

**Report to the
Commission
Members**

Isothermal Planning and Development Commission

June 30, 2019



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Communication with Those Charged with Governance

June 29, 2020

Commission Members
Isothermal Planning and Development Commission, Inc.
Rutherfordton, North Carolina

We have audited the financial statements of the governmental activities, major fund and aggregate remaining fund information of Isothermal Planning and Development Commission, Inc. (the “Commission”) for the year ended June 30, 2019, and have issued our report thereon dated June 29, 2020. Professional standards require that we provide you with information about our responsibilities in accordance with auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 30, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Commission are described in Note 1 to the financial statements.

The application of existing policies was not changed during fiscal year 2019. We noted no transactions entered in by the Commission during the year that were both significant and unusual that we are required to inform you. Also, we noted no transactions for which there is a lack of authoritative guidance.

All significant transactions have occurred during this fiscal year have been properly recognized in the basic financial statements.

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 estimate affecting the financial statements was:

Management’s estimate of the depreciation expense is based on the assets’ respective estimated useful lives. We evaluated the key factors and assumptions used to develop the depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate for the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense is based upon guidance provided by the State. We have evaluated the key factors and assumptions used by the State to develop the estimates of the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense in determining that they are reasonable in relation to the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statements users. All significant disclosures have been prepared in accordance with accounting principles generally accepted in the United States of America and are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audits.

Management Representations

We have requested certain written representations from management that are included in the management representation letter included at Appendix A.

Management Consultations with Other Accountants

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. If a consultation involves application of an accounting principle to the Commission’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Matters, Findings, or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Commission’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Limited Use Restriction

This information is intended solely for the use of the Commission Members and management of the Commission and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to express our appreciation for the assistance and cooperation given our representatives during our audit. Should you have any questions concerning the matters presented herein, we would be pleased to discuss them with you further at your convenience.

Sincerely,

Dixon Hughes Goodman LLP

Asheville, North Carolina

Appendix A

Management Representation Letter