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April 6, 2020

**AGENDA
METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION
FOR THE GAINESVILLE URBANIZED AREA**

AUDIT REVIEW COMMITTEE

**Virtual Meeting
Toll Free Telephone Number: 888.585.9008
Conference Room Number: 568 124 316**

**11:00 a.m.
April 13, 2020**

Staff Recommendation

I. Approval of the February 18, 2019 Minutes

APPROVE MINUTES

II. Review of the Fiscal Year 2018-19 Audit

**RECOMMEND
ACCEPTANCE OF AUDIT**

III. Authorize Payment of Auditor

**RECOMMEND
FINAL PAYMENT**

Due to the COVID-19 Public Health Emergency, the Audit Review Committee will meet virtually on April 13, 2020 at 11:00 a.m. The meeting will be conducted via communications media technology at the following telephone number and conference room number.

Toll Free Telephone Number: 888.585.9008

Conference Room Number: 568 124 316

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METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION
FOR THE GAINESVILLE URBANIZED AREA
AUDIT REVIEW COMMITTEE
MINUTES

Grace Knight Conference Room
Alachua County Administration Building
Gainesville, FL

February 18, 2019
11:30 a.m.

MEMBERS PRESENT

Charles Chestnut IV, Chair
David Arreola

OTHERS PRESENT

Richard Powell, Powell & Jones
Certified Public Accountants

STAFF PRESENT

Scott Koons

The meeting was called to order by Chair Chestnut at 11:30 a.m.

I. APPROVAL OF THE FEBRUARY 15, 2018 MINUTES

Scott Koons, Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area Executive Director, reviewed the February 15, 2018 Audit Committee minutes.

ACTION: By consensus, the Committee approved the February 15, 2018 minutes as written and distributed.

II. REVIEW OF FISCAL YEAR 2017-18 AUDIT

Richard Powell of Powell & Jones, Certified Public Accountants, reviewed the Fiscal Year 2017-18 Audit and answered questions. Following discussion, the following action was taken.

ACTION: By consensus, the Committee recommended to the Metropolitan Transportation Planning Organization acceptance and approval of the Fiscal Year 2017-18 Audit prepared by Powell & Jones, Certified Public Accountants.

III. AUTHORIZE PAYMENT OF AUDITOR

ACTION: By consensus, the Committee recommended to the Metropolitan Transportation Planning Organization authorization of the final payment in the amount of \$6,926 for audit services to the auditor, Powell & Jones, Certified Public Accountants.

The meeting adjourned at 11:40 a.m.


Adrian Hayes-Santos, Chair

4/13/20
Date



April 6, 2020

TO: Honorable Adrian Hayes-Santos, Gainesville City Commissioner, Chair
Honorable Robert Hutchinson, Alachua County Commissioner

FROM: Scott R. Koons, AICP, Executive Director 

SUBJECT: Fiscal Year 2018-19 Audit Review Committee Meeting

STAFF RECOMMENDATION

Recommend acceptance of the audit report for Fiscal Year 2018-19 and approve the invoice for payment to the auditor.

BACKGROUND

Please find attached a copy of the auditor's report for Fiscal Year 2018-19 ending September 30, 2019. In December 2019, the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area appointed Commissioner Adrian Hayes-Santos and Commissioner Robert Hutchinson to an Audit Review Committee. The Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area also decided to have Commissioner Hayes-Santos serve as Committee Chair.

First, it should be noted that the audit conforms to both federal regulations and the rules of the Auditor General of the State of Florida. Therefore, the auditor is required to take into account not only internal accounting controls, but administrative controls as well. In addition, the audit has been completed in compliance with Governmental Accounting Standards Board Statement 34 and 54 requirements.

More specific comments relating to the report are given in sequence as they appear in the document. On Page 5, you can see that the auditor's report indicates that the records audited "...present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area, as of September 30, 2019, and the changes in financial position and the respective budgetary comparisons for the year then ended in accordance with accounting principles generally accepted in the United States of America."

Pages 7 through 11 contain the "Management's Discussion and Analysis" that is intended to present easily understood analyses of the Metropolitan Transportation Planning Organization's financial activities, but technically is not a part of the audit. This expanded information gives a more detailed look at the financial position of the Metropolitan Transportation Planning Organization from a business perspective.

Pages 12 through 13 present the statements that were audited. In general, you will find that the information in each of these statements are fairly routine and report no unusual circumstances. In particular, page 12 presents the "Governmental Funds Balance Sheet."

Page 2
Audit Review Committee
April 6, 2020

Page 13 is a "Statement of Revenues, Expenditures and Changes in General Fund Balance." Please note that with respect to revenues collected versus those budgeted, revenues received were 0.02 percent more than budgeted amounts. With respect to expenditures, funds expended were (0.2) percent less than budgeted amounts. The difference in the revenues received and the expenditures made are reflected in the increase in the Metropolitan Transportation Planning Organization's "General Fund Balance" of \$1,554.

The auditor's notes begin on page 14 and include Note 1, Summary of Significant Accounting Policies and Note 2, Budgetary Process, Note 3, Concentration of Risk and Note 4, Contingent Liabilities.

The audit also contains various reports on compliance, internal control and management on Pages 20 through 26. In these reports, no material weaknesses or problems were cited. Consequently, there were no findings of non-compliance or reportable conditions (see Page 22).

Overall, management and financial staff are pleased with the audit report. If you would like additional information concerning the audit before the meeting, please do not hesitate to contact me.

Audit Review Committee Meeting

The Audit Review Committee will meet virtually on April 13, 2020 at 11:00 a.m. The meeting will be conducted via communications media technology at the following telephone number and conference room number.

Toll Free Telephone Number: 888.585.9008

Conference Room Number: 568 124 316

The purpose of the meeting is to review the attached Fiscal Year 2018-19 audit and authorize payment of the invoice in the amount of \$7,100.

Attachment

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**METROPOLITAN TRANSPORTATION
PLANNING ORGANIZATION FOR THE
GAINESVILLE URBANIZED AREA**

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2019

**METROPOLITAN TRANSPORTATION PLANNING
ORGANIZATION FOR THE GAINESVILLE URBANIZED AREA**

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2019

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FINANCIAL SECTION



Powell & Jones
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To Metropolitan Transportation
Planning Organization for the
Gainesville Urbanized Area
Gainesville, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area (the Organization), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Organization'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.

Auditor's Responsibility

Our responsibility is to express an opinion 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 auditor's 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.

Florida Institute of Certified Public Accountants • American Institute of Certified Public Accountants

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area as of September 30, 2019, and the changes in financial position and the respective budgetary comparisons 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 on pages 7 - 9 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.

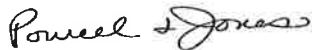
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area's basic financial statements. The schedule of expenditures of federal awards and state financial assistance 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 and state financial assistance 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 schedule of expenditures of federal awards and state financial assistance 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 April 6, 2020, on our consideration of the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area'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 results 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 Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area's internal control over financial reporting and compliance.



POWELL & JONES
Certified Public Accountants
April 6, 2020

**METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION
FOR THE GAINESVILLE URBANIZED AREA
Management's Discussion and Analysis**

This discussion and analysis is intended to be an easily readable analysis of the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area's (the Organization) financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements that follow.

Report Layout

The Organization has implemented Governmental Accounting Standards Board (GASB) Statement 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments". This Statement requires governmental entities to report finances in accordance with specific guidelines. Among those guidelines are the components of this section dealing with management's discussion and analysis. Besides this Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements, and the notes to the financial statements. The first two statements are condensed and present a government-wide view of the Organization's finances. Within this view, all the Organization's operations are categorized as applicable, and reported as either governmental or business-type activities. Governmental activities include basic planning related services and general administration. The Organization had no business-type activities in this fiscal year. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the Organization.

Basic Financial Statements

The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets of the Organization, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Governmental activities are reported on the accrual basis of accounting.

- The Statement of Activities focuses gross and net costs of the Organization's programs and the extent, if any, to which such programs rely upon general revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus separately on governmental and proprietary funds, as applicable. Governmental fund statements follow the more traditional presentation of financial statements. As stated above, the Organization has no proprietary funds and business-type activities.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Organization's financial condition.
- The MD&A is intended to serve as an introduction to the Organization's basic financial statements and to explain the significant changes in financial position and differences in operations between the current and prior years.

Condensed Financial Information

Condensed financial information from the Statements of Net Position as of September 30, 2019 and 2018, follow:

	Governmental Activities	
	Total Government	
	September 30,	
	2019	2018
Assets:		
Cash	\$ 40,314	\$ 68,855
Receivables	222,726	187,505
Prepaid expenses	500	250
Total assets	<u>263,540</u>	<u>256,610</u>
Liabilities:		
Accounts payable	199,783	194,407
Total liabilities	<u>199,783</u>	<u>194,407</u>
Net Assets:		
Unrestricted	63,757	62,203
Total net assets	<u>\$ 63,757</u>	<u>\$ 62,203</u>

During the year ended September 30, 2019, there was an increase of \$1,554 in net position, due to normal operations during the year.

Condensed versions of the Statement of Activities for the years ended September 30, 2019 and 2018 follow:

	Governmental Activities	
	Total Government	
	Fiscal Year Ended September 30,	
	2019	2018
Revenues		
Program revenues		
Member dues	\$ 24,000	\$ 24,000
Operating grants	693,040	727,544
Contractual services	6,735	7,054
In-kind contributions	186,378	106,870
Total revenues	<u>910,153</u>	<u>865,468</u>
Expenses		
Transportation planning services	908,599	864,271
Total expenses	<u>908,599</u>	<u>864,271</u>
Change in net assets	1,554	1,197
Beginning net assets	62,203	61,006
Ending net assets	<u>\$ 63,757</u>	<u>\$ 62,203</u>

Governmental activities

Transportation planning program activities remained similar to the prior year except that total expenses increased approximately 5.13% and grant revenues decreased approximately 4.74%.

Capital Assets and Debt Administration

Capital Assets

At September 30, 2019, the Organization had no capital assets titled in its name. All of the capital assets utilized in the Organization's programs are owned by North Central Florida Regional Planning Council, its administering agency.

Debt Outstanding

At September 30, 2019, the Organization had no outstanding debt.

Financial Contact

The Organization's financial statements are designed to present users (citizens, taxpayers, customers, and creditors) with a general overview of the Organization's finances and to demonstrate the Organization's accountability. If you have questions about the report or need additional financial information, please contact the Organization's Executive Director at 2009 NW 67th Place, Gainesville, Florida 32653-1603.

**METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION
FOR THE GAINESVILLE URBANIZED AREA**

STATEMENT OF NET POSITION

September 30, 2019

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash	\$ 40,314
Accounts receivable	222,726
Prepaid expenses	500
Total assets	<u>\$ 263,540</u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 199,783
Total liabilities	<u>199,783</u>
NET POSITION	
Unrestricted	63,757
Total net position	<u>63,757</u>
Total liabilities and net position	<u>\$ 263,540</u>

See notes to financial statements.

**METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION
FOR THE GAINESVILLE URBANIZED AREA**

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2019

	<u>Expenses</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Net Expenses and Change in Net Position Governmental Activities Total</u>
Governmental activities:			
General government			
Transportation planning services	\$ 908,599	\$ 886,153	\$ (22,446)
Total governmental activities	<u>\$ 908,599</u>	<u>\$ 886,153</u>	<u>(22,446)</u>
 General revenues:			
Member dues			<u>24,000</u>
			<u>24,000</u>
 Increase in net position			1,554
 Net position - October 1, 2018			<u>62,203</u>
 Net position - September 30, 2019			<u>\$ 63,757</u>

See notes to financial statements.

**METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION
FOR THE GAINESVILLE URBANIZED AREA**

**BALANCE SHEET
GOVERNMENTAL FUND**

September 30, 2019

	<u>General Fund</u>
ASSETS	
Cash	\$ 40,314
Accounts receivable	222,726
Prepaid expenses	500
Total assets	<u>\$ 263,540</u>
LIABILITIES	
Accounts payable	<u>\$ 199,783</u>
Total liabilities	<u>199,783</u>
FUND BALANCE	
Nonspendable, prepaids	500
Unassigned	63,257
Total fund balance	<u>63,757</u>
 Total liabilities and fund balance	 <u>\$ 263,540</u>

Total fund balance is the same as net position in the Statement of Net Position.

See notes to financial statements.

**METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION
FOR THE GAINESVILLE URBANIZED AREA**

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
REVENUES				
State of Florida, Department of Transportation grants and contracts	\$ 773,200	\$ 675,100	\$ 675,124	\$ 24
State of Florida, Transportation Disadvantaged Commission	24,000	24,600	24,651	51
Member dues - Alachua County	9,600	9,600	9,600	-
Member dues - City of Gainesville	14,400	14,400	14,400	-
In-kind contributions (FDOT)	128,300	186,300	186,378	78
Total revenues	949,500	910,000	910,153	153
EXPENDITURES				
Professional contractual services	809,200	714,000	712,718	1,282
Other	12,000	9,700	9,503	197
In-kind services (FDOT)	128,300	186,300	186,378	(78)
Total expenditures	949,500	910,000	908,599	1,401
Net change in fund balance	-	-	1,554	1,554
Fund balance, October 1, 2018	62,203	62,203	62,203	-
Fund balance, September 30, 2019	\$ 62,203	\$ 62,203	\$ 63,757	\$ 1,554

See notes to financial statements.

**METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION
FOR THE GAINESVILLE URBANIZED AREA**

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area (the Organization), is a political subdivision created pursuant to provisions of Chapter 163, *Florida Statutes*. The Organization was established in 1977 by an Interlocal agreement between the City of Gainesville, Alachua County and Florida Department of Transportation. It is governed by a fourteen-member board, including the five members of the Alachua County Board of County Commissioners, the seven members of the City of Gainesville City Commission, and non-voting representatives of the University of Florida, and a rural advisor selected by the Alachua County League of Cities. The Organization is not currently subject to state or federal income taxes. Staff services are provided by the North Central Florida Regional Planning Council.

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

A. Reporting entity - As required by generally accepted accounting principles, these financial statements present the Organization and any component units, entities for which the primary government is considered to be financially accountable. There are no entities that would be considered component units of the Organization.

B. Basic financial statements - Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type.

Government-wide financial statements report information about the reporting unit as a whole. For the most part, the effect of any interfund activity has been removed from these statements. These statements focus on the sustainability of the Organization as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Any other items not reported as program revenues are reported instead as general revenues.

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. The Organization only reports a general fund which is a governmental fund.

C. Measurement focus, basis of accounting, and basis of presentation - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. A 120 day availability period after year end is used for revenue recognition. Expenditures are recorded when the related fund liability is incurred.

The Organization reports unearned revenue as applicable on its governmental fund balance sheet. Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition on the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The Organization reports the following fund:

General Fund

This is the general operating fund of the Organization. It is used to account for all financial resources of the government, except those required to be accounted for in another fund.

D. Cash and cash equivalents - As applicable year to year, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

E. Cash and Investments – Cash deposits are held by a bank qualified as a public depository under Florida law. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida’s multiple financial institution collateral pool as required by Chapter 280, *Florida Statutes*.

F. Pervasiveness of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles required 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.

G. Fund Balances – As of September 30, 2019, fund balances of the governmental funds are classified as follows:

Non-spendable – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purpose because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Governing Board. The Governing Board is the highest level of decision making authority for the Organization. Commitments may be established, modified or rescinded only through ordinances or resolutions approved by the Governing Board.

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 Organization’s general policy, only the Governing Board may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

As of September 30, 2019, fund balances are composed of the following:

Nonspendable, prepaids	\$	500
Unassigned		63,257
Total fund balance	\$	<u>63,757</u>

NOTE 2. BUDGETARY PROCESS

The Organization follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. In March, staff members begin preparing a budget for the fiscal year commencing the following October 1, based on work outlined in the Unified Planning Work Program.
- b. In June, the Organization adopts and approves the budget.
- c. Actual contracts accepted by the Organization throughout the year necessarily have an impact on approved budget operating levels. Should any major changes be needed, due to unforeseen contracts or the need to appropriate additional funds, the budget is then redeveloped for consideration by the Organization.
- d. The budget is adopted on a basis consistent with generally accepted accounting principles. The legal level of budgeting control is the fund level.

NOTE 3. CONCENTRATION OF CREDIT RISK

Significant concentration of credit risk for financial instruments owned by the Organization are as follows:

- a. **Accounts and grants receivable** - Substantially all of the Organization's receivables are for amounts due from federal, state and local governmental agencies under cost reimbursement contracts. The Organization has no policy requiring collateral or other security to support its receivables.
- b. **Cash and cash equivalents** - At September 30, 2019, the carrying amount of the Organization's bank deposits was \$40,314. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Treasurer pursuant to the Public Depository Security Act of the State of Florida. The Act established a Trust Fund, maintained by the State Treasurer, which is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member fails.

NOTE 4. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability to the Organization. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

COMPLIANCE SECTION

**METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION FOR THE GAINESVILLE URBANIZED AREA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2019**

Federal Grantor/Pass-Through Grantor/ State Grantor Program Title	CFDA/ CSFA Number	Grantor's Number	Program Award/Matching Amount	Received/ Reported Prior Year	Current Year Revenues	Current Year Expenditures
FEDERAL AWARDS						
<i>U.S. Department of Transportation</i>						
Passed through the State of Florida						
Department of Transportation:						
Highway Planning and Construction						
FPID # 439318-2-14-01						
FAIN # 0241-056-M						
Grant award: 2018-19/2019-20	20.205	G0U69	\$ 1,332,674	\$ 118,613	\$ 479,676	\$ 479,676
State Match: 2018-19/2019/20			<u>293,248</u>	<u>106,870</u>	<u>186,378</u>	<u>186,378</u>
			<u>1,625,922</u>	<u>225,483</u>	<u>666,054</u>	<u>666,054</u>
Federal Transit: Metropolitan Planning Grants						
FPID # 411762-3-14-19						
Grant award	20.505	G1456	173,732	170,092	173,732	173,732
State match			<u>21,717</u>	<u>21,261</u>	<u>21,716</u>	<u>21,716</u>
			<u>195,449</u>	<u>191,353</u>	<u>195,448</u>	<u>195,448</u>
Total Federal Awards			<u>1,506,406</u>	<u>288,705</u>	<u>653,408</u>	<u>653,408</u>
Total State Match			<u>314,965</u>	<u>128,131</u>	<u>208,094</u>	<u>208,094</u>
STATE FINANCIAL ASSISTANCE						
<i>State of Florida Department of Transportation</i>						
Transportation Disadvantaged						
FPID # 432029-1-14-01						
Grant award: 2019-20						
	55.002	G1815	<u>24,946</u>	<u>-</u>	<u>6,735</u>	<u>6,735</u>
Total State Financial Assistance			<u>24,946</u>	<u>-</u>	<u>6,735</u>	<u>6,735</u>
Total federal and state financial assistance			<u>\$ 1,846,317</u>	<u>\$ 416,836</u>	<u>\$ 868,237</u>	<u>\$ 868,237</u>

**METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION
FOR THE GAINESVILLE URBANIZED AREA**

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

For the Fiscal Year Ended September 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation of the Schedule of Expenditures of Federal Awards and State Financial Assistance of the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area (the Organization) have been designed to conform to generally accepted accounting principles as applicable to governmental units, including the reporting and compliance requirements of the Audits of States, Local Governments, and Non-Profit Organizations and Office of Management and Budget *Uniform Guidance*.

A. Reporting Entity

This reporting entity consists of the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area. The Organization includes a Schedule of Expenditures of Federal Awards and State Financial Assistance in the compliance Section for the purpose of additional analysis.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus.

The accrual basis of accounting is followed in the Schedule of Expenditures of Federal Awards and State Financial Assistance. Under the modified accrual basis, revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Organization considers revenues to be available if they are collected within 120 days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

INDEPENDENT AUDITOR'S 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

To Metropolitan Transportation Planning
Organization for the Gainesville Urbanized Area
Gainesville, 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, each major fund, and the aggregate remaining fund information of the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area's basic financial statements, and have issued our report thereon dated April 6, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area'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 the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area's internal control. Accordingly, we do not express an opinion on the effectiveness of the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

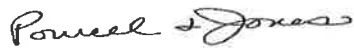
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area'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 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.



POWELL & JONES
Certified Public Accountants
April 6, 2020

**INDEPENDENT AUDITOR'S MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

To Metropolitan Transportation
Planning Organization for the
Gainesville Urbanized Area

We have audited the basic financial statements of the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area (the Organization) as of and for the year ended September 30, 2019, and have issued our report thereon dated April 6, 2020.

We have issued our 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*, dated January 10, 2020. Disclosures in that report, if any, should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the following items be addressed in this letter.

PRIOR YEAR FINDINGS - There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS - There were no reportable findings in the current year.

FINANCIAL COMPLIANCE MATTERS

Financial Emergency Status - We determined that the Organization did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

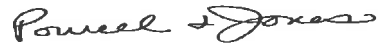
Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.5447(c) and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

We noted no deteriorating financial conditions as defined by Rule 10.544(2)(f).

Our audit did not disclose any further items that would be required to be reported under *Rules of the Auditor General* Chapter 10.550.

CONCLUSION

We very much enjoyed the challenge and experiences with this audit of the Organization. We appreciate the helpful assistance of the Organization staff in completing our audit and also the generally high quality of the Organization's financial records and internal controls.

A handwritten signature in cursive script, appearing to read "Powell & Jones".

POWELL & JONES
Certified Public Accountants
April 6, 2020

INDEPENDENT ACCOUNTANT'S REPORT

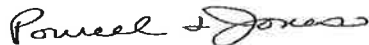
To Metropolitan Transportation
Planning Organization for the
Gainesville Urbanized Area

We have examined the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area's compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2019. Management is responsible for the Organization's compliance with those requirements. Our responsibility is to express an opinion on the Organization's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Organization's compliance with specified requirements.

In our opinion, the Organization complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

This report is intended solely for the information and use of the Organization 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.



POWELL & JONES
Certified Public Accountants
April 6, 2020

Communication with Those Charged with Governance

**To Metropolitan Transportation
Planning Organization for the
Gainesville Urbanized Area**

We have audited the financial statements of the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area for the year ended September 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus.

All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting the Organization's financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

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

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that

could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 6, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

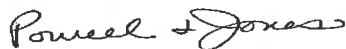
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses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

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Governing Board and management of the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



POWELL & JONES
Certified Public Accountants
April 6, 2020