



SCOTT F. DADSON
Executive Director

**ISOTHERMAL
PLANNING AND DEVELOPMENT COMMISSION**

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June 30, 2020

To: Board of Directors, Isothermal Regional Commission
From: Scott Dadson, Executive Director
Re: Fiscal Year 18-19 Audit for IPDC, June 30, 2019.

Please find attached to this memo, the Audit and Financials for Isothermal Planning and Development Commission for Fiscal Year 18-19, Ending June 30, 2019. Management fulfilled its responsibilities, as set out in the terms of the LGC-205, "Contract to Audit Accounts" and the accompanying audit engagement dated September 30, 2019 to Dixon Hughes Auditors. As Management, I am fully responsible for the tardiness in the final completion of this audit. As such, I am extending my apologies for the tardiness in getting this Audit completed, to the members of the Commission and to the Board.

As I have expressed to the Board prior to the completion of this Audit, the Commission has been through a transition in Finance Directors position, with a retirement and inability to fill the position during this transition that took longer than expected, COVID which hampered the expeditious work by a third party auditor who was preparing the OPEB (Supplemental Insurance Liabilities) report for Rollforward for Fiscal Year ending 6-30-2018 and the subsequent Actuarial Report on OPEB for the Fiscal Year ending on 6-30-2019. As Management, I requested the work of the audit and actuarial study in February of 2020. Work commenced and then we had the COVID Stay at home order in March of 2020. The reports of the OPEB were delivered to Management by May 27, 2020 at which time our Auditors began the task of completing the final tasks for completion of the Audit, working with the Commissions Management to complete same. This, with my lack of attention to this matter has caused its delay.

Even with this delay, however, I am happy to report to the Commissions Board that the Audit has no adverse findings and that we have increased our unrestricted Fund Balance for the Commission. To that point, the Auditor notes this delay in their letter to the Commission stating "we encountered no significant difficulties in dealing with management in performing and completing our audit; however, this year's audit was completed after the State's deadline because the OPEB valuation was received late and was further complicated by the COVID-19 pandemic."

As Management and specific to the actuarial reports for OPEB, we have stated that "we agree with the findings of specialists in evaluating the Commission's Employees' Pension and Other Postemployment Benefits liabilities, and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists."

Some Financial Highlights from the Audit include the fact that the assets and deferred outflows of the Commission exceeded its liabilities and deferred inflows at the close of the fiscal year by \$1,677,146. Further, the Commissions total net position increased by \$56,123, primarily due to the excess revenues over expenses of IPDC's housing programs and a positive actuarial adjustment to IPDC's OPEB plan. The positive affect on the cash position of the Commission is reflected in the Statement of Net Position that as of the close of the current fiscal year, the Commission general fund reported a fund balance of \$1,522,699, which is an increase of \$50,629 from the prior year. The unassigned fund balance was (\$159,932). The unrestricted portion of Net Position as of June 30, 2019 was (\$391,339). This amount each year is impacted by the State requirement that Net Position resulting from funds owed to the Commission at year end must be shown separately as a component of Net Position. In addition, IPDC also operates a Housing Assistance Program that requires accumulated funds to be shown as restricted.

I have attached the copies of this Audit for your review. Please feel free to reach out to me for any questions, comments or concerns you may have with regards to this communication and any of the attachments.

Attach: