

# LYNX Committee Agenda

Meeting Date: 3/6/2018  
Meeting Time: 9:30 AM

Central Florida Regional Transportation Authority  
455 N. Garland Ave.  
2nd Floor Open Space  
Orlando, FL 32801



As a courtesy to others, please silence all electronic devices during the meeting.

## 1. Call to Order








## 2. Public Comments

- Citizens who would like to speak under Public Comments shall submit a request form to the Assistant Secretary prior to the meeting. Forms are available at the door.



## 3. Committee Minutes

## 4. Chief Financial Officer Report

## 5. Committee Discussion Items

- A.  Update on LYNX FY2018 Reserve Analysis Pg 3  
-Attachments  
- B.  Presentation on FY2019 Budget Development Assumptions Pg 25  
-Attachments 
- C.  Review of First Quarter FY2018 Performance Pg 32  
-Attachments 


## 6. Committee Action Items

- A.  Authorization to Approve Submittal of CAFR to GFOA Pg 36  
-Attachments 

## 7. Committee Information Items

## 8. Other Business

Section 286.0105, Florida Statutes states that if a person decides to appeal any decision made by a board, agency, or commission with respect to any matter considered at a meeting or hearing, he will need a record of the proceedings, and that, for such purposes, he may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

In accordance with the Americans With Disabilities Act of 1990, persons needing a special accommodation at this meeting because of a disability or physical impairment should contact Benjamin Gonzalez at 455 N. Garland Ave, Orlando, FL 32801 (407) 254-6038 , not later than three business days prior to the meeting. If hearing impaired, contact LYNX at (407) 423-0787(TDD).

Finance Committee Discussion Item #5.A.

**To:** LYNX Finance & Audit Committee

**From:** Albert Francis  
CHIEF FINANCIAL OFFICER  
LEONARD ANTMANN  
(Technical Contact)  
Kimberly Forbragd  
(Technical Contact)

**Phone:** 407.841.2279 ext: 6058

**Item Name:** Update on LYNX FY2018 Reserve Analysis

**Date:** 3/6/2018

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LYNX' Reserve Policy is based on sound fiscal principles designed to allow LYNX to maintain continuation of operations in adverse conditions. The Reserve Policy is essential to maintain adequate levels of reserves to mitigate current and future risks such as revenue shortfalls, emergencies, natural disasters, and unanticipated expenditures.

LYNX' Reserves are as follows:

- **Reserves for Operations (Cash Reserves)**

**\$21mm forty-five days, \$28mm sixty days, \$42mm ninety days**

LYNX should establish a goal to maintain a reserve of forty-five to sixty days, or fifteen to twenty percent of regular operating expenditures to be used for short term cash flow purposes, or to ensure adequate resources for operating purposes at the beginning of the fiscal year. The cash reserve also helps to protect LYNX in the event it must respond to a natural or man-made disaster. This appropriation may also be considered to fund one-time capital outlay, but shall not be used to support ongoing operating expenses.

- **Reserves for Contingency (Emergencies)**

**\$6,674,177 - 5% of FY2018 Adopted Operating Budget**

LYNX should establish a goal to maintain a contingency reserve at a not to exceed 5% of the total budget. The contingency is commonly known as the emergency reserve to be used in the case of a major storm or other unforeseen disaster. The contingency reserve may also be used to cover unanticipated expenditures of a non-recurring nature, to meet unexpected immediate increases in service delivery costs, and to temporarily maintain service levels in the event that an economic downturn should cause a shortfall in revenues.

- **Reserves for Capital Funds and Debt Service**

**\$918,954 (CNG bus lease), \$2,724,662 (Pine Hills Transfer Center), \$531,503 (Bus Rapid Transit and Orlando Urban Trail), \$250,000 (Other Capital Projects))**

In the event that the operating reserve balance exceeds the amount set forth in this policy, the excess will be transferred to Reserves for Capital. The goal will be to fund the future infrastructure. This only pertains to items and/or projects included in the annual capital budget. Debt Service Reserves are subjected to the creation of a very specific reserve amount as a part of the Loan Covenants. Therefore, the amount to be appropriated must adhere to these requirements and will be budgeted, accordingly.

- **Reserves for Self-Insurance Programs**

**\$6,844,706 (Workers Compensation and General Liability Claims), \$1,700,000 (Medical Self Insured Surplus Assets) and \$1,592,000 Medical Insurance Claims)**

Risk Management should maintain a minimum reserve equal to the 80% to 90% undiscounted confidence level of the annual actuarial study to ensure financial viability for Workers Compensation and General Liability Claims. In addition, should a claim be made against LYNX that is identified subsequent to the actuarial report and prior to the issuance of the Comprehensive Annual Financial Report that is financially material to the fund and highly likely to succeed, additional reserves should be established to provide adequate funds in reserve.

Florida Statue requires that a self-funded medical plan offered by a public entity maintain surplus assets equal to at least 60 days of claims either as assets in the plan or in the form of unencumbered surplus elsewhere in the organization to pay claims. These funds are in addition to the run out liability. As such, LYNX established a reserve equal to two months to support unanticipated increases in medical insurance expenses.

- **Reserves for Fuel Stabilization**

**\$1,000,000 Budget Stabilization**

In 2011, LYNX established a fuel hedging program to curtail some of the extreme volatility experienced in the price of fuel. The hedging program is not meant to “out-guess” the market for fuel, but rather is an attempt to eliminate some of the pricing volatility and provide budget stabilization. This program, combined with establishing a Fuel Stabilization Reserve, will give LYNX, and ultimately our funding partners, some assurance of price and funding stability, as it pertains to the costs of fuel. The reserve will be funded via reserving excess revenues.

# LYNX Board Agenda

In summary, the reserves are as follows:

LYNX Reserves	45 days	60 days	90 days
Operations	\$19,500,000	\$26,000,000	\$39,000,000
Contingency -5%	6,674,177	6,674,177	6,674,177
Debt Service	0	0	0
Pine Hills Transit Center	2,724,662	2,724,662	2,724,662
Bus Rapid Transit Projects	531,503	531,503	531,503
Orlando Urban Trail Project	220,089	220,089	220,089
Other Capital Projects - CNG Bus State Rebate	250,000	250,000	250,000
Capital Bus Lease	918,954	918,954	918,954
Self-Insurance Programs			
General Liability	4,808,858	4,808,858	4,808,858
Worker's Compensation	1,240,848	1,240,848	1,240,848
Medical Claims - IBNR	795,000	795,000	795,000
State required - Medical self insured surplus	1,700,000	1,700,000	1,700,000
60 days medical insurance claims	1,592,000	1,592,000	1,592,000
Compensated Absences	4,163,321	4,163,321	4,163,321
Fuel Stabilization	1,000,000	1,000,000	1,000,000
<b>Total Reserve Requirement</b>	<b>\$46,119,412</b>	<b>\$52,619,412</b>	<b>\$65,619,412</b>
FY2017 \$2 Capital Funding	(796,976)	(796,976)	(796,976)
FY2018 \$2 Capital Funding	(1,093,920)	(1,093,920)	(1,093,920)
Self-Insurance (Long-term)	(4,059,751)	(4,059,751)	(4,059,751)
SIB Loan – Federally Funded	0	0	0
Pine Hills Transfer Center	(2,724,662)	(2,724,662)	(2,724,662)
Bus Rapid Transit Projects	(531,503)	(531,503)	(531,503)
Orlando Urban Trail Project	(220,089)	(220,089)	(220,089)
Other Capital Projects - CNG Bus State Rebate	(250,000)	(250,000)	(250,000)
<b>Operating Reserve Fund Requirement</b>	<b>\$36,442,511</b>	<b>\$42,942,511</b>	<b>\$55,942,511</b>
Restricted Fund Balance	(6,156,183)	(6,156,183)	(6,156,183)
Unrestricted Fund Balance	(41,248,462)	(41,248,462)	(41,248,462)
FY2018 Approved Budget - Use of Reserves	1,737,041	1,737,041	1,737,041
Unpaid Investment in Capital Assets	4,645,208	4,645,208	4,645,208
<b>Adjusted Net Position</b>	<b>(\$41,022,396)</b>	<b>(\$41,022,396)</b>	<b>(\$41,022,396)</b>
<b>(Excess) Shortfall Cash Reserves</b>	<b>(\$4,579,885)</b>	<b>\$1,920,115</b>	<b>\$14,920,115</b>
FY2018 Budget Amendment	2,300,000	2,300,000	2,300,000
<b>Adjusted (Excess) Shortfall Cash Reserves</b>	<b>(\$2,279,885)</b>	<b>\$4,220,115</b>	<b>\$17,220,115</b>

The total reserve requirement is \$46,119,412 for 45 days, \$52,619,412 for 60 days and \$65,619,412 for 90 days, of which approximately \$41,022,396 is in restricted and unrestricted net position as adjusted.

# **LYNX' Reserves Update**

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**Presented to the  
Finance & Audit Committee**

## Reserves for Operations (Cash Reserves)

- ✓ To be used for **short term cash flow purposes**, or to ensure **adequate resources for operating purposes at the beginning of the fiscal year**.
- ✓ Not to exceed **forty-five to sixty days**

## Reserves for Contingency (Emergencies)

- ✓ To be used in the case of a **major storm or other unforeseen disaster**.
- ✓ **Not to exceed 5% of the total budget**.
- ✓ May also be used to cover **unanticipated expenditures of a non-recurring nature**, to meet unexpected immediate increases in service delivery costs, and to temporarily maintain service levels in the event that an economic downturn should cause a shortfall in revenues.

# Policy Requirements

## Reserves for Capital Funds and Debt Service

- ✓ In the event that the operating reserve balance exceeds the amount set forth the excess will be transferred to Reserves for Capital.
- ✓ The goal will be to fund the future infrastructure. This only **pertains to items and/or projects included in the annual capital budget.**
- ✓ **Debt Service Reserves** are subjected to the creation of a very specific reserve amount as a part of the Loan Covenants. Therefore, the amount to be appropriated must adhere to these requirements and will be budgeted, accordingly.



## Reserves for Self-Insurance Programs

- ✓ Annual actuarial study to ensure financial viability for **Workers Compensation and General Liability Claims.**
- ✓ **Florida Statute requires that a self-funded medical plan** offered by a public entity maintain **surplus assets equal to at least 60 days of claims** either as assets in the plan or in the form of unencumbered surplus elsewhere in the organization to pay claims. These funds are **in addition to the run out liability.**
- ✓ LYNX established a **reserve equal to two months to support unanticipated increases** in medical insurance expenses.

# Operating – Reserve Requirement



LYNX Reserves	45 Days	60 Days	90 Days
Operations	\$19,500,000	\$26,000,000	\$39,000,000
Contingency 5%	6,674,177	6,674,177	6,674,177

# Capital – Reserve Requirement



LYNX Reserves	45 Days	60 Days	90 Days
Pine Hills Transit Center	\$2,724,662	\$2,724,662	\$2,724,662
Bus Rapid Transit Projects	531,503	531,503	531,503
Orlando Urban Trail Project	220,089	220,089	220,089
Other Capital Projects – CNG Bus State Rebate	250,000	250,000	250,000
Capital Bus Lease	918,954	918,954	918,954

# Statutory – Reserve Requirement



LYNX Reserves	45 Days	60 Days	90 Days
General Liability	\$4,808,858	\$4,808,858	\$4,808,858
Worker's Compensation	1,240,848	1,240,848	1,240,848
Medical Claims – IBNR	795,000	795,000	795,000
State Required – Medical self insured surplus	1,700,000	1,700,000	1,700,000

# Funding Policy – Reserve Requirement



LYNX Reserves	45 Days	60 Days	90 Days
60 Days Medical Insurance Claims	\$1,592,000	\$1,592,000	\$1,592,000
Compensated Absences	4,163,321	4,163,321	4,163,321
Fuel Stabilization	1,000,000	1,000,000	1,000,000

# Total Reserve Requirement



LYNX Reserves	45 Days	60 Days	90 Days
Operations	\$19,500,000	\$26,000,000	\$39,000,000
Contingency 5%	6,674,177	6,674,177	6,674,177
Pine Hills Transit Center	\$2,724,662	\$2,724,662	\$2,724,662
Bus Rapid Transit Projects	531,503	531,503	531,503
Orlando Urban Trail Project	220,089	220,089	220,089
Other Capital Projects – CNG Bus State Rebate	250,000	250,000	250,000
Capital Bus Lease	918,954	918,954	918,954
General Liability	\$4,808,858	\$4,808,858	\$4,808,858
Worker’s Compensation	1,240,848	1,240,848	1,240,848
Medical Claims – IBNR	795,000	795,000	795,000
State Required – Medical self insured surplus	1,700,000	1,700,000	1,700,000
60 Days Medical Insurance Claims	\$1,592,000	\$1,592,000	\$1,592,000
Compensated Absences	4,163,321	4,163,321	4,163,321
Fuel Stabilization	1,000,000	1,000,000	1,000,000
<b>Total Reserve Requirement</b>	<b>\$46,119,412</b>	<b>\$52,619,412</b>	<b>\$65,619,412</b>

# Operating – Capital Reserve Requirement



LYNX Reserves	45 Days	60 Days	90 Days
FY2017 \$2 Capital Funding	(796,976)	(796,976)	(796,976)
FY2018 \$2 Capital Funding	(1,093,920)	(1,093,920)	(1,093,920)
Pine Hills Transfer Center	(2,724,662)	(2,724,662)	(2,724,662)
Bus Rapid Transit Projects	(531,503)	(531,503)	(531,503)
Orlando Urban Trail Project	(220,089)	(220,089)	(220,089)
Other Capital Projects – CNG Bus State Rebate	(250,000)	(250,000)	(250,000)

# Operating – Statutory Requirement



LYNX Reserves	45 Days	60 Days	90 Days
Self-Insurance (Long-Term)	(4,059,751)	(4,059,751)	(4,059,751)



# Operating – Total Reserve Fund Requirement



LYNX Reserves	45 Days	60 Days	90 Days
<b>Total Reserve Requirement</b>	<b>\$46,119,412</b>	<b>\$52,619,412</b>	<b>\$65,619,412</b>
FY2017 \$2 Capital Funding	(796,976)	(796,976)	(796,976)
FY2018 \$2 Capital Funding	(1,093,920)	(1,093,920)	(1,093,920)
Pine Hills Transfer Center	(2,724,662)	(2,724,662)	(2,724,662)
Bus Rapid Transit Projects	(531,503)	(531,503)	(531,503)
Orlando Urban Trail Project	(220,089)	(220,089)	(220,089)
Other Capital Projects – CNG Bus State Rebate	(250,000)	(250,000)	(250,000)
Self-Insurance (Long-Term)	(4,059,751)	(4,059,751)	(4,059,751)
<b>Total Operating Reserve Requirement</b>	<b>\$36,442,511</b>	<b>\$42,942,511</b>	<b>\$55,942,511</b>

# Available Funds



LYNX Reserves	45 Days	60 Days	90 Days
Restricted Fund Balance	(6,156,183)	(6,156,183)	(6,156,183)
Unrestricted Fund Balance	(41,248,462)	(41,248,462)	(41,248,462)

# Existing Commitments



LYNX Reserves	45 Days	60 Days	90 Days
FY2018 Approved Budget – Use of Reserves	1,737,041	1,737,041	1,737,041
Unpaid Investment in Capital Assets	4,645,208	4,645,208	4,645,208

# Net Position



LYNX Reserves	45 Days	60 Days	90 Days
<b>Total Operating Reserve Requirement</b>	<b>\$36,442,511</b>	<b>\$42,942,511</b>	<b>\$55,942,511</b>
Restricted Fund Balance	(6,156,183)	(6,156,183)	(6,156,183)
Unrestricted Fund Balance	(41,248,462)	(41,248,462)	(41,248,462)
FY2018 Approved Budget – Use of Reserves	1,737,041	1,737,041	1,737,041
Unpaid Investment in Capital Assets	4,645,208	4,645,208	4,645,208
<b>Adjusted Net Position</b>	<b>(\$41,022,396)</b>	<b>(\$41,022,396)</b>	<b>(\$41,022,396)</b>
<b>(Excess) Shortfall Cash Reserves</b>	<b>(\$4,579,885)</b>	<b>\$1,920,115</b>	<b>\$14,920,115</b>

# FY2018 Budget Amendment



LYNX Reserves	45 Days	60 Days	90 Days
FY2018 Budget Amendment	2,300,000	2,300,000	2,300,000

# Adjusted (Excess) Shortfall Cash Reserves



LYNX Reserves	45 Days	60 Days	90 Days
<b>Total Operating Reserve Requirement</b>	<b>\$36,442,511</b>	<b>\$42,942,511</b>	<b>\$55,942,511</b>
Restricted Fund Balance	(6,156,183)	(6,156,183)	(6,156,183)
Unrestricted Fund Balance	(41,248,462)	(41,248,462)	(41,248,462)
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<b>Adjusted Net Position</b>	<b>(\$41,022,396)</b>	<b>(\$41,022,396)</b>	<b>(\$41,022,396)</b>
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FY2018 Budget Amendment	2,300,000	2,300,000	2,300,000
<b>Adjusted (Excess) Shortfall Cash Reserves</b>	<b>(\$2,279,885)</b>	<b>\$4,220,115</b>	<b>\$17,220,115</b>

# LYNX Reserve Analysis



- [LYNX Reserve Analysis2.pptx](#)

# LYNX Reserve Analysis



LYNX Reserves	45 Days	60 Days	90 Days
Operations	\$19,500,000	\$26,000,000	\$39,000,000
Contingency 5%	6,674,177	6,674,177	6,674,177
Pine Hills Transit Center	\$2,724,662	\$2,724,662	\$2,724,662
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Orlando Urban Trail Project	(220,089)	(220,089)	(220,089)
Other Capital Projects –CNG Bus State Rebate	(250,000)	(250,000)	(250,000)
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<b>(Excess) Shortfall Cash Reserves</b>	<b>(\$4,579,885)</b>	<b>\$1,920,115</b>	<b>\$14,920,115</b>
FY2018 Budget Amendment	2,300,000	2,300,000	2,300,000
<b>Adjusted (Excess) Shortfall Cash Reserves</b>	<b>(\$2,279,885)</b>	<b>\$4,220,115</b>	<b>\$17,220,115</b>



**Finance Committee Discussion Item #5.B.**

**To:** LYNX Finance & Audit Committee

**From:** Albert Francis  
CHIEF FINANCIAL OFFICER  
LEONARD ANTMANN  
(Technical Contact)  
Kimberly Forbragd  
(Technical Contact)

**Phone:** 407.841.2279 ext: 6058

**Item Name:** Presentation on FY2019 Budget Development Assumptions

**Date:** 3/6/2018

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**ACTION REQUESTED:**

Staff is in the process of developing the FY19 Operating and Capital Budget. The key budget assumptions and calendar LYNX' budget team will use during budget preparation will be presented. This item allows the Finance & Audit Committee an opportunity to provide direction and feedback at the beginning of the budget development process.

The key overall budget assumptions are:

- FY19 Funding based on the adopted LYNX Funding Model
- Maximize a 3.5% funding increase from participating funding partners
- Maximize current service levels through continuation of ongoing efficiencies
- Leverage efficiency from the Route Optimization Study (ROS)

# FY2019 Budget Development Assumptions

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Presented to the  
LYNX Finance & Audit Committee  
by Bert Francis  
Chief Financial Officer  
March 6, 2018

# Key Budget Assumptions - Overall



- **FY2019 Funding based on the adopted LYNX Funding Model.**
- **Maintain a 3.5% funding increase from participating funding partners.**
- **Maximize current service levels through continuation of ongoing efficiencies.**
- **Leverage efficiencies from the Route Optimization Study (ROS).**

# Key Budget Assumptions - Revenue



## **Customer Fares:**

- Maintain customer fares at current levels (no fare increase).

## **Federal Funding:**

- Maintain current Preventative Maintenance Funding Level, as approved by LYNX Board. FY2018 approved funding totaled \$8,794,752.

## **State Funding:**

- Continue to maximize State Operating Assistance.

## **Advertising Revenue:**

- Continue to maximize Advertising Revenue. Actual results estimated to total \$2,300,000 for FY2018.

## **Other Revenues:**

- Maximize anticipated Compressed Natural Gas Rebates and Royalties.
- Identify additional investment opportunities to maximize Interest Income.
- Utilize reserves to fund budget shortfalls.

# Key Budget Assumptions - Expense



## **Personnel Expenses:**

- Salary increases consistent with Funding Partners and Board approved Union Labor Agreements.
- Continue to monitor the self-funded Health Insurance Program to identify efficiencies.
- Pursue rebates on prescription drugs to offset Program expense.

## **Fixed Route, Paratransit, and NeighborLink Services:**

- Continue right sizing transit through Mobility Management.
- Begin to implement the Route Optimization Study.
- Continue focus on improving customer service.

## **Fuel Programs:**

- Stabilize fuel costs, as appropriate:
  - Fuel Hedging
  - Bio-diesel
  - Compressed Natural Gas

# Other Initiatives



## **Service Expansion:**

- Impacts of SunRail Phase 2 expansion (feeder service).
- Road Ranger expansion.

## **Technology:**

- Customer service enhancements:
  - Continue to refine existing customer facing programs.
  - Electronic signage around LYNX Center Station.
- Review new budget system.
- New tracking system for Risk Management.

## **Facility Relocation and Improvements:**

- Relocation of Paratransit operations from LB McLeod to NoPetro land:
  - Bring all operations into the same vicinity.
  - Move fleet, parking, fueling depot, and customer service to future facility on NoPetro land.
- Buildout of Pine Hills Superstop.
- Upgrade of security camera system.

# Budget Calendar



FY2019 Key Budget Assumptions Presentation to Finance & Audit Committee	March 6 <sup>th</sup>
FY2019 Preliminary Operating Budget Presentation to Finance & Audit Committee	April 24 <sup>th</sup>
FY2019 Preliminary Operating Budget Presentation to Board and Oversight Committee	April 25 <sup>th</sup>
Budget Presentation Osceola & Orange Counties	June/July
Budget Presentation Seminole County	August
FY2019 Proposed Operating Budget Presentation to Finance & Audit Committee	September 26 <sup>th</sup>
Final Oversight Committee and Board Action	September 27 <sup>th</sup>
FY2019 Commences	October 1 <sup>st</sup>

**Finance Committee Discussion Item #5.C.**

**To:** LYNX Finance & Audit Committee

**From:** Albert Francis  
CHIEF FINANCIAL OFFICER  
LEONARD ANTMANN  
(Technical Contact)  
Kimberly Forbragd  
(Technical Contact)

**Phone:** 407.841.2279 ext: 6058

**Item Name:** Review of First Quarter FY2018 Performance

**Date:** 3/6/2018

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**Review of First Quarter FY2018 Performance**

Staff will discuss results of First Quarter LYNX operations.



**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY**  
**STATEMENT OF REVENUES AND EXPENSES**  
**FOR THE QUARTER ENDING DECEMBER 31, 2017 AND THE THREE MONTHS ENDING DECEMBER 31, 2017**

	YEAR TO DATE			QUARTER ENDING DECEMBER 31, 2017		
	Budget	Actual	%	Budget	Actual	%
<b>OPERATING REVENUES</b>						
Customer Fares	\$ 6,600,000	\$ 6,634,125	101%	\$ 6,600,000	\$ 6,634,125	101%
Contract Services:						
Local Financial Assistance	3,633,000	3,633,147	100%	3,633,000	3,633,147	100%
Other Contractual Services	1,153,500	1,153,148	100%	1,153,500	1,153,148	100%
Advertising	493,500	597,201	121%	493,500	597,201	121%
Other Operating Income	202,000	185,245	92%	202,000	185,245	92%
<b>Total Operating Revenues</b>	<b>12,082,000</b>	<b>12,202,866</b>	<b>101%</b>	<b>12,082,000</b>	<b>12,202,866</b>	<b>101%</b>
<b>NON-OPERATING REVENUES</b>						
Operating Assistance Grants:						
State of Florida	2,536,000	2,535,689	100%	2,536,000	2,535,689	100%
Local	12,161,000	12,137,285	100%	12,161,000	12,137,285	100%
Planning and other assistance grants:						
Federal - Other	4,300,000	3,673,519	85%	4,300,000	3,673,519	85%
State of Florida - Other	616,000	615,526	100%	616,000	615,526	100%
Local Matching - Other	-	-		-	-	
Interest Income	76,000	116,565	153%	76,000	116,565	153%
Other Income	5,600	44,262	790%	5,600	44,262	790%
<b>Total Nonoperating Revenues</b>	<b>19,694,600</b>	<b>19,122,846</b>	<b>97%</b>	<b>19,694,600</b>	<b>19,122,846</b>	<b>97%</b>
<b>TOTAL REVENUES</b>	<b>31,776,600</b>	<b>31,325,712</b>	<b>99%</b>	<b>31,776,600</b>	<b>31,325,712</b>	<b>99%</b>
<b>OPERATING EXPENSES</b>						
Salaries and Wages	12,030,000	13,667,844	114%	12,030,000	13,667,844	114%
Fringe Benefits	7,370,219	7,172,308	97%	7,370,219	7,172,308	97%
Purchased Trans. Services	4,884,000	4,882,822	100%	4,884,000	4,882,822	100%
Fuel	2,471,000	2,728,460	110%	2,471,000	2,728,460	110%
Other Materials and Supplies	1,701,800	1,683,850	99%	1,701,800	1,683,850	99%
Professional Services	1,050,000	379,000	36%	1,050,000	379,000	36%
Other Services	1,263,000	1,195,107	95%	1,263,000	1,195,107	95%
Lease and Misc. expense	237,000	236,873	100%	237,000	236,873	100%
Casualty and Liability	412,000	411,753	100%	412,000	411,753	100%
Utilities	306,700	300,301	98%	306,700	300,301	98%
Taxes and Licenses	121,500	161,737	133%	121,500	161,737	133%
Interest expense	20,900	20,923	100%	20,900	20,923	100%
<b>Total Operating Expenses</b>	<b>31,868,119</b>	<b>32,840,978</b>	<b>103%</b>	<b>31,868,119</b>	<b>32,840,978</b>	<b>103%</b>
<b>OPERATING GAIN (LOSS)</b>	<b>\$ (91,519)</b>	<b>\$ (1,515,266)</b>	<b>1656%</b>	<b>\$ (91,519)</b>	<b>\$ (1,515,266)</b>	<b>1656%</b>

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY**  
**FIXED-ROUTE, VANPOOL AND NEIGHBORLINK SEGMENT**  
**STATEMENT OF REVENUES AND EXPENSES**  
**FOR THE QUARTER ENDING DECEMBER 31, 2017 AND THE THREE MONTHS ENDING DECEMBER 31, 2017**

	YEAR TO DATE			QUARTER ENDING DECEMBER 31,2017		
	Budget	Actual	%	Budget	Actual	%
<b>OPERATING REVENUES</b>						
Customer Fares	\$ 6,100,000	\$ 6,153,689	101%	\$ 6,100,000	\$ 6,153,689	101%
Contract Services:						
Local Financial Assistance	\$ 3,633,000	3,633,147	100%	3,633,000	3,633,147	100%
Other Contractual Services	\$ 6,500	6,558	101%	6,500	6,558	101%
Advertising	\$ 493,500	597,201	121%	493,500	597,201	121%
Other Operating Income	\$ 202,000	185,245	92%	202,000	185,245	92%
<b>Total Operating Revenues</b>	<b>10,435,000</b>	<b>10,575,840</b>	<b>101%</b>	<b>10,435,000</b>	<b>10,575,840</b>	<b>101%</b>
<b>NON-OPERATING REVENUES</b>						
Operating Assistance Grants:						
State of Florida	2,536,000	2,535,689	100%	2,536,000	2,535,689	100%
Local	9,811,000	9,810,586	100%	9,811,000	9,810,586	100%
Planning and other assistance grants:				-		
Federal - Other	3,500,000	2,811,691	80%	3,500,000	2,811,691	80%
State of Florida - Other	616,000	615,526	100%	616,000	615,526	100%
Local Matching - Other	-	-		-	-	
Interest Income	76,000	116,565	153%	76,000	116,565	153%
Other income	5,600	44,262	790%	5,600	44,262	790%
<b>Total Nonoperating Revenues</b>	<b>16,544,600</b>	<b>15,934,319</b>	<b>96%</b>	<b>16,544,600</b>	<b>15,934,319</b>	<b>96%</b>
<b>TOTAL REVENUES</b>	<b>26,979,600</b>	<b>26,510,159</b>	<b>98%</b>	<b>26,979,600</b>	<b>26,510,159</b>	<b>98%</b>
<b>OPERATING EXPENSES</b>						
Salaries and Wages	11,890,000	13,537,674	114%	11,890,000	13,537,674	114%
Fringe Benefits	7,285,219	7,094,482	97%	7,285,219	7,094,482	97%
Purchased Trans. Services	569,000	568,754	100%	569,000	568,754	100%
Fuel	1,936,000	2,151,877	111%	1,936,000	2,151,877	111%
Other Materials and Supplies	1,700,000	1,682,065	99%	1,700,000	1,682,065	99%
Professional Services	1,000,000	333,573	33%	1,000,000	333,573	33%
Other Services	1,200,000	1,133,874	94%	1,200,000	1,133,874	94%
Lease and Misc. expense	174,000	173,873	100%	174,000	173,873	100%
Casualty and Liability	412,000	411,753	100%	412,000	411,753	100%
Utilities	300,000	293,596	98%	300,000	293,596	98%
Taxes and Licenses	100,000	138,777	139%	100,000	138,777	139%
Interest expense	20,900	20,923	100%	20,900	20,923	100%
<b>Total Operating Expenses</b>	<b>26,587,119</b>	<b>27,541,221</b>	<b>104%</b>	<b>26,587,119</b>	<b>27,541,221</b>	<b>104%</b>
<b>OPERATING GAIN (LOSS)</b>	<b>\$ 392,481</b>	<b>\$ (1,031,062)</b>	<b>-263%</b>	<b>\$ 392,481</b>	<b>\$ (1,031,062)</b>	<b>-263%</b>

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY**  
**PARATRANSIT SEGMENT**  
**STATEMENT OF REVENUES AND EXPENSES**  
**FOR THE QUARTER ENDING DECEMBER 31, 2017 AND THE THREE MONTHS ENDING DECEMBER 31, 2017**

	YEAR TO DATE			QUARTER ENDING DECEMBER 31,2017		
	Budget	Actual	%	Budget	Actual	%
<b>OPERATING REVENUES</b>						
Customer Fares	\$ 500,000	\$ 480,436	96%	\$ 500,000	\$ 480,436	96%
Contract Services:						
Local Financial Assistance	-	-		-	-	
Other Contractual Services	1,147,000	1,146,590	100%	1,147,000	1,146,590	100%
Advertising	-	-		-	-	
Other Operating Income	-	-		-	-	
<b>Total Operating Revenues</b>	<b>1,647,000</b>	<b>1,627,026</b>	<b>99%</b>	<b>1,647,000</b>	<b>1,627,026</b>	<b>99%</b>
<b>NON-OPERATING REVENUES</b>						
Operating Assistance Grants:						
State of Florida	-	-		-	-	
Local	2,350,000	2,326,698	99%	2,350,000	2,326,698	99%
Planning and other assistance grants:						
Federal - Other	800,000	861,828	108%	800,000	861,828	108%
State of Florida - Other	-	-		-	-	
Local Matching - Other	-	-		-	-	
Interest Income	-	-		-	-	
Other Income	-	-		-	-	
<b>Total Nonoperating Revenues</b>	<b>3,150,000</b>	<b>3,188,526</b>	<b>101%</b>	<b>3,150,000</b>	<b>3,188,526</b>	<b>101%</b>
<b>TOTAL REVENUES</b>	<b>4,797,000</b>	<b>4,815,552</b>	<b>100%</b>	<b>4,797,000</b>	<b>4,815,552</b>	<b>100%</b>
<b>OPERATING EXPENSES</b>						
Salaries and Wages	140,000	130,170	93%	140,000	130,170	93%
Fringe Benefits	85,000	77,827	92%	85,000	77,827	92%
Purchased Trans. Services	4,315,000	4,314,068	100%	4,315,000	4,314,068	100%
Fuel	535,000	576,584	108%	535,000	576,584	108%
Other Materials and Supplies	1,800	1,785	99%	1,800	1,785	99%
Professional Services	50,000	45,426	91%	50,000	45,426	91%
Other Services	63,000	61,234	97%	63,000	61,234	97%
Lease and Misc. expense	63,000	63,000	100%	63,000	63,000	100%
Casualty and Liability	-	-		-	-	
Utilities	6,700	6,705	100%	6,700	6,705	100%
Taxes and Licenses	21,500	22,960	107%	21,500	22,960	107%
Interest expense	-	-		-	-	
<b>Total Operating Expenses</b>	<b>5,281,000</b>	<b>5,299,759</b>	<b>100%</b>	<b>5,281,000</b>	<b>5,299,759</b>	<b>100%</b>
<b>OPERATING GAIN (LOSS)</b>	<b>\$ (484,000)</b>	<b>\$ (484,207)</b>	<b>100%</b>	<b>\$ (484,000)</b>	<b>\$ (484,207)</b>	<b>100%</b>

**Finance Committee Action Item #6.A.**

**To:** LYNX Finance & Audit Committee

**From:** Albert Francis  
CHIEF FINANCIAL OFFICER  
LEONARD ANTMANN  
(Technical Contact)  
Kimberly Forbragd  
(Technical Contact)

**Phone:** 407.841.2279 ext: 6058

**Item Name:** Authorization to Approve Submittal of CAFR to GFOA

**Date:** 3/6/2018

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In accordance with Chapter 218.39, Florida Statutes, LYNX is required to have an annual financial audit performed by an independent certified public accountant.

The Single Audit Act Amendments of 1996 require state or local governments that receive at least \$750,000 in Federal financial assistance in a year to have an independent audit conducted for that year in accordance with the Office of Management and Budget (OMB) Circular A-133. The State of Florida recently enacted similar legislation, the Florida single Audit Act, related to audits of State financial assistance. Pursuant to these Acts, LYNX' independent certified public accountants, Cherry, Bekaert, L.L.P., have conducted the audit for the fiscal year ended September 30, 2017.

The auditors have issued an unmodified "clean" opinion on both financial and compliance audits. The auditor's Management Letter Comments and Management's responses are included as a separate document accompanying the annual financial report. See attached copy.

An unbound draft copy of the CAFR, which includes the audit report of Cherry, Bekaert, L.L.P. is attached for your review. The final report will be provided to each member of the Board at the April 26, 2018 Board Meeting.

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

of the

CENTRAL FLORIDA REGIONAL  
TRANSPORTATION AUTHORITY d/b/a

**LYNX**

FOR YEARS ENDED  
SEPTEMBER 30, 2017 AND 2016

**PREPARED BY THE FINANCE DEPARTMENT**

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

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

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

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

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### BOARD OF DIRECTORS

Commissioner Viviana Janer	Chairman, Osceola County
Commissioner Lee Constantine	Vice-Chairman, Seminole County
Mayor Teresa Jacobs	Board Member, Orange County
Mayor Buddy Dyer	Board Member, Orange County
FDOT District 5 Secretary, Steve Martin	Board Member, FDOT

### LYNX EXECUTIVE STAFF

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

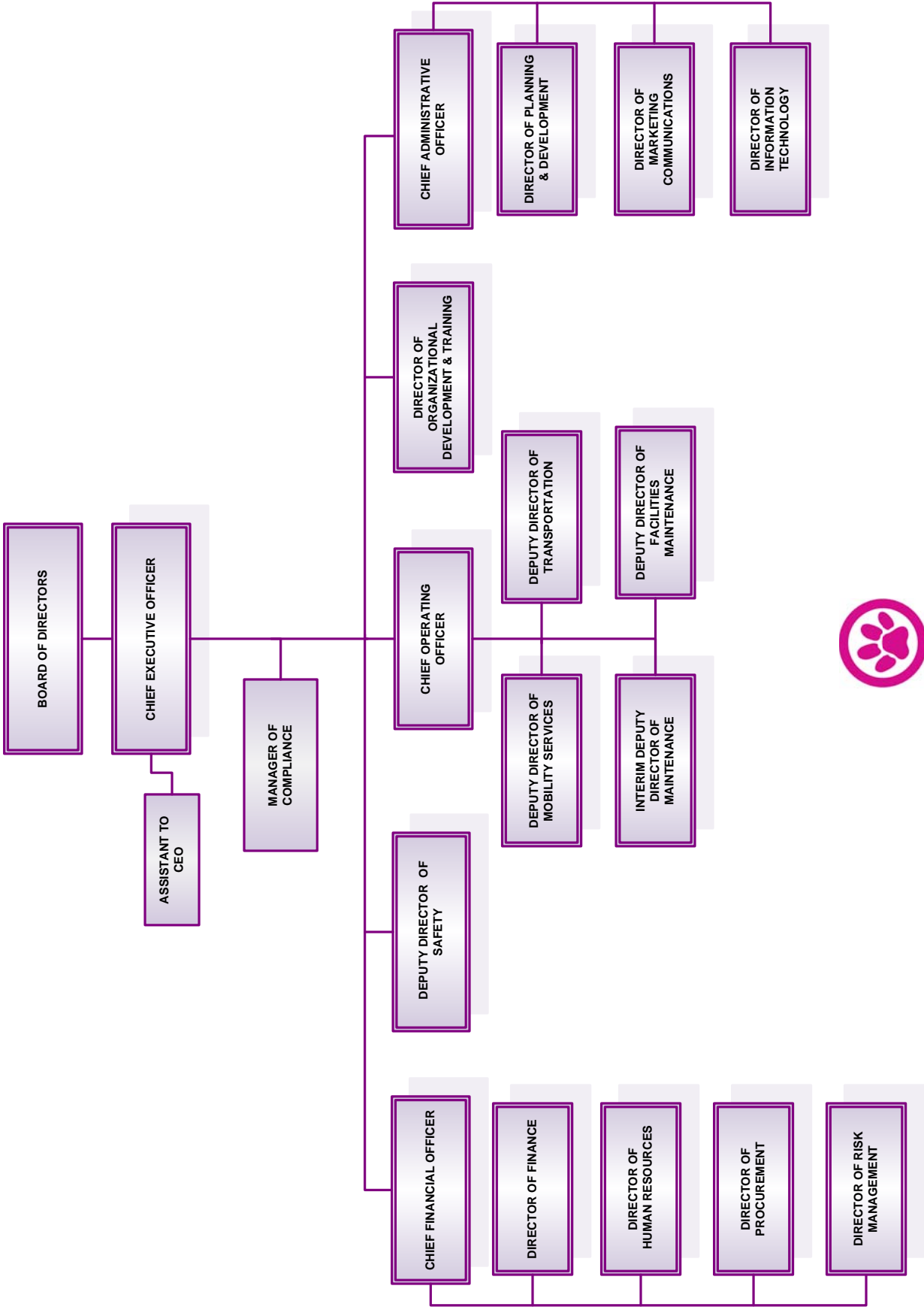
### DEPARTMENT HEADS

Blanche W. Sherman, CPA	Director of Finance
Tomika Monterville	Director of Planning & Development
Donna Tefertiller	Director of Organizational Dev. & Training
Mike May	Director of Human Resources
Craig Bayard	Director of Information Technology
Matt Friedman	Director of Marketing Communications
Ed Flynn	Interim Director of Maintenance

### FINANCE DIVISION

Leonard Antmann	Comptroller
Nancy Navarro	Interim Manager of Accounting
Julie Caple	Manager of Financial Planning & Budgets
Maritza Rodriguez	Interim Senior Accountant
Denise Callihan	Supervisor of Payroll & Accounts Payable
Patty Dolan	Supervisor of Revenue Control
Nirso Amaya	Accountant
Aida Diaz	Accountant
Samorea Nelson	Accountant
Sal Ajala	Budget Analyst
Vivian Revis	Financial Analyst
Kim George	Senior Accounting Technician
Edward Velez	Property Officer
Tashera Ross	Accounting Technician
Andrew O'Neil	Accounting Technician





**LYNX ORGANIZATIONAL CHART**  
**September 30, 2017**



February 22, 2018

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, 2017 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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455 North Garland Avenue  
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, Chief Operating Officer and a Manager of Compliance support the executive office, as well as, eight directors. The eight directors are responsible for providing direction and oversight to the departments of: Engineering and Construction, including Facility Maintenance and Security divisions, Human Resources, Information Technology, Marketing Communications, Planning and Development, Procurement, Risk Management and Safety, and Finance, including the Accounting and Finance, Budgets, and Material Control divisions.

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

**ECONOMIC CONDITION AND OUTLOOK**

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

new Dr. Phillips Center for the Performing Arts, newly renovated Camping World Stadium, and a MLS soccer stadium. Additionally, Orlando hosts many conventions, utilizing some of the bigger hotels in the country and America's second largest convention center. The University of Central Florida, the nation's second largest university, and many other places of higher 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 2017 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 FY2017, LYNX explored the purchase of excess property that is contiguous to the LYNX Operations Center on John Young Parkway. In FY2017, LYNX purchased this property and is currently in 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 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 will continue to use the data from the 2016-2017 Origin and Destination Study (O & D) to support the bus service restructuring program, or Route Optimization Study (ROS), planned for implementation in FY2019. Data from the O & D Survey will support refined transit service routing and vehicle types for services based on actual travel patterns, which will improve customer satisfaction, but also has the potential to improve system performance by capturing additional riders.

LYNX will undertake an extensive public engagement process to educate and inform customers about the bus service restructuring (ROS) and to ensure their understanding of the new service and mode types designed to improve the quality and convenience of the public transit experience.

LYNX, in partnership with MetroPlan and the City of Orlando, will issue a Request for Proposal (RFP) for an autonomous vehicle demonstration on the LYMMO BRT corridors. The RFP will build on the results of the non-competitive Request for Information (RFI) issued in FY2018.

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

### **Ridership**

Total ridership for FY2017 was 24,845,029, including all service modes.

### **Paratransit Services**

ACCESS LYNX is a door-to-door bus service for customers unable to access LYNX fixed route bus service. Accomplishments this year included:

- Provided 582,940 passenger trips, traveling 9,731,816 vehicle miles;
- Reduced average trip distance from 17.33 miles to 14.88 miles;
- Completed the Fiscal Year 2017 Transportation Disadvantaged Service Plan annual update;
- Supported Hurricane Irma evacuation and relief efforts;

- In preparation for the transition to a Mobility Services operating model, cross trained all fixed route call center representatives in ACCESS LYNX services, reconfigured the call center, and began a competitive selection process for a paratransit provider;
- ACCESS LYNX Operator Rhonda Scott received the highest “Yard Stick” award at the 2017 Florida Triple Crown Bus Roadeo;
- Finalized beta testing of the new NeighborLink reservations, scheduling, and dispatch software; and
- Applied for and was awarded a second year Mobility Enhancement Grant from the Florida Commission for the Transportation Disadvantaged.

## **2017 Service Initiatives**

In FY2017, the Service Planning Division accomplished the following:

The heart of the LYNX business is the daily transit service provided to customers. Accordingly, new efficiency measures and service adjustments to address customer service needs were implemented as follows:

- Time adjustments were implemented on 36 routes to address connection concerns, running time concerns, and on-time performance concerns;
- Route adjustments were implemented on 18 routes in order to improve route efficiency or to serve new destinations;
- Service was added to two (2) routes in order to expand span of service;
- Eliminated service for KnightLYNX 211 – Green Line – eliminated per request by University of Central Florida due to low ridership; and
- Added BRT service for LYMMO (Lime) – opened final segment of BRT route in Creative Village area, extending route via Amelia St., Terry Ave., and Livingston St. to tie into the existing BRT route.

## **Planning**

In FY2017, the Strategic Planning Division accomplished the following:

- Completed the 2017 TDP Major Updated and began a Route Optimization Study (ROS) to redesign the entirety of LYNX’s transit service network;
- Almost 14,000 surveys completed as part of the LYNX System-Wide Origin & Destination Survey;
- Continued progress on SR 436 Transit Corridor Study, identifying bus-based technologies – such as Bus Rapid Transit – as most appropriate for the corridor; and
- Began coordination and integration of healthcare and wellness into planning decisions.

## **Engineering and Construction**

In FY2017, the Engineering and Construction Department accomplished the following:

- Executed an extension of the license agreement for the use of the Colonial Plaza Superstop Facility for an additional 10 years;
- Executed an extension of the license agreement for use of the land at the Sanford Walmart Superstop facility for an additional 20 years;
- Completed construction of the LYNX LYMMO Line Extension in Parramore;
- Began construction on the LYNX Orlando Urban Trail, pedestrian walkway extension between Amelia and Washington Streets, scheduled to be completed in March 2018;
- Completed LYNX LYMMO Orange Line Passenger Information Display (PIDs) Kiosk Electrical component upgrades at 12 Orange line bus stops;
- Awarded a contract for the conceptual designs of improvements for the Rosemont and Florida Mall SuperStops; and
- Installed 25 bus shelters throughout the tri-county service area.

## **ITS**

In FY2017, the ITS Division accomplished the following:

- In January 2017, completed the installation of free Wi-Fi on all fixed route buses to allow customers to use their mobile devices during their commute; and
- In September 2017, introduced the LYNX Bus Tracker mobile application that allows customers to see the operating routes in the LYNX system and the estimated time of arrival of the next bus.

## **Procurement**

In FY2017, 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 FDOT has centralized the Commuter Services program in each district office, LYNX still plays a vital role in providing Vanpool services throughout the tri-county area. LYNX coordinated the program with our contractor, Enterprise, to operate the Vanpool program which helps maximize expansion and participation. The mission of the Vanpool program is to offer alternative transport options for both agencies and commuters. The Vanpool program continues to be a viable alternative mode of transportation for employees that have long commutes. Participation in the Vanpool program provides Central Florida commuters a more affordable and social form of transportation over the private automobile while also reducing traffic in the area. LYNX foresees expanding use of the Vanpool program in the upcoming fiscal year.

As of September 30, 2017, LYNX Vanpool accounts for 2,127 trips per week and 184 Vanpools in service; there were 3,320,330 Vanpool revenue miles in FY2017.

## **Customer Services**

During the 2016-2017 fiscal year, Customer Service attended 51 events. This included 13 elementary and high school information and/or ID events, seven events in collaboration with SunRail, six veteran events, six information sessions with Valencia College promoting our partnership for free rides to students, faculty and employees, and a variety of Senior events, Health Fairs, and Community events. During the service changes, Customer Service spent a week at the terminal and at other locations in the service area, alerting riders of upcoming changes. Customer services also lent support to the agency before, during and after Hurricane Irma.

The fixed route call center received 375,482 calls.

- The Customer Service Window served 187,405 customers and generated \$2,609,509 in sales.
- Lost and Found returned 33.13% of the items found on our buses and our facilities to their owners.
- The ID Program produced 9,322 IDs and replacements for our riders.
- ID replacements generated \$5,696 in sales.
- Customer Relations documented 4,431 cases for investigation, compliments, and suggestions.

Customer Service accomplished the training of the entire call center staff in anticipation of the merge with the Paratransit call center.

## **Employee Relations**

Good employee relations are critical to the success of LYNX because our employees are our most valuable assets in delivering services to our customers. Great strides continue to be made in employee training and development. Human Resources continues to work with all LYNX staff to ensure that the workplace is a fair, comfortable, and enjoyable environment, so that employees are afforded an opportunity to thrive.

## **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 2016 Annual Florida Transportation Commission Report;
- Received the Government Finance Officers Association (GFOA) Award for Excellence in Financial Reporting for the 25<sup>th</sup> 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 2018:

### **Fixed-Route Service**

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

### **Paratransit Services**

LYNX will implement and monitor the effectiveness of a new Mobility Services model of providing paratransit services to our customers. New smart phone applications will be released to ease our customer's access to our programs. LYNX will assume and cross train for all call center functions and NeighborLink dispatch functions at the time of entering into a new Mobility Service provider contract. At least 50 new vehicles will be introduced into the fleet, with at least 25 of those being accessible mini-vans. We will continue community outreach to identify the disabled and transportation disadvantaged needs of our community. LYNX will maximize the use of federal and state funds for our Mobility Services program, as appropriate.

### **Communications**

FY2017 was another award winning year for LYNX' marketing efforts as the team sustained a positive public image throughout Central Florida. The team won two first-place FPTA awards along with unveiling multi-platform campaigns promoting the launch of four new mobile applications during a six week period.

In FY2018 LYNX marketing will focus on celebrating LYNX' 25th anniversary, all LYNX services and the roll-out of LYNX Forward, a redesigned transit routing system.

### **Capital Improvement Projects**

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

Vehicle purchases, facility improvements, information tools, and passenger amenities included in the FY2018 capital program are:

- **Rolling Stock - \$31.1 million**  
Revenue vehicles include expansion and replacement vehicles for fixed route, vanpool, and paratransit service;
- **Bus Rapid Transit (BRT) - \$.8 million**  
BRT includes the LYMMO - Orange Line Rehabilitation, additional East/West BRT upgrades, and a FlexBus project demonstration;
- **Facilities - \$6.0 million**  
Facilities include the Phase I Construction, CEI, and Design Services of an additional administrative LYNX Operations Center building as well as determining the location and related planning for LYNX's Southern Operations Base;
- **Passenger Amenities/Related Enhancements - \$14.4 million**  
Passenger amenities include construction and rehabilitation of shelters, transfer centers, benches, and trash receptacles;
- **Technology - \$4.2 million**  
Technology includes improved information delivery through mobile and website functionality enhancements, expansion of our existing real-time bus tracking systems, and increased spending on critical cybersecurity initiatives;
- **Security - \$.8 million**  
Security includes equipment to enhance organizational safeguards and surveillance;
- **Support Equipment - \$5.9 million**  
Support equipment includes resources to modernize fare collection, mobile ticketing, and in-ground revenue vehicle maintenance lifts.

## Capital Planning and Studies

The Transportation Development Plan (TDP) annual updates and progress report 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 in the fall 2017.

Highlights of the plan are:

- Complete the LYNX Route Optimization Study (ROS), which outlines the plan to match transit demand with fleet requirements to include on-demand and flexible services in addition to fixed route and paratransit service;
- Monitor transit demand and improve span and/or frequency of service where needed, in concert with the ROS and SunRail Phase II;
- Initiate a Bus Stop Improvement Program (BSIP) to consolidate transit stops across the region to better serve customers and support partner jurisdiction land use plans and priorities;
- Transition major transit corridor studies such as State Route (SR) 436 and SR 50 into the federal project development process to support future Bus Rapid Transit (BRT) projects;
- 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;
- Develop an Autonomous & Connected Vehicle (AV/CV) framework plan to support LYNX and its partners building our technical capacity for future discretionary grant opportunities in this emerging area.

## 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; In addition, The Authority had one active State Infrastructure Bank (SIB) Loan Agreement during 2017. This loan, which previously provided \$7,600,000 for the construction of the LYNX Operation Center facility, had a final remaining balance of \$813,225 and was paid in full in FY2017. For additional information on the Authority's debt administration, please refer to notes to the financial statements discussing capital leases and loans payable.

**Fuel Hedge Swap Agreements**

Beginning in July 2011 the Authority began a fuel hedging program with a counterparty to cover a significant portion of planned fuel purchases for current and future fiscal years. The objective is to smooth out the fluctuation in fuel prices and to limit the extent to which the price paid for fuel could increase during the fiscal year. As of September 30, 2017, the maturity dates of the open contracts are September 2018. For additional information on the Authority's fuel hedging activities, please refer to the fuel hedge swap agreements note to the financial statements.

**Fiscal Controls and Improvements**

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

Other accomplishments during FY2017 were as follows:

- Completed the annual physical inventory of 3,531 line items valued at \$1.9 million, with a net variance of – 0.24 percent;
- Maintained an inventory turn rate of greater than 2.5 times per year through optimal inventory stock levels and the disposal of obsolete stock items;
- Continued to stock inventory parts by product category to enhance the efficiency of ordering, maintaining, and distributing parts;
- Continued to develop a spare parts model inventory for Gillig and New Flyer buses based on past systems and current or updated system specifications and analyzing “on demand” needs to minimize investment and bus down time;
- Continued to operate the region's only bio-diesel blending facility, supplying approximately 2.6 million gallons of blended product for fleet use;
- Continued to maintain and expand the assembly of kits within the inventory software to efficiently capture and track all related component part costs directly to a bus work order;
- Implemented non-inventory Blanket Purchase Orders (\$215 thousand) to eliminate administrative costs for recurring purchases and greatly improve efficiencies in maintaining stock levels; and
- Installed a second floor freestanding mezzanine at LOC warehouse to accommodate the storage of additional and existing bulk inventory items. As a result, warehouse storage capacity was increased by 700 square feet (bulk) and 960 cubic feet (shelved).

**OTHER INFORMATION****Independent Audit**

The Single Audit Act Amendments of 1996 require state or local governments that expend \$750,000 or more in a year in federal financial assistance to have an audit conducted for that year in accordance with the Office of Management and Budget (OMB) Circular A-133. The State of Florida has similar legislation, the Florida Single Audit Act, related to audits of State financial assistance. Pursuant to these Acts, the Authority's independent Certified Public Accountant, Cherry Bekaert LLP, has conducted the audit for fiscal year ended September 30, 2017.

## **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, 2016. This was the 25<sup>th</sup> 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 Nancy Navarro, Interim Manager of Accounting and Maritza Rodriguez, Interim 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



Government Finance Officers Association

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

Presented to

**Central Florida Regional  
Transportation Authority**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2016**

*Christopher P. Morrell*

Executive Director/CEO

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## **Report of Independent Auditor**

To the Board of Directors  
Central Florida Regional Transportation Authority:

### **Report on the Financial Statements**

We have audited the accompanying statements of net position of Central Florida Regional Transportation Authority d/b/a LYNX (the “Authority”) as of September 30, 2017 and 2016, and the related statements of revenues, expenses and changes in net position and of cash flows for the years then ended, and the related notes to the financial statements.

### ***Management’s Responsibility for the Financial Statements***

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

### ***Auditor’s Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2017 and 2016, and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



## **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 February 22, 2018, 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.

Orlando, Florida  
February 22, 2018

## 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, 2017 and 2016, respectively. Please read it in conjunction with the financial statements, which follow this section.

### Financial Highlights

#### Fiscal 2017

- Customer Fares decreased by 5.6%, or \$1.5 million, from FY2016. This was due to decrease in ridership by 5.4% year-over-year, which is primarily related to improved economic conditions coupled with lower fuel prices and the competition from ridesharing services.
- Local Financial Assistance increased by 4.5% year-over-year, which 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.
- Operating expenses before depreciation increased 9.6%, or \$11.2 million and capital contributions decreased 40.5% or \$17.2 million from FY2016.
- Overall net position decreased by 4.4%, or \$9.0 million, from FY2016, as the Authority's loss before capital contributions exceeded capital contributions.

#### 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.

### 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)*

	<b>September 30,</b>		
	<b>FY2017</b>	<b>FY2016</b>	<b>FY2015</b>
Assets:			
Current and other assets	\$ 66.9	\$ 74.2	\$ 69.5
Capital assets	157.2	163.8	147.1
Total assets	\$224.1	\$238.0	\$216.6
Deferred outflow of resources	\$ 8.1	\$ 10.3	\$ 4.1
Liabilities:			
Current liabilities	\$ 23.3	\$ 31.7	\$ 25.4
Long-term liabilities	11.7	10.5	8.1
Total liabilities	\$ 35.0	\$ 42.2	\$ 33.5
Deferred inflow of resources	\$ 0.7	\$ 0.5	\$ 1.3
Net Position:			
Net investment in capital assets	\$153.0	\$149.9	\$142.7
Restricted	1.7	1.6	-
Unrestricted	41.8	54.0	43.2
Total net position	\$196.5	\$205.5	\$185.9

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 decreased \$9.0 million to \$196.5 million in FY2017 from \$205.5 million in FY2016. Net Investment in Capital Assets increased \$3.1 million. Unrestricted Net Position decreased \$12.2 million and Restricted Net Position increased \$0.1 million.

**Table A-2**

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

	<b>September 30,</b>		
	<b>FY2017</b>	<b>FY2016</b>	<b>FY2015</b>
<b>Operating Revenues:</b>			
Customer fares	\$ 25.2	\$ 26.6	\$ 28.2
Contract services	18.9	18.0	17.6
Advertising revenue	2.1	1.8	2.5
Other income	.9	.4	.5
<b>Total operating revenue</b>	<b>47.1</b>	<b>46.8</b>	<b>48.8</b>
<b>Nonoperating Revenues (Expenses), net:</b>			
Federal	14.7	14.2	13.3
State	12.9	13.0	12.7
Local	48.8	46.5	46.0
Interest and other income (expense)	.1	.1	.4
<b>Total nonoperating revenue</b>	<b>76.5</b>	<b>73.8</b>	<b>72.4</b>
<b>Total Revenues</b>	<b>123.6</b>	<b>120.6</b>	<b>121.2</b>
<b>Operating Expenses:</b>			
Salaries and wages	45.0	43.9	43.1
Fringe benefits	28.7	25.9	22.1
Purchased transportation services	20.2	17.7	16.5
Fuel	10.0	9.7	14.1
Materials and supplies	8.0	7.6	6.8
Professional services	8.6	7.0	6.8
Lease and miscellaneous	1.3	1.2	1.0
Casualty and liability	4.0	1.8	1.9
Utilities, taxes, and licenses	1.9	1.8	1.9
Depreciation	25.9	26.8	26.2
Capital project abandonment	4.2	-	-
<b>Total Operating Expenses</b>	<b>157.8</b>	<b>143.4</b>	<b>140.4</b>
Loss before Capital Contributions	(34.2)	(22.8)	(19.2)
Capital Contributions	25.2	42.4	19.7
<b>Change in Net Position</b>	<b>(9.0)</b>	<b>19.6</b>	<b>0.5</b>
<b>Beginning Net Position</b>	<b>205.5</b>	<b>185.9</b>	<b>178.4</b>
Cumulative Effect of Change in Accounting Principle	-	-	7.0
<b>Ending Net Position</b>	<b>\$196.5</b>	<b>\$205.5</b>	<b>\$185.9</b>

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 \$9.0 million decrease in net position in FY2017 is primarily due to capital project abandonment expense of \$4.2 million, an increase in fringe benefits of \$2.0 million associated with pension deferrals, and an increase in casualty and liability expense of \$2.0 million. The increase in contract services revenue was primarily due to the increase in the purchase of local contract services. The increase in operating expense is primarily due to fringe benefit increases related to workers compensation, pension expense, and costs of the medical self-insurance plan, as well as general increases among various operating cost components.

**Capital Assets**

At the end of FY2017, 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)*

	<b>September 30,</b>		
	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>
Land	\$ 10.0	\$ 8.2	\$ 8.2
Buildings and Shelters	95.4	94.7	91.6
Revenue Vehicles	166.1	161.4	149.3
BRT Roadway	22.7	6.5	6.5
Equipment	43.8	40.4	37.2
Subtotal	338.0	311.2	292.8
Less Accumulated Depreciation	(185.7)	(170.8)	(157.5)
Subtotal	152.3	140.4	135.3
Construction in Progress:			
Bus Shelters	2.2	1.3	.8
Facility Capital Improvements	.1	.1	.1
Other Miscellaneous Projects	2.6	22.0	10.9
Subtotal	4.9	23.4	11.8
Net Capital Assets	\$157.2	\$163.8	\$147.1

**Long-Term Obligations**

On June 9, 2004, the Authority entered into a SIB Loan (SIB #2), allowing draws of up to \$7,600,000 for the construction of the LYNX Operations Center Facility. This loan matured in October 2016 with a final payoff balance of \$813,225. The Authority entered 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, 2017 the maturity dates of the open contracts extend through September 2018. 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 FY2017 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.

**DRAFT**

# **FINANCIAL STATEMENTS**



CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX  
STATEMENTS OF NET POSITION  
SEPTEMBER 30, 2017 AND 2016

ASSETS	2017	2016
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 41,248,462	\$ 37,237,563
Receivables:		
Local, trade and operating assistance	2,214,401	3,607,302
Federal grants	6,383,510	17,371,730
State grants	7,932,301	7,045,361
Inventory	2,042,632	1,733,966
State fuel tax refund	91,228	150,307
Prepaid expenses and other assets	628,330	522,460
Derivative instruments - fuel hedge	212,741	-
	<u>60,753,605</u>	<u>67,668,689</u>
<b>NONCURRENT ASSETS:</b>		
Restricted cash and cash equivalents	<u>6,156,183</u>	<u>6,508,226</u>
	<u>6,156,183</u>	<u>6,508,226</u>
Property and equipment:		
Land	10,018,522	8,161,465
Buildings and shelters	95,138,902	94,511,325
Bus Rapid Transit Roadway Infrastructure	22,673,715	6,522,100
Revenue vehicles	166,123,104	161,438,352
Equipment	43,817,063	40,409,273
Leasehold improvements	219,390	205,476
Total property and equipment	<u>337,990,696</u>	<u>311,247,991</u>
Less accumulated depreciation	(185,660,089)	(170,786,909)
Construction in progress	<u>4,852,694</u>	<u>23,347,502</u>
	<u>157,183,301</u>	<u>163,808,584</u>
	<u>163,339,484</u>	<u>170,316,810</u>
	<u>224,093,089</u>	<u>237,985,499</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	8,056,272	10,140,917
Accumulated decrease in fair value of fuel hedge instrument	-	130,377
	<u>8,056,272</u>	<u>10,271,294</u>

See notes to financial statements.

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX**  
**STATEMENTS OF NET POSITION**  
**SEPTEMBER 30, 2017 AND 2016**

<b>LIABILITIES AND NET POSITION</b>	<b>2017</b>	<b>2016</b>
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 7,890,116	\$ 15,375,868
Accrued salaries and related taxes	1,768,918	2,229,986
Accrued compensated absences, current	4,163,321	3,925,617
Accrued self-insurance liability, current	2,784,955	2,580,744
Leases payable, current	918,954	898,151
Loans payable, current	-	813,225
Unearned operating revenue	1,352,218	823,608
Unearned capital	4,444,285	4,899,945
Derivative instrument - fuel hedge	-	130,377
<b>Total current liabilities</b>	<b>23,322,767</b>	<b>31,677,521</b>
<b>NONCURRENT LIABILITIES:</b>		
Leases payable, long-term	2,953,519	3,872,473
Net OPEB obligation	2,339,000	1,960,525
Net pension liability	2,000,057	1,957,843
Accrued compensated absences, long-term	326,397	493,439
Accrued self-insurance liability, long-term	4,059,751	2,260,538
<b>Total noncurrent liabilities</b>	<b>11,678,724</b>	<b>10,544,818</b>
<b>Total liabilities</b>	<b>35,001,491</b>	<b>42,222,339</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	442,095	542,732
Accumulated increase in fair value of fuel hedge instrument	212,741	-
<b>Total deferred inflows of resources</b>	<b>654,836</b>	<b>542,732</b>
<b>NET POSITION:</b>		
Net investment in capital assets	153,037,062	149,911,009
Restricted	1,700,000	1,600,000
Unrestricted	41,755,972	53,980,713
<b>Total net position</b>	<b>\$ 196,493,034</b>	<b>\$ 205,491,722</b>

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, 2017 AND 2016**

	2017	2016
<b>OPERATING REVENUES</b>		
Customer fares	\$ 25,165,009	\$ 26,643,385
Contract services		
Local financial assistance	14,399,829	13,958,496
Other contractual services	4,500,127	3,991,992
Advertising	2,069,610	1,846,740
Other income	956,844	374,382
<b>Total operating revenues</b>	<u>47,091,419</u>	<u>46,814,995</u>
<b>OPERATING EXPENSES</b>		
Salaries and wages	44,924,890	43,871,831
Fringe benefits	28,714,207	25,876,127
Purchased transportation services	20,191,908	17,734,056
Fuel	10,027,703	9,695,741
Materials and supplies	8,041,172	7,593,105
Professional services	8,590,714	6,968,340
Lease and miscellaneous	1,349,965	1,206,794
Casualty and liability	4,049,932	1,755,068
Utilities	1,332,937	1,338,064
Taxes and licenses	561,771	535,106
<b>Total operating expenses before depreciation and capital project abandonment expense</b>	<u>127,785,199</u>	<u>116,574,232</u>
<b>OPERATING EXPENSES IN EXCESS OF OPERATING REVENUES BEFORE DEPRECIATION AND CAPITAL PROJECT ABANDONMENT EXPENSE</b>	(80,693,780)	(69,759,237)
<b>DEPRECIATION</b>	(25,864,965)	(26,842,698)
<b>CAPITAL PROJECT ABANDONMENT EXPENSE</b>	<u>(4,197,014)</u>	-
<b>OPERATING LOSS</b>	<u>(110,755,759)</u>	<u>(96,601,935)</u>
<b>NONOPERATING REVENUES AND EXPENSES:</b>		
Operating assistance grants		
Federal	142,928	-
State of Florida	10,142,756	10,273,733
Local	48,810,319	46,508,582
Planning and other assistance grants		
Federal	14,537,467	14,222,627
State of Florida	2,712,162	2,739,884
Interest expense	(96,693)	(123,762)
Interest income	209,139	43,206
Other income (expenses)	62,069	88,308
<b>Total nonoperating revenues and expenses, net</b>	<u>76,520,147</u>	<u>73,752,578</u>
<b>LOSS BEFORE CAPITAL CONTRIBUTIONS</b>	(34,235,612)	(22,849,357)
Capital contributions	25,236,924	42,407,235
<b>Change in net position</b>	(8,998,688)	19,557,878
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u>205,491,722</u>	<u>185,933,844</u>
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 196,493,034</u>	<u>\$ 205,491,722</u>

See notes to financial statements

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX  
STATEMENTS OF CASH FLOWS  
YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 25,165,009	\$ 26,643,385
Cash received for contract services	20,476,323	16,774,833
Cash paid to employees	(50,623,072)	(48,809,063)
Cash paid to suppliers	(81,052,065)	(59,302,884)
Cash received from advertising and miscellaneous	2,697,788	2,158,114
Net cash used in operating activities	<u>(83,336,017)</u>	<u>(62,535,615)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Proceeds from assistance grants	<u>92,032,701</u>	<u>53,562,475</u>
Net cash provided by noncapital financing activities	<u>92,032,701</u>	<u>53,562,475</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Construction and acquisition of property and equipment	(24,448,081)	(41,587,464)
Principal paid on loans	(813,225)	(797,282)
Interest paid on loans	(118,114)	(123,762)
Proceeds from sale of property and equipment	62,069	-
Capital assistance grants	20,070,384	48,014,005
Net cash (used in) provided by capital and related financing activities	<u>(5,246,967)</u>	<u>5,505,497</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest income	<u>209,139</u>	<u>43,206</u>
Net cash provided by investing and other activities	<u>209,139</u>	<u>43,206</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>3,658,856</b>	<b>(3,424,437)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>43,745,789</b>	<b>47,170,226</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 47,404,645</b>	<b>\$ 43,745,789</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>		
Operating Loss	\$ (110,755,759)	\$ (96,601,935)
<b>Adjustments to reconcile operating loss to net cash used in operating activities:</b>		
Depreciation and amortization	25,864,965	26,842,698
Capital project abandonment expense	4,197,014	-
<b>Changes in operating assets, liabilities and deferred amounts:</b>		
Local, trade, and operating assistance receivable	1,392,901	(1,181,499)
Inventory	(308,666)	(159,754)
State fuel tax refund receivable	59,079	(13,326)
Prepaid expenses; deferred outflows related to pensions and fuel hedge	1,896,411	27,237
Accounts payable; amounts due to FTA; and hedging liability	(7,827,773)	6,761,868
Accrued salaries and related taxes; net OPEB liability; net pension liability	(40,379)	2,177,883
Accrued compensated absences	70,662	(289,594)
Accrued self-insurance liability	2,003,424	676,869
Deferred inflows related to pensions and fuel hedge	112,104	(776,062)
Net cash used in operating activities	<u>\$ (83,336,017)</u>	<u>\$ (62,535,615)</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Capital lease of buses	\$ -	\$ 2,715,435
Debt related to leased buses	\$ -	\$ (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, 2017 AND 2016**

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

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

The Authority held investments throughout fiscal years 2017 and 2016 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 qualifying investment pool because it has a policy that it will, and does, operate in a manner consistent with specified conservative investment strategies. The current rating of Florida PRIME by Standard and Poors as AAAM and the weighted average days to maturity at September 30, 2017 was 60 days or less. The securities in Florida PRIME

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

	September 30,	
	2017	2016
Pool Investments -Florida PRIME	\$ 32,576,890	\$ 12,294,943
Bank Deposits	14,827,755	31,450,846
Total Cash and Cash Equivalents and Investments	<u>\$ 47,404,645</u>	<u>\$ 43,745,789</u>

As of September 30, 2017 and 2016, the Authority recognized as restricted \$1,700,000 and \$1,600,000, respectively, to offset future related liabilities for the newly implemented medical health self-insurance plan, as required by the State of Florida.

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

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

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

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

**Receivables - Local, Trade, Operating Assistance** – Includes receivables from customers, Local Funding Partners and Medicaid Assistance. As of September 30, 2017 and 2016, the Authority had receivables, net \$9,628 and \$10,059 of allowances, for each year respectively, as follows:

	September 30,	
	2017	2016
Customers	\$ 1,617,417	\$ 2,455,691
Local Funding Partners	596,984	1,151,611
Total	<u>\$ 2,214,401</u>	<u>\$ 3,607,302</u>

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

**State Fuel Tax 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 \$6,156,183 and \$6,508,226 of cash and cash equivalents for the LYMMO expansion projects, health self-insurance reserve, shelters, bus procurement and other enhancements, and various capital projects as of September 30, 2017 and 2016, respectively. Restricted assets are offset by liabilities, except for the \$1,700,000 and \$1,600,000 of medical health self-insurance plan restricted assets as of September 30, 2017 and 2016, respectively.

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

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

The remaining construction work in progress primarily relates to facilities improvements, bus shelters and transfer centers and other projects. Depreciation commences when projects are completed and the underlying 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, 2017 and 2016, the Authority had accounts payable as follows:

	September 30,	
	2017	2016
Trade	\$ 4,109,690	\$ 7,297,063
Commitments (Consultants/Construction)	873,084	5,105,730
Retainage	-	802,376
Other	2,907,342	2,170,699
<b>Total</b>	<b>\$ 7,890,116</b>	<b>\$ 15,375,868</b>

**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,	
	2017	2016
Accrued compensated absences liability, beginning of year	\$ 4,419,056	\$ 4,708,650
Obligations	3,907,586	3,142,583
Payments	(3,836,924)	(3,925,617)
Accrued compensated absences liability, end of year	<b>\$ 4,489,718</b>	<b>\$ 4,419,056</b>
Amount due within one year	<b>\$ 4,163,321</b>	<b>\$ 3,925,617</b>

**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. There were no noncash investing or financing activities that affected assets and liabilities reported on the Statement of Net Position as of September 30, 2017 and 2016 as a result of grant assistance.

***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, and Taxes and Licenses. On the Statement of Revenues, Expenses and Changes in Net Position, Depreciation and Capital Project Abandonment Expense are presented separately below the other expenses of primary ongoing operations.

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



## 2. CAPITAL ASSETS

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

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

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

<b>Property and Equipment:</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reclass/ Disposals</b>	<b>Ending Balance</b>
<b>Depreciable Assets</b>				
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
<b>Non-Depreciable Assets</b>				
Land	8,161,465	-	-	8,161,465
Construction in Progress	11,767,526	12,693,134	(1,113,158)	23,347,502
<b>Totals at Acquisition Cost</b>	<b>\$ 304,561,559</b>	<b>\$ 44,855,883</b>	<b>\$ (14,821,949)</b>	<b>\$ 334,595,493</b>
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)
<b>Total Accumulated Depreciation</b>	<b>(157,492,539)</b>	<b>(26,842,699)</b>	<b>13,548,329</b>	<b>(170,786,909)</b>
<b>Capital Assets, net</b>	<b>\$ 147,069,020</b>	<b>\$ 18,013,184</b>	<b>\$ (1,273,620)</b>	<b>\$ 163,808,584</b>

### 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 \$4,153,018 and \$5,169,188 at September 30, 2017 and 2016, respectively.

Leases payable activity for the years ended September 30, 2017 and 2016 was as follows:

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

<b>Leases Payable September 30, 2016</b>					
<b>Leases Payable</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Payments</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
Lease # 5	\$2,715,435	\$ 2,715,435	\$ 660,246	\$ 4,770,624	\$ 898,151
<b>Total</b>	<b>\$2,715,435</b>	<b>\$ 2,715,435</b>	<b>\$ 660,246</b>	<b>\$ 4,770,624</b>	<b>\$ 898,151</b>

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, 2017:

<b>Year</b>	<b>Present Value of</b>	<b>Amount</b>	<b>Total</b>
	<b>Minimum Lease Payments</b>	<b>Representing Interest</b>	<b>Minimum Lease Payments</b>
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
<b>Total</b>	<b>\$ 3,872,473</b>	<b>\$ 184,830</b>	<b>\$ 4,057,303</b>

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

## 4. LOANS PAYABLE

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

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

<b>Loans Payable</b>					
<b>September 30, 2016</b>					
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Payments</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
SIB #2	\$ 1,610,507	\$ -	\$ 797,282	\$ 813,225	\$ 813,225
Total	\$ 1,610,507	\$ -	\$ 797,282	\$ 813,225	\$ 813,225

Pursuant to the State Infrastructure Bank Loan Agreement, the Authority committed to use its Federal Transit Administration 5307 grant funds as the source to fund the payment obligations of the loan SIB #2, provided such funds are available after funding capital expenditures. The amount of pledged revenues was \$26,228,105 and \$24,800,447 for fiscal years 2017 and 2016, respectively. Fiscal year 2017 principal and interest payments were \$813,225 and \$16,265 respectively, and fiscal year 2016 principal and interest payments were \$797,282 and \$32,210, respectively. Loan SIB #2 was repaid in full during fiscal year 2017.

## 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 \$200,000 for each claim and \$300,000 for each accident. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

The amounts recorded as accrued self-insurance liability at September 30, 2017 and 2016, 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 2017 and 2016. 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	
	2017	2016
Accrued self-insurance liability, beginning of year	\$ 4,841,282	\$ 4,773,213
Insured claims (including IBR's)	14,698,124	11,555,427
Claim payments	(12,694,700)	(11,487,358)
Accrued self-insurance liability, end of year	<u>\$ 6,844,706</u>	<u>\$ 4,841,282</u>

The estimated amounts due in one year are \$2,784,955 and \$2,580,744 at September 30, 2017 and 2016, 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 \$795,000 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, 2015 and 2014 utilized for the September 30, 2017 and 2016 fiscal years are as follows:

<b><u>Membership at Actuarial Valuation Date</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Retirees and beneficiaries currently receiving benefits and DROP	367	330
Terminated employees entitled to but not yet receiving benefits	70	66
Active plan participants	683	762
<b>Total</b>	<b><u>1,120</u></b>	<b><u>1,158</u></b>

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

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

## **Funding Policy**

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

## **Changes in Net Pension Liability**

The net pension liability at September 30, 2017 and 2016 is based on the October 1, 2015 and 2014 actuarial valuation rolled forward to the measurement date of September 30, 2016 and 2015, respectively. Changes in the Authority's Union Defined Benefit Plan net pension liability during the years ended at September 30, 2017 and 2016 are as follows:

<b><u>Total pension liability</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Service cost	\$ 4,174,172	\$ 4,324,270
Interest	9,337,562	8,827,032
Difference between actual & expected experience	2,082,258	(638,418)
Benefit payments	(5,590,105)	(4,808,642)
Refunds	(401,384)	(311,317)
<b>Net change in total pension liability</b>	<b>9,602,503</b>	<b>7,392,925</b>
<b>Total pension liability - beginning</b>	<b>123,322,398</b>	<b>115,929,473</b>
<b>Total pension liability - ending</b>	<b>\$ 132,924,901</b>	<b>\$ 123,322,398</b>
<b><u>Plan fiduciary net position</u></b>		
Contributions - Employer	\$ 2,233,626	\$ 3,315,335
Contributions - Member	2,192,180	2,264,655
Net investment income (loss)	11,523,579	(1,070,462)
Benefit payments	(5,590,105)	(4,808,642)
Refunds	(401,384)	(311,317)
Administrative expense	(397,607)	(237,972)
<b>Net changes in Plan fiduciary net position</b>	<b>9,560,289</b>	<b>(848,403)</b>
<b>Total Plan fiduciary net position - beginning</b>	<b>121,364,555</b>	<b>122,212,958</b>
<b>Total Plan fiduciary net position - ending</b>	<b>130,924,844</b>	<b>121,364,555</b>
<b>Net pension liability - ending</b>	<b>\$ 2,000,057</b>	<b>\$ 1,957,843</b>

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

For the year ended September 30, 2017 and 2016, the Authority recognized pension expense of \$4,168,335 and \$3,570,174, respectively. At September 30, 2017, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Fiscal Year 2017</b>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 1,723,248	\$ 442,095
Net difference between projected and actual earning on pension plan investment	3,494,047	-
Authority contributions made subsequent to the measurement date of September 30, 2016	2,838,977	-
	\$ 8,056,272	\$ 442,095
<b>Fiscal Year 2016</b>	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

Deferred outflows of resources related to Authority contributions subsequent to the measurement date of September 30, 2016 will be recognized as an increase of the net pension asset in the year ended September 30, 2017. Other amounts reported as deferred inflows of the resources related to pensions will be recognized in the pension expense as follow:

Year Ended September 30	
2018	\$ 1,479,892
2019	1,479,893
2020	1,808,354
2021	(240,247)
2022	247,308
Thereafter	-
<b>Total</b>	<b>\$ 4,775,200</b>

The annual required contributions for fiscal years 2017 and 2016 were determined as part of the October 1, 2015 and 2014 actuarial valuations, respectively, using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.00% to 13.13% per year, dependent on years of service. Both (a) and (b) included an inflation component of 2.25%. The assumptions did not include post-retirement benefit increases, which are funded by the Authority when granted. Such assumptions are subject to future changes due to certain market conditions. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period.

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

A single discount rate of 7.50% was used to measure the total pension 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 as of September 30, 2016 and 2015 is as follows:**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Domestic equity	37%	7.50%
International equity	15%	3.14%
Bonds	27%	3.92%
TIPS	2%	3.17%
Convertibles	10%	6.41%
Private real estate	4%	4.66%
Master limited partnerships	5%	10.43%
Hedge funds	0%	4.05%
Total	100%	

**Sensitivity of net pension asset to changes in the discount rate** – The following presents the net pension 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:

<u>Discount Rate</u>	<u>1% Decrease 6.50%</u>	<u>Current Single Discount Rate Assumption 7.50%</u>	<u>1% Increase 8.50%</u>
<b>FY Ending September 30, 2017</b>	\$ 17,410,465	\$ 2,000,057	\$ (11,159,169)
<b>FY Ending September 30, 2016</b>	\$ 16,677,272	\$ 1,957,843	\$ (10,515,946)

### ***Union - 401(a) Defined Contribution Pension Plan***

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

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

The Authority’s contribution to the plan for the years ended September 30, 2017 and 2016 amounted to \$480,675 and \$311,888 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, 2017 and 2016 was \$10,406,856 and \$10,202,830 respectively. The Authority’s contribution to the plan for the years ended September 30, 2017 and 2016 amounted to \$1,285,484 and \$1,258,755 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, 2017, 2016 and 2015, as follows:

	September 30		
	2017	2016	2015
Annual required contribution	\$ 587,000	\$ 420,000	\$ 389,000
Interest on net OPEB obligation	69,000	67,000	57,000
Adjustment to annual required contribution	(91,525)	(80,000)	(66,000)
Annual OPEB cost	564,475	407,000	380,000
Contributions made	(186,000)	(130,000)	(121,000)
Increase in net OPEB obligation	378,475	277,000	259,000
Net OPEB obligation, beginning of year	1,960,525	1,683,525	1,424,525
Net OPEB obligation, end of year	\$ 2,339,000	\$ 1,960,525	\$ 1,683,525

As of the October 1, 2017 actuarial valuation date, the unfunded actuarial accrued liability (UAAL) was \$4,336,000. The covered payroll (annual payroll of active employees covered by the OPEB Plan) was \$44,924,890 and the ratio of the UAAL to the covered payroll was 9.7%. 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:

<u>Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Estimated Contribution</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
September 30, 2017	\$564,475	\$186,000	33.0%	\$2,339,000
September 30, 2016	\$407,000	\$130,000	31.9%	\$1,960,525
September 30, 2015	\$380,000	\$121,000	31.8%	\$1,683,525

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, 2016
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)	5.00% initially and 5.20% ultimately, in 2050

## 8. COMMITMENTS

**Operating Lease** - Total lease expense amounted to \$453,061 and \$482,610 during the years ended September 30, 2017 and 2016, 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-four swaps have occurred to date through September 30, 2017 with swaps applicable to fiscal years 2016 and 2017 and commitments for fiscal year 2018 as follows:

Trade Date	Effective Period	Total Quantity - Gallons	Fixed Price Per Gallon
01/14/2015	10/01/15 – 09/30/16	2,520,000	\$1.8080
01/14/2015	10/01/15 – 09/30/16	450,000	\$1.5425
12/04/2015	10/01/16 – 09/30/17	2,520,000	\$1.5820
12/04/2015	10/01/16 – 09/30/17	960,000	\$1.4780
03/31/2017	10/01/17 – 09/30/18	1,800,000	\$1.6240
03/31/2017	10/01/17 – 09/30/18	1,020,000	\$1.5460

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 2017 and 2016, 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, 2017 and 2016 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 \$212,741 as a deferred inflow of resources on September 30, 2017, \$130,377 as a deferred outflow of resources on September 30, 2016, and as a derivative financial instrument on the statement of net position at September 30, 2017 and 2016, respectively. The estimated fair value of the swaps is determined based on contracted strike prices and applicable futures prices at September 30, 2017 and 2016, 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**

<u>Total pension liability</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Service cost	\$ 4,174,172	\$ 4,324,270	\$ 4,900,835
Interest	9,337,562	8,827,032	8,240,224
Difference between actual & expected experience	2,082,258	(638,418)	(5,835)
Benefit payments	(5,590,105)	(4,808,642)	(4,079,731)
Refunds	<u>(401,384)</u>	<u>(311,317)</u>	<u>(269,399)</u>
<b>Net change in total pension liability</b>	9,602,503	7,392,925	8,786,094
<b>Total pension liability - beginning</b>	<u>123,322,398</u>	<u>115,929,473</u>	<u>107,143,379</u>
<b>Total pension liability</b>	<u>\$ 132,924,901</u>	<u>\$ 123,322,398</u>	<u>\$ 115,929,473</u>
<u>Plan fiduciary net position</u>			
Contributions - Employer	\$ 2,233,626	\$ 3,315,335	\$ 2,337,699
Contributions - Member	2,192,180	2,264,655	2,310,106
Net investment income (loss)	11,523,579	(1,070,462)	10,052,069
Benefit payments	(5,590,105)	(4,808,642)	(4,079,731)
Refunds	(401,384)	(311,317)	(269,399)
Administrative expense	<u>(397,607)</u>	<u>(237,972)</u>	<u>(237,291)</u>
<b>Net changes in Plan fiduciary net position</b>	9,560,289	(848,403)	10,113,453
<b>Total Plan fiduciary net position - beginning</b>	<u>121,364,555</u>	<u>122,212,958</u>	<u>112,099,505</u>
<b>Total Plan fiduciary net position - ending</b>	<u>130,924,844</u>	<u>121,364,555</u>	<u>122,212,958</u>
<b>Net pension asset - ending</b>	<u>\$ 2,000,057</u>	<u>\$ 1,957,843</u>	<u>\$ (6,283,485)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>98.50%</b>	<b>98.41%</b>	<b>105.42%</b>
<b>Covered employee payroll</b>	<b>\$ 29,800,533</b>	<b>\$ 34,028,032</b>	<b>\$ 34,962,723</b>
<b>Net pension asset as a percentage of covered payroll</b>	<b>6.71%</b>	<b>5.75%</b>	<b>-17.97%</b>

**Notes to Schedule:**

\*Since the measurement date is one year prior to fiscal year end, the amounts presented were determined as of the prior fiscal year ending September 30. Additional years will be displayed as the information becomes available.

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

**SCHEDULE OF CONTRIBUTIONS**

FY Ending September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2017	\$3,604,720	\$2,838,977	\$765,743	\$29,800,533	9.53%
2016	\$3,427,954	\$2,930,490	\$497,464	\$34,028,032	8.61%
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%

**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
2017	\$132,924,901	\$130,924,844	\$2,000,057	98.50%	\$34,028,032	5.88%
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 \***

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

\*Since the measurement date is one year prior to fiscal year end, the amounts presented were determined as of the prior fiscal year ending September 30. Additional year will be displayed as the information becomes available.

## REQUIRED SUPPLEMENTARY INFORMATION UNION PENSION PLAN NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Valuation Date: 10/1/2016 (for FYE 9/30/17)  
Measurement Date: September 30, 2016

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

### **Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Closed
Remaining Amortization Period	30 years
Asset Valuation Method	5-year smoothed market
Inflation	2.25%
Salary Increases	4.0% to 13.13% depending on service
Expenses	Average of the actual cost for the two most recent years
Investment Rate of Return	7.5%
Retirement Age	15% to 100% depending on age
Mortality	RP-2000 Mortality Tables for Males and Females structured to align with assumed mortality for non-special risk employees Under the Florida Retirement System (FRS), using projection Scale BB to anticipate future mortality improvements, and without projection for disabled lives.

### **Other Information:**

Benefit changes enacted during the fiscal year ended September 30, 2017:  
There were no benefit changes enacted during the year.

#### Changes in assumptions:

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

## REQUIRED SUPPLEMENTARY INFORMATION

### Schedule of Other Postemployment Benefits (OPEB) For the Years Ended September 30, 2017, 2016 and 2015

#### 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, 2017	\$ -	\$4,336,000	\$4,336,000	0.00%	\$44,924,890	9.65%
October 1, 2016	\$ -	\$3,983,000	\$3,983,000	0.00%	\$43,871,831	9.10%
October 1, 2015	\$ -	\$2,536,000	\$2,536,000	0.00%	\$43,131,812	5.90%

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX**  
**SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES**  
**BUDGET VS ACTUAL (BUDGET BASIS)**  
**YEAR ENDED SEPTEMBER 30, 2017**

	Budget	Actual	Variance Favorable/ (Unfavorable)
<b>OPERATING REVENUES</b>			
Customer fares	\$ 26,176,912	\$ 25,165,009	\$ (1,011,903)
Contract services:			
Local financial assistance	14,490,032	14,399,829	(90,203)
Other contractual services	4,528,729	4,500,127	(28,602)
Advertising	2,362,134	2,069,610	(292,524)
Other income	1,205,428	956,844	(248,584)
	<u>48,763,235</u>	<u>47,091,419</u>	<u>(1,671,816)</u>
<b>OPERATING EXPENSES:</b>			
Transportation	48,226,603	48,577,827	(351,224)
Maintenance and operations	66,157,722	61,175,394	4,982,328
General and administrative	18,263,524	18,031,978	231,546
	<u>132,647,849</u>	<u>127,785,199</u>	<u>4,862,650</u>
<b>OPERATING LOSS</b>	(83,884,614)	(80,693,780)	3,190,834
<b>NONOPERATING REVENUES/(EXPENSES):</b>			
Federal	17,481,868	14,680,395	(2,801,473)
State of Florida	13,454,284	12,854,918	(599,366)
Local	49,644,140	48,810,319	(833,821)
Interest income	31,131	209,139	178,008
Interest expense	(101,849)	(96,693)	5,156
	<u>80,509,574</u>	<u>76,458,078</u>	<u>(4,051,496)</u>
<b>Total nonoperating revenues/(expenses), net</b>			
	<u>80,509,574</u>	<u>76,458,078</u>	<u>(4,051,496)</u>
<b>Decrease in net position</b>	<u>\$ (3,375,040)</u>	<u>(4,235,702)</u>	<u>\$ (860,662)</u>
<b>BASIS DIFFERENCES:</b>			
Depreciation		(25,864,965)	
Capital project abandonment expense		(4,197,014)	
Other income		62,069	
Capital contribution		<u>25,236,924</u>	
<b>Decrease in net position - GAAP basis</b>		<u>\$ (8,998,688)</u>	



## STATISTICAL INFORMATION

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

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

## CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY LYNX

### Miscellaneous Statistics Year End September 30, 2017 (Unaudited)

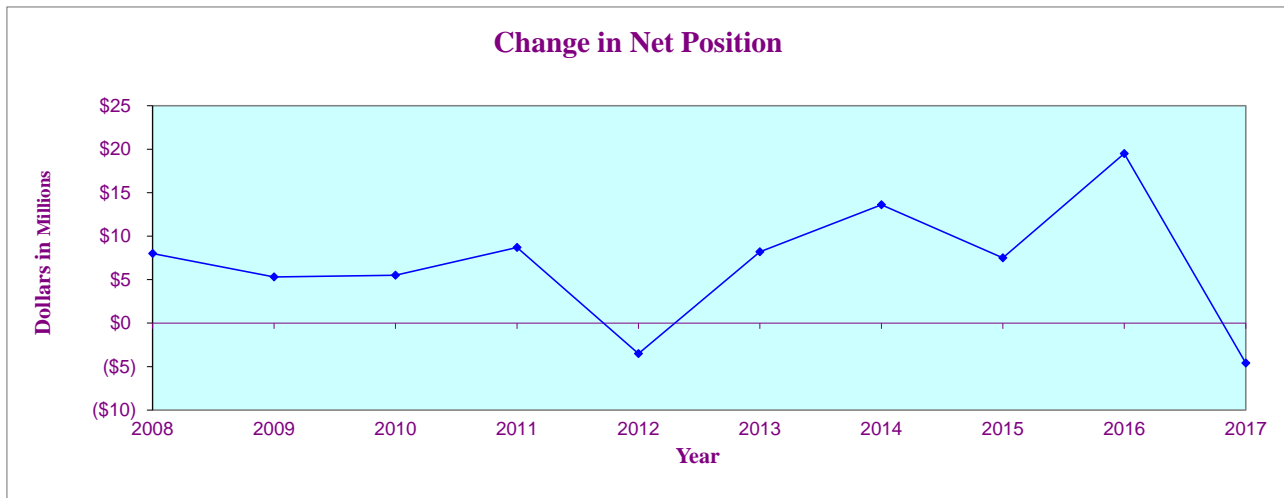
Form of Government	Local Government (Independent Special District)
Number of Directors	Five (5) Voting
Area Population	2,149,136
Counties Served	Orange, Seminole and Osceola
Number of Service Routes	77
Peak Vehicle Requirement	259
Hours of Operation	4:00 a.m. to 3:10 a.m.
Average Weekday Passengers	79,724
Vehicle Miles Operated	17,065,204
Vehicle Hours Operated	1,198,148

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)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Operating Revenue:</b>										
Customer Fares	\$ 21.7	\$ 21.5	\$ 22.4	\$ 26.1	\$ 28.6	\$ 29.4	\$ 29.1	\$ 28.2	\$ 26.6	\$ 25.2
Other	20.1	20.8	20.8	20.6	18.0	20.0	22.5	20.6	20.2	21.9
<b>Total Operating Revenue</b>	<b>41.8</b>	<b>42.3</b>	<b>43.2</b>	<b>46.7</b>	<b>46.6</b>	<b>49.4</b>	<b>51.6</b>	<b>48.8</b>	<b>46.8</b>	<b>47.1</b>
<b>Operating Expenses:</b>										
Administration, Transportation, and Maintenance	110.7	106.6	106.7	110.6	112.0	119.8	120.5	114.2	116.6	127.8
Depreciation	15.2	16.7	17.0	18.2	19.1	19.9	23.5	26.2	26.8	25.9
Capital Project Abandonment Expense	-	-	-	-	-	-	-	-	-	4.2
Write-off of Assets (Note 1)	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>125.9</b>	<b>123.3</b>	<b>123.7</b>	<b>128.8</b>	<b>131.1</b>	<b>139.7</b>	<b>144.0</b>	<b>140.4</b>	<b>143.4</b>	<b>157.8</b>
<b>Operating Loss</b>	<b>(84.1)</b>	<b>(81.0)</b>	<b>(80.5)</b>	<b>(82.1)</b>	<b>(84.5)</b>	<b>(90.3)</b>	<b>(92.4)</b>	<b>(91.6)</b>	<b>(96.6)</b>	<b>(110.8)</b>
<b>Non-Operating Revenue (Expenses):</b>										
Operating Assistance	50.1	54.3	48.9	46.4	47.8	49.0	53.4	56.1	56.8	59.1
Planning and Other Income (Expenses)	14.0	14.9	18.5	20.2	20.3	19.3	17.3	16.3	17.0	17.4
Capital Contributions	28.0	17.1	18.6	24.2	12.9	30.2	35.3	19.7	42.4	25.2
<b>Total Non-Operating Revenue (Expenses)</b>	<b>92.1</b>	<b>86.3</b>	<b>86.0</b>	<b>90.8</b>	<b>81.0</b>	<b>98.5</b>	<b>106.0</b>	<b>92.1</b>	<b>116.2</b>	<b>101.7</b>
<b>Change in Net Position Before Accounting Change</b>	<b>8.0</b>	<b>5.3</b>	<b>5.5</b>	<b>8.7</b>	<b>(3.5)</b>	<b>8.2</b>	<b>13.6</b>	<b>0.5</b>	<b>18.2</b>	<b>-</b>
<b>Change in Accounting Principle</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.0</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position After Accounting Change</b>	<b>\$ 8.0</b>	<b>\$ 5.3</b>	<b>\$ 5.5</b>	<b>\$ 8.7</b>	<b>\$ (3.5)</b>	<b>\$ 8.2</b>	<b>\$ 13.6</b>	<b>\$ 7.5</b>	<b>\$ 19.5</b>	<b>\$ (9.0)</b>



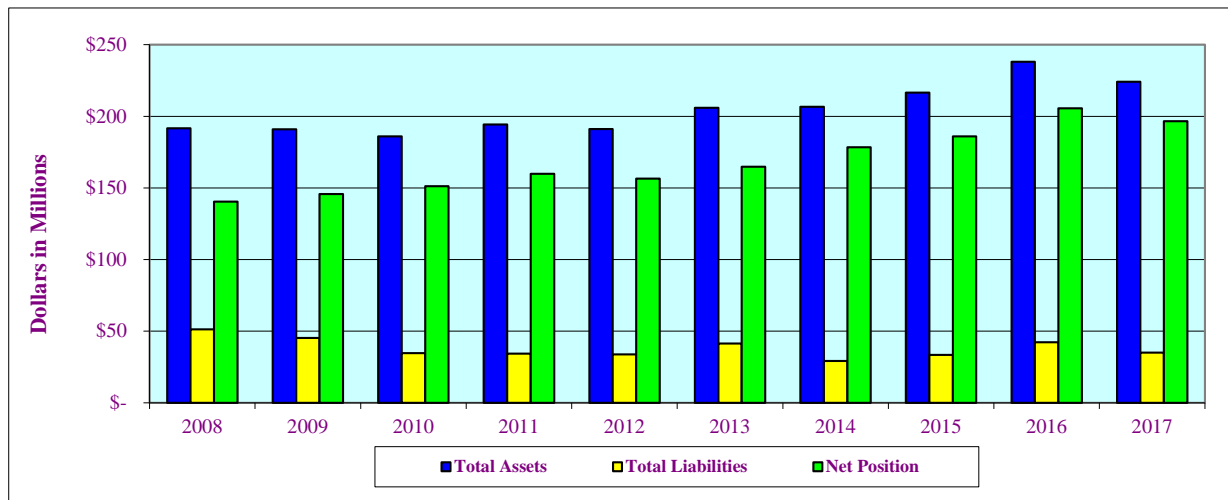
For the past 10 years the chart shows the change in net position each year versus the immediately preceding year. Net Position decreased in 2017 due to the deferment of capital grants for the construction of the Pine Hills Superstop.

Source: Financial Statements

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

**Condensed Summary of Net Position  
Last Ten Years  
Dollars in Millions  
(Unaudited)**

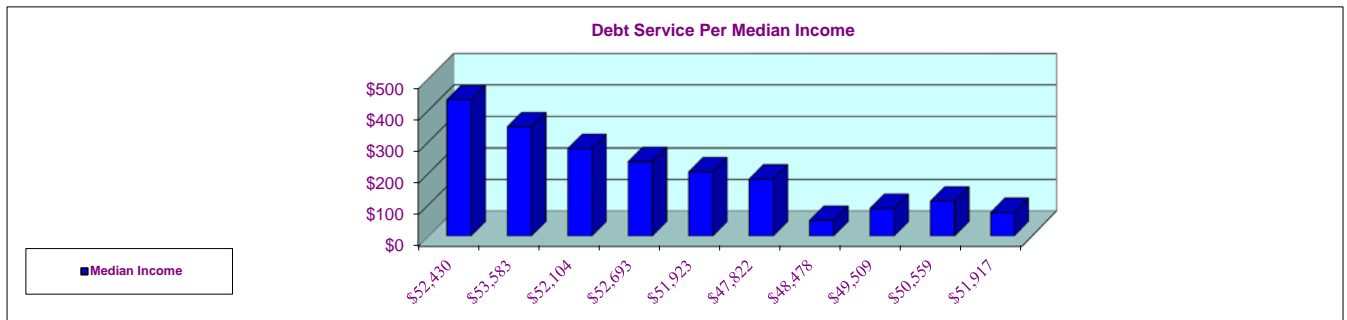
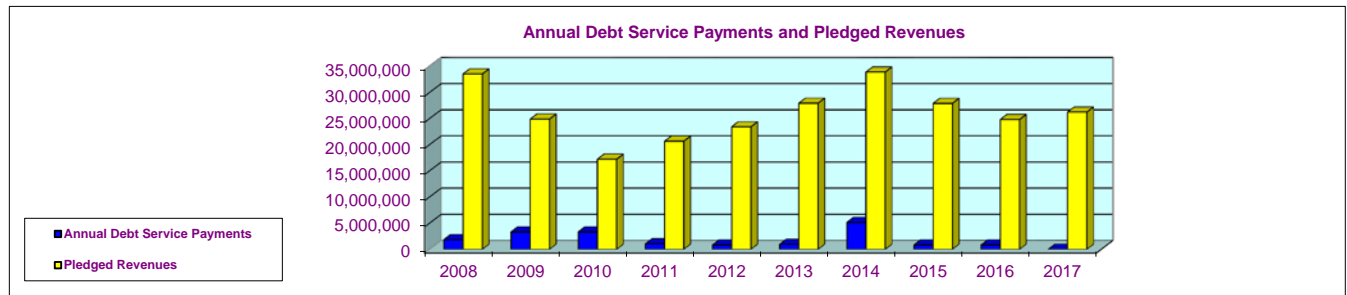
Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Assets	\$191.7	\$190.9	\$185.9	\$194.3	\$191.0	\$206.0	\$206.7	\$216.6	\$238.0	\$224.1
Deferred Outflow of Resources	\$0.0	\$0.0	\$0.0	\$0.6	\$0.0	\$0.1	\$0.8	\$4.1	\$10.3	\$8.1
Deferred Inflow of Resources	\$0.0	\$0.0	\$0.0	\$0.0	\$0.7	\$0.0	\$0.0	\$1.3	\$0.5	\$0.7
Total Liabilities	\$51.3	\$45.2	\$34.7	\$34.4	\$33.8	\$41.4	\$29.2	\$33.5	\$42.2	\$35.0
Ending Net Position	\$140.4	\$145.7	\$151.2	\$159.9	\$156.5	\$164.7	\$178.3	\$185.9	\$205.5	\$196.5
Net investment in capital assets	\$123.7	\$123.5	\$125.1	\$131.1	\$124.9	\$135.6	\$147.6	\$142.7	\$149.9	\$153.0
Restricted	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$0.1	\$0.0	\$0.0	\$1.6	\$1.7
Unrestricted	\$16.2	\$21.7	\$25.6	\$28.3	\$31.1	\$29.0	\$30.7	\$43.2	\$54.0	\$41.8
Ending Net Position	\$140.4	\$145.7	\$151.2	\$159.9	\$156.5	\$164.7	\$178.3	\$185.9	\$205.5	\$196.5



This chart compares Total Assets, Total Liabilities, and Net Position values over the last 10 years. Total Assets increased 19.30% 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 2017 are 31.38% lower than at the end of fiscal year 2008. The decrease is due mainly to repayment of State Infrastructure Bank loans and a 2007 a lease agreement. Net Position decreased in 2017 due to the deferment of capital grants for the construction of the Pine Hills Superstop.

**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
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
2017	\$3,872,473	\$0	\$3,872,473	\$0	\$26,228,105	0.00	\$51,917	\$74.59



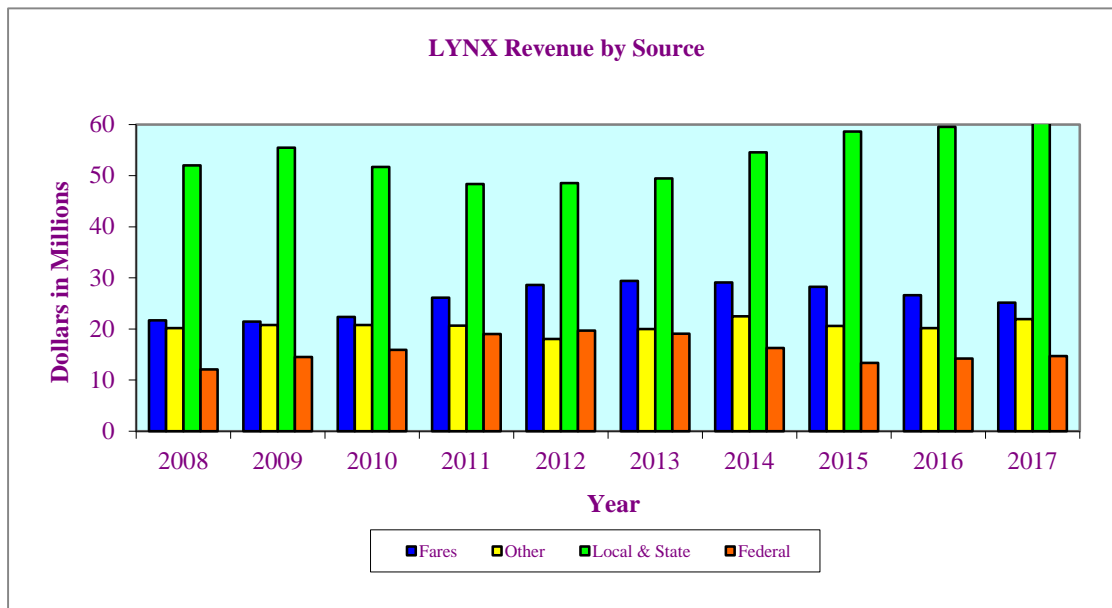
Source: Financial Statements, NTD Report, and Orlando Economic Development Commission.

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

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

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

Fiscal Year	OPERATING AND OTHER						Total Revenue
	MISCELLANEOUS REVENUE			OPERATING ASSISTANCE			
	Fares	Other	Total	Local & State	Federal	Total	
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	\$20.171	\$46.814	\$59.522	\$14.223	\$73.745	\$120.560
2017	\$25.165	\$21.926	\$47.091	\$61.665	\$14.680	\$76.345	\$123.436



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 2017 and was down 5.54% compared to 2016. Total revenue was higher due to the increase in local financial assistance. In 2017 federal revenue increased amounting to 11.89% of LYNX's total revenue versus 11.79% in 2016.

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

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

FISCAL YEAR	OPERATING AND OTHER MISCELLANEOUS REVENUE			OPERATING ASSISTANCE			TOTAL REVENUE
	FARES	OTHER	TOTAL	LOCAL & STATE	FEDERAL	TOTAL	
<b>INDUSTRY</b>							
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	32.5%	4.9%	37.4%	54.3%	8.3%	62.6%	100.0%
2016	*	*	0.0%	*	*	0.0%	100.0%
2017	*	*	0.0%	*	*	0.0%	0.0%
<b>LYNX</b>							
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%
2017	20.4%	17.8%	38.2%	50.0%	11.9%	61.8%	100.0%

Source: Financial Statements

APTA 2018 Transportation Fact Book

\* Not available

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

**LYNX**

**Fare Structure**

**Year Ended September 30, 2017**

(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
<b>TICKETS</b>	
Express Single Ride	\$ 3.50
Express Seniors/Students	\$ 1.75
Polk County Link 416 & 427 Single Ride	\$ 1.50
Polk County Link 416 & 427 Students	\$ 1.25
Polk County Link 416 & 427 Seniors / Disabled	\$ 0.75
<b>PASSES</b>	
7 Day Pass	\$ 16.00
Discounted 7 Day Pass (Students, Elderly and Disabled)	\$ 8.00
Express 7 Day Pass	\$ 23.00
Express Discounted 7 Day Pass (Students, Elderly and Disabled)	\$ 11.50
Youth Pass 7 Day	\$ 8.00
30 Day	\$ 50.00
AdvantAge Pass 30 Day (Elderly and Disabled)	\$ 25.00
Youth Pass 30 Day	\$ 25.00
Express 30 Day	\$ 70.00
Express AdvantAge Pass 30 Day (Elderly and Disabled)	\$ 35.00
Express Youth Pass 30 Day	\$ 35.00

SOURCE: LYNX Fare Structure Policy



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

### Fare Trends Last Ten Years

(Unaudited)

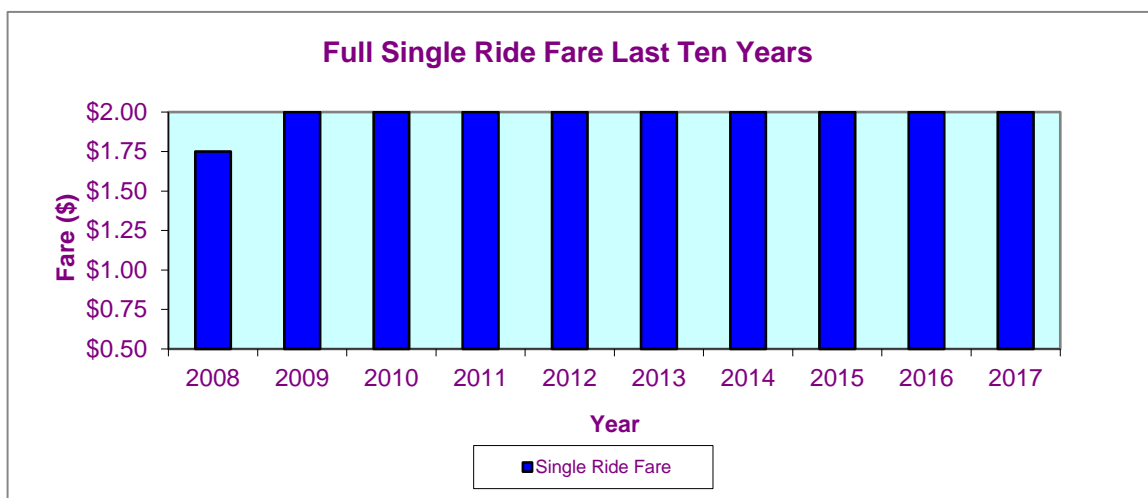
Fiscal Year	CASH FARES				PASSES			
	Single Fare	Discount Single	1 Day Fare	Discount 1 Day	7 Day Pass	Discount 7 Day	30 Day Pass	Discount 30 Day
2008	\$1.75	\$0.85	\$4.00	\$2.00	\$14.00	\$7.00	\$44.00	\$22.00
2009	\$2.00	\$1.00	\$4.50	\$2.25	\$16.00	\$8.00	\$50.00	\$25.00
2010	\$2.00	\$1.00	\$4.50	\$2.25	\$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
2017	\$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

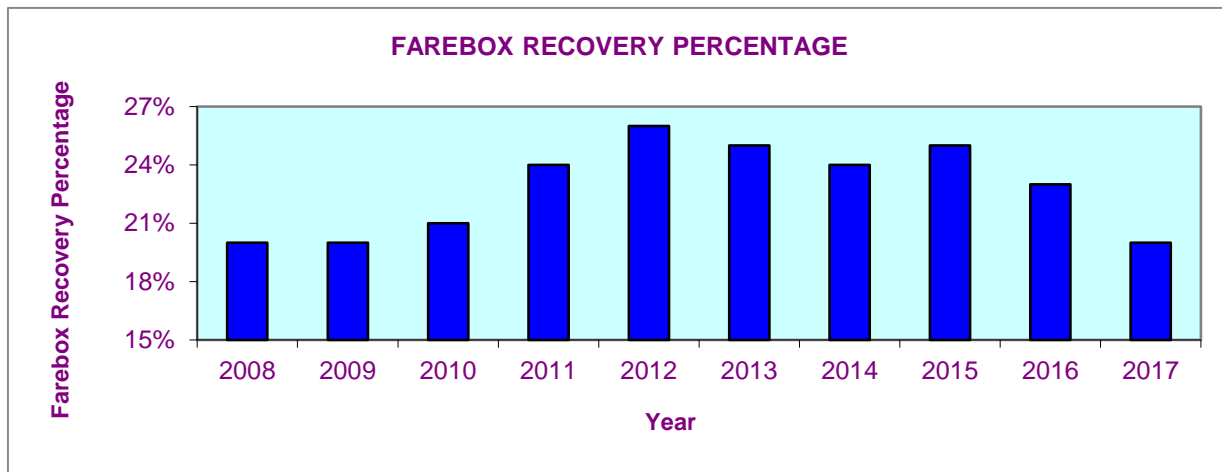


The table and graph show the amount of each standard fixed-route fare type by year. In keeping with the Authority's commitment to keep fares as low as fiscally feasible and to make relatively small rate increases periodically, no fare rate increases were made in 2017. In 2017 customer fares were approximately 53.43% of operating revenues and 20.34% 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)

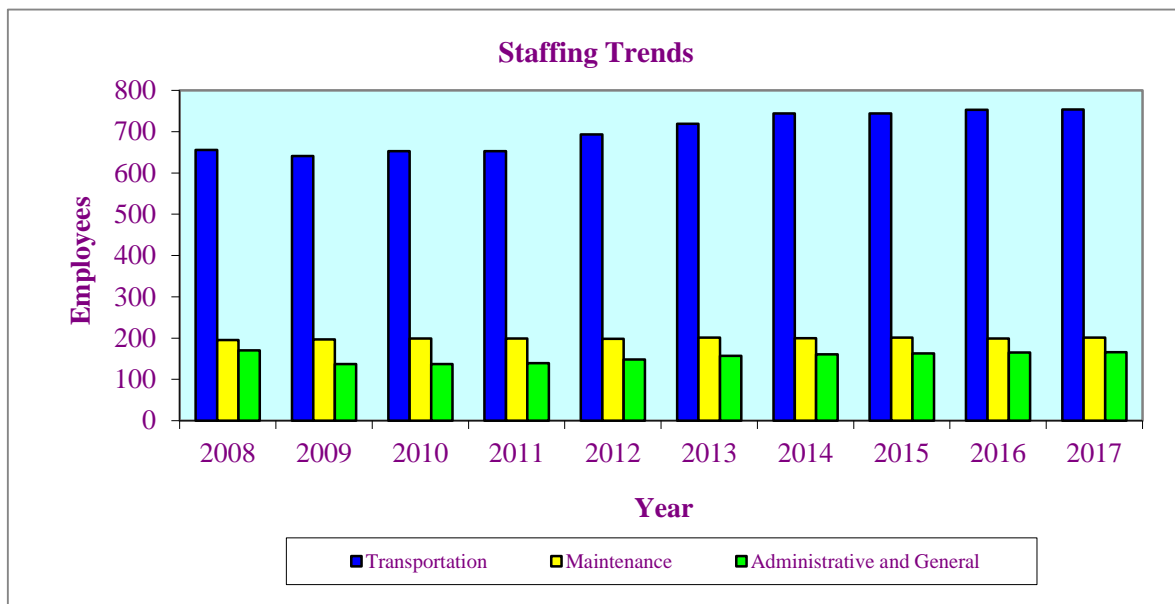
Fiscal Year	Percentage
2008	20%
2009	20%
2010	21%
2011	24%
2012	26%
2013	25%
2014	24%
2015	25%
2016	23%
2017	20%



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 2008 the recovery rate has remained fairly constant varying by approximately 1% to 3% from year to year.

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

Year	Transportation	Maintenance	Administrative and General	Total
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
2017	754	201	166	1,121



The greatest fluctuation during the 10-year period was in the Transportation area with 2017 staffing approximately 17.62% 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 14.97% with an overall increasing trend.

Source: Annual Budgets

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

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

Company	2017			2008		
	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	6.34%	62,000	1	5.86%
Orange County Public Schools	23,929	2	2.05%	22,176	2	2.10%
Universal Studios Florida	21,000	3	1.80%	13,000	5	1.23%
Florida Hospital	20,413	4	1.75%	16,002	3	1.51%
Publix Super Markets, Inc.	19,783	5	1.69%	15,606	4	1.47%
Orlando International Airport	18,000	6	1.54%	N/A	N/A	N/A
Orlando Regional Healthcare	16,828	7	1.44%	10,000	7	0.95%
University of Central Florida	11,833	8	1.01%	10,198	6	0.96%
Seminole County Public Schools	10,000	9	0.86%	7,978	9	0.75%
Orange County Government	7,658	10	0.66%	8,374	8	0.79%
Lockheed Martin	7,000	N/A	0.60%	7,200	10	0.68%
Other Employees	936,702		80.26%	886,179		83.70%
<b>Region Total</b>	<b>1,167,146</b>		<b>100.00%</b>	<b>1,058,713</b>		<b>100.00%</b>

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)

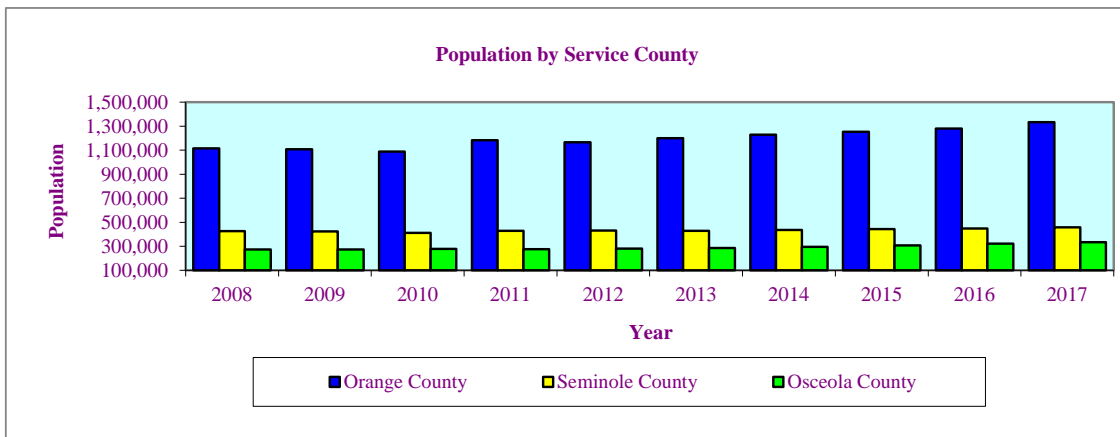
Year	Manufacturing	Construction	Transportation	Finance	Government	Retail Trade	Service	Total
2008	3.8%	6.6%	3.9%	6.2%	11.0%	15.3%	53.2%	100.0%
2009	3.9%	6.0%	3.1%	6.4%	11.7%	11.1%	57.8%	100.0%
2010	3.7%	4.8%	3.0%	6.0%	11.7%	11.4%	59.4%	100.0%
2011	3.6%	4.6%	3.1%	6.1%	11.5%	11.8%	59.3%	100.0%
2012	3.6%	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%
2017	3.8%	5.8%	3.1%	6.3%	9.9%	12.2%	58.9%	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
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
2017	1,332,714	457,650	333,980	2,124,344

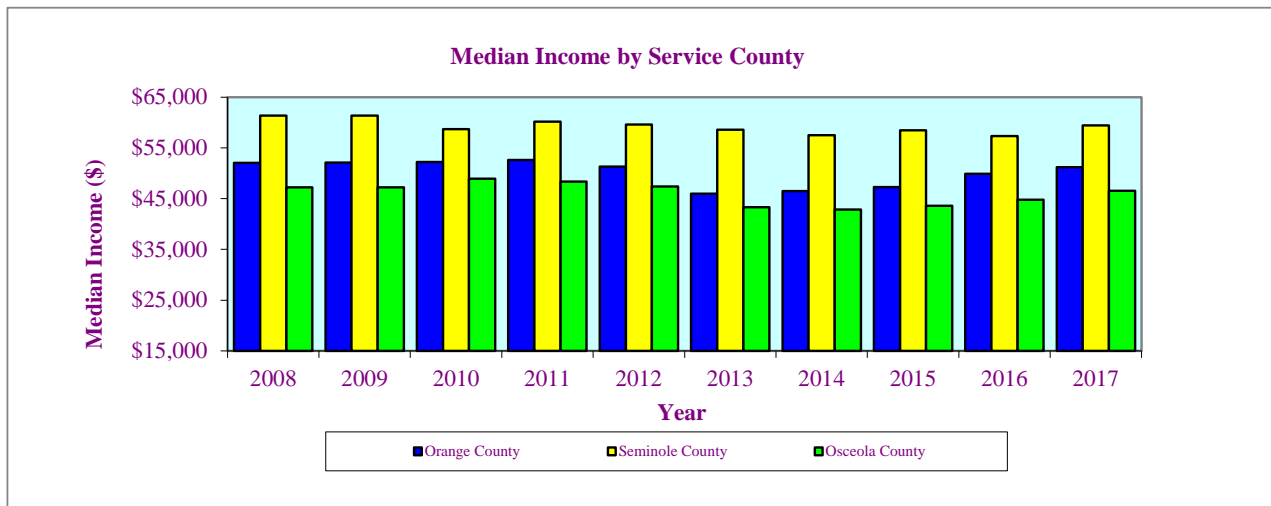


The population of the tri-county area, as a whole, increased approximately 3.5% from 2016. There was an increase every year except for 2009, 2010 and 2012. The greatest growth was in Orange County, where the population grew approximately 4.08% compared to the previous year.

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
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
2017	\$51,232	\$59,441	\$46,528



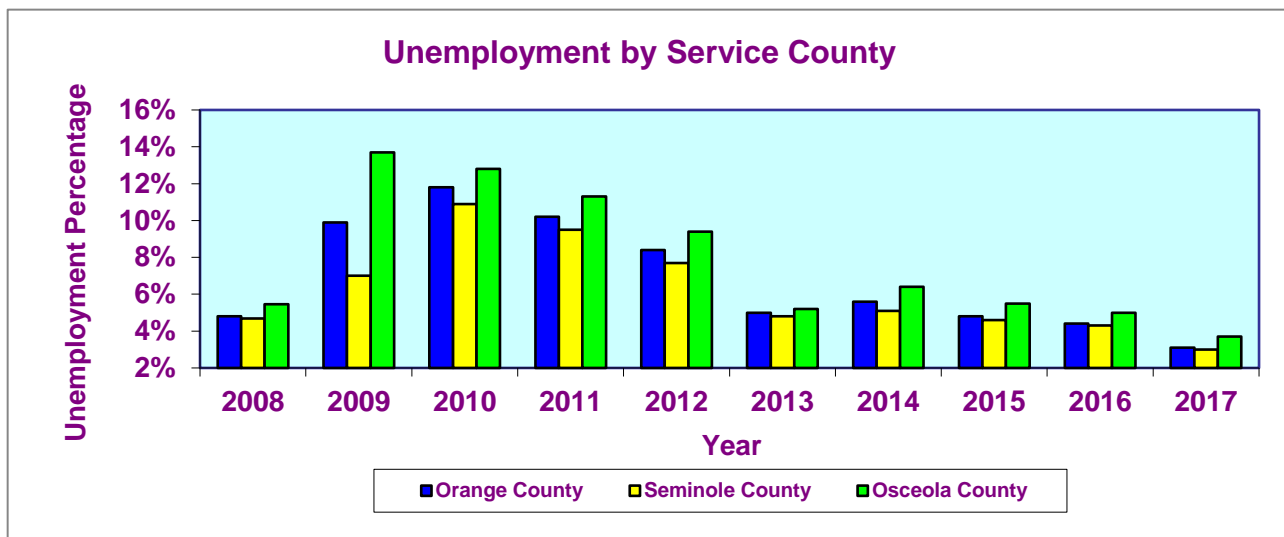
Median household income is useful in public transportation planning because it is one determinant of the need for, and probability of use, of public transportation. The lower the median income the greater, in most cases, will be the need for, and use of, public transportation.

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
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%
2017	3.1%	3.0%	3.7%	3.2%



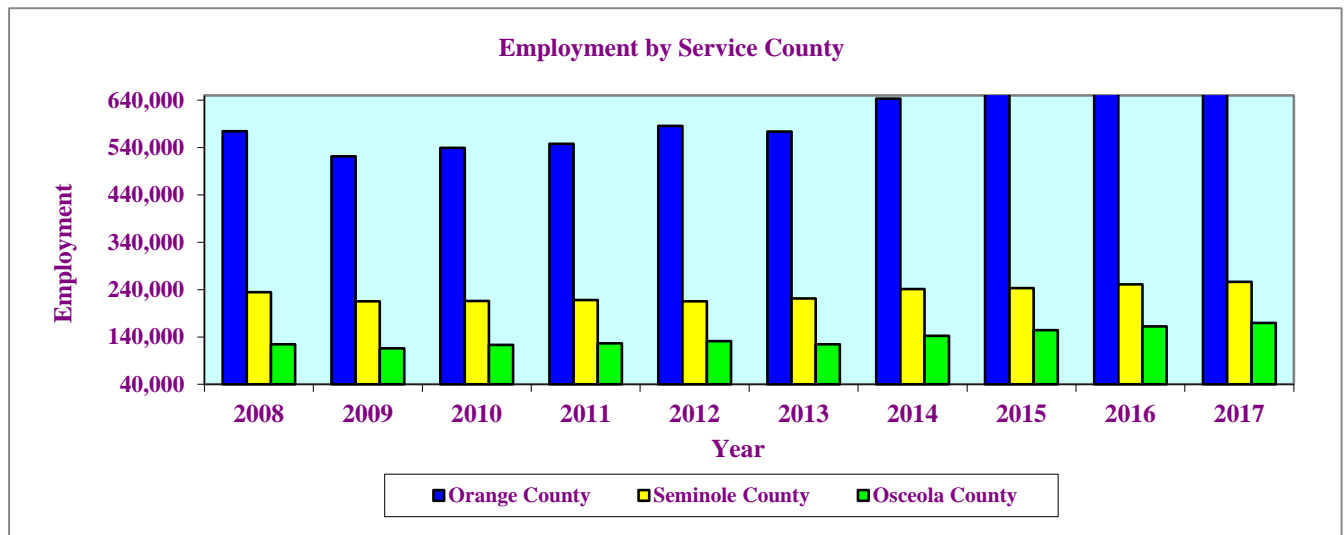
Employment and Unemployment trends are useful in the analysis of the economic vitality of a local economy. The availability of public transportation removes transportation barriers to employment, a factor which contributes to the continued need for public transportation. The yearly percentages by county are annual averages, non-seasonal based. The tri-county average for fiscal year 2016 was 3.2%, with Osceola County at 3.7% 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
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
2017	741,512	256,066	169,568	1,167,146



The tri-county area has experienced growth in employment every year except 2009 & 2013 due to the recession. 2017 was 3.09% above the 2016 level. The largest increase was Osceola County, where employment in 2017 was 4.66% above the 2016 level.

Source: Metro Orlando Economic Development Commission

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

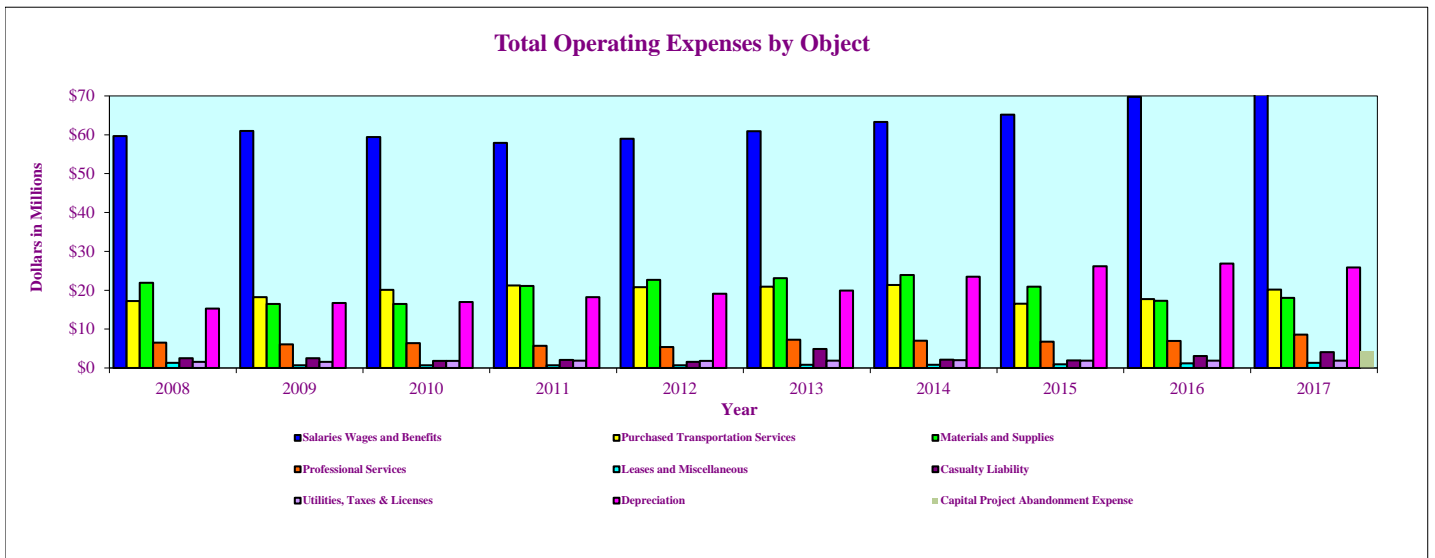
<b>FISCAL YEAR</b>	<b>RIDERSHIP</b>	<b>NUMBER OF PEAK VEHICLES</b>	<b>ACTUAL VEHICLE MILES</b>	<b>ACTUAL VEHICLE HOURS</b>
2008	26,427,067	238	16,739,475	1,162,852
2009	23,747,795	234	16,225,409	1,108,783
2010	24,780,704	223	16,570,711	1,111,073
2011	26,996,158	225	16,503,043	1,108,489
2012	28,184,740	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
2017	24,845,029	259	17,065,204	1,198,148

SOURCES: NTD report (MotorBus)

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

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

Fiscal Year	Salaries Wages and Benefits	Purchased Transportation Services	Materials and Supplies	Professional Services	Leases and Miscellaneous	Casualty Liability	Utilities, Taxes & Licenses	Depreciation	Capital Project Abandonment Expense	Total Operating Expenses
2008	\$59.7	\$17.2	\$21.9	\$6.5	\$1.3	\$2.5	\$1.6	\$15.3	\$0.0	\$126.0
2009	\$61.0	\$18.2	\$16.5	\$6.1	\$0.7	\$2.5	\$1.6	\$16.7	\$0.0	\$123.3
2010	\$59.4	\$20.1	\$16.5	\$6.4	\$0.7	\$1.8	\$1.8	\$17.0	\$0.0	\$123.7
2011	\$57.9	\$21.2	\$21.1	\$5.7	\$0.7	\$2.1	\$1.9	\$18.2	\$0.0	\$128.8
2012	\$59.0	\$20.8	\$22.7	\$5.4	\$0.7	\$1.6	\$1.8	\$19.1	\$0.0	\$131.1
2013	\$60.9	\$20.9	\$23.1	\$7.3	\$0.8	\$4.9	\$1.9	\$19.9	\$0.0	\$139.7
2014	\$63.3	\$21.4	\$23.9	\$7.0	\$0.8	\$2.2	\$2.0	\$23.5	\$0.0	\$144.0
2015	\$65.2	\$16.5	\$20.9	\$6.8	\$1.0	\$1.9	\$1.9	\$26.2	\$0.0	\$140.4
2016	\$69.7	\$17.7	\$17.3	\$7.0	\$1.2	\$3.1	\$1.9	\$26.8	\$0.0	\$144.8
2017	\$73.6	\$20.2	\$18.1	\$8.6	\$1.3	\$4.0	\$1.9	\$25.9	\$4.2	\$157.8

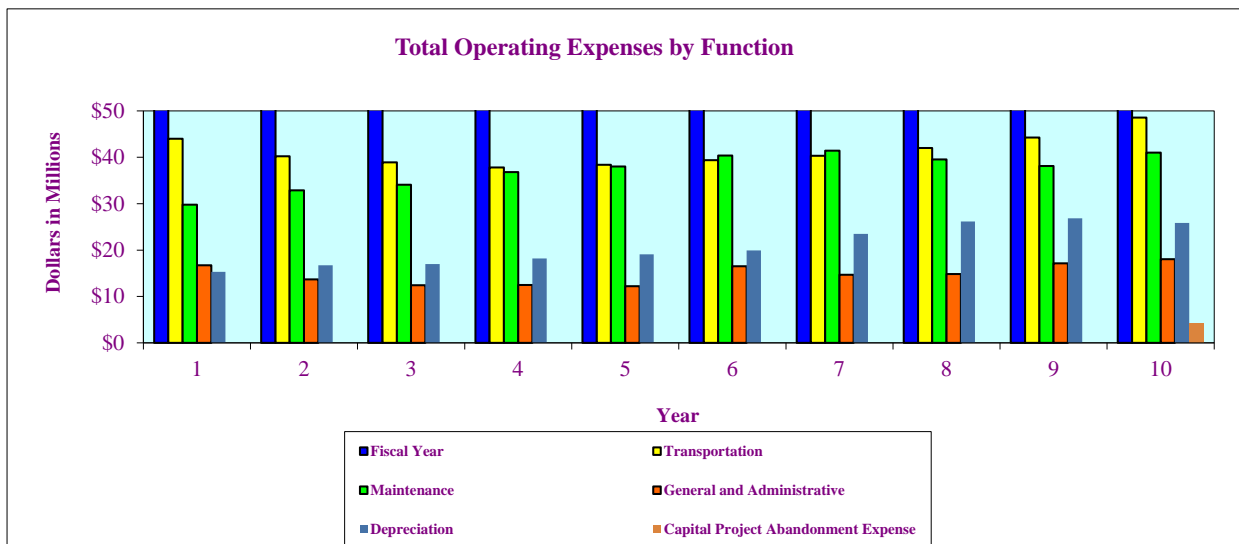


The table and graph show the annual amount for each of the 8 primary object classifications of operating expenses during the last ten years. Total operating expenses for fiscal year 2017 reflects a 21.9% increase from fiscal year 2008. At 47.98% of total operating expenses in fiscal year 2017 the Salaries, Wages and Benefits object is the largest object and has increased by 5.73% as compared to fiscal year 2016 due to increases in scheduled services to meet ridership demand.

Source: Financial Statements

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

Fiscal Year	Transportation	Maintenance	Paratransit	General and Administrative	Depreciation	Capital Project Abandonment Expense	Total Operating Expenses
2008	\$44.0	\$29.8	\$20.2	\$16.7	\$15.3	\$0.0	\$126.0
2009	\$40.2	\$32.9	\$19.8	\$13.7	\$16.7	\$0.0	\$123.3
2010	\$38.9	\$34.1	\$21.3	\$12.4	\$17.0	\$0.0	\$123.7
2011	\$37.8	\$36.8	\$23.5	\$12.5	\$18.2	\$0.0	\$128.8
2012	\$38.4	\$38.0	\$23.4	\$12.2	\$19.1	\$0.0	\$131.1
2013	\$39.4	\$40.4	\$23.5	\$16.5	\$19.9	\$0.0	\$139.7
2014	\$40.3	\$41.4	\$24.1	\$14.7	\$23.5	\$0.0	\$144.0
2015	\$42.0	\$39.5	\$17.9	\$14.8	\$26.2	\$0.0	\$140.4
2016	\$44.3	\$38.1	\$18.4	\$17.2	\$26.8	\$0.0	\$144.8
2017	\$48.6	\$41.0	\$20.2	\$18.0	\$25.9	\$4.2	\$157.8



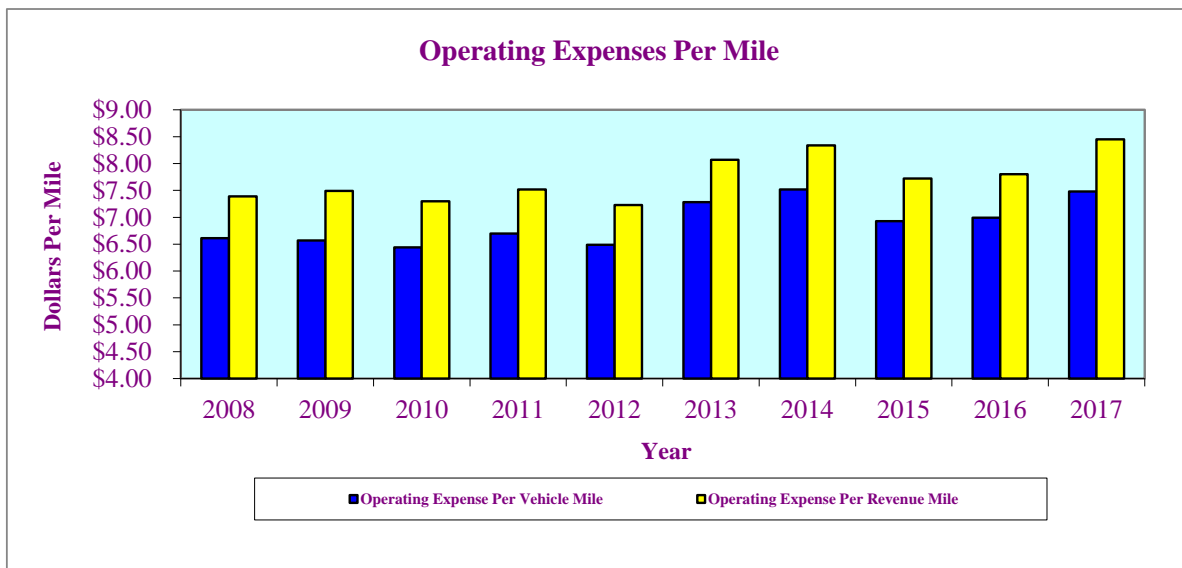
This table and graph show operating expenses by function for the last ten years. Total operating expenses for 2017 are 21.9% greater than 2008. Maintenance expenses in 2017 are 37.5% over the 2008 level; the greatest increase is due to increased demand for maintenance services resulting from an expanded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

Source: Financial Statements

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

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

Fiscal Year	Vehicle Miles	Revenue Miles	Operating Expense Per Vehicle Mile	Operating Expense Per Revenue Mile
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
2017	17,065,204	15,111,138	\$7.48	\$8.45



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 2017 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 2017**

(Unaudited)

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

**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	
<b>American Home Assurance Company</b>	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	
	<b>Sub-total</b>	<b>\$125,408</b>				
<b>PGIT (Preferred Governmental Insurance Trust)</b>	<b>Crime</b>	\$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		
		<b>Sub-total</b>	<b>\$1,175</b>			
	<b>General Liability</b>					0%
	General Liability	\$31,593	\$1,000,000	\$200,000		
	EBL	Included	\$1,000,000	\$200,000		
		<b>Sub-total</b>	<b>\$31,593</b>			
	<b>Public Officials/EPLI</b>					0%
	Public Officials	\$84,283	\$2,000,000	\$100,000		
	EPLI	Included	\$2,000,000	\$100,000		
		<b>Sub-total</b>	<b>\$84,283</b>			
	<b>Automobile</b>					0%
Auto Liability/UM/MedPay	Rejected		N/A	N/A		
Auto Physical Damage	\$220,382		Symbol 10	\$1,000 / \$10,000		
	<b>Sub-total</b>	<b>\$220,382</b>				
	<b>Total Premium This Page</b>	<b>\$462,841</b>				

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CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED SEPTEMBER 30, 2017

FEDERAL GRANTOR/ PROGRAM TITLE	Federal CFDA Number	Project Number	Program or Award Amount	September 30, 2016 Receivable	Receipts	Expenditures	September 30, 2017 Receivable	Passed Through to Subrecipients
Department of Transportation Federal Transit Cluster								
Federal Transit - Capital Investment Grants								
Capital assistance	20.500	FL03-0340	\$ 7,920,000	\$ 135	\$ (3,735)	\$ 3,600	\$ -	\$ -
Capital assistance	20.500	FL04-0112	1,149,050	308,905	(414,622)	105,717	-	-
Capital assistance	20.500	FL04-0147	1,233,132	5,070	(36,193)	92,240	61,117	-
Capital assistance	20.500	FL04-0172	1,056,800	7,314	(240,631)	422,366	189,049	-
Capital assistance	20.500	FL04-0185	8,390,860	6,459,381	(7,084,411)	635,227	10,197	-
			<u>19,749,842</u>	<u>6,780,805</u>	<u>(7,779,592)</u>	<u>1,259,150</u>	<u>260,363</u>	<u>-</u>
Federal Transit - Formula Grants								
Capital assistance	20.507	FL90-X726	22,243,009	204,287	(299,534)	97,751	2,504	-
Capital assistance	20.507	FL90-X773	20,549,869	6,710	(12,864)	6,154	-	-
Capital assistance	20.507	FL90-X789	20,903,149	71,873	(158,674)	86,801	-	-
Capital assistance	20.507	FL90-X826	23,509,503	400,772	(1,203,406)	820,428	17,794	-
Capital assistance	20.507	FL90-X858	25,317,482	126,703	(1,574,526)	1,582,099	134,276	-
Capital assistance	20.507	FL90-X885	10,630,000	3,419,616	(3,426,836)	402,099	394,879	-
Capital assistance	20.507	FL95-X054	6,025,050	109	(602)	493	-	-
Capital assistance	20.507	FL95-X068	6,297,975	6,206	(38,868)	38,738	6,076	-
Capital assistance	20.507	FL95-X071	7,685,383	-	(370,141)	400,112	29,971	-
Capital assistance	20.507	FL95-X101	7,850,500	562,344	(5,968,394)	5,429,011	22,961	-
Capital assistance	20.507	FL2017-001	17,609,919	2,179,754	(10,223,001)	8,257,310	214,063	-
Capital assistance	20.507	FL2017-013	8,209,682	-	(605,487)	605,487	-	-
Capital assistance	20.507	FL2017-019	5,479,549	-	(2,791,145)	2,791,145	-	-
Capital assistance	20.507	FL2017-027	4,222,670	-	(140,112)	531,788	391,676	-
Capital assistance	20.507	FL2017-039	26,103,204	-	(10,067,618)	12,230,150	2,162,532	-
Capital assistance	20.507	ZZ-FTA-PREAWARD	-	1,427,654	-	(115,320)	1,312,334	-
			<u>212,636,944</u>	<u>8,406,028</u>	<u>(36,881,208)</u>	<u>33,164,246</u>	<u>4,689,066</u>	<u>-</u>
Federal Transit - State of Good Repair Grants Program								
Capital assistance	20.525	FL54-0002	426,112	-	(6,626)	67,577	60,951	-
			<u>426,112</u>	<u>-</u>	<u>(6,626)</u>	<u>67,577</u>	<u>60,951</u>	<u>-</u>
Total Federal Transit Cluster			<u>232,812,898</u>	<u>15,186,833</u>	<u>(44,667,426)</u>	<u>34,490,973</u>	<u>5,010,380</u>	<u>-</u>
Federal Transit: National Infrastructure Investments								
Capital assistance	20.933	FL79-0001	13,000,000	1,324,395	(2,338,102)	1,013,707	-	-
			<u>13,000,000</u>	<u>1,324,395</u>	<u>(2,338,102)</u>	<u>1,013,707</u>	<u>-</u>	<u>-</u>

(Continued)

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED SEPTEMBER 30, 2017**

FEDERAL GRANTOR/ PROGRAM TITLE	Federal CFDA Number	Project Number	Program or Award Amount	September 30, 2016 Receivable	Receipts	Expenditures	September 30, 2017 Receivable	Passed Through to Subrecipients
<b>Federal Transit: Metropolitan Transportation Planning Passed through the Metroplan Orlando</b>								
	20.505	FL80-X011	437,304	-	(317,978)	390,611	72,633	-
	20.505	FL80-X024	287,162	92,639	(92,639)	-	-	-
	20.505	FL80-X025	331,466	26,401	(114,565)	93,560	5,396	-
			<u>1,055,932</u>	<u>119,040</u>	<u>(525,182)</u>	<u>484,171</u>	<u>78,029</u>	<u>-</u>
<b>Federal Transit: Formula Grants for Rural Areas Passed through Florida Department of Transportation Capital Assistance</b>								
	20.509	AQU34	1,720,871	382,837	(382,837)	399,265	399,265	-
			<u>1,720,871</u>	<u>382,837</u>	<u>(382,837)</u>	<u>399,265</u>	<u>399,265</u>	<u>-</u>
<b>Transit Services Programs Cluster</b>								
<b>Federal Transit: Job Access and Reverse Commute Program</b>								
	20.516	AR064	1,421,955	49,543	(90,291)	66,511	25,763	-
			<u>1,421,955</u>	<u>49,543</u>	<u>(90,291)</u>	<u>66,511</u>	<u>25,763</u>	<u>-</u>
<b>Federal Transit: Enhanced Mobility of Seniors and Individuals with Disabilities</b>								
	20.513	FL16-X019	2,560,222	173,702	(258,621)	122,136	37,217	88,439
	20.513	FL16-X023	777,848	-	(385,259)	385,259	-	-
	20.513	G0327	674,915	68,096	(73,461)	611,481	606,116	-
			<u>4,012,985</u>	<u>241,798</u>	<u>(717,341)</u>	<u>1,118,876</u>	<u>643,333</u>	<u>88,439</u>
<b>Federal Transit: New Freedom Program</b>								
	20.521	AQN72	35,000	14,350	(29,124)	20,650	5,876	20,650
	20.521	AQN91	859,729	52,823	(71,707)	96,820	77,936	17,901
			<u>894,729</u>	<u>67,173</u>	<u>(100,831)</u>	<u>117,470</u>	<u>83,812</u>	<u>38,551</u>
			<u>6,329,669</u>	<u>358,514</u>	<u>(908,463)</u>	<u>1,302,857</u>	<u>752,908</u>	<u>126,990</u>
<b>Total Transit Services Program Cluster</b>								
<b>Federal Transit - Alternatives Analysis</b>								
	20.522	FL39-0013	1,200,000	111	(662)	551	-	-
			<u>1,200,000</u>	<u>111</u>	<u>(662)</u>	<u>551</u>	<u>-</u>	<u>-</u>
<b>Department of Homeland Security - Federal Emergency Management Agency Disaster Grants - Public Assistance (Presidentially Declared Disasters)</b>								
	97.036	8401-F	142,928	-	-	142,928	142,928	-
			<u>142,928</u>	<u>-</u>	<u>-</u>	<u>142,928</u>	<u>142,928</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>								
			<u>\$ 256,262,298</u>	<u>\$ 17,371,730</u>	<u>\$ (48,822,672)</u>	<u>\$ 37,834,452</u>	<u>\$ 6,383,510</u>	<u>\$ 126,990</u>
<b>NONOPERATING REVENUE PORTION</b>								
<b>OTHER INCOME</b>								
						14,680,395		
<b>CONTRIBUTED CAPITAL</b>								
						113,235		
						<u>\$ 23,040,822</u>		

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, 2017**

GRANT NUMBER/ SOURCE	Program or Award Amount	September 30, 2016 Unearned (Receivable)	Transfers/ Receipts	Expenditures	September 30, 2017 Unearned (Receivable)
<b>LOCAL MATCHING GRANTS:</b>					
N/A, AQN72	\$ 35,000	\$ -	\$ 20,650	\$ 20,650	\$ -
N/A, AQN91	859,729	-	96,820	96,820	-
N/A, AQU34	399,265	-	399,265	399,265	-
N/A, AQV49	10,142,756	-	10,142,756	10,142,756	-
N/A, AR064	1,421,955	-	66,511	66,511	-
N/A, AR12	355,389	-	153,994	153,994	-
N/A, AR13	281,621	-	98,176	98,176	-
N/A, ARP60	78,118	-	27,668	27,668	-
N/A, FL16-X019	1,388,921	-	118,484	118,484	-
N/A, FL2017-027	1,485,121	-	518,141	518,141	-
N/A, FL-8401-S-2	23,821	-	23,821	23,821	-
N/A, G0327	1,391,630	-	611,481	611,481	-
N/A, G0B90	473,774	-	355,252	355,252	-
N/A, G0I96	3,356	-	650	650	-
N/A, G0M69	507,578	-	126,978	126,978	-
Private Partners (Shelters and Vans)	-	99,060	-	4,500	94,560
City of Orlando (LYNX-Orlando Trail Project)	1,541,415	244,401	-	22,925	221,476
City of Orlando (LYMMO East-West Project)	9,920,000	-	900	900	-
City of Orlando (LYMMO Parramore Project)	16,250,000	-	188,049	188,049	-
City of Orlando (Mills District Shelter Project)	70,000	36,130	-	26,678	9,452
City of Orlando (Parramore Environmental)	662,581	-	1,529	1,529	-
City of Orlando (Parramore Project C)	327,912	129,171	108,079	237,250	-
City of Orlando (LYMMO CEI)	896,000	-	157,351	157,351	-
Orange County (Pine Hills SuperStop Project)	1,250,000	250,000	-	-	250,000
Orange County Capital	1,687,947	(992)	1,666,583	868,615	796,976
Osceola County Capital	193,753	203,270	(4,356)	198,914	-
Seminole County Capital	216,984	263,871	(48,049)	215,822	-
Other Local Capital	-	86,115	-	-	86,115
<b>Total matching grants</b>	<b>\$ 51,864,626</b>	<b>\$ 1,311,026</b>	<b>\$ 14,830,733</b>	<b>\$ 14,683,180</b>	<b>\$ 1,458,579</b>
Customer fares and operating assistance				12,760,647	
Contributed capital portion				\$ 1,922,533	
<b>LOCAL GRANTS AND CONTRACT SERVICES:</b>					
<b>Operating assistance:</b>					
Orange County		\$ -	\$ 41,659,629	\$ 41,659,629	\$ -
City of Orlando		-	4,199,686	4,199,686	-
Seminole County		-	1,770,506	1,770,506	-
Osceola County		-	1,180,498	1,180,498	-
<b>Total nonoperating revenue portion</b>		<b>\$ -</b>	<b>\$ 48,810,319</b>	<b>\$ 48,810,319</b>	<b>\$ -</b>
<b>Contract services:</b>					
Seminole County		\$ -	\$ 4,141,082	\$ 4,141,082	\$ -
Osceola County		500	5,708,940	5,709,440	-
City of Orlando (LYMMO)		(571,742)	2,394,717	2,087,895	(264,920)
City of Altamonte Springs		-	120,900	120,900	-
City of Sanford		-	840,263	840,263	-
Disney		(162,170)	315,744	307,148	(153,574)
Econ River High School		(47,197)	225,993	217,128	(38,332)
University of Central Florida (UCF)		(29,052)	95,538	83,808	(17,322)
Valencia College		-	75,000	9,677	65,323
Shingle Creek		(16,885)	92,005	101,028	(25,908)
Polk County		(110,922)	538,808	517,447	(89,561)
Lake County		-	264,013	264,013	-
<b>Total Local Financial Assistance</b>		<b>(937,468)</b>	<b>14,813,003</b>	<b>14,399,829</b>	<b>(524,294)</b>
<b>Other Contractual Services</b>					
Local - Shuttles		(10,775)	144,805	138,054	(4,024)
State - Transportation Disadvantage		(1,066,701)	4,269,532	4,345,923	(1,143,092)
Other Contractual Services		(2,703)	15,512	16,150	(3,341)
<b>Total Other Contractual Services</b>		<b>(1,080,179)</b>	<b>4,429,849</b>	<b>4,500,127</b>	<b>(1,150,457)</b>
<b>Total contract services</b>		<b>\$ (2,017,647)</b>	<b>\$ 19,242,852</b>	<b>\$ 18,899,956</b>	<b>\$ (1,674,751)</b>

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, 2017

STATE GRANTOR PROGRAM TITLE, CONTRACT NO., WPI NO., JOB NO.	CSFA Number	Program or Award Amount	September 30, 2016 Receivable	Receipts/ Adjustments	Expenditures	September 30, 2017 Receivable
<b>Florida Department of Transportation</b>						
<b>Public Transit Block Grant Program</b>						
N/A, AQV49	55.010	\$ 39,570,004	\$ 5,136,866	\$ (10,208,244)	10,142,756	\$ 5,071,378
		<u>39,570,004</u>	<u>5,136,866</u>	<u>(10,208,244)</u>	<u>10,142,756</u>	<u>5,071,378</u>
<b>Public Transit Service Development Program</b>						
N/A, ARA12	55.012	355,389	60,244	(194,698)	153,994	19,540
N/A, ARA13	55.012	281,621	56,952	(155,128)	98,176	-
N/A, ARD60	55.012	3,477,743	359,918	(871,922)	1,032,331	520,327
N/A, ARP60	55.012	78,118	12,407	(22,455)	27,668	17,620
N/A, G0G99	55.012	175,000	-	-	43,231	43,231
		<u>4,367,871</u>	<u>489,521</u>	<u>(1,244,203)</u>	<u>1,355,400</u>	<u>600,718</u>
<b>Florida Commission for the Transportation Disadvantaged Trip and Equipment Grant Program</b>						
N/A, G0B90	55.001	4,263,969	1,066,701	(4,263,969)	3,197,268	-
N/A, G0I96	55.001	356,180	-	(5,563)	5,850	287
N/A, G0M69	55.001	5,076,615	-	-	1,142,805	1,142,805
		<u>9,696,764</u>	<u>1,066,701</u>	<u>(4,269,532)</u>	<u>4,345,923</u>	<u>1,143,092</u>
<b>State Share of Federal Grants</b>						
N/A, FL16X023-S	N/A	48,167	-	(48,167)	48,167	-
		<u>48,167</u>	<u>-</u>	<u>(48,167)</u>	<u>48,167</u>	<u>-</u>
<b>Total Florida Department of Transportation</b>						
		<u>53,682,806</u>	<u>6,693,088</u>	<u>(15,770,146)</u>	<u>15,892,246</u>	<u>6,815,188</u>
<b>Florida Division of Emergency Management Emergency Protective Measures Program</b>						
N/A, 8401-S	N/A	23,821	-	-	23,821	23,821
		<u>23,821</u>	<u>-</u>	<u>-</u>	<u>23,821</u>	<u>23,821</u>
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>		<u>53,706,627</u>	<u>6,693,088</u>	<u>(15,770,146)</u>	<u>15,916,067</u>	<u>6,839,009</u>
<b>Other State Contracts</b>						
N/A, BDV03	N/A	1,382,280	352,273	(817,324)	1,203,543	738,492
N/A, BE350	N/A	1,419,201	-	-	354,800	354,800
		<u>2,801,481</u>	<u>352,273</u>	<u>(817,324)</u>	<u>1,558,343</u>	<u>1,093,292</u>
<b>TOTAL STATE FINANCIAL ASSISTANCE AND OTHER STATE CONTRACTS</b>		<u>\$ 56,508,108</u>	<u>\$ 7,045,361</u>	<u>\$ (16,587,470)</u>	<u>17,474,410</u>	<u>\$ 7,932,301</u>
<b>CONTRACT SERVICES PORTION</b>					4,345,923	
<b>NONOPERATING REVENUE PORTION</b>					<u>12,854,918</u>	
<b>CONTRIBUTED CAPITAL PORTION</b>					<u>\$ 273,569</u>	

## CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY

### NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND LOCAL AND STATE FINANCIAL ASSISTANCE YEAR ENDED SEPTEMBER 30, 2017

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

<u>Grant</u>	<u>Award Amount</u>	<u>Toll Revenue Credits Applied during Fiscal 2017</u>
FL-04-0112	\$ 1,149,050	\$ 26,429
FL-04-0172	1,056,800	105,592
FL-54-0002	426,112	16,894
FL-90-X726	22,243,009	24,438
FL-90-X773	20,549,869	1,539
FL-90-X858	25,317,482	395,525
FL-90-X885	10,630,000	100,525
FL-95-X054	6,025,050	123
FL-95-X068	6,297,975	9,685
FL-95-X071	7,685,383	100,028
FL-95-X101	7,850,500	1,357,253
FL-2017-001	14,369,763	2,064,328
FL-2017-013	8,209,682	151,372
FL-2017-019	5,479,549	697,786
FL-2017-039	26,103,204	3,057,538
<b>Total</b>	<b>\$ <u>163,393,428</u></b>	<b>\$ <u>8,109,055</u></b>

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

**Report of Independent Auditor on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors of  
Central Florida Regional Transportation Authority:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statements of net position of Central Florida Regional Transportation Authority d/b/a LYNX (the "Authority") as of September 30, 2017 and 2016, and the related statements of revenues, expenses and changes in net position and of cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 22, 2018.

### **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.

Orlando, Florida  
February 22, 2018





**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, 2017. 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, 2017.

## 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.

Orlando, Florida  
February 22, 2018

**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, 2017

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**Part I - Summary of Auditor's Results**

**Financial Statement Section**

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

**Federal Awards and State Projects Section**

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

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

*FOR THE YEAR ENDED SEPTEMBER 30, 2017*

**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-CL

State Projects:

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

Dollar threshold used to determine Type A programs:

Federal	\$ 1,141,192
State	\$ 477,482

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, 2017*

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#### **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, 2017*

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**Prior Year Audit Finding:**

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

## 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, 2017 and 2016, and have issued our report thereon dated February 22, 2018.

### 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 February 22, 2018, 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 and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific 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 review of financial information provided by same.

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. Reference to this matter is provided in Appendix A for the Authority. We did not audit the Authority's response to the recommendation, which is also provided in Appendix A, and, accordingly, we express no opinion on it.

### **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, 2017 and 2016, 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, 2017 and 2016. Our comparison of these two reports resulted in no material differences.

### **Other Matters**

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.

Orlando, Florida  
February 22, 2018



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

*FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017*

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**Information provided for Self-insurance Program Actuary**

**Statement of Condition 2017-01:** During our review of the information provided for the fiscal 2017 actuarial report for the Authority's self-insured plan for claims related to its general liability and worker compensation coverage, we noted that the actuary reported data inconsistencies and discrepancies in claims loss runs, including instances where information relating to outstanding claims in litigation had not been communicated or had been incorrectly communicated to the actuary.

**Criteria:** All claims information should be maintained by the third party administrator and monitored by the Authority. This will allow for comprehensive tracking with accurate and timely reporting.

**Cause:** Claims information was not sufficiently organized to ensure consistent year-to-year reporting. Some claims were processed in-house instead of by the third party administrator.

**Recommendation:** We recommend that the Authority strengthen internal controls for the accumulation and review of claims information to ensure that it is complete, timely and accurate. In addition we recommend the Authority ensure all claims are turned over to the qualified third party administrator for handling and reporting, and that the Authority scrutinize the claims reports for unusual fluctuations.

**Management's Response:**

Management concurs with the issue identified as 2017-01 and agrees with the recommendation.

Most of the Authority's liability claims, including workers compensation, general liability, subrogation and auto liability are now being administered externally by the third-party administrator and are tracked by the Authority's personnel.

Management remains committed to identifying and prioritizing both immediate and long-range solutions that will strengthen internal controls for the accumulation of claims information to ensure that it is complete, timely and accurate. Management is convening a working group in March 2018 to review the status of all outstanding claims and ensure they are accurately reported for FY 2018.



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

To the Board of Directors  
Central Florida Regional Transportation Authority:

We have examined the Central Florida Regional Transportation Authority's d/b/a LYNX (the "Authority") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2017. Management of the Authority is responsible for the Authority's compliance with the specific requirements. Our responsibility is to express an opinion on the Authority's compliance with the specific requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Authority complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2017.

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

Orlando, Florida  
February 22, 2018

**Finance Committee Action Item #6.B.**

**To:** LYNX Finance & Audit Committee

**From:** Albert Francis  
CHIEF FINANCIAL OFFICER  
LEONARD ANTMANN  
(Technical Contact)  
Kimberly Forbragd  
(Technical Contact)  
Albert Francis  
(Technical Contact)

**Phone:** 407.841.2279 ext: 6058

**Item Name:** Authorization to Amend the FY18 Operating Budget

**Date:** 3/6/2018

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**ACTION REQUESTED:**

Staff is requesting the Board of Directors' authorization for the Chief Executive Officer (CEO) to amend the FY2018 Adopted Operating Budget to fund current LYNX initiatives.

**BACKGROUND:**

The table and summarized captions below provide information comprising the operating budget amendment request:

# LYNX Board Agenda

Revenue	FY2018 Adopted Budget Total October 2017	6% Lump Sum Payment to Union per Labor Agreement	Diesel and Unleaded Fuel & Taxes Shortfall	LYNX Vision 2030 Plan Update	Bilingual HR Help with Puerto Rican Refugees	Safety and Security Training (Live Drill)	Categorical Adjustments	FY2018 Amended Budget Total March 2018
Fund Balance	1,737,041	1,776,514	392,443	33,222	7,500	145,000	-	4,091,720
LYNX Generated Revenue	48,804,277	-	418,743	-	-	-	-	49,223,020
Federal Revenue	17,947,055	-	158,814	-	-	-	-	18,105,869
State Revenue	13,097,017	-	-	-	-	-	-	13,097,017
Local Revenue	51,898,154	-	-	-	-	-	-	51,898,154
<b>Total Revenue</b>	<b>133,483,544</b>	<b>1,776,514</b>	<b>970,000</b>	<b>33,222</b>	<b>7,500</b>	<b>145,000</b>	<b>-</b>	<b>136,415,780</b>
<b>Expense</b>								
Salaries/Wages/Fringes	78,226,554	1,776,514	-	-	-	-	5,647	80,008,715
Other Services	11,816,580	-	-	33,222	7,500	145,000	40,173	12,042,475
Fuel	9,920,264	-	900,000	-	-	-	-	10,820,264
Materials & Supplies	8,097,032	-	-	-	-	-	-	8,097,032
Utilities	1,604,244	-	-	-	-	-	(45,820)	1,558,424
Casualty & Liability	2,353,031	-	-	-	-	-	-	2,353,031
Taxes & Tags	459,391	-	70,000	-	-	-	-	529,391
Purchased Transportation	19,489,370	-	-	-	-	-	-	19,489,370
Leases & Miscellaneous	1,436,031	-	-	-	-	-	-	1,436,031
Interest	81,047	-	-	-	-	-	-	81,047
<b>Total Operating Expenses</b>	<b>133,483,544</b>	<b>1,776,514</b>	<b>970,000</b>	<b>33,222</b>	<b>7,500</b>	<b>145,000</b>	<b>-</b>	<b>136,415,780</b>

Revenue	FY2018 Adopted Budget Total October 2017	6% Lump Sum Payment to Union per Labor Agreement	Diesel and Unleaded Fuel & Taxes Shortfall	LYNX Vision 2030 Plan Update	Bilingual HR Help with Puerto Rican Refugees	Safety and Security Training (Live Drill)	Categorical Adjustments	FY2018 Amended Budget Total March 2018
Fund Balance	1,737,041	1,776,514	392,443	33,222	7,500	145,000	-	4,091,720
Customer Fares	25,408,169	-	-	-	-	-	-	25,408,169
Contract Services	5,224,268	-	68,743	-	-	-	-	5,293,011
Advertising on Buses	1,975,000	-	200,000	-	-	-	-	2,175,000
Advertising - Trade	30,000	-	-	-	-	-	-	30,000
Interest & Other Income	1,186,321	-	150,000	-	-	-	-	1,336,321
Federal Revenue	17,947,055	-	158,814	-	-	-	-	18,105,869
State Revenue	13,097,017	-	-	-	-	-	-	13,097,017
Local Revenue	66,878,673	-	-	-	-	-	-	66,878,673
<b>Total Revenue</b>	<b>133,483,544</b>	<b>1,776,514</b>	<b>970,000</b>	<b>33,222</b>	<b>7,500</b>	<b>145,000</b>	<b>-</b>	<b>136,415,780</b>
<b>Expense</b>								
Salaries/Wages/Fringes	78,226,554	1,776,514	-	-	-	-	5,647	80,008,715
Other Services	11,816,580	-	-	33,222	7,500	145,000	40,173	12,042,475
Fuel	9,920,264	-	900,000	-	-	-	-	10,820,264
Materials & Supplies	8,097,032	-	-	-	-	-	-	8,097,032
Utilities	1,604,244	-	-	-	-	-	(45,820)	1,558,424
Casualty & Liability	2,353,031	-	-	-	-	-	-	2,353,031
Taxes & Tags	459,391	-	70,000	-	-	-	-	529,391
Purchased Transportation	19,489,370	-	-	-	-	-	-	19,489,370
Leases & Miscellaneous	1,436,031	-	-	-	-	-	-	1,436,031
Interest	81,047	-	-	-	-	-	-	81,047
<b>Total Operating Expenses</b>	<b>133,483,544</b>	<b>1,776,514</b>	<b>970,000</b>	<b>33,222</b>	<b>7,500</b>	<b>145,000</b>	<b>-</b>	<b>136,415,780</b>

**Fund Balance** – On December 7, 2017, the Board approved a 6% lump sum payment to the Union per the recently ratified Labor Agreement. LYNX Fund Balance is the recommended funding source to amend the FY2018 Adopted Operating Budget by \$1,776,514 to cover these expenses.

Increases in price and quantity of Diesel and Unleaded Fuel utilization necessitate additional budget to procure fuel and pay the corresponding excise taxes to operate LYNX vehicles. In FY17, LYNX placed a futures trade to hedge 61.1% of the Diesel and 63.4% of the Unleaded Fuel consumed thus far in FY18.

Growth from Interest Income, projected Advertising revenue, a Joint Partnership with FDOT, and the spring semester contract service agreements with UCF and Seminole State combine with Fund Balance to equal the \$970,000 increase requested.

**Professional Services** – On December 7, 2017 the Board approved \$145,000 to take part in a pair of Safety and Security “All Threats Training” Exercises. Also, two other Professional Service expenses: 1) Updating the LYNX Vision 2030 Plan, and 2) Providing Bilingual Human Resource Help with Puerto Rican Refugees constituted the remaining \$40,722 requested to amend the FY18 Adopted Budget.

The following table summarizes the adjustments mentioned above and formally amends the FY2018 Adopted Operating Budget to \$136,415,780 from \$133,483,544:

**FY2018 Amended Operating Budget**

<b>Operating Revenues</b>	<b>FY18 Adopted</b>		<b>FY18 Amended</b>
	<b>Budget</b>	<b>Revisions</b>	<b>Budget Total</b>
Fund Balance	1,737,041	2,354,679	4,091,720
LYNX-Generated Revenue	48,804,277	418,743	49,223,020
Federal Revenue	17,947,055	158,814	18,105,869
State Revenue	13,097,017	-	13,097,017
Local Revenue	51,898,154	-	51,898,154
<b>Total Revenue</b>	<b>133,483,544</b>	<b>2,932,236</b>	<b>136,415,780</b>

These funds are programmed to fund the following category of expense:

<b>Operating Expenses</b>	<b>FY18 Adopted</b>		<b>FY18 Amended</b>
	<b>Budget</b>	<b>Revisions</b>	<b>Budget Total</b>
Salaries/Wages/Fringes	78,226,554	1,782,161	80,003,068
Other Services	11,816,580	225,895	12,002,302
Fuel	9,920,264	900,000	10,820,264
Materials & Supplies	8,097,032	-	8,097,032
Utilities	1,604,244	(45,820)	1,604,244
Casualty & Liability	2,353,031	-	2,353,031
Taxes & Tags	459,391	70,000	529,391
Purchased Transportation	19,489,370	-	19,489,370
Leases & Miscellaneous	1,436,031	-	1,436,031
Interest	81,047	-	81,047
<b>Total Operating Expenses</b>	<b>133,483,544</b>	<b>2,932,236</b>	<b>136,415,780</b>

**FISCAL IMPACT:**

Upon Board approval, LYNX's FY2018 Amended Operating Budget will increase to \$136,415,780 from \$133,483,544.