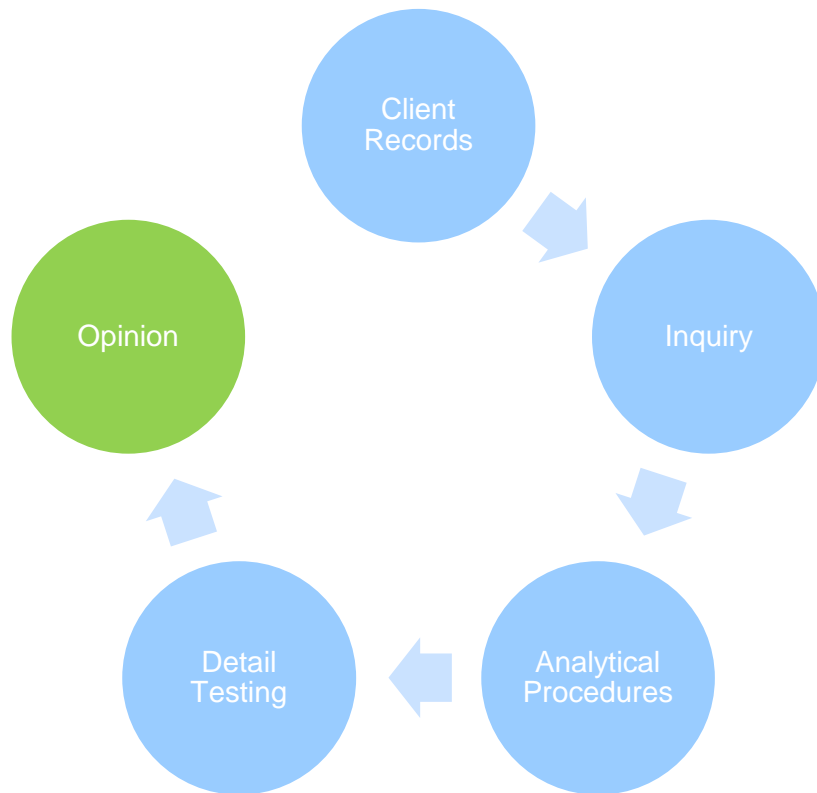


Region Five Development Commission

Presentation of the Audited Financial
Statements

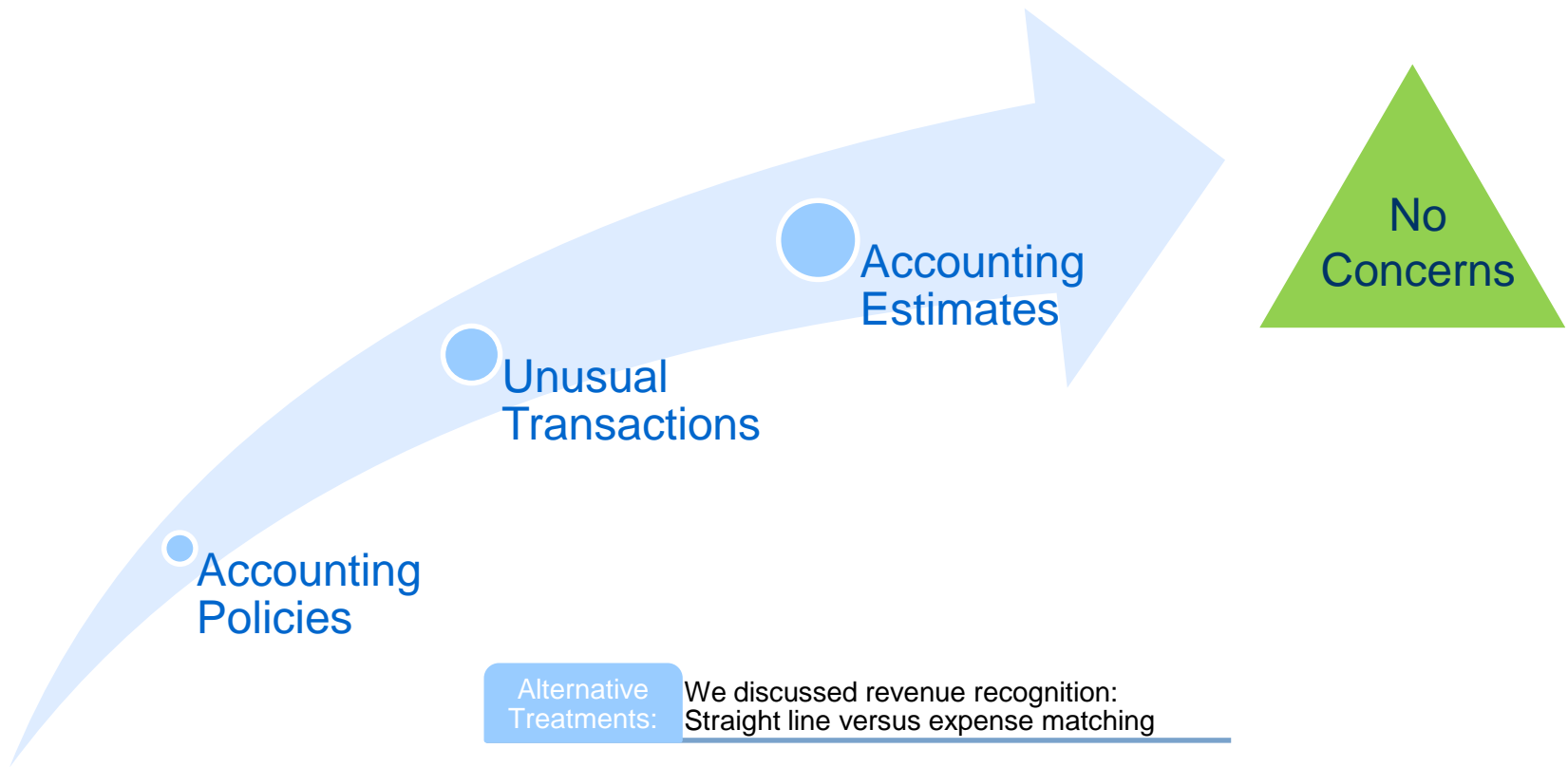
June 30, 2017

Audit Process



- We are expressing an unmodified (clean) opinion on your Commission's financial statements

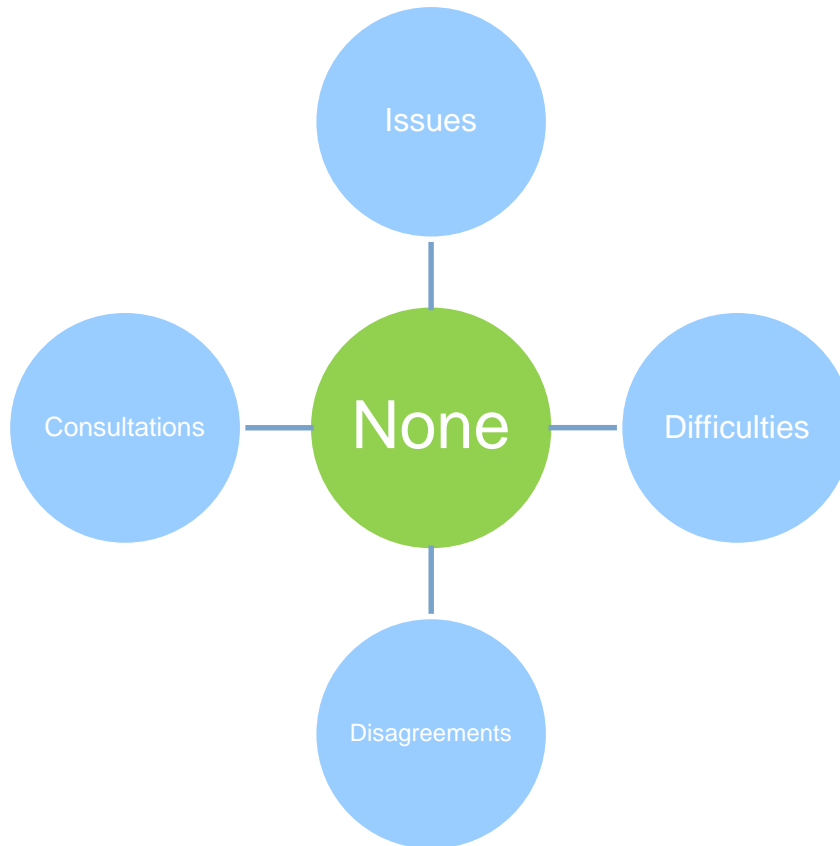
Audit Results



Alternative Treatments:

We discussed revenue recognition: Straight line versus expense matching

Audit Results (Continued)



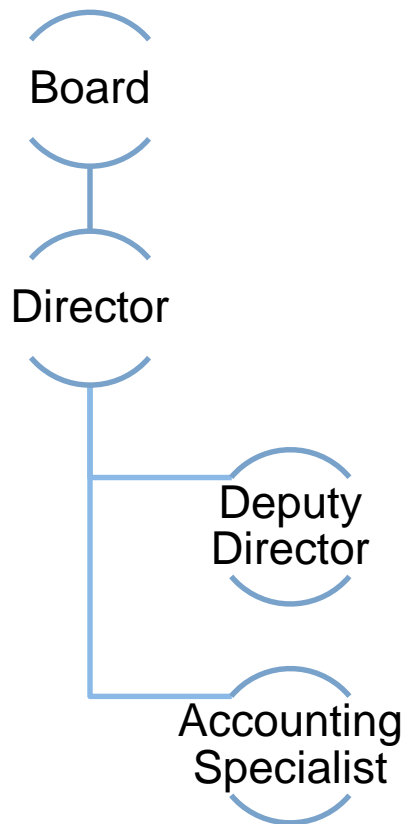
- We had a positive working relationship with the Commission's management and staff

Audit Adjustments – Material Weakness

- ❑ We proposed adjustments to correct errors resulting from the Commission's computer system conversion.
- ❑ Uncorrected misstatements were inconsequential and relate to the effects of an overstatement of Technical Assistance revenue made in the prior year.

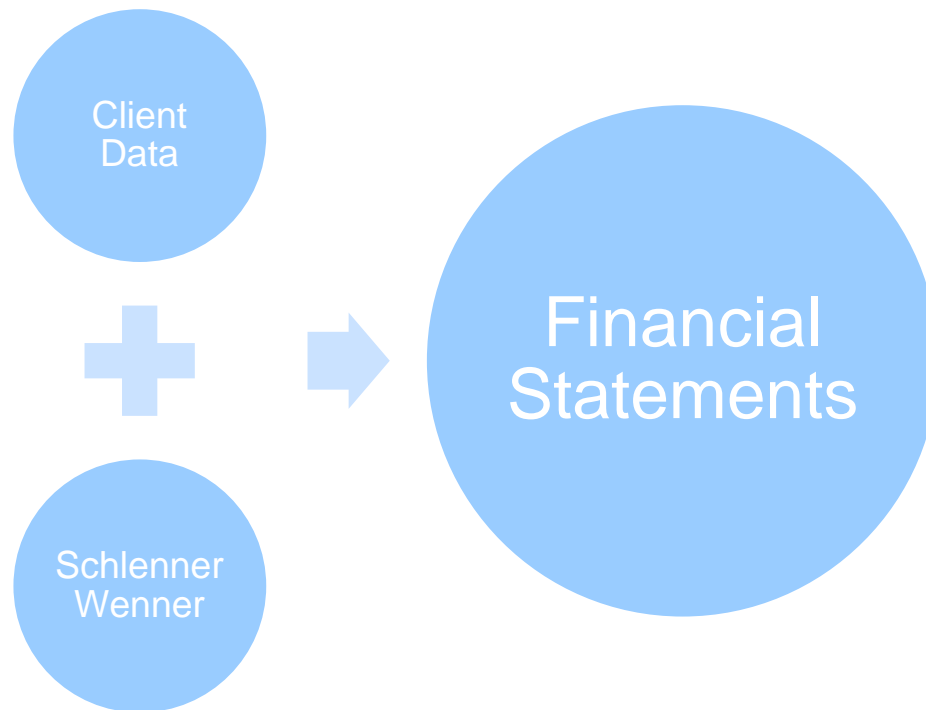


Internal Controls – Material Weakness



- ❑ Your Commission has a lack of proper segregation of duties, which is very common for a Commission of your size.

Internal Controls – Significant Deficiency

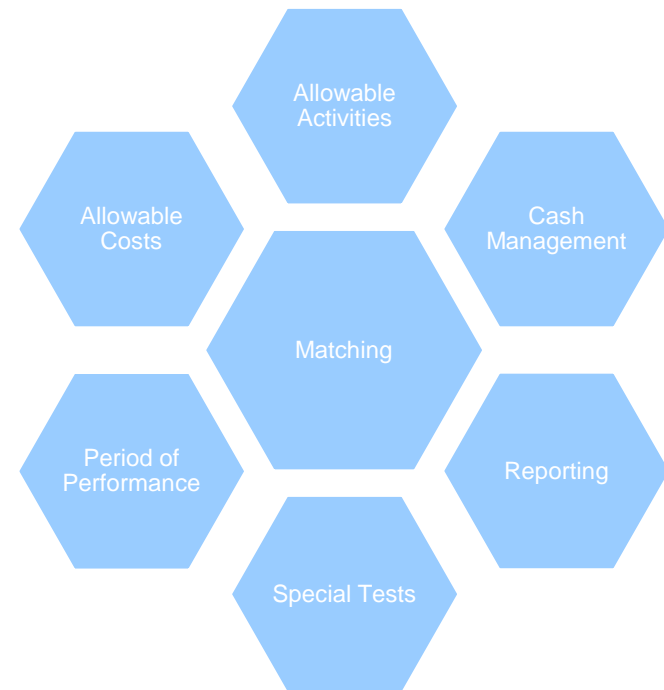


- ❑ Schlenner Wenner and Co. prepares your Commission's financial statements. This is also very common for a Commission of your size.

Single Audit

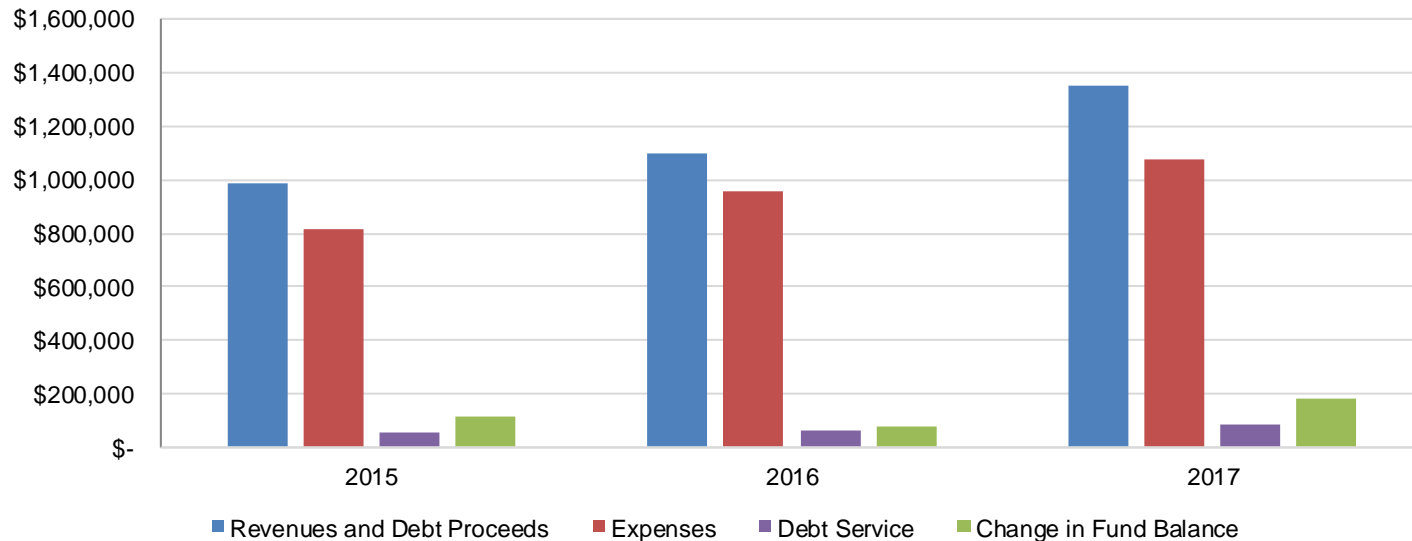
- ❑ Two programs tested as major:
 - ❑ Rural Micro Entrepreneur Assistance Program
 - ❑ Economic Adjustment Assistance – Revolving Loan Fund

- ❑ Unmodified (clean) opinion on “Schedule of Expenditures of Federal Awards”



Financial Highlights

Revenues and Expenses



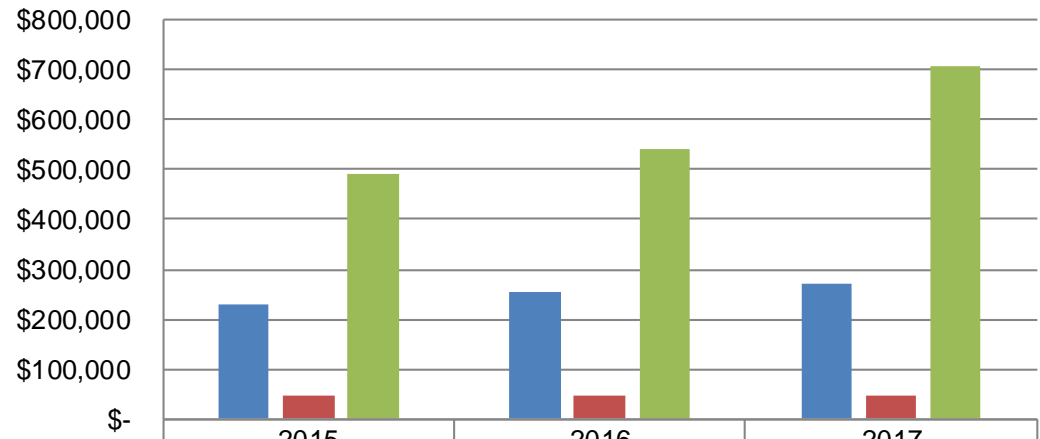
	2015	2016	2017
Revenues and Debt Proceeds	\$ 987,414	\$ 1,095,337	\$ 1,348,720
Expenses	815,727	959,757	1,077,307
Debt Service	54,278	59,695	88,860
Change in Fund Balance	\$ 117,409	\$ 75,885	\$ 182,553
Fund Balance	\$ 766,721	\$ 842,606	\$ 1,025,159

Financial Highlights

Fund Balance

Financial Health Standards

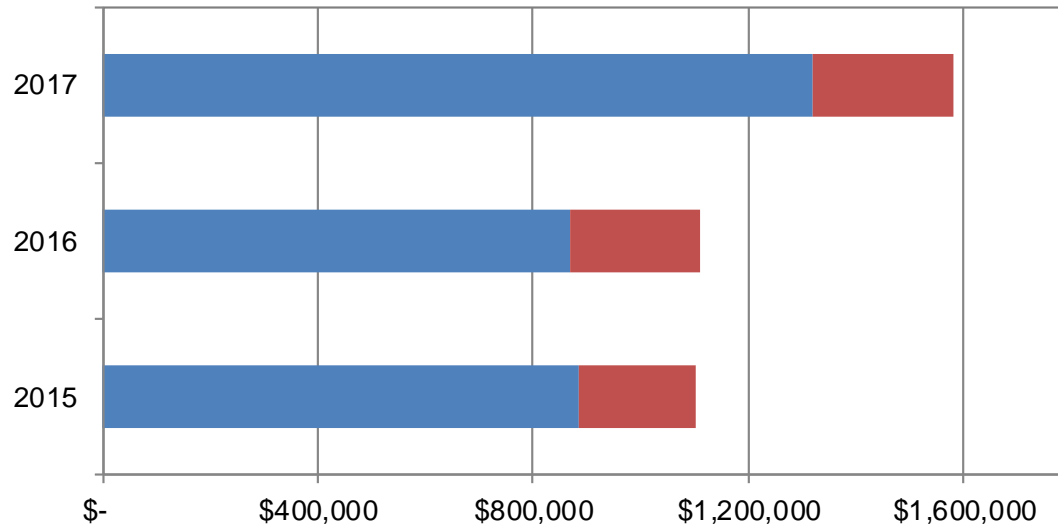
- Has an increase in fund balance at least once in the three most recently completed fiscal years;
- Has a positive fund balance at the end of the most recently completed fiscal year.



	2015	2016	2017
■ Nonspendable	\$229,483	\$254,987	\$270,508
■ Assigned	\$45,817	\$45,817	\$45,817
■ Unassigned	\$491,421	\$541,802	\$708,834

Financial Highlights

Total Assets

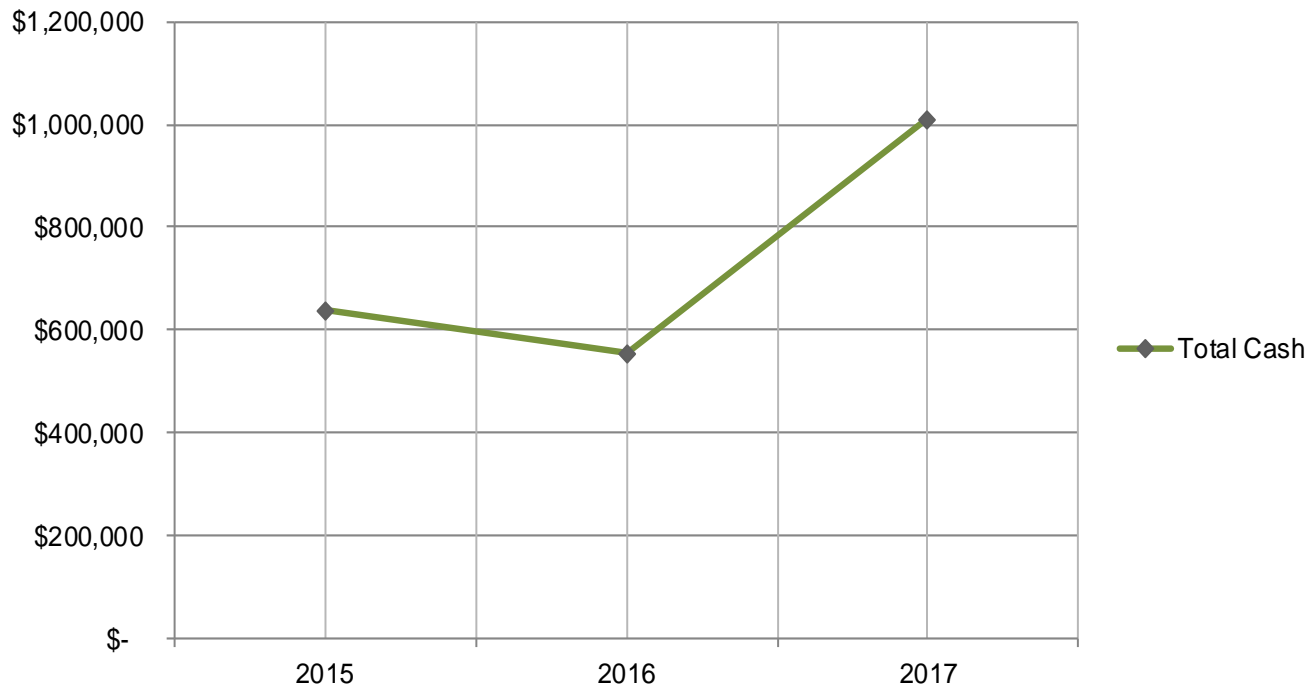


	2015	2016	2017
■ Current Assets	\$886,886	\$867,282	\$1,319,276
■ Total Loans Receivable	\$217,272	\$243,393	\$262,550

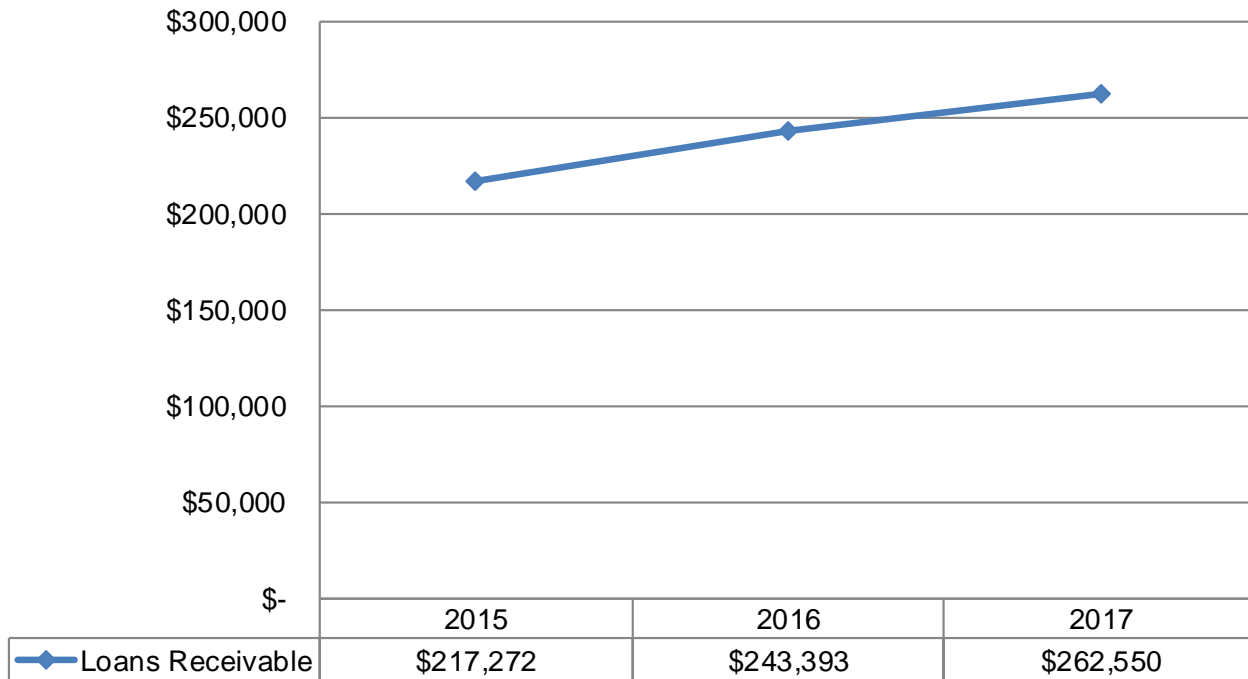
- Increase in current assets is primarily due to an overall increase in cash

Financial Highlights

Cash Trend Analysis



Loans Receivable



Financial Highlights

Total Liabilities

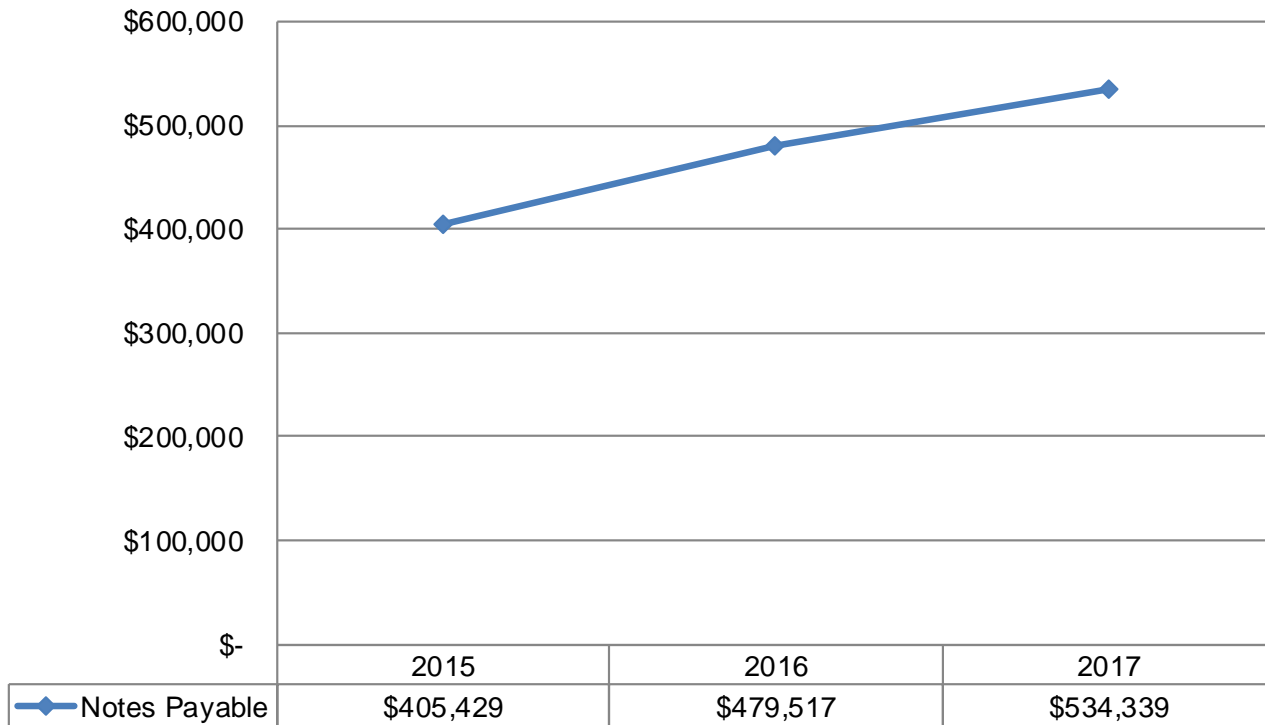


	2015	2016	2017
■ Current and Other Liabilities	\$194,001	\$126,923	\$431,668
■ Long-Term Debt	\$406,955	\$479,517	\$534,339
■ Net Pension Liability	\$300,620	\$279,836	\$462,812

- Increase in current liabilities is primarily due to an increase in unearned revenue



Notes Payable



Questions?

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