

**TOWN OF BLACK MOUNTAIN BOARD OF ALDERMEN  
REQUEST FOR BOARD ACTION**

**Meeting Date:** January 11, 2010 *(tabled from BoA meeting of December 14, 2009)*

**SUBJECT:** Town of Black Mountain Financial Statements and Independent Auditor's Reports for the Year Ended June 30, 2009

**AGENDA INFORMATION**

**Agenda Location:** Presentations/Reports  
**Item Number:** 6-A  
**Department:** Finance & Information Services/Administration  
**Contact:** Rick Shreve, Finance & Information Services Director  
**Presenter:** Phil Church & Rick Hammer, Lowdermilk Church & Co., LLP

**BRIEF SUMMARY:**

CPAs Phil Church & Rick Hammer, of Lowdermilk Church & Co., LLP, Morganton, NC will present highlights and an overview of the Town's financial condition for the year ended June 30, 2009. The summary of auditor's results offers an unqualified opinion, but continues to identify (as has been the case for many years) one significant deficiency in internal control – that there is a lack of segregation of duties among Town personnel due to inadequate staffing in the finance function.

Management has noted a number of inconsistent accounting practices employed by the Town, which have evolved historically and were inherited (but not initiated) by current staff, and will be consulting with the auditors during the coming year to improve upon financial management and reporting, particularly with regard to: 1) payments to outside agencies; 2) payments from outside agencies; 3) integration of the accounting system for the Golf Fund with the Town's accounting system; and 4) transition of Golf Fund reporting from cash basis to modified accrual method, as is appropriate for a governmental Enterprise Fund. While it is important to resolve such anomalies and inconsistent practices in order to meet GAAP/GASB standards and provide a more complete record of financial condition, the audit revealed no significant deficiencies that would require immediate action by board or management.

This is the third consecutive year that the Town's independent audit has been provided by Lowdermilk Church & Co.

**MOTION FOR CONSIDERATION:** To accept the FY08-09 Financial Statements and accompanying reports as presented.

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** Financial Statements and Independent Auditor's Reports for the Year Ended June 30, 2009 for the Town of Black Mountain and Black Mountain ABC Board *(hard copy provided to BoA on December 7, 2009 – please bring to January meeting)*

**MANAGER'S COMMENTS AND RECOMMENDATIONS:** *To accept as presented.*