

The logo for FORVIS, featuring the word "FORVIS" in a bold, red, sans-serif font. A small "TM" trademark symbol is positioned to the upper right of the letter "S".

FORVISTM

City of Pearland, Texas

FY2022 Audit Presentation to City Council

Audit Scope and Results

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FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

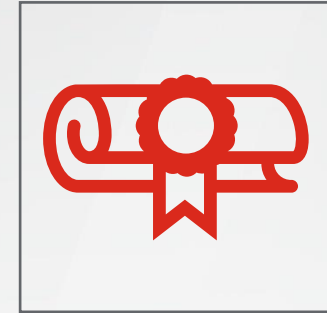
Audit Timeline



Interim and planning procedures
September 2022



Year-end test work
December 2022 / January 2023



Year-end test work completion
Reporting and ACFR preparation
April / May 2023

Financial Statement Audit Results*

- Unmodified “Clean” Opinions
- Audit Adjustments
 - See required audit communications for recorded and passed audit adjustments
- Accounting Changes
 - Implementation of GASB Statement No. 87, *Leases*
 - Restatement of beginning net position

**See Results of the 2022 Financial Statement Audit, Including Required Communications*

Financial Statement Audit Results (cont.)*

- GAGAS Reporting
 - Report on Internal Control over Financial Reporting
 - Finding 2022-001 - Capital Assets
 - Finding 2022-002 - Accrued Revenues and Liabilities

**See Results of the 2022 Financial Statement Audit, Including Required Communications*

Uniform Guidance Audit Results*

- Unmodified “Clean” Opinions
- Major Federal Programs
 - ALN # 66.468 - Drinking Water State Revolving Fund (DWSRF) Cluster
 - ALN # 21.027 - Coronavirus State and Local Fiscal Recovery Fund
- Report on Internal Control Over Compliance
 - No reportable findings

**See Results of the 2022 Financial Statement Audit, Including Required Communications*

Future Pronouncements

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Accounting Updates - GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

Summary

- Provides guidance on reporting public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs).
- PPPs: arrangement where government contracts with an operator to provide public services by conveying right to an asset
- APAs: arrangement where a government compensates an operator for services such as designing, constructing, financing, maintaining or operating an asset
- Statement's language and concepts closely mirror the lease guidance provided in GASB 87, *Leases*.
- GASB 94 is effective for the City's 2023 fiscal year.

Potential Impact

- Report a PPP asset and a corresponding PPP liability
- Disclose essential information about the arrangement

Accounting Updates - GASB Statement 96, *Subscription-Based Information Technology Arrangements*

Summary

- Addresses the accounting for the costs related to cloud computing agreements.
- Statement's language and concepts closely mirror the lease guidance provided in GASB 87, *Leases*.
- GASB 96 is effective for the City's 2023 fiscal year.

Potential Impact

- Report a subscription asset and a corresponding subscription liability
- Disclose essential information about the arrangement

Questions?

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