

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY**

**FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2010**

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities and the major fund of the Tampa Bay Area Regional Transportation Authority ("TBARTA") as of and for the year ended September 30, 2010, which collectively comprise TBARTA's basic financial statements as listed in the table of contents. These financial statements are the responsibility of TBARTA's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 the major fund of the Tampa Bay Area Regional Transportation Authority as of September 30, 2010, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2011, on our consideration of TBARTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 and budgetary comparison information on page 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required to 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

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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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise TBARTA's basic financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.550, Rule of the Auditor General of the State of Florida, and is not a required part of the financial statements. The schedule of expenditures of state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Larson Allen LLP*  
**LarsonAllen LLP**

Tampa, Florida  
December 15, 2011

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2010**

As management of the Tampa Bay Area Regional Transportation Authority ("TBARTA"), we offer readers of TBARTA's financial statements this narrative overview and analysis of the financial activities of TBARTA for the fiscal year ended September 30, 2010. The information presented here should be considered in conjunction with the financial statements.

**Financial Highlights**

TBARTA's net assets are \$271,384 an increase of \$254,315 over the previous year.

During the year, total expenses were \$986,427 versus total revenue of \$1,240,742.

**Overview of the Financial Statements**

The basic financial statements consist of three components: 1) government-wide financial statements providing information about the activities of TBARTA as a whole; 2) fund financial statements and, 3) notes to the financial statements. In addition to these basic statements, the report also contains other supplemental information in addition to the basic financial statements.

*Government-wide Financial Statements* - The government-wide financial statements are designed to provide a broad overview of TBARTA's finances in a manner similar to a private-sector business. The government-wide statements provide information about TBARTA's financial status as a whole. These statements include details of income during the year and a breakdown by category of expenses for activities and administration of TBARTA. The statements include *all* assets and liabilities using the accrual basis of accounting. This means that all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report TBARTA's net assets and changes in net assets. The net assets – the difference between assets and liabilities - are an important measure of TBARTA's financial health.

*Fund Financial Statements* - The statements on pages 7 through 11 provide a detailed look at TBARTA's general fund. TBARTA, like all government entities, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance related legal requirements. TBARTA uses one fund, a governmental general fund, which focuses on (1) how cash and other financial assets, that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the general fund statements provide a detailed short-term view that indicates whether there are more or fewer financial resources that can be spent in the near future to finance TBARTA's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, a detailed reconciliation provides additional information that explains the relationship (or differences) between the statements.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2010**

**Net Assets**

TBARTA's net assets increased to \$271,384. TBARTA's assets exceeded its liabilities by \$271,384.

**Tampa Bay Regional Transportation Authority – Net Assets**

	Governmental Activities		Increase (Decrease)
	2010	2009	
Current and Other Assets	\$ 539,602	\$ 216,725	\$ 322,877
Capital Assets - Net	102,516	4,830	97,686
Total Assets	<u>642,118</u>	<u>221,555</u>	<u>420,563</u>
Current Liabilities	334,844	204,486	130,358
Long-Term Liabilities	35,890	-	35,890
Total Liabilities	<u>370,734</u>	<u>204,486</u>	<u>166,248</u>
Net Assets			
Invested in Capital Assets	102,516	4,830	97,686
Unrestricted	168,868	12,239	156,629
Total Net Assets	<u>\$ 271,384</u>	<u>\$ 17,069</u>	<u>\$ 254,315</u>

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2010**

**Changes in Net Assets**

Revenues for TBARTA's activities totaled \$1,240,742 an increase of \$900,076 from the previous year. The increase was attributable to the merger with Bay Area Commuter Services, Inc. as of May 1, 2010.

Expenses totaled \$986,427 an increase of \$635,435 from the previous year. This increase was due to the merger with Bay Area Commuter Services, Inc.

**Tampa Bay Area Regional Transportation Authority - Changes in Net Assets**

	Governmental Activities		Increase (Decrease)
	2010	2009	
<b>REVENUES</b>			
Program Revenue:			
Operating Grants and Contributions	\$ 954,071	\$ 332,067	\$ 622,004
Capital Grants and Contributions	282,712	-	282,712
Charges for Services	-	8,599	(8,599)
General Revenues:			
Miscellaneous	3,959	-	3,959
Total Revenues	<u>1,240,742</u>	<u>340,666</u>	<u>900,076</u>
<b>FUNCTIONAL/PROGRAM EXPENSES</b>			
Transportation	<u>986,427</u>	<u>350,992</u>	<u>635,435</u>
Total Functional/Program Expenses	<u>986,427</u>	<u>350,992</u>	<u>635,435</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	254,315	(10,326)	264,641
Net Assets - Beginning of Year	<u>17,069</u>	<u>27,395</u>	<u>(10,326)</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 271,384</u>	<u>\$ 17,069</u>	<u>\$ 254,315</u>

**General Fund**

The focus of TBARTA's general fund is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing TBARTA's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Fund balance increased by \$179,927 to \$204,758

**Budgetary Highlights**

TBARTA's Governing Board approves the annual operating budget. The Governing Board must also approve any required revisions that result in an increase to total expenditures. The budget is maintained at a general fund level, with no projects being identified to date. In addition, financial statements, which detail month-to-date and the year-to-date actual versus budgeted expenditure comparisons, are presented to the Governing Board on a quarterly basis for review.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2010**

**Economic Factors and the 2010-2011 Budget**

As depicted in this inaugural audit and TBARTA's financial statements TBARTA is financially stable. Despite the economic conditions of the State of Florida, the Legislature and Governor continue to fund the operations of TBARTA.

Additionally, the dissolution and assignment of BACS assets and liabilities as well as current grants provides TBARTA with additional unrestricted fund balance so that interest revenue can be used to offset expenses. Further, by combining the two agencies TBARTA is able to attain cost savings via reduction in duplication of costs and services and greater economies of scale with respect to operational costs of the two organizations.

**Requests For Information**

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

Bob Clifford  
3802 Spectrum Blvd, Ste 306  
Tampa, Florida 33612

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2010**

**ASSETS**

Cash	\$ 201,199
Accounts Receivable	15,262
Due from Other Governments	316,315
Prepays and Other	6,826
Capital Assets, Net	<u>102,516</u>
Total Assets	<u>642,118</u>

**LIABILITIES**

Accounts Payable	17,873
Due to Other Government	1,032
Advances from the Florida Department of Transportation	305,003
Accrued Wages	10,936
Accrued Compensated Absences	<u>35,890</u>
Total Liabilities	<u>370,734</u>

**NET ASSETS**

Invested in Capital Assets	102,516
Unrestricted	<u>168,868</u>
Total Net Assets	<u><u>\$ 271,384</u></u>

See accompanying Notes to Financial Statements.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2010**

	Expenses	Program Revenues Operating Grants and Contributions	Program Revenues Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
<u>Functions/Programs</u>				
Primary Government:				
Governmental Activities:				
Transportation	\$ 986,427	\$ 954,071	\$ 282,712	\$ 250,356
Total Governmental Activities	\$ 986,427	\$ 954,071	\$ 282,712	250,356
General Revenues:				
				319
				3,640
				3,959
				254,315
				17,069
				\$ 271,384

See accompanying Notes to Financial Statements.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
BALANCE SHEET – GENERAL FUND  
SEPTEMBER 30, 2010**

**ASSETS**

Cash	\$	201,199
Accounts Receivable		15,262
Due from Other Governments		316,315
Prepays and Other		6,826
Total Assets	\$	<u>539,602</u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts Payable	\$	17,873
Due to Other Government		1,032
Accrued Wages		10,936
Advances from the Florida Department of Transportation		<u>305,003</u>
Total Liabilities		334,844

**FUND BALANCE**

Unreserved, Undesignated		<u>204,758</u>
Total Liabilities and Fund Balance	\$	<u>539,602</u>

See accompanying Notes to Financial Statements.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
RECONCILIATION OF THE GENERAL FUND BALANCE SHEET TO  
THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2010**

Total Fund Balance - General Fund	\$	204,758
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		102,516
Compensated absences are long-term liabilities that are not due and payable in the current period and therefore are not reported in the general fund.		<u>(35,890)</u>
Total Net Assets - Governmental Activities	\$	<u><u>271,384</u></u>

*See accompanying Notes to Financial Statements.*

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE – GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2010**

	2010
<b>REVENUES</b>	
State Grant	\$ 954,071
Contribution from Bay Area Commuter Services, Inc.	181,799
Miscellaneous	3,959
Total Revenues	1,139,829
<b>EXPENDITURES</b>	
Current:	
Transportation	946,159
Capital Outlay	13,743
Total Expenditures	959,902
<b>NET CHANGE IN FUND BALANCE</b>	179,927
Fund Balance - Beginning of Year	24,831
<b>FUND BALANCE - END OF YEAR</b>	\$ 204,758

See accompanying Notes to Financial Statements.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE – GENERAL FUND TO THE  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2010**

Net Change in Fund Balance - Total General Fund		\$	179,927
<p>Capital outlays are reported as expenditures in the General Fund, however, in the statement of activities, the cost of assets is allocated over their estimated useful lives and reported as depreciation expense:</p>			
Capital Acquisitions			13,743
Less: Depreciation	<u>(16,970)</u>		(3,227)
<p>Net amount of contributed capital received in the current period as a result of the merger with Bay Area Commuter Services, Inc.</p>			
			100,913
<p>In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the General Fund expenditures are recognized based on the amounts actually paid for leave used. This is the net amount of compensated absences earned in excess of amounts paid in the current period.</p>			
			<u>(23,298)</u>
Change in Net Assets of Governmental Activities		<u>\$</u>	<u>254,315</u>

See accompanying Notes to Financial Statements.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Tampa Bay Area Regional Transportation Authority ("TBARTA") is an association of Tampa Bay area counties that is organized to plan, develop, finance, construct, own, purchase, operate, maintain, relocate, equip, repair, and manage multimodal transportation systems. Member counties include Citrus, Hernando, Hillsborough, Manatee, Pasco, Pinellas, and Sarasota. TBARTA was established on July 1, 2007 pursuant to the authority of Section 343.92, Florida Statutes. The basic operations of TBARTA are financed primarily through grants from the Florida Department of Transportation and contributions from the member counties.

**Reporting Entity**

In evaluating how to define TBARTA for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the Governmental Accounting Standards Board ("GASB") Codification and GASB Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. These criteria include manifestation of oversight responsibility including: financial accountability; appointment of a voting majority; imposition of will; financial benefit to or burden on a primary organization; financial accountability as a result of fiscal dependency; potential for dual inclusion; and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, no potential component units were identified.

**Basis of Presentation**

The Authority complies with accounting standards established by the Governmental Accounting Standards Board (GASB). The Authority has implemented GASB Statement No. 34 as amended, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*.

**Government-Wide Financial Statements**

The government-wide financial statements include the statement of net assets and a statement of activities.

The government-wide statements are prepared using the *economic resources measurement focus* and the accrual basis of accounting. This differs from the way governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Financial Statements**

The accounts of TBARTA are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equities, revenues and expenditures. Currently, TBARTA only utilizes a general fund to track its operations. The general fund is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in the general fund.

TBARTA funds certain programs by a combination of specific cost-reimbursement grants, other grants, and charges for services. When both restricted and unrestricted resources are available for use, it is TBARTA's policy to use restricted resources first, then unrestricted as needed.

TBARTA reports the following major governmental fund:

*General Fund* - This fund is used to account for the accumulation and expenditure of resources used for general purposes of TBARTA and do not require the establishment of any other type of fund.

**Budgeting**

The annual budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America. By September 30, the Policy Board, after the appropriate public hearings, adopts the final budget. Budgetary control is maintained at the program level. The Policy Board may at any time within a fiscal year or up to 60 days following the end of the fiscal year, amend a budget for that year by resolution.

In accordance with Florida State Statute, 189.418, TBARTA is required to adopt a budget that reports the amount available from revenue sources equal to budgeted expenditures. If expenditures are expected to exceed original budgeted amounts, TBARTA is required to amend the budget. During 2010, TBARTA the actual expenditures exceeded the budgeted amount due to the merger of the operations of Bay Area Commuter Services, Inc.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

Capital assets are carried at historical cost. Minimum capitalization costs are \$500 for all asset categories. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an assets' life is not capitalized. Depreciation of capital assets is computed using the straight-line method over the estimated useful lives of the assets, generally 3 to 10 years.

**Compensated Absences**

Vacation pay can be accumulated by an employee up to 240 hours and is payable, if not used, upon termination.

**Net Assets**

Net assets in government-wide financial statements are classified as invested in capital assets, restricted, and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

**Fund Balance**

In the general fund financial statements, designations of fund balance represent tentative management plans that are subject to change.

Fund balance in the general fund is classified as follows:

**Unreserved:**

Undesignated - portion of total fund balance available for appropriation that is uncommitted at year-end.

**NOTE 2 DEPOSITS**

Custodial credit risk is defined as the risk that, in the event of bank failure, the Authority's deposits may not be returned. All cash deposits are carried at costs and are in financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Florida Statutes require deposits by governmental units in a financial institution to be collateralized.

As of September 30, 2010, the carrying amounts of TBARTA's deposits were \$201,199 and the bank balance was \$249,498.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

**NOTE 3 CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Balance October 1, 2009	Additions	Donations	Balance September 30, 2010
Governmental Activities:				
Capital Assets being Depreciated				
Computer Equipment	\$ 5,380	\$ -	\$ 89,533	\$ 94,913
Office Equipment	-	2,193	32,369	34,562
Furniture and Fixtures	-	11,550	52,519	64,069
Leasehold Improvements	-	-	6,422	6,422
	<u>5,380</u>	<u>13,743</u>	<u>180,843</u>	<u>199,966</u>
Less: Accumulated Depreciation for:				
Computer Equipment	(550)	(12,084)	(42,138)	(54,772)
Office Equipment	-	(987)	(23,890)	(24,877)
Furniture and Fixtures	-	(3,364)	(13,580)	(16,944)
Leasehold Improvements	-	(535)	(322)	(857)
	<u>(550)</u>	<u>(16,970)</u>	<u>(79,930)</u>	<u>(97,450)</u>
Total Capital Assets being Depreciated, Net	<u>\$ 4,830</u>	<u>\$ (3,227)</u>	<u>\$ 100,913</u>	<u>\$ 102,516</u>

**NOTE 4 COMPENSATED ABSENCES**

The following is a summary of the changes in accrued compensated absences for the year ended September 30, 2010:

	Balance 10/1/2009	Additions	Balance 9/30/2010
Accrued Compensated Absences	<u>\$ 12,592</u>	<u>\$ 23,298</u>	<u>\$ 35,890</u>

**NOTE 5 FLORIDA DEPARTMENT OF TRANSPORTATION FUNDING**

TBARTA was awarded \$2 million from the Florida Department of Transportation (FDOT) for the purpose of planning, developing and implementing an effective and efficient regional mobility/freight transportation system. TBARTA received a \$500,000 advance of which \$328,449 had been expended as of September 30, 2009. During 2010, the FDOT reimbursed TBARTA for expenditures previously recorded against the advance. Accordingly, as of September 30, 2010, the balance on the advance is \$305,003.

**NOTE 6 CONTINGENT LIABILITY**

TBARTA is subject to financial and compliance audits by grantor agencies to determine compliance with grant funding requirements. In the event the expenditures would be disallowed, repayment could be required. Government grants require the fulfillment of certain conditions as set forth by applicable laws, rules and regulations and in the grant agreements. Failure to fulfill the conditions could result in the return of funds to the grantor.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**

**NOTE 7 MERGER OF BAY AREA COMMUTER SERVICES, INC.**

As of April 30, 2010, TBARTA entered into a Memorandum of Understanding with Bay Area Commuter Services, Inc. (BACS), a not-for-profit organization whose purpose was to promote and encourage transportation options to the single occupant vehicle within the five-county area of West Central Florida. The Memorandum of Understanding called for the dissolution of BACS and the distribution of assets and assumption of its liabilities to TBARTA as of May 1, 2010. The assets and liabilities of BACS were merged into TBARTA at fair market value, leaving a net contribution of \$282,712. The capital assets were transferred at the net book value, which approximates fair market value. This merger integrated the mission, goals and objectives of BACS into those of TBARTA.

**NOTE 8 DEFERRED COMPENSATION PLAN**

TBARTA offers all employees a voluntary deferred compensation plan created in accordance with Internal Revenue Code (IRS) Section 457. The plan is voluntary and permits employees to defer taxes on a portion of their salary until future years. Deferred compensation can be withdrawn upon termination, retirement, death, or unforeseeable emergency. All amounts of deferred compensation, all property, all rights, and all income are held in trust for employees and are subject only to the claims of the employee or other beneficiary. It is the opinion of TBARTA that TBARTA has no liability for losses under the IRS Section 457 plan, but TBARTA does have the duty of due care that would be required of any prudent administrator. Since TBARTA has no liability for losses and exercises no significant administrative control over assets, the Deferred Compensation Plan is not part of TBARTA's financial statements in accordance with Generally Accepted Accounting Principles.

**NOTE 9 OPERATING LEASE**

TBARTA leases office space through a cancellable lease. Total rent expense for the year ended September 30, 2010 was \$39,915

**NOTE 10 ECONOMIC DEPENDENCY**

TBARTA is economically dependent upon annual contributions and grants from the FDOT. For the year ended September 30, 2010, FDOT provided approximately 83% of TBARTA's operating revenues.

**NOTE 11 ISSUED BUT NOT EFFECTIVE PROFESSIONAL STANDARD**

The Government Accounting Standards Board ("GASB") has issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, will be effective for TBARTA for the fiscal year beginning October 1, 2010. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Management has not yet completed its assessment of the above statement but does not believe that the statement will have a material effect on the financial statements of TBARTA.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
State Grant	\$ 582,075	\$ 582,075	\$ 954,071	\$ 371,996
Contribution from Bay Area Commuter Services, Inc.	-	-	181,799	181,799
Miscellaneous	-	-	3,959	3,959
Total Revenues	<u>582,075</u>	<u>582,075</u>	<u>1,139,829</u>	<u>557,754</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	579,075	579,075	946,159	(367,084)
Capital Outlay	<u>3,000</u>	<u>3,000</u>	<u>13,743</u>	<u>(10,743)</u>
Total Expenditures	<u>582,075</u>	<u>582,075</u>	<u>959,902</u>	<u>(377,827)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	179,927	<u>\$ 935,581</u>
Fund Balance - Beginning of Year			<u>24,831</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 204,758</u>	

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED SEPTEMBER 30, 2010**

<u>State Grantor/Program</u>	<u>CSFA #</u>	<u>Identifying Grant Number</u>	<u>Expenditures</u>
Florida Department of Transportation:			
Highway Planning and Construction	20.205	ANL04	\$ 15,366
Tampa Bay Area Regional Transportation Authority	55.028	EAPN05	419,974
Commuter Assistance/Rideshare Grants	55.007	AQ074	19,172
Commuter Assistance/Rideshare Grants	55.007	AQ088	20,115
Commuter Assistance/Rideshare Grants	55.007	APL18	338,841
Commuter Assistance/Rideshare Grants	55.007	AP520	22,369
Commuter Assistance/Rideshare Grants	55.007	AP860	33,744
Commuter Assistance/Rideshare Grants	55.007	APU32	84,490
			<hr/>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 954,071</u>

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED SEPTEMBER 30, 2010**

**NOTE 1 GENERAL**

The accompanying schedule of expenditures of state financial assistance presents the activity of all state grant activity of the Tampa Bay Area Regional Transportation Authority ("TBARTA"). All state financial assistance received directly from state agencies are included on the schedule. The information in this schedule is present in accordance with the requirements of Chapter 10.550, Rules of the Auditor General.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of state financial assistance is presented using the modified accrual basis of accounting, which is described in Note 1 to TBARTA's basis financial statements for the year ended September 30, 2010.

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Tampa Bay Area Regional Transportation Authority  
Tampa, Florida

We have audited the financial statements of the governmental activities and the major fund of the Tampa Bay Area Regional Transportation Authority ("TBARTA") as of and for the year ended September 30, 2010, which collectively comprise TBARTA's basic financial statements, and have issued our report thereon dated December 15, 2011. 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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered TBARTA's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of TBARTA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of TBARTA's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies, 2010-1 and 2010-2 described in the accompanying schedule of findings and questioned costs to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether TBARTA's financial statements are free of 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 disclose an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2010-3.

We noted certain other matters that we reported to management of TBARTA in a separate letter dated December 15, 2011.

TBARTA's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit TBARTA's responses, and accordingly, we express no opinion on them.

This report is intended solely for the information and use of the finance committee, management, the Auditor General of the State of Florida, and state awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*LarsonAllen LLP*  
**LarsonAllen LLP**

Tampa, Florida  
December 15, 2011

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

**Compliance**

We have audited to compliance of the Tampa Bay Area Regional Transportation Authority ("TBARTA") with the types of compliance requirements described in the Florida Department of Financial Services *State Projects Compliance Supplement*, that could have a direct and material effect on each of its major state projects for the year ended September 30, 2010. TBARTA's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its State projects is the responsibility of TBARTA's management. Our responsibility is to express an opinion on TBARTA's compliance based on our audit.

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 Chapter 10.550, Rules of the Auditor General. Those standards and Chapter 10.550, Rules of the Auditor General, 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 State project occurred. An audit includes examining, on a test basis, evidence about TBARTA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on TBARTA's compliance with those requirements.

As described in item 2010-3, in the accompanying schedule of findings and questioned costs, TBARTA did not comply with requirements regarding the filing of their annual financial audit report and annual financial report as required by Florida State Statute 219.39, which is applicable to its major State projects. Compliance with such requirements is necessary, in our opinion, for TBARTA to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, TBARTA, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State projects for the year ended September 30, 2010.

### **Internal Control Over Compliance**

The management of TBARTA is responsible for establishing and maintaining effective internal control over compliance with laws, regulations, contracts, and grants applicable to State projects. In planning and performing our audit, we considered TBARTA's internal control over compliance with the requirements that could have a direct and material effect on a State project to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of TBARTA's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* 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 noncompliance with a type of compliance requirement of a State project 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 State project will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2010-3 to be a material weakness.

TBARTA's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit TBARTA's response and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, the Auditor General of the State of Florida, and State awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*LarsonAllen LLP*  
**LarsonAllen LLP**

Tampa, Florida  
December 15, 2011

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – STATE PROJECTS  
YEAR ENDED SEPTEMBER 30, 2010**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

***Financial Statements***

Type of auditor’s report issued	Unqualified Opinion
Internal control over financial reporting:	
Material weakness identified	Yes
Significant deficiency identified not considered to be a material weakness	None
Reported	
Noncompliance material to basic financial statements noted	Yes

***State Financial Assistance Projects***

Internal control over compliance:	
Material weakness identified	Yes
Significant deficiency identified not considered to be a material weakness	None
Reported	
Noncompliance material to basic financial statements noted	Yes

Type of auditor’s report on compliance for major projects Qualified Opinion

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, Rules of the Auditor General Yes

Dollar threshold used to determine Type A project: \$300,000

Identification of major projects:

**State Project**

Tampa Bay Area Regional Transportation Authority	<b><u>CFSA</u></b> 55.028
Commuter Assistance/Rideshare Grant	55.007

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – STATE PROJECTS  
YEAR ENDED SEPTEMBER 30, 2010**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Material Weakness**

**2010-1 – ACCOUNTING ENTRIES FOR ACCRUALS**

**Condition:** Misstatements were not prevented or detected by TBARTA's system of internal control related to the preparation of the financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

**Criteria:** Management is responsible for maintaining adequate internal control over accounting and financial reporting.

**Effect:** The financial statements were materially misstated.

**Cause:** Management did not properly record the following transactions:

- Grant revenues and the related receivables for several contracts were not properly recorded at year end.
- The Advance from the Florida Department of Transportation was not properly recorded at year end.

**Recommendation:** Recording of all adjustments is a necessary step to ensuring the financial statements are fairly stated. We recommend management establish a process for recording all adjustments prior to the annual audit process.

**Management Response:** The merger of BACS and TBARTA (a non-profit entity and a governmental independent special district) was a unique situation relating to the integration of the separate entity finances into one. Different fiscal years, discretionary and program funding, and a contract settlement agreement with FDOT all led to a misunderstanding on staff's part of how to record the financial information. The major specific issue related to the findings revolves around a financial settlement agreement with FDOT of approx \$133,000. This settlement was related to the state discretionary appropriation and the expiration of the initial Joint Participation Agreement (JPA) with FDOT, causing the need for two JPA's for the discretionary funding. Staff erroneously booked the payment against the second JPA, not the first. This is a balance sheet reclassification issue, not a statement of revenues, expenditures and changes in fund balance issue. All expenditures against all grants are now reviewed and balanced on a monthly basis.

We had previously recognized the issue and had already made the necessary correction. We have already engaged an independent CPA firm to ensure proper compliance with financial reporting requirements.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – STATE PROJECTS  
YEAR ENDED SEPTEMBER 30, 2010**

**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**2010-2 – PROPER SUPPORT FOR JOURNAL ENTRIES AND OBTAIN AUTHORIZATION**

**Condition:** Journal entries were not properly approved and did not have proper support for the entries documented. Misstatements were not prevented or detected by the TBARTA's system of internal control related to the preparation of the financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

**Criteria:** Management is responsible for maintaining adequate internal control over accounting and financial reporting.

**Effect:** The financial statements may be materially misstated.

**Cause:** Journal entries were posted to the general ledger by several individuals throughout the year due to employee turnover. During our review of these journal entries, it was noted the entries are not being properly approved by a member of management. We also noted there were several instances where the support for the journal entry could not be located.

**Recommendation:** We recommend all journal entries are approved by someone other than the preparer and proper documentation is maintained for all entries.

**Management Response:** As noted in management's response 2010 – 1, there was a misunderstanding of how to record financial information. Also, as noted, employee turnover contributed to documentation process deficiencies. Specifically, all financial information including journal entries was reviewed by management; however, the proper recording and documentation was lacking.

We had previously recognized the issue and had already made the necessary corrections. We have already engaged an independent CPA firm to ensure proper compliance with financial reporting requirements.

**2010-3 – FILE AUDITED FINANCIAL STATEMENTS ON A TIMELY BASIS**

**Condition:** Annual financial audit report and Annual Financial Report were not completed on a timely basis.

**Criteria:** Management is responsible for filing the annual audit report in accordance with Section 218.39(1)(c) of the Florida State Statutes. This section requires an annual financial audit report to be filed with the State of Florida Auditor General within one year of TBARTA's fiscal year end. Management is also responsible for filing the Annual Financial Report with the Department of Financial Services within the same time frame.

**Effect:** TBARTA has received correspondence from The Florida Legislature Joint Legislative Auditing Committee requiring the audit and the Annual Financial Report be filed no later than December 28, 2011.

**TAMPA BAY AREA REGIONAL TRANSPORTATION AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – STATE PROJECTS  
YEAR ENDED SEPTEMBER 30, 2010**

**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Cause:** Management did not engage an independent CPA firm to perform the annual financial audit.

**Recommendation:** We recommend implementing procedures and policies to ensure the annual reporting requirements are met.

**Management Response:** We recognize that the 2010 audit was not completed on a timely basis. Due to the merger, several financial audits and reports were necessary. TBARTA, in a prudent attempt to be efficient and eliminate the need for reissuance and prior period adjustments to audits, made the determination to perform the audits sequentially. However, as described below several issues affected our ability to complete the 2010 TBARTA audit in the required timeframe.

The BACS merger occurred on May 1, 2010; however, the BACS year end was June 30th - so after consulting with FDOT we waited until after June 30th to begin the final BACS audit. TBARTA (year end September 30<sup>th</sup>) was unable to begin the audit until the BACS audit was complete since the information from the BACS audit is an integral part of the TBARTA audit. As we began the BACS audit the FDOT Inspector General informed us they were performing a routine audit of a 2008 BACS contract- putting the BACS audit on hold since the FDOT audit information would be needed for the final BACS audit. Once the FDOT audit was complete we proceeded to complete final BACS audit, which was accepted by the TBARTA Board in June 2011. We then solicited for TBARTA 2010 and 2011 audits. Our first solicitation only received two bidders and we made the decision to ensure appropriate competition and re-solicited for the audits. In October we entered into agreement with LarsonAllen LLP to complete both audits.

From this point forward, in order to ensure compliance, we will engage and develop an audit schedule with our independent auditor in September of each year as part of our yearly budget process.

**SECTION III – STATE PROJECTS FINDINGS AND QUESTIONED COSTS**

**Material Weakness**

See finding 2010-3 described above.

## Management Letter

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

We have audited the basic financial statements of the Tampa Bay Area Regional Transportation Authority ("TBARTA") as of and for the year ended September 30, 2010 and have issued our report thereon dated December 15, 2011.

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. We have issued our Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each State Project and on Internal Control Over Compliance in Accordance with Chapter 10.550 Rules of the Auditor General, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated December 15, 2011, should be considered in conjunction with this Management Letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports or schedule:

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 significant findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report, therefore, there are no corrective actions to address.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we noted the following:

### **Adhere to Capitalization Policy**

We noted there were several assets recorded as capital assets in the general ledger that were below the Authority's threshold for recording capital assets. We recommend adhering to the Authority's capitalization policy and only recorded those assets above the threshold.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of laws, regulations, contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on financial statements that is less than material but more than inconsequential. In connection with our audit, we noted the following:

**File Audit Reports Timely**

Management is responsible for filing the annual audit report in accordance with Section 218.39(1)(c) of the Florida State Statutes. This section requires an annual financial audit report to be filed with the State of Florida Auditor General within one year of the Authority's fiscal year end. Management is also responsible for filing the Annual Financial Report with the Department of Financial Services within the same time frame. We noted these reports were not timely filed for the year ended September 30, 2010. Additionally, management is required to file the Annual Qualified Public Depositors Report with the Department of Financial Services by November 30 each year. We noted this report was not filed timely for the year ended September 30, 2010.

**Properly Approve and Amend Annual Budget**

Section 189.418(3), Florida Statutes, states that "an officer of a special district may not expend or contract for expenditures, except as pursuant to the adopted budget. During 2010, Bay Area Commuter Services, Inc. merged with TBARTA. The budget was not amended during the year and consequently, expenditures exceeded budgeted amounts. We recommend periodically reviewing total expenditures to total budget to ascertain whether a budget amendment is needed to stay in compliance with the Florida State Statutes.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that an auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal controls that are not significant deficiencies. In connection with our audit, we noted the following:

**Document Approved Pay Rates**

The Authority utilizes specific forms to document the pay rate of each employee. During our review of a sample of payroll files, we noted the majority of the files have not been updated in several years with the current pay rate. While we were provided with the current pay rates from management, we recommend updating the personnel files to reflect the current pay rate for all employees.

**Approval of Time Sheets**

During our review of the payroll cycle, we noted the employee who is responsible for approving the Authority's payroll package does not have anyone review his/her timesheet. While this individual is a salaried employee and the payroll should not fluctuate during the year, we recommend having someone review the timesheet so that any additional information is recorded properly. For example, if there is any use of sick or vacation time and to verify the time is being allocated to the various programs correctly.

**Review Internal Controls Over Payroll Processing**

The Authority utilizes Paychex to calculate and process its payroll transactions. Since the Authority is relying on the internal controls in place over Paychex's processing, we recommend obtaining an AICPA Service Organization Control Report (formerly a SAS 70 Report) from Paychex. This report will provide the Authority with an opinion as to whether the internal controls over the payroll processing performed by Paychex were operating effectively over a specified period of time.

Section 10.554(1)(i)6., 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 as part of Note 1, to the basic financial statements.

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement to be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503 (1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that TBARTA did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)7.b., Rules of the Auditor General, require that we determine whether the annual financial report for TBARTA for the fiscal year ended September 30, 2010, 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, 2010. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor TBARTA'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 management. We completed the financial condition assessment procedures as of the fiscal year end.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*Larson Allen LLP*  
**LarsonAllen LLP**

Tampa, Florida  
December 15, 2011