

Comprehensive Annual Financial Report

For Years Ended
September 30, 2019 and 2018



COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

CENTRAL FLORIDA REGIONAL
TRANSPORTATION AUTHORITY d/b/a

LYNX

FOR YEARS ENDED
SEPTEMBER 30, 2019 AND 2018

PREPARED BY THE FINANCE DEPARTMENT

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

LYNX® BOARD OF DIRECTORS



Chair
Lee Constantine
SEMINOLE COUNTY
COMMISSIONER



Vice-Chair
Buddy Dyer
MAYOR
OF ORLANDO



Secretary
Mike Shannon
FDOT DISTRICT 5
SECRETARY



Viviana Janer
OSCEOLA COUNTY
COMMISSIONER



Jerry Demings
ORANGE COUNTY
MAYOR

LYNX® EXECUTIVE MANAGEMENT



James E. Harrison, ESQ., P.E.
CHIEF EXECUTIVE
OFFICER



Albert J. Francis II, CPA
CHIEF FINANCIAL
OFFICER



Tiffany Homler Hawkins
CHIEF ADMINISTRATIVE
OFFICER



William John Slot
CHIEF INNOVATION &
SUSTAINABILITY
OFFICER



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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS**

INTRODUCTORY SECTION

TABLE OF CONTENTS	i
BOARD OF DIRECTORS, EXECUTIVE DIRECTOR, STAFF	iii
ORGANIZATIONAL CHART	iv
LETTER OF TRANSMITTAL	1
CERTIFICATE OF ACHIEVEMENT	11

FINANCIAL SECTION

REPORT OF INDEPENDENT AUDITOR	13
MANAGEMENT'S DISCUSSION AND ANALYSIS	16
BASIC FINANCIAL STATEMENTS:	
STATEMENTS OF NET POSITION	21
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	23
STATEMENTS OF CASH FLOWS	24
NOTES TO FINANCIAL STATEMENTS	25
REQUIRED SUPPLEMENTARY INFORMATION:	
UNION PENSION PLAN SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS	41
UNION PENSION PLAN SCHEDULE OF CONTRIBUTIONS, NET PENSION LIABILITY (ASSET) AND MONEY-WEIGHTED RATE OF RETURN	42
UNION PENSION PLAN NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	43
SCHEDULE OF CHANGES IN THE TOTAL LIABILITY AND RELATED RATIOS – REQUIRED BY GASB 75	44
SUPPLEMENTARY SCHEDULE OF REVENUES AND EXPENSES-BUDGET VS. ACTUAL (BUDGET BASIS)	45

STATISTICAL SECTION

STATISTICAL INFORMATION	47
MISCELLANEOUS STATISTICS	48
REVENUES, EXPENSES, AND CHANGES IN NET POSITION-LAST TEN YEARS	49
CONDENSED SUMMARY OF NET POSITION-LAST TEN YEARS	50
TOTAL DEBT-LAST TEN YEARS	51
REVENUE BY SOURCE-LAST TEN YEARS	52
REVENUES BY SOURCE (PERCENTAGES)-LAST TEN YEARS	53

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS (CON'T.)**

STATISTICAL SECTION

FARE STRUCTURE	54
FARE TRENDS-LAST TEN YEARS	55
FAREBOX RECOVERY PERCENTAGE-LAST TEN YEARS	56
BUDGETED STAFFING TRENDS-LAST TEN YEARS	57
TOP TEN EMPLOYERS-SERVICE AREA EMPLOYERS CURRENT YEAR AND NINE YEARS AGO	58
EMPLOYMENT PERCENTAGE BY INDUSTRY-SERVICE REGION LAST TEN YEARS	59
POPULATION BY SERVICE COUNTY-LAST TEN YEARS	60
MEDIAN HOUSEHOLD INCOME BY SERVICE COUNTY-LAST TEN YEARS	61
UNEMPLOYMENT BY SERVICE COUNTY-LAST TEN YEARS	62
EMPLOYMENT BY SERVICE COUNTY-LAST TEN YEARS	63
GENERAL STATISTICAL TRENDS-LAST TEN YEARS	64
OPERATING EXPENSES BY OBJECT-LAST TEN YEARS	65
OPERATING EXPENSES BY FUNCTION-LAST TEN YEARS	66
OPERATING EXPENSES PER MILE-LAST TEN YEARS	67
RISK MANAGEMENT-INSURANCE POLICIES-FISCAL YEARS 2019 AND 2018	68

SINGLE AUDIT SECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	71
SCHEDULE OF LOCAL FINANCIAL ASSISTANCE	73
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE	74
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND LOCAL AND STATE FINANCIAL ASSISTANCE	75
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	76
REPORT OF INDEPENDENT AUDITOR ON COMPLIANCE FOR EACH MAJOR FEDERAL 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	78
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS	80
INDEPENDENT AUDITOR'S MANAGEMENT LETTER	83
REPORT OF INDEPENDENT ACCOUNTANT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES	85

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

BOARD OF DIRECTORS

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

LYNX EXECUTIVE STAFF

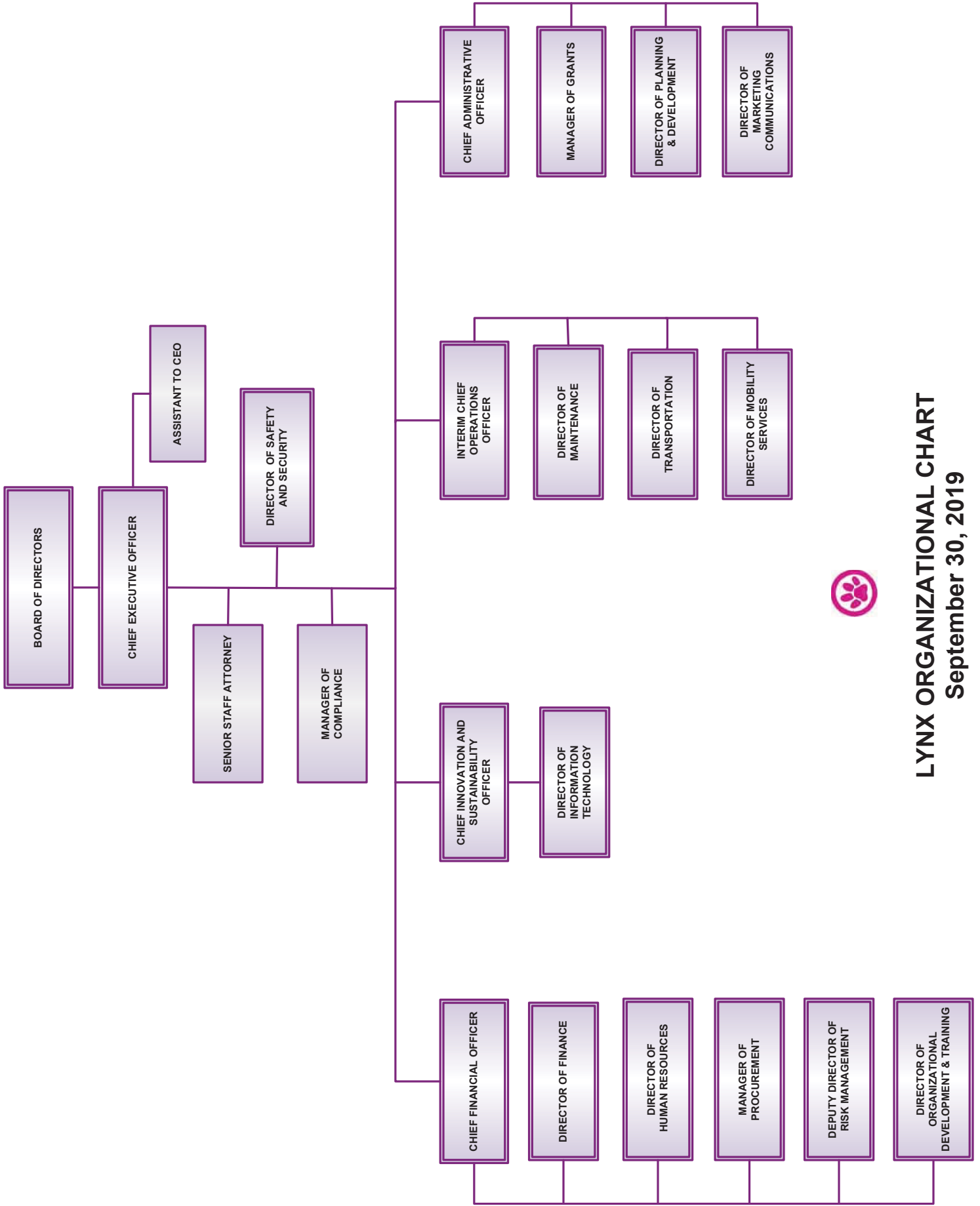
James E. Harrison	Chief Executive Officer
Albert J. Francis II, CPA	Chief Financial Officer
Tiffany Homler	Chief Administrative Officer
William Slot	Chief Innovation and Sustainability Officer

DEPARTMENT HEADS

Leonard Antmann	Director of Finance
Tomika Monterville	Director of Planning & Development
Terri Settingington	Director of Human Resources
Craig Bayard	Director of Information Technology
Matt Friedman	Director of Marketing Communications
Elvis Dovalés	Director of Maintenance

FINANCE DIVISION

Warren Hersh, CPA	Comptroller
Michelle Daley	Manager of Financial Planning & Budgets
Christopher Plummer, CPA	Manager of Financial Reporting
Nancy Navarro	Supervisor of Financial Reporting
Patty Dolan	Supervisor of Revenue Control
Maritza Rodriguez	Senior Accountant
Luis Buitrago	Accountant
Aida Diaz	Accountant
Samorea Nelson	Accountant
Joyce Larson	Data Analyst
Vivian Revis	Financial Analyst
Edward Velez	Property Officer
Ismael Cruz	Accounting Technician
Andrew O'Neil	Accounting Technician
Andrea Boyd	Accounting Technician



LYNX ORGANIZATIONAL CHART
September 30, 2019



March 5, 2020

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, 2019 is hereby submitted for your review.

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

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

This CAFR is presented in the following four sections:

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

REPORTING ENTITY

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

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

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

Responsibility for managing the administration and operations of LYNX resides with the Chief Executive Officer (CEO). To assist in this effort, a Chief Financial Officer, a Chief Administrative Officer, Chief Operating Officer, Chief Innovation Officer, and a Manager of Compliance support the executive office, as well as, nine directors. These nine directors are responsible for providing direction and oversight to the following departments: Vehicle Maintenance, Transportation, Mobility Services, Human Resources, Information Technology, Marketing Communications, Planning and Development, Safety and Security, and Finance.

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 is comprised of 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. Orlando is home to three pro or semi-professional sports teams – the NBA’s Orlando Magic, Major League Soccer’s (MLS) Orlando City Lions, and the Orlando Solar Bears (Ice Hockey). The City of Orlando has a vibrant, downtown corridor, including several community venues: the Amway Center, Dr. Phillips Center for the Performing Arts, Camping World Stadium, and Orlando City Soccer Stadium. Additionally, Orlando utilizing America’s second largest

convention center to host numerous medical specialty, technology, and homebuilding conventions. The University of Central Florida, Seminole State College, Valencia College, and many other places of higher learning call Central Florida home.

The Central Florida region experienced a significant population increase over the last several years. The population is projected to be 2.215 million in 2019 and 2.28 million in 2020. The region's growth can be attributed to the numerous activity destinations and year round warm weather. SunRail has helped connect workers with businesses, patients with hospitals or research facilities, and pleasure seekers with opportunities to explore within Central Florida.

While Central Florida is known world-wide for its wonderful climate, tourist attractions, and a tranquil lifestyle; the region is also one of the top ten locations in the United States for commerce. Behind the scenes of the area's tourism and entertainment industry is a dynamic and diversified economy. The influx of startup tech companies has made Orlando one of the fastest growing new economy centers in the nation. Central Florida's future is bright as we continue to be one the best performing economic regions around the world.

MAJOR INITIATIVES

LYNX, through the effective leadership of its Governing Board, continues to raise awareness concerning the value of public transportation within Central Florida.

During FY2019, the Authority's five major initiatives included completing the LYNX Operations Center (LOC) Expansion design; closing out the Rosemount, Pine Hills, and Florida Mall Transfer station designs; and implementing the Kissimmee Connector curricular bus within the City of Kissimmee.

Current Year Projects

LYNX has agreed to procure Trapeze's Tripbroker software. This software's purpose is to allow our team greater flexibility, visibility, and reporting by more efficiently paring our paratransit clients with their scheduled ride vendor. Customers can use LYNX's mobile application or the LYNX website to request trips in advance.

LYNX is continuing investment in compressed natural gas (CNG) vehicles to help our community move toward a more environmentally sustainable future. The Authority anticipates putting into revenue service 25 more 40 foot buses as part of our green initiative program in FY2019.

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

Ridership

Total ridership for FY2019 was 23,922,784, from LYNX's fixed route transportation network.

Paratransit Services

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

- Provided 679,101 trips, a 13.5% increase year over year;
- Completed the 2018-2023 Transportation Disadvantaged Service Plan minor update;
- Procured new Trip Broker API software to improve dispatching, manifest creation, trip tracking, etc. between Mobility Services operations center and the dispatching operations of service providers;
- Implemented enhanced contractual oversight procedures to ensure all service providers are compliant; and
- Enhanced the Web based reservation software for improved customer experience and reservation accuracy.

Service Planning

In FY2019, the Service Planning Division accomplished the following:

- Added human capital to manage the coordinated bus stop and amenity improvements program as well as introduction of new routes and major service enhancements;
- Conducted and successfully executed three service changes, one of which included the introduction of a new fare-free fixed route, the 709 Kissimmee Connector;
- Assisted LYNX Operations, Maintenance, and IT with the conversion of all fixed-route and LYMMO buses to the Ranger CAD AVL system;
- Participated in community outreach, community engagement activities, and the implementation of the SunRail Phase II bus feeder plan;
- Developed a methodology for and initiated a Bus Stop Consolidation Plan; and
- Participated in route optimization study (ROS) workshops and participated in the development of a sustainable long-term plan.

Strategic Planning

In FY2019, the Strategic Planning Division accomplished the following:

- Completed the Annual Update to the Transit Development Plan (TDP);
- Completed the SR 50 Station Area Analysis; building upon the SR 50 Alternatives Analysis study; and
- Prepared a Standard Operating Procedures (SOPs) for departmental tasks and processes.

Engineering and Construction

In FY2019, the Engineering and Construction Department accomplished the following:

- LYNX completed the design phase for Rosemont and transitioned to final design on the Florida Mall Transfer Centers. Both are expected to start construction in FY2020;
- Completed 90 percent design of the Pine Hills Transfer Center;
- Moved forward with the replacement plan of existing bus shelters in the City of Altamonte Springs;
- Completed the design phase for the LOC Expansion Project. Construction is scheduled start to in FY2020;
- Completed installation or upgraded 22 shelters throughout the LYNX service area;
- Initiated installation of an upgraded CCTV system within LYNX Central Station and the LYNX Operations Center (LOC);
- Finished design of the LOC fuel island drainage retrofit; and

- Installed fall protection equipment allowing LYNX maintenance staff to work on the top of buses safely.

ITS

In FY2019, the Innovation Division accomplished the following:

- Awarded a contract for an agency Concept of Operations with the goal of developing and deploying Automated Vehicles in transit service;
- Teamed up with Maintenance staff to detail specifications for the purchase of the agency's first battery electric bus utilizing Low-No Grant funding;
- Submitted a successful application to the Federal Transit Administration (FTA) resulting in award toward the purchase of battery electric buses and related charging equipment;
- Finalized the competitive procurement for replacement fareboxes on the revenue fleet; and
- Transitioned the portion of the fleet which was operating on a different Computer Aided Dispatch (CAD-AVL) system to the predominant fleet-wide management system, Trapeze.

Procurement

In FY2019, the Procurement Department accomplished the following key initiatives in addition to its day-to-day mission of efficiently and effectively supporting LYNX operational and strategic goals:

- Solicited firms prior to awarding contracts for Legal Services for General Counsel, Labor & Employment, Tort & General Liability, Workers' Compensation, and Pension;
- Notified funding partners of the Authority's intent to purchase 25 CNG (Compressed Natural Gas) 40-foot buses;
- Solicited merchants to respond to the Authority's Van Pool Fleet Management Services request for services, and
- Conjured vendors to submit competitive bids to provide Electronic Farebox & Paratransit Validator solutions.

Vanpool Program

LYNX coordinates with our contractor, Enterprise, to operate the Vanpool program through maximizing participation and growth. The mission of the Vanpool program is to offer alternative transportation options for businesses, agencies, and commuters. This program continues to be a viable mode of transportation for employees who desire a rideshare option at cost-effective monthly rates. Participation in the program provides participants a more affordable and social mode of transportation while also reducing traffic in the area. LYNX is excited to meet the increased demand and grow the number of actively operating vanpools during FY2020.

As of September 30, 2019, LYNX Vanpool accounts for 4,844 trips per week and 189 Vanpools in service; there were 2,071,089 Vanpool revenue miles in FY2019.

Mobility Services

During FY2019, Mobility Services attended 47 external community events. These community events included 9 school information and/or ID gatherings, 3 in collaboration with Council for the Blind, and numerous senior, health fairs, and other community outings.

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

- The call center received 831,360 calls;
- The customer service window served 141,482 customers, generating \$2.1M in revenue;
- Lost and found returned 32% of items found on LYNX property to their owners; and
- LYNX photo-ID program produced 8,685 IDs and replacements.

Employee Relations

Sound employee relations are critical to the success of LYNX as our employees are our most valuable asset. Human Resources continues to work with all LYNX staff to ensure our workplace is a fair, comfortable, and enjoyable environment, allowing employees the opportunity to thrive. Continuous improvement continue to be made in employee training and development. Quarterly labor management meetings are being conducted to ensure any labor related concerns are being addressed timely.

Fiscal Controls and Improvements

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

- Negotiated funding agreement to allow for continuation of I-4 Road Ranger services;
- Successfully completed the 2018 annual Florida Transportation Commission Report; and
- Received the Government Finance Officers Association (GFOA) Award for Excellence in Financial Reporting for the 27th consecutive year.

Future Projects

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

- Procuring eight (8) battery electric buses targeting delivery in FY2020 and 2021;
- Charging infrastructure to power the battery electric buses will be installed at the LYNX Operations Center through coordination with the Orlando Utilities Commission;
- Securing new fare boxes and revenue collection equipment for the fixed route fleet; and
- Initiate a Bus Stop Improvement Program (BSIP) to consolidate, eliminate and relocate transit stops in order to better serve commuters and support partner jurisdiction land use priorities.

The aforementioned construction projects will complement the following emphasis areas have been identified for fiscal year 2019:

Fixed-Route Service

LYNX continues to explore ways to improve fixed-route service in order to better serve our customers. The Authority's plan is to improve service by optimizing on-time performance across the fixed-route system.

Paratransit Services

ACCESS LYNX provides paratransit services via a Mobility Management Service model within Orange, Osceola, and Seminole counties. ACCESS LYNX contracts out specialized transportation services for the community we serve. During FY2019, a significant operational milestone occurred: Mobility Services established a robust contractual performance compliance monitoring tool. This process allows ACCESS LYNX to ensure its clients are being transported in a safe and cost effective manner; while quickly identifying any deficiencies which may negatively impact the rider's experience.

Communications

FY2019 was another award winning year for LYNX' marketing efforts as the team advanced a positive public image throughout Central Florida. The team won three first-place FPTA honors including "Best of the Best", Judges' Choice, and Members' Choice awards by conference attendees for its December 2018 holiday Gingerbread Hunt digital campaign. Separately, the squad won an APTA marketing award for our Halloween promotion to increase ridership and engagement in transit.

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 FY2019 capital program are:

- **Rolling Stock - \$66.0 million**
Revenue vehicles include expansion and replacement vehicles for fixed route, vanpool, and paratransit service;
- **Bus Rapid Transit (BRT) - \$.5 million**
BRT includes the LYMMO - Orange Line Rehabilitation, and a FlexBus project demonstration;
- **Facilities - \$5.7 million**
Facilities include the Phase I Construction, CEI, and Design Services of an additional administrative LYNX Operations Center building as well as determining the location and related planning for LYNX's Southern Operations Base;
- **Passenger Amenities/Related Enhancements - \$19.8 million**
Passenger amenities include construction and rehabilitation of shelters, transfer centers, benches, and trash receptacles;
- **Technology - \$3.8 million**
Technology includes improved Paratransit trip brokering systems enhancements, expansion of our existing real-time bus tracking capabilities, and increased spending on critical cybersecurity initiatives;
- **Security - \$2.1 million**
Security includes equipment to enhance organizational safeguards and surveillance;

- **Support Equipment - \$8.8 million**

Support equipment includes resources to modernize fare collection, mobile ticketing, and in-ground revenue vehicle maintenance lifts.

Capital Planning and Studies

The Transportation Development Plan (TDP) annual updates and progress report contain planned capital and service improvements necessary to meet the growing demand for public transportation throughout Central Florida during the next ten years. The major TDP update was completed in the fall 2017 and the required Annual Update was completed during 2019.

Highlights of the plan include:

- Continue to evaluate service delivery and recommendations for enhancement to match transit needs with future fleet requirements;
- Monitor transit demand and frequency of service where needed, in alignment with other service providers and funding partner requests; and
- Working with MetroPlan and others to ensure the State Route (SR) 436 and SR 50 study conclusions are integrated into a high-capacity limited stop and Bus Rapid Transit (BRT) service master blueprint in Central Florida.

FINANCIAL INFORMATION

Internal Control Structure

LYNX management is responsible for establishing and maintaining an internal control environment which minimizes risks and protect assets, ensure accuracy of records, promote operational efficiency, and adheres to organizational policies, financial regulations, and the law. The concept of reasonable assurance recognizes the cost of an internal control should not exceed the benefits derived. The use of estimates and sound judgment is required of management to assess the valuation of expected benefits and related costs of the current internal control structure.

Budgetary Controls

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

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

Debt Administration

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

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, 2019, the maturity dates of the open contracts are September 2020. For additional information on the Authority's fuel hedging activities, please refer to the fuel hedge swap agreements note to the financial statements.

Fiscal Controls and Improvements

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

Other accomplishments during FY2019 were as follows:

- Completed the annual physical inventory of 3,969 line items valued at \$2.2 million, with a net variance of – 0.14 percent;
- Maintained an inventory turn rate of greater than 2.2 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 1.97 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 costs directly to a bus work order; and
- Continued to utilize annual inventory contracts / Blanket Purchase Orders (approx. \$463 thousand) to eliminate administrative costs for recurring purchases and improve efficiencies in maintaining stock levels. Part categories included generators, transmission assemblies, filters, and batteries for the entire fleet.

OTHER INFORMATION

Independent Audit

The Single Audit Act Amendments of 1996 require state or local governments that expend \$750,000 or more in a year in federal financial assistance to have an audit conducted for that year in accordance with the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). The State of Florida has similar legislation, the Florida Single Audit Act, related to audits of State financial assistance. Pursuant to these Acts, the Authority's independent Certified Public Accountant, Cherry Bekaert LLP, has conducted the audit for fiscal year ended September 30, 2019.

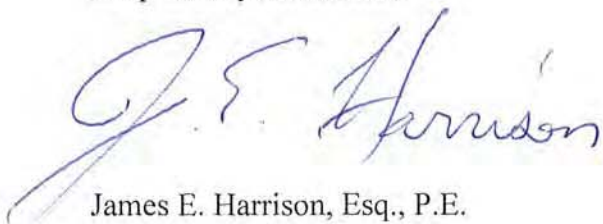
Acknowledgements

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, 2018. This was the 27th consecutive year that the Authority achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully Submitted,



James E. Harrison, Esq., P.E.
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, 2018

Christopher P. Morill

Executive Director/CEO

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UNIONWEST
AT CREATIVE VILLAGE

Financial Security

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, 2019 and 2018, 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, 2019 and 2018, and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The supplementary schedule of revenues and expenses – budget vs. actual (budgetary basis) and schedule of expenditures of federal awards, schedule of local financial assistance, and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 5, 2020, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Handwritten signature of Cheryl Behrman LLP in black ink.

Orlando, Florida
March 5, 2020

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, 2019 and 2018, respectively. Please read it in conjunction with the financial statements, which follow this section.

Financial Highlights

Fiscal 2019

- Customer Fares decreased by 1.1%, or \$0.3 million, from FY2018. The reduction in fares collected was due to a decrease in ridership by 0.8% year-over-year. The passenger fares decrease was due to further decreases in fuel prices for consumers, increased last mile shared ride options, and increased competition from low-cost point to point transportation network providers.
- Local Financial Assistance in the form of non-operating revenue increased 5.5% year-over-year allowing the Authority to fund expense increases, maintain current service levels, and ensure the existing transit system operates efficiently.
- Operating expenses before depreciation increased 4.7%, or \$6.3 million, and capital contributions increased 125.6%, or \$12.1 million, from FY2018. Ratification of the increase to the Authority’s top wage rates for both ATU 1596 and Local 1749 as well as increased paratransit completed trip volume were the principal drivers of larger than expected operating expenditures. Paratransit trip volume increased 11.0% year over year from 611,661 to 679,101.
- Overall net position decreased by 5.1%, or \$8.8 million, from FY2018, as the Authority’s loss before capital contributions exceeded new capital contributions. \$2.6 million of the decrease to overall net position was caused by an increase in General Liability and Worker’s Compensation actuarial reserves.

Fiscal 2018

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

Overview of the Financial Statements

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

Required Financial Statements

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

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

Financial Analysis of the Authority

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

Net Position

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

Table A-1

Condensed Statements of Net Position (In millions of dollars)

	September 30,		
	FY2019	FY2018	FY2017
Assets:			
Current and other assets	\$ 65.6	\$ 64.5	\$ 66.9
Capital assets	139.2	142.9	157.2
Total assets	\$ 204.8	\$ 207.4	\$ 224.1
Deferred outflows of resources	\$ 5.5	\$ 6.5	\$ 8.1
Liabilities:			
Current liabilities	\$ 26.0	\$ 22.3	\$ 23.3
Long-term liabilities	14.1	16.4	11.7
Total liabilities	\$ 40.1	\$ 38.7	\$ 35.0
Deferred inflows of resources	\$ 6.1	\$ 2.3	\$ 0.7
Net position			
Net investment in capital assets	\$ 137.1	\$ 139.3	\$ 153.0
Restricted	9.6	1.7	1.7
Unrestricted	17.4	31.9	41.8
Total net position	\$ 164.1	\$ 172.9	\$ 196.5

The Statements of Net Position show the change in assets, liabilities, deferred outflows of resources, deferred inflows of resources, and the resulting net position. Net position may serve, over time, as a useful indicator of the Authority's overall financial position. As can be seen from the Table A-1, Net Position decreased \$8.8 million to \$164.1 million in FY2019 from \$172.9 million in FY2018. Net Investment in Capital Assets decreased \$2.2 million. Unrestricted Net Position decreased \$14.5 million and Restricted Net Position was increased \$7.9 million.

Table A-2

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

	FY2019	September 30,	
		FY2018	FY2017
Operating revenues:			
Customer fares	\$ 23.9	\$ 24.1	\$ 25.2
Contract services	18.7	19.0	18.9
Advertising revenue	4.3	2.9	2.1
Other income	0.7	0.7	0.9
Total operating revenue	47.6	46.7	47.1
Non-operating revenues, net:			
Federal	15.6	15.9	14.7
State	14.3	12.7	12.9
Local	54.3	51.5	48.8
Interest and other income	0.9	0.7	0.1
Total non-operating revenue	85.1	80.8	76.5
Total revenues	132.7	127.5	123.6
Operating expenses:			
Salaries and wages	50.2	48.9	45.0
Fringe benefits	26.9	27.5	28.7
Purchased transportation services	28.2	25.9	20.2
Fuel	11.3	10.8	10.0
Materials & supplies	7.3	7.2	8.0
Professional services	9.1	9.5	8.6
Lease and miscellaneous	1.1	1.2	1.3
Casualty and liability	5.5	2.1	4.0
Utilities, taxes and licenses	2.1	2.2	1.9
Depreciation	21.6	23.2	25.9
Capital project abandonment	-	-	4.2
Total operating expenses	163.3	158.5	157.8
Loss before capital contributions	(30.6)	(31.0)	(34.2)
Capital contributions	21.8	9.7	25.2
Change in net position	(8.8)	(21.3)	(9.0)
Beginning net position	172.9	196.5	205.5
Cumulative effect of change in accounting principle	-	(2.3)	-
Ending net position	\$ 164.1	\$ 172.9	\$ 196.5

The Statements of Revenues, Expenses, and Changes in Net Position provide answers as to the source of changes in Net Position. As shown in Table A-2, the \$8.8 million decrease in net position in FY2019 is primarily derived from \$1.3 million in increased salaries and wages from arrangements with both ATU 1596 and Local 1749, \$2.3 million of net paratransit costs due to an 11.0% increase in trip volume, and a \$3.4 million cumulative increase in casualty and liability settlements.

Capital Assets

At the end of FY2019, the Authority had a broad range of Capital Assets, consisting of Land, Buildings and Shelters, Revenue Vehicles, Bus Rapid Transit (BRT) Roadway, Pedestrian Walkways, and Equipment. For additional information on the Authority's capital assets, please see financial statement note 2, capital assets.

Table A-3

Capital Assets (In millions of dollars)

	FY2019	September 30, FY2018	FY2017
Depreciable assets and land:			
Land	\$ 10.0	\$ 10.0	\$ 10.0
Buildings and shelters	97.4	96.9	95.4
Revenue vehicles	175.4	166.1	166.1
BRT roadway	22.7	22.7	22.7
Pedestrian walkways	1.4	1.4	-
Equipment	48.7	45.7	43.8
Subtotal	355.6	342.8	338.0
Less accumulated depreciation	(219.6)	(204.1)	(185.7)
Subtotal	136.0	138.7	152.3
Construction in progress:			
Bus shelters	2.1	1.8	2.2
Facility capital improvements	0.1	0.6	0.1
Other miscellaneous projects	1.0	1.8	2.6
Subtotal	3.2	4.2	4.9
Net capital assets	\$ 139.2	\$ 142.9	\$ 157.2

Long-Term Obligations

The Authority entered into a capital lease agreement for 10 buses in September 2015. The lease arrangement calls for quarterly lease payments expiring October 2020, with principal and interest totaling \$5,430,870. For additional information on the Authority's long-term obligations, please see financial statement note 3, capital leases.

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, 2019, no maturity dates of the open contracts extend beyond September 2019. Because the fuel hedging contracts are considered effective hedges, the fair value of the open contracts is presented as a deferred outflow or inflow of resources, rather than as an activity. For additional information on the Authority's fuel hedging activities, see financial statement note 8, fuel hedge swap agreements.

Economic Factors and Next Year's Budget and Rates

LYNX Senior Management considered many factors when proposing the FY2020 operating budget and contracted services hourly rates to the Board of Directors. These factors include, but were not limited to: increases in the expected demand for

a mix of transit service by the Authority's Funding Partners, providing for a rapidly aging transportation disadvantaged population in need of increased Paratransit services, and leveraging cost efficiencies within the Authority's fixed route domain.

FINANCIAL STATEMENTS

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2019 AND 2018

ASSETS	2019	2018
CURRENT ASSETS:		
Cash and cash equivalents	\$ 19,531,850	\$ 27,025,094
Receivables:		
Local, trade and operating assistance	2,360,749	1,745,976
Federal grants	14,210,209	17,780,923
State grants	13,709,972	7,266,188
Inventory	2,292,264	2,246,323
State fuel tax refundable	983,495	275,015
Prepaid expenses and other assets	342,148	292,502
Total current assets	53,430,687	56,632,021
NONCURRENT ASSETS:		
Restricted cash and cash equivalents	7,249,467	7,146,532
Total restricted cash and cash equivalents	7,249,467	7,146,532
Property and equipment:		
Land	10,018,522	10,018,522
Buildings and shelters	96,820,701	96,727,844
Bus Rapid Transit Roadway Infrastructure	22,673,715	22,673,715
Pedestrian walkways	1,404,894	1,404,894
Revenue vehicles	175,389,075	166,078,337
Equipment	48,674,115	45,656,561
Leasehold improvements	592,357	219,390
Total property and equipment	355,573,379	342,779,263
Less accumulated depreciation	(219,638,067)	(204,100,347)
Construction in progress	3,233,709	4,262,763
Net property and equipment	139,169,021	142,941,679
Net pension asset	4,921,623	661,250
Total noncurrent assets	151,340,111	150,749,461
Total assets	204,770,798	207,381,482
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	5,449,763	6,519,583
Deferred outflows related to OPEB	66,034	-
Accumulated decrease in fair value of fuel hedge instrument	-	2,929
Total deferred outflows of resources	\$ 5,515,797	\$ 6,522,512

See notes to financial statements.

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2019 AND 2018

LIABILITIES AND NET POSITION	2019	2018
CURRENT LIABILITIES:		
Accounts payable	\$ 13,796,409	\$ 11,466,610
Accrued salaries and related taxes	2,519,167	2,180,070
Accrued compensated absences, current	4,560,640	4,461,265
Accrued self-insurance liability, current	3,751,150	2,472,574
Leases payable, current	962,014	940,237
Unearned operating revenue	448,198	750,208
Derivative instrument - fuel hedge	-	2,929
Total current liabilities	26,037,578	22,273,893
 NONCURRENT LIABILITIES:		
Leases payable, long-term	1,051,268	2,013,282
Net OPEB liability	4,615,938	4,888,700
Accrued compensated absences, long-term	371,058	352,541
Accrued self-insurance liability, long-term	5,438,079	3,802,661
Unearned capital	2,572,265	5,401,809
Total noncurrent liabilities	14,048,608	16,458,993
Total liabilities	40,086,186	38,732,886
 DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	5,379,323	2,218,772
Deferred inflows related to OPEB	705,299	107,607
Total deferred inflows of resources	6,084,622	2,326,379
 NET POSITION:		
Net investment in capital assets	137,155,739	139,279,151
Restricted	9,598,826	1,700,000
Unrestricted	17,361,222	31,865,578
Total net position	\$ 164,115,787	\$ 172,844,729

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, 2019 AND 2018**

	2019	2018
OPERATING REVENUES		
Customer fares	\$ 23,863,440	\$ 24,142,741
Contract services		
Local financial assistance	13,529,395	14,830,390
Other contractual services	5,197,890	4,191,835
Advertising	4,313,161	2,846,718
Other income	708,048	688,425
Total operating revenues	<u>47,611,934</u>	<u>46,700,109</u>
OPERATING EXPENSES		
Salaries and wages	50,167,528	48,919,052
Fringe benefits	26,856,957	27,540,233
Purchased transportation services	28,178,435	25,892,966
Fuel	11,249,086	10,757,826
Materials and supplies	7,276,027	7,171,448
Professional services	9,136,488	9,573,775
Lease and miscellaneous	1,147,506	1,200,366
Casualty and liability	5,535,051	2,081,710
Utilities	1,451,594	1,356,532
Taxes and licenses	611,464	814,687
Total operating expenses before depreciation	<u>141,610,136</u>	<u>135,308,595</u>
OPERATING EXPENSES IN EXCESS OF OPERATING REVENUES BEFORE DEPRECIATION	(93,998,202)	(88,608,486)
DEPRECIATION	(21,654,316)	(23,150,315)
OPERATING LOSS	<u>(115,652,518)</u>	<u>(111,758,801)</u>
NONOPERATING REVENUES AND EXPENSES:		
Operating assistance grants		
Federal	432,000	-
State of Florida	11,041,145	10,192,003
Local	54,315,713	51,500,093
Planning and other assistance grants		
Federal	15,201,866	15,877,646
State of Florida	3,295,393	2,518,968
Interest expense	(54,365)	(84,900)
Interest income	810,645	698,231
Other income	76,683	42,106
Total nonoperating revenues and expenses, net	<u>85,119,080</u>	<u>80,744,147</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS	(30,533,438)	(31,014,654)
Capital contributions	21,804,496	9,666,270
Change in net position	(8,728,942)	(21,348,384)
NET POSITION AT BEGINNING OF YEAR	172,844,729	196,493,034
Cumulative effect of change in accounting principle	-	(2,299,921)
RESTATED BEGINNING NET POSITION	<u>172,844,729</u>	<u>194,193,113</u>
NET POSITION AT END OF YEAR	<u>\$ 164,115,787</u>	<u>\$ 172,844,729</u>

See notes to financial statements

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 23,863,440	\$ 24,142,741
Cash received for contract services	17,745,528	19,373,026
Cash paid to employees	(56,981,295)	(57,499,002)
Cash paid to suppliers	(79,535,807)	(72,605,467)
Cash received from advertising and miscellaneous	4,880,568	3,251,587
Net cash used in operating activities	<u>(90,027,566)</u>	<u>(83,337,115)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from assistance grants	<u>81,758,812</u>	<u>67,129,320</u>
Net cash provided by noncapital financing activities	<u>81,758,812</u>	<u>67,129,320</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Construction and acquisition of property and equipment	(18,861,755)	(9,853,637)
Interest paid on leases	(59,763)	(81,047)
Proceeds from sale of property and equipment	76,683	42,106
Capital assistance grants	<u>18,912,635</u>	<u>12,169,123</u>
Net cash provided by capital and related financing activities	<u>67,800</u>	<u>2,276,545</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	<u>810,645</u>	<u>698,231</u>
Net cash provided by investing activities	<u>810,645</u>	<u>698,231</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(7,390,309)	(13,233,019)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>34,171,626</u>	<u>47,404,645</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 26,781,317</u>	<u>\$ 34,171,626</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	\$ (115,652,518)	\$ (111,758,801)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	21,654,316	23,150,315
Changes in operating assets and liabilities and deferred amounts:		
Receivables	(614,773)	468,425
Inventory	(45,941)	(203,691)
State fuel tax refundable	(708,480)	(183,787)
Prepaid expenses; deferred outflows of resources; and net pension asset	(3,303,304)	1,421,079
Accounts payable; and hedging liability	1,786,670	3,682,311
Accrued salaries and related taxes; and net OPEB liability	66,335	(1,339,126)
Accrued compensated absences	117,892	324,088
Accrued self-insurance liability	2,913,994	(569,471)
Deferred inflows of resources	<u>3,758,243</u>	<u>1,671,543</u>
Net cash used in operating activities	<u>\$ (90,027,566)</u>	<u>\$ (83,337,115)</u>

See notes to financial statements

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

1. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

The Authority held investments throughout fiscal years 2019 and 2018 in the Pool, which are considered cash and cash equivalents for financial reporting purposes. Florida PRIME qualifies under GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, to be treated as a qualifying investment pool because it has a policy that it will, and does, operate in a manner consistent with specified conservative investment strategies. The current rating of Florida PRIME by Standard and Poors is AAAM and the weighted average days to maturity at September 30, 2019 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,	
	2019	2018
Pool Investments - Florida PRIME	\$ 23,581,032	\$ 30,272,311
Bank Deposits	3,200,285	3,899,315
Total Cash and Cash Equivalents	<u>\$ 26,781,317</u>	<u>\$ 34,171,626</u>

As of both September 30, 2019 and 2018, the Authority classified as restricted \$1,700,000 to offset future related liabilities for the newly implemented medical health self-insurance plan, as required by the State of Florida.

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

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

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

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

Receivables - Local, Trade, Operating Assistance – Includes receivables from customers, Local Funding Partners and Medical Assistance. As of September 30, 2019 and 2018, the Authority had receivables, net of allowances, as follow:

	September 30,	
	2019	2018
Customers	\$ 1,757,292	\$ 1,107,916
Local Funding Partners	603,457	638,060
Total	<u>\$ 2,360,749</u>	<u>\$ 1,745,976</u>

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

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

Restricted Assets - When both restricted and unrestricted resources are available for use, the Authority's policy is to use restricted resources first, and then unrestricted resources, as they are needed. Restricted assets include \$7,249,467 and \$7,146,532 of cash and cash equivalents for the Pine Hill Super Stop project, health self-insurance reserve, shelters, bus procurement and other enhancements, and various capital projects as of September 30, 2019 and 2018, respectively. Restricted net position consists of restricted assets not offset by related liabilities.

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

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

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

Accounts Payable - Accounts payable are recorded as expenses at the time services are rendered and the Authority receives items. As of September 30, 2019 and 2018, the Authority had accounts payable as follows:

	September 30,	
	2019	2018
Bus purchases and contractors	\$ 6,767,119	\$ 1,494,759
Trade	4,005,390	6,771,880
Due to FTA	1,305,764	760,166
Retainage	5,793	26,901
Other	1,712,343	2,412,904
Total	<u>\$ 13,796,409</u>	<u>\$ 11,466,610</u>

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

	September 30,	
	2019	2018
Accrued compensated absences liability,		
Beginning of year	\$ 4,813,806	\$ 4,489,718
Obligations	5,163,746	5,104,147
Payments	(5,045,854)	(4,780,059)
Accrued compensated absences liability,		
end of year	<u>\$ 4,931,698</u>	<u>\$ 4,813,806</u>
Amount due within one year	<u>\$ 4,560,640</u>	<u>\$ 4,461,265</u>

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

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

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

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

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

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

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

Operating Expenses - Transactions reported as operating expenses are those that arise from the activities of primary ongoing operations. Those include: Salaries and Wages, Fringe Benefits, Purchased Transportation Services, Fuel, Materials and Supplies, Professional Services, Lease and Miscellaneous, Casualty and Liability, Utilities, and Taxes and Licenses. On the Statements of Revenues, Expenses and Changes in Net Position, Depreciation is 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 as well as losses on the sales of capital assets, if applicable.

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

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

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

Restatement of October 1, 2017 Beginning Net Position due to GASB Statement No. 75

Net OPEB obligation as of September 30, 2017	\$	2,339,000
Unfunded accrued liability on the fiscal 2017 measurement date		<u>4,638,921</u>
Restatement of October 1, 2017 Beginning Net Position	\$	<u><u>(2,299,921)</u></u>

2. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019 was as follows:

Property and Equipment:	Beginning Balance	Additions	Reclass/ Disposals	Ending Balance
Depreciable Assets				
Buildings and Shelters	\$ 96,727,844	\$ 1,026,932	\$ (934,075)	\$ 96,820,701
Revenue Vehicles:				
Buses	157,643,128	13,409,310	(4,548,269)	166,504,169
Other Support Vehicles	8,435,209	735,669	(285,972)	8,884,906
Furniture, Fixtures & Equipment	45,656,561	3,405,693	(388,139)	48,674,115
Leasehold Improvements	219,390	372,967	-	592,357
BRT Roadway Improvements	22,673,715	-	-	22,673,715
Pedestrian Walkways	1,404,894	-	-	1,404,894
Non-Depreciable Assets				
Land	10,018,522	-	-	10,018,522
Construction in Progress	4,262,763	2,712,538	(3,741,592)	3,233,709
Totals at Acquisition Cost	\$ 347,042,026	\$ 21,663,109	\$ (9,898,047)	\$ 358,807,088
Less Accumulated Depreciation for:				
Buildings and Shelters	\$ (53,667,063)	\$ (3,765,639)	\$ 928,818	\$ (56,503,884)
Revenue Vehicles:				
Buses	(103,280,440)	(12,760,161)	4,533,864	(111,506,737)
Other Support Vehicles	(7,060,981)	(699,859)	265,775	(7,495,065)
Furniture, Fixtures & Equipment	(36,680,341)	(3,201,599)	388,139	(39,493,801)
Leasehold Improvements	(141,006)	(59,625)	-	(200,631)
BRT Roadway Improvements	(3,267,589)	(1,132,311)	-	(4,399,900)
Pedestrian Walkways	(2,927)	(35,122)	-	(38,049)
Total Accumulated Depreciation	(204,100,347)	(21,654,316)	6,116,596	(219,638,067)
Capital Assets, net	\$ 142,941,679	\$ 8,793	\$ (3,781,451)	\$ 139,169,021

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

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

3. CAPITAL LEASES

The Authority entered into a capital lease agreement for 10 buses in September 2015, of which 5 buses were received by September 30, 2015 and the remaining 5 buses were received in October 2015. The lease agreement covers a term of 5 years, with a final payment to be made in October 2020. These buses were included in property and equipment at a carrying value of \$2,855,647 and \$3,495,089 at September 30, 2019 and 2018, respectively.

Leases payable activity for the years ended September 30, 2019 and 2018 was as follows:

Lease Payable September 30, 2019					
Leases Payable	Beginning Balance	Additions	Payments	Ending Balance	Amounts Due Within One Year
Lease # 5	\$ 2,953,519	\$ -	\$ 940,237	\$ 2,013,282	\$ 962,014
Total	\$ 2,953,519	\$ -	\$ 940,237	\$ 2,013,282	\$ 962,014

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

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, 2019:

Year	Present Value of Minimum Lease Payments	Amount Representing Interest	Total Minimum Lease Payments
2020	\$ 962,014	\$ 37,986	\$ 1,000,000
2021	1,051,268	6,035	1,057,303
Total	\$ 2,013,282	\$ 44,021	\$ 2,057,303

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

4. ACCRUED SELF-INSURANCE LIABILITY

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

The amounts recorded as accrued self-insurance liability at September 30, 2019 and 2018, 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 2019 and 2018. 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	
	2019	2018
Accrued self-insurance liability, beginning of year	\$ 6,275,235	\$ 6,844,706
Insured claims (including IBNR's)	17,127,960	10,242,402
Claim payments	(14,213,966)	(10,811,873)
Accrued self-insurance liability, end of year	<u>\$ 9,189,229</u>	<u>\$ 6,275,235</u>

The estimated amounts due in one year are \$3,751,150 and \$2,472,574 at September 30, 2019 and 2018, respectively.

The health self-insurance plan established in 2016 is a limited risk management program to help contain rising health insurance costs. The program consists of purchasing an aggregate stop loss and individual maximum claims reinsurance policy with LYNX being responsible for the claims not covered by the policy. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include \$877,100 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 the aggregate covers total claims in excess of \$1,000,000. In accordance with the Affordable Care Act, the lifetime maximum for a covered individual is unlimited.

5. 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, 2017 and 2016 utilized for the September 30, 2019 and 2018 fiscal years are as follows:

<u>Membership at Actuarial Valuation Date</u>	<u>2019</u>	<u>2018</u>
Retirees and beneficiaries currently receiving benefits and DROP	422	382
Terminated employees entitled to, but not yet receiving benefits	79	80
Active plan participants	539	615
Total	<u>1,040</u>	<u>1,077</u>

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

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

Funding Policy

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

Changes in Net Pension Asset

The net pension asset at September 30, 2019 and 2018 is based on the October 1, 2017 and 2016 actuarial valuation rolled forward to the measurement date of September 30, 2018 and 2017, respectively. Changes in the Authority's Union Defined Benefit Plan net pension asset during the years ended at September 30, 2019 and 2018 are as follows:

<u>Total pension liability</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 3,504,724	\$ 4,177,847
Interest	10,763,561	10,041,777
Changes of benefit terms	981,945	
Difference between actual & expected experience	(2,944,884)	1,015,883
Changes of assumptions	-	1,793,830
Benefit payments	(6,757,303)	(5,494,839)
Refunds	(282,766)	(929,948)
Net change in total pension liability	5,265,277	10,604,550
Total pension liability - beginning	143,529,451	132,924,901
Total pension liability - ending	\$ 148,794,728	\$ 143,529,451
<u>Plan fiduciary net position</u>		
Contributions - Employer	\$ 2,983,198	\$ 3,000,228
Contributions - Member	2,118,761	2,044,172
Net investment income	11,698,371	14,943,745
Benefit payments	(6,757,303)	(5,494,839)
Refunds	(282,766)	(929,948)
Administrative expense	(234,611)	(300,019)
Other	-	2,518
Net changes in Plan fiduciary net position	9,525,650	13,265,857
Total Plan fiduciary net position - beginning	144,190,701	130,924,844
Total Plan fiduciary net position - ending	153,716,351	144,190,701
Net pension asset - ending	\$ (4,921,623)	\$ (661,250)

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

For the years ended September 30, 2019 and 2018, the Authority recognized pension expense of \$2,782,715 and \$3,699,271, respectively. At September 30, 2019 and 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Fiscal Year 2019	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 1,630,387	\$ 2,545,513
Changes in assumptions	1,103,896	-
Net difference between projected and actual earnings on pension plan investment	-	2,833,810
Authority contributions made subsequent to the measurement date	2,715,480	-
	<u>\$ 5,449,763</u>	<u>\$ 5,379,323</u>
Fiscal Year 2018	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 2,184,759	\$ 341,458
Changes in assumptions	1,448,863	-
Net difference between projected and actual earnings on pension plan investment	-	1,877,314
Authority contributions made subsequent to the measurement date	2,885,961	-
	<u>\$ 6,519,583</u>	<u>\$ 2,218,772</u>

Deferred outflows of resources related to Authority contributions subsequent to the measurement date of \$2,715,480 will be recognized as an increase of the net pension asset in the year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of the resources related to pensions will be recognized in the pension expense as follow:

<u>Year Ended September 30</u>	
2020	\$ 477,922
2021	(1,570,679)
2022	(1,083,126)
2023	(469,157)
Total	<u>\$ (2,645,040)</u>

Pension plan contributions for fiscal years 2019 and 2018 were determined as part of the October 1, 2017 and 2016 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 fair 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.

For the fiscal years ended September 30, 2019 and September 30, 2018, the annual money-weighted rate of return of Plan investments was 4.05% and 8.42% respectively.

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

The assumed asset allocation of the Union Plan portfolio and the expected rate of return presented on an arithmetic basis as of September 30, 2018 is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Domestic equity	37%	8.12%
International equity	15%	3.38%
Bonds	27%	3.55%
TIPS	2%	2.72%
Convertibles	10%	6.68%
Private real estate	4%	4.87%
Infrastructure	5%	6.30%
Total	100%	

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

<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Single Discount Rate Assumption</u>	<u>1% Increase</u>
	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
September 30, 2019	\$ 11,785,286	\$ (4,921,623)	\$ (19,096,022)
September 30, 2018	\$ 16,111,744	\$ (661,250)	\$ (14,861,095)

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, 2019 and 2018 amounted to \$839,965 and \$663,675, respectively, representing 6% of covered payroll less forfeitures.

Employee 401(a) Pension Plan

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

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

The payroll for Authority employees covered by the plan for the years ended September 30, 2019 and 2018 was \$12,210,109 and \$11,256,512, respectively. The Authority's contribution to the plan for the years ended September 30, 2019 and 2018 amounted to \$1,231,432 and \$1,201,333, respectively, representing 12% or 6% of covered payroll less forfeitures.

6. OTHER POSTEMPLOYMENT BENEFITS OBLIGATIONS

Plan Description – In addition to the pension benefits described in Note 5, effective October 1, 1999, the Authority entered into a contractual agreement with Local 1596 of the Amalgamated Transit Union to provide postemployment health care benefits for those employees who, in accordance with Article 28 of the Amalgamated Transit Union Local 1596 Pension Plan, have at least ten (10) years vesting and retire between ages of 62 and 67 or until they are eligible for Medicare benefits (whichever comes first). The Central Florida Regional Transportation Post-Employment Benefits Plan (the "OPEB Plan") is a single-employer defined benefit plan administered by the Authority for which benefit provisions and contribution obligations have been established by the Authority's Board. Eligibility for retirement health care benefits will be determined by the years of credited service. The OPEB Plan does not issue a stand-alone report, and is not included in the report of a public employee retirement system or other entity. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

Employees Covered by Benefit Terms – At September 30, 2019 and 2018, the following employees were covered by the benefit terms:

	<u>2019</u>	<u>2018</u>
Inactive employees or beneficiaries currently receiving benefit payments	14	12
Inactive employees entitled to but not receiving benefit payments	-	-
Active employees	<u>1,033</u>	<u>922</u>
Total Population	<u>1,047</u>	<u>934</u>

Funding Policy –The Authority has not advance-funded or established a funding methodology for the annual OPEB costs or the net OPEB liability. 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:

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

Net OPEB Liability – The net OPEB liability at September 30, 2019 and 2018 is based on an actuarial valuation dated October 1, 2019, with roll-backward procedures to the measurement date of October 1, 2018 and an actuarial valuation dated October 1, 2016, with roll-forward procedures to the measurement date of September 30, 2017, respectively.

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

Discount rate	3.83% in 2019, 3.50% in 2018 (1)
Inflation	2.4%
Salary increases	4.0% to 13.13% depending on service
Mortality rates	Fully Generational RP2000 Combined Mortality (sex distinct) projected from 2000 with Scale AA
Healthcare cost trend rates	4.02%
Administrative expenses	Included in claim cost
Actuarial cost method	Entry Age Normal
Measurement date	October 1, 2018
Valuation date	October 1, 2019

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

Changes in Net OPEB Liability – The following table shows the changes in the Authority's net OPEB liability during the year ended September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Net OPEB liability - beginning	\$ 4,888,700	\$ 4,638,921
Changes for the year:		
Service cost	423,239	429,100
Interest	167,170	140,928
Experience loss/(gains)	(713,822)	-
Changes in assumptions	75,468	(134,509)
Benefit payments	(224,817)	(185,740)
Net changes	<u>(272,762)</u>	<u>249,779</u>
Net OPEB liability - Ending	<u>\$ 4,615,938</u>	<u>\$ 4,888,700</u>

Changes in assumptions or other inputs reflect a change in the discount rate from 3.5% to 3.8% for the Authority. All other assumptions are consistent with those used in the prior valuation.

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

Fiscal Year 2019	1% Decrease	Current Rate	1% Increase
Discount Rate	2.83%	3.83%	4.83%
Net OPEB Liability	\$ 4,932,912	\$ 4,615,938	\$ 4,318,289

Fiscal Year 2018	1% Decrease	Current Rate	1% Increase
Discount Rate	2.50%	3.50%	4.50%
Net OPEB Liability	\$ 5,231,420	\$ 4,888,700	\$ 4,567,717

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

Fiscal Year 2019	1% Decrease	Current Rate	1% Increase
Healthcare cost trend	3.02%	4.02%	5.02%
Net OPEB Liability	\$ 4,245,297	\$ 4,615,938	\$ 5,034,165

Fiscal Year 2018	1% Decrease	Current Rate	1% Increase
Healthcare cost trend	3.80%	4.80%	5.80%
Net OPEB Liability	\$ 4,400,971	\$ 4,888,700	\$ 5,447,301

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended September 30, 2019 and 2018, the Authority recognized negative OPEB expense of \$258,896 and \$543,126, respectively. At September 30, 2019 and 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Fiscal Year 2019	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 624,594
Change of assumptions	66,034	80,705
Total	\$ 66,034	\$ 705,299

Fiscal Year 2018	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ -	\$ 107,607
Total	\$ -	\$ 107,607

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

<u>Year Ended September 30</u>	
2020	\$ (106,696)
2021	(106,696)
2022	(106,696)
2023	(79,794)
2024	(79,794)
Thereafter	(159,589)
Total	\$ (639,265)

7. COMMITMENTS

Operating Leases – Operating leases consist of facility leases for the Southern Operation Base in Osceola County, Paratransit Operations Facility in Orlando and parking at Lynx Central Station for terms of one year or less. Total lease expense amounted to \$454,000 and \$463,763 during the years ended September 30, 2019 and 2018, respectively.

8. FUEL HEDGE SWAP AGREEMENTS

The Authority first entered into fuel hedge swap agreements (“swaps”) during fiscal year 2011 in order to smooth out the fluctuation in diesel fuel cost and to set predetermined upper limits with respect to the cost of fuel. Twenty-eight swaps have occurred to date through September 30, 2019 with swaps applicable to fiscal years 2018 and 2019. No commitments for fiscal year 2020 were completed before September 30, 2019. Swaps for fiscal years 2018 and 2019 as follows:

Trade Date	Effective Period	Total Quantity - Gallons	Fixed Price Per Gallon
03/01/2017	10/01/17 – 09/30/18	1,800,000	\$1.6240
03/01/2017	10/01/17 – 09/30/18	1,020,000	\$1.5460
09/26/2018	10/01/18 – 01/31/19	504,000	\$2.2940
09/26/2018	10/01/18 – 01/31/19	356,000	\$2.0660
12/03/2018	12/03/18 – 09/30/19	2,008,000	\$1.8535
12/03/2018	02/01/19 – 09/30/19	720,000	\$1.5890

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 2019 and 2018, 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, 2019 and 2018 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 \$2,929 as a deferred outflow of resources on September 30, 2018, and is a derivative financial instrument

on the statement of net position at September 30, 2018. The estimated fair value of the swaps is determined based on the contracted strike prices and applicable future prices at September 30, 2018, and these values represent the change in fair value of the swaps during the fiscal year. As no commitments for fiscal year 2020 were completed before September 30, 2019, there is not a derivative financial instrument on the statement of net position at September 30, 2019.

9. 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 4. 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>	2019	2018	2017	2016
Service cost	\$ 3,504,724	\$ 4,177,847	\$ 4,174,172	\$ 4,324,270
Interest	10,763,561	10,041,777	9,337,562	8,827,032
Benefit changes	981,945.00	-	-	-
Difference between actual & expected experience	(2,944,884)	1,015,883	2,082,258	(638,418)
Assumption changes	-	1,793,830	-	-
Benefit payments	(6,757,303)	(5,494,839)	(5,590,105)	(4,808,642)
Refunds	(282,766)	(929,948)	(401,384)	(311,317)
Net change in total pension liability	5,265,277	10,604,550	9,602,503	7,392,925
Total pension liability - beginning	143,529,451	132,924,901	123,322,398	115,929,473
Total pension liability	\$ 148,794,728	\$ 143,529,451	\$ 132,924,901	\$ 123,322,398
<u>Plan fiduciary net position</u>				
Contributions - Employer	\$ 2,983,198	\$ 3,000,228	\$ 2,233,626	\$ 3,315,335
Contributions - Member	2,118,761	2,044,172	2,192,180	2,264,655
Net investment income (loss)	11,698,371	14,943,745	11,523,579	(1,070,462)
Benefit payments	(6,757,303)	(5,494,839)	(5,590,105)	(4,808,642)
Refunds	(282,766)	(929,948)	(401,384)	(311,317)
Administrative expense	(234,611)	(300,019)	(397,607)	(237,972)
Other	-	2,518	-	-
Net changes in Plan fiduciary net position	9,525,650	13,265,857	9,560,289	(848,403)
Total Plan fiduciary net position - beginning	144,190,701	130,924,844	121,364,555	122,212,958
Total Plan fiduciary net position - ending	153,716,351	144,190,701	130,924,844	121,364,555
Net pension liability (asset) - ending	\$ (4,921,623)	\$ (661,250)	\$ 2,000,057	\$ 1,957,843
Plan fiduciary net position as a percentage of the total pension liability (asset)	103.31%	100.46%	98.50%	98.41%
Covered payroll	\$ 24,181,638	\$ 28,338,911	\$ 29,800,533	\$ 34,028,032
Net pension liability (asset) as a percentage of covered payroll	-20.35%	-2.33%	6.71%	5.75%

Note to Schedule:

Since the measurement date is one year prior to fiscal year end, the amounts presented were determined as of the prior fiscal year ending September 30. 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
2019	\$2,595,795	\$2,715,479	(\$119,684)	\$23,557,100	11.53%
2018	\$2,842,481	\$2,885,961	(\$43,480)	\$24,181,638	11.93%
2017	\$3,604,720	\$2,838,977	\$765,743	\$28,338,911	10.02%
2016	\$3,427,954	\$2,930,490	\$497,464	\$29,800,533	9.83%
2015	\$3,283,667	\$3,315,057	(\$31,390)	\$34,028,032	9.74%
2014	\$3,521,356	\$2,337,699	\$1,183,657	\$34,962,723	6.69%
2013	\$3,422,542	\$3,568,777	(\$146,235)	\$32,821,564	10.87%
2012	\$3,543,980	\$3,638,572	(\$94,592)	\$34,369,299	10.59%
2011	\$3,416,323	\$3,660,066	(\$243,743)	\$35,059,922	10.44%
2010	\$3,893,395	\$3,867,861	\$25,534	\$35,815,773	10.80%

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
2019	\$148,794,728	\$153,716,351	(\$4,921,623)	103.31%	\$24,181,638	(20.35)%
2018	\$143,529,451	\$144,190,701	(\$661,250)	100.46%	\$28,338,911	(2.33)%
2017	\$132,924,901	\$130,924,844	\$2,000,057	98.50%	\$29,800,533	6.71%
2016	\$123,322,398	\$121,364,555	\$1,957,843	98.41%	\$34,028,032	5.75%
2015	\$115,929,473	\$122,212,958	(\$6,283,485)	105.42%	\$34,962,723	(17.97)%

SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN *

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return net of investment expense	4.1%	8.4%	11.8%	9.8%	8.7%

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

REQUIRED SUPPLEMENTARY INFORMATION
UNION PENSION PLAN NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Valuation Date: 10/1/2018 (for FYE 9/30/19)
 Measurement Date: September 30, 2018

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

Methods and Assumptions Used to Determine Contribution Rates:

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

Other Information:

Benefit changes enacted during the fiscal year ended September 30, 2019.

There were no benefit changes enacted during the year.

There were no changes in assumptions enacted during the year.

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND
RELATED RATIOS – REQUIRED BY GASB 75**

	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2018</u>
Report period ending	09/30/2019	9/30/2018
Measurement date	10/01/2018	9/30/2017
<u>Net OPEB liability</u>		
Service cost	\$ 423,239	\$ 429,100
Interest	167,170	140,928
Experience loss/(gains)	(713,822)	-
Trust contribution/benefit payments	(224,817)	(185,740)
Changes in assumptions	75,468	(134,509)
Net change in net OPEB liability	(272,762)	249,779
Net OPEB liability – beginning	4,888,700	4,638,921
Net OPEB liability - ending	\$ 4,615,938	4,888,700
Covered payroll	\$ 50,167,528	\$ 48,919,052
Net OPEB liability as a percentage of covered payroll	9.20%	9.99%

Notes to Schedule:

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

Change of Assumptions: Change of assumptions reflects the effects of changes in the discount rate from 3.50% to 3.80% for the reporting period ended September 30, 2019.

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
SUPPLEMENTARY SCHEDULE OF REVENUES AND EXPENSES
BUDGET VS ACTUAL (BUDGET BASIS)
YEAR ENDED SEPTEMBER 30, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
OPERATING REVENUES			
Customer fares	\$ 24,826,294	\$ 23,863,440	\$ (962,854)
Contract services:			
Local financial assistance	15,179,611	13,529,395	(1,650,216)
Other contractual services	5,391,151	5,197,890	(193,261)
Advertising	3,230,000	4,313,161	1,083,161
Other income	642,660	708,048	65,388
	<u>49,269,716</u>	<u>47,611,934</u>	<u>(1,657,782)</u>
OPERATING EXPENSES:			
Transportation	47,461,118	49,467,089	(2,005,971)
Maintenance and operations	76,110,553	71,783,799	4,326,754
General and administrative	19,948,729	20,359,248	(410,519)
	<u>143,520,400</u>	<u>141,610,136</u>	<u>1,910,264</u>
OPERATING LOSS	(94,250,684)	(93,998,202)	252,482
NONOPERATING REVENUES/(EXPENSES):			
Federal	19,323,455	15,633,866	(3,689,589)
State of Florida	14,156,286	14,336,538	180,252
Local	53,391,885	54,315,713	923,828
Interest income	750,000	810,645	60,645
Interest expense	(59,763)	(54,365)	5,398
	<u>87,561,863</u>	<u>85,042,397</u>	<u>(2,519,466)</u>
Total nonoperating revenues/(expenses), net			
	<u>\$ (6,688,821)</u>	<u>(8,955,805)</u>	<u>\$ (2,266,984)</u>
BASIS DIFFERENCES:			
Depreciation		(21,654,316)	
Other income		76,683	
Capital contribution		<u>21,804,496</u>	
Decrease in net position - GAAP basis		<u>\$ (8,728,942)</u>	



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STATISTICAL INFORMATION

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

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

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY
LYNX
Miscellaneous Statistics
Year End September 30, 2019
(Unaudited)

Form of Government	Local Government (Independent Special District)
Number of Directors	Five (5) Voting
Area Population	2,210,910
Counties Served	Orange, Seminole and Osceola
Number of Service Routes	74
Peak Vehicle Requirement	268
Hours of Operation	4:00 a.m. to 3:10 a.m.
Average Weekday Passengers	76,328
Vehicle Miles Operated	17,006,547
Vehicle Hours Operated	1,208,306

Sources: Metro Orlando Economic Development Commission
National Transit Database Report

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

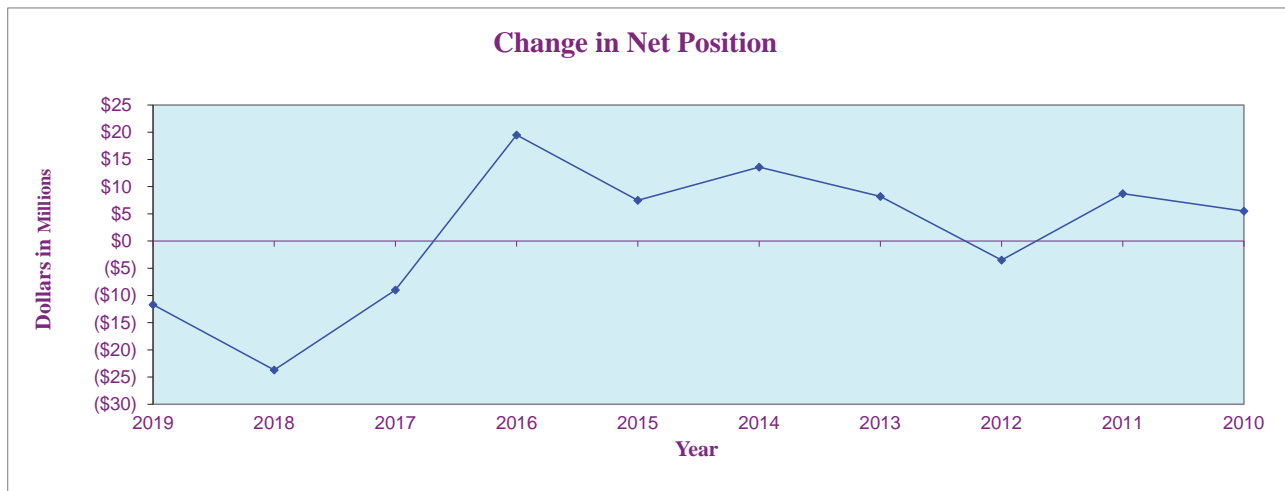
Revenue, Expenses, and Change in Net Position

Last Ten Years

Dollars in Millions

(Unaudited)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Operating Revenue:										
Customer Fares	\$ 23.9	\$ 24.1	\$ 25.2	\$ 26.6	\$ 28.2	\$ 29.1	\$ 29.4	\$ 28.6	\$ 26.1	\$ 22.4
Other	23.7	22.6	21.9	20.2	20.6	22.5	20.0	18.0	20.6	20.8
Total Operating Revenue	47.6	46.7	47.1	46.8	48.8	51.6	49.4	46.6	46.7	43.2
Operating Expenses:										
Administration, Transportation, and Maintenance	141.7	135.3	127.8	116.6	114.2	120.5	119.8	112.0	110.6	106.7
Depreciation	21.6	23.2	25.9	26.8	26.2	23.5	19.9	19.1	18.2	17.0
Capital Project Abandonment Expense	-	-	4.2	-	-	-	-	-	-	-
Total Operating Expenses	163.3	158.5	157.8	143.4	140.4	144.0	139.7	131.1	128.8	123.7
Operating Loss	(115.9)	(111.8)	(110.7)	(96.6)	(91.6)	(92.4)	(90.3)	(84.5)	(82.1)	(80.5)
Non-Operating Revenue (Expenses):										
Operating Assistance	65.8	61.9	59.1	56.8	56.1	53.4	49.0	47.8	46.4	48.9
Planning and Other Income (Expenses)	19.3	18.9	17.4	17.0	16.3	17.3	19.3	20.3	20.2	18.5
Capital Contributions	21.8	9.7	25.2	42.4	19.7	35.3	30.2	12.9	24.2	18.6
Total Non-Operating Revenue (Expenses)	106.9	88.1	101.7	116.2	92.1	106.0	98.5	81.0	90.8	86.0
Change in Net Position Before Accounting Change	(8.8)	(21.3)	(9.0)	19.6	0.5	13.6	8.2	(3.5)	8.7	5.5
Change in Accounting Principle	-	(2.3)	-	-	7.0	-	-	-	-	-
Change in Net Position After Accounting Change	\$ (8.8)	\$ (23.6)	\$ (9.0)	\$ 19.6	\$ 7.5	\$ 13.6	\$ 8.2	\$ (3.5)	\$ 8.7	\$ 5.5



For the past 10 years the chart shows the change in net position each year versus the immediately preceding year. Net Position decreased in 2019 due to the deferment of capital grants.

Source: Financial Statements

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

Condensed Summary of Net Position

Last Ten Years

Dollars in Millions

(Unaudited)

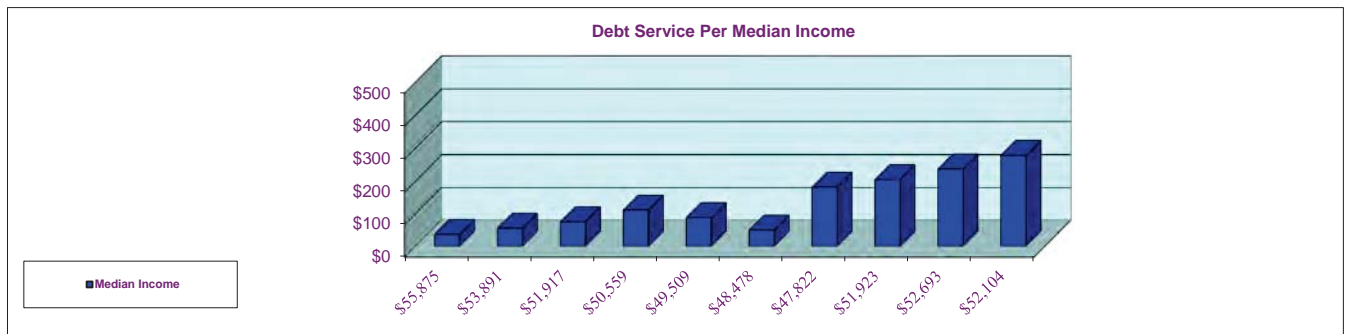
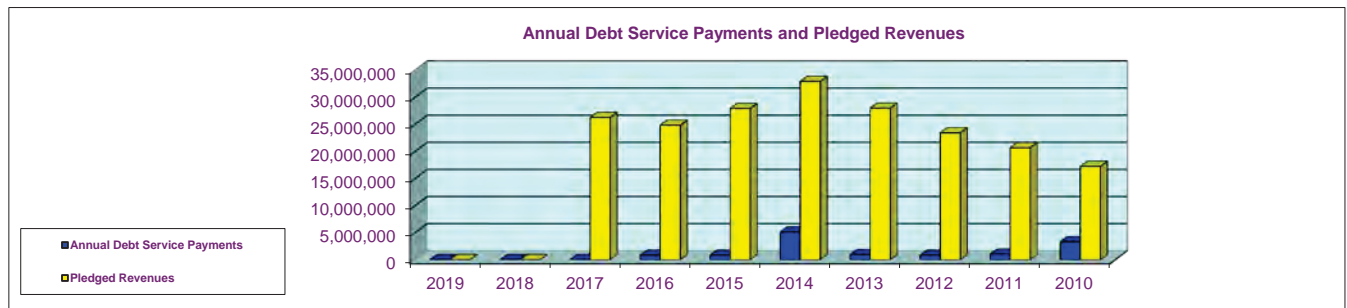
Year	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Assets	\$204.8	\$207.4	\$224.1	\$238.0	\$216.6	\$206.7	\$206.0	\$191.0	\$194.3	\$185.9
Deferred Outflow of Resources	\$5.5	\$6.5	\$8.1	\$10.3	\$4.1	\$0.8	\$0.1	\$0.0	\$0.6	\$0.0
Deferred Inflow of Resources	\$6.1	\$2.3	\$0.7	\$0.5	\$1.3	\$0.0	\$0.0	\$0.7	\$0.0	\$0.0
Total Liabilities	\$40.1	\$38.7	\$35.0	\$42.2	\$33.5	\$29.2	\$41.4	\$33.8	\$34.4	\$34.7
Ending Net Position	\$164.1	\$172.9	\$196.5	\$205.5	\$185.9	\$178.3	\$164.7	\$156.5	\$159.9	\$151.2
Net investment in capital assets	\$137.1	\$139.3	\$153.0	\$149.9	\$142.7	\$147.6	\$135.6	\$124.9	\$131.1	\$125.1
Restricted	\$9.6	\$1.7	\$1.7	\$1.6	\$0.0	\$0.0	\$0.1	\$0.5	\$0.5	\$0.5
Unrestricted	\$17.4	\$31.9	\$41.8	\$54.0	\$43.2	\$30.7	\$29.0	\$31.1	\$28.3	\$25.6
Ending Net Position	\$164.1	\$172.9	\$196.5	\$205.5	\$185.9	\$178.3	\$164.7	\$156.5	\$159.9	\$151.2



This chart compares Total Assets, Total Liabilities, and Net Position values over the last 10 years. Total Assets increased 10.16% during this period as the Authority expanded service, acquired new rolling stock, and constructed bus shelters and intermodal transfer centers. Total Liabilities at the end of fiscal year 2019 are 24.20% greater than at the end of fiscal year 2010. Net Position decreased in 2019 due to the deferment of capital grants.

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

Year	Total Debt	SIB Loans	Capital Leases	Annual Debt Service Payments	Pledged Revenues	Debt Service Coverage	Median Income	Debt per Median Income
2019	\$2,013,282	\$0	\$2,013,282	\$0	\$0	0.00	\$55,875	\$36.03
2018	\$2,953,519	\$0	\$2,953,519	\$0	\$0	0.00	\$53,891	\$54.81
2017	\$3,872,473	\$0	\$3,872,473	\$0	\$26,228,105	0.00	\$51,917	\$74.59
2016	\$5,583,849	\$813,225	\$4,770,624	\$829,490	\$24,800,447	29.90	\$50,559	\$110.44
2015	\$4,325,942	\$1,610,507	\$2,715,435	\$829,492	\$27,889,437	33.62	\$49,509	\$87.38
2014	\$2,392,156	\$2,392,156	\$0	\$5,127,064	\$32,892,077	6.61	\$48,478	\$49.35
2013	\$8,636,268	\$7,413,500	\$1,222,768	\$958,423	\$27,936,006	29.15	\$47,822	\$180.59
2012	\$10,563,319	\$8,164,797	\$2,398,522	\$829,492	\$23,411,900	28.22	\$51,923	\$203.44
2011	\$12,430,432	\$8,901,362	\$3,529,070	\$1,046,219	\$20,649,873	19.74	\$52,693	\$235.90
2010	\$14,446,041	\$9,829,891	\$4,616,150	\$3,321,420	\$17,211,000	5.18	\$52,104	\$277.25



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**

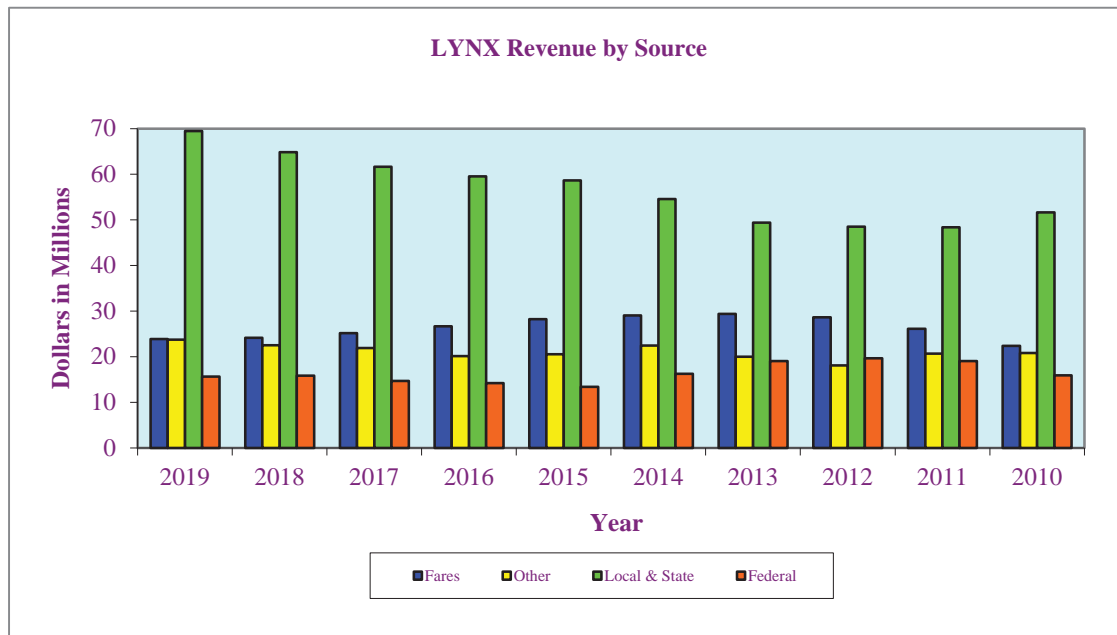
Revenue by Source

Last Ten Years

Dollars in Millions

(Unaudited)

Fiscal Year	MISCELLANEOUS REVENUE		OPERATING AND OTHER			Total Revenue
	Fares	Other	Total	Local & State	Federal	
2019	\$23.863	\$23.748	\$47.611	\$69.486	\$15.633	\$132.730
2018	\$24.143	\$22.557	\$46.700	\$64.867	\$15.877	\$127.444
2017	\$25.165	\$21.926	\$47.091	\$61.665	\$14.680	\$123.436
2016	\$26.643	\$20.171	\$46.814	\$59.522	\$14.223	\$120.560
2015	\$28.225	\$20.572	\$48.797	\$58.646	\$13.385	\$120.828
2014	\$29.081	\$22.475	\$51.556	\$54.558	\$16.257	\$122.371
2013	\$29.394	\$19.985	\$49.379	\$49.433	\$19.060	\$117.872
2012	\$28.620	\$18.074	\$46.667	\$48.521	\$19.678	\$114.866
2011	\$26.098	\$20.661	\$46.759	\$48.370	\$19.031	\$114.160
2010	\$22.363	\$20.800	\$43.163	\$51.684	\$15.917	\$110.764



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 2019 and were down 1.15% compared to 2018. Total revenue was higher due to the increase in local assistance. In 2019 federal revenue decreased to 11.85% of LYNX's total revenue, versus 12.52% in 2018.

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

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

FISCAL YEAR	OPERATING AND OTHER MISCELLANEOUS REVENUE			OPERATING ASSISTANCE			TOTAL REVENUE
	FARES	OTHER	TOTAL	LOCAL & STATE	FEDERAL	TOTAL	
INDUSTRY							
2019	*	*	0.0%	*	*	0.0%	0.0%
2018	30.7%	5.4%	36.0%	55.3%	8.6%	64.0%	100.0%
2017	31.4%	5.0%	36.3%	55.2%	8.5%	63.7%	100.0%
2016	31.3%	5.0%	36.3%	55.7%	8.0%	63.7%	100.0%
2015	32.5%	4.9%	37.4%	54.3%	8.3%	62.6%	100.0%
2014	32.0%	3.9%	35.9%	55.5%	8.6%	64.1%	100.0%
2013	32.5%	3.8%	36.3%	54.8%	8.9%	63.7%	100.0%
2012	32.5%	4.6%	37.1%	54.0%	8.9%	62.9%	100.0%
2011	32.8%	4.9%	37.7%	52.5%	9.8%	62.3%	100.0%
2010	32.1%	5.4%	37.5%	53.1%	9.4%	62.5%	100.0%
LYNX							
2019	18.1%	18.0%	36.1%	52.1%	11.9%	63.9%	100.0%
2018	19.0%	17.8%	36.8%	50.6%	12.5%	63.2%	100.0%
2017	20.4%	17.8%	38.1%	50.0%	11.9%	61.9%	100.0%
2016	22.1%	16.7%	38.8%	49.4%	11.8%	61.2%	100.0%
2015	23.4%	17.0%	40.4%	48.5%	11.1%	59.6%	100.0%
2014	23.8%	18.4%	42.2%	44.6%	13.2%	57.8%	100.0%
2013	24.9%	17.0%	41.9%	41.9%	16.2%	58.1%	100.0%
2012	24.9%	15.7%	40.6%	42.3%	17.1%	59.4%	100.0%
2011	22.9%	18.1%	41.0%	42.4%	16.6%	59.0%	100.0%
2010	20.2%	18.8%	39.0%	46.6%	14.4%	61.0%	100.0%

Source: Financial Statements

APTA 2020 Transportation Fact Book

* Not available

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a

LYNX

Fare Structure

Year Ended September 30, 2019

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

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

**Fare Trends
Last Ten Years**

(Unaudited)

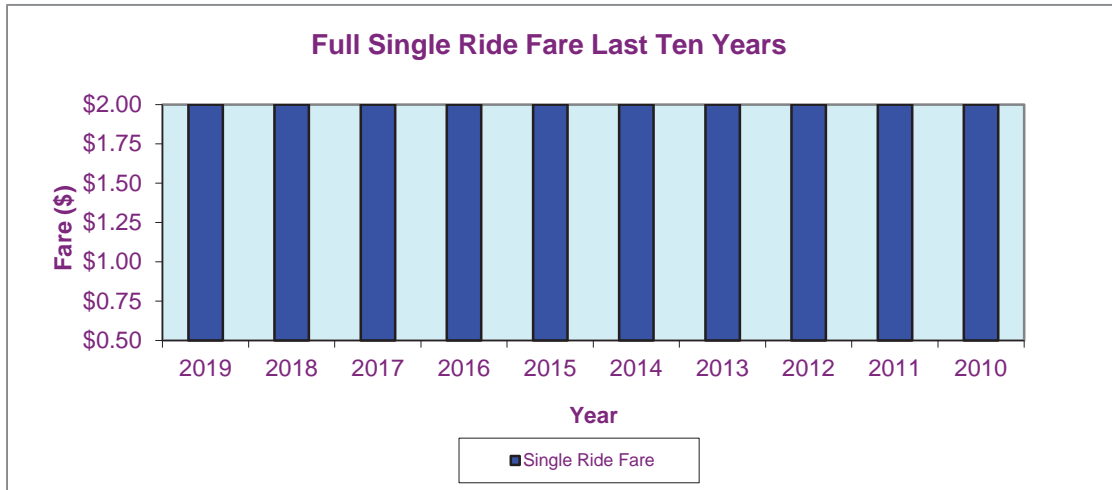
Fiscal Year	CASH FARES				PASSES			
	Single Fare	Discount Single	1 Day Fare	Discount 1 Day	7 Day Pass	Discount 7 Day	30 Day Pass	Discount 30 Day
2019	\$2.00	\$1.00	\$4.50	\$2.25	\$16.00	\$8.00	\$50.00	\$25.00
2018	\$2.00	\$1.00	\$4.50	\$2.25	\$16.00	\$8.00	\$50.00	\$25.00
2017	\$2.00	\$1.00	\$4.50	\$2.25	\$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
2015	\$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
2013	\$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
2011	\$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

Discounted Fares Include:

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

Discounted Passes Include:

- Youth
- Advantage
- IQ

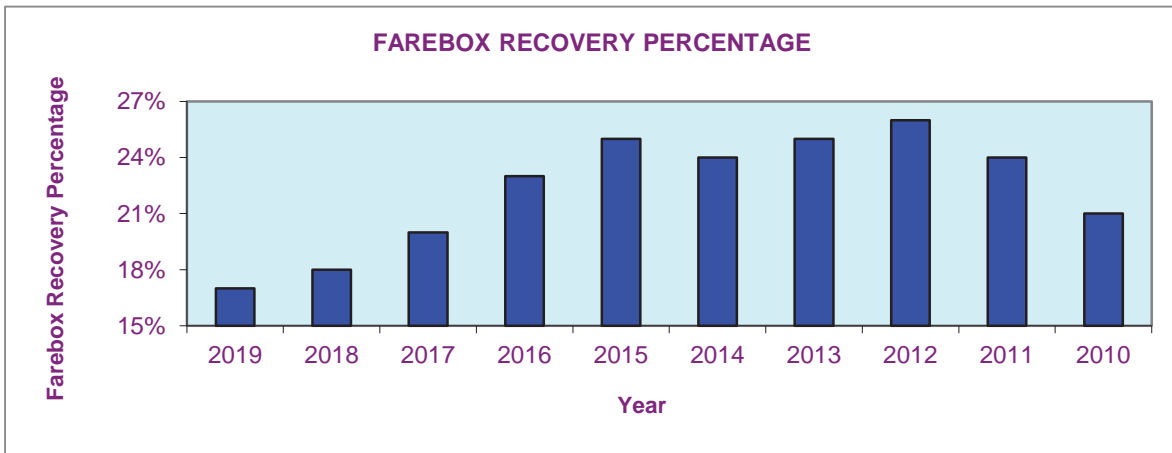


The table and graph show the amount of each standard fixed-route fare type by year. In keeping with the Authority's commitment to keep fares as low as fiscally feasible and to make relatively small rate increases periodically, no fare rate increases were made in 2019. The last increase was implemented in January 2009.

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

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

Fiscal Year	Percentage
2019	17%
2018	18%
2017	20%
2016	23%
2015	25%
2014	24%
2013	25%
2012	26%
2011	24%
2010	21%



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 2010 the recovery rate has varied 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
2019	769	200	196	1,165
2018	766	201	196	1,163
2017	754	201	166	1,121
2016	753	199	165	1,117
2015	744	201	163	1,108
2014	744	200	161	1,105
2013	719	201	157	1,077
2012	693	198	148	1,039
2011	653	199	139	991
2010	653	199	137	989



The greatest fluctuation during the 10-year period was in the Administrative and General area, with 2019 staffing approximately 43.06% above the low level of the 10-year period shown above. Staffing level increased as a result of increase in service demand. Despite the Administrative and General staff increase, the organization-wide total from year to year varied less than 17.79%, 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	2019			2010		
	Number of Full Time Employees	Rank	Percentage of Total Employment	Number of Full Time Employees	Rank	Percentage of Total Employment
Walt Disney World Company	74,200	1	6.18%	62,000	1	6.22%
Florida Hospital	28,959	2	2.41%	16,000	3	1.61%
Orange County Public Schools	25,145	3	2.09%	24,063	2	2.41%
Universal Studios Florida	25,000	4	2.08%	13,000	5	1.30%
Publix Super Markets, Inc.	19,783	5	1.65%	15,606	4	1.57%
Orlando Regional Healthcare	19,032	6	1.59%	13,000	6	1.30%
Orlando International Airport	18,000	7	1.50%	N/A	N/A	N/A
Seminole County Public Schools	10,000	8	0.83%	7,000	10	0.70%
University of Central Florida	9,476	9	0.79%	10,152	7	1.02%
Lockheed Martin	9,000	10	0.75%	7,200	9	0.72%
Orange County Government	8,000	N/A	N/A	7,426	8	0.75%
Other Employers	961,921		80.13%	821,213		82.40%
Region Total	1,200,516		100.00%	996,660		100.00%

Notes:

N/A = Not Available

Sources:

Metro Orlando Economic Development Commission

Orange County Public Schools

Orlando Health

University of Central Florida Office of Institutional Research

Seminole County Public Schools

Orange County Government, Florida

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

Employment Percentage by Industry

Service Region

Last Ten Years

(Unaudited)

Year	Manufacturing	Construction	Transportation	Finance	Government	Retail Trade	Service	Total
2019	3.6%	6.6%	18.2%	5.7%	9.7%	11.4%	44.8%	100.0%
2018	3.8%	6.6%	3.2%	5.9%	9.6%	11.6%	59.3%	100.0%
2017	3.8%	5.8%	3.1%	6.3%	9.9%	12.2%	58.9%	100.0%
2016	3.5%	5.9%	2.9%	5.9%	10.1%	12.3%	59.4%	100.0%
2015	3.5%	5.2%	3.0%	6.3%	10.4%	12.7%	58.9%	100.0%
2014	3.5%	5.1%	2.9%	6.2%	10.7%	12.7%	58.9%	100.0%
2013	3.5%	4.5%	2.9%	6.4%	11.0%	12.2%	59.5%	100.0%
2012	3.6%	4.2%	3.0%	6.2%	11.3%	12.3%	59.4%	100.0%
2011	3.6%	4.6%	3.1%	6.1%	11.5%	11.8%	59.3%	100.0%
2010	3.7%	4.8%	3.0%	6.0%	11.7%	11.4%	59.4%	100.0%

Source: Metro Orlando Economic Development Commission

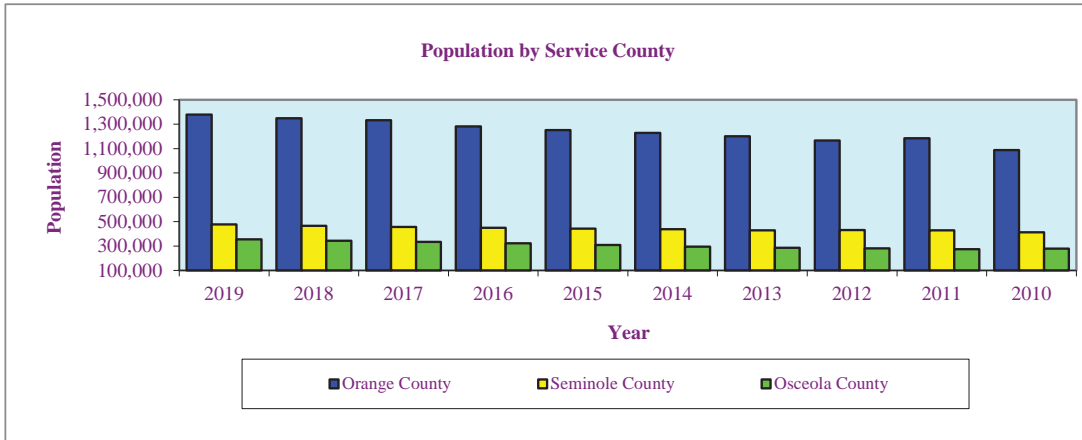
**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX**

Population by Service County

Last Ten Years

(Unaudited)

Year	Orange County	Seminole County	Osceola County	Region Total
2019	1,378,538	476,413	355,959	2,210,910
2018	1,347,885	465,036	342,454	2,155,375
2017	1,332,714	457,650	333,980	2,124,344
2016	1,280,387	449,124	322,862	2,052,373
2015	1,252,396	442,903	308,327	2,003,626
2014	1,227,995	437,086	295,553	1,960,634
2013	1,199,801	427,977	286,001	1,913,779
2012	1,166,730	430,738	281,294	1,878,762
2011	1,183,903	429,169	275,010	1,888,082
2010	1,087,971	412,660	278,153	1,778,784

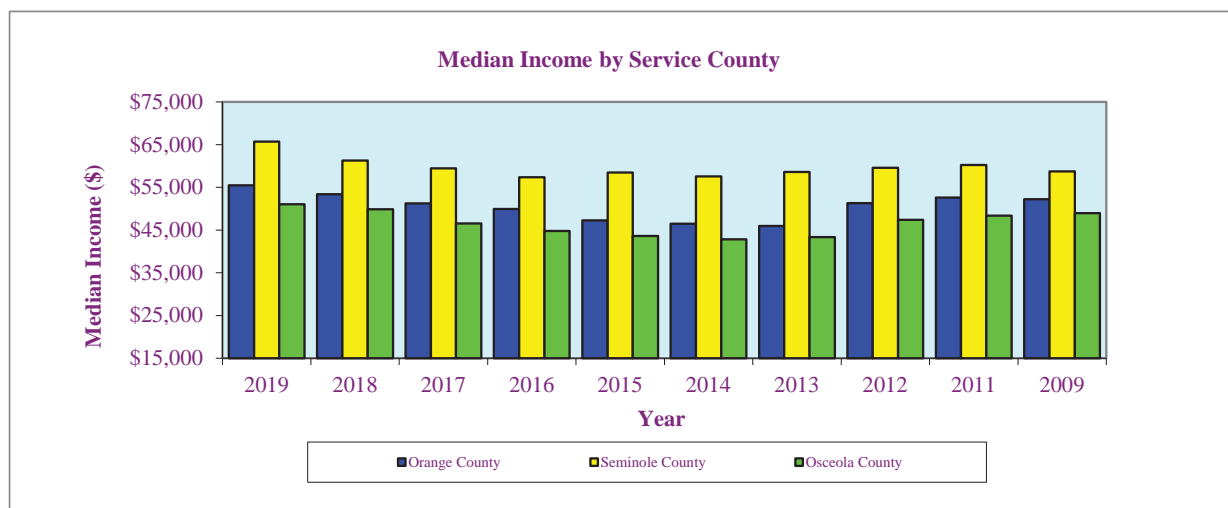


The population of the tri-county area, as a whole, increased approximately 2.57% from 2018. The greatest growth rate was in Osceola County, where the population grew approximately 3.94% compared to the previous year.

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
2019	\$55,509	\$65,691	\$51,040
2018	\$53,407	\$61,291	\$49,870
2017	\$51,232	\$59,441	\$46,528
2016	\$49,910	\$57,369	\$44,785
2015	\$47,295	\$58,481	\$43,620
2014	\$46,507	\$57,538	\$42,838
2013	\$45,968	\$58,573	\$43,332
2012	\$51,338	\$59,609	\$47,386
2011	\$52,624	\$60,210	\$48,367
2009	\$52,232	\$58,703	\$48,942



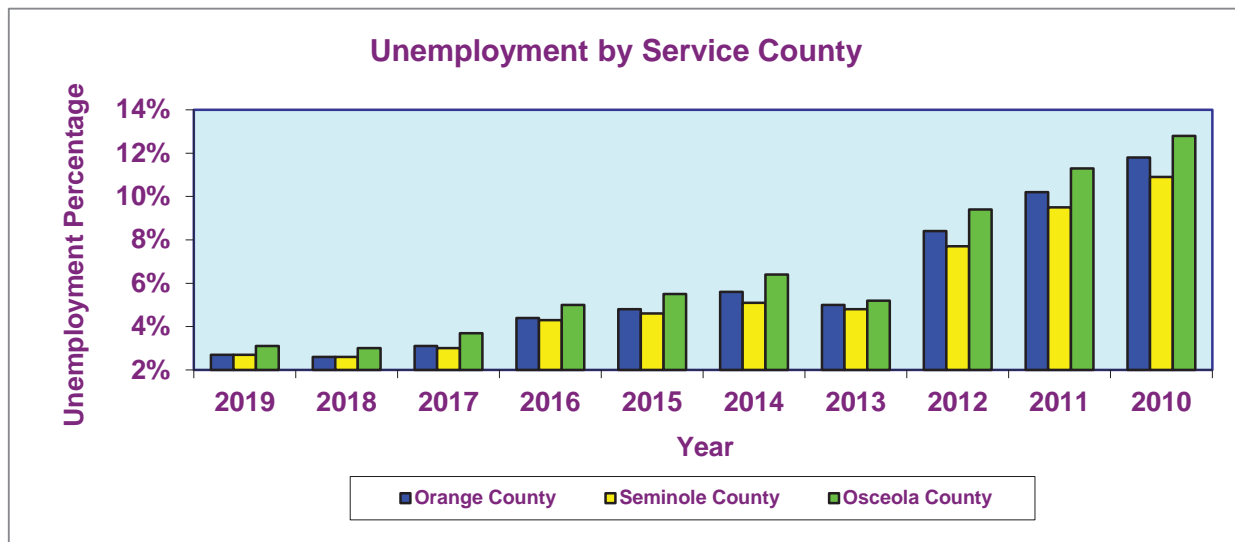
Median household income is useful in public transportation planning because it is one determinant of the need for, and probability of use, of public transportation. The lower the median income the greater, in most cases, will be the need for, and use of, public transportation.

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
2019	2.7%	2.7%	3.1%	2.8%
2018	2.6%	2.6%	3.0%	2.7%
2017	3.1%	3.0%	3.7%	3.2%
2016	4.4%	4.3%	5.0%	4.5%
2015	4.8%	4.6%	5.5%	5.0%
2014	5.6%	5.1%	6.4%	5.7%
2013	5.0%	4.8%	5.2%	4.9%
2012	8.4%	7.7%	9.4%	8.4%
2011	10.2%	9.5%	11.3%	10.3%
2010	11.8%	10.9%	12.8%	11.8%



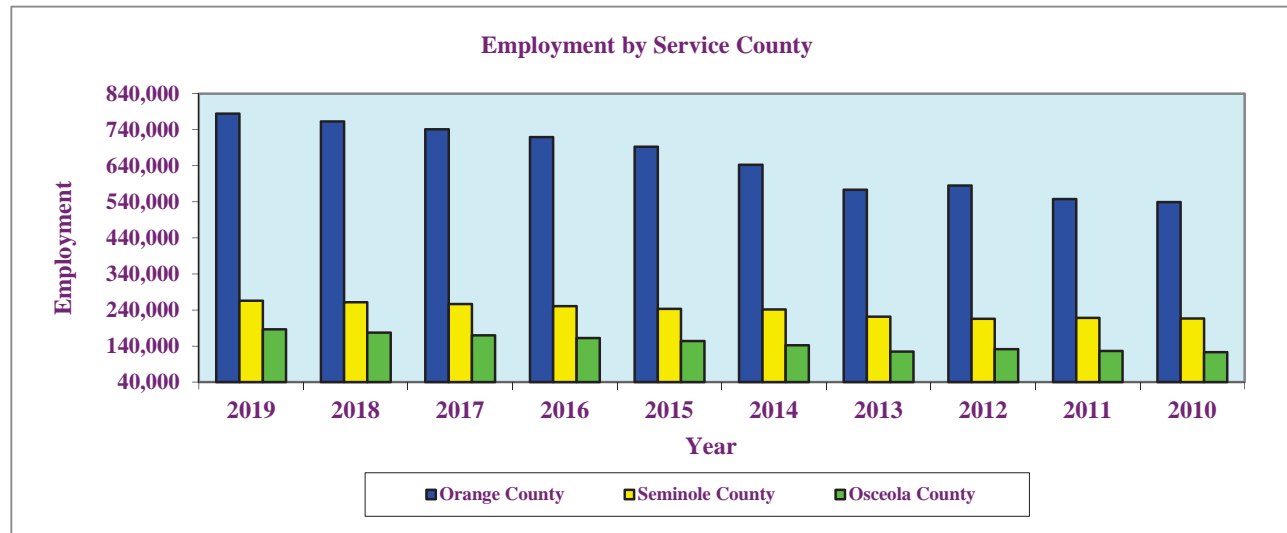
Employment and Unemployment trends are useful in the analysis of the economic vitality of a local economy. The availability of public transportation removes transportation barriers to employment, a factor which contributes to the continued need for public transportation. The yearly percentages by county are annual averages, non-seasonal based. The tri-county average for fiscal year 2019 was 2.8%, with Osceola County at 3.1% 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
2019	784,788	265,748	186,128	1,236,664
2018	762,710	261,502	176,891	1,201,103
2017	741,512	256,066	169,568	1,167,146
2016	719,253	250,888	162,005	1,132,146
2015	692,813	243,253	154,029	1,090,095
2014	643,006	241,166	142,438	1,026,609
2013	573,570	221,385	124,539	919,494
2012	585,472	215,521	131,146	932,139
2011	547,816	218,049	126,431	892,296
2010	539,404	216,202	122,843	878,449



The tri-county area has experienced growth in employment every year except 2013. 2019 was 2.96% above the 2018 level. The largest increase was Osceola County, where employment in 2019 was 5.22% above the 2018 level.

Source: Metro Orlando Economic Development Commission

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

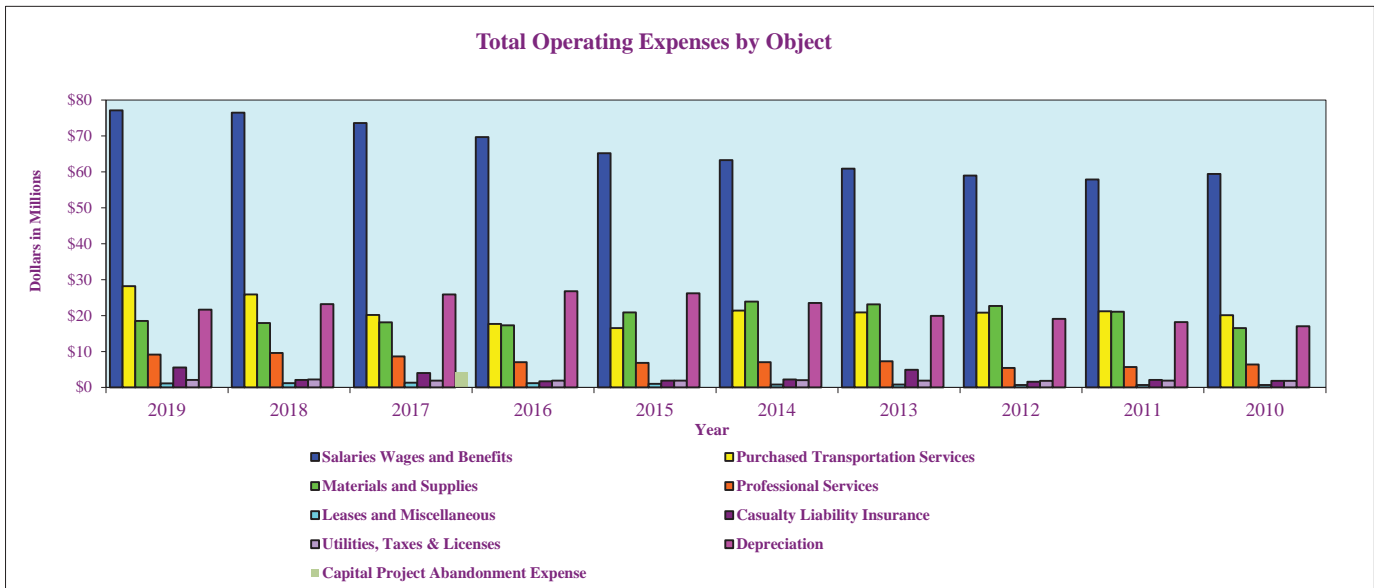
FISCAL YEAR	RIDERSHIP	NUMBER OF PEAK VEHICLES	ACTUAL VEHICLE MILES	ACTUAL VEHICLE HOURS
2019	23,862,104	268	17,006,457	1,208,306
2018	24,126,897	260	16,920,930	1,202,976
2017	24,845,029	259	17,065,204	1,198,148
2016	26,259,736	265	16,869,241	1,179,430
2015	28,327,951	255	16,470,661	1,163,956
2014	28,868,418	248	16,040,104	1,132,713
2013	28,801,896	232	16,058,513	1,126,466
2012	28,184,740	225	17,258,824	1,125,323
2011	26,996,158	225	16,503,043	1,108,489
2012	24,780,704	223	16,540,711	1,111,073

SOURCES: NTD report (MotorBus)

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

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

Fiscal Year	Salaries Wages and Benefits	Purchased Transportation Services	Materials and Supplies	Professional Services	Leases and Miscellaneous	Casualty Liability Insurance	Utilities, Taxes & Licenses	Depreciation	Capital Project Abandonment Expense	Total Operating Expenses
2019	\$77.1	\$28.2	\$18.5	\$9.1	\$1.1	\$5.5	\$2.1	\$21.7	\$0.0	\$163.3
2018	\$76.5	\$25.9	\$17.9	\$9.6	\$1.2	\$2.1	\$2.2	\$23.2	\$0.0	\$158.5
2017	\$73.6	\$20.2	\$18.1	\$8.6	\$1.3	\$4.0	\$1.9	\$25.9	\$4.2	\$157.8
2016	\$69.7	\$17.7	\$17.3	\$7.0	\$1.2	\$1.7	\$1.9	\$26.8	\$0.0	\$143.4
2015	\$65.2	\$16.5	\$20.9	\$6.8	\$1.0	\$1.9	\$1.9	\$26.2	\$0.0	\$140.4
2014	\$63.3	\$21.4	\$23.9	\$7.0	\$0.8	\$2.2	\$2.0	\$23.5	\$0.0	\$144.0
2013	\$60.9	\$20.9	\$23.1	\$7.3	\$0.8	\$4.9	\$1.9	\$19.9	\$0.0	\$139.7
2012	\$59.0	\$20.8	\$22.7	\$5.4	\$0.7	\$1.6	\$1.8	\$19.1	\$0.0	\$131.1
2011	\$57.9	\$21.2	\$21.1	\$5.7	\$0.7	\$2.1	\$1.9	\$18.2	\$0.0	\$128.8
2010	\$59.4	\$20.1	\$16.5	\$6.4	\$0.7	\$1.8	\$1.8	\$17.0	\$0.0	\$123.7



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 2019 reflects a 32.01% increase from fiscal year 2010. At 47.15% of total operating expenses in fiscal year 2019, the Salaries, Wages and Benefits object is the largest object and has increased by 0.65% as compared to fiscal year 2018 due to increases in scheduled services to meet ridership demand.

Source: Financial Statements

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

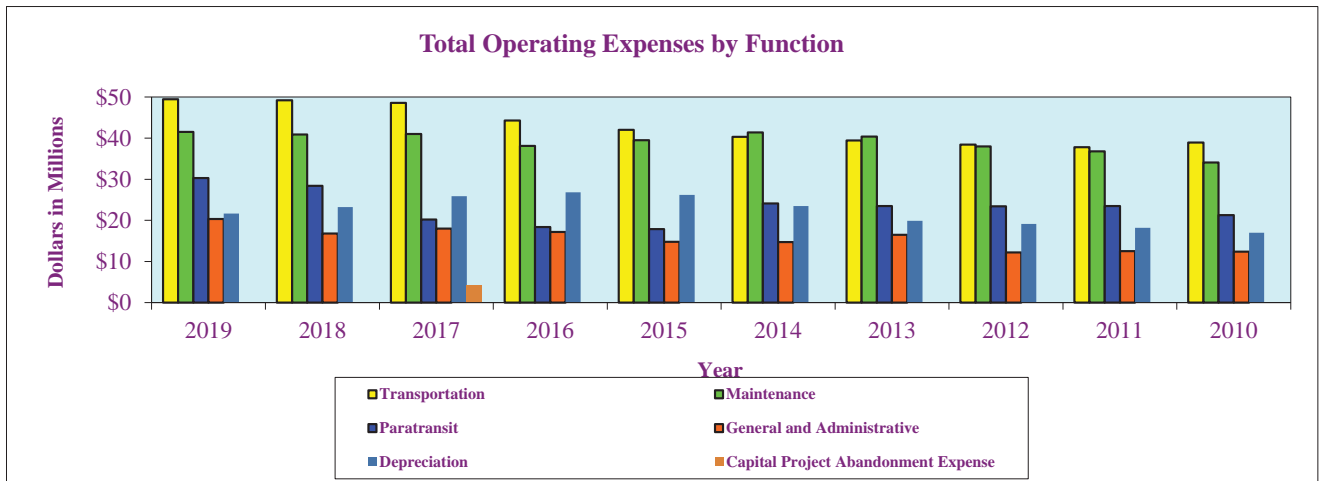
Operating Expenses by Function

Last Ten Years

Dollars in Millions

(Unaudited)

Fiscal Year	Transportation	Maintenance	Paratransit	General and Administrative	Depreciation	Capital Project Abandonment Expense	Total Operating Expenses
2019	\$49.5	\$41.5	\$30.3	\$20.3	\$21.7	\$0.0	\$163.3
2018	\$49.2	\$40.9	\$28.4	\$16.8	\$23.2	\$0.0	\$158.5
2017	\$48.6	\$41.0	\$20.2	\$18.0	\$25.9	\$4.2	\$157.8
2016	\$44.3	\$38.1	\$18.4	\$17.2	\$26.8	\$0.0	\$143.4
2015	\$42.0	\$39.5	\$17.9	\$14.8	\$26.2	\$0.0	\$140.4
2014	\$40.3	\$41.4	\$24.1	\$14.7	\$23.5	\$0.0	\$144.0
2013	\$39.4	\$40.4	\$23.5	\$16.5	\$19.9	\$0.0	\$139.7
2012	\$38.4	\$38.0	\$23.4	\$12.2	\$19.1	\$0.0	\$131.1
2011	\$37.8	\$36.8	\$23.5	\$12.5	\$18.2	\$0.0	\$128.8
2010	\$38.9	\$34.1	\$21.3	\$12.4	\$17.0	\$0.0	\$123.7



This table and graph show operating expenses by function for the last ten years. Total operating expenses for 2019 are 32.01% greater than 2010. Maintenance expenses in 2019 are 21.70% over the 2010 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 27.64% over the same period due to acquisition of new vehicles and completion of new office and maintenance buildings. Transportation expenses increased in 2019 due mainly to expanded service routes. General and Administrative costs have fluctuated during the 10-year period reaching a peak in 2019.

Source: Financial Statements

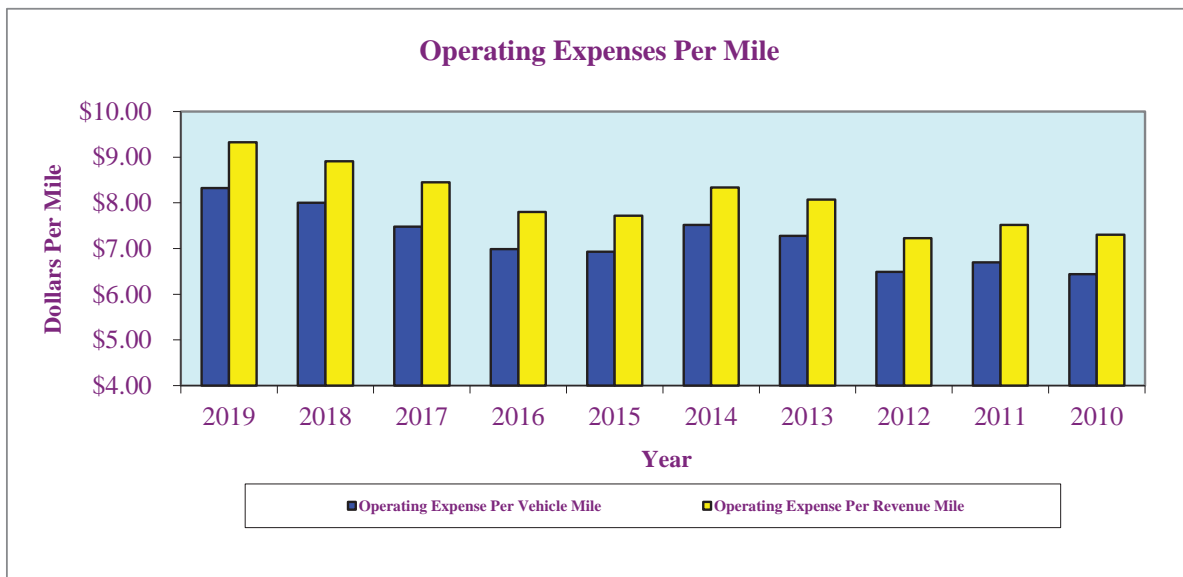
**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX**

Operating Expenses Per Mile

Last Ten Years

(Unaudited)

Fiscal Year	Vehicle Miles	Revenue Miles	Operating Expense Per Vehicle Mile	Operating Expense Per Revenue Mile
2019	17,006,547	15,181,398	\$8.33	\$9.33
2018	16,920,930	15,185,974	\$8.00	\$8.91
2017	17,065,204	15,111,138	\$7.48	\$8.45
2016	16,869,241	15,110,465	\$6.99	\$7.80
2015	16,470,661	14,791,484	\$6.93	\$7.72
2014	16,040,104	14,464,800	\$7.52	\$8.34
2013	16,058,513	14,468,719	\$7.28	\$8.07
2012	17,258,824	15,487,372	\$6.49	\$7.23
2011	16,503,043	14,714,555	\$6.70	\$7.52
2010	16,570,711	14,612,279	\$6.44	\$7.30



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 2019 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 2019
(Unaudited)**

Insurance Company	Policy	Premium	Limits	Deductible/SIR	Commission/Fee	
American Home Assurance Company	Property	\$96,940	\$66,597,910	\$10,000 All Other Perils	0%	
	Named Windstorm	Included	\$25,000,000	5%/Minimum \$100,000	0%	
	Flood	Included	\$10,000,000	\$100,000	0%	
	Earth Movement	Included	\$50,000,000	\$100,000	0%	
	Equipment Breakdown	Included	\$66,597,910	\$10,000	0%	
	Sub-total		\$96,940			
PGIT (Preferred Governmental Insurance Trust)	Crime	\$1,175			0%	
	Forgery & Alteration	Included	\$250,000	\$1,000		
	TDD	Included	\$250,000	\$1,000		
	Employee Dishonesty	Included	\$250,000	\$1,000		
	Computer Fraud	Included	\$250,000	\$1,000		
	Sub-total		\$1,175			
	General Liability					0%
	General Liability	\$34,310	\$1,000,000	\$200,000		
	EBL	Included	\$1,000,000	\$200,000		
	Sub-total		\$34,310			
Public Officials/EPLI					0%	
Public Officials	\$92,821	\$2,000,000	\$100,000			
EPLI	Included	\$2,000,000	\$100,000			
Media Content, Network Security and Privacy Liability	Included	\$2,000,000	\$100,000			
Sub-total		\$92,821				
Automobile					0%	
Auto Liability/UM/MedPay	Rejected		N/A	N/A		
Auto Physical Damage	\$254,726	Symbol 8, 10	\$1,000 / \$10,000			
Sub-total		\$254,726				
Total Premium This Page		\$479,972				

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

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

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201-415



LYNX

407-841-LYNX

LYNX

LYNX



LYNX
CENTRAL FLORIDA REGIONAL
TRANSPORTATION AUTHORITY

Single Adult Seating

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CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED SEPTEMBER 30, 2019

FEDERAL GRANTOR/PROGRAM TITLE	Federal CFDA Number	Project Number	Program or Award Amount	September 30, 2018 Receivable	Receipts	Expenditures	September 30, 2019 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	\$ -	\$ (96,904)	\$ 96,904	\$ -	-
Capital assistance	20.500	FL04-0172	1,056,800	84,674	(84,674)	93,001	93,001	-
Capital assistance	20.500	FL04-0185	8,390,860	-	(1,284,075)	1,284,075	-	-
			<u>17,367,660</u>	<u>84,674</u>	<u>(1,465,653)</u>	<u>1,473,980</u>	<u>93,001</u>	<u>-</u>
Federal Transit - Formula Grants								
Capital assistance	20.507	FL90-X726	22,243,009	289,803	(462,162)	227,564	55,205	-
Capital assistance	20.507	FL90-X826	23,509,503	-	(1,895)	21,711	19,816	-
Capital assistance	20.507	FL90-X858	25,317,482	91,141	(398,115)	378,525	71,551	-
Capital assistance	20.507	FL90-X885	10,630,000	63,962	(142,625)	111,686	33,023	-
Capital assistance	20.507	FL95-X101	7,850,500	-	(106,261)	154,057	47,796	-
Capital assistance	20.507	FL2017-001	17,609,919	544,977	(1,157,815)	1,058,164	445,326	-
Capital assistance	20.507	FL2017-013	8,209,682	-	(4,747,738)	5,563,154	815,416	-
Capital assistance	20.507	FL2017-039	26,103,204	360,390	(1,576,333)	1,820,452	604,509	-
Capital assistance	20.507	FL2018-038	6,944,047	852,074	(1,449,670)	5,539,138	4,941,542	-
Capital assistance	20.507	FL2018-113	26,116,978	13,303,588	(14,388,441)	1,397,787	312,934	-
Capital assistance	20.507	FL2019-030	26,703,155	-	(6,963,601)	12,294,752	5,331,151	-
			<u>201,237,479</u>	<u>15,505,935</u>	<u>(31,394,656)</u>	<u>28,566,990</u>	<u>12,678,269</u>	<u>-</u>
Federal Transit - Bus and Bus Facilities Formula Program								
Capital assistance	20.526	G0D46	359,784	-	(359,784)	359,784	-	-
			<u>359,784</u>	<u>-</u>	<u>(359,784)</u>	<u>359,784</u>	<u>-</u>	<u>-</u>
Total Federal Transit Cluster			<u>218,964,923</u>	<u>15,590,609</u>	<u>(33,220,093)</u>	<u>30,400,754</u>	<u>12,771,270</u>	<u>-</u>
Federal Transit: Metropolitan Transportation Planning								
Passed through the Metroplan Orlando								
	20.505	FL80-X012	485,315	103,182	(119,807)	30,398	13,773	-
	20.505	FL80-X013	618,120	-	(138,897)	173,637	34,740	-
			<u>1,103,435</u>	<u>103,182</u>	<u>(258,704)</u>	<u>204,035</u>	<u>48,513</u>	<u>-</u>

(Continued)

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED SEPTEMBER 30, 2019

FEDERAL GRANTOR/ PROGRAM TITLE	Federal CFDA Number	Project Number	Program or Award Amount	September 30, 2018 Receivable	Receipts	Expenditures	September 30, 2019 Receivable	Passed Through to Subrecipients
Federal Transit: Formula Grants for Rural Areas Passed through Florida Department of Transportation	20.509	G0R97	1,053,256 <u>1,053,256</u>	408,814 <u>408,814</u>	(408,814) <u>(408,814)</u>	354,442 <u>354,442</u>	354,442 <u>354,442</u>	- <u>-</u>
Transit Services Programs Cluster								
Federal Transit: Job Access Reverse Commute	20.516	AR064	1,421,955 <u>1,421,955</u>	190,053 <u>190,053</u>	(277,787) <u>(277,787)</u>	197,338 <u>197,338</u>	109,604 <u>109,604</u>	- <u>-</u>
Federal Transit: Enhanced Mobility of Seniors and Individuals with Disabilities								
	20.513	FL16-X019	2,560,222	7,277	(13,569)	6,292	-	6,292
	20.513	FL16-X023	519,589	-	(134,105)	134,105	-	-
	20.513	FL1001-2016-16	536,738	-	(536,418)	536,418	-	-
	20.513	FL2018-111	1,429,375	-	-	308,639	308,639	29,742
	20.513	FL2017-027	2,737,549	56,065	(152,695)	217,901	121,271	116,085
	20.513	G0327	1,808,345	839,005	(841,057)	395,417	393,365	-
	20.513	G1A00	250,000	-	-	17,638	17,638	-
			<u>9,841,818</u>	<u>902,347</u>	<u>(1,677,844)</u>	<u>1,616,410</u>	<u>840,913</u>	<u>152,119</u>
Federal Transit: New Freedom Program	20.521	AQN91	859,729 <u>859,729</u>	103,847 <u>103,847</u>	(100,040) <u>(100,040)</u>	79,013 <u>79,013</u>	82,820 <u>82,820</u>	-
Total Transit Services Program Cluster			<u>12,123,502</u>	<u>1,196,247</u>	<u>(2,055,671)</u>	<u>1,892,761</u>	<u>1,033,337</u>	<u>152,119</u>
Federal Transit - Alternatives Analysis Planning Assistance	20.522	FL39-0013	1,200,000 <u>1,200,000</u>	35,374 <u>35,374</u>	(291,442) <u>(291,442)</u>	258,715 <u>258,715</u>	2,647 <u>2,647</u>	-
Department of Transportation Public Transportation Emergency Relief Program Hurricane Irma - Public Assistance	20.527	FL2019-016	432,000 <u>432,000</u>	446,697 <u>446,697</u>	(432,000) <u>(432,000)</u>	(14,697) <u>(14,697)</u>	-	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 234,877,116	\$ 17,780,923	\$ (36,666,724)	\$ 33,096,010	\$ 14,210,209	\$ 152,119
NONOPERATING REVENUE PORTION						15,633,866		
OTHER INCOME - GAIN ON SALE OF EQUIPMENT						39,867		
CONTRIBUTED CAPITAL						<u>\$ 17,422,277</u>		

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

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
SCHEDULE OF LOCAL FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2019

GRANT NUMBER/ SOURCE	Program or Award Amount	September 30, 2018 Unearned (Receivable)	Transfers/ Receipts	Revenue Recognized	September 30, 2019 Unearned (Receivable)
LOCAL MATCHING GRANTS:					
N/A, AQN91	\$ 859,729	\$ -	\$ 79,013	\$ 79,013	\$ -
N/A, AR064	840,000	-	197,339	197,339	-
N/A, FL-16-X019	1,388,921	-	6,293	6,293	-
N/A, FL-39-0013	300,000	-	64,679	64,679	-
N/A, FL-2017-027 (FL16X034)	1,485,121	-	116,589	116,589	-
N/A, FL-2018-111 (FL16X062)	775,436	-	308,639	308,639	-
N/A, G0R97 (G1728)	1,053,256	-	354,443	354,443	-
N/A, G0T11	11,041,146	-	11,041,146	11,041,146	-
N/A, G0327	1,808,345	-	395,417	395,417	-
N/A, G0X51	545,534	-	409,150	409,150	-
N/A, G0I96	79,657	-	24,582	24,582	-
N/A, G0M69	507,578	-	(76)	(76)	-
N/A, G0W65	715,461	-	166,642	166,642	-
N/A, G1A00	250,000	-	17,638	17,638	-
N/A, G1A54	495,903	-	124,050	124,050	-
Private Partners (Shelters and Vans)	-	56,488	-	5,317	51,171
City of Orlando (LYNX-Orlando Trail Project)	1,541,415	21,373	-	21,373	-
City of Orlando (LYMMO East-West Project)	2,000,000	-	24,226	24,226	-
City of Orlando (Mills District Shelter Project)	70,000	7,968	-	-	7,968
City of Orlando (LYMMO kiosk @ Church & Lake)	-	2,507	-	-	2,507
Orange County (Pine Hills SuperStop Project)	1,250,000	250,000	-	-	250,000
Orange County Capital	1,779,414	2,001,878	1,779,414	3,781,292	-
Osceola County Capital	246,024	-	246,024	246,024	-
Seminole County Capital	218,764	-	218,764	218,764	-
Other Local Capital - CIGNA	3,752	-	3,752	3,752	-
Other Local Capital	-	81,990	-	-	81,990
Total matching grants	\$ 29,255,456	\$ 2,422,204	\$ 15,577,724	17,606,292	\$ 393,636
Customer fares and operating assistance				13,326,917	
Contributed capital portion				\$ 4,279,375	
LOCAL GRANTS AND CONTRACT SERVICES:					
Operating assistance:					
Orange County		\$ -	\$ 44,579,274	\$ 44,579,274	\$ -
City of Orlando		-	3,985,958	3,985,958	-
Seminole County		-	2,696,146	2,696,146	-
Osceola County		-	3,054,335	3,054,335	-
Total nonoperating revenue portion		\$ -	\$ 54,315,713	\$ 54,315,713	\$ -
Contract services:					
Seminole County		\$ -	\$ 3,777,176	\$ 3,777,176	\$ -
Osceola County		-	4,326,183	4,326,183	-
City of Orlando (LYMMO)		(344,677)	2,213,332	2,324,902	(456,247)
City of Altamonte Springs		-	120,900	120,900	-
City of Sanford		-	756,272	756,272	-
City of Kissimmee Connector		-	166,642	166,642	-
Disney		-	335,090	335,090	-
Econ River High School		(44,074)	221,838	220,316	(42,552)
University of Central Florida (UCF)		(22,626)	121,036	109,838	(11,428)
Valencia College		65,323	75,000	75,000	65,323
Seminole State College		21,467	24,993	25,632	20,828
Shingle Creek		(25,707)	111,376	102,878	(17,209)
Polk County		(152,372)	935,755	939,711	(156,328)
Lake County		-	248,854	248,854	-
Total Local Financial Assistance		(502,666)	13,434,447	13,529,394	(597,613)
Other Contractual Services					
Local - Shuttles		(23,811)	117,095	95,834	(2,550)
State - Transportation Disadvantaged		(1,325,586)	5,306,688	5,097,556	(1,116,454)
Other Contractual Services		(2,672)	7,172	4,500	-
Total Other Contractual Services		(1,352,069)	5,430,955	5,197,890	(1,119,004)
Total contract services		\$ (1,854,735)	\$ 18,865,402	\$ 18,727,284	\$ (1,716,617)

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 EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2019

STATE GRANTOR PROGRAM TITLE, CONTRACT NO., WPI NO., JOB NO.	CSFA Number	Program or Award Amount	September 30, 2018 Receivable	Receipts/ Adjustments	Expenditures	September 30, 2019 Receivable
Florida Department of Transportation						
Public Transit Block Grant Program N/A, G0T11	55.010	\$ 21,233,148	\$ 5,096,001	\$ (5,096,002)	\$ 11,041,146	\$ 11,041,145
		<u>21,233,148</u>	<u>5,096,001</u>	<u>(5,096,002)</u>	<u>11,041,146</u>	<u>11,041,145</u>
Public Transit Service Development Program N/A, ARD60	55.012	3,477,743	257,185	(981,966)	1,623,621	898,840
N/A, G0G99	55.012	175,000	145,009	-	-	145,009
N/A, G0W65	55.012	715,461	-	(85,729)	166,642	80,913
		<u>4,368,204</u>	<u>402,194</u>	<u>(1,067,695)</u>	<u>1,790,263</u>	<u>1,124,762</u>
Transit Corridor Development Program N/A, G0L94	55.013	1,000,000	-	-	28,801	28,801
		<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>28,801</u>	<u>28,801</u>
Florida Commission for the Transportation Disadvantaged Trip and Equipment Grant Program N/A, G0I96	55.001	356,180	73,760	(294,998)	221,238	-
N/A, G0M69	55.001	5,076,615	680	-	(680)	-
N/A, G0Y31	55.001	101,881	23,687	(101,881)	78,194	-
N/A, G0X51	55.001	5,455,343	1,227,459	(4,909,809)	3,682,350	-
N/A, G1A54	55.001	4,463,122	-	-	1,116,454	1,116,454
		<u>15,453,141</u>	<u>1,325,586</u>	<u>(5,306,688)</u>	<u>5,097,556</u>	<u>1,116,454</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>42,054,493</u>	<u>6,823,781</u>	<u>(11,470,385)</u>	<u>17,957,766</u>	<u>13,311,162</u>
Other State Revenue						
Road Ranger Patrol for Highway Assistance Services N/A, BE350	N/A	4,658,458	442,407	(1,538,939)	1,495,342	398,810
State Match of Federal Grants	N/A			(83,830)	83,830	
		<u>4,658,458</u>	<u>442,407</u>	<u>(1,622,769)</u>	<u>1,579,172</u>	<u>398,810</u>
TOTAL STATE FINANCIAL ASSISTANCE AND OTHER STATE REVENUE		<u>\$ 46,712,951</u>	<u>\$ 7,266,188</u>	<u>\$ (13,093,154)</u>	<u>19,536,938</u>	<u>\$ 13,709,972</u>
CONTRACT SERVICES PORTION					5,097,556	
NONOPERATING REVENUE PORTION					14,336,538	
CONTRIBUTED CAPITAL PORTION					\$ 102,844	

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

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
LOCAL AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2019**

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 Expenditures 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 2019</u>
FL-04-0172	\$ 1,056,800	\$ 23,249
FL-2017-001	17,609,919	264,541
FL-2017-013	8,209,682	1,390,789
FL-2017-039	26,103,204	455,113
FL-2017-038	6,944,047	1,384,785
FL-2018-113	26,116,978	3,675,344
FL-2019-030	26,703,155	3,073,688
FL-90-X726	22,243,009	56,891
FL-90-X858	25,317,482	94,631
FL-90-X885	10,630,000	27,922
FL-95-X101	7,850,500	38,514
Total	\$ <u>178,784,776</u>	\$ <u>10,485,467</u>

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statements of net position of Central Florida Regional Transportation Authority d/b/a LYNX (the "Authority") as of September 30, 2019 and 2018, and the related statements of revenues, expenses and changes in net position and of cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 5, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Orlando, Florida
March 5, 2020

**Report of Independent Auditor on Compliance for
Each Major Federal 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, 2019. 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 federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance projects applicable to its 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 types of 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, 2019.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state financial assistance project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state financial assistance project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state financial assistance project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Handwritten signature of Cheryl Behrman LLP in cursive script.

Orlando, Florida
March 5, 2020

**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, 2019

Part I - Summary of Auditor's Results

Financial Statement Section

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

Federal Awards and State Projects Section

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

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

FOR THE YEAR ENDED SEPTEMBER 30, 2019

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

Federal Awards and State Projects Section (continued)

Identification of major federal programs and state projects:

Federal Programs:

Name of Program or Cluster	CFDA Number
U.S. Department of Transportation:	
<u>Federal Transit Cluster</u>	<u>20.500-CL</u>
<u>Transit Services Programs Cluster</u>	<u>20.513-CL</u>

State Projects:

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

Dollar threshold used to determine Type A programs:

Federal	\$ 992,880
State	<u>\$ 750,000</u>

Auditee qualified as low-risk auditee for federal purposes?

x yes no

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

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Part II - Schedule of Financial Statement Findings

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

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

Part III - Federal Award Findings and Questioned Costs

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

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

Prior Year Audit Findings

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

Part IV - State Project Findings and Questioned Costs

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

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



Independent Auditor's Management Letter

To the Board of Directors
Central Florida Regional Transportation Authority:

Report on the Financial Statements

We have audited the financial statements of Central Florida Regional Transportation Authority d/b/a LYNX (the "Authority") as of and for the years ended September 30, 2019 and 2018, and have issued our report thereon dated March 5, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Report of Independent Auditor on Compliance for Each Major Federal Program and State Financial Assistance Project and on Internal Control Over Compliance Required by Uniform Guidance and Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs – Federal Awards Programs and State Financial Assistance Projects; and Report of Independent Accountant on Compliance with Local Government Investment Policies regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 5, 2020, 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. Corrective actions have been taken to address findings and recommendations made in the preceding 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 conditions met. In connection with our audit we determined that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Authority. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we 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.

Handwritten signature of Cheryl Behrman in cursive script.

Orlando, Florida
March 5, 2020



**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, 2019. 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 judgment, 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, 2019.

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

Cherry Bekaert LLP

Orlando, Florida
March 5, 2020