

EXHIBIT 2

Action Item, New FY2020 Projects



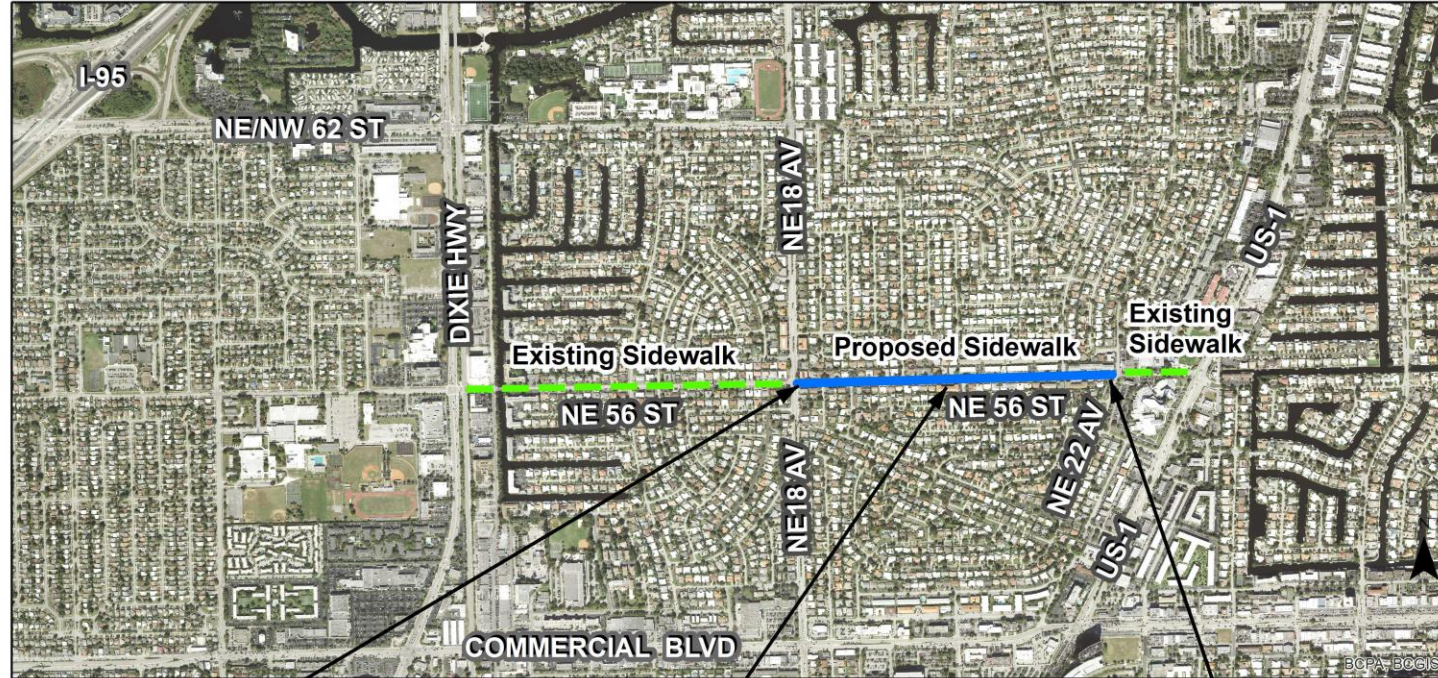
Board of County Commissioners Action

- As directed by the Oversight Board at the June Retreat and July Meeting, county staff presented “new” roadway projects—defined as those not included in the 2018 Plan approved by voters— to the County Commission in an August 27th Budget Workshop
- New Community Shuttle Programs requested by municipalities as part of the Plan approved by voters, are treated as pilots to determine whether municipalities can meet ridership requirements
- Final Budget Public Hearing occurred September 24th
- The following projects have been included in the FY2020 Recommended Budget, effective October 1st
- The Oversight Board’s favorable evaluation of project eligibility today allows these projects to move forward

NE 56th STREET – SIDEWALK PROJECT

- County Road in Ft. Lauderdale
- NE 18th Avenue to NE 22nd Avenue
- Connects to Existing Sidewalks

LOCATION MAP



PROJECT SCOPE

- New Sidewalks
- Milling, Resurfacing, and Pavement Markings

FY2020 Budget Request- \$430,000 for design



SW 3rd STREET – COMPLETE STREETS PROJECT

- Primarily County Road in Pompano Beach
- Project Limits - Powerline Road to South Cypress Road
- Designated As Part of Cypress Creek Greenway in County's Greenway Masterplan

LOCATION MAP



PROJECT SCOPE

- Improve Safety and Accessibility of Cypress Creek Greenway
 - Buffered bike lanes
- Pedestrian Improvements
- Drainage
- Milling, Resurfacing, and Pavement Markings
- Lighting and Landscape Improvements (Pending Discussion with City)

FY2020 Budget Request- \$624,000 for design



CORRIDOR PROJECT DELIVERY PREDESIGN



PREDESIGN STUDIES

Corridor Project Delivery Study	Pine Island Road		\$450,000.00
Corridor Project Delivery Study	Andrews Avenue		\$450,000.00
Corridor Project Delivery Study	Atlantic Boulevard		\$450,000.00

Total FY2020 New Project Request-Roadway

- \$2.4M in new projects for corridor delivery pre-design, NE 56th Street and SW 3rd Street

NEW TRANSIT PROJECTS

FY2020 Budget



City-Requested Shuttle

- Several municipalities requested “new” or “expanded” Community Shuttle programs as part of the municipal requests included in the original Plan
- The Transportation Department evaluated municipal requests and has recommended the following move forward in FY2020:
 - \$2.5M to purchase shuttles for new/expansion routes in Coconut Creek, Deerfield Beach, Fort Lauderdale, Hallandale Beach, North Lauderdale, Oakland Park and Plantation
 - \$3.5M for the operations and maintenance of the aforementioned service

EXHIBIT 3

Recommended Approach to Project Cost Changes



Surtax Project Funding Change Management

As requested by the Oversight Board at their July 25, 2018 Meeting, staff has developed a proposed policy to :

- Share the County Administration's approach to maintain transparency with the Oversight Board
- Support the integrity of the Oversight Board; per its charter to oversee ALL Surtax expenditures
- Provide clarity regarding the roles of the:
 - a. Oversight Board: to determine eligibility of project scope; vs.
 - b. Board of County Commissioners: to appropriate funding; including change management of the project funding request
- Set expectations for steady-state operations

Project Funding Revision Notification to OB – *Proposed Policy*

The following proposal aligns with Broward County's existing policies and processes for appropriation (including contingency allowance policy), change order management and procurement; managed by the Board of County Commissioners (BoCC)

For projects **(a) the scope of which were already determined, by the Oversight Board (OB), to be eligible for Surtax funding and (b) for which the Board of County Commissioners (BoCC) has already appropriated funds (per the original project request)**

If, *at any time subsequent to the OB's initial determination of eligibility*, the County Administration is notified that planned expenditures for project execution will be $\geq + 20\%$ of the original funding request, the following activities will occur:

1. The Project Funding Revision will be presented for review to the OB. The revision **MUST** be supported with the following information (a-c):
 - a. The quantified funding increment (\$)
 - b. Source of the incremental funds; *expected to be a Surtax Non-Reserve Contingency fund to be approved by the BoCC in 2020*
 - c. Rationale for change; e.g., change in project scope, delays in execution/force majeure, supply pricing, etc.. .. **and MAY also include**
 - d. Probable impacts to the project if additional funds are not appropriated; including, but not limited to, time, public safety, unexpected/undesired outcomes, liquidated damages vs. the County, liabilities, etc..



Project Funding Revision Notification to OB – *Proposed Policy*

(Continued)

2. The OB will issue a Recommendation to the BoCC regarding the eligibility of the activities to be addressed by the funding increment.
3. The County Administration will execute its normal change management process to obtain BoCC approval for the incremental funding. ***If granted,***
4. An update regarding the incremental funding allocation will be provided to the Oversight Board

- Oversight Board Member Discussion -

EXHIBIT 4

Revenue Forecasts



Gas Tax Revenues

- Are generated based on # of gallons sold within the County
- FY2020 forecast = \$86.4M; expected to remain flat or decline
- Continue to support County and Municipal transportation and mobility-related projects
 - 14 cents of gas taxes support County's Transportation Capital Program
 - \$57.6M will support transit operations in FY2020
 - Will support the operations & maintenance of roadway capital projects funded with surtax revenues

Surtax Revenue Forecasts

- The following is consistent with the revenue forecast prepared by the Office of Management & Budget which relies on the Florida Legislature's Office of Economic and Demographic Research (2018)
- As County & MPO begin process of collaboratively developing a 5-Year Plan, due July 2020, revenue forecasts are a significant factor
- Revenue is budgeted at 95% of FY 2020 forecast, per State law, totaling \$352M

Forecast Source	FY2020	FY2021	FY2022	FY2023	FY2024
OMB/State	\$370.5M	\$380.5M	\$390.7M	\$401.3M	\$412.1M
Original Plan (rounded)	\$357.4M	\$367M	\$377M	\$387.1M	\$387.6M

EXHIBIT 6

Requested Status Updates

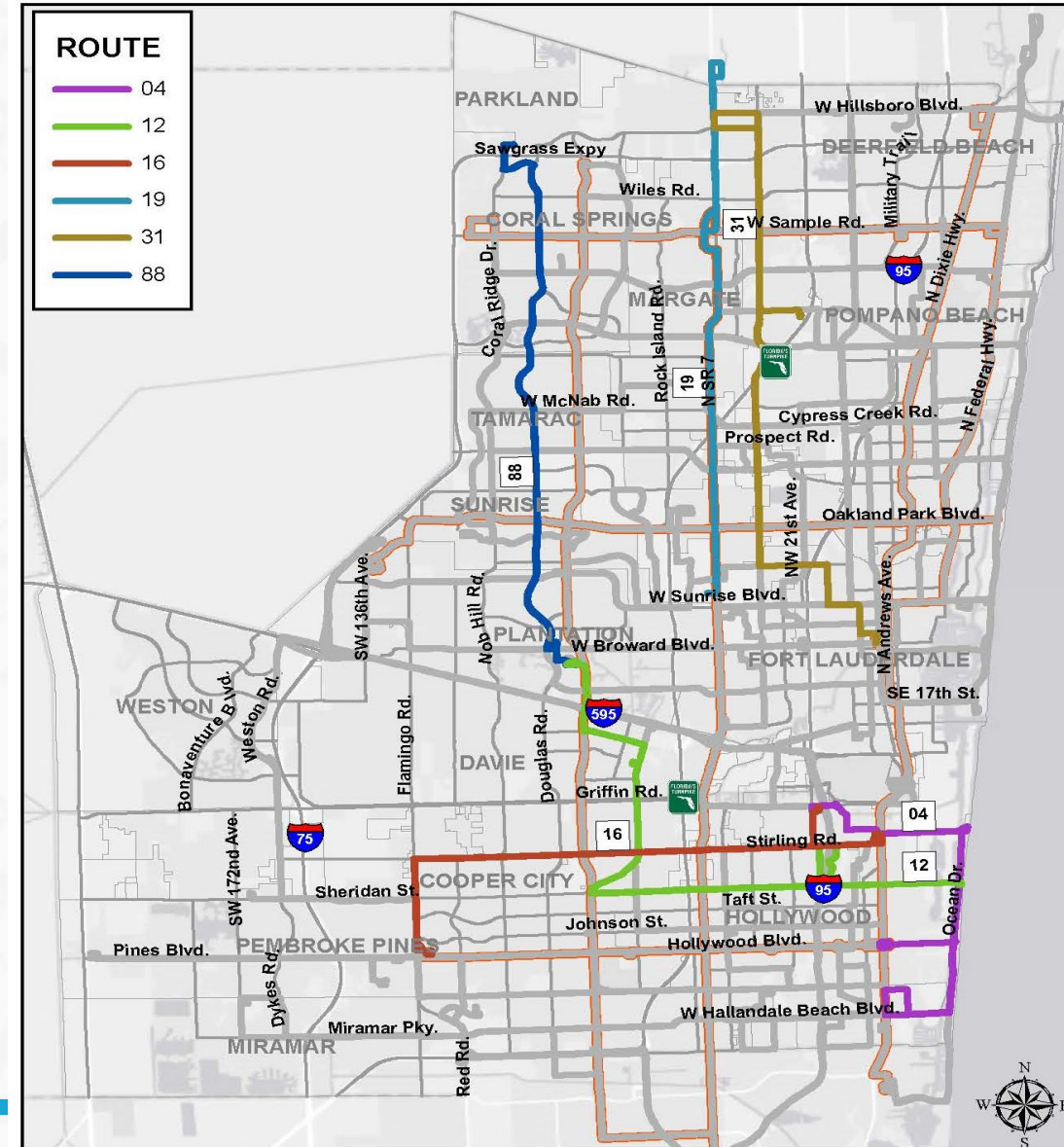


Status of FY2019 Projects- Roadway/Safety

Project	Status
Pine Island Rd – Broward Blvd to Oakland Park Blvd	Contractor procuring equipment and materials
Sunrise Blvd and NW 136 Ave Vicinity	Awaiting permit approval from City of Sunrise, expected end of September 2019.
Stirling Rd at Palm Ave	Contractor in process of procuring equipment and materials
Wiles Rd at Coral Springs Dr	In procurement for construction
Broward Blvd at E 15 Ave	FEMA grant process
Bayview Elementary, Drew Elementary, Maplewood Elementary, and Morrow Elementary	Design

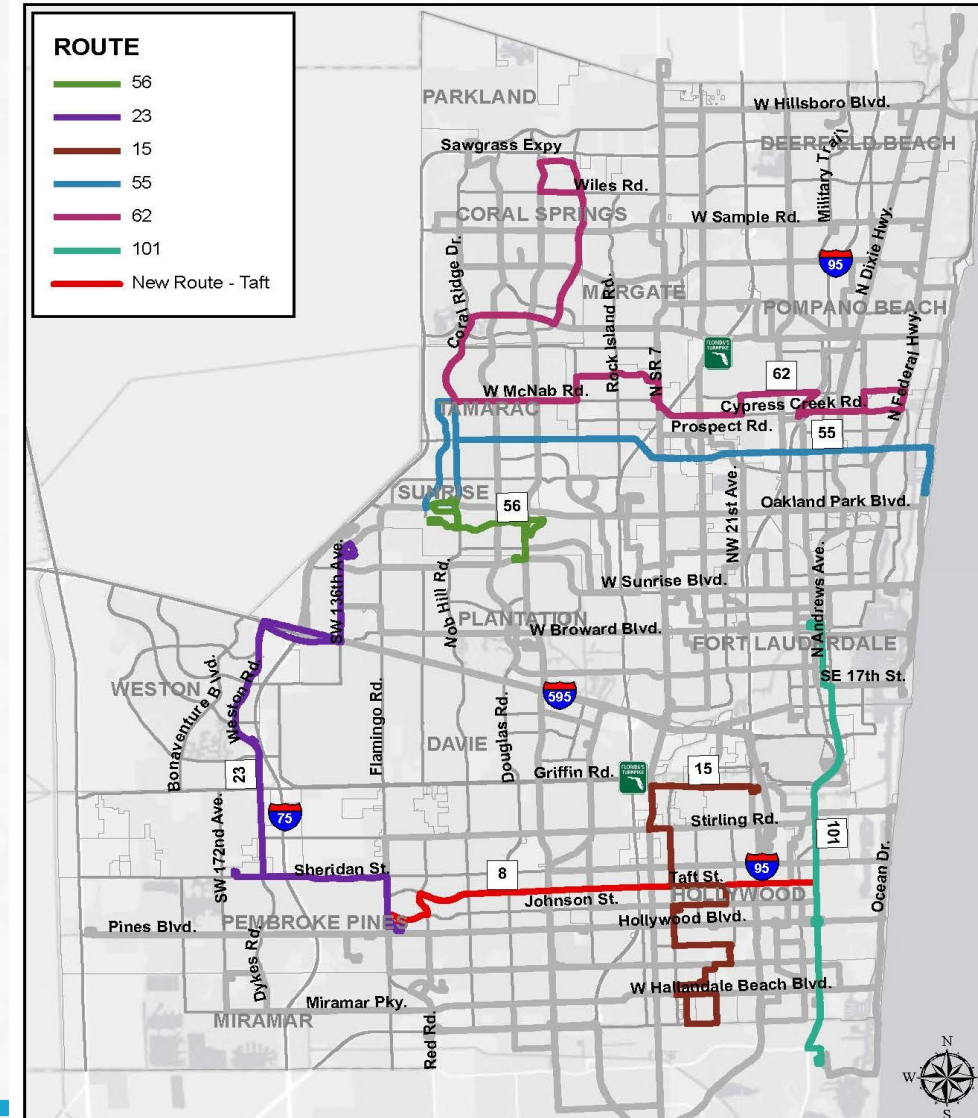
Status of FY2019 Phase 1 Level of Service Increases-Transit (July)

- **Route 4:** Hallandale Beach Blvd. to Fort Lauderdale/Hollywood Airport Tri-Rail Station, via A1A
- **Route 12:** West Regional Terminal to North Beach Park, Sheridan Street
- **Route 16:** Pembroke Lakes Mall to Dania Beach City Hall, via Stirling Road
- **Route 19:** Sandalfoot Cove Boulevard to Lauderhill Mall, via Highway 441
- **Route 31:** Broward Central Terminal to Hillsboro Boulevard and Lyons Road, via NW 31 Avenue and Lyons Road
- **Route 88:** West Regional Terminal to Holmberg Road and Coral Ridge Drive via Pine Island Road/Coral Springs Drive



Status of FY2019 Level of Service Phase 2 Increases-Transit (September)

- **Route 15:** Griffin Road to County Line Road, stopping at Fort Lauderdale/Hollywood Airport Tri-Rail Station
- **Route 23:** Pembroke Lakes Mall to Sawgrass Mills Mall
- **Route 55:** Hiatus Road to Galt Mile, via Commercial Boulevard
- **Route 56:** Welleby Plaza to Jacaranda Plaza via Sunrise Lakes Boulevard
- **Route 62:** Westview Drive & University Drive to McNab Road and US 1
- **Route 101:** Aventura Mall to Broward Central Terminal, via US 1
- **Route 8** – Young Circle to Pembroke Lakes Mall, via Taft Street



Capacity-building/Workforce Development

- GOAL = Creating community capacity to meet local business preference goal of 30% on eligible program projects
 - The County's Office of Economic & Small Business Development developed a 30% for 30 Years marketing campaign to educate local small businesses about the 30% participation goal on eligible surtax projects
 - Campaign includes digital, print, social media, radio, exhibits, meet and greets, speaking engagements, direct mail, eblasts
- Hundreds of small business reps attended 5 informational sessions from July through September; additional sessions coming
- Engaging business community and stakeholders to develop strategies and recommendations to meet goals as program evolves

Office of Economic and Small Business Development 30% for 30

- **Highlights** of the 30% for 30 Years campaign
 - Promotes the opportunity for and commitment to certified small businesses in Broward for the Penny for Transportation Surtax
 - Theme: Driving Broward's Economy Forward
 - 30% small business participation goal on eligible contracts for the next 30 years
 - An estimated \$53 million annually for Broward County certified small businesses
 - An estimated \$1.59 billion in competitive procurement opportunities over 30 years
 - Encourages targeted outreach to promote the continued growth of Broward's small business economy and to attract new businesses to Broward
- A national campaign rolling out later this fall to attract new business to Broward and focus on surtax related products and services that are not currently available in our County



Updates- MAP Administration

- Administrative Specialist & Oversight Board Support, Audrey Thompson, hired (introduction)
- Public Information Officer, Cindy Malin, hired (introduction)
- Finance Manager, starts October 23, 2019
- Program Performance Analyst offer pending

CONTRACTS:

- **Open North-** Metrics, Data Transparency, and Engagement consultants began work and will be conducting site visits and interviews with a sample of municipal partners, FDOT, County, MPO and other stakeholders in October, presentation of recommendations scheduled for January O.B. Meeting
- **MPO-** Update: **Coming Up Next**

MPO Surtax Services Update

September 26, 2019

Gregory Stuart, Executive Director



What is the Broward MPO's role?

Defined by:

- ***Broward County Transportation Surtax Ordinance;***
- ***Transportation System Surtax Interlocal Agreement;*** and
(municipalities, county and MPO)
- ***Interlocal Agreement for Transportation Surtax Services***
(County and MPO)

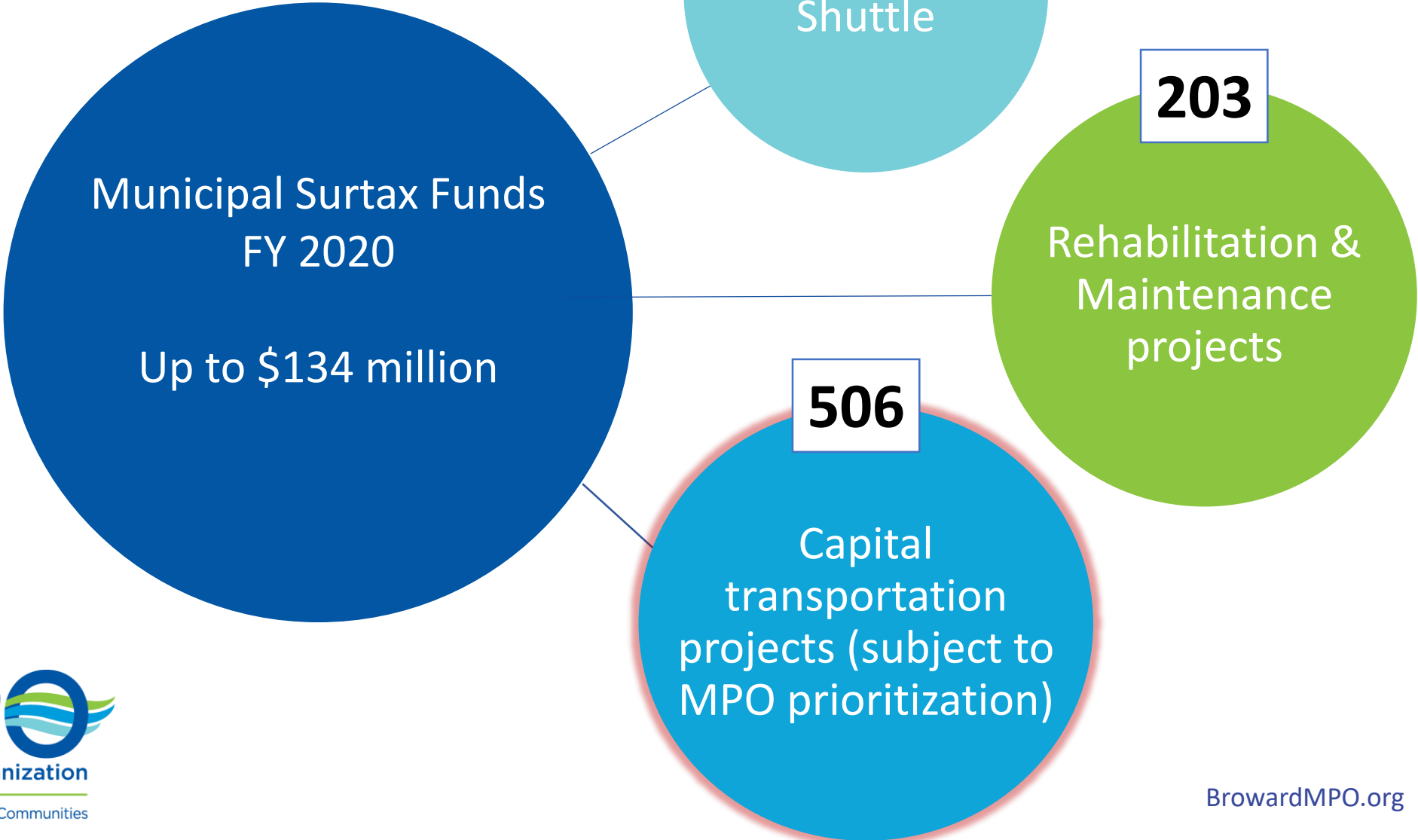


What is the Broward MPO's role?

- The MPO has been tasked to develop a process in order to annually review, rank and prioritize municipal projects eligible for local Surtax funding
- Projects will be prioritized based on their ability to alleviate congestion and enhance connectivity
- Projects will also be evaluated as to “readiness” for funding



Municipal Surtax Projects - Funding Expected in 2020



MPO Efforts to Date

- The MPO has assembled a Surtax team:
 - Andrew Riddle, *Manager of Surtax Services*
 - Kerrie MacNeil, *Surtax Services Project Manager*
 - Existing MPO staff with MTP and CSLIP experience
 - Consultant services
 - Engineering
 - GIS/Programming


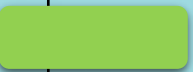






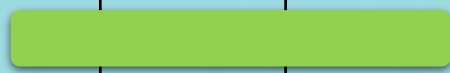







MPO Efforts to Date

- MPO staff developed an **online submittal tool** for municipal staff to utilize in order to provide the MPO with detailed project information
- Held a “kickoff” Municipal Surtax Project Workshop August 28, 2019 to demonstrate the tool
- Provided two weeks (ended September 17, 2019) for updated municipal input



Proposed Municipal Surtax Projects Schedule

Major Tasks	2019					2020		
	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Online Submittal Tool								
Meetings with Municipal Partners								
Determine Ranking Criteria & Methodology			 	  				
Develop Prioritization Tool								
Develop Initial List of Prioritized/Program Ready Projects						 		
Field Visits								
Deliver Prioritized List to County								

-  MPO BOARD
-  TAC/CAC
-  WORKSHOP

Next Steps

- Refine and clarify municipal surtax project information
 - Review data provided in the on-line tool
 - One-on-one meetings between municipalities and MPO
 - Engineering field review for top ranked projects (cycle 1)



Next Steps

- Develop a Ranking Criteria & Methodology
- Develop an approach to identify “program ready” projects
- Coordinate with the municipalities and the County on proposed approach through MPO TAC



Additional Questions?

Andrew Riddle

Manager of Surtax Services

Riddlea@browardmpo.org

Kerrie MacNeil

Surtax Services Project Manager

MacNeilk@browardmpo.org



EXHIBIT 7

Marketing and Communications Update



Update--Marketing/Branding Solicitation

Countywide Menu of Services managed by Office of Public Communications; includes basic and optional services for transportation surtax program (surtax revenues contribute \$62,500 annually, *approved by O.B. in FY2019 Budget*)

Deadline to respond was September 20th

Next steps:

- Project review by County Attorney, Risk Management
- Creation of Evaluation matrix (Selection Committee process)
- Background checks
- Evaluation Committee
- Board of County Commission Approval
- Contract Negotiation



Communications and Marketing Consultant(s) Sample Services

- Branding, Media and Marketing Services
 - Logo/tagline, strategic communications, advertisements, special events, brand management
- Crisis Communications
 - Accidents and other critical incidents
- Digital Content Delivery Services
 - Two-way social media, analytics, message and app management
- Video Scripting and Production



****MAP PIO Hired in August**

Social Media

Twitter @BrowardMobility

Facebook @BrowardMobility

(name has been secured, hope to start soon)

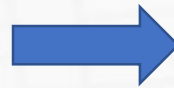
- Factual, educational outreach
- Engagement tool
- Likely will receive “cosmetic overhaul” once branding, logo, taglines, etc. are established for the 30-year program (mid-2020, coinciding with 5-year Plan roll-out)



Website

Continuously updating content

Latest addition:
Innovations in Transportation page



http://www.broward.org/PennyforTransportation/Pages/default.aspx

Broward.org

PENNY FOR TRANSPORTATION
Broward County < Penny For Transportation

ABOUT
CONTACT

Oversight Board Projects

INNOVATION AND TRANSPORTATION
Read About Broward's Initiatives

TRANSPORTATION UPDATE

At this time, the focus of surtax funded municipal projects is to prioritize and deliver the 709 projects submitted by municipalities included in the Plan passed by voters. In addition, roadway improvements such as fiber optics, adaptive signal technology evaluation and drainage projects, plus numerous studies, Broward County Transit service enhancements, and data and technology research are in full swing.

The County is currently working on a collaborative 5-year Plan due July 1, 2020 to the Independent Transportation Surtax Oversight Board and the Broward County Board of County Commissioners for approval. The Plan will include public engagement opportunities around large projects.

Below is a sampling of transportation-related projects underway.

Community Shuttles +

Resiliency +

http://www.broward.org/PennyForTransportation/

Commission Transportation Budget Workshop
August 27, 2019
VIEW

Oversight Board Meeting
July 25, 2019
VIEW

MORE INFO

About the Surtax >

"Quotables" >

f
Twitter
311

Website Updates

Web trends

Most visited page

Who's watching

- Oversight Board Meetings are webcast live on Broward.org, PennyForTransportation.com, Broward's Facebook page @BrowardCountyGovernment and our Twitter @BrowardMobility
- Afterwards – housed on www.PennyForTransportation.com



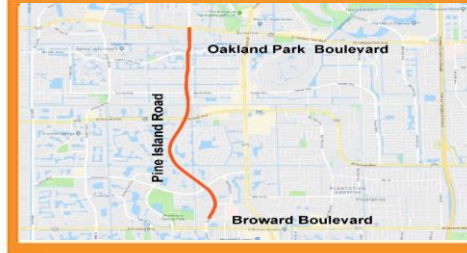
Sample Project Communication

Transportation Improvement Project

Brought to you By



Pine Island Road Fiber Optic Traffic Signal Communication Improvement Project



Announcing:

Construction to begin on the Pine Island Road Fiber Optic Traffic Signal Communication Improvement Project.

Project Overview:

Upgrade existing traffic signal communications from cellular to a high-speed fiber optic network along Pine Island Road from North of Broward Boulevard to Oakland Park Boulevard.

Estimated Project Schedule:

Start: August 2019

End: August 2020

Contractor personnel & inspection staff will work closely with residents and businesses in the construction area to minimize impacts.

Project Management: Broward County is managing the contracting and construction of this project.

Contractor: Horsepower Electric Inc.

Points of Contact for Concerns or Emergencies:

Horsepower Electric, Inc.:

- Michael Martinez (305) 819-4060 or mike@horsepowerelectric.com
- Jose Alfaro (305) 615-9203 or jalfaro@horsepowerelectric.com

Construction Engineering & Inspection:

- Jason Trujillo, Project Engineer, (954)-592-4489 or Jason.Trujillo@rsandh.com

Broward County Project Management:

- Chris Masullo, Project Manager, (954)-847-2676 or cmasullo@broward.org



Meetings with Federal Delegation

The M.A.P. Team will begin a series of Congressional Delegations Briefings on October 10th

- GIS map presentation of all projects planned in each Congressional District/Countywide (for Reps/Senators) over the 30-year life of program
- Discussion of long-term goals for interrelated projects & rail
- Overview of innovation office role in transforming the mobility landscape
- Federal issues related to the Program
- Q&A

WHAT'S
NEXT



EXHIBIT 8

RSM Audit Plan



TRANSPORTATION SALES SURTAX FUND OF BROWARD COUNTY, FLORIDA

Audit Plan and AU-260 Communication - Auditor's Communication With Those Charged With Governance

For the fiscal year ended September 30, 2019



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Introduction

The key message regarding our audit engagement

Audit quality is our number one priority. When planning our audit we set the following audit objectives for this audit:

A robust challenge of the key judgements taken in the preparation of the financial statements.

A strong understanding of your internal control environment.

A well planned and delivered audit that raises findings early with those charged with governance.

Executive Summary

This document outlines the audit planning process and communicates to The Board of County Commissioners (the “BOCC”), the Independent Transportation Surtax Oversight Board (the “Oversight Board”) of Broward County, Florida, (the “County”), County management, and members of the engagement team, the aspects of our preliminary approach and scope of services to be provided in conducting the audit of the fund financial statements of the County’s Transportation Sales Surtax Fund (the “Fund”), as of and for the year ended September 30, 2019.

As part of the development of this audit plan, we performed the following:

- Performed inquiries with key members of Management;
- Reviewed reports and board meeting minutes issued by the BOCC and Independent Transportation Surtax Oversight Board; and
- Held internal team discussions and performed preliminary risk assessment.

Scope of Services for Fiscal Year 2019

The scope of services for fiscal year 2019 includes the following:

- Perform an audit of the County's Transportation Sales Surtax Fund fund-level financial statements;

Communication

Effective communication between our Firm, the BOCC, the Oversight Board, and the County is important to understanding matters related to the audit and in developing a constructive working relationship.

Your insights may assist us in understanding the Fund, in identifying appropriate sources of audit evidence, and in providing information about specific transactions or events. We will discuss with you your oversight of the effectiveness of internal control and any areas where you request additional procedures to be undertaken. We expect that you will timely communicate with us any matters you consider relevant to the audit. Such matters might include strategic decisions that may significantly affect the nature, timing, and extent of audit procedures, your suspicion or detection of fraud or abuse, or any concerns you may have about the integrity or competence of management.

Auditor's Communication Responsibility

We will timely communicate to you any of the following:

- Fraud involving management and other fraud that causes a material misstatement of the financial statements;
- Illegal acts;
- Instances of noncompliance, or abuse that come to our attention (unless they are clearly inconsequential);
- Any disagreements with management;
- Other serious difficulties encountered in performing the audit;
- Any significant deficiencies or material weaknesses in internal control that become known to us during the course of the audit;
- Other matters arising from the audit that are, in our professional judgment, significant and relevant to you in your oversight of the financial reporting process. Such matters will be communicated to you in writing after the audit.

Additional Required Communications with the BOCC and the Independent Transportation Surtax Oversight Board

Auditing Standard AU-260, *The Auditor's Communication With Those Charged With Governance*, require the auditor to provide certain information regarding the conduct of the audit to those who have responsibility for oversight of the financial reporting process. At the completion of the audit, the following matters will be communicated:

- Significant findings resulting from the audit, if any.
- The auditor's views about qualitative aspects of the Fund's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures.
- Significant difficulties, if any, encountered during the audit.
- Uncorrected misstatements with management, other than those the auditor believes are not material.
- Disagreements with management, if any.
- Material misstatements that were brought to the attention of management as a result of audit procedures and corrected.
- Management's consultations with other accountants.
- Significant issues, if any, arising from the audit that were discussed, or were the subject of correspondence with management.
- Management's Representation Letter.

Independence

Our independence policies and procedures are designed to provide reasonable assurance that our firm and all of our employees, comply with applicable professional independence standards. Our policies address financial interest, business and family relationships, and non-audit services that may be thought to bear on our independence. For example, partners and professional employees of RSM US LLP are restricted in their ability to own a direct financial interest or a material indirect financial interest in a client or any affiliates of a client.

Also, if an immediate family member or close relative of a partner or professional employee is employed by a client in a key position, the incident must be reported and resolved in accordance with Firm policy. In addition, our policies restrict certain non-audit services that may be provided by RSM US LLP, and require audit clients to accept certain responsibilities in connection with the provision of permitted non-attest services.

The Concept of Materiality in Planning and Executing the Audit

We apply the concept of materiality both in planning and performing the audit, evaluating the effect of identified misstatements on the audit, and the effect of uncorrected misstatements, if any, on the financial statements, and in forming the opinion in our report.

Our determination of materiality is a matter of professional judgment and is affected by our perception of the financial information needs of users of the financial statements. We establish performance materiality at an amount less than materiality for the financial statements as a whole to allow for the risk of misstatements that may not be detected by the audit. We use performance materiality for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures.

Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods. We will accumulate misstatements identified during the audit, other than those that are clearly immaterial. At the end of the audit, we will inform you of all individual unrecorded misstatements aggregated by us in connection with our evaluation of our audit test results.

Basic Users

The audit is intended to serve the basic users as follows:

Users	Auditor
Citizens, Taxpayers, Bondholders, Federal and State Agencies	Issues an Independent Auditor's Opinion and other reports that provide reasonable assurance that the Fund's financial statement are fairly stated.
BOCC and Independent Transportation Surtax Oversight Board	Assists the BOCC and the Oversight Board members through our work and reports, in discharging it's corporate governance and compliance responsibilities.
Management	Provides observations and advice on financial reporting, accounting, and internal control and compliance matters. Share ideas and "best practices" from our experience.

Auditor's Responsibility Under *Government Auditing Standards* and Auditing Standards Generally Accepted in the United States of America

The primary objective of our audit is to express an opinion on the fair presentation of the fund financial statements of the County's Transportation Sales Surtax Fund, in accordance with accounting principles generally accepted in the United States of America.

We have a responsibility to conduct our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

In carrying out this responsibility, we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements, whether caused by error or fraud. Because of the nature of audit evidence and the characteristics of fraud, we are to obtain reasonable, not absolute assurance that material misstatements are detected. We have no responsibility to obtain reasonable assurance that misstatements, whether caused by error or fraud, that are not material to the financial statements are detected.

Management's Responsibilities

As part of the audit process, management is responsible for the following:

- The preparation of the fund financial statements for the County's Transportation Sales Surtax Fund;
- Establishing and maintaining effective internal control over financial reporting and compliance;
- Identifying and ensuring that the Fund complies with the laws and regulations applicable to its activities;
- Making all financial records and related information available to the auditor;
- Providing assistance to the auditor in connection with the audit process;
- Providing the auditor with a letter that confirms certain representations made during the audit;
- Adjusting the financial statements to correct material misstatements and affirming to the auditor in the representation letter that the effects of any uncorrected misstatements aggregated by the auditor during the current engagement pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as whole; and
- Maintaining compliance with the provisions of grant agreements and other relevant contracts.

Purpose of our report and responsibility statement

Our report is designed to help you meet your governance duties

What we will report

Our reports are designed to help the Oversight Board and Board of County Commissioners discharge their governance duties. Our final report will include:

- Results of our work on key audit judgements and our observations on the quality of your annual report;
- Our internal control observations; and
- Other insights we have identified from our audit.

The scope of our work

- Our observations are developed in the context of our audit of the financial statements.

What we don't report

- As you may be aware, our audit is not designed to identify all matters that may be relevant to the BOCC or Oversight Board.
- Also, there will be further information you need to discharge your governance responsibilities, such as matters reported on by management or by other specialist advisors.
- Finally, our views on internal controls and organization risk assessment should not be taken as comprehensive or as an opinion on effectiveness since they have been based solely on the audit procedures performed in the audit of the financial statements.

Input/Feedback

- We welcome your input regarding the audit process. If there are areas of risk or emphasis that the BOCC or Oversight Board would like us to pay close attention to, we welcome that input at the outset of the engagement or while the audit process is occurring.

Deliverables

Planned deliverables to the County:

- Independent auditor's report on the Fund's basic financial statements;
- Management's representation letter; and
- Report to the BOCC and the Independent Transportation Surtax Oversight Board

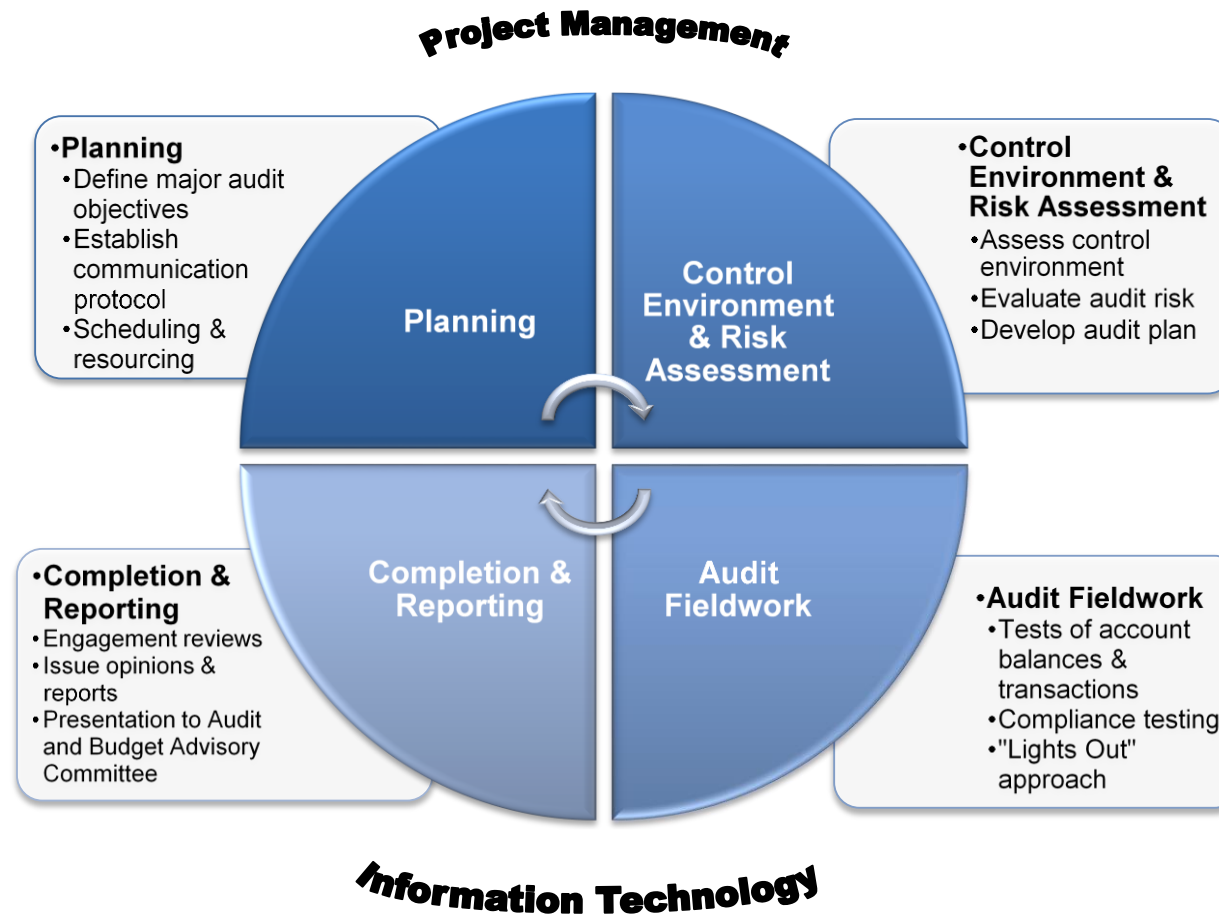
Engagement Timetable

The following chart depicts our proposed audit timeline for fiscal year 2019, which may be modified based on discussions with County management during our audit planning meetings.

Audit Stage	June	July	Sept	Oct	Nov	Dec
Planning Phase:						
Present detailed audit plan to the Board						
Attend monthly Board meetings						
Interim work						
Fieldwork Phase:						
Perform final fieldwork						
Perform bi-weekly status meetings with management						
Reporting Phase:						
Exit conference						
Final reports						
Presentation to the Board:						
Financial Statements						
Management Letter						

Key Elements in Our Audit Methodology

The following diagram depicts an overview of our audit approach. Embedded within the approach is our overall project management as well as our utilization of information technology and computer-assisted audit techniques:



Our Audit Process

We tailor our audit to your organization and your strategy.



Audit Approach

Preliminary Phase

Planning Activities and Risk Assessment:

- Review interim financials to identify accounting issues, if any;
- Review BOCC and Oversight Board minutes;
- Obtain copies of all new significant agreements, contracts, and pertinent documents, and evaluate the effects of new contracts on the scope of the audit;
- Highlight accounting and reporting matters and refine our understanding of audit risks;
- Meet with finance department personnel to coordinate schedules to be prepared; and

Audit Approach (continued)

Preliminary Phase (continued)

Planning Activities and Risk Assessment:

- Identify critical audit objectives;
- Obtain an understanding and document internal accounting control systems in place;
- Assess materiality considerations;
- Perform compliance tests of internal controls where appropriate;
- Identify substantive procedures to be performed;
- Coordinate IT audit testing of IT general controls;
- Perform interim review of significant audit areas;
- Discuss interim findings and changes to our audit plan with management, if applicable;
- Evaluate the effect of changes in management on audit risk

Audit Approach (continued)

Final Fieldwork and Reporting Phase

Fieldwork and Reporting:

- Confirm account balances
- Test account reconciliations
- Perform test of details
- Vouch significant transactions
- Perform substantive analytical procedures
- Draft independent auditor's reports on the Fund
- Draft management letters

Areas of Emphasis

Internal Controls

- Obtain and document our understanding of controls over key processes (cash receipts & disbursements)

Routine Processes / Transactions

- Cash receipts and disbursements
- Revenues
- Purchases and accounts payables
- Property & equipment management

Non-Routine Processes / Transactions

- Significant and unusual contracts
- Interlocal agreements

Significant Accounting Areas

Accounting Area	Risk	Audit Procedures
Cash	<ul style="list-style-type: none">▪ Cash is misappropriated	<ul style="list-style-type: none">▪ Perform test of internal control over treasury functions▪ Confirm significant cash balances
Liabilities and Expenditures	<ul style="list-style-type: none">▪ Liabilities and expenditures not reported in the proper period▪ Possible budget violations	<ul style="list-style-type: none">▪ Determine if there are any items in dispute at year end▪ Review disbursements occurring subsequent to year end to test for unrecorded liabilities▪ Obtain an explanation for significant variances in account balances occurring between fiscal years and budgets..

Significant Accounting Areas (continued)

Accounting Area	Risk	Audit Procedures
Revenue (Taxes, Intergovernmental, etc.)	<ul style="list-style-type: none">▪ Revenue is recognized improperly▪ Unavailable/unearned revenue misstated	<ul style="list-style-type: none">▪ Obtain an understanding of the Fund's revenue recognition policy and assess its compliance with GAAP▪ Perform subsequent receipts/cut-off testing▪ Confirm significant revenue balances▪ Perform test of details

Fraud Considerations and Risk of Management Override

We are responsible for planning and performing the audit to obtain reasonable assurance about whether the financial statements are free of misstatement, whether caused by error or fraud (*SAS No. 99, Consideration of Fraud in a Financial Statement Audit*)

Our audit procedures will encompass requirements of SAS No. 99 which includes:

- Brainstorming among engagement team members to identify fraud risk areas;
- Gathering information to facilitate the identification of and responses to fraud risk;
- Perform computer assisted testing of journal entries to identify significant and/or unusual transactions;
- Perform walkthroughs and test of controls to address the risk of management override of controls;
- Inquiry of various members of management and the Board regarding their assessment of audit and fraud risk factors.

Fraud Responsibilities and Representations

Responsibilities explained

Responsibilities

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including establishing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. As auditors, we will obtain reasonable, but not absolute, assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error.

Required representations

At the conclusion of the audit, we will ask management to confirm in writing that they have disclosed to us the results of their own assessment of the risk that the financial statements may be materially misstated as a result of fraud and that they have disclosed to us all information in relation to fraud or suspected fraud that they are aware of and that affects the entity.

RSM's Social Responsibility

At RSM, we take a special approach to giving back to the communities where we work and live. We are focused on operating in a socially and environmentally responsible manner that supports our core values and furthers our strategic priorities. It's what we call **RSM US Social Responsibility**.



RSM US Foundation

It's simple—we value stewardship and giving back to the communities where we work and live. And the RSM US Foundation helps us do just that.



Birdies Fore Love Program

RSM US partners with the Davis Love Foundation, host organization of The RSM Classic, raising funds that assist children and their families.



RSM US Volunteer Day

Established in 2010, RSM US Volunteer Day represents part of our commitment to the communities where we work and live.



Sustainability

Our firm is committed to being a good steward of the environment. Just as our firm is entrusted to us for the time we are here, so are our surroundings.



Diversity and Inclusion

Our firm is committed to the principles of equal employment opportunity and affirmative action. To support these principles, our commitment extends to fostering a diverse and inclusive work environment.



Ethics

Integrity is one of the firm's core values and we focus on doing the right thing every day for ourselves and for our clients.