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**WEEK IN REVIEW:**

Mon (Jan 30)	Tues (Jan 31)	Wed (Feb 1)	Thurs (Feb 2)	Fri (Feb 3)
	1:30 PM Take10CLT Final Report, Room 267	3:00 PM Food/Beverage MWSBE Event at CLT, CLT Center		

## CALENDAR EVENTS:

### Tuesday, January 31

City Employee Event

1:30 PM Take10CLT Final Report and Celebration, Room 267

- Take10CLT team and UNCC Urban Institute will share summary results of the nearly 2,500 one-on-one conversations held as part of this Knight Foundation-funded engagement project.

### Wednesday, February 1

City MWSBE Event

3:00 PM Food/Beverage MWSBE Event at CLT, CLT Center 5601 Wilkinson Blvd.

- CLT and HMSHost will hold an information and networking event for local small, minority, and women owned businesses who specialize in food and beverage services.
- The event will discuss potential business opportunities at CLT
- Attendees are asked to RSVP to [Michele.torres@cldairpot.com](mailto:Michele.torres@cldairpot.com)

January and February calendars are attached.



Jan-Feb 2017.pdf

## INFORMATION:

### **Fiscal Year 2016 Comprehensive Annual Financial Report – External Auditor Communication**

*Staff Resource: Randy Harrington, M&FS, 704-336-5013, [rjharrington@charlottenc.gov](mailto:rjharrington@charlottenc.gov)*

The fiscal year 2016 Comprehensive Annual Financial Report (CAFR) and external audit information was provided to Council during the Manager's Report on January 23, 2017. Attached is a required communication letter from the external auditor, Cherry Bekaert LLP.



Issued Charged with  
Governance - City of

### **Transfer of City Property to Belmont CDC and Veteran's Path Up**

*Staff Resource: Pamela J. Wideman, NBS, 704-336-3488, [pwideman@charlottenc.gov](mailto:pwideman@charlottenc.gov)*

The City of Charlotte's Housing Policy supports the transfer of City properties to non-profit partners for use as affordable housing. Properties are approved for transfer by the Charlotte-Mecklenburg Planning Commission through the mandatory referral process. The following properties, which the City acquired through foreclosure, were approved for transfer to the

Belmont Community Development Corporation (CDC) and Veteran’s Path Up Corporation:

<b>Belmont CDC Properties</b>			
<b>Address</b>	<b>Council District</b>	<b>Zoning</b>	<b>Tax Value</b>
2984 Shady Ln	3	R-4	\$75,400
3127 Ridge Av	3	R-5	\$71,600
<b>Veteran’s Path Up Property</b>			
<b>Address</b>	<b>Council District</b>	<b>Zoning</b>	<b>Tax Value</b>
809 Pennsylvania Ave	2	R-5	\$77,300
<b>Total Tax Value for All Properties</b>			<b>\$224,300</b>

The Belmont CDC will develop their properties as mixed-use with affordable housing and/or retail space, serving families earning 80% and below the Area Median Income (AMI) (\$53,750). Veteran’s Path Up Corporation’s mission is to provide affordable, stable housing to veterans and their families through the use of shared living, single family residences and ultimately a path to homeownership. The organization will also develop its property as affordable housing, serving families earning 80% and below AMI.

These transactions are consistent with the three basic goals of the City’s Housing Policy: preserve the existing housing stock; expand the supply of affordable housing; support family self-sufficiency initiatives.

# January

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
1	2 <b>New Year's Day</b>	3 <b>12:00pm</b> Retreat Planning Committee Mtg., 15 <sup>th</sup> Floor LCR	4	5	6	7
8	9 <b>12:00pm</b> Environment Committee Mtg., Room CH-14  <b>2:00pm</b> Transportation & Planning Committee Mtg., Room 266  <b>5:00pm</b> Council Business Mtg., Room 267	10	11 <b>12:00pm</b> HAND Committee Mtg., Room 280	12 <b>12:00pm</b> ED&GC Committee Mtg., Room CH-14	13	14
15	16 <b>Martin Luther King, Jr. Day</b>	17 <b>12:00pm</b> Council Zoning Briefing (optional), Room 886  <b>5:00pm</b> Zoning Mtg., Room CH-14	18	19 <b>12:00pm</b> Community Safety Committee Mtg., Room CH-14  <b>6:30pm – 8:00pm</b> CM Eiselt Town Hall Mtg., Myers Park Presbyterian Church – 2501 Oxford Place	20	21 <b>9:00 am</b> District 7 Town Hall Mtg., Ballantyne Hotel & Resort - 10000 Ballantyne Commons Pkwy
22	23 <b>12:00pm</b> Governance & Accountability Committee Mtg., Room 280  <b>2:00</b> ED&GC Committee Mtg., Room 280  <b>5:00pm</b> Citizens' Forum/Council Business Mtg., Room 267	24	25 <b>5:30pm</b> MTC Meeting, Room 267	26	27	28
29	30	31 <b>1:30pm</b> Take10 CLT Final Report, Room 267				

**City Council Retreat  
Hilton Midtown, Raleigh NC**

**2017**

# February

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
			<b>1</b> <b>3:00 pm</b> Food/Beverage MWSBE Event at CLT, CLT Center	<b>2</b>	<b>3</b>	<b>4</b>
<b>5</b>	<b>6</b> <b>12:00pm</b> Environment Committee Mtg., Room 280  <b>5:00pm</b> Council Workshop/Citizens' Forum, Room 267	<b>7</b>	<b>8</b> <b>12:00pm</b> HAND Committee Mtg., Room 280	<b>9</b> <b>12:00pm</b> ED&GC Committee Mtg., Room CH-14  <b>1:30pm</b> Budget Committee Mtg., Room 280	<b>10</b>	<b>11</b>
<b>12</b>	<b>13</b> <b>2:00pm</b> Transportation & Planning Committee Mtg., Room 280  <b>5:00pm</b> Council Business Mtg., Room 267	<b>14</b>	<b>15</b>	<b>16</b> <b>12:00pm</b> Community Safety Committee Mtg., Room 280	<b>17</b>	<b>18</b>
<b>19</b>	<b>20</b> <b>12:00pm</b> Council Zoning Briefing (optional), Room 886  <b>1:00pm</b> Intergovernmental Relations Committee Mtg., Room 280  <b>5:00pm</b> Zoning Mtg., Room CH-14	<b>21</b>	<b>22</b> <b>12:00pm</b> HAND Committee Mtg., Room 280  <b>1:30pm</b> Budget Workshop, Room 267  <b>5:30pm</b> MTC Meeting, Room 267	<b>23</b> <b>12:00pm</b> ED&GC Committee Mtg., Room CH-14	<b>24</b>	<b>25</b>
<b>26</b>	<b>27</b> <b>12:00pm</b> Governance & Accountability Committee Mtg., Room 280  <b>5:00pm</b> Citizens' Forum/Council Business Mtg., Room 267	<b>28</b>				

**2017**

To the Honorable Mayor and  
Members of the City Council  
City of Charlotte, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Charlotte, North Carolina (the "City") for the year ended June 30, 2016, and the related notes to the financial statements. We did not audit the financial statements of the Charlotte Regional Visitors Authority (the "CRVA"). Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the CRVA, is based solely on the reports of the other auditors. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, 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 June 3, 2016. Professional standards also require 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 the City are described in the notes to the financial statements. The City adopted Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* during the fiscal year ended June 30, 2016 which expanded footnote disclosures surrounding investments. We noted no transactions entered into by the City during the year 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. The most sensitive estimates affecting the City's financial statements were:

- Allowance for doubtful accounts
- Depreciation expense
- Post-employment benefit obligations
- Employee health and life insurance claims accrual
- Workers compensation and liability claims accrual
- Net pension liability from single employer and cost sharing retirement plans

Each of these estimates were based on analysis of historical collection trends, useful lives of capital assets, estimated future costs, actuarial calculations, and financial advisors. We evaluated the key factors and assumptions used to develop these estimates to determine that they seem reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

### **Difficulties Encountered in Performing the Audit**

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

**To the Honorable Mayor and  
Members of the City Council  
City of Charlotte, North Carolina  
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**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. We identified three adjusting journal entries that were proposed and posted by the City relating to the Water/Sewer, Storm Water, and Public Transit funds. These adjustments affected accounts receivable, capital assets, accounts payable, long-term debt and revenue.

**Disagreements with Management**

For purposes of this letter, a disagreement with management is 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 Representations**

We have requested certain representations from management that are included in the management representation letter dated October 31, 2016.

**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 an application of an accounting principle to the City'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 Audit 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 the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During our audit we noted an instance where the City had identified one week of revenue for June 2016 in the Storm Water fund but had failed to make the actual adjustment in the Munis system. A reconciliation was completed identifying this item, but the coordination of additional Finance Office staff to record the adjustment had not occurred. The City has reviewed this particular matter and modified its process to ensure that this does not reoccur.

**Other Matters**

We applied certain limited procedures to Management's Discussion and Analysis, and the other 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 fund statements and 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.

**To the Honorable Mayor and  
Members of the City Council  
City of Charlotte, North Carolina  
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We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

**Restriction on Use**

This report is intended solely for the information and use of management, City Council, federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Cherry Rickett LLP*

Raleigh, North Carolina  
October 31, 2016