
CITY OF CONOVER
COMMUNITY & INDUSTRY
1876-77
NORTH CAROLINA

CITY OF CONOVER

Presentation of Audit Results

Fiscal Year Ended
June 30, 2024

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND TAX ADVISORS

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CITY OF CONOVER

Presentation Agenda

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October 18, 2024

To the City Council
City of Conover
Conover, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Conover for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 24, 2024. Professional standards also required that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Conover are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the current year. We noted no transactions entered into by City of Conover during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Significant estimate(s) for the City are allowance for doubtful accounts and depreciation. We evaluated the key factors and assumptions used to develop the allowance and useful lives for depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. There are no such disclosures identified.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Some of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representation

We have requested certain representations from management that are included in the management representation letter dated October 18, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Auditing Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as City of Conover's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Schedule of City's Proportionate Share of Net Pension Liability (LGERS), Schedule of City Contributions (LGERS), Schedule of City's Proportionate Share of Net Pension Liability – Firefighters' and Rescue Squad Workers' Pension Plan, Schedule of Change in Total Pension Liability – Law Enforcement Officer's Special Separation Allowance, and Schedule of Total Pension Liability as a Percentage of Covered Payroll – Law Enforcement Officers' Special Separation Allowance, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual non-major fund statement schedules, budgetary schedules, and other schedules, and the schedule of expenditures of federal and State

awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We are not engaged to report on the Introductory Information which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Please ensure that management and the Board is aware of the new GASB pronouncements for the upcoming fiscal year. Be especially mindful of GASB No.101: *Compensated Absences*, as the implementation of this standard may take a significant amount of time and resources to gather the necessary information. If the proper resources are not allotted for the implementation of this standard, this could potentially cause a significant delay in the completion of the upcoming audit.

Restriction on Use

This information is intended solely for the use of the City Council and management of City of Conover and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Thompson, Price, Scott, Adams & Co., P.A.

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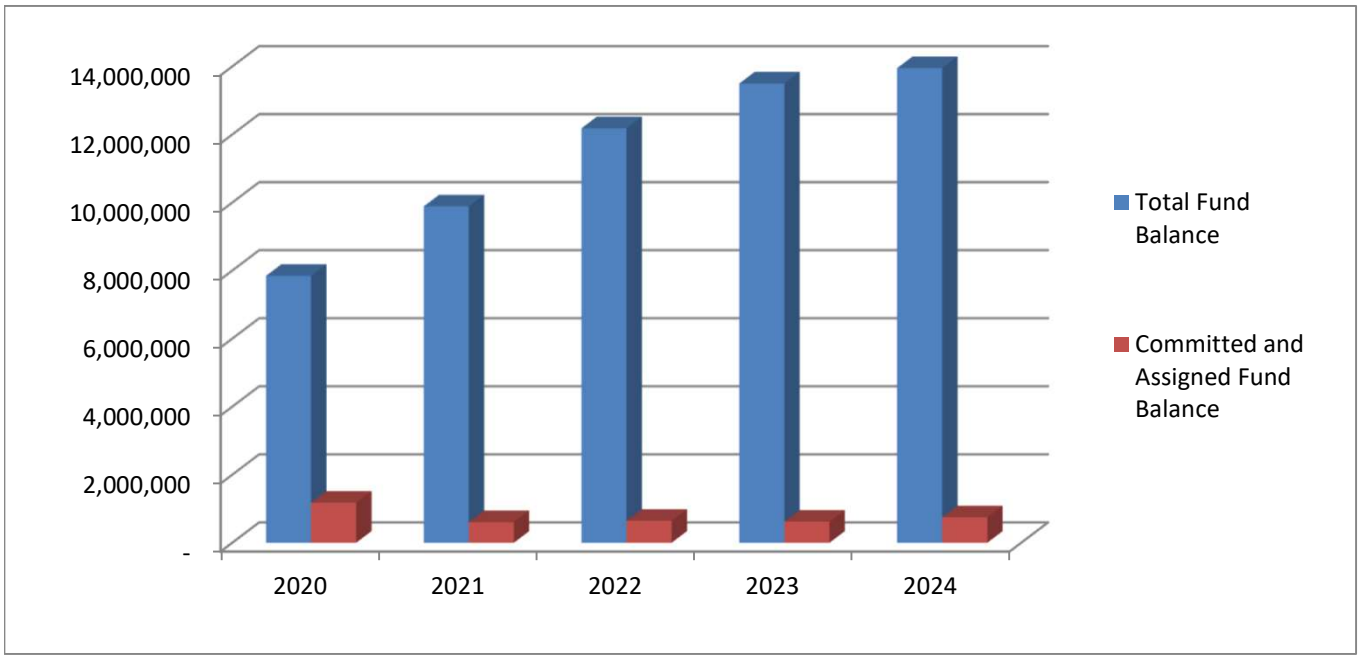
CITY OF CONOVER

FINANCIAL INFORMATION FOR 5 YEARS

	2024	2023	2022	2021	2020
Total Fund Balance - General Fund	13,951,637	13,498,617	12,182,386	9,887,654	7,845,657
Unavailable Fund Balance - GF (Nonspendable and Restricted)	2,294,122	2,192,128	2,807,542	2,048,735	1,779,529
Committed and Assigned Fund Balance	747,523	620,506	644,239	604,637	1,178,023
General Fund Expenditures (incl transfers out less proceeds from debt	15,048,932	13,145,502	11,169,717	7,165,742	11,028,327
Fund Balance Available as % of General Fund Expenditures	78.58%	74.66%	87.87%	115.44%	58.74%
Unassigned Fund Balance	10,909,992	10,685,983	8,730,605	7,234,282	4,888,105
Unassigned Fund Balance as % of General Fund Expenditures	72.50%	81.29%	78.16%	100.96%	44.32%
Revenues over (under) expenditures before transfers and contributions					
General Fund	2,887,911	1,665,513	1,324,870	2,208,090	1,775,288
Water and Sewer Fund	639,432	898,912	1,084,389	701,930	647,602
Cash vs. Accumulated Depreciation - Water and Sewer Fund					
Total Fixed Assets (including right to use assets)	57,133,029	54,627,608	52,304,645	52,136,038	51,097,571
Accumulated Depreciation & Amortization	25,882,940	24,788,378	23,570,004	22,989,465	21,840,588
Cash	17,951,766	10,685,629	8,958,364	7,966,256	7,157,844
Cash vs. Fund Balance					
Cash - General	12,926,878	12,498,501	11,262,610	9,132,178	7,151,416
Cash - Water and Sewer Fund	17,951,766	10,685,629	8,958,364	7,966,256	7,157,844
Cash - Other Governmental	4,308,124	5,018,817	5,358,816	2,614,705	2,318,891
Fund Balance - General	13,951,637	13,498,617	12,182,386	9,887,654	7,845,657
Fund Balance - Water and Sewer Fund	42,625,636	38,913,472	36,031,879	34,156,118	33,423,338
Fund Balance - Other Governmental Funds	4,347,690	4,916,002	4,909,964	2,331,464	2,286,539
Property Tax Rates	0.395	0.500	0.500	0.500	0.500
Collection Percentages	99.21%	98.59%	99.24%	99.20%	98.85%
Collection Percentages (excluding Motor Vehicle)	99.15%	98.46%	99.17%	99.13%	98.76%
Total Property Valuation	1,999,608,749	1,345,772,800	1,262,139,400	1,240,784,052	1,190,764,878
Total Levy Amount	7,933,958	6,634,033	6,310,697	6,203,921	5,953,824
Breakdown of General Fund Revenues					
Ad Valorem Taxes	7,965,307	6,698,262	6,334,827	6,248,914	5,958,376
Other Taxes and Licenses	263,558	258,258	254,557	257,900	812,802
Intergovernment Revenue	5,428,993	4,838,270	4,659,391	4,320,419	3,880,295
Permits and Fees	611,433	605,427	558,655	25,495	23,361
Sales and Services	56,170	43,352	30,571	547,528	528,289
Investment Earnings	605,585	435,426	4,713	1,485	103,608
Rental Income	10,575	15,050	21,005	20,929	18,750
Miscellaneous	420,331	112,850	114,495	174,838	131,553
Total	15,361,952	13,006,895	11,978,214	11,597,508	11,457,034
Breakdown of General Fund Expenditures					
General Government	3,569,782	3,403,363	3,283,152	2,809,610	3,189,991
Public Safety	5,799,536	4,984,954	4,713,573	4,220,338	4,030,553
Transportation	1,553,010	1,480,511	1,240,619	1,155,775	1,217,416
Environmental Protection	1,032,661	943,082	876,109	838,542	770,908
Debt Service	519,052	529,472	539,891	365,153	472,878
Total	12,474,041	11,341,382	10,653,344	9,389,418	9,681,746

CITY OF CONOVER

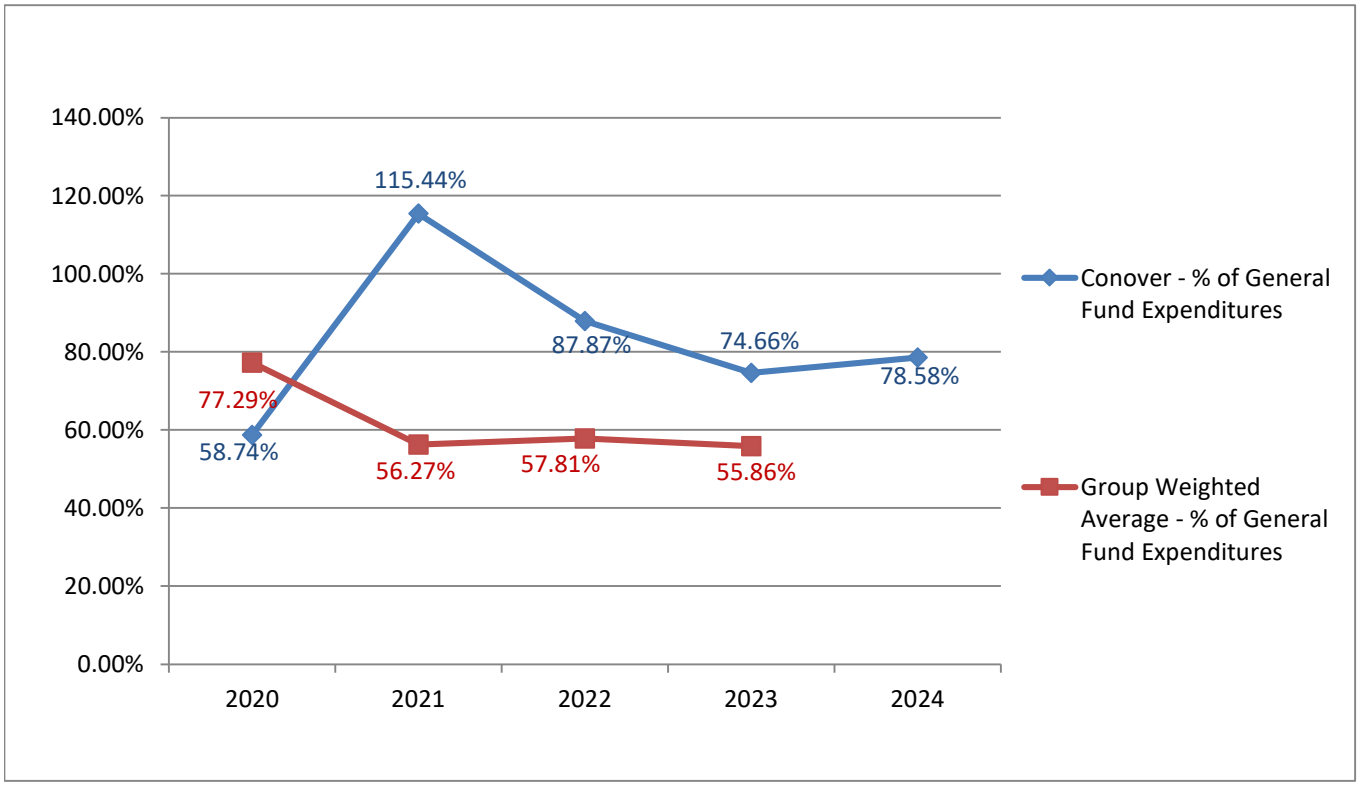
Analysis of Fund Balance



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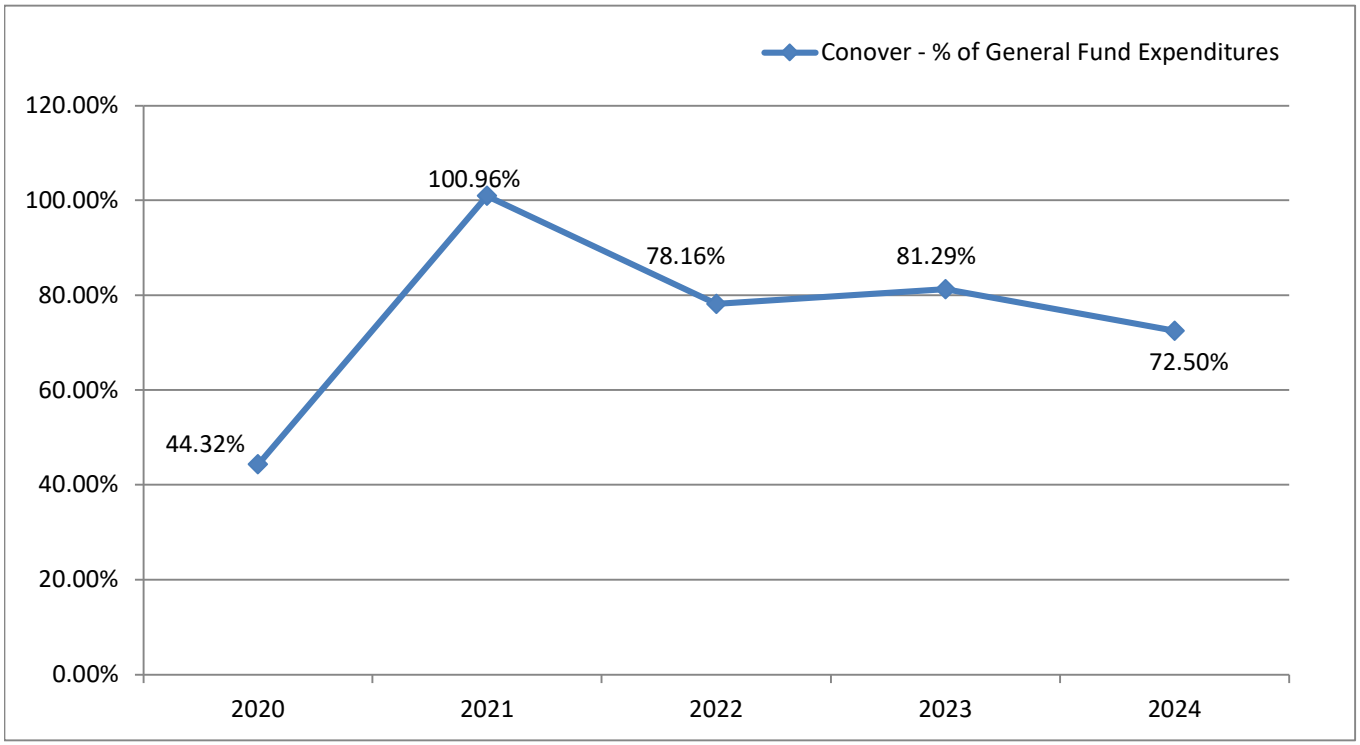
Analysis of Fund Balance Available

(Note - 2024 Group Weighted Average Not Available at Date of Presentation)



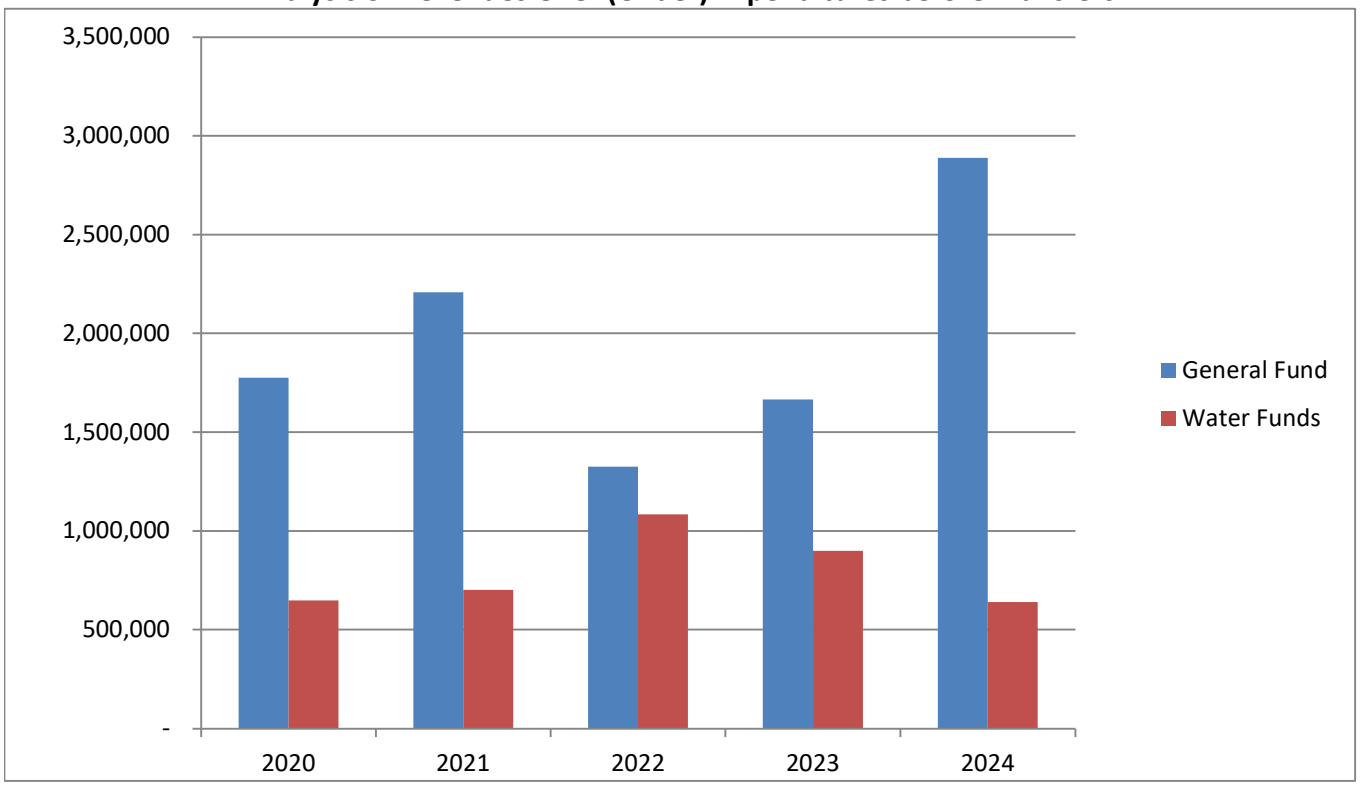
CITY OF CONOVER

Analysis of Unassigned Fund Balance as a % of General Fund Expenditures



CITY OF CONOVER

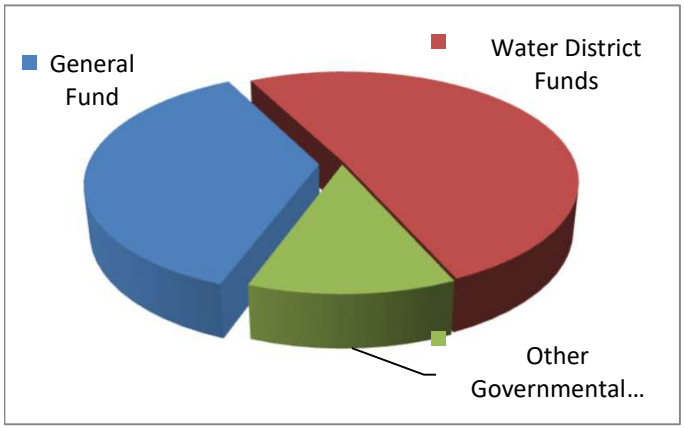
Analysis of Revenues Over (Under) Expenditures before Transfers



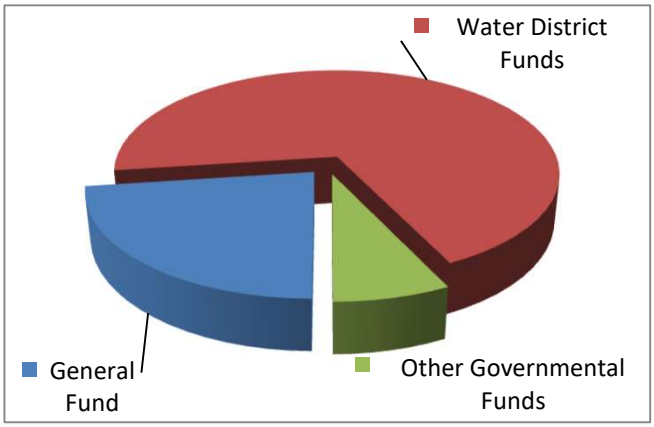
CITY OF CONOVER

Analysis of Cash and Fund Balances
at June 30, 2024

CASH BALANCES



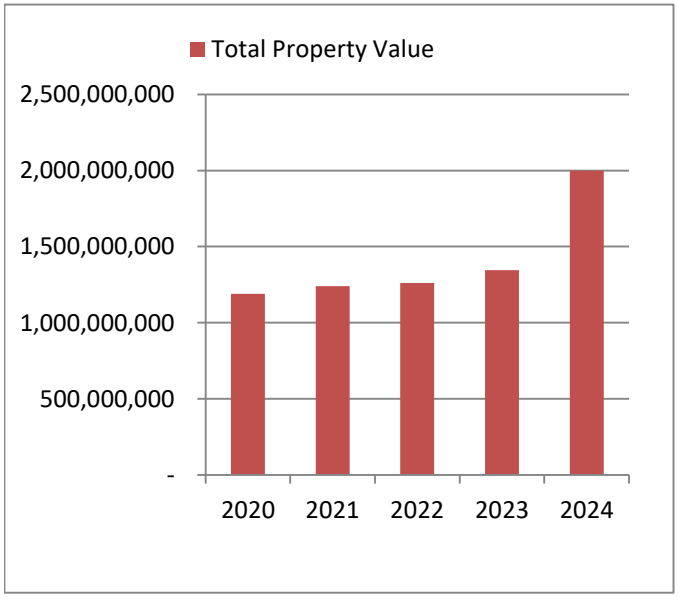
FUND BALANCES

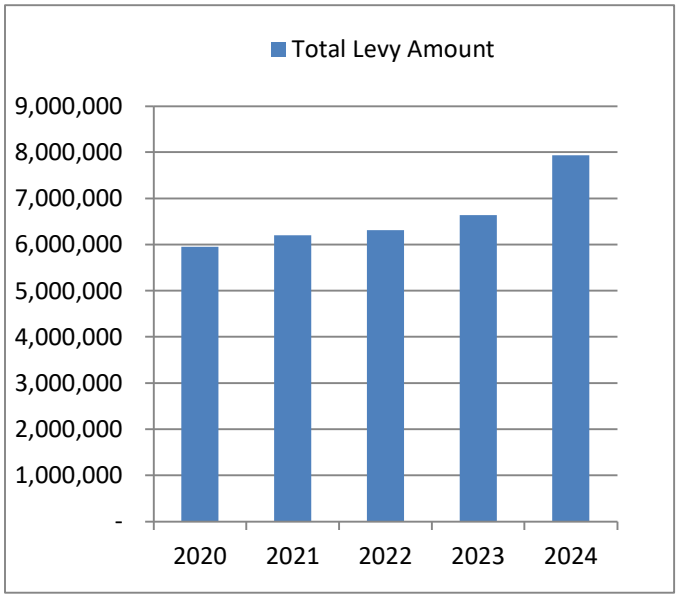


	2024	
	Cash Balances	Fund Balances
General Fund	$ 12,926,878	$ 13,951,637
Water District Funds	17,951,766	42,625,636
Other Governmental Funds	4,308,124	4,347,690
Total	$ 35,186,768	$ 60,924,963

CITY OF CONOVER

Property Valuation and Levy Amount

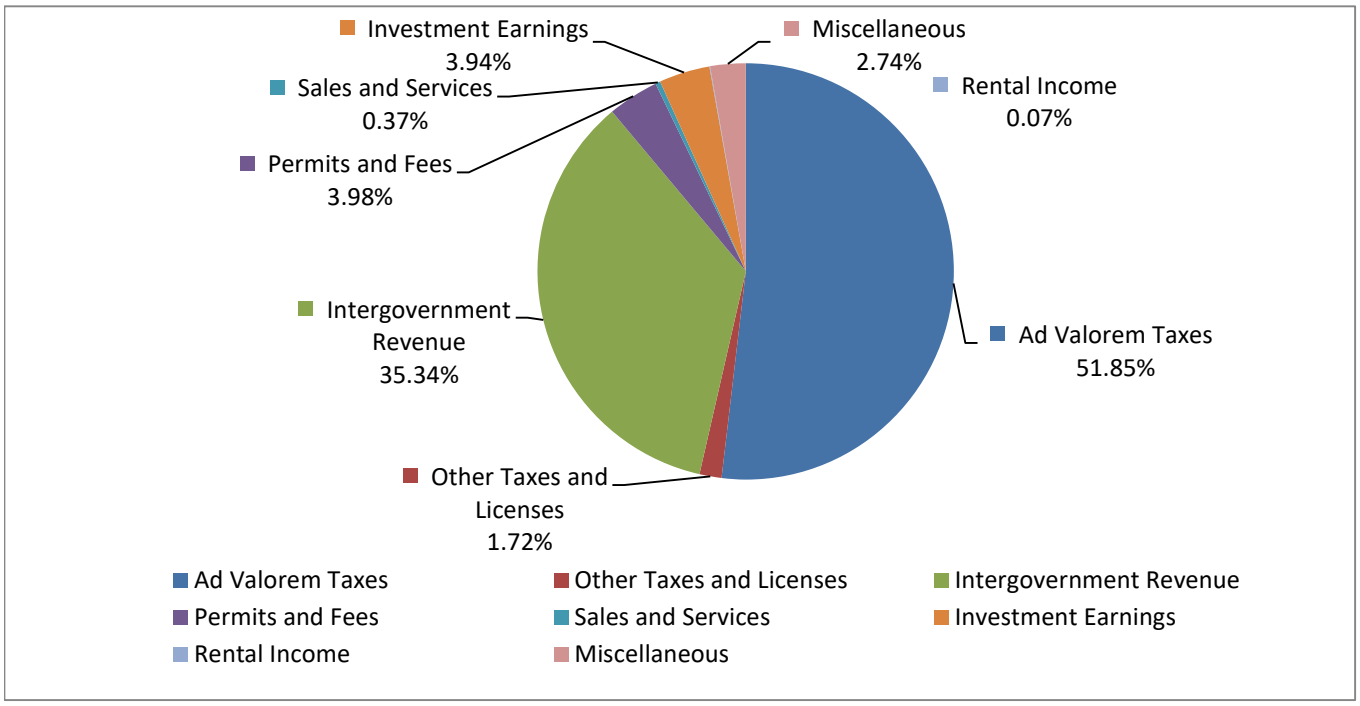




CITY OF CONOVER

Break Down of General Fund Revenue

FYE June 30, 2024



CITY OF CONOVER

Break Down of General Fund Expenditures

FYE June 30, 2024

