

Broward Metropolitan Planning Organization

Financial Statements
and Additional Information
For the Year Ended June 30, 2021



Broward Metropolitan Planning Organization

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Broward Metropolitan Planning Organization

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of Broward Metropolitan Planning Organization (the "Organization"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Organization, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6, the budgetary comparison schedule - general fund and related notes on pages 25 and 26 and the schedules related to the pension plan on pages 27 through 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Organization's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2022, on our consideration of the Organization'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 Organization'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 the Organization's internal control over financial reporting and compliance.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
January 12, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS



Our discussion and analysis of Broward Metropolitan Planning Organization (the "Organization") financial performance provides an overview of the Organization's financial activities for the year ended June 30, 2021, with certain comparative information for the year ended June 30, 2020. Please read it in conjunction with the Organization's financial statements which immediately follow this discussion.

Financial Highlights

The following are highlights of financial activity for the year ended June 30, 2021:

- The Organization's total liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources as of June 30, 2021 by \$ 1,693,889 (net deficit).
- The Organization's total revenues were \$ 10,118,444, including \$ 9,343,274 from federal and state grants, \$ 563,821 from an interlocal agreement, \$ 137,165 from local contributions, \$ 70,528 from in-kind contributions, \$ 481 from investment income and \$ 3,175 from other income. The Organization's total expenses for the year were \$ 11,180,450.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Organization's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements: The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the Organization's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the Organization's assets, liabilities, and deferred inflows/outflows of resources, with the difference between these 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 Organization is improving or deteriorating.

The statement of activities presents information showing how the Organization's net position changed during the year. 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 reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 7 and 8 of this report.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Organization only has one category of funds - governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the year. Such information may be useful in evaluating the Organization's near-term financing requirements.

**Broward Metropolitan Planning Organization
Management's Discussion and Analysis
June 30, 2021**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Organization's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Organization adopts an annual budget for its governmental fund. Budgetary comparison schedules have been provided for the General Fund to demonstrate compliance.

The governmental fund financial statements can be found on pages 9 through 12 of this report.

Notes to Basic Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 13 through 24 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Organization's adopted budget to actual results and schedules relating to the Organization's Pension Plan. Required supplementary information can be found on pages 25 through 30 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position. The following table reflects the condensed government-wide statements of net position as of June 30:

Broward Metropolitan Planning Organization Net Position		
	2021	2020
Assets:		
Current assets	\$ 4,814,290	\$ 4,325,337
Capital assets	386,521	570,597
Total assets	5,200,811	4,895,934
Total deferred outflows of resources	3,211,805	1,757,986
Liabilities:		
Current liabilities	4,353,034	3,637,007
Noncurrent liabilities	5,753,471	3,511,844
Total liabilities	10,106,505	7,148,851
Total deferred inflows of resources	-	136,952
Net Position:		
Net investment in capital assets	386,521	570,597
Unrestricted (deficit)	(2,080,410)	(1,202,480)
Total net position (deficit)	\$ (1,693,889)	\$ (631,883)

**Broward Metropolitan Planning Organization
Management's Discussion and Analysis
June 30, 2021**

The following table reflects the Organization's change in net position for the years ended June 30, 2021 and 2020.

Broward Metropolitan Planning Organization Change in Net Position		
	2021	2020
Revenues:		
Federal and state grants	\$ 9,343,274	\$ 8,253,728
Interlocal agreement	563,821	1,025,644
Local contributions	137,165	139,613
In-kind contributions	70,528	43,920
Investment income	481	3,241
Other income	3,175	3,381
Total revenues	10,118,444	9,469,527
Expenses:		
Transportation planning	11,180,450	10,231,205
Total expenses	11,180,450	10,231,205
Change in net position	(1,062,006)	(761,678)
Net Position (Deficit), Beginning of Year	(631,883)	129,795
Net Position (Deficit), End of Year	\$ (1,693,889)	\$ (631,883)

Governmental Accounting Standards Board ("GASB") requires certain long-term liabilities to be recorded at government-wide, which include pension liabilities and compensated absences. These liabilities significantly contribute to the government-wide deficit.

The net pension liability is related to the Organization's participation in the Florida Retirement System ("FRS") multi-employer pension plans. Employers are required to make annual contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. Contribution percentage amounts are subject to change each year based on legislative law changes, investment experience and the actuarial experience of the trust fund.

Analysis of the Government's Funds

As noted earlier, the Organization uses fund accounting to maintain control over resources that have been segregated for specific activities or objectives. The focus of the Organization's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Organization's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Organization's net resources available for spending at the end of the fiscal year.

The General Fund is the sole operating fund of the Organization. At the end of year 2021, fund balance of the General Fund was \$ 482,731.

Capital Assets and Debt Administration

The Organization's capital assets, less accumulated depreciation, for its governmental activities as of June 30, 2021, amounts to \$ 386,521 which consists of furniture and equipment, as compared to \$ 570,597 at June 30, 2020.

As of June 30, 2021 and 2020, the Organization had no long-term debt outstanding.

General Fund Budgetary Highlights

An operating budget for the General Fund was adopted by the governing board for the Organization and subsequently approved by various agencies. The General Fund budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The budget to actual comparisons for the General Fund, including the original and final adopted budget, is shown on page 25.

The Organization experienced a favorable variance in revenues compared to the General Fund budget in the amount of \$ 684,642, which is due to the timing of transportation planning projects. The Organization also experienced an unfavorable variance in expenditures compared to the General Fund budget in the amount of \$ 424,667.

Economic Factors and Next Year's Budget

Revenues and expenditures for the fiscal year 2022 adopted budget for the General Fund of the Organization total \$ 8,798,554.

Requests for Information

This financial report is designed to provide a general overview of Broward Metropolitan Planning Organization finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Broward Metropolitan Planning Organization, Florida; 100 West Cypress Creek Road, 6th Floor, Suite 650 Fort Lauderdale, Florida 33309.

BASIC FINANCIAL STATEMENTS

Broward Metropolitan Planning Organization
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 2,100,942
Due from governmental agencies	2,711,017
Other receivables	2,331
Capital assets, net of accumulated depreciation	<u>386,521</u>
Total assets	<u>5,200,811</u>
Deferred Outflows of Resources:	
Deferred pension outflows	<u>3,211,805</u>
Liabilities:	
Accounts payable and accrued liabilities	1,838,910
Due to other agency	1,982,749
Unearned revenue	509,900
Due within one year:	
Compensated absences	21,475
Due in more than one year:	
Compensated absences	193,273
Net pension liability	<u>5,560,198</u>
Total liabilities	<u>10,106,505</u>
Net Position:	
Net investment in capital assets	386,521
Unrestricted (deficit)	<u>(2,080,410)</u>
Total net position	<u>\$ (1,693,889)</u>

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

**Broward Metropolitan Planning Organization
Statement of Activities
For the Year Ended June 30, 2021**

<u>Functions/Programs:</u>	<u>Expenses</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Governmental Activities Net Revenue (Expense) and Change in Net Position</u>
Governmental activities:			
Transportation planning	\$ <u>11,180,450</u>	\$ <u>10,114,788</u>	\$ <u>(1,065,662)</u>
Total governmental activities	\$ <u><u>11,180,450</u></u>	\$ <u><u>10,114,788</u></u>	<u>(1,065,662)</u>
General revenues:			
Investment income			481
Other income			<u>3,175</u>
Total general revenues			<u>3,656</u>
Change in net position			(1,062,006)
Net position, beginning of year			<u>(631,883)</u>
Net position, end of year			\$ <u><u>(1,693,889)</u></u>

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

**Broward Metropolitan Planning Organization
Balance Sheet - Governmental Fund
June 30, 2021**

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 2,100,942
Due from governmental agencies	2,711,017
Other receivables	<u>2,331</u>
Total assets	\$ <u><u>4,814,290</u></u>
Liabilities:	
Accounts payable and accrued liabilities	\$ 1,838,910
Due to other agency	1,982,749
Unearned revenue	<u>509,900</u>
Total liabilities	<u>4,331,559</u>
Fund Balance:	
Unassigned	<u>482,731</u>
Total liabilities and fund balance	\$ <u><u>4,814,290</u></u>

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

**Broward Metropolitan Planning Organization
 Reconciliation of the Balance Sheet - Governmental Fund
 to the Statement of Net Position
 June 30, 2021**

Total Fund Balance - Governmental Fund		\$	482,731
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>			
<p>Capital assets used in the governmental activities are not financial resources; therefore, they are not reported in the governmental fund.</p>			
Cost of capital assets	\$	1,173,072	
Accumulated depreciation		<u>(786,551)</u>	386,521
<p>Certain funds related to pension assets and liabilities are not reported in the governmental fund.</p>			
Deferred outflows relating to pensions			3,211,805
<p>Long-term Liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund.</p>			
Compensated absences	\$	(214,748)	
Net pension liability		<u>(5,560,198)</u>	<u>(5,774,946)</u>
Net Position (Deficit) of Governmental Activities		\$	<u><u>(1,693,889)</u></u>

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

**Broward Metropolitan Planning Organization
Statement of Revenues, Expenditures, and
Change in Fund Balance - Governmental Funds
For the Year Ended June 30, 2021**

	General Fund
Revenues:	
Federal and state grants	\$ 9,808,848
Interlocal agreement	563,821
Local contribution	137,165
In-kind contributions	70,528
Investment income	481
Other income	3,175
	<hr/>
Total revenues	10,584,018
	<hr/>
Expenditures:	
Current:	
Transportation planning:	
Personnel services	5,417,327
Professional and consulting	3,546,857
Operation and maintenance	649,411
Occupancy	634,590
In-kind expenses	70,528
Capital outlay	5,330
	<hr/>
Total expenditures	10,324,043
	<hr/>
Net change in fund balance	259,975
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Fund Balance, Beginning of Year	222,756
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Fund Balance, End of Year	\$ 482,731
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The accompanying notes to basic financial statements are an integral part of these statements.

**Broward Metropolitan Planning Organization
Reconciliation of the Statement of Revenues,
Expenditures, and Change in Fund Balance -
Governmental Fund to the Statement of Activities
For the Year Ended June 30, 2021**

Change in Fund Balance - Governmental Fund \$ 259,975

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, these costs are allocated over their estimated useful lives as a provision for depreciation.

Cost of capital assets	\$ 5,330	
Provision for depreciation	<u>(189,406)</u>	(184,076)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. (465,574)

Certain changes related to pension assets and liabilities are not reported in the net change in the governmental fund.

Change in deferred outflows	1,453,819
Change in deferred inflows	136,952

Some expenses reported in the statement of activities require the use of current financial resources and, therefore not reported as expenditures in the governmental fund.

Change in compensated absences	62,238
Change in the net pension liability	<u>(2,325,340)</u>

Change in Net Position of Governmental Activities \$ (1,062,006)

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

Note 1 - Organization and Operations

Broward Metropolitan Planning Organization (the "Organization"), is a transportation policy-making board comprised of 25 voting members including representatives from Broward County municipalities, the South Florida Regional Transportation Authority/Tri-Rail, the Broward County School Board, and Broward County Commissioners. There are an additional 13 alternate members of the board, who have voting rights when others are absent. The Organization is responsible for transportation planning and funding allocations in Broward County. The Organization works with the public, planning organizations, government agencies, elected officials, and community groups to address transportation needs and develop transportation plans.

Note 2 - Summary of Significant Accounting Policies

Financial Reporting Entity: The financial statements were prepared in accordance with government accounting standards which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of its officials. The governmental reporting entity consists of the Organization and its component units. Component units are legally separate entities for which the Board of Directors is financially accountable or other entities whose nature and significant relationship with the Organization are such that exclusion would cause the Organization's financial statements to be misleading. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the Organization's ability to impose its will on the entity or (ii) there is potential for the entity to provide a financial benefit to or impose a financial burden on the Organization. Based upon the application of these criteria, there were no entities that met the criteria described above.

Government-Wide and Fund Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Organization.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Organization considers revenues to be available if they are collected within sixty days of the end of the current fiscal period, except for grant revenues, which are considered available if collection is expected within 12 months after year end. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, compensated absences and pension liabilities are recorded as expenditures only when payment is due.

Note 2 - Summary of Significant Accounting Policies (continued)

Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred. All other revenue items are considered to be measurable and available only when cash is received by the Organization.

The Organization reports the following major governmental fund:

The General Fund is the Organization's primary operating fund and its only governmental fund. It accounts for all financial resources of the Organization.

The Organization does not maintain any proprietary funds.

Cash and cash equivalents: Cash and cash equivalents are defined as cash on hand and demand deposits. The Organization maintains deposits at financial institutions which at times exceed federally insured amounts. Deposit accounts are maintained with what management believes to be quality financial institutions.

Due from governmental agencies: Amounts due to the Organization by governments or agencies are for grants or programs under which the services have been provided.

Capital assets: Capital assets, which include furniture and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Organization as assets with an initial, individual cost of more than \$ 5,000 and estimated useful lives in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the Organization are depreciated using the straight-line method over the following estimated useful lives:

Furniture and equipment	3-10 years
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Due to other agency: Amounts due to other agency are advanced monies made to the Organization for the payment of operational expenses in accordance with the Organization's current budget and adopted Unified Planning Work Program.

Compensated absences: The Organization maintains personnel records that allow it to determine the cumulative number of unused paid time off available to its employees. This allows the Organization to determine its future liability for these compensated absences.

Deferred outflows/inflows of resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Organization has one item that qualifies for reporting in this category. The item is the deferred outflows related to the pension plan and discussed in further detail in Note 7.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Organization does not have any items that qualify for reporting in this category.

Note 2 - Summary of Significant Accounting Policies (continued)

Net position: Net position is classified in three categories. The general meaning of each is as follows:

- Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net position - consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund balance: The Organization follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement requires that governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Organization is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- Restricted - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Organization's Board of Directors (the "Board"). These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- Assigned - This classification includes amounts that are constrained by the Organization's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the Organization's management.
- Unassigned - This classification includes the residual fund balance for the General Fund.

The Organization considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Organization would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 2 - Summary of Significant Accounting Policies (continued)

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts of assets, liabilities, deferred inflows/outflows, disclosures of contingent liabilities, revenues and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectability of receivables and the useful lives of capital assets. Although these estimates as well as all estimates are based on management’s knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Date of management’s review: Subsequent events were evaluated by management through January 12, 2022, which is the date the financial statements were available to be issued.

Note 3 - Cash and Cash Equivalents

At year end, the carrying amount of the Organization’s deposits was \$ 2,100,942 and the bank balance was \$ 2,048,247.

The Organization maintains deposits with “Qualified Public Depositories” as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses.

Under this method, all the Organization’s deposits are fully insured or collateralized at the highest level of security as defined by Governmental Accounting Standards Board, Statement Number 40, *Deposits and Investment Disclosures*.

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2021</u>
Governmental Activities:				
Capital assets, being depreciated:				
Furniture and equipment	\$ 1,167,742	\$ 5,330	\$ -	\$ 1,173,072
Total capital assets, being depreciated	<u>1,167,742</u>	<u>5,330</u>	<u>-</u>	<u>1,173,072</u>
Less: accumulated depreciation for:				
Furniture and equipment	597,145	189,406	-	786,551
Total accumulated depreciation	<u>597,145</u>	<u>189,406</u>	<u>-</u>	<u>786,551</u>
Total capital assets, being depreciated, net	<u>570,597</u>	<u>(184,076)</u>	<u>-</u>	<u>386,521</u>
Governmental activities capital assets, net	\$ <u>570,597</u>	\$ <u>(184,076)</u>	\$ <u>-</u>	\$ <u>386,521</u>

The provision for depreciation for the year ended June 30, 2021 amounted to \$ 189,406. The Organization allocated the depreciation to transportation planning.

Note 5 - Due to Other Agency

The Organization entered into an inter-local agreement with the City of Fort Lauderdale (the “City”) to provide advance monies for the payment of operational expenses in accordance with the Organization's current budget and adopted Unified Planning Work Program. The Organization is required to reimburse the City quarterly in accordance with the agreement. At June 30, 2021, the Organization had an amount due to the City amounting to \$ 1,982,749.

Note 6 - Long-Term Liabilities

The following is a summary of the changes in the long-term liabilities of the Organization for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Compensated absences	\$ 276,986	\$ -	\$ 62,238	\$ 214,748	\$ 21,475
Net pension liability	3,234,858	2,325,340	-	5,560,198	-
Total	<u>\$ 3,511,844</u>	<u>\$ 2,325,340</u>	<u>\$ 62,238</u>	<u>\$ 5,774,946</u>	<u>\$ 21,475</u>

Note 7 - Florida Retirement System

As provided by Chapters 121 and 112, Florida Statutes, the Florida Retirement System (“FRS”) provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension and/or FRS Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (877) 377-1737 or by visiting the website: http://www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan:

Plan Description - The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service.

Note 7 - Florida Retirement System (continued)

Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of creditable service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of creditable service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before August 1, 2011, the annual cost of living adjustment ("COLA") is three percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from July 1, 2020- through June 30, 2021, were as follows: Regular - 10.00%; Special Risk Administrative Support - 35.84%; Special Risk - 24.45%; Senior Management Service - 27.29%; Elected Officers'- 49.18%; and DROP participants - 16.98%. These employer contribution rates include 1.66% HIS Plan subsidy for the period from July 1, 2020 through June 30, 2021.

HIS Plan:

Plan Description - The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Note 7 - Florida Retirement System (continued)

Benefits Provided - For the fiscal year ended June 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$ 5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$ 30 and a maximum HIS payment of \$ 150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employer's asset by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2021, the HIS contribution for the period from July 1, 2020 through June 30, 2021 was 1.66%. The Organization contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2021, the Organization reported liabilities of \$ 4,502,006 for its proportionate share of the Pension Plan's net pension liability and \$ 1,058,192 for its proportionate share of the HIS Plan's net pension liability, for a total net pension liability of \$ 5,560,198. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Organization's proportion of the net pension liability was based on a projection of the Organization's 2019-20 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2020, the Organization's proportion was 0.010387293% for the FRS Plan and 0.008666713% for the HIS Plan, which was an increase of 0.003199435% and 0.001879150%, respectively from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Organization recognized pension expense of \$ 643,633 for the Pension Plan and \$ 90,936 for the HIS Plan for a total pension expense of \$ 734,569.

At June 30, 2021, the Organization reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	Pension Plan	HIS Plan	Total
Differences between expected and actual experience	\$ 172,301	\$ 42,470	\$ 214,771
Changes of assumptions	815,006	52,256	867,262
Net difference between projected and actual earnings on pension plan investments	268,054	845	268,899
Changes in proportion and differences between Organization contributions and proportionate share of contributions	914,071	333,638	1,247,709
Organization contributions subsequent to the measurement date	547,249	65,915	613,164
Total	\$ 2,716,681	\$ 495,124	\$ 3,211,805

At June 30, 2021, the Organization reported no deferred inflows of resources related to pensions.

Note 7 - Florida Retirement System (continued)

Deferred outflows of resources related to the Pension Plan and HIS Plan, totaling \$ 613,164 related to employer contributions paid subsequent to the measurement date and prior to the employer’s fiscal year end will be recognized as a reduction of the net pension liability in the subsequent reporting period ending June 30, 2022.

Other amounts reported as deferred outflows of resources related to the pension plan will be recognized in pension expense as follows:

Year Ended June 30,	Pension Plan	HIS Plan	Total
2022	\$ 464,669	\$ 94,129	\$ 558,798
2023	\$ 601,091	\$ 85,375	\$ 686,466
2024	\$ 534,519	\$ 66,485	\$ 601,004
2025	\$ 384,425	\$ 69,299	\$ 453,724
2026	\$ 184,728	\$ 62,682	\$ 247,410
Thereafter	\$ -	\$ 51,239	\$ 51,239

Actuarial Assumptions - The Florida Retirement System Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of both pension plans pursuant to section 216.136 (10), Florida Statutes. The Pension Plan’s valuation is performed annually. The HIS Plan has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Plan is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the Pension Plan. The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Pension Plan	HIS Plan
Inflation	2.40%	2.40%
Salary increases	3.25%, average, including inflation	3.25%, average, including inflation
Investment rate of return	6.80%, net of pension plan investment expense, including inflation	N/A
Actuarial cost method	Individual entry age	Individual entry age
Mortality table	PUB-2010 with Project Scale MP-2018	Generational RP-2000 with Projection Scale BB table

Note 7 - Florida Retirement System (continued)

Long-term Expected Rate of Return - The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.2%	2.2%	1.2%
Fixed income	19.0%	3.0%	2.9%	3.5%
Global equity	54.2%	8.0%	6.7%	17.1%
Real estate	10.3%	6.4%	5.8%	11.7%
Private equity	11.1%	10.8%	8.1%	25.7%
Strategic investments	4.4%	5.5%	5.3%	6.9%
Total	100.0%			
Assumed Inflation - Mean			2.4%	1.7%

(1) As outlined in the Pension Plan's investment policy.

Discount Rate - The discount rate used to measure the total pension liability was 6.80% for the Pension Plan. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

The discount rate used to measure the total pension liability was 2.21% for the HIS Plan. In general, the discount rate for calculating the HIS Plan's total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Plan benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the municipal bond rate of 2.21% was used to determine the total pension liability. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Organization's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following table represents sensitivity of the Organization's proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis, below, shows the impact of the Organization's proportionate share of the net pension liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2020.

	<u>1% Decrease 5.80%</u>	<u>Current Discount Rate 6.80%</u>	<u>1% Increase 7.80%</u>
Organization's proportionate share of the net pension liability for Pension plan	<u>\$ 7,188,947</u>	<u>\$ 4,502,006</u>	<u>\$ 2,257,861</u>

Note 7 - Florida Retirement System (continued)

	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21
Organization's proportionate share of the net pension liability for HIS plan	\$ <u>1,223,222</u>	\$ <u>1,058,192</u>	\$ <u>923,114</u>

Note 8 - In-Kind Revenues and Expenses

The Organization receives donated professional services from individuals on their Board and from individuals associated with Board members. Those estimates total \$ 70,528 for the year ended June 30, 2021. In-kind revenues are also allowed and used as matching funds to be in compliance with grant provisions.

Note 9 - Federal and State Grants

The Organization receives significant funding from federal and state grants. The following are some of the significant grants that the Organization receives on a recurring basis:

Federal Highway Administration (FHWA) Grants - The FHWA-PL grants represent apportionments under 23 USC Section 104(f) made to the Organization through the State of Florida Department of Transportation. The FHWA-PL grants reimburse 80% of allowable expenditures claimed by the Organization, and the remaining 20% is contributed by FDOT as an in-kind match utilizing toll revenue credits. The FHWA-PL grant is a cost reimbursement grant.

Federal Transit Administration (FTA) Grants - The FTA apportions funds annually for the Section 5305d Metropolitan Planning Program. The apportionment is based on the State's urbanized area population as defined by the U.S. Census Bureau and is made to the Organization through the State of Florida Department of Transportation.

The FTA grants provided for the undertaking of metropolitan planning activities pursuant to 49 USC Section 5305d (previously known as Section 8 of the Federal Transit Act). Under Section 5305d, FTA participates in 80% of allowable costs claimed by the Organization. The remaining 20% is contributed by FDOT (10% cash) and Organization (10% in-kind). The FTA grant is a cost reimbursement grant.

Florida Commission for the Transportation Disadvantaged Planning Grant - The purpose of this Agreement is to provide financial assistance to accomplish the duties and responsibilities of the Official Planning Agency as set forth in Chapter 427, Florida Statutes, Rule 41-2, Florida Administrative Code, Commission policies, and the application and policy manual for Transportation Disadvantaged Planning related services. This grant is a fixed cost grant.

Note 9 - Federal and State Grants (continued)

During the year ended June 30, 2021, funding from federal and state agencies is summarized as follows:

FHWA - PL Grant	\$ 5,957,253
Downtown Fort Lauderdale Mobility Hub: Streetscape	1,306,187
FTA Sect 5305d Grant	673,873
University Dr. Gateway in Broward - Planning Study	244,059
Urbanized Area Formula Program - Public Engagement Campaign & Planning	240,199
Plantation/Sunrise in Broward - Planning Study	104,860
FHWA - SU Flex Grant	157,633
Transportation Disadvantaged Grant	59,775
Urbanized Area Formula Program - Interface w/ MDT & SFRTA	307,511
Hollywood/Pines in Broward - Planning Study	225,363
FTA State Road 7	66,561
	<u>9,343,274</u>
	<u>\$ 9,343,274</u>

Note 10 - Interlocal Agreements

During a previous fiscal year, the Organization and the Broward County Board of Commissioners signed an interlocal agreement, with an expiration date of December 31, 2024 and an automatic one-year annual renewal. The purpose of this agreement is to provide funding for the Organization to annually review, rank and prioritize municipal projects based on each project's ability to alleviate traffic congestion and enhance connectivity. It is funded by Broward County using proceeds from a 1% transportation surtax approved by voters in November 2018. The County is expected to pay the Organization annually for Transportation Surtax Services, a maximum not-to-exceed amount of \$ 518,440, which will increase at a rate of 5% each calendar year. The agreement is advance-funded with unspent advances recorded as unearned revenue until qualifying expenditures are incurred. As of June 30, 2021, the Organization had received total cumulative advanced funding of \$ 1,577,127, of which \$ 343,861 is recognized as current year income and \$ 509,900 is unearned; the remaining \$ 723,366 was recognized as income in the prior years.

During a previous fiscal year, the Organization and the City of Fort Lauderdale (the "City") signed an interlocal agreement, with an expiration date of September 30, 2025, and an automatic one-year annual renewal. The purpose of this agreement is to provide the City with comprehensive project management services ("core services"), such as: leading discrete projects, development of project-specific scope of services, scheduling, implementation and staff resource planning. Additionally, the Organization may provide transportation planning services ("optional services") through coordination with other member agencies, such as: City Public Works, Broward County Public Works, Florida Department of Transportation and Broward County Transportation Departments. The City is expected to pay the Organization annually for core services, a maximum not-to-exceed amount of \$ 550,000 based on actual cost. The maximum not-to-exceed amount will increase annually at a rate of 5% beginning on October 1, 2020. Additionally, if the City requests additional optional services, the City will deposit funds in increments of no less than \$ 10,000 to cover actual costs incurred by the Organization. In September 2020, the City terminated the agreement with the Organization due to no appropriation of funding for the City's 2020-2021 budget. As of June 30, 2021, the Organization had received total funding of \$ 545,833, of which \$ 219,960 is recognized as current year income; the remaining \$ 325,873 was recognized as income in the prior year.

Note 11 - Operating Lease

The Organization entered into an office space lease agreement for a ten (10) year period, commencing on April 1, 2017. The lease provides for base lease payments of \$ 26,835 per month and escalates annually by 2.50%, throughout the remainder of the lease. In addition to base rent, the Organization is also responsible for monthly additional rent based on its proportional share (based on square footage) of operating expenses of the building and property. The Landlord provides a yearly estimate to the Organization of its proportional share of operating expenses of which the Organization pays in equal monthly installments. At year end, the Landlord provides actual operating expenses for the year. The Organization either pays additional rent or receives a refund based upon the difference between the proportionate share of actual operating expenses and the additional rent payments made during the year.

The Organization is presently committed to approximate base minimum lease payments under the terms of the operating lease as follows:

Year Ended June 30,	Amount
2022	\$ 357,000
2023	366,000
2024	375,000
2025	385,000
2026	394,000
Thereafter	<u>301,000</u>
Total	<u>\$ 2,178,000</u>

Total rent expense for the year ended June 30, 2021, which includes other rent related costs such as common area maintenance fees, was approximately \$ 635,000.

Note 12 - Contingencies

Risk management: The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Organization purchases insurance through the Florida Municipal Insurance Trust. There were no claims during the fiscal year.

Grants contingency: Federal and state programs in which the Organization participates are subject to audit by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. In the opinion of management, future disallowances of grant expenditures, if any, would not have a material adverse effect on the financial condition of the Organization.

Note 13 - Risks and Uncertainties

In March 2020, the *World Health Organization* declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, the local and global markets are experiencing significant economic uncertainties. At this time, it is unknown precisely how this negative outlook will impact the Organization's financial statements in the future. No adjustments have been made to the accompanying financial statements as a result of the current events.

REQUIRED SUPPLEMENTARY INFORMATION

**Broward Metropolitan Planning Organization
 Budgetary Comparison Schedule - General Fund
 For the Year Ended June 30, 2021**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues:				
Federal and state grants	\$ 10,601,621	\$ 9,314,806	\$ 9,808,848	\$ 494,042
Interlocal agreement	627,024	288,872	563,821	274,949
Local contributions	168,749	109,379	137,165	27,786
In-kind contributions	148,656	186,319	70,528	(115,791)
Investment income	-	-	481	481
Other income	-	-	3,175	3,175
	<u>11,546,050</u>	<u>9,899,376</u>	<u>10,584,018</u>	<u>684,642</u>
Expenditures:				
Current:				
Transportation planning	11,506,351	9,830,476	10,318,713	(488,237)
Capital outlay	39,699	68,900	5,330	63,570
	<u>11,546,050</u>	<u>9,899,376</u>	<u>10,324,043</u>	<u>(424,667)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 259,975</u>	<u>\$ 259,975</u>

See notes to budgetary comparison schedule.

Note 1 - Budgets and Budgetary Accounting

The Organization prepares its budget for the General Fund on the basis consistent with accounting principles generally accepted in the United States of America. The Organization follows these procedures in establishing the budgetary data reflected in the basic financial statements.

- Every two years, in February, the Organization requests comments from the general public of Broward County and associated local governmental agencies related to the proposed budget and projects to be considered for the two-year period that commences on July 1. After review and consideration of those comments, the budget is then formally presented to the Organization Board by the Executive Director in March. The operating budget includes proposed expenditures and the means of financing them.
- Prior to July 1, the budget is legally enacted through Board adoption and subsequent approval by the Federal Highway Administration and the Federal Transit Administration.

Broward Metropolitan Planning Organization
Schedule of Proportionate Share of Net Pension Liability -
Florida Retirement System Pension Plan
Last 10 Fiscal Years *
(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.010387293%	0.007187858%	0.006088507%	0.005466282%	0.005264737%	0.004900529%	0.004499847%
Proportionate share of the net pension liability	\$ 4,502,006	2,475,398	\$ 1,833,890	\$ 1,616,890	\$ 1,329,350	\$ 632,969	\$ 274,557
Covered-employee payroll	\$ 3,007,965	2,270,120	\$ 1,870,648	\$ 1,533,342	\$ 1,394,608	\$ 1,246,086	\$ 1,178,782
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	149.67%	109.04%	98.04%	105.45%	95.32%	50.80%	23.29%
Plan fiduciary net position as a percentage of total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

Broward Metropolitan Planning Organization
Schedule of Proportionate Share of Net Pension Liability -
Retiree Health Insurance Subsidy Program
Last 10 Fiscal Years *
(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.008666713%	0.006787563%	0.005727325%	0.004810531%	0.004517577%	0.004107306%	0.00396743%
Proportionate share of the net pension liability	\$ 1,058,192	759,460	\$ 606,186	\$ 514,364	\$ 526,505	\$ 418,881	\$ 370,964
Covered-employee payroll	\$ 3,007,965	2,270,120	\$ 1,870,648	\$ 1,533,342	\$ 1,394,608	\$ 1,246,086	\$ 1,178,782
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	35.18%	33.45%	32.41%	33.55%	37.75%	33.62%	31.47%
Plan fiduciary net position as a percentage of total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

**Broward Metropolitan Planning Organization
Schedule of Contributions -
Florida Retirement System Pension Plan
Last 10 Fiscal Years *
(Unaudited)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 345,124	\$ 222,875	\$ 187,617	\$ 153,472	\$ 138,711	\$ 127,347	\$ 110,198
Contributions in related to the contractually required contribution	<u>(345,124)</u>	<u>(222,875)</u>	<u>(187,617)</u>	<u>(153,472)</u>	<u>(138,711)</u>	<u>(127,347)</u>	<u>(110,198)</u>
Contribution deficiency (excess)	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
Covered-employee payroll	\$ 3,007,965	\$ 2,270,120	\$ 1,870,648	\$ 1,533,342	\$ 1,394,608	\$ 1,246,086	\$ 1,178,782
Contributions as a percentage of covered payroll	11.47%	9.82%	10.03%	10.01%	9.95%	10.22%	9.35%

* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

Broward Metropolitan Planning Organization
Schedule of Contributions -
Retiree Health Insurance Subsidy Program
Last 10 Fiscal Years *
(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 49,942	\$ 37,691	\$ 31,053	\$ 25,453	\$ 23,150	\$ 15,701	\$ 14,145
Contributions in related to the contractually required contribution	<u>(49,942)</u>	<u>(37,691)</u>	<u>(31,053)</u>	<u>(25,453)</u>	<u>(23,150)</u>	<u>(15,701)</u>	<u>(14,145)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 3,007,965	\$ 2,270,120	\$ 1,870,648	\$ 1,533,342	\$ 1,394,608	\$ 1,246,086	\$ 1,178,782
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.26%	1.20%

* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

COMPLIANCE SECTION



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
Broward Metropolitan Planning Organization

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 the governmental activities, and major fund of Broward Metropolitan Planning Organization (the "Organization") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements and have issued our report thereon dated January 12, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 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*.

Purpose of this Report

This 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 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.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
January 12, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Broward Metropolitan Planning Organization

Report on Compliance for Each Major Federal Program

We have audited Broward Metropolitan Planning Organization's (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2021. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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. Accordingly, this report is not suitable for any other purpose.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
January 12, 2022

**Broward Metropolitan Planning Organization
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

<u>Federal Agency/Federal Program</u>	<u>CFDA Number</u>	<u>Contract/ Grant Number</u>	<u>Expenditures</u>	<u>Transfers to Subrecipients</u>
Federal Agency Name:				
Indirect Programs:				
Federal Department of Transportation Passed through Florida Department of Transportation - Highway and Planning Construction	20.205	G1057	\$ 5,957,253	\$ -
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	G1633 G1V43	603,345	-
Alternatives Analysis	20.522	FL95X169	66,561	66,561
Federal Transit Formula Grant	20.507	FL95X057, FL95X106, FL95X110, FL95X115 FL95X116, FL95X149 FL95X141, FL95X142	<u>2,585,812</u>	<u>1,604,365</u>
Total Expenditures of Federal awards			\$ <u><u>9,212,971</u></u>	\$ <u><u>1,670,926</u></u>

See notes to schedule of expenditures of federal awards.

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Broward Metropolitan Planning Organization (the "Organization") for the year ended June 30, 2021. 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* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Organization.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

The Organization did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 - Contingency

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

**Broward Metropolitan Planning Organization
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2021**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X no

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X no

Type of auditor's report issued on compliance for major federal programs: *Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major federal program:

<u>CFDA No.</u>	<u>Federal Program or Cluster</u>
20.507	Federal Department of Transportation - Federal Transit Formula Grant

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes no

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV - PRIOR YEAR AUDIT FINDINGS

None reported.