

**TAMPA BAY AREA REGIONAL  
TRANSPORTATION AUTHORITY**

**FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2016**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Tampa Bay Area Regional Transportation Authority  
Tampa, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and general fund of the Tampa Bay Area Regional Transportation Authority (TBARTA), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise TBARTA's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of TBARTA as of September 30, 2016, and the respective changes in financial position, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedule for the general fund, as listed on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise TBARTA's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Auditor Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2017 on our consideration of TBARTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TBARTA's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Tampa, Florida  
June 12, 2017

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016**

As management of the Tampa Bay Area Regional Transportation Authority (TBARTA), we offer readers of TBARTA's financial statements this narrative overview and analysis of the financial activities of TBARTA for the fiscal year ended September 30, 2016. The information presented here should be considered in conjunction with the financial statements.

**Financial Highlights**

TBARTA's net position is \$(18,813), an increase of \$149,797 from the previous year.

During the year, total revenues were \$1,463,004 versus total expenses of \$1,313,207.

**Overview of the Financial Statements**

The basic financial statements consist of three components: 1) government-wide financial statements providing information about the activities of TBARTA as a whole; 2) fund financial statements and, 3) notes to the financial statements. In addition to these basic statements, the report also contains other supplemental information in addition to the basic financial statements

*Government-wide Financial Statements* - The government-wide financial statements are designed to provide a broad overview of TBARTA's finances in a manner similar to a private-sector business. The government-wide statements provide information about TBARTA's financial status as a whole. These statements include details of income during the year and a breakdown by category of expenses for activities and administration of TBARTA. The statements include *all* assets and liabilities using the accrual basis of accounting. This means that all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report TBARTA's net position and changes in net position. The net position – the difference between assets and liabilities – are an important measure of TBARTA's financial health.

*Fund Financial Statements* - The fund statements on pages 10 through 13 provide a detailed look at TBARTA's general fund. TBARTA, like all government entities, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance related legal requirements. TBARTA uses one fund, a governmental general fund, which focuses on (1) how cash and other financial assets, that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the general fund statements provide a detailed short-term view that indicates whether there are more or fewer financial resources that can be spent in the near future to finance TBARTA's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, a detailed reconciliation provides additional information that explains the relationship (or differences) between the statements.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016**

**Net Position**

At September 30, 2016, TBARTA's assets exceeded its liabilities by \$18,813.

**Tampa Bay Regional Transportation Authority – Net Position**

	Governmental Activities		Increase (Decrease)
	2016	2015	
Current and Other Assets	\$ 756,646	\$ 738,058	\$ 18,588
Capital Assets - Net	29,781	63,098	(33,317)
Total Assets	<u>786,427</u>	<u>801,156</u>	<u>(14,729)</u>
Current Liabilities	762,079	909,503	(147,424)
Long-Term Liabilities	43,161	60,263	(17,102)
Total Liabilities	<u>805,240</u>	<u>969,766</u>	<u>(164,526)</u>
Net Position			
Invested in Capital Assets	29,781	63,098	(33,317)
Unrestricted	(48,594)	(231,708)	183,114
Total Net Position	<u>\$ (18,813)</u>	<u>\$ (168,610)</u>	<u>\$ 149,797</u>

Decrease in current liabilities is in line with the decrease in expenses incurred in fiscal year 2016 that remained unpaid as of September 30, 2016.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016**

**Changes in Net Position**

Revenues relating to TBARTA's operating grants and contributions totaled \$1,463,004, an increase of \$466,769 from the previous year. The increase was attributable grant revenues generated from the Surface Transportation Program grant from \$891 in the prior year to \$343,488 in the current year. Also, during the current fiscal year, more timely payments were made to employees, contractors, vendors, and other service providers in comparison to the prior year that were considered eligible expenditures for grant reimbursements, resulting in an increase in operating grants and contributions.

Expenses totaled \$1,313,207, a decrease of \$326,776 from the previous year. The decrease is primarily due to lower professional services and other contract expenses, namely due to work performed in the prior year updating the Master Plan that did not recur in fiscal year 2016.

**Tampa Bay Area Regional Transportation Authority - Changes in Net Position**

	<u>Governmental Activities</u>		<u>Increase</u>
	<u>2016</u>	<u>2015</u>	<u>(Decrease)</u>
<b>REVENUES</b>			
Program Revenue:			
Operating Grants and Contributions	\$ 1,463,004	\$ 996,235	\$ 466,769
General Revenues:			
Miscellaneous	-	193	(193)
Total Revenues	<u>1,463,004</u>	<u>996,428</u>	<u>466,576</u>
<b>FUNCTIONAL/PROGRAM EXPENSES</b>			
Transportation	<u>1,313,207</u>	<u>1,639,983</u>	<u>(326,776)</u>
Total Functional/Program Expenses	<u>1,313,207</u>	<u>1,639,983</u>	<u>(326,776)</u>
<b>INCREASE IN NET POSITION</b>	149,797	(643,555)	793,352
Net Position - Beginning of Year	<u>(168,610)</u>	<u>474,945</u>	<u>(643,555)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ (18,813)</u>	<u>\$ (168,610)</u>	<u>\$ 149,797</u>

**General Fund**

The focus of TBARTA's general fund is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing TBARTA's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**Budgetary Highlights**

TBARTA's Governing Board approves the annual operating budget. The Governing Board must also approve any required revisions that result in an increase to total expenditures. The budget is maintained at a general fund level, with no projects being identified to date. In addition, financial statements, which detail month-to-date and the year-to-date actual versus budgeted expenditure comparisons, are presented to the Governing Board on a quarterly basis for review. There were no budget amendments made to the originally adopted budget for the year ended September 30, 2016.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016**

**Economic Factors and the 2016-2017 Budget**

TBARTA continues to identify projects and funding sources that facilitate the expansion of the vanpool program and related commuter assistance services. TBARTA executed a Joint Participation Agreement with FDOT under the Surface Transportation Program for FY16/17, which provided an additional \$283,880 for outreach and capital expansion of the vanpool program. Additional funding sources for FY17 are also being secured. Transportation Regional Incentive Program (TRIP) funding, providing an additional \$120,000 for outreach and capital expansion of vanpool will be executed. While it is not guaranteed, future funding for the program, under a combination of federal and state funding, has been identified in the Schedule of Projects for Capital Improvements in the Hillsborough Comprehensive Plan, with \$816,400 in FY17/18, \$1,230,000 in FY18/19, \$1,619,000 in FY19/20, and \$509,170 in FY20/21. TBARTA is working with Hillsborough County and FDOT District 7 on true-up of these allocations, and is looking at alternative funding for these years as well.

To enable it the opportunity to request additional funding for vanpool and paratransit related projects, TBARTA is in the application process to be approved as a FTA direct recipient grantee. Currently, Pinellas County is the designated recipient, through which FTA funds for capital expansion, marketing, and planning are currently encumbered.

In FY16, TBARTA worked to secure a portion of state funding for trails projects under the FDOT Shared-Use Non-Motorized Transportation (SUNTrails) program, which allocates a total of \$25 million per year to connecting trails to create a statewide trail system. TBARTA leveraged its position as a regional authority to encourage counties to work together, under the umbrella of TBARTA, to compete for the funding source, to be awarded in FY17.

On October 11, 2016, the Florida Department of Transportation (FDOT) awarded \$44.4 million in Shared-Use Nonmotorized (SUN) Trail Funding to 45 trail projects throughout the State of Florida. Following the leadership of the TBARTA and transportation organizations in West Central and Southwest Florida, \$11.1 million, a 25 percent share, was allocated to portions of the Coast-to-Coast Connector, Southwest Coastal Regional Trail, Heart of Florida Loop, and Peace River to Nature Coast multi-use trail corridors within the Tampa Bay region. TBARTA, with its regional partners, continue to pursue additional funding for regional trails in West Central Florida.

TBARTA is working with FDOT District 1 to enable operations of its Commuter Assistance Program, primarily vanpool, in Sarasota, Manatee, and Polk counties. Under present agreement, TBARTA is funded for operations only in FDOT District 7 counties. While an amount has not been identified, an agreement with District 1 would provide an additional funding source for capital expansion, marketing and program administration.

**Requests For Information**

This financial report is designed to provide a general overview of Tampa Bay Area Regional Transportation Authority's finances. Questions concerning budgets, long-term financial planning, future debt issuances, or questions related to the management of the TBARTA's operations should be addressed to the Executive Director at:

Ray Chiamonte  
4350 West Cypress Street, Suite 700  
Tampa, Florida 33607

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016**

**ASSETS**

Cash	\$	41,572
Due from Federal and State Agencies		697,899
Prepays and Other		17,175
Capital Assets, Net		29,781
Total Assets		786,427

**LIABILITIES**

Accounts Payable		542,079
Accrued Liabilities		17,905
Accrued Compensated Absences		25,256
Advanced from State Agency		220,000
Total Liabilities		805,240

**NET POSITION**

Investment in Capital Assets		29,781
Unrestricted		(48,594)
Total Net Position	\$	(18,813)

*See accompanying Notes to Financial Statements.*

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2016**

	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
<u>Functions/Programs</u>			
Primary Government:			
Governmental Activities:			
Transportation	\$ 1,313,207	\$ 1,463,004	\$ 149,797
Total Governmental Activities	\$ 1,313,207	\$ 1,463,004	149,797
			149,797
			(168,610)
			\$ (18,813)

See accompanying Notes to Financial Statements.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
BALANCE SHEET – GENERAL FUND  
SEPTEMBER 30, 2016**

**ASSETS**

Cash	\$	41,572
Due from Federal and State Agencies		697,899
Prepays and Other		<u>17,175</u>
 Total Assets	 \$	 <u><u>756,646</u></u>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES**

**LIABILITIES**

Accounts Payable	\$	542,079
Accrued Liabilities		13,260
Advance from State Agency		<u>220,000</u>
Total Liabilities		<u>775,339</u>

**DEFERRED INFLOWS OF RESOURCES**

Unavailable Revenues		<u>297,794</u>
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**FUND BALANCES**

Nonspendable		17,175
Unassigned		<u>(333,662)</u>
Total Fund Balance		<u>(316,487)</u>

Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	<u><u>756,646</u></u>
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See accompanying Notes to Financial Statements.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
RECONCILIATION OF THE GENERAL FUND BALANCE SHEET TO  
THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016**

Total Fund Balances - General Fund	\$ (316,487)
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the general fund.	29,781
Certain grant-related receivables are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the general fund.	297,794
Accrued liabilities relating to rent payable recognized on a straight-line basis are not due and payable in the current period and therefore are not reported in the general fund.	(4,645)
Compensated absences are long-term liabilities that are not due and payable in the current period and therefore are not reported in the general fund.	(25,256)
	(25,256)
Total Net Position - Governmental Activities	\$ (18,813)

*See accompanying Notes to Financial Statements.*

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2016**

**REVENUES**

Federal and State Grants	\$ 1,564,462
Local Contributions	51,035
Total Revenues	1,615,497

**EXPENDITURES**

Current:	
Transportation	1,302,824
Total Expenditures	1,302,824

**NET CHANGE IN FUND BALANCE**

312,673

Fund Balance - Beginning of Year

(629,160)

**FUND BALANCE - END OF YEAR**

\$ (316,487)

*See accompanying Notes to Financial Statements.*

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – GENERAL FUND TO THE  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2016**

Net Change in Fund Balance - Total General Fund	\$ 312,673
<p>Capital outlays are reported as expenditures in the general fund, however, in the statement of activities, the cost of assets is allocated over their estimated useful lives and reported as depreciation expense:</p>	
Less: Depreciation	-
	<u>(33,317)</u>
	(33,317)
<p>In the statement of activities, the straight line impact of rent expense over the term of the lease</p>	
	24,316
<p>In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the general fund expenditures are recognized based on the amounts actually paid for leave used. This is the net amount of compensated absences paid in excess of amounts earned in the current period.</p>	
	(1,381)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the general fund.</p>	
	<u>(152,494)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 149,797</u></u>

See accompanying Notes to Financial Statements.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Tampa Bay Area Regional Transportation Authority (TBARTA or Authority) is an association of Tampa Bay area counties that is organized to plan, develop, finance, construct, own, purchase, operate, maintain, relocate, equip, repair, and manage multimodal transportation systems. Member counties include Citrus, Hernando, Hillsborough, Manatee, Pasco, Pinellas, and Sarasota. TBARTA was established on July 1, 2007 pursuant to the authority of Section 343.92, Florida Statutes. The basic operations of TBARTA are financed primarily through grants from the state, federal government, and user fees.

**Reporting Entity**

In evaluating how to define TBARTA for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying certain criteria consisting of manifestation of oversight responsibility including: financial accountability; appointment of a voting majority; imposition of will; financial benefit to or burden on a primary organization; financial accountability as a result of fiscal dependency; potential for dual inclusion; and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, no potential component units were identified.

**Basis of Presentation**

The financial statements of TBARTA have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America. The more significant of the government's accounting policies are described below.

**Government-Wide Financial Statements**

The government-wide financial statements include the statement of net position and a statement of activities.

The government-wide statements are prepared using the *economic resources measurement focus* and the accrual basis of accounting. This differs from the way governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Financial Statements**

The accounts of TBARTA are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. Currently, TBARTA only utilizes a general fund to track its operations. The general fund is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Generally, revenues are considered available when they are collected within the current period or within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in the general fund.

TBARTA funds certain programs by a combination of specific cost-reimbursement grants, other grants, and other revenues. When both restricted and unrestricted resources are available for use, it is TBARTA's policy to use restricted resources first, then unrestricted as needed.

TBARTA reports the following major governmental fund:

*General Fund* - This fund is used to account for the accumulation and expenditure of resources used for general purposes of TBARTA and do not require the establishment of any other type of fund.

**Fund Balance and Spending Policies**

In accordance with GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned.

The Board of Directors is the highest level of decision making authority and any official order from the Board of Directors would be required to authorize commitment of fund balance. Also, the Executive Director has been given the authority to assign fund balance for a specific purpose.

TBARTA has implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states when an expenditure is incurred in which restricted, committed, assigned, or unassigned amounts are available to be used, TBARTA will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

Capital assets are carried at historical cost. Minimum capitalization costs are \$1,000 for all asset categories. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an assets' life is not capitalized. Depreciation of capital assets is computed using the straight-line method over the estimated useful lives of the assets, generally 3 to 10 years.

**Compensated Absences**

Vacation pay can be accumulated by an employee up to 240 hours and is payable, if not used, upon termination. The Executive Director may accumulate vacation up to 480 hours rather than 240 hours and will also be paid out half of unused accumulated sick days upon termination.

**Deferred Inflows of Resources**

TBARTA recorded certain receivables that were not available to pay for current period expenditures as deferred inflows of resources in the general fund as of September 30, 2016.

**Net Position**

Net position in government-wide financial statements are classified as invested in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

**Revenue Recognition**

Reimbursement-based grant expenditures are not eligible for reimbursement (and therefore revenues are not yet earned) until TBARTA has not only incurred eligible costs but also has physically paid its employees, contractors, and vendors for those costs. This revenue recognition policy stems from a requirement imposed by TBARTA's primary granting agency, Florida Department of Transportation (FDOT).

**NOTE 2 CASH**

Custodial credit risk is defined as the risk that, in the event of bank failure, the Authority's deposits may not be returned. All cash deposits are in financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Any amount above this amount is collateralized pursuant to Chapter 280, Florida Statutes, which obligates all participating institutions to reimburse the governmental entity for the loss, in the event of default by a participating financial institution (a qualified public depository).

As of September 30, 2016, the carrying amounts of TBARTA's deposits were \$41,572 and the bank balance was also \$41,572.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**NOTE 3 CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
Governmental Activities:				
Capital Assets being Depreciated:				
Computer Software and Equipment	\$ 172,699	\$ -	\$ -	\$ 172,699
Office Equipment	33,984	-	-	33,984
Furniture and Fixtures	64,069	-	(850)	63,219
Leasehold Improvements	5,823	-	-	5,823
	<u>276,575</u>	<u>-</u>	<u>(850)</u>	<u>275,725</u>
Less: Accumulated Depreciation for:				
Computer Software and Equipment	(124,699)	(24,737)	-	(149,436)
Office Equipment	(33,984)	-	-	(33,984)
Furniture and Fixtures	(54,019)	(7,415)	850	(60,584)
Leasehold Improvements	(775)	(1,165)	-	(1,940)
	<u>(213,477)</u>	<u>(33,317)</u>	<u>850</u>	<u>(245,944)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 63,098</u>	<u>\$ (33,317)</u>	<u>\$ -</u>	<u>\$ 29,781</u>

**NOTE 4 COMPENSATED ABSENCES**

The following is a summary of the changes in accrued compensated absences for the year ended September 30, 2016:

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
Accrued Compensated Absences	<u>\$ 23,875</u>	<u>\$ 34,547</u>	<u>\$ 33,166</u>	<u>\$ 25,256</u>

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**NOTE 5 FUND BALANCE AND SPENDING POLICY**

In accordance with GASB Statement No. 54, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted – includes amounts restricted by enabling legislation s. 211.3103(3)(b)3., F.S.
- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to grant funds awarded and passed by the Board of Directors, the Authority’s highest level of decision making authority.
- Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Authority’s adopted policy, the board of directors and accounting manager may assign amounts for specific purposes.
- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed, or assigned to a specific purpose within the General Fund.

\$17,175 of fund balance in the general fund is categorized as nonspendable, which relates to prepaid expenses and other assets and the remaining fund balance of \$(333,662) is unassigned.

**NOTE 6 CONTINGENT LIABILITY**

TBARTA is subject to financial and compliance audits by grantor agencies to determine compliance with grant funding requirements. In the event the expenditures would be disallowed, repayment could be required. Government grants require the fulfillment of certain conditions as set forth by applicable laws, rules and regulations and in the grant agreements. Failure to fulfill the conditions could result in the return of funds to the grantor.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**NOTE 7 DEFERRED COMPENSATION PLAN**

TBARTA offers all employees a voluntary deferred compensation plan created in accordance with Internal Revenue Code (IRS) Section 457. The plan is voluntary and permits employees to defer taxes on a portion of their salary until future years. Deferred compensation can be withdrawn upon termination, retirement, death, or unforeseeable emergency. All amounts of deferred compensation, all property, all rights, and all income are held in trust for employees and are subject only to the claims of the employee or other beneficiary. It is the opinion of TBARTA that TBARTA has no liability for losses incurred by the IRS Section 457 plan, but TBARTA does have the duty of due care that would be required of any prudent administrator. Since TBARTA has no liability for losses and exercises no significant administrative control over assets, the Deferred Compensation Plan is not part of TBARTA's financial statements in accordance with GAAP.

In FY16, TBARTA contributed 3 percent based on eligible wages for each employee. TBARTA's contributions to the plan for years ended September 30, 2016, 2015, and 2014 were \$6,728, \$0-, and \$14,804, respectively.

**NOTE 8 OPERATING LEASE**

TBARTA entered into an operating lease agreement beginning January 23, 2015 through June 30, 2020 for general office space. TBARTA has the right and option to renew the lease for one additional period of five years, considering notice to renew at least nine months prior to the expiration date. Effective February 2016, monthly charges was \$7,584.85 and effective January 2017, monthly charges was \$7,634.17. Total rent paid for the year ended September 30, 2016 was \$82,499. TBARTA recorded accrued rent payable in the amount of \$4,645 on a straight-line basis in the government-wide statements, which is included in the total rent expense for the year. The lease may be cancelled by TBARTA with a nine month written notice. If the termination option is exercised, all rent payable under this lease shall be paid through and apportioned as of the termination date (in addition to payment by TBARTA of the termination fee). The minimum base rent for the remaining term of the lease is as follows:

Fiscal Year	Amount
2017	\$ 91,333
2018	94,514
2019	97,884
2020	75,363
Total Minimum Base Rent	\$ 359,094

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**NOTE 9 ECONOMIC DEPENDENCY**

TBARTA is economically dependent upon annual contributions and grants from the Florida Department of Transportation. For the year ended September 30, 2016, the Florida Department of Transportation provided the majority of TBARTA's operating revenues.

In early FY15, TBARTA requested an advance of \$220,000 in Commuter Assistance funds from FY16 to cover costs incurred that did not qualify for reimbursement under the encumbered funds of FY15. Florida Department of Transportation (FDOT) agreed to provide this assistance, with the guarantee that TBARTA would work to secure funding contributions from local governments in the region. In FY16, TBARTA received \$51,035 requested from the three of the seven counties, and is making the request again for FY17. Additionally, in FY17, TBARTA entered into a new Commuter Assistance Program (CAP) grant, whereby TBARTA will forego eligible cash draws from that grant in order to reduce the advance by 25%. TBARTA intends to eliminate the remaining 75% of the advance against future eligible draws on the new CAP grant beyond FY17.

**NOTE 10 RISK MANAGEMENT**

The Authority is exposed to various risk of loss related to torts, thefts of assets, errors and omissions, and natural disasters. The Authority provides surety bond coverage and insured for other risks of loss. There is no significant reduction in insurance coverage from the prior year. The insurance settlements have not exceeded the Authority's insurance coverage in any of the prior three fiscal years.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND  
SEPTEMBER 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Federal and State Grants	\$ 3,067,538	\$ 3,067,538	\$ 1,564,462	\$ (1,503,076)
Local Contributions	-	-	51,035	51,035
Total Revenues	<u>3,067,538</u>	<u>3,067,538</u>	<u>1,615,497</u>	<u>(1,452,041)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	<u>3,067,538</u>	<u>3,067,538</u>	<u>1,302,824</u>	<u>1,764,714</u>
Total Expenditures	<u>3,067,538</u>	<u>3,067,538</u>	<u>1,302,824</u>	<u>1,764,714</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	312,673	<u>\$ 312,673</u>
Fund Balance - Beginning of Year			<u>(629,160)</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ (316,487)</u>	

**NOTES TO BUDGETARY COMPARISON SCHEDULE**

**Budgetary Basis of Accounting**

The annual budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America. By September 30, the Policy Board, after the appropriate public hearings, adopts the final budget. Budgetary control is maintained at the program level. The Policy Board may at any time within a fiscal year or up to 60 days following the end of the fiscal year, amend a budget for that year by resolution.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED SEPTEMBER 30, 2016**

<u>GRANTOR / PROGRAM TITLE</u>	<u>Federal CFDA Number</u>	<u>Federal Grant Number</u>	<u>FY 2016 Program Expenditures</u>
<i>Pass-through federal grantor awards</i>			
<i>U.S. Department of Transportation - Federal Transit Administration (Pass through from the Pinellas County Metropolitan Planning Organization)</i>			
<i>FTA Section 5309 Veterans Transportation and Community Initiative Grant</i>			
One-Call/One Click Transportation Information Center	20.500	FL-04-0156-00	103,384
		<b>Total CFDA</b>	<b>103,384</b>
<i>FTA Section 5307 Urbanized Area Formula Grants</i>			
Section 5307 Vanpool Program	20.507	FL-90-X822-00	382,136
		<b>Total CFDA</b>	<b>382,136</b>
		<b>Total Federal Transit Cluster</b>	<b>485,520</b>
<i>FTA Section 5312 Research Funds</i>			
One Call/One-Click Transportation Information Center	20.514	FL-26-0023-00	21,197
		<b>Total CFDA</b>	<b>21,197</b>
<i>Unified Planning Work Program</i>			
West Central Florida MPO Chairs Coordinating Committee Staff Services Support	20.205	PL Grant A5209/259397-1-14-16	37,852
Implementation of Public Participation Activities in Support of the West Central Florida M.P.O. Chairs Coordinating Committee (CCC)	20.205	STP 5305 ARJ71	29,315
<i>U.S. Department of Transportation - Federal Transit Administration (Pass through from the State of Florida Department of Transportation)</i>			
<i>FHWA Surface Transportation Program</i>			
Capital Project of Regional Commuter Vanpool Services in the Tampa Bay Region	20.205	430175-1-94-01	160,476
Operation Project of Regional Commuter Outreach and Education Programs and Services in the Tampa Bay Region.	20.205	408205-2-84-02	183,012
		<b>Total Highway Planning and Construction Cluster</b>	<b>410,655</b>
<b>Total Passed Through Federal Assistance</b>			<b>917,372</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 917,372</b>

See accompanying Notes to the Schedule.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED SEPTEMBER 30, 2016**

**NOTE 1 GENERAL**

The accompanying schedule of expenditures of federal awards presents the activity of all federal grant activity of the Tampa Bay Area Regional Transportation Authority (TBARTA). The information in this schedule is present in accordance with the requirements of 2 CFR 200 Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the financial statements.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards is presented using Florida Department of Transportation's (FDOT) consideration of when grant expenditures are eligible for reimbursement which is when TBARTA has not only incurred eligible costs but also has physically paid for these costs.

**NOTE 3 EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

TBARTA also expended \$494,593 of state financial assistance for the year ended September 30, 2016. However, a schedule of expenditures of state financial assistance is not required to be included because TBARTA did not expend greater than \$750,000 throughout the fiscal year, as stipulated under Chapter 10.550 of the *Rules of the Auditor General*.

**NOTE 4 SUBRECIPIENTS**

There were no transfers to sub-recipients for the year ending September 30, 2016.

**NOTE 5 INDIRECT COST RATE**

TBARTA has not elected to use the 10% de minimus cost rate.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Tampa Bay Area Regional Transportation Authority  
Tampa, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of Tampa Bay Area Regional Transportation Authority (TBARTA), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise TBARTA's basic financial statements, and have issued our report thereon dated June 12, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered TBARTA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of TBARTA's internal control. Accordingly, we do not express an opinion on the effectiveness of TBARTA's internal control.

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. 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention to those charged with governance.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether TBARTA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Tampa, Florida  
June 12, 2017

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
Tampa Bay Area Regional Transportation Authority  
Tampa, Florida

**Report on Compliance for Each Major Federal Program**

We have audited Tampa Bay Area Regional Transportation Authority's (TBARTA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on TBARTA's major federal program for the year ended September 30, 2016. TBARTA's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for TBARTA's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about TBARTA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of TBARTA's compliance.

***Opinion on Each Major Federal Program***

In our opinion, TBARTA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2016.

### **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and is disclosed in the accompanying schedule of findings and questioned costs as item 2016-001. Our opinion on each major federal program is not modified with respect to this matter.

TBARTA's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. TBARTA's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of TBARTA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered TBARTA's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of TBARTA's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-001 that we consider to be a significant deficiency.

TBARTA's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. TBARTA's response was not subjected to our auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Board of Directors  
Tampa Bay Area Regional Transportation Authority

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Tampa, Florida  
June 12, 2017

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARD PROGRAMS  
YEAR ENDED SEPTEMBER 30, 2016**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

***Financial Statements***

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Were significant deficiency(ies) identified not considered to be a material weakness(es)?	None Reported
Noncompliance material to basic financial statements noted?	No

***Federal Awards***

Internal control over compliance:	
Material weakness(es) identified?	No
Were significant deficiency(ies) identified not considered to be a material weakness(es)?	Yes
 Type of auditor’s report issued on compliance for major programs:	 Unmodified
 Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	 Yes

Identification of major federal programs:

<b><u>CFDA</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
20.500/20.507	Federal Transit Cluster

Dollar threshold used to determine Type A projects:	\$750,000
Auditee qualify as low-risk auditee?	No

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARD PROGRAMS  
YEAR ENDED SEPTEMBER 30, 2016**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

Our audit did not disclose any matters required to be reported in accordance with Government Auditing Standards.

**SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS**

**2016-001 Use of E-Verify**

*Federal Program Information*

*U.S. Department of Transportation – Federal Transit Administration  
Passed-through the Pinellas County Metropolitan Planning Organization  
Federal Transit Cluster: CFDA# 20.500 – FTA Section 5309 Veterans Transportation and Community Initiative  
Grant Award Number: FL-04-0156-00  
Grant Award Year: 2012*

**Criteria**

The Vendor/Contractor is required to utilize U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the Vendor/Contractor during the term of the contract.

**Condition and Context**

Out of four vendors/contractors selected, we noted one did not provide TBARTA support to verify that the Vendor/Contractor utilizes the E-Verify system for all employees hired during TBARTA's 2016 fiscal year.

**Questioned Costs**

None

**Cause**

TBARTA did not continuously monitor and ensure adequate procedures are in place to confirm that the Vendor/Contractor did comply with the terms of the contract/agreement to utilize E-Verify.

**Effect**

Non-compliance with grant agreement.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARD PROGRAMS  
YEAR ENDED SEPTEMBER 30, 2016**

**Recommendation**

TBARTA's grant personnel should understand and become familiar with the terms and conditions of their vendor/contractor contracts/agreements and develop tools to assist in the effective monitoring of compliance requirements. Alternatively, timely follow ups should be performed for those vendors/contractors that are non-responsive.

**Views of Responsible Officials**

The Office and Financial Administrator (OFA) has assumed responsibility for this procedure. The OFA, in collaboration with TBARTA's external accountant, are reviewing grant compliance requirements. TBARTA's online E-Verify account contact has been updated. Calendar notifications have been set up to contact and follow-up with vendors/contractors to confirm compliance as stipulated in grant guidelines.

## MANAGEMENT LETTER

Board of Directors  
Tampa Bay Area Regional Transportation Authority  
Tampa, Florida

### Report on the Financial Statements

We have audited the financial statements of the Tampa Bay Area Regional Transportation Authority (TBARTA) as of and for the fiscal year ended September 30, 2016, and have issued our report thereon dated June 12, 2017.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550 Rules of the Auditor General.

### Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for the Major Federal Programs and Report on Internal Control over Compliance in Accordance with Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 12, 2017 should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. See Appendix A for the current year status of findings and recommendations made in the preceding annual financial audit report.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been included in the notes to the basic financial statements.

### **Financial Condition**

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not TBARTA has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that TBARTA did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor TBARTA's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

### **Annual Financial Report**

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for TBARTA for the fiscal year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2016. In connection with our audit, we determined that these two reports were in agreement.

### **Special District Component Units**

Section 10.554(1)(i)5.d, Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. TBARTA does not have any component units.

### **Other Matters**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. Our current year findings and recommendations are listed in Appendix B to this Management Letter.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Board of Directors  
Tampa Bay Area Regional Transportation Authority

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Board of Directors and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Tampa, Florida  
June 12, 2017

Board of Directors  
Tampa Bay Area Regional Transportation Authority  
Appendix A – Status of Prior Year Findings and Recommendations

Prior Year Findings and Recommendations		Current Year Status		
		Cleared	Partially Cleared	Not Cleared
<b>2015-001</b> – Allowable Costs Payroll	Significant Deficiency in Internal Control over Compliance	X		
<b>2015-002</b> – Use of E-Verify	Significant Deficiency in Internal Control over Compliance		See <b>2016-001</b>	

## **2016-002 Payroll Costs/Allowable Costs**

### **Criteria**

The salary allocated to grant or non-grant related administrative expenditures of any employee shall reflect the accurate pay rate based on the number of hours worked accordingly.

### **Condition**

Out of six pay periods tested, we noted one pay period which included administrative expenses allocated to a grant based on the overtime rate of the employee. However, the employee was not subject to overtime during the respective pay period. Additionally, we noted two employees were overpaid in this particular pay period.

### **Cause**

The calculation error during payroll processing, performed by a third party provider, was not detected during TBARTA's review process.

### **Effect**

Two employees were overpaid by a total of \$144. Total unallowable costs charged to a grant was \$101.

### **Recommendation**

We recommend the Authority enhance its review process to closely evaluate the timesheet data and the grant calculations and allocations prior to posting.

### **Management's Response**

The Office and Financial Administrator scrutinizes each employee's timesheet data for payroll submission and the resulting data on the Payroll Journal provided by the payroll company to ensure each employee's hours and rate are accurate prior to payroll processing. This procedure provides accuracy to posting and grant allocation. Corrective action has already been implemented.

## INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors  
Tampa Bay Area Regional Transportation Authority  
Tampa, Florida

We have examined Tampa Bay Area Regional Transportation Authority's (TBARTA), compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the period October 1, 2015, to September 30, 2016. Management of TBARTA is responsible for TBARTA's compliance with the specified requirements. Our responsibility is to express an opinion on TBARTA's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether TBARTA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether TBARTA complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on TBARTA's compliance with specified requirements.

In our opinion, TBARTA complied, in all material respects, with Section 218.415, Florida Statutes regarding the investment of public funds during the period October 1, 2015, to September 30, 2016.

This report is intended solely for the information and use of the Board and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Tampa, Florida  
June 12, 2017

CliftonLarsonAllen LLP  
201 North Franklin Street, Suite 2500  
Tampa, FL 33602

Tampa Bay Area Regional Transportation Authority, a/k/a TBARTA (the Authority) respectfully submits the following corrective action plan for the year ended September 30, 2016:

Audit period: October 1, 2015 through September 30, 2016

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

#### **FINDINGS—FEDERAL AWARD PROGRAMS AUDITS**

##### **2016-001 Use of E-Verify – CFDA No. 20.500 OTHER MATTER & SIGNIFICANT DEFICIENCY**

*Recommendation:*

The Authority's grant personnel should understand and become familiar with the terms and conditions of their vendor/contractor contracts/agreements and develop tools to assist in the effective monitoring of compliance requirements. Alternatively, timely follow ups should be performed for those vendors/contractors that are non-responsive.

*Action taken in response to finding:*

The Office and Financial Administrator (OFA) has assumed responsibility for this procedure. The OFA, in collaboration with TBARTA's external accountant, is reviewing grant compliance requirements. TBARTA's online E-Verify account contact has been updated. Calendar notifications have been set up to contact and follow-up with vendors/contractors to confirm compliance as stipulated in federal and state grant guidelines.

*Name(s) of the contact person(s) responsible for corrective action:*

Susan Ebner, Office and Financial Administrator

*Planned completion date for corrective action plan:*

Corrective action to be implemented immediately.

**Prior - Year Findings and Questioned Costs – Financial Statement Findings**

No prior year findings.

**Prior - Year Findings and Questioned Costs – State Projects**

2015-001 – Corrective action was taken.

2015-002 – Corrective action was partially taken. See Finding 2016-001 within the audited financial statements for the year ended September 30, 2016.

A handwritten signature in cursive script that reads "R Chiamonte".

Ramond Chiamonte  
Executive Director