

# Broward Metropolitan Planning Organization

Financial Statements  
and Additional Information  
For the Year Ended June 30, 2017

# Broward Metropolitan Planning Organization

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## INDEPENDENT AUDITOR'S REPORT

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

### 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, 2017, 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, 2017, 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 on page 26 and the schedules related to the pension plan on pages 28 through 33 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 December 14, 2017, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
December 14, 2017

# 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, 2017, with certain comparative information for the year ended June 30, 2016. 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, 2017:

- The Organization's total assets exceeded its liabilities as of June 30, 2017 by \$ 296,653 (net position).
- The Organization's total revenues were \$ 5,620,198, including \$ 5,084,045 from federal and state grants, \$ 422,595 from local contributions, \$ 111,958 from in-kind contributions and \$ 1,600 from investment income. The Organization's total expenses for the year were \$ 5,441,118.

### **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, 2017**

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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 25 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 26 through 33 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 statement of net position as of June 30:

Broward Metropolitan Planning Organization Net Position		
	2017	2016
Current assets	\$ 2,696,706	\$ 2,177,956
Capital assets	475,067	167,699
Total assets	3,171,773	2,345,655
Total deferred outflows of resources	1,073,672	558,350
Current liabilities	1,910,562	1,404,941
Noncurrent liabilities	2,024,654	1,215,337
Total liabilities	3,935,216	2,620,278
Total deferred inflows of resources	13,576	166,154
Net position:		
Net investment in capital assets	475,067	167,699
Unrestricted (deficit)	(178,414)	(50,126)
Total net position	\$ 296,653	\$ 117,573



**Broward Metropolitan Planning Organization  
Management's Discussion and Analysis  
June 30, 2017**

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The following table reflects the Organization's change in net position for the years ended June 30, 2017 and 2016.

Broward Metropolitan Planning Organization Change in Net Position		
	<u>2017</u>	<u>2016</u>
Revenues:		
Federal and state grants	\$ 5,084,045	\$ 4,627,562
Local contributions	422,595	132,808
In-kind contributions	111,958	165,387
Investment income	<u>1,600</u>	<u>1,163</u>
Total revenues	<u>5,620,198</u>	<u>4,926,920</u>
Expenses:		
Transportation planning	<u>5,441,118</u>	<u>4,943,151</u>
Total expenses	<u>5,441,118</u>	<u>4,943,151</u>
Change in net position	179,080	(16,231)
Net position, beginning of year	117,573	70,788
Restatement, Note 12	<u>-</u>	<u>63,016</u>
Net position, end of year, as restated	<u>\$ 296,653</u>	<u>\$ 117,573</u>

**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 2017, unassigned fund balance of the General Fund was \$ 279,183.

**Capital Assets**

The Organization's capital assets, less accumulated depreciation, for its governmental activities as of June 30, 2017, amounts to \$ 475,067 which consists of construction in progress (boardroom voting and audio system) and furniture and equipment.

**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 26.

The Organization experienced an unfavorable variance in revenues compared to the General Fund budget in the amount of \$ 2,073,340, which is due to the timing of transportation planning projects. The Organization also experienced a favorable variance in expenditures compared to the General Fund budget in the amount of \$ 1,579,508.

### **Economic Factors**

Facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations of the Organization in the year 2018, are as follows:

- Decrease in planning funds of \$ 40,247 due to a federal rescission.
- Additional funding of \$ 211,077 outside of the normal allocation.

### **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, and Suite 650 Fort Lauderdale, Florida 33309.

# BASIC FINANCIAL STATEMENTS

**Broward Metropolitan Planning Organization**  
**Statement of Net Position**  
**June 30, 2017**

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	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 1,132,504
Due from governmental agencies	1,564,202
Capital assets, not being depreciated	141,402
Capital assets, net of accumulated depreciation	<u>333,665</u>
Total assets	<u>3,171,773</u>
<b>Deferred Outflows of Resources:</b>	
Deferred pension outflows	<u>1,073,672</u>
<b>Liabilities:</b>	
Accounts payable and accrued liabilities	556,555
Due to other agency	1,335,252
Due within one year:	
Compensated absences	18,755
Due in more than one year:	
Compensated absences	168,799
Net pension liability	<u>1,855,855</u>
Total liabilities	<u>3,935,216</u>
<b>Deferred Inflows of Resources:</b>	
Deferred pension inflows	<u>13,576</u>
<b>Net Position:</b>	
Net investment in capital assets	475,067
Unrestricted (deficit)	<u>(178,414)</u>
Total net position	<u>\$ 296,653</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, 2017**

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<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>5,441,118</u>	\$ <u>5,618,598</u>	\$ <u>177,480</u>
Total governmental activities	\$ <u><u>5,441,118</u></u>	\$ <u><u>5,618,598</u></u>	<u>177,480</u>
General revenues:			
Investment income			<u>1,600</u>
Total general revenues			<u>1,600</u>
Change in net position			179,080
Net position, July 1 2016, as restated (Note 12)			<u>117,573</u>
Net position, June 30, 2017			\$ <u><u>296,653</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, 2017**

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	<u>General Fund</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 1,132,504
Due from governmental agencies	<u>1,564,202</u>
Total assets	\$ <u><u>2,696,706</u></u>
<b>Liabilities:</b>	
Accounts payable and accrued liabilities	\$ 556,555
Due to other agency	<u>1,335,252</u>
Total liabilities	<u>1,891,807</u>
<b>Deferred Inflows of Resources:</b>	
Unavailable revenue - grant funding	<u>525,716</u>
<b>Fund Balance:</b>	
Unassigned	<u>279,183</u>
Total liabilities, deferred inflows of resources, and fund balance	\$ <u><u>2,696,706</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, 2017**

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**Total Fund Balance - Governmental Fund** \$ 279,183

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

Capital assets used in governmental activities are not financial resources; therefore, they are not reported in the governmental fund.

Cost of capital assets	\$ 788,520	
Accumulated depreciation	<u>(313,453)</u>	475,067

Certain funds are considered deferred inflows of resources in the fund statements due to availability of funds; under full accrual accounting they are considered revenues. 525,716

Certain funds related to pension assets and liabilities are not reported in the governmental fund.

Deferred outflows relating to pensions		1,073,672
Deferred inflows relating to pensions		<u>(13,576)</u>

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund.

Compensated absences	(187,554)	
Net pension liability	<u>(1,855,855)</u>	<u>(2,043,409)</u>

**Net Position of Governmental Activities** \$ 296,653

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

**Broward Metropolitan Planning Organization  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Governmental Fund  
For the Year Ended June 30, 2017**

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	<u>General Fund</u>
<b>Revenues:</b>	
Federal and state grants	\$ 4,558,329
Local contribution	422,595
In-kind contributions	111,958
Investment income	<u>1,600</u>
Total revenues	<u>5,094,482</u>
<b>Expenditures:</b>	
Current:	
Transportation planning:	
Personnel services	2,033,364
Professional and consulting	2,400,105
Operation and maintenance	410,316
Occupancy	235,082
In-kind expenses	111,958
Capital outlay	<u>397,489</u>
Total expenditures	<u>5,588,314</u>
Net changes in fund balance	(493,832)
<b>Fund Balance, July 1, 2016, as restated (Note 12)</b>	<u>773,015</u>
<b>Fund Balance, June 30, 2017</b>	<u>\$ <u>279,183</u></u>

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, 2017**

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**Change in Fund Balance - Governmental Fund** \$ (493,832)

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	\$ 397,489	
Provision for depreciation	<u>(90,121)</u>	307,368

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		525,716
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Certain changes related to pension assets and liabilities are not reported in the net change in the governmental fund.

Change in deferred outflows		515,322
Change in deferred inflows		152,578

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		(24,067)
Change in the net pension liability		<u>(804,005)</u>

**Change in Net Position of Governmental Activities** \$ 179,080

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

**Note 1 - Organization and Operations**

The 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 ("SFRTA") (Note 5), 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. 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's 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 has two items that qualify for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is the deferred inflows related to the pension plan and discussed in further detail in Note 7.

**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 December 14, 2017, 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 \$ 1,132,504 and the bank balance was \$ 1,303,318.

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, 2017, was as follows:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ <u>          -</u>	\$ <u>  141,402</u>	\$ <u>          -</u>	\$ <u>  141,402</u>
Total capital assets, not being depreciated	<u>          -</u>	<u>  141,402</u>	<u>          -</u>	<u>  141,402</u>
Capital assets, being depreciated:				
Furniture and equipment	<u>  391,031</u>	<u>  256,087</u>	<u>          -</u>	<u>  647,118</u>
Total capital assets, being depreciated	<u>  391,031</u>	<u>  256,087</u>	<u>          -</u>	<u>  647,118</u>
Less accumulated depreciation for:				
Furniture and equipment	<u>  223,332</u>	<u>   90,121</u>	<u>          -</u>	<u>  313,453</u>
Total accumulated depreciation	<u>  223,332</u>	<u>   90,121</u>	<u>          -</u>	<u>  313,453</u>
Total capital assets, being depreciated, net	<u>  167,699</u>	<u>  165,966</u>	<u>          -</u>	<u>  333,665</u>
Governmental activities capital assets, net	\$ <u>  167,699</u>	\$ <u>  307,368</u>	\$ <u>          -</u>	\$ <u>  475,067</u>

**Note 4 - Capital Assets (continued)**

The provision for depreciation for the year ended June 30, 2017 amounted to \$ 90,121. The Organization allocated the depreciation to transportation planning.

**Note 5 - Due to Other Agency**

The Organization entered into an inter-local agreement with SFRTA (Note 1) 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 SFRTA quarterly in accordance with the agreement. At June 30, 2017, the Organization had an amount due to SFRTA amounting to \$ 1,335,352.

**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, 2017:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
Compensated absences	\$ 163,487	\$ 24,067	\$ -	\$ 187,554	\$ 18,755
Net pension liability	1,051,850	804,005	-	1,855,855	-
Total	\$ 1,215,337	\$ 828,072	\$ -	\$ 2,043,409	\$ 18,755

**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 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, 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 from the Web site: [www.dms.myflorida.com/workforce\\_operations/retirement/publications](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.

**Note 7 - Florida Retirement System (continued)**

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. 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 credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited 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 July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three 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, 2016 through June 30, 2017, were as follows: Regular - 7.52%; Special Risk Administrative Support - 28.06%; Special Risk - 22.57%; Senior Management Service - 21.77%; Elected Officers' - 42.47%; and DROP participants - 12.99%. These employer contribution rates include 1.66% HIS Plan subsidy for the periods from July 1, 2016 through June 30, 2017.

**Note 7 - Florida Retirement System (continued)**

The Organization’s contributions, including employee contributions, to the Pension Plan totaled \$ 222,196 for the fiscal year ended June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2017, the Organization reported a liability of \$ 1,329,350 for its proportionate share of the Pension Plan’s net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The Organization’s proportion of the net pension liability was based on a projection of the Organization’s 2016-17 fiscal year contributions relative to the 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the Organization’s proportion was 0.005264737% percent, which was an increase of 0.000364208% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Organization recognized pension expense of \$ 264,295. At June 30, 2017, the Organization reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 101,785	\$ (12,377)
Changes of assumptions	80,422	-
Net difference between projected and actual earnings on pension plan investments	343,621	-
Changes in proportion and differences between Organization contributions and proportionate share of contributions	230,028	-
Organization contributions subsequent to the measurement date	<u>178,925</u>	<u>-</u>
Total	\$ <u>934,781</u>	\$ <u>(12,377)</u>

Deferred outflows of resources 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, 2018. The amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2018	\$ 132,322
2019	\$ 132,322
2020	\$ 266,287
2021	\$ 171,127
2022	\$ 31,598
Thereafter	\$ 9,823



**Note 7 - Florida Retirement System (continued)**

Actuarial Assumptions - The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	7.60%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables. The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit pension plans pursuant to section 216.136(10), Florida Statutes. During presentations to the 2016 FRS Actuarial Assumption Conference, Aon Hewitt, the investment consultant for the State Board of Administration, and the consulting actuary both recommended reducing the investment return assumption. Based on their respective capital market outlook models, the 50th percentile average annual long-term future return rates ranged between 6.3 percent and 6.6 percent. When Aon Hewitt applied the State Board of Administration’s approach to assumption development, the investment return forecast was 7.0 percent. The consulting actuary notes the reduced investment return assumption adopted by the FRS Actuarial Assumption Conference conflicts with their judgment of a reasonable assumption as defined by the Actuarial Standards of Practice Number 27 (ASOP 27).

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%	3.0%	3.0%	1.7%
Fixed income	18.0%	4.7%	4.6%	4.6%
Global equity	53.0%	8.1%	6.8%	17.2%
Real estate	10.0%	6.4%	5.8%	12.0%
Private equity	6.0%	11.5%	7.8%	30.0%
Strategic investments	12.0%	6.1%	5.6%	11.1%
Total	<u>100.0%</u>			
Assumed Inflation - Mean		2.6%		1.9%

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

**Note 7 - Florida Retirement System (continued)**

Discount Rate - The discount rate used to measure the total pension liability was 7.60%. 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 of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Organization's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Organization's proportionate share of the net pension liability calculated using the discount rate of 7.60%, as well as what the Organization's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.60%) or one percentage point higher (8.60%) than the current rate:

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
Organization's proportionate share of the net pension liability	\$ 2,447,424	\$ 1,329,350	\$ 398,702

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

**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.

Benefits Provided - For the fiscal year ended June 30, 2017, 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, 2017, the HIS contribution 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.

The Organization's contributions to the HIS Plan totaled \$ 2,729 for the fiscal year ended June 30, 2017.

**Note 7 - Florida Retirement System (continued)**

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2017, the Organization reported a liability of \$ 526,505 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The Organization's proportion of the net pension liability was based on a projection of the Organization's 2016-17 fiscal year contributions relative to the 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the Organization's proportion was 0.004517577% percent, which was an increase of 0.000410271% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Organization recognized pension expense of \$ 53,465. At June 30, 2017, the Organization reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change of assumptions	\$ 82,622	\$ -
Net difference between projected and actual earnings on pension plan investments	266	-
Differences between expected and actual experience	-	(1,199)
Changes in proportion and differences between Organization HIS Plan contributions and proportionate share of contributions	53,274	-
Organization HIS Plan contributions subsequent to the measurement date	<u>2,729</u>	<u>-</u>
	<u>\$ 138,891</u>	<u>\$ (1,199)</u>

Deferred outflows of resources 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, 2018. The amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2018	\$ 24,347
2019	\$ 24,347
2020	\$ 24,296
2021	\$ 24,272
2022	\$ 20,216
Thereafter	\$ 17,485

**Note 7 - Florida Retirement System (continued)**

Actuarial Assumptions - The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	2.85%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

Because the HIS Program 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 Program were based on certain results of the most recent experience study for the FRS Pension Plan. The municipal rate used to determine total pension liability was decreased from 3.80% to 2.85%.

Discount Rate - The discount rate used to measure the total pension liability was 2.85%. In general, the discount rate for calculating the 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 benefit is funded on a pay-as-you-go basis, no experience study has been completed for that program.

Sensitivity of the Organization's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Organization's proportionate share of the net pension liability calculated using the discount rate of 2.85%, as well as what the Organization's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.85%) or one percentage point higher (3.85%) than the current rate:

	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
Organization's proportionate share of the net pension liability	\$ 604,021	\$ 526,505	\$ 462,171

Pension Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

**Note 8 - In-Kind Revenues and Expenses**

The Organization receives donated professional services from individuals on their Board outside of their duties as Board members and from individuals associated with Board members. Those estimates total \$ 111,958 for the year ended June 30, 2017. In-kind revenues are also allowed and used as matching funds to be in compliance with grant provisions.

**Note 9 - 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 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 cost reimbursement grant.

During the year ended June 30, 2017, funding from federal and state agencies is summarized as follows:

FHWA - PL Grant	\$ 3,246,676
FTA Sect 5305d Grant	1,007,619
Urbanized Area Formula Program - Public	
Engagement Campaign & Planning	332,959
Plantation/Sunrise in Broward - Planning Study	183,041
Corridor Congestion Management Study	147,670
Hollywood/Pines in Broward - Planning Study	103,082
Transportation Disadvantaged Grant	58,063
Urbanized Area Formula Program - Interface	
w/ MDT & SFRTA	572
Downtown Fort Lauderdale Mobility	
Hub: Streetscape	333
	5,080,015
	\$ 5,080,015

**Note 10 - Operating Lease**

The Organization amended its previous office space lease agreement during the 2017 year; whereas the new agreement entered is 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.

**Note 10 - Operating Lease (continued)**

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
2018	\$ 324,000
2019	332,000
2020	340,000
2021	349,000
2022	358,000
Thereafter	<u>1,927,000</u>
Total	<u>\$ 3,630,000</u>

Total rent expense for the year ended June 30, 2017, which includes other rent related costs such as common area maintenance fees, was approximately \$ 235,000.

**Note 11 - 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.

**Commitments:** The Organization has entered into an agreement for boardroom audio and voting system improvements. As of June 30, 2017, the commitment on the uncompleted portion of this agreement totaled approximately \$ 269,000.

**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 12 - Prior Period Adjustments**

For the year ended June 30, 2017, the Organization increased beginning net position on the statement of activities in the amount of \$ 63,016. This is the result of deferred outflows of resources in the amount of \$ 151,544 that was not recorded as of June 30, 2016. In addition, the Organization previously overstated the amount due from governmental agencies in the amount of \$ (88,528).

Additionally, for the year ended June 30, 2017, the Organization decreased beginning fund balance on the statement of revenues, expenditures and changes in fund balance in the amount of \$ (88,528). This is the result of Organization previously overstating the amount due from governmental agencies, as noted in the paragraph above.

REQUIRED SUPPLEMENTARY  
INFORMATION

**Broward Metropolitan Planning Organization  
 Budgetary Comparison Schedule - General Fund  
 For the Year Ended June 30, 2017**

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	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>Favorable (Unfavorable) Variance</b>
<b>Revenues:</b>				
Federal and state grants	\$ 7,235,747	\$ 6,944,285	\$ 4,558,329	\$ (2,385,956)
Local contributions	-	-	422,595	422,595
In-kind contributions	223,537	223,537	111,958	(111,579)
Investment income	-	-	1,600	1,600
	<u>7,459,284</u>	<u>7,167,822</u>	<u>5,094,482</u>	<u>(2,073,340)</u>
<b>Expenditures:</b>				
Current:				
Transportation planning	7,059,284	6,767,822	5,190,825	1,576,997
Capital outlay	<u>400,000</u>	<u>400,000</u>	<u>397,489</u>	<u>2,511</u>
	<u>7,459,284</u>	<u>7,167,822</u>	<u>5,588,314</u>	<u>1,579,508</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (493,832)</u>	<u>\$ (493,832)</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)**

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	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.005264737%	0.004900529%	0.004499847%
Proportionate share of the net pension liability	\$ 1,329,350	\$ 632,969	\$ 274,557
Covered-employee payroll	\$ 1,533,342	\$ 1,282,803	\$ 1,185,262
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	86.70%	49.34%	23.16%
Plan fiduciary net position as a percentage of total pension liability	96.09%	92.00%	84.88%

\* 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)**

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	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.004517577%	0.004107306%	0.00396743%
Proportionate share of the net pension liability	\$ 526,505	\$ 418,881	\$ 370,964
Covered-employee payroll	\$ 1,533,342	\$ 1,282,803	\$ 1,185,262
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	34.34%	32.65%	31.30%
Plan fiduciary net position as a percentage of total pension liability	0.99%	0.50%	0.97%

\* 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)**

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	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 128,389	\$ 119,479	\$ 98,566
Contributions in related to the contractually required contribution	\$ <u>(128,389)</u>	\$ <u>(119,479)</u>	\$ <u>(98,566)</u>
Contribution deficiency (excess)	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
Covered-employee payroll	\$ 1,533,342	\$ 1,282,803	\$ 1,185,262
Contributions as a percentage of covered payroll	8.37%	9.31%	8.32%

\* 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)**

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	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 23,155	\$ 15,701	\$ 13,591
Contributions in related to the contractually required contribution	\$ <u>(23,155)</u>	\$ <u>(15,701)</u>	\$ <u>(13,591)</u>
Contribution deficiency (excess)	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
Covered-employee payroll	\$ 1,533,342	\$ 1,282,803	\$ 1,185,262
Contributions as a percentage of covered payroll	1.51%	1.22%	1.15%

\* 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 Investment Returns -  
Florida Retirement System Pension Plan  
Last 10 Fiscal Years \*  
(Unaudited)**

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	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted annual rate of return, net of investment expenses	0.57%	3.77%	17.57%

\* 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 Investment Returns -**  
**Retiree Health Insurance Subsidy Program**  
**Last 10 Fiscal Years \***  
**(Unaudited)**

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	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted annual rate of return, net of investment expenses	0.57%	3.77%	17.57%

\* 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  
Fort Lauderdale, Florida

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, 2017, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements and have issued our report thereon dated December 14, 2017.

#### **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) to determine the 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 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. *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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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  
December 14, 2017

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

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

**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, 2017. 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, 2017.

## 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  
December 14, 2017

**Broward Metropolitan Planning Organization  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2017**

<u>Federal Agency/Federal Program</u>	<u>CFDA Number</u>	<u>Contract/ Grant Number</u>	<u>Expenditures</u>	<u>Transfers to Subrecipients</u>
<b>Federal Agency Name:</b>				
Indirect Programs:				
Federal Department of Transportation Passed through Florida Department of Transportation -				
Highway and Planning Construction	20.205	G0B30	\$ 3,246,676	\$ -
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	GO363	895,661	-
Federal Transit Formula Grant	20.507	FL95X064, FL95X110, FL95X115, FL95X116 & FL95X057	<u>619,787</u>	<u>-</u>
Total Federal Department of Transportation Programs			<u>4,762,124</u>	<u>-</u>
Total Expenditures of Federal awards			\$ <u><u>4,762,124</u></u>	\$ <u><u>-</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, 2017. The information in this 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, 2017**

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**A. Summary of Auditor’s Results**

1. The auditor's report dated December 14, 2017 expresses an unmodified opinion on the financial statements of Broward Metropolitan Planning Organization.
2. No material weaknesses relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Broward Metropolitan Planning Organization were disclosed during the audit.
4. No material weaknesses relating to the audit of the major federal program is reported in the Independent Auditor’s Report on Compliance for Each Federal Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal program for Broward Metropolitan Planning Organization expresses an unmodified opinion.
6. There are no audit findings relative to the major federal program for Broward Metropolitan Planning Organization reported in Part C of this schedule.
7. The program tested as a major program is as follows:

<u>Federal Award Program</u>	<u>CDFA Number</u>
Federal Department of Transportation - Highway and Planning Construction	20.205

8. The threshold for distinguishing Type A and Type B programs was \$ 750,000.
9. Broward Metropolitan Planning Organization was determined to be a low risk auditee.

**B. Findings - Financial Statement Audit**

No matters were reported.

**C. Findings and Questioned Costs - Major Federal Award Program**

No matters were reported.

**D. Other Issues**

1. A separate management letter was not issued.
2. A summary schedule of prior audit findings is not required because there were no prior audit findings related to federal programs.
3. No corrective action plan is required because there were no findings reported under the Uniform Guidance.