

Town of Hilton Head Island, SC



Financial Audit – June 30, 2023



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

ABOUT US



accountingTODAY
2022 Top 100 Firms

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

100+ years

HISTORY
of QUALITY SERVICE



\$75M+
ANNUAL REVENUE



450+ EXPERIENCED PROFESSIONALS FIRMWIDE

PARTNERS & DIRECTORS **80+**

Located in
5 STATES

With
13 OFFICES



NATIONALLY FOCUSED

Serve 650+ 
GOVERNMENT CLIENTS

140+

TEAM MEMBERS DEDICATED TO SERVING THE GOVERNMENTAL INDUSTRY



135,000+
HOURS ANNUALLY PROVIDED TO GOVERNMENTAL CLIENTS

PROGRAMS TO BE PROUD OF



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**
- **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

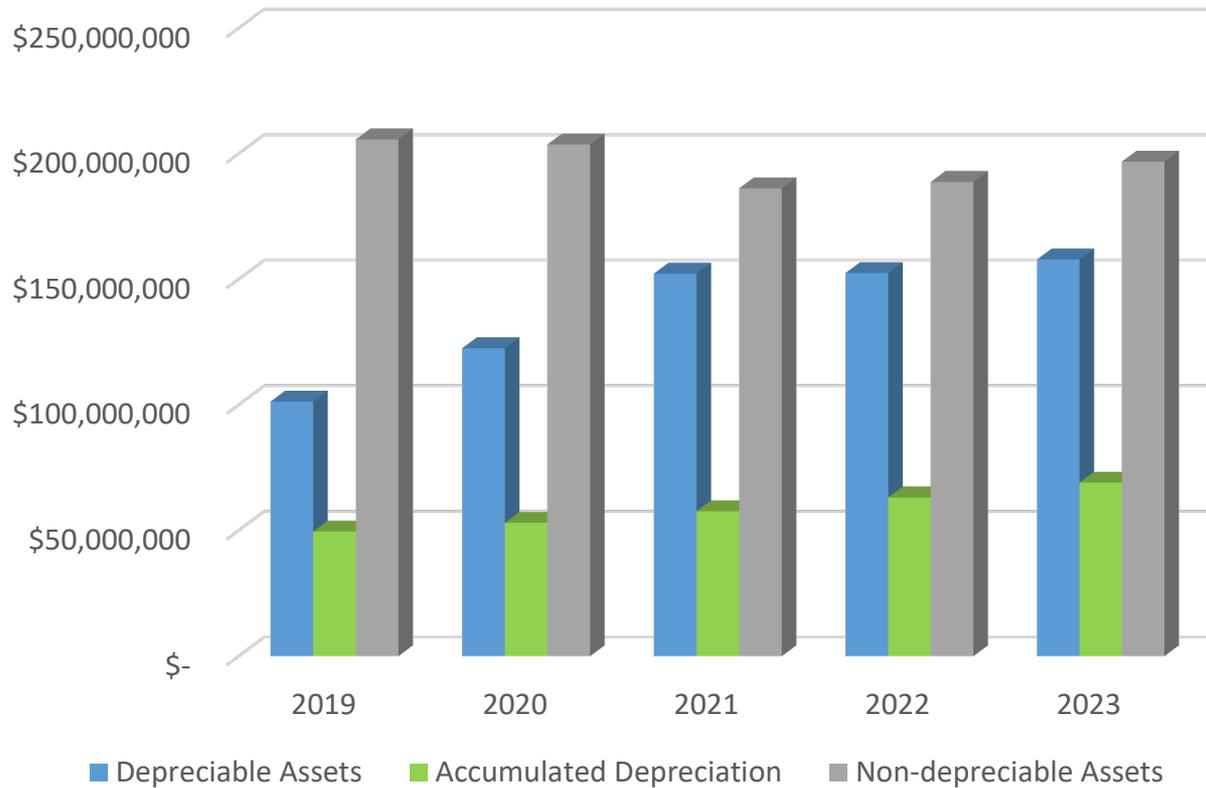
- Goes above and beyond required reporting
- Includes additional sections – introductory and statistical
- Submitted to the GFOA's Certificate of Excellence in Financial Reporting program annually
- FY 2022 certificate is included in the FY 2023 ACFR



Government Wide Financial Statements

- **\$524.6 Million = total assets and deferred outflows**
- **\$298.3 Million = capital assets, net of A/D**
- **\$205.4 Million = cash and investments**
- **\$140.3 Million = total liabilities and deferred inflows**
- **\$122.1 Million = noncurrent liabilities**
- **\$384.3 Million = net position *(or equity)***
- **\$122.7 M revenue, \$76.5 M expense = \$46.2 M inc. NP**

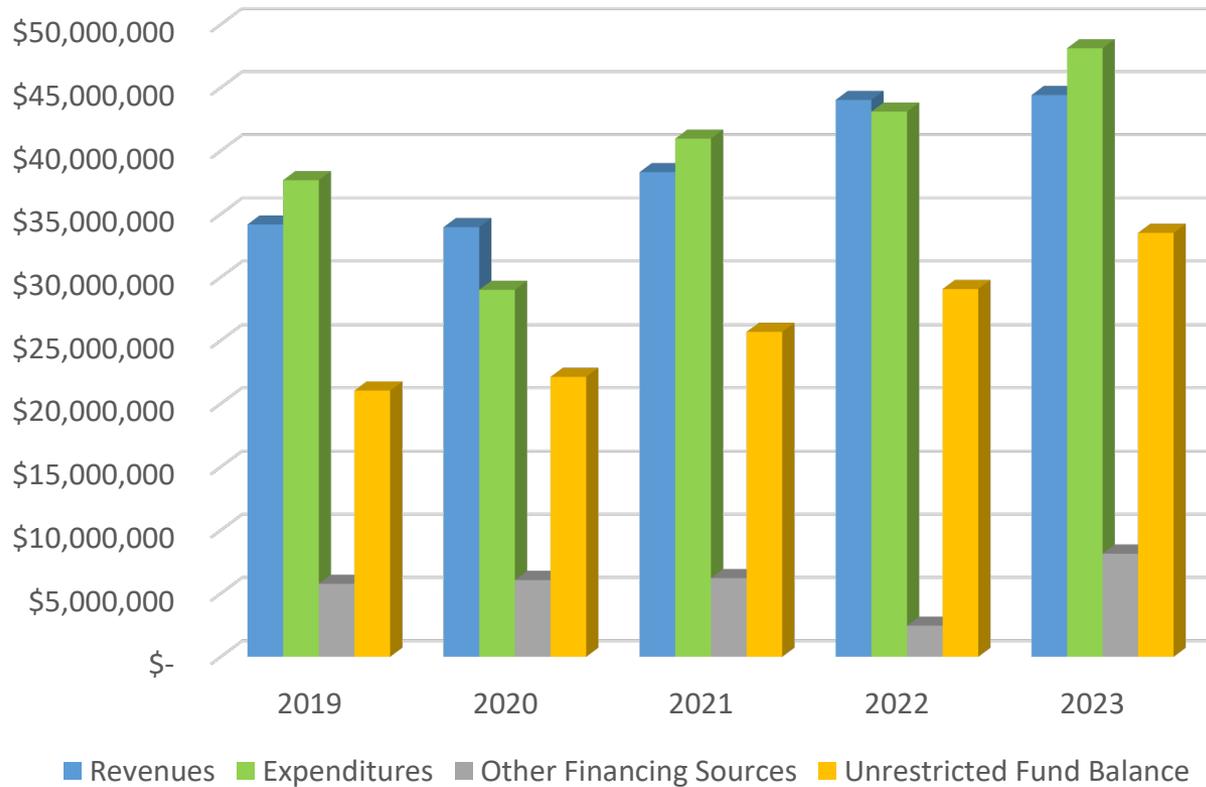
Governmental Capital Asset Activity



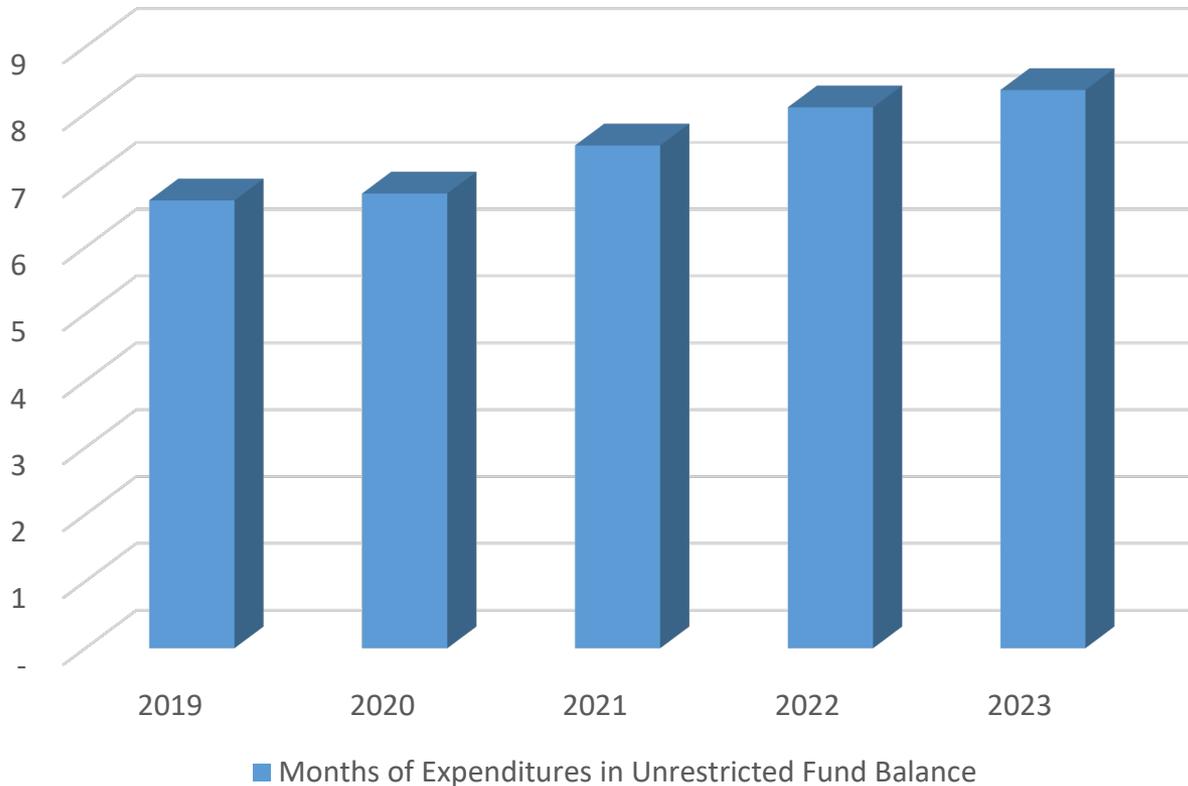
General Fund

- **\$49.8 Million = assets**
- **\$16.3 Million = liabilities and deferred inflows**
- **\$33.5 Million = fund balance (\$10.3 M unassigned, \$23.2 M Committed-Disaster Recovery)**
- **\$44.4 M rev., \$48.1 Million exp., \$8.1 M other fin. sources**
- **\$4.4 Million = Increase in fund balance**
- **~ 2.6 months of exp in unassigned FB (8.4 months unrest.)**
- **Liquid ratio of 3.1:1 – good liquid position**

General Fund – Revenue, Expenditures and Fund Balance History



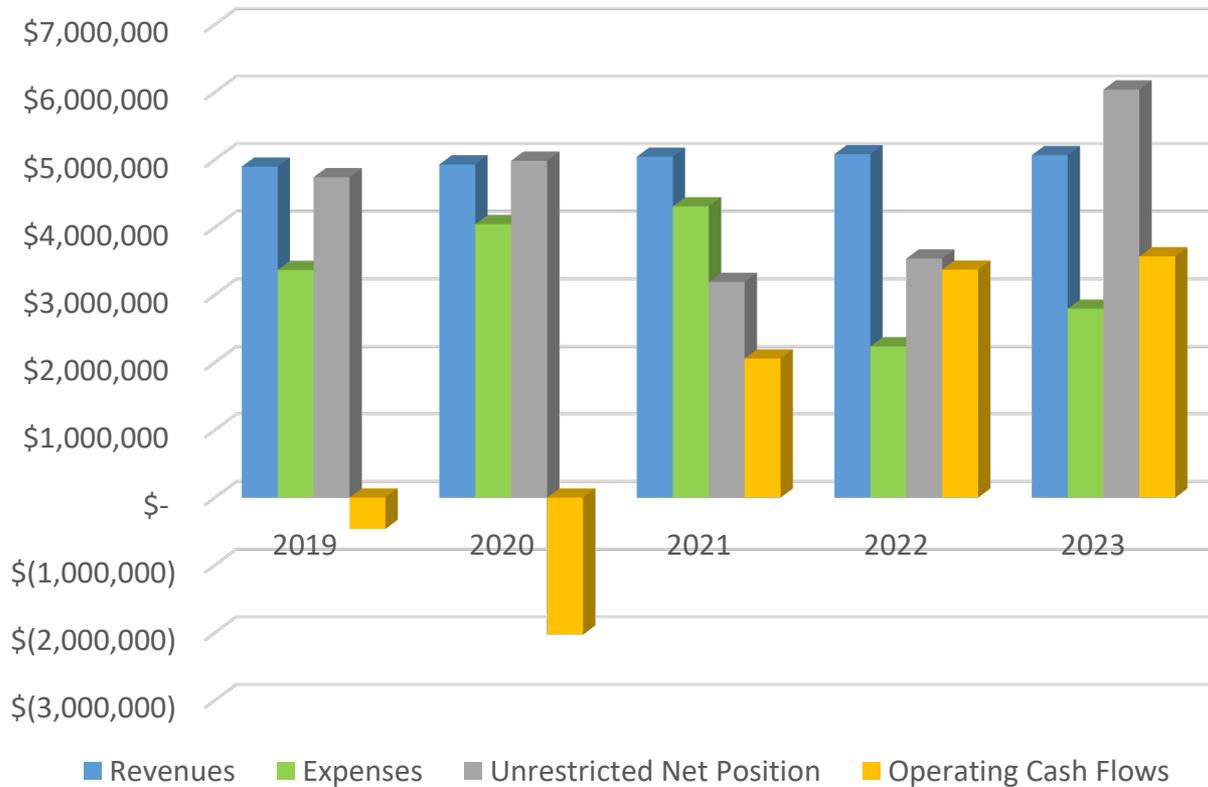
General Fund – Fund Balance History



Stormwater Fund

- **\$18.1 Million = assets and deferred outflows**
- **\$4.9 Million = liabilities**
- **\$13.2 Million = net position (\$6 M unrestricted)**
- **\$5.1 M rev., \$2.8 Million exp., \$0.3 M net, non-op and transfers**
- **\$2.6 Million = Increase in net position**

Stormwater Five Year Comparison



Other Items of Note – Govt Wide

- **\$14.9 Million – capital asset additions**
- **\$16.1 Million – principal payments on bonds**
- **\$1.2 Million new SBITA's (GASB 96 implemented this year)**
- **Net pension liability (PORS) - \$18.0 Million – increase of \$1.1 Million from the prior year – very long term liability**
- **No significant impact from new GASB standards anticipated in the next few years.**

Required Communications

- **Clean Opinion, No Audit Findings, 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.

