

Fiscal Year

2018

October 1, 2017 – September 30, 2018

Financial Statements



**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
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YEARS ENDED SEPTEMBER 30, 2018**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Tampa Bay Area Regional Transit 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 Transit Authority (TBARTA), as of and for the year ended September 30, 2018, 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.

Opinion

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, 2018, 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 the TBARTA's basic financial statements. The schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Local Government Entity Audits*, Rules of the Auditor General of the State of Florida, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards and state financial assistance is the responsibility of management and were derived from and relate 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.

The transmittal letter and introductory sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Board of Directors
Tampa Bay Area Regional Transit Authority

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2019 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 solely 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 the effectiveness of TBARTA's 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 19, 2019

Annual Financial Report

For The Fiscal Year Ended September 30, 2018

Vision

A world class transportation network for the Tampa Bay region that will connect people and places, move goods and services, enhance the quality of life, and offer transportation options that are safe, sustainable, affordable, and efficient. We will act as a catalyst for a vibrant economic future through leadership, collaboration, and partnerships.

Our Mission

To create a world class transit system that connects and moves the Tampa Bay region.

Transmittal Letter

June 21, 2019

James Holton, Board Chair and
Members of the Governing Board of Directors of the Tampa Bay Regional Transit Authority and
Citizens of the Tampa Bay Region

Dear Board Chair, Board Members and Citizens:

We are pleased to submit to you the Annual Financial Report of the Tampa Bay Regional Transit Authority (TBARTA) for the fiscal year ended September 20, 2018.

State law requires that all independent special districts publish each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

This report has been compiled and prepared by the Authority's management. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Authority has established a comprehensive internal control framework that is designed both to protect the Authority's assets from loss, theft, or misuse and to compile enough reliable information for the preparation of the Authority's financial statements in conformity with GAAP. The Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

CliftonLarsonAllen LLP, a firm of licensed certified public accountants, has audited the Authority's basic financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended September 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and any significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the Authority's financial statements for the fiscal year ended September 30, 2018, are fairly presented in conformity with GAAP.

The Annual Financial Report is presented in three sections: Introductory, Financial and the Regulatory Section. The Introductory section consists of this letter of transmittal that provides an overview of the Authority, economic environment, financial performance and other pertinent financial information.

The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), the basic financial statements and notes thereto, and required supplementary information.

The Authority is also required by federal and state regulations to undergo an audit of federally and state funded programs that it administers. The standards governing the Single Audit engagement require the independent auditor to report on the audited government's internal controls and compliance with laws, regulations, contracts and grants applicable to each major federal and state program. The reports related specifically to the Single Audit are within the regulatory section of this document.

Profile of the Authority

The Tampa Bay Area Regional Transit Authority (TBARTA) was created to advance regional transportation needs in Hernando, Hillsborough, Manatee and Pasco and Pinellas counties. Our purpose is to plan, develop, fund, implement and operate a regional transit system in the area. Our mission is a world class transit system that connects and moves the Tampa Bay region.

The agency consists of:

- Governing board made up of elected officials, appointed members from around the region, and
- Citizens Advisory Committee (CAC) made up of citizen representatives appointed by the TBARTA Board, and
- Transit Management Committee (TMC) made up of the executive directors of the transit agencies in the region.

Officials

The Authority is governed by a board of directors comprised of eight elected officials, four gubernatorial appointees and the Secretaries for the Florida Department of Transportation Districts 7 and 1. Operating expenses are covered primarily through state funds.

Purpose and Delivery

With the new foundation for TBARTA as outlined by the Legislature in 2017, TBARTA is producing a regional transit development plan that will be the impetus for implementation and operation of mobility improvements and expansion of transportation options in the region. As outlined in our MD&A, staff is committed to continually build on our successes and on continuous improvement as we move forward.

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

Financial Highlights

As management of the Tampa Bay Area Regional Transit 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, 2018. The information presented here should be considered in conjunction with the transmittal letter and the financial statements.

TBARTA's net position is \$129,891, an increase of \$20,111 from the previous year.

During the year, total revenues were \$2,243,519 versus total expenses of \$2,223,408.

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 deferred outflows and liabilities and deferred inflows – are an important measure of TBARTA's financial health.

Fund Financial Statements. The fund statements provide a detailed look at TBARTA's general fund. TBARTA, like all government entities, uses fund accounting to ensure and reflect compliance (or noncompliance) 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 TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

Net Position

At September 30, 2018, TBARTA's assets exceeded its liabilities by \$129,891.

Tampa Bay Regional Transit Authority – Net Position

	Governmental Activities		Increase (Decrease)
	2018	2017	
Current and Other Assets	\$ 612,024	\$ 977,806	\$ (365,782)
Capital Assets - Net	1,553	15,217	(13,664)
Total Assets	<u>613,577</u>	<u>993,023</u>	<u>(379,446)</u>
Accounts Payable	400,744	607,708	(206,964)
Accrued Liabilities	48,707	67,856	(19,149)
Advances from Other Governments	34,235	105,804	(71,569)
Total Liabilities	<u>483,686</u>	<u>781,368</u>	<u>(297,682)</u>
Deferred Inflows of Resources	<u>-</u>	<u>101,875</u>	<u>(101,875)</u>
Net Position			
Invested in Capital Assets	1,553	15,217	(13,664)
Unrestricted	128,338	94,563	33,775
Total Net Position	<u>\$ 129,891</u>	<u>\$ 109,780</u>	<u>\$ 20,111</u>

Decreases in accounts payable and current assets are in line with payments of expenses in Fiscal 2018 that were accrued as of September 30, 2017.

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

Changes in Net Position

Revenues relating to TBARTA's operating grants and contributions totaled \$2,243,519, an increase of \$672,692 from the previous year. The increase was attributable primarily to grant revenues generated from the Federal Transit Administration grants for the One Call One Click Project that incurred eligible expenditures that were subject to reimbursement.

Expenses totaled \$2,223,408 an increase of \$781,174 from the previous year. The increase is primarily due to the increased expenditures for the One Call One Click Project, increased Vanpool program and consulting services.

Tampa Bay Area Regional Transit Authority - Changes in Net Position

	Governmental Activities		Increase (Decrease)
	2018	2017	
REVENUES			
Program Revenue:			
Operating Grants and Contributions	\$ 2,230,269	\$ 1,570,827	\$ 659,442
General Revenues:			
Miscellaneous	13,250	-	13,250
Total Revenues	<u>2,243,519</u>	<u>1,570,827</u>	<u>672,692</u>
FUNCTIONAL/PROGRAM EXPENSES			
Transportation	<u>2,223,408</u>	<u>1,442,234</u>	<u>781,174</u>
Total Functional/Program Expenses	<u>2,223,408</u>	<u>1,442,234</u>	<u>781,174</u>
INCREASE IN NET POSITION	20,111	128,593	(108,482)
Net Position - Beginning of Year	<u>109,780</u>	<u>(18,813)</u>	<u>128,593</u>
NET POSITION - END OF YEAR	<u>\$ 129,891</u>	<u>\$ 109,780</u>	<u>\$ 20,111</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. 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 periodic basis for review. There were no budget amendments made to the originally adopted budget for the year ended September 30, 2018.

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

Economic Factors and the 2018-2019 Budget

TBARTA continues to identify projects and funding sources that facilitate the expansion of the vanpool program and related commuter assistance services. For FY 2018 TBARTA received the following grants through the Florida Department of Transportation (FDOT):

Contract Amount	Project Description
\$115,000.00	Commuter Assistance Program - Pik My Kid
\$870,000.00	Commmuter Assistance Program
\$300,000.00	Transportation Planning
\$120,000.00	Commuter Assistance Program - Vanpool Expansion
\$386,400.00	FHWA Surface Transportation Program- Commuter Assistance Program

Included in the above chart is funding in the amount of \$115,000 for a pilot project to collaborate with PikMyKid to incorporate school drop-off/pick-up technology into the TBARTA school pool program.

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 Federal Transit Administration (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 addition, there is approximately \$3.7 million in Federal Transit Administration funding that will flow through to TBARTA from the Pinellas Suncoast Transit Authority as the designated recipient starting in fiscal year 2019.

Requests for Information

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

David Green
4350 West Cypress Street, Suite 700
Tampa, Florida 33607

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018**

ASSETS

Cash	\$ 182,070
Due from Federal and State Agencies	414,468
Prepays and Other	15,486
Capital Assets, Net	1,553
Total Assets	<u>613,577</u>

LIABILITIES

Accounts Payable	400,744
Accrued Liabilities	27,185
Accrued Compensated Absences	21,522
Advances from Other Governments	34,235
Total Liabilities	<u>483,686</u>

NET POSITION

Investment in Capital Assets	1,553
Unrestricted	128,338
Total Net Position	<u><u>\$ 129,891</u></u>

See accompanying Notes to Financial Statements.

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
<u>Functions/Programs</u>			
Primary Government:			
Governmental Activities:			
Transportation	\$ 2,223,408	\$ 2,230,269	\$ 6,861
Total Governmental Activities	\$ 2,223,408	\$ 2,230,269	6,861
General Revenues:			
Miscellaneous			\$ 13,250
Total General Revenues			\$ 13,250
CHANGE IN NET POSITION			20,111
Net Position - Beginning of Year			109,780
NET POSITION END OF YEAR			\$ 129,891

See accompanying Notes to Financial Statements.

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2018**

ASSETS

Cash	\$	182,070
Due from Federal and State Agencies		414,468
Prepays and Other		<u>15,486</u>
Total Assets	\$	<u><u>612,024</u></u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

LIABILITIES

Accounts Payable	\$	400,744
Accrued Liabilities		7,477
Advances from Other Governments		<u>34,235</u>
Total Liabilities		442,456

DEFERRED INFLOWS OF RESOURCES

Unavailable Revenues		<u>107,009</u>
		107,009

FUND BALANCES

Nonspendable		15,486
Unassigned		<u>47,073</u>
Total Fund Balances		<u>62,559</u>

Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	<u><u>612,024</u></u>
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**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
RECONCILIATION OF THE GENERAL FUND BALANCE SHEET TO
THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2018**

Total Fund Balances - General Fund	\$	62,559
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.		1,553
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.		107,009
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.		(19,708)
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.		<u>(21,522)</u>
Total Net Position - Governmental Activities	\$	<u>129,891</u>

See accompanying Notes to Financial Statements.

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

REVENUES

Federal and State Grants	\$ 2,308,428
Local Contributions	250,766
Miscellaneous Revenues	13,250
Total Revenues	<u>2,572,444</u>

EXPENDITURES

Current:	
Transportation	<u>2,204,068</u>
Total Expenditures	<u>2,204,068</u>

NET CHANGE IN FUND BALANCE

368,376

Fund Balance - Beginning of Year

(305,817)

FUND BALANCE - END OF YEAR

\$ 62,559

See accompanying Notes to Financial Statements.

**TAMPA BAY AREA REGIONAL TRANSIT 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, 2018**

Net Change in Fund Balance - Total General Fund	\$	368,376
<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		-
		(1,165)
		<u>(1,165)</u>
<p>In the statement of activities, the straight line impact of rent expense over the term of the lease.</p>		
		(19,708)
<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>		
		1,533
<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>(328,925)</u>
Change in Net Position of Governmental Activities	\$	<u>20,111</u>

See accompanying Notes to Financial Statements.

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Tampa Bay Area Regional Transit Authority (TBARTA) was created on July 1, 2007, pursuant to the authority of Section 343.92, Florida Statutes to advance regional transportation needs in Hernando, Hillsborough, Manatee and Pasco and Pinellas counties. Our purpose is to plan, develop, fund, implement and operate a regional transit system in the area. Our mission is a world class transit system that connects and moves the Tampa Bay region.

The basic operations of TBARTA are financed primarily through grants from the state, federal government, and local county contributions.

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 TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

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. As of the year ended September 30, 2018, TBARTA only has nonspendable and unassigned balances.

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 TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

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 and certain amounts received for which the time requirement has not been met as deferred inflows of resources as of September 30, 2018.

Revenue Recognition

Under the modified accrual basis, revenues are recognized in the accounting period when they become measurable and available. Revenues are generally considered available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected soon enough after yearend to pay liabilities of the current period (i.e. within 60 days of the end of the current fiscal period).

Net Position

Net position in government-wide financial statements are classified as invested in capital assets, restricted, and unrestricted. Invested in capital assets represents the total capital assets, net of debt issued in the acquisition of these assets and net of depreciation. 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. Unrestricted net position represents the balance that is not restricted for specific purposes.

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, 2018, the carrying amounts of TBARTA's deposits were \$182,070 and the bank balance was \$321,424.

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 3 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
Governmental Activities:				
Capital Assets being Depreciated:				
Computer Software and Equipment	\$ 172,699	\$ -	\$ (51,671)	\$ 121,028
Office Equipment	33,984	-	-	33,984
Furniture and Fixtures	63,219	-	(1,723)	61,496
Leasehold Improvements	5,823	-	-	5,823
Total	<u>275,725</u>	<u>-</u>	<u>(53,394)</u>	<u>222,331</u>
Less: Accumulated Depreciation for:				
Computer Software and Equipment	(160,198)	-	39,172	(121,026)
Office Equipment	(33,984)	-	-	(33,984)
Furniture and Fixtures	(63,221)	-	1,723	(61,498)
Leasehold Improvements	(3,105)	(1,165)	-	(4,270)
Total	<u>(260,508)</u>	<u>(1,165)</u>	<u>40,895</u>	<u>(220,778)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 15,217</u>	<u>\$ (1,165)</u>	<u>\$ (12,499)</u>	<u>\$ 1,553</u>

NOTE 4 COMPENSATED ABSENCES

The following is a summary of the changes in accrued compensated absences for the year ended September 30, 2018:

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
Accrued Compensated Absences	<u>\$ 23,055</u>	<u>\$ 12,173</u>	<u>\$ 13,706</u>	<u>\$ 21,522</u>

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

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.
- Committed – includes amounts that can only be used for specific purposes as imposed by formal action of the City Commission, which is the highest level of decision-making authority. Commitments of fund balances may only be removed or changed by taking the same type of action formally used to commit the amount, which is by resolution.
- 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 Executive Director 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.

\$15,486 of fund balance in the general fund is categorized as nonspendable, which relates to a building security deposit, and the remaining fund balance of \$47,073 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.

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 2018, TBARTA did not contribute to the plan and contributed 3% based on eligible wages for each employee in certain years. TBARTA does not have any policy or obligation to contribute. TBARTA's contributions to the plan for years ended September 30, 2017, 2016, were \$7,520 and \$4,520, respectively.

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

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 2017, monthly charges were \$7,858 and effective February 2018, monthly charges were \$ 7,997. Total rent paid for the year ended September 30, 2018 was \$87,832. 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:

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2019	\$ 98,264
2020	75,363
Total Minimum Base Rent	<u>\$ 173,627</u>

NOTE 9 ECONOMIC DEPENDENCY

TBARTA is economically dependent upon annual agreements and grants from the Florida Department of Transportation. For the year ended September 30, 2018, the Florida Department of Transportation (FDOT) provided the majority of TBARTA’s operating revenues.

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.

NOTE 11 SUBSEQUENT EVENTS

On March 25, 2019, Florida Department of Transportation awarded TBARTA a \$3.7 million grant for the Project Development and Environment (PD&E) Study for a Bus Rapid Transit (BRT) Corridor on I-275 between Wesley Chapel and Downtown St. Petersburg Florida. The Study will include, but is not limited to, data collection, a gap analysis report, conceptual design on stations and bus operations, graphic renderings of the station areas, aerial mapping of the project corridor, topographic survey of the station areas and roadway/median modification areas, utility information, geotechnical boring data, cost estimates for capital and operations, including maintenance costs, 30 percent design plans, ecology and cultural resource reports, draft and final NEPA documentation as determined in coordination with the Federal Transit Administration (FTA). In addition, the study will include reports of agency coordination activities, viable alternatives workshops, draft and final basis of design and construction plan, public meetings, and draft and final FTA New or Small Starts submittal. It is the anticipation of TBARTA that Florida Department of Transportation will provide a grant in FY 2020 for \$1.3 million to complete the work as outlined.

TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 11 SUBSEQUENT EVENTS (CONTINUED)

In fiscal year 2019 TBARTA became a member of the Florida Retirement System (FRS). The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees.

All employees will be Regular Class compulsory members, contributing 3%. The decision was made to include this as benefit to attract talent to the organization both as new members to FRS and those that are already in the System.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service.

Employees enrolled in the FRS Plan may include up to four years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES				
Federal and State Grants	\$ 2,611,742	\$ 2,611,742	\$ 2,308,428	\$ (303,314)
Local Contributions	200,000	200,000	250,766	50,766
Miscellaneous Revenues	-	-	13,250	13,250
Total Revenues	<u>2,811,742</u>	<u>2,811,742</u>	<u>2,572,444</u>	<u>(252,548)</u>
EXPENDITURES				
Current:				
Transportation	<u>2,811,742</u>	<u>2,811,742</u>	<u>2,204,068</u>	<u>607,674</u>
Total Expenditures	<u>2,811,742</u>	<u>2,811,742</u>	<u>2,204,068</u>	<u>607,674</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	368,376	<u>\$ 355,126</u>
Fund Balance - Beginning of Year			<u>(305,817)</u>	
FUND BALANCE - END OF YEAR			<u>\$ 62,559</u>	



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

Board of Directors
Tampa Bay Area Regional Transit 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 Transit Authority (TBARTA), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise TBARTA's basic financial statements, and have issued our report thereon dated June 19, 2019.

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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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 have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001 that we consider to be a material weakness.

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*.

TBARTA's Response to Findings

TBARTA's response to the 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 the financial statements and, accordingly, we express no opinion on it.

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 results 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 19, 2019



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT, AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE
AUDITOR GENERAL OF THE STATE OF FLORIDA**

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

Report on Compliance for Each Major Federal Program and State Project

We have audited Tampa Bay Area Regional Transit Authority (TBARTA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and requirements described in the Florida Department of Financial Services *State Projects Compliance Supplement*, that could have a direct and material effect on each of TBARTA's major federal programs and state projects for the year ended September 30, 2018. TBARTA's major federal programs and state projects are 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 federal and state statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of TBARTA's major federal programs and state projects 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 for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General of Local Governmental Entity Audits*. Those standards, the Uniform Guidance and Chapter 10.550 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 or state project 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 each major federal program or state project. However, our audit does not provide a legal determination of TBARTA's compliance.

Opinion on Each Major Federal Program and State Project

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 each of its major federal program and state project for the year ended September 30, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and Chapter 10.550, which are described in the accompanying schedule of findings and questioned costs as items 2018-002 through 2018-007. Our opinion on each major federal program and state project is not modified with respect to these matters.

TBARTA's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. TBARTA's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, 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 or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 or state project 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 or state project 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2018-002 through 2018-007 that we consider to be significant deficiencies.

TBARTA's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. TBARTA's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Board of Directors
Tampa Bay Area Regional Transit 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 the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

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

CliftonLarsonAllen LLP

Tampa, Florida
June 19, 2019

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2018**

Federal or State Grantor/Pass-Through Grantor/Program title	CFDA# / CSFA#	Grant or Contract Number	Expenditures	Transfers to Subrecipients
<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>Federal Transit Cluster 20.500/20.507</i>				
One-Call/One Click Transportation Information	20.500	FL-04-0156-00	\$ 581,427	\$ -
Section 5307 Vanpool Program	20.507	FL-90-X822-00	12,155	-
<i>U.S. Department of Transportation - Federal Transit Administration (Pass through from the Pinellas Suncoast Transit Authority)</i>				
Section 5307 - Capital & Operating Funds	20.507	FL-2019-015-00	14,246	-
Total Federal Transit Cluster			<u>607,828</u>	<u>-</u>
<i>FTA Section 5312 Research Funds</i>				
Research for One Call/One-Click Program	20.514	FL-26-0023-00	24,301	-
Total CFDA 20.514			<u>24,301</u>	<u>-</u>
<i>U.S. Department of Transportation - Federal Transit Administration (Pass through from the State of Florida FHWA Surface Transportation Program</i>				
Capital Project of Regional Commuter Vanpool Services in the Tampa Bay Region	20.205	G0H66	190,040	-
Total CFDA 20.205			<u>190,040</u>	<u>-</u>
<i>FHWA Highway Research and Development Program</i>				
Highway Research and Development Program Surface Transportation Research, Development, and Technology	20.200	G0A76	90,933	-
Total CFDA 20.200			<u>90,933</u>	<u>-</u>
Total Expenditures of Federal Awards			<u><u>\$ 913,102</u></u>	<u><u>\$ -</u></u>

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2018**

<u>Federal or State Grantor/Pass-Through Grantor/Program title</u>	<u>CFDA# / CSFA#</u>	<u>Grant or Contract Number</u>	<u>Expenditures</u>	<u>Transfers to Subrecipients</u>
Florida Department of Transportation				
<i>Direct Program:</i>				
Commuter Assistance/Rideshare Grants	55.007	G0032	\$ 266,237	\$ -
Commuter Assistance/Rideshare Grants	55.007	G0H62	544,171	-
Commuter Assistance/Rideshare Grants	55.007	G0M91	23,301	-
Transportation Management Organization Coordinating Group/Marketing Campaign	55.007	AR833-TMOCG	72,514	-
Commuter Assistance/Rideshare Grants	55.007	G0H96	13,464	-
Total CFDA 55.007			<u>919,687</u>	<u>-</u>
Total Expenditures of State Financial Assist			<u>\$ 919,687</u>	<u>\$ -</u>
Total Expenditures of Federal Awards and State Financial			<u>\$ 1,832,789</u>	<u>\$ -</u>

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2018**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal award and state financial assistance includes all federal and state grant activity of the Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of 2 CFR 200 Uniform Guidance, and Chapter 10.550 of the Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented of, or used in the preparation of the financial statements.

NOTE 2 CAPITAL ASSETS

No capital assets were purchased using capital award during the fiscal year ending September 30, 2018.

NOTE 3 SUBRECIPIENTS

There were no subrecipients related to federal and state awards.

NOTE 4 INDIRECT COST RATE

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

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2018**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
 - Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? yes x none reported
3. Noncompliance material to financial statements noted? yes x no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? yes x no
 - Significant deficiency(ies) identified? x yes none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
20.500/20.507	Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$ \$750,000

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2018**

State Financial Assistance

1. Internal control over state projects:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? x yes _____ none reported

2. Type of auditors' report issued on compliance for state projects: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with state requirements? x yes _____ no

Identification of Major State Projects

CSFA Number(s)

55.007

Name of State Project

Commuter Assistance Program/Ride Share Grants

Dollar threshold used to distinguish between Type A and Type B state projects: \$ 300,000

Auditee qualified as low-risk auditee? _____ yes x no

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2018**

Section II – Financial Statement Findings

2018 – 001 Year-End Closing Procedures

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria or specific requirement: Management is responsible for establishing and maintaining internal controls over the timely and accurate recording of all transactions and adequate reconciliation and review of the account balances each month and at the end of the fiscal year.

Condition: As part of our audit, we proposed adjustments to revise certain account balance at year-end, including a reclassification between cash and accounts payable and adjustments to receivables related to agreements G0H96 and G0H62.

Effect: The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by management's internal controls.

Cause: Grant accounting procedures involving the allocation of eligible expenditures to TBARTA's federal and state programs, were not occurring on a regular and consistent basis, which triggered certain errors during the year-end financial closing process and also delayed the audit process.

Repeat Finding: Yes, prior year 2017-001.

Recommendation: We recommend that management develop procedures to provide timely and accurate financial information which reconciles eligible expenses for submission for reimbursement to granting agencies.

Views of responsible officials: There is no disagreement with the audit finding. See corrective action plan on separate document.

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2018**

Section III – Findings and Questioned Costs – Major Federal Programs

2018 – 002 Cash Management and Reporting

Federal agency: U.S. Department of Transportation

Federal program title: Federal Transit Cluster

CFDA Number(s): 20.500 and 20.507

Pass-Through Agency: Pinellas County MPO

Pass-Through Number(s): FL-04-0156-00, FL-90-X822-00, and FL-2019-015-00

Award Period: Various

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: Per the contract agreement, project reporting for reimbursement subsection: "The sub grantee shall submit a narrative progress report, financial status report, and invoices for fees earned on a quarterly basis (Calendar quarters). All progress reports, financial status reports and invoices shall be emailed to the designated address in a generally accepted electronic format to the MPO within 14 calendar days after the end of each quarter."

Condition/Context: Out of the two reimbursement requests submitted in the year, one related to the One-Click-One-Call grant and the other related to the NTD grant. In both cases, the request was submitted in July 2018 but the expenses encompassed payments from January-April 2018 and therefore should have been requested as part of the Q1 report ending March 31, 2018 and submitted by April 14, 2018.

Questioned costs: None.

Cause: Grant accounting procedures involving the reimbursement requests and required reports of eligible expenditures to TBARTA's federal and state programs, were not occurring on a regular and consistent basis, which triggered delays in receiving funds and potentially cash flow shortages.

Effect: Failure to submit reimbursement requests and required reports each quarter as prescribed in the contract agreement could cause delay in receiving funds or potentially rejected expenditures.

Repeat Finding: No.

Recommendation: TBARTA's grant personnel should submit quarterly reimbursement requests with the required reporting within the required 14 calendar days of quarter end.

Views of responsible officials: There is no disagreement with the audit finding.

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2018**

Section III – Findings and Questioned Costs – Major Federal Programs (continued)

2018 – 003 Procurement

Federal agency: All Federal Agencies

Federal program title: All Federal Programs

CFDA Number(s): Various

Award Period: Various

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: Grantees and sub grantees' procurement policies should reflect applicable Federal, State, and local laws and regulations, so that federally funded and state funded purchases conform to the applicable Federal law and the standards identified as being applicable.

Condition/Context: We noted exceptions within TBARTA's procurement policy as follows: The conflict of interest policy excludes some critical wording and is not complete. Specifically, the required wording that was omitted was as follows, "No employee, officer or agent of the grantee or sub grantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when: The employee, officer or agent, any member of his/her immediate family, his or her partner, or an organization which employs, any of the above, has a financial or other interest in the firm selected for the award." TBARTA updated their policy on January 25, 2019 to include the omitted wording.

Questioned costs: None.

Cause: Procurement procedures involving the compliance with Uniform Guidance were not followed, which triggered noncompliance with procurement activities on federal grants.

Effect: Failure to update the procurement policies to be in compliance with Uniform Guidance could cause noncompliance with procurement activities on federal grants.

Repeat Finding: No.

Recommendation: We recommend that TBARTA update their procurement policies to be in compliance with the Uniform Guidance.

Views of responsible officials: There is no disagreement with the audit finding.

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2018**

Section III – Findings and Questioned Costs – Major Federal Programs (continued)

2018 – 004 Allowable Cost Allocations-Federal

Federal agency: U.S. Department of Transportation

Federal program title: Federal Transit Cluster

CFDA Number(s): 20.500 and 20.507

Pass-Through Agency: Pinellas County MPO

Pass-Through Number(s): FL-04-0156-00, FL-90-X822-00, and FL-2019-015-00

Award Period: Various

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: The methods of allocating costs should be in accordance with applicable cost principals, and produce an equitable and consistent distribution of costs, which benefit from costs being allocated (i.e. based on activities etc.). The guidance of 2 CFR part 225 notes that in order for costs to be allowable under Federal grants they not only need to be necessary and reasonable for the performance and administration of the awards but are required to be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.

Condition/Context: In our statistically valid sample of non-payroll disbursements, we noted one instance in which expenditure was allocated rather than being charged at the full amount incurred. There was no documentation to support the methodology. The allocations were not consistent and therefore not equitable between programs. TBARTA does not have a documented allocation plan but rather haphazardly allocates expenditures based on which programs are running and have available capacity by budgeted line item.

Questioned costs: None.

Cause: Grant accounting procedures involving the cost allocations methods of TBARTA's federal and state programs, were not followed and occurring on a regular and consistent basis.

Effect: Potential non-compliance with cost principals could cause reimbursement requests to be rejected.

Repeat Finding: No.

Recommendation: We recommend that TBARTA understand the allowable costs for each of their grants and ensure that costs are allocated consistently and in accordance with cost principles.

Views of responsible officials: There is no disagreement with the audit finding.

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2018**

Section IV – Findings and Questioned Costs – Major State Projects

2018 – 005 Allowable Cost Allocations-State

State agency: Florida Department of Transportation

State program title: Commuter Assistance Program/Ride Share Grants

CSFA Number: 55.007

Award Period: Various

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: The methods of allocating costs should be in accordance with applicable cost principals, and produce an equitable and consistent distribution of costs, which benefit from costs being allocated (i.e. based on activities etc.). Florida requires compliance with 2 CFR part 225. This guidance notes that in order for costs to be allowable under Federal grants they not only need to be necessary and reasonable for the performance and administration of the awards but are required to be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.

Condition/Context: In our sample of 28 non-payroll disbursements, we noted that 18 of the expenditures were allocated rather than being charged at the full amount incurred. The allocations were not consistent and therefore not equitable between programs. TBARTA does not have a documented allocation plan but rather haphazardly allocates expenditures based on which programs are running and have available capacity by budgeted line item. Therefore, even reoccurring expenditures such as monthly rent or bookkeeping services are charged to multiple grants at different allocation percentages each month.

Questioned costs: None.

Cause: Grant accounting procedures involving the cost allocations methods of TBARTA's federal and state programs, were not followed and occurring on a regular and consistent basis.

Effect: Potential non-compliance with cost principals could cause reimbursement requests to be rejected.

Repeat Finding: No.

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2018**

Section IV – Findings and Questioned Costs – Major State Projects (continued)

2018 – 005 Allowable Cost Allocations-State (continued)

Recommendation: We recommend that TBARTA understand the allowable costs for each of their grants and ensure that costs are allocated consistently and in accordance with cost principles.

Views of responsible officials: There is no disagreement with the audit finding.

2018 – 006 Special Tests and Provision-Procurement

State agency: Florida Department of Transportation

State program title: Commuter Assistance Program/Ride Share Grants

CSFA Number: 55.007

Award Period: Various

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: The state grant requires compliance with 2 CFR 200.318 (i). Under this guidance it is noted that the non-federal entity must maintain records sufficient to detail the history of procurement. Additionally, 2 CFR 200.320 (b) states procurement by small purchases requires price or rate quotations from an adequate number of qualified sources.

Condition/Context: In our sample of 8 procurement transactions it was noted that TBARTA did not have solicitation support for one vendor as they have continued using this vendor due to prior services with Bay Area Commuter Services. However, when the new agreement for services was entered into for the period of September 2017 through December 2017, a fresh look at other vendor options should have been performed in order to ensure the most economical option was utilized for the grant.

Questioned costs: None.

Cause: The staff were unaware that solicitation for price or rate quotes is required before a renewal of a contract agreement with a vendor for services charged to a grant.

Effect: Noncompliance with procurement requirements could lead to unallowed expenditures being charged to a grant or future loss of funding from the granting agency.

Repeat Finding: No.

Recommendation: We recommend that TBARTA obtain price or rate quotations from an adequate number of qualified sources when using the small purchase procurement method.

Views of responsible officials: There is no disagreement with the audit finding.

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2018**

Section IV – Findings and Questioned Costs – Major State Projects (continued)

2018 – 007 Reporting

State agency: Florida Department of Transportation

State program title: Commuter Assistance Program/Ride Share Grants

CSFA Number: 55.007

Award Period: Various

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: Per the contract agreements AR833 and G0H96, there are reporting deliverables due on a quarterly and monthly basis, respectively. The specific items required with a report are detailed within the quantifiable deliverable sections of the agreements.

Condition/Context: In our testing of 1 quarterly report, 4 monthly reports, and 1 annual report, it was noted that the January 2018 report related to contract agreement G0H96 was not prepared or submitted to the grantor.

Questioned costs: None.

Cause: Grant accounting procedures involving the reimbursement requests and required reports of eligible expenditures to TBARTA's federal and state programs, were not occurring on a regular and consistent basis, which triggered delays in receiving funds.

Effect: Failure to submit monthly reports could cause the grantor to delay payments or have an inaccurate impression of the grant status.

Repeat Finding: No.

Recommendation: TBARTA's grant personnel should submit all required reports required under the contract agreements. In order to ensure reports are submitted timely, we recommend having a consistent schedule for the preparation and review of such reports.

Views of responsible officials: There is no disagreement with the audit finding.



MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the Tampa Bay Area Regional Transit Authority (TBARTA) as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated June 19, 2019.

Auditors' 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our 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*; Independent Auditors' Report on Compliance for Each Major Federal Program and state project, and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 19, 2019, 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. The prior year finding was not corrected as shown in Appendix A and was a repeat finding in 2018 as noted in the Schedule of Findings and Questioned Costs.

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. See Note 1 in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.d., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide 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. The Authority does not have any component units.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

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.



CliftonLarsonAllen LLP

Tampa, Florida
June 19, 2019

Prior Year Findings and Recommendations		Current Year Status		
		Cleared	Partially Cleared	Not Cleared
2017-001 Year-End Closing Procedures	Material Weakness in Internal Control over Financial Reporting			X See 2018-001

APPENDIX A



INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined Tampa Bay Area Regional Transit Authority's (the Authority) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2018. Management of the Authority is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority'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 the Authority, complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority, 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 the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2018.

This report is intended solely for the information and use of the Authority 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

CliftonLarsonAllen LLP

Tampa, Florida
June 19, 2019

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2018**

Department of Transportation

Tampa Bay Area Regional Transit Authority respectfully submits the following summary schedule of prior audit findings for the year ended 2018.

Audit period: October 1, 2017 through September 30, 2018

The finding from the prior audit's schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2017 – 001 Year-End Closing Procedures

Condition: As part of our audit, we proposed adjustments to revise certain account balance at year-end, including a reclassification between cash and accounts payable and adjustments to receivables related to agreements G0H96, G0H62, and AS783.

Status: See current year finding 2018-001.

Reason for finding's recurrence: TBARTA was understaffed due the Executive Director's resignation during FY18. TBARTA's management had brought on additional staff, including a Senior Accountant, to redistribute work tasks. The Senior Accountant concentrates on timely and accurate processing of agency financials. The Senior Accountant is responsible for the closing process which includes reconciling the general account balances and all revenues and receivables as well as expenses and related liabilities are recorded in the proper period.

Corrective Action: See separate document titled Corrective Action Plan.

If the Department of Transportation has questions regarding this schedule, please call Melonie Williams at 813-639-7732.

**TAMPA BAY AREA REGIONAL TRANSIT AUTHORITY
CORRECTIVE ACTION PLAN
YEAR ENDED SEPTEMBER 30, 2018**

U.S Department of Transportation

Tampa Bay Area Regional Transit Authority (TBARTA) respectfully submits the following corrective action plan for the year ended September 30, 2018.

Audit period: October 1, 2017-September 30, 2018

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—FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2018-001 Year-End Closing Procedures

Recommendation: We recommend that management develop procedures to provide timely and accurate financial information which reconciles eligible expenses for submission for reimbursement to granting agencies.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: TBARTA's management had brought on additional staff, including a Senior Accountant, to redistribute work tasks. The Senior Accountant concentrates on timely and accurate processing of agency financials. The Senior Accountant is responsible for the closing process which includes reconciling the general account balances and all revenues and receivables as well as expenses and related liabilities are recorded in the proper period.

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

Planned completion date for corrective action plan: March 11, 2019.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U.S. Department of Transportation

2018-002 Federal Transit Cluster – CFDA No. 20.500 and 20.507

Recommendation: TBARTA's grant personnel should submit quarterly reimbursement requests with the required reporting within the required 14 calendar days of quarter end.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Going forward the FTA grant funds will be a PSTA grant and TBARTA will be a sub-recipient. It will be the responsibility of PSTA to submit the quarterly updates. For monthly internal reporting purposes, TBARTA will submit updates to PSTA. FTA considers this a best practice.

Name(s) of the contact person(s) responsible for corrective action: Debbie Leous (PSTA) and Melonie Williams

Planned completion date for corrective action plan: March 07, 2019

All Federal Programs

2018-003 All Federal Programs – CFDA No. Various

Recommendation: We recommend that TBARTA update their procurement policies to be in compliance with the Uniform Guidance.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: An updated procurement policy which is in compliance with the Uniform Guidance was effective January 25, 2019.

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

Planned completion date for corrective action plan: January 25, 2019.

U.S. Department of Transportation

2018-004 Federal Transit Cluster – CFDA No. 20.500 and 20.507

Recommendation: We recommend that TBARTA understand the allowable costs for each of their grants and ensure that costs are allocated consistently and in accordance with cost principles.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The allocation of other general operating expenditures has been reviewed and agreed upon by management. This allocation is consistent with the allowable costs of the grant. Surface Transportation Grant Funding will be used only for vanpool subsidies, consistent with the grant agreement.

Name(s) of the contact person(s) responsible for corrective action: Debbie Leous (PSTA) and Melonie Williams

Planned completion date for corrective action plan: March 07, 2019

If the U.S Department of Transportation has questions regarding this plan, please call Melonie Williams at 813-639-7732.