

**POLK TRANSIT AUTHORITY
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023**

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POLK TRANSIT AUTHORITY
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Polk Transit Authority
Lakeland, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the **Polk Transit Authority** (the "Authority") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of September 30, 2023, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 6 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
March 29, 2024

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POLK TRANSIT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Polk Transit Authority's (the "Authority") management's discussion and analysis (MD&A) provides a financial performance review that is designed to focus on the financial activities, resulting changes, and currently known facts for the fiscal year ended September 30, 2023. Please read it in conjunction with the accompanying financial statements.

Financial Highlights

- The Authority's assets exceeded its liabilities as of September 30, 2023 by \$14,412.
- The Authority's operating expenses for September 30, 2023 remain unchanged from those reported as of September 30, 2022.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The notes to the financial statements contain more detail on some of the information presented in the financial statements. The financial statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. The statement of net position presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how the Authority's net position changed during the fiscal year ended September 30, 2023. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are recorded in this statement for some items that will only result in cash flows in future fiscal periods.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided within the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Statements

Net Position: The following table summarizes the changes in net position for the fiscal years ended September 30, 2023 and 2022:

| | 2023 | 2022 |
|--------------------|-----------|-----------|
| Current assets | \$ 14,412 | \$ 14,352 |
| Total assets | 14,412 | 14,352 |
| Net position | | |
| Unrestricted | 14,412 | 14,352 |
| Total net position | \$ 14,412 | \$ 14,352 |

The Authority's total current assets decreased by \$8,891 during the fiscal year ended September 30, 2023. This decrease was the result of the expenses incurred by the Authority during the fiscal year.

Revenues, Expenses and Changes in Net Position: The following table summarizes the revenues, expenses and changes in net position for the fiscal years ended September 30, 2023 and 2022:

| | 2023 | 2022 |
|-----------------------------------|-----------|-----------|
| Operating expenses | | |
| Professional services | \$ 8,900 | \$ 8,900 |
| Total operating expenses | 8,900 | 8,900 |
| Operating loss | (8,900) | (8,900) |
| Non-operating revenues: | | |
| Interest income | 60 | 9 |
| Total non-operating revenues, net | 60 | 9 |
| Loss before capital contribution | (8,840) | (8,891) |
| Capital contribution | 8,900 | - |
| Change in net position | 60 | (8,891) |
| Net position, beginning of year | 14,352 | 23,243 |
| Net position, end of year | \$ 14,412 | \$ 14,352 |

Fiscal year 2023, operating expenses were consistent with fiscal year 2022. The Authority received a Capital Contribution of \$8,900 during the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets

As the Authority contracts for service through the Lakeland Area Mass Transit District, the Authority's capital assets are limited in scope and dollar amount. Further information on the Authority's capital assets can be found in Note 3 of the financial statements.

Financial Plan

The Authority was formed in 2007 by Florida Statute to act as the single provider of public mass transit in Polk County, Florida. Currently, fixed-route service exists in and around Lakeland and Winter Haven only, with complementary paratransit service being provided in these areas. Medicaid and Transportation - Disadvantaged transit services are provided throughout the county. Currently, mass transit service in Polk County is being provided by the District, the Winter Haven Area Transit, and the Polk County Transit Services.

The Authority received initial funding in the amount of \$425,000 from the Polk County Board of County Commissioners, and \$25,000 from the District. This funding was used to develop a master strategic plan and a public communications program for the Authority. A comprehensive operational analysis was independently prepared for the Authority by the Center for Urban Transportation Research at the University of South Florida.

The enabling legislation for the Authority allows for the levying and collection of a tax to provide county-wide transit service. A ballot measure was placed on the November 2010 general election that would have imposed a half-cent sales surtax in Polk County, which would have provided a dedicated funding base for the Authority.

Because the ballot measure was not successful, the Authority is currently measuring the level of need for, and support of, a county-wide mass transit system in order to determine the most appropriate course of action for the entity. In that regard, the Authority is currently working with partner agencies to outline a strategy to provide the identified mass transit needs within Polk County, and to identify a range of funding possibilities.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Polk Transit Authority, 1212 George Jenkins Blvd, Lakeland, Florida 33815.

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POLK TRANSIT AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

ASSETS

Current assets

| | |
|--------------|---------------|
| Cash | \$ 14,412 |
| Total assets | <u>14,412</u> |

NET POSITION

| | |
|--------------------|------------------|
| Unrestricted | 14,412 |
| Total net position | <u>\$ 14,412</u> |

The accompanying notes are an integral part of these financial statements.

POLK TRANSIT AUTHORITY

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

| | |
|--|-------------------------|
| Operating expenses | |
| Professional services | \$ 8,900 |
| Total operating expenses | <u>8,900</u> |
| Operating loss | <u>(8,900)</u> |
| Non-operating revenues | |
| Interest income | <u>60</u> |
| Total non-operating revenues | <u>60</u> |
| Loss before capital contribution | (8,840) |
| Capital contribution | 8,900 |
| Change in net position | 60 |
| Net position, beginning of year | <u>14,352</u> |
| Net position, end of year | <u><u>\$ 14,412</u></u> |

The accompanying notes are an integral part of these financial statements.

POLK TRANSIT AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---------------------------------------|----------------|
| Payments to suppliers | \$ (8,900) |
| Net cash used in operating activities | <u>(8,900)</u> |

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

| | |
|---|--------------|
| Capital contribution | <u>8,900</u> |
| Net cash provided by non-capital financing activities | <u>8,900</u> |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|---|-----------|
| Interest income | <u>60</u> |
| Net cash provided by investing activities | <u>60</u> |

| | |
|----------------|----|
| Change in cash | 60 |
|----------------|----|

Cash and cash equivalents:

| | |
|-------------------|---------------|
| Beginning of year | <u>14,352</u> |
|-------------------|---------------|

| | |
|-------------|-------------------------|
| End of year | <u><u>\$ 14,412</u></u> |
|-------------|-------------------------|

Reconciliation of operating loss to net cash used in operating activities:

| | |
|---------------------------------------|--------------------------|
| Operating loss | \$ (8,900) |
| Net cash used in operating activities | <u><u>\$ (8,900)</u></u> |

The accompanying notes are an integral part of these financial statements.

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POLK TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: The Polk Transit Authority (the "Authority") was created by Florida Statute, Chapter 2007-275, Substitute for House Bill No. 777. It is a special taxing district created for the purpose of operating a public mass transit system in Polk County.

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the accompanying financial statements.

The Authority is accounted for as an enterprise fund. An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the stated intent is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

There are no component units of the Authority. The Authority is not included as a component unit in any other government entity's annual financial report.

The Authority uses the accrual basis of accounting. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred. The Authority has adopted the uniform system of accounts prescribed by the Federal Transit Administration, U.S. Department of Transportation.

The significant accounting policies followed are described below:

Cash and Cash Equivalents: The amounts reported consist only of cash held in a Qualified Public Depository account.

Property and Equipment: Property and equipment acquired by the Authority are recorded at historical cost. Property and equipment purchased with an original value of \$500 or more is capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

| | |
|----------------------------------|--------------|
| Office furnishings and equipment | 3 - 15 years |
|----------------------------------|--------------|

Upon sale or retirement of property and equipment, the cost and related accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss is included in operations.

POLK TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal and State Operating Grants: Proceeds from federal and state operating grants to assist in financing operating deficits are recognized as revenue in the fiscal year to which they apply. Accordingly, revenues are recognized when the related costs are incurred as opposed to when the funds are actually received.

Federal and state operating grants are subject to special audit. Such audits could result in claims against the Authority for disallowed costs or noncompliance with grantor restrictions.

Management 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 certain reported amounts and disclosures. Actual results could differ from those estimates.

Non-Operating Revenues (Expenses): The Authority classifies revenues and expenses as operating and non-operating. At this time, the Authority does not currently operate any services; therefore, all current revenues are classified as non-operating; however, all expenses are classified as operating.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

As of September 30, 2023, the carrying amount and bank balance of the Authority's deposits was \$14,412, all of which was covered by federal depository insurance.

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that in the event of bank failure, the Authority's deposits may not be returned to it. Florida Statutes require deposits by governmental units in a financial institution to be collateralized. The State of Florida maintains control over the collateral requirements and authorizes certain financial institutions to act as depositories for governmental units ("Qualified Public Depositories"). The Authority maintains all accounts in qualified public depositories. As a result, no deposits were subject to this risk due to the collateral requirements by the state.

NOTE 3. CAPITAL ASSETS

Capital assets activity for the fiscal year ended September 30, 2023 is as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|------------------------------------|------------------------------|------------------|------------------|---------------------------|
| Capital assets, being depreciated: | | | | |
| Office furnishings and equipment | \$ 835 | \$ - | \$ - | \$ 835 |
| Less accumulated depreciation for: | | | | |
| Office furnishings and equipment | (835) | - | - | (835) |
| Total capital assets, net | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

POLK TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 4. RELATED PARTIES

The Authority has interlocal agreements with both the Lakeland Area Mass Transit District (the "District") and Polk County. The interlocal agreements broadly define a cooperative relationship between the Authority and the other entities to accomplish the goal of identifying the mass transit needs within Polk County and outlining a plan for providing the services to meet those needs. Included in the interlocal agreements are provisions that allow for shared costs to be reimbursed, responsibilities for the application and management of state and federal grants to be defined, and other provisions necessary for the eventual merging of the entities.

Additionally, the Authority entered into a Transit Operator Agreement in fiscal 2011 to provide fixed-route bus service pursuant to a Section 5317 Job Access and Reverse Commute grant that was awarded to the Authority. Under the terms of this Transit Operator Agreement, all revenues associated with this service are deemed to be the property of the District, and are used to reduce the operating costs charged to the Authority for providing the service.

During the fiscal year-ended September 30, 2023, the District contributed \$8,900 to the Authority to cover the cost of operations.

NOTE 5. FUTURE FUNDING

To secure adequate funding to commence providing services, the Authority requested that the Polk County Board of County Commissioners add a ballot measure to the November 2010 general election that would impose a half-cent sales surtax in Polk County, which would be remitted to the Authority. The estimated revenues from this tax would have allowed the Authority to acquire capital assets and operate sustainable services county-wide.

Because the referendum was not successful, the My Ride, a consolidated Transit Development Plan for Polk County was developed. The plan called for a referendum on November 4, 2014, for approval of a charter county transportation surtax remitted at a rate of 1% with one half (1/2) of the proceeds from the transportation surtax to the Transit Authority to be used for transit services in Polk County. The referendum failed on November 4, 2014; the vote was 72% against and 28% in favor of adding a one cent local sales tax for roads and transit.

NOTE 6. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters and workers' compensation claims. These risks are covered by property and casualty insurance purchased from an independent third-party. Settled claims from these risks have not exceeded the Authority's property and casualty coverage for the past three fiscal years.

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COMPLIANCE SECTION

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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 of the
Polk Transit Authority
Lakeland, Florida**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Polk Transit Authority (the "Authority") as of and for the year ended September 30, 2023, 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 29, 2024.

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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Bradenton, Florida
March 29, 2024

POLK TRANSIT AUTHORITY

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**SECTION I
SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weaknesses identified? Yes No

Significant deficiency identified not considered to be material weaknesses?

Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Federal and state Single Audits were not required as the Authority did not expend greater than \$750,000 of federal funds or state financial assistance during its fiscal year ended September 30, 2023.

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

Not applicable.

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

**To the Board of Directors of the
Polk Transit Authority
Lakeland, Florida**

Report on the Financial Statements

We have audited the financial statements of the Polk Transit Authority (the "Authority") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 29, 2024.

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 10.550, 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 Financial Statements Performed in Accordance with *Government Auditing Standards* and Schedule of Findings and Responses. Disclosures in those reports, which are dated March 29, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Polk Transmit Authority reported:

- a. The total number of Authority employees compensated in the last pay period of the Authority's fiscal year as none.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Authority's fiscal year as none.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as none.
- d. All compensation earned or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as none.
- e. Each construction project with a total cost of at least \$65,000 approved by the Authority that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as none.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Authority amends a final adopted budget under Section 189.016(6), Florida Statutes, see the following page.

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-------------------------------------|------------------|------------------|-----------------|
| Interest income | \$ - | \$ 60 | \$ (60) |
| Total revenue | - | 60 | (60) |
| Operating expenses: | | | |
| Professional and technical services | <u>8,900</u> | <u>8,900</u> | <u>-</u> |
| Total expenses | 8,900 | 8,900 | - |
| Capital contribution | 8,900 | 8,900 | |
| Change in net position | - | 60 | (60) |
| Net position, beginning of year | <u>14,352</u> | <u>14,352</u> | <u>-</u> |
| Net position, end of year | <u>\$ 14,352</u> | <u>\$ 14,412</u> | <u>\$ (60)</u> |

Additional Matters

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

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 Commissioners and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
 March 29, 2024

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