

BROWARD METROPILTAN PLANNING ORGANIZATION

**Financial Statements
and Additional Information
For the Year Ended June 30, 2023**

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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 the Broward Metropolitan Organization (the "Organization"), as of and for the fiscal year ended June 30, 2023, 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, 2023, and the respective changes in financial position for the fiscal 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.

Auditor's 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, the budgetary comparison schedule and related notes, and schedules related to the pension plan on pages 4-10, 32-33, and 34-37, respectively, 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 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 February 2, 2024 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 Organization's internal control over financial reporting and compliance.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

February 2, 2024

Broward Metropolitan Planning Organization
Management's Discussion and Analysis
June 30, 2023

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, 2023, with certain comparative information for the year ended June 30, 2022. Please read it in conjunction with the Organization's financial statements which immediately follows 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* 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 of 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 the 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 11 & 12 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 on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Broward Metropolitan Planning Organization
Management's Discussion and Analysis (Continued)
June 30, 2023

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 balances provide a 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 basic governmental fund financial statements can be found on pages 13-16 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-31 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 32-37 of this report.

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Broward Metropolitan Planning Organization
Management's Discussion and Analysis (Continued)
June 30, 2023

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 decreased \$206,423 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		
	2023	2022
Assets:		
Current assets	\$ 4,818,413	\$4,783,988
Total assets	4,818,413	4,783,988
Liabilities:		
Current liabilities	4,298,142	4,057,294
Total liabilities	4,298,142	4,057,294
Fund Balance:		
Unassigned	520,271	726,694
Total fund balance	\$ 520,271	\$ 726,694

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Broward Metropolitan Planning Organization
Management's Discussion and Analysis (Continued)
June 30, 2023

The following table reflects the Organization's change in net position for the years ended June 30, 2023 and 2022:

	2023	2022
Revenues:		
Federal and state grants	\$ 9,403,164	\$ 9,765,745
Interlocal agreement	588,334	696,560
Local contribution	723,283	180,605
In-kind contributions	-	21,225
Investment income	11,349	-
Other income	2,819	19,186
Total revenues	10,728,949	10,683,321
Expenditures:		
Transportation planning	10,935,372	10,439,358
Total expenditures	10,935,372	10,439,358
Change in fund balance	(206,423)	243,963
Fund balance, beginning of year	726,694	482,731
Fund balance, end of year	\$ 520,271	\$ 726,694

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Broward Metropolitan Planning Organization
Management's Discussion and Analysis (Continued)
June 30, 2023

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		
	2023	2022
Assets:		
Current assets	\$ 4,818,413	\$ 4,783,988
Capital assets, net	1,698,060	1,837,662
Total assets	6,516,473	6,621,650
Total deferred outflows of resources	3,352,101	3,627,497
Liabilities:		
Current liabilities	4,663,181	4,436,752
Noncurrent liabilities	6,560,406	4,318,412
Total liabilities	11,223,587	8,755,164
Total deferred inflows of resources	761,810	3,605,183
Net position:		
Net investment in capital assets	22,109	161,711
Unrestricted (deficit)	(2,138,932)	(2,272,911)
Total net position (deficit)	\$ (2,116,823)	\$ (2,111,200)

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Broward Metropolitan Planning Organization
Management's Discussion and Analysis (Continued)
June 30, 2023

The following table reflects the Organization's change in net position for the years ended June 30, 2023 and 2022:

	2023	2022
Revenues:		
Federal and state grants	\$ 9,403,164	\$ 9,765,745
Interlocal agreement	588,334	696,560
Local contribution	723,283	180,605
In-kind contributions	-	21,225
Investment income	11,349	-
Other income	2,819	19,186
Total revenues	10,728,949	10,683,321
Expenses:		
Transportation planning	10,734,572	11,052,208
Total expenses	10,734,572	11,052,208
Change in net position	(5,623)	(368,887)
Net position (deficit), beginning of year	(2,111,200)	(1,742,313)
Net position (deficit), end of year	\$ (2,116,823)	\$ (2,111,200)

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, 2023, amounts to \$1,698,060 which consists of furniture and equipment and intangible right to use assets, as compared to \$1,837,662 at June 30, 2022.

As of June 30, 2023, the Organization had \$1,359,821 in outstanding lease obligation, as compared to \$1,675,951 at June 30, 2022.

Broward Metropolitan Planning Organization
Management's Discussion and Analysis (Continued)
June 30, 2023

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 \$255,873, 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 \$49,451.

Economic Factors and Next Year's Budgets and Rates

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, 2023 is approximately \$5,264,467 which is an increase from the June 30, 2022 net pension liability of approximately \$2,876,000.

Request 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, 2023

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 2,653,331
Due from governmental agencies	1,986,200
Other receivables	29,633
Prepaid expenses	149,249
Capital assets, net of accumulated depreciation and amortization	1,698,060
Total assets	6,516,473
Deferred outflows of resources:	
Deferred pension outflows	3,352,101
Liabilities:	
Accounts payable and accrued liabilities	1,173,560
Due to other agency	2,735,057
Unearned revenue	389,525
Due within one year:	
Lease	334,923
Compensated absences	30,116
Due in more than one year:	
Lease	1,024,898
Compensated absences	271,041
Net pension liability	5,264,467
Total liabilities	11,223,587
Deferred inflows of resources:	
Deferred pension inflows	761,810
Net position:	
Net investment in capital assets	22,109
Unrestricted (deficit)	(2,138,932)
Total net position (deficit)	\$ (2,116,823)

The accompanying notes are an integral part of the financial statements

Broward Metropolitan Planning Organization
Statements of Activities
Year Ended June 30, 2023

Functions/Programs	<u>Expenses</u>	<u>Programs Revenues Operating Grants and Contributions</u>	<u>Government Activities Net Revenue (Expense) and Change in Net Position</u>
Governmental activities:			
Transportation planning	\$ 10,734,572	\$ 10,714,781	\$ (19,791)
Total governmental activities	10,734,572	10,714,781	(19,791)
General revenues:			
Investment income			11,349
Other income			2,819
Total general revenues			14,168
Change in net position			(5,623)
Net position, beginning of year			(2,111,200)
Net position, end of year			\$ (2,116,823)

The accompanying notes are an integral part of the financial statements

**Broward Metropolitan Planning Organization
Balance Sheet
Governmental Fund
June 30, 2023**

	General Fund
Assets:	
Cash and cash equivalents	\$ 2,653,331
Due from governmental agencies	1,986,200
Other receivables	29,633
Prepaid expenses	149,249
Total assets	4,818,413
Liabilities:	
Accounts payable and accrued liabilities	1,173,560
Due to other agency	2,735,057
Unearned revenue	389,525
Total liabilities	4,298,142
Fund Balance:	
Non-spendable	
Prepaid items	149,249
Unassigned	371,022
Total fund balance	520,271
Total liabilities and fund balance	\$ 4,818,413

Broward Metropolitan Planning Organization
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Fund
June 30, 2023

Fund Balance – Total Governmental Fund \$ 520,271

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

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

Governmental capital assets	\$ 3,433,601	
Less accumulated depreciation	<u>(1,735,541)</u>	1,698,060

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

Lease	(1,359,821)	
Compensated absences	(301,157)	
Net pension liability	<u>(5,264,467)</u>	(6,925,445)

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

Pension related deferred outflows	3,352,101	
Pension related deferred inflows	<u>(761,810)</u>	<u>2,590,291</u>

Total Net Position (Deficit) – Governmental Activities \$ (2,116,823)

Broward Metropolitan Planning Organization
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund
Years Ended June 30, 2023

	General Fund
Revenues:	
Federal and state grants	\$ 9,403,164
Interlocal agreement	588,334
Local contributions	723,283
Investment income	11,349
Other income	2,819
Total revenues	10,728,949
Expenses:	
Current:	
Transportation planning:	
Personnel services	5,878,064
Professional and consulting	3,509,441
Operation and maintenance	624,319
Occupancy	325,432
Miscellaneous expense	8,283
Debt service:	
Principal payments	316,130
Interest expense	273,702
Total expenses	10,935,372
Change in fund balance	(206,423)
Fund balance, beginning of year	726,694
Fund balance, end of year	\$ 520,271

The accompanying notes are an integral part of the financial statements

Broward Metropolitan Planning Organization
Reconciliation Statement of Revenues, Expenditures, and Changes in Fund Balances to the
Statement of Activities
Governmental Fund
Years Ended June 30, 2023

Change in Fund Balance – Total Governmental Fund \$ (206,423)

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	(139,602)	(139,602)

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		316,130
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Certain changes related to pension assets and liabilities are not reported in the net change in the governmental fund.		
Change in deferred outflows		(275,396)
Change in deferred inflows		2,843,373

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		332,123
Change in the net pension liability		(2,875,828)

Total Net Position (Deficit) – Governmental Activities \$ (5,623)

Broward Metropolitan Planning Organization
Notes to Financial Statements
Year Ended June 30, 2023

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.

Broward Metropolitan Planning Organization
Notes to Financial Statements
Year Ended June 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

The Organization reports the following major governmental fund:

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

The Organization does not maintain any proprietary funds.

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

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

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

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

Furniture and equipment	3-10 years
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Broward Metropolitan Planning Organization
Notes to Financial Statements
Year Ended June 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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."

Broward Metropolitan Planning Organization
Notes to Financial Statements
Year Ended June 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Broward Metropolitan Planning Organization
Notes to Financial Statements
Year Ended June 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Date of management’s review: Subsequent events were evaluated by management through February 2, 2024, which is the date the financial statements were available to be issued.

NOTE 3 – CASH AND CASH EQUIVALENTS

At year end, the carrying amount of the Organization’s deposits was \$2,653,331 and the bank balance was \$2,618,780.

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

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

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities:				
Capital assets being depreciated/amortized:				
Furniture and equipment	\$ 1,173,072	\$ -	\$ -	\$ 1,173,072
Intangible right to use:				
Office space	2,260,529	-	-	2,260,529
Total being depreciated/amortized	3,433,601	-	-	3,433,601
Less accumulated depreciation/amortization for:				
Furniture and equipment	(926,153)	(139,602)	-	(1,065,755)
Intangible right to use:				
Office space	(669,786)	-	-	(669,786)
Total accumulated depreciation	(1,595,939)	(139,602)	-	(1,735,541)
Governmental activities capital assets, net	<u>\$ 1,837,662</u>	<u>\$ (139,602)</u>	<u>\$ -</u>	<u>\$ 1,698,060</u>

The provision for depreciation and amortization for the year ended June 30, 2023 amounted to \$139,602. The Organization allocated the depreciation and amortization to transportation planning.

**Broward Metropolitan Planning Organization
Notes to Financial Statements
Year Ended June 30, 2023**

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, 2023, the Organization had an amount due to the City amounting to \$2,735,057.

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, 2023:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
Governmental activities:					
Compensated absences	\$ 633,280	\$ -	\$ (332,123)	\$ 301,157	\$ 30,116
Net pension liability	2,388,639	2,875,828	-	5,264,467	-
Total governmental	<u>\$ 3,021,919</u>	<u>\$ 2,875,828</u>	<u>\$ (332,123)</u>	<u>\$ 5,565,624</u>	<u>\$ 30,116</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.

Broward Metropolitan Planning Organization
Notes to Financial Statements
Year Ended June 30, 2023

NOTE 7 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

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.

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.

Broward Metropolitan Planning Organization
Notes to Financial Statements
Year Ended June 30, 2023

NOTE 7 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an 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, 2022 through June 30, 2023.

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, 2023, 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, 2023, the HIS contribution for the period from July 1, 2022 through June 30, 2023 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.

Broward Metropolitan Planning Organization
Notes to Financial Statements
Year Ended June 30, 2023

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, 2023, the Organization reported liabilities of \$4,166,716 for its proportionate share of the Pension Plan's net pension liability and \$ 1,097,751 for its proportionate share of the HIS Plan's net pension liability, for a total net pension liability of \$5,264,467. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Organization's proportion of the net pension liability was based on a projection of the Organization's 2021-22 fiscal year contributions relative to the 2022-23 fiscal year contributions of all participating members. At June 30, 2022, the Organization's proportion was 0.011198429% for the FRS Plan and 0.010364358% for the HIS Plan, which was a decrease of 0.002265024% and 0.000817544%, respectively from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Organization recognized pension expense of \$838,956 for the Pension Plan and \$151,647 for the HIS Plan for a total pension expense of \$990,603.

At June 30, 2023, the Organization reported deferred outflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources		
	Pension Plan	HIS Plan	Total
Difference between expected and actual experience	\$ 197,895	\$ 33,319	\$ 231,214
Change of assumptions	513,148	62,924	576,072
Net difference between projected and actual earnings of Pension Plan investments	275,128	1,589	276,717
Change in proportion and differences between Organization Pension Plan contributions and proportionate share of contributions	1,134,041	392,266	1,526,307
Organization contributions subsequent to measurement date	665,234	76,557	741,791
	<u>\$ 2,785,446</u>	<u>\$ 566,655</u>	<u>\$ 3,352,101</u>

Broward Metropolitan Planning Organization
Notes to Financial Statements
Year Ended June 30, 2023

NOTE 7 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

At June 30, 2023, the Organization reported deferred inflows of resources related to pensions from the following sources:

Description	Deferred Inflows of Resources		
	Pension Plan	HIS Plan	Total
Difference between expected and actual experience	\$ -	\$ 4,830	\$ 4,830
Change of assumptions	-	169,821	169,821
Change in proportion and differences between City Pension Plan contributions and proportionate share of contributions	508,591	78,568	587,159
	<u>\$ 508,591</u>	<u>\$ 253,219</u>	<u>\$ 761,810</u>

Deferred outflows of resources related to the Pension Plan and HIS Plan, totaling \$741,791 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, 2023.

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
2024	\$ 247,708	\$ 90,226	\$ 337,934
2025	235,355	85,950	321,305
2026	193,841	74,830	268,671
2027	5,057	60,027	65,084
2028	(56,510)	8,485	(48,025)
Thereafter	-	(5,820)	(5,820)

Broward Metropolitan Planning Organization
Notes to Financial Statements
Year Ended June 30, 2023

NOTE 7 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

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

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	<u>100.0%</u>			
Assumed Inflation - Mean			2.4%	1.3%

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

Broward Metropolitan Planning Organization
Notes to Financial Statements
Year Ended June 30, 2023

NOTE 7 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

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, 2023.

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
Organization's proportionate share of the net pension liability for pension plan	\$ 7,206,048	\$ 4,166,716	\$ 1,625,472
	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
Organization's proportionate share of the net pension liability for HIS plan	\$ 1,255,917	\$ 1,097,751	\$ 966,872

**Broward Metropolitan Planning Organization
Notes to Financial Statements
Year Ended June 30, 2023**

NOTE 8 – 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 100% of allowable expenditures claimed by the Organization. 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 100% of allowable costs claimed by the Organization. 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.

During the year ended June 30, 2023, funding from federal and state agencies is summarized as follows:

FHWA - PL Grant	\$	8,525,354
FTA Sect 5305d Grant		434,307
Plantatoin/Sunrise in Broward - Planning Study		75,689
Transportation Disadvantaged Grant		60,819
Urbanized Area Formula Program - Interface w/ MDT & SFRTA		45,631
FTA State Road 7		261,364
		261,364
	\$	9,403,164

Broward Metropolitan Planning Organization
Notes to Financial Statements
Year Ended June 30, 2023

NOTE 9 – 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, 2023, the Organization had received total cumulative advanced funding of \$2,872,961, of which \$463,334 is recognized as current year income and \$389,525 is unearned; the remaining \$2,020,102 was recognized as income in the prior years.

NOTE 10 – 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.

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%.

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Broward Metropolitan Planning Organization
Notes to Financial Statements
Year Ended June 30, 2023

NOTE 10 – LEASE (CONTINUED)

The following is a schedule of the Organization’s future base rent payments as of June 30, 2023:

Year Ending June 30,	Principal	Interest	Total
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
2028	-	-	-
Thereafter	-	-	-
Total governmental	\$ 1,359,821	\$ 80,900	\$ 1,440,721

The lease activity of the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Lease - office space	\$ 1,675,951	\$ -	\$ 316,130	\$ 1,359,821	\$ 334,923

NOTE 10 – 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.

Required Supplementary Information

Broward Metropolitan Planning Organization
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – General Fund
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal and state grants	\$ 9,948,948	\$ 9,948,948	\$ 9,403,164	\$ (545,784)
Interlocal agreement	774,782	774,782	588,334	(186,448)
Local contributions	261,092	261,092	723,283	462,191
Investment income	-	-	11,349	11,349
Other income	-	-	2,819	2,819
Total revenues	<u>10,984,822</u>	<u>10,984,822</u>	<u>10,728,949</u>	<u>(255,873)</u>
Expenditures:				
Current:				
Transportation planning	10,394,990	10,394,990	10,345,539	49,451
Debt service:				
Principal payments	316,130	316,130	316,130	-
Interest expense	273,702	273,702	273,702	-
Total expenditures	<u>10,984,822</u>	<u>10,984,822</u>	<u>10,935,372</u>	<u>49,451</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (206,423)</u>	<u>\$ (206,422)</u>

See the accompanying notes.

Broward Metropolitan Planning Organization
Notes to Budgetary Comparison Schedules
June 30, 2023

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014**</u>
Organization's proportion of the net pension liability (asset)	0.011198429%	0.013463453%	0.010387293%	0.007187858%	0.006088507%	0.005466282%	0.005264737%	0.004900529%	0.004499847%
Organization's proportion share of the net pension liability (asset)	\$ 4,166,716	\$ 1,017,011	\$ 4,502,006	\$ 2,475,398	\$ 1,833,890	\$ 1,616,890	\$ 1,329,350	\$ 632,969	\$ 274,557
Organization's covered-employee payroll	3,923,740	3,963,031	3,007,965	2,270,120	1,870,648	1,533,342	1,394,608	1,246,086	1,178,782
Organization's proportion share of the net pension liability (asset) as a percentage of its covered-employee payroll	106.19%	25.66%	149.67%	109.04%	98.04%	105.45%	95.32%	50.80%	23.29%
Plan fiduciary net position as a percentage of the total pension liability	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

* Amount represented for each fiscal year were determined as of 6/30.

** Information prior to 2014 is not available.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014**</u>
Organization's proportion of the net pension liability (asset)	0.010364358%	0.011181902%	0.008666713%	0.006787563%	0.005727325%	0.004810531%	0.004517577%	0.004107306%	0.003967430%
Organization's proportion share of the net pension liability (asset)	\$ 1,097,751	\$ 1,371,628	\$ 1,058,192	\$ 759,460	\$ 606,186	\$ 514,364	\$ 526,505	\$ 418,881	\$ 370,964
Organization's covered-employee payroll	3,923,740	3,963,031	3,007,965	2,270,120	1,870,648	1,533,342	1,394,608	1,246,086	1,178,782
Organization's proportion share of the net pension liability (asset) as a percentage of its covered-employee payroll	27.98%	34.61%	35.18%	33.45%	32.41%	33.55%	37.75%	33.62%	31.47%
Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

* Amount represented for each fiscal year were determined as of 6/30.

** Information prior to 2014 is not available.

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

	<u>2022</u>	<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	\$ 477,857	\$ 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>(477,857)</u>	<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>	<u>-</u>
Covered-employee payroll	3,923,740	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	12.18%	12.94%	11.47%	9.82%	10.03%	10.01%	9.95%	10.22%	9.35%

* Amount represented for each fiscal year were determined as of 6/30.

** Information prior to 2014 is not available.

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

	<u>2022</u>	<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	\$ 62,713	\$ 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>(62,713)</u>	<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>	<u>-</u>
Covered-employee payroll	3,923,740	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	1.60%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.26%	1.20%

* Amount represented for each fiscal year were determined as Of 6/30.

** Information prior to 2014 is not 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 the 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 each major fund of Broward Metropolitan Planning Organization (the ‘Organization’), as of and for the fiscal year ended June 30, 2023, 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 2, 2024.

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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from 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

The 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 on 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.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

February 2, 2024

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
CHAPTER 10.550, RULES OF THE FLORIDA AUDITOR GENERAL**

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 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 fiscal year ended June 30, 2023. 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 fiscal year ended June 30, 2023.

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. 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.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
February 2, 2024

**Broward Metropolitan Planning Organization
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023**

<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	G1O57	\$ 8,645,078	\$ -
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	G2167	548,643	-
Alternatives Analysis (AA) Discretionary Grant Program	20.522	FL95X169	23,630	255,250
Federal Transit Formula Grant	20.507	FL95X106	55,216	-
	20.507	FL95X149	1,137	-
	20.507	FL95X141	75,689	-
			<u>132,041</u>	
State of Florida Agency Name:				
Indirect Programs:				
Florida Commission for Transportation Disadvantage	CSFA: 55.002	G2921	37,908	-
Total Expenditures of Federal awards			<u>\$ 9,387,300</u>	<u>\$ 255,250</u>

Broward Metropolitan Planning Organization
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2023

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, 2023. 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
Year Ended June 30, 2023**

Summary of Independent Auditor’s Results

Financial Statements

Type of report the auditor issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) ___ Yes X None reported

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(s) identified ___yes X none reported

Type of auditor’s report issued on compliance for major Federal programs:

Unmodified

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

Identification of major Federal programs:

CFDA No(s).	Names of Federal Project
20.205	Federal Department of Transportation – Highway and Planning Construction

Dollar threshold used to distinguish

between Type A and Type B Federal programs \$ 750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance X Yes ___ No

**Broward Metropolitan Planning Organization
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2023**

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.

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Directors
Broward Metropolitan Planning Organization

We have examined Broward Metropolitan Planning Organization’s (the “Organization”) compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended June 30, 2023. Management is responsible for the Organization’s compliance with those requirements. Our responsibility is to express an opinion on the Organization’s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Organization’s compliance with specified requirements.

In our opinion, the Organization complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2023. This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Organization Commission, and is not intended to be and should not be used by anyone other than these specified parties.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
February 2, 2024

**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR
GENERAL OF THE STATE OF FLORIDA**

To the Board of Directors
Broward Metropolitan Planning Organization

Report on the Financial Statements

We have audited the financial statements of Broward Metropolitan Planning Organization (the 'Organization'), as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated February 2, 2024.

Auditor's Responsibility

We conducted our audit 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 Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 2, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such finding or recommendations made in the preceding annual financial report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. All related disclosures have been made in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the Organization has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined

that the Organization did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Organization. It is management's responsibility to monitor the Organization's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Sections 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

February 2, 2024