

**MV TRANSPORTATION, INC.**

**PROJECT-SPECIFIC AUDIT**

**For the Year Ended June 30, 2019**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
MV Transportation, Inc.

### **Report on the Schedule of Expenditures of State Financial Assistance**

We have audited the accompanying Schedule of Expenditures of State Financial Assistance for the Commission for the Transportation Disadvantaged Trip and Equipment Grant of MV Transportation, Inc. for the year ended June 30, 2019, and the related notes (the financial statement).

### ***Management's Responsibility for the Schedule of Expenditures of State Financial Assistance***

Management is responsible for the preparation and fair presentation of the financial statement 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 a financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial statement based on our audit.

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; and Chapter 10.650, *Rules of the Auditor General*. Those standards and Chapter 10.650, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors  
MV Transportation, Inc.

***Opinion***

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the expenditures of state financial assistance for the Commission for the Transportation Disadvantaged Trip and Equipment Grant of MV Transportation, Inc. for the year ended June 30, 2019 in accordance with accounting principles generally accepted in the United States of America.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2020, on our consideration of the Company'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 Company's internal control over financial reporting and compliance.

***MSL, P.A.***

Certified Public Accountants

Orlando, Florida  
March 26, 2020

**MV TRANSPORTATION, INC.**

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

**For the Year Ended June 30, 2019**

**STATE FINANCIAL ASSISTANCE**

<b>Grantor/State Project Title/Pass-Through Grantor</b>	<b>Identification Number</b>	<b>CSFA Number</b>	<b>State Expenditures</b>
<b>Florida Department of Transportation:</b>			
<i>Florida Commission for the Transportation Disadvantaged:</i>			
Commission for the Transportation Disadvantaged (CTD)			
Trip and Equipment Grant Program:			
Trip & Equipment Grant - Alachua County	G0X05	55.001	\$ 621,320
Local Program Assistance Support - Alachua County	G0X86	55.001	24,970
Mobility Enhancement Grant - Alachua County	G0D18	55.001	49,298
			<u>695,588</u>
Trip & Equipment Grant - Desoto Hardee Highlands Okeechobee	G0X19	55.001	1,423,861
Local Program Assistance Support - Desoto Hardee Highlands Okeechobee	G0X99	55.001	81,941
			<u>1,505,802</u>
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			<b><u>\$ 2,201,390</u></b>

*See accompanying notes to Schedule of Expenditures of State Financial Assistance.*

# **MV TRANSPORTATION, INC.**

## **NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

**For the Year Ended June 30, 2019**

### **1. Basis of Presentation**

The Schedule of Expenditures of State Financial Assistance (the “Schedule”) includes the state financial assistance activity of MV Transportation, Inc. (the “Company”) under projects of the State of Florida for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*. Because the Schedule presents only a select portion of the operations of the Company, it is not intended to, and does not, present the financial position, changes in retained earnings, or cash flows of the Company.

### **2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting.

### **3. Contingency**

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by a grantor agency as result of such an audit, any claim for reimbursement to the grantor agency would become a liability of the Company. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable state laws and regulations.



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR A STATE  
PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE**

To the Board of Directors  
MV Transportation, Inc.

**Report on Compliance for the Commission for the Transportation Disadvantaged Trip and  
Equipment Grant**

We have audited the compliance of MV Transportation, Inc. (the "Company") with the types of compliance requirements described in the Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on the Commission for the Transportation Disadvantaged Trip and Equipment Grant (the "Project") for the year ended June 30, 2019.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the Project.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Company's Project 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 Chapter 10.650, *Rules of the Auditor General*. Those standards and Chapter 10.650, *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 the Project occurred. An audit includes examining, on a test basis, evidence about the Company'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 the Company's Project. However, our audit does not provide a legal determination of the Company's compliance.

***Opinion on Compliance for the Commission for the Transportation Disadvantaged Trip and  
Equipment Grant***

In our opinion, the Company complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its Project for the year ended June 30, 2019.

To the Board of Directors  
MV Transportation, Inc.

## Report on Internal Control over Compliance

Management of the Company is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the Company's internal control over compliance with the types of requirements that could have a direct and material effect on its Project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its Project and to test and report on internal control over compliance in accordance with Chapter 10.650, *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 the Company'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 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. 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 state project 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 results of that testing based on the requirements of Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
March 26, 2020

# MV TRANSPORTATION, INC.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2019

### SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

#### Financial Statement - Schedule of Expenditures of State Financial Assistance

Type of Auditor's Report Issued:

**Unmodified Opinion**

Internal control over financial reporting:

- Material weakness(es) identified?                     Yes                     No
- Significant deficiency(ies) identified?                 Yes                     None reported

Noncompliance material to financial statement noted?                 Yes                     No

#### State Financial Assistance

Internal control over state project:

- Material weakness(es) identified?                     Yes                     No
- Significant deficiency(ies) identified?                 Yes                     None reported

Type of report issued on compliance for state project:

**Unmodified Opinion**

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.656, *Rules of the Auditor General*?

Yes                     No

#### Identification of State Project:

CSEA Number

Name of State Project

55.001

Commission for the Transportation Disadvantaged Trip and Equipment Grant

### SECTION II - STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

None Reported.

### SECTION III - PRIOR-YEAR AUDIT FINDINGS

None Reported.



Certified Public Accountants

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

To the Board of Directors  
MV Transportation, Inc.

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 Schedule of Expenditures of State Financial Assistance (the “Schedule”) for the Commission for the Transportation Disadvantaged Trip and Equipment Grant of MV Transportation, Inc. (the “Company”) for the year ended June 30, 2019, and the related notes to the Schedule, and have issued our report thereon dated March 26, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the Schedule, we considered the Company’s internal control over financial reporting (internal control) for the Schedule to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Company’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 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 over financial reporting 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.

To the Board of Directors  
MV Transportation, Inc.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Company's Schedule is 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 the Schedule amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
March 26, 2020



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Board of Directors  
MV Transportation, Inc.

### Report on the Financial Statements

We have audited the Schedule of Expenditures of State Financial Assistance for the Commission for the Transportation Disadvantaged Trip and Equipment Grant of MV Transportation, Inc. (the "Company") for the year ended June 30, 2019, and have issued our report thereon dated March 26, 2020.

### 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; and Chapter 10.650, *Rules of the Auditor General*.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards, Independent Auditor's Report on Compliance for a State Project and Report on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 26, 2020, should be considered in conjunction with this management letter.

### Additional Matters

Section 10.654(1)(e), Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or State project amounts 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.

However, we did note the following recommendation for improving financial management:

#### **Observation 2019-001- Hardee, Highlands, Okeechobee**

During our testing of trips for the Hardee, Highlands, Okeechobee contract, we noted that the Company could not locate driver manifests for three (3) of the 28 trips tested. We recommend that the Company review its record retention procedures related to the driver manifests to ensure that documentation is organized in such a way as to be readily located for audit or grant monitoring.

To the Board of Directors  
MV Transportation, Inc.

***Management Response:***

The responsibility for obtaining documentation is ultimately the Company's. We currently have subcontractors storing the documentation. We are going to reevaluate this process to where documentation will be more reliable and readily available.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

***MSL, P.A.***

Certified Public Accountants

Orlando, Florida  
March 26, 2020