

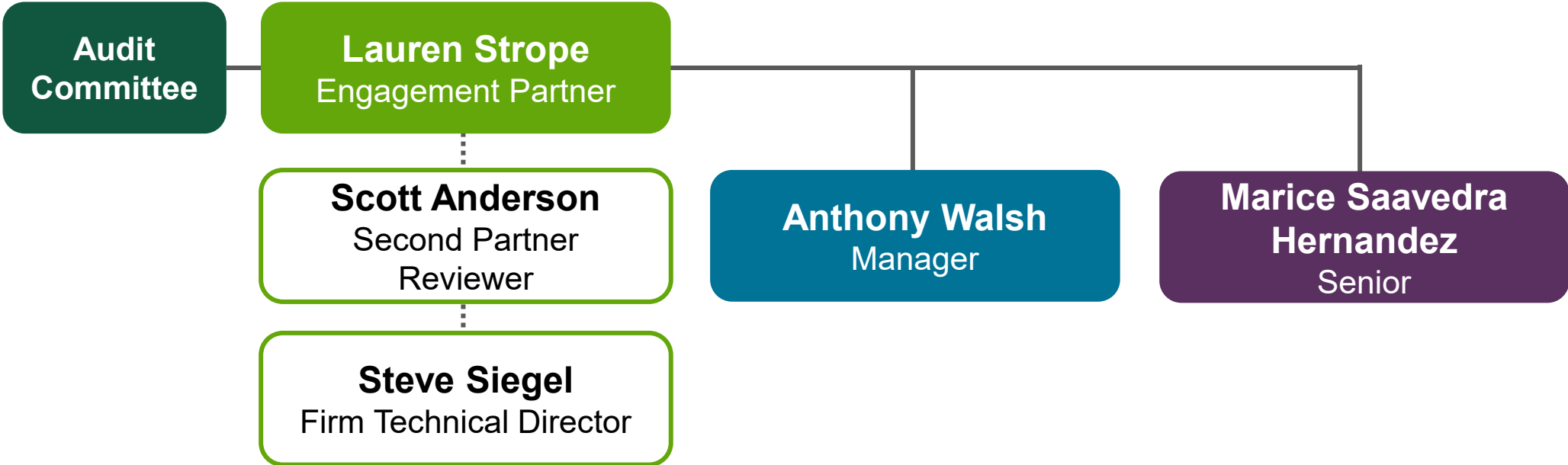
# Pinellas Planning Council **Audit Executive Summary**

March 10, 2023

Forward Pinellas Board July 12, 2023



# Client Service Team





# Agenda

- ▶ Results of the Audit
- ▶ Significant Audit Matters
- ▶ Internal Controls
- ▶ Corrected and Uncorrected Misstatements
- ▶ Required Communications
- ▶ Other Matters
- ▶ Reporting Changes

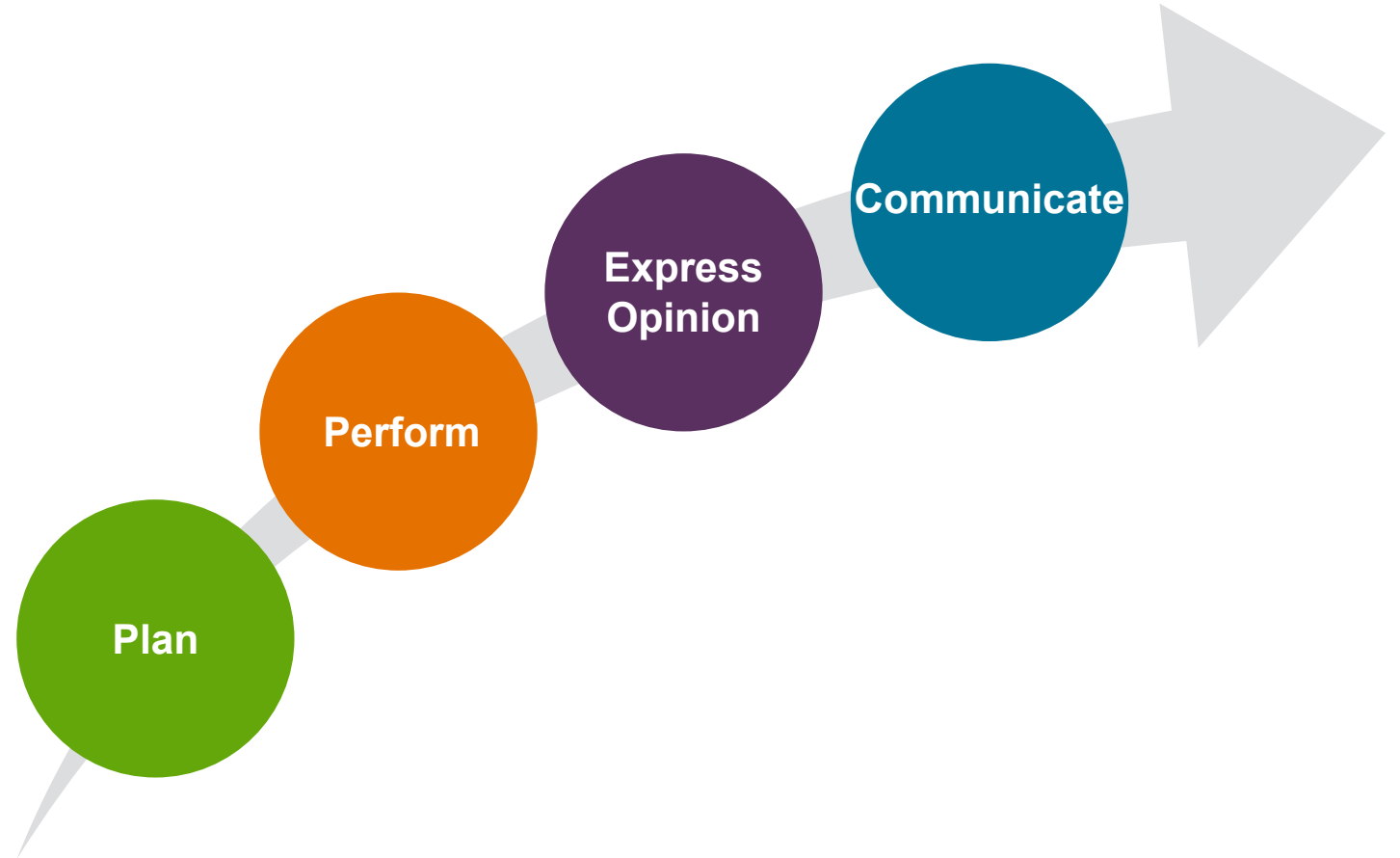
This information is intended solely for the information and use of the Board and management of Pinellas Planning Council and is not intended to be, and should not be, used by anyone other than these specified parties.



# Results of the Audit

We have audited the financial statements of the governmental activities and the general fund of Pinellas Planning Council (the “Council”) for the year ended September 30, 2022, and we have issued our report thereon dated March 10, 2023.

We have issued an unmodified disclaimer of 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 Company’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Company’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 Company'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 no deficiencies that we believe to be significant deficiencies or material weaknesses.



# 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

▶ None noted.

## Uncorrected Misstatements

▶ None noted.

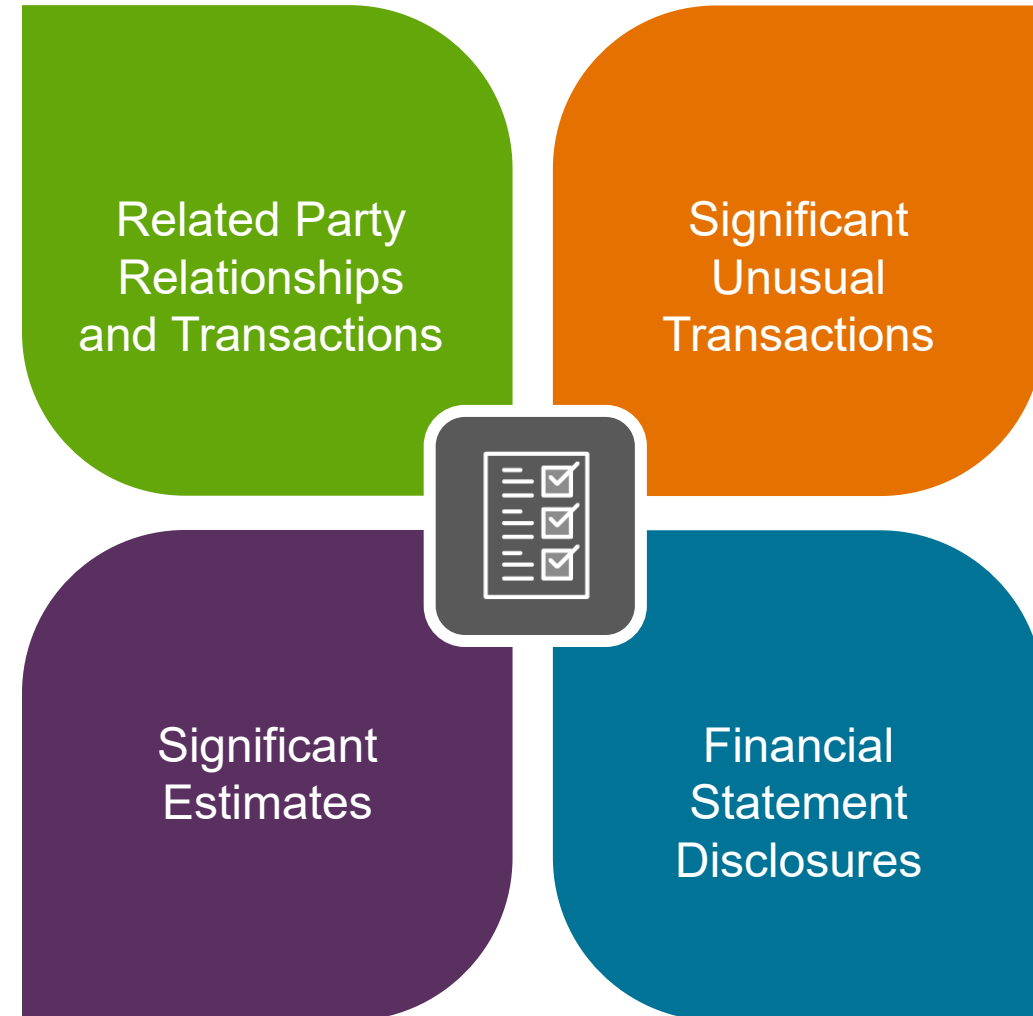


# Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Council are described in Note [2] to the financial statements.

The Council adopted GASB 87, *Leases*, effective October 1, 2021. Most prominent among the changes in the standard is the recognition of right to use assets and lease liabilities for those leases classified as operating leases for lessees. For lessors, a lease receivable and deferred inflow of resources will be recorded for most leases.

We noted no inappropriate accounting policies or practices.



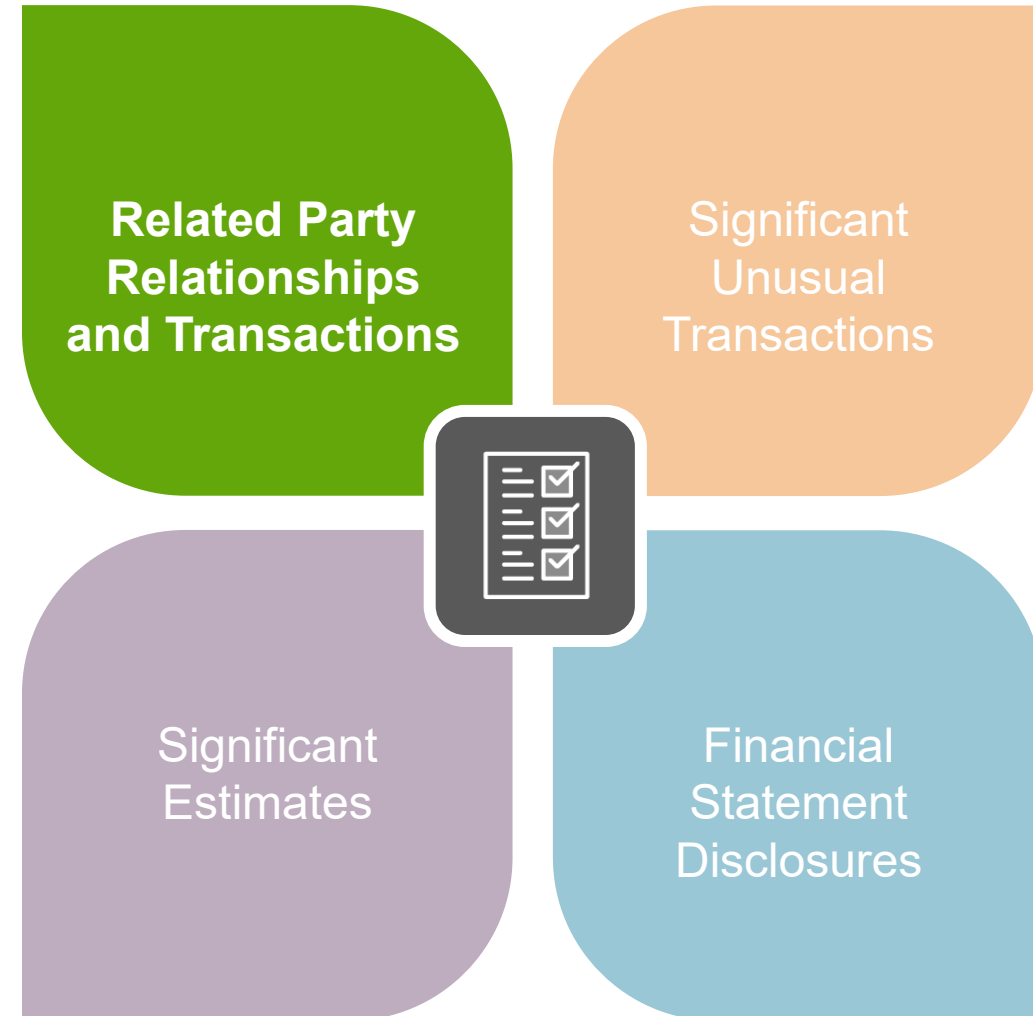


# Qualitative Aspects of Accounting Practices

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

We noted none of the following:

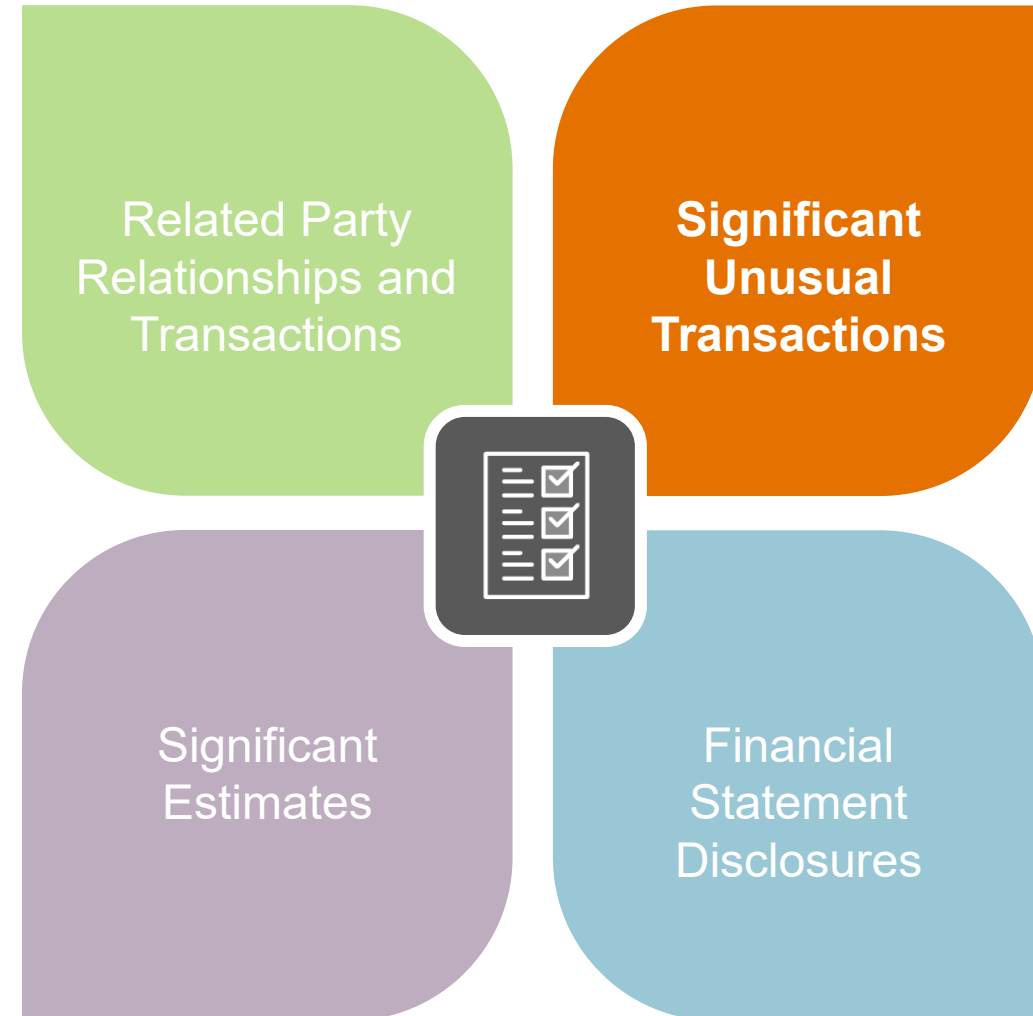
- Related parties or related party relationships or transactions that were previously undisclosed to us;
- Significant related party transactions that have not been approved in accordance with the Company's policies or procedures or for which exceptions to the Company's policies or procedures were granted;
- 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 entity.



# Qualitative Aspects of Accounting Practices

We noted no transactions entered into by the Council 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 Council or that otherwise appear to be unusual due to their timing, size or nature. We noted no significant unusual transactions during our audit.

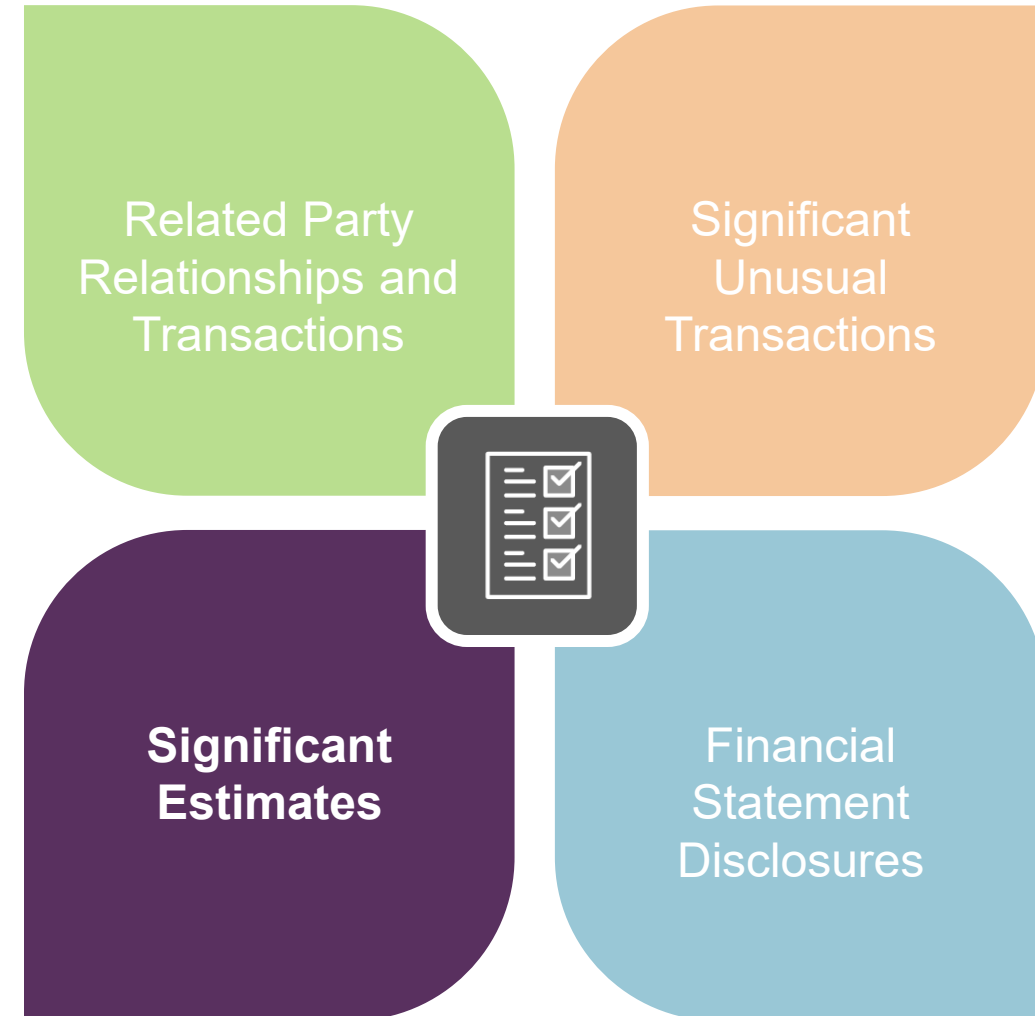


# Qualitative Aspects of Accounting Practices

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:

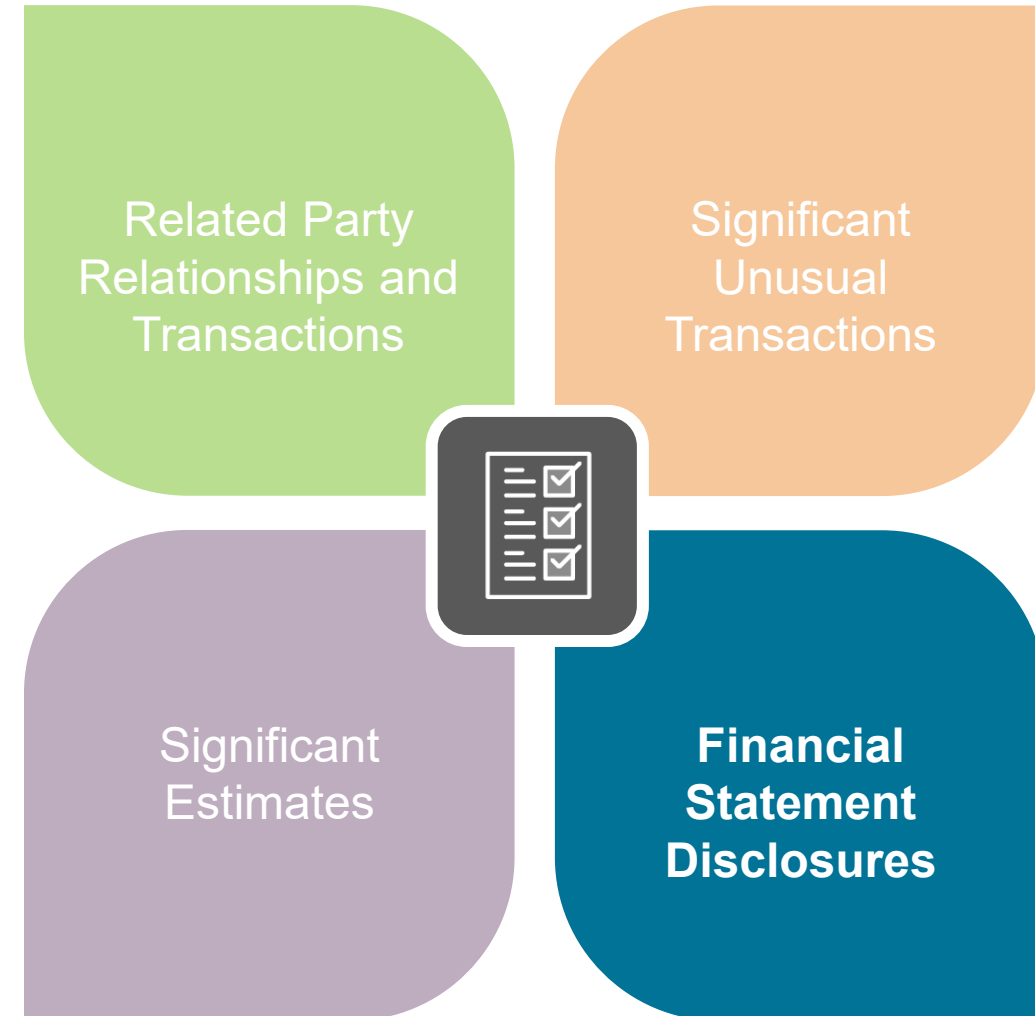
- Allowance for doubtful accounts
- Depreciation expense
- Retirement plan benefits
- Interest rate for leases

Management's estimate of the estimates identified above is based on the analysis of historical collection trends, estimated useful life of the asset, payroll and vacation pay estimates, and actuarial valuations. 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.

## Independence Conclusion

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



# 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 March 10, 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 entity’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 Authority in the upcoming years and may have a significant impact on the Authority's financial reporting.

We would be happy to discuss with management the potential impacts on the Authority'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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#### About Cherry Bekaert

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