

BROWARD METROPOLITAN PLANNING ORGANIZATION

**Audited Financial Statements
For the Year Ended June 30, 2013**



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For the Year Ended June 30, 2013**

HARVEY, COVINGTON & THOMAS OF SOUTH FLORIDA, LLC
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BROWARD METROPOLITAN PLANNING ORGANIZATION

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Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and the major fund of the Broward Metropolitan Planning Organization, (the Organization), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Organization as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-7 and 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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



Hollywood Florida
October 16, 2013

Management's Discussion & Analysis

BROWARD METROPOLITAN PLANNING ORGANIZATION

Management's Discussion and Analysis

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

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

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

FINANCIAL HIGHLIGHTS

- The assets of the organization exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$11,355 (Net position). Of this amount \$(80,407) represents an unrestricted net deficit.
- The organization's total net position decreased by \$24,040. The decrease was mainly due to the inclusion of depreciation expense and the change in compensated absences, which are not reflected at the fund level.
- At the close of the most recent fiscal year, the organization's governmental fund reported an ending fund balance of \$33,269, all of which is unassigned and available to be used at the Organization's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

Government-Wide Financial Statements (Continued)

The *Statement of Activities* (income statement) presents information showing how the Organization's net assets changed during the fiscal year. All changes in revenues are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements present functions of the Organization that are principally supported by grant revenues (governmental activities). The governmental activities of the Organization include metropolitan planning activities. Thus, the Organization has no business-type activities.

The government-wide financial statements are found beginning on page 9 of this report.

Fund Financial Statements

The governmental fund financial statements provide readers with an overview of each fund and its related function in a traditional format. A fund is a grouping of related accounts that maintain control over resources that are segregated for specific activities or objectives. The Organization uses fund accounting to ensure and demonstrate legal compliance with finance-related legal requirements. The Organization utilized one Governmental fund for the fiscal year ending June 30, 2013: the *General Fund*, which accounts for the operating activities of the Organization.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

The basic governmental funds financial statements can be found beginning on page 10 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. These notes to the financial statements begin on page 12 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Organization's budget to actual results for the General Fund for the current year. The required supplementary information can be found on page 20 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Organization, assets exceeded liabilities at the close of fiscal year 2013 by \$11,355. The following table summarizes the Organization's net position at June 30, 2013 and 2012.

	2013	2012 (restated)	Dollar change	Increase (decrease) % change
Assets				
Cash	\$ 784,535	\$ 216,240	\$ 568,295	263%
Grants Receivable	1,044,439	538,187	506,252	94%
Prepaid Expenses	1,982	-	1,982	100%
Capital Assets, Net	91,762	117,529	(25,767)	(22%)
Total assets	<u>1,922,718</u>	<u>871,956</u>	<u>1,050,762</u>	<u>(121%)</u>
Liabilities				
Accounts Payable	456,941	127,927	329,014	257%
Compensated Absences	113,676	100,863	12,813	13%
Due to Other Agency	807,746	607,771	199,975	(33%)
Total liabilities	<u>1,378,363</u>	<u>836,561</u>	<u>541,802</u>	<u>(65%)</u>
Deferred Inflows	533,000	-	533,000	100%
Net position:				
Invested in capital assets, net of related debt	91,762	117,529	(25,767)	(22%)
Unrestricted	(80,407)	(82,134)	1,727	(2%)
Total net position	<u>\$ 11,355</u>	<u>\$ 35,395</u>	<u>\$ (24,040)</u>	<u>(68%)</u>

Government-wide analysis (continued)

Of the Organization's net assets, \$91,762 reflects its investment in capital assets (e.g. fixtures, and equipment), net of accumulated depreciation. These assets are used to provide services and are therefore not available for future spending. The remaining balance is an unrestricted deficit of \$(80,407), which primarily arises due to the inclusion of compensated absences at the government-wide level.

Changes in Net Position

The following table summarizes the Organization's changes in net assets for the two years ended June 30, 2013 and 2012 and is followed by a comparative analysis of the two years:

	2013	2012 (restated)	Dollar change	Increase (decrease) % change
Revenues:				
Federal and state grants	\$ 3,220,409	\$ 2,032,806	\$ 1,187,603	58%
In-kind contributions	67,828	78,068	(10,240)	-13%
Miscellaneous revenues	6,633	-	-	
Total revenues	<u>3,294,870</u>	<u>2,110,874</u>	<u>1,183,996</u>	<u>56%</u>
Expenses:				
Transportation planning	3,318,910	2,140,906	1,178,004	-55%
Change in net position	(24,040)	(30,032)		
Net position, beginning of year	35,395	65,427	(30,032)	-46%
Net position, end of year	<u>\$ 11,355</u>	<u>\$ 35,395</u>	<u>\$ (24,040)</u>	<u>-68%</u>

Governmental Activities – Governmental activities decreased the organization's net position by \$24,040 resulting primarily from the inclusion in expenses of an increase in compensated absences and depreciation expense.

FINANCIAL ANALYSIS OF THE ORGANIZATION'S FUNDS

The focus of the Organization's governmental funds is to provide information on near-term inflows, outflows and balances of expendable resources. Such information is useful in assessing the Organization's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of fiscal year 2013, the Organization's governmental funds reported an ending fund balance of \$33,269.

GENERAL BUDGETARY HIGHLIGHTS

The Organization is required to prepare a Unified Planning Work Program (UPWP) for two years, which shows activities in sufficient detail to indicate who (e.g. MPO, State, public transportation operator, local government or consultant) will perform the work, the schedule for completing the work, the resulting products, the proposed funding by activity/task, and a summary of the total amounts and sources of Federal and matching funds. (Code of Federal regulations-§450.306(a)). The UPWP serves as an annual budget of time and funding requirements.

The following information is presented to assist the reader in comparing the original/final budget (Adopted) and the actual results. Refer to the Notes to Budgetary Schedule, Note 1 on page 21.

General Fund

General Fund Expenditures

There was a positive variance in the general fund total expenditures. Actual total expenditures of \$3,280,330 when compared to the final budgeted expenditures of \$5,607,954 resulted in an increase of \$2,327,624 (71%) from budgeted expenses. This was because certain projects began late or did not start on time resulting in less monies being expended than were originally anticipated.

CAPITAL ASSETS

The Organization's investment in capital assets, net of accumulated depreciation, for its governmental type activities as of June 30, 2013 and 2012 amounted to \$91,762 and \$117,529, respectively. There were no significant additions or deletions during the year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Long range goals, economic factors, and available financial resources assist the Organization in prioritizing their goals and objectives for the next fiscal year. For the fiscal year ended June 30, 2013 the grant revenues were \$3,229,350. The budget for the fiscal year ending June 30, 2014 totals \$6,259,958 which includes carryover and current year grant funds and in-kind contributions and is dependent on certain projects beginning when planned.

REQUESTS FOR INFORMATION

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

Basic Financial Statements

BROWARD METROPOLITAN PLANNING ORGANIZATION

Statement of Net Position

June 30, 2013

	Governmental Activities
<u>Assets</u>	
Cash	\$ 784,535
Grants receivable	1,044,439
Prepaid expenses	1,982
Capital assets, net	91,762
Total assets	<u>\$ 1,922,718</u>
<u>Liabilities</u>	
Accounts payable and accrued liabilities	\$ 456,941
Compensated absences	113,676
Due to other agency	807,746
Total liabilities	<u>1,378,363</u>
Deferred Inflows	
Grants received in advance of timing requirements	533,000
<u>Net Position</u>	
Invested in capital assets, net of related debt	91,762
Unrestricted	(80,407)
Total net position	<u>\$ 11,355</u>

The accompanying auditors' report and notes are integral parts of these financial statements

BROWARD METROPOLITAN PLANNING ORGANIZATION

Statement of Activities
Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues Operating Grants and In- Kind Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities:			
Transportation planning	\$ 3,318,910	\$ 3,288,237	\$ (30,673)
Total	\$ 3,318,910	\$ 3,288,237	(30,673)
Miscellaneous and investment revenues			6,633
Change in net position			(24,040)
Net position - beginning of year			17,201
Prior period adjustment			18,194
Net position - beginning of year restated			35,395
Net position - end of year			\$ 11,355

The accompanying auditors' report and notes are integral parts of these financial statements

BROWARD METROPOLITAN PLANNING ORGANIZATION

Balance Sheet - Governmental Funds

June 30, 2013

<u>Assets</u>	<u>General Fund</u>	<u>Total Governmental Funds</u>
Cash	\$ 784,535	\$ 784,535
Grants receivable	1,044,439	1,044,439
Prepaid Expenses	1,982	1,982
Total assets	\$ 1,830,956	\$ 1,830,956
 <u>Liabilities and Fund Balances</u> 		
<u>Liabilities:</u>		
Accounts payable and accrued liabilities	\$ 456,941	\$ 456,941
Due to Other Agency	807,746	807,746
Total liabilities	1,264,687	1,264,687
 <u>Deferred inflow of resources:</u>		
Grants and contracts received in advance of requirements	533,000	533,000
 <u>Fund Balance:</u>		
Unassigned	33,269	33,269
Total fund balance	33,269	33,269
Total liabilities, deferred inflow of resources and fund balance	\$ 1,830,956	\$ 1,830,956
 Amounts reported for governmental activities in the statement of net assets are different because:		
Total fund balance above		33,269
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		91,762
Long-term liabilities are not due and payable in the current period and therefore not reported in the funds, including compensated absences		(113,676)
Net assets of governmental activities (Page 8)		<u>\$ 11,355</u>

The accompanying auditors' report and notes are integral parts of these financial statements

BROWARD METROPOLITAN PLANNING ORGANIZATION
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
June 30, 2013

	General Fund	Total Governmental Funds
<u>Revenues:</u>		
Federal and state grants	\$ 3,220,409	\$ 3,220,409
In-kind contributions	67,828	67,828
Miscellaneous and investment revenues	6,633	6,633
Total revenues	3,294,870	3,294,870
<u>Expenditures:</u>		
Current:		
Transportation planning:		
Personnel services	1,357,205	1,357,205
Professional and consultants	1,608,345	1,608,345
Occupancy	177,180	177,180
Miscellaneous	47,183	47,183
Indirect expenses	31,530	31,530
In-kind expenses	58,887	58,887
Total expenditures	3,280,330	3,280,330
Net change in fund balance	14,540	14,540
Fund balances - beginning	535	535
Fund balances - ending	\$ 15,075	\$ 15,075
Net change in fund balance - total governmental funds		\$ 14,540
Amounts reported for governmental activities in the statement of activities (Page 7) are different because:		
Capital outlays, reported as expenditures in governmental funds, are shown as capital assets in the statement of net assets		1,310
Provision for depreciation expense on governmental capital assets is included in the governmental activities in the statement of net assets		(27,077)
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. These activities consist of :		
Change in compensated absences		(12,813)
Change in net assets of governmental activities (Page 9)		\$ (24,040)

The accompanying auditors' report and notes are integral parts of these financial statements

Notes to the Basic Financial Statements

BROWARD METROPOLITAN PLANNING ORGANIZATION
Notes to the Basic Financial Statements
June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Broward MPO is a transportation policy-making board comprised of 19 voting members including 14 representatives from Broward County municipalities, the South Florida Regional Transportation Authority/Tri-Rail (SFRTA), the Broward County School Board, and three Broward County Commissioners. There are an additional 18 alternate members of the board, who have voting rights when others are absent. The MPO is responsible for transportation planning and funding allocation in Broward County. The Broward MPO works with the public, planning organizations, government agencies, elected officials, and community groups to develop transportation plans.

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

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

a. Financial Reporting Entity

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

b. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the statement of activities) report information on all of the Organization’s activities. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given

BROWARD METROPOLITAN PLANNING ORGANIZATION
Notes to the Basic Financial Statements
June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Government-wide and Fund Financial Statements (Continued)

function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues. The Organization does not have any business-type activities.

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

d. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

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

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

Governmental Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Organization considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenue is susceptible to accrual. Other revenues that are generally not measurable until actually received are not accrued. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The Organization reports its only fund as a major governmental fund:

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

e. Cash and Cash Equivalents

The Organization's cash and cash equivalents are considered to be cash on hand and demand deposits.

BROWARD METROPOLITAN PLANNING ORGANIZATION
Notes to the Basic Financial Statements
June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Organization as assets with an initial, individual cost or component of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Capital assets of the Organization are depreciated using the straight-line method over their estimated useful lives ranging between 3 and 10 years.

g. Compensated Absences

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

h. Fund Balance / Net Position

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

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

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

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

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

BROWARD METROPOLITAN PLANNING ORGANIZATION
Notes to the Basic Financial Statements
June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Fund Balance / Net Position (Continued)

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

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

Net Position—In the government-wide financial statements, net position is classified in the following categories:

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

Restricted Net Position—This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation, constitutional provisions. At fiscal year-end June 30, 2013, the Organization did not have any restricted net position.

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

It is the policy of the Organization to spend restricted amounts first when expenditure is incurred for purposes for which both restricted and unrestricted balances are available.

i. Use of Estimates

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

BROWARD METROPOLITAN PLANNING ORGANIZATION
Notes to the Basic Financial Statements
June 30, 2013

NOTE 2 – DEPOSITS

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

Since the Organization has no defined investment policy, the Organization has elected to proceed under the Alternative Investment Guideline as set forth in Section 218.415 (17) Florida Statutes.

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance		Balance		Balance
	<u>06/30/12</u>	<u>Additions</u>	<u>Deletions</u>		<u>06/30/13</u>
Furniture and equipment	\$ 204,723	\$ 1,310	\$ -		\$ 206,033
Less: accumulated depreciation	<u>(87,194)</u>	<u>(27,077)</u>	<u>-</u>		<u>(114,271)</u>
 Total capital assets, net	 <u>\$ 117,529</u>	 <u>\$ (25,767)</u>	 <u>\$ -</u>		 <u>\$ 91,762</u>

Depreciation expense for the year totaled \$27,077 and related to transportation planning.

NOTE 4 – DUE TO OTHER AGENCY

The Organization entered into an inter-local agreement with the South Florida Regional Transportation Authority (SFRTA) to provide advance monies to the Organization for the payment of operational expenses in accordance with the Organization's current budget and adopted Unified Planning Work Program. The Organization is required to reimburse the SFRTA quarterly in accordance with the agreement. At the end of the fiscal year the Organization owed the SFRTA \$807,746.

NOTE 5 – FEDERAL AND STATE GRANTS

Federal Highway Administration (FHWA) Grants

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

BROWARD METROPOLITAN PLANNING ORGANIZATION
Notes to the Basic Financial Statements
June 30, 2013

NOTE 5 – FEDERAL AND STATE GRANTS (continued)

Federal Transit Administration (FTA) Grants

The FTA apportions funds annually for the Section 5303 Metropolitan Planning Program. The apportionment is based on the State’s urbanized area population as defined by the U.S. Census Bureau and is made to the Organization through the State of Florida Department of Transportation.

The FTA grants provided for the undertaking of metropolitan planning activities pursuant to 49 USC Section 5303 (previously known as Section 8 of the Federal Transit Act). Under Section 5303, FTA participates in 80% of allowable costs claimed by the Organization. The remaining 20% is contributed by FDOT (10% cash) and Organization (10% in-kind). The FTA grant is a cost reimbursement grant.

Florida Commission For The Transportation Disadvantaged Planning Grant

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

During the year ended June 30, 2013, funding from federal and state agencies is summarized as follows:

FHWA - PL Grant	\$ 1,681,608
FTA Sect 5303 Grant	529,981
Unified Planning Work Program	252,583
Urbanized Area Formula Program	222,062
Bus and Bus Facilities Formula Program	26,822
Alternative Analysis Program	455,430
Transportation Disadvantaged Grant	51,923
	<u>\$ 3,220,409</u>

NOTE 6 – PENSION PLAN

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

BROWARD METROPOLITAN PLANNING ORGANIZATION
Notes to the Basic Financial Statements
June 30, 2013

NOTE 6 – PENSION PLAN (continued)

Pension Plan benefits are computed on the basis of age, average final compensation and service credit. For employees enrolling in FRS for the first time after June 30, 2013, average final compensation is the average of the eight highest fiscal years of earnings compared with the average of the five highest years of earnings for those already enrolled. The Florida Retirement System provides vesting of benefits after eight years of creditable service for employees enrolling in the Pension Plan for the first time after June 30, 2013 compared with a vesting period of six years for those already enrolled. Early retirement may be taken any time after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement age or date. The FRS also provides death and disability benefits. A State statute establishes benefits.

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

The Organization's required contribution rate is established by Florida State Statutes, and was 5.18% for regular employees of covered payroll, based on employee risk groups. In 2011 the State legislature mandated a 3% employee contribution effective July 1, 2011 for all FRS covered employees. Employees who were enrolled in the Deferred Retirement Option Program (DROP) before July 1, 2011 are not subject to the contribution. Total pension contribution paid by the organization for the year ended June 30, 2013 was \$61,150.

NOTE 7 – OPERATING LEASE

The Organization leased two suites for its office space under a noncancellable operating lease agreement commencing July 1, 2010 for a ten year period with monthly base rent ranging from \$8,125 in the first year to \$10,600 in the final year of the lease. The Organization has the option to renew the lease for two five year periods. In addition to base rent, the Organization is also responsible for monthly additional rent based on its proportional share (square footage) of operating expenses of the building and property. The Landlord provides a yearly estimate to the Organization of its proportional share of operating expenses of which the Organization pays in equal monthly installments. At year end, the Landlord provides actual operating expenses for the year. The Organization either pays additional rent or receives a refund based upon the difference between the proportionate share of actual operating expenses and the additional rent payments made during the year.

BROWARD METROPOLITAN PLANNING ORGANIZATION
Notes to the Basic Financial Statements
June 30, 2013

NOTE 7 – OPERATING LEASE (continued)

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

<u>Year ending June 30:</u>	
2014	\$ 106,500
2015	109,728
2016	113,028
2017	116,400
2018	119,928
Thereafter	250,716
	<u>\$ 816,300</u>

Total rent expense for the year ended June 30, 2013 was approximately \$167,000.

NOTE 8 – PRIOR PERIOD ADJUSTMENT

A cash account maintained in prior years as a pass through for grant deposits had accumulated a balance from miscellaneous and interest income, net of bank transfer fees. The accumulated balance as of June 30, 2012 was \$18,194. This account has now been included in the audited financial statements and increased cash deposits and net assets by the said amount.

NOTE 9 – RISK MANAGEMENT

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

NOTE 10 – BUDGETARY COMPARISON SCHEDULE

The budgetary information is presented as part of the required supplementary information as mandated by GASB Statement No. 34 “*Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments*”. The Organization adopts an appropriated budget for its general fund.

NOTE 11 – SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 16, 2013, the date the financial statements were available to be issued. There were no significant events that management believes required disclosure.

Budgetary Information

(Required Supplementary Information)

BROWARD METROPOLITAN PLANNING ORGANIZATION
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - General Fund
Fiscal Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance to final budget positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>(negative)</u>
<u>Revenues:</u>				
Grants	\$ 4,874,500	\$ 5,373,100	\$ 3,220,409	\$ (2,152,691)
In-kind Contributions	99,869	234,854	67,828	(167,026)
Miscellaneous and Investment Revenues	<u>-</u>	<u>-</u>	<u>6,633</u>	<u>6,633</u>
Total revenues	4,974,369	5,607,954	3,294,870	(2,313,084)
<u>Expenditures:</u>				
Current:				
Transportation planning	<u>4,874,500</u>	<u>5,373,100</u>	<u>3,280,330</u>	<u>2,092,770</u>
Total expenditures	4,874,500	5,373,100	3,280,330	2,092,770
Net change in fund balances	<u>\$ 99,869</u>	<u>\$ 234,854</u>	<u>\$ 14,540</u>	<u>\$ (220,314)</u>
Fund Balance Beginning			<u>535</u>	
Fund Balance Ending			<u>\$ 15,075</u>	

See notes to budgetary comparison schedule.

BROWARD METROPOLITAN PLANNING ORGANIZATION

Notes to Budgetary Schedule
Fiscal Year Ended June 30, 2013

NOTE 1 –BUDGETARY ACCOUNTING

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

- Bi-annually on approximately January 1, the Executive Director submits to the Organization Board a proposed operating budget prepared for the upcoming fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- Prior to July 1, the budget is legally enacted through Board adoption and subsequent approval by FHWA and FTA.

Compliance

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 of
Broward Metropolitan Planning Organization
Fort Lauderdale, Florida

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 the major fund of Broward Metropolitan Planning Organization (the "Organization") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated October 16, 2013.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as 2013-01 to be a material weaknesses.

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.

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

The Organization's Response to Findings

The Organization's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



Hollywood, Florida
October 16, 2013

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited Broward Metropolitan Planning Organization's (the "Organization") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Organization's major federal programs for the year ended June 30, 2013. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Organization's internal control over compliance.

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

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

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Hollywood, Florida
October 16, 2013

BROWARD METROPOLITAN PLANNING ORGANIZATION

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

NOTE 1 - BASIS OF PRESENTATION

The accounting policies and presentation of the Schedule of Expenditures of Federal Awards (the "Schedule") of the Broward Metropolitan Planning Organization (the Organization) have been designed to conform to accounting principles generally accepted in the United States of America, including the reporting and compliance requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, Chapter 215.97, Florida Statutes, and Chapter 10.550, Rules of the Auditor General, State of Florida.

For purposes of the Schedule, federal awards include all grants and contracts entered into directly between the Organization and agencies and departments of the federal government and pass-through agencies, as applicable. The Organization did not transfer awards to subrecipients during the fiscal year ending June 30, 2013.

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 OMB Circular A-87, Cost principles for State, Local and Indian Tribal Governments wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – CONTINGENCIES

Grant monies received and disbursed by the Organization are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based on prior experience, the Organization does not believe that such disallowances, if any, would have a material effect on the financial position of the Organization. As of June 30, 2013, management was not aware of any material questioned or disallowed costs as a result of grant audits in process or completed.

NOTE 4 –STATE AWARDS

The Schedule of Expenditures of Federal Awards contains various grant awards that were passed through the State of Florida Department of Transportation. These pass through awards have been audited under the Federal Single Audit Act. The total of the remaining state awards are under \$500,000. Under these circumstances, there is no requirement in accordance with Chapter 10.550 of the Florida Statutes, Rules of the Auditor General, for an audit under the State of Florida Single Audit Act.

BROWARD METROPOLITAN PLANNING ORGANIZATION

Schedule of Findings and Questioned Costs

Year Ended June 30, 2013

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of Auditors' report issued:

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ X _____ Yes _____ No
- Significant deficiency(ies) identified that are
Not considered to be material weakness(es)? _____ Yes _____ X _____ No

Noncompliance material to financial statements noted? _____ Yes _____ X _____ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes _____ X _____ No
- Significant deficiency(ies) identified that are
Not considered to be material weakness(es)? _____ Yes _____ X _____ No

Type of auditors' report issued on compliance for major federal programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? _____ Yes _____ X _____ No

Identification of major programs:

Federal Programs

Federal CFDA

Unified Planning Work Program, Metropolitan Planning Funds	20.205
Unified Planning Work Program, Section 5303 Funds	20.505
Alternative Analysis Program	20.522

Dollar threshold used to distinguish between Type A and Type B

Federal Programs: \$300,000

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

BROWARD METROPOLITAN PLANNING ORGANIZATION

Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

SECTION II – FINANCIAL STATEMENT FINDINGS

Prior year findings - None

2013-01 - Financial reporting - Material Weakness

Condition

During our audit, we inquired of the Organization's personnel regarding the presentation of financial statements to the Board of Directors during the regular board meetings and noted that partial presentations are being made based on specific open projects for results and prospective analysis. However, there was no complete set of financial reporting data presented.

Criteria

Those charged with governance are responsible for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process, subject matter, or programs including related internal controls.

Cause

Financial reporting packages are not available to be presented at the regular board meetings. When financial information was recorded, it's provided under the inter-local agreement with the South Florida Regional Transportation Authority (SFRTA) whom manage the organization's books. It was duly noted from information we were given, that three (3) cash accounts that totaled \$565,750 as of June 30, 2013 were not included. This occurred because SFRTA maintain certain bank accounts on behalf of the Organization, which they use to transfer funds between. The monies have no impact on the change in fund balance and therefore do not overly concern the daily operations of the Organization, but they do affect the balance sheet, in which assets and liabilities were understated by the amount.

Effect

Presenting a more complete set of financial statements to the Board will ensure they are informed of the Organization's finances during the course of the fiscal year which will also allow for proper decision making regarding the Organization's finances. The reports should include key performance measures based on historical revenues and expenditures that will provide a basis for a more complete understanding of the financial condition of the Organization and assist in the budgeting process for the next fiscal year.

Recommendation

We recommend the Organization implement a process to present either monthly or quarterly financial statements to the Board during regular board meetings. We also recommend that all cash accounts held under the name of the organization be included and reported properly.

View of Responsible Officials and Planned Corrective Actions

Management agrees with this finding and is in the process of discussing three different alternatives for implementing procedures to more completely record all account activity to be presented on a more regular basis at the board meetings.

BROWARD METROPOLITAN PLANNING ORGANIZATION

Schedule of Findings and Questioned Costs

Year Ended June 30, 2013

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Prior year findings - None

2013-02 - SF-SAC and Single Audit Reporting Package - Significant Deficiency

Condition

During our audit we noted that the Data Collection Form and single audit package was not submitted timely to the Federal Clearing House for the previous fiscal year.

Criteria

Management are required to file the single audit reporting package with the Federal Clearing House within the prescribed time frame which is the earlier of Thirty (30) days after the date of the auditor's report or Nine (9) months after the year end.

Cause

Management was unaware of the Thirty (30) day requirement after the audit report was issued.

Effect

By not filing the single audit reporting package in a timely manner the Organization cannot be considered a low-risk auditee.

Recommendation

Management should submit the reporting package to the Federal Clearing House within 30 days of the auditor's report if this will be deemed the earlier date.

View of Responsible Officials and Planned Corrective Actions

Management agrees with this finding and the recommendation and will correct procedures to properly submit all reporting packages in the future.