Comprehensive Annual Financial Report

For Years Ended

September 30, 2016 and 2015

LYNX® CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a

LYNX

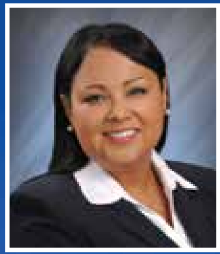
FOR YEARS ENDED
SEPTEMBER 30, 2016 AND 2015

PREPARED BY THE FINANCE DEPARTMENT

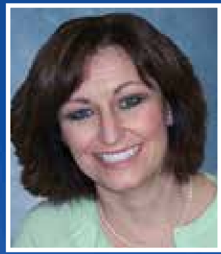
Blanche W. Sherman, CPA, Director of Finance
Craig Charrette, Manager of Accounting
Nancy Navarro, Senior Accountant

LYNX® BOARD OF DIRECTORS

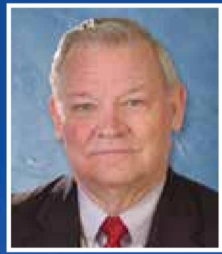
Chair
Teresa Jacobs
ORANGE COUNTY MAYOR



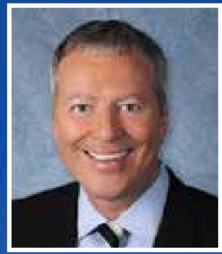
Vice-Chair
Viviana Janer
OSCEOLA COUNTY COMMISSIONER



Secretary
Noranne Downs
FDOT DISTRICT 5 SECRETARY



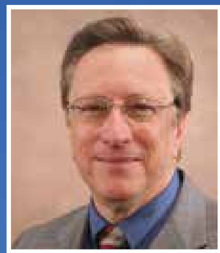
Carlton Henley
SEMINOLE COUNTY COMMISSIONER



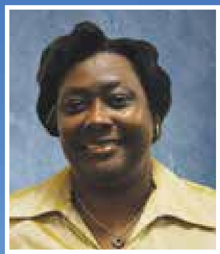
Buddy Dyer
MAYOR OF ORLANDO

LYNX® EXECUTIVE MANAGEMENT

Edward L. Johnson
CHIEF EXECUTIVE OFFICER



Albert J. Francis II, CPA
CHIEF FINANCIAL OFFICER



Blanche W. Sherman, CPA
DIRECTOR OF FINANCE

LYNX®
CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

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BOARD OF DIRECTORS

Mayor Teresa Jacobs	**Chairman, Orange County**
Commissioner Viviana Janer	**Vice-Chairman, Osceola County**
Mayor Buddy Dyer	**Board Member, Orange County**
Commissioner Carlton Henley	**Board Member, Seminole County**
FDOT District 5 Secretary, Noranne Downs	**Board Member, FDOT**

LYNX EXECUTIVE STAFF

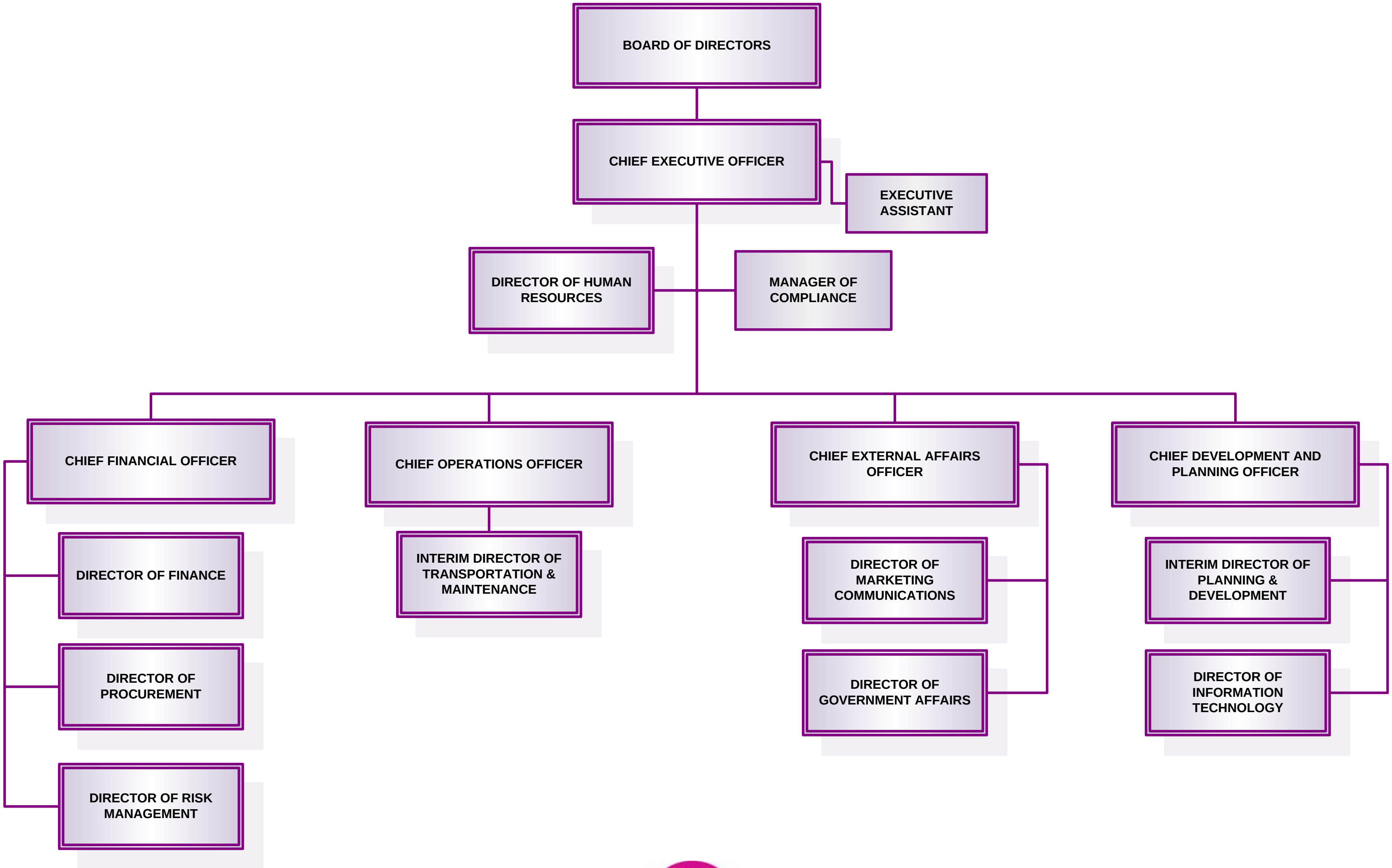
Edward L. Johnson	**Chief Executive Officer**
Albert J. Francis II, CPA	**Chief Financial Officer**

DEPARTMENT HEADS

Blanche W. Sherman, CPA	**Director of Finance**
Tiffany Homler	**Director of Government Affairs**
Juan Battle	**Interim Director of Transportation & Maint.**
Douglas Robinson	**Interim Director of Planning & Development**
Donna Tefertiller	**Director of Human Resources**
Craig Bayard	**Director of Information Technology**
Matt Friedman	**Director of Marketing Communications**
Charles Baldwin	**Director of Procurement**
David Dees	**Director of Risk Mgmt and Safety**

FINANCE DIVISION

Leonard Antmann	**Comptroller**
Craig Charrette	**Manager of Accounting**
Julie Caple	**Manager of Financial Planning & Budgets**
Nancy Navarro	**Senior Accountant**
Pedro Bustamante, CPA	**Senior Accountant**
Denise Callihan	**Supervisor of Payroll & Accounts Payable**
Patty Dolan	**Supervisor of Revenue Control**
Nirso Amaya	**Accountant**
Maritza Rodriguez	**Accountant**
Aida Diaz	**Accountant**
Samorea Nelson	**Accountant**
Sal Ajala	**Budget Analyst**
Vicki Hoffman	**Fiscal Assistant**
Kim George	**Senior Accounting Technician**
Edward Velez	**Property Officer**
Andrew O’Neil	**Accounting Technician**



LYNX ORGANIZATIONAL CHART
September 30, 2016

March 23, 2017

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, 2016 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.

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Orlando, FL 32801-1518

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 other 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 and a manager of compliance support the executive office, as well as, nine directors. The nine 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, Communications, Planning, Procurement and Contracts, Risk Management and Safety, Transportation and Vehicle Maintenance including the Paratransit division, and Finance including the Accounting and Finance, Budgets, and Material Control divisions.

For purposes of defining the reporting entity, LYNX is a stand-alone governmental unit.

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, and the Orlando Predators indoor football 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 an upcoming 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 education 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 2.1 million in 2016 and 2.2 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 the Central Florida area is known world-wide for its wonderful climate, many tourist attractions, and a relaxed 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. New developments are popping up all over from brand new venues to the upcoming Florida Advanced Manufacturing Research Center to Lake Nona Medical City and Health Village to Creative Village.

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

MAJOR INITIATIVES

Over the past few fiscal years, LYNX, through the effective leadership of its Governing Board, has continued to enhance public transportation in Central Florida. In FY2016, LYNX explored the purchase of excess property that is contiguous to the LYNX Operations Center on John Young Parkway. In FY2017, LYNX plans to purchase property and continue design and phasing work to address capacity constraints and ultimately relocate its paratransit and Neighbor Link operations and maintenance to this new site.

In FY2016, LYNX and several local funding partners worked together to secure funding and establish agreements to begin the SR 436 Transit Corridor Study. This study is expected to take 18 months to complete and will evaluate application of several premium transit service options to potentially serve the corridor from Orlando International Airport to SR 434 in Seminole County.

LYNX continued to provide several human service agencies with operating funding from the Federal Transit Administration 5310, Job Access and Reverse Commute and New Freedom 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 Mental Health, Osceola Council on Aging, Primrose Center, Bright Start Pediatrics and Meals on Wheels.

Current Year Projects

LYNX is implementing the use of mobile payments to enhance LYNX' customer experience, reduce the cost of fare operations and deliver long term value. It is anticipated that mobile payments meet customer demands for easy-to-use transit and represent a sound investment when integrated with existing fare systems allowing customers to purchase fare products and stored value that can be validated hands-free upon boarding, or loaded onto existing system fare cards.

LYNX LYMMO Lime Line began limited service in January 2016 and is anticipated to become fully operational, with the project closed, July 2017. The new Lime Line will increase mobility in Orlando's urban core, connect to other existing transit options such as SunRail and Bike Share and provide another affordable transportation alternative to using a car.

LYNX continued investment in CNG vehicles will help our community move toward a more environmentally sustainable future. LYNX anticipates purchasing a total of 150 CNG buses over the first five year period pursuant to the terms of the agreement.

LYNX Veterans Transportation and Community Living Initiative (VTCLI) is an ongoing project to provide a comprehensive site where Veterans, their families, and the general public can identify services available to them. This system will enhance mobility options available to Veterans in Central Florida, and will once again highlight LYNX as one of the country's leaders in regional mobility.

LYNX will complete a comprehensive on-board Origin and Destination survey of its services to better understand passenger's characteristic, travel patterns, and satisfaction with LYNX' services. The survey allows LYNX staff to modify existing services to fit actual travel patterns, which approves customer satisfaction, but also has the potential to improve system performance by capturing additional riders.

LYNX continues to provide on-going professional development and training activities for its employees to meet the agency's goals of attracting, developing, and maintaining a diverse team of skilled associates.

LYNX also continued to revise fixed-route service to gain efficiencies and plan for the most effective service delivery network throughout the Orange, Osceola, and Seminole county areas. During the 2016 fiscal year, LYNX continued to review service options and the need for additional operating facilities and passenger shelters to most effectively provide service while managing costs. The following is additional information describing both LYNX' performance in delivering service and in managing the organization:

Ridership
Total ridership for FY2016 was 26,259,736, including all service modes.

Paratransit Services
Access LYNX is a special door-to-door bus service for customers unable to access regular fixed route bus service. Accomplishments this year included:

- Assisted 328,841 customers in the Paratransit call center.
- Average Call Hold time reduced from 2 minutes 30 seconds in FY2015 to 2 minutes 15 seconds in FY2016
- Attended 74 public forums, and conducted site visits to over 580 assisted living, dialysis, and other facilities served by ACCESS LYNX.
- Developed and updated the FY2016 ADA Program Plan for ACCESS LYNX.
- Successfully submitted the FY2016 Transportation Disadvantaged Service Plan to MetroPlan Orlando and the Commission for the Transportation Disadvantaged with no deficiencies.
- Management staff attended the American Bus Benchmarking Group (ABBG) Paratransit Expert Workshop in St. Petersburg, FL. Many of the key performance measures had shown ACCESS LYNX performing well amongst our peers in all categories.
- Achieved zero (0) unmet needs meaning there were zero (0) trip denials for any reason.
- Reduced preventable accidents from .97 per 100.000 revenue miles in FY2015 to .87 per 100,000 revenue miles in FY2016.

Service Initiatives
The heart of the LYNX business is the daily transit service we provide to our customers. LYNX implemented efficiency measures and service adjustments to address the service needs of the community. The following service adjustments were initiated over the past year:

- Time adjustments were implemented on over sixty routes to address connection concerns, running time concerns, and on time performance concerns.

Discontinued Service:
- Link 17-92 FastLink 17-92- Eliminated due to low ridership, SunRail.
- Link 445 Apopka – West Oaks Mall – Eliminated due to low ridership.
- Link 14 Calvary Towers – Eliminated due to low ridership.

Added BRT Service:
- LYMMO (Lime) – New route via Amelia St., Ronald Blocker, Hughey Ave., Washington St., Division St., Central Ave., Garland Ave. serving Parramore and West Downtown area.
- LYMMO (Orange – North Quarter) – New route via Magnolia Ave., Marks St., Orange Ave., Livingston St. serving the North Quarter area.

Added Routes

- Link 320 – Avalon Park Schools Connector (Orange County) – Will operate between Alafaya Trail/E. Colonial Drive and E. Colonial Drive/Chuluota Road and serve Avalon Park and E. Colonial Drive corridor. Several trips per day designed to connect several schools in the area with the new Sunshine High Charter School.

Planning
In FY2016, the Planning Department accomplished the following:

- Transported over 86,000 people to Major League Soccer home games and other special events held in the City of Orlando;
- Scored better in 16 out of 20 areas of its 2016 customer satisfaction survey, with noticeable improvements in actual service information and seat/space availability; and,
- Began the SR 436 Transit Corridor Study and continued to coordinate with local and regional partners to advance the SR 50/UCF BRT and U.S. 192 BRT projects.

Engineering and Construction
In FY2016, the Engineering and Construction Department accomplished the following:

- Received all of the required pre-permitting and FTA approvals to move forward designing the Pine Hills bus transfer facility.
- Completed the construction of the Poinciana Walmart Bus Transfer Facility Expansion project.
- Continued construction on the Parramore Bus Rapid Transit project
- Started environmental work for purchase of No-Petro property purchase
- Installed 52 bus shelters throughout the tri-county service area.

Procurement
In FY2016, the Procurement Department accomplished the following:
- Continued solicitation and execution of a large consortium contract for heavy duty buses on behalf of the Florida Public Transit Association.

Vanpool Program
While the FDOT has centralized the Commuter Services program in each district office, LYNX still plays a vital role in the provision of Vanpool services throughout the tri-county area. LYNX continues to procure vehicles and coordinate with VRide on the Vanpool program. The mission of the Vanpool program is to offer transport options that can influence travel behavior in various ways. 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. LYNX foresees expanding use of the Vanpool program in the upcoming fiscal year.

As of September 30, 2016, LYNX had 1,122 active Vanpool program participants, had 157 Vanpools in service and had traveled 2,430,330 Vanpool revenue miles.

Customer Services

Customer Services is part of the Communications Department that ensures LYNX products are more accessible and user-friendly and provide customers with all necessary information to easily access service. In FY2016, Customer Services continued to assist in making customer IDs while continuing to assist passengers via phone and in-person at the LYNX Central Station Terminal. Customer Services also managed LYNX' Lost and Found program. During the fiscal year the following highlights were achieved:

- Customer Service window served 192,556 customers and generated $2,657,320 in sales;
- Lost and Found returned 2,401 of the items found on LYNX buses and at LYNX facilities to their owners;
- ID program produced 11,090 IDs and replacements for LYNX' riders;
- Customer Service Fixed Route Call Center received 442,853 calls.

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. With increasing demands for public transportation, LYNX staff has increased to provide greater service and reduce overtime costs. 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.

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 Road Ranger services;
- Coordinated with FTA to allow LYNX to apply South Street sales proceeds towards future capital projects;
- Successfully completed the 2015 Annual Florida Transportation Commission Report;
- Received the Government Finance Officers Association (GFOA) Award for Excellence in Financial Reporting for the 24th consecutive year; and,
- Received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award.

Future Projects
In keeping with the results of the Transportation Development Plan (TDP) and the Vision 2030, LYNX' primary goal is to:

> Maximize mobility within the Orlando metropolitan area by ensuring that public transportation is provided in the right places, at the right times, to satisfy the changing travel needs within the community.

In order to accomplish such, the following emphasis areas have been identified for fiscal year 2017:

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 continued evaluation of route performance, service modifications and implementing alternative vehicle sizes resulting from the route evaluation. LYNX will also continue to determine the applicability of Flex services to allow greater community penetration of public transit, while at the same time, making corridor routes more efficient by eliminating their deviation into neighborhoods.

Paratransit Service
LYNX will continue to monitor the effectiveness of its Paratransit contract for core and non-core services in FY2017. In addition, efforts will be taken to increase community outreach to identify the needs of the disabled and transportation disadvantaged to update the Locally Coordinated Human Services Transportation Plan and maximize the use of federal and state funds as appropriate.

Communications
FY2016 was another award winning year for LYNX' marketing efforts as the team sustained a positive public image throughout Central Florida. The team won three first-place FPTA awards along with the Member's Choice by conference attendees. The team also earned the highest transit marketing award in the state by being named "Best of the Best" for its December 2015 holiday fishing frenzy digital campaign.

In FY2017 LYNX will stay the course with an aggressive marketing and communications program to inform the community about all current LYNX services, technology enhancements, LYMMO turning 20, kicking off LYNX' 25th anniversary celebration and enhance customer amenities through a marketing approach.

Capital Improvement Projects
Significant capital improvements are necessary in order for LYNX to deliver quality services. LYNX received other federal formula grant funding, state, and local contributions to support the overall agency capital program. Capital funding is important to ensure LYNX' vehicles and facilities are available to support operations and also improved. Major capital projects started in FY2016 may continue into FY2017, such as the LYMMO expansion projects due to the various stages of work required to complete these types of improvements.

The purchase of vehicles, facility improvements, information tools, and passenger amenities included in the capital program for FY2016 are as follows:

- **Rolling Stock - $53.6 million**
  Revenue vehicles include expansion and replacement vehicles for fixed route, vanpool, and paratransit service;
- **Bus Rapid Transit (BRT) - $14.0 million**
  BRT includes the East/West and Parramore BRT design/build projects as well as the FlexBus project demonstration component;
- **Facilities - $5.7 million**
  Facilities include funds for LYNX Central Station (LCS) and LYNX Operations Center (LOC) improvements and facility lighting upgrades;
- **Passenger Amenities/Related Enhancements - $10.0 million**
  Passenger amenities include shelters, transfer centers, solar power, benches, and trash receptacles;
- **Technology - $5.5 million**
  Technology includes items to improve communication and information delivery such as network improvements, real-time information systems, phone system upgrades, and ticket vending machines;
- **Security - $603 thousand**
  Security includes equipment to enhance security and surveillance;
- **Support Equipment - $4.8 million**
  Support equipment includes items such as copiers, printers, shop tools, furniture and storage cabinet.

Capital Planning and Studies

The Transportation Development Plan (TDP) annual updates and progress report contains 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 and adopted by the Governing Board in May 2012, with the last annual update being completed September 2016.

Highlights of the plan are:

- Monitor transit demand and improve span and/or frequency of service where needed;
- Right-size the fleet to better match capital resources with service demand;
- Locate and establish permanent satellite facilities in the northern and southern portions of the LYNX service area from which to more efficiently distribute service and provide minor maintenance;
- Transition from a hub-and-spoke approach to planning service (where most routes originate and/or terminate in downtown Orlando) to a network approach;
- Collaborate with regional partners to build support for a dedicated source of transit funding;
- Secure complementary and/or supplementary sources of funding for both capital and operating expenses;
- Provide real time information to customers; and,

- Increase use of social media to provide and share up-to-date information and to receive input from customers and partners.

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) 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 entered into several fuel hedging contracts 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, 2016, the maturity dates of the open contracts are September 2017. 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 by the close monitoring and management of inventory items, fuels, lubricants, and bulk non-inventory sundry supplies. Service efficiencies and cost savings have been achieved through the centralized operation at LYNX Operations Center (LOC) warehouse to support all remote, unmanned locations.

Other accomplishments during FY2016 were as follows:

- Completed the annual physical inventory of 3,274 line items valued at $1.5 million, with a net variance of - 0.85 percent;
- Maintained an inventory turn rate of greater than 3.0 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;
- Developed a spare parts model inventory for newly purchased Gillig and New Flyer buses based on past systems and current or updated system specifications to minimize initial investment and bus down time;
- Continued to operate the region's only bio-diesel blending facility, supplying approximately 3.2 million gallons of blended product for fleet use.
- Continued to expand the assembly of kits within the inventory software to efficiently capture and track all related component parts directly to a bus/work order.

OTHER INFORMATION

Independent Audit

Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements*, *Cost Principles* and *Audit Requirements for Federal Awards* (Uniform Guidance) requires 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) Uniform Guidance. 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 auditor, Cherry Bekaert LLP, has conducted the audit for fiscal year ended September 30, 2016.

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, 2015. This was the 24th 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 Craig Charrette, Manager of Accounting and Nancy Navarro, 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,

Edward L. Johnson
Chief Executive Officer

Albert J. Francis, II, CPA
Chief Financial Officer

Blanche W. Sherman, CPA
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Central Florida Regional

Transportation Authority, Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

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Cherry Bekaert LLP
CPAs & Advisors

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, 2016 and 2015, and the related statements of revenues, expenses and changes in net position, and 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, 2016 and 2015, and the respective changes in financial position and, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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 schedules of expenditures of federal awards and 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 supplemental schedule of revenues and expenses – budget vs. actual (budgetary basis) and schedules of expenditures of federal awards, local financial assistance, and 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 15, 2017, 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 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 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.

Cherry Bekaert LLP

Orlando, Florida
March 15, 2017

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, 2016 and 2015, respectively. Please read it in conjunction with the financial statements, which follow this section.

Financial Highlights

Fiscal 2016

- Customer Fares decreased by 5.6%, or $1.6 million, from FY2015. This was due to decrease in ridership by 7.3% year-over-year, which is primarily related to the continued effect of the decline in fuel prices.
- Local Financial Assistance increased by 2.5% year-over-year, which is 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.
- Overall net position increased by 10.5%, or $19.6 million from FY2015, as the Authority's contributed capital increased substantially. Other increases to unrestricted net position were caused by increases in local funding partner support and decreases in fuel costs. Property and equipment acquisitions are largely funded through federal and state grants.

Fiscal 2015

- Customer Fares decreased by 2.9%, or $.9 million, from FY2014. This was due to decrease in ridership by 2.3% year-over-year, which is primarily related to the decline in fuel prices.
- Local Financial Assistance increased by 8% year-over-year, which is an indication of the Authority's funding partner support to maintain current service levels and to ensure we continue to operate as efficient as financial feasible.
- Overall net position increased by 4.2%, or $7.5 million, from FY2014, as the Authority implemented GASB 68, which increased beginning net assets substantially. Other increases to unrestricted net assets were caused by increases in local funding partner support and decreases in fuel costs. Net invested in property and equipment decreased due to sale of the Authority's South Street Operating Facility. Property and equipment acquisitions are largely funded through federal and state grants.

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 themselves.

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-term 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 the Authority's finances is "Is the Authority, as a whole, better off or worse off as a result of the year's activities?" The Statements of Net Position and the Statement 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.

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, FY2016	**FY2015**	**FY2014**
Assets:			
Current and other assets	$ 74.2	$ 69.5	$ 55.2
Capital assets	163.8	147.1	151.5
Total assets	$238.0	$216.6	$206.7
Deferred outflow of resources	$ 10.3	$ 4.1	$ .8
Liabilities:			
Current liabilities	$ 31.7	$ 25.4	$ 18.9
Long-term liabilities	10.5	8.1	10.2
Total liabilities	$ 42.2	$ 33.5	$ 29.1
Deferred inflow of resources	$ 0.5	$ 1.3	$ 0.0
Net Position:			
Net investment in capital assets	$149.9	$142.7	$149.1
Restricted	1.6	-	-
Unrestricted	54.0	43.2	29.3
Total net position	$205.5	$185.9	$178.4

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 a government's overall financial position. As can be seen from the Table A-1, Net Position increased $19.6 million to $205.5 million in FY2016 from $185.9 million in FY2015. Net Investment in Capital Assets increased $7.2 million, Unrestricted Net Position increased $10.8 million and Restricted Net Position of $1.6 million was recognized for the health self-insurance reserve, reflecting actual revenues in excess of expenses for the fiscal year.

Table A-2

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

	September 30, FY2016	**FY2015**	**FY2014**
Operating Revenues:			
Customer fares	$ 26.6	$ 28.2	$ 29.1
Contract services	18.0	17.6	20.3
Advertising revenue	1.8	2.5	1.8
Other income	.4	.5	.4
Total operating revenue	46.8	48.8	51.6
Nonoperating Revenues (Expenses), net:			
Federal	14.2	13.3	16.2
State	13.0	12.7	11.7
Local	46.5	46.0	42.9
Interest and other income (expense)	.1	.4	(.1)
Total nonoperating revenue	73.8	72.4	70.7
Total Revenues	120.6	121.2	122.3
Depreciation Expense	26.8	26.2	23.5
Operating Expenses:			
Salaries and wages	43.9	43.1	41.3
Fringe benefits	25.9	22.1	22.0
Purchased transportation services	17.7	16.5	21.3
Fuel	9.7	14.1	16.9
Materials and supplies	7.6	6.8	7.0
Professional services	7.0	6.8	7.0
Lease and miscellaneous	1.2	1.0	.8
Casualty and liability insurance	1.8	1.9	2.2
Utilities, taxes, and licenses	1.8	1.9	2.0
Total operating expenses	116.6	114.2	120.5
Total Expenses	143.4	140.4	144.0
Loss before Capital Contributions	(22.8)	(19.2)	(21.7)
Capital Contributions	42.4	19.7	35.4
Change in Net Position	19.6	0.5	13.7
Beginning Net Position	185.9	178.4	164.7
Cumulative Effect of Change in Accounting Principle	-	7.0	-
Ending Net Position	$205.5	$185.9	$178.4

The Statements of Revenues, Expenses, and Changes in Net Position provide answers as to the nature and source of changes in Net Position. As shown in Table A-2, the $19.6 million increase in net position in FY2016 is due to the increase in Capital Contributions of $42.4 million over the Loss before Capital Contributions of $22.8 million. The increase in contract services revenue was primarily due to increase in the purchase of local contract services. The increase in operating expense is due to fringe benefit increases related to workers compensation, pension expense, and the implementation of a medical self-insurance plan during January 2016, as well as general increases among various operating cost components.

Capital Assets

At the end of FY2016, the Authority had a broad range of Capital Assets, consisting of Land, Buildings and Shelters, Revenue Vehicles, Bus Rapid Transit (BRT) Roadway 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, FY 2016	FY 2015	FY 2014
Land	$ 8.2	$ 8.2	$ 8.6
Buildings and Shelters	94.7	91.6	96.6
Revenue Vehicles	161.4	149.3	144.0
BRT Roadway	6.5	6.5	6.4
Equipment	40.4	37.2	35.5
Subtotal	311.2	292.8	291.1
Less Accumulated Depreciation	(170.8)	(157.5)	(148.3)
Subtotal	140.4	135.3	142.8
Construction in Progress:			
Bus Shelters	1.3	.8	1.0
Facility Capital Improvements	.1	.1	.1
Other Miscellaneous Projects	22.0	10.9	7.7
Subtotal	23.4	11.8	8.8
Net Capital Assets	$163.8	$147.1	$151.6

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 matures in FY2017; in addition, the outstanding loan balance was $813,225 and $1,610,507 for fiscal year 2016 and 2015, respectively. The Authority entered in 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, 2016 the maturity dates of the open contracts extend through September 2017. 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 FY2016 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, 2016 AND 2015

ASSETS	2016	2015
CURRENT ASSETS:		
Cash and cash equivalents	$ 37,237,563	$ 42,316,042
Receivables:		
Local, trade and operating assistance	3,607,302	2,425,803
Federal grants	17,371,730	5,157,421
State grants	7,045,361	6,367,562
Inventory	1,733,966	1,574,212
State fuel tax refund	150,307	136,981
Prepaid expenses and other assets	522,460	400,500
Total current assets	67,668,689	58,378,521
NONCURRENT ASSETS:		
Restricted cash and cash equivalents	6,508,226	4,854,184
Total restricted cash and cash equivalents	6,508,226	4,854,184
Property and equipment:		
Land	8,161,465	8,161,465
Buildings and shelters	94,511,325	91,534,127
Bus Rapid Transit Roadway Infrastructure	6,522,100	6,499,619
Revenue vehicles	161,438,352	149,297,865
Equipment	40,409,273	37,190,848
Leasehold improvements	205,476	110,109
Total property and equipment	311,247,991	292,794,033
Less accumulated depreciation	(170,786,909)	(157,492,539)
Construction in progress	23,347,502	11,767,526
Net property and equipment	163,808,584	147,069,020
Net pension asset	-	6,283,485
Total noncurrent assets	170,316,810	158,206,689
Total assets	237,985,499	216,585,210
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	10,140,917	3,315,057
Accumulated decrease in fair value of fuel hedge instrument	130,377	821,949
Total deferred outflows of resources	$ 10,271,294	$ 4,137,006

See notes to financial statements.

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2016 AND 2015

LIABILITIES AND NET POSITION		2016		2015
CURRENT LIABILITIES:				
Accounts payable	$	15,375,868	$	10,744,752
Accrued salaries and related taxes		2,229,986		1,678,146
Accrued compensated absences, current		3,925,617		4,170,615
Accrued self-insurance liability, current		2,580,744		2,097,048
Leases payable, current		898,151		330,123
Loans payable, current		813,225		797,282
Unearned operating revenue		823,608		548,996
Unearned capital		4,899,945		4,184,405
Derivative instrument - fuel hedge		130,377		821,949
Total current liabilities		31,677,521		25,373,316
NONCURRENT LIABILITIES:				
Leases payable, long-term		3,872,473		2,385,312
Loans payable, long-term		-		813,225
Net OPEB obligation		1,960,525		1,683,525
Net pension liability		1,957,843		-
Accrued compensated absences, long-term		493,439		538,035
Accrued self-insurance liability, long-term		2,260,538		2,676,165
Total noncurrent liabilities		10,544,818		8,096,262
Total liabilities		42,222,339		33,469,578
DEFERRED INFLOWS OF RESOURCES				
Deferrred inflows related to pensions		542,732		1,318,794
NET POSITION:				
Net Investment in capital assets		149,911,009		142,743,076
Restricted		1,600,000		-
Unrestricted		53,980,713		43,190,768
Total net position	$	205,491,722	$	185,933,844

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, 2016 AND 2015

	2016	2015
OPERATING REVENUES		
Customer fares	$ 26,643,385	$ 28,225,093
Contract services		
Local financial assistance	13,958,496	12,984,619
Other contractual services	3,991,992	4,611,053
Advertising	1,846,740	2,470,350
Other income	374,382	506,586
Total operating revenues	46,814,995	48,797,701
OPERATING EXPENSES		
Salaries and wages	43,871,831	43,131,812
Fringe benefits	25,876,127	22,066,803
Purchased transportation services	17,734,056	16,549,291
Fuel	9,695,741	14,114,982
Materials and supplies	7,593,105	6,820,332
Professional services	6,968,340	6,750,233
Lease and miscellaneous	1,206,794	951,764
Casualty and liability insurance	1,755,068	1,929,990
Utilities	1,338,064	1,388,312
Taxes and licenses	535,106	510,707
Total operating expenses before depreciation	116,574,232	114,214,226
OPERATING EXPENSES IN EXCESS OF OPERATING REVENUES BEFORE DEPRECIATION	(69,759,237)	(65,416,525)
DEPRECIATION	(26,842,698)	(26,171,883)
OPERATING LOSS	(96,601,935)	(91,588,408)
NONOPERATING REVENUES AND EXPENSES:		
Operating assistance grants		
State of Florida	10,273,733	10,103,284
Local	46,508,582	45,981,116
Planning and other assistance grants		
Federal	14,222,627	13,385,230
State of Florida	2,739,884	2,561,558
Interest expense	(123,762)	(32,724)
Interest income	43,206	29,344
Other income (expenses)	88,308	373,874
Total nonoperating revenues and expenses, net	73,752,578	72,401,682
LOSS BEFORE CAPITAL CONTRIBUTIONS	(22,849,357)	(19,186,726)
Capital contributions	42,407,235	19,670,180
Change in net position before accounting change	19,557,878	483,454
NET POSITION AT BEGINNING OF YEAR	185,933,844	178,391,015
Cumulative Effect of Change in Accounting Principle	-	7,059,375
RESTATED BEGINNING NET POSITION	185,933,844	185,450,390
NET POSITION AT END OF YEAR	$ 205,491,722	$ 185,933,844

See notes to financial statements

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 26,643,385	$ 28,225,093
Cash received for contract services	16,774,833	17,840,642
Cash paid to employees	(48,809,063)	(52,403,255)
Cash paid to suppliers	(59,302,884)	(65,160,744)
Cash received from advertising and miscellaneous	2,158,114	2,714,625
Net cash used in operating activities	(62,535,615)	(68,783,639)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from assistance grants	53,562,475	71,837,213
Net cash provided by noncapital financing activities	53,562,475	71,837,213
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Construction and acquisition of property and equipment	(41,587,464)	(20,566,695)
Principal paid on loans	(797,282)	(781,649)
Interest paid on loans	(123,762)	(32,724)
Proceeds from sale of fixed assets	-	3,624,959
Capital assistance grants	48,014,005	24,431,426
Net cash used in capital and related financing activities	5,505,497	6,675,317
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	43,206	29,344
Net cash provided by investing activities	43,206	29,344
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,424,437)	9,758,235
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	47,170,226	37,411,991
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 43,745,789	$ 47,170,226
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating Loss	$ (96,601,935)	$ (91,588,408)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and Amortization	26,842,698	26,171,883
Changes in operating assets and liabilities:		
Local, Trade, and Operating Assistance Receivable	(1,181,499)	276,727
Inventory	(159,754)	(22,909)
State fuel tax refund receivable	(13,326)	8,692
Prepaid expenses and other assets	27,237	(2,305,893)
Accounts payable	6,761,868	537,813
Accrued salaries and related taxes	2,177,883	630,730
Accrued compensated absences	(289,594)	218,220
Accrued self-insurance liability	676,869	(4,029,288)
Deferred inflows related to pensions	(776,062)	1,318,794
Net cash used in operating activities	$ (62,535,615)	$ (68,783,639)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital Bus Purchase	$ 2,715,435	$ 2,715,435
Debt related to Lease Bus	$ (2,715,435)	$ (2,715,435)

See notes to financial statements.

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2016 AND 2015

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) 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 and Investments **-** 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's 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 savings 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 2016 and 2015 in the Pool, which are considered cash and cash equivalents for financial reporting purposes. Florida PRIME qualifies under GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, to be treated as a "2a-7 like pool" because it has a policy that it will, and does, operate in a manner consistent with Rule 2a-7 under the Investment Company Act of 1940. The current rating of Florida PRIME by Standard and Poors as AAAm and the weighted average days to maturity at September 30, 2016 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 fair value, or amortized cost which approximates fair value, as follows:

	September 30, 2016	September 30, 2015
Pool Investments -Florida PRIME	$ 12,294,943	$ 669,780
Bank Deposits	31,450,846	46,500,446
Total Cash and Cash Equivalents and Investments	$ 43,745,789	$ 47,170,226

In January of 2016, the Authority recognized as restricted $1,600,000 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 preservation of 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, 2016 and 2015, the Authority had receivables, net $10,059 and $10,771 of allowances, for each year respectively, as follows:

	September 30, 2016	September 30, 2015
Customers	$ 2,455,691	$ 2,030,868
Local Funding Partners	1,151,611	394,935
Total	$ 3,607,302	$ 2,425,803

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 Refund - 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 $6,508,226 and $4,854,184 of cash and cash equivalents for the LYMMO expansion projects, health self -insurance reserve, planning projects, shelters, bus procurement and other enhancements, and various capital projects as of September 30, 2016 and 2015, respectively. Restricted assets are offset by liabilities, except for the $1,600,000 reserve which is shown as restricted net position.

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

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

The remaining construction work in progress primarily relates to design, engineering and construction costs of LYMMO BRT expansion projects, facilities improvements, bus shelters and transfer centers and other projects. Depreciation commences when projects are completed and the underlying fixed assets 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, 2016 and 2015, the Authority had accounts payable as follows:

	September 30, 2016	September 30, 2015
Trade	$ 7,297,063	$ 3,507,888
Commitments (Consultants/Construction)	5,105,730	2,019,398
Retainage	802,376	208,448
Other	2,170,699	5,009,018
Total	$ 15,375,868	$ 10,744,752

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

	September 30, 2016	September 30, 2015
Accrued compensated absences liability, beginning of year	$ 4,708,650	$ 4,490,430
Obligations	3,142,583	3,850,800
Payments	(3,925,617)	(4,170,615)
Accrued compensated absences liability, end of year	$ 4,419,056	$ 4,708,650
Amount due within one year	$ 3,925,617	$ 4,170,615

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, Leases and Miscellaneous, Casualty and Liability Insurance, Utilities, Taxes and Licenses.

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.

Change in Accounting Principle – During fiscal year 2015, the Authority adopted **GASB Statement No. 68**, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 ("Statement No. 68")* and **GASB Statement No. 71**, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68 ("Statement No. 71")*. The provisions of Statement No. 68 and Statement No. 71 (the "standards") relevant to the Authority related to changes in the accounting and financial reporting of pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The standards required government employers to recognize as a liability, for the first time, their long-term obligation for these pension benefits. The cumulative effect of adoption of the standards is presented as an adjustment to beginning fiscal year 2015 net position.

2. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2016 was as follows:

Property and Equipment:	Beginning Balance	Additions	Reclass/ Disposals	Ending Balance
Depreciable Assets				
Buildings and Shelters	$ 91,534,125	$ 3,146,368	$ (169,168)	$ 94,511,325
Revenue Vehicles:				
Buses	141,808,230	24,240,507	(12,046,924)	154,001,813
Other Support Vehicles	7,489,636	644,302	(697,399)	7,436,539
Furniture, Fixtures & Equipment	37,190,849	4,013,724	(795,300)	40,409,273
Leasehold Improvements	110,109	95,367	-	205,476
BRT Roadway Improvements	6,499,619	22,481		6,522,100
Non-Depreciable Assets				
Land	8,161,465	-	-	8,161,465
Construction in Progress	11,767,526	12,693,134	(1,113,158)	23,347,502
Totals at Historical Cost	$ 304,561,559	$ 44,855,883	$ (14,821,949)	$ 334,595,493
Less accumulated depreciation for:				
Buildings and Shelters	$ (40,871,890)	$ (5,120,216)	$ 164,796	$ (45,827,310)
Revenue Vehicles:				
Buses	(86,262,884)	(15,161,583)	11,923,806	(89,500,661)
Other Support Vehicles	(4,831,906)	(1,185,990)	682,059	(5,335,837)
Furniture, Fixtures & Equipment	(24,688,929)	(4,713,415)	777,668	(28,624,676)
Leasehold Improvements	(44,726)	(17,992)	-	(62,718)
BRT Roadway Improvements	(792,204)	(643,503)	-	(1,435,707)
Total Accumulated Depreciation	(157,492,539)	(26,842,699)	13,548,329	(170,786,909)
Capital Assets, net	$ 147,069,020	$ 18,013,184	$ (1,273,620)	$ 163,808,584

Capital asset activity for the year ended September 30, 2015 was as follows:

Property and Equipment:	Beginning Balance	Additions	Reclass/ Disposals	Ending Balance
Depreciable Assets				
Buildings and Shelters	$ 96,541,410	$ 1,396,480	$ (6,403,765)	$ 91,534,125
Revenue Vehicles:				
Buses	135,998,675	15,197,803	(9,388,248)	141,808,230
Other Support Vehicles	8,011,676	541,300	(1,063,340)	7,489,636
Furniture, Fixtures & Equipment	35,489,755	3,028,513	(1,327,419)	37,190,849
Leasehold Improvements	46,173	63,936	-	110,109
BRT Roadway Improvements	6,404,069	99,165	(3,615)	6,499,619
Non-Depreciable Assets				
Land	8,571,465	-	(410,000)	8,161,465
Construction in Progress	8,824 351	4,759,075	(1,815,900)	11,767,526
Totals at Historical Cost	$ 299,887,574	$ 25,086,272	$ (20,412,287)	$ 304,561,559
Less accumulated depreciation for:				
Buildings and Shelters	$ (40,289,203)	$ (5,912,681)	$ 5,329,994	$ (40,871,890)
Revenue Vehicles:				
Buses	(81,052,412)	(14,522,652)	9,312,180	(86,262,884)
Other Support Vehicles	(4,805,987)	(1,087,390)	1,061,471	(4,831,906)
Furniture, Fixtures & Equipment	(21,999,504)	(3,977,979)	1,288,554	(24,688,929)
Leasehold Improvements	(19,868)	(24,858)	-	(44,726)
BRT Roadway Improvements	(145,881)	(646,323)	-	(792,204)
Total Accumulated Depreciation	(148,312,855)	(26,171,883)	16,992,199	(157,492,539)
Capital Assets, net	$ 151,574,719	$ (1,085,611)	$ (3,420,088)	$ 147,069,020

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 the carrying value of $5,169,188 and $2,820,625 at September 30, 2016 and 2015, respectively.

Leases payable activity for the years ended September 30, 2016 and 2015 was as follows:

Leases Payable
September 30, 2016

Leases Payable	Beginning Balance	Additions	Payments	Ending Balance	Amounts Due Within One Year
Lease # 5	$ 2,715,435	$ 2,715,435	$ 660,246	$ 4,770,624	$ 898,151
Total	$ 2,715,435	$ 2,715,435	$ 660,246	$ 4,770,624	$ 898,151

Leases Payable
September 30, 2015

Leases Payable	Beginning Balance	Additions	Payments	Ending Balance	Amounts Due Within One Year
Lease # 5	$ -	$ 2,715,435	$ -	$ 2,715,435	$ 660,245
Total	$ -	$ 2,715,435	$ -	$ 2,715,435	$ 660,245

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, 2016:

Year	Present Value of Minimum Lease Payments	Amount Representing Interest	Total Minimum Lease Payments
2017	$898,151	$101,849	$1,000,000
2018	918,954	81,046	1,000,000
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	$4,770,624	$286,679	$5,057,303

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 matures in 2016, was non-interest bearing until October 1, 2007, and bears an interest rate of 2%, thereafter. Loans payable activity during the fiscal years ending September 30, 2016 and 2015 was as follows:

Loans Payable
September 30, 2016

	Beginning Balance	Additions	Payments	Ending Balance	Amounts Due Within One Year
SIB #2	$ 1,610,507	$ -	$ 797,282	$ 813,225	$ 813,225
Total	$ 1,610,507	$ -	$ 797,282	$ 813,225	$ 813,225

Loans Payable
September 30, 2015

	Beginning Balance	Additions	Payments	Ending Balance	Amounts Due Within One Year
SIB #2	$ 2,392,156	$ -	$ 781,649	$ 1,610,507	$ 797,282
Total	$ 2,392,156	$ -	$ 781,649	$ 1,610,507	$ 797,282

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 are available after funding capital expenditures. The amount of pledged revenues was $24,800,447 and $27,889,437 for fiscal years 2016 and 2015, respectively. Fiscal year 2016 principal and interest payments were $797,282 and $32,210 respectively, and fiscal year 2015 principal and interest payments were $781,649 and $47,843, respectively.

Repayment to be made in fiscal year 2017 is as follows:

Fiscal Year	Principal	Interest	Total
2017	$ 813,225	$ 16,265	$ 829,490
Totals	$ 813,225	$ 16,265	$ 829,490

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 January 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 $100,000 for each claim and $200,000 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, 2016 and 2015, 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 2016 and 2015. 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 2016	September 30 2015
Accrued self-insurance liability, beginning of year	$ 4,773,213	$ 8,802,501
Insured claims (including IBNR's)	11,555,427	1,929,990
Claim payments	(11,487,358)	(5,959,278)
Accrued self-insurance liability, end of year	$ 4,841,282	$ 4,773,213

The estimated amounts due in one year are $2,580,744 and $2,097,048 at September 30, 2016 and 2015, respectively.

The health self insurance plan established in January of 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 $608,800 for claims incurred but not reported (IBNRs) 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 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, 2014 and 2013 utilized for the September 30, 2016 and 2015 fiscal years are as follows:

Membership at Actuarial Valuation Date	2016	2015
Retirees and beneficiaries currently receiving benefits and DROP	330	296
Terminated employees entitled to but not yet receiving benefits	66	58
Active plan participants	762	808
Total	**1158**	**1162**

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, the 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 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, 2016 and 2015 is based on the October 1, 2014 and 2013 actuarial valuation rolled forward to the measurement date of September 30, 2015 and 2014, respectively. Changes in the Authority's Union Defined Benefit Plan net pension liability (asset) during the years ended at September 30, 2016 and 2015 are as follows:

Total pension liability	**2016**	**2015**
Service cost	$ 4,324,270	$ 4,900,835
Interest	8,827,032	8,240,224
Difference between actual & expected experience	(638,418)	(5,835)
Benefit payments	(4,808,642)	(4,079,731)
Refunds	(311,317)	(269,399)
Net change in total pension liability	7,392,925	8,786,094
Total pension liability - beginning	115,929,473	107,143,379
Total pension liability - ending	$ 123,322,398	$ 115,929,473
Plan fiduciary net position		
Contributions - Employer	$ 3,315,335	$ 2,337,699
Contributions - Member	2,264,655	2,310,106
Net investment income	(1,070,462)	10,052,069
Benefit payments	(4,808,642)	(4,079,731)
Refunds	(311,317)	(269,399)
Administrative expense	(237,972)	(237,291)
Net changes in Plan fiduciary net position	(848,403)	10,113,453
Total Plan fiduciary net position - beginning	122,212,958	112,099,505
Total Plan fiduciary net position - ending	121,364,555	122,212,958
Net pension liability (asset) - ending	$ 1,957,843	$ (6,283,485)

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

For the year ended September 30, 2016 and 2015, the Authority recognized pension expense of $3,570,174 and $2,329,134, respectively. At September 30, 2016 and 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Fiscal Year 2016	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	$ -	$ 542,732
Net difference between projected and actual earning on pension plan investment	7,210,427	-
Authority contributions made subsequent to the measurement date of September 30, 2015	2,930,490	-
	$ 10,140,917	$ 542,732

Fiscal Year 2015	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	$ -	$ 4,951
Net difference between projected and actual earning on pension plan investment		1,313,843
Authority contributions made subsequent to the measurement date of September 30, 2014	3,315,057	-
	$ 3,315,057	$ 1,318,794

Deferred outflows of resources related to Authority contributions subsequent to the measurement date of September 30, 2015 will be recognized as an increase of the net pension asset in the year ended September 30, 2016. Other amounts reported as deferred outflows of the resources related to pensions will be recognized in the pension expense as follows:

Year Ended September 30		
2017	$	1,619,854
2018		1,619,854
2019		1,619,855
2020		1,948,316
2021		(100,284)
Thereafter		(39,900)
Total	**$**	**6,667,695**

The annual required contributions for fiscal years 2016 and 2015 were determined as part of the October 1, 2014 and 2013 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 3.5%. 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.

Mortality rates were based on the RP-2000 Combined Healthy Participant Mortality Table for males and females using projection Scale AA to anticipate future mortality improvements, set back five years for disabled lives. The assumption for inflation was 3.0%. The assumption for salary increases was 4.00% to 13.13%, depending on service.

A comprehensive experience study was performed in 2010. Following the experience study the Plan updated mortality rates to RP-2000 Combined Health Mortality Table for males and females, using projection scale AA to provide for future mortality improvements after the year 2000; lowered expected salary increases by 1%; and updated rates of Retirement, Disability, and Termination.

A single discount rate of 7.50% was used to measure the total pension 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 (7.50%) was applied to all periods of projected benefit payments to determine the total pension asset.

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Domestic equity	37%	10.62%
Convertible - passive	10%	9.02%
International equity	15%	5.15%
Master Limited Partnerships	5%	12.86%
Real estate	4%	9.60%
TIPS	2%	5.73%
Fixed Income (bonds)	27%	7.03%
	100%	

Sensitivity of net pension asset to changes in the discount rate – The following presents the net pension libility/(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 were calculated using a discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current rate:

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
Discount Rate	**6.50%**	**7.50%**	**8.50%**
FY Ending September 30, 2016	$ 16,677,272	$ 1,957,843	$ (10,515,946)
FY Ending September 30, 2015	$ 9,215,710	$ (6,283,845)	$ (16,877,196)

Union - 401(a) Defined Contribution Pension Plan

The Authority maintains a single-employer, defined contribution pension plan, the 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, 2016 and 2015 amounted to $311,888 and $143,673, 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, Authority 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, 2016 and 2015 was $10,202,830 and $10,119,637, respectively. The Authority's contribution to the plan for the years ended September 30, 2016 and 2015 amounted to $1,258,755 and $1,226,951, respectively, representing 12% or 6% of covered payroll less forfeitures.

7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

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 the ages of 62 and 67 or until they are eligible for Medicare benefits (whichever occurs first). This is a single-employer postemployment benefit plan 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 services.

In order to comply with the requirements of GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, the Authority contracted with a certified actuarial firm to provide an actuarial valuation of postemployment benefits. The postemployment health insurance benefits will continue to be offered on a pay-as-you-go basis a percentage of the cost of the Consumer Driven Health Plan (CDHP, Employee Only) in accordance with the following schedule:

Years of Service	Contribution Rate
10-14	60% of CDHP, Employee Only
15-19	75% of CDHP, Employee Only
20+	100% of CDHP, Employee Only

Employees who elect to continue their health care coverage upon retirement are responsible for the employee and employer share over and above the previously stated contributions. Dependent coverage is available at the retiree's expense provided the retiree elects to continue health care coverage. As required by the State of Florida Statute 112.08011, the claims experience of the retirees is co-mingled with active employees in determining the health plan cost. In accordance with GASB 45, the co-mingling of claims requirements equates to an implicit subsidy to retirees that creates another postemployment benefit (OPEB) liability on the part of the Authority. Therefore, the Authority will incur a liability at the beginning of this fiscal year for the implicit rate subsidy as the Authority implements GASB 45. The Authority does not intend to fund the actuarial accrued liability.

The Authority's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. In the year of implementation, the net OPEB Obligation and the ARC are the same amount. The following table shows the components of the Authority's OPEB cost for the year, the amount contributed to the plan, and changes in the Authority's net OPEB obligation at September 30, 2016, 2015 and 2014, as follows:

	September 30		
	2016	2015	2014
Annual required contribution	$ 420,000	$ 389,000	$ 426,000
Interest on net OPEB obligation	67,000	57,000	48,000
Adjustment to annual required contribution	(80,000)	(66,000)	(53,000)
Annual OPEB cost	407,000	380,000	421,000
Contributions made	(130,000)	(121,000)	(186,000)
Increase in net OPEB obligation	277,000	259,000	235,000
Net OPEB obligation, beginning of year	1,683,525	1,424,525	1,189,525
Net OPEB obligation, end of year	$ 1,960,525	$ 1,683,525	$ 1,424,525

As of the October 1, 2016 actuarial valuation date, the unfunded actuarial accrued liability (UAAL) was $3,983,000. The covered payroll (annual payroll of active employees covered by the OPEB Plan) was $43,871,831 and the ratio of the UAAL to the covered payroll was 9.1%. The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year are as follows:

Year Ending	Annual OPEB Cost	Estimated Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation
September 30, 2016	$407,000	$130,000	31.90%	$1,960,525
September 30, 2015	$380,000	$121,000	31.80%	$1,683,525
September 30, 2014	$421,000	$186,000	44.20%	$1,424,525

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. (As an unfunded plan, there are no plan assets to report.)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations. The information presented in the required supplementary schedule was determined as a part of the actuarial valuation at the date indicated:

Valuation date	October 1, 2015
Actuarial cost method	Projected unit credit
Amortization method	Level dollar/open
Remaining amortization period	30 years
Asset valuation method	Pay as you go
Actuarial assumptions:	
Projected salary increases	2.50%
Investment rate	3.50% per year
Healthcare cost trend (including 2.20% inflation)	7.5% initially and 5.49% ultimately, in 2050

8. COMMITMENTS

Operating Lease - Total operating lease expense amounted to $482,610 and $346,495 during the years ended September 30, 2016 and 2015, 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-two swaps have occurred to date through September 30, 2016 with swaps applicable to fiscal years 2015 and 2016 and commitments for fiscal year 2017 as follows:

Trade Date	Effective Period	Total Quantity - Gallons	Fixed Price Per Gallon
4/23/2014	10/01/14 – 09/30/15	1,430,000	$3.0420
4/23/2014	10/01/14 – 09/30/15	396,000	$2.6025
4/28/2014	10/01/14 – 09/30/15	204,000	$2.5990
4/28/2014	10/01/14 – 09/30/15	1,680,000	$2.8950
1/14/2015	10/01/15 – 09/30/16	2,520,000	$1.8080
1/14/2015	10/01/15 – 09/30/16	450,000	$1.5425
12/4/2015	10/01/16 – 09/30/17	2,520,000	$1.5820
12/4/2015	10/01/16 – 09/30/17	960,000	$1.4780

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 2016 and 2015, 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, 2016 and 2015 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 statement of net position, with $130,377 and $821,949 as a deferred outflow of resources and derivative financial instrument on the statement of net position at September 30, 2016 and 2015, respectively. The estimated fair value of the swaps is determined based on contracted strike prices and applicable futures prices at September 30, 2016 and 2015, 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	**2016**	**2015**
Service cost	$ 4,324,270	$ 4,900,835
Interest	8,827,032	8,240,224
Difference between actual & expected experience	(638,418)	(5,835)
Benefit payments	(4,808,642)	(4,079,731)
Refunds	(311,317)	(269,399)
Net change in total pension liability	7,392,925	8,786,094
Total pension liability - beginning	115,929,473	107,143,379
Total pension liability - ending	$ 123,322,398	$ 115,929,473
Plan fiduciary net position		
Contributions - Employer	$ 3,315,335	$ 2,337,699
Contributions - Member	2,264,655	2,310,106
Net investment income	(1,070,462)	10,052,069
Benefit payments	(4,808,642)	(4,079,731)
Refunds	(311,317)	(269,399)
Administrative expense	(237,972)	(237,291)
Net changes in Plan fiduciary net position	(848,403)	10,113,453
Total Plan fiduciary net position - beginning	122,212,958	112,099,505
Total Plan fiduciary net position - ending	121,364,555	122,212,958
Net pension liability (asset) - ending	$ 1,957,843	$ (6,283,485)

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**98.41%**	**105.42%**
Covered Employee Payroll	**$ 34,028,032**	**$ 34,962,723**
Net Pension Liability as a Percentage of Covered Employee Payroll	**5.75%**	**(17.97)%**

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 years ended September 30. Additional years will be displayed as the information becomes available.

REQUIRED SUPPLEMENTARY INFORMATION
UNION PENSION PLAN SCHEDULE OF CONTRIBUTIONS, NET PENSION 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
2016	$3,427,954	$2,930,490	$497,464	$34,028,032	10.00%
2015	$3,283,667	$3,315,057	($31,390)	$33,064,237	10.03%
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%
2008	$3,465,817	$4,034,811	($568,994)	$33,258,187	12.13%
2007	$3,326,744	$3,404,843	($78,099)	$29,889,028	11.39%

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
2016	$123,322,398	$121,364,555	$1,957,843	98.41%	$33,064,237	5.92%
2015	$115,929,473	$122,212,958	($6,283,485)	105.42%	$34,962,723	17.97%

SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN *

	2016	2015
Annual money-weighted rate of return net of investment expense	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. Additional years will be displayed as the information becomes available.

REQUIRED SUPPLEMENTAL INFORMATION
UNION PENSION PLAN NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

Valuation Date: 10/1/2014 (for FYE 9/30/16)
Measurement Date: September 30, 2015

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
Expenses	Average of actual administrative plus investment expenses for the two most recent years is added to the Normal Cost.
Remaining Amortization Period	30 years
Asset Valuation Method	5-year smoothed market
Inflation	3.0%
Salary Increases	4.0% to 13.13% depending on service
Investment Rate of Return	7.5%
Retirement Age	15% to 100% depending on age
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females using protection Scale AA to anticipate future mortality improvements, set back 5 years for disabled lives.

Benefit changes enacted during the fiscal year ended September 30, 2016:

There were no benefit changes enacted during the year.

Changes in assumptions:

There were no changes in assumptions or methods since the previous actuarial valuation.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Other Postemployment Benefits (OPEB)
For the Years Ended September 30, 2016, 2015 and 2014

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (normal cost) Entry Age (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
October 1, 2016	$ -	$3,983,000	$3,983,000	0.0%	$43,871,831	9.1%
October 1, 2015	$ -	$2,536,000	$2,536,000	0.0%	$43,131,812	5.9%
October 1, 2014	$ -	$2,995,000	$2,995,000	0.0%	$41,350,461	7.2%

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES
BUDGET VS ACTUAL (BUDGET BASIS)
YEAR ENDED SEPTEMBER 30, 2016

	Budget	Actual	Variance Favorable/ (Unfavorable)
OPERATING REVENUES			
Customer fares	$ 29,459,809	$ 26,643,385	$ (2,816,424)
Contract services:			
Local financial assistance	14,149,173	13,958,496	(190,677)
Other contractual services	3,738,905	3,991,992	253,087
Advertising on Buses	2,080,000	1,846,740	(233,260)
Other income	426,439	374,382	(52,057)
Total operating revenues	49,854,326	46,814,995	(3,039,331)
OPERATING EXPENSES:			
Transportation	46,184,022	44,260,629	1,923,393
Maintenance and operations	64,169,051	56,503,503	7,665,548
General and administrative	18,132,539	15,810,100	2,322,439
Total operating expenses before depreciation	128,485,612	116,574,232	11,911,380
OPERATING LOSS	(78,631,286)	(69,759,237)	8,872,049
NONOPERATING REVENUES/(EXPENSES):			
Federal	16,646,716	14,222,627	(2,424,089)
State of Florida	13,947,353	13,013,616	(933,737)
Local	47,553,510	46,508,582	(1,044,928)
Interest income	36,413	43,206	6,793
Interest expense	(124,277)	(123,762)	515
Total nonoperating revenues/(expenses), net	78,059,715	73,664,269	(4,395,446)
Increase/(decrease) in net position	$ (571,571)	3,905,032	$ 4,476,603
BASIS DIFFERENCES:			
Depreciation		(26,842,698)	
Other income		88,308	
Capital contribution		42,407,235	
Increase in net position - GAAP basis		$ 19,557,877	

Statistical Section

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CENTRAL FLORIDA REGIONAL
TRANSPORTATION AUTHORITY

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.

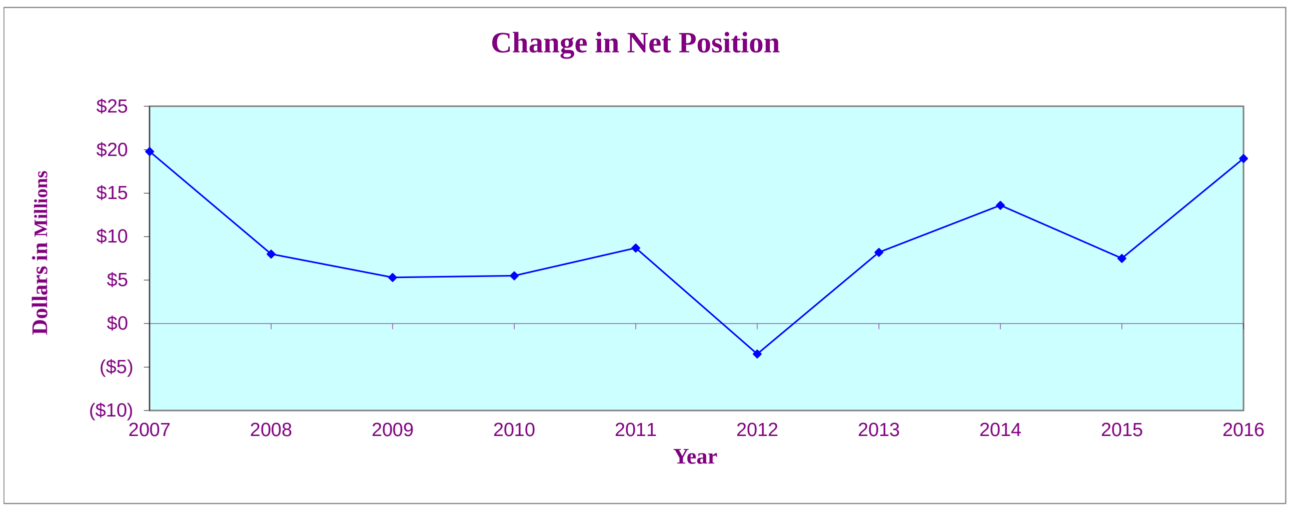
CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY
LYNX
Miscellaneous Statistics
Year End September 30, 2016
(Unaudited)

Form of Government	Local Government (Independent Special District)
Number of Directors	Five (5) Voting
Area Population	2,052,373
Counties Served	Orange, Seminole and Osceola
Number of Service Routes	76
Peak Vehicle Requirement	265
Hours of Operation	4:00 a.m. to 3:10 a.m.
Average Weekday Passengers	82,353
Vehicle Miles Operated	16,869,241
Vehicle Hours Operated	1,179,430

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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Operating Revenue:										
Customer Fares	$ 19.1	$ 21.7	$ 21.5	$ 22.4	$ 26.1	$ 28.6	$ 29.4	$ 29.1	$ 28.2	$ 26.6
Other	21.0	20.1	20.8	20.8	20.6	18.0	20.0	22.5	20.6	20.2
Total Operating Revenue	40.1	41.8	42.3	43.2	46.7	46.6	49.4	51.6	48.8	46.8
Operating Expenses:										
Administration, Transportation, and Maintenance	97.8	110.7	106.6	106.7	110.6	112.0	119.8	120.5	114.2	116.6
Depreciation	10.1	15.2	16.7	17.0	18.2	19.1	19.9	23.5	26.2	26.8
Total Operating Expenses	107.9	125.9	123.3	123.7	128.8	131.1	139.7	144.0	140.4	143.4
Operating Loss	(67.8)	(84.1)	(81.0)	(80.5)	(82.1)	(84.5)	(90.3)	(92.4)	(91.6)	(96.6)
Non-Operating Revenue (Expenses):										
Operating Assistance	53.1	50.1	54.3	48.9	46.4	47.8	49.0	53.4	56.1	56.8
Planning and Other Income (Expenses)	14.1	14.0	14.9	18.5	20.2	20.3	19.3	17.3	16.3	17.0
Capital Contributions	20.4	28.0	17.1	18.6	24.2	12.9	30.2	35.3	19.7	42.4
Total Non-Operating Revenue (Expenses)	87.6	92.1	86.3	86.0	90.8	81.0	98.5	106.0	92.1	116.2
Change in Net Position Before Accounting Change	19.8	8.0	5.3	5.5	8.7	(3.5)	8.2	13.6	0.5	18.2
Change in Accounting Principle	-	-	-	-	-	-	-	-	7.0	-
Change in Net Position After Accounting Change	$ 19.8	$ 8.0	$ 5.3	$ 5.5	$ 8.7	$ (3.5)	$ 8.2	$ 13.6	$ 7.5	$ 19.5



For the past 10 years the chart shows the change in net position each year versus the immediately preceding year. Net position increased in fiscal year 2016 at $18.2 million due to the design, development and construction of the Lymmo BRT expansion , as well as the acquisition of rolling stock and other capital assets.

Source: Financial Statements

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

Condensed Summary of Net Position

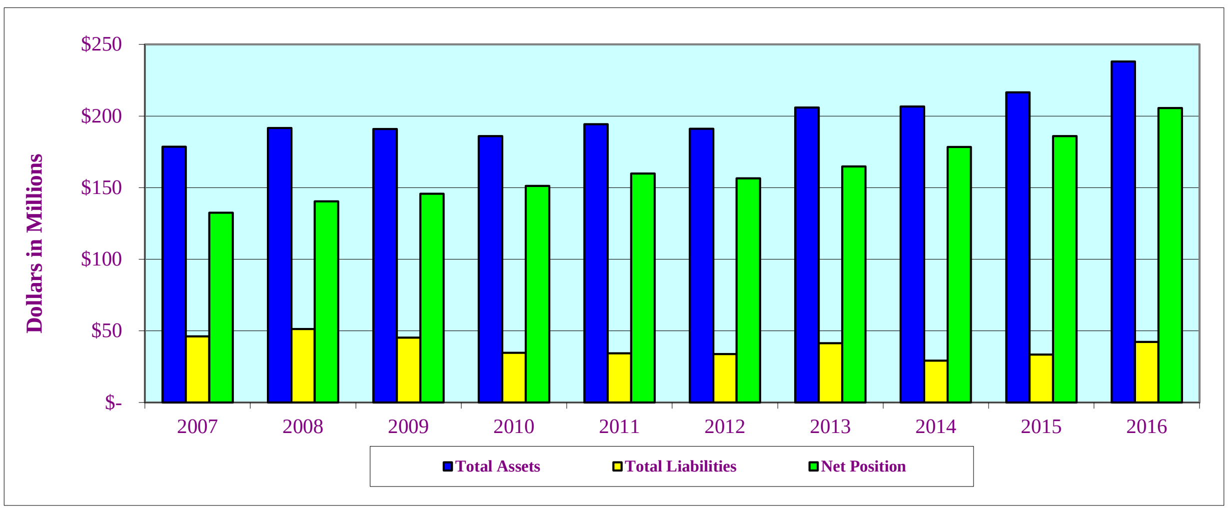
Last Ten Years

Dollars in Millions

(Unaudited)

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Assets	$178.5	$191.7	$190.9	$185.9	$194.3	$191.0	$206.0	$206.7	$216.6	$238.0
Deferred Outflow of Resources	$0.0	$0.0	$0.0	$0.0	$0.6	$0.0	$0.1	$0.8	$4.1	$10.3
Deferred Inflow of Resources	$0.0	$0.0	$0.0	$0.0	$0.0	$0.7	$0.0	$0.0	$1.3	$0.5
Total Liabilities	$46.1	$51.3	$45.2	$34.7	$34.4	$33.8	$41.4	$29.2	$33.5	$42.2
Ending Net Position	$132.4	$140.4	$145.7	$151.2	$159.9	$156.5	$164.7	$178.3	$185.9	$205.5

Net investment in capital assets	$110.2	$123.7	$123.5	$125.1	$131.1	$124.9	$135.6	$147.6	$142.7	$149.9
Restricted	$1.3	$0.5	$0.5	$0.5	$0.5	$0.5	$0.1	$0.0	$0.0	$1.6
Unrestricted	$20.9	$16.2	$21.7	$25.6	$28.3	$31.1	$29.0	$30.7	$43.2	$54.0
Ending Net Position	$132.4	$140.4	$145.7	$151.2	$159.9	$156.5	$164.7	$178.3	$185.9	$205.5

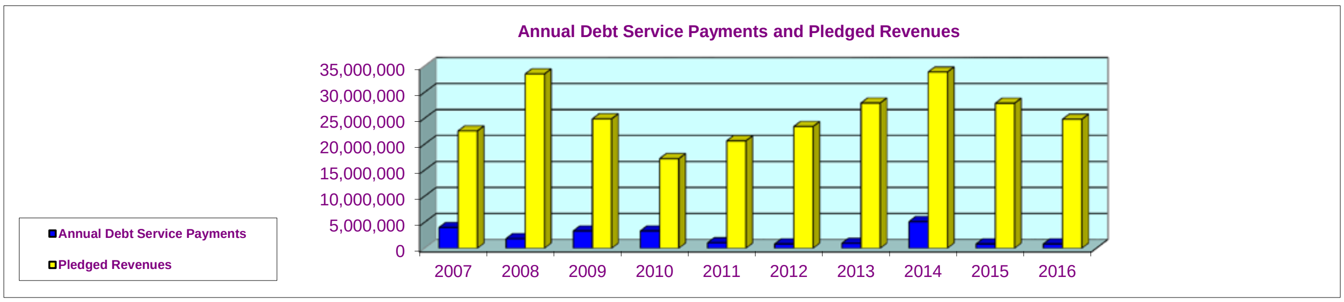


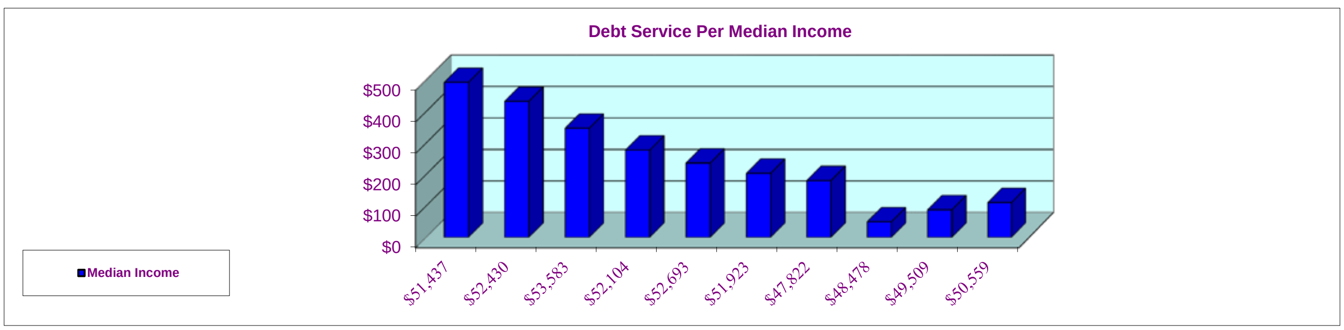
This chart compares Total Assets, Total Liabilities, and Net Position values over the last 10 years. Total Assets increased 33.33% during this period as the Authority expanded service, acquired new rolling stock, developed land, and constructed the LYNX Central Station and LYNX Operations Center. Total Liabilities at the end of fiscal year 2016 are 8.45% lower than at the end of fiscal year 2007. The decrease is due mainly to repayment of State Infrastructure Bank loans and a 2007 a lease agreement. Net Position increased every year, except for fiscal year 2012; at $205.5 million as of this fiscal year end it is 55.21% greater than fiscal year 2007.

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
2007	$25,331,967	$17,698,991	$7,632,976	$3,978,907	$22,551,897	5.67	$51,437	$492.49
2008	$22,662,882	$15,996,355	$6,666,527	$1,850,585	$33,529,785	18.12	$52,430	$432.25
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





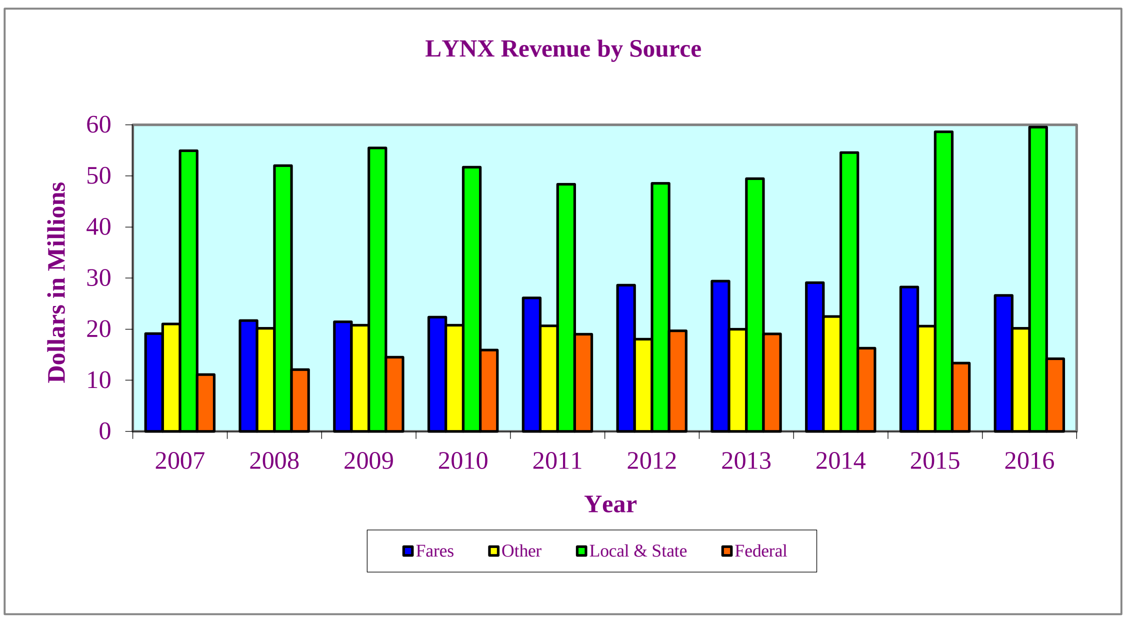
Source: Financial Statements, NTD Report, and Orlando Economic Development Commission.

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)

	OPERATING AND OTHER MISCELLANEOUS REVENUE			OPERATING ASSISTANCE			
Fiscal Year	**Fares**	**Other**	**Total**	**Local & State**	**Federal**	**Total**	**Total Revenue**
2007	$19.127	$21.003	$40.130	$54.914	$11.103	$66.017	$106.147
2008	$21.661	$20.179	$41.840	$51.997	$12.077	$64.074	$105.914
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	$20.172	$46.815	$59.522	$14.223	$73.745	$120.560



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 2016 and was down 5.6% compared to 2015 Total revenue was lower due to the decrease in fares and other revenue. In 2016 federal revenue increased, amounting to 11.79% of LYNX's total revenue versus 11.1% in 2015.

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)

	OPERATING AND OTHER MISCELLANEOUS REVENUE			OPERATING ASSISTANCE			
FISCAL YEAR	FARES	OTHER	TOTAL	LOCAL & STATE	FEDERAL	TOTAL	TOTAL REVENUE
INDUSTRY							
2007	31.4%	6.5%	37.9%	54.6%	7.5%	62.1%	100.0%
2008	31.3%	6.4%	37.7%	55.3%	7.0%	62.3%	100.0%
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	*	*	0.0%	*	*	0.0%	0.0%
2016	*	*	0.0%	*	*	0.0%	0.0%
LYNX							
2007	18.0%	19.8%	37.8%	51.7%	10.5%	62.2%	100.0%
2008	20.4%	19.1%	39.5%	49.1%	11.4%	60.5%	100.0%
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%

Source: Financial Statements

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* Not available

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX
Fare Structure
Year Ended September 30, 2016

(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	$	0.80
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)

CASH FARES					PASSES			
Fiscal Year	Single Fare	Discount Single	1 Day Fare	Discount 1 Day	7 Day Pass	Discount 7 Day	30 Day Pass	Discount 30 Day
2007	$1.50	$0.75	$3.50	$1.75	$12.00	$6.00	$38.00	$18.00
2008	$1.75	$0.85	$4.00	$2.00	$14.00	$7.00	$44.00	$22.00
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

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

Discounted Passes Include:
- Youth
- Advantage
- IQ

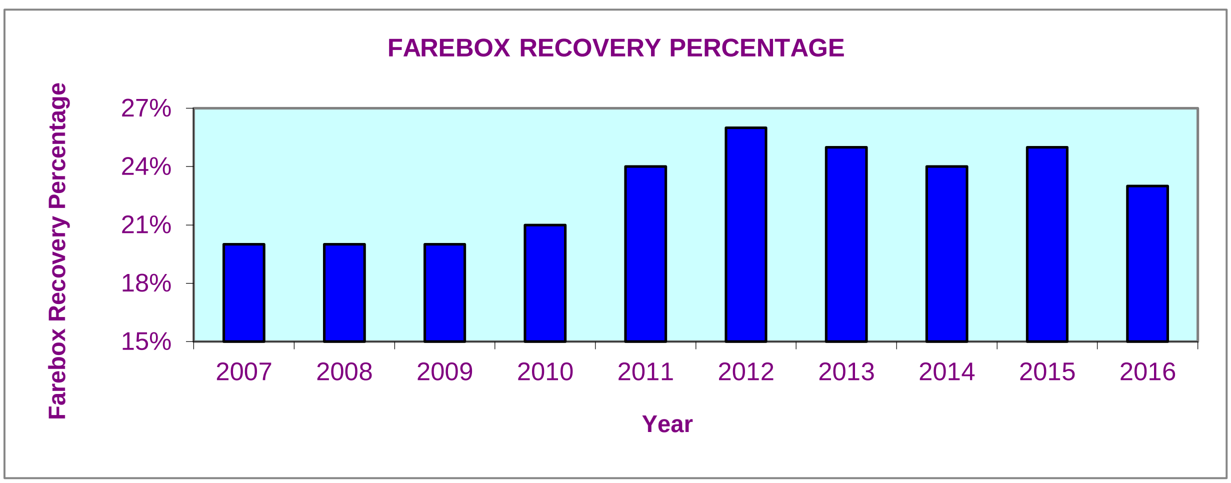
The table and graph show the amount of each standard fixed-route fare type by year. In keeping with the Authority's commitment to keep fares as low as fiscally feasible and to make relatively small rate increases periodically, no fare rate increases were made in 2016. In 2016 customer fares were approximately 56.9% of operating revenues and 22.59% of total revenues. 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
2007	20%
2008	20%
2009	20%
2010	21%
2011	24%
2012	26%
2013	25%
2014	24%
2015	25%
2016	23%

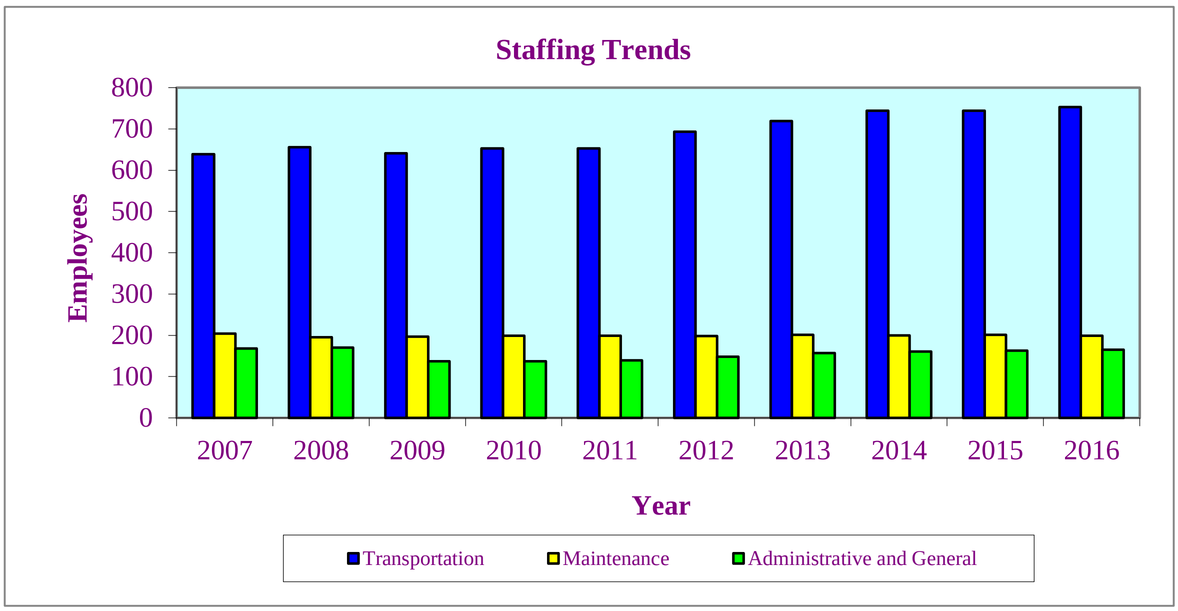


Farebox Recovery Percentage is the percentage of the total operating cost that is funded by customer fares. It is calculated by dividing total customer fares by total operating cost before depreciation. Beginning with 2007 the recovery rate has remained fairly constant varying by approximately 1% to 2% 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
2007	639	204	168	1,011
2008	656	195	170	1,021
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



The greatest fluctuation during the 10-year period was in the Transportation area, with 2016 staffing approximately 17.84% above the low level of the 10-year period shown above. Staffing level increased as a result of increase in service demand. Despite the Transportation staff increase, the organization wide total from year to year varied less than 14.56% 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)

	2016			2007		
Company	**Number of Full Time Employees**	**Rank**	**Percentage of Total Employment**	**Number of Full Time Employees**	**Rank**	**Percentage of Total Employment**
Walt Disney World Company	74,000	1	5.78%	56,800	1	5.37%
Orange County Public Schools	22,983	2	1.80%	24,862	2	2.35%
Universal Studios Florida	21,000	3	1.64%	13,000	4	1.23%
Florida Hospital	20,413	4	1.60%	15,420	3	1.46%
Orlando Regional Healthcare	15,132	5	1.18%	12,900	5	1.22%
University of Central Florida	11,642	6	0.91%	9,286	7	0.88%
Orange County Government	7,658	7	0.60%	8,600	8	0.81%
Seminole County Public Schools	7,642	8	0.60%	9,981	6	0.94%
Lockheed Martin	7,000	9	0.55%	6,200	10	0.59%
Darden Restaurants	6,149	10	0.48%	N/A	N/A	N/A
Osceola School District	N/A	N/A	N/A	7,045	9	0.67%
Wal Mart	N/A	N/A	N/A	N/A	N/A	N/A
Publix Super Markets, Inc.	N/A	N/A	N/A	N/A	N/A	N/A
Central Florida Investments	N/A	N/A	N/A	N/A	N/A	N/A
Other Employees	1,085,599		84.86%	892,903		84.48%
Region Total	1,279,218		100.00%	1,056,997		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)

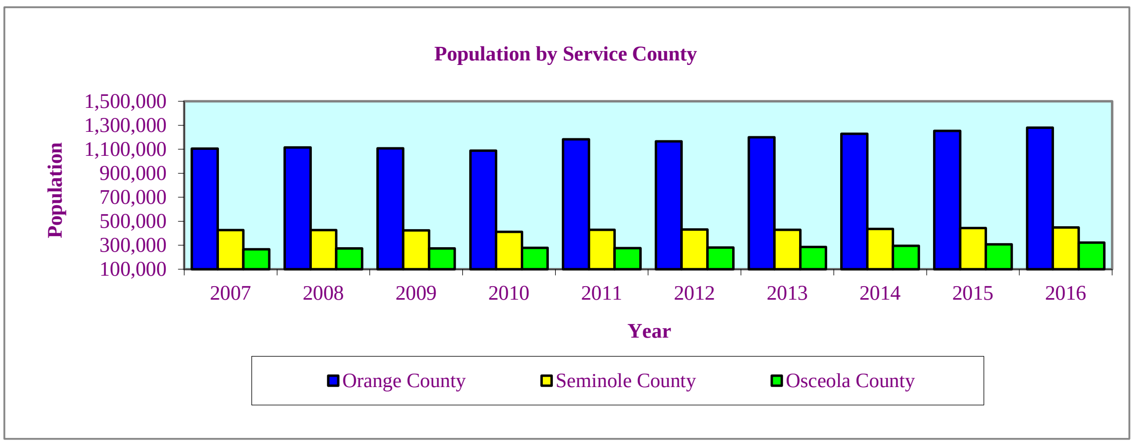
Year	Manufacturing	Construction	Transportation	Finance	Government	Retail Trade	Service	Total
2007	4.0%	7.8%	4.9%	5.9%	11.0%	20.6%	45.8%	100.0%
2008	3.8%	6.6%	3.9%	6.2%	11.0%	15.3%	53.2%	100.0%
2009	3.9%	6.0%	3.1%	6.4%	11.7%	11.1%	57.8%	100.0%
2010	3.7%	4.8%	3.0%	6.0%	11.7%	11.4%	59.4%	100.0%
2011	3.6%	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%

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
2007	1,105,603	425,698	266,123	1,797,424
2008	1,114,979	426,413	273,709	1,815,101
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



The population of the tri-county area, as a whole, increased approximately 2.43% from 2015. There was an increase every year except for 2009, 2010 and 2012. The greatest growth was in Osceola County, where the population grew approximately 4.71% compared to the previous year.

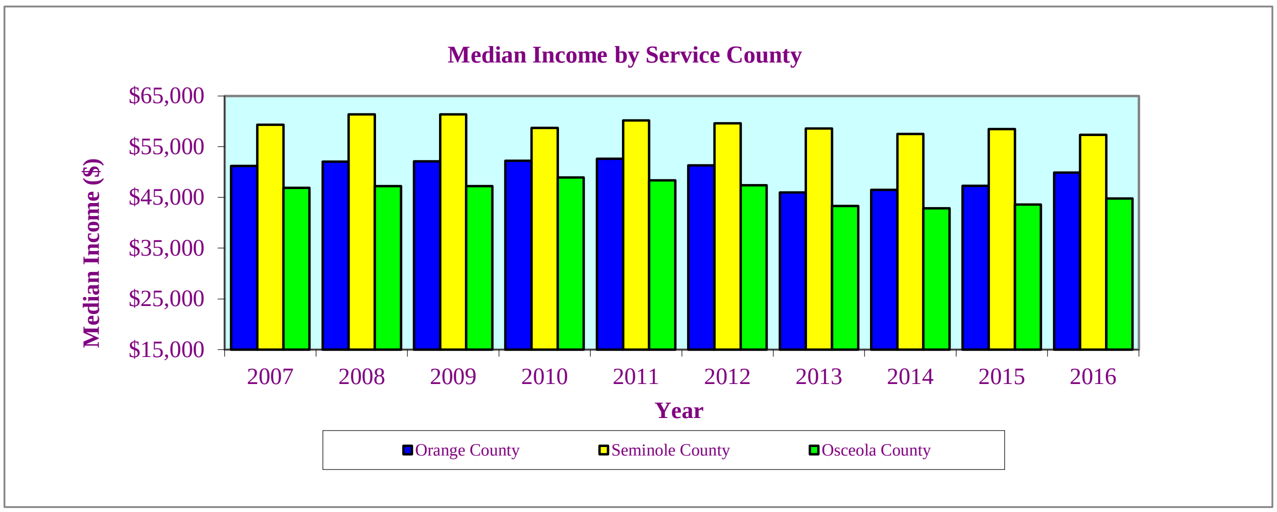
Source: Metro Orlando Economic Development Commission

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
2007	$51,188	$59,354	$46,890
2008	$52,062	$61,378	$47,228
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



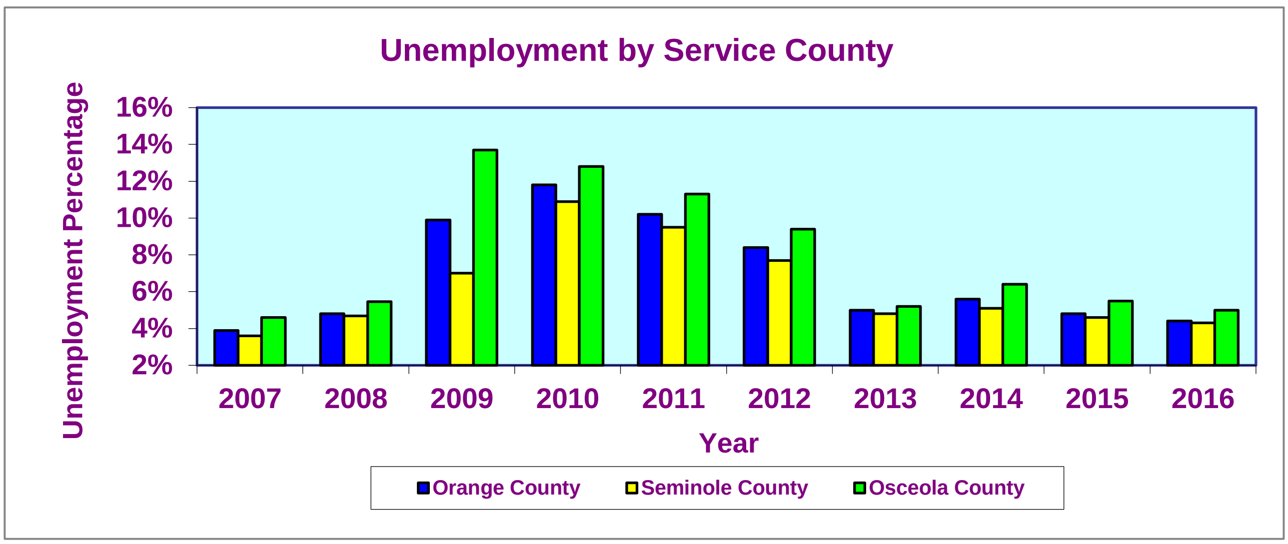
Median household income is useful in public transportation planning because it is one determinant of the need for, and probability of use, of public transportation. The lower the median income the greater, in most cases, will be the need for, and use of, public transportation.

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
2007	3.9%	3.6%	4.6%	3.3%
2008	4.8%	4.7%	5.5%	5.0%
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%



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 2016 was 4.5%, with Osceola County at 5.0% having the highest unemployment.

Source: Metro Orlando Economic Development Commission

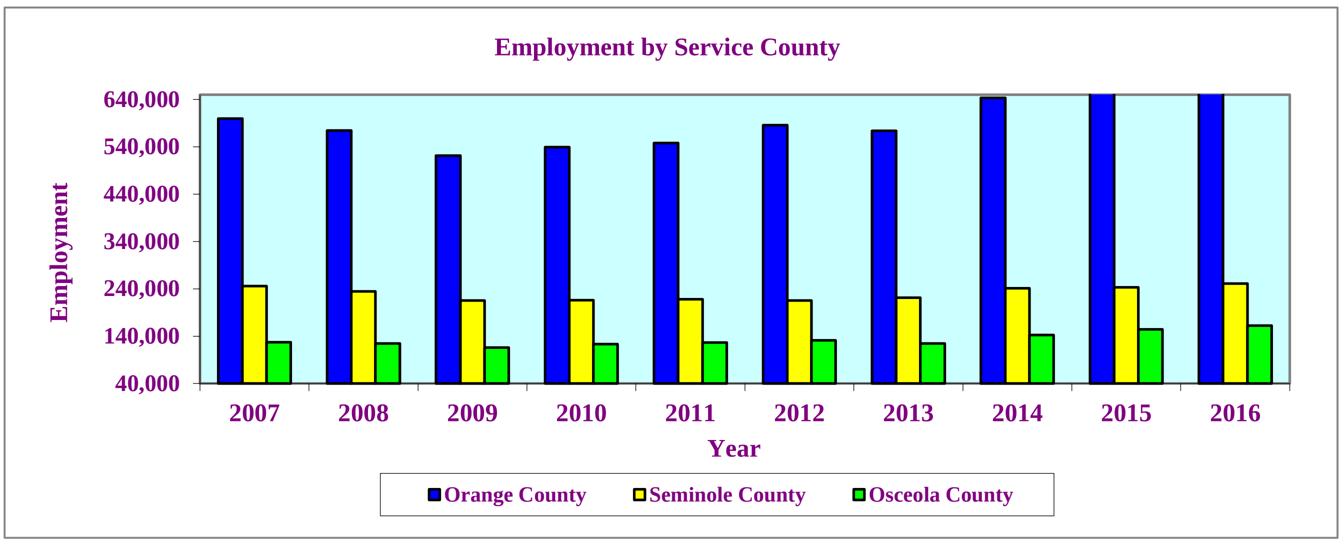
CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

Employment by Service County

Last Ten Years

(Unaudited)

Year	Orange County	Seminole County	Osceola County	Region Total
2007	599,487	245,764	126,783	972,034
2008	574,090	234,275	124,406	932,771
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



The tri-county area has experienced growth in employment every year except 2008, 2009 & 2013 due to the recession. 2016 was 3.85% above the 2015 level. The largest increase was Osceola County, where employment in 2016 was 5.17% above the 2015 level.

Source: Metro Orlando Economic Development Commission

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

General Statistical Trends
Last TenYears
(Unaudited)

FISCAL YEAR	RIDERSHIP	NUMBER OF PEAK VEHICLES	ACTUAL VEHICLE MILES	ACTUAL VEHICLE HOURS
2007	26,078,255	240	15,475,289	1,058,929
2008	26,427,067	238	16,739,475	1,162,852
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

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

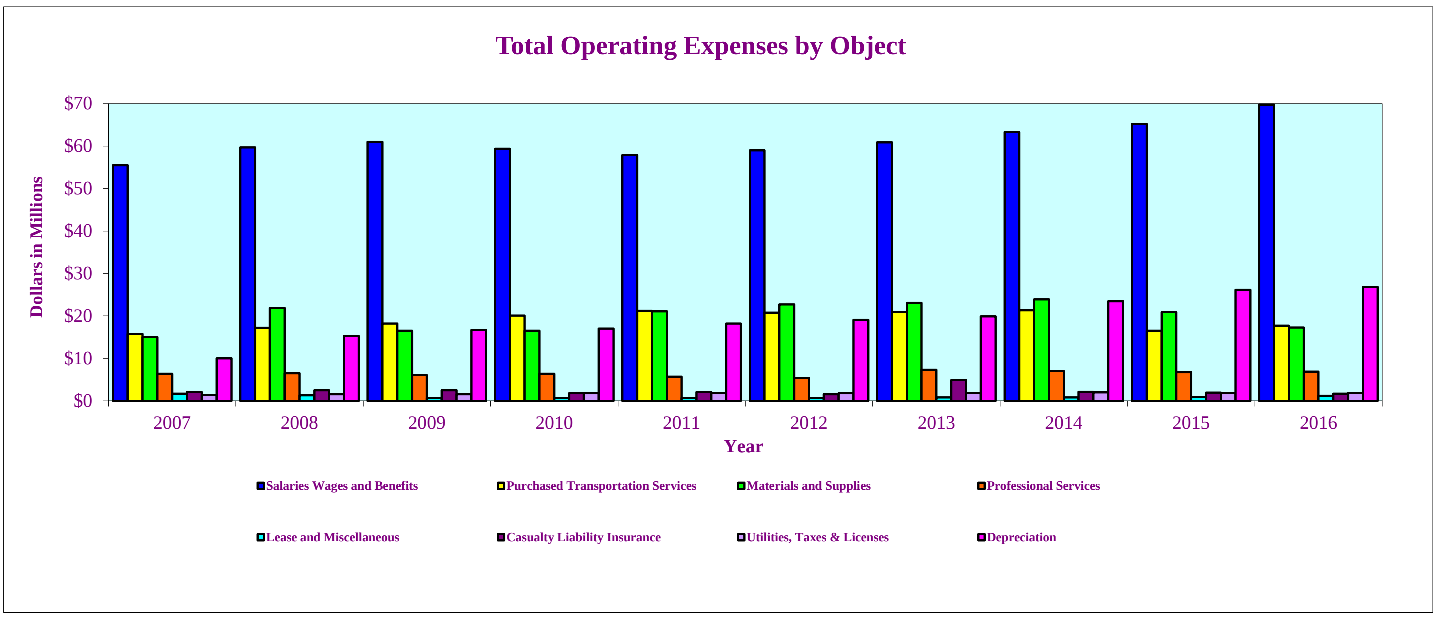
Operating Expenses by Object

Last Ten Years

Dollars in Millions

(Unaudited)

Fiscal Year	Salaries Wages and Benefits	Purchased Transportation Services	Materials and Supplies	Professional Services	Lease and Miscellaneous	Casualty Liability Insurance	Utilities, Taxes & Licenses	Depreciation	Total Operating Expenses
2007	$55.5	$15.8	$15.0	$6.4	$1.7	$2.1	$1.4	$10.0	$107.9
2008	$59.7	$17.2	$21.9	$6.5	$1.3	$2.5	$1.6	$15.3	$126.0
2009	$61.0	$18.2	$16.5	$6.1	$0.7	$2.5	$1.6	$16.7	$123.3
2010	$59.4	$20.1	$16.5	$6.4	$0.7	$1.8	$1.8	$17.0	$123.7
2011	$57.9	$21.2	$21.1	$5.7	$0.7	$2.1	$1.9	$18.2	$128.8
2012	$59.0	$20.8	$22.7	$5.4	$0.7	$1.6	$1.8	$19.1	$131.1
2013	$60.9	$20.9	$23.1	$7.3	$0.8	$4.9	$1.9	$19.9	$139.7
2014	$63.3	$21.4	$23.9	$7.0	$0.8	$2.2	$2.0	$23.5	$144.0
2015	$65.2	$16.5	$20.9	$6.8	$1.0	$1.9	$1.9	$26.2	$140.4
2016	$69.7	$17.7	$17.3	$6.9	$1.2	$1.7	$1.9	$26.8	$143.4



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 2016 reflects a 36.19% increase from fiscal year 2007. At 48.13% of total operating expenses in fiscal year 2016, the Salaries, Wages and Benefits object is the largest object and has increased by 6.9% as compared to fiscal year 2015 due to increases in scheduled services to meet ridership demand.

Source: Financial Statements

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

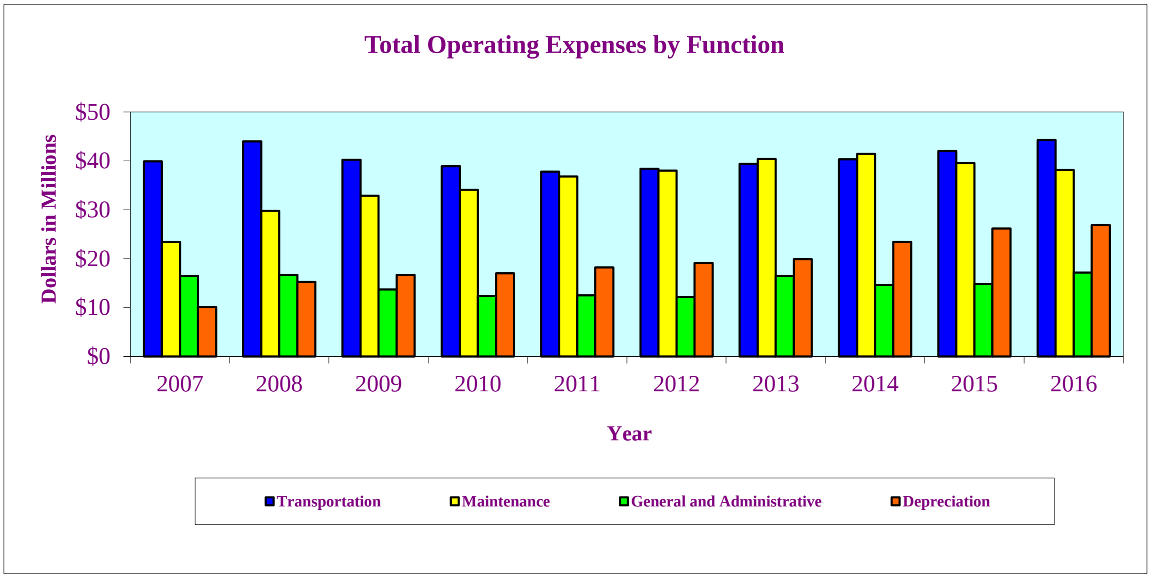
Operating Expenses by Function

Last Ten Years

Dollars in Millions

(Unaudited)

Fiscal Year	Transportation	Maintenance	Paratransit	General and Administrative	Depreciation	Total Operating Expenses
2007	$39.9	$23.4	$18.0	$16.5	$10.1	$107.9
2008	$44.0	$29.8	$20.2	$16.7	$15.3	$126.0
2009	$40.2	$32.9	$19.8	$13.7	$16.7	$123.3
2010	$38.9	$34.1	$21.3	$12.4	$17.0	$123.7
2011	$37.8	$36.8	$23.5	$12.5	$18.2	$128.8
2012	$38.4	$38.0	$23.4	$12.2	$19.1	$131.1
2013	$39.4	$40.4	$23.5	$16.5	$19.9	$139.7
2014	$40.3	$41.4	$24.1	$14.7	$23.5	$144.0
2015	$42.0	$39.5	$17.9	$14.8	$26.2	$140.4
2016	$44.3	$38.1	$18.4	$17.2	$26.8	$144.8



This table and graph show operating expenses by function for the last ten years. Total operating expenses for 2016 are 34.19% greater than 2007. Maintenance expenses in 2016 are % over the 2007 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 165.34% over the same period due to acquisition of new vehicles and completion of new office and maintenance buildings in 2007 and 2008. Transportation expenses increased in 2016 due mainly to expanded service routes. General and Administrative costs have fluctuated during the 10- year period, reaching a peak in 2016.

Source: Financial Statements

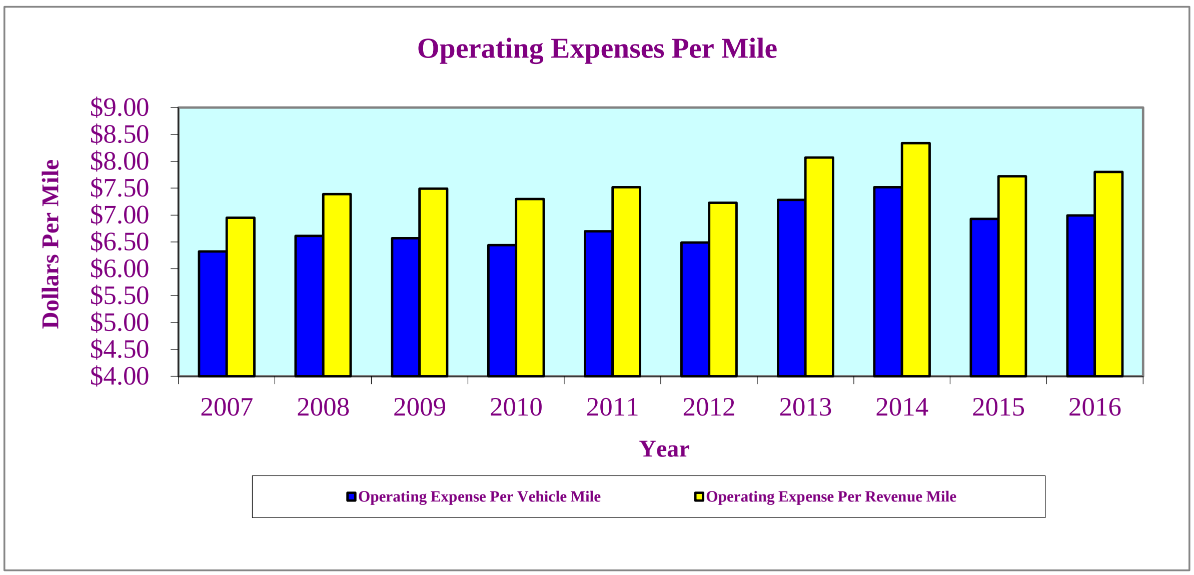
CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

Operating Expenses Per Mile

Last Ten Years

(Unaudited)

Fiscal Year	Vehicle Miles	Revenue Miles	Operating Expense Per Vehicle Mile	Operating Expense Per Revenue Mile
2007	15,475,289	14,072,186	$6.32	$6.95
2008	16,739,475	14,985,672	$6.61	$7.39
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



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 2016 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 2016
(Unaudited)

Insurance Company	Policy	Premium	Limits	Deductible/SIR	Commission/Fee
American Home Assurance Company	Property	$125,408	$71,042,965	$10,000 per occurrence, except as noted	0%
	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	$71,042,965	$10,000	
	Sub-total	**$125,408**			
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	**$462,841**			

CENTRAL FLORIDA REGIONAL TRANSPORTATION d/b/a
LYNX
Risk Management
Insurance Policies - Fiscal Year 2015
(Unaudited)

Insurance Company	Policy	Premium	Limits	Deductible/SIR	Commission/Fee
Zurich American Insurance Co.	Property	$178,856	$76,960,831	$10,000 per occurrence, except FLAT Named Windstorm	0%
	Named Windstorm	Included	$1,950,000	Per Occurrence	
	Flood	Included	$10,000,000	$100,000	
	Ordinance & Law	Included	Included		
	Debris Removal	Included	Included		
	Boiler & Machinery	Included	Included		
	Sub-total	**$178,856**			
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	$26,019	$1,000,000	$200,000	
	EBL	Included	$1,000,000	$200,000	
	Sub-total	**$26,019**			
	Public Officials/EPLI				0%
	Public Officials	$76,386	$2,000,000	$100,000	
	EPLI	Included	$2,000,000	$100,000	
	Sub-total	**$76,386**			
	Automobile				0%
	Auto Liability/UM/MedPay	Rejected	N/A	N/A	
	Auto Physical Damage	$109,451	Symbol 10	$1,000 / $10,000	
	Sub-total	**$109,451**			
	Total Premium This Page	**$391,887**			

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Single Audit Section

LYNX®
CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY

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CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2016

FEDERAL GRANTOR/ PROGRAM TITLE	Federal CFDA Number	Project Number	Program or Award Amount	September 30, 2015 Receivable	Receipts	Expenditures	September 30, 2016 Receivable	Passed Through to Subrecipients
Department of Transportation Federal Transit Cluster								
Capital assistance	20.500	FL03-0340	$ 7,920,000	$ 36,444	$ (56,400)	$ 20,091	$ 135	$ -
Capital assistance	20.500	FL04-0052	5,903,200	-	(28,318)	28,318	-	-
Capital assistance	20.500	FL04-0112	1,149,050	405,010	(558,645)	462,540	308,905	-
Capital assistance	20.500	FL04-0147	1,233,132	76,382	(188,477)	117,165	5,070	-
Capital assistance	20.500	FL04-0161	2,050,000	18,614	(19,870)	1,256	-	-
Capital assistance	20.500	FL04-0172	1,056,800	18,030	(55,411)	44,695	7,314	-
Capital assistance	20.500	FL04-0185	8,390,860	-	(5,377)	6,464,758	6,459,381	-
Capital assistance	20.500	FL05-0113	722,205	16,085	(16,085)	-	-	-
			28,425,247	570,565	(928,583)	7,138,823	6,780,805	-
Capital assistance	20.507	FL90-X688	22,317,593	602	(46,843)	46,241	-	-
Capital assistance	20.507	FL90-X726	22,243,009	2,080	(75,020)	277,227	204,287	-
Capital assistance	20.507	FL90-X757	1,274,422	570	(32,031)	31,461	-	-
Capital assistance	20.507	FL90-X773	20,549,869	40,718	(88,108)	54,100	6,710	-
Capital assistance	20.507	FL90-X789	20,903,149	174,666	(635,483)	532,690	71,873	-
Capital assistance	20.507	FL90-X826	23,509,503	487,132	(1,930,913)	1,844,553	400,772	-
Capital assistance	20.507	FL90-X858	25,317,482	892,311	(9,829,915)	9,064,307	126,703	-
Capital assistance	20.507	FL90-X885	10,630,000	1,542,616	(5,927,376)	9,984,130	5,599,370	-
Capital assistance	20.507	FL95-X054	6,025,050	12,223	(26,271)	14,157	109	-
Capital assistance	20.507	FL95-X060	8,767,706	6,837	(6,837)	-	-	-
Capital assistance	20.507	FL95-X068	6,297,975	24,653	(328,527)	310,080	6,206	-
Capital assistance	20.507	FL95-X071	7,685,383	-	(897,591)	897,591	-	-
Capital assistance	20.507	FL95-X101	7,850,500	156,980	(1,338,550)	1,743,914	562,344	-
Capital assistance	20.507	ZZ-FTA-PREAWARD	-	-	-	1,427,654	1,427,654	-
			183,371,641	3,341,388	(21,163,465)	26,228,105	8,406,028	-
Federal Transit - State of Good Repair Formula Grant								
Capital assistance	20.525	FL54-0002	426,112	9,479	(16,964)	7,485	-	-
			426,112	9,479	(16,964)	7,485	-	-
Federal Transit - Bus and Bus Facilities Formula Program								
	20.526	FL34-0031	5,443,294	-	(5,443,294)	5,443,294	-	-
			5,443,294	-	(5,443,294)	5,443,294	-	-
Total Federal Transit Cluster			217,666,294	3,921,432	(27,552,306)	38,817,707	15,186,833	-

(Continued)

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2016

FEDERAL GRANTOR/ PROGRAM TITLE	Federal CFDA Number	Project Number	Program or Award Amount	September 30, 2015 Receivable	Receipts	Expenditures	September 30, 2016 Receivable	Passed Through to Subrecipients
Federal Transit: National Infrastructure Investments								
Capital assistance	20.933	FL79-0001	13,000,000	766,726	(6,756,503)	7,314,172	1,324,395	-
			13,000,000	766,726	(6,756,503)	7,314,172	1,324,395	-
Federal Transit: Metropolitan Transportation Planning								
Passed through the Metroplan Orlando								
	20.505	FL80-X023	262,531	9,043	(17,637)	8,594	-	-
	20.505	FL80-X024	287,162	5,651	(70,810)	157,798	92,639	-
	20.505	FL80-X025	331,466	-	(169,506)	195,907	26,401	-
			881,159	14,694	(257,953)	362,299	119,040	-
Federal Transit: Formula Grants for Rural Areas								
Passed through Florida Department of Transportation								
Capital Assistance	20.509	AQU34	1,720,871	187,130	(187,130)	382,837	382,837	-
			1,720,871	187,130	(187,130)	382,837	382,837	
Transit Services Programs Cluster								
Federal Transit: Job Access Reverse Commute								
	20.516	AQN92	587,775	18,726	(21,965)	3,239	-	-
	20.516	AR064	1,421,955	-	(191,484)	241,027	49,543	-
	20.516	FL37-X076	1,412,661	-	(86,788)	86,788	-	-
			3,422,391	18,726	(300,237)	331,054	49,543	-
Federal Transit: Enhanced Mobility of Seniors and Individuals with Disabilities								
	20.513	FL16-X019	2,560,222	114,004	(1,862,295)	1,921,993	173,702	82,087
	20.513	G0327	674,915	3,540	(96,454)	161,010	68,096	-
			3,235,137	117,544	(1,958,749)	2,083,003	241,798	82,087
Federal Transit: New Freedom Program								
	20.521	AQN72	35,000	-	-	14,350	14,350	14,350
	20.521	AQN91	859,729	18,803	(56,678)	90,698	52,823	-
	20.521	FL57-X034	866,759	12,999	(14,106)	1,107	-	-
	20.521	FL57-X042	868,092	12,748	(38,683)	25,935	-	-
			2,629,580	44,550	(109,467)	132,090	67,173	14,350
Total Transit Services Program Cluster			9,287,108	180,820	(2,368,453)	2,546,147	358,514	96,437
Federal Transit - Alternatives Analysis Planning Assistance								
	20.522	FL39-0013	1,200,000	86,617	(140,269)	53,763	111	-
			1,200,000	86,617	(140,269)	53,763	111	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 243,755,432	$ 5,157,419	$ (37,262,614)	49,476,925	$ 17,371,730	$ 96,437
NONOPERATING REVENUE PORTION						14,222,627		
CONTRIBUTED CAPITAL						$ 35,254,298		

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 LOCAL FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2016

GRANT NUMBER/ SOURCE	Program or Award Amount	September 30, 2015 Unearned (Receivable)	Transfers/ Receipts	Expenditures	September 30, 2016 Unearned (Receivable)
LOCAL MATCHING GRANTS:					
N/A, AQN72	$ 35,000	$ -	$ 14,350	$ 14,350	$ -
N/A, AQN91	859,729	-	90,698	90,698	$ -
N/A, AQN92	587,775	-	3,240	3,240	-
N/A, AQU34	495,304	-	382,837	382,837	-
N/A, AQV49	10,273,732	-	10,273,732	10,273,732	-
N/A, AR064	1,421,955	-	241,027	241,027	-
N/A, AR12	355,389	-	182,118	182,118	-
N/A, AR13	281,621	-	166,806	166,806	-
N/A, ARC29	449,724	-	22,468	22,468	-
N/A, ARP60	78,118		29,452	29,452	
N/A, FL-16-X019	1,388,921	-	716,982	716,982	-
N/A, FL-37-X076	1,401,326	-	86,787	86,787	-
N/A, FL-39-0013	300,000	-	13,441	13,441	-
N/A, FL-57-X034	790,845	-	1,109	1,109	-
N/A, FL-57-X042	841,102	-	25,936	25,936	-
N/A, FL-90-X757	1,242,162	-	31,461	31,461	-
N/A, G0180	414,228	-	310,958	310,958	-
N/A, G0327	674,915	-	161,010	161,010	-
N/A, G0B90	473,774		118,522	118,522	-
Private Partners (Shelters and Vans)	-	106,010		6,950	99,060
City of Orlando (LYNX-Orlando Trail Project)	1,541,415	272,305	-	27,904	244,401
City of Orlando (LYMMO East-West Project)	9,920,000	-	4,496	4,496	-
City of Orlando (LYMMO Parramore Project)	16,250,000	-	2,093,791	2,093,791	-
City of Orlando (Mills District Shelter Project)	70,000	36,146	-	16	36,130
City of Orlando (Parramore Environmental)	662,581	-	125,507	125,507	-
City of Orlando (Parramore Project C)	327,912	-	327,912	198,741	129,171
City of Orlando (LYMMO CEI)	896,000	-	199,751	199,751	-
Orange County (Pine Hills SuperStop) Project)	1,250,000	250,000	-	-	250,000
Orange County Capital	1,687,947	1,682,757	2,200,023	3,883,772	(992)
Osceola County Capital	193,753	211,165	185,858	193,753	203,270
Seminole County Capital	216,984	225,537	205,463	167,129	263,871
Other Local Capital	-	86,115			86,115
Total matching grants	$ 55,347,212	$ 2,870,035	$ 18,201,385	19,760,394	$ 1,311,026
Customer fares and operating assistance				12,858,584	
Contributed capital portion				$ 6,901,810	
LOCAL GRANTS AND CONTRACT SERVICES:					
Operating assistance:					
Orange County		$ -	$ 39,730,495	$ 39,730,495	$ -
City of Orlando		-	4,054,526	4,054,526	-
Seminole County		-	1,562,870	1,562,870	-
Osceola County		-	1,160,691	1,160,691	-
Total nonoperating revenue portion		$ -	$ 46,508,582	$ 46,508,582	$ -
Contract services:					
Seminole County		$ -	$ 3,948,230	$ 3,948,230	$ -
Osceola County		-	5,203,591	5,203,091	500
City of Orlando (LYMMO)		(183,963)	2,020,043	2,407,822	(571,742)
City of Altamonte Springs		-	120,900	120,900	-
City of Sanford		-	756,967	756,967	-
Disney		-	162,171	324,341	(162,170)
Econ River High School		-	-	47,197	(47,197)
University of Central Florida (UCF)		(24,690)	130,335	134,697	(29,052)
Shingle Creek		(17,215)	101,902	101,572	(16,885)
Polk County		(157,420)	700,188	653,690	(110,922)
Lake County		-	259,990	259,990	-
Total Local Financial Assistance		(383,288)	13,404,317	13,958,497	(937,468)
Other Contractual Services					
Local - Shuttles		(4,944)	109,865	115,696	(10,775)
State - Transportation Disadvantage		(621,196)	3,416,577	3,862,082	(1,066,701)
Other Contractual Services		(1,986)	13,497	14,214	(2,703)
Total Other Contractual Services		(628,126)	3,539,939	3,991,992	(1,080,179)
Total contract services		$ (1,011,414)	$ 16,944,256	$ 17,950,489	$ (2,017,647)

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, 2016

STATE GRANTOR PROGRAM TITLE, CONTRACT NO., WPI NO., JOB NO.	CSFA Number	Program or Award Amount	September 30, 2015 Receivable	Receipts/ Adjustments	Expenditures	September 30, 2016 Receivable
Florida Department of Transportation						
N/A, AQV49	55.010	$ 39,570,004	$ 5,051,642	$ (10,188,508)	$ 10,273,732	$ 5,136,866
		39,570,004	5,051,642	(10,188,508)	10,273,732	5,136,866
N/A, ARA12	55.012	355,389	19,277	(141,150)	182,117	60,244
N/A, ARA13	55.012	281,621	16,640	(126,493)	166,805	56,952
N/A, ARC29	55.012	449,724	52,357	(74,825)	22,468	-
N/A, ARD60	55.012	3,477,743	255,416	(962,670)	1,067,172	359,918
N/A, ARP60	55.012	78,118	7,034	(24,079)	29,452	12,407
		4,642,595	350,724	(1,329,217)	1,468,014	489,521
Total Florida Department of Transportation		44,212,599	5,402,366	(11,517,725)	11,741,746	5,626,387
Florida Transportation Disadvantaged Commission						
N/A, G0B90	55.001	4,263,969	-	-	1,066,701	1,066,701
N/A, G0180	55.001	3,728,050	621,196	(3,416,577)	2,795,381	-
		7,992,019	621,196	(3,416,577)	3,862,082	1,066,701
TOTAL STATE FINANCIAL ASSISTANCE		$ 52,204,618	$ 6,023,562	$ (14,934,302)	$ 15,603,828	$ 6,693,088
Other State Contracts						
N/A, BDV03	N/A	1,382,280	343,999	(1,492,898)	1,501,172	352,273
TOTAL STATE FINANCIAL ASSISTANCE			$ 6,367,561	$ (16,427,200)	17,105,000	$ 7,045,361
CONTRACT SERVICES PORTION					3,839,480	
NONOPERATING REVENUE PORTION					13,014,393	
CONTRIBUTED CAPITAL PORTION					$ 251,127	

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, 2016

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 on 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:

Grant	Award Amount	Toll Revenue Credits Applied during Fiscal 2016
FL-04-0112	$ 1,149,050	$ 115,635
FL-04-0161	2,050,000	314
FL-04-0172	1,056,800	11,174
FL-54-0002	426,112	1,871
FL-90-X726	22,243,009	69,307
FL-90-X773	20,549,869	7,383
FL-90-X826	23,509,503	417,372
FL-90-X858	25,317,482	2,266,077
FL-90-X885	10,630,000	2,496,033
FL-95-X054	6,025,050	3,539
FL-95-X068	6,297,975	77,520
FL-95-X071	7,685,383	224,398
FL-95-X101	7,850,500	435,979
Total	**$ 134,790,733**	**$ 6,126,602**

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).

Cherry Bekaert LLP
CPAs & Advisors

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, 2016, and the related statements of revenues, expenses and changes in net position, and cash flows for the year 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 15, 2017.

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.

Cherry Bekaert LLP

Orlando, Florida
March 15, 2017

Cherry Bekaert LLP
CPAs & Advisors

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, 2016. 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, 2016.

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.

Cherry Bekaert LLP

Orlando, Florida
March 15, 2017

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, 2016

Part I - Summary of Auditor's Results

Financial Statement Section

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

Federal Awards and State Projects Section

Internal control over major programs:	
Material weakness(es) identified?	____ yes __x__ no
Significant deficiency(ies) identified?	____ yes __x__ none reported
Type of auditor's report on compliance for major federal programs and state projects:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ yes __x__ no
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550 for state projects?	____ yes __x__ 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, 2016

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:	
Federal Transit Cluster	20.500/20.507/20.525/20.526
Transit Services Program Cluster	20.513/20.516/20.521
Tiger Grant	20.933

State Projects:

Name of Project	CSFA Number
State of Florida Department of Transportation:	
Public Transit Block Grant	55.010

Dollar threshold used to determine Type A programs:

Federal	$ 1,484,308
State	$ 513,150

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, 2016

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).

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*.

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Prior Year Audit Finding:

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

Current Year Audit Findings:

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

Cherry Bekaert LLP
CPAs & Advisors

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, 2016 and 2015, and have issued our report thereon dated March 15, 2017.

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 Reports and Schedule

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 15, 2017, 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. No findings or recommendations were made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in 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

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires that we report 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 identification of the specific condition(s) met. In connection with our audit, 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. However, our audit does not provide a legal determination on the Authority's compliance with this requirement.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. 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 the review of financial information provided by same.

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the Authority for the fiscal years ended September 30, 2016 and 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal years ended September 30, 2016 and 2015. Our comparison of these two reports resulted in no material differences.

Other Matters

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

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

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.

Cherry Bekaert LLP

Orlando, Florida
March 15, 2017

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Accountant on Compliance with Local Government Investment Policies

To the Board of Directors
Central Florida Regional Transportation Authority:

Report on Compliance

We have examined the Central Florida Regional Transportation Authority d/b/a LYNX (the "Authority") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, for the year ended September 30, 2016. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Scope

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

Opinion

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

Orlando, Florida
March 15, 2017