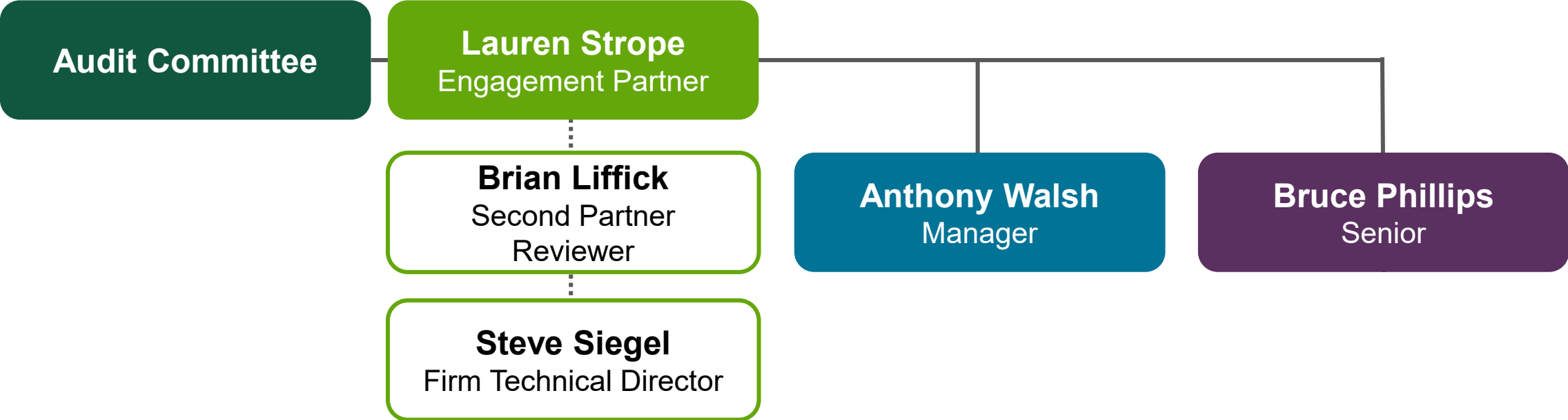


# Pinellas County Metropolitan Planning Organization **Audit Executive Summary**

Forward Pinellas Board July 12, 2023

# Client Service Team





# Agenda

- ▶ Results of the Audit
- ▶ Significant Audit Matters
- ▶ Internal Control Communication
- ▶ Corrected and Uncorrected Misstatements
- ▶ Qualitative Aspects of Accounting Practices
- ▶ Independence Considerations
- ▶ Other Required Communications
- ▶ Other Matters
- ▶ Upcoming Financial Reporting Changes

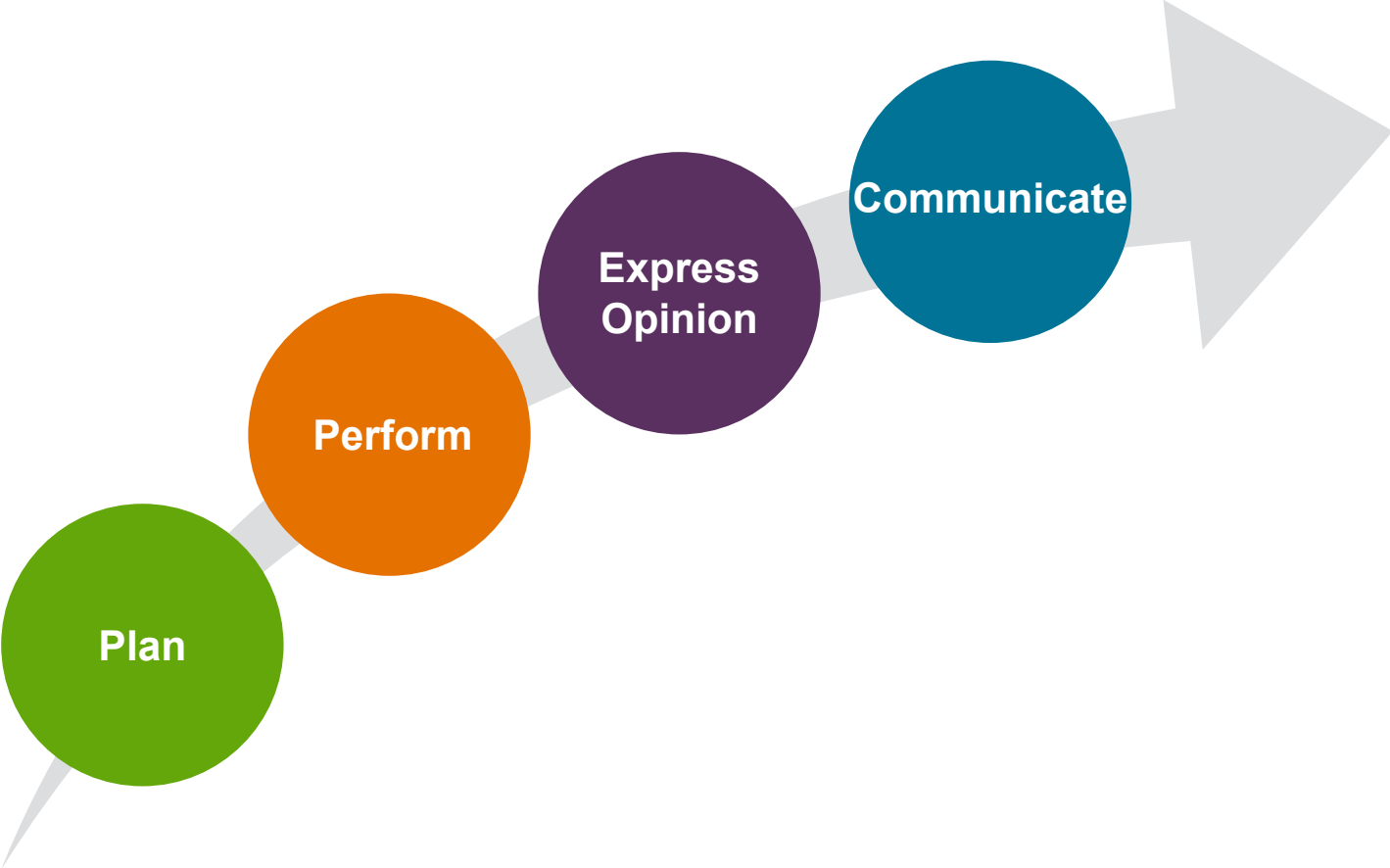
This information is intended solely for the information and use of the Board and management of Pinellas County Metropolitan Planning Organization and is not intended to be, and should not be, used by anyone other than these specified parties.



# Results of the Audit

We have audited the financial statements of Pinellas Metropolitan Planning Organization (the “MPO”) for the year ended September 30, 2022, in accordance with generally accepted auditing standards and *Government Auditing Standards* and have issued our report thereon dated March 29, 2023.

We have issued an unmodified opinion on the financial statements.



# Internal Control Communication

In planning and performing our audit, we considered internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the MPO’s internal control. Accordingly, we do not express an opinion on the effectiveness of the MPO’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.



# Internal Control Communication

## Material Weakness

- ▶ A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the MPO's financial statements will not be prevented, or detected and corrected, on a timely basis.

## Significant Deficiency

- ▶ A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We noted the following deficiency that we believe to be a material weakness.



# Internal Control Communication

## Material Weakness

- ▶ **Finding 2022-001 Material Weakness in Internal Control over Financial Reporting** - During the year ended September 30, 2022, and subsequent to year end, there was a strain on the current personnel to complete their responsibilities in an accurate and timely manner due to turnover within the accounting function. For example, we noted that there was a significant increase in the time required to close the year-end books. During the fiscal year 2022 audit, the auditor discovered it was necessary for management to record several post-closing journal entries to various accounts in order to properly reflect transactions of the fiscal period.



# Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

## Corrected Misstatements

- ▶ The following material misstatements detected as a result of audit procedures were corrected by management:
  - A post-closing entry was made in the amount of approximately \$379,000 to properly record cash and receivable balances at year end.
  - A post-closing entry was made to reclassify approximately \$45,000 in local match revenues improperly recorded as an expenditure.
  - A post-closing entry was made to accrue approximately \$18,000 in grants and other receivable at year end.





# Corrected and Uncorrected Misstatements

## Uncorrected Misstatements

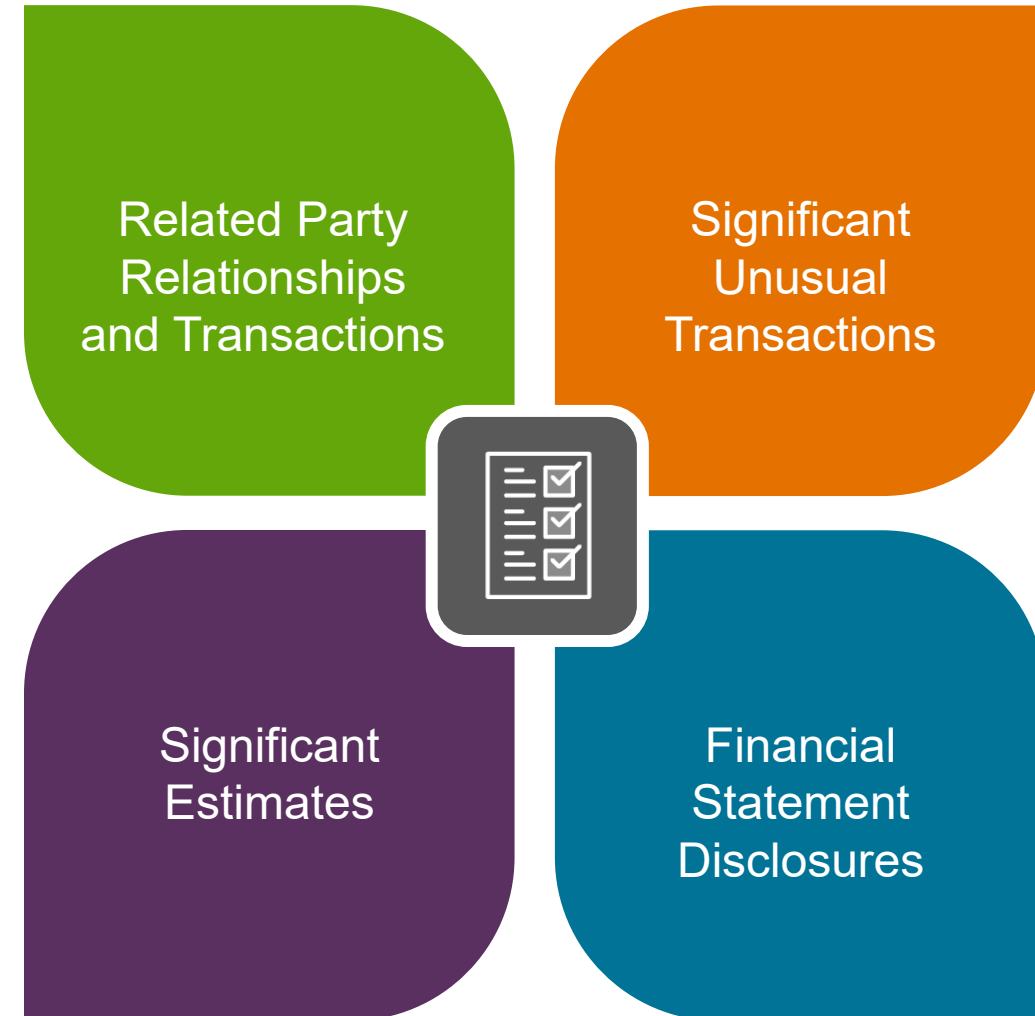
▶ None noted.



# Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the MPO are described in Note 2 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 inappropriate accounting policies or practices.

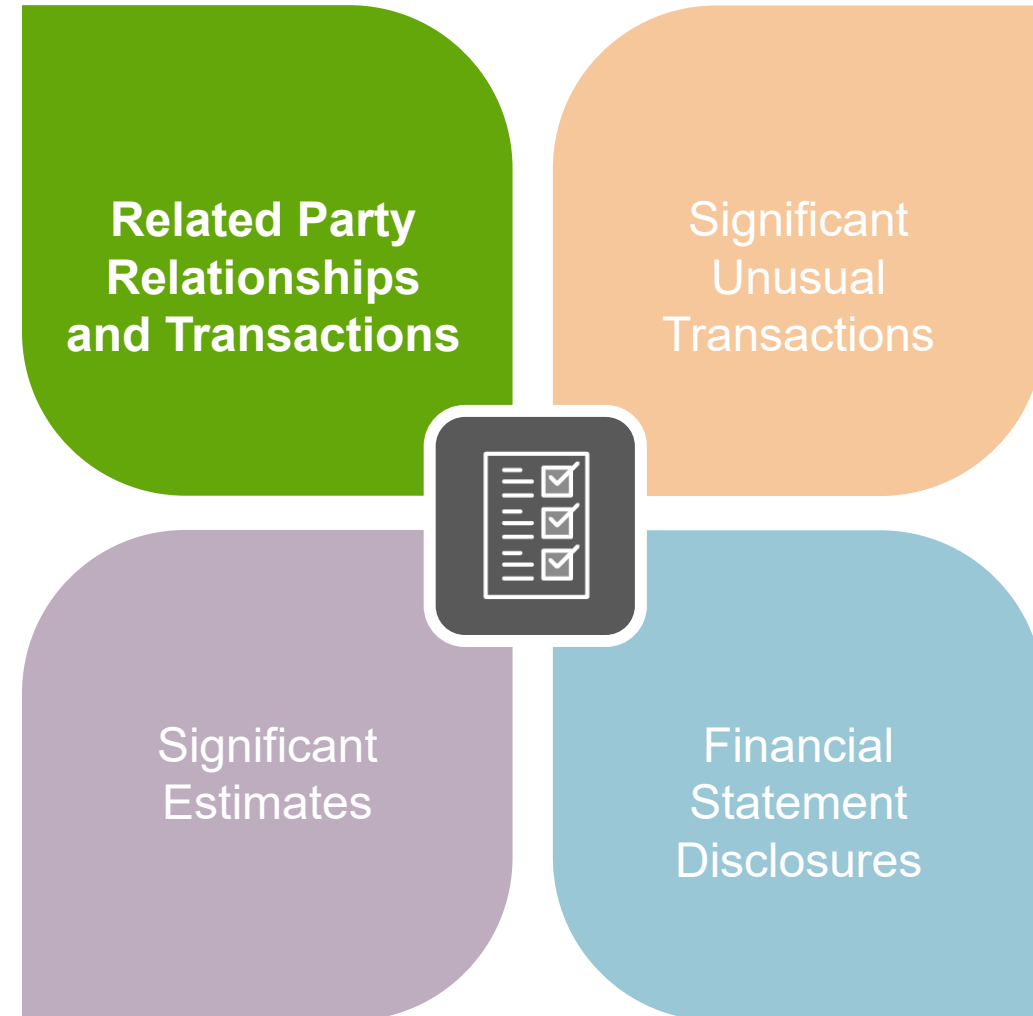


# Qualitative Aspects of Accounting Practices

As part of our audit, we evaluated the MPO's identification of, accounting for, and disclosure of the MPO's relationships and transactions with related parties as required by professional standards.

We noted none of the following:

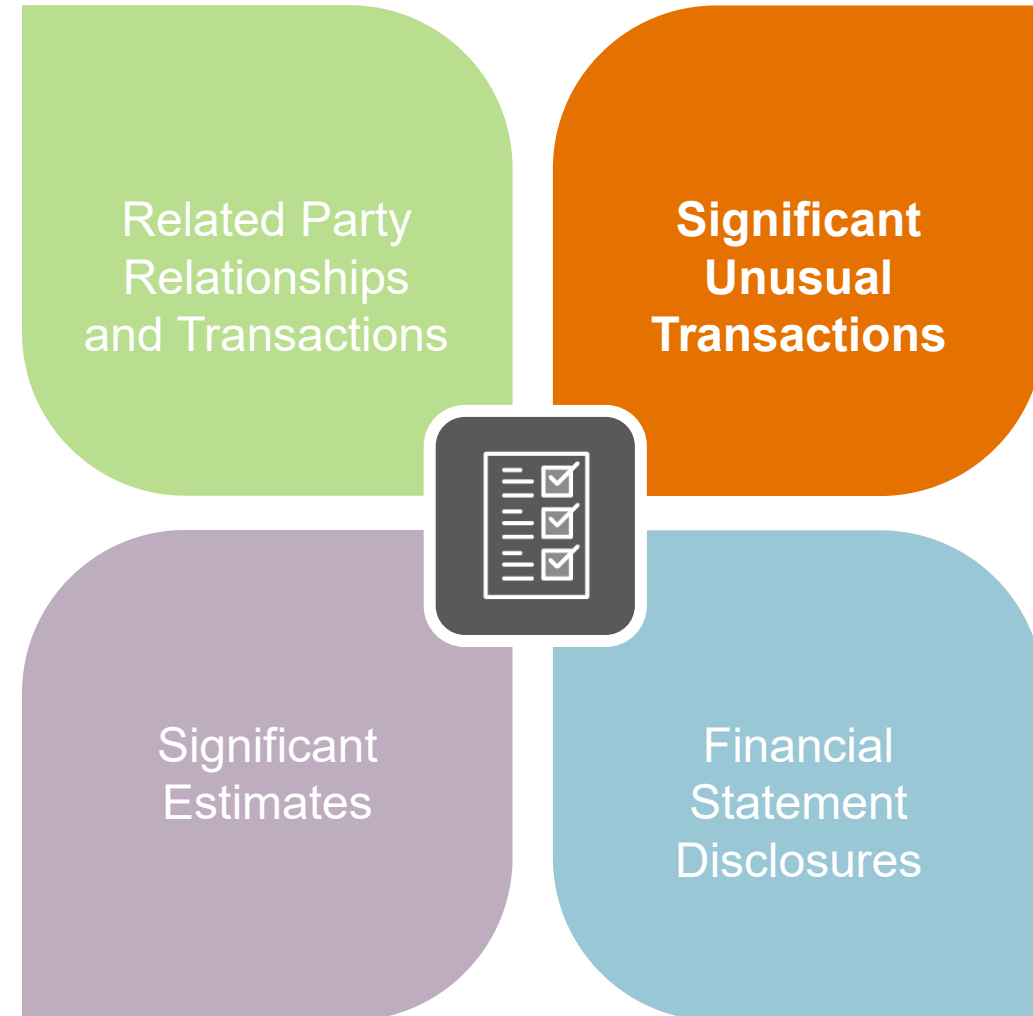
- Related parties or related party relationships or transactions that were previously undisclosed to us;
- Significant related party transactions that have not been approved in accordance with the MPO's policies or procedures or for which exceptions to the MPO's policies or procedures were granted;
- Significant related party transactions that appeared to lack a business purpose;
- Noncompliance with applicable laws or regulations prohibiting or restricting specific types of related party transactions;
- Difficulties in identifying the party that ultimately controls the MPO.



# Qualitative Aspects of Accounting Practices

We noted no transactions entered into by the MPO during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

For purposes of this letter, professional standards define significant unusual transactions as transactions that are outside the normal course of business for the MPO or that otherwise appear to be unusual due to their timing, size, or nature. We noted no significant unusual transactions during our audit.

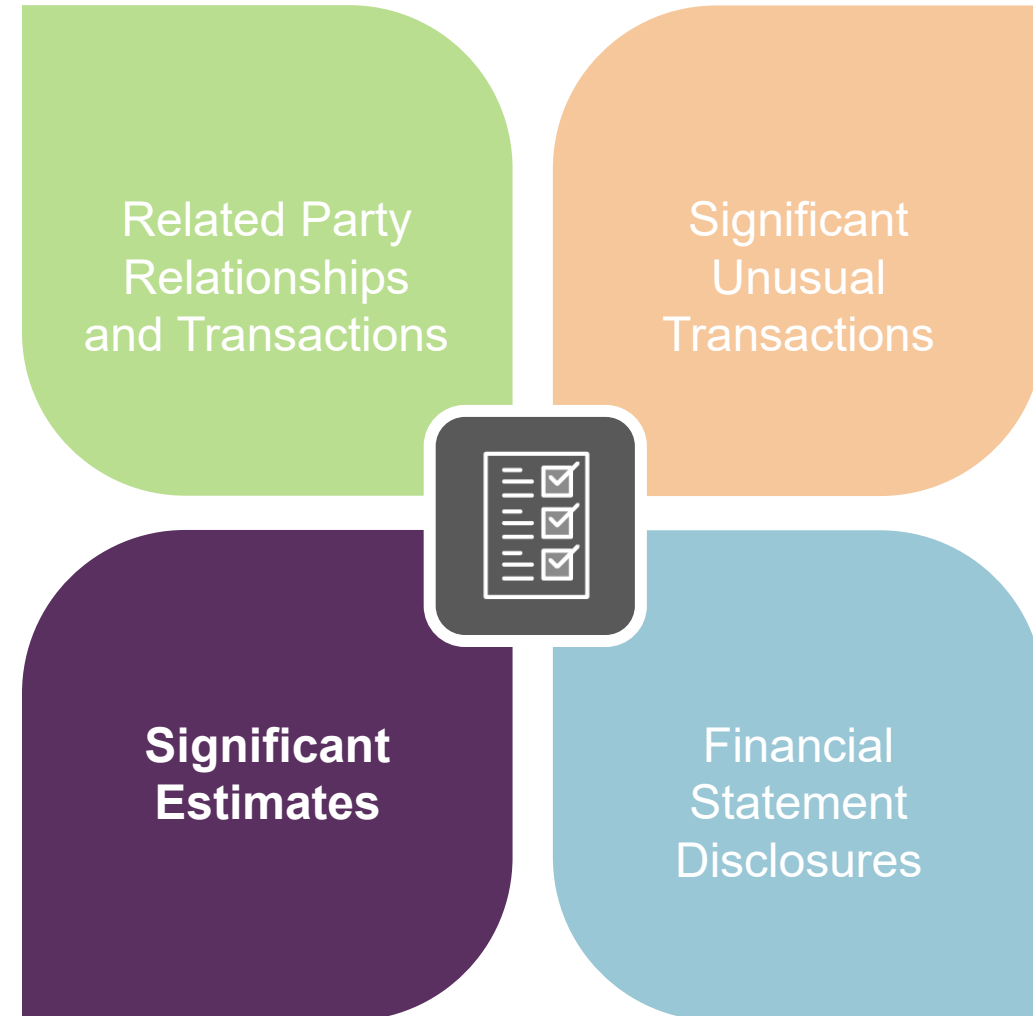


# Qualitative Aspects of Accounting Practices

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. The most sensitive estimates affecting the financial statements were:

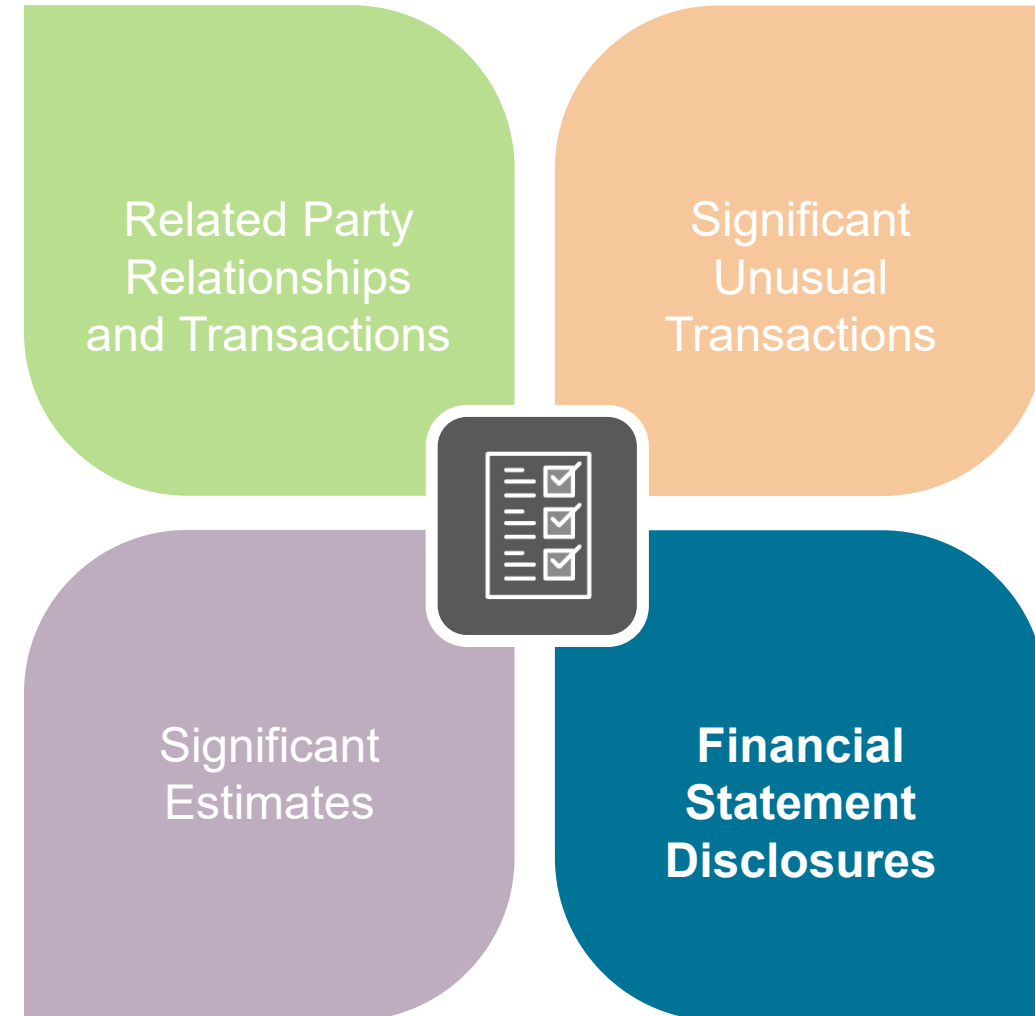
- Allowance for doubtful accounts

Management's estimate of the estimates identified above is based on the analysis of historical collection trends. We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.



# Qualitative Aspects of Accounting Practices

The financial statement disclosures are neutral, consistent, and clear.



# Independence Considerations

## Nonattest Services

- ▶ For all nonattest services we perform, you are responsible for designating a competent employee to oversee the services, make any management decisions, perform any management functions related to the services, evaluate the adequacy of the services, and accept overall responsibility for the results of the services.
- ▶ We performed the following nonattest services:
  - ▶ Assistance with preparation of the Data Collection Form
  - ▶ Assistance with preparation of financial statements.

## Independence Conclusion

- ▶ We are not aware of any other circumstances or relationships that create threats to auditor independence.
- ▶ We are independent of the MPO and have met our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit.



# Other Required Communications

## Difficulties Encountered

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

## Disagreements with Management

Includes disagreements on 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.

## Auditor Consultations

We noted no matters that are difficult or contentious for which the auditor consulted outside the engagement team.

## Management Representations

We have requested certain representations from management that are included in the management representation letter dated [6/29/2023].





# Other Required Communications

## Management Consultations

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.

To our knowledge, there were no such consultations with other accountants.

## Other Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year.

These discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## Fraud and Illegal Acts

As of the date of this presentation, no fraud, illegal acts, or violations of laws and regulations noted.

## Going Concern

No events or conditions noted that indicate substantial doubt about the MPO’s ability to continue as a going concern.



# Other Matters

## Required Supplementary Information

We applied certain limited procedures to management’s discussion and analysis and required supplemental information (“RSI”), as listed in the table of contents, which supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.



# Upcoming Financial Reporting Changes

These standards will be effective for the MPO in the upcoming years and may have a significant impact on the MPO's financial reporting.

We would be happy to discuss with management the potential impacts on the MPO's financial statements and how we may be able to assist in the implementation efforts.

*GASB 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

*GASB 96 – Subscription-Based Information Technology Arrangements*

*GASB 100 – Accounting Changes and Error Corrections*

*GASB 101 – Compensated Absences*



# Questions?

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