BROWARD METROPOLITAN PLANNING ORGANIZATION

Audited Financial Statements
For the Year Ended June 30, 2011

HCT

HARVEY, COVINGTON & THOMAS, LLC
3816 Hollywood Boulevard, Suite 203
Hollywood, Florida 33021
Telephone: (954) 966-4435
Facsimile: (954) 962-7747

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BROWARD METROPOLITAN PLANNING ORGANIZATION

TABLE OF CONTENTS

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Broward Metropolitan Planning Organization
Fort Lauderdale, Florida

We have audited the accompanying financial statements of the governmental activities and each major fund of the Broward Metropolitan Planning Organization (the Organization), as of and for the year ended June 30, 2011, which collectively comprise the Organization's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Organization's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Organization, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have issued our report dated May 3, 2012 on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 5 and 17 through 18 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.

West Palm Beach (561) 655-2664 Phone | Central Florida (407) 475-1000 Phone | West Florida (813) 413-7627 Phone | South Florida (954) 966-4435 Phone

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Organization's financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Harvey, Covington & Thomas, L.L.C.

Hollywood Florida
May 3, 2012

Management's Discussion & Analysis

The Management's Discussion and Analysis (MD&A) of the Broward Metropolitan Planning Organization (the "Organization") is designed to provide an objective and easy to read analysis of the financial activities based on currently known facts, decisions, and conditions. The MD&A provides a broad overview and short- and long-term analysis of the Organization's activities based on information presented in the financial statements. Specifically, this information is designed to assist the reader in focusing on significant financial issues, provide an overview of the Organization's financial activity and identify changes in the Organization's financial position and its ability to address the next year's challenges. Finally, the MD&A will identify any material deviations from the approved budget.

The Organization has presented its financial statements in accordance with the reporting model required by Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.*

The information contained in this MD&A is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the footnotes and required supplementary information provided.

FINANCIAL HIGHLIGHTS

- The Organization's revenues were $2,397,116 in the current fiscal year compared to $2,360,052 of expenses for metropolitan planning activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Organization's basic financial statements are comprised of the 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Organization's finances, in a manner similar to a private-sector business. In addition, the government-wide statements are prepared using the accrual basis of accounting. The *Statement of Net Assets* (balance sheet) presents information on the Organization's assets and liabilities, with the difference between the two reported as net assets.

The S*tatement of Activities* (income statement) presents information showing how the Organization's net assets changed during the fiscal year. All changes in revenues 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 present functions of the Organization that are principally supported by grant revenues (governmental activities). The governmental activities of the Organization include metropolitan planning activities. Thus, the Organization has no business-type activities.

The government-wide financial statements are found beginning on page 6 of this report.

Fund Financial Statements

The governmental fund financial statements provide readers with an overview of each fund and its related function in a traditional format. A fund is a grouping of related accounts that maintain control over resources that are segregated for specific activities or objectives. The Organization uses fund accounting to ensure and demonstrate legal compliance with finance-related legal requirements. The Organization utilized one Governmental fund for the fiscal year ending June 30, 2011: the *General Fund*, which accounts for the operating activities of the Organization.

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, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of governmental funds is narrower than government-wide financial statements, and it is therefore useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By comparing and contrasting, readers may better understand the long-term impact of the Organization's near term financing decisions. The "Balance Sheet – Governmental Funds" and "Statement of Revenues, Expenditures, and Change in Fund Balance – Governmental Funds" are reconciled as shown on the bottom of the respective statements to facilitate the comparison between the *governmental funds* and *governmental activities.*

The Organization adopts biannually an appropriated budget for its General Fund. The budgetary comparison schedule, which constitute Required Supplementary Information pursuant to the Governmental Accounting Standards Board (the "GASB"), is provided to demonstrate compliance with this budget.

The basic governmental funds financial statements can be found beginning on page 8 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. These notes to the financial statements begin on page 10 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Organization's budget to actual results for the General Fund for the current year. The required supplementary information can be found on page 17 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Organization, assets exceeded liabilities at the close of fiscal year 2011 by $47,233.

FINANCIAL ANALYSIS OF THE ORGANIZATION'S FUNDS

The focus of the Organization's governmental funds is to provide information on near-term inflows, outflows and balances of expendable resources. Such information is useful in assessing the Organization's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of fiscal year 2011, the Organization's governmental funds reported an ending fund balance of $7,825.

GENERAL BUDGETARY HIGHLIGHTS

The following information is presented to assist the reader in comparing the original/final budget (Adopted) and the actual results. There were no material deviations from the approved budget.

General Fund

General Fund Expenditures

... There was a positive variance in the general fund total expenditures. Actual total expenditures of $2,389,291 when compared to the final budgeted expenditures of $3,451,390 resulted in a decrease of $1,062,099 (30%) from budgeted. Refer to the Notes to Budgetary Schedule Note 1 on page 18.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

For the fiscal year ended June 30, 2011 the grant revenues was $2,277,952 and for the fiscal year ended June 30, 2012 the grant revenue as of 03/30/12 was $1,043,331.

COMPARATIVE FINANCIAL STATEMENT INFORMATION

The Organization has not presented comparative financial statement information for FY 2010 and FY 2011 because this is the first year for the organization to present stand alone financial statements. It is expected that the FY 2012 financial statements will include comparative information.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Organization's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Gregory Stuart, Executive Director, at 100 West Cypress Creek Road, 8th Floor, and Suite 850 Fort Lauderdale, Florida 33309-2112.

Basic Financial Statements

Government-wide Financial Statements

BROWARD METROPOLITAN PLANNING ORGANIZATION
Statement of Net Assets
June 30, 2011

		Governmental Activities
Assets		
Cash	$	64,724
Grants receivable		1,165,655
Capital assets, net		110,425
Total assets		**1,340,804**
Liabilities		
Accounts payable		114,783
Compensated absences		71,017
Due to other agency		1,107,771
Total liabilities		**1,293,571**
Net Assets		
Invested in capital assets, net of related debt		110,425
Unrestricted		(63,192)
Total net assets	**$**	**47,233**

BROWARD METROPOLITAN PLANNING ORGANIZATION
Statement of Activities
Fiscal Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues Operating Grants	Net (Expense) Revenue and Changes in Net Assets
Governmental Activities:			
Transportation planning	$ 2,360,052	$2,397,116	$ 37,064
Total	$ 2,360,052	$2,397,116	37,064
Change in net assets			37,064
Net assets - beginning of year			10,169
Net assets - end of year			**$ 47,233**

See notes to basic financial statements

BROWARD METROPOLITAN PLANNING ORGANIZATION
Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Total Governmental Funds
Assets		
Cash	$ 64,724	$ 64,724
Grants receivable	1,165,655	1,165,655
Total assets	**$ 1,230,379**	**$ 1,230,379**
Liabilities and Fund Balances		
Liabilities:		
Accounts payable and accrued liabilities	$ 114,783	$ 114,783
Due to Other Agency	1,107,771	1,107,771
Total liabilities	1,222,554	1,222,554
Fund Balances:		
Unassigned	7,825	7,825
Total fund balance	7,825	7,825
Total liabilities and fund balanc	**$ 1,230,379**	

Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	110,425
Long-term liabilities are not due and payable in the current period and therefore not reported in the funds, including compensated absences	(71,017)
Net assets of governmental activities (Page 6)	$ 47,233

See notes to basic financial statements

BROWARD METROPOLITAN PLANNING ORGANIZATION
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2011

	General Fund	Total Governmental Funds
Revenues:		
Federal and State Grants	$ 2,277,952	$ 2,277,952
In-kind Contributions	119,164	119,164
Total revenues	2,397,116	2,397,116
Expenditures:		
Current:		
Transportation planning:		
Personnel services	1,638,770	1,638,770
Consultants	173,975	173,975
Miscellaneous	439,652	439,652
Indirect expenses	17,730	17,730
In-kind expenses	119,164	119,164
Total expenditures	2,389,291	2,389,291
Net change in fund balance	7,825	7,825
Fund balances - beginning	-	-
Fund balances - ending	**$ 7,825**	**$ 7,825**

Amounts reported for governmental activities in the statement of activities (Page 7) are different because:

Net change in fund balance - total governmental funds	$ 7,825
Capital outlays, reported as expenditures in governmental funds, are shown as capital assets in the statement of net assets	123,142
Provision for depreciation expense on governmental capital assets is included in the governmental activities in the statement of net assets	(22,886)
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. These activities consist of	
Change in compensated absences	(71,017)
Change in net assets of governmental activities (Page 7)	$ 37,064

Notes to the Basic Financial Statements

BROWARD METROPOLITAN PLANNING ORGANIZATION
Notes to the Basic Financial Statements
June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Broward MPO is a transportation policy-making board comprised of 19 voting members including representatives from the South Florida Regional Transportation Authority/Tri-Rail (SFRTA), the Broward County School Board, and three Broward County Commissioners. There are an additional 18 alternate members of the board, who have voting rights when others are absent. The MPO is responsible for transportation planning and funding allocation in Broward County. The Broward MPO works with the public, planning organizations, government agencies, elected officials, and community groups to develop transportation plans.

The summary of significant accounting policies of the Broward Metropolitan Planning Organization (the "Organization") is presented to assist the reader in interpreting the basic financial statements. The policies are considered essential and should therefore be read in conjunction with the basic financial statements.

The basic financial statements of the Organization have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Organization's accounting policies are described below.

a. 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. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the Organization, organizations for which the Organization is financially accountable and other organizations for which the nature and significance of their relationship with the Organization are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Organization is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Organization. Based upon the application of these criteria, there were no organizations that met the criteria described above.

b. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the Organization's activities. The statement of activities demonstrates the degree to which the direct expenses of a given function 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues. The Organization does not have any business-type activities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

c. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The Organization's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of governmental activities for the Organization.

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the Organization's assets and liabilities, including long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Governmental Fund Financial Statements

The 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 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 60 days of the end of the current fiscal period. Grant revenue is susceptible to accrual. Other revenues that are generally not measurable until actually received are not accrued. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The Organization reports its only fund as a major governmental fund:

The **General Fund** is the Organization's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

d. Capital Assets

Capital assets, which include property 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 or component of more than $500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Capital assets of the Organization are depreciated using the straight-line method over their estimated useful lives ranging between 3 and 10 years.

e. Compensated Absences

It is the Organization's policy to permit employees to accumulate, within certain limits, earned but unused paid time off, which will be paid to employees upon separation from service. All paid time off is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, due to employee resignation or retirement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. New Pronouncements

Effective July 1, 2009, the Organization adopted the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the Organization is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

Nonspendable Fund Balance—includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted Fund Balance—includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance—includes amounts that can only be used for the specific purposes determined by a formal action of the Organization's highest level of decision-making authority, the MPO Board of Directors. Commitments may be changed or lifted only by the Organization taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).

Assigned Fund Balance—includes amounts intended to be used by the Organization for specific purposes that are neither restricted nor committed. Intent is expressed by (a) MPO Board of Directors or (b) a body (a budget, finance committee, or executive director) to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as nonspendable, restricted, or committed.

Unassigned Fund Balance—this residual classification is used for all negative fund balances. In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

g. Use of Estimates

The preparation of the basic financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Budgetary Data

The Organization's Board biannually adopts a balanced operating budget and appropriates funds for the general fund. Appropriations are legally controlled at the object code level and expenditures may not legally exceed budget appropriations.

i. Net Assets

In the government-wide financial statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt—This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Assets—This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation, constitutional provisions. At fiscal year-end June 30, 2011, the Organization did not have any restricted net assets.

Unrestricted Net Assets—This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets."

NOTE 2 – DEPOSITS

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act,* the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	Balance 06/30/10	Additions	Deletions	Balance 06/30/11
Furniture and equipment	$ 48,861	$ 123,142	$ -	$ 172,003
Less: accumulated depreciation	(38,692)	(22,886)	-	(61,578)
Total capital assets, net	$ 10,169	$ 100,256	$ -	$ 110,425

Depreciation expense for the year totaled $22,886.

NOTE 4 – DUE TO OTHER AGENCY

The Organization entered into an inter-local agreement with the South Florida Regional Transportation Authority (SFRTA) to provide advance monies to the Organization 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 SFRTA quarterly in accordance with the agreement. At the end of the fiscal year the Organization owed the SFRTA $1,107,771.

NOTE 5 – FEDERAL AND STATE GRANTS

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 5303 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 5303 (previously known as Section 8 of the Federal Transit Act). Under Section 5303, 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 cost reimbursement grant.

During the year ended June 30, 2011, funding from federal and state agencies is summarized as follows:

FHWA - PL Grant	$ 1,552,474
FTA Sect 5303 Grant	672,583
Transportation Disadvantaged Grant	52,895
	$ 2,277,952

NOTE 6 – PENSION PLAN

The Organization participates in the Florida Retirement System (FRS), a cost-sharing, multiple-employer Public Employment Retirement System (PERS), which covers substantially all permanent full and part-time employees. FRS offers a defined benefit plan (the "*Pension Plan*") or a defined contribution plan (the "*Investment Plan*").

Pension Plan benefits are computed on the basis of age, average final compensation and service credit. For employees enrolling in FRS for the first time after June 30, 2011, average final compensation is the average of the eight highest fiscal years of earnings compared with the average of the five highest years of earnings for those already enrolled. The Florida Retirement System provides vesting of benefits after eight years of creditable service for employees enrolling in the Pension Plan for the first time after June 30, 2011 compared with a vesting period of six years for those already enrolled. Early retirement may be taken any time after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement age or date. The FRS also provides death and disability benefits. A State statute establishes benefits.

FRS issues an annual financial report. A copy can be obtained by sending a written request to the Division of Retirement, P.O. Box 9000 Tallahassee, FL 32315-9000 or by visiting their website at http://dms.myflorida.com.

The Organization's required contribution rate is established by State statute, and ranges from 4.91% to 14.10% of covered payroll, based on employee risk groups. In 2011 the State legislature mandated a 3% employee contribution effective July 1, 2011 for all FRS covered employees. Employees who were enrolled in the Deferred Retirement Option Program (DROP) before July 1, 2011 are not subject to the contribution. The combined employer/employees contribution rates range from 7.91% to 17.10% of covered payroll based on employee risk groups.

NOTE 7 – OPERATING LEASE

The Organization leased two suites for its office space under a noncancellable operating lease agreement commencing July 1, 2010 for a ten year period with monthly base rent ranging from $8,125 in the first year to $10,600 in the final year of the lease. The Organization has the option to renew the lease for two five year periods. In addition to base rent, the Organization is also responsible for monthly additional rent based on its proportional share (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.

BROWARD METROPOLITAN PLANNING ORGANIZATION
Notes to the Basic Financial Statements
June 30, 2011

NOTE 7 – OPERATING LEASE (continued)

Minimum annual lease obligations, on an annual basis, are as follows:

Year ending June 30:	
2012	$ 92,059
2013	103,428
2014	106,500
2015	109,728
2016	113,028
Thereafter	487,044
	$ 1,011,787

NOTE 8 – 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.

NOTE 9 – BUDGETARY COMPARISON SCHEDULE

The budgetary information is presented as part of the required supplementary information as mandated by GASB Statement No. 34 "*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*".

NOTE 10 – SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 3, 2012, the date the financial statements were available to be issued. There were no significant events that management believe required disclosure.

Budgetary Information
(Required Supplementary Information)

BROWARD METROPOLITAN PLANNING ORGANIZATION
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
Fiscal Year Ended June 30, 2011

	Budgeted Amounts			
	Original	Final	Actual	Variance with final budget - positive (negative)
Revenues:				
Grants	$ 3,451,390	$ 3,451,390	$ 2,277,952	$ (1,173,438)
In-kind Contributions	-	-	119,164	119,164
Total revenues	3,451,390	3,451,390	2,397,116	(1,054,274)
Expenditures:				
Current:				
Transportation planning	3,451,390	3,451,390	2,389,291	1,062,099
Total expenditures	3,451,390	3,451,390	2,389,291	1,062,099
Net change in fund balances	$ -	$ -	$ 7,825	$ 7,825
Fund Balance Beginning			-	
Fund Balance Ending			$ 7,825	

See note to budgetary comparison schedule

BROWARD METROPOLITAN PLANNING ORGANIZATION
Notes to Budgetary Schedule
Fiscal Year Ended June 30, 2011

NOTE 1 –BUDGETARY ACCOUNTING

The Organization prepares its budget for the general fund on a basis consistent with generally accepted accounting principles. The procedures for establishing budgetary data reflected on the budgetary comparison schedule as follows:

... Bi-annually on approximately January 1, the Executive Director submits to the Organization Board a proposed operating budget prepared for the commencing July 1. 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 FHWA and FTA.

Compliance

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
Broward Metropolitan Planning Organization
Fort Lauderdale, Florida

We have audited the accompanying financial statements of the governmental activities and each major fund of the Broward Metropolitan Planning Organization (the "Organization"), as of and for the year ended June 30, 2011, which collectively comprise the Organization's basic financial statements as listed in the table of contents and have issued our report thereon dated May 3, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 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 that are required to be reported under *Government Auditing Standards*.

West Palm Beach (561) 655-2664 Phone | Central Florida (407) 475-1000 Phone | West Florida (813) 413-7627 Phone | South Florida (954) 966-4435 Phone

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

Harvey, Covington & Thomas, L.L.C.

Hollywood, Florida
May 3, 2012

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL 0VER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of
Broward Metropolitan Planning Organization
Fort Lauderdale, Florida

Compliance

We have audited the Broward Metropolitan Planning Organization's (the Organization) compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Organization's major federal programs for the year ended June 30, 2011. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards; generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133, 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. Our audit does not provide a legal determination of the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the 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, 2011.

Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs projects. In planning and performing our audit, we considered the Organization's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

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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 responsible 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the management, Directors, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Harvey, Covington & Thomas, L.L.C.

Hollywood, Florida
May 3, 2012

BROWARD METROPOLITAN PLANNING ORGANIZATION
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program	*CFDA*	*Pass-Through Entity Identifying Number*	*Federal Expenditures*
Federal Highway Administration:			
Passed through the Florida Department of Transportation			
Unified Planning Work Program, Metropolitan Planning Funds			
PL 0058 (46) - FY 2011	20.205	A5358	784,091
PL 0058 (46) - FY 2011	20.205	AQ819	768,383
Total Federal Highway Administration Pass-Through Programs			1,552,474
Federal Transportation Administration:			
Passed through the Florida Department of Transportation			
Unified Planning Work Program, Section 5303 Funds			
Sect 5303 - FY 2011	20.505	AN016	112,462
Sect 5303 - FY 2011	20.505	AQ289	541,100
Total Federal Transportation Administration Pass-Through Programs			653,562
Total Expenditures of Federal Awards			**$2,206,036**

* Does not include State In-kind or Transportation Disadvantaged Grant.

See Notes to the Schedule of Expenditures Federal Award.

BROWARD METROPOLITAN PLANNING ORGANIZATION
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Organization. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.*

For purposes of the Schedule, federal awards include all grants and contracts entered into directly between the Organization and agencies and departments of the federal government and pass-through agencies, as applicable. The Organization did not transfer awards to subrecipients during the fiscal year ending June 30, 2011.

BROWARD METROPOLITAN PLANNING ORGANIZATION
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2011

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

N/A

PRIOR YEAR FEDERAL A WARDS FINDINGS AND QUESTIONED COSTS

N/A

BROWARD METROPOLITAN PLANNING ORGANIZATION
Summary Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

SECTION I- SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditors' report issued:	***Unqualified***		
Internal control over financial reporting:			
• Material weakness(es) identified?	____ Yes	X	No
• Significant deficiency(ies) identified that are Not considered to be material weakness(es)?	____ Yes	X	No
Noncompliance material to financial statements noted?	____ Yes	X	No

Federal Awards

Internal control over major programs:			
• Material weakness(es) identified?	____ Yes	X	No
• Significant deficiency(ies) identified that are Not considered to be material weakness(es)?	____ Yes	X	No
Type of auditors' report issued on compliance for major federal programs:	***Unqualified***		
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	____ Yes	X	No

Identification of major programs:

Federal Programs	**Federal CFDA**
Highway Planning and Construction	20.205
Federal Transit Techincal Studies Grant	20.505

Dollar threshold used to distinguish between Type A and Type B

Federal Programs: $300,000

Auditee qualified as low-risk auditee for federal award programs?	X Yes	____	No

BROWARD METROPOLITAN PLANNING ORGANIZATION
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

SECTION II- FINANCIAL STATEMENT FINDINGS

None.

SECTION III-FEDERAL A WARDS FINDINGS AND QUESTIONS COSTS

None.