South Florida Regional Transportation Authority

Federal and State Awards Supplemental Information

June 30, 2022

South Florida Regional Transportation Authority

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Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Projects Required by the Uniform Guidance and Chapter 10.550 of the Rules of the Auditor General of the State of Florida

Independent Auditor's Report

To the Governing Board
South Florida Regional Transportation Authority

We have audited the financial statements of South Florida Regional Transportation Authority as of and for the year ended June 30, 2022 and have issued our report thereon dated March 23, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to March 23, 2023.

The accompanying schedule of expenditures of federal awards and state financial assistance projects is presented for the purpose of additional analysis, as required by the Uniform Guidance and Chapter 10.550 of the *Rules of the Auditor General*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance projects is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

March 23, 2023

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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*

Independent Auditor's Report

To Management and the Governing Board
South Florida Regional Transportation Authority

We have audited, 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, the financial statements of South Florida Regional Transportation Authority (the "Authority") as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 23, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 financial statements. 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*.

To Management and the Governing Board
South Florida Regional Transportation Authority

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

March 23, 2023

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Report on Compliance for the Major Federal Program and Major State Financial Assistance Project and Report on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550 of the Rules of the Auditor General of the State of Florida

Independent Auditor's Report

To the Governing Board
South Florida Regional Transportation Authority

Report on Compliance for Each Major Federal Program and Major State Financial Assistance Project

Opinion on Each Major Federal Program and Major State Financial Assistance Project

We have audited South Florida Regional Transportation Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (OMB) Compliance Supplement and the requirements described in the Florida Department of Financial Services State Projects Compliance Supplement that could have a direct and material effect on the Authority's major federal program and major state financial assistance project, respectively, for the year ended June 30, 2022. The Authority's major federal program and major state financial assistance project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program and major state financial assistance project for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program and Major State Financial Assistance Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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* (the "Uniform Guidance") and Chapter 10.550 of the *Rules of the Auditor General* (Chapter 10.550). Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550 are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of South Florida Regional Transportation Authority and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state financial assistance project. Our audit does not provide a legal determination of South Florida Regional Transportation Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal program and state financial assistance project.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on South Florida Regional Transportation Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about South Florida Regional Transportation Authority's compliance with the requirements of each major federal program and major state financial assistance project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding South Florida Regional Transportation Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of South Florida Regional Transportation Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 South Florida Regional Transportation Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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 or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a 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 or state 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 or state 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2022-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

To the Governing Board
South Florida Regional Transportation Authority

Government Auditing Standards require the auditor to perform limited procedures on the Authority's response to the noncompliance finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on it.

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 results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

March 23, 2023

South Florida Regional Transportation Authority

Schedule of Expenditures of Federal Awards and State Financial Assistance Projects

Year Ended June 30, 2022

Federal Agency/Pass-through Agency/Program Title/Project Number	Assistance Listing Number/CSFA Number (State Grants)	Pass-through Entity Identifying Number	Federal Expenditures	State Expenditures	Total Expenditures	Amount Provided to Subrecipients
U.S. Department of Transportation - Direct programs:						
Federal Transit Cluster:						
FL-90- Y0012	20.507		$ 199,938	$ -	$ 199,938	$ -
FL-2019-096/FL - 90-YO41	20.507		1,804,690	-	1,804,690	-
FL-2021-052/FL - 54-0045	20.525		4,090,740	-	4,090,740	-
FL-66/FL-90-X942	20.507		844,351	-	844,351	-
COVID-19 - FL-2020-054/FL - 90-YO68 - CARES	20.507		16,846,045	-	16,846,045	-
FL-2021-052/FL - 90-Y133	20.507		9,113,565	-	9,113,565	-
FL-90-845	20.507		171,741	-	171,741	-
FL-99/FL-54-0024	20.525		266,325	-	266,325	-
FL-2019-027/FL - 54-0033	20.525		791,726	-	791,726	-
FL-2019-099/FL - 54-0037	20.525		717,940	-	717,940	-
FL-103/FL-95-132	20.507		114,691	-	114,691	-
FL-2021-054/FL-190	20.507		19,205	-	19,205	-
FL-90-861	20.507		59,880	-	59,880	-
FL-90-872	20.507		7,506	-	7,506	-
FL-57/FL-90-976	20.507		571,607	-	571,607	-
Total Federal Transit Cluster			35,619,950	-	35,619,950	-
Highway Planning and Construction Cluster:						
Direct award - COVID-19 - FL-2021-084/FL-95-Y150-CRSSA	20.205		22,000,000	-	22,000,000	-
Passed-through the Florida Department of Transportation - 01-22-01	20.205	42969318490	4,000,000	-	4,000,000	-
Total Highway Planning and Construction Cluster			26,000,000	-	26,000,000	-
Railroad Safety Technology Grants - Direct program - FL-018/FL-54-0025	20.321		631,455	-	631,455	-
Public Transportation Emergency Relief Program - Direct program - FL-44-0009/FL-2020-093-01	20.527		74,497	-	74,497	-
Public Transportation Innovation - Direct program - FL-26-7132	20.530		13,387	-	13,387	-
Total U.S. Department of Transportation			62,339,289	-	62,339,289	-

See notes to schedule of expenditures of federal awards and state financial assistance projects.

Schedule of Expenditures of Federal Awards and State Financial Assistance Projects (Continued)

Year Ended June 30, 2022

Federal Agency/Pass-through Agency/Program Title/Project Number	Assistance Listing Number/CSFA Number (State Grants)	Pass-through Entity Identifying Number	Federal Expenditures	State Expenditures	Total Expenditures	Amount Provided to Subrecipients
U.S. Department of Homeland Security - Rail and Transit Security Grant Program - Direct program - EMW-2018-RA-00021	97.075		$ 74,718	$ -	$ 74,718	$ -
Florida Department of Transportation:						
JPA # 107	55.018	4407931/4407941	-	53,816,595	53,816,595	-
JPA # 109	55.010	44079419401	-	2,373,501	2,373,501	-
JPA # 85	55.021	42948712401	-	6,210	6,210	-
JPA # 92	55.026	43494849401	-	219,874	219,874	-
JPA # 95	55.013	43745415701	-	3,727,529	3,727,529	-
PTGA #1	55.013		-	49,853	49,853	-
PTGA #2	55.013	40680025703	-	214,653	214,653	-
JPA # 104	55.021	43638119401	-	311,400	311,400	-
Total Florida Department of Transportation			-	60,719,615	60,719,615	-
Total federal and state expenditures			**$ 62,414,007**	**$ 60,719,615**	**$ 123,133,622**	**$ -**

See notes to schedule of expenditures of federal awards and state financial assistance projects.

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

Year Ended June 30, 2022

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance projects (the "Schedule") includes the federal and state grant activity of South Florida Regional Transportation Authority (the "Authority") under programs of the federal government and state of Florida for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), the Florida Single Audit Act, and Chapter 10.550 of the *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the cash basis of accounting. The federal expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The state expenditures are recognized following Chapter 10.550 of the *Rules of the Auditor General*. The pass-through entity identifying numbers are presented where available.

The Authority has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Schedule of Findings and Questioned Costs

South Florida Regional Transportation Authority

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes ___X___ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ___ Yes ___X___ None reported

Noncompliance material to financial statements noted? ___ Yes ___X___ None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ Yes ___X___ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ___ Yes ___X___ None reported

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? ___ Yes ___X___ No

Identification of major federal programs:

Assistance Listing Number	Name of Federal Program/Cluster	Opinion
20.507, 20.525	Federal Transit Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B Federal programs: $1,872,420

Auditee qualified as low-risk auditee? ___ Yes ___X___ No

State Projects

Internal control over major projects:

- Material weakness(es) identified? ___ Yes ___X___ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ___X___ Yes ___ None reported

Any audit findings disclosed that are required to be reported in accordance with Section 215.97 Florida Statutes? ___X___ Yes ___ No

South Florida Regional Transportation Authority

Identification of major state projects:

CSFA Number	Name of State Project	Opinion
55.018	State project – South Florida Regional Transportation Authority Operating Assistance	Unmodified

Dollar threshold used to distinguish between type A and type B State projects: $1,821,588

Auditee qualified as low-risk auditee? _____ Yes ___X___ No

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2022

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Findings

None

South Florida Regional Transportation Authority
Section III - State Project Audit Findings

Reference Number	Finding
2022-001	**State CFSA Number, State Agency, and Program Name** – CFSA Number 55.018, Florida Department of Transportation (FDOT), South Florida Regional Transportation Authority Operating Assistance **Federal Award Identification Number and Year** - N/A **Pass-through Entity** - N/A **Finding Type** – Significant Deficiency in Internal Control Over Compliance **Repeat Finding** - No **Criteria** – Funds provided to the Authority by FDOT as part of this program constitute state financial assistance provided to a non-state entity to carry out a state project subject to section 215.97, 215.971, and 343.58(4)(d) Florida Statutes. Section 6.20 of the Joint Participation Agreement for the Program describes that costs incurred by the Authority in excess of the latest approved budget or that have not received the approval of the Department shall not be considered allowable costs **Condition** – There were costs charged to the program that were not allowable based on the approved budget of the Authority by FDOT. **Questioned Costs** - None **Identification of How Questioned Costs Were Computed** - N/A **Context** – There were costs charged to the program that were not allowable based on the approved budget of the Authority by FDOT. Subsequent to year end and prior to issuance of the audit report, the Authority was able to identify other eligible costs that were not previously charged to the program or any other program and received approval from the State Agency to replace the disallowed costs in full resulting in no questioned costs. **Cause and Effect** - Internal control procedures relative to the identification of non-routine expenditures and review of their allowability to be charged to the program did not operate effectively. This resulted in the Authority's original billing to the State Agency including disallowed costs. **Recommendation** - Internal control procedures should be initiated and enforced to ensure expenditures billed to grant programs, including non-routine expenditures, are adequately reviewed for allowability. **Views of Responsible Officials and Corrective Action Plan** – The invoice charged to the program was an extraordinary, non-recurring event related to a settlement agreement with a vendor who has an on-going relationship with the Agency. The timing and amount of the payment was similar to a recurring payment for services which are allowable for reimbursement which is part of the reason for the billing to the State Agency. The corrective action includes modification to Authority's payment authorization documents and training of staff with authorization, payment and reimbursement request responsibilities. The corrective action is to be implemented within 60 days of the completion of the audit.