

# Presentation to Board of Supervisors

## County of York, Virginia

**December 3, 2019**

*Your guide forward*



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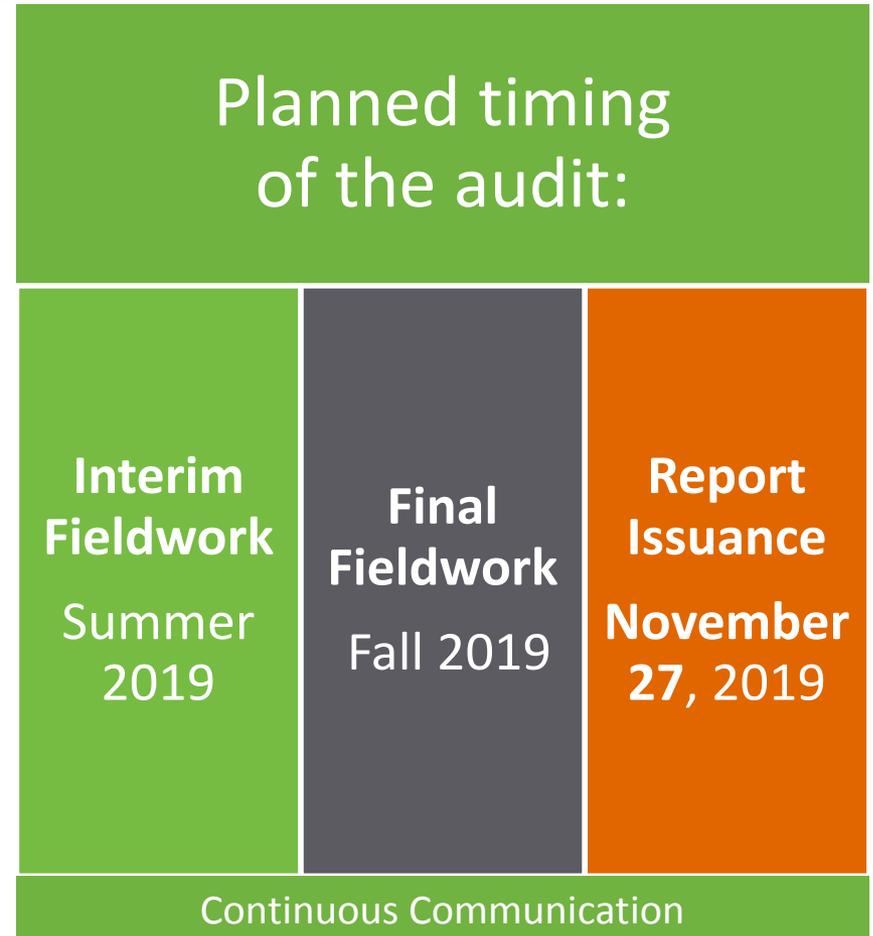
Future Accounting and Reporting Changes



# Engagement Services

# Engagement Services

- ▶ You have engaged us to provide the following:
  - An audit of the FY 2019 financial statements including:
    - County
    - School Board
    - Economic Development Authority
    - Marquis Community Development Authority
    - Student Activity Funds



# Engagement Services

- ▶ You have engaged us to provide the following:
  - Audit of the County's major federal programs as required by the Uniform Grant Guidance (Single Audit)
  - Audit of the County's compliance with laws and regulations under *Government Auditing Standards* and the Auditor of Public Accounts' *Specifications for Audits of Counties, Cities and Towns*
  - Procedures required by the Commonwealth related to:
    - Comparative Report Transmittal Forms in accordance with the requirements of the *Uniform Financial Reporting Manual*
    - Sheriff Office's internal control over compliance with the *Virginia Sheriffs' Accounting Manual*
    - Virginia Retirement System census data testing

The background of the slide features several stacks of papers and folders. On the left, there are three thick stacks of papers, each held together by a metal binder ring. To the right, there are more papers and folders, some of which are slightly out of focus. A solid blue horizontal band is overlaid across the middle of the image, containing the text.

# Overall Audit Results

# Service Deliverables

## Audit Opinions:

- Our opinions on the 2019 financial statements are unmodified
- Our report on census data is unmodified
- We noted no material weaknesses in internal control over financial reporting

## Board Reporting:

- Nothing came to our attention where management did not comply with laws or regulations which noncompliance with could have a material effect on the financial statements, including the requirements of debt agreements



# Required Communications

# Required Communications

## Accounting Policies

- Change in accounting policies - the application of existing policies was not changed during 2019
- The County implemented GASB Standard No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* – required additional disclosures related to debt, including direct borrowings and direct placement.

## Management Judgement and Accounting Estimates

- Allowance for doubtful accounts
- Actuarially computed liabilities
- Depreciation expense

# Required Communications

## Audit Adjustments and Uncorrected Misstatements

- There were no material audit adjustments identified during the audit
- One uncorrected misstatement - Governmental Activities:
  - County swapped land with the EDA during the year.
  - The original land held by the County was contributed in 1979 and was not recorded in the County's capital assets.
  - Recordation in the current year - overstatement of capital contributions (\$349,800).
- One projected misstatement in Sewer Fund:
  - Unrecorded liability was identified (\$3,580)
  - Projection of error to the population (\$60,626).

# Required Communications

## Disagreements with Management

- There were none noted during fieldwork

## Difficulties Encountered in Performing the Audit

- We encountered no difficulties in performing the audit

## Consultation with Other Accountants

- We are not aware of any

# Required Communications

## Material Client Communications

- Management representation letter was provided on November 27, 2019

## Independence

- We are not aware of any relationship that we believe, based on current authoritative guidance, would impair our independence

## Other Matters

- We applied limited procedures to the Management's Discussion and Analysis ("MD&A") and other Required Supplementary Information – no opinion
- We applied certain additional procedures to Other Supplementary Information – "in relation to" opinion



# Future Accounting and Reporting Changes

# Future Accounting and Reporting Changes

## **GASB statements effective for FY 2020:**

- ▶ **Statement No. 84** – *Fiduciary Activities*
  - Improves guidance regarding identification and reporting of fiduciary activities
  
- ▶ **Statement No. 90** – *Majority Equity Interests* – *an amendment of GASB Statements No. 14 and No. 61*
  - Improves reporting of information for certain component units

# Future Accounting and Reporting Changes

## **GASB statements effective for FY 2021:**

### ▶ **Statement No. 87** – *Leases*

- Addresses accounting and financial reporting for leases

### ▶ **Statement No. 89** – *Accounting for Interest Cost Incurred before the End of a Construction Period*

- Addresses accounting requirements for interest cost incurred before the end of a construction period.

# Future Accounting and Reporting Changes

## **GASB statements effective for FY 2022:**

- ▶ **Statement No. 91 – *Conduit Debt Obligations***
  - Provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

# Your Guide Forward



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