



Buncombe County, North Carolina

Presentation of 2022 Audit Results
to the Board of County
Commissioners

December 5, 2022

We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

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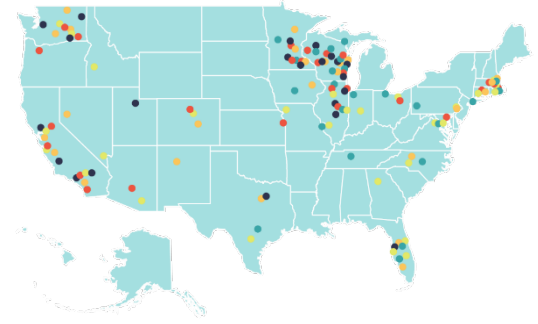
Our Purpose

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

7,500+
PEOPLE

125+
U.S. LOCATIONS

AN INDEPENDENT
NETWORK MEMBER OF
CLA Global



An infographic with a central image of three people in business attire standing in a hallway. The infographic is divided into colored sections: teal, red, yellow, and dark blue. Text includes: 'CREATING OPPORTUNITIES FOR OUR CLIENTS' with a building icon; '4,100+ GOVERNMENT ENTITIES SERVED'; '\$130+ MILLION IN REVENUE'; '60+ YEARS IN BUSINESS'; '450+ PROFESSIONALS'; and 'PROVIDING CONSULTING AND OUTSOURCING, AUDIT, TAX, AND DIGITAL SOLUTIONS'.



Audit Services Performed

Financial Statements

- Audit of the County's Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2022, in accordance with *Government Auditing Standards*

Federal and State Compliance

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



Reports Delivered

Independent Auditors' Report

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report on Compliance For Each Major Federal and State Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and State Single Audit Implementation Act

Governance Communication Letter



Required Communications to Governance

- Auditors' Opinion on Financial Statements
 - Unmodified opinion
 - Emphasis of Matter Paragraph
 - Implementation of GASB 87 – *Leases* – Our opinion was not modified as a result of this matter
- 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
- Change in accounting policies
 - Required application of GASB Statement No. 87 – *Leases* during 2022



Required Communications to Governance

- Significant risks identified and built into our audit plan
 - Management override of internal controls
 - Revenue recognition
- No material audit adjustments
- Uncorrected misstatements
 - Reconciling items in unearned revenue
 - Reconciling items in landfill post-closure liability
- No difficulties encountered in performing the audit
- No disagreements with management
- Management was very cooperative, helpful, and professional during the audit process – ***THANK YOU!***



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.



Highlights of Financial Position as of June 30, 2022

- Management’s Discussion and Analysis – Pages 7 through 17
- General Fund Financial Statements – Pages 24 and 26
 - Total Fund Balance of \$124.3 million
 - Components of Fund Balance:
 - Total Nonspendable Fund Balance of \$0.5 million
 - Total Restricted Fund Balance of \$32.0 million
 - Total Committed Fund Balance of \$1.8 million
 - Total Assigned Fund Balance of \$15.9 million
 - Total Unassigned Fund Balance of \$74.1 million
 - Increase in Fund Balance of \$7.7 million
- General Fund Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget to Actual – Pg. 29
 - Revenues were \$13.6 million above budget
 - Expenditures were \$18.8 million less than budgeted
 - Increase in Fund Balance was \$7.7 million compared to a budgeted decrease of \$27.7 million

Single Audit Results

- Major Federal Programs Tested
 - Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)
 - Emergency Rental Assistance
 - Foster Care – Title IV-E
 - Medicaid Cluster
- Major State Programs Tested
 - Public School Building Programs
 - Juvenile Crime Prevention Council Programs



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
 - Unmodified opinion
 - 1 finding reported
 - 2022-001 – Significant Deficiency in Internal Control – Missing documented verification of a vendor's suspension and debarment status – Coronavirus State and Local Fiscal Recovery Funds
 - 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
 - Unmodified opinion
 - No reported findings





Thank you to everyone who
assisted during the audit!

We'll get you there.

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Questions?

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