

**PINELLAS COUNTY METROPOLITAN
PLANNING ORGANIZATION
(A Component Unit of Pinellas County,
Florida)**

FINANCIAL STATEMENTS, SUPPLEMENTARY
INFORMATION, AND COMPLIANCE REPORTS

As of and for the Year Ended September 30, 2017

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 <i>Government</i> <i>Auditing Standards</i>	21-22
Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	23-24
Schedule of Findings and Questioned Costs - Federal Awards	25-26
Independent Auditor's Management Letter.....	27-28
Report of Independent Accountant on Compliance with Local Government Investment Policies	29

Report of Independent Auditor

Board of Directors
Pinellas County Metropolitan Planning Organization
A Component Unit of Pinellas County, Florida
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"), a component unit of Pinellas County, Florida, as of and for the year ended September 30, 2017, 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, 2017, 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 on pages 3-6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 January 31, 2018 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 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 the MPO's internal control over financial reporting and compliance.



Tampa, Florida
January 31, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2017

The Pinellas County Metropolitan Planning Organization (the "MPO") serves as the transportation planning agency for Pinellas County, Florida. It is a component unit of Pinellas County, Florida, and maintains a separate operating account to carry out its day-to-day transportation planning activities. 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 Pinellas County Board of County Commissioners ("BCC") now provides a cash match for the local share of the MPO's federal planning grants. In addition to the BCC, the MPO receives funding from the Federal Highway Administration, the Florida Department of Transportation, the State of Florida Commission for the Transportation Disadvantaged, 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, 2017.

Financial Highlights

- The assets of the MPO exceeded its liabilities at September 30, 2017 by \$1,095,854 (net position). Net position decreased by \$7,201 from the previous fiscal year.
- As of September 30, 2017, the MPO's general fund reported an ending fund balance of \$1,061,854, a decrease of \$1,814 from the previous fiscal year.
- As of September 30, 2017, 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, 2017

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, 2017, the assets of the MPO exceeded liabilities by \$1,095,854. 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:

	<u>2017</u>	<u>2016</u>
Cash	\$ 657,169	\$ 1,125,115
Grants Receivable	939,387	709,364
Capital Assets (Net of Accumulated Depreciation)	<u>8,882</u>	<u>10,010</u>
 Total Assets	 <u>1,605,438</u>	 <u>1,844,489</u>
 Accounts Payable and Other Liabilities	 49,237	 161,166
Due to Other Governments	456,088	573,368
Accrued Rent	<u>4,259</u>	<u>6,900</u>
 Total Liabilities	 <u>509,584</u>	 <u>741,434</u>
 Net Position:		
Net Investment in Capital Assets	8,882	10,010
Restricted	29,377	29,377
Unrestricted	<u>1,057,595</u>	<u>1,063,668</u>
 Net Position	 <u>\$ 1,095,854</u>	 <u>\$ 1,103,055</u>

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

SEPTEMBER 30, 2017

Governmental activities decreased the MPO's net position by \$7,201 during the year ended September 30, 2017.

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

	<u>2017</u>	<u>2016</u>
Revenues:		
Program Revenues:		
Transportation Grants	\$ 2,143,402	\$ 2,527,224
Intergovernmental	3,852	131,288
General Revenue:		
Income from Debt Forgiveness	-	860,984
Miscellaneous Revenue	2,769	26,503
Total Revenues	<u>2,150,023</u>	<u>3,545,999</u>
Expenses		
Transportation and General Government	<u>2,157,224</u>	<u>2,645,460</u>
(Decrease) Increase in Net Position	(7,201)	900,539
Net Position, Beginning of Year	<u>1,103,055</u>	<u>202,516</u>
Net Position, End of Year	<u>\$ 1,095,854</u>	<u>\$ 1,103,055</u>

Grant revenue for the fiscal year ended September 30, 2017 decreased from \$2,527,224 to \$2,143,402, a 15.2% decrease from 2016. The schedules of expenditures of federal awards and state financial assistance detail the individual grant expenditures made during the fiscal year ended September 30, 2017. 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, 2017, expenditures decreased by \$488,236 or 18.5% 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, 2017, the MPO's general fund reported an ending fund balance of \$1,061,854, a decrease of \$1,814 from the previous fiscal year. As of September 30, 2017, 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, 2017

Currently Known Facts, Decisions, or Conditions

In 2017, the MPO received its quadrennial federal certification review by the Federal Highway Administration and Federal Transit Administration, its primary grant funding partners. The Florida Department of Transportation and Pinellas Suncoast Transit Authority also participated in the certification review, which entails a thorough assessment of how well the MPO complies with federal metropolitan planning requirements, including a review of our fiscal management process and activities associated with grant funds. The certification review acknowledged the MPO with seven noteworthy practices and found no corrective actions. The next federal certification review will occur in 2021.

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, 2017

ASSETS

Cash	\$	657,169
Grants receivable		939,387
Capital assets, net		<u>8,882</u>
Total Assets		<u>1,605,438</u>

LIABILITIES

Accounts payable and accrued expenses		49,237
Due to Pinellas Planning Council		454,489
Due to other governments		1,599
Accrued rent		<u>4,259</u>
Total Liabilities		<u>509,584</u>

NET POSITION

Net investment in capital assets		8,882
Restricted		29,377
Unrestricted		<u>1,057,595</u>
Total Net Position	\$	<u>1,095,854</u>

PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION
STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2017

Program Expenses:	
Transportation	\$ 2,151,737
Loss on disposals of fixed assets	1,328
Depreciation	4,159
Total Program Expenses	<u>2,157,224</u>
Program Revenues:	
Transportation grants	2,143,402
Intergovernmental	3,852
Total Program Revenues	<u>2,147,254</u>
Net Program Revenues	(9,970)
General Revenues:	
Miscellaneous revenue	<u>2,769</u>
Total General Revenues	<u>2,769</u>
Decrease in Net Position	(7,201)
Net position, beginning of year	<u>1,103,055</u>
Net position, end of year	<u><u>\$ 1,095,854</u></u>

PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION
BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2017

	Major Funds		Total
	General	Special Revenue	Governmental
			Funds
ASSETS			
Cash	\$ 657,169	\$ -	\$ 657,169
Due from other funds	860,773	-	860,773
Grants receivable	-	939,387	939,387
Total Assets	<u>\$ 1,517,942</u>	<u>\$ 939,387</u>	<u>\$ 2,457,329</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable and accrued expenses	\$ -	\$ 49,237	\$ 49,237
Due to other funds	-	860,773	860,773
Due to Pinellas Planning Council	454,489	-	454,489
Due Pinellas County, FL	1,599	-	1,599
Total Liabilities	<u>456,088</u>	<u>910,010</u>	<u>1,366,098</u>
Fund Balance:			
Restricted	-	29,377	29,377
Assigned	1,061,854	-	1,061,854
Total Fund Balance	<u>1,061,854</u>	<u>29,377</u>	<u>1,091,231</u>
Total Liabilities and Fund Balance	<u>\$ 1,517,942</u>	<u>\$ 939,387</u>	<u>\$ 2,457,329</u>

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

SEPTEMBER 30, 2017

Total Governmental Fund Balance	\$ 1,091,231
---------------------------------	--------------

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements	8,882
--	-------

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	(4,259)
---	---------

Net Position of Governmental Activities	<u>\$ 1,095,854</u>
---	---------------------

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

YEAR ENDED SEPTEMBER 30, 2017

	Major Funds		Total
	General	Special Revenue	Governmental Funds
Revenues:			
Transportation grants	\$ -	\$ 2,143,402	\$ 2,143,402
Intergovernmental	3,852	-	3,852
Miscellaneous revenue	2,769	-	2,769
Total Revenues	6,621	2,143,402	2,150,023
Expenditures:			
Current:			
Transportation	8,435	2,143,402	2,151,837
Total Expenditures	8,435	2,143,402	2,151,837
Excess (deficiency) of revenues over expenditures	(1,814)	-	(1,814)
Fund balance, beginning of year	1,063,668	29,377	1,093,045
Fund balance, end of year	\$ 1,061,854	\$ 29,377	\$ 1,091,231

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, 2017

Net Change in Fund Balance - Governmental Funds	\$	(1,814)
---	----	---------

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

Depreciation expense during fiscal year	(4,159)	
Capital outlay expenditures represented as increase to capital assets on the statement of activities	4,359	
Loss on the disposal of fixed assets	(1,328)	
		(1,128)

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.		(4,259)
---	--	---------

Change in Net Position of Governmental Activities	\$	(7,201)
---	----	---------

NOTES TO THE FINANCIAL STATEMENTS

PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

Note 1—Organization and reporting entity

The Pinellas County Metropolitan Planning Organization (the “MPO”), a component unit of Pinellas County, Florida, 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.

Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of Statements No. 14 and No. 34* of the Governmental Accounting Standards Board (“GASB”) requires that these financial statements present the MPO (the “component unit”) and disclose its primary government, Pinellas County, Florida. Component units generally are legally separate entities for which a primary government is financially accountable. In addition, the primary government is able to impose its will upon the component unit or there is a possibility that the component unit may provide specific financial benefits or impose specific burdens on the primary government. The MPO has been determined to be a component unit of Pinellas County, Florida.

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.

PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

Note 2—Summary of significant accounting policies (continued)

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.

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.

PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

Note 2—Summary of significant accounting policies (continued)

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.

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.

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, 2017.

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 for as of September 30, 2017.
- *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, 2017.
- *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, 2017, \$1,061,854 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, 2017.

PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

Note 2—Summary of significant accounting policies (continued)

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.

Subsequent Events - In preparing these financial statements, the MPO has evaluated events and transactions for potential recognition or disclosure through January 31, 2018, the date the financial statements were available to be issued.

Note 3—Deposits

At September 30, 2017, the carrying amount of the MPO's deposits was \$657,169 and the bank balance was \$676,211. 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, 2017 was as follows:

	Balance September 30, 2016	Additions	Deletions	Balance September 30, 2017
Capital assets being depreciated:				
Furniture and equipment	\$ 35,480	\$ -	\$ (5,354)	\$ 30,126
Leasehold improvements	-	4,359	-	4,359
Less accumulated depreciation	<u>(25,470)</u>	<u>(4,159)</u>	<u>4,026</u>	<u>(25,603)</u>
Total capital assets being depreciated, net	<u>\$ 10,010</u>	<u>\$ 200</u>	<u>\$ (1,328)</u>	<u>\$ 8,882</u>

Depreciation expense for the year ended September 30, 2017 was \$4,159.

PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

Note 5—Due to other governments

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, 2017, the amount paid to the PPC for these contracted employee costs was \$1,301,250. The total owed to the PPC for contracted employee costs is \$284,947 as of September 30, 2017. The amount owed for other shared services is \$169,542 as of September 30, 2017.

Due to Other Governments - The amount included in Due to Other Governments relates to money owed to the Pinellas County Board of County Commissioners for costs related to board meetings.

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, 2017 totaled \$1,604,959. 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

As of September 30, 2017, the MPO had not separately established a Risk Management Fund or Pool. As a component unit of Pinellas County, Florida, insurance coverage is provided entirely through the County's risk management pool for employee liability and workers' compensation coverage. For the year ended September 30, 2017, the MPO paid \$4,840 to Pinellas County for coverage.

SUPPLEMENTARY INFORMATION

PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2017

	<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	\$ 805,038	\$ -
Federal Highway Administration					
Highway Planning Grant					
Surface Transportation Program Funds	20.205	ARE07	430015-1-14-02	674,505	-
Total Program				<u>1,479,543</u>	<u>-</u>
<u>Direct Program:</u>					
Federal Transit- Capital Investment Grants					
Congressional Earmark (FTA 5309 - Intermodal)	20.500	FL-03-0322-00	N/A	5,420	5,420
Federal Transit- Capital Investment Grants					
Congressional Earmark (FTA PMI 5307)	20.500	FL-90-0822-00	N/A	101,926	101,926
Federal Transit- Capital Investment Grants					
Congressional Earmark (FTA PMI 5309)	20.500	FL-04-0156-00	N/A	20,482	20,482
Total Program				127,828	127,828
<u>Direct Program:</u>					
Public Transportation Research Grants (FTA 5312)					
	20.514	FL-26-0023-00	N/A	1,041	1,041
Total Program				1,041	1,041
<u>Pass through Florida Department of Transportation:</u>					
Metropolitan Transportation Planning					
Section 5305 (G0673)	20.505	G0673	402514-1-14-16	204,874	-
Metropolitan Transportation Planning					
Section 5305 (G0E13)	20.505	G0E13	402514-1-14-17	195,336	-
Total Program				400,210	-
Total US Department of Transportation - Federal Transit Administration				<u>2,008,622</u>	<u>128,869</u>
Total Federal Awards				<u>\$ 2,008,622</u>	<u>\$ 128,869</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, 2017

	<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	G0C76	432029 1 14 01	\$ 31,164	\$ -
Commission for the Transportation Disadvantaged (CTD) Planning Grant Program	55.002	G0N86	432029 1 14 01	<u>14,376</u>	<u>-</u>
Total Program				<u>45,540</u>	<u>-</u>
Total Florida Department of Transportation				<u>45,540</u>	<u>-</u>
Total State Financial Assistance				<u>\$ 45,540</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, 2017

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 Organization did not allocate indirect costs for reimbursement of grant expenditures for the fiscal year ended September 30, 2017.

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
A Component Unit of Pinellas County, Florida
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"), a component unit of Pinellas County, Florida, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the MPO's basic financial statements, and have issued our report thereon dated January 31, 2018.

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. 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 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*.

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
January 31, 2018

**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
A Component Unit of Pinellas County, Florida
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 31, 2017. 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, 2017.

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
January 31, 2018

PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2017

Part I—Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	<u> </u> yes	<u> x </u> no	
Significant deficiency(ies) identified not considered to be material weakness(es)?	<u> </u> yes	<u> x </u> none reported	
Noncompliance material to financial statements noted?	<u> </u> yes	<u> x </u> no	

Federal Awards Section

Internal control over major programs:			
Material weakness(es) identified?	<u> </u> yes	<u> x </u> no	
Significant deficiency(ies) identified not considered to be material weakness(es)?	<u> </u> yes	<u> x </u> none reported	
Type of auditor's report on compliance for major programs:	<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with Section 200.516 (a) of the Uniform Guidance	<u> </u> yes	<u> x </u> 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:	<u>\$750,000</u>
---	------------------

Auditee qualified as low-risk auditee?	<u> x </u> yes	<u> </u> no
--	----------------------	----------------------

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

YEAR ENDED SEPTEMBER 30, 2017

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*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

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.

Independent Auditor's Management Letter

Board of Directors
Pinellas County Metropolitan Planning Organization
A Component Unit of Pinellas County, Florida
Clearwater, Florida

Report on the Financial Statements

We have audited the financial statements of the Pinellas County Metropolitan Planning Organization (the "MPO"), a component unit of Pinellas County, Florida, as of and for the fiscal year ended September 30, 2017 and have issued our report thereon dated January 31, 2018.

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 January 31, 2018, 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 that we 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.c. 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.

Annual Financial Report

Sections 10.554(1)(i)5.b. 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 the annual financial report for the MPO for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d, *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), *Florida Statutes*. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), *Florida Statutes*.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we 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
January 31, 2018

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

Board of Directors
Pinellas County Metropolitan Planning Organization
A Component Unit of Pinellas County, Florida
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, 2017. 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, 2017.

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
January 31, 2018