

**METRO TRANSPORTATION
ENGINEERING & CONSTRUCTION
COOPERATIVE**

FINANCIAL STATEMENTS

As of and for the Year Ended September 30, 2025

**METRO TRANSPORTATION ENGINEERING & CONSTRUCTION
COOPERATIVE**

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INDEPENDENT AUDITOR'S REPORT

To the Governing Board and Executive Director
Metro Transportation Engineering and Construction Cooperative

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Metro Transportation Engineering and Construction Cooperative ("MTECC") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise MTECC'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 each major fund of MTECC as of September 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of MTECC, 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 MTECC'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.

INDEPENDENT AUDITOR'S REPORT - Continued

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 MTECC'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 MTECC's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 and budgetary comparison information on pages 14 through 16 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2026, on our consideration of MTECC'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 MTECC'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 MTECC's internal control over financial reporting and compliance.



Hollywood, Florida
April 30, 2026

METRO TRANSPORTATION ENGINEERING & CONSTRUCTION COOPERATIVE MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2025

Our discussion and analysis of Metro Transportation Engineering & Construction Cooperative's ("MTECC") financial performance provides an overview of the financial activities for the year ended September 30, 2025. Please read it in conjunction with MTECC's financial statements which immediately follow this discussion.

Financial Highlights

The following are highlights of financial activity for the year ended September 30, 2025:

- MTECC's operations during fiscal year 2025 were funded through contributions from MTECC's member cities.
 - Program revenues for fiscal year 2025 totaled \$1,044,040 from member city contributions, project fees and grant reimbursements. The grant reimbursements are new in fiscal 2025 and account for the reimbursements from federal grants for project expenditures.
- Fiscal Year 2025 included project advance funds from cities of City of Coconut Creek Lyons Road Lighting Project, City of Pembroke Pines Mobility Hub Project, and the City of Fort Lauderdale SW 17th Street Mobility Hub Project. This resulted in cash flow to ensure project expenses were paid timely pending grant reimbursements from the Project Grant. The advances are shown in Due to Other Governments in the Capital Projects Fund.
- Expenditures for fiscal year 2025 totaled \$976,198. Expenditures increased substantially in fiscal 2025 to account for project activities such as engineering design.
- At the end of fiscal year 2025, the Fund Balance totaled \$473,662 for the combined General Fund and Capital Projects Fund.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to MTECC's basic financial statements. These basic statements consist of three sections: government-wide financial statements, governmental fund financial statements, and the notes to the financial statements. This report also contains required supplemental information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide both long-term and short-term information about MTECC's overall financial status. These statements use a format similar to a private sector business. They include a statement of net position and a statement of activities.

The statement of net position presents information on MTECC's assets and liabilities. Net position, the difference between these assets and liabilities, is a useful way to measure MTECC's financial health.

The statement of activities presents information showing how MTECC's net position changed during this fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. This statement separates program revenue from general revenue.

Governmental Fund Financial Statements

Traditional users of governmental financial statements will find the governmental fund financial statements presentation more familiar. 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.

METRO TRANSPORTATION ENGINEERING & CONSTRUCTION COOPERATIVE MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2025

MTECC, like other governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. MTECC uses a general fund to account for all the general operations of the organization.

The General Fund is the general operating fund of MTECC. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund.

For fiscal year 2025 MTECC continued use of a Capital Projects Fund to account for projects underway for its member cities.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year and is a narrower focus than the government-wide financial statements.

By comparing functions between the two sets of statements for governmental funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. Since MTECC is engaged in a single governmental program, the fund financial statements and the government wide statements are combined using a columnar format that reconciles the individual line items of fund-financial data to government-wide data in a separate column on the face of the financial statements.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 10-13 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents Required Supplementary Information (RSI) concerning the budget to actual data for the General Fund. This information can be found on page 14 of this report.

This report also provides budget to actual data for the Capital Projects Fund. This information can be found on page 15 of this report.

METRO TRANSPORTATION ENGINEERING & CONSTRUCTION COOPERATIVE MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2025

Government-Wide Financial Analysis

As noted earlier, changes in net position over time can be a useful indicator of a government's financial position. The following table reflects the condensed government-wide statements of net position as of September 30.

| | <u>2025</u> | <u>2024</u> |
|---|---------------------|-------------------|
| Assets: | | |
| Cash and cash equivalents | \$ 1,105,709 | \$ 422,750 |
| Receivables | 724,963 | - |
| Prepaid expenses | 10,059 | 9,769 |
| Due from other governments | - | - |
| Total assets | <u>\$ 1,840,731</u> | <u>\$ 432,519</u> |
| Liabilities: | | |
| Accounts payable | \$ 248,022 | \$ 9,677 |
| Due To Other Governments | 831,336 | - |
| Other liabilities | 287,711 | 45,145 |
| Total liabilities | <u>1,367,069</u> | <u>54,822</u> |
| Net Position: | | |
| Unrestricted | 448,662 | 250,714 |
| Restricted | 25,000 | 126,983 |
| Total net position | <u>473,662</u> | <u>377,697</u> |
| Total Liabilities and Net Position | <u>\$ 1,840,731</u> | <u>\$ 432,519</u> |

Governmental activities increased MTECC's net position by \$72,948 for the year ended September 30, 2025. The net position is made up from the Unrestricted Net Position of \$448,662 and Restricted Net Position of \$25,000. Initial project advances of \$25,000 were made for five projects from the General Fund to the Capital Projects Fund for early project expenditures pending project grant reimbursements. All of these advances, except one, were returned to the General Fund from the Capital Projects Funds during fiscal year 2024-25. Project Fees were received from three active projects during fiscal year 2024-25 for \$35,000 per project. Expenses were less than budgeted for the overall General Fund. These factors resulted in an increase in the overall Fund Balance.

METRO TRANSPORTATION ENGINEERING & CONSTRUCTION COOPERATIVE MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2025

The following table reflects the condensed government-wide statements of activities for the years ended September 30:

| | <u>2025</u> | <u>2024</u> |
|---|-------------------|-------------------|
| Revenues | | |
| Program Revenues: | | |
| Operating grants and contributions | \$ 939,040 | \$ 225,000 |
| Project Delivery Fees | 105,000 | - |
| General Revenues: | | |
| Interest income | 5,106 | 4,800 |
| Total revenues | <u>1,049,146</u> | <u>229,800</u> |
| Expenses | | |
| General Government | 976,198 | 312,493 |
| Total expenses | <u>976,198</u> | <u>312,493</u> |
| Excess of revenues over expenses | 72,948 | (82,693) |
| Other Financing Sources (Uses) | | |
| Transfers in | 125,000 | 150,000 |
| Transfers out | (125,000) | (150,000) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> |
| Change in net position | <u>72,948</u> | <u>(82,693)</u> |
| Net Position: | | |
| Beginning of the year, as previously reported | 377,697 | 460,390 |
| Prior period adjustment | 23,017 | - |
| Beginning of the year, as restated | <u>400,714</u> | <u>460,390</u> |
| End of the year | <u>\$ 473,662</u> | <u>\$ 377,697</u> |

Analysis of the Government's Funds

The program revenues were funded from MTECC's member cities and grant reimbursements in fiscal year 2025. This included Cities of Hollywood, Plantation, Pompano Beach, Deerfield Beach, Hallandale Beach, Pembroke Pines, Fort Lauderdale, and Coconut Creek at \$25,000 each for their annual fee.

Initial project advances of \$25,000 were made for five projects from the General Fund to the Capital Projects Fund for early project expenditures pending project grant reimbursements. All of these advances, except one, were returned to the General Fund from the Capital Projects Funds during fiscal year 2024-25. Project Fees were received from three active projects during fiscal year 2024-25 for \$35,000 per project. Expenses were less than budgeted for the overall General Fund. These factors resulted in an increase in the overall Fund Balance.

METRO TRANSPORTATION ENGINEERING & CONSTRUCTION COOPERATIVE MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2025

Currently Known Facts, Decisions, or Conditions

MTECC is supporting three active projects in fiscal 2024-25 including: City of Coconut Creek Lyons Road Lighting, City of Pembroke Pines Mobility Hub, and City of Fort Lauderdale SW 17th Street Mobility Hub. Each project was in the design engineering phase during fiscal year 2024-25. These projects are accounted for in the Capital Projects Fund. Each project is funded by a federal grant and may be supplemented by City funds. During fiscal year 2024-25 project expenses were paid and MTECC began invoicing for grant reimbursement from Grant Agency.

The General Fund supported MTECC Board Activities and the delivery of the three projects through Executive Direction, legal, procurement, technology, finance and accounting and related activities during fiscal year 2024-25.

Please note that the City of Hallandale Beach provided a letter to MTECC in November 2025, expressing a desire to resign from membership in MTECC. This has not been finalized and is in discussion as of April 2026.

The City of Pembroke Pines and the City of Miramar held a discussion in November 2025 with MTECC to support a new project in fiscal year 2027-28. This is in the preliminary discussion stage and no official support request letter from the cities have been received as of April 2026.

Requests for Information

This financial report is designed to provide a general overview of MTECC's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed as follows:

Lowell Clary
Executive Director
Metropolitan Transportation Engineering & Construction Cooperative
100 West Cypress Creek Road
Suite 650
Fort Lauderdale, FL 33309

METRO TRANSPORTATION ENGINEERING & CONSTRUCTION COOPERATIVE
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

SEPTEMBER 30, 2025

| | <u>General Fund</u> | <u>Capital Projects Fund</u> | <u>Total Governmental Funds</u> | <u>Adjustments</u> | <u>Statement of Net Position</u> |
|--|-------------------------|----------------------------------|---|--------------------|--------------------------------------|
| Assets: | | | | | |
| Cash and cash equivalents | \$ 499,107 | \$ 606,602 | \$ 1,105,709 | \$ - | \$ 1,105,709 |
| Receivables | - | 724,963 | 724,963 | - | 724,963 |
| Prepaid expenses | 10,059 | - | 10,059 | - | 10,059 |
| Total assets | <u>\$ 509,166</u> | <u>\$ 1,331,565</u> | <u>\$ 1,840,731</u> | <u>\$ -</u> | <u>\$ 1,840,731</u> |
| Liabilities: | | | | | |
| Accounts payable | \$ 27,677 | 220,345 | \$ 248,022 | \$ - | \$ 248,022 |
| Due to other governments | - | 831,336 | 831,336 | - | 831,336 |
| Other liabilities | 32,827 | 254,884 | 287,711 | - | 287,711 |
| Total liabilities | <u>60,504</u> | <u>1,306,565</u> | <u>1,367,069</u> | <u>-</u> | <u>1,367,069</u> |
| Fund Balance/Net Position: | | | | | |
| Unassigned | 448,662 | - | 448,662 | (448,662) | - |
| Unrestricted | - | - | - | 448,662 | 448,662 |
| Restricted | - | 25,000 | 25,000 | - | 25,000 |
| Total fund balances/net position | <u>448,662</u> | <u>25,000</u> | <u>473,662</u> | <u>-</u> | <u>473,662</u> |
| Total Liabilities and Fund Balances | <u>\$ 509,166</u> | <u>\$ 1,331,565</u> | <u>\$ 1,840,731</u> | | <u>\$ 1,840,731</u> |

METRO TRANSPORTATION ENGINEERING & CONSTRUCTION COOPERATIVE
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

| | General Fund | Capital Projects Fund | Total Governmental Funds | Adjustments | Statement of Activities |
|--|-------------------|--------------------------|--------------------------------|-------------|----------------------------|
| Expenditures/Expenses: | | | | | |
| General government | \$ 237,158 | \$ 739,040 | \$ 976,198 | \$ - | \$ 976,198 |
| Total expenditures/expenses | <u>237,158</u> | <u>739,040</u> | <u>976,198</u> | <u>-</u> | <u>976,198</u> |
| Program Revenues: | | | | | |
| Project Delivery Fees | 105,000 | - | 105,000 | - | 105,000 |
| Operating grants and contributions | 200,000 | 739,040 | 939,040 | - | 939,040 |
| Total program revenues | <u>305,000</u> | <u>739,040</u> | <u>1,044,040</u> | <u>-</u> | <u>1,044,040</u> |
| Net program revenues (expenditures/expenses) | <u>67,842</u> | <u>-</u> | <u>67,842</u> | <u>-</u> | <u>67,842</u> |
| General Revenues: | | | | | |
| Interest income | 5,106 | - | 5,106 | - | 5,106 |
| Total general revenues | <u>5,106</u> | <u>-</u> | <u>5,106</u> | <u>-</u> | <u>5,106</u> |
| Excess of revenues over expenditures/expenses | <u>72,948</u> | <u>-</u> | <u>72,948</u> | <u>-</u> | <u>72,948</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 125,000 | - | 125,000 | - | 125,000 |
| Transfers out | - | (125,000) | (125,000) | - | (125,000) |
| Total other financing sources (uses) | <u>125,000</u> | <u>(125,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Change in fund balance/net position | <u>197,948</u> | <u>(125,000)</u> | <u>72,948</u> | <u>-</u> | <u>72,948</u> |
| Fund balance/net position: | | | | | |
| Beginning of the year, as previously reported | 250,714 | 126,983 | 377,697 | - | 377,697 |
| Prior period adjustment | - | 23,017 | 23,017 | - | 23,017 |
| Beginning of the year, as restated | <u>250,714</u> | <u>150,000</u> | <u>400,714</u> | <u>-</u> | <u>400,714</u> |
| End of the year | <u>\$ 448,662</u> | <u>\$ 25,000</u> | <u>\$ 473,662</u> | <u>\$ -</u> | <u>\$ 473,662</u> |

The accompanying notes to the financial statements are an integral part of this statement.

METRO TRANSPORTATION ENGINEERING & CONSTRUCTION COOPERATIVE NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

Note 1—Nature of operations and summary of significant accounting policies

The financial statements of the Metro Transportation Engineering & Construction Cooperative (“MTECC”) have been prepared in conformity with generally accepted accounting principles in the United States of America (“U.S. GAAP”) as applicable to governmental units. The Government Accounting Standards Board (“GASB”) is the accepted standard setting body of establishing governmental accounting and financial reporting principles. The more significant accounting policies of MTECC are described below.

Reporting Entity – MTECC was established in 2022 by an Interlocal Agreement between the founding municipal members of City of Hollywood, City of Plantation, and the City of Pompano Beach under Section 163.01, Florida Statutes in cooperation with the Broward Metropolitan Planning Organization under Section 339.175, Florida Statutes. The founding municipal members appoint a Cooperative Board Member from their elected officials that form the Cooperative’s Board. The Board provides policy direction for the operation of the MTECC.

MTECC, as an organization, was created to facilitate the planning, design, and construction of transportation related projects throughout Broward County. Under the Interlocal Agreement, additional municipalities in the County may join MTECC through Interlocal Agreement with MTECC. A municipality must be a member of MTECC for MTECC to provide the planning, design, and construction of transportation related projects in the municipality.

MTECC is funded by assessments to its member cities for the operations and grants for future capital projects of MTECC.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements – The government-wide financial statements (i.e., the statement of net position and the statement of activities) 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.

The statement of activities presents a comparison between direct expenses and program revenues for each function of MTECC’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include grants and contributions that are used to meet the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Since MTECC is engaged in a single governmental program, the fund financial statements and the government wide statements are combined using a columnar format that reconciles the individual line items of fund-financial data to government-wide data in a separate column on the face of the financial statements.

Governmental Fund Financial Statements - Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when measurable and available. MTECC considers all revenues available if they are collected within 60 days after year-end.

Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under leases are reported as other financing sources.

Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

METRO TRANSPORTATION ENGINEERING & CONSTRUCTION COOPERATIVE NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

Note 1—Nature of operations and summary of significant accounting policies (continued)

MTECC reports the following major governmental funds:

General Fund – this fund is MTECC’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Projects Fund – the Capital Projects Fund accounts for the activities of capital projects that are being delivered by MTECC on behalf of MTECC member cities. This includes the work in progress for the engineering and construction of these projects. Once the projects are complete and accepted by the MTECC member city the project will be transferred to the member city for annual operations and maintenance.

MTECC does not report any proprietary funds.

Cash and Cash Equivalents – MTECC’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less.

Prepaid Expenses – MTECC makes payments to certain vendors that are applicable to a future period that are recorded as prepaid items on Statement of Net Position and Governmental Fund Balance Sheet.

Due from Other Governments – Amounts due from other governments are primarily for membership assessments. Based on the fact that these receivables are due from other governments, MTECC considers them fully collectible. Therefore, no allowance for credit losses has been recorded.

Due to Other Governments – Amounts due to other governments primarily relate to advances received from member cities for projects that have not been completed. MTECC considers the amounts to be valid obligations and expects them to be settled in the ordinary course of business.

Payables – Payables include amounts due to vendors for goods received or services rendered.

Net Position – On the Statement of Net Position for government-wide reporting, net position is segregated into three categories: net investments in capital assets, restricted net position; and unrestricted net position.

- Net investment in capital assets - represents total capital assets less accumulated depreciation and capital related debt net of unspent bond proceeds. As of September 30, 2025, there were none to report.
- Restricted net position – represents net position that is not subject solely to the government’s own discretion. Restrictions may be placed on net position by an external third party that provided the resources, by laws or regulation of other governments, by enabling legislation, by endowment agreements, or by the nature of the asset. As of September 30, 2025, the restricted net position was \$25,000.
- Unrestricted net position – represents net position that does not meet the definition of the two preceding categories.

MTECC may fund outlays for a particular purpose from both restricted and unrestricted resources. To calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is MTECC’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

METRO TRANSPORTATION ENGINEERING & CONSTRUCTION COOPERATIVE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

Note 1—Nature of operations and summary of significant accounting policies (continued)

Fund Balance – In the governmental fund financial statements, fund balance is composed of five possible classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent. Fund balance is classified as the following:

- Nonspendable fund balance – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. As of September 30, 2025, there were none to report.
- Restricted fund balance – amounts that are constrained to being used for a specific purpose by external parties such as creditors, grantors, laws, or regulations. As of September 30, 2025, there were none to report.
- Committed fund balance – amounts that are committed can only be used for specific purposes determined by formal action from the Board, MTECC’s highest level of decision-making authority. As of September 30, 2025, there were none to report.
- Assigned fund balance – amounts that have been set aside and are intended to be used for a specific purpose but are neither restricted nor committed. The Board delegates MTECC’s management for the establishment of assignments. As of September 30, 2025, the assigned fund balance was \$25,000.
- Unassigned fund balance – funds that are not reported in any other category and are available for any purpose within the general fund.

When both restricted and unrestricted resources are available for use, it is the Cooperative’s policy to use restricted resources first, followed by committed, assigned, and unassigned fund balance.

Budgetary Data – MTECC must adopt a balanced budget. A balanced budget as defined in Florida Statutes 166.241(2) is where the amount available from taxation and other sources, including amounts carried over from prior fiscal years, must equal the total appropriations for expenditures and reserves.

MTECC does not have any taxing authority and relies upon assessments from municipal members and future grants for capital projects from partners such as FDOT and the Federal Transit Administration. The legal level of adoption is at the Fund Level for MTECC’s General Fund. The budget is prepared using the modified accrual basis of accounting. The Capital Projects Fund budget is a multi-year budget for the life of the project. The revenues and expenditures will grow over time compared to budget as the project progresses through the design engineering and construction phases of the project.

Below is a summary of the annual budget process:

- Proposed budget developed by MTECC management in the late Spring.
- Proposed budget presented to the Board for review in July.
- A public hearing is held before the budget is adopted. The budget is adopted by the Board in September.

State law allows changes to the adopted budget at any time throughout the fiscal year and up to 60 days after the fiscal year end (Florida Statutes 166.241(4)). These changes include budget amendments, which increase or decrease the total budget of a fund. Budget amendments require Board approval. At year-end, open encumbrance balances lapse.

METRO TRANSPORTATION ENGINEERING & CONSTRUCTION COOPERATIVE NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

Note 1—Nature of operations and summary of significant accounting policies (continued)

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2—Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank’s failure, MTECC’s deposits may not be returned to MTECC. MTECC does not have a deposit policy for custodial credit risk. At year-end, the carrying amount and bank balance of MTECC’s deposits was \$1,105,709. At year-end, \$250,000 of MTECC’s deposits was covered by federal depository insurance. MTECC mitigates custodial risk by generally requiring public funds to be deposited in a qualified public depository pursuant to State Statutes. Under the State Statutes, all qualified public depositories are required to pledge eligible collateral having fair value equal to or greater than the average daily or monthly balance of all public deposits times the depositories’ collateral pledging level.

Note 3—Interfund Activity

There were 5 interfund transfers from the Capital Projects Fund to the General Fund in the amount of \$25,000 each following transfers in from the following municipalities: two from the City of Pembroke Pines, one from the City of Coconut Creek, one from the City of Hallandale Beach, and one from the City of Fort Lauderdale.

Note 4—Subsequent Events

The City of Hallandale Beach notified MTECC in November 2025 of the desire to resign from membership in MTECC. As of the date of issuance of these financial statements, the matter has not been finalized and remains under discussion.

The cities of Pembroke Pines and Miramar met with MTECC in November 2025 and expressed a desire for MTECC to support the cities in the delivery of a project in fiscal year 2027-28. As of the date of issuance of these financial statements, no official request has been received from the entities.

Management has evaluated subsequent events through April 30, 2026, the date the financial statements were available to be issued, and does not believe that there are any other events or transactions that require disclosure.

Note 5 – Adoption of New Governmental Accounting Standards Board Pronouncements

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

Note 6 – Prior Period Adjustment

Fund balance and net position at the beginning of the year have been adjusted for revenue not previously recognized. The cumulative effect increased fund balance and net position by \$23,017.

REQUIRED SUPPLEMENTARY INFORMATION

METRO TRANSPORTATION ENGINEERING & CONSTRUCTION COOPERATIVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – GENERAL FUND

SEPTEMBER 30, 2025

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------|------------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Member contributions | \$ 200,000 | \$ 200,000 | \$ 200,000 | \$ - |
| Project delivery fees | - | 70,000 | 105,000 | 35,000 |
| Interest | 3,000 | 3,000 | 5,106 | 2,106 |
| Total revenues | 203,000 | 273,000 | 310,106 | 37,106 |
| Expenditures | | | | |
| General government: | | | | |
| Board expenses | 10,000 | 10,000 | - | 10,000 |
| Board attorney | 55,000 | 58,000 | 48,319 | 9,681 |
| Executive director | 68,000 | 72,000 | 74,539 | (2,539) |
| Program management consultant | 60,000 | 60,000 | 17,965 | 42,035 |
| Finance and accounting | 68,000 | 71,000 | 35,697 | 35,303 |
| Insurance | 10,000 | 10,000 | 9,769 | 231 |
| Annual audit | 12,000 | 12,000 | 16,500 | (4,500) |
| Procurement | 16,000 | 18,000 | 27,750 | (9,750) |
| Public relations/involvement | 5,000 | 5,000 | - | 5,000 |
| Technology | 10,000 | 10,000 | 1,443 | 8,557 |
| Other administrative expenses | 20,000 | 20,000 | 5,176 | 14,824 |
| Total expenditures | 334,000 | 346,000 | 237,158 | 108,842 |
| Excess of revenues over expenditures/expenses | (131,000) | (73,000) | 72,948 | 145,948 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 170,000 | 145,000 | 125,000 | (20,000) |
| Transfers out | - | (50,000) | - | 50,000 |
| Total other financing sources (uses) | 170,000 | 95,000 | 125,000 | 30,000 |
| Net change in fund balance | \$ 39,000 | \$ 22,000 | 197,948 | \$ 175,948 |
| Fund balance, beginning | | | 250,714 | |
| Fund balance, ending | | | \$ 448,662 | |

The accompanying notes to the budget to actual statement are an integral part of this statement.

**METRO TRANSPORTATION ENGINEERING & CONSTRUCTION COOPERATIVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – CAPITAL PROJECTS FUND**

SEPTEMBER 30, 2025

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------------|-------------------|------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Local government unit grant - transportation | \$ 6,441,000 | \$ 13,492,752 | \$ 739,040 | \$ (12,753,712) |
| Interest | - | - | - | - |
| Total revenues | <u>6,441,000</u> | <u>13,492,752</u> | <u>739,040</u> | <u>(12,753,712)</u> |
| Expenditures | | | | |
| Capital Projects: | | | | |
| Program management consultant | 477,714 | 859,384 | 83,602 | 775,782 |
| Design consultant | 558,928 | 1,615,981 | 655,438 | 960,543 |
| Contingency | 565,828 | 1,317,675 | - | 1,317,675 |
| Construction engineering and inspection | 465,774 | 955,470 | - | 955,470 |
| Construction | <u>4,302,756</u> | <u>8,649,242</u> | <u>-</u> | <u>8,649,242</u> |
| Total expenditures | <u>6,371,000</u> | <u>13,397,752</u> | <u>739,040</u> | <u>12,658,712</u> |
| Excess of revenues over expenditures/expenses | <u>70,000</u> | <u>95,000</u> | <u>-</u> | <u>95,000</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | 50,000 | - | (50,000) |
| Transfers out | <u>(170,000)</u> | <u>(145,000)</u> | <u>(125,000)</u> | <u>20,000</u> |
| Total other financing sources (uses) | <u>(170,000)</u> | <u>(95,000)</u> | <u>(125,000)</u> | <u>(30,000)</u> |
| Net change in fund balance | <u>\$ (100,000)</u> | <u>\$ -</u> | <u>(125,000)</u> | <u>\$ (125,000)</u> |
| Fund balance, beginning | | | 126,983 | |
| Prior period adjustment | | | <u>23,017</u> | |
| Fund balance, beginning, as restated | | | <u>150,000</u> | |
| Fund balance, ending | | | <u>\$ 25,000</u> | |

METRO TRANSPORTATION ENGINEERING & CONSTRUCTION COOPERATIVE NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2025

Note 1—Budgetary Requirements

The Metro Transportation Engineering and Construction Cooperative (“MTECC”) prepares an annual operating budget for the General Fund presented in the financial statements.

MTECC’s budgeting process is based on estimates of revenues and expenditures and requires that all budgets be approved by MTECC’s Governing Board (the “Board”). Subsequent amendments to the budget were approved by the Board.

Budgets are prepared on the same basis of accounting as required for Governmental Fund Types. Any remaining fund balances remain with MTECC at the end of the year.

The Capital Projects Fund includes projects implemented over multiple years. The budget will continue over multiple years until the project engineering and construction is completed and transferred to the member city for operations and maintenance.

For the year ended September 30, 2025, the budget to actual comparison for the major funds were the following:

- General Fund revenues were \$310,106 or \$37,106 higher than the budget.
- General Fund expenditures were \$237,158 or \$98,842 lower than the budget.
- Capital Projects Fund revenues were \$739,040 or \$12,753,712 lower than budget. The Capital Projects Fund budgeted revenues are the total for each project and last the life of the project, which crosses fiscal years.
- Capital Projects Fund expenditures were \$739,040 or \$12,658,712 lower than budget. The Capital Projects Fund budgeted expenditures are the total for each project and last the life of the project, which crosses fiscal years.

**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 Governing Board and Executive Director
Metro Transportation Engineering and Construction Cooperative

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 the Metro Transportation Engineering and Construction Cooperative ("MTECC"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise MTECC's basic financial statements, and have issued our report thereon dated April 30, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered MTECC'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 MTECC's internal control. Accordingly, we do not express an opinion on the effectiveness of MTECC'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 MTECC'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*.

**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**

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.

A handwritten signature in blue ink that reads "S. Davis & Associates, P.A." The signature is written in a cursive style and is positioned above the typed name and date.

Hollywood, Florida
April 30, 2026

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

To the Governing Board and Executive Director
Metro Transportation Engineering and Construction Cooperative

Report on the Financial Statements

We have audited the financial statements of the Metro Transportation Engineering and Construction Cooperative ("MTECC"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated April 30, 2026.

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 on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* 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, which are dated April 30, 2026, 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 financial audit report. Corrective actions have been taken to address the Financial Management finding and recommendation made in the prior year audit report. The status of the prior year audit finding is presented in Appendix A.

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 the management letter, unless disclosed in the notes to the financial statements. The name or official title and legal authority of the primary government is disclosed in the notes to the financial statements. There are no component units.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not MTECC 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 MTECC 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 MTECC. It is management's responsibility to monitor MTECC's financial condition, and our financial condition assessment was based in part on representations made by management and 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.

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, MTECC's management represented that the PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within MTECC's geographical boundaries during the fiscal year under audit.

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 fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has 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 have 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, MTECC's Governing Body and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



S. Davis & Associates, P.A.

Hollywood, Florida
April 30, 2026

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

Appendix A - Prior Year Finding and Recommendation to Improve Financial Management

2024-01 Financial Management

Criteria – Sound financial practices should be maintained that includes a balanced budget, stable revenue sources, and controlled expenditures to ensure long-term financial stability. The Rules of the Auditor General require that recommendations to improve financial management be communicated.

Condition – MTECC has experienced unfavorable financial trends, including a comparison to benchmarks. These trends were anticipated by MTECC and did not result in a negative fund balance.

Cause – A decrease in revenue due to no significant increase in new membership and an increase in operating cost.

Effect – If not addressed for future years, these financial issues could lead to liquidity problems and budget deficits.

Recommendation – We recommend that MTECC develop a plan to increase new members and explore other revenue sources.

Management's Response – MTECC was designed to build cash reserves in the opening years with initial payments from new MTECC member cities. Management anticipated that revenues would be lower than annual expenses for this fiscal year. Annual fees will be paid by MTECC members and as projects are added the MTECC member will pay an "administrative fee" for each project that will augment the General Fund revenues. The MTECC Interlocal Agreement allows the MTECC Board to set the annual fee to be paid by MTECC members, which can also be adjusted if needed in the future to ensure adequate funds are available for the expenses of the General Fund. Management monitors this closely over time and will make recommendations to the MTECC Board on future adjustments as required.

Current Year Status – The comment has been cleared.

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH SECTION 218.415 FLORIDA STATUTES**

To the Governing Board and Executive Director
Metro Transportation Engineering and Construction Cooperative

We have examined Metro Transportation Engineering and Construction Cooperative's ("MTECC") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2025. Management is responsible for MTECC's compliance with those requirements. Our responsibility is to express an opinion on MTECC's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether MTECC is in accordance with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about MTECC's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on MTECC's compliance with specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, MTECC complied, in all material respects, with Section 218.415, Florida Statutes for fiscal year ended September 30, 2025.



Hollywood, Florida
April 30, 2026