

**PINELLAS COUNTY METROPOLITAN  
PLANNING ORGANIZATION**

FINANCIAL STATEMENTS, SUPPLEMENTARY  
INFORMATION, AND COMPLIANCE SECTION

*As of and for the Year Ended September 30, 2018*

*And Reports of Independent Auditor*

**PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION**

**TABLE OF CONTENTS**

---

**REPORT OF INDEPENDENT AUDITOR** ..... 1-2

**MANAGEMENT'S DISCUSSION AND ANALYSIS** ..... 3-6

**FINANCIAL STATEMENTS**

- Statement of Net Position .....7
- Statement of Activities.....8
- Balance Sheet - Governmental Funds.....9
- Reconciliation of the Balance Sheet - Governmental Funds to the  
Statement of Net Position ..... 10
- Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Governmental Funds ..... 11
- Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Governmental Funds to the Statement of  
Activities ..... 12
- Notes to the Financial Statements ..... 13-17

**SUPPLEMENTARY INFORMATION**

- Schedule of Expenditures of Federal Awards..... 18
- Schedule of Expenditures of State Financial Assistance..... 19
- Notes to the Schedule of Expenditures of Federal Awards and  
Schedule of Expenditures of State Financial Assistance..... 20

**COMPLIANCE SECTION**

- Report of Independent Auditor 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*..... 21-22
- Report of Independent Auditor on Compliance for Each Major Federal  
Program and on Internal Control over Compliance Required by the  
Uniform Guidance ..... 23-24
- Schedule of Findings and Questioned Costs..... 25-26
- Corrective Action Plan..... 27
- Independent Auditor’s Management Letter..... 28-29
- Report of Independent Accountant on Compliance with Local  
Government Investment Policies ..... 30

## **Report of Independent Auditor**

Board of Directors  
Pinellas County Metropolitan Planning Organization  
Clearwater, Florida

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the Pinellas County Metropolitan Planning Organization (the "MPO"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the MPO'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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Pinellas County Metropolitan Planning Organization, as of September 30, 2018, and the respective changes in financial position, 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 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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

The schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are 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 22, 2019 on our consideration of the MPO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the MPO's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the MPO's internal control over financial reporting and compliance.



Tampa, Florida  
April 22, 2019

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2018

---

The Pinellas County Metropolitan Planning Organization (the "MPO") serves as the transportation planning agency for Pinellas County, Florida. Staff and support services to the MPO are provided by the Pinellas Planning Council ("PPC"). The MPO reimburses the PPC from its grant revenue for these services. The MPO receives funding from the Florida Department of Transportation and the Federal Transit Administration.

The MPO's annual financial report presents a narrative overview and an analysis of the financial activities of the MPO as of and for the fiscal year ended September 30, 2018.

## Financial Highlights

- The assets of the MPO exceeded its liabilities at September 30, 2018 by \$1,112,499 (net position). Net position increased by \$16,645 from the previous fiscal year.
- As of September 30, 2018, the MPO's general fund reported an ending fund balance of \$1,082,924, an increase of \$21,070 from the previous fiscal year.
- As of September 30, 2018, the MPO's special revenue fund reported an ending fund balance of \$29,377, no change from the previous fiscal year.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the MPO's basic financial statements. These basic statements consist of three sections: government-wide financial statements, fund financial statements, and the notes to the financial statements.

## Government-Wide Financial Statements

The government-wide financial statements provide both long-term and short-term information about the MPO's overall financial status. These statements use a format similar to a private sector business. They include a statement of net position and a statement of activities.

The statement of net position presents information on the MPO's assets and liabilities. Net position, the difference between these assets and liabilities, is a useful way to measure the MPO's financial health.

The statement of activities presents information showing how the MPO's net position changed during this fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. This statement separates program revenue (charges for services, grants, and contributions) from general revenue.

## Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The MPO, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The MPO uses a special revenue fund to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures relating to its federal and state grant awards. The MPO uses a general fund to account for all activities of the MPO, except for those included within the special revenue fund.

**PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

SEPTEMBER 30, 2018

**Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year and is a narrower focus than the government-wide financial statements.

By comparing functions between the two sets of statements for governmental funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison.

Budgetary information is not included in the accompanying financial statements as the MPO is not required to legally adopt a budget for its general or special revenue fund.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 13 through 17 of this report.

**Government-Wide Financial Analysis**

As noted earlier, changes in net position over time can be a useful indicator of a government's financial position. At the end of the fiscal year ended September 30, 2018, the assets of the MPO exceeded liabilities by \$1,112,499. At the end of the current fiscal year, the MPO reported a positive fund balance in the restricted and unrestricted categories of net position.

Following is a comparison of the MPO's net position as of September 30:

	<b>2018</b>	<b>2017</b>
Cash	\$ 1,150,636	\$ 657,169
Grants Receivable	658,874	939,387
Capital Assets (Net of Accumulated Depreciation)	4,706	8,882
<b>Total Assets</b>	<b>1,814,216</b>	<b>1,605,438</b>
Accounts Payable and Other Liabilities	182,646	49,237
Due to Other Governments	383,927	456,088
Unearned Revenue	130,636	-
Accrued Rent	4,508	4,259
<b>Total Liabilities</b>	<b>701,717</b>	<b>509,584</b>
<b>Net Position:</b>		
Net Investment in Capital Assets	4,706	8,882
Restricted	29,377	29,377
Unrestricted	1,078,416	1,057,595
<b>Net Position</b>	<b>\$ 1,112,499</b>	<b>\$ 1,095,854</b>

**PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

SEPTEMBER 30, 2018

Governmental activities increased the MPO's net position by \$16,645 during the year ended September 30, 2018.

Following is a comparison of the MPO's statement of activities for the years ended September 30:

	<u>2018</u>	<u>2017</u>
Revenues:		
Program Revenues:		
Transportation Grants	\$ 3,042,280	\$ 2,143,402
Intergovernmental	58,894	3,852
General Revenue:		
Miscellaneous Revenue	51,685	2,769
Total Revenues	<u>3,152,859</u>	<u>2,150,023</u>
Expenses:		
Transportation and General Government	<u>3,136,214</u>	<u>2,157,224</u>
Increase (Decrease) in Net Position	16,645	(7,201)
Net Position, Beginning of Year	<u>1,095,854</u>	<u>1,103,055</u>
Net Position, End of Year	<u>\$ 1,112,499</u>	<u>\$ 1,095,854</u>

Grant revenue for the fiscal year ended September 30, 2018 increased from \$2,143,402 to \$3,042,280, a 41.9% increase from 2017. The schedules of expenditures of federal awards and state financial assistance detail the individual grant expenditures made during the fiscal year ended September 30, 2018. It is important to note that some grant fiscal year periods differ from the financial statement period. Grant funding levels vary from year to year depending on specially funded and earmarked projects. For the fiscal year ended September 30, 2018, expenditures increased by \$978,990 or 45.4% from the previous fiscal year.

**Financial Analysis of the MPO's Funds**

As noted earlier, the MPO uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the MPO's financing requirements.

As of September 30, 2018, the MPO's general fund reported an ending fund balance of \$1,082,924, an increase of \$20,070 from the previous fiscal year. As of September 30, 2018, the MPO's special revenue fund reported an ending fund balance of \$29,377, no change from the previous fiscal year. All of the MPO's special revenue fund's fund balance is restricted for grant programs.

The changes in special revenue fund expenditures are due to the changes in level of expenditures on the part of subgrantees. The MPO serves as the designated recipient for the Federal Transit Administration's Jobs Access Reverse Commute and New Freedom grant programs, as well as for several earmarks. Pursuant to agreements, funds from those programs are passed on to subgrantees. An overall decrease in subgrantee expenditures resulted in a decrease in federal revenue.



# PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2018

---

## **Currently Known Facts, Decisions, or Conditions**

The MPO received its first Triennial Review by the Federal Transit Administration (“FTA”), a periodic review of FTA grant recipients concerning their financial procedures and control mechanism. The MPO received a favorable review, with just three areas of deficiency that were all satisfactorily resolved within three months of review. The Florida Department of Transportation (“FDOT”) also conducts its own certification of the MPO’s grant administration process every year, and completed that review in 2018. The FDOT certification found the MPO in compliance with all statutes, rules, and procedures, and provided the MPO with favorable comments.

## **Requests for Information**

This financial report is designed to provide a general overview of the MPO's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed as follows:

Whit Blanton, FAICP  
Executive Director  
Pinellas County Metropolitan Planning Organization  
310 Court Street  
Clearwater, Florida 33756

## **FINANCIAL STATEMENTS**

**PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION**  
**STATEMENT OF NET POSITION**

*SEPTEMBER 30, 2018*

---

**ASSETS**

Cash	\$	1,150,636
Grants receivable		658,874
Capital assets, net		<u>4,706</u>
Total Assets		<u>1,814,216</u>

**LIABILITIES**

Accounts payable and accrued expenses		182,646
Due to Pinellas Planning Council		383,927
Unearned revenue		130,636
Accrued rent		<u>4,508</u>
Total Liabilities		<u>701,717</u>

**NET POSITION**

Net investment in capital assets		4,706
Restricted		29,377
Unrestricted		<u>1,078,416</u>
Total Net Position	\$	<u><u>1,112,499</u></u>

**PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION**  
**STATEMENT OF ACTIVITIES**

*YEAR ENDED SEPTEMBER 30, 2018*

---

Program Expenses:	
Transportation	\$ 3,132,038
Loss on disposals of fixed assets	1,000
Depreciation	3,176
Total Program Expenses	<u>3,136,214</u>
Program Revenues:	
Transportation grants	3,042,280
Intergovernmental	58,894
Total Program Revenues	<u>3,101,174</u>
Net Program Expenses	(35,040)
General Revenues:	
Miscellaneous revenue	<u>51,685</u>
Total General Revenues	<u>51,685</u>
Increase in Net Position	16,645
Net position, beginning of year	<u>1,095,854</u>
Net position, end of year	<u><u>\$ 1,112,499</u></u>

**PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2018

	<b>Major Funds</b>		<b>Total</b>
	<b>General</b>	<b>Special Revenue</b>	<b>Governmental Funds</b>
<b>ASSETS</b>			
Cash	\$ 1,150,636	\$ -	\$ 1,150,636
Due from other funds	318,622	-	318,622
Grants and other receivable	10,270	648,604	658,874
Total Assets	<u>\$ 1,479,528</u>	<u>\$ 648,604</u>	<u>\$ 2,128,132</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable and accrued expenses	\$ 12,677	\$ 169,969	\$ 182,646
Due to other funds	-	318,622	318,622
Due to Pinellas Planning Council	383,927	-	383,927
Unearned revenue	-	130,636	130,636
Total Liabilities	<u>396,604</u>	<u>619,227</u>	<u>1,015,831</u>
Fund Balance:			
Restricted	-	29,377	29,377
Assigned	1,082,924	-	1,082,924
Total Fund Balance	<u>1,082,924</u>	<u>29,377</u>	<u>1,112,301</u>
Total Liabilities and Fund Balance	<u>\$ 1,479,528</u>	<u>\$ 648,604</u>	<u>\$ 2,128,132</u>

**PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**

SEPTEMBER 30, 2018

---

Total Governmental Fund Balance	\$ 1,112,301
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements.</p>	4,706
<p>Operating lease transactions are reported in the governmental fund statements only to the extent that the amounts are payable with current financial resources. In the government wide financial statements operating leases with payment escalations are recognized on a straight-line basis.</p>	(4,508)
Total Net Position of Governmental Activities	<u>\$ 1,112,499</u>

**PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**

YEAR ENDED SEPTEMBER 30, 2018

	<b>Major Funds</b>		<b>Total</b>
	<b>General</b>	<b>Special Revenue</b>	<b>Governmental Funds</b>
Revenues:			
Transportation grants	\$ -	\$ 3,042,280	\$ 3,042,280
Intergovernmental	58,894	-	58,894
Miscellaneous revenue	51,685	-	51,685
Total Revenues	<u>110,579</u>	<u>3,042,280</u>	<u>3,152,859</u>
Expenditures:			
Current:			
Transportation	89,509	3,042,280	3,131,789
Total Expenditures	<u>89,509</u>	<u>3,042,280</u>	<u>3,131,789</u>
Excess of revenues over expenditures	21,070	-	21,070
Fund balance, beginning of year	<u>1,061,854</u>	<u>29,377</u>	<u>1,091,231</u>
Fund balance, end of year	<u>\$ 1,082,924</u>	<u>\$ 29,377</u>	<u>\$ 1,112,301</u>

**PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**

*YEAR ENDED SEPTEMBER 30, 2018*

---

Net Change in Fund Balance - Governmental Funds	\$	21,070
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays expenses in the current period. This difference is comprised of:		
Depreciation expense during fiscal year	(3,176)	
Loss on the disposal of fixed assets	<u>(1,000)</u>	
		(4,176)
Operating lease payments are recorded as expenditures when amounts become due for payment; however, in the statement of activities they are reported as expenses under the straight-line basis.		<u>(249)</u>
Change in Net Position of Governmental Activities	\$	<u><u>16,645</u></u>



## **NOTES TO THE FINANCIAL STATEMENTS**

# PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

---

### **Note 1—Organization and reporting entity**

The Pinellas County Metropolitan Planning Organization (the "MPO"), was established in 1977 following the passage of the Federal Highway Act of 1974. The MPO is authorized pursuant to Florida Statutes, Section 339.175. The purpose of the MPO is to develop plans, policies, and priorities that guide local decision making on transportation issues. Principal responsibilities include the development of a 20-year Long Range Transportation Plan ("LRTP"), a 5-year Transportation Improvement Program ("TIP"), and related transportation planning studies and projects.

The MPO is governed by a thirteen member board of elected officials representing municipal governments, the Pinellas County Board of County Commissioners ("BCC"), and the Pinellas Suncoast Transit Authority ("PSTA"). The Florida Department of Transportation ("FDOT"), District 7 Office, is represented on the board by the District Secretary, or a designee, who is a technical advisor. The MPO's Executive Director oversees the MPO's daily operations and reports to the board. The MPO has considered any entities for which it has oversight and there are none meeting the criteria for inclusion in their financial statements.

### **Note 2—Summary of significant accounting policies**

*Basis of Presentation* - The financial statements of the MPO have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America. The more significant of the government's accounting policies are described below.

*Government-Wide and Fund Financial Statements* - The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the government. The MPO only has governmental activities and does not engage in any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include operating grants and intergovernmental revenues supplied by Pinellas County. General revenues include investment earnings and miscellaneous income.

Separate financial statements are provided for governmental funds. Fund financial statements are presented for the MPO's general and special revenue funds, both of which are considered to be major funds.

*General Fund* - The General Fund is used to account for all activities of the MPO except for those included within the Special Revenue Fund.

*Special Revenue Fund* - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures relating to the MPO's federal, state, and local grant awards.

*Measurement Focus, Basis of Accounting, and Financial Statement 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

# PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

---

### **Note 2—Summary of significant accounting policies (continued)**

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.

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 MPO considers revenues to be available generally if they are collected within 90 days of the end of the current fiscal period, unless collections are delayed beyond a normal time of receipt due to unusual circumstances. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

*Budgets* - Budgetary information is not included in the accompanying financial statements as the MPO is not required to legally adopt a budget for its General or Special Revenue Fund.

The MPO is required to prepare a Biennial Unified Planning Work Program which identifies the planning budget and planning activities to be undertaken during the program year, which generally runs from July 1 to June 30 to coincide with the state's fiscal year.

*Cash* - Cash includes amounts on hand and in demand deposit accounts. The MPO's investment policy is to maintain funds in near-cash investments, which yield the highest possible return within the limitations established by Florida statutes and Pinellas County ordinances.

*Due to/from Other Funds* - During the course of operations, numerous transactions occur between the general and special revenue funds that may result in amounts owed between funds. Those related to goods and service type transactions are classified as "due to and from other funds".

Eliminations have been made for amounts due to and due from within the governmental funds.

*Grants Receivables* - No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary.

*Capital Assets* - Capital assets, which include furniture, equipment, and leasehold improvements with an initial cost of \$1,000 or more and an estimated useful life of more than one year, are reported in governmental activities in the government-wide financial statements. Capital assets are recorded at their historical cost if purchased. Donated capital assets are recorded at acquisition value at the date of donation. For the fund financial statements, capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The MPO's furniture and equipment is depreciated using the straight-line method over the estimated useful life of 5 years. Leasehold improvements are depreciated using the straight-line method over the remaining lease term.

*Unearned Revenue* - Unearned revenue represents payments for projects received in advance of project expenditures.

*Accrued Rent* - Operating lease arrangements are recognized on a straight-line basis in the government-wide statements over the life of the lease. Accrued rent is the difference between the straight-line recognition and the actual amounts paid.

# PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

---

### Note 2—Summary of significant accounting policies (continued)

*Use of Estimates* - The preparation of financial statements requires management to make use of estimates that affect reported amounts. Actual results could differ from estimates.

*Fund Equity* - GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54"), which establishes fund balance classifications, provides for a hierarchy of spending constraints for spendable resources and requires disclosure of nonspendable and spendable resources.

GASB 54 establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

The MPO has classified its fund balance with the following hierarchy:

*Nonspendable* - Nonspendable fund balances will be maintained if they are either: (a) not in spendable form or (b) legally contractually required to be maintained intact. No amounts are classified as nonspendable as of September 30, 2018.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- *Restricted* - Amounts that can be spent only for the specific purposes stipulated by: external resource providers (i.e., granting agencies such as Florida Department of Transportation, Commission for the Transportation Disadvantaged, Federal Highway Administration, Federal Transit Administration or similar external entities); or (b) imposed by law through constitutional provisions or enabling legislation. Amounts classified on the balance sheet total \$29,377 as of September 30, 2018.
- *Committed* - Amounts that can be used only for the specific purposes determined by a formal action of the MPO's governing board, the MPO's highest level of decision making authority. Commitments may be changed or lifted only by the MPO's governing board taking the same formal action that imposed the constraint originally. No amounts are classified as committed as of September 30, 2018.
- *Assigned* - Amounts that include spendable fund balance amounts established by the Executive Director of the MPO that are intended to be used for a specific purpose that are neither considered restricted or committed. The intent for these funds shall be authorized by the MPO's governing board or granting authority or the MPO official to which the MPO's governing board delegates that authority. As of September 30, 2018, \$1,082,924 is classified as assigned.
- *Unassigned* - This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes. No amounts are classified as unassigned as of September 30, 2018.

The MPO's policy is to apply expenditures against restricted fund balance first, then committed, then assigned, and then unassigned under circumstances where a particular expenditure can be made from more than one fund classification.

*Net Position* - Net position represents the difference between assets and liabilities in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation. The MPO does not have any related long-term debt used to acquire capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

**PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2018

**Note 2—Summary of significant accounting policies (continued)**

*Subsequent Events* - In preparing these financial statements, the MPO has evaluated events and transactions for potential recognition or disclosure through April 22, 2019, the date the financial statements were available to be issued.

**Note 3—Deposits**

At September 30, 2018, the carrying amount of the MPO's deposits was \$1,150,636 and the bank balance was \$1,199,215. Deposits are covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Security for Public Deposits Act (the "Act"). Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Chief Financial Officer acting as State Treasurer, eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default.

**Note 4—Capital assets**

Capital asset activity for the year ended September 30, 2018 was as follows:

	<b>Balance September 30, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance September 30, 2018</b>
Capital assets being depreciated:				
Furniture and equipment	\$ 30,126	\$ -	\$ (2,828)	\$ 27,298
Leasehold improvements	4,359	-	-	4,359
Less accumulated depreciation	<u>(25,603)</u>	<u>(3,176)</u>	<u>1,828</u>	<u>(26,951)</u>
Total capital assets being depreciated, net	<u>\$ 8,882</u>	<u>\$ (3,176)</u>	<u>\$ (1,000)</u>	<u>\$ 4,706</u>

Depreciation expense for the year ended September 30, 2018 was \$3,176.

**Note 5—Due to Pinellas Planning Council**

Beginning after December 14, 2014, the MPO began utilizing the employees of the Pinellas Planning Council ("PPC") at actual cost. For the year ended September 30, 2018, the amount paid to the PPC for these contracted employee costs was \$1,221,590. The total owed to the PPC for contracted employee costs is \$333,355 as of September 30, 2018. The amount owed for other shared services is \$50,572 as of September 30, 2018.

# PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

---

### **Note 6—Commitments**

The MPO has entered into contracts with several transportation engineering firms and planning consultants in order to fulfill the work under various grants administered by the State of Florida. Incomplete portions of these contracts, which are not required to be fully spent as of September 30, 2018, totaled \$607,079. The contracts were structured so that they expire once a maximum dollar amount is expended or the contract term is reached. Although these contracts represent commitments of the MPO, the great majority of revenues expended under these will, in turn, be reimbursable under grants already awarded to the MPO. A relatively small portion is expected to be subsidized by Pinellas County, in accordance with local matching fund requirements of the grants.

### **Note 7—Contingencies**

Grant monies received and disbursed by the MPO are for specific purposes and are subject to review and audit by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the MPO does not believe that such disallowances, if any, would have a material effect on the financial position of the MPO.

### **Note 8—Risk management**

Prior to July 1, 2018, the MPO had not separately established a Risk Management Fund or Pool. Insurance coverage was provided entirely through Pinellas County's risk management pool for employee liability and workers' compensation coverage. The MPO purchased its own liability insurance policy effective July 1, 2018.

## **SUPPLEMENTARY INFORMATION**

**PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED SEPTEMBER 30, 2018

	<u>Federal CFDA Number</u>	<u>Federal Grant Number</u>	<u>FPN/ State Number</u>	<u>Program Expenditures</u>	<u>Transfer to Subrecipients</u>
FEDERAL GRANTOR I PASS THROUGH GRANTOR AWARD					
<i>U.S. Department of Transportation - Federal Highway Administration</i>					
<u>Pass through Florida Department of Transportation:</u>					
Highway Planning and Construction Cluster					
Metropolitan Planning Program					
Federal Section 1107 (PL) Funds	20.205	G0D07	439338-1-14-01	\$ 1,114,603	\$ -
Federal Highway Administration					
Highway Planning Grant					
Surface Transportation Program Funds	20.205	G0D07	439338-1-14-02	264,364	-
Total Program				<u>1,378,967</u>	<u>-</u>
<u>Direct Program:</u>					
Federal Transit- Capital Investment Grants					
Congressional Earmark (Vanpool 5307)	20.500	FL-90-0822-00	N/A	12,206	12,206
Federal Transit- Capital Investment Grants					
Congressional Earmark (One Call One Click 5309)	20.500	FL-04-0156-00	N/A	584,803	584,803
Federal Transit- Capital Investment Grants					
Congressional Earmark (Central Ave. BRT)	20.500	FL-04-0134-01	N/A	6,685	6,685
Federal Transit- Capital Investment Grants					
Congressional Earmark (St. Petersburg Intermodel Study)	20.500	FL-03-0322-00	N/A	38,936	38,936
Federal Transit- Capital Investment Grants					
Congressional Earmark (Bay Pier)	20.500	FL-17-108-00	N/A	20,692	20,692
Total Program				<u>663,322</u>	<u>663,322</u>
<u>Direct Program:</u>					
Public Transportation Research					
One Call, One Click Project Research	20.514	FL-26-0023-00	N/A	24,301	24,301
				<u>24,301</u>	<u>24,301</u>
<u>Pass through Florida Department of Transportation:</u>					
Metropolitan Transportation Planning					
Section 5305 (G0673)	20.505	G0673	402514-1-14-16	74,017	-
Metropolitan Transportation Planning					
Section 5305 (G0E13)	20.505	G0E13	402514-1-14-17	233,166	-
Metropolitan Transportation Planning					
Section 5305 (G0R98)	20.505	G0R98	402514-1-14-18	289,332	-
Total Program				<u>596,515</u>	<u>-</u>
Total US Department of Transportation - Federal Transit Administration				<u>2,663,105</u>	<u>687,623</u>
Total Federal Awards				<u>\$ 2,663,105</u>	<u>\$ 687,623</u>

See Notes to the Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Financial Assistance.



**PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

*YEAR ENDED SEPTEMBER 30, 2018*

	<u>State CSFA Number</u>	<u>State Project Number</u>	<u>FPN/ State Number</u>	<u>Program Expenditures</u>	<u>Transfer to Subrecipients</u>
<i>Florida Department of Transportation</i>					
<u>Direct Program:</u>					
Commission for the Transportation Disadvantaged (CTD) Planning Grant Program	55.002	G0N86	432029 1 14 01	\$ 25,543	\$ -
Commission for the Transportation Disadvantaged (CTD) Planning Grant Program	55.001	PSTA-CTD	432027 1 84 01	<u>9,270</u>	<u>-</u>
Total Program				<u>34,813</u>	<u>-</u>
Total Florida Department of Transportation				<u>34,813</u>	<u>-</u>
Total State Financial Assistance				<u>\$ 34,813</u>	<u>\$ -</u>

See Notes to the Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Financial Assistance.

**PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

*YEAR ENDED SEPTEMBER 30, 2018*

---

**Note 1—Summary of significant accounting policies**

The accounting policies and presentation of the schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance of the Pinellas County Metropolitan Planning Organization (the "MPO") have been designed to conform to the accounting principles generally accepted in the United States of America, and the reporting and compliance requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and Section 215.97, Florida Statutes, and Chapter 10.550, Rules of the Auditor General of the State of Florida.

*Reporting Entity* - Federal awards and financial assistance received directly from federal agencies, the State of Florida or pass-through entities are included to satisfy audit requirements of the Uniform Guidance and Section 215.97, Florida Statutes, and Chapter 10.550, Rules of the Auditor General of the State of Florida. The schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance includes all federal and state awards expended by the MPO.

*Basis of Accounting* - Basis of accounting refers to when expenditures 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 applied. The accrual basis of accounting is followed for the schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance.

**Note 2—Contingencies**

Grant monies received and disbursed by the MPO are for specific purposes and are subject to review and audit by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the MPO does not believe that such disallowances, if any, would have a material effect on the financial position of the MPO.

**Note 3—Indirect cost rate**

The MPO did not allocate indirect costs for reimbursement of grant expenditures for the fiscal year ended September 30, 2018.

## **COMPLIANCE SECTION**

**Report of Independent Auditor on Internal Control  
over Financial Reporting and on Compliance and Other Matters Based  
on an Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards***

Board of Directors  
Pinellas County Metropolitan Planning Organization  
Clearwater, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Pinellas County Metropolitan Planning Organization (the "MPO"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the MPO's basic financial statements, and have issued our report thereon dated April 22, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the MPO'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 MPO's internal control. Accordingly, we do not express an opinion on the effectiveness of the MPO's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as 2018-001 that we consider to be a material weakness.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the MPO'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*.

**MPO's Response to Findings**

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

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The signature is written in a cursive, flowing style.

Tampa, Florida  
April 22, 2019

**Report of Independent Auditor on Compliance for Each Major  
Federal Program and on Internal Control over Compliance  
Required by the Uniform Guidance**

Board of Directors  
Pinellas County Metropolitan Planning Organization  
Clearwater, Florida

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

We have audited the Pinellas County Metropolitan Planning Organization's (the "MPO"), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the MPO's major federal programs for the year ended September 30, 2018. The MPO's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

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

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

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

In our opinion, the MPO complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2018.

**Report on Internal Control over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Cherry Bekaert LLP*

Tampa, Florida  
April 22, 2019

**PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED SEPTEMBER 30, 2018

**Part I—Summary of Auditor’s Results**

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  x  yes   no

Significant deficiency(ies) identified not considered to be material weakness(es)?   yes  x  none reported

Noncompliance material to financial statements noted?   yes  x  no

**Federal Awards Section**

Internal control over major programs:

Material weakness(es) identified?   yes  x  no

Significant deficiency(ies) identified not considered to be material weakness(es)?   yes  x  none reported

Type of auditor's report on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 200.516 (a) of the Uniform Guidance   yes  x  no

Identification of the major federal program:

CFDA Number	Name of Program or Cluster
20.205	Highway Planning and Construction Cluster

Dollar threshold used to determine Type A programs: \$750,000

Auditee qualified as low-risk auditee?  x  yes   no



# PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2018

---

## Part II—Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

### Finding 2018-001: Material Weakness in Internal Controls Related to Financial Close

**Criteria:** An effective system of internal controls contemplates the close of the financial records in a manner that is consistent the generally accepted accounting principles.

**Condition:** Certain costs that were charged to grants were fringe costs that had not been recorded by MPO.

**Cause:** The Pinellas Planning Council (“PPC”) invoices the Pinellas County Metropolitan Planning Organization (the “MPO”) for payroll and fringe costs based on the employees’ designation (MPO versus PPC). The designation is based on where the majority of the employee’s time is spent. However, certain PPC designated employees spent a portion of their time on MPO grants. This time is appropriately charged to grants, however, this time was not invoiced to the MPO by PPC.

**Effect:** General fund expenditures were understated by approximately \$80,570.

**Recommendation:** We recommend the method for determining the MPO payroll and fringe costs be modified to match the method used for determining the costs charged to grants.

**Management’s Response:** Management concurs with the recommendation.

## Part III—Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major federal programs, as required to be reported by 2 CFR 200.516(a).

There were no findings required to be reported in accordance with the Uniform Guidance.

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

A Summary Schedule of Prior Audit Findings is not necessary since there were no prior audit findings.



April 22, 2019

**Corrective Action Plan**

Agency:	Forward Pinellas in its role as Pinellas County MPO
Audit Period:	FY 18
Audit Finding No.	2018-001
Audit Finding:	Material Weakness in Internal Controls Related to Financial Close
Corrective Action Plan	<p>The 2018 audit found a material weakness in internal controls related to financial close, due to the difference in how the MPO grants were charged (based on actual time worked and associated fringe costs by MPO and PPC staff who worked on MPO grant tasks) and how the PPC was invoicing the MPO (based on actual time worked by MPO and PPC staff and fringe costs for MPO staff). This is detailed in an April 4, 2019 memorandum from Executive Director Whit Blanton to the File. As noted in the audit finding, time was appropriately charged to grants, however this time was not invoiced to the MPO by the PPC.</p> <p>In response to the finding, the MPO and PPC will revise its reimbursement process as follows. The PPC will now invoice the MPO for staff salaries and fringe expenses that directly reflect the proportion of staff time spent on MPO grant work. This will happen regardless of the staff employee classification (MPO or PPC). This will ensure that the salary and fringe expenses directly match the MPO's grant invoice submittals.</p>
Anticipated completion date:	Immediate
Name and Title of contact person responsible for corrective action	Rebecca Stysly, Accounting Services Coordinator

## Independent Auditor's Management Letter

Board of Directors  
Pinellas County Metropolitan Planning Organization  
Clearwater, Florida

### Report on the Financial Statements

We have audited the financial statements of the Pinellas County Metropolitan Planning Organization (the "MPO"), as of and for the fiscal year ended September 30, 2018 and have issued our report thereon dated April 22, 2019.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and Chapter 10.550, *Rules of the Auditor General*.

### Other Reporting Requirements

We have issued our Report of Independent Auditor 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*; Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; and Report of Independent Accountant on Compliance with Local Investment Policies, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated April 22, 2019, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No recommendations were made in the preceding audit report.

### Official Title and Legal Authority

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

### Financial Condition and Management

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

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

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

**Additional Matters**

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

**Purpose of this Letter**

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The signature is written in a cursive, flowing style.

Tampa, Florida  
April 22, 2019

**Report of Independent Accountant on Compliance with  
Local Government Investment Policies**

Board of Directors  
Pinellas County Metropolitan Planning Organization  
Clearwater, Florida

We have examined the Pinellas County Metropolitan Planning Organization (the "MPO"), compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2018. Management of the MPO is responsible for the MPO's compliance with those requirements. Our responsibility is to express an opinion on the MPO's compliance with the specified requirements based on our examination.

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

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

In our opinion, the MPO complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2018.

The purpose of this report is to comply with the audit requirements of Section 218.415, Florida Statutes, and Rules of the Auditor General.



Tampa, Florida  
April 22, 2019