

Shenandoah County, Virginia Audit Presentation

February 10, 2015

Overview

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Audit Process

Objectives:

- The expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with GAAP
- Report on internal control in accordance with Government Auditing Standards
- Report on internal control related to major programs and compliance with OMB Circular A-133



Audit Process: Audit Procedures

□ Risk Assessment

- Gain understanding of the County's environment, processes, and internal controls sufficient to design the nature, timing, and extent of audit procedures.

Procedures include:

- Inquiry
- Observation
- Walkthroughs of significant processes
- Analysis



Audit Process: Audit Procedures

- Examination on a test basis of amounts and financial statement disclosures sufficient to obtain a basis for our opinions. Procedures include:
 - Audit tests performed over all material balance sheet accounts
 - Tests of controls over cash receipts, accounts payable, and payroll
 - Analytical procedures
 - Testing of individually significant items
 - Testing of compliance with state and federal provisions
 - Additional procedures as deemed necessary



Audit Results: Audit Opinions

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the county of Shenandoah, Virginia, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



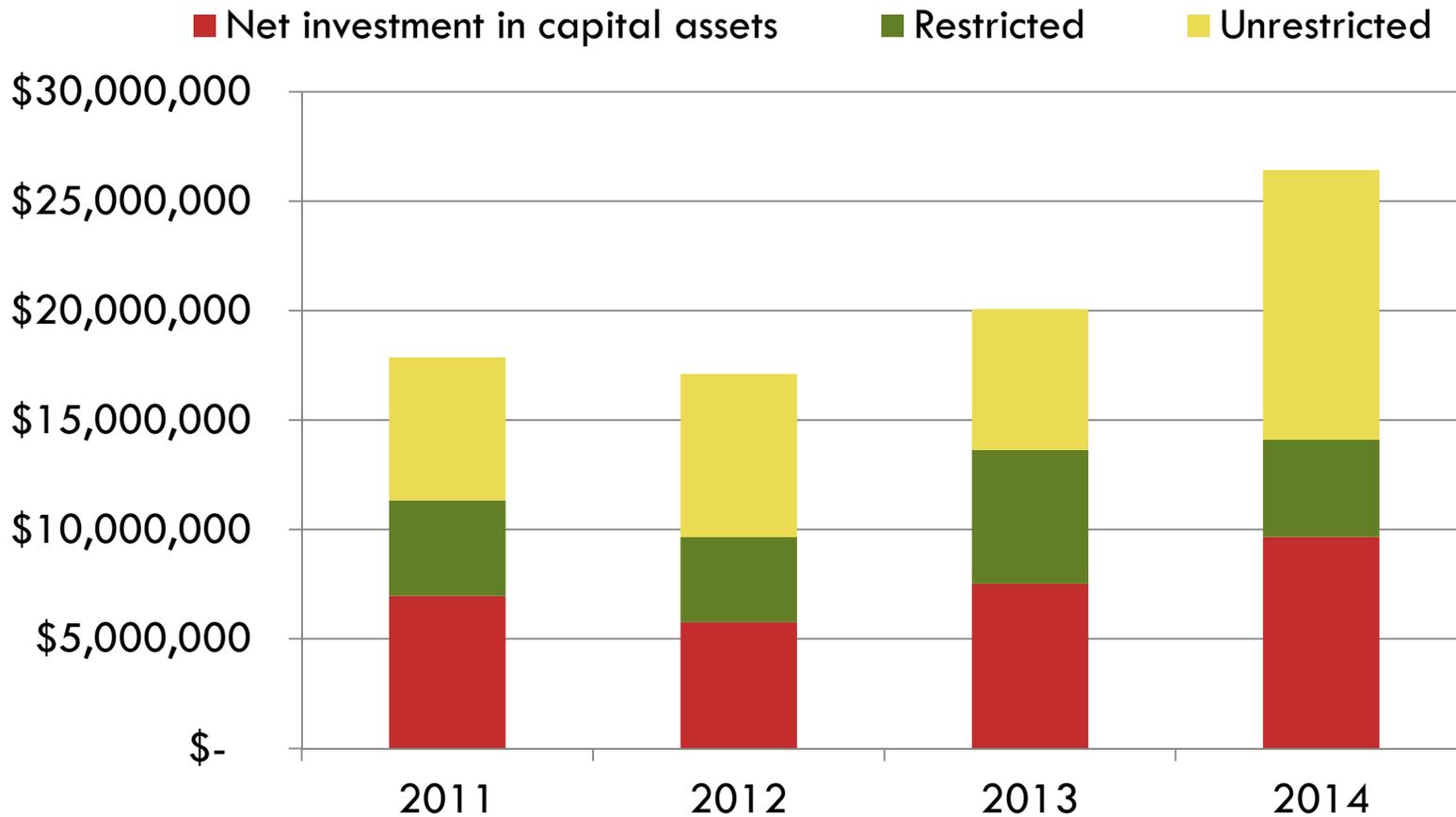
Government-wide Financial Highlights

Exhibits 1 & 2 – Prepared on the full accrual basis

- Ending net position of \$26,426,869 of which \$12,327,962 was unrestricted
- Achieved increase in both categories of net position: Governmental Activities by \$3,936,141; Business-type Activities by \$2,416,448; total increase of \$6,352,589
- Net investment in capital assets of \$9,656,594



Government-wide Net Position



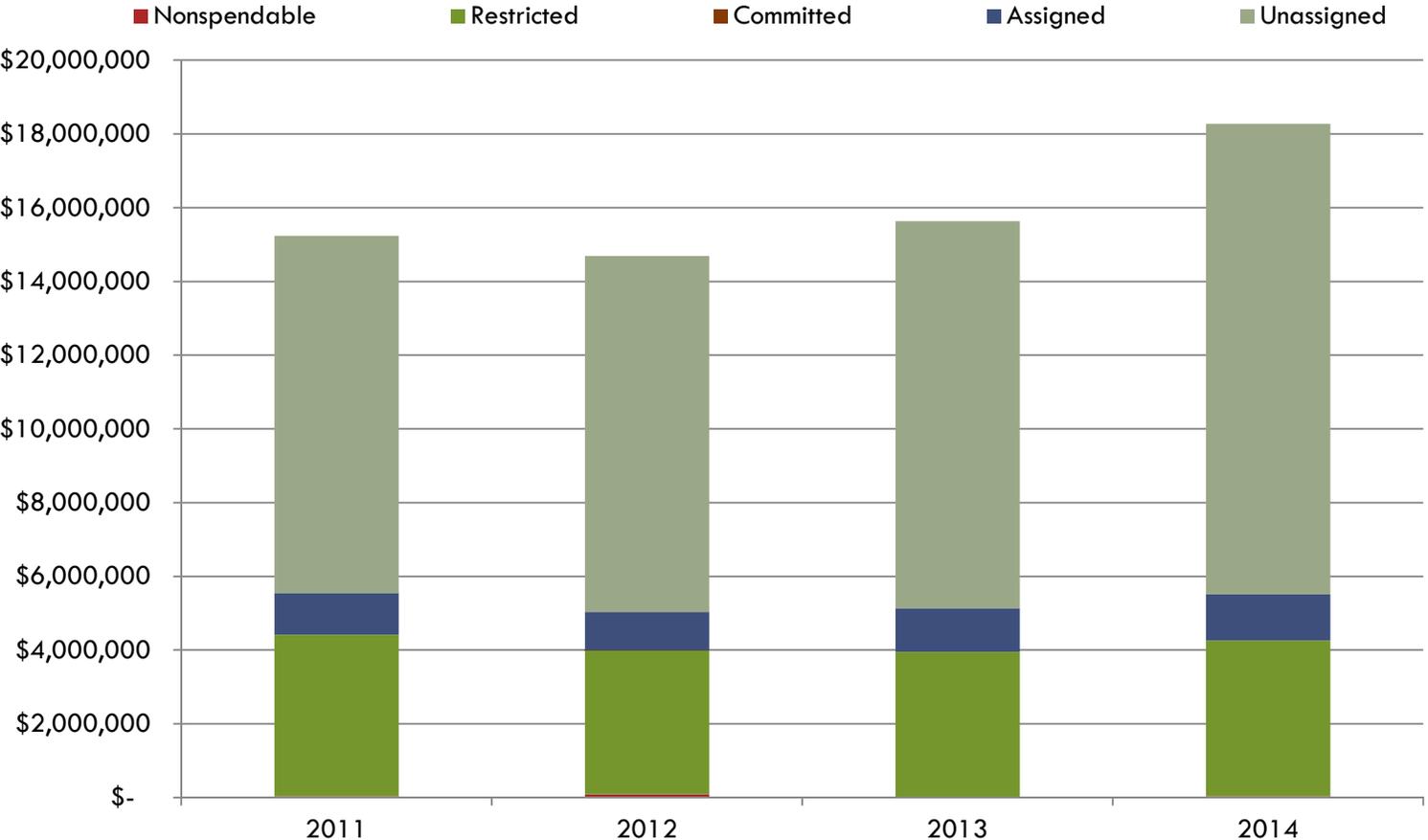
Governmental Funds Financial Highlights

Exhibits 3 through 6 – Prepared on the modified accrual basis (same basis as your budget)

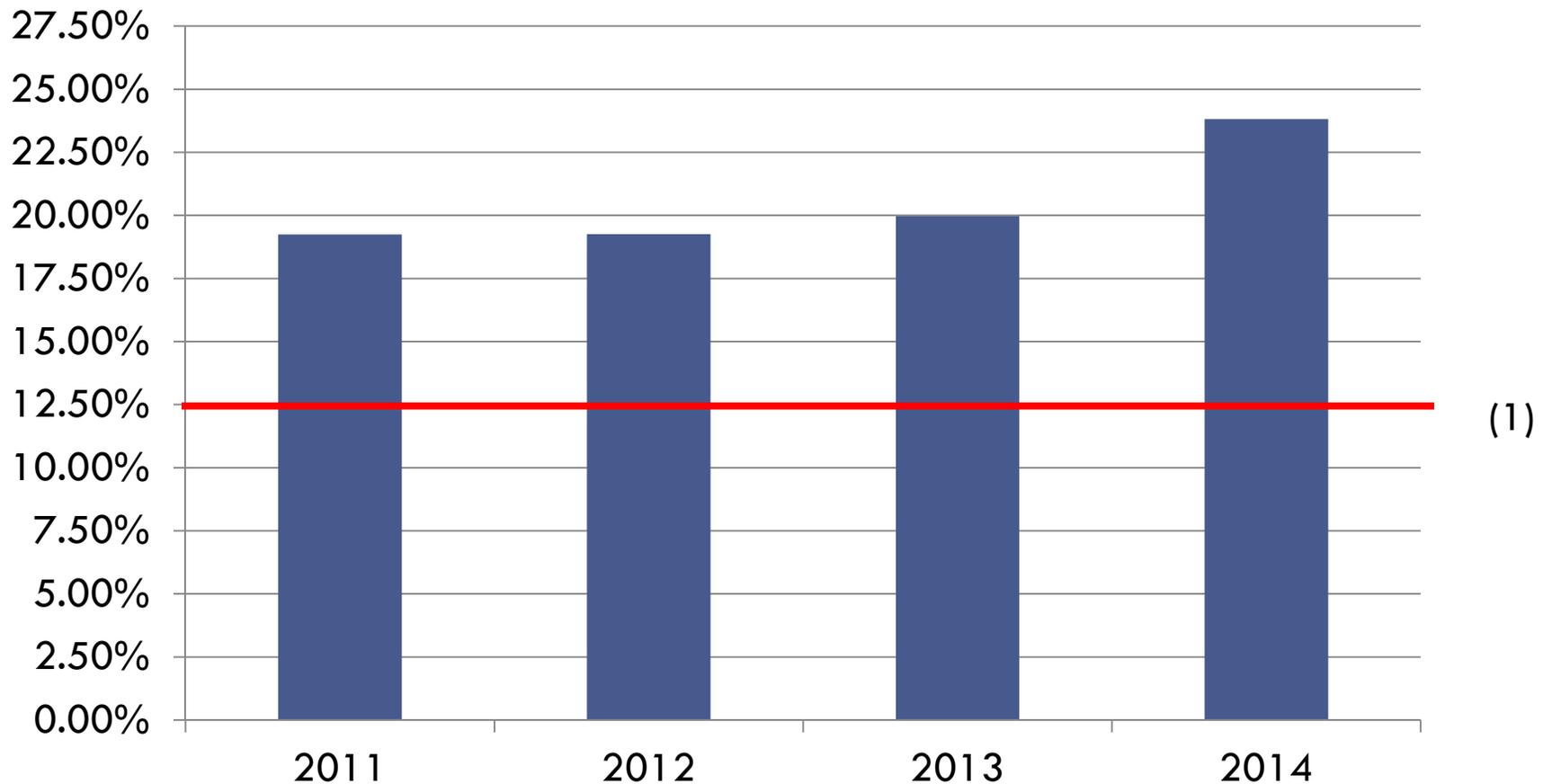
- Combined ending fund balances for governmental funds of \$26,858,724
- Increase of \$557,650 over FY2013 fund balances
- General fund unassigned fund balance of \$12,772,653 or 23.8% of 2014 general fund expenditures
- Unrestricted cash and cash equivalents of \$20,445,293



Fund Balance by Type – General Fund



Liquidity Analysis-Unassigned Fund Balance Compared to Expenditures



(1) Minimum threshold according to the County's fund balance policy



Proprietary Fund Financial Highlights

Exhibits 7, 8, & 9 – Business-type activities including Sanitary Districts, Landfill Fund, & North Fork Wastewater Fund

- Combined ending net position of (\$628,907)
- Overall operating income of \$112,310 which includes depreciation and amortization costs of \$718,170
- Transfers from the general fund to the proprietary funds amounted to \$1,571,745
- Combined change in net position for all proprietary funds of \$2,416,448
- Decrease in cash and cash equivalents in the proprietary funds of (\$305,120)

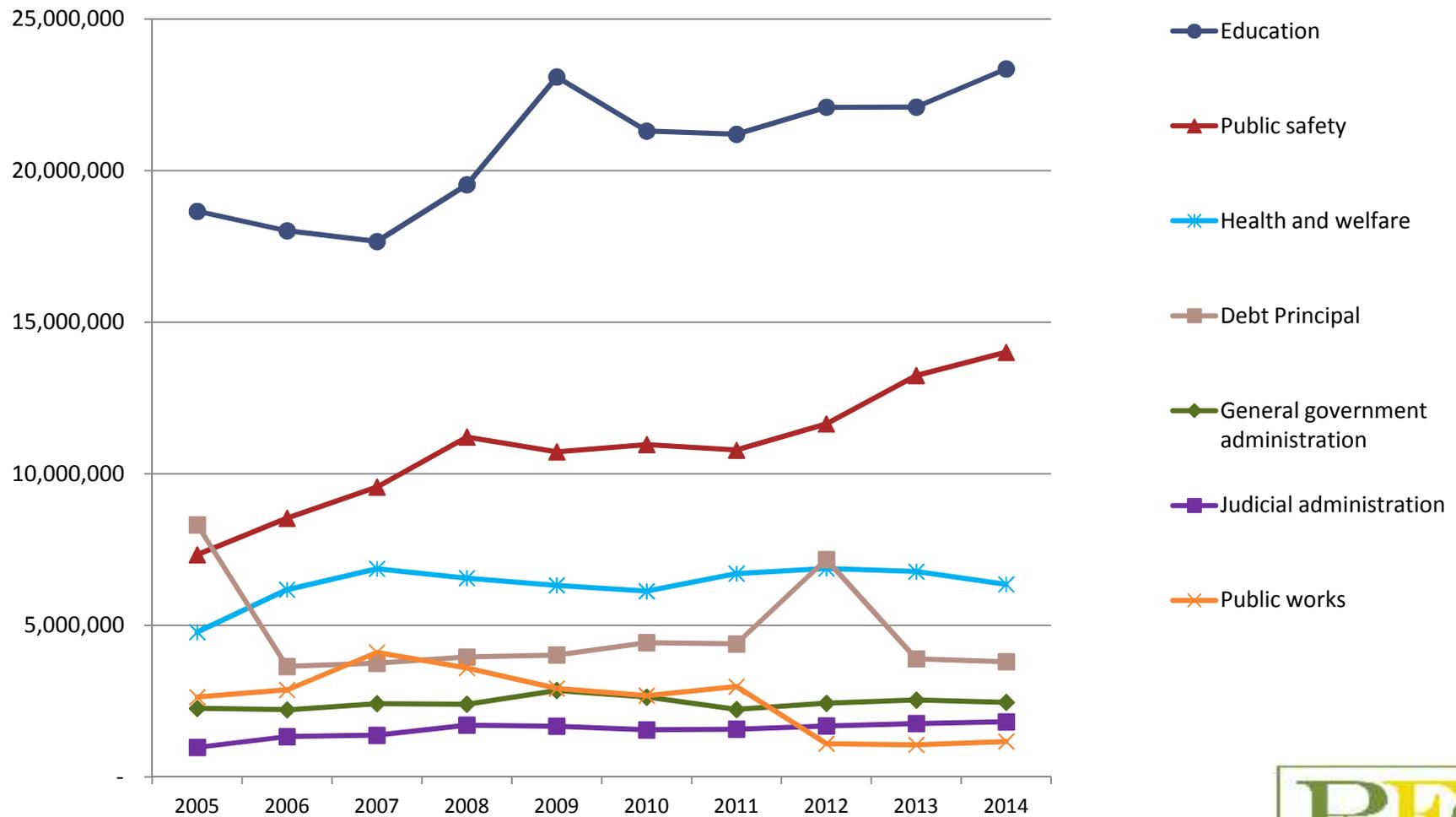


Pension Funding Progress

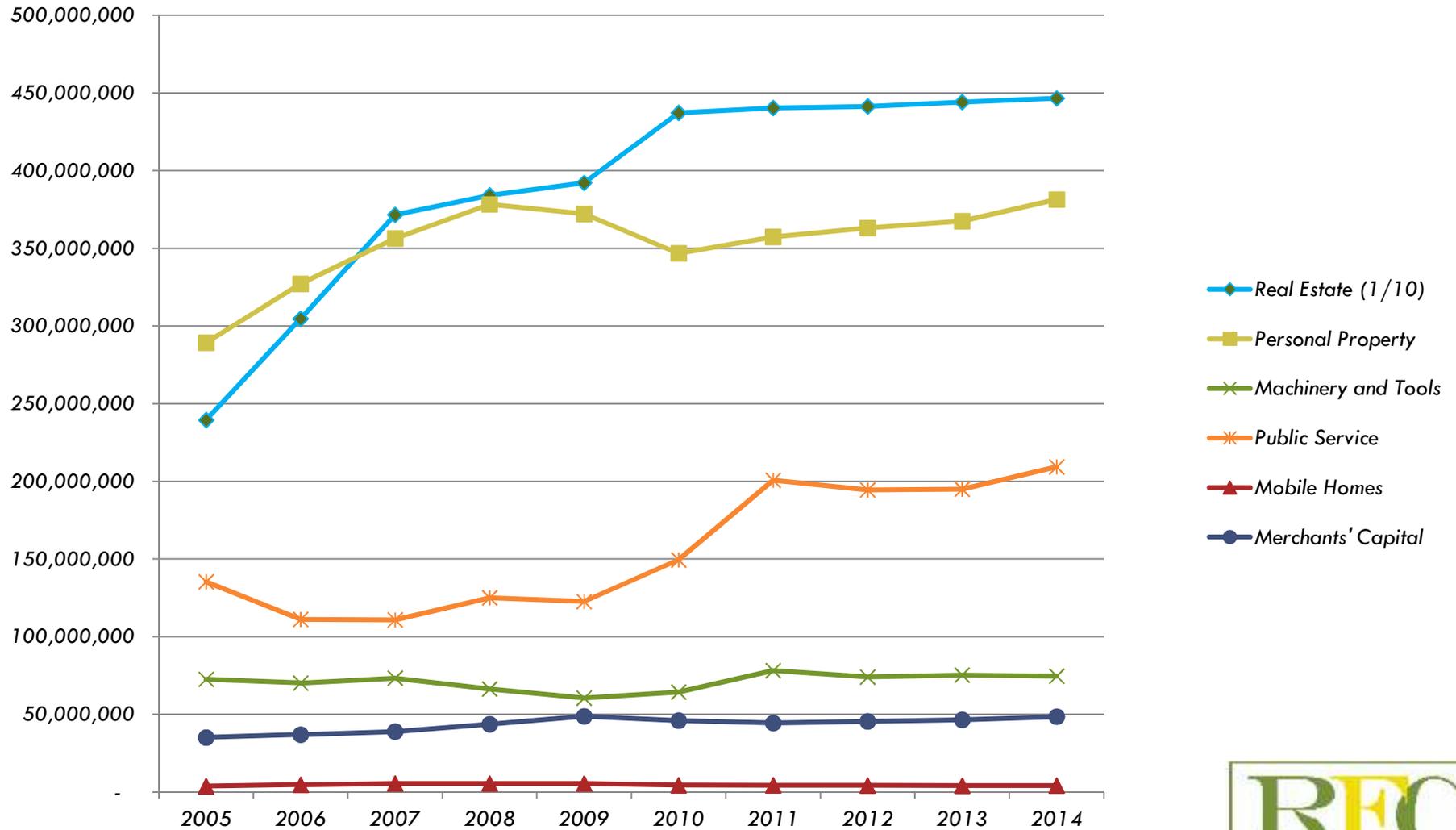
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
06/30/13	\$ 30,378,400	\$ 39,074,838	\$ 8,696,438	77.74%	\$ 11,769,373	73.89%
06/30/12	28,460,449	38,605,749	10,145,300	73.72%	10,834,028	93.64%
06/30/11	27,931,405	37,152,968	9,221,563	75.18%	10,915,982	84.48%
06/30/10	27,035,963	35,171,270	8,135,307	76.87%	11,301,506	71.98%
06/30/09	25,949,614	30,764,183	4,814,569	84.35%	11,203,944	42.97%



Major Functional Expenditures by Fiscal Year



Original Tax Assessments



Compliance Testing

- State Compliance
- Single Audit Compliance
 - Federal Programs Audited:
 - 1) Child Nutrition Cluster
 - 2) Farm and Ranch Land Protection
 - 3) Equitable Sharing Program (Asset Forfeiture)
 - 4) Title I
 - 5) Medicaid Title XIX



Conclusion

- Management memorandum
 - Reconciliation of monthly landfill billings to general ledger
 - Revenue recovery payments to volunteer fire & rescue agencies
 - Parks & recreation bank account reconciliation
- Adjusting journal entries
- Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting



Questions

