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

**AUDIT REVIEW COMMITTEE**

**Gainesville City Hall**  
**Roberta Lisle Kline Conference Room (Room 16)**  
**Gainesville, FL**

**9:00 a.m.**  
**February 15, 2018**

**Staff Recommendation**

**I. Approval of the May 24, 2017 Minutes**

**APPROVE MINUTES**

**II. Review of the Fiscal Year 2016-17 Audit**

**RECOMMEND**  
**ACCEPTANCE OF AUDIT**

**III. Authorize Payment of Auditor**

**RECOMMEND**  
**FINAL PAYMENT**

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

Gainesville City Hall  
Room 17  
Gainesville, FL

May 24, 2017  
4:00 p.m.

MEMBERS PRESENT

Ken Cornell, Chair  
Harvey Budd

OTHERS PRESENT

Richard Powell, Powell & Jones  
Certified Public Accountants

STAFF PRESENT

Scott R. Koons

The meeting was called to order by Chair Cornell at 4:10 p.m.

I. APPROVAL OF THE JUNE 23, 2016 MINUTES

Scott Koons, Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area Executive Director, reviewed the June 23, 2016 Audit Committee minutes.

**ACTION: By consensus, the Committee approved the June 23, 2016 minutes.**

II. REVIEW OF FISCAL YEAR 2015-16 AUDIT

Richard Powell of Powell & Jones, Certified Public Accountants, reviewed the Fiscal Year 2015-16 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 2015-16 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 \$6,600 for audit services to the auditor, Powell & Jones, Certified Public Accountants.**

The meeting adjourned at 4:31 p.m.

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David Arreola, Chair

\_\_\_\_\_  
Date

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February 8, 2018

TO: Honorable David Arreola, Gainesville City Commissioner, Chair  
Honorable Ken Cornell, Alachua County Commissioner

FROM: Scott R. Koons, AICP, Executive Director 

SUBJECT: Fiscal Year 2016-17 Audit Review Committee Meeting

#### STAFF RECOMMENDATION

**Recommend acceptance of the audit report for Fiscal Year 2016-17 and approve the invoice for payment to the auditor.**

#### BACKGROUND

Please find attached a copy of the auditor's report for Fiscal Year 2016-17 ending September 30, 2017. In December 2017, the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area appointed Commissioner David Arreola and Commissioner Ken Cornell to an Audit Review Committee. The Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area also decided to have Commissioner Arreola 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, 2017, 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  
February 8, 2018

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 (0.2) percent less 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 \$213.

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 on February 15, 2018 at 9:00 a.m. The meeting will be held in Gainesville City Hall, Roberta Lisle Kline Conference Room (Room 16). The purpose of the meeting is to review the attached Fiscal Year 2016-17 audit and authorize payment of the invoice in the amount of \$6.728.

Attachment

# **EXHIBIT 1**

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

### **ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended September 30, 2017**

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

**ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended September 30, 2017

**TABLE OF CONTENTS**

	<b>PAGE NO.</b>
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	4 - 6
Management's Discussion and Analysis	7 - 9
<b>Basic Financial Statements</b>	
Statement of Net Position	10
Statement of Activities	11
Balance Sheet - Governmental Fund	12
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	13
Notes to Financial Statements	14 - 16
<b>COMPLIANCE SECTION</b>	
Schedule of Expenditures of Federal Awards and State Financial Assistance	18
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	19
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 <i>Government Auditing Standards</i>	20 - 21
Management Letter	22 - 23
Independent Auditor's Report	24
Communication with Those Charged with Governance	25 - 26



## **FINANCIAL SECTION**



**Powell & Jones**  
Certified Public Accountants

Richard C. Powell, Jr., CPA  
Marian Jones Powell, CPA

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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, 2017, 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.

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, 2017, 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.

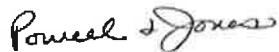
### *Other Information*

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 January 26, 2018, 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  
January 26, 2018

**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, 2017 and 2016, follow:

	Governmental Activities	
	Total Government	
	September 30,	
	2017	2016
<b>Assets:</b>		
Cash	\$ 66,787	\$ 64,991
Receivables	154,914	161,185
Prepaid expenses	-	500
Total assets	221,701	226,676
<b>Liabilities:</b>		
Accounts payable	160,695	165,883
Total liabilities	160,695	165,883
<b>Net Position</b>		
Unrestricted	61,006	60,793
Total net position	\$ 61,006	\$ 60,793

During the year ended September 30, 2017, there was an increase of \$213 in net position, due to normal operations during the year.

Condensed versions of the Statement of Activities for the years ended September 30, 2017 and 2016 follow:

	Governmental Activities	
	Total Government	
	Fiscal Year Ended September 30,	
	2017	2016
<b>Revenues</b>		
Program revenues		
Member dues	\$ 24,000	\$ 24,000
Operating grants	674,551	798,428
In-kind contributions	106,870	109,272
Other income	-	30
Total revenues	805,421	931,730
<b>Expenses</b>		
Transportation planning services	805,208	930,427
Total expenses	805,208	930,427
Change in net position	213	1,303
Beginning net position	60,793	59,490
Ending net position	\$ 61,006	\$ 60,793

## **Governmental activities**

Transportation planning program activities remained similar to the prior year except that total expenses decreased approximately 13.46%, which were the result of grant revenues also decreasing approximately 13.56%.

## **Capital Assets and Debt Administration**

### **Capital Assets**

At September 30, 2017, 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, 2017, 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, 2017

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets	
Cash	\$ 66,787
Accounts receivable	154,914
Total assets	<u>\$ 221,701</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	\$ 160,695
Total liabilities	<u>160,695</u>
<b>NET POSITION</b>	
Unrestricted	61,006
Total net position	<u>61,006</u>
Total liabilities and net position	<u>\$ 221,701</u>



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

**STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended September 30, 2017

	<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	\$ 805,208	\$ 781,421	\$ (23,787)
Total governmental activities	<u>\$ 805,208</u>	<u>\$ 781,421</u>	<u>(23,787)</u>
General revenues:			
Member dues			24,000
			<u>24,000</u>
Increase in net position			213
Net position - October 1, 2016			<u>60,793</u>
Net position - September 30, 2017			<u>\$ 61,006</u>

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

**GOVERNMENTAL FUND  
BALANCE SHEET  
September 30, 2017**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash	\$     66,787
Accounts receivable	154,914
Total assets	<u>\$   221,701</u>
 <b>LIABILITIES</b>	
Accounts payable	\$    160,695
Total liabilities	<u>160,695</u>
 <b>FUND BALANCE</b>	
Unassigned	61,006
Total fund balance	<u>61,006</u>
 Total liabilities and fund balance	<u><u>\$   221,701</u></u>

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

**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, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
State of Florida, Department of Transportation grants	\$ 673,500	\$ 652,800	\$ 651,219	\$ (1,581)
State of Florida, Transportation Disadvantaged Commission	24,100	23,300	23,332	32
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)	106,800	106,800	106,870	70
Total revenues	828,400	806,900	805,421	(1,479)
<b>EXPENDITURES</b>				
Professional contractual services	710,600	686,600	685,238	1,362
Other	11,000	13,500	13,100	400
In-kind services (FDOT)	106,800	106,800	106,870	(70)
Total expenditures	828,400	806,900	805,208	1,692
Net change in fund balance	-	-	213	213
Fund balance, October 1, 2016	60,793	60,793	60,793	-
Fund balance, September 30, 2017	\$ 60,793	\$ 60,793	\$ 61,006	\$ 213

The amounts in the Statement of Revenues, Expenditures, and Changes in Fund Balance of the General Fund are the same as the corresponding amounts reported for governmental activities in the Statement of Activities.

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

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2017

**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 deferred 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, 2017, 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, 2017, fund balances are composed of the following:

Unassigned	<u>\$ 61,006</u>
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#### **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 August, 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, 2017, the carrying amount of the Organization's bank deposits was \$66,787. 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**

<b>Federal Grantor/Pass-Through Grantor/ State Grantor Program Title</b>	<b>CFDA/ CSFA Number</b>	<b>Grantor's Number</b>	<b>Program Award/Matching Amount</b>	<b>Received/ Reported Prior Year</b>	<b>Current Year Revenues</b>	<b>Current Year Expenditures</b>
<b>FEDERAL AWARDS</b>						
<i>U.S. Department of Transportation</i>						
Passed through the State of Florida						
Department of Transportation:						
Highway Planning and Construction						
FPID # 439318-1-14-01						
FAIN # 0241(54)						
Grant award: 2017-18	20.205	GOA89	\$ 484,554	\$ -	\$ 87,226	\$ 87,226
Grant award: 2016-17	20.205	GOA89	484,554	109,569	374,985	374,985
State Match: 2016-17			106,870	-	106,870	106,870
			<u>1,075,978</u>	<u>109,569</u>	<u>569,081</u>	<u>569,081</u>
 <i>Federal Transit: Metropolitan</i>						
<i>Planning Grants</i>						
FPID # 411762-3-14-17						
Grant award	20.505	GOI20	168,007	-	168,007	168,007
State match			21,001	-	21,001	21,001
			<u>189,008</u>	<u>-</u>	<u>189,008</u>	<u>189,008</u>
 Total Federal Awards			<u>1,137,115</u>	<u>109,569</u>	<u>630,218</u>	<u>630,218</u>
 Total State Match			<u>127,871</u>	<u>-</u>	<u>127,871</u>	<u>127,871</u>
<b>STATE FINANCIAL ASSISTANCE</b>						
<i>State of Florida Department of Transportation</i>						
Transportation Disadvantaged						
FPID # 432029-1-14-01						
Grant award: 2017-18	55.002	GON07	25,000	-	4,750	4,750
Grant award: 2016-17	55.002	GOC26	24,133	5,551	18,582	18,582
Total State Financial Assistance			<u>49,133</u>	<u>5,551</u>	<u>23,332</u>	<u>23,332</u>
Total federal and state financial assistance			<u>\$ 1,314,119</u>	<u>\$ 115,120</u>	<u>\$ 781,421</u>	<u>\$ 781,421</u>

See notes to Schedule of Expenditures of Federal Awards  
and State Financial Assistance



**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, 2017**

**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, 2017, 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 January 26, 2018.

**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.

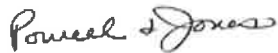
**Compliance and Other Matters**

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.

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES**  
Certified Public Accountants  
January 26, 2018

**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, 2017, and have issued our report thereon dated January 26, 2018.

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 26, 2018. 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.

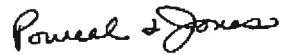
Financial Condition Assessment – As required by the *Rules of the Auditor General* (Sections 10.544(1)(i)7.c. and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was 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  
January 26, 2018

## 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, 2017. 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, 2017.

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  
January 26, 2018

## **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, 2017. 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 2017. 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 January 26, 2018.

#### *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*

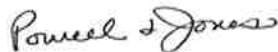
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses 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  
January 26, 2018