

Comprehensive Annual Financial Report

For Years Ended
September 30, 2018 and 2017



COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

CENTRAL FLORIDA REGIONAL
TRANSPORTATION AUTHORITY d/b/a

LYNX

FOR YEARS ENDED
SEPTEMBER 30, 2018 AND 2017

PREPARED BY THE FINANCE DEPARTMENT

Albert J. Francis II, CPA, Chief Financial Officer
Leonard Antmann, Director of Finance

LYNX® BOARD OF DIRECTORS



Chair
Lee Constantine
SEMINOLE COUNTY
COMMISSIONER



Vice-Chair
Buddy Dyer
MAYOR
OF ORLANDO



Secretary
Mike Shannon
FDOT DISTRICT 5
SECRETARY



Teresa Jacobs
ORANGE COUNTY
MAYOR



Viviana Janer
OSCEOLA COUNTY
COMMISSIONER

LYNX® EXECUTIVE MANAGEMENT



Edward L. Johnson
CHIEF EXECUTIVE
OFFICER



Albert J. Francis II, CPA
CHIEF FINANCIAL
OFFICER



Tiffany Homler
CHIEF ADMINISTRATIVE
OFFICER



Thomas Stringer
CHIEF OPERATIONS
OFFICER



William John Slot
CHIEF INNOVATION &
SUSTAINABILITY
OFFICER

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX**

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CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

BOARD OF DIRECTORS

Commissioner Lee Constantine	Chairman, Seminole County
Commissioner Viviana Janer	Vice-Chairman, Osceola County
Mayor Teresa Jacobs	Board Member, Orange County
Mayor Buddy Dyer	Board Member, City of Orlando
FDOT District 5 Secretary, Mike Shannon	Board Member, FDOT

LYNX EXECUTIVE STAFF

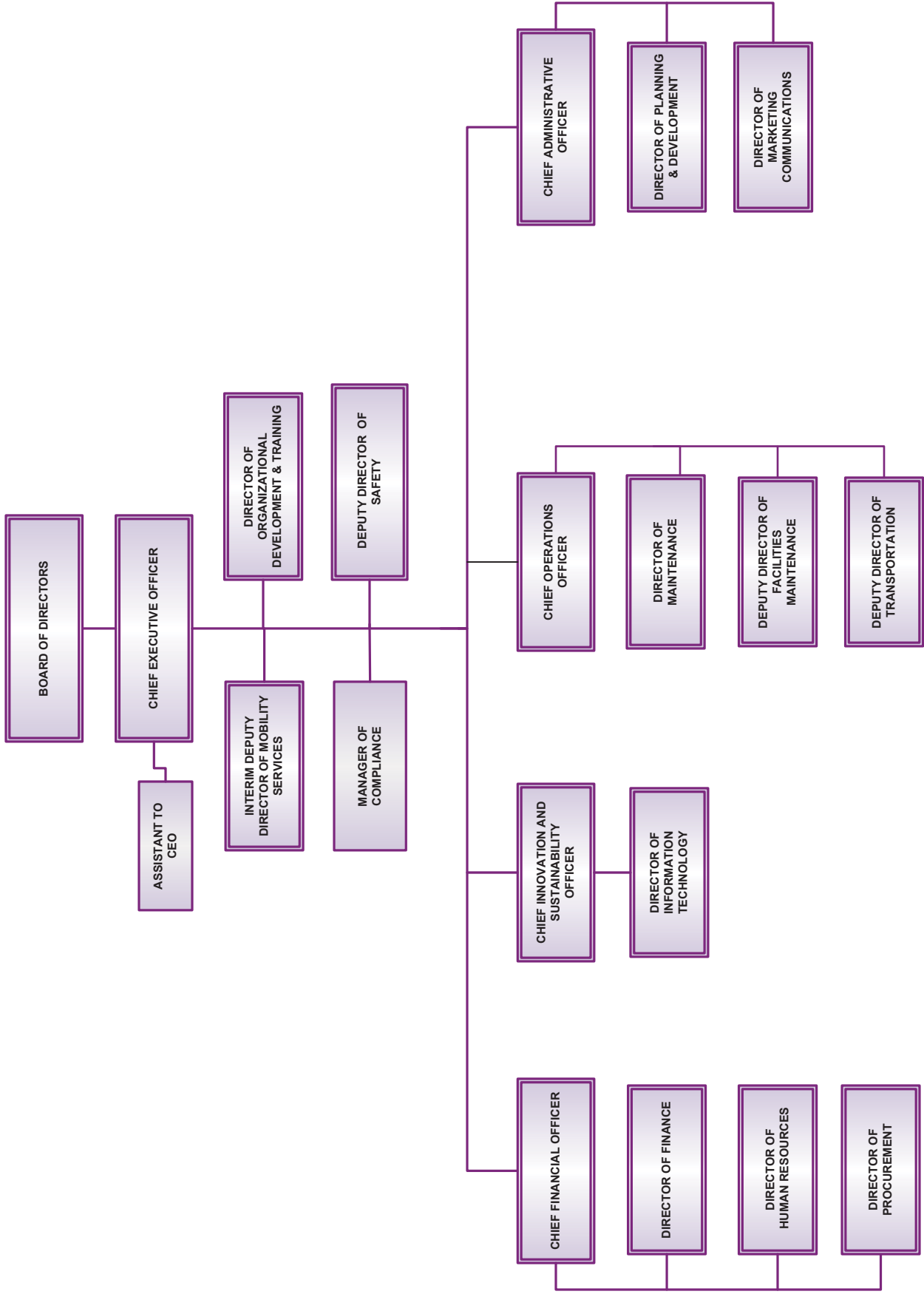
Edward L. Johnson	Chief Executive Officer
Albert J. Francis II, CPA	Chief Financial Officer
Tiffany Homler	Chief Administrative Officer
William Slot	Chief Innovation and Sustainability Officer
Thomas Stringer	Chief Operating Officer

DEPARTMENT HEADS

Leonard Antmann	Director of Finance
Tomika Monterville	Director of Planning & Development
Donna Tefertiller	Director of Organizational Dev. & Training
Terri Settington	Director of Human Resources
Craig Bayard	Director of Information Technology
Matt Friedman	Director of Marketing Communications
James Fetzer	Director of Maintenance

FINANCE DIVISION

Warren Hersh	Comptroller
Kimberly Forbrag	Manager of Financial Planning & Budgets
Christopher Plummer, CPA	Manager of Financial Reporting
Nancy Navarro	Supervisor of Financial Reporting
Maritza Rodriguez	Senior Accountant
Denise Callihan	Supervisor of Payroll & Accounts Payable
Patty Dolan	Supervisor of Revenue Control
Nirso Amaya	Accountant
Aida Diaz	Accountant
Samorea Nelson	Accountant
Joyce Larson	Data Analyst
Vivian Revis	Financial Analyst
Edward Velez	Property Officer
Ismael Cruz	Accounting Technician
Andrew O'Neil	Accounting Technician



LYNX ORGANIZATIONAL CHART
September 30, 2018



March 8, 2019

To the Governing Board of the Central Florida Regional Transportation Authority d/b/a LYNX:

The Comprehensive Annual Financial Report (CAFR) of the Central Florida Regional Transportation Authority d/b/a LYNX for the fiscal year ended September 30, 2018 is hereby submitted for your review.

This CAFR, as prepared by the Finance Division, contains financial statements and statistical data that provide full disclosure of all the material financial operations and activities of LYNX. The Management Discussion and Analysis (MD&A), financial statements, supplemental schedules and statistical information are the representations of LYNX management, which bears the responsibility for their accuracy, completeness, and fairness. In conformance with accounting principles generally accepted in the United States, this report was prepared on the accrual basis of accounting, treating the Authority as a single enterprise fund. This CAFR is an indication of LYNX' commitment to provide accurate, concise, and quality financial information to its Governing Board, the citizens of this community, and all other interested parties.

The MD&A immediately follows the Report of Independent Auditor and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

This CAFR is presented in the following four sections:

- The **INTRODUCTORY SECTION** contains a title page, a table of contents, a list of the Principal Officials, this Letter of Transmittal, the Authority's organizational chart, and a Certificate of Achievement for Excellence in Financial Reporting. This section is intended to acquaint the reader with the Authority's organizational structure, the nature and scope of the services it provides and a summary of the financial activities and factors that influence these activities;
- The **FINANCIAL SECTION** includes the MD&A, the Report of Independent Auditor, the Authority's comparative financial statements and notes to the financial statements;
- The **STATISTICAL SECTION** includes selected financial, economic, and demographic information presented on a multi-year basis and is used to determine trends for comparative fiscal year purposes; and,
- The **SINGLE AUDIT SECTION** includes supplemental schedules, internal control reports, and compliance reports as required by federal and state regulations.

REPORTING ENTITY

The Central Florida Regional Transportation Authority (CFRTA) was created in 1989 pursuant to Section 343.63, Florida Statutes. This same legislation was amended in 1993, allowing the CFRTA to assume the operations of the former Central Florida Commuter Rail Authority and provide an opportunity to merge with the local transportation provider, Orange-Seminole-Osceola Transportation Authority (OSOTA) d/b/a LYNX, thereby creating a one-stop public transportation entity. The CFRTA continues to use LYNX as its “doing business as” name and serves as the focal point in developing all modes of public transportation in the Central Florida region. Through formal action by both the CFRTA and OSOTA Board of Directors, the merger of the two organizations was ratified March 1994 and became effective October 1, 1994.

LYNX provides public transportation services to the general public in the Orlando, Florida metropolitan area -- Orange, Seminole, and Osceola counties. LYNX also offers some out-of-county flexible and fixed-route service to Polk County. LYNX provides alternative transportation services in the form of fixed-route bus services, bus rapid transit (BRT), neighborhood circulators, paratransit services, and vanpool services.

A five-member Governing Board serves LYNX. The members of the Governing Board are as follows: one Commissioner from Osceola County, one Commissioner from Seminole County, the Mayor of the City of Orlando, the Mayor of Orange County (or her designee), and a representative of the Florida Department of Transportation (FDOT). Each serves a term as designated by Section 343.63, Florida Statutes. The Board of Directors typically meets every month on the fourth Thursday to conduct the business of the Authority.

Responsibility for managing the administration and operations of LYNX resides with the Chief Executive Officer (CEO). To assist in this effort, a Chief Financial Officer, a Chief Administrative Officer, Chief Operating Officer, Chief Innovation Officer, and a Manager of Compliance support the executive office, as well as, eight directors. The eight directors are responsible for providing direction and oversight to the departments of: Engineering and Construction, including Facility Maintenance and Security divisions, Human Resources, Information Technology, Marketing Communications, Planning and Development, Procurement, Risk Management and Safety, and Finance, including the Accounting and Finance, Budgets, and Material Control divisions.

For purposes of defining the reporting entity, LYNX is an Independent Special District of the State of Florida.

ECONOMIC CONDITION AND OUTLOOK

The tri-county area, which includes Orange, Seminole and Osceola counties, remains one of the top growth areas of the country and is the premier tourist destination of the world. This area is home to numerous tourist attractions such as Walt Disney World, Universal Studios, and SeaWorld. It is also home to two major league teams – NBA’s Orlando Magic and Major League Soccer’s (MLS) Orlando City Lions as well as the Solar Bears hockey team. The City of Orlando has a vibrant, downtown core, including community venues: the Amway Center, a brand new Dr. Phillips Center for the Performing Arts, newly renovated Camping World Stadium, and a MLS

soccer stadium. Additionally, Orlando hosts many conventions, utilizing some of the bigger hotels in the country and America's second largest convention center. The University of Central Florida, the nation's second largest university, and many other places of higher learning also reside in the tri-county area.

The region has experienced significant growth in population over the last several years and is expected to continue growth in the next ten years. The population is projected to be 2.165 million in 2018 and 2.25 million in 2020. This growth can be attributed to the numerous activity centers throughout the region. The impact of SunRail train service has been felt throughout Central Florida. The new option in urban transit for area residents is redefining local transportation and spurring development along the corridor. SunRail also allows businesses and research and education centers to tap into geographically broader talent pools. LYNX continues to provide an array of public transit options to respond to the wide-range of transportation needs.

While Central Florida is known world-wide for its wonderful climate, many tourist attractions, and a tranquil lifestyle, the region is also one of the top ten locations in the country for business. Behind the scenes of the area's tourism and entertainment industry is a dynamic and diversified economy that has expanded enormously. The influx of technology-related companies to the area has made Orlando one of the fastest growing high technology centers in the nation.

The future of Central Florida is filled with optimism as we continue to drive smart economic growth as one the highest performing regions in the United States and around the world. Our skilled workforce and excellent quality of life continually makes Central Florida the best place to live, relax, work, and play.

MAJOR INITIATIVES

Over the past twenty five years, LYNX, through the effective leadership of its Governing Board, has continued to enhance public transportation in Central Florida. In FY2018, the Authority hired consultants to help redesign the LYNX fixed and flex-route system of services, under what is identified as a Route Optimization Study (ROS). The ROS sought to reimagine the fixed-route network in order to create a network with more frequent services and increased reliability.

In FY2018, construction was completed on LYNX Orlando Trail, known as Gertrude's Walk. The trail is composed of two pedestrian walkway segments that extend through downtown Orlando, from Concord to Washington Streets. LYNX also developed conceptual designs for the Rosemont and Florida Mall Superstops; construction is set to begin in 2019.

LYNX continued to provide several human service agencies with operating funding from the Federal Transit Administration 5310, Job Access and Reverse Commute (JARC) and New Freedom (NF) grant programs to pay for fifty percent of new or expanded transportation service or service for job access. Agencies receiving funding under these programs included the Opportunity Center, Quest, Osceola's Mental Health and Council on Aging, Primrose Center, Bright Start Pediatrics, and Meals on Wheels.

Current Year Projects

LYNX implemented the use of real-time scheduling and vehicle arrival information for the public on-demand micro-transit service, NeighborLink. Customers can use a mobile application or website to request trips anywhere from real-time up to seven days in advance. LYNX Paw Pass mobile fare application was also launched this fiscal year. Customers can purchase and use all LYNX fares from single ride tickets and transfers to all period passes.

Digital arrival/departure signage was installed in the twenty four (24) LYNX Central Station bus bays. LYNX is also able to communicate with passengers by scrolling text messages or displaying full screen informational messages.

Buses operating on the Clever Devices Computer Aided Dispatch (CAD-AVL) system are being converted to the Trapeze's CAD-AVL solution used by the majority of the fixed route fleet. This will bring all revenue vehicles onto the same software. Operating cost savings will be derived from single system monitoring and real-time "where is my bus" information to our customers.

LYNX is continuing investment in CNG vehicles to help our community move toward a more environmentally sustainable future. The Authority anticipates putting into revenue service a total of 26 articulated and 40 foot buses as part of our green initiative program in FY2019.

The following is additional information describing both LYNX' performance in delivering service and in managing the organization:

Ridership

Total ridership for FY2018 was 24,126,897, from LYNX's fixed route transportation network.

Paratransit Services

ACCESS LYNX is an origin to destination transportation service for customers unable to access fixed route bus service. ACCESS LYNX accomplishments this year include:

- Provided 611,661 trips, a 13.6% increase year over year;
- Completed the 2018-2023 Transportation Disadvantaged Service Plan major update;
- Combined the inbound call center to include fixed route, ETA, reservations, lost & found, and NeighborLink. New responsibilities falling under Mobility Services now include eligibility, terminal window customer service, and compliance;
- Procured a portfolio of transportation network companies (TNCs) to enhance delivery of services;
- Implemented NeighborLink's new reservation, scheduling, and dispatch software; and Awarded a Mobility Enhancement Grant from the Florida Commission for the Transportation Disadvantaged for the third consecutive year.

Service Planning

In FY2018, the Service Planning Division accomplished the following:

- Participated in community outreach, community engagement activities, and the implementation of the SunRail Phase II bus feeder plan;
- Developed a methodology for and initiated a Bus Stop Consolidation Plan;
- Conducted in-house Trapeze training for Service Planning staff;
- Published both the Service Change Process and Performance Reports on golynx.com; and
- Participated in ROS workshops and played a role in the development of the long-term route optimization plan.

Strategic Planning

In FY2018, the Strategic Planning Division accomplished the following:

- Completed the 2018 TDP Major Update and continued the Route Optimization Study to redesign the entirety of LYNX's transit service network;
- Completed the SR-436 Transit Corridor Study, identifying bus-based technologies – such as Bus Rapid Transit and other fixed-guideway alternatives – as most appropriate for the corridor;
- Kicked-Off the SR 50 Station Transit Oriented Development (TOD) Design Concepts Project;
- Developed the VTRACS One-Call Line to support one-stop shop mobility information line for veterans;
- GIS Team received the ESRI Special Achievement in GIS Award for LYNX use of and promotion of GIS tools for transit on www.golynx.com;
- Developed the first GIS-based Hurricane Bus Service deployment plan for the 2018 Hurricane Season;
- Completed implementation of the Mobile VueWorks Asset Management and Facilities management software to support Transit Asset Management (TAM).

Engineering and Construction

In FY2018, the Engineering and Construction Department accomplished the following:

- LYNX kicked off the design of the following bus transfer center rehabilitations: Rosemont and Florida Mall, with construction to proceed in FY 2019;
- Started the design of the Pine Hills Bus Transfer Center;
- Started the planning for the replacement of private supplier bus shelters both in the City of Altamonte and Osceola County;
- Completed Phase 1 State of Good Repair (SGR) for electrical upgrades to 12 LYMMO Orange Line kiosks;
- Completed construction of LYNX Orlando Trail also known as Gertrude's Walk;
- Released the RFP for the LYNX Operations Center (LOC) Expansion Project;
- Completed installation of 12 bus shelters at the new Phase 2 SunRail Stations;
- Completed installation of 30 bus shelters throughout the service area.

ITS

In FY2018, the ITS Division accomplished the following:

- Launched LYNX Bus Tracker mobile application and website with real-time fixed route information;
- Upgraded back office systems to support a fixed route bus location real-time refresh rate of effectively every 5 seconds;
- Implemented the NeighborLink real-time trip reservations and vehicle arrival information mobile application and website;
- Launched LYNX See & Say mobile application to allow customers to interactively report safety and security concerns to LYNX;
- Launched LYNX PawPass mobile fare application that allows customers to purchase, manage, and use LYNX fare media on their mobile device;
- Deployed student and faculty passes for Seminole State College in the LYNX PawPass mobile fare application;
- Developed the Autonomous Vehicle Mobility Initiative (AVMI) Framework Plan for how LYNX and the region can plan and prepare for the integration of autonomous vehicles;
- Partnered with the Central Florida Autonomous Vehicle Program to support research, implementation and application of AV.

Procurement

In FY2018, the Procurement Department accomplished the following key initiatives in addition to its day-to-day mission of efficiently and effectively supporting LYNX operational and strategic goals:

- Solicited and awarded contracts to transportation network companies (“TNCs”), taxi companies, concierge transportation and similar transit providers (collectively, “Alternate Transportation Providers”) to support strategic delivery of transit services to ACCESS LYNX customers.
- Solicited and awarded contracts for the purchase of 75 CNG (Compressed Natural Gas) 60-foot articulated buses;
- Executed a master agreement with the Trapeze Group for fixed route and paratransit software requirements;
- Contracted for and procured 25 wheelchair accessible minivans as well as 25 body-on-chassis paratransit buses to replace aging ACCESS LYNX vehicles, receiving 100 total vehicles during the fiscal year;
- Initiated the execution of a contract to develop the future LYNX Operations Center (LOC) expansion site and transition out of a leased facility.

Vanpool Program

While FDOT has centralized the Commuter Services program in each district office, LYNX still plays a vital role in providing Vanpool services throughout the tri-county area. LYNX coordinated the program with our contractor, Enterprise, to operate the Vanpool program which helps maximize expansion and participation. The mission of the Vanpool program is to offer alternative transport options for both agencies and commuters. The Vanpool program continues to be a viable

alternative mode of transportation for employees that have long commutes. Participation in the Vanpool program provides Central Florida commuters a more affordable and social form of transportation over the private automobile while also reducing traffic in the area. LYNX foresees expanding use of the Vanpool program in the upcoming fiscal year.

As of September 30, 2018, LYNX Vanpool accounted for 4,022 trips per week with 183 Vanpools in service; there were 1,807,791 Vanpool revenue miles in FY2018.

Mobility Services

During FY2018, Mobility Services attended 53 external community events. This included 11 school information and/or ID gatherings, 5 in collaboration with SunRail, 10 for veterans support, and numerous senior, health fairs, and other community outings.

Included below are some additional activities associated with the Mobility Services Division:

- The call center received 653,914 calls;
- The customer service window served 171,466 customers, generating \$2.1M in revenue;
- Lost and found returned 40% of the items found on LYNX property to their owners;
- LYNX photo-ID program produced 8,609 IDs and replacements.

Employee Relations

Good employee relations are critical to the success of LYNX because our employees are our most valuable assets in delivering services to our customers. Great strides continue to be made in employee training and development. Human Resources continues to work with all LYNX staff to ensure that the workplace is a fair, comfortable, and enjoyable environment, so that employees are afforded an opportunity to thrive. Quarterly labor management meetings are being conducted to ensure any labor related concerns are being address. In addition, all Human Resource policies are going through a formal review process to ensure they are still accurate and up to date.

Fiscal Controls and Improvements

The Finance Department continued to advance the integrity of the financial control systems of the organization. Monthly departmental budget reports, meetings, and programming procedures provide essential tools in managing the existing budget and in preparing for future year budgets. Other accomplishments were as follows:

- Negotiated funding agreement to allow for continuation of I-4 Road Ranger services;
- Successfully completed the 2017 annual Florida Transportation Commission Report; and
- Received the Government Finance Officers Association (GFOA) Award for Excellence in Financial Reporting for the 26th consecutive year.

Future Projects

LYNX will continue to implement plans from the 2018 update of the Transportation Development Plan (TDP) and the Vision 2030, to include:

- LYNX Operations Center (LOC) Expansion construction of a new facility to support the operations and maintenance of the LYNX paratransit services;
- Safety and Amenities enhancements at the Rosemont and Florida Mall SuperStops to improve the patron experience at these major transfer locations;
- Construction of the Pine Hills Transit Center which will include customer service facilities, accessible, multi-modal facilities for alternative modes such as bicycles; parking and amenities for conventional and electric vehicles and kiss-and-ride facilities;
- Initiate a Bus Stop Improvement Program (BSIP) to support the ROS by consolidating, eliminating and relocating transit stops across the region to complement bus stop demand and better serve customers and support partner jurisdiction land use plans and priorities.

The aforementioned construction projects will complement the following emphasis areas that have been identified for fiscal year 2018:

Fixed-Route Service

LYNX continues to explore ways to improve fixed-route services in order to better serve our customers. LYNX plans to improve service during the upcoming fiscal year through the implementation of the Transit Development Plan (TDP) goals and the Route Optimization Study (ROS) bus service restructuring effort designed to support Flexible transit services for varying types of transit demand in the region.

Paratransit Services

ACCESS LYNX provides paratransit services via a Mobility Management Service model within Orange, Osceola, and Seminole counties. During FY2018, a significant operational milestone occurred: one hundred (100) new replacement vehicles were introduced into the fleet, including fifty (50) wheelchair accessible mini-vans.

Communications

FY2018 was another award winning year for LYNX' marketing efforts as the team sustained a positive public image throughout Central Florida. The team a first place award from the American Public Transportation Association for an educational program around the holiday season. The big focus was on a multi-faceted celebration of LYNX' 25th anniversary.

In FY2019 LYNX marketing will focus on LYNX Forward, a redesigned transit routing system, all LYNX services, and a redesigned website to provide a better customer experience.

Capital Improvement Projects

Capital improvements are necessary in order for LYNX to deliver continued quality transit solutions. LYNX receives federal formula grant funding, state, and local contributions to enhance the overall agency capital program. These capital funds ensure Agency vehicles, facilities, and dedicated projects support operations.

Vehicle purchases, facility improvements, information tools, and passenger amenities included in the FY2019 capital program are:

- **Rolling Stock - \$65.7 million**
Revenue vehicles include expansion and replacement vehicles for fixed route, vanpool, and paratransit service;
- **Bus Rapid Transit (BRT) - \$.8 million**
BRT includes the LYMMO - Orange Line Rehabilitation, additional East/West BRT upgrades, and a FlexBus project demonstration;
- **Facilities - \$5.7 million**
Facilities include the Phase I Construction, CEI, and Design Services of an additional administrative LYNX Operations Center building as well as determining the location and related planning for LYNX's Southern Operations Base;
- **Passenger Amenities/Related Enhancements - \$19.8 million**
Passenger amenities include construction and rehabilitation of shelters, transfer centers, benches, and trash receptacles;
- **Technology - \$3.9 million**
Technology includes improved information delivery through mobile and website functionality enhancements, expansion of our existing real-time bus tracking systems, and increased spending on critical cybersecurity initiatives;
- **Security - \$2.1 million**
Security includes equipment to enhance organizational safeguards and surveillance;
- **Support Equipment - \$9.0 million**
Support equipment includes resources to modernize fare collection, mobile ticketing, and in-ground revenue vehicle maintenance lifts.

Capital Planning and Studies

The Transportation Development Plan (TDP) annual updates and progress report contain planned capital and service improvements necessary to meet the growing demand for public transportation throughout Central Florida during the next ten years. The major TDP update was completed in the fall 2017 and recently updated in 2018.

Highlights of the plan included:

- Complete the LYNX Route Optimization Study (ROS), which outlines the plan to match transit demand with fleet requirements to include on-demand and flexible services;
- Monitor transit demand and improve span and/or frequency of service where needed, in concert with the ROS and SunRail;

- Transition major transit corridor studies such as State Route (SR) 436 and SR 50 into the federal project development process to prepare the region to support high-capacity limited stop and Bus Rapid Transit (BRT) service on these corridors;
- Continued collaboration with regional partners to build support for a dedicated source of transit funding; and
- Secure complementary and/or supplementary sources of funding for both capital and operating expenses.

Future studies and plans LYNX staff will initiate in the coming year include an Americans with Disabilities Act (ADA) Transition Plan as an accompaniment to the ROS Implementation and BSIP to identify a schedule and plan for bringing all existing LYNX bus stops into ADA compliance.

FINANCIAL INFORMATION

Internal Control Structure

The management of LYNX is responsible for establishing and maintaining an internal control structure that consists of policies and procedures established to provide reasonable, but not absolute, assurance that organizational objectives will be achieved, including safeguarding and protecting its assets from loss, theft or misuse, and providing adequate and reliable financial information. The concept of reasonable assurance recognizes that no structure is perfect and that the cost of an internal control should not exceed the benefits to be derived. Estimates and judgments by management are required to assess the valuation of expected benefits and related costs of internal control structures.

Budgetary Controls

The annual operating and capital improvements budget is prepared on a fiscal year basis. The budget is proposed by LYNX staff and adopted by the Governing Board. Since LYNX operates as an enterprise fund, the adopted budget is prepared on an accrual basis. Expenses are recognized when incurred and revenues are recognized when earned. The annual budget is a balanced budget, whereby total estimated revenues are equal to total projected expenses. The Governing Board must approve budget amendments that are increases or decreases to the total dollar amount originally adopted. The Chief Executive Officer and Governing Board must formally approve additions to the authorized personnel position level originally included within the adopted budget.

Upon final budget adoption by the LYNX Governing Board, the budget becomes the financial plan and serves as the legal document that regulates both the expenses and obligations of funds by LYNX. Budgetary control is maintained at the department level. It is the responsibility of each department head to manage its operations in a manner that is consistent with the goals and objectives adopted by the Board of Directors. Budget to actual comparisons are made on a monthly basis. Operating and un-obligated capital balances lapse at year-end. Obligated capital balances are carried forward into the following year.

Debt Administration

In January 2015, LYNX' Board approved the authorization to award a contract to Bank of America for the lease of the (10) Compressed Natural Gas (CNG) buses for a period of five (5) years. The total cost of the ten (10) CNG buses is \$5,430,870. For additional information on the Authority's debt administration, please refer to notes to the financial statements discussing capital leases and loans payable.

Fuel Hedge Swap Agreements

Beginning in July 2011 the Authority began a fuel hedging program with a counterparty to cover a significant portion of planned fuel purchases for current and future fiscal years. The objective is to smooth out the fluctuation in fuel prices and to limit the extent to which the price paid for fuel could increase during the fiscal year. As of September 30, 2018, the maturity dates of the open contracts are September 2019. For additional information on the Authority's fuel hedging activities, please refer to the fuel hedge swap agreements note to the financial statements.

Fiscal Controls and Improvements

The Material Control division continued to maintain the integrity of the financial control systems in the accounting and management of fleet inventory items (parts, fuels, fluids, and lubricants), bulk supplies (janitorial, sundry consumables) and capital component assets. Service efficiencies and cost savings have been maintained through the centralized receiving and distribution from LYNX Operations Center (LOC) warehouse to all agency locations and work centers.

Other accomplishments during FY2018 were as follows:

- Completed the annual physical inventory of 3,835 line items valued at \$2.2 million, with a net variance of – 0.69 percent;
- Maintained an inventory turn rate of greater than 2.5 times per year through optimal inventory stock levels and the disposal of obsolete stock items;
- Continued to stock inventory parts by product category to enhance the efficiency of ordering, maintaining, and distributing parts;
- Continued to develop a spare parts model inventory for Gillig and New Flyer buses based on past systems and current or updated system specifications and analyzing “on demand” needs to minimize investment and bus down time;
- Continued to operate the region's only bio-diesel blending facility, supplying approximately 2.6 million gallons of blended product for fleet use;
- Continued to maintain and expand the assembly of kits within the inventory software to efficiently capture and track all related component part costs directly to a bus work order;
- Implemented annual inventory contracts / Blanket Purchase Orders (\$215 thousand) to eliminate administrative costs for recurring purchases and improve efficiencies in maintaining stock levels. Part categories included engine assemblies, transmission assemblies, filters, and batteries for the entire fleet.

OTHER INFORMATION

Independent Audit

The Single Audit Act Amendments of 1996 require state or local governments that expend \$750,000 or more in a year in federal financial assistance to have an audit conducted for that year in accordance with the Office of Management and Budget (OMB) Circular A-133. The State of Florida has similar legislation, the Florida Single Audit Act, related to audits of State financial assistance. Pursuant to these Acts, the Authority's independent Certified Public Accountant, Cherry Bekaert LLP, has conducted the audit for fiscal year ended September 30, 2018.

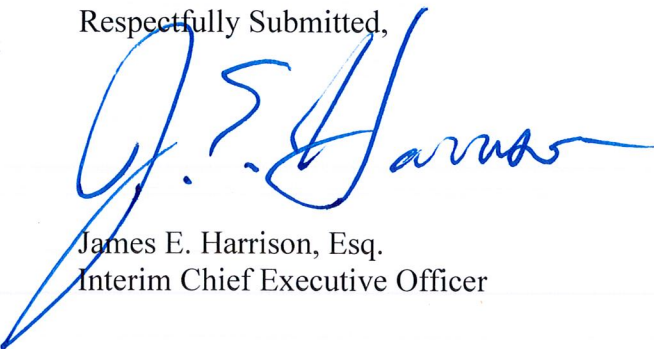
Acknowledgments

The GFOA of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Central Florida Regional Transportation Authority for its comprehensive financial report for the fiscal year ended September 30, 2017. This was the 26th consecutive year that the Authority achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.


A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report was made possible by the hard work and dedicated service of the entire Finance Division. Special thanks and recognition goes to Christopher Plummer, Manager of Financial Reporting, Nancy Navarro, Supervisor, and Maritza Rodriguez, Senior Accountant, for their efforts in the preparation of this report. We also give our sincere thanks to the Marketing Division for their special effort in designing the cover for this report and to the LYNX Governing Board for their continued outstanding support.

Respectfully Submitted,



James E. Harrison, Esq.
Interim Chief Executive Officer



Albert J. Francis II, CPA
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Central Florida Regional
Transportation Authority**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morrill

Executive Director/CEO

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Report of Independent Auditor

To the Board of Directors
Central Florida Regional Transportation Authority:

Report on the Financial Statements

We have audited the accompanying statements of net position of Central Florida Regional Transportation Authority d/b/a LYNX (the "Authority") as of September 30, 2018 and 2017, and the related statements of revenues, expenses and changes in net position and of cash flows for the years then ended, and the related notes to the financial statements.

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 an opinion on these financial statements based on our audits. We conducted our audits 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. 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 Authority'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 Authority'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2018 and 2017, and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1 to the financial statements, the Authority adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective October 1, 2017. Our opinion is not modified with respect to this matter.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and required supplementary information, as listed in the table of contents, 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquires, 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 Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Authority taken as a whole. The introductory section, supplementary schedule of revenues and expenses – budget vs. actual (budgetary basis), schedule of local financial assistance and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and the schedule of state financial assistance are presented for the purposes of additional analysis as required *Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and are also not a required part of the basic financial statements.

The supplementary schedule of revenues and expenses – budget vs. actual (budgetary basis) and schedule of expenditures of federal awards, schedule of local financial assistance, and schedule of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 8, 2019, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cheryl Behrert LLP". The signature is written in a cursive, flowing style.

Orlando, Florida
March 8, 2019

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the comprehensive annual financial report of Central Florida Regional Transportation Authority d/b/a LYNX (the “Authority”) presents management’s analysis of the Authority’s financial performance during the fiscal years that ended on September 30, 2018 and 2017, respectively. Please read it in conjunction with the financial statements, which follow this section.

Financial Highlights

Fiscal 2018

- Customer Fares decreased by 4.4%, or \$1.1 million, from FY2017. The reduction in fares collected was due to a decrease in ridership by 7.4% year-over-year. The passenger fares decrease was primarily due to lower fuel prices for consumers, and increased competition from low-cost point to point transportation network providers.
- Local Financial Assistance in the form of non-operating revenue increased 5.5% year-over-year allowing the Authority to fund expense increases, maintain service levels and ensure the network of transit system options operate efficiently.
- Operating expenses before depreciation increased 6.0%, or \$7.6 million and capital contributions decreased 61.6% or \$15.5 million from FY2017. Ratification of the Authority’s new ATU 1596 union contract and greater than expected paratransit trip volume were the principal drivers of increased expenditures. Paratransit trip volume increased 13.6% year over year from 538,554 to 611,661.
- Overall net position decreased by 12.0%, or \$23.6 million, from FY2017, as the Authority’s loss before capital contributions exceeded capital contributions. \$2.3 million of the decrease was caused by a required restatement of beginning net position, due to the required adoption of a new accounting standard regarding other post-employment benefits.

Fiscal 2017

- Customer Fares decreased by 5.6%, or \$1.5 million, from FY2016. The reduction in fares collected was due to a decrease in ridership by 5.4% year-over-year, which is primarily related to improved economic conditions coupled with lower fuel prices and the competition from ridesharing services.
- Local Financial Assistance increased by 4.5% year-over-year, which was an indication of the Authority’s funding partner support to maintain current service levels and to ensure we continue to operate as efficient as financially feasible.
- Operating expenses before depreciation increased 9.6%, or \$11.2 million and capital contributions decreased 40.5% or \$17.2 million from FY2016.
- Overall net position decreased by 4.4%, or \$9.0 million, from FY2016, as the Authority’s loss before capital contributions exceeded capital contributions.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority’s basic financial statements. The basic financial statements consist of two parts: Financial Statements and Notes to the Financial Statements. The report also contains supplementary information in addition to the financial statements included herein.

Required Financial Statements

The financial statements of the Authority report information about the Authority using full accrual accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Statements of Net Position include all of the Authority’s assets, liabilities, deferred outflows

and inflows of resources and net position, and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). The assets and liabilities are presented in a classified format, which distinguishes between current and long-term assets and liabilities. It also provides the basis for computing the rate of return, evaluation of the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority. All of the current year's revenues and expenses are accounted for in the Statements of Revenues, Expenses, and Changes in Net Position. These statements measure the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its customer fares, contract services, and operating subsidies, as well as its profitability and credit worthiness. The final required financial statement for each year is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Financial Analysis of the Authority

Our analysis of the Authority begins below with the Financial Statements. One of the most important questions asked about Authority finances is "Is the Authority, as a whole, better or worse off as a result of the prior year's activities?" The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position report information about the Authority's activities in a way that will help answer this question. These two statements report the net position of the Authority and changes in them. You can think of the Authority's net position --- difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources --- as one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, population growth, regulation, and new or changed government legislation is necessary.

Net Position

To begin our analysis, a summary of the Authority's Statements of Net Position is presented in Table A-1.

Table A-1

Condensed Statements of Net Position (In millions of dollars)

	September 30,		
	FY2018	FY2017	FY2016
Assets:			
Current and other assets	\$ 64.5	\$ 66.9	\$ 74.2
Capital assets	142.9	157.2	163.8
Total assets	\$ 207.4	\$ 224.1	\$ 238.0
Deferred outflows of resources	\$ 6.5	\$ 8.1	\$ 10.3
Liabilities:			
Current liabilities	\$ 22.3	\$ 18.9	\$ 26.8
Long-term liabilities	16.4	16.1	15.4
Total liabilities	\$ 38.7	\$ 35.0	\$ 42.2
Deferred inflows of resources	\$ 2.3	\$ 0.7	\$ 0.5
Net position			
Net investment in capital assets	\$ 139.3	\$ 153.0	\$ 149.9
Restricted	1.7	1.7	1.6
Unrestricted	31.9	41.8	54.0
Total net position	\$ 172.9	\$ 196.5	\$ 205.5

The Statements of Net Position show the change in assets, liabilities, deferred outflows of resources, deferred inflows of resources and the resulting net position. Net position may serve, over time, as a useful indicator of the Authority's overall financial position. As can be seen from the Table A-1, Net Position decreased \$23.6 million to \$172.9 million in FY2018 from \$196.5 million in FY2017. Net Investment in Capital Assets decreased \$13.7 million. Unrestricted Net Position decreased \$9.9 million and Restricted Net Position was unchanged at \$1.7 million.

Table A-2

Condensed Statements of Revenues, Expenses, and Changes in Net Position (In millions of dollars)

	September 30,		
	FY2018	FY2017	FY2016
Operating revenues:			
Customer fares	\$ 24.1	\$ 25.2	\$ 26.6
Contract services	19.0	18.9	18.0
Advertising revenue	2.9	2.1	1.8
Other income	0.7	0.9	0.4
Total operating revenue	46.7	47.1	46.8
Non-operating revenues, net:			
Federal	15.9	14.7	14.2
State	12.7	12.9	13.0
Local	51.5	48.8	46.5
Interest and other income	0.7	0.1	0.1
Total nonoperating revenue	80.8	76.5	73.8
Total revenues	127.5	123.6	120.6
Operating expenses:			
Salaries and wages	48.9	45.0	43.9
Fringe benefits	27.5	28.7	25.9
Purchased transportation services	25.9	20.2	17.7
Fuel	10.8	10.0	9.7
Materials & supplies	7.2	8.0	7.6
Professional services	9.5	8.6	7.0
Lease and miscellaneous	1.2	1.3	1.2
Casualty and liability	2.1	4.0	1.8
Utilities, taxes and licenses	2.2	1.9	1.8
Depreciation	23.2	25.9	26.8
Capital project abandonment	-	4.2	-
Total operating expenses	158.5	157.8	143.4
Loss before capital contributions	(31.0)	(34.2)	(22.8)
Capital contributions	9.7	25.2	42.4
Change in net position	(21.3)	(9.0)	19.6
Beginning net position	196.5	205.5	185.9
Cumulative effect of change in accounting principle	(2.3)	-	-
Ending net position	\$ 172.9	\$ 196.5	\$ 205.5

The Statements of Revenues, Expenses, and Changes in Net Position provide answers as to the source of changes in Net Position. As shown in Table A-2, the \$23.6 million decrease in net position in FY2018 is primarily derived from a \$2.2 million salaries and wages settlement as part of the new ATU 1596 union contract, \$4.1 million of net paratransit costs due to an increase in trip volume, a \$15.5 million decrease in year over year capital contributions, and a \$2.3 million cumulative decrease due to a change in accounting principle for Other Postemployment Benefits (“OPEB”).

Capital Assets

At the end of FY2018, the Authority had a broad range of Capital Assets, consisting of Land, Buildings and Shelters, Revenue Vehicles, Bus Rapid Transit (BRT) Roadway, Pedestrian Walkways, and Equipment. For additional information on the Authority’s capital assets, please see financial statement note 2, capital assets.

Table A-3

Capital Assets (In millions of dollars)

	September 30,		
	FY2018	FY2017	FY2016
Depreciable assets and land:			
Land	\$ 10.0	\$ 10.0	\$ 8.2
Buildings and shelters	96.9	95.4	94.7
Revenue vehicles	166.1	166.1	161.4
BRT roadway	22.7	22.7	6.5
Pedestrian walkways	1.4	-	-
Equipment	45.7	43.8	40.4
Subtotal	342.8	338.0	311.2
Less accumulated depreciation	(204.1)	(185.7)	(170.8)
Subtotal	138.7	152.3	140.4
Construction in progress:			
Bus shelters	1.8	2.2	1.3
Facility capital improvements	0.6	0.1	0.1
Other miscellaneous projects	1.8	2.6	22.0
Subtotal	4.2	4.9	23.4
Net capital assets	\$ 142.9	\$ 157.2	\$ 163.8

Long-Term Obligations

On June 9, 2004, the Authority entered into a SIB Loan (SIB #2), allowing draws of up to \$7,600,000 for the construction of the LYNX Operations Center Facility. This loan matured in October 2016, with a final payoff balance of \$813,225. The Authority entered into a capital lease agreement for 10 buses in September 2015. The lease arrangement calls for quarterly lease payments expiring October 2020, with principal and interest totaling \$5,430,870. For additional information on the Authority’s long-term obligations, please see financial statement notes 3 and 4, capital leases and loans payable.

Fuel Hedging

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, was implemented in FY2011. This accounting standard requires that hedging derivative instruments be reported at fair value on the Statements of Net Position. Subsequently, GASB Statement No. 65, *Items Previously reported as Assets and Liabilities*, has been issued to require presentation of related deferred outflows of resources or deferred inflows of resources for certain items that were previously reported as assets or liabilities.

Beginning in July 2011, the Authority entered into several fuel hedging contracts with a counterparty to cover a significant portion of planned fuel purchases. The objective is to smooth out the fluctuation in fuel prices and to limit the extent to which the price paid for fuel could increase during the fiscal year. As of September 30, 2018, the maturity

dates of the open contracts extend through January 2019. Because the fuel hedging contracts are considered effective hedges, the fair value of the open contracts is presented as a deferred outflow or inflow of resources, rather than as an activity. For additional information on the Authority's fuel hedging activities, see financial statement note 9, fuel hedge swap agreements.

Economic Factors and Next Year's Budget and Rates

The Authority's Board of Directors and Management considered many factors when setting the FY2019 budget and contract services hourly rates. These factors include the expected demand of the Authority's Funding Partners, which in turn consider such factors as anticipated population growth of the three counties and the economy of the region as a whole.

FINANCIAL STATEMENTS

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2018 AND 2017

ASSETS	2018	2017
CURRENT ASSETS:		
Cash and cash equivalents	\$ 27,025,094	\$ 41,248,462
Receivables:		
Local, trade and operating assistance	1,745,976	2,214,401
Federal grants	17,780,923	6,383,510
State grants	7,266,188	7,932,301
Inventory	2,246,323	2,042,632
State fuel tax refundable	275,015	91,228
Prepaid expenses and other assets	292,502	628,330
Derivative instruments - fuel hedge	-	212,741
	<u>56,632,021</u>	<u>60,753,605</u>
Total current assets		
NONCURRENT ASSETS:		
Restricted cash and cash equivalents	<u>7,146,532</u>	<u>6,156,183</u>
Total restricted cash and cash equivalents	<u>7,146,532</u>	<u>6,156,183</u>
Property and equipment:		
Land	10,018,522	10,018,522
Buildings and shelters	96,727,844	95,138,902
Bus Rapid Transit Roadway Infrastructure	22,673,715	22,673,715
Pedestrian walkways	1,404,894	-
Revenue vehicles	166,078,337	166,123,104
Equipment	45,656,561	43,817,063
Leasehold improvements	219,390	219,390
Total property and equipment	<u>342,779,263</u>	<u>337,990,696</u>
Less accumulated depreciation	(204,100,347)	(185,660,089)
Construction in progress	<u>4,262,763</u>	<u>4,852,694</u>
	<u>142,941,679</u>	<u>157,183,301</u>
Net property and equipment		
Net pension asset	<u>661,250</u>	-
Total noncurrent assets	<u>150,749,461</u>	<u>163,339,484</u>
Total assets	<u>207,381,483</u>	<u>224,093,089</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	6,519,583	8,056,272
Accumulated decrease in fair value of fuel hedge instrument	2,929	-
	<u>\$ 6,522,512</u>	<u>\$ 8,056,272</u>
Total deferred outflows of resources		

See notes to financial statements.

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2018 AND 2017

LIABILITIES AND NET POSITION	2018	2017
CURRENT LIABILITIES:		
Accounts payable	\$ 11,466,610	\$ 7,890,116
Accrued salaries and related taxes	2,180,070	1,768,918
Accrued compensated absences, current	4,461,265	4,163,321
Accrued self-insurance liability, current	2,472,574	2,784,955
Leases payable, current	940,237	918,954
Unearned operating revenue	750,208	1,352,218
Derivative instrument - fuel hedge	2,929	-
Total current liabilities	<u>22,273,893</u>	<u>18,878,482</u>
NONCURRENT LIABILITIES:		
Leases payable, long-term	2,013,282	2,953,519
Net OPEB liability	4,888,700	2,339,000
Net pension liability	-	2,000,057
Accrued compensated absences, long-term	352,541	326,397
Accrued self-insurance liability, long-term	3,802,661	4,059,751
Unearned capital	5,401,809	4,444,285
Total noncurrent liabilities	<u>16,458,993</u>	<u>16,123,009</u>
Total liabilities	<u>38,732,886</u>	<u>35,001,491</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	2,218,772	442,095
Deferred inflows related to OPEB	107,607	-
Accumulated increase in fair value of fuel hedge instrument	-	212,741
Total deferred inflows of resources	<u>2,326,379</u>	<u>654,836</u>
NET POSITION:		
Net investment in capital assets	139,279,151	153,037,062
Restricted	1,700,000	1,700,000
Unrestricted	31,865,578	41,755,972
Total net position	<u>\$ 172,844,729</u>	<u>\$ 196,493,034</u>

See notes to financial statements.

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

	2018	2017
OPERATING REVENUES		
Customer fares	\$ 24,142,741	\$ 25,165,009
Contract services		
Local financial assistance	14,830,390	14,399,829
Other contractual services	4,191,835	4,500,127
Advertising	2,846,718	2,069,610
Other income	688,425	956,844
Total operating revenues	<u>46,700,109</u>	<u>47,091,419</u>
OPERATING EXPENSES		
Salaries and wages	48,919,052	44,924,890
Fringe benefits	27,540,233	28,714,207
Purchased transportation services	25,892,966	20,191,908
Fuel	10,757,826	10,027,703
Materials and supplies	7,171,448	8,041,172
Professional services	9,573,775	8,590,714
Lease and miscellaneous	1,200,366	1,349,965
Casualty and liability	2,081,710	4,049,932
Utilities	1,356,532	1,332,937
Taxes and licenses	814,687	561,771
Total operating expenses before depreciation and capital project abandonment expense	<u>135,308,595</u>	<u>127,785,199</u>
OPERATING EXPENSES IN EXCESS OF OPERATING REVENUES BEFORE DEPRECIATION AND CAPITAL PROJECT ABANDONMENT EXPENSE	(88,608,486)	(80,693,780)
DEPRECIATION	(23,150,315)	(25,864,965)
CAPITAL PROJECT ABANDONMENT EXPENSE	-	(4,197,014)
OPERATING LOSS	<u>(111,758,801)</u>	<u>(110,755,759)</u>
NONOPERATING REVENUES AND EXPENSES:		
Operating assistance grants		
Federal	-	142,928
State of Florida	10,192,003	10,142,756
Local	51,500,093	48,810,319
Planning and other assistance grants		
Federal	15,877,646	14,537,467
State of Florida	2,518,968	2,712,162
Interest expense	(84,900)	(96,693)
Interest income	698,231	209,139
Other income	42,106	62,069
Total nonoperating revenues and expenses, net	<u>80,744,147</u>	<u>76,520,147</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS	(31,014,654)	(34,235,612)
Capital contributions	9,666,270	25,236,924
Change in net position	(21,348,384)	(8,998,688)
NET POSITION AT BEGINNING OF YEAR	196,493,034	205,491,722
Cumulative effect of change in accounting principle	(2,299,921)	-
RESTATED BEGINNING NET POSITION	<u>194,193,113</u>	<u>205,491,722</u>
NET POSITION AT END OF YEAR	<u>\$ 172,844,729</u>	<u>\$ 196,493,034</u>

See notes to financial statements

STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 24,142,741	\$ 25,165,009
Cash received for contract services	19,373,026	20,476,323
Cash paid to employees	(57,499,002)	(50,623,072)
Cash paid to suppliers	(72,605,467)	(81,052,065)
Cash received from advertising and miscellaneous	3,251,587	2,697,788
Net cash used in operating activities	<u>(83,337,115)</u>	<u>(83,336,017)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from assistance grants	<u>67,129,320</u>	<u>92,032,701</u>
Net cash provided by noncapital financing activities	<u>67,129,320</u>	<u>92,032,701</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Construction and acquisition of property and equipment	(9,853,637)	(24,448,081)
Principal paid on loans	-	(813,225)
Interest paid on loans	(81,047)	(118,114)
Proceeds from sale of property and equipment	42,106	62,069
Capital assistance grants	<u>12,169,123</u>	<u>20,070,384</u>
Net cash provided by (used in) capital and related financing activities	<u>2,276,545</u>	<u>(5,246,967)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	<u>698,231</u>	<u>209,139</u>
Net cash provided by investing activities	<u>698,231</u>	<u>209,139</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(13,233,019)	3,658,856
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	47,404,645	43,745,789
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 34,171,626</u>	<u>\$ 47,404,645</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	\$ (111,758,801)	\$ (110,755,759)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	23,150,315	25,864,965
Capital project abandonment expense	-	4,197,014
Changes in operating assets and liabilities and deferred amounts:		
Receivables	468,425	1,392,901
Inventory	(203,691)	(308,666)
State fuel tax refundable	(183,787)	59,079
Prepaid expenses; deferred outflows of resources	1,421,079	1,896,411
Accounts payable; amounts due to FTA; and hedging liability	3,682,311	(7,827,773)
Accrued salaries and related taxes; net OPEB liability; net pension liability	(1,339,126)	(40,379)
Accrued compensated absences	324,088	70,662
Accrued self-insurance liability	(569,471)	2,003,424
Deferred inflows of resources	<u>1,671,543</u>	<u>112,104</u>
Net cash used in operating activities	<u>\$ (83,337,115)</u>	<u>\$ (83,336,017)</u>

See notes to financial statements

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

1. SIGNIFICANT ACCOUNTING POLICIES

Organization - The Central Florida Regional Transportation Authority (the “Authority”) was created in 1989 pursuant to Section 343.63, *Florida Statutes*. This same legislation was amended in 1993, allowing the Authority to assume the operations of the entity formerly known as Central Florida Commuter Rail Authority and providing an opportunity to merge with the local transportation provider, Orange-Seminole-Osceola Transportation Authority (“OSOTA”) d/b/a LYNX, thereby creating a one-stop public transportation entity. The Authority continues to use LYNX as its doing business as name and serves as the focal point in developing all modes of public transportation in the Central Florida region. Through formal action by both the Authority and OSOTA Board of Directors, the merger of the two organizations was ratified March 1994 and became effective October 1, 1994. The Authority provides public transportation services to the general public in the Orlando, Florida metropolitan area--Orange County, Seminole County, and Osceola County.

Reporting Entity - The Authority is a stand-alone governmental unit.

Basis of Accounting – The Authority accounts for its activities through the use of an enterprise fund. Enterprise funds are used to account for activities similar to those found in the private sector, where the determination of a change in financial position is necessary or useful for sound financial administration (business-type activities). Because the Authority has only business-type activities, it is considered to be a special-purpose government for financial reporting under Governmental Accounting Standards Board (“GASB”) Statement No. 34 *Basic Financial Statements-and Management’s Discussion and Analysis-for State and Local Governments* (“GASB 34”). Accordingly, the Authority only presents fund financial statements as defined in GASB 34. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses when incurred. The Authority’s property and equipment acquisitions and operations are subsidized by the Federal Transit Administration, the Florida Department of Transportation, and local governments. Capital grants for the acquisition of property and equipment (reimbursement type grants) are recorded as grant receivables and credited to capital contributions when the related qualified expenditures are incurred. Unrestricted net position consists of state and local government operating subsidies received in excess of net expenses.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Authority considers all investments with a maturity of three months or less when purchased to be cash equivalents. All cash and cash equivalents are insured by the Federal Deposit Insurance Corporation or are considered insured by the State of Florida collateral pool. The State of Florida collateral pool is a multiple financial institution pool with the ability to assess its members for collateral shortfalls if a member institution fails.

The Authority’ policy allows for investments in the Local Governmental Surplus Funds Investment Pool (the “Pool”), which is administered by the State Board of Administration of Florida. The Pool includes direct obligations of the United States government or its agencies and instrumentalities, interest bearing time deposits or saving accounts, mortgage-backed securities, collateralized mortgage obligations, bankers acceptance, commercial paper, repurchase agreements, and shares in common-law trust established under *Florida Statutes*, Section 163.01. The Pool allocates investment earnings to participants monthly, based on a prorated dollar days participation of each account in the Pool.

The Authority held investments throughout fiscal years 2018 and 2017 in the Pool, which are considered cash and cash equivalents for financial reporting purposes. Florida PRIME qualifies under GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, to be treated as a qualifying investment pool because it has a policy that it will, and does, operate in a manner consistent with specified conservative investment strategies. The current rating of Florida PRIME by Standard and Poors is AAAM and the weighted average days to maturity at September 30, 2018 was 60 days or less. The securities in Florida PRIME are valued the same as

the pool shares based on amortized costs, which approximates fair value. There are no restrictions or limitations on withdrawals; however, Florida PRIME may, on the occurrence of an event that has a material impact on liquidity or operations, impose restrictions on withdrawals for up to 48 hours. The Authority presents all investments at a fair value, or amortized cost which approximates fair value, as follows:

	September 30,	
	2018	2017
Pool Investments -Florida PRIME	\$ 30,272,311	\$ 32,576,890
Bank Deposits	3,899,315	14,827,755
Total Cash and Cash Equivalents	<u>\$ 34,171,626</u>	<u>\$ 47,404,645</u>

As of both September 30, 2018 and 2017, the Authority classified as restricted \$1,700,000 to offset future related liabilities for the newly implemented medical health self-insurance plan, as required by the State of Florida.

It is the policy of the Authority to diversify its investment portfolios so as to protect against issuer defaults, market price changes, technical complications leading to temporary lack of liquidity, or other risks resulting from an over concentration of assets in a specific maturity, a specific issuer, a specific geographical distribution, or a specific class of securities.

The Authority's investment policy objectives are to preserve the principal of funds within its portfolio, ensure that funds are available to meet reasonably anticipated cash flow requirements, and maximize return on investments, while meeting the established quality, safety and liquidity restrictions.

To limit credit risk, in addition to diversification, the Authority has established a list of authorized investments, of which the principal ones are:

- (1) The Local Government Surplus Funds Trust Fund;
- (2) United States Treasury and Agency securities;
- (3) Interest-bearing time deposits or savings accounts in Qualified Public Depositories;
- (4) Obligations of the Federal Farm Credit Banks and the Federal Home Loan Mortgage Corporation; and
- (5) Deposits, federal funds or bankers' acceptance of any domestic bank.

Receivables - Local, Trade, Operating Assistance – Includes receivables from customers, Local Funding Partners and Medicaid Assistance. As of September 30, 2018 and 2017, the Authority had receivables, net \$604 and \$9,628 of allowances, for each year, respectively, as follows:

	September 30,	
	2018	2017
Customers	\$ 1,107,916	\$ 1,617,417
Local Funding Partners	638,060	596,984
Total	<u>\$ 1,745,976</u>	<u>\$ 2,214,401</u>

Inventory - Inventory, consisting of minor repair parts and fuel, is valued at the lower of cost or market. Cost is determined using the first-in, first-out method.

State Fuel Tax Refundable - Represents claims refundable from the State of Florida Department of Revenue for fuel tax.

Restricted Assets - When both restricted and unrestricted resources are available for use, the Authority's policy is to use restricted resources first, and then unrestricted resources, as they are needed. Restricted assets include \$7,146,532 and \$6,156,183 of cash and cash equivalents for the Pine Hill Super Stop project, health self-insurance reserve, shelters, bus procurement and other enhancements, and various capital projects as of September 30, 2018 and 2017, respectively. Restricted assets are offset by liabilities, except for the \$1,700,000 of medical health self-insurance plan restricted assets as of both September 30, 2018 and 2017.

Property and Equipment - Property and equipment in the amount of \$300 or more is recorded at acquisition cost and depreciated over the following estimated useful lives using the straight-line method:

	<u>Years</u>
Buildings and shelters	3 – 30
Revenue vehicles	5 – 9
Equipment	3 – 12
Leasehold improvements (shorter of useful lives or lease term)	5 – 10

Construction work in progress primarily relates to facilities improvements, bus shelters and transfer centers and other projects. Depreciation commences when projects are completed and the underlying property and equipment are available for use.

Accounts Payable - Accounts payable are recorded as expenses at the time services are rendered and the Authority receives items. As of September 30, 2018 and 2017, the Authority had accounts payable as follows:

	September 30,	
	2018	2017
Trade	\$ 6,771,880	\$ 4,109,690
Commitments (Consultants/Construction)	1,494,759	873,084
Retainage	26,901	-
Other	3,173,070	2,907,342
Total	<u>\$ 11,466,610</u>	<u>\$ 7,890,116</u>

Accrued Compensated Absences - The Authority recognizes the accrual of compensated absences in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, accruing vacation pay benefits as earned and sick pay benefits as vested by its employees.

	September 30,	
	2018	2017
Accrued compensated absences liability, beginning of year	\$ 4,489,718	\$ 4,419,056
Obligations	5,104,147	3,907,586
Payments	(4,780,059)	(3,836,924)
Accrued compensated absences liability, end of year	<u>\$ 4,813,806</u>	<u>\$ 4,489,718</u>
Amount due within one year	<u>\$ 4,461,265</u>	<u>\$ 4,163,321</u>

Accrued Self-Insurance Liability - The Authority has a self-insurance program for public liability claims, workers compensation and health insurance. Estimated claims are accrued in the year expenses are incurred to the extent payment is probable and subject to reasonable estimation.

Unearned Operating Revenue - Unearned operating revenue consists of revenue not yet recognized because services have not yet been rendered, although related cash has been received.

Unearned Capital – Unearned capital consists of contributed capital not yet recognized because it has not yet been expended on property or equipment, although the cash has been received.

Net Position - Net position represents the difference between all other elements in the statements of financial position and is displayed in three components – net investment in capital assets, restricted and unrestricted.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Operating Revenues - Transactions reported as operating revenues are those that arise from the activities of primary ongoing operations. Those include: Customer Fares, Contract Services, Advertising and Other Operating Income. Customer fares are recorded as revenue at the time services are performed and revenues pass through the fare box. Contract services are recorded as revenue when services are provided, consisting primarily of bus services to area cities and counties that are funded based on hours of service and paratransit services funded through Medicaid, Transportation Disadvantage, and other means.

Nonoperating Revenues - Transactions reported in the nonoperating revenue category include government subsidies that are not contingent on service hours or other designated criteria, including Federal, State and Local Operating, Planning, and other grant assistance, as well as interest income and gains on the sales of capital assets, if applicable.

Operating Expenses - Transactions reported as operating expenses are those that arise from the activities of primary ongoing operations. Those include: Salaries and Wages, Fringe Benefits, Purchased Transportation Services, Fuel, Materials and Supplies, Professional Services, Lease and Miscellaneous, Casualty and Liability, Utilities, and Taxes and Licenses. On the Statements of Revenues, Expenses and Changes in Net Position, Depreciation and Capital Project Abandonment Expense are presented separately below the other expenses of primary ongoing operations.

Nonoperating Expenses - Transactions reported in the nonoperating expense category include those that do not arise from the activities of primary ongoing operations. These include interest expense for leases and loans as well as losses on the sales of capital assets, if applicable.

New Accounting Pronouncement - Effective October 1, 2017, the Authority adopted provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. GASB Statement No. 75 represents a significant change to the reporting requirements for OPEB plans by establishing a net OPEB liability, an actuarially calculated amount representing OPEB benefits accrued by current employees and retirees of the Authority, less any assets provided in an irrevocable trust fund. Since there are no assets set aside in an irrevocable trust fund, the net OPEB liability is equivalent to the total OPEB liability. The previous requirements were based on a funding perspective.

Certain estimates and assumptions are involved with the calculation of the net OPEB liability and actual results may differ. The impact of differences between estimated and actual results are presented as deferred inflows of resources or deferred outflows of resources. These deferred inflows and outflows will be applied in the calculation of the OPEB expense over time.

As a result of this change in the accounting principle, the fiscal year 2018 beginning net position balance presented in this report differs from the balance presented in the fiscal year 2017 Comprehensive Annual Financial Report. Fiscal year 2017 financial statements have not been restated because it is not practical to determine the effect of the change in accounting principle for that period. Also, the beginning balance of the related deferred outflows of resources and deferred inflows of resources are not reflected in the restated October 1, 2017 net position, since it is not practical to determine such balances. The October 1, 2017 Statement of Net Position balance has been restated as shown below.

<u>Restatement of October 1, 2017 Beginning Net Position due to GASB Statement No. 75</u>	
Net OPEB obligation as of September 30, 2017	\$ 2,339,000
Unfunded accrued liability on the fiscal 2017 measurement date	4,638,921
Restatement of October 1, 2017 Beginning Net Position	<u>\$ (2,299,921)</u>

2. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018 was as follows:

Property and Equipment:	Beginning Balance	Additions	Reclass/ Disposals	Ending Balance
Depreciable Assets				
Buildings and Shelters	\$ 95,138,902	\$ 1,696,384	\$ (107,442)	\$ 96,727,844
Revenue Vehicles:				
Buses	157,757,265	3,751,671	(3,865,808)	157,643,128
Other Support Vehicles	8,365,839	282,081	(212,711)	8,435,209
Furniture, Fixtures & Equipment	43,817,063	2,389,583	(550,085)	45,656,561
Leasehold Improvements	219,390	-	-	219,390
BRT Roadway Improvements	22,673,715	-	-	22,673,715
Pedestrian Walkways	-	1,404,894	-	1,404,894
Non-Depreciable Assets				
Land	10,018,522	-	-	10,018,522
Construction in Progress	4,852,694	3,507,174	(4,097,105)	4,262,763
Totals at Acquisition Cost	\$ 342,843,390	\$ 13,031,787	\$ (8,833,151)	\$ 347,042,026
Less Accumulated Depreciation for:				
Buildings and Shelters	\$ (49,809,382)	\$ (3,959,065)	\$ 101,384	\$ (53,667,063)
Revenue Vehicles:				
Buses	(94,354,886)	(12,791,362)	3,865,808	(103,280,440)
Other Support Vehicles	(6,339,753)	(914,021)	192,793	(7,060,981)
Furniture, Fixtures & Equipment	(32,917,628)	(4,312,785)	550,072	(36,680,341)
Leasehold Improvements	(103,204)	(37,802)	-	(141,006)
BRT Roadway Improvements	(2,135,236)	(1,132,353)	-	(3,267,589)
Pedestrian Walkways	-	(2,927)	-	(2,927)
Total Accumulated Depreciation	(185,660,089)	(23,150,315)	4,710,057	(204,100,347)
Capital Assets, net	\$ 157,183,301	\$ (10,118,528)	\$ (4,123,094)	\$ 142,941,679

Capital asset activity for the year ended September 30, 2017 was as follows:

Property and Equipment:	Beginning Balance	Additions	Reclass/ Disposals	Ending Balance
Depreciable Assets				
Buildings and Shelters	\$ 94,511,325	\$ 646,398	\$ (18,821)	\$ 95,138,902
Revenue Vehicles:				
Buses	154,001,813	13,776,012	(10,020,560)	157,757,265
Other Support Vehicles	7,436,539	1,445,502	(516,202)	8,365,839
Furniture, Fixtures & Equipment	40,409,273	3,957,226	(549,436)	43,817,063
Leasehold Improvements	205,476	13,914	-	219,390
BRT Roadway Improvements	6,522,100	16,151,615	-	22,673,715
Non-Depreciable Assets				
Land	8,161,465	1,857,057	-	10,018,522
Construction in Progress	23,347,502	5,166,618	(23,661,426)	4,852,694
Totals at Acquisition Cost	\$ 334,595,493	\$ 43,014,342	\$ (34,766,445)	\$ 342,843,390
Less Accumulated Depreciation for:				
Buildings and Shelters	\$ (45,827,310)	\$ (3,987,766)	\$ 5,694	\$ (49,809,382)
Revenue Vehicles:				
Buses	(89,500,661)	(14,808,191)	9,953,966	(94,354,886)
Other Support Vehicles	(5,335,837)	(1,496,569)	492,653	(6,339,753)
Furniture, Fixtures & Equipment	(28,624,676)	(4,832,424)	539,472	(32,917,628)
Leasehold Improvements	(62,718)	(40,486)	-	(103,204)
BRT Roadway Improvements	(1,435,707)	(699,529)	-	(2,135,236)
Total Accumulated Depreciation	(170,786,909)	(25,864,965)	10,991,785	(185,660,089)
Capital Assets, net	\$ 163,808,584	\$ 17,149,377	\$ (23,774,660)	\$ 157,183,301

3. CAPITAL LEASES

The Authority entered into a capital lease agreement for 10 buses in September 2015, of which 5 buses were received by September 30, 2015 and the remaining 5 buses were received in October 2015. The lease agreement covers a term of 5 years, with a final payment to be made in October 2020. These buses were included in property and equipment at a carrying value of \$3,495,089 and \$4,153,018 at September 30, 2018 and 2017, respectively.

Leases payable activity for the years ended September 30, 2018 and 2017 was as follows:

Leases Payable	Lease Payable September 30, 2018				Amounts Due Within One Year
	Beginning Balance	Additions	Payments	Ending Balance	
Lease # 5	\$ 3,872,473	\$ -	\$ 918,954	\$ 2,953,519	\$ 940,237
Total	\$ 3,872,473	\$ -	\$ 918,954	\$ 2,953,519	\$ 940,237

Leases Payable	Lease Payable September 30, 2017				Amounts Due Within One Year
	Beginning Balance	Additions	Payments	Ending Balance	
Lease # 5	\$ 4,770,624	\$ -	\$ 898,151	\$ 3,872,473	\$ 918,954
Total	\$ 4,770,624	\$ -	\$ 898,151	\$ 3,873,473	\$ 918,954

Future minimum payments and the present value of the minimum payments applicable to capital leases are as follows for the years ending after September 30, 2018:

Year	Present Value of	Amount	Total
	Minimum Lease Payments	Representing Interest	Minimum Lease Payments
2019	940,237	59,763	1,000,000
2020	962,014	37,986	1,000,000
2021	1,051,268	6,035	1,057,303
Total	\$ 2,953,519	\$ 103,784	\$ 3,057,303

The above do not represent borrowings but are considered capital leases under generally accepted accounting principles due to the length of respective lease terms as compared to estimated useful lives of assets leased.

4. LOANS PAYABLE

On June 9, 2004, the Authority entered into a SIB Loan (SIB #2), allowing draws of up to \$7,600,000 for the construction of the New Operating Base Facility. This loan matured October 1, 2016, was non-interest bearing until October 1, 2007, and bore an interest rate of 2%, thereafter. Loan SIB #2 was repaid in full during fiscal year 2017. Loans payable activity during the fiscal year ending September 30, 2017 was as follows:

Loans Payable September 30, 2017					
	Beginning Balance	Additions	Payments	Ending Balance	Amounts Due Within One Year
SIB #2	\$ 813,225	\$ -	\$ 813,225	\$ -	\$ -
Total	\$ 813,225	\$ -	\$ 813,225	\$ -	\$ -

Pursuant to the State Infrastructure Bank Loan Agreement, the Authority committed to use its Federal Transit Administration 5307 grant funds as the source to fund the payment obligations of the loan SIB#2, provided such funds were available after funding capital expenditures. The amount of pledged revenues was \$26,228,105 for fiscal year 2017. Fiscal year 2017 principal and interest payments were \$813,225 and \$16,265 respectively.

5. ACCRUED SELF-INSURANCE LIABILITY

The Authority has been self-insured since 1986 for personal injury coverage related to its transit coaches, since 1991 for workers compensation coverage and since 2016 for health insurance; all other risks of loss are covered through the purchase of commercial insurance. The Authority has sovereign immunity with respect to personal injury claims, which limits its liability to \$200,000 for each claim and \$300,000 for each accident. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

The amounts recorded as accrued self-insurance liability at September 30, 2018 and 2017, the current portion of which represents an estimate of payments required in the next fiscal year, are at present value based on estimates derived through actuarial determinations discounted at 4% for the fiscal years 2018 and 2017. Such estimates are subject to change based on circumstances surrounding each claim. Changes in the balances of accrued self-insurance liability, including incurred but not reported claims ("IBNR"), were as follows during the years ended:

	September 30	
	2018	2017
Accrued self-insurance liability, beginning of year	\$ 6,844,706	\$ 4,841,282
Insured claims (including IBNR's)	10,242,402	14,698,124
Claim payments	(10,811,873)	(12,694,700)
Accrued self-insurance liability, end of year	\$ 6,275,235	\$ 6,844,706

The estimated amounts due in one year are \$2,472,574 and \$2,784,955 at September 30, 2018 and 2017, respectively.

The health self-insurance plan established in 2016 is a limited risk management program to help contain rising health insurance costs. The program consists of purchasing an aggregate stop loss and individual maximum claims reinsurance policy with LYNX being responsible for the claims not covered by the policy. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include \$565,100 for claims IBNR based on the estimated claims incurred as of September 30, and offset by an estimated recovery from the excess insurance. During the year, the excess individual insurance policy covers claims in excess of \$250,000, while the aggregate covers total claims in excess of \$1,000,000. In accordance with the Affordable Care Act, the lifetime maximum for a covered individual is unlimited.

6. PENSION PLANS

Union Defined Benefit Plan

Plan Description

Substantially all Union employees of the Authority are participants in the Amalgamated Transit Union Local 1596 Pension Plan (the "Union Defined Benefit Plan"), a defined benefit, single-employer public employee retirement system, formed April 22, 1986 by agreement between the Authority and the Union. All Authority Union employees hired on or before February 28, 2014 are eligible to participate in the Union Defined Benefit Plan as of their hire date. Employees who have reached the age of 62 are entitled to a retirement union benefit, payable monthly for life, equal to 2.13% of their average compensation for each unit of benefit credit. Average compensation is the average of the highest sixty consecutive calendar months preceding retirement or termination. Participants are credited with units of benefit credit for hours of service worked in a plan year. Benefits fully vest upon reaching 10 years of vested service. Vested employees who retire on or after age 62 will receive full benefits. Participants who have reached age 58 and have 20 years of service are entitled to an unreduced pension benefit. Participants who reach age 55 with 10 years of vesting service and 10 units of benefit credit are entitled to retire early with benefits as follows: (a) accrued benefit to early retirement date payable at normal retirement date, or (b) actuarially reduced and payable immediately, reduced 5/9% per month for the first 60 months by which retirement precedes age 62, and 5/18% per month for additional months by which retirement precedes age 62. Participants' benefits are established by the Trustees of the Union Defined Benefit Plan.

Plan Membership

Participants at the actuarial valuation dates of October 1, 2016 and 2015 utilized for the September 30, 2018 and 2017 fiscal years are as follows:

<u>Membership at Actuarial Valuation Date</u>	<u>2018</u>	<u>2017</u>
Retirees and beneficiaries currently receiving benefits and DROP	382	367
Terminated employees entitled to, but not yet receiving benefits	80	70
Active plan participants	615	683
Total	<u>1,077</u>	<u>1,120</u>

The Authority, as of March 1, 2014, closed the Union Defined Benefit Plan to all new union hires, and adopted a single-employer, defined contribution plan pension plan, Central Florida Regional Transportation Authority Money Purchase Plan ("the Union Defined Contribution Plan"), administered by Hartford Life Insurance Company for new employees. All full time Authority Union employees hired after July 1, 2013 are eligible to participate in the Union Defined Contribution Plan.

The Union Defined Benefit Plan's fiduciary net position has been determined on the same basis used by the pension plan, which is in accordance with the accrual method of accounting, includes investments at fair value and recognizes benefits and refunds when due and payables in accordance with terms of the Union Defined Benefit Plan. Available historical information about the Union Defined Benefit Plan's financial statement elements may be obtained by writing The Amalgamated Transit Union Local 1596 Pension Plan c/o Resource Centers LLC, 4360 Northlake Boulevard, Suite 206, Palm Beach Gardens, FL 33410.

Funding Policy

The Authority and Union employees are obligated to contribute to the Union Defined Benefit Plan in accordance with requirements of the Union Collective Bargaining Agreement; regular contribution rates are actuarially determined. Union Defined Benefit Plan members are required to contribute 5.25% of earnings; the Authority is required to contribute a minimum of 9.75% of Union Defined Benefit Plan members' earnings. The amount by which the required contribution rate exceeds the regular contribution rate in the contract is shared on the same bases as the contribution rate, 65% employer and 35% employee. Employees may elect to enhance their future benefits by up to 0.25% and 0.50% by contributing an additional 2.5% and 5.0% of earnings, respectively. Shared contributions are the amount by which the required contribution rate exceeds the regular contribution rates, which is shared as 65% employer and 35% employee in the subsequent year.

Changes in Net Pension Liability (Asset)

The net pension liability (asset) at September 30, 2018 and 2017 is based on the October 1, 2016 and 2015 actuarial valuation rolled forward to the measurement date of September 30, 2017 and 2016, respectively. Changes in the Authority's Union Defined Benefit Plan net pension liability (asset) during the years ended at September 30, 2018 and 2017 are as follows:

<u>Total pension liability</u>	<u>2018</u>	<u>2017</u>
Service cost	\$ 4,177,847	\$ 4,174,172
Interest	10,041,777	9,337,562
Difference between actual & expected experience	1,015,883	2,082,258
Changes of assumptions	1,793,830	-
Benefit payments	(5,494,839)	(5,590,105)
Refunds	(929,948)	(401,384)
Net change in total pension liability	10,604,550	9,602,503
Total pension liability - beginning	132,924,901	123,322,398
Total pension liability - ending	\$ 143,529,451	\$ 132,924,901
<u>Plan fiduciary net position</u>		
Contributions - Employer	\$ 3,000,228	\$ 2,233,626
Contributions - Member	2,044,172	2,192,180
Net investment income	14,943,745	11,523,579
Benefit payments	(5,494,839)	(5,590,105)
Refunds	(929,948)	(401,384)
Administrative expense	(300,019)	(397,607)
Other	2,518	-
Net changes in Plan fiduciary net position	13,265,857	9,560,289
Total Plan fiduciary net position - beginning	130,924,844	121,364,555
Total Plan fiduciary net position - ending	144,190,701	130,924,844
Net pension liability (asset) - ending	\$ (661,250)	\$ 2,000,057

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the years ended September 30, 2018 and 2017, the Authority recognized pension expense of \$3,699,271 and \$4,168,335, respectively. At September 30, 2018 and 2017, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Fiscal Year 2018	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 2,184,759	\$ 341,458
Changes in assumptions	1,448,863	
Net difference between projected and actual earning on pension plan investment	-	1,877,314
Authority contributions made subsequent to the measurement date	2,885,961	-
	<u>\$ 6,519,583</u>	<u>\$ 2,218,772</u>
Fiscal Year 2017	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 1,723,248	\$ 442,095
Net difference between projected and actual earning on pension plan investment	3,494,047	-
Authority contributions made subsequent to the measurement date	2,838,977	-
	<u>\$ 8,056,272</u>	<u>\$ 442,095</u>

Deferred outflows of resources related to Authority contributions subsequent to the measurement date of \$2,885,961 will be recognized as an increase of the net pension asset in the year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of the resources related to pensions will be recognized in the pension expense as follow:

Year Ended September 30

2019	\$	987,762
2020		1,311,223
2021		(737,378)
2022		(249,825)
2023		108,068
Thereafter		-
Total	\$	<u>1,414,850</u>

Pension plan contributions for fiscal years 2018 and 2017 were determined as part of the October 1, 2016 and 2015 actuarial valuations, respectively, using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.00% to 13.13% per year, dependent on years of service. Both (a) and (b) included an inflation component of 2.25%. The assumptions did not include post-retirement benefit increases, which are funded by the Authority when granted. Such assumptions are subject to future changes due to certain market conditions. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period.

Effective October 1, 2016, the mortality table was changed from the RP-2000 Combined Healthy Participant Mortality Table for males and females using scale AA, to the fully generational RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected using Scale BB, used by the Florida Retirement System (FRS) for Regular Class (non-special risk) members. This change was made in compliance with Florida House Bill 1309, which requires all public pension plans in Florida to use the same mortality tables used in either of the last two actuarial valuation reports of FRS. The effect of this change was to increase the required contribution by about \$140,000. The assumption for inflation was 2.25%. The assumption for salary increases was 4.00% to 13.13%, depending on service.

A single discount rate of 7.50% was used to measure the total pension liability (asset). This single discount rate was based on the expected rate of return on pension plan investments of 7.50%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan improvements of 7.50% was applied to all periods of projected benefit payments to determine the total pension liability (asset).

The assumed asset allocation of the Union Plan portfolio and the expected rate of return presented on an arithmetic basis as of September 30, 2017 is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Domestic equity	37%	7.02%
International equity	15%	3.67%
Bonds	27%	3.98%
TIPS	2%	2.90%
Convertibles	10%	6.82%
Private real estate	4%	4.75%
Master limited partnerships	5%	9.67%
Total	100%	

Sensitivity of net pension asset to changes in the discount rate – The following presents the net pension liability (asset) of the Authority, calculated using the discount rate of 7.50%, as well as what the Authority's net pension liability (asset) would be if calculated using a discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current rate:

<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Single Discount Rate Assumption</u>	<u>1% Increase</u>
	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
September 30, 2018	\$ 16,111,744	(\$661,250)	\$ (14,861,095)
September 30, 2017	17,410,465	2,000,057	(11,159,169)

Union - 401(a) Defined Contribution Pension Plan

The Authority maintains a single-employer, defined contribution pension plan, Central Florida Regional Transportation Authority Money Purchase Plan (the "Union Defined Contribution Plan"), administered by Hartford Life Insurance Company for new employees represented by the union. The Union Defined Contribution Plan is a tax-qualified plan pursuant to Section 401(a) of the Internal Revenue Code. All full-time Authority Union employees hired after July 1, 2013 are eligible to participate in the Union Defined Contribution Plan.

The Union Defined Contribution Plan provisions provide for the Authority to contribute 6% of employee earnings; employees are not required to make contributions. All plan amendments are administered and authorized by the Union Defined Contribution Plan's trustees. At the Union Defined Contribution Plan's inception, employees are 100% vested after five years of employment with the Authority or other public service or transportation agencies. All employees may withdraw vested balances upon the normal retirement age of 65. The Union Defined Contribution Plan permits withdrawals for retirement, termination, and disability but does not allow participants to borrow against their accounts.

The Authority's contribution to the plan for the years ended September 30, 2018 and 2017 amounted to \$663,675 and \$480,675, respectively, representing 6% of covered payroll less forfeitures.

Employee 401(a) Pension Plan

The Authority maintains a single-employer, defined contribution pension plan, Central Florida Regional Transportation Authority Money Purchase Plan (the "Plan"), administered by Mass Mutual Financial Group for employees who are not represented by the Union, effective October 1, 1994. The Plan is a tax-qualified plan pursuant to section 401(a) of the Internal Revenue Code. All full-time administrative employees not represented by the Union are eligible for participation in the plan, with the exception of employees hired before October 1, 1994 who opted to stay in the FRS and supervisors represented by Union 1749.

The Plan provisions provide for the Authority to contribute 12% or 6% of employee earnings; employees are not required to make contributions. On October 1, 2013, the Authority's contribution changed from 12% to 6% for new employees. All plan amendments are administered and authorized by the Plan's trustees. At the Plan's inception, employees who switched from the FRS were automatically 100% vested and all other employees are 100% vested after five years of employment with the Authority or other public service or transportation agencies. All employees may withdraw vested balances upon the normal retirement age of 65. The Plan permits withdrawals for retirement, termination, and disability but does not allow participants to borrow against their accounts.

The payroll for Authority employees covered by the plan for the years ended September 30, 2018 and 2017 was \$11,256,512 and \$10,406,856, respectively. The Authority's contribution to the plan for the years ended September 30, 2018 and 2017 amounted to \$1,201,333 and \$1,285,484, respectively, representing 12% or 6% of covered payroll less forfeitures.

7. OTHER POSTEMPLOYMENT BENEFITS OBLIGATIONS

Plan Description – In addition to the pension benefits described in Note 6, effective October 1, 1999, the Authority entered into a contractual agreement with Local 1596 of the Amalgamated Transit Union to provide postemployment health care benefits for those employees who, in accordance with Article 28 of the Amalgamated Transit Union Local 1596 Pension Plan, have at least ten (10) years vesting and retire between ages of 62 and 67 or until they are eligible for Medicare benefits (whichever comes first). The Central Florida Regional Transportation Post-Employment Benefits Plan (the "OPEB Plan") is a single-employer defined benefit plan administered by the Authority for which benefit provisions and contribution obligations have been established by the Authority's Board. Eligibility for retirement health care benefits will be determined by the years of credited service. The OPEB Plan does not issue a stand-alone report, and is not included in the report of a public employee retirement system or other entity. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Employees who elect to continue their health care coverage upon retirement are responsible for the employee and employer share over and above the stated contributions. Dependent coverage is available at the retiree's expense provided the retiree elects to continue health care coverage. As required by the Section 112.0801, *Florida Statutes*, the claims experience of the retirees is co-mingled with active employees in determining the health plan cost. The co-mingling of claims requirements equates to an implicit subsidy to retirees that creates another postemployment benefit liability on the part of the Authority.

Employees Covered by Benefit Terms – At September 30, 2018, the following employees were covered by the benefit terms:

Inactive Employees or beneficiaries currently receiving benefit payments	12
Inactive employees entitled to but not receiving benefit payments	-
Active Employees	922
Total Population	<u>934</u>

Funding Policy –The Authority has not advance-funded or established a funding methodology for the annual OPEB costs or the net OPEB liability. Accordingly, postemployment health insurance benefits will continue to be offered on a pay-as-you-go basis.

Net OPEB Liability – The Authority had an actuarial valuation dated October 1, 2016, with roll-forward procedures to the measurement date of September 30, 2017. As described in Note 1, the beginning net OPEB liability was increased by \$2,299,921 due to the adoption of GASB Statement No. 75.

Actuarial Assumptions and Other Inputs –The Authority’s net OPEB liability was determined using the following actuarial methods, assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.5% (1)
Inflation	2.2%
Salary increases	2.5%, annually
Mortality rates	Fully Generational RP2000 Combined Mortality (sex distinct) projected from 2000 with Scale AA
Healthcare cost trend rates	4.8%
Administrative expenses	Included in claim cost
Actuarial cost method	Entry Age Normal
Measurement date	September 30, 2017
Valuation date	October 1, 2016

(1) As required by GASB Statement No. 75, this rate is equal to the tax-exempt municipal bond rate on an index of 20 year general obligation bonds with an average AA credit rating as of the measurement date.

Changes in Net OPEB Liability – The following table shows the changes in the Authority's net OPEB liability during the year ended September 30, 2018:

	Total OPEB Liability
Net OPEB liability at September 30, 2017	\$ 4,638,921
Changes for the year:	
Service cost	429,100
Interest	140,928
Changes in assumptions	(134,509)
Benefit payments	(185,740)
Net changes	<u>249,779</u>
Net OPEB liability at September 30, 2018	<u>\$ 4,888,700</u>

Changes in assumptions or other inputs reflect a change in the discount rate from 3.1% to 3.5% for the Authority. All other assumptions are consistent with those used in the prior valuation.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the Authority, as well as what the Authority’s net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.5%) or one percentage point higher (4.5%) than the current discount rate:

Discount Rate	1% Decrease 2.50%	Current Rate 3.50%	1% Increase 4.50%
Net OPEB Liability	\$ 5,231,420	\$ 4,888,700	\$ 4,567,717

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate – The following presents the net OPEB liability of the Authority, as well as what the Authority’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower (3.8%) or one percentage-point higher (5.8%) than the current healthcare cost trend rate:

Healthcare cost trend Net OPEB Liability	1% Decrease 3.80%	Current Rate 4.80%	1% Increase 5.80%
	\$ 4,400,971	\$ 4,888,700	\$ 5,447,301

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended September 30, 2018, the Authority recognized negative OPEB expense of \$543,126. At September 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ -	\$ 107,607
Total	\$ -	\$ 107,607

Amounts recognized as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended September 30</u>	
2019	\$ (26,902)
2020	(26,902)
2021	(26,902)
2022	(26,901)
Thereafter	-
Total	\$ (107,607)

8. COMMITMENTS

Operating Leases – Operating leases consist of facility leases for the Southern Operation Base in Osceola County, Paratransit Operations Facility in Orlando and parking at Lynx Central Station for terms of one year or less. Total lease expense amounted to \$463,763 and \$453,061 during the years ended September 30, 2018 and 2017, respectively.

9. FUEL HEDGE SWAP AGREEMENTS

The Authority first entered into fuel hedge swap agreements (“swaps”) during fiscal year 2011 in order to smooth out the fluctuation in diesel fuel cost and to set predetermined upper limits with respect to the cost of fuel. Twenty-eight swaps have occurred to date through September 30, 2018 with swaps applicable to fiscal years 2017 and 2018 and commitments for fiscal year 2019 as follows:

Trade Date	Effective Period	Total Quantity - Gallons	Fixed Price Per Gallon
12/04/2015	10/01/16 – 09/30/17	2,520,000	\$1.5820
12/04/2015	10/01/16 – 09/30/17	960,000	\$1.4780
03/01/2017	10/01/17 – 09/30/18	1,800,000	\$1.6240
03/01/2017	10/01/17 – 09/30/18	1,020,000	\$1.5460
09/26/2018	10/01/18 – 01/31/19	504,000	\$2.2940
09/26/2018	10/01/18 – 01/31/19	356,000	\$2.0660

Settlements with the counterparty are made monthly based on the difference between the number of gallons hedged at the fixed price and the number of gallons hedged at the average price per gallon based on the U.S. Gulf Coast Pipeline Ultra Low Sulfur Diesel Platts Index and the U.S. Gulf Coast Pipeline Gasoline Unleaded 87 Platts Index (“Platts”). If the Platts price is higher than the fixed price the counterparty pays the Authority a settlement amount and if the fixed price is higher than the Platts price the Authority pays the counterparty. The Authority is exposed to basis risk on the swaps if the index on which fuel is purchased differs from the Platts index specified in the related fuel hedge agreements. During fiscal years 2018 and 2017, the Authority purchased all diesel fuel from vendors using the Platts index.

The Authority is also exposed to rollover risk on the swaps to the extent that the maturities of fuel hedges differ from the timing of fuel purchases. To the extent there are timing differences, the Authority is re-exposed to the fuel price risks being hedged.

The swaps are considered effective hedges at September 30, 2018 and 2017 under the dollar-offset method, which compares the changes in expected cash flows of the hedging instruments to the cash flows of the diesel fuel subjected to hedge. Accordingly, the swaps are presented at estimated fair value on the statements of net position, with \$2,929 as a deferred outflow of resources on September 30, 2018, \$212,741 as a deferred inflow of resources on September 30, 2017, and is a derivative financial instrument on the statements of net position at September 30, 2018 and 2017, respectively. The estimated fair value of the swaps is determined based on contracted strike prices and applicable futures prices at September 30, 2018 and 2017, and these values represent the change in fair value of the swaps during the fiscal year.

10. LITIGATION

The Authority is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operation, most of which are covered by the self-insurance program discussed in Note 5. In the opinion of management, any adjustments that would result from the settlement of lawsuits and other claims would not be significant.

REQUIRED SUPPLEMENTARY INFORMATION
UNION PENSION PLAN SCHEDULE OF CHANGES IN NET PENSION
LIABILITY (ASSET) AND RELATED RATIOS

Total pension liability	2018	2017	2016	2015
Service cost	\$ 4,177,847	\$ 4,174,172	\$ 4,324,270	\$ 4,900,835
Interest	10,041,777	9,337,562	8,827,032	8,240,224
Benefit changes	-	-	-	-
Difference between actual & expected experience	1,015,883	2,082,258	(638,418)	(5,835)
Assumption changes	1,793,830	-	-	-
Benefit payments	(5,494,839)	(5,590,105)	(4,808,642)	(4,079,731)
Refunds	(929,948)	(401,384)	(311,317)	(269,399)
Net change in total pension liability	10,604,550	9,602,503	7,392,925	8,786,094
Total pension liability - beginning	132,924,901	123,322,398	115,929,473	107,143,379
Total pension liability	\$ 143,529,451	\$ 132,924,901	\$ 123,322,398	\$ 115,929,473
Plan fiduciary net position				
Contributions - Employer	\$ 3,000,228	\$ 2,233,626	\$ 3,315,335	\$ 2,337,699
Contributions - Member	2,044,172	2,192,180	2,264,655	2,310,106
Net investment income (loss)	14,943,745	11,523,579	(1,070,462)	10,052,069
Benefit payments	(5,494,839)	(5,590,105)	(4,808,642)	(4,079,731)
Refunds	(929,948)	(401,384)	(311,317)	(269,399)
Administrative expense	(300,019)	(397,607)	(237,972)	(237,291)
Other	2,518	-	-	-
Net changes in Plan fiduciary net position	13,265,857	9,560,289	(848,403)	10,113,453
Total Plan fiduciary net position - beginning	130,924,844	121,364,555	122,212,958	112,099,505
Total Plan fiduciary net position - ending	144,190,701	130,924,844	121,364,555	122,212,958
Net pension liability (asset) - ending	\$ (661,250)	\$ 2,000,057	\$ 1,957,843	\$ (6,283,485)
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.46%	98.50%	98.41%	105.42%
Covered payroll	\$ 28,338,911	\$ 29,800,533	\$ 34,028,032	\$ 34,962,723
Net pension liability (asset) as a percentage of covered payroll	-2.33%	6.71%	5.75%	-17.97%

Note to Schedule:

Since the measurement date is one year prior to fiscal year end, the amounts presented were determined as of the prior fiscal year ending September 30. Information is not available prior to fiscal 2015; additional years will be displayed as the information becomes available.

**REQUIRED SUPPLEMENTARY INFORMATION
UNION PENSION PLAN SCHEDULE OF CONTRIBUTIONS, NET PENSION
LIABILITY (ASSET) AND MONEY-WEIGHTED RATE OF RETURN**

SCHEDULE OF CONTRIBUTIONS

FY Ending September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2018	\$2,842,481	\$2,885,961	(\$43,480)	\$24,181,638	11.93%
2017	\$3,604,720	\$2,838,977	\$765,743	\$28,338,911	10.02%
2016	\$3,427,954	\$2,930,490	\$497,464	\$29,800,533	9.83%
2015	\$3,283,667	\$3,315,057	(\$31,390)	\$34,028,032	9.74%
2014	\$3,521,356	\$2,337,699	\$1,183,657	\$34,962,723	6.69%
2013	\$3,422,542	\$3,568,777	(\$146,235)	\$32,821,564	10.87%
2012	\$3,543,980	\$3,638,572	(\$94,592)	\$34,369,299	10.59%
2011	\$3,416,323	\$3,660,066	(\$243,743)	\$35,059,922	10.44%
2010	\$3,893,395	\$3,867,861	\$25,534	\$35,815,773	10.80%
2009	\$4,312,447	\$3,628,006	\$684,441	\$35,830,640	10.13%

SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY (ASSET) *

FY Ending September 30	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability (Asset) as a % of Covered Payroll
2018	\$143,529,451	\$144,190,701	(\$661,250)	100.46%	\$28,338,911	(2.33)%
2017	\$132,924,901	\$130,924,844	\$2,000,057	98.50%	\$29,800,533	6.71%
2016	\$123,322,398	\$121,364,555	\$1,957,843	98.41%	\$34,028,032	5.75%
2015	\$115,929,473	\$122,212,958	(\$6,283,485)	105.42%	\$34,962,723	(17.97)%

SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN *

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return net of investment expense	8.4%	11.8%	9.8%	8.7%

*Since the measurement date is one year prior to fiscal year end, the amounts presented were determined as of the prior fiscal year ending September 30. Information is not available prior to fiscal 2015; additional years will be displayed as the information becomes available.

REQUIRED SUPPLEMENTARY INFORMATION
UNION PENSION PLAN NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Valuation Date: 10/1/2017 (for FYE 9/30/18)
 Measurement Date: September 30, 2017

Note: Actuarially determined contributions are calculated as of the October 1 which is one year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	30 years
Asset Valuation Method	5-year smoothed market
Inflation	2.25%
Salary Increases	4.0% to 13.13% depending on service
Expenses	Average of the actual administrative expenses for the two most recent years is added to Normal Cost
Investment Rate of Return	7.5%
Retirement Age	15% to 100% depending on age
Mortality	RP-2000 Combined Healthy Participant Mortality Tables for males and females using projection scale BB to anticipate future mortality improvements, and without projection for disabled lives; structured to align with assumed mortality for non-special risk employees under the Florida Retirement System (FRS), as mandated by Florida Health Bill 1309 (codified in Chapter 2015-157).

Other Information:

Benefit changes enacted during the fiscal year ended September 30, 2018:
 There were no benefit changes enacted during the year.

Changes in assumptions:

Effective October 1, 2016, the mortality table was changed from the RP-2000 Combined Healthy Participant Mortality Table for males and females using scale AA, to the fully generational RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected using Scale BB, used by the Florida Retirement System (FRS) for Regular Class (non-special risk) members. This change was made in compliance with Florida House Bill 1309, which requires all public pension plans in Florida to use the same mortality tables used in either of the last two actuarial valuation reports of FRS. The effect of this change was to increase the required contribution by about \$140,000.

Effective October 1, 2017, the remaining unfunded amortization bases were combined and amortized over two (2) years, the shortest remaining period of the separate bases. New bases set up in the future will continue to be amortized over 30 years.

The October 1, 2017 valuation reflects a reversion to the pre Amendment No. 1 provisions. Prior to the amendment, the disability benefit was the accrued benefit on the date of disability, payable upon Board approval of the disability, with no deferral period, and the interest credited to member contributions was 5% per annum, compounded annually.

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND
RELATED RATIOS**

Report period ending		09/30/2018
Measurement date		09/30/2017
<u>Total OPEB liability</u>		
Service cost	\$	429,100
Interest		140,928
Changes in assumptions		(134,509)
Benefit payments		<u>(185,740)</u>
Net change in total OPEB liability		249,779
Total OPEB liability - beginning as restated		<u>4,638,921</u>
Total OPEB liability - ending	\$	<u>4,888,700</u>
Covered-employee payroll	\$	48,919,052
Total OPEB liability as a percentage of covered-employee payroll		9.99%

Notes to Schedule:

*Since the measurement date is one year prior to fiscal year end, the amounts presented were determined as of the prior fiscal year ending September 30. Information is not available prior to fiscal 2018; additional years will be displayed as the information becomes available.

Notes to Schedule:

Change of Assumptions: Change of assumptions reflects the effects of changes in the discount rate from 3.10% to 3.50% for the reporting period ending September 30, 2018.

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
SUPPLEMENTARY SCHEDULE OF REVENUES AND EXPENSES
BUDGET VS ACTUAL (BUDGET BASIS)
YEAR ENDED SEPTEMBER 30, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
OPERATING REVENUES			
Customer fares	\$ 25,408,169	\$ 24,142,741	\$ (1,265,428)
Contract services:			
Local financial assistance	15,049,262	14,830,390	(218,872)
Other contractual services	5,224,268	4,191,835	(1,032,433)
Advertising	2,205,000	2,846,718	641,718
Other income	509,352	688,425	179,073
	<u>48,396,051</u>	<u>46,700,109</u>	<u>(1,695,942)</u>
OPERATING EXPENSES:			
Transportation	49,284,003	49,165,839	118,164
Maintenance and operations	67,607,468	69,313,021	(1,705,553)
General and administrative	19,218,224	16,829,735	2,388,489
	<u>136,109,695</u>	<u>135,308,595</u>	<u>801,100</u>
OPERATING LOSS	(87,713,644)	(88,608,486)	(894,842)
NONOPERATING REVENUES/(EXPENSES):			
Federal	17,947,055	15,877,646	(2,069,409)
State of Florida	13,255,831	12,710,971	(544,860)
Local	51,898,154	51,500,093	(398,061)
Interest income	579,461	698,231	118,770
Interest expense	(81,047)	(84,900)	(3,853)
	<u>83,599,454</u>	<u>80,702,041</u>	<u>(2,897,413)</u>
Total nonoperating revenues/(expenses), net	83,599,454	80,702,041	(2,897,413)
Decrease in net position	\$ (4,114,190)	(7,906,445)	\$ (3,792,255)
BASIS DIFFERENCES:			
Depreciation		(23,150,315)	
Other income		42,106	
Capital contribution		<u>9,666,270</u>	
Decrease in net position - GAAP basis		\$ (21,348,384)	



STATISTICAL INFORMATION

This section contains statistical tables reflecting various supplemental financial data concerning the Authority's operations. Where applicable, a 10-year history has been depicted to disclose trends in financial operations and other finance-related matters. These tables have been included as a part of this report for information purposes only, and, therefore, have not been subjected to audit by the Authority's independent auditors. Below is a summary of the components and purpose for the tables provided here-in.

	<u>Pages</u>
<u>Debt Capacity</u>	
This schedule presents information to help the reader assess the ability of LYNX to service its outstanding debt.	51
<u>Revenue Capacity</u>	
These schedules contain information to help the reader assess LYNX' most significant revenue sources.	52-54
<u>Financial Trends</u>	
These schedules contain trend information to help the reader understand how LYNX' financial performance and financial position have changed over time.	49-50, 55-57, 65-67
<u>Demographic and Economic Information</u>	
These schedules contain demographic and economic indicators to help the reader understand the environment within which LYNX' financial activities take place.	48, 58-63
<u>Other Operating Information</u>	
These schedules contain service levels and capital asset data and insurance information to help the reader understand how the information in LYNX' financial report relates to the services the Authority provides to its customers and the community.	64, 68-69

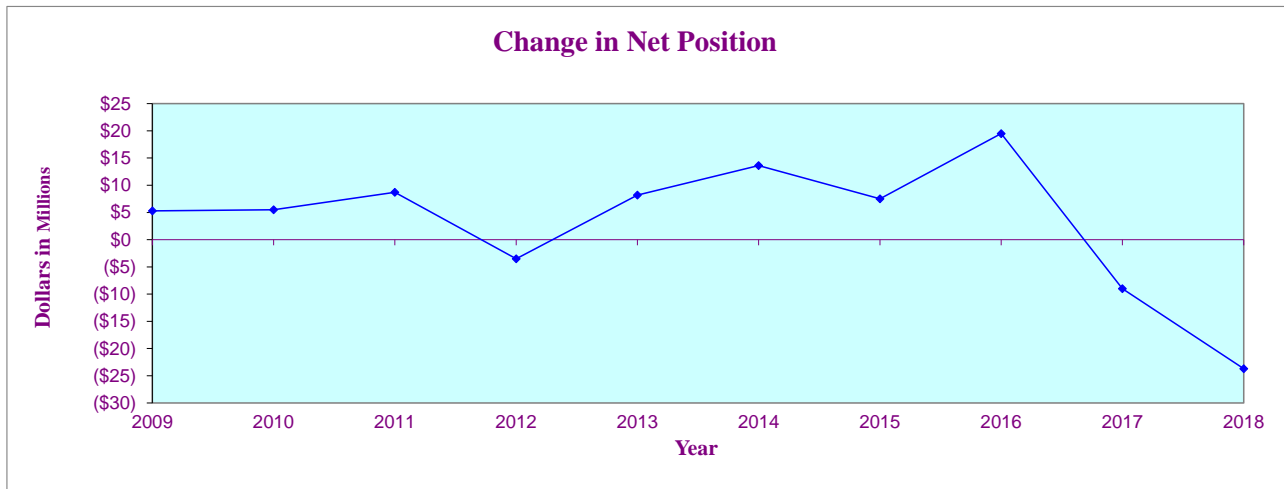
CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY
LYNX
Miscellaneous Statistics
Year End September 30, 2018
(Unaudited)

Form of Government	Local Government (Independent Special District)
Number of Directors	Five (5) Voting
Area Population	2,155,375
Counties Served	Orange, Seminole and Osceola
Number of Service Routes	74
Peak Vehicle Requirement	260
Hours of Operation	4:00 a.m. to 3:10 a.m.
Average Weekday Passengers	76,298
Vehicle Miles Operated	16,920,930
Vehicle Hours Operated	1,202,979

Sources: Metro Orlando Economic Development Commission
National Transit Database Report

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX**
Revenue, Expenses, and Change in Net Position
Last Ten Years
Dollars in Millions
(Unaudited)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Operating Revenue:										
Customer Fares	\$ 24.1	\$ 25.2	\$ 26.6	\$ 28.2	\$ 29.1	\$ 29.4	\$ 28.6	\$ 26.1	\$ 22.4	\$ 21.5
Other	22.6	21.9	20.2	20.6	22.5	20.0	18.0	20.6	20.8	20.8
Total Operating Revenue	46.7	47.1	46.8	48.8	51.6	49.4	46.6	46.7	43.2	42.3
Operating Expenses:										
Administration, Transportation, and Maintenance	135.3	127.8	116.6	114.2	120.5	119.8	112.0	110.6	106.7	106.6
Depreciation	23.2	25.9	26.8	26.2	23.5	19.9	19.1	18.2	17.0	-
Capital Project Abandonment Expense	-	4.2	-	-	-	-	-	-	-	-
Write-off of Assets (Note 1)	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	158.5	157.8	143.4	140.4	144.0	139.7	131.1	128.8	123.7	123.3
Operating Loss	(111.8)	(110.7)	(96.6)	(91.6)	(92.4)	(90.3)	(84.5)	(82.1)	(80.5)	(81.0)
Non-Operating Revenue (Expenses):										
Operating Assistance	61.9	59.1	56.8	56.1	53.4	49.0	47.8	46.4	48.9	54.3
Planning and Other Income (Expenses)	18.9	17.4	17.0	16.3	17.3	19.3	20.3	20.2	18.5	14.9
Capital Contributions	9.7	25.2	42.4	19.7	35.3	30.2	12.9	24.2	18.6	17.1
Total Non-Operating Revenue (Expenses)	88.1	101.7	116.2	92.1	106.0	98.5	81.0	90.8	86.0	86.3
Change in Net Position Before Accounting Change	(21.3)	(9.0)	19.6	0.5	13.6	8.2	(3.5)	8.7	5.5	5.3
Change in Accounting Principle	(2.3)	-	-	7.0	-	-	-	-	-	-
Change in Net Position After Accounting Change	\$ (23.6)	\$ (9.0)	\$ 19.6	\$ 7.5	\$ 13.6	\$ 8.2	\$ (3.5)	\$ 8.7	\$ 5.5	\$ 5.3



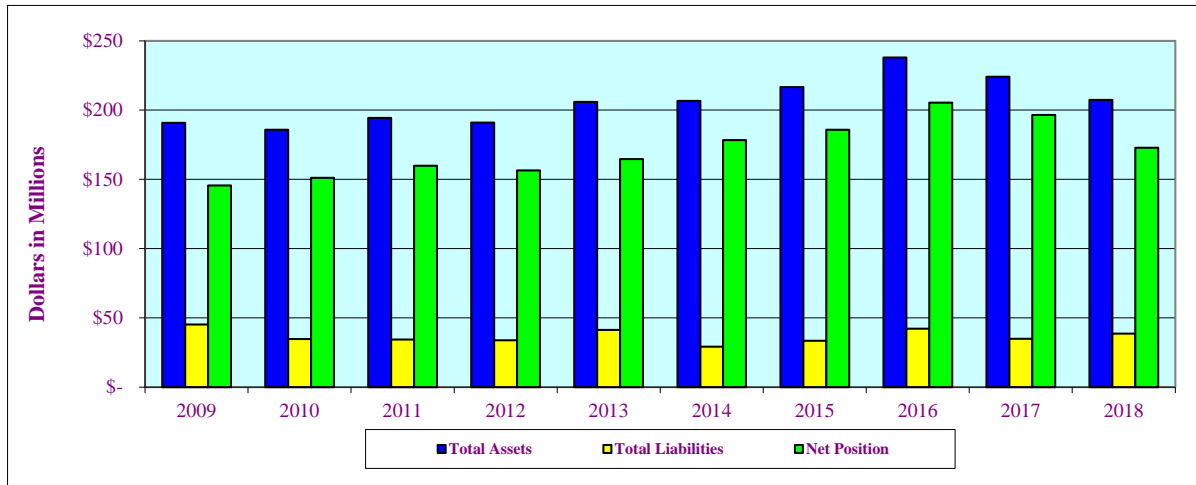
For the past 10 years the chart shows the change in net position each year versus the immediately preceding year. Net Position decreased in 2018 due to the deferment of capital grants.

Source: Financial Statements

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX**
Condensed Summary of Net Position
Last Ten Years
Dollars in Millions
(Unaudited)

Year	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Assets	\$207.4	\$224.1	\$238.0	\$216.6	\$206.7	\$206.0	\$191.0	\$194.3	\$185.9	\$190.9
Deferred Outflow of Resources	\$6.5	\$8.1	\$10.3	\$4.1	\$0.8	\$0.1	\$0.0	\$0.6	\$0.0	\$0.0
Deferred Inflow of Resources	\$2.3	\$0.7	\$0.5	\$1.3	\$0.0	\$0.0	\$0.7	\$0.0	\$0.0	\$0.0
Total Liabilities	\$38.7	\$35.0	\$42.2	\$33.5	\$29.2	\$41.4	\$33.8	\$34.4	\$34.7	\$45.2
Ending Net Position	\$172.9	\$196.5	\$205.5	\$185.9	\$178.3	\$164.7	\$156.5	\$159.9	\$151.2	\$145.7

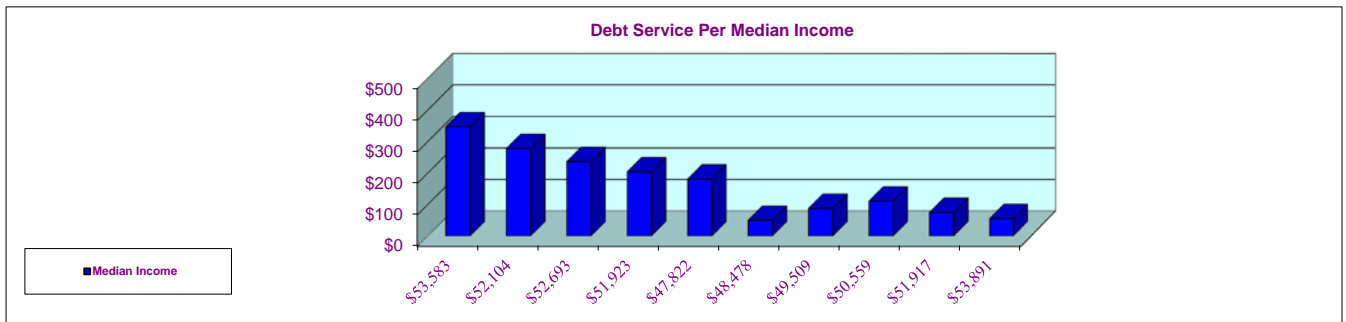
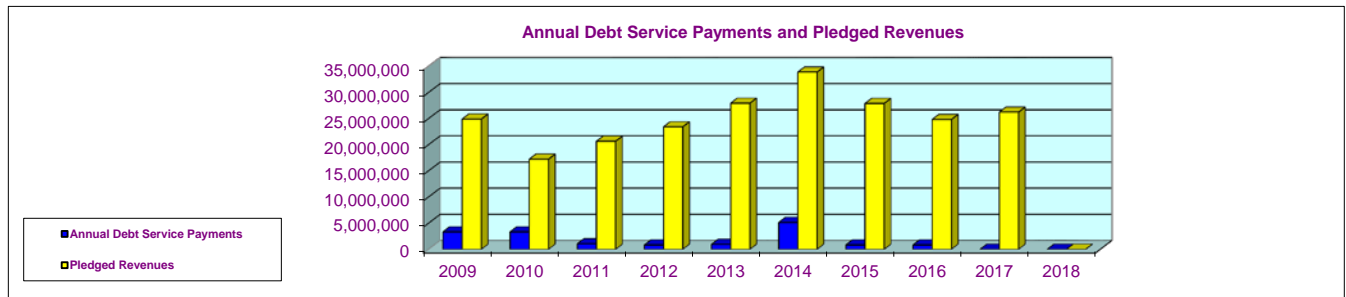
Net investment in capital assets	\$139.3	\$153.0	\$149.9	\$142.7	\$147.6	\$135.6	\$124.9	\$131.1	\$125.1	\$123.5
Restricted	\$1.7	\$1.7	\$1.6	\$0.0	\$0.0	\$0.1	\$0.5	\$0.5	\$0.5	\$0.5
Unrestricted	\$31.8	\$41.8	\$54.0	\$43.2	\$30.7	\$29.0	\$31.1	\$28.3	\$25.6	\$21.7
Ending Net Position	\$172.9	\$196.5	\$205.5	\$185.9	\$178.3	\$164.7	\$156.5	\$159.9	\$151.2	\$145.7



This chart compares Total Assets, Total Liabilities, and Net Position values over the last 10 years. Total Assets increased 8.64% during this period as the Authority expanded service, acquired new rolling stock, and constructed bus shelters and intermodal transfer centers. Total Liabilities at the end of fiscal year 2018 are 10.57% greater than at the end of fiscal year 2008. Net Position decreased in 2018 due to the deferment of capital grants.

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX
Total Debt
Last Ten Years
(Unaudited)**

Year	Total Debt	SIB Loans	Capital Leases	Annual Debt Service Payments	Pledged Revenues	Debt Service Coverage	Median Income	Debt per Median Income
2009	\$18,576,071	\$12,914,638	\$5,661,433	\$3,321,419	\$24,881,390	7.49	\$53,583	\$346.68
2010	\$14,446,041	\$9,829,891	\$4,616,150	\$3,321,420	\$17,211,000	5.18	\$52,104	\$277.25
2011	\$12,430,432	\$8,901,362	\$3,529,070	\$1,046,219	\$20,649,873	19.74	\$52,693	\$235.90
2012	\$10,563,319	\$8,164,797	\$2,398,522	\$829,492	\$23,411,900	28.22	\$51,923	\$203.44
2013	\$8,636,268	\$7,413,500	\$1,222,768	\$958,423	\$27,936,006	29.15	\$47,822	\$180.59
2014	\$2,392,156	\$2,392,156	\$0	\$5,127,064	\$33,892,077	6.61	\$48,478	\$49.35
2015	\$4,325,942	\$1,610,507	\$2,715,435	\$829,492	\$27,889,437	33.62	\$49,509	\$87.38
2016	\$5,583,849	\$813,225	\$4,770,624	\$829,490	\$24,800,447	29.90	\$50,559	\$110.44
2017	\$3,872,473	\$0	\$3,872,473	\$0	\$26,228,105	0.00	\$51,917	\$74.59
2018	\$2,953,519	\$0	\$2,953,519	\$0	\$0	0.00	\$53,891	\$54.81



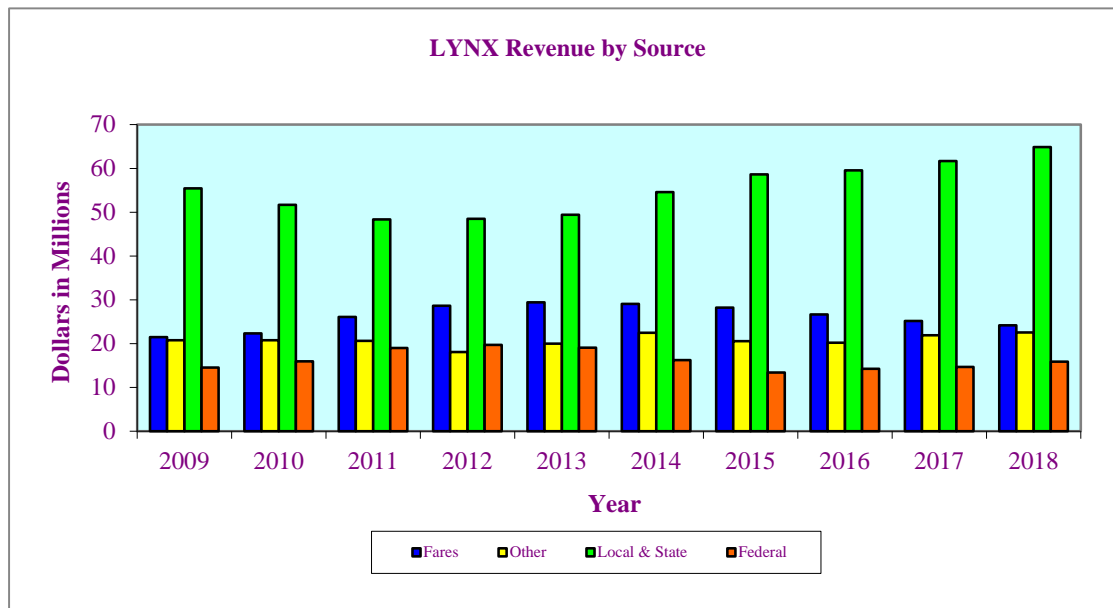
Source: Financial Statements, NTD Report, and Orlando Economic Development Commission.

Note: Total debt consists of State Infrastructure Bank loans and capital lease obligations but annual debt service payments consist only of payments on State Infrastructure Bank loans. Available pledged revenues are for capital expenditures and debt service payments.

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX**

**Revenue by Source
Last Ten Years
Dollars in Millions
(Unaudited)**

Fiscal Year	OPERATING AND OTHER						Total Revenue
	MISCELLANEOUS REVENUE			OPERATING ASSISTANCE			
	Fares	Other	Total	Local & State	Federal	Total	
2009	\$21.454	\$20.790	\$42.244	\$55.466	\$14.509	\$69.975	\$112.219
2010	\$22.363	\$20.800	\$43.163	\$51.684	\$15.917	\$67.601	\$110.764
2011	\$26.098	\$20.661	\$46.759	\$48.370	\$19.031	\$67.401	\$114.160
2012	\$28.620	\$18.047	\$46.667	\$48.521	\$19.678	\$68.199	\$114.866
2013	\$29.394	\$19.985	\$49.379	\$49.433	\$19.060	\$68.493	\$117.872
2014	\$29.081	\$22.475	\$51.556	\$54.558	\$16.257	\$70.815	\$122.371
2015	\$28.225	\$20.572	\$48.797	\$58.646	\$13.385	\$72.031	\$120.828
2016	\$26.643	\$20.171	\$46.814	\$59.522	\$14.223	\$73.745	\$120.560
2017	\$25.165	\$21.926	\$47.091	\$61.665	\$14.680	\$76.345	\$123.436
2018	\$24.143	\$22.557	\$46.700	\$64.867	\$15.877	\$80.744	\$127.444



The table and graph show the primary sources of revenues, the amount received from each source over the last ten years and, consequently, the Authority's relative dependency on each of the revenue sources. Local and state governments have consistently been the biggest providers of operating funds. Fares decreased in 2018 and were down 4.06% compared to 2017. Total revenue was higher due to the increase in local and federal financial assistance. In 2018 federal revenue increased to 12.52% of LYNX's total revenue, versus 11.89% in 2017.

Source: Financial statements and schedules included in the Comprehensive Annual Financial Reports

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX
Revenues by Source
Last Ten Years
(Unaudited)**

FISCAL YEAR	OPERATING AND OTHER MISCELLANEOUS REVENUE			OPERATING ASSISTANCE			TOTAL REVENUE
	FARES	OTHER	TOTAL	LOCAL & STATE	FEDERAL	TOTAL	
INDUSTRY							
2009	31.5%	5.8%	37.3%	54.4%	8.2%	62.6%	99.9%
2010	32.1%	5.4%	37.5%	53.1%	9.4%	62.5%	100.0%
2011	32.8%	4.9%	37.7%	52.5%	9.8%	62.3%	100.0%
2012	32.5%	4.6%	37.1%	54.0%	8.9%	62.9%	100.0%
2013	32.5%	3.8%	36.3%	54.8%	8.9%	63.7%	100.0%
2014	32.0%	3.9%	35.9%	55.5%	8.6%	64.1%	100.0%
2015	32.5%	4.9%	37.4%	54.3%	8.3%	62.6%	100.0%
2016	31.3%	5.0%	36.3%	55.7%	8.0%	63.7%	100.0%
2017	31.4%	5.0%	36.3%	55.2%	8.5%	63.7%	100.0%
2018	*	*	0.0%	*	*	0.0%	0.0%
LYNX							
2009	19.1%	18.5%	37.6%	49.5%	12.9%	62.4%	100.0%
2010	20.2%	18.8%	39.0%	46.6%	14.4%	61.0%	100.0%
2011	22.9%	18.1%	41.0%	42.4%	16.6%	59.0%	100.0%
2012	24.9%	15.7%	40.6%	42.3%	17.1%	59.4%	100.0%
2013	24.9%	17.0%	41.9%	41.9%	16.2%	58.1%	100.0%
2014	23.8%	18.4%	42.2%	44.6%	13.2%	57.8%	100.0%
2015	23.4%	17.0%	40.4%	48.5%	11.1%	59.6%	100.0%
2016	22.1%	16.7%	38.8%	49.4%	11.8%	61.2%	100.0%
2017	20.4%	17.8%	38.1%	50.0%	11.9%	61.9%	100.0%
2018	19.0%	17.8%	36.8%	50.6%	12.5%	63.2%	100.0%

Source: Financial Statements

APTA 2018 Transportation Fact Book

* Not available

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX**

Fare Structure

Year Ended September 30, 2018

(Unaudited)

Cash Fare/Single Ride	\$ 2.00
Transfer	Free
Elderly and Disabled/Single Ride	\$ 1.00
Youth	\$ 1.00
Daily Pass	\$ 4.50
Elderly and Disabled Daily Pass	\$ 2.25
Youth Daily Pass	\$ 2.25
Express 208 Daily Pass	6.50
Express 208 Daily Pass (Students, Elderly and Disabled)	3.25
Children (6 years and under with an adult)	Free
TICKETS	
Express Single Ride	\$ 3.50
Express Seniors/Students	\$ 1.75
Polk County Link 416 & 427 Single Ride	\$ 1.50
Polk County Link 416 & 427 Students	\$ 1.25
Polk County Link 416 & 427 Seniors / Disabled	\$ 0.75
PASSES	
7 Day Pass	\$ 16.00
Discounted 7 Day Pass (Students, Elderly and Disabled)	\$ 8.00
Express 7 Day Pass	\$ 23.00
Express Discounted 7 Day Pass (Students, Elderly and Disabled)	\$ 11.50
Youth Pass 7 Day	\$ 8.00
30 Day	\$ 50.00
AdvantAge Pass 30 Day (Elderly and Disabled)	\$ 25.00
Youth Pass 30 Day	\$ 25.00
Express 30 Day	\$ 70.00
Express AdvantAge Pass 30 Day (Elderly and Disabled)	\$ 35.00
Express Youth Pass 30 Day	\$ 35.00

SOURCE: LYNX Fare Structure Policy

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX**

**Fare Trends
Last Ten Years**

(Unaudited)

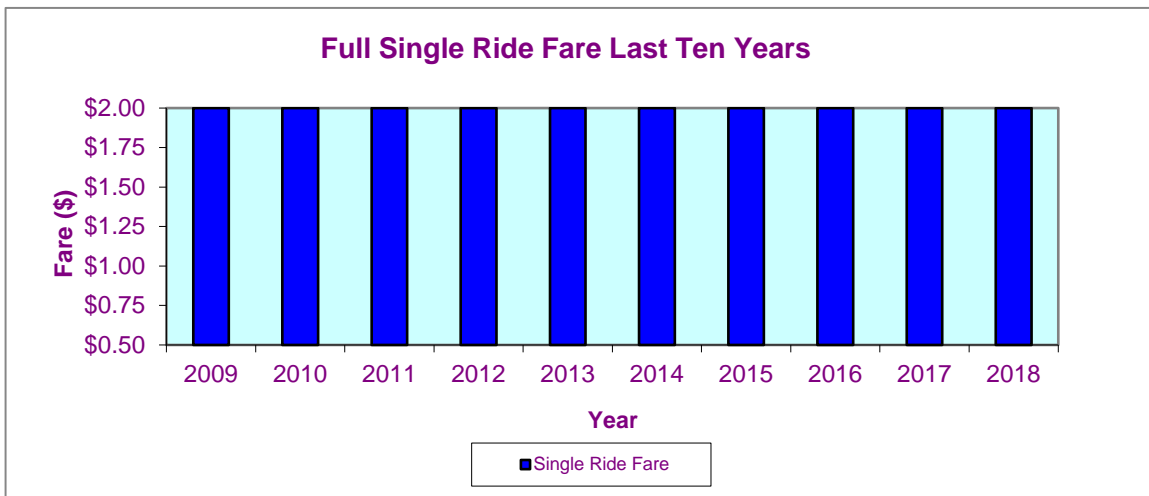
Fiscal Year	CASH FARES				PASSES			
	Single Fare	Discount Single	1 Day Fare	Discount 1 Day	7 Day Pass	Discount 7 Day	30 Day Pass	Discount 30 Day
2009	\$2.00	\$1.00	\$4.50	\$2.25	\$16.00	\$8.00	\$50.00	\$25.00
2010	\$2.00	\$1.00	\$4.50	\$2.25	\$16.00	\$8.00	\$50.00	\$25.00
2011	\$2.00	\$1.00	\$4.50	\$2.25	\$16.00	\$8.00	\$50.00	\$25.00
2012	\$2.00	\$1.00	\$4.50	\$2.25	\$16.00	\$8.00	\$50.00	\$25.00
2013	\$2.00	\$1.00	\$4.50	\$2.25	\$16.00	\$8.00	\$50.00	\$25.00
2014	\$2.00	\$1.00	\$4.50	\$2.25	\$16.00	\$8.00	\$50.00	\$25.00
2015	\$2.00	\$1.00	\$4.50	\$2.25	\$16.00	\$8.00	\$50.00	\$25.00
2016	\$2.00	\$1.00	\$4.50	\$2.25	\$16.00	\$8.00	\$50.00	\$25.00
2017	\$2.00	\$1.00	\$4.50	\$2.25	\$16.00	\$8.00	\$50.00	\$25.00
2018	\$2.00	\$1.00	\$4.50	\$2.25	\$16.00	\$8.00	\$50.00	\$25.00

Discounted Fares Include:

- Students
- Elderly and Handicapped
- Does Not Include Polk County 416 & 427

Discounted Passes Include:

- Youth
- Advantage
- IQ

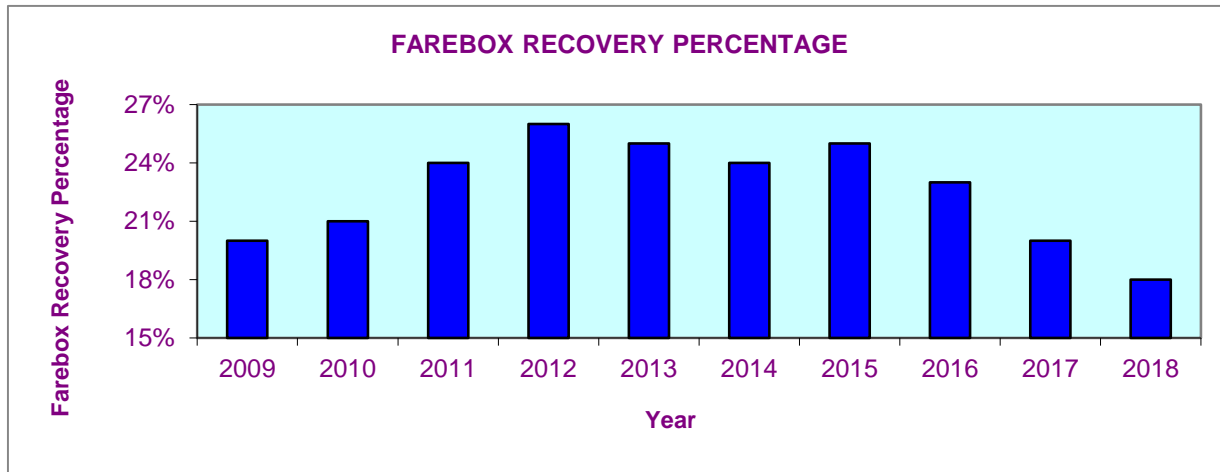


The table and graph show the amount of each standard fixed-route fare type by year. In keeping with the Authority's commitment to keep fares as low as fiscally feasible and to make relatively small rate increases periodically, no fare rate increases were made in 2018. The last increase was implemented in January 2009.

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX**

**Farebox Recovery Percentage
Last Ten Years
(Unaudited)**

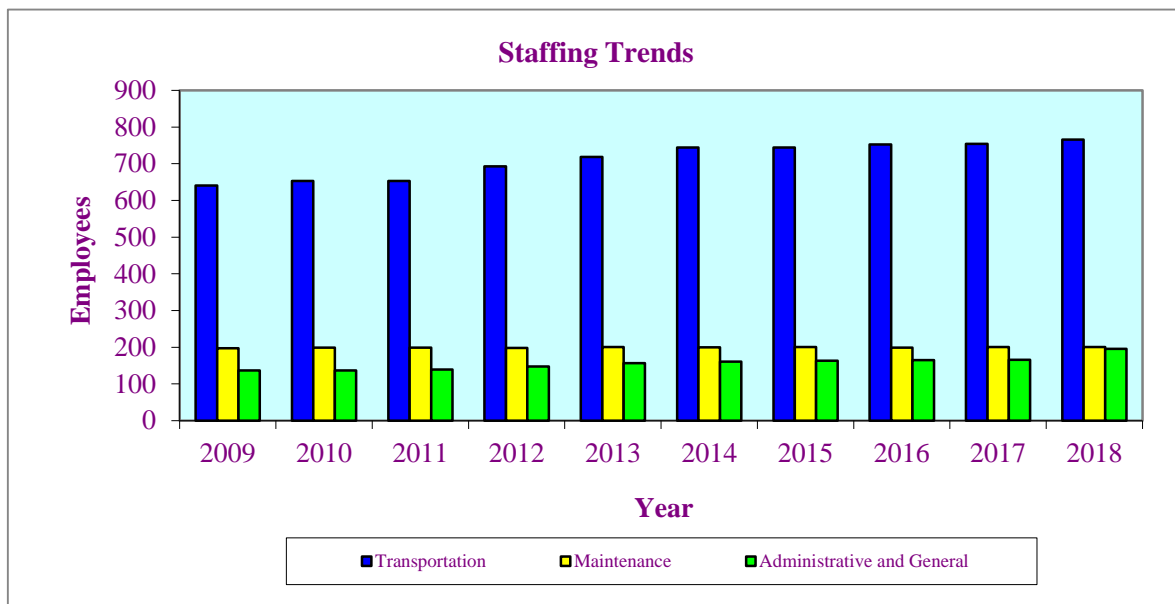
Fiscal Year	Percentage
2009	20%
2010	21%
2011	24%
2012	26%
2013	25%
2014	24%
2015	25%
2016	23%
2017	20%
2018	18%



Farebox Recovery Percentage is the percentage of the total operating cost that is funded by customer fares. It is calculated by dividing total customer fares by total operating cost before depreciation. Beginning with 2009 the recovery rate has remained fairly constant, varying by approximately 1% to 3% from year to year.

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX
Budgeted Staffing Trends
Last Ten Years
(Unaudited)**

Year	Transportation	Maintenance	Administrative and General	Total
2009	641	197	137	975
2010	653	199	137	989
2011	653	199	139	991
2012	693	198	148	1,039
2013	719	201	157	1,077
2014	744	200	161	1,105
2015	744	201	163	1,108
2016	753	199	165	1,117
2017	754	201	166	1,121
2018	766	201	196	1,163



The greatest fluctuation during the 10-year period was in the Administrative and General area, with 2018 staffing approximately 43.06% above the low level of the 10-year period shown above. Staffing level increased as a result of increase in service demand. Despite the Administrative and General staff increase, the organization-wide total from year to year varied less than 19.28%, with an overall increasing trend.

Source: Annual Budgets

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX**

**Top Ten Employers
Service Area Employers
Current Year and Nine Years Ago
(Unaudited)**

Company	2018			2009		
	Number of Full Time Employees	Rank	Percentage of Total Employment	Number of Full Time Employees	Rank	Percentage of Total Employment
Walt Disney World Company	74,200	1	6.18%	62,000	1	5.55%
Florida Hospital	28,959	2	2.41%	16,000	3	1.43%
Orange County Public Schools	25,145	3	2.09%	24,063	2	2.15%
Universal Studios Florida	25,000	4	2.08%	13,000	5	1.16%
Publix Super Markets, Inc.	19,783	5	1.65%	15,606	4	1.40%
Orlando Regional Healthcare	19,032	6	1.59%	10,000	7	0.90%
Orlando International Airport	18,000	7	1.50%	N/A	N/A	N/A
Seminole County Public Schools	10,000	8	0.83%	7,000	9	0.63%
University of Central Florida	9,476	9	0.79%	10,152	6	0.91%
Lockheed Martin	9,000	10	0.75%	7,200	10	0.64%
Other Employees	961,921		80.13%	951,915		85.23%
Region Total	1,200,516		100.00%	1,116,936		100.00%

Notes:

N/A = Not Available

Sources:

Metro Orlando Economic Development Commission

Orange County Public Schools

Orlando Health

University of Central Florida Office of Institutional Research

Seminole County Public Schools

Orange County Government, Florida

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX**

Employment Percentage by Industry

Service Region

Last Ten Years

(Unaudited)

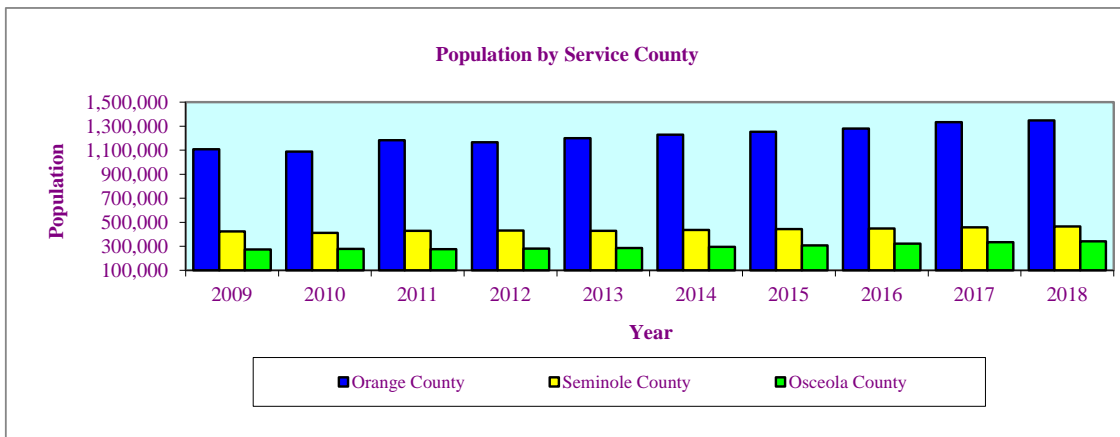
Year	Manufacturing	Construction	Transportation	Finance	Government	Retail Trade	Service	Total
2009	3.9%	6.0%	3.1%	6.4%	11.7%	11.1%	57.8%	100.0%
2010	3.7%	4.8%	3.0%	6.0%	11.7%	11.4%	59.4%	100.0%
2011	3.6%	4.6%	3.1%	6.1%	11.5%	11.8%	59.3%	100.0%
2012	3.6%	4.2%	3.0%	6.2%	11.3%	12.3%	59.4%	100.0%
2013	3.5%	4.5%	2.9%	6.4%	11.0%	12.2%	59.5%	100.0%
2014	3.5%	5.1%	2.9%	6.2%	10.7%	12.7%	58.9%	100.0%
2015	3.5%	5.2%	3.0%	6.3%	10.4%	12.7%	58.9%	100.0%
2016	3.5%	5.9%	2.9%	5.9%	10.1%	12.3%	59.4%	100.0%
2017	3.8%	5.8%	3.1%	6.3%	9.9%	12.2%	58.9%	100.0%
2018	3.8%	6.6%	3.2%	5.9%	9.6%	11.6%	59.3%	100.0%

Source: Metro Orlando Economic Development Commission

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX**

**Population by Service County
Last Ten Years
(Unaudited)**

Year	Orange County	Seminole County	Osceola County	Region Total
2009	1,108,882	423,759	272,788	1,805,429
2010	1,087,971	412,660	278,153	1,778,784
2011	1,183,903	429,169	275,010	1,888,082
2012	1,166,730	430,738	281,294	1,878,762
2013	1,199,801	427,977	286,001	1,913,779
2014	1,227,995	437,086	295,553	1,960,634
2015	1,252,396	442,903	308,327	2,003,626
2016	1,280,387	449,124	322,862	2,052,373
2017	1,332,714	457,650	333,980	2,124,344
2018	1,347,885	465,036	342,454	2,155,375

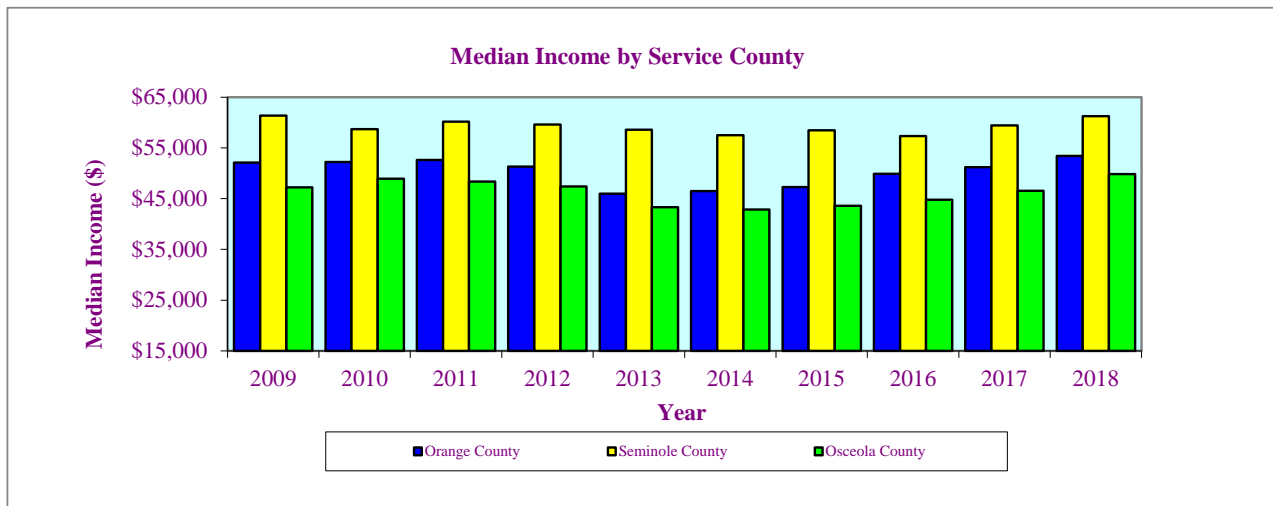


The population of the tri-county area, as a whole, increased approximately 1.46% from 2017. The greatest growth rate was in Oseola County, where the population grew approximately 2.53% compared to the previous year.

Source: Metro Orlando Economic Development Commission

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX**
Median Household Income by Service County
Last Ten Years
(Unaudited)

Year	Orange County	Seminole County	Osceola County
2009	\$52,130	\$61,374	\$47,244
2010	\$52,232	\$58,703	\$48,942
2011	\$52,624	\$60,210	\$48,367
2012	\$51,338	\$59,609	\$47,386
2013	\$45,968	\$58,573	\$43,332
2014	\$46,507	\$57,538	\$42,838
2015	\$47,295	\$58,481	\$43,620
2016	\$49,910	\$57,369	\$44,785
2017	\$51,232	\$59,441	\$46,528
2018	\$53,407	\$61,291	\$49,870



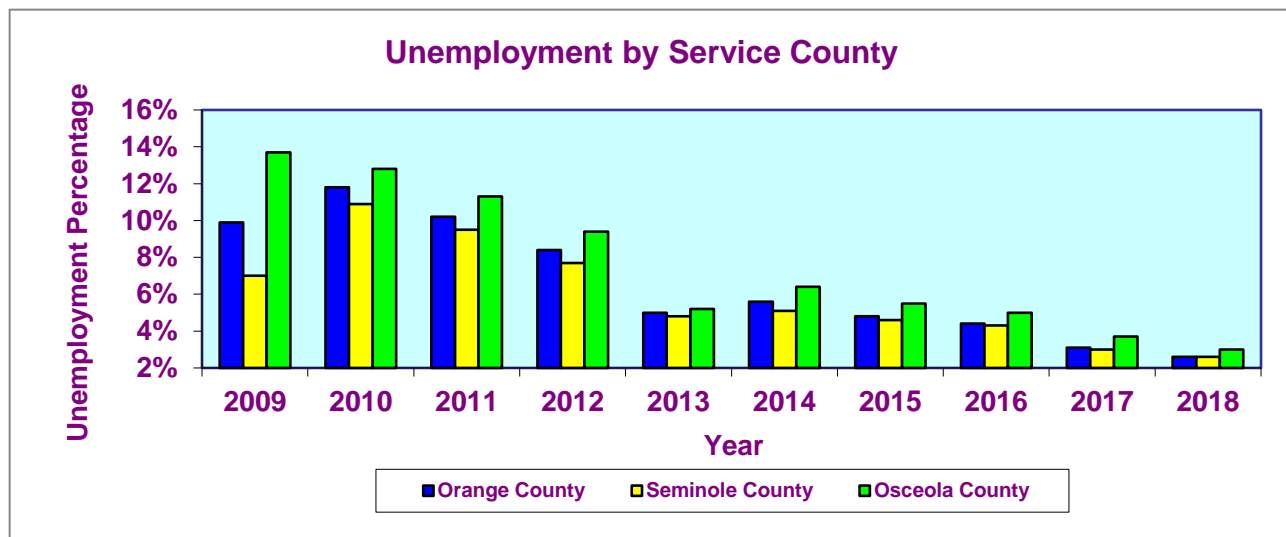
Median household income is useful in public transportation planning because it is one determinant of the need for, and probability of use, of public transportation. The lower the median income the greater, in most cases, will be the need for, and use of, public transportation.

Source: Metro Orlando Economic Development Commission

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX**

**Unemployment by Service County
Last Ten Years
(Unaudited)**

Year	Orange County	Seminole County	Osceola County	Region Average
2009	9.9%	7.0%	13.7%	10.2%
2010	11.8%	10.9%	12.8%	11.8%
2011	10.2%	9.5%	11.3%	10.3%
2012	8.4%	7.7%	9.4%	8.4%
2013	5.0%	4.8%	5.2%	4.9%
2014	5.6%	5.1%	6.4%	5.7%
2015	4.8%	4.6%	5.5%	5.0%
2016	4.4%	4.3%	5.0%	4.5%
2017	3.1%	3.0%	3.7%	3.2%
2018	2.6%	2.6%	3.0%	2.7%

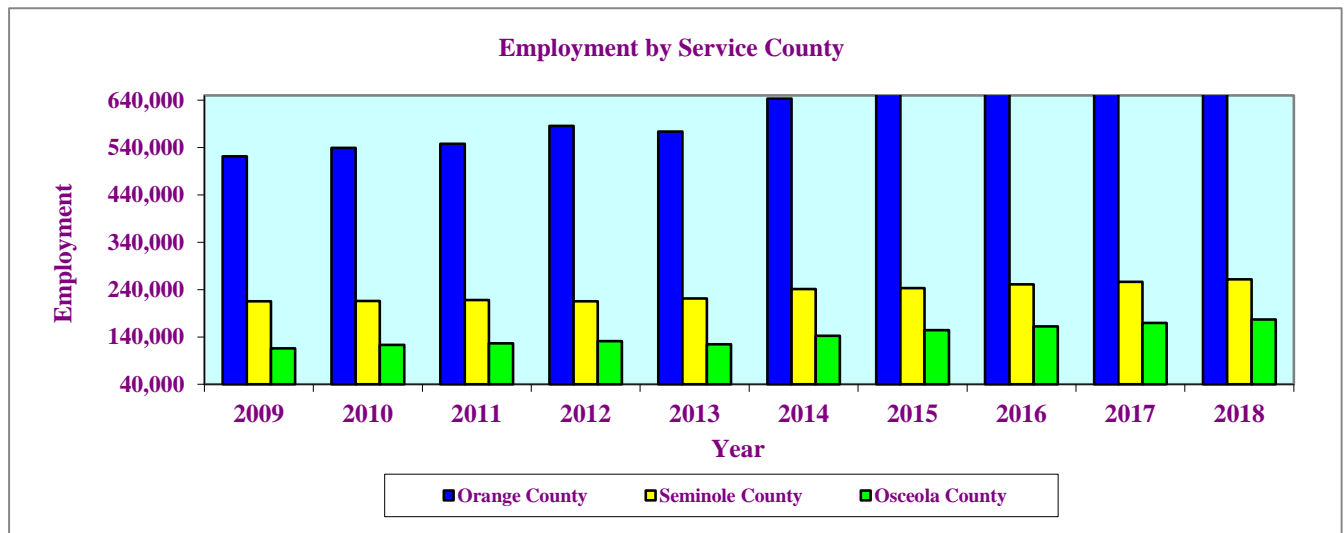


Employment and Unemployment trends are useful in the analysis of the economic vitality of a local economy. The availability of public transportation removes transportation barriers to employment, a factor which contributes to the continued need for public transportation. The yearly percentages by county are annual averages, non-seasonal based. The tri-county average for fiscal year 2018 was 2.7%, with Osceola County at 3.0% having the highest unemployment.

Source: Metro Orlando Economic Development Commission

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX
Employment by Service County
Last Ten Years
(Unaudited)**

Year	Orange County	Seminole County	Osceola County	Region Total
2009	521,623	215,016	115,643	852,282
2010	539,404	216,202	122,843	878,449
2011	547,816	218,049	126,431	892,296
2012	585,472	215,521	131,146	932,139
2013	573,570	221,385	124,539	919,494
2014	643,006	241,166	142,437	1,026,609
2015	692,813	243,253	154,029	1,090,095
2016	719,253	250,888	162,005	1,132,146
2017	741,512	256,066	169,568	1,167,146
2018	762,710	261,502	176,891	1,201,103



The tri-county area has experienced growth in employment every year except 2013. 2018 was 2.91% above the 2017 level. The largest increase was Osceola County, where employment in 2018 was 4.31% above the 2017 level.

Source: Metro Orlando Economic Development Commission

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX
General Statistical Trends
Last Ten Years
(Unaudited)**

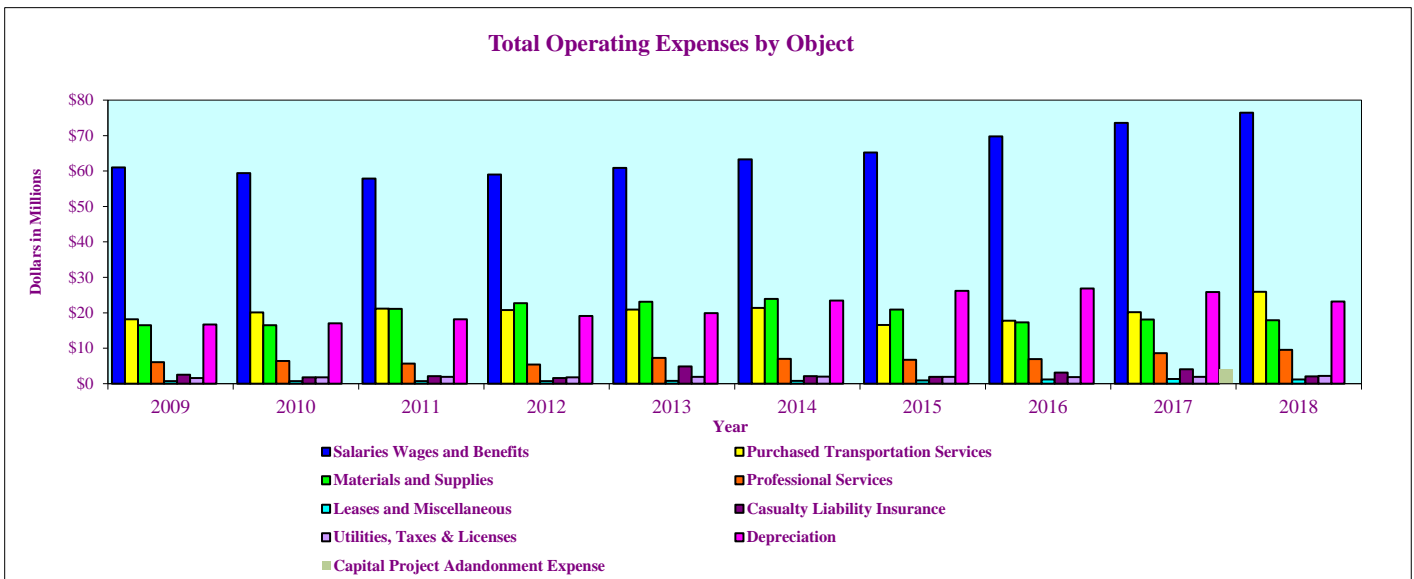
FISCAL YEAR	RIDERSHIP	NUMBER OF PEAK VEHICLES	ACTUAL VEHICLE MILES	ACTUAL VEHICLE HOURS
2009	23,747,795	234	16,225,409	1,108,783
2010	24,780,704	223	16,570,711	1,111,073
2011	26,996,158	225	16,503,043	1,108,489
2012	28,184,740	225	17,258,824	1,125,323
2013	28,801,896	232	16,058,513	1,126,466
2014	28,868,418	248	16,040,104	1,132,713
2015	28,327,951	255	16,470,661	1,163,956
2016	26,259,736	265	16,869,241	1,179,430
2017	24,845,029	259	17,065,204	1,198,148
2018	24,126,897	260	16,920,930	1,202,976

SOURCES: NTD report (MotorBus)

Number of vehicles exclude vehicles not in service at the end of the fiscal year.

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX**
Operating Expenses by Object
Last Ten Years
Dollars in Millions
(Unaudited)

Fiscal Year	Salaries Wages and Benefits	Purchased Transportation Services	Materials and Supplies	Professional Services	Leases and Miscellaneous	Casualty Liability Insurance	Utilities, Taxes & Licenses	Depreciation	Capital Project Adandonment Expense	Total Operating Expenses
2009	\$61.0	\$18.2	\$16.5	\$6.1	\$0.7	\$2.5	\$1.6	\$16.7	\$0.0	\$123.3
2010	\$59.4	\$20.1	\$16.5	\$6.4	\$0.7	\$1.8	\$1.8	\$17.0	\$0.0	\$123.7
2011	\$57.9	\$21.2	\$21.1	\$5.7	\$0.7	\$2.1	\$1.9	\$18.2	\$0.0	\$128.8
2012	\$59.0	\$20.8	\$22.7	\$5.4	\$0.7	\$1.6	\$1.8	\$19.1	\$0.0	\$131.1
2013	\$60.9	\$20.9	\$23.1	\$7.3	\$0.8	\$4.9	\$1.9	\$19.9	\$0.0	\$139.7
2014	\$63.3	\$21.4	\$23.9	\$7.0	\$0.8	\$2.2	\$2.0	\$23.5	\$0.0	\$144.0
2015	\$65.2	\$16.5	\$20.9	\$6.8	\$1.0	\$1.9	\$1.9	\$26.2	\$0.0	\$140.4
2016	\$69.7	\$17.7	\$17.3	\$7.0	\$1.2	\$1.7	\$1.9	\$26.8	\$0.0	\$143.4
2017	\$73.6	\$20.2	\$18.1	\$8.6	\$1.3	\$4.0	\$1.9	\$25.9	\$4.2	\$157.8
2018	\$76.5	\$25.9	\$17.9	\$9.6	\$1.2	\$2.1	\$2.2	\$23.2	\$0.0	\$158.5

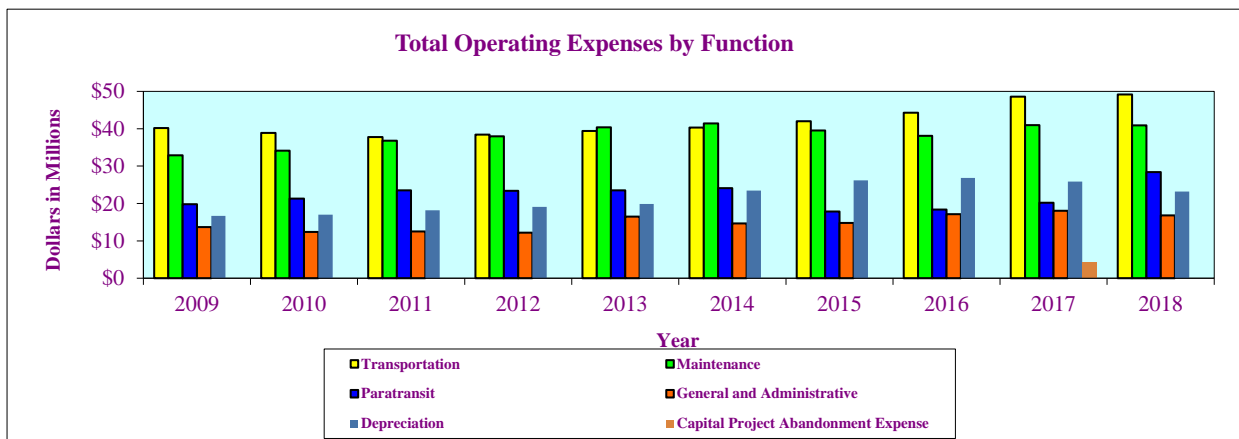


The table and graph show the annual amount for each of the 8 primary object classifications of operating expenses during the last ten years. Total operating expenses for fiscal year 2018 reflects a 28.54% increase from fiscal year 2009. At 48.26% of total operating expenses in fiscal year 2018, the Salaries, Wages and Benefits object is the largest object and has increased by 3.94% as compared to fiscal year 2017 due to increases in scheduled services to meet ridership demand.

Source: Financial Statements

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX**
Operating Expenses by Function
Last Ten Years
Dollars in Millions
(Unaudited)

Fiscal Year	Transportation	Maintenance	Paratransit	General and Administrative	Depreciation	Capital Project Abandonment Expense	Total Operating Expenses
2009	\$40.2	\$32.9	\$19.8	\$13.7	\$16.7	\$0.0	\$123.3
2010	\$38.9	\$34.1	\$21.3	\$12.4	\$17.0	\$0.0	\$123.7
2011	\$37.8	\$36.8	\$23.5	\$12.5	\$18.2	\$0.0	\$128.8
2012	\$38.4	\$38.0	\$23.4	\$12.2	\$19.1	\$0.0	\$131.1
2013	\$39.4	\$40.4	\$23.5	\$16.5	\$19.9	\$0.0	\$139.7
2014	\$40.3	\$41.4	\$24.1	\$14.7	\$23.5	\$0.0	\$144.0
2015	\$42.0	\$39.5	\$17.9	\$14.8	\$26.2	\$0.0	\$140.4
2016	\$44.3	\$38.1	\$18.4	\$17.2	\$26.8	\$0.0	\$143.4
2017	\$48.6	\$41.0	\$20.2	\$18.0	\$25.9	\$4.2	\$157.8
2018	\$49.2	\$40.9	\$28.4	\$16.8	\$23.2	\$0.0	\$158.5



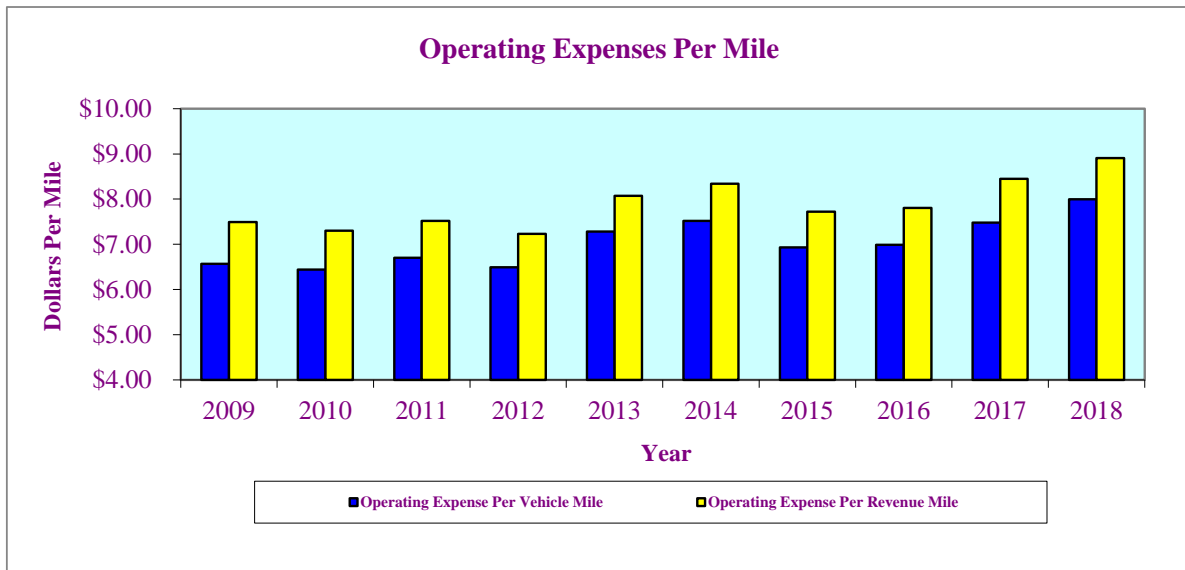
This table and graph show operating expenses by function for the last ten years. Total operating expenses for 2017 are 21.9% greater than 2008. Maintenance expenses in 2017 are 37.5% over the 2008 level; the greatest increase is due to increased demand for maintenance services resulting from an expanded revenue vehicles fleet and completion of office and maintenance facilities during the last 10-year period. Depreciation costs rose 69.2% over the same period due to acquisition of new vehicles and completion of new office and maintenance buildings. Transportation expenses increased in 2017 due mainly to expanded service routes. General and Administrative costs have fluctuated during the 10- year period reaching a peak in 2017.

Source: Financial Statements

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX**

**Operating Expenses Per Mile
Last Ten Years
(Unaudited)**

Fiscal Year	Vehicle Miles	Revenue Miles	Operating Expense Per Vehicle Mile	Operating Expense Per Revenue Mile
2009	16,215,911	14,230,128	\$6.57	\$7.49
2010	16,570,711	14,612,279	\$6.44	\$7.30
2011	16,503,043	14,714,555	\$6.70	\$7.52
2012	17,258,824	15,487,372	\$6.49	\$7.23
2013	16,058,513	14,468,719	\$7.28	\$8.07
2014	16,040,104	14,464,800	\$7.52	\$8.34
2015	16,470,661	14,791,484	\$6.93	\$7.72
2016	16,869,241	15,110,465	\$6.99	\$7.80
2017	17,065,204	15,111,138	\$7.48	\$8.45
2018	16,920,930	15,185,974	\$8.00	\$8.91



The table and graph show total miles and operating expenses per mile by year for the past ten years. These provide, directly and indirectly, some key operational indicators such as efficiency in use of operating assistance funding and the quality of the maintenance program. In 2018 the increase in Operating Expense Per Vehicle Mile and Revenue Mile is due to increases in labor and maintenance and costs. The ratio of Revenue Miles versus Vehicle Miles represents the level of service miles delivered to patrons versus the total level of miles required to service all routes.

Source: Financial Statements
National Transit Database report

**CENTRAL FLORIDA REGIONAL TRANSPORTATION d/b/a
LYNX
Risk Management
Insurance Policies - Fiscal Year 2018
(Unaudited)**

Insurance Company	Policy	Premium	Limits	Deductible/SIR	Commission/Fee	
American Home Assurance Company	Property	\$96,940	\$57,948,910	\$10,000 per occurrence, except as noted	0% Commission to AJG \$3,000 Engineering Fee to American Home (AIG)	
	Named Windstorm	Included	\$25,000,000	5% of TIV at time of loss at each covered location subject to minimum \$100,000		
	Flood	Included	\$10,000,000	\$100,000		
	Earth Movement	Included	\$50,000,000	\$100,000		
	Ordinance & Law	Included	Included			
	Debris Removal	Included	Included			
	Equipment Breakdown	Included	\$57,948,910	\$10,000		
	Sub-total		\$96,940			
PGIT (Preferred Governmental Insurance Trust)	Crime	\$1,175			0%	
	Forgery & Alteration	Included	\$250,000	\$1,000		
	TDD	Included	\$250,000	\$1,000		
	Employee Dishonesty	Included	\$250,000	\$1,000		
	Computer Fraud	Included	\$250,000	\$1,000		
	Sub-total		\$1,175			
	General Liability					0%
	General Liability	\$31,918	\$1,000,000	\$200,000		
	EBL	Included	\$1,000,000	\$200,000		
	Sub-total		\$31,918			
Public Officials/EPLI					0%	
Public Officials	\$84,965	\$2,000,000	\$100,000			
EPLI	Included	\$2,000,000	\$100,000			
Media Content, Network Security and Privacy Liability	Included	\$2,000,000	\$100,000			
Sub-total		\$84,965				
Automobile					0%	
Auto Liability/UM/MedPay	Rejected		N/A	N/A		
Auto Physical Damage	\$239,033	Symbol 8, 10	\$1,000 / \$10,000			
Sub-total		\$239,033				
Total Premium This Page		\$454,031				

CENTRAL FLORIDA REGIONAL TRANSPORTATION d/b/a
LYNX

Risk Management

Insurance Policies - Fiscal Year 2017

(Unaudited)

Insurance Company	Policy	Premium	Limits	Deductible/SIR	Commission/Fee	
American Home Assurance Company	Property	\$96,939	\$57,948,910	\$10,000 per occurrence, except as noted	0% Commission to AJG \$3,000 Engineering Fee to American Home (AIG)	
	Named Windstorm	Included	\$25,000,000	5% of TIV at time of loss at each covered location subject to minimum \$100,000		
	Flood	Included	\$10,000,000	\$100,000		
	Earth Movement	Included	\$50,000,000	\$100,000		
	Ordinance & Law	Included		Included		
	Debris Removal	Included		Included		
	Equipment Breakdown	Included		\$57,948,910	\$10,000	
	Sub-total		\$96,939			
PGIT (Preferred Governmental Insurance Trust)	Crime	\$1,175			0%	
	Forgery & Alteration	Included	\$250,000	\$1,000		
	TDD	Included	\$250,000	\$1,000		
	Employee Dishonesty	Included	\$250,000	\$1,000		
	Computer Fraud	Included	\$250,000	\$1,000		
	Sub-total		\$1,175			
	General Liability					0%
	General Liability	\$31,593	\$1,000,000	\$200,000		
	EBL	Included	\$1,000,000	\$200,000		
	Sub-total		\$31,593			
	Public Officials/EPLI					0%
	Public Officials	\$84,283	\$2,000,000	\$100,000		
	EPLI	Included	\$2,000,000	\$100,000		
	Sub-total		\$84,283			
	Automobile					0%
Auto Liability/UM/MedPay	Rejected		N/A	N/A		
Auto Physical Damage	\$220,382		Symbol 10	\$1,000 / \$10,000		
Sub-total		\$220,382				
Total Premium This Page		\$434,372				

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CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNN
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED SEPTEMBER 30, 2018

FEDERAL GRANTOR/PROGRAM TITLE	Federal CFDA Number	Project Number	Program or Award Amount	September 30, 2017 Receivable	Receipts	Expenditures	September 30, 2018 Receivable	Passed Through to Subrecipients
Department of Transportation Federal Transit Cluster								
Capital assistance	20.500	FL04-0112	\$ 1,149,050	\$ -	\$ (25,783)	\$ 25,783	\$ -	\$ -
Capital assistance	20.500	FL04-0147	1,233,132	61,117	(855,441)	794,324	-	-
Capital assistance	20.500	FL04-0161	2,050,000	-	(400,778)	400,778	-	-
Capital assistance	20.500	FL04-0172	1,056,800	189,049	(496,802)	392,427	84,674	-
Capital assistance	20.500	FL04-0185	8,390,860	10,197	(16,997)	6,800	-	-
			<u>13,879,842</u>	<u>260,363</u>	<u>(1,795,801)</u>	<u>1,620,112</u>	<u>84,674</u>	<u>-</u>
Capital assistance	20.507	FL90-X726	22,243,009	2,504	(311,699)	598,998	289,803	-
Capital assistance	20.507	FL90-X826	23,509,503	17,794	(51,269)	33,475	-	-
Capital assistance	20.507	FL90-X858	25,317,482	134,276	(569,634)	526,499	91,141	-
Capital assistance	20.507	FL90-X885	10,630,000	394,879	(638,453)	307,536	63,962	-
Capital assistance	20.507	FL95-X068	6,297,975	6,076	(11,561)	5,485	-	-
Capital assistance	20.507	FL95-X071	7,685,383	29,971	(43,683)	13,712	-	-
Capital assistance	20.507	FL95-X101	7,850,500	22,961	(58,871)	35,910	-	-
Capital assistance	20.507	FL2017-001	17,609,919	214,063	(1,779,405)	2,110,319	544,977	-
Capital assistance	20.507	FL2017-027	4,222,670	391,676	(1,021,508)	685,897	56,065	75,036
Capital assistance	20.507	FL2017-039	26,103,204	2,162,532	(3,626,080)	1,823,938	360,390	-
Capital assistance	20.507	FL2018-038	6,944,047	-	-	852,074	852,074	-
Capital assistance	20.507	ZZ-FTA-PREAWARD	-	1,312,334	-	11,991,254	13,303,588	-
			<u>158,413,692</u>	<u>4,689,066</u>	<u>(8,112,163)</u>	<u>18,985,097</u>	<u>15,562,000</u>	<u>75,036</u>
Federal Transit - State of Good Repair Formula Grant								
Capital assistance	20.525	FL54-0002	426,112	60,951	(139,231)	78,280	-	-
			<u>426,112</u>	<u>60,951</u>	<u>(139,231)</u>	<u>78,280</u>	<u>-</u>	<u>-</u>
Federal Transit - Bus and Bus Facilities Formula Program								
Capital assistance	20.526	FL2018-037	2,680,328	-	(1,253,050)	1,253,050	-	-
			<u>2,680,328</u>	<u>-</u>	<u>(1,253,050)</u>	<u>1,253,050</u>	<u>-</u>	<u>-</u>
Total Federal Transit Cluster			<u>175,399,974</u>	<u>5,010,380</u>	<u>(11,300,245)</u>	<u>21,936,539</u>	<u>15,646,674</u>	<u>75,036</u>

(Continued)

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED SEPTEMBER 30, 2018

FEDERAL GRANTOR/PROGRAM TITLE	Federal CFDA Number	Project Number	Program or Award Amount	September 30, 2017 Receivable	Receipts	Expenditures	September 30, 2018 Receivable	Passed Through to Subrecipients
Federal Transit: Metropolitan Transportation Planning Passed through the Metroplan Orlando								
	20.505	FL80-X011	437,304	72,633	(77,326)	4,693	-	-
	20.505	FL80-X012	485,315	-	(325,002)	428,184	103,182	-
	20.505	FL80-X025	331,466	5,396	(5,396)	-	-	-
			1,254,085	78,029	(407,724)	432,877	103,182	-
Federal Transit: Formula Grants for Rural Areas Passed through Florida Department of Transportation								
	20.509	AQU34	1,720,871	399,265	(399,265)	-	-	-
	20.509	G0R97	817,628	-	-	408,814	408,814	-
			2,538,499	399,265	(399,265)	408,814	408,814	-
Transit Services Programs Cluster Federal Transit: Job Access Reverse Commute								
	20.516	AR064	1,421,955	25,763	-	164,290	190,053	-
			1,421,955	25,763	-	164,290	190,053	-
Federal Transit: Enhanced Mobility of Seniors and Individuals with Disabilities								
	20.513	FL16-X019	2,560,222	37,217	(82,852)	52,912	7,277	52,912
	20.513	G0327	1,808,345	606,116	(404,008)	636,897	839,005	-
			4,368,567	643,333	(486,860)	689,809	846,282	52,912
Federal Transit: New Freedom Program								
	20.521	AQN72	35,000	5,876	(5,876)	-	-	-
	20.521	AQN91	859,729	77,936	(78,990)	104,901	103,847	-
			894,729	83,812	(84,860)	104,901	103,847	-
			6,685,251	752,908	(571,726)	959,000	1,140,182	52,912
Federal Transit - Alternatives Analysis Planning Assistance								
	20.522	FL39-0013	1,200,000	-	-	35,374	35,374	-
			1,200,000	-	-	35,374	35,374	-
Department of Transportation Public Transportation Emergency Relief Program								
	20.527	ZZ-PREAWARD	446,697	-	-	446,697	446,697	-
			446,697	-	-	446,697	446,697	-
Department of Homeland Security - Federal Emergency Management Agency Disaster Grants - Public Assistance (Presidentially Declared Disasters)								
	97.036	8401-F	142,928	142,928	(142,928)	-	-	-
			142,928	142,928	(142,928)	-	-	-
TOTAL EXPENDITURES OF FEDERAL AWARDS								
			\$ 187,667,434	\$ 6,383,510	\$ (12,821,888)	\$ 24,219,301	\$ 17,780,923	\$ 127,948
NONOPERATING REVENUE PORTION								
						15,877,646		
OTHER INCOME - GAIN ON SALE OF EQUIPMENT								
						25,989		
CONTRIBUTED CAPITAL								
						\$ 8,315,666		

See Notes to Schedules of Federal Awards and Local and State Financial Assistance

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
SCHEDULE OF LOCAL FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2018

GRANT NUMBER/ SOURCE	Program or Award Amount	September 30, 2017 Unearned (Receivable)	Transfers/ Receipts	Expenditures	September 30, 2018 Unearned (Receivable)
LOCAL MATCHING GRANTS:					
N/A, AQN91	859,729	\$ -	\$ 104,901	\$ 104,901	\$ -
N/A, AQU34	399,265	-	-	-	-
N/A, AQV49	10,142,756	-	-	-	-
N/A, AR064	1,421,955	-	164,290	164,290	-
N/A, ARI2	355,389	-	-	-	-
N/A, ARI3	281,621	-	-	-	-
N/A, ARP60	78,118	-	-	-	-
N/A, FL-16-X019	1,388,921	-	52,912	52,912	-
N/A, FL-39-0013	300,000	-	8,844	8,844	-
N/A, FL-2017-027 (FL16X034)	1,485,121	-	403,503	403,503	-
N/A, FL-8401S-2	23,821	-	-	-	-
N/A, G0327	1,391,630	-	636,897	636,897	-
N/A, G0I96	3,356	-	43,164	43,164	-
N/A, G0M69	507,578	-	271,931	271,931	-
N/A, G0R97	408,814	-	408,814	408,814	-
N/A, G0T11	10,192,003	-	10,192,003	10,192,003	-
N/A, G0X51	545,534	-	136,384	136,384	-
City of Orlando (LYMMO kiosk @ Church & Lake)	15,043	-	15,043	12,536	2,507
Private Partners (Shelters and Vans)	-	94,560	-	38,072	56,488
City of Orlando (LYNX-Orlando Trail Project)	1,541,415	221,476	(5,075)	195,028	21,373
City of Orlando (Mills District Shelter Project)	70,000	9,452	4,914	6,397	7,969
Orlando Utility Company (writeoff unfunded expenditures)	711,119	-	-	(169,142)	-
Orange County (Pine Hills SuperStop) Project	1,250,000	250,000	-	-	250,000
Orange County Capital	1,738,769	796,976	1,738,769	533,867	2,001,878
Osceola County Capital	237,704	-	237,704	237,704	-
Seminole County Capital	211,366	-	211,366	211,366	-
Other Local Funding	-	86,115	-	4,125	81,990
Total matching grants	\$ 35,561,027	\$ 1,458,579	\$ 14,626,364	13,493,596	\$ 2,422,205
Customer fares and operating assistance				12,440,304	
Contributed capital portion				\$ 1,053,292	
LOCAL GRANTS AND CONTRACT SERVICES:					
Operating assistance:					
Orange County		\$ -	\$ 43,277,155	\$ 43,277,155	\$ -
City of Orlando		-	4,314,817	4,314,817	-
Seminole County		-	2,274,481	2,274,481	-
Osceola County		-	1,633,640	1,633,640	-
Total nonoperating revenue portion		\$ -	\$ 51,500,093	\$ 51,500,093	\$ -
Contract services:					
Seminole County		\$ -	\$ 4,043,170	\$ 4,043,170	\$ -
Osceola County		-	5,497,295	5,497,295	-
City of Orlando (LYMMO)		(264,920)	2,144,176	2,223,933	(344,677)
City of Altamonte Springs		-	120,900	120,900	-
City of St. Cloud		-	-	-	-
City of Sanford		-	930,322	930,322	-
Disney		(153,574)	450,689	297,115	-
Econ River High School		(38,332)	210,152	215,894	(44,074)
University of Central Florida (UCF)		(17,322)	135,043	140,347	(22,626)
Valencia College		65,323	75,000	75,000	65,323
Seminole State College		-	45,509	24,042	21,467
Shingle Creek		(25,908)	103,178	102,977	(25,707)
Polk County		(89,561)	847,730	910,541	(152,372)
Lake County		-	248,854	248,854	-
Total Local Financial Assistance		(524,294)	14,852,018	14,830,390	(502,666)
Other Contractual Services					
Local - Shuttles		(4,024)	66,959	86,746	(23,811)
State - Transportation Disadvantaged		(1,143,092)	3,904,507	4,087,001	(1,325,586)
Other Contractual Services		(3,341)	18,757	18,088	(2,672)
Total Other Contractual Services		(1,150,457)	3,990,223	4,191,835	(1,352,069)
Total contract services		\$ (1,674,751)	\$ 18,842,241	\$ 19,022,225	\$ (1,854,735)

*These amounts are not receivables or deferrals, but are included as restricted net position, as they relate to receipts that are restricted for matching. See notes to Schedules of Expenditures of Federal Awards and Local and State Financial Assistance.

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2018

STATE GRANTOR PROGRAM TITLE, CONTRACT NO., WPI NO., JOB NO.	CSFA Number	Program or Award Amount	September 30, 2017 Receivable	Receipts/ Adjustments	Expenditures	September 30, 2018 Receivable
Florida Department of Transportation						
Public Transit Block Grant Program						
N/A, AQV49	55.010	\$ 39,570,004	\$ 5,071,378	\$ (5,071,378)	\$ -	\$ -
N/A, G0T11	55.010	20,384,006	-	(5,096,002)	10,192,003	5,096,001
		<u>59,954,010</u>	<u>5,071,378</u>	<u>(10,167,380)</u>	<u>10,192,003</u>	<u>5,096,001</u>
Public Transit Service Development Program						
N/A, ARA12	55.012	355,389	19,540	(19,540)	-	-
N/A, ARD60	55.012	3,477,743	520,327	(1,324,187)	1,061,045	257,185
N/A, ARP60	55.012	78,118	17,620	(17,620)	-	-
N/A, G0G99	55.012	175,000	43,231	(29,991)	131,769	145,009
		<u>4,086,250</u>	<u>600,718</u>	<u>(1,391,338)</u>	<u>1,192,814</u>	<u>402,194</u>
Florida Commission for the Transportation Disadvantaged Trip and Equipment Grant Program						
N/A, G0I96	55.001	356,180	287	(315,000)	388,473	73,760
N/A, G0M69	55.001	5,076,615	1,142,805	(3,589,507)	2,447,382	680
N/A, G0Y31	55.001	101,881	-	-	23,687	23,687
N/A, G0X51	55.001	5,455,343	-	-	1,227,459	1,227,459
		<u>10,990,019</u>	<u>1,143,092</u>	<u>(3,904,507)</u>	<u>4,087,001</u>	<u>1,325,586</u>
Total Florida Department of Transportation		<u>75,030,279</u>	<u>6,815,188</u>	<u>(15,463,225)</u>	<u>15,471,818</u>	<u>6,823,781</u>
Florida Division of Emergency Management						
Emergency Protective Measures Program						
N/A, 8401-S	N/A	23,821	23,821	(23,821)	-	-
		<u>23,821</u>	<u>23,821</u>	<u>(23,821)</u>	<u>-</u>	<u>-</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>75,054,100</u>	<u>6,839,009</u>	<u>(15,487,046)</u>	<u>15,471,818</u>	<u>6,823,781</u>
Other State Contracts						
Road Ranger Patrol for Highway Assistance Services						
N/A, BDV03	N/A	1,382,280	738,492	(738,492)	-	-
N/A, BE350	N/A	1,419,201	354,800	(1,535,859)	1,623,466	442,407
		<u>2,801,481</u>	<u>1,093,292</u>	<u>(2,274,351)</u>	<u>1,623,466</u>	<u>442,407</u>
TOTAL STATE FINANCIAL ASSISTANCE AND OTHER STATE CONTRACTS		<u>\$ 77,855,581</u>	<u>\$ 7,932,301</u>	<u>\$ (17,761,397)</u>	<u>17,095,284</u>	<u>\$ 7,266,188</u>
CONTRACT SERVICES PORTION					<u>4,087,001</u>	
NONOPERATING REVENUE PORTION					<u>12,710,971</u>	
CONTRIBUTED CAPITAL PORTION					<u>\$ 297,312</u>	

See notes to Schedules of Expenditures of Federal Awards
and Local and State Financial Assistance.

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
LOCAL AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2018**

1. The Schedules of Expenditures of Federal Awards and Local and State Financial Assistance are prepared on the accrual basis of accounting.
2. All grants subject to the Florida Single Audit Act are included in the Schedule of State Financial Assistance. All grants subject to Single Audit in conformance with Uniform Guidance are included on the Schedule of Expenditures of Federal Awards. Local financial assistance is not subject to Single Audit.
3. The Authority utilized state toll revenue credits received from the Florida Department of Transportation under the following awards to satisfy federal and state matching requirements:

<u>Grant</u>	<u>Award Amount</u>	<u>Toll Revenue Credits Applied during Fiscal 2018</u>
FL-04-0112	\$ 1,149,050	\$ 6,446
FL-04-0161	2,050,000	100,195
FL-04-0172	1,056,800	98,107
FL-2017-001	17,609,919	527,580
FL-2017-039	26,103,204	311,058
FL-2018-037	2,680,328	313,263
FL-2018-038	6,944,047	213,019
FL-54-0002	426,112	19,570
FL-90-X726	22,243,009	149,750
FL-90-X858	25,317,482	131,625
FL-90-X885	10,630,000	76,884
FL-95-X068	6,297,975	1,371
FL-95-X071	7,685,383	3,428
FL-95-X101	7,850,500	8,978
Total	\$ <u>138,043,809</u>	\$ <u>1,961,274</u>

4. Contract services presented on the Schedule of Local Financial Assistance include only those services provided to local governmental units.
5. The Authority did not elect to use the 10 percent de minimis indirect cost rate as permitted by 2 CFR 200.414(f).

**Report of Independent Auditor 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
Central Florida Regional Transportation Authority:

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 statements of net position of Central Florida Regional Transportation Authority d/b/a LYNX (the "Authority") as of September 30, 2018 and 2017, and the related statements of revenues, expenses and changes in net position and of cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 8, 2019.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 designated 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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*.

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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cheryl Behrman LLP". The signature is written in a cursive, flowing style.

Orlando, Florida
March 8, 2019

**Report of Independent Auditor on Compliance for
Each Major Program and State Financial Assistance Project and on Internal
Control Over Compliance Required by the Uniform Guidance and
Chapter 10.550, Rules of the Auditor General**

To the Board of Directors
Central Florida Regional Transportation Authority:

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

We have audited Central Florida Regional Transportation Authority d/b/a LYNX's (the "Authority") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget ("OMB") Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on each of the Authority's major federal programs and state financial assistance projects for the year ended September 30, 2018. The Authority's major federal programs and state financial assistance projects 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 each of its major federal programs and state financial assistance projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs and state financial assistance projects 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, the requirements of Title 2 U.S. *Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and Chapter 10.550, Rules of the Auditor General. Those standards, the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, 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 or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the Authority'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 and state financial assistance project. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program and State Financial Assistance Project

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended September 30, 2018.

Report on Internal Control over Compliance

Management of the Authority 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 Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state financial assistance project 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 state financial assistance project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, 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 the Authority'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 or state financial assistance project 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 or state financial assistance project 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 or state financial assistance project 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Handwritten signature in black ink that reads "Cheryl Behrman LLP". The signature is written in a cursive, flowing style.

Orlando, Florida
March 8, 2019

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

Part I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	<u> </u> yes	<u> x </u> no	
Significant deficiency(ies) identified?	<u> </u> yes	<u> x </u> none reported	
Noncompliance material to financial statements noted?	<u> </u> yes	<u> x </u> no	

Federal Awards and State Projects Section

Internal control over major programs:			
Material weakness(es) identified?	<u> </u> yes	<u> x </u> no	
Significant deficiency(ies) identified?	<u> </u> yes	<u> x </u> none reported	
Type of auditor's report on compliance for major federal programs and state projects:	<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u> yes	<u> x </u> no	
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550 for state projects?	<u> </u> yes	<u> x </u> no	

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

Part I - Summary of Auditor's Results (continued)

Federal Awards and State Projects Section (continued)

Identification of major federal programs and state projects:

Federal Programs:

Name of Program or Cluster	CFDA Number
U.S. Department of Transportation:	
<u>Federal Transit Cluster</u>	<u>20.500-CL</u>

State Projects:

Name of Project	CSFA Number
State of Florida Department of Transportation:	
<u>Florida Commission for the Transportation Disadvantaged Trip and Equipment Grant Program</u>	<u>55.001</u>
<u>Public Transit Block Grant Program</u>	<u>55.010</u>
<u>Public Transit Service Development Program</u>	<u>55.012</u>

Dollar threshold used to determine Type A programs:

Federal	\$ 750,000
State	<u>\$ 464,155</u>

Auditee qualified as low-risk auditee for federal purposes?

x yes no

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

Part II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no findings required to be reported in accordance with *Government Auditing Standards*.

Part III - Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major federal programs, as required to be reported by 2 CFR 200.516(a).

There were no findings required to be reported by 2 CFR 200.516(a).

Prior Year Audit Findings

There were no audit findings in the prior year that required corrective action.

Part IV - State Project Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major state projects, as required to be reported by Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*.

There were no findings required to be reported by Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*.



Independent Auditor's Management Letter

To the Board of Directors
Central Florida Regional Transportation Authority:

Report on the Financial Statements

We have audited the financial statements of Central Florida Regional Transportation Authority d/b/a LYNX (the "Authority") as of and for the years ended September 30, 2018 and 2017, and have issued our report thereon dated March 8, 2019.

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Report of Independent Auditor 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*; Report of Independent Auditor on Compliance for Each Major Federal Program and State Financial Assistance Project and on Internal Control Over Compliance Required by Uniform Guidance and Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs – Federal Awards Programs and State Financial Assistance Projects; and Report of Independent Accountant on Compliance with Local Government Investment Policies regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 8, 2019, 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 significant findings and recommendations made in the preceding annual financial audit report. Appropriate corrective action has been taken or appropriate consideration has been given to these prior year recommendations.

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. Refer to Note 1 in the notes to the financial statements regarding the creation of the Authority.

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 the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit of the financial statements of the Authority, the results of our tests did not indicate the Authority met any of the specified conditions of a financial emergency contained in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Authority. It is management's responsibility to monitor the Authority'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.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, reference to one matter is provided in Appendix A for the Authority. We did not audit the Authority's response to the recommendation, which is also provided in Appendix A, and, accordingly, we express no opinion on it.

Purpose of this Letter

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

Handwritten signature of Cheryl Behrman in cursive script.

Orlando, Florida
March 8, 2019

CENTRAL FLORIDA REGIONAL TRANSIT AUTHORITY d/b/a LYNX
APPENDIX A – MANAGEMENT LETTER COMMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

U.S. Department of Transportation – Federal Transit Cluster - Special Tests and Provisions (Wage Rate Requirements) – Immaterial Noncompliance

Statement of Condition 2018-01: The Authority included the necessary provision in the contracts subject to Davis-Bacon Act wage rate monitoring requirements; however one of the two contractors subject to Davis-Bacon Act wage rate requirements during the year did not submit certified payroll reports during the project. The missing payroll information was supplied by the contractor subsequent to identification of the finding and no exceptions were noted.

Criteria: 2 CFR Part 200, Appendix XI, Compliance Supplement, provides for construction contracts greater than \$2,000 that: (1) The contract shall include a provision that the contractor or subcontractor is subject to Davis-Bacon Act wage rate requirements and Department of Labor regulations. (2) The contractor or subcontractor is to submit weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payroll report).

Cause: Internal controls were not adequate to ensure that required documentation was obtained and monitored.

Effect: The untimeliness of the required payroll certification is a violation of the grant requirement.

Recommendation: We recommend that internal controls be strengthened to ensure that Davis-Bacon Act wage rate requirements are tracked and monitored for future contracts.

Management's Response:

Management concurs with the issue identified as 2018-01 and agrees with the recommendation.

The current interim Manager of Procurement, who assumed the role as of November 2018, has re-emphasized with the Procurement staff the need to follow existing procedures and has implemented the appropriate internal controls to ensure compliance. The Procurement Department is in the process of hiring a replacement for the Procurement Assistant, which has been vacant for some time, whose role will be to monitor all compliance requirements of the department in support of the staff.



**Report of Independent Accountant on Compliance
With Local Government Investment Policies**

To the Board of Directors
Central Florida Regional Transportation Authority:

We have examined the Central Florida Regional Transportation Authority's d/b/a LYNX (the "Authority") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2018. Management of the Authority is responsible for the Authority's compliance with the specific requirements. Our responsibility is to express an opinion on the Authority's compliance with the specific requirements 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 the Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Authority's compliance with the specified requirements.

In our opinion, the Authority complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2018.

The purpose of this report is to comply with the audit requirements of Section 218.415, Florida Statutes, and Rules of the Auditor General.

Cherry Bekaert LLP

Orlando, Florida
March 8, 2019