

January 12, 2022

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

We have audited the basic financial statements of the governmental activities of Broward Metropolitan Planning Organization (the "Organization"), for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the *Uniform Guidance* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letters to you dated May 26, 2021. Professional standards require that we communicate to you with the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

1. *Depreciation of capital assets* - Depreciation is provided on a straight-line basis over the respective estimated useful lives. The Organization has informed us they used all relevant facts available to them at the time of acquisition to make the best judgments about the depreciation methods and estimated useful lives of capital assets.
2. *Net pension liability related to the Florida Retirement System* - In accordance with No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and other applicable governmental accounting pronouncements, the Organization has recorded its share of the Florida Retirement System Pension Plan defined benefit plan and the Retiree Health Insurance Subsidy Program defined benefit plan based on the Schedule of Employer Allocations, Schedule of Pension Amounts by Employer and the Notes to the Schedules which have been audited by the Auditor General of the State of Florida.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements noted as a result of our audit procedures. A list of adjusting journal entries was provided to management and is available upon request.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter which will be dated January 12, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

In addition, during our audit we discussed with members of management of a certain matter that could strengthen the Organization:

- *We discussed the need to evaluate rates (per capita), which are assessed to Members of the Organization for the Local Contributions. Since 2018, the rates have remained constant with no adjustments, ranging from 8 to 10 cents. With the continual growth of the Organization, rates should be evaluated annually and appropriately adjusted, as needed. In comparison, Orlando's rate is currently 50 cents, which allows them more flexibility, when it comes to budgeting for operations and future projects.*

Other Matters

We applied certain limited procedures to management's discussion and analysis, the budgetary comparison schedules and the schedules related to pensions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Future Adoption of GASB Pronouncements

GASB Statement No. 87, Leases, was issued in June 2017. The objective of this statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement No. 87 is effective for the Organization's fiscal year ending June 30, 2022.

The Organization's management should carefully review the provisions of this new accounting pronouncement to determine the future impact on the Organization's financial statements.

Restriction of Use

This information is intended solely for the use of the Board of Directors and management of Broward Metropolitan Planning Organization and is not intended to be and should not be used by anyone other than these specified parties.

We would be pleased to discuss any questions that you may have.

Very truly yours,

KEEFE McCULLOUGH