



Buncombe County

Presentation of 2020 Audit Results

March 2, 2021

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

Firm Overview

Create opportunities

CLA is the 8th largest public accounting firm in the country. CLA exists to create opportunities for our clients and our communities through industry-focused wealth advisory, outsourcing, audit, tax and consulting services.

<p>HISTORY 60+ years in business</p> 	<p>LOCATION More than 130 Locations nationwide</p> 
<p>FISCALLY STRONG \$1.1 billion in revenue</p> 	<p>NATIONAL Among the nation's leading professional services firm</p> 
<p>RESOURCES 7,400+ employees</p> 	<p><i>Including: nearly</i> 400 State and local government professionals</p> 
<p>INDUSTRY DRIVEN</p>	<p>We serve 4,150+ Governmental entities</p>



Create Opportunities



Create Opportunities

CLA exists to
create opportunities —
for our clients, our people,
and our communities.

Audit Services Performed

Financial Statements

- Audit of the County's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2020, in accordance with *Government Auditing Standards*

Federal Compliance

- Single Audit in accordance with Uniform Guidance and the State Single Audit Implementation Act
- Includes audit of the Schedule of Expenditures of Federal Awards and certification of the Data Collection Form



Reports to be Delivered

<p>Independent Auditors' Report</p>	<p>Report on Internal Control Over Financial Reporting and On Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> (Yellow Book Report)</p>	<p>Independent Auditors' Report on Compliance For Each Major Federal and State Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and State Single Audit Act (Single Audit Report)</p>	<p>Governance Communication</p>
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Required Communications to Governance

- **Auditors' Opinion on Financial Statements**
 - Unmodified opinion
 - Emphasis of Matter Paragraph
 - ◊ Other Post-Employment Benefits Liability – Change in Accounting
- **Auditors' Opinion on Compliance**
 - Unmodified opinion
- **Scope and timing of audit proceeded as planned**
- **Significant accounting policies**
 - In accordance with generally accepted accounting principles and consistent with industry practices and standards
- **Significant estimates within the financial statements**
 - Landfill post-closure liability
 - Pension liability
 - Claims liability
 - OPEB liability



Required Communications to Governance

- **No material audit adjustments**
- **Uncorrected misstatements**
 - Litigation settlement
 - Impact of prior year accrual adjustments
- **No difficulties encountered in performing the audit**
- **No disagreements with management**
- **Management was very cooperative, helpful, and professional during the audit process**



2020 Impact

- **State of North Carolina Local Government Commission extended audit submission deadline to January 31, 2021**
- **The Federal Office of Management and Budget (OMB) extended single audit deadlines**
- **OMB did not issue audit guidance (Compliance Supplement) for the Coronavirus Relief Fund until late December**
- **GASB delayed standards by 1 year**
 - GASB 84 *Fiduciary Funds* now required for FY2021
- **The County's processes and procedures for year-end close were impacted**
- **CLA's audit leveraged technology in an effective manner to complete the County's audit**



Audit Approach Summary

- We have assessed the following areas to be of higher audit risk:
 - Overall internal control environment and management override of controls
 - Remote and in-person during pandemic
 - Payables and cutoff of accruals
 - Procurement, contracts, and purchasing cards
 - Information technology control environment
 - Revenue recognition - cutoff, classification, collectability
 - Grant compliance
 - Coronavirus Relief Fund
- Areas where findings were noted in the 2019 audit were assessed at higher risk until the findings are resolved



Financial Statement Reported Findings



- None reported
- Suggestions and comments related to process improvements were made verbally to County management. None rose to a level of reportable finding.

Single Audit Results

- **Major Federal Programs Tested**

- Coronavirus Relief Fund
- Formula Grants for Rural Areas and Tribal Transit Program
- Low-Income Home Energy Assistance
- Medicaid Cluster

- **Major State Programs Tested**

- Public School Building Capital Fund – Lottery Proceeds
- Juvenile Crime Prevention Council Programs
- One North Carolina Fund Program

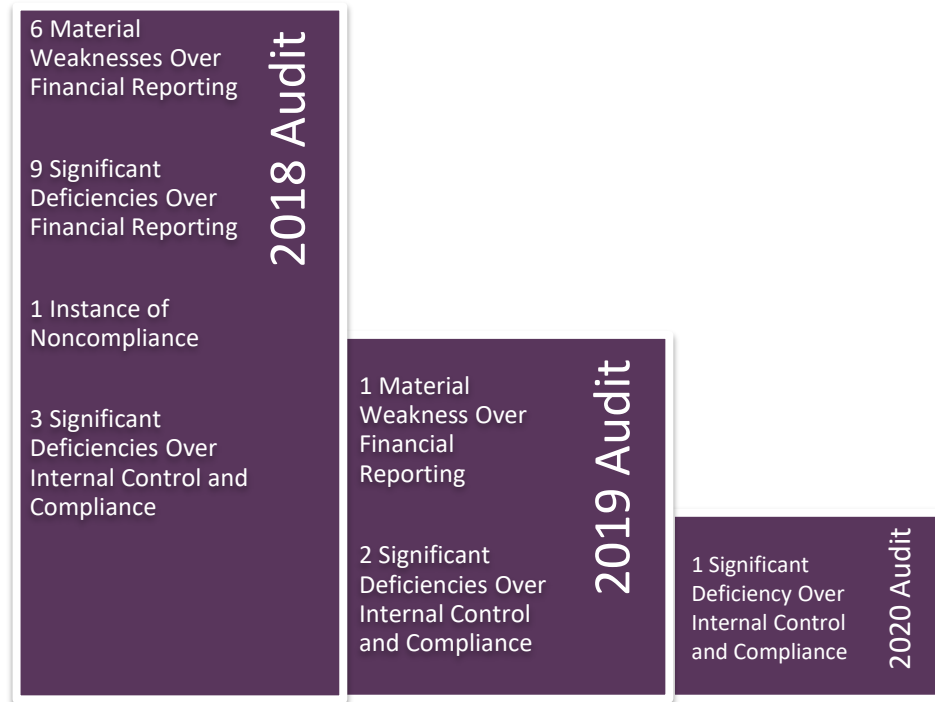
Single Audit Results

- **Single Audit Reports Issued**

- Independent Auditors’ Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance, In Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act
 - ◇ No reported items of noncompliance
- Independent Auditors’ Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance, In Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act
 - ◇ One significant deficiency and instance of noncompliance noted for the Public School Building Capital Fund program
 - 2020-001 – Reporting – Timely Filing of Compliance Reports



Year to Year Finding Summary



Highlights of Financial Position as of June 30, 2020

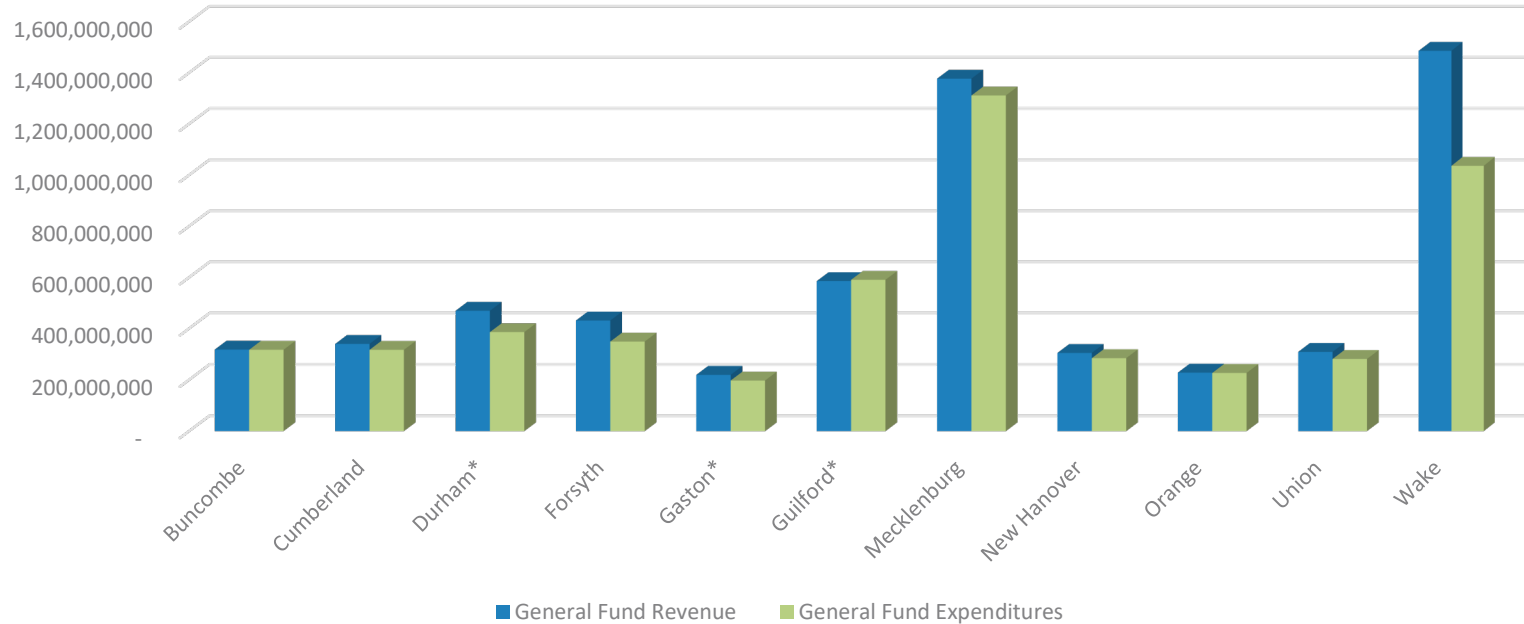
- **Management’s Discussion and Analysis – Pages 6 through 16**
- **General Fund Financial Statements – Pages 22 and 24**
 - Total Fund Balance of \$97.8 million
 - Components of Fund Balance:
 - Total Nonspendable Fund Balance of \$0.06 million
 - Total Restricted Fund Balance of \$25.3 million
 - Total Committed Fund Balance of \$2.6 million
 - Total Assigned Fund Balance of \$12.7 million
 - Total Unassigned Fund Balance of \$57.2 million
 - Increase in Fund Balance of \$2.5 million
- **General Fund Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget to Actual**
 - Revenues were \$2.0 million above budget
 - Expenses were \$19.1 million less than budgeted
 - Increase in Fund Balance was \$2.5 million compared to a budgeted decrease of \$15.5 million
 - Budget to Actual Schedule is found on page 26 of the financial statements



Buncombe County and Peer Counties

General Fund Revenue and Expenditures June 30, 2020

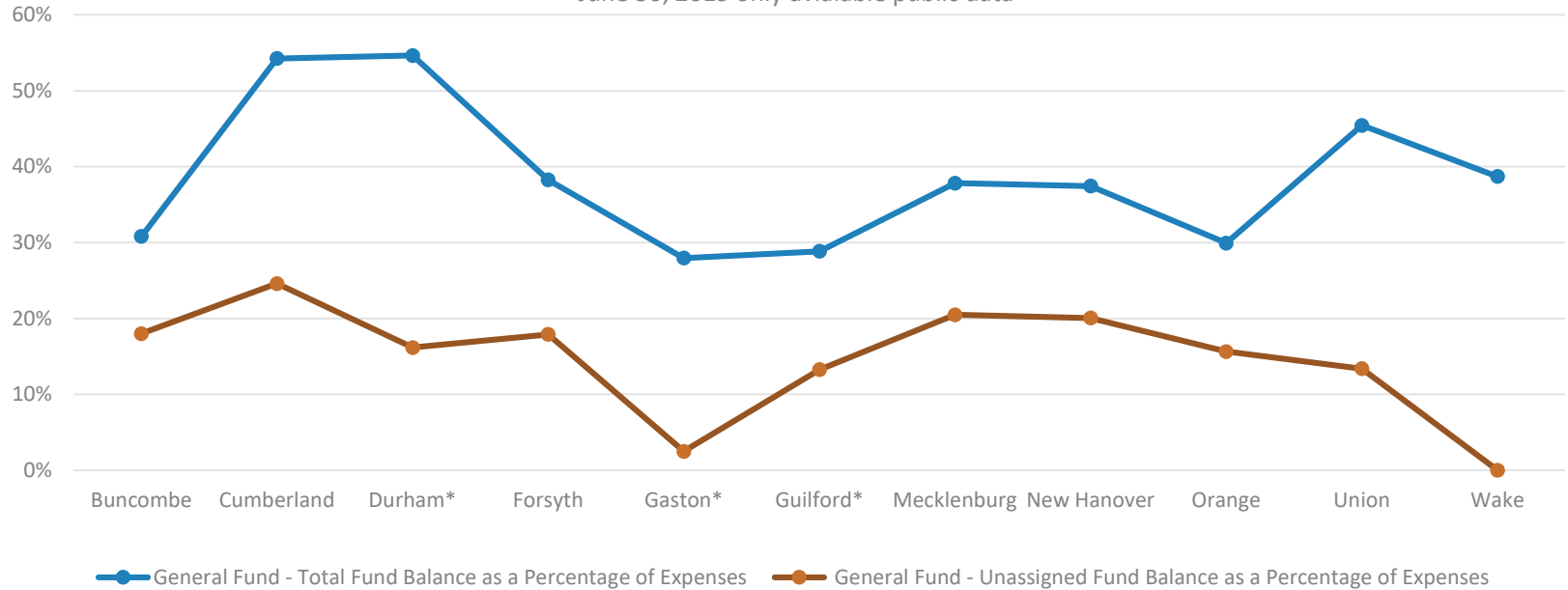
*June 30, 2019 only available public data



Buncombe County and Peer Counties

General Fund Fund Balance June 30, 2020

*June 30, 2019 only available public data



● General Fund - Total Fund Balance as a Percentage of Expenses ● General Fund - Unassigned Fund Balance as a Percentage of Expenses



2021 and Beyond

- **GASB delayed standards by 1 year**
 - GASB 87 *Leases* now required for FY2022
- **CARES Act Funding**
 - Compliance and documentation
 - Additional and **significant** single audit testing in 2021
- **Continued pandemic impact**



Visit our Events Page

- <https://www.claconnect.com/events>



Navigating the 2021 Market Landscape

Recorded 2/10/2021
Webinar
Hosting

Event materials

Presentation Slides: [Navigating the 2021 Market Landscape](#)
Recording: [Navigating the 2021 Market Landscape](#)


As we turn the page on an unprecedented 2020, the 2021 global macro-economic landscape begins with more change, uncertainty, and volatility than we have seen in decades. Find out what this means for you and your tax and investment strategy as we help you navigate the market in 2021. This **on-demand** webinar will include:

- A 2021 market and tax outlook
- Panel discussion focused on 2021 growth and income trends in equities, fixed income, real estate, and alternative investments

Speakers:

- Clayton Bland, Chief Wealth Advisory Officer, CliftonLarsonAllen Wealth Advisors, LLC
- Christopher Dhanraj, Managing Principal of Investments, CliftonLarsonAllen Wealth Advisors, LLC
- Chris Moss, Principal, CliftonLarsonAllen Wealth Advisors, LLC
- Mike Prinzo, Managing Principal of Tax, CLA
- Tara Frazer, Managing Director of Communication and Culture, CLA
- Dr. Randy Anderson, PhD, Griffin Capital Company, LLC
- Rick Rieder, Chief Investment Officer of Global Fixed Income, BlackRock

For more information:



A new administration likely brings new priorities and agenda items. Understand how a new focus could impact government entities.

FINANCIAL MANAGEMENT AND DISASTER RELIEF

Election Impacts – Tax, Governmental Entities, and Security

By Jason Wagoner
2/9/2021

Key insights

- Understand if your tax strategy could be affected by proposed policies of the new administration.
- State and local governments may continue to struggle to execute new programs, due to a reduced workforce, increasing costs, and decreasing revenues.
- Cybersecurity has been identified as a priority for the Biden administration, likely supported by the legislature.
- With nearly one-third of inspector general positions unfilled, fraud is a concern for many entities, especially those dealing directly with COVID-19 relief.

While the extent of future changes under a new administration remains uncertain, a shift in priorities, policy ideologies, and management agenda items is fairly certain. Having some insight as to how these shifts could affect you and your organization allows for the preparation necessary to successfully navigate the uncharted waters that lays ahead. Although any level of uncertainty can be daunting,

Understand how a new administration could impact you.

Contact us

Stimulus Bill, DC Environment, and Market Update

10/15/2020
Virtual
Hosting

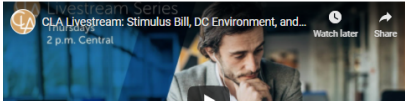
Omar Nashashibi of the Franklin Partnership discusses the status of stimulus bills, DC environment and impact on stimulus post election, and extenders status. We will also be joined by CLA Chief Wealth Advisory Officer, Clayton Bland and CLA principal, Brian Ream, as we host a discussion around the market and economic outlook and wealth advisory strategies.

Speakers:


- Brian Ream, Principal, CLA
- Omar Nashashibi, The Franklin Partnership
- Clayton Bland, Chief Wealth Advisory Officer, CLA

In case you missed our recent webinar: CLA Wealth Advisory Connection – Market and Economic Update, you can watch the recording [here](#). Also, be sure to check out our upcoming webinar: [Prepare to Serve Your Clients for Year-End](#). Space is limited - Register today.

In case you missed it:



CLA Livestream Series: Stimulus Bill, DC Environment, and...
2 p.m. Central

In response to COVID-19, the Office of Management and Budget issued a series of memorandums that could impact how you manage and use your federal assistance funds.

COVID FINANCIAL MANAGEMENT

Manage Your Federal Grant Costs During COVID-19

By Rebecca Field
7/17/2020

Key insights

- In response to the pandemic, the OMB has issued a series of memorandums that could affect your grant compliance program.
- OMB memos give fund recipients the flexibility to change salaries, benefits, and other eligible costs to the federal award.
- CLA can help you navigate the complexities of COVID-19 funding opportunities.

Federal financial assistance can help keep your organization up and running during COVID-19. Whether it's a loan, grant, or other assistance, these funds allow you to continue working toward your mission and serve your clients. However, understanding the impact that COVID-19 has on managing federal grants is essential for proper compliance during this time. Develop an effective grant compliance program per the latest guidance issued by the Office of Management and Budget (OMB) for proper management and use of federal funds.

Have COVID-19 funding questions?

Talk to Our Team



Questions?

Christopher Kessler, CPA

Principal

Chris.Kessler@CLAconnect.com



CLAconnect.com



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