

# Broward Metropolitan Planning Organization

Financial Statements  
and Additional Information  
For the Year Ended June 30, 2019

# Broward Metropolitan Planning Organization

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Broward Metropolitan Planning Organization

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of Broward Metropolitan Planning Organization (the "Organization"), as of and for the year ended June 30, 2019, 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, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6, the budgetary comparison schedule - general fund and related notes on pages 22 and 23 and the schedules related to the pension plan on pages 24 through 29 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 November 14, 2019, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
November 14, 2019

# 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, 2019, with certain comparative information for the year ended June 30, 2018. 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, 2019:

- The Organization's total assets exceeded its liabilities as of June 30, 2019 by \$ 129,795 (net position).
- The Organization's total revenues were \$ 9,363,776, including \$ 8,979,099 from federal and state grants, \$ 23,595 from an interlocal agreement, \$ 181,639 from local contributions, \$ 177,483 from in-kind contributions and \$ 1,960 from investment income. The Organization's total expenses for the year were \$ 9,580,575.

### **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.

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Management's Discussion and Analysis  
June 30, 2019**

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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 7 and 8 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 9 through 21 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 22 through 29 of this report.

**Government-Wide Financial Analysis**

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

Broward Metropolitan Planning Organization Net Position		
	2019	2018
Assets:		
Current assets	\$ 5,473,943	\$ 3,141,954
Capital assets	707,365	768,127
Total assets	6,181,308	3,910,081
Total deferred outflows of resources	1,397,413	1,209,642
Liabilities:		
Current liabilities	4,669,794	2,374,827
Noncurrent liabilities	2,630,773	2,348,203
Total liabilities	7,300,567	4,723,030
Total deferred inflows of resources	148,359	50,099
Net Position:		
Net investment in capital assets	707,365	768,127
Unrestricted (deficit)	(577,570)	(421,533)
Total net position	\$ 129,795	\$ 346,594

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Management's Discussion and Analysis  
June 30, 2019**

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The following table reflects the Organization's change in net position for the years ended June 30, 2019 and 2018.

Broward Metropolitan Planning Organization Change in Net Position		
	<u>2019</u>	<u>2018</u>
Revenues:		
Federal and state grants	\$ 8,979,099	\$ 6,482,995
Interlocal agreement	23,595	-
Local contributions	181,639	111,903
In-kind contributions	177,483	69,862
	<u>9,361,816</u>	<u>6,664,760</u>
Total revenues		
Expenses:		
Transportation planning	9,580,575	6,615,402
	<u>9,580,575</u>	<u>6,615,402</u>
Total expenses		
Other Revenues (Expenses):		
Investment income	1,960	583
	<u>1,960</u>	<u>583</u>
Total other revenues (expenses)		
Change in net position	(216,799)	49,941
Net Position, Beginning of Year	<u>346,594</u>	<u>296,653</u>
Net Position, End of Year	\$ <u><u>129,795</u></u>	\$ <u><u>346,594</u></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 2019, unassigned fund balance of the General Fund was \$ 12,650.

**Capital Assets and Debt Administration**

The Organization's capital assets, less accumulated depreciation, for its governmental activities as of June 30, 2019, amounts to \$ 707,365 which consists of furniture and equipment, as compared to \$ 768,127 at June 30, 2018.

As of June 30, 2019 and 2018, the Organization had no long-term debt outstanding.



### **General Fund Budgetary Highlights**

An operating budget for the General Fund was adopted by the governing board for the Organization and subsequently approved by various agencies. The General Fund budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The budget to actual comparisons for the General Fund, including the original and final adopted budget, is shown on page 22.

The Organization experienced an unfavorable variance in revenues compared to the General Fund budget in the amount of \$ (258,224), 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 \$ 808,049.

### **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 and Governmental Fund - Balance Sheet**  
**June 30, 2019**

	<u>General Fund</u>	<u>Adjustments (Note 3)</u>	<u>Statement of Net Position</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 2,259,984	\$ -	\$ 2,259,984
Due from governmental agencies	3,129,409	-	3,129,409
Deposits	84,550	-	84,550
Capital assets, net of accumulated depreciation	-	707,365	707,365
Total assets	<u>5,473,943</u>	<u>707,365</u>	<u>6,181,308</u>
<b>Deferred Outflows of Resources:</b>			
Deferred pension outflows	-	1,397,413	1,397,413
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	2,023,650	-	2,023,650
Due to other agency	1,982,749	-	1,982,749
Unearned revenue	663,395	-	663,395
Due within one year:			
Compensated absences	-	19,070	19,070
Due in more than one year:			
Compensated absences	-	171,627	171,627
Net pension liability	-	2,440,076	2,440,076
Total liabilities	<u>4,669,794</u>	<u>2,630,773</u>	<u>7,300,567</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue - grant funding	791,499	(791,499)	-
Deferred pension inflows	-	148,359	148,359
	<u>791,499</u>	<u>(643,140)</u>	<u>148,359</u>
<b>Fund Balance:</b>			
Unassigned	12,650	(12,650)	
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 5,473,943</u>		
<b>Net Position:</b>			
Net investment in capital assets		707,365	707,365
Unrestricted (deficit)		(577,570)	(577,570)
Total net position		<u>\$ -</u>	<u>\$ 129,795</u>

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

**Broward Metropolitan Planning Organization  
Statement of Activities and Governmental Fund  
Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended June 30, 2019**

	<u>General Fund</u>	<u>Adjustments (Note 3)</u>	<u>Statement of Activities</u>
<b>Revenues:</b>			
Federal and state grants	\$ 9,516,007	\$ (536,908)	\$ 8,979,099
Interlocal agreement	23,595	-	23,595
Local contribution	181,639	-	181,639
In-kind contributions	177,483	-	177,483
Investment income	1,960	-	1,960
	<u>9,900,684</u>	<u>(536,908)</u>	<u>9,363,776</u>
<b>Expenditures:</b>			
Current:			
Transportation planning:			
Personnel services	3,200,835	168,954	3,369,789
Professional and consulting	3,073,931	-	3,073,931
Operation and maintenance	2,323,085	-	2,323,085
Occupancy	539,978	-	539,978
Depreciation	-	96,309	96,309
In-kind expenses	177,483	-	177,483
Capital outlay	35,547	(35,547)	-
	<u>9,350,859</u>	<u>229,716</u>	<u>9,580,575</u>
Net change in fund balance	549,825	(549,825)	-
Net change in net position	-	(216,799)	(216,799)
<b>Fund Balance (Deficit)/Net Position:</b>			
<b>Beginning of Year</b>	<u>(537,175)</u>	<u>883,769</u>	<u>346,594</u>
<b>End of Year</b>	<u>\$ 12,650</u>	<u>\$ 117,145</u>	<u>\$ 129,795</u>

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, 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.

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.

**Note 2 - Summary of Significant Accounting Policies (continued)**

The Organization reports the following major governmental fund:

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

The Organization does not maintain any proprietary funds.

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

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

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

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

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

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

**Deferred outflows/inflows of resources:** In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Organization has one item that qualifies for reporting in this category. The item is the deferred outflows related to the pension plan and discussed in further detail in Note 8.

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 fund balance sheet. The governmental fund reports 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 8.

**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 November 14, 2019, which is the date the financial statements were available to be issued.

**Note 3 - Reconciliation of Government-Wide and Fund Financial Statement**

Adjustments were made to include capital assets (net of accumulated depreciation), long-term liabilities and deferred inflows for unavailable grant funding and assets and liabilities related to pension on the statement of net position.

Ending governmental fund balance	\$ <u>12,650</u>
Adjustments:	
Capital assets, net	707,365
Deferred pension outflows	1,397,413
Accrued compensated absences	(190,697)
Net pension liability	(2,440,076)
Deferred inflows - unavailable grant funding	791,499
Deferred pension inflows	<u>(148,359)</u>
Total adjustments:	<u>117,145</u>
Ending net position	\$ <u><u>129,795</u></u>

Adjustments were made to include depreciation expense, eliminate capital outlay expenditures and record the changes in compensated absences, deferred inflows for unavailable grant funding and pension-related assets and liabilities on the statement of activities.

Change in fund balance	\$ <u>549,825</u>
Adjustments:	
Depreciation expense	(96,309)
Change in deferred inflows - unavailable grant funding	(536,908)
Change in net pension liability	(308,822)
Change in deferred pension inflows	(162,351)
Capital outlay expenditures	35,547
Change in deferred pension outflows	251,862
Change in compensated absences	<u>50,357</u>
Total adjustments:	<u>(766,624)</u>
Change in net position	\$ <u><u>(216,799)</u></u>



**Note 4 - Cash and Cash Equivalents**

At year end, the carrying amount of the Organization’s deposits was \$ 2,259,984 and the bank balance was \$ 2,419,617.

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 5 - Capital Assets**

Capital asset activity for the year ended June 30, 2019, was as follows:

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2019</u>
Governmental Activities:				
Capital assets, being depreciated:				
Furniture and equipment	\$ <u>1,290,793</u>	\$ <u>35,547</u>	\$ <u>(91,026)</u>	\$ <u>1,235,314</u>
Total capital assets, being depreciated	<u>1,290,793</u>	<u>35,547</u>	<u>(91,026)</u>	<u>1,235,314</u>
Less: accumulated depreciation for:				
Furniture and equipment	<u>522,666</u>	<u>96,309</u>	<u>(91,026)</u>	<u>527,949</u>
Total accumulated depreciation	<u>522,666</u>	<u>96,309</u>	<u>(91,026)</u>	<u>527,949</u>
Total capital assets, being depreciated, net	<u>768,127</u>	<u>(60,762)</u>	<u>-</u>	<u>707,365</u>
Governmental activities capital assets, net	<u>\$ 768,127</u>	<u>\$ (60,762)</u>	<u>\$ -</u>	<u>\$ 707,365</u>

The provision for depreciation for the year ended June 30, 2019 amounted to \$ 96,309. The Organization allocated the depreciation to transportation planning.

**Note 6 - Due to Other Agency**

The Organization entered into an inter-local agreement with the City of Fort Lauderdale (the “City”) to provide advance monies for the payment of operational expenses in accordance with the Organization's current budget and adopted Unified Planning Work Program. The Organization is required to reimburse the City quarterly in accordance with the agreement. At June 30, 2019, the Organization had an amount due to the City amounting to \$ 1,982,749.

**Note 7 - 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, 2019:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Compensated absences	\$ 241,054	\$ -	\$ 50,357	\$ 190,697	\$ 19,070
Net pension liability	<u>2,131,254</u>	<u>308,822</u>	<u>-</u>	<u>2,440,076</u>	<u>-</u>
Total	<u>\$ 2,372,308</u>	<u>\$ 308,822</u>	<u>\$ 50,357</u>	<u>\$ 2,630,773</u>	<u>\$ 19,070</u>

**Note 8 - 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.

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

**Note 8 - Florida Retirement System (continued)**

Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary, for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary, for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary, for each year of 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, 2018 through June 30, 2019, were as follows: Regular - 8.26%; Special Risk Administrative Support - 34.98%; Special Risk - 24.50%; Senior Management Service - 24.06%; Elected Officers' - 48.70%; and DROP participants - 14.03%. These employer contribution rates include 1.66% HIS Plan subsidy for the periods from July 1, 2018 through June 30, 2019.

**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, 2019, 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.

**Note 8 - Florida Retirement System (continued)**

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, 2019, 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.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2019, the Organization reported liabilities of \$ 1,833,890 for its proportionate share of the Pension Plan's net pension liability and \$ 606,186 for its proportionate share of the HIS Plan's net pension liability, for a total net pension liability of \$ 2,440,076. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The Organization's proportion of the net pension liability was based on a projection of the Organization's 2018-19 fiscal year contributions relative to the 2018-19 fiscal year contributions of all participating members. At June 30, 2018, the Organization's proportion was 0.006088507% for the FRS Plan and 0.005727325% for the HIS Plan, which was an increase of 0.000622225% and 0.000916794%, respectively from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Organization recognized pension expense of \$ 212,625 for the Pension Plan and \$ 6,686 for the HIS Plan for a total pension expense of \$ 219,311.

At June 30, 2019, 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>Pension Plan</u>	<u>HIS Plan</u>	<u>Total</u>
Differences between expected and actual experience	\$ 155,358	\$ 9,280	\$ 164,638
Changes of assumptions	599,226	3,324	602,550
Net difference between projected and actual earnings on pension plan investments	-	366	366
Changes in proportion and differences between Organization contributions and proportionate share of contributions	221,919	134,643	356,562
Organization contributions subsequent to the measurement date	<u>235,613</u>	<u>37,684</u>	<u>273,297</u>
Total	<u>\$ 1,212,116</u>	<u>\$ 185,297</u>	<u>\$ 1,397,413</u>

**Note 8 - Florida Retirement System (continued)**

Description	Deferred Inflows of Resources		
	Pension Plan	HIS Plan	Total
Net difference between projected and actual earnings on pension plan investments	\$ 141,690	\$ -	\$ 141,690
Differences between expected and actual experience	5,639	1,030	6,669
	<u>\$ 147,329</u>	<u>\$ 1,030</u>	<u>\$ 148,359</u>

Deferred outflows of resources related to the Pension Plan and HIS Plan, totaling \$ 273,297 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, 2020.

Other 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:

Year Ended June 30,	Pension Plan	HIS Plan	Total
2020	\$ 319,089	\$ 34,964	\$ 354,053
2021	\$ 213,818	\$ 34,933	\$ 248,751
2022	\$ 55,597	\$ 30,352	\$ 85,949
2023	\$ 132,338	\$ 23,913	\$ 156,251
2024	\$ 90,780	\$ 9,860	\$ 100,640
Thereafter	\$ 17,552	\$ 12,561	\$ 30,113

**Actuarial Assumptions** - The Florida Retirement System Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of both pension plans pursuant to section 216.136 (10), Florida Statutes. The Pension Plan's valuation is performed annually. The HIS Plan has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the Pension Plan was completed in 2014 for the period July 1, 2008, through June 30, 2013. Because the HIS Plan is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the Pension Plan. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Pension Plan	HIS Plan
Inflation	2.60%	2.60%
Salary increases	3.25%, average, including inflation	3.25%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation	N/A
Actuarial cost method	Individual entry age	Individual entry age
Mortality table	Generational RP-2000 with Projection Scale BB table	Generational RP-2000 with Projection Scale BB table

**Note 8 - Florida Retirement System (continued)**

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.9%	2.9%	1.8%
Fixed income	18.0%	4.4%	4.3%	4.0%
Global equity	54.0%	7.6%	6.3%	17.0%
Real estate	11.0%	6.6%	6.0%	11.3%
Private equity	10.0%	10.7%	7.8%	26.5%
Strategic investments	6.0%	6.0%	5.7%	8.6%
<b>Total</b>	<b>100.0%</b>			
Assumed Inflation - Mean		2.6%		1.9%

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

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% for the Pension Plan. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

The discount rate used to measure the total pension liability was 3.87% for the HIS Plan. In general, the discount rate for calculating the HIS Plan's total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Plan benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the municipal bond rate of 3.87% was used to determine the total pension liability. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**Sensitivity of the Organization's Proportionate Share of the Net Position Liability to Changes in the Discount Rate** - The following table represents sensitivity of the Organization's proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis, below, shows the impact of the Organization's proportionate share of the net pension liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2018.

	<u>1% Decrease 6.00%</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
Organization's proportionate share of the net pension liability for Pension plan	\$ <u>3,346,926</u>	\$ <u>1,833,890</u>	\$ <u>577,224</u>

**Note 8 - Florida Retirement System (continued)**

	1% Decrease <u>2.87%</u>	Current Discount Rate <u>3.87%</u>	1% Increase <u>4.87%</u>
Organization's proportionate share of the net pension liability for HIS plan	\$ <u>690,411</u>	\$ <u>606,186</u>	\$ <u>535,981</u>

**Note 9 - In-Kind Revenues and Expenses**

The Organization receives donated professional services from individuals on their Board and from individuals associated with Board members. Those estimates total \$ 177,483 for the year ended June 30, 2019. In-kind revenues are also allowed and used as matching funds to be in compliance with grant provisions.

**Note 10 - 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 fixed cost grant.

**Note 10 - Federal and State Grants (continued)**

During the year ended June 30, 2019, funding from federal and state agencies is summarized as follows:

FHWA - PL Grant	\$ 4,044,527
Urbanized Area Formula Program - Interface w/ MDT & SFRTA	1,699,855
FTA Sect 5305d Grant	1,597,352
FHWA Surface Transportation Flex Grant	393,143
Downtown Fort Lauderdale Mobility Hub: Streetscape	281,591
FTA LRTP Transit Element	247,211
University Dr. Gateway in Broward - Planning Study	196,095
Hollywood/University Gateway in Broward - Planning Study	177,945
Urbanized Area Formula Program - Public Engagement Campaign & Planning	120,429
Hollywood/Pines in Broward - Planning Study	103,239
Plantation/Sunrise in Broward - Planning Study	58,871
Transportation Disadvantaged Grant	51,957
NACDD - Grant	<u>6,884</u>
	<u>\$ 8,979,099</u>

**Note 11 - Interlocal Agreement**

During fiscal year 2019, the Organization and the Broward County Board of Commissioners signed an interlocal agreement. The purpose of this agreement is to provide funding for the Organization to annually review, rank and prioritize municipal projects based on each project's ability to alleviate traffic congestion and enhance connectivity. It is funded by Broward County using proceeds from a 1% transportation surtax approved by voters in November 2018. The agreement is advance-funded with unspent advances recorded as unearned revenue until qualifying expenditures are incurred. As of June 30, 2019, the Organization received advance funding of \$ 623,845, of which \$ 23,595 is recognized as income and \$ 600,250 is unearned.

**Note 12 - Operating Lease**

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



**Note 12 - 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
2020	\$ 340,000
2021	349,000
2022	358,000
2023	367,000
2024	376,000
Thereafter	<u>1,184,000</u>
Total	<u>\$ 2,974,000</u>

Total rent expense for the year ended June 30, 2019, which includes other rent related costs such as common area maintenance fees, was approximately \$ 540,000.

**Note 13 - Contingencies**

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

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

**Note 14 - Subsequent Event**

On November 14, 2019, the Organization and the City of Fort Lauderdale (Fort Lauderdale) signed an interlocal agreement. Under this interlocal agreement, the Organization will provide transportation planning services to Fort Lauderdale through September 30, 2025 with automatic one-year renewals unless terminated by one of the parties. Fort Lauderdale will provide initial funding in the amount of \$ 225,000 for start-up costs and on-going annual funding in the amount of \$ 550,000, subject to a 5% escalation.

REQUIRED SUPPLEMENTARY  
INFORMATION

**Broward Metropolitan Planning Organization  
 Budgetary Comparison Schedule - General Fund  
 For the Year Ended June 30, 2019**

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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	\$ 8,851,606	\$ 9,941,782	\$ 9,516,007	\$ (425,775)
Interlocal agreement	-	-	23,595	23,595
Local contributions	-	-	181,639	181,639
In-kind contributions	217,126	217,126	177,483	(39,643)
Investment income	-	-	1,960	1,960
	<u>9,068,732</u>	<u>10,158,908</u>	<u>9,900,684</u>	<u>(258,224)</u>
<b>Expenditures:</b>				
Current:				
Transportation planning	8,956,761	10,087,549	9,315,312	772,237
Capital outlay	<u>111,971</u>	<u>71,359</u>	<u>35,547</u>	<u>35,812</u>
	<u>9,068,732</u>	<u>10,158,908</u>	<u>9,350,859</u>	<u>808,049</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 549,825</u>	<u>\$ 549,825</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>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>
Proportion of the net pension liability	0.006088507%		0.005466282%		0.005264737%		0.004900529%		0.004499847%
Proportionate share of the net pension liability	\$ 1,833,890	\$	1,616,890	\$	1,329,350	\$	632,969	\$	274,557
Covered-employee payroll	\$ 1,870,648	\$	1,533,342	\$	1,394,608	\$	1,246,086	\$	1,178,782
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	98.04%		105.45%		95.32%		50.80%		23.29%
Plan fiduciary net position as a percentage of total pension liability	84.26%		83.89%		84.88%		92.00%		96.09%

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.005727325%	0.004810531%	0.004517577%	0.004107306%	0.00396743%
Proportionate share of the net pension liability	\$ 606,186	\$ 514,364	\$ 526,505	\$ 418,881	\$ 370,964
Covered-employee payroll	\$ 1,870,648	\$ 1,533,342	\$ 1,394,608	\$ 1,246,086	\$ 1,178,782
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	32.41%	33.55%	37.75%	33.62%	31.47%
Plan fiduciary net position as a percentage of total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%

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

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

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

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

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

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

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



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

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	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted annual rate of return, net of investment expenses	9.28%	13.59%	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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted annual rate of return, net of investment expenses	9.28%	13.59%	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

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, 2019, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements and have issued our report thereon dated November 14, 2019.

### **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.

*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  
November 14, 2019

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

To the Board of Directors  
Broward Metropolitan Planning Organization

**Report on Compliance for Each Major Federal Program**

We have audited Broward Metropolitan Planning Organization's (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2019. 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, 2019.

## 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  
November 14, 2019

**Broward Metropolitan Planning Organization  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2019**

<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	GOY80	\$ 4,044,527	\$ -
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	GO363, G1633	1,419,868	-
Federal Transit Formula Grant	20.507	FL95X057, FL95X106, FL95X064, FL95X110, FL95X115, FL95X116, FL95X127, FL95X141, FL95X142 & FL95X149	<u>3,278,379</u>	<u>1,930,266</u>
Total Federal Department of Transportation Programs			<u>8,742,774</u>	<u>1,930,266</u>
Centers for Disease Control and Prevention Passed through National Association of Councils on Developmental Disabilities -				
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	6NU38OT000286-01	<u>4,675</u>	<u>-</u>
Total Expenditures of Federal awards			<u>\$ 8,747,449</u>	<u>\$ 1,930,266</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, 2019. The information in the Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Organization.

**Note 2 - Summary of Significant Accounting Policies**

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

**Note 3 - Indirect Cost Rate**

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

**Note 4 - Contingency**

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

**Broward Metropolitan Planning Organization  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2019**

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**A. Summary of Auditor’s Results**

1. The auditor's report 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 audits of the major federal programs are reported in the Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal programs for Broward Metropolitan Planning Organization expresses an unmodified opinion.
6. There are no audit findings relative to the major federal programs for Broward Metropolitan Planning Organization reported in Part C of this schedule.
7. The programs tested as major programs are as follows:

<u>Federal Award Program</u>	<u>CDFA Number</u>
Federal Department of Transportation - Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505
Federal Transit Formula Grant	20.507

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 pursuant to the Uniform Guidance.

**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. No management letter is required because there were no findings required to be reported in a separate management letter.
2. No schedule of prior audit findings is 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.