

Broward Metropolitan Planning Organization

Financial Statements
and Additional Information
For the Year Ended June 30, 2022



Broward Metropolitan Planning Organization

Table of Contents

Independent Auditor's Report	1-3
Management's Discussion and Analysis	
Management's Discussion and Analysis (Unaudited)	4-8
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet - Governmental Fund	11
Reconciliation of the Balance Sheet - Governmental Fund to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Change in Fund Balance - Governmental Fund	13
Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balance - Governmental Fund to the Statement of Activities	14
Notes to Basic Financial Statements	15-28
Required Supplementary Information	
Budgetary Comparison Schedule - General Fund	29
Notes to Budgetary Comparison Schedule	30
Schedule of Proportionate Share of Net Pension Liability - Florida Retirement System Pension Plan	31
Schedule of Proportionate Share of Net Pension Liability - Retiree Health Insurance Subsidy Program	32
Schedule of Contributions - Florida Retirement System Pension Plan	33
Schedule of Contributions - Retiree Health Insurance Subsidy Program	34

Broward Metropolitan Planning Organization

Table of Contents (Continued)

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 <i>Government Auditing Standards</i>	35-36
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	37-39
Schedule of Expenditures of Federal Awards	40
Notes to Schedule of Expenditures of Federal Awards	41
Schedule of Findings and Questioned Costs	42

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Broward Metropolitan Planning Organization

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Organization, as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

CPA's + Trusted Advisors

Auditors Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 4 through 8, the budgetary comparison schedule - general fund and related notes on pages 29 and 30 and the schedules related to the pension plan on pages 31 through 34 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 are 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 February 21, 2023, 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
February 21, 2023

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, 2022, with certain comparative information for the year ended June 30, 2021. Please read it in conjunction with the Organization's financial statements which immediately follow this discussion.

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.

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 9 and 10 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.

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 11 through 14 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 15 through 28 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 29 through 34 of this report.

Government Fund Analysis

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. Unassigned fund balance increased \$ 243,963 compared to the prior fiscal year.

The following table reflects the condensed government fund balance sheet as of June 30:

Broward Metropolitan Planning Organization Fund Balance		
	<u>2022</u>	<u>2021</u>
Assets:		
Current assets	\$ <u>4,783,988</u>	\$ <u>4,814,290</u>
Total assets	<u>4,783,988</u>	<u>4,814,290</u>
Liabilities:		
Current liabilities	<u>4,057,294</u>	<u>4,331,559</u>
Total liabilities	<u>4,057,294</u>	<u>4,331,559</u>
Fund Balance:		
Unassigned	<u>726,694</u>	<u>482,731</u>
Total fund balance	\$ <u><u>726,694</u></u>	\$ <u><u>482,731</u></u>

**Broward Metropolitan Planning Organization
Management's Discussion and Analysis
June 30, 2022**

The following table reflects the Organization's change in net position for the years ended June 30, 2022 and 2021:

Broward Metropolitan Planning Organization Change in Fund Balance		
	<u>2022</u>	<u>2021</u>
Revenues:		
Federal and state grants	\$ 9,765,745	\$ 9,808,848
Interlocal agreement	696,560	563,821
Local contributions	180,605	137,165
In-kind contributions	21,225	70,528
Investment income	-	481
Other income	19,186	3,175
	<u>10,683,321</u>	<u>10,584,018</u>
Expenditures:		
Transportation planning	10,439,358	10,318,713
Capital outlay	-	5,330
	<u>10,439,358</u>	<u>10,324,043</u>
Change in fund balance	243,963	259,975
Fund Balance, Beginning of Year	<u>482,731</u>	<u>222,756</u>
Fund Balance, End of Year	<u>\$ 726,694</u>	<u>\$ 482,731</u>

Government-Wide Financial Analysis

The following table reflects the condensed government-wide statements of net position as of June 30:

Broward Metropolitan Planning Organization Net Position		
	<u>2022</u>	<u>2021, as Restated</u>
Assets:		
Current assets	\$ 4,783,988	\$ 4,814,290
Capital assets, net	<u>1,837,662</u>	<u>2,312,157</u>
Total assets	<u>6,621,650</u>	<u>7,126,447</u>
Total deferred outflows of resources	<u>3,627,497</u>	<u>3,211,805</u>
Liabilities:		
Current liabilities	4,436,752	4,353,034
Noncurrent liabilities	<u>4,318,412</u>	<u>7,727,531</u>
Total liabilities	<u>8,755,164</u>	<u>12,080,565</u>
Total deferred inflows of resources	<u>3,605,183</u>	<u>-</u>
Net Position:		
Net investment in capital assets	161,711	338,097
Unrestricted (deficit)	<u>(2,272,911)</u>	<u>(2,080,410)</u>
Total net position (deficit)	<u>\$ (2,111,200)</u>	<u>\$ (1,742,313)</u>

**Broward Metropolitan Planning Organization
Management's Discussion and Analysis
June 30, 2022**

The following table reflects the Organization's change in net position for the years ended June 30, 2022 and 2021:

	2022	2021, as Restated
Broward Metropolitan Planning Organization Change in Net Position		
Revenues:		
Federal and state grants	\$ 9,765,745	\$ 9,343,274
Interlocal agreement	696,560	563,821
Local contributions	180,605	137,165
In-kind contributions	21,225	70,528
Investment income	-	481
Other income	19,186	3,175
	<u>10,683,321</u>	<u>10,118,444</u>
Total revenues		
Expenses:		
Transportation planning	<u>11,052,208</u>	<u>11,228,874</u>
Total expenses	<u>11,052,208</u>	<u>11,228,874</u>
Change in net position	(368,887)	(1,110,430)
Net Position (Deficit), Beginning of Year	<u>(1,742,313)</u>	<u>(631,883)</u>
Net Position (Deficit), End of Year	<u>\$ (2,111,200)</u>	<u>\$ (1,742,313)</u>

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

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

Capital Assets and Debt Administration

The Organization's capital assets, less accumulated depreciation and amortization, for its governmental activities as of June 30, 2022, amounts to \$ 1,837,662 which consists of furniture and equipment and intangible right to use assets, as compared to \$ 2,312,157 at June 30, 2021, as restated.

As of June 30, 2022 the Organization had \$ 1,675,951 in outstanding lease obligation, as compared to \$ 1,974,060 at June 30, 2021, as restated.

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 29.

The Organization experienced an unfavorable variance in revenues compared to the General Fund budget in the amount of \$ 949,139, 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 \$ 1,193,102.

Economic Factors and Next Year's Budget

Revenues and expenditures for the fiscal year 2023 adopted budget for the General Fund of the Organization total \$ 11,925,976.

During fiscal year 2022, the Organization approved the Transportation Improvement Program for fiscal years 2022-2027, which includes the following projects:

- 43 bicycle/pedestrian projects worth approximately \$ 100 million.
- 16 major infrastructure projects worth approximately \$ 15 million.
- 7 transportation planning projects worth approximately \$ 45 million
- 3 transit projects worth approximately \$ 5 million

In addition, the Organization has approximately \$ 14,943,000 in FTA Flex Funds available for various projects. The Organization's fiscal plan includes repaying the amounts due to City of Fort Lauderdale prior to the end of fiscal year June 30, 2023.

We are also evaluating our Local Contributions that are received from our members to ensure the rates established in 2018 are sufficient with growth since then and the expected future growth of the Organization.

The estimated net pension liability at June 30, 2022 is approximately \$ 2,389,000 which is a decrease from the June 30, 2021 net pension liability of approximately \$ 5,560,000.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

Broward Metropolitan Planning Organization
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 1,482,732
Due from governmental agencies	3,255,079
Other receivables	46,177
Capital assets, net of accumulated depreciation and amortization	<u>1,837,662</u>
Total assets	<u>6,621,650</u>
Deferred Outflows of Resources:	
Deferred pension outflows	<u>3,627,497</u>
Liabilities:	
Accounts payable and accrued liabilities	805,430
Due to other agency	2,835,057
Unearned revenue	416,807
Due within one year:	
Lease	316,130
Compensated absences	63,328
Due in more than one year:	
Lease	1,359,821
Compensated absences	569,952
Net pension liability	<u>2,388,639</u>
Total liabilities	<u>8,755,164</u>
Deferred Inflows of Resources:	
Deferred pension inflows	<u>3,605,183</u>
Net Position:	
Net investment in capital assets	161,711
Unrestricted (deficit)	<u>(2,272,911)</u>
Total net position	<u>\$ (2,111,200)</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, 2022

<u>Functions/Programs:</u>	<u>Expenses</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Governmental Activities Net Revenue (Expense) and Change in Net Position</u>
Governmental activities:			
Transportation planning	\$ <u>11,052,208</u>	\$ <u>10,664,135</u>	\$ <u>(388,073)</u>
Total governmental activities	\$ <u>11,052,208</u>	\$ <u>10,664,135</u>	<u>(388,073)</u>
General revenues:			
Investment income			-
Other income			<u>19,186</u>
Total general revenues			<u>19,186</u>
Change in net position			(368,887)
Net position, beginning of year, as restated			<u>(1,742,313)</u>
Net position, end of year			\$ <u><u>(2,111,200)</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, 2022**

	General Fund
Assets:	
Cash and cash equivalents	\$ 1,482,732
Due from governmental agencies	3,255,079
Other receivables	<u>46,177</u>
Total assets	\$ <u><u>4,783,988</u></u>
Liabilities:	
Accounts payable and accrued liabilities	\$ 805,430
Due to other agency	2,835,057
Unearned revenue	<u>416,807</u>
Total liabilities	<u><u>4,057,294</u></u>
Fund Balance:	
Unassigned	<u>726,694</u>
Total liabilities and fund balance	\$ <u><u>4,783,988</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, 2022**

Total Fund Balance - Governmental Fund \$ 726,694

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

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

Cost of capital assets	\$ 3,433,601	
Accumulated depreciation and amortization	<u>(1,595,939)</u>	1,837,662

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

Deferred outflows relating to pensions	\$ 3,627,497	
Deferred inflows relating to pensions	<u>(3,605,183)</u>	22,314

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

Lease	\$ (1,675,951)	
Compensated absences	(633,280)	
Net pension liability	<u>(2,388,639)</u>	<u>(4,697,870)</u>

Net Position (Deficit) of Governmental Activities \$ (2,111,200)

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

**Broward Metropolitan Planning Organization
Statement of Revenues, Expenditures, and
Change in Fund Balance - Governmental Funds
For the Year Ended June 30, 2022**

	General Fund
	<u> </u>
Revenues:	
Federal and state grants	\$ 9,765,745
Interlocal agreement	696,560
Local contribution	180,605
In-kind contributions	21,225
Other income	19,186
	<u> </u>
Total revenues	<u>10,683,321</u>
Expenditures:	
Current:	
Transportation planning:	
Personnel services	5,209,320
Professional and consulting	3,681,448
Operation and maintenance	817,867
Occupancy	356,220
In-kind expenses	21,225
Debt service:	
Principal payments	298,109
Interest expense	55,169
	<u> </u>
Total expenditures	<u>10,439,358</u>
Net change in fund balance	243,963
Fund Balance, Beginning of Year	<u>482,731</u>
Fund Balance, End of Year	<u>\$ 726,694</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, 2022**

Change in Fund Balance - Governmental Fund \$ 243,963

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 and amortization.

Cost of capital assets	\$ -	
Provision for depreciation and amortization	<u>(474,495)</u>	(474,495)

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		298,109
--------------------------------------------------------------------------------------------------------------------------------------------------	--	---------

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

Change in deferred outflows		415,692
Change in deferred inflows		<u>(3,605,183)</u>

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		(418,532)
Change in the net pension liability		<u>3,171,559</u>

Change in Net Position of Governmental Activities \$ (368,887)

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

Note 1 - Organization and Operations

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

Note 2 - Summary of Significant Accounting Policies

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

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

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

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

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

The Organization reports the following major governmental fund:

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

The Organization does not maintain any proprietary funds.

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

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

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

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

Furniture and equipment	3-10 years
-------------------------	------------

The Organization has recorded a right to use lease asset as a result of implementing GASB 87. The right to use asset is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use asset is amortized on a straight-line basis over the life of the related lease.

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

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

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 one item that qualifies for reporting in this category. The item is the deferred inflows related to the pension plan and discussed in further detail in Note 7.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

- 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.

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 February 21, 2023, 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 \$ 1,482,732 and the bank balance was \$ 1,463,912.

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*.

Broward Metropolitan Planning Organization
Notes to Basic Financial Statements
June 30, 2022

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022
Governmental Activities:				
Capital assets, being depreciated/ amortized:				
Furniture and equipment	\$ 1,173,072	\$ -	\$ -	\$ 1,173,072
Intangible right to use:				
Office space	<u>2,260,529</u>	<u>-</u>	<u>-</u>	<u>2,260,529</u>
Total capital assets, being depreciated/amortized	<u>3,433,601</u>	<u>-</u>	<u>-</u>	<u>3,433,601</u>
Less: accumulated depreciation/ amortization for:				
Furniture and equipment	786,551	139,602	-	926,153
Intangible right to use:				
Office space	<u>334,893</u>	<u>334,893</u>	<u>-</u>	<u>669,786</u>
Total accumulated depreciation/ amortization	<u>1,121,444</u>	<u>474,495</u>	<u>-</u>	<u>1,595,939</u>
Total capital assets, being depreciated/amortized, net	<u>2,312,157</u>	<u>(474,495)</u>	<u>-</u>	<u>1,837,662</u>
Governmental activities capital assets, net	\$ <u><u>2,312,157</u></u>	\$ <u><u>(474,495)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>1,837,662</u></u>

The provision for depreciation and amortization for the year ended June 30, 2022 amounted to \$ 474,495. The Organization allocated the depreciation and amortization to transportation planning.

Note 5 - Due to Other Agency

The Organization entered into an inter-local agreement with the City of Fort Lauderdale (the "City") to provide advance monies for the payment of operational expenses in accordance with the Organization's current budget and adopted Unified Planning Work Program. The Organization is required to reimburse the City quarterly in accordance with the agreement. At June 30, 2022, the Organization had an amount due to the City amounting to \$ 2,835,057.

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, 2022:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Compensated absences	\$ 214,748	\$ 418,532	\$ -	\$ 633,280	\$ 63,328
Net pension liability	<u>5,560,198</u>	<u>-</u>	<u>3,171,559</u>	<u>2,388,639</u>	<u>-</u>
Total	\$ <u><u>5,774,946</u></u>	\$ <u><u>418,532</u></u>	\$ <u><u>3,171,559</u></u>	\$ <u><u>3,021,919</u></u>	\$ <u><u>63,328</u></u>

Note 7 - Florida Retirement System

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

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

Pension Plan:

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

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

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

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

Note 7 - Florida Retirement System (continued)

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

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

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from July 1, 2021 through June 30, 2022, were as follows: Regular - 10.82%; Special Risk Administrative Support - 37.76%; Special Risk - 25.89%; Senior Management Service - 29.01%; Elected Officers’ - 51.42%; and DROP participants - 18.34%. These employer contribution rates include 1.66% HIS Plan subsidy for the period from July 1, 2021 through June 30, 2022.

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, 2022, 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, 2022, the HIS contribution for the period from July 1, 2021 through June 30, 2022 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.

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, 2022, the Organization reported liabilities of \$ 1,017,011 for its proportionate share of the Pension Plan's net pension liability and \$ 1,371,628 for its proportionate share of the HIS Plan's net pension liability, for a total net pension liability of \$ 2,388,639. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Organization's proportion of the net pension liability was based on a projection of the Organization's 2020-21 fiscal year contributions relative to the 2021-22 fiscal year contributions of all participating members. At June 30, 2021, the Organization's proportion was 0.013463453% for the FRS Plan and 0.011181902% for the HIS Plan, which was an increase of 0.00307616% and 0.002515189%, respectively from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Organization recognized pension expense of \$ 374,321 for the Pension Plan and \$ 208,683 for the HIS Plan for a total pension expense of \$ 583,004.

At June 30, 2022, the Organization reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	Pension Plan	HIS Plan	Total
Differences between expected and actual experience	\$ 174,317	\$ 45,898	\$ 220,215
Changes of assumptions	695,889	107,779	803,668
Net difference between projected and actual earnings on pension plan investments	-	1,430	1,430
Changes in proportion and differences between Organization contributions and proportionate share of contributions	1,500,904	501,672	2,002,576
Organization contributions subsequent to the measurement date	535,763	63,845	599,608
Total	\$ 2,906,873	\$ 720,624	\$ 3,627,497

At June 30, 2022, the Organization reported deferred inflows of resources related to pensions from the following sources:

Description	Deferred Inflows of Resources		
	Pension Plan	HIS Plan	Total
Differences between expected and actual experience	\$ -	\$ 574	\$ 574
Changes of assumptions	-	56,515	56,515
Net difference between projected and actual earnings on pension plan investments	3,548,094	-	3,548,094
	\$ 3,548,094	\$ 57,089	\$ 3,605,183

Note 7 - Florida Retirement System (continued)

Deferred outflows of resources related to the Pension Plan and HIS Plan, totaling \$ 599,608 related to employer contributions paid subsequent to the measurement date and prior to the employer’s fiscal year end will be recognized as a reduction of the net pension liability in the subsequent reporting period ending June 30, 2022.

Other amounts reported as deferred outflows of resources 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
2023	\$ (104,781)	\$ 136,404	\$ 31,623
2024	\$ (189,251)	\$ 113,376	\$ (75,875)
2025	\$ (380,137)	\$ 118,247	\$ (261,890)
2026	\$ (626,678)	\$ 112,936	\$ (513,742)
2027	\$ 123,863	\$ 92,191	\$ 216,054
Thereafter	\$ -	\$ 26,536	\$ 26,536

Actuarial Assumptions - The Florida Retirement System Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of both pension plans pursuant to section 216.136 (10), Florida Statutes. The Pension Plan’s valuation is performed annually. The HIS Plan has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Plan is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the Pension Plan. The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Note 7 - Florida Retirement System (continued)

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed income	19.8%	4.4%	4.4%	3.2%
Global equity	54.0%	8.8%	7.3%	17.8%
Real estate	10.3%	7.4%	6.3%	15.7%
Private equity	11.1%	12.0%	8.9%	26.3%
Strategic investments	3.8%	6.2%	5.9%	7.8%
Total	100.0%			
Assumed Inflation - Mean			2.4%	1.3%

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

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

The discount rate used to measure the total pension liability was 2.16% for the HIS Plan. In general, the discount rate for calculating the HIS Plan's total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Plan benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the municipal bond rate of 2.16% 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, 2022.

	1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%
Organization's proportionate share of the net pension liability for Pension plan	\$ 4,548,141	\$ 1,017,011	\$ (1,934,618)

Note 7 - Florida Retirement System (continued)

	1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
Organization's proportionate share of the net pension liability for HIS plan	\$ <u>1,585,735</u>	\$ <u>1,371,628</u>	\$ <u>1,196,216</u>

Note 8 - In-Kind Revenues and Expenses

The Organization receives donated professional services from individuals on their Board and from individuals associated with Board members. Those estimates total \$ 21,225 for the year ended June 30, 2022. In-kind revenues are also allowed and used as matching funds to be in compliance with grant provisions.

Note 9 - Federal and State Grants

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

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

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

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

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

Note 9 - Federal and State Grants (continued)

During the year ended June 30, 2022, funding from federal and state agencies is summarized as follows:

FHWA - PL Grant	\$ 6,846,285
Downtown Fort Lauderdale Mobility Hub: Streetscape	402,893
FTA Sect 5305d Grant	1,696,256
University Dr. Gateway in Broward - Planning Study	10,841
Broward LRTP (Long Range Transportation Plan) Transit Element	28,182
Plantation/Sunrise in Broward - Planning Study	178,458
FHWA - SU Flex Grant	252,178
Transportation Disadvantaged Grant	61,092
Urbanized Area Formula Program - Interface w/ MDT & SFRTA	31,674
FTA State Road 7	98,111
	<u>9,605,970</u>
	<u>\$ 9,605,970</u>

Note 10 - Interlocal Agreements

During a previous fiscal year, the Organization and the Broward County Board of Commissioners signed an interlocal agreement, with an expiration date of December 31, 2024 and an automatic one-year annual renewal. The purpose of this agreement is to provide funding for the Organization to annually review, rank and prioritize municipal projects based on each project’s ability to alleviate traffic congestion and enhance connectivity. It is funded by Broward County using proceeds from a 1% transportation surtax approved by voters in November 2018. The County is expected to pay the Organization annually for Transportation Surtax Services, a maximum not-to-exceed amount of \$ 518,440, which will increase at a rate of 5% each calendar year. The agreement is advance-funded with unspent advances recorded as unearned revenue until qualifying expenditures are incurred. As of June 30, 2022, the Organization had received total cumulative advanced funding of \$ 2,020,102, of which \$ 536,068 is recognized as current year income and \$ 416,807 is unearned; the remaining \$ 1,067,227 was recognized as income in the prior years.

Note 11 - Lease

The Organization entered into a non-cancelable 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.

Broward Metropolitan Planning Organization
Notes to Basic Financial Statements
June 30, 2022

Note 11 - Lease (continued)

This lease agreement qualifies as an other than short-term lease under GASB 87 and, therefore, has been recorded at the present value of the future minimum lease payments as of the implementation date of June 30, 2021. The discount rate used to recognize the intangible right to use asset and the lease liability was 3%.

The following is a schedule of the Organization's future base rent payments as of June 30, 2022:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 316,130	\$ 45,980	\$ 362,110
2024	334,923	36,240	371,163
2025	354,517	25,925	380,442
2026	374,942	15,011	389,953
2027	295,439	3,724	299,163
Thereafter	-	-	-
Total	\$ <u>1,675,951</u>	\$ <u>126,880</u>	\$ <u>1,802,831</u>

The lease activity of the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Lease - office space	\$ <u>1,974,060</u>	\$ <u>-</u>	\$ <u>298,109</u>	\$ <u>1,675,951</u>	\$ <u>316,130</u>

Note 12 - Contingencies

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

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

Note 13 - Change in Accounting Principles and Restatement

For 2022, the Organization implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the Organization's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financing of the right to use lease assets, and a lessor is required to recognize a lease receivable and deferred inflow of resources.

Note 13 - Change in Accounting Principles and Restatement (continued)

These changes were incorporated in the Organization's 2022 financial statements and has the following effect on the beginning net position of the governmental activities.

Net position (deficit), June 30, 2021	\$	(1,693,889)
Adjustments:		
Net book value leased asset		1,925,636
Lease liability		<u>(1,974,060)</u>
Restated net position (deficit), June 30, 2021	\$	<u><u>(1,742,313)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

**Broward Metropolitan Planning Organization
 Budgetary Comparison Schedule - General Fund
 For the Year Ended June 30, 2022**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Favorable (Unfavorable) Variance
Revenues:				
Federal and state grants	\$ 8,083,760	\$ 10,978,258	\$ 9,765,745	\$ (1,212,513)
Interlocal agreement	262,073	391,598	696,560	304,962
Local contributions	196,606	196,537	180,605	(15,932)
In-kind contributions	-	-	21,225	21,225
Investment income	-	25,881	-	(25,881)
Other income	-	40,186	19,186	(21,000)
	<u>8,542,439</u>	<u>11,632,460</u>	<u>10,683,321</u>	<u>(949,139)</u>
Expenditures:				
Current:				
Transportation planning	8,189,161	11,279,182	10,086,080	1,193,102
*Debt service:				
Principal payments	298,109	298,109	298,109	-
Interest expense	55,169	55,169	55,169	-
	<u>8,542,439</u>	<u>11,632,460</u>	<u>10,439,358</u>	<u>1,193,102</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	\$ <u>243,963</u>	\$ <u>243,963</u>

*Due to the implementation of GASB 87, right to use asset payments are classified as principal and interest.

See notes to budgetary comparison schedule.

Note 1 - Budgets and Budgetary Accounting

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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.013463453%	0.010387293%	0.007187858%	0.006088507%	0.005466282%	0.005264737%	0.004900529%	0.004499847%
Proportionate share of the net pension liability	\$ 1,017,011	\$ 4,502,006	\$ 2,475,398	\$ 1,833,890	\$ 1,616,890	\$ 1,329,350	\$ 632,969	\$ 274,557
Covered-employee payroll	\$ 3,963,031	\$ 3,007,965	\$ 2,270,120	\$ 1,870,648	\$ 1,533,342	\$ 1,394,608	\$ 1,246,086	\$ 1,178,782
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	25.66%	149.67%	109.04%	98.04%	105.45%	95.32%	50.80%	23.29%
Plan fiduciary net position as a percentage of total pension liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.011181902%	0.008666713%	0.006787563%	0.005727325%	0.004810531%	0.004517577%	0.004107306%	0.00396743%
Proportionate share of the net pension liability	\$ 1,371,628	\$ 1,058,192	\$ 759,460	\$ 606,186	\$ 514,364	\$ 526,505	\$ 418,881	\$ 370,964
Covered-employee payroll	\$ 3,963,031	\$ 3,007,965	\$ 2,270,120	\$ 1,870,648	\$ 1,533,342	\$ 1,394,608	\$ 1,246,086	\$ 1,178,782
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	34.61%	35.18%	33.45%	32.41%	33.55%	37.75%	33.62%	31.47%
Plan fiduciary net position as a percentage of total pension liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 512,899	\$ 345,124	\$ 222,875	\$ 187,617	\$ 153,472	\$ 138,711	\$ 127,347	\$ 110,198
Contributions in related to the contractually required contribution	<u>(512,899)</u>	<u>(345,124)</u>	<u>(222,875)</u>	<u>(187,617)</u>	<u>(153,472)</u>	<u>(138,711)</u>	<u>(127,347)</u>	<u>(110,198)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered-employee payroll	\$ 3,963,031	\$ 3,007,965	\$ 2,270,120	\$ 1,870,648	\$ 1,533,342	\$ 1,394,608	\$ 1,246,086	\$ 1,178,782
Contributions as a percentage of covered payroll	12.94%	11.47%	9.82%	10.03%	10.01%	9.95%	10.22%	9.35%

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 65,727	\$ 49,942	\$ 37,691	\$ 31,053	\$ 25,453	\$ 23,150	\$ 15,701	\$ 14,145
Contributions in related to the contractually required contribution	<u>(65,727)</u>	<u>(49,942)</u>	<u>(37,691)</u>	<u>(31,053)</u>	<u>(25,453)</u>	<u>(23,150)</u>	<u>(15,701)</u>	<u>(14,145)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered-employee payroll	\$ 3,963,031	\$ 3,007,965	\$ 2,270,120	\$ 1,870,648	\$ 1,533,342	\$ 1,394,608	\$ 1,246,086	\$ 1,178,782
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.26%	1.20%

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

COMPLIANCE SECTION



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Broward Metropolitan Planning Organization

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and major fund of Broward Metropolitan Planning Organization (the "Organization") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements and have issued our report thereon dated February 21, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

KEEFE McCULLOUGH

Fort Lauderdale, Florida
February 21, 2023

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

Opinion on Each Major Federal Program

We have audited Broward Metropolitan Planning Organization's (the "Organization") compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance.

Broward Metropolitan Planning Organization

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
February 21, 2023

**Broward Metropolitan Planning Organization
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022**

<u>Federal Agency/Federal Program</u>	<u>CFDA Number</u>	<u>Contract/ Grant Number</u>	<u>Expenditures</u>	<u>Transfers to Subrecipients</u>
Federal Agency Name:				
Indirect Programs:				
Federal Department of Transportation Passed through Florida Department of Transportation -				
Highway and Planning Construction	20.205	G1057	\$ 6,776,922	\$ -
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	G1633 & G1V43	1,485,361	-
Alternatives Analysis	20.522	FL95X169	91,059	-
Federal Transit Formula Grant	20.507	FL95X106, FL95X110 FL95X116, FL95X127 FL95X149, FL95X142	<u>444,253</u>	<u>443,839</u>
Total Expenditures of Federal awards			<u>\$ 8,797,595</u>	<u>\$ 443,839</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, 2022. 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, 2022**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X no

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X no

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

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

Identification of major federal program:

<u>CFDA No.</u>	<u>Federal Program or Cluster</u>
20.205	Federal Department of Transportation - Highway and Planning Construction
20.505	Federal Department of Transportation - Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research

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

Auditee qualified as low-risk auditee? X yes no

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV - PRIOR YEAR AUDIT FINDINGS

None reported.