

Introduction to Huntersville and Local Government Finances



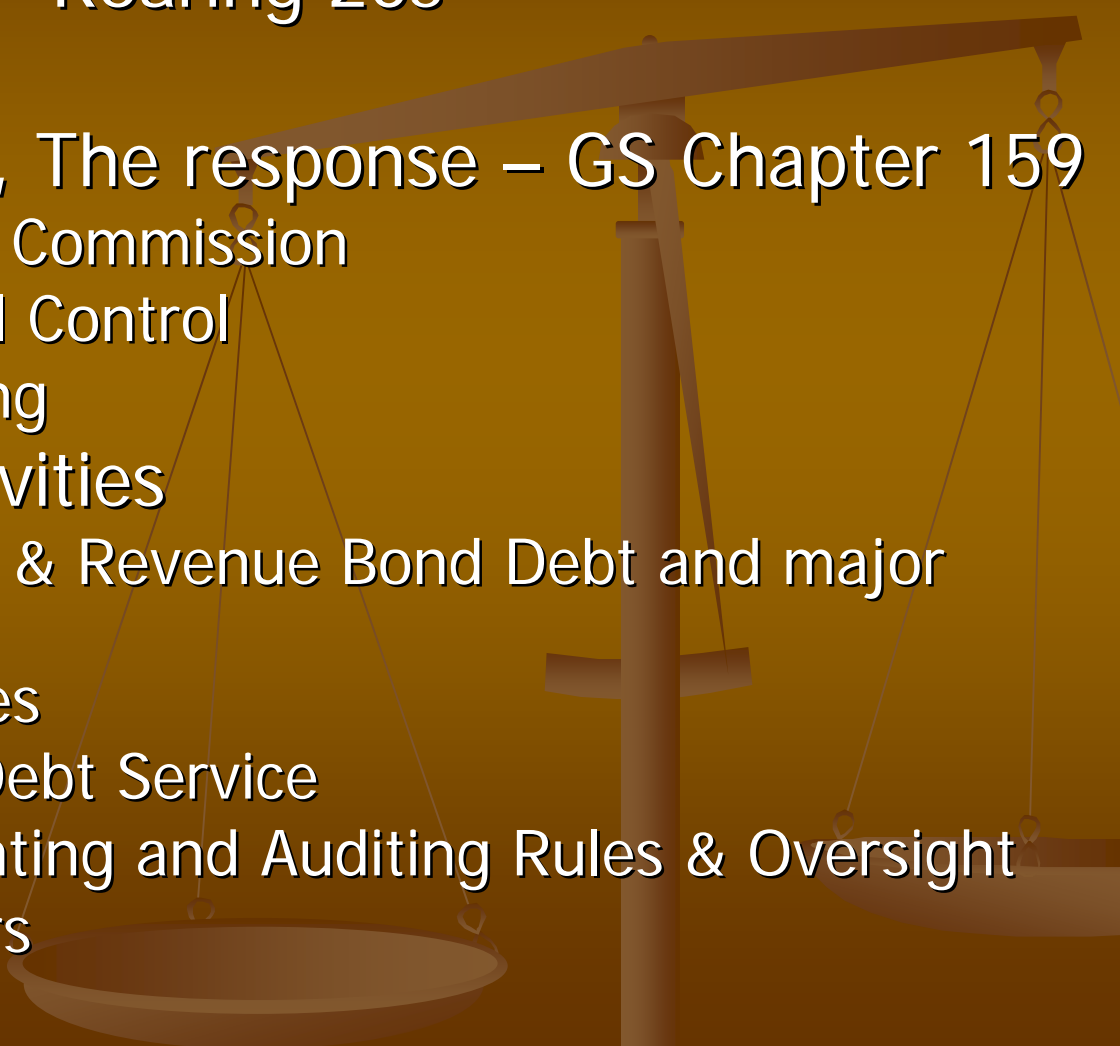
Janet Stoner, Finance Director

Rules & Regulations

- Federal Laws and Regulations
- Accounting rules & regulations
 - Generally accepted accounting principles (GAAP)
 - GASB – Governmental Accounting Standards Board
 - GFOA – Government Finance Officers Associations
 - NC General Statues
 - Local Government Commission (LGC)



Local Government Commission (LGC)

- Establishment of LGC:
 - Economic History – Roaring 20s
 - NC Situation
 - The crash in 1929, The response – GS Chapter 159
 - Local Government Commission
 - Budgets and Fiscal Control
 - Long-term financing
 - LGC's Primary Activities
 - Approval of all GO & Revenue Bond Debt and major financing
 - Conduct Bond Sales
 - Notify & Monitor Debt Service
 - Budgeting, Accounting and Auditing Rules & Oversight
 - Unit default powers
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The LGC - Continued

- Commission Membership:
 - Executive Committee
 - Treasurer – Chair – Janet Cowell
 - State Auditor – Beth Wood
 - Secretary of State – Elaine Marshall
 - Secretary of Revenue – David Hoyle
 - Other Members:
 - Governor appointees (3)
 - House appointee (1)
 - Senate appointee (1)
 - LGC operates as a Division of the Department of State Treasurer
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Audit



- Required every year by outside audit firm
- No management letter for past 10 years
- Internal Controls are good
- Management's Discussion and Analysis (Page 3 through Page 13)
- Notes to the Financial Statements (Page 26 through 57)

Audit - Continued


- Types of funds (Page 27)
 - Basis of Accounting
 - Budgetary Data (Page 29)
 - Fund Balance (Page 33-34)
 - Investments (Page 36-37)
 - Capital Assets (Page 39-41)
 - Long-term debt (Page 50 – 55)
 - Back of financial statements (page 61 – 81)
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Debt



- LGC approves all debt
 - Under House Bill 595, must send information to Joint Legislative Committee
- General Obligation Bonds (GO)
- Requires Referendum
- Pledge of Taxing Power
- Sold Competitively
- Official Statement
- Must be issued within 7 years of bond order
- May be extended for 3 more years (10years) under specific circumstances

Debt - Continued

- Rated by Moody's Investors Services, Inc., Standard & Poor's
 - Factors Underlying Rating by National Agencies of GO Debt
 - Economy
 - Financial strength and management (Financial Policy)
 - Debt burden & management
 - Governance & management
 - Huntersville rating is AAA (highest)
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Budget



- Board Retreat - January
- Budget Calendar
- Departments requests needs; justifies increases, details projected expenditures
- Manager reviews and meets with department directors
- Usually there is a second draft
- Manager reviews and makes recommendation to Board (May)
- Board holds public hearings and has budget work sessions
- Board must set tax rate by June 30 of every year

Budget - Continued

- FY 2012 Operating Budget:
 - Letter from Manager
 - Budget Ordinance (page 8 – 12)
 - Revenues (page 14 – 18)
 - Expenditures (page 20-22)
 - Major Capital Projects (page 130-153)
 - Organization Charts (page 161-164)
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