



REQUEST FOR BOARD ACTION

ITEM NO. 6.

DATE OF MEETING: December 14, 2009

REQUESTED BY: David McCole, Finance Director

SHORT TITLE: Alan Thompson: Thompson, Price, Scott & Adams: Introduction of Pender County Audit For Fiscal Year Ending June 30, 2009/Resolution to Accept the Audit

BACKGROUND: Alan Thompson will present an overview of the County's annual audit as completed by Thompson, Price, Scott & Adams Company in October 2009. The audit was performed on the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for Pender County for the year ended June 30, 2009. The audit meets the requirements put forth under U.S. Generally Accepting Auditing Standards.

SPECIFIC ACTION REQUESTED: To receive an overview of the Pender County audit for fiscal year ending June 30, 2009, and to consider a resolution accepting the audit.

COUNTY MANAGER'S RECOMMENDATION

Respectfully recommend approval.

TRB
Initial

RESOLUTION

NOW, THEREFORE BE IT RESOLVED by the Pender County Board of Commissioners that

the Pender County Audit for fiscal year ending June 30, 2009 is accepted.

AMENDMENTS:

MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS

YEA VOTES: Tate ___ Brown ___ Blanchard ___ Rivenbark ___ Williams ___

Jimmy T. Tate, Chairman 12/14/09
Date

ATTEST 12/14/09
Date

PENDER COUNTY

Presentation of Audit Results

Fiscal Year Ended
June 30, 2009

Presented by:



CERTIFIED PUBLIC ACCOUNTANTS

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PENDER COUNTY

Presentation Agenda

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CERTIFIED PUBLIC ACCOUNTANTS

Alan W. Thompson, CPA
R. Bryon Scott, CPA
Gregory S. Adams, CPA

Offices:
Whiteville, NC
Elizabethtown, NC
Wilmington, NC

November 20, 2009

To the Board of Commissioners
Pender County

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pender County for the year ended June 30, 2009, and have issued our report thereon dated November 20, 2009. Professional standards require that we provide you with the information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 28, 2009. 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 Pender County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by Pender County during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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. There were no significant estimate(s) or assumptions noted during the audit.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no such disclosures identified.

Difficulties Encountered in Performing the Audit

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

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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. Management has corrected all such misstatements. Some of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as 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 Representation

We have requested certain representations from management that are included in the management representation letter dated November 20, 2009.

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 application of an accounting principle to the governmental unit'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 Auditing 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 Pender County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

As noted in the notes and compliance findings of the audit report, it was noted that items greater than \$250 were not deposited daily. Efforts need to be made to ensure that all amounts greater than \$250 are deposited daily.

This information is intended solely for the use of the Board of Directors and management of Pender County and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



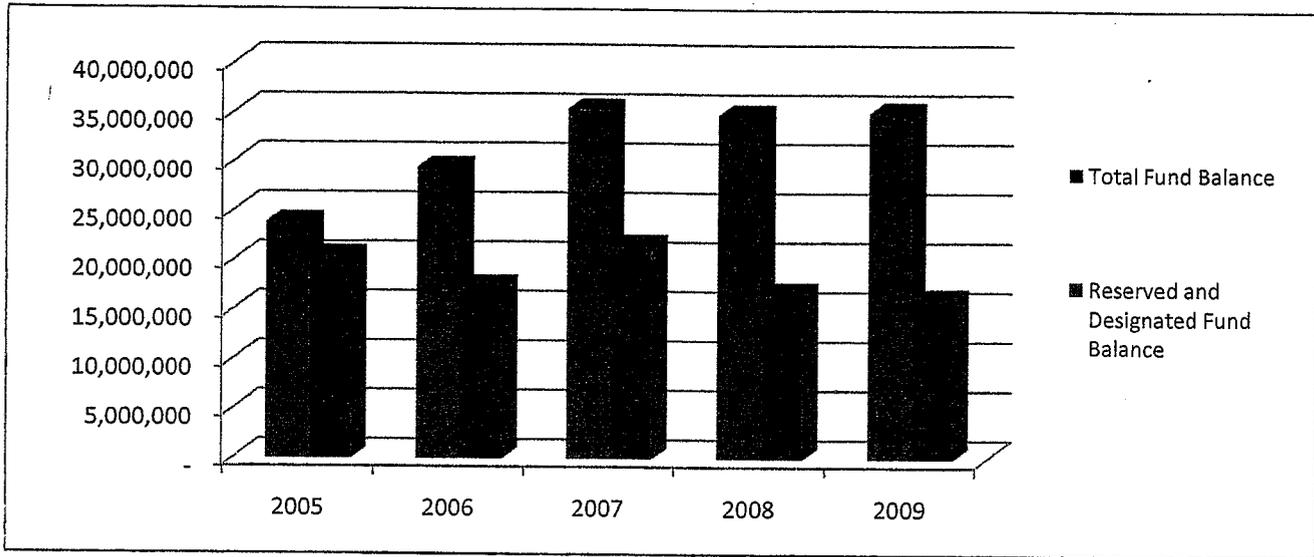
Thompson, Price, Scott, Adams & Co, P.A.

PENDER COUNTY

FINANCIAL INFORMATION FOR 5 YEARS

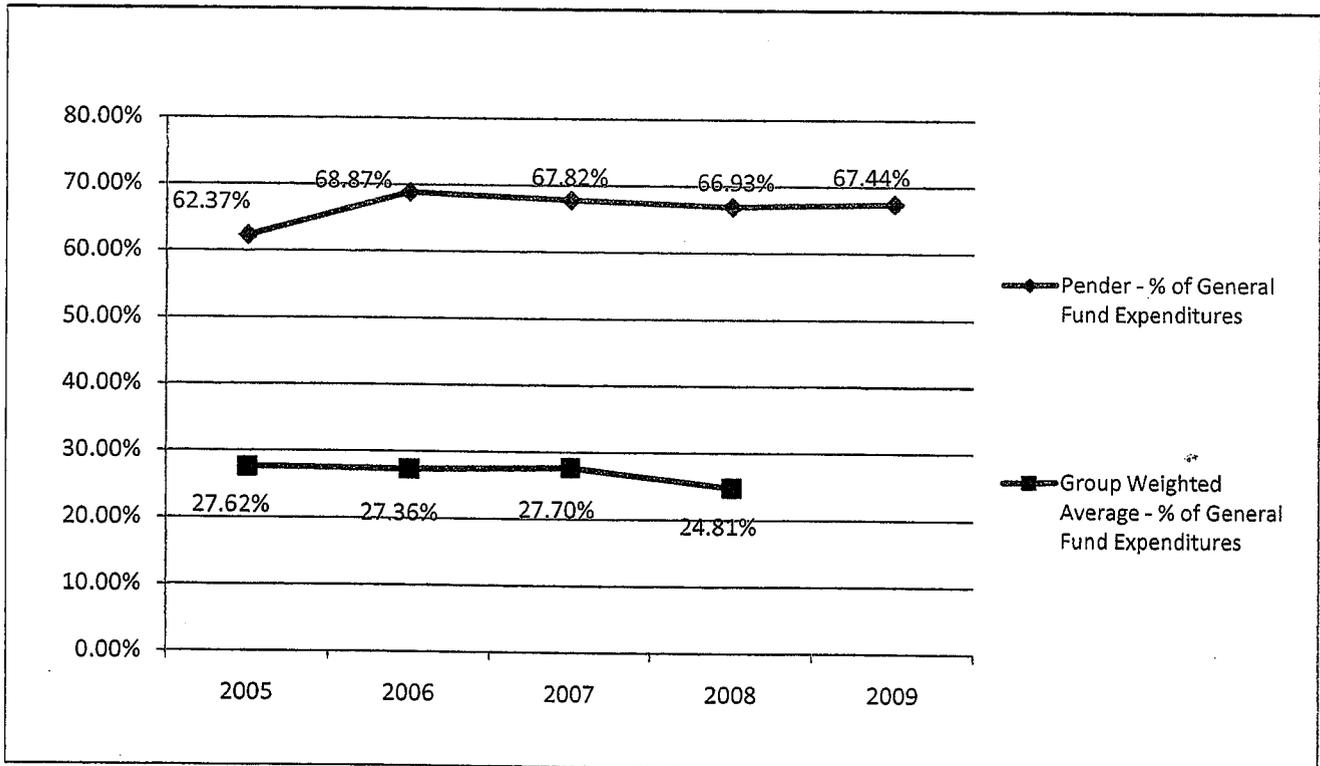
	2009	2008	2007	2006	2005
Total Fund Balance - General Fund	35,115,414	34,874,648	35,441,700	29,551,774	23,938,143
Unavailable Fund Balance - GF (Reserve for Inventories, State Statute, Encumbrances)	3,940,449	4,814,446	7,425,604	2,626,652	2,732,326
Designated and Reserved Fund Balance	16,147,077	16,795,264	21,617,158	17,492,246	20,554,908
General Fund Expenditures (including transfers)	46,227,988	44,916,154	41,307,012	39,092,770	33,998,630
Fund Balance Available as % of General Fund Expenditures	67.44%	66.93%	67.82%	68.87%	62.37%
Unreserved and Undesignated Fund Balance	18,968,337	18,079,384	13,824,542	12,059,528	3,383,235
Unreserved and Undesignated Fund Balance as % of General Fund Expenditures	41.03%	40.25%	33.47%	30.85%	9.95%
Revenues over (under) expenditures before transfers					
General Fund	4,468,139	8,978,072	10,538,350	10,189,873	6,916,227
Water & Sewer Funds	(55,161)	344,001	690,705	(134,298)	(68,963)
Resource Recovery Fund	(407,554)	(207,782)	(274,347)	71,891	442,259
Cash vs. Accumulated Depreciation - Water & Sewer Funds					
Total Fixed Assets	30,837,439	30,408,178	28,106,026	18,692,221	16,338,818
Accumulated Depreciation	1,967,072	1,706,251	1,435,234	1,165,555	921,103
Cash	8,472,229	8,609,759	8,424,894	15,587,811	2,654,997
6/30/08 Cash vs. Fund Balance					
Cash - General	33,316,784	32,306,110	29,761,033	28,158,883	22,835,976
Cash - Water & Sewer Funds	8,472,229	8,609,759	8,424,894	15,587,811	2,654,997
Cash - Resource Recovery	718,732	526,082	763,210	1,422,920	1,455,438
Cash - Other Governmental	15,744,541	29,279,620	26,842,511	35,752,885	9,021,109
Fund Balance - General	35,115,414	34,874,648	35,441,700	29,551,774	23,938,143
Fund Balance - Water & Sewer Funds	15,550,553	15,478,814	13,473,313	10,869,808	7,960,606
Fund Balance - Resource Recovery	1,759,936	1,678,681	1,687,546	2,119,459	2,024,568
Fund Balance - Other Governmental Funds	16,208,461	27,751,419	24,545,312	35,945,315	9,084,126
Property Tax Rates	0.650	0.650	0.650	0.650	0.590
Collection Percentages	95.87%	96.38%	97.06%	96.59%	96.79%
Collection Percentages (excluding Motor Vehicle)	97.09%	97.87%	98.23%	97.81%	97.99%
Total Property Valuation	4,678,118,922	4,485,885,384	4,376,354,154	3,960,588,769	3,680,689,152
Total Levy Amount	30,589,788	29,180,752	28,466,104	25,529,999	21,716,066
Breakdown of General Fund Revenues - 2009					
Ad Valorem Taxes	30,695,595	28,940,235	28,131,772	25,662,669	22,028,786
Other Taxes & License	4,837,703	5,914,307	5,675,979	5,564,007	4,924,281
Intergovernment Revenue	7,315,776	8,081,693	7,895,252	7,308,167	6,954,312
Permits, Sales & Services	2,802,690	3,101,399	3,441,260	3,912,210	3,933,504
Investment Earnings	768,070	1,977,398	1,982,051	1,304,661	574,800
Miscellaneous	79,255	57,304	70,624	51,362	243,622
Total	46,499,089	48,072,336	47,196,938	43,803,076	38,659,305
Breakdown of General Fund Expenditures - 2009					
General Government	5,390,572	4,493,685	4,539,275	4,710,020	3,932,871
Public Safety	7,125,353	6,473,091	5,701,637	4,956,918	4,643,938
Economic and Physical Development	1,403,882	772,867	1,269,025	846,203	1,184,357
Human Services	13,700,253	14,721,079	14,383,297	13,062,223	12,094,090
Cultural & Recreational	1,045,674	919,644	798,638	717,852	733,303
Education	12,757,336	11,106,653	9,350,231	8,702,512	8,533,969
Debt Service	607,880	607,245	616,485	617,475	620,550
Total	42,030,950	39,094,264	36,658,588	33,613,203	31,743,078

PENDER COUNTY Analysis of Fund Balance



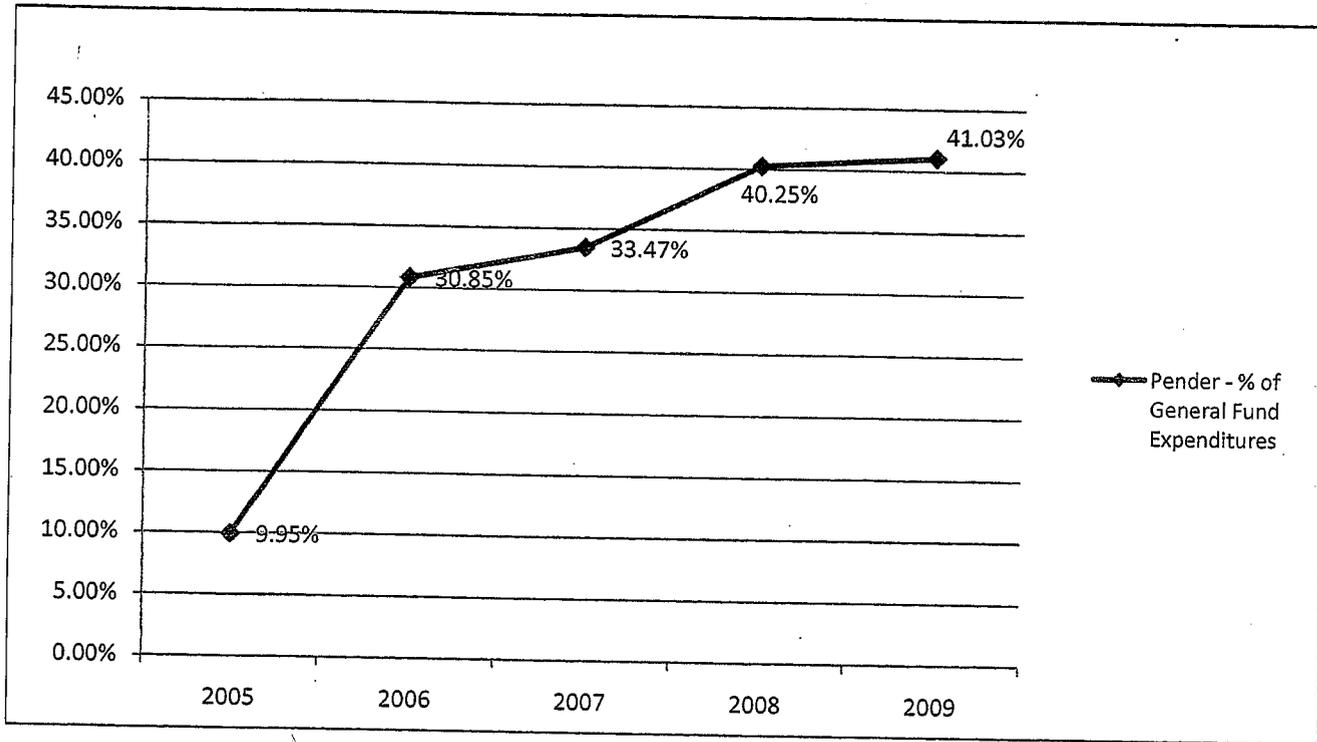
PENDER COUNTY Analysis of Fund Balance Available

(Note - 2009 Group Weighted Average Not Available at Date of Presentation)



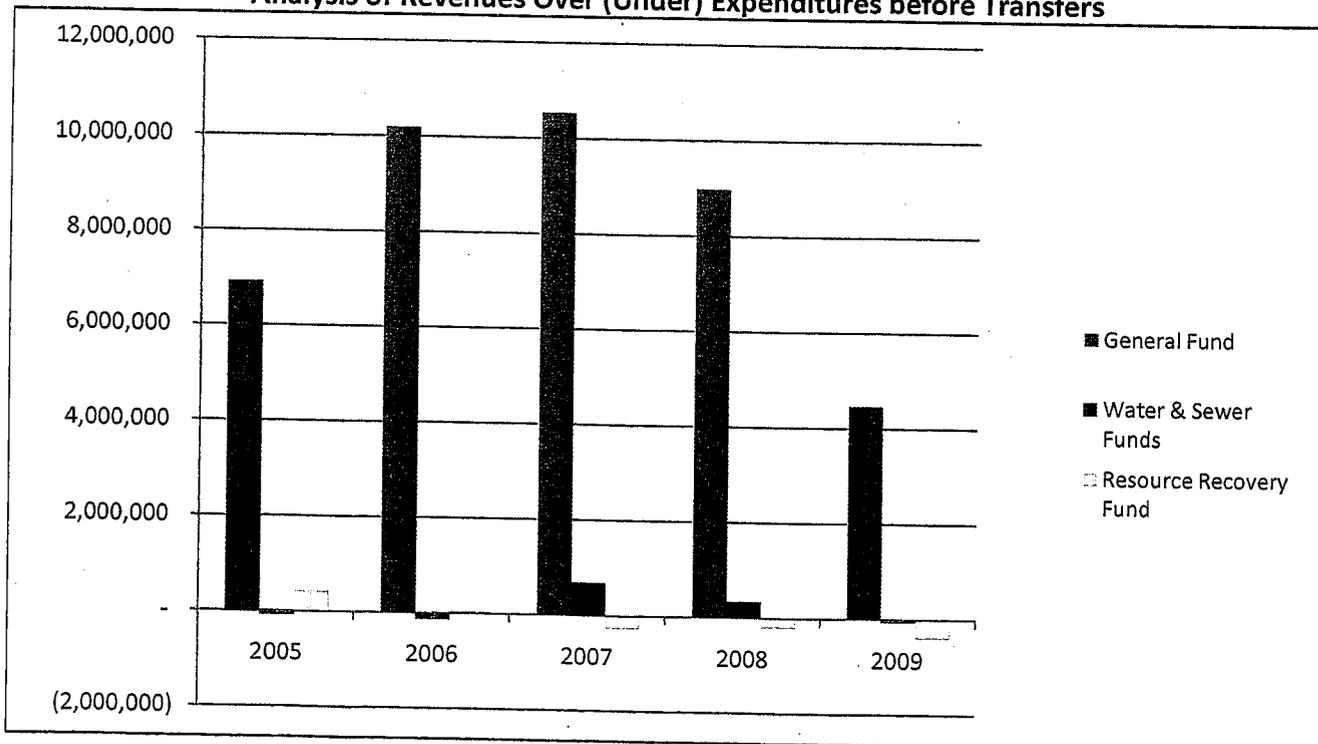
PENDER COUNTY

Analysis of Unreserved and Undesignated Fund Balance as a % of General Fund Expenditures



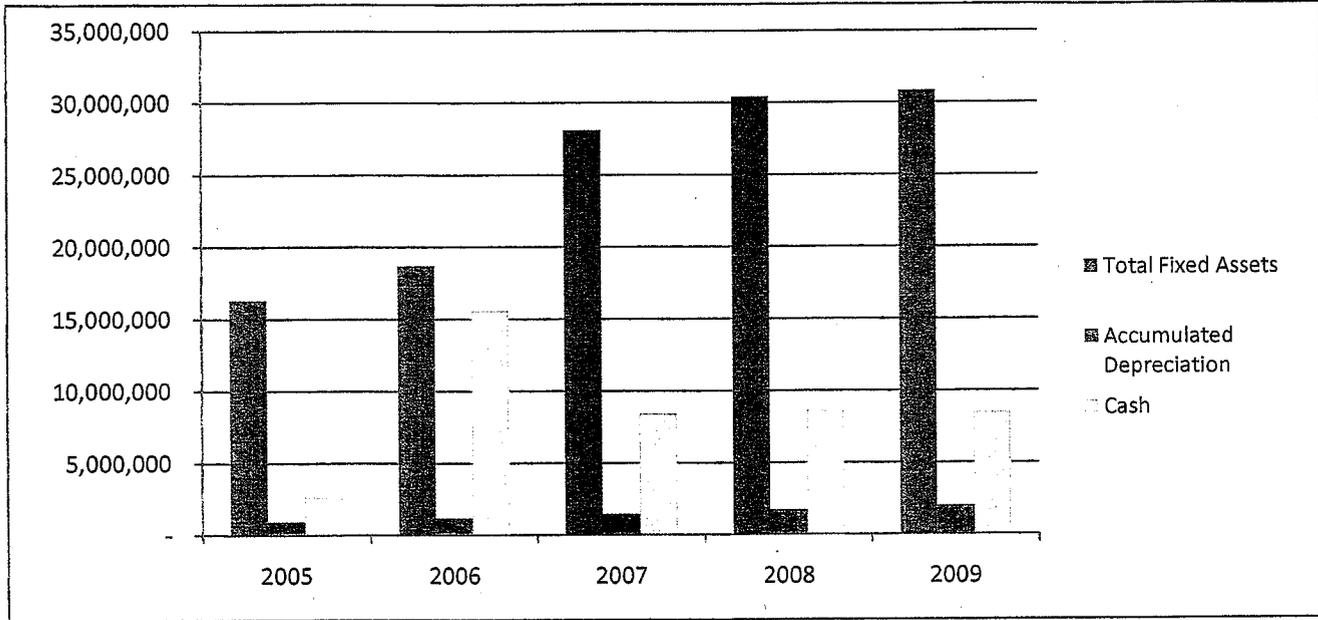
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Analysis of Revenues Over (Under) Expenditures before Transfers



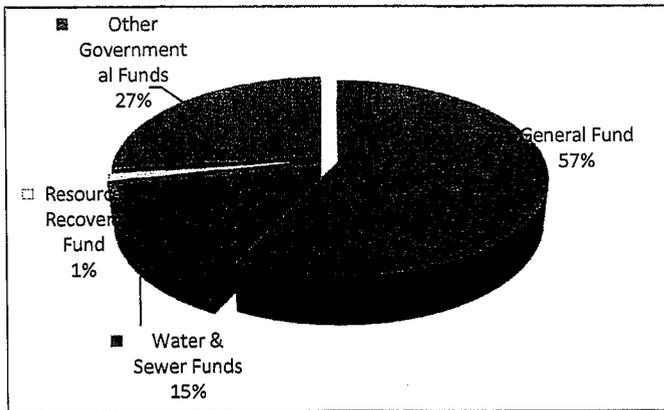
PENDER COUNTY
Cash vs. Accumulated Depreciation
(Funded Depreciation)

Water & Sewer Funds

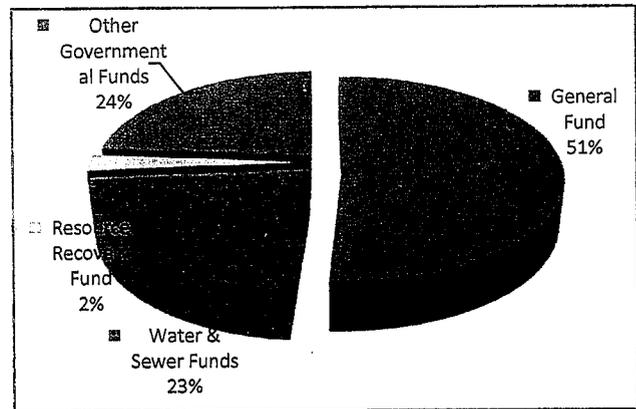


PENDER COUNTY
Analysis of Cash and Fund Balances
at June 30, 2009

CASH BALANCES



FUND BALANCES



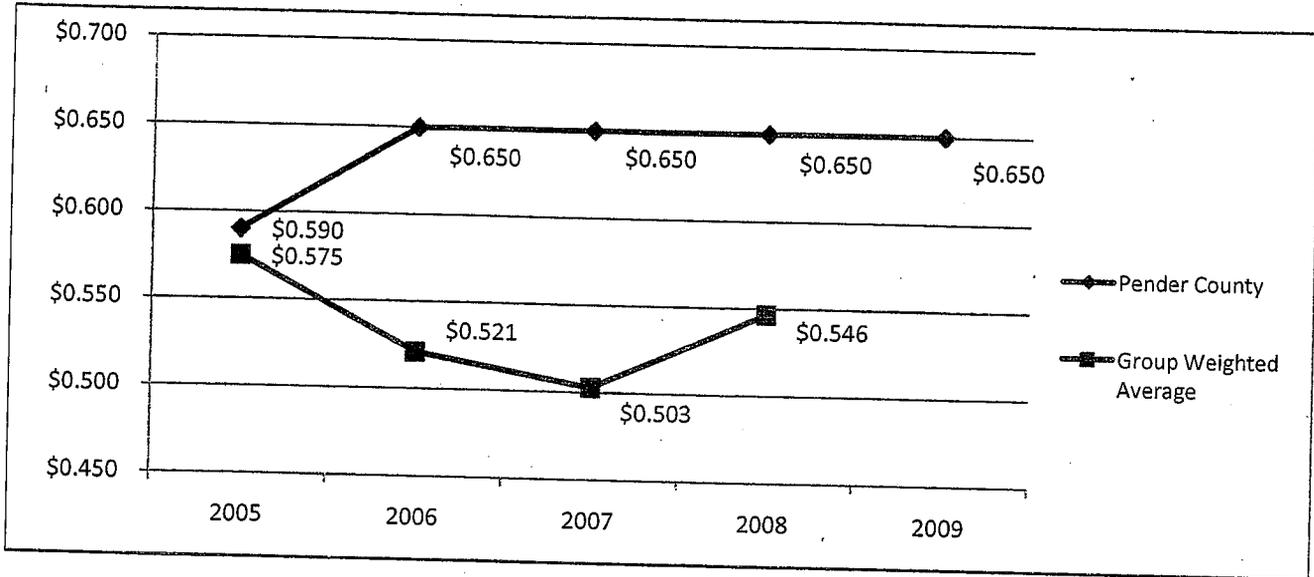
2009

	<u>Cash Balances</u>	<u>Fund Balances</u>
General Fund	\$ 33,316,784	\$ 35,115,414
Water & Sewer Funds	8,472,229	15,550,553
Resource Recovery Fund	718,732	1,759,936
Other Governmental Funds	15,744,541	16,208,461
Total	\$ 58,252,286	\$ 68,634,364

PENDER COUNTY

Property Tax Rates

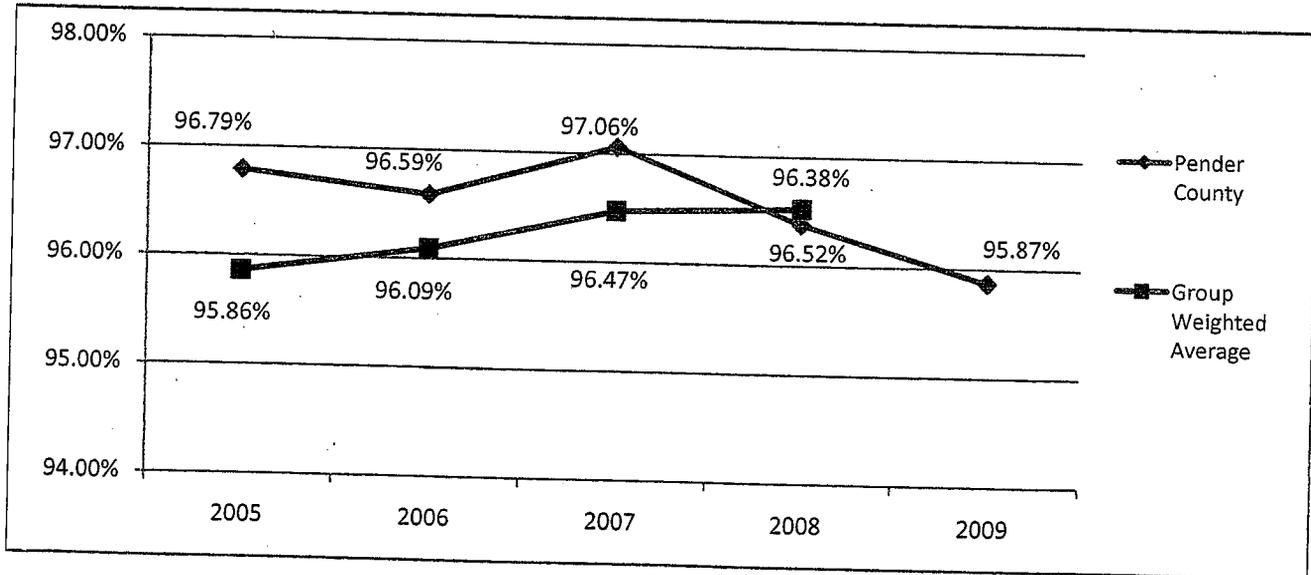
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PENDER COUNTY

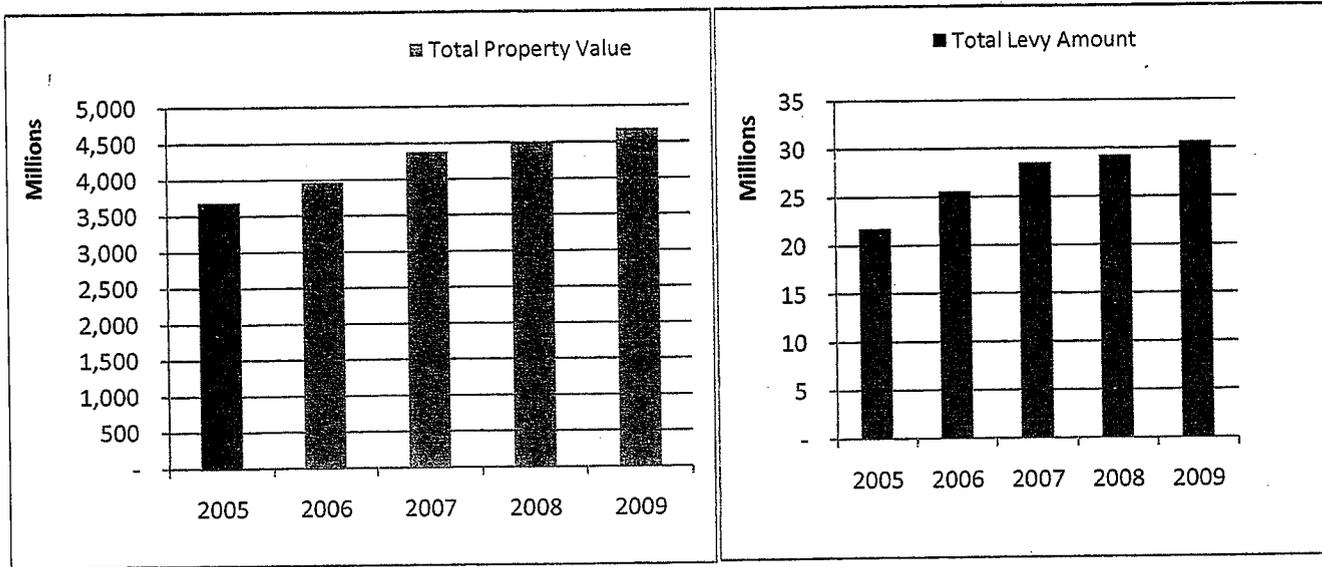
Collection Percentages

(Note - 2009 Group Weighted Average Not Available at Date of Presentation)



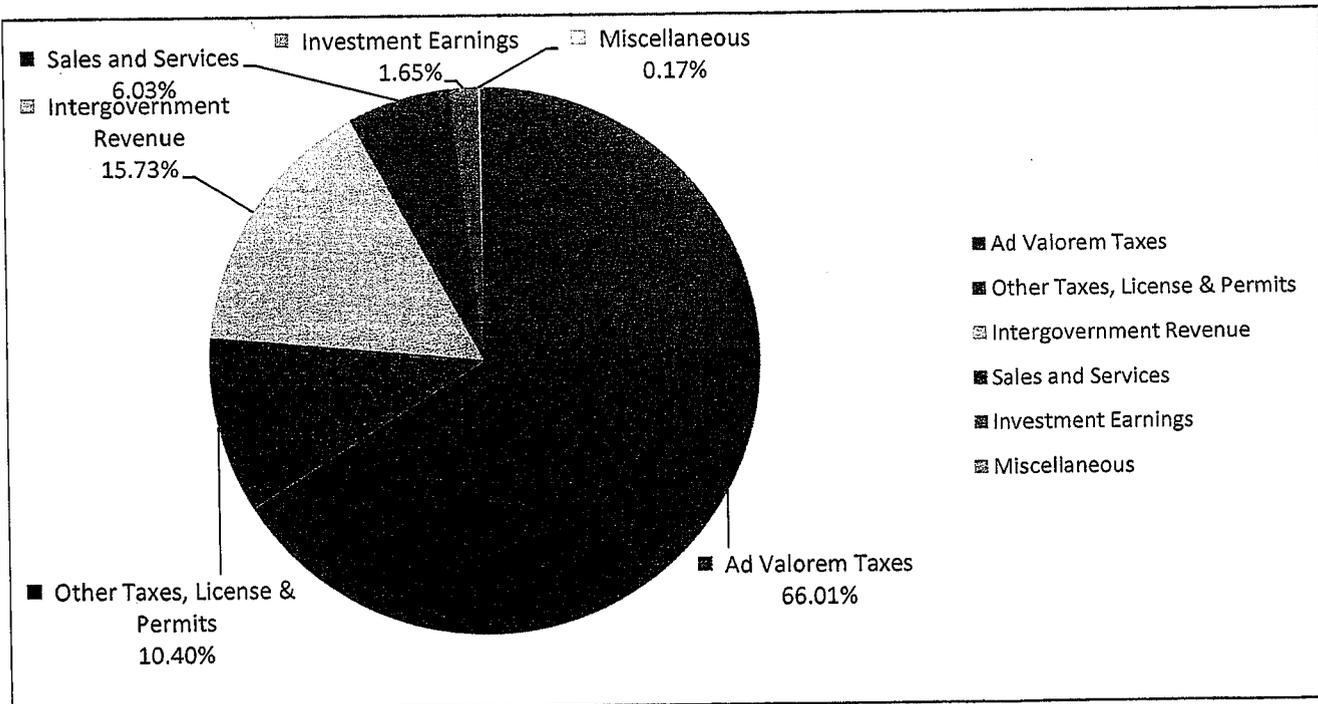
PENDER COUNTY

Property Valuation and Levy Amount



PENDER COUNTY

Break Down of General Fund Revenue FYE June 30, 2009



PENDER COUNTY
Break Down of General Fund Expenditures
FYE June 30, 2009

