments/transfers must be reviewed and approved by the Finance Director prior to initiation.

7. **Internal Controls –Cash Disbursements (Payroll)-**The following procedures apply specifically to payroll, in additional to the other procedures for cash disbursements

a. Each employee will have a secure personnel file maintained in the Town vault that includes, at a minimum, the following:

- hiring authorization,
- salary history,
- hours authorized to work,
- federal and state withholding forms,
- health insurance and retirement deduction information, and
- authorization for all other payroll deductions.

b. Payroll checks should be handled like other cash disbursements except that a time record will be the supporting documentation (either electronic or hard copy).

c. The Town has a duly adopted written personnel policies prohibiting employment practices resulting in conflicts of interest or discrimination. A copy of the personnel ordinance is given to each new employee and can be found on the Town's website.

d. All employee time is approved electronically in Time Card Plus by the employee's supervisor or the Department Director, the accounting technician checks the time approved for errors and compliance with FLSA and Personnel policy guidelines and downloads the time into the Town's Black Mountain software for processing.

e. The Finance Director reviews all time entered into Black Mountain and compares with the electronic time records in Time Card Plus. Any errors found are corrected before payroll is processed. Electronic pay stubs are emailed to all employees once payroll review and approvals are complete.

8. **<u>Internal Controls –Accounts Receivable-</u>** Woodfin does not have a utility and does not currently bill residents for trash collection or stormwater fees. Taxes are billed and collected by Buncombe County. Other Accounts Receivable transactions are minimal and relate primarily to park shelter rentals and Planning and Zoning fees.

9. **<u>Internal Controls –Investments-</u>**Per G.S. 159-30(a), the finance officer is responsible for managing investments subject to the law and to whatever additional restrictions the governing board may impose.

a. All investments should be in compliance with G.S. 159-30.

b. The Town Board approves by resolution the employees authorized to sign Banking transactions. The Town utilizes NC Capital Management Trust to house all excess cash. No other investment accounts are currently used.

c. Electronic access to securities and brokerage accounts should be limited to personnel authorized by the governing board. Any securities physically held by the unit should be maintained under strict dual control.

d. Any approvals required by the unit's written cash management policy for purchases, sales or other investment activities should be obtained, with written evidence of such approval provided.

e. A system should be in place to ensure that all interest is credited as due for the proper amount and to the proper funds. Interest is recorded as part of the monthly bank reconciliation process by the Accounting Technician and reviewed by the Finance Director.

f. If unit uses on-line banking, proper controls need to be maintained in the banking application. Wires and Automated Clearing House (ACH) transactions should require dual authorizations. The Accounting Technician requests a transfer from the bank and the Finance Director approves prior to the transfer being made.

10. **<u>Internal Controls –Accounts Payable and Expenditures-</u>**Internal controls in the accounts payable and expenditure areas should ensure that all expenditures are properly documented and made in accordance with the authorized budget.

a. Expenditures should be controlled using the budget ordinance. For any budgeted fund, all expenditures must be budgeted.

b. All budget appropriations should be recorded in the appropriate expenditure account. Budget appropriations and amendments are recorded in line item detail by department and fund in the Town's Black Mountain Software.

c. An effective year-end cut-off policy should be in place for all liabilities, including accounts payable. The Finance Director and the Accounting Technician work together to determine year end cut off dates each year. Departments are encouraged to work with Vendors to get all prior fiscal year invoices submitted and processed in the month of July.

d. All accounts payable subsidiary ledgers should be reconciled to the general ledger on a monthly basis.

e. Any debit balances in accounts payable should be investigated thoroughly.

**11. <u>Internal Controls –Purchasing and Contracting</u>**

a. Woodfin should maintain a written procurement and contracting policy that clearly outlines levels of authorization and approvals necessary for all purchasing and contracting transactions.

b. Electronic purchase orders are used for purchases over $5,000. Voided purchase orders should be recorded as such and maintained on file.

c. The preaudit certificate (G.S. 159-28) should be present on purchase orders and invoices and signed by the finance officer or designated deputy.

d. Invoices and other supporting documentation should be thoroughly reviewed prior to the invoice being approved.

e. Department heads should be provided a detailed list of revenues and expenditures with comparisons to the budget periodically.

f. Contracts requiring public bids per G.S. 143-128 through G.S. 143-133 should be handled as required by the statutes.

g. Accommodation purchases for employees should be expressly prohibited. These include purchase of goods made for employees for their personal use from vendors at the unit's contract price.

h. The person that sets up new vendors in the accounting system or edits information on existing vendors, should not be the same as the person writing the checks.

**12. <u>Internal Controls –Inventories-</u>**Note that some of the procedures listed below may not be applicable to insignificant inventories as they are not cost effective. The costs of tracking inventory should be weighed against the potential benefits

a. A unit should inventory and control in its general ledger all major classes of materials and supplies, if material.
b. Perpetual inventory systems should be maintained for all major classes of inventory.

c. Custodial responsibilities should be clearly defined.

d. Inventory should be controlled with physical barriers, such as locked cabinets or storehouses.

e. Keys to inventory should be controlled in such a manner that does not inhibit day-to-day operations. For utility departments, the engineer must have a key to the inventory. Ideally, no one else should have a key, so the inventory stays under the strict control of one person. However, a backup key should be maintained under dual control in case the engineer is unexpectedly absent.

f. Physical inventory counts should be made once a year at a minimum. The count should be made by an independent staff member(s).

g. Records should be maintained showing all additions, withdrawals and transfers of inventory.

h. Significant inventories should be insured against loss.

i. Persons having control of inventory should not have access to the accounting records.

## 13. Internal Controls –Capital Assets

a. Adequate accounting records should be maintained that identify and classify all capital assets, with special attention to capital assets purchased with grant funds.

b. Adequate guidelines should be established and followed to distinguish between expensed items and capital additions.

c. Physical inventories of capital assets should be taken on an annual basis by independent parties.

d. All capital assets should be tagged or identified in the accounting records by a control number, as applicable. Tags should be affixed in a permanent manner.

e. All property, buildings, titled equipment and vehicles, and other items should be held in the name of the unit.
f. All capital assets purchased, transferred, sold, scrapped, or destroyed should be recorded as such in the accounting system.

g. All sales of surplus property should be conducted in accordance with G.S. Chapter 160A, Article 12 (municipalities) or G.S. 153A-176 (counties). The Town Board authorizes the sale of all surplus property via resolution.

h. Significant inventories should be insured against loss.

i. Persons having control of inventory should not have access to the accounting records.

**14.** **<u>Internal Controls –Electronic Banking</u>**-This section has been included in recognition of the growth of electronic activities (Electronic Funds Transfers, Automated Clearing House transactions, direct deposits, etc.) Because connecting to the internet is a necessary part of the electronic banking process, units must recognize and anticipate vulnerabilities inherent in electronic activities.

a. Units must maintain adequate separation of duties so no one individual can control an electronic activity from start to finish.

b. Woodfin applies dual controls to riskier transactions (such as wire transfers) so that more than one individual approves the transaction. (Wire transfers are particularly risky since they can be transferred almost immediately to anywhere in the world). Also, there should be restrictions such as maximum dollar amounts allowed, or what vendors are allowed to receive wire transfers.

c. Employee access to electronic banking transactions should be limited based on job responsibilities and business need. Accounting Technician and Finance Director

d. Employees should be prohibited from sharing logon and password information with other employees.

e. Ideally, one highly secured computer should be used for electronic banking and for that purpose only. This reduces the risk of malicious software being installed through fake email messages or infected websites.

f. Employee access to the electronic banking system should be revoked or modified based on personnel changes. Employees that terminate employment for whatever reason must have passwords deactivated immediately upon termination.

This memo includes an appendix that illustrates how to divide duties (for most functions) with a staff of one or two accounting personnel. Again, these procedures should be reviewed carefully and the cost effectiveness measured before being implemented.

**Appendix A**
**Division of Duties between Staff Members**

## Cash Receipts-Two Accounting Positions

| Task | Performed By |
|---|---|
| Prepare deposit slip | Town Clerk |
| Prepare Daily Collection Report | Town Clerk |
| Make the deposit | Town Clerk |
| Compare activity listed on the deposit slip to the Daily Collection Report | Accounting/Payroll Specialist |
| Record activity on Daily Collection Report in the general ledger | Accounting/Payroll Specialist |
| Properly secure any undeposited funds | Town Clerk in Vault |

## Financial Institutions-Two Accounting Positions

| Task | Performed By |
|---|---|
| Make sure that deposits are in institutions authorized by the Board | Finance Director |
| Maintain signature cards | Finance Director |
| Receive notification of any unusual items or transactions | Finance Director and Accounting Technician |
| Reconcile bank statements monthly | Accounting Technician |
| Review and Signoff monthly bank reconciliation | Finance Director |

## Petty Cash-Two Accounting Positions

| Task | Performed By |
|---|---|
| Maintain control and responsibility over the fund | Town Clerk |
| Verify the documentation used to request any reimbursements | Accounting/Payroll Specialist |
| Perform a surprise cash audit | Finance Director and/or Town Manager |

## Revenue/Billings-Two Accounting Positions

| Task | Performed By |
|---|---|
| Prepare bills and review for reasonableness | Finance Officer |
| Mail bills | Accounting/Payroll Specialist |
| Collect payments | Town Clerk |
| Prepare deposit slip | Town Clerk |
| Make deposit | Town Clerk |
| Post payment to the general ledger | Accounting/Payroll Specialist |
| Reconcile subsidiary ledgers with the control account | Finance Director |
| Periodically review delinquent accounts | Finance Director |
| | |

## Cash Disbursements (Nonpayroll)-Two Accounting Positions

| Task | Performed By |
|---|---|
| Prepare purchase order (if applicable) | Finance Director |
| Review and approve purchase order and sign preaudit certification | Finance Director |
| Compare copy of purchase order to receiving report or to the actual goods received (if applicable) | Accounting/Payroll Specialist |
| Match copy of the purchase order to the invoice (if applicable) | Accounting/Payroll Specialist |
| Review documentation and prepare check | Accounting/Payroll Specialist |
| Review documentation and sign check | Finance Director |
| Second check signer reviews documentation and signs check | Town Manager/Mayor |
| Mail check | Town Clerk or Accounting/Payroll Specialist |

## Cash Disbursements (Payroll)-Two Accounting Positions*

| Task | Performed By |
|---|---|
| Maintain personnel files and update as necessary | Town Clerk |
| Review and approve time sheets (if applicable) and leave records | Finance Director/Department Directors |
| Prepare checks | Accounting/Payroll Specialist |
| Review payroll for reasonableness and sign distribution report | Finance Director |
| Distribute check stubs | Accounting/Payroll Specialist |
| Send bank electronic pay register | Accounting/Payroll Specialist |

*In addition to the procedures above, the procedures listed in the nonpayroll section for cash disbursements should be carried out as well.