

METROPOLITAN AREA PLANNING COUNCIL

***REPORT ON EXAMINATION OF
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION***

YEAR ENDED JUNE 30, 2016

METROPOLITAN AREA PLANNING COUNCIL

REPORT ON EXAMINATION OF BASIC FINANCIAL
STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS

	PAGE
FINANCIAL SECTION	
Independent Auditor's Report	2
Management's Discussion and Analysis	4
BASIC FINANCIAL STATEMENTS	
Combining statement of net position	11
Combining statement of revenues, expenses and changes in net position	12
Combining statement of cash flows	13
Notes to basic financial statements	14
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the Special Funding Amounts of the Net Pension Liability of the Massachusetts State Employees Retirement System	28
Notes to Required Supplementary Information	29
OTHER SUPPLEMENTARY INFORMATION	
Combining schedule of indirect costs	32
Combining schedule of revenues and expenses – MAPC	33
Combining schedule of revenues and expenses – CTPS	39

Financial Section

Includes the following Funds:

Metropolitan Area Planning Council (MAPC) Direct Fund

Central Transportation Planning Staff (CTPS) Fund

MetroWest Growth Management Committee (MetroWest) Fund

MetroFuture, Inc. Fund



100 Quannapowitt Parkway
Suite 101
Wakefield, MA 01880
T. 781-914-1700
F. 781-914-1701
www.powersandsullivan.com

Independent Auditor's Report

To the Executive Committee
Metropolitan Area Planning Council

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of the Metropolitan Area Planning Council (MAPC or Council), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise MAPC's basic financial statements as listed in the table of contents.

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 opinions on these financial statements based on our audit. We conducted 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 entity'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 entity'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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of MAPC, as of June 30, 2016, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, 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 opinions on the financial statements that collectively comprise the MAPC's basic financial statements. The combining schedules, as listed in the table of contents, are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules, as listed in the table of contents, 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the combining schedules are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2017 on our consideration of MAPC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 MAPC's internal control over financial reporting and compliance.



February 17, 2017

Management's Discussion and Analysis

Management's Discussion and Analysis

As the management of the Metropolitan Area Planning Council (the MAPC or Council), we offer our readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2016. We encourage readers to consider the information presented in this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

The MAPC is a body corporate and politic established pursuant to Chapter 40B of the Massachusetts General Laws (MGL). The MAPC is a regional planning and economic development district, consisting of 101 member communities in the metropolitan Boston area, whose purpose is to develop comprehensive plans and recommendations in areas of population and employment, transportation, economic development, regional growth and the environment. The MAPC also provides technical assistance and advocacy to its member communities.

Overview of the Financial Statements

The financial statements are presented using the accrual basis of accounting where revenues are recognized when earned and expenses when incurred. The financial statements, which are presented as combining statements for MAPC Direct, CTPS, MetroWest, and MetroFuture, Inc., consist of the following:

The *combining statement of net position* presents information on all assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The *combining statement of revenues, expenses, and changes in net position* presents information showing how the Council's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods.

The *combining statement of cash flows* presents information showing how the Council's cash and cash equivalents changed during the current reporting period.

The *notes to the basic financial statements* provide additional information that is essential to the full understanding of the data provided in the financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents the following combining schedules as supplementary information:

The *Combining Schedule of Indirect Costs* reports indirect costs for the MAPC Direct Fund and the CTPS Fund.

The *MAPC Direct Fund Combining Schedule of Revenues and Expenses* reports activity in the MAPC Direct Fund by project.

The *CTPS Fund Combining Schedule of Revenues and Expenses* reports activity in the CTPS Fund by project.

Financial Highlights

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. The Council's assets exceeded liabilities by \$2.6 million at the close of the most recent year. Key components of the Council's activities are presented below.

	<u>2016</u>	<u>2015</u>
Assets:		
Current assets.....	\$ 8,116,854	\$ 7,721,427
Capital assets, net of accumulated depreciation.....	<u>733,001</u>	<u>373,939</u>
Total assets.....	<u>8,849,855</u>	<u>8,095,366</u>
Liabilities:		
Current liabilities (excluding debt).....	5,817,358	5,515,476
Noncurrent liabilities (excluding debt).....	53,021	68,734
Current debt.....	117,203	52,661
Noncurrent debt.....	<u>256,237</u>	<u>44,224</u>
Total liabilities.....	<u>6,243,819</u>	<u>5,681,095</u>
Net Position:		
Net investment in capital assets.....	359,561	277,054
Unassigned.....	<u>2,246,475</u>	<u>2,137,217</u>
Total net position.....	<u>\$ 2,606,036</u>	<u>\$ 2,414,271</u>

Net position of \$360,000 (14%) reflects the investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The remaining balance of unrestricted net position of \$2.2 million (86%) may be used to meet the MAPC's ongoing obligations to cities and towns and other creditors.

In 2016, MAPC acquired capital assets totaling \$634,000 relating to new computers and financial reporting software as well as for leasehold improvements. These assets were financed by a lease agreement in the amount of \$45,000, a term note with a local bank in the amount of \$335,000, and the balance of \$254,000 from operations.

	<u>2016</u>	<u>2015</u>
Operating Revenues:		
Intergovernmental grants and contracts.....	\$ 12,882,297	\$ 17,316,649
Intergovernmental - Commonwealth pension support....	2,069,538	816,566
Private grants and contracts.....	1,542,624	1,528,505
Charges for services.....	865,254	728,115
Contributions.....	85,000	450,000
Member assessments.....	1,823,252	1,275,768
Total operating revenues.....	<u>19,267,965</u>	<u>22,115,603</u>
Operating Expenses:		
Direct:		
Salaries and benefits.....	5,784,664	5,796,373
Commonwealth pension support.....	2,069,538	816,566
Professional services.....	2,846,010	4,277,897
Equipment.....	43,601	81,436
Homeland Security capital outlay.....	1,739,989	4,540,044
Supplies.....	83,620	11,898
Communications.....	9,673	8,012
Travel.....	84,451	106,145
Meetings and conferences.....	27,060	27,609
Other.....	26,915	35,733
Total direct expenses.....	<u>12,715,521</u>	<u>15,701,713</u>
Indirect:		
General overhead.....	6,076,726	5,700,515
CTPS administrative services.....	284,770	272,000
Total indirect expenses.....	<u>6,361,496</u>	<u>5,972,515</u>
Total operating expenses.....	<u>19,077,017</u>	<u>21,674,228</u>
Operating income.....	190,948	441,375
Nonoperating Revenues (Expenses):		
Investment income.....	<u>817</u>	<u>458</u>
Change in net position.....	191,765	441,833
Net position - beginning.....	<u>2,414,271</u>	<u>1,972,438</u>
Net position - ending.....	<u>\$ 2,606,036</u>	<u>\$ 2,414,271</u>

Total operating revenue decreased \$2.8 million and operating expenses decreased \$2.6 million from the prior year. The decreases are primarily the result of decreases relating to the activities of the Federal Homeland Security grants. FY2016 member assessments includes \$417,000 of revenue from the prior year that was considered unearned until the current year when the related expenses were incurred.

Requests for Information

This financial report is designed to provide a general overview of the MAPC's finances for all those with an interest in the Council's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Controller at Metropolitan Area Planning Council, 60 Temple Place, Boston, Massachusetts 02111.

This page left intentionally blank

Basic Financial Statements

**PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION**

JUNE 30, 2016

	<i>Business-Type Activities</i>				Total
	MAPC Direct	CTPS	MetroWest	MetroFuture, Inc.	
ASSETS					
CURRENT:					
Cash and cash equivalents.....	\$ 2,549,645	\$ 942,142	\$ -	\$ 562,592	\$ 4,054,379
Accounts receivable, net of allowance for uncollectibles:					
Billed.....	2,507,470	932,820	-	-	3,440,290
Unbilled.....	597,507	-	-	-	597,507
Prepaid expenses.....	24,678	-	-	-	24,678
Total current assets.....	5,679,300	1,874,962	-	562,592	8,116,854
NONCURRENT:					
Capital assets, net of accumulated depreciation.....	733,001	-	-	-	733,001
TOTAL ASSETS.....	6,412,301	1,874,962	-	562,592	8,849,855
LIABILITIES					
CURRENT:					
Accounts payable.....	1,779,983	80,053	-	-	1,860,036
Accrued payroll and expenses.....	128,587	77,768	-	-	206,355
Grant advances.....	2,571,527	524,490	-	-	3,096,017
Due to granting agencies.....	-	73,182	-	-	73,182
Rent credits.....	15,713	-	-	-	15,713
Capital lease obligations.....	53,864	-	-	-	53,864
Compensated absences.....	268,569	297,486	-	-	566,055
Notes payable.....	63,339	-	-	-	63,339
Total current liabilities.....	4,881,582	1,052,979	-	-	5,934,561
NONCURRENT:					
Capital lease obligations.....	30,251	-	-	-	30,251
Rent credits.....	53,021	-	-	-	53,021
Note payable.....	225,986	-	-	-	225,986
Total noncurrent liabilities.....	309,258	-	-	-	309,258
TOTAL LIABILITIES.....	5,190,840	1,052,979	-	-	6,243,819
NET POSITION					
Net investment in capital assets.....	359,561	-	-	-	359,561
Unassigned.....	861,900	821,983	-	562,592	2,246,475
TOTAL NET POSITION.....	\$ 1,221,461	\$ 821,983	\$ -	\$ 562,592	\$ 2,606,036

See notes to basic financial statements.

PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2016

	<i>Business-Type Activities</i>				Total
	MAPC Direct	CTPS	MetroWest	MetroFuture, Inc.	
OPERATING REVENUES:					
Intergovernmental grants and contracts.....	\$ 7,036,368	\$ 5,826,967	\$ 18,962	\$ -	\$ 12,882,297
Intergovernmental - Commonwealth pension support.....	2,069,538	-	-	-	2,069,538
Private grants and contracts.....	1,542,624	-	-	-	1,542,624
Contributions.....	-	-	-	85,000	85,000
Charges for services.....	865,254	-	-	-	865,254
Member assessments.....	1,762,787	-	60,465	-	1,823,252
TOTAL OPERATING REVENUES.....	13,276,571	5,826,967	79,427	85,000	19,267,965
OPERATING EXPENSES:					
Direct expenses:					
Salaries and benefits.....	2,791,491	2,932,343	60,830	-	5,784,664
Commonwealth pension support.....	2,069,538	-	-	-	2,069,538
Professional services.....	2,841,210	-	-	4,800	2,846,010
Equipment.....	-	43,601	-	-	43,601
Homeland Security capital outlay.....	1,739,989	-	-	-	1,739,989
Supplies.....	80,461	-	3,159	-	83,620
Communications.....	9,427	-	246	-	9,673
Travel.....	66,324	15,755	2,372	-	84,451
Meetings and conferences.....	27,060	-	-	-	27,060
Other.....	1,165	22,696	229	2,825	26,915
Sub-total.....	9,626,665	3,014,395	66,836	7,625	12,715,521
Indirect expenses:					
General overhead.....	3,563,994	2,511,975	757	-	6,076,726
CTPS administration services.....	284,770	-	-	-	284,770
Sub-total.....	3,848,764	2,511,975	757	-	6,361,496
TOTAL OPERATING EXPENSES.....	13,475,429	5,526,370	67,593	7,625	19,077,017
OPERATING INCOME (LOSS).....	(198,858)	300,597	11,834	77,375	190,948
NONOPERATING REVENUES (EXPENSES):					
Investment income.....	351	219	-	247	817
INCREASE (DECREASE) BEFORE TRANSFERS.....	(198,507)	300,816	11,834	77,622	191,765
TRANSFERS IN (OUT):					
Transfers in.....	-	-	44,250	-	44,250
Transfers out.....	(44,250)	-	-	-	(44,250)
Indirect costs transfers in (out) - CTPS.....	284,770	(284,770)	-	-	-
INCREASE (DECREASE) IN NET POSITION.....	42,013	16,046	56,084	77,622	191,765
NET POSITION AT BEGINNING OF YEAR.....	1,179,448	805,937	(56,084)	484,970	2,414,271
NET POSITION AT END OF YEAR.....	\$ 1,221,461	\$ 821,983	\$ -	\$ 562,592	\$ 2,606,036

See notes to basic financial statements.

**PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS**

YEAR ENDED JUNE 30, 2016

	<u>Business-Type Activities</u>				
	MAPC Direct	CTPS	MetroWest	MetroFuture, Inc.	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users.....	\$ 15,260,763	\$ 5,804,678	\$ 79,427	\$ 85,000	\$ 21,229,868
Payments to vendors.....	(8,576,212)	(1,001,677)	(8,356)	(233,106)	(9,819,351)
Payments to employees.....	(5,024,397)	(4,699,971)	(66,263)	-	(9,790,631)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	1,660,154	103,030	4,808	(148,106)	1,619,886
CASH FLOWS FROM NONCAPITAL					
FINANCING ACTIVITIES:					
Advances from/(to) other funds.....	49,058	-	(49,058)	-	-
Transfers in.....	-	-	44,250	-	44,250
Transfers out.....	(44,250)	-	-	-	(44,250)
Indirect costs transfers in (out) - CTPS.....	284,770	(284,770)	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES.....	289,578	(284,770)	(4,808)	-	-
CASH FLOWS FROM CAPITAL AND RELATED					
FINANCING ACTIVITIES:					
Acquisition of capital assets.....	(589,128)	-	-	-	(589,128)
Proceeds from notes payable.....	335,000	-	-	-	335,000
Principal payments on notes payable.....	(45,675)	-	-	-	(45,675)
Principal redemption of capital lease obligations.....	(45,302)	(12,152)	-	-	(57,454)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES.....	(345,105)	(12,152)	-	-	(357,257)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income.....	351	219	-	247	817
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	1,604,978	(193,673)	-	(147,859)	1,263,446
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	944,667	1,135,815	-	710,451	2,790,933
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 2,549,645	\$ 942,142	\$ -	\$ 562,592	\$ 4,054,379
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss).....	\$ (198,858)	\$ 300,597	\$ 11,834	\$ 77,375	\$ 190,948
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation and amortization.....	262,598	12,152	-	-	274,750
Changes in assets and liabilities:					
Accounts receivable, billed and unbilled.....	669,382	174,257	-	-	843,639
Prepaid expenses.....	(24,678)	-	-	-	(24,678)
Accounts payable.....	(254,610)	2,130	(1,593)	(225,481)	(479,554)
Accrued payroll.....	(118,033)	(138,698)	(3,318)	-	(260,049)
Grant advances.....	1,731,810	(196,546)	-	-	1,535,264
Unearned revenue.....	(417,000)	-	-	-	(417,000)
Rent credits.....	(10,068)	-	-	-	(10,068)
Compensated absences.....	19,611	(50,862)	(2,115)	-	(33,366)
Total adjustments.....	1,859,012	(197,567)	(7,026)	(225,481)	1,428,938
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ 1,660,154	\$ 103,030	\$ 4,808	\$ (148,106)	\$ 1,619,886
SUPPLEMENTAL DISCLOSURES					
Equipment acquired under capital leases.....	\$ 44,684	\$ -	\$ -	\$ -	\$ 44,684

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Metropolitan Area Planning Council (MAPC or Council) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant MAPC accounting policies are described herein.

A. Reporting Entity

The MAPC is a body corporate and politic established pursuant to Chapter 40B of the Massachusetts General Laws (MGL). The MAPC is a regional planning and economic development district, consisting of 101 member communities in the metropolitan Boston area, whose purpose is to develop comprehensive plans and recommendations in areas of population and employment, transportation, economic development, regional growth and the environment. The MAPC also provides technical assistance and advocacy to its member communities.

One representative from each member community resides on the MAPC, as well as 21 persons appointed by the Governor of Massachusetts and 13 ex-officio members from various agencies of the Commonwealth of Massachusetts (Commonwealth) and the City of Boston. The MAPC elects a 25-member Executive Committee (Committee), which appoints an Executive Director (Director) to supervise and direct the administration of the MAPC.

For financial reporting purposes, the MAPC has included all funds, organizations, agencies, boards and commissions. The MAPC has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the MAPC are such that exclusion would cause the MAPC's basic financial statements to be misleading or incomplete. One entity has been included as a component unit in the reporting entity, because of the significance of its operational and/or financial relationship.

Blended Component Units – Blended component units are entities that are legally separate from the Council, but are so related that they are, in substance, the same as the Council or entities providing services entirely or almost entirely for the benefit of the Council. The following component unit is blended within the primary government:

- *MetroFuture, Inc.* is a non-profit corporation organized in accordance with Section 501(c) (3) of the Internal Revenue Code. The Corporation is organized to provide education, programs, and leadership in regional and transportation planning, in urban and community preservation, growth, and affordability, and in the use of critical natural resources. The Corporation is governed by a six-member board comprised of the President, Vice-President, Secretary, Treasurer, Immediate Past President, and the Executive Director of MAPC.

Availability of Financial Information for Component Units

The Corporation did not issue a separate audited financial statement. The Corporation issues a publicly available unaudited financial report which may be obtained by contacting the Controller of Metropolitan Area Planning Council, located at 60 Temple Place, Boston, Massachusetts, 02111.

Fiduciary Agent Agreement

The MAPC is the fiduciary agent for the Boston Metropolitan Planning Organization (MPO), whose purpose is to provide comprehensive, continuing, and cooperative transportation planning within the regional planning and economic development district. The MPO is not a legal entity and therefore cannot accept and disburse funds or

execute contracts. MPO staff (hereinafter referred to as Central Transportation Planning Staff (CTPS)), are legal employees of the MAPC but receive their overall direction from the MPO.

The MAPC is the fiduciary agent for the MPO, grant recipient and grant administrator for the North Eastern Massachusetts Law Enforcement Council, Inc. (NEMLEC) and its member agencies. The NEMLEC is a non-profit organization whose purpose is to increase and improve the capability to provide protection of life and property in the region (Metropolitan Boston and the counties of Essex and Middlesex). The MAPC's services include the preparation of grant applications, contract and subcontract documents, procurement administration, reporting and centralized recordkeeping. The MAPC charges an administrative fee on a per grant basis to cover all direct and indirect costs.

The MAPC is the fiduciary agent, grant recipient and grant administrator for the Metropolitan Law Enforcement Council, Inc. (METROLEC) and its member agencies. The METROLEC is a non-profit organization whose purpose is to increase and improve the capability to provide protection of life and property in the region (Metropolitan Boston and the counties of Norfolk and Plymouth). The MAPC's services include the preparation of grant applications, contract and subcontract documents, procurement administration, reporting and centralized recordkeeping. The MAPC charges an administrative fee on a per grant basis to cover all direct and indirect costs.

Memorandum of Understanding

The MAPC entered into a Memorandum of Understanding with the MetroWest Growth Management Committee (MetroWest), which consists of the MAPC and the Towns of Ashland, Framingham, Marlborough, Natick, Southborough, Sudbury, Wayland, Wellesley and Weston. MetroWest's purpose is to foster informed and active cooperation in planning for the growth and development of the region and in delivering municipal services. MetroWest is not a legal entity and therefore cannot accept and disburse funds or execute contracts. Grants received and disbursements made by the MAPC on-behalf of MetroWest are based upon decisions of MetroWest's Executive Committee.

The MAPC has entered into a Memorandum of Understanding with the Greater Boston Police Council, Inc. (GBPC), a non-profit organization that provides technical assistance and advice to member municipalities and other police agencies in the Commonwealth of Massachusetts regarding public safety and communication equipment and radio systems utilized by municipal police departments. In an effort to minimize procurement costs, the MAPC administers collective procurements of public safety equipment under the support of the GBPC for GBPC member agencies. The administration of these services includes the preparation of specifications, advertising, bid openings, award recommendations, model contract documents and centralized bookkeeping. The MAPC charges an administrative fee to all vendors who are awarded contracts under this Memorandum of Agreement. In addition, the MAPC pays the GBPC 10% of such fees collected.

The MAPC has entered into a Memorandum of Understanding with MetroFuture, which (as previously discussed) is a blended component unit of the MAPC. The MAPC provides all administrative support, financial management and technical assistance with corporate and tax reporting to remain in compliance with federal and state laws and regulations. The MAPC also provides planning, research, and educational services to implement the scopes of services of grant agreements and contracts between MetroFuture and various governmental and charitable organizations. The MAPC charges a 2% general and administrative fee for each grant or contract awarded to MetroFuture.

B. Measure Focus, Basis of Accounting and Financial Statement Presentation

The accompanying basic financial statements are prepared on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

Revenues are considered earned when billed (billed accounts receivable) and also when expenses have been incurred but not yet billed or reimbursed (unbilled accounts receivable).

The accounts of the MAPC are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related, legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The MAPC maintains the following funds:

The *MAPC Direct Fund* is used to account for the activities of the MAPC that are not related to CTPS or MetroWest.

The *CTPS Fund* is used to account for the activities of the MPO.

The *MetroWest Fund* is used to account for the activities of MetroWest.

The *MetroFuture, Inc. Fund* is used to provide education, programs, and leadership in regional and transportation planning, in urban and community preservation, growth, and affordability, and in the use of critical natural resources.

C. Cash and Investments

The MAPC's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value.

D. Fair Value Measurements

The MAPC reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements.

E. Accounts Receivable

Various state and federal operating and capital grants are applied for and received annually. For non-expenditure driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, revenue is recognized when the qualifying expenditures are incurred and all other grant requirements are met.

F. Allowance for Uncollectible Amounts

The allowance of uncollectible amounts is estimated based on historical trends and specific account analysis for accounts receivable.

G. Inventory

Inventories are recorded as an expense at the time of purchase. Such inventories are not material in total to the basic financial statements and therefore are not reported.

H. Capital Assets

MAPC Direct, CTPS, and MetroWest

The fixed assets of MAPC Direct, CTPS, and MetroWest are valued at historical cost. Depreciation is provided using the straight-line method for financial reporting purposes at rates based on the following estimated useful lives:

<u>Description</u>	<u>Years</u>
Office equipment.....	3 - 7
Software and licenses.....	10
Leasehold improvements.....	3 - 10

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

MAPC Direct and MetroWest capitalize all capital acquisitions and improvements in excess of \$2,000 at the date of acquisition or improvement, respectively, with expected useful lives of greater than one year. CTPS capitalizes amounts in excess of \$5,000.

MetroFuture, Inc.

Fixed assets of the MetroFuture, Inc. Fund are not material to the basic financial statements and are not reported.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Council did not have any elements that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Council did not have any elements that qualify for reporting in this category.

J. Net Position Flow Assumption

Sometimes the Council will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Council's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

K. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out.

L. Compensated Absences

Employees are granted vacation leave in varying amounts based on state laws and executive policies. Vested or accumulated vacation leave is recorded as a liability.

M. Capital Lease Obligations

Capital lease obligations are recorded in the MAPC Direct Fund and the CTPS Fund. Principal paid on capital leases is recorded as a reduction of the liability. Interest paid on capital leases is recorded as an indirect expense.

N. Member Community Assessments

MAPC Direct Fund

Member community assessments are based upon a per capita rate applied to the population of each member community.

MetroWest Fund

Member community assessments are primarily based upon a per capita rate applied to the population of each member community.

O. Indirect Costs

The MAPC charges indirect costs at various rates based on contract and grant agreements. The MAPC Direct Fund charges indirect costs at various rates. The indirect cost rate of 128% is a blended rate of each contract and grant within the MAPC Direct Fund.

P. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Massachusetts State Employee Retirement System ("System") and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. Insurance

The MAPC is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the MAPC carries commercial insurance.

R. Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenses during the year. Actual results could vary from estimates that were used.

S. Total Column

The total column used on the Combining Basic Financial Statements is presented only to facilitate financial analysis. Data in this column is the equivalent of consolidated financial information.

NOTE 2 – CASH AND INVESTMENTS

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and cash equivalents."

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (the Pool). The MAPC may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the MAPC’s deposits may not be returned to it. The MAPC does not have a deposit policy for custodial credit risk. At year-end, the carrying amount of deposits totaled \$4,054,379 and the bank balance totaled \$4,450,661. Of the bank balance, \$287,323 was covered by Federal Depository Insurance (FDIC), and the balance of \$4,163,338 was exposed to custodial credit risk because it was uninsured and uncollateralized.

At June 30, 2016, the MAPC had no investments and has not adopted formal policies relating to investment rate risk, credit risk, or for concentrations of credit risk for investments.

NOTE 3 – CAPITAL ASSETS

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

<u>Capital assets being depreciated:</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Office equipment.....	\$ 1,423,497	\$ 267,770	\$ -	\$ 1,691,267
Software and licenses.....	424,370	266,267	-	690,637
Leasehold improvements.....	<u>205,728</u>	<u>99,775</u>	<u>-</u>	<u>305,503</u>
Total capital assets being depreciated.....	<u>2,053,595</u>	<u>633,812</u>	<u>-</u>	<u>2,687,407</u>
 <u>Less: accumulated depreciation for:</u>				
Office equipment.....	(1,174,940)	(222,227)	-	(1,397,167)
Software and licenses.....	(381,098)	(35,519)	-	(416,617)
Leasehold improvements.....	<u>(123,618)</u>	<u>(17,004)</u>	<u>-</u>	<u>(140,622)</u>
Total accumulated depreciation.....	<u>(1,679,656)</u>	<u>(274,750)</u>	<u>-</u>	<u>(1,954,406)</u>
Total capital assets, net.....	<u>\$ 373,939</u>	<u>\$ 359,062</u>	<u>\$ -</u>	<u>\$ 733,001</u>

Depreciation expense amounted to \$274,750 for the year ended June 30, 2016.

NOTE 4 – INTERFUND TRANSFERS

Interfund transfers between MAPC and MetroWest funds totaled \$44,250 at June 30, 2016, which represented amounts transferred from MAPC to fund the deficit in MetroWest.

NOTE 5 – LEASES

Operating Leases

The MAPC and CTPS rented office space at several locations under separate lease agreements that were originally scheduled to expire on various dates through June 30, 2012. In July of 2009 the MAPC renegotiated its main office lease to include additional space and certain build-out provisions provided by the landlord. In February of 2015 the MAPC again renegotiated its main office lease to take even more space in the building. The revised MAPC lease agreement was re-negotiated in February of 2015 and will run through August 31, 2024.

The CTPS lease agreement expired on June 30, 2015 and they are a tenant-at-will while a new lease is being negotiated.

The minimum annual lease payments for operating leases with a remaining term of one year or more consist of the following:

<u>Fiscal Year:</u>	<u>MAPC Direct</u>
2017.....	\$ 630,418
2018.....	640,294
2019.....	650,170
2020.....	660,046
2021.....	669,922
2022.....	679,798
2023.....	689,674
2024.....	699,550
2025.....	<u>116,866</u>
 Total.....	 \$ <u><u>5,436,738</u></u>

The new MAPC lease agreement provided for a rent-free period at the beginning of the lease and for scheduled increases in monthly rent over the life of the lease. In accordance with GAAP, the MAPC is accounting for this lease on a straight-line basis over the life of the lease and the cumulative differences as of June 30, 2016, have been recorded as “Rent Credits” on the Statement of Net Position.

Rent expense for the year ended June 30, 2016, was \$683,000 for MAPC and \$321,000 for CTPS, which totaled just over \$1,004,000.

Capital Leases

The MAPC and CTPS have entered into various lease/purchase agreements that are considered capital leases. These agreements are for various terms that expire through February 2018. Equipment originally acquired under these capital leases totaled approximately \$285,000. At June 30, 2016, the future minimum payments under capital leases are as follows:

<u>Year Ending June 30:</u>	<u>MAPC Direct</u>
2016.....	\$ 62,761
2017.....	27,579
2018.....	<u>7,720</u>
Total payments.....	98,060
Less amounts representing interest.....	<u>(13,945)</u>
Total.....	<u>\$ 84,115</u>

NOTE 6 – SHORT-TERM FINANCING

State law permits the MAPC, under the provisions of Chapter 40B, Section 8, to borrow (on a short-term basis) an amount not to exceed the current year assessment to its member communities. Short-term debt may be issued to fund current operating costs prior to the collection of revenues through issuance of revenue anticipation notes.

Short-term loans are general obligations of the MAPC and carry maturity dates that are limited by statute.

There was no short-term financing activity during the year or any balance outstanding as of June 30, 2016.

NOTE 7 – LONG-TERM FINANCING

During fiscal year 2016, MAPC signed a promissory note with a local bank to help finance a portion of the cost of its new computer system along with the financing of certain leasehold improvements. Details related to the outstanding long-term financing at June 30, 2016, are as follows:

<u>Purpose</u>	<u>Interest Rate (%)</u>	<u>Due Date</u>	<u>Balance at June 30, 2015</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance at June 30, 2016</u>
Term Note Payable.....	4.50%	9/30/2020	\$ <u>-</u>	\$ <u>335,000</u>	\$ <u>45,675</u>	\$ <u>289,325</u>

Debt service requirements for principal and interest in future years are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017.....	\$ 63,339	\$ 11,724	\$ 75,063
2018.....	66,249	8,814	75,063
2019.....	69,293	5,771	75,064
2020.....	72,476	2,587	75,063
2021.....	<u>17,968</u>	<u>132</u>	<u>18,100</u>
	<u>\$ 289,325</u>	<u>\$ 29,028</u>	<u>\$ 318,353</u>

NOTE 8 – HOMELAND SECURITY PROGRAM GRANT

In accordance with the specific terms of the Homeland Security federal grant programs, the MAPC provides equipment, training, and various other services to participating cities and towns. Federal guidelines require that property acquired with grant funds be tagged and tracked using a computer-based inventory system. Since the equipment provided under the grants vest with the participating cities and towns, no amounts have been capitalized in the accounts of MAPC.

The following expenses of the Homeland Security Programs administered by the MAPC are included in the direct expenses reported in the MAPC Direct fund:

	2016 MAPC Direct
Salaries and benefits.....	\$ 436,769
Professional services.....	1,561,280
Homeland Security capital outlay.....	1,739,989
Supplies.....	894
Communications.....	3,850
Travel.....	10,785
Meetings and conferences.....	5,690
	<hr/>
Total.....	\$ 3,759,257

NOTE 9 – PENSION AND POSTEMPLOYMENT BENEFITS

Pension

Plan Descriptions

MAPC is a member of the Massachusetts State Employees' Retirement System (MSERS) that is a public employee retirement system that administers a cost-sharing multi-employer defined benefit plan, covering substantially all employees of the Commonwealth and certain employees of the independent authorities and agencies. The MSERS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports/>.

MAPC enabling legislation established that their employees are members of MSERS. However, the legislation does not provide an employer funding mechanism for MAPC. Consequently, the Commonwealth is considered the nonemployer contributor and is considered legally responsible to make all actuarially determined employer contributions on behalf of MAPC. Therefore the Commonwealth's share of the collective net pension liability is considered to be in a 100% special funding situation as defined by GASB.

Special Funding Situations

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of MAPC to the MSERS. Since MAPC does not contribute directly to MSERS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MSERS as of the measurement date of June 30, 2015. MAPC's portion of the collective pension expense,

contributed by the Commonwealth, of \$2,069,538 is reported as intergovernmental revenue and pension expense in the current year. The portion of the Commonwealth's collective net pension liability associated with MAPC is \$18,502,978 as of the measurement date.

Benefits Provided

The System provides retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts State Employee Retirement System benefits are, with certain minor exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

Postemployment Benefits

The MAPC administers a premium-based health care plan through the Commonwealth's Group Insurance Commission (GIC) which provides health insurance coverage for employees and their beneficiaries, and for retirees and survivors. Postemployment benefits paid by the GIC are funded by the Commonwealth. These on-behalf payments are not available from the Commonwealth and therefore have not been reported in these basic financial statements.

NOTE 10 – RISK FINANCING

The Council participates in a premium-based workers' compensation insurance plan for its employees, except for one case prior to plan commencement, and is self-insured for unemployment benefits. The liability for workers compensation and unemployment benefits, at June 30, 2016, was immaterial and is therefore not reported.

NOTE 11 – CONTINGENCIES

The MAPC participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 17, 2017, which is the date the financial statements were available to be issued.

NOTE 13 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2016, the following GASB pronouncements were implemented:

- GASB Statement #72, *Fair Value Measurement and Application*. Notes to the basic financial statements were changed to provide additional disclosure on fair value measurement.
- GASB Statement #73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This pronouncement did not impact the basic financial statements.
- GASB Statement #76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This pronouncement did not impact the basic financial statements.
- GASB Statement #79, *Certain External Investment Pools and Pool Participants*. The basic financial statements and related notes were updated to be in compliance with this pronouncement.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is required to be implemented in 2017.
- The GASB issued Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is required to be implemented in 2018.
- The GASB issued Statement #77, *Tax Abatement Disclosures*, which is required to be implemented in 2017.
- The GASB issued Statement #78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, which is required to be implemented in 2017.
- The GASB issued Statement #80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement #14*, which is required to be implemented in 2017.
- The GASB issued Statement #81, *Irrevocable Split-Interest Agreements*, which is required to be implemented in 2018.
- The GASB issued Statement #82, *Pension Issues – an amendment of GASB Statements #67, #68, and #73*, which is required to be implemented in 2018.

Management is currently assessing the impact the implementation of these pronouncements will have on the basic financial statements.

Required Supplementary Information

Pension Plan Schedule

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts State Employees Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of MAPC along with related ratios.

This schedule is intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF THE SPECIAL FUNDING AMOUNTS
OF THE NET PENSION LIABILITY
MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM**

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since MAPC does not contribute directly to MSERS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with MAPC; the portion of the collective pension expense as both a revenue and pension expense recognized by MAPC; and the Plan's fiduciary net position as a percentage of the total liability.

Fiscal Year	Commonwealth's 100% Share of the Net Pension Liability Associated with the MAPC	MAPC's Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2016.....	\$ 18,502,978	\$ 2,069,538	67.87%
2015.....	11,483,064	816,566	76.32%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

NOTE A – PENSION PLAN

Pension Plan Schedules – MAPC

Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of MAPC which creates a special funding situation. The MSERS schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with MAPC; the portion of the collective pension expense as both revenue and pension expense recognized by MAPC; and the Plan's fiduciary net position as a percentage of the total liability.

Other Supplementary Information

This page left intentionally blank.

COMBINING SCHEDULE OF INDIRECT COSTS

YEAR ENDED JUNE 30, 2016

	MAPC Direct	CTPS	Total
Salaries and wages.....	\$ 2,134,484	\$ 1,578,068	\$ 3,712,552
Employee benefits.....	234,479	262,430	496,909
Supplies.....	70,750	25,477	96,227
Office equipment and related maintenance.....	29,835	196,058	225,893
Depreciation and amortization.....	262,598	12,152	274,750
Premises.....	683,479	321,084	1,004,563
Communications.....	60,711	49,878	110,589
Accounting and auditing.....	43,500	-	43,500
Legal.....	14,871	2,000	16,871
Data processing.....	14,881	-	14,881
Temporary help.....	8,428	225	8,653
Other professional services.....	23,445	2,927	26,372
Meetings and conferences.....	51,328	1,499	52,827
Professional fees.....	57,988	6,607	64,595
Printing and copying.....	51,174	53,366	104,540
Travel.....	39,964	204	40,168
Interest.....	14,100	-	14,100
Miscellaneous.....	52,749	-	52,749
TOTAL INDIRECT COSTS.....	3,848,764	2,511,975	6,360,739
ALLOCATION OF MAPC DIRECT ADMINISTRATION SERVICES.....	(284,770)	284,770	-
TOTAL ALLOCATED INDIRECT COSTS.....	\$ 3,563,994	\$ 2,796,745	\$ 6,360,739
DIRECT SALARIES AND BENEFITS.....	\$ 2,791,491	\$ 2,932,343	\$ 5,723,834
INDIRECT COST RATE.....	127.67%	95.38%	111.13%

MAPC DIRECT FUND

COMBINING SCHEDULE OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 2016

	Federal Grants				
	M0146	M0147	M0266	M0267	M1173
	FY 15 3C Highway Transportation Planning Grant	FY 165 3C Highway Transportation Planning Grant	FY 15 5303 Transit Planning Grant	FY 16 5303 Transit Planning Grant	Lower Mystic Working Group
OPERATING REVENUES:					
Intergovernmental grants and contracts.....	\$ 155,412	\$ 476,905	\$ 56,208	\$ 178,103	\$ 29,348
Intergovernmental - Commonwealth pension support.....	-	-	-	-	-
Private grants and contracts.....	-	-	-	-	-
Charges for services.....	-	-	-	-	-
Member assessments.....	-	-	14,052	44,526	-
TOTAL OPERATING REVENUES.....	155,412	476,905	70,260	222,629	29,348
OPERATING EXPENSES:					
Direct Expenses:					
Salaries and benefits.....	67,924	213,480	31,262	100,701	11,227
Commonwealth pension support.....	-	-	-	-	-
Professional services.....	-	-	-	-	4,320
Equipment.....	-	-	-	-	-
Supplies.....	-	-	-	-	-
Communications.....	-	-	-	-	215
Travel.....	1,098	4,276	102	485	-
Meetings and conferences.....	375	745	-	-	-
Other.....	-	816	-	-	-
Sub-total.....	69,397	219,317	31,364	101,186	15,762
Indirect Expenses:					
Overhead allocation.....	86,113	270,641	39,633	127,664	14,233
CTPS administration services.....	-	-	-	-	-
Sub-total.....	86,113	270,641	39,633	127,664	14,233
TOTAL OPERATING EXPENSES.....	155,510	489,958	70,997	228,850	29,995
OPERATING INCOME (LOSS).....	(98)	(13,053)	(737)	(6,221)	(647)
NONOPERATING REVENUES (EXPENSES):					
Investment income.....	-	-	-	-	-
INCREASE (DECREASE) BEFORE TRANSFERS.....	(98)	(13,053)	(737)	(6,221)	(647)
TRANSFERS IN (OUT):					
Transfers out.....	-	-	-	-	-
Indirect costs transfers in - CTPS.....	-	-	-	-	-
INCREASE (DECREASE) IN NET POSITION.....	(98)	(13,053)	(737)	(6,221)	(647)

MAPC DIRECT FUND

COMBINING SCHEDULE OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 2016

Federal Grants								
M0815	M0816	M0825	M0826	M0835	M0836	M0845	M0846	M0927
Homeland Security FY14 NERAC	Homeland Security FY15 NERAC	Homeland Security FY14 Western Region	Homeland Security FY15 Western Region	Homeland Security FY14 Southeast Region	Homeland Security FY15 Southeast Region	Homeland Security FY14 Central Region	Homeland Security FY15 Central Region	NERAC 08 Equipment Dist. Towns
976,708	\$ 4,217	\$ 648,398	\$ 46,738	\$ 784,703	\$ 8,770	\$ 379,254	\$ 76,286	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>976,708</u>	<u>4,217</u>	<u>648,398</u>	<u>46,738</u>	<u>784,703</u>	<u>8,770</u>	<u>379,254</u>	<u>76,286</u>	<u>-</u>
53,054	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
438,768	3,539	402,582	46,738	206,019	8,439	77,439	76,286	-
418,890	-	245,674	-	578,073	-	301,815	-	-
-	-	-	-	611	-	-	-	-
-	-	-	-	-	-	-	-	3,653
939	-	-	-	-	-	-	-	-
861	678	-	-	-	331	-	-	-
-	-	-	-	-	-	-	-	-
<u>912,512</u>	<u>4,217</u>	<u>648,256</u>	<u>46,738</u>	<u>784,703</u>	<u>8,770</u>	<u>379,254</u>	<u>76,286</u>	<u>3,653</u>
67,259	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>67,259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>979,771</u>	<u>4,217</u>	<u>648,256</u>	<u>46,738</u>	<u>784,703</u>	<u>8,770</u>	<u>379,254</u>	<u>76,286</u>	<u>3,653</u>
<u>(3,063)</u>	<u>-</u>	<u>142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,653)</u>
-	-	-	-	-	-	-	-	-
<u>(3,063)</u>	<u>-</u>	<u>142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,653)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>(3,063)</u>	<u>-</u>	<u>142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,653)</u>

(Continued)

MAPC DIRECT FUND

COMBINING SCHEDULE OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 2016

	Federal Grants					
	M1006	M1015	M1016	M1017	M1018	M1070
	Homeland Security FY13 M&A/ Planning	Homeland Security FY13 NERAC	Homeland Security FY13 Western Region	Homeland Security FY13 Southeast Region	Homeland Security FY13 Central Region	Homeland Security FY14 State Wide M&A/ Planning
OPERATING REVENUES:						
Intergovernmental grants and contracts.....	\$ 83,964	\$ 76,091	\$ 65,027	\$ 128,369	\$ 10,809	\$ 436,631
Intergovernmental - Commonwealth pension support.....	-	-	-	-	-	-
Private grants and contracts.....	-	-	-	-	-	-
Charges for services.....	-	-	-	-	-	-
Member assessments.....	-	-	-	-	-	-
TOTAL OPERATING REVENUES.....	83,964	76,091	65,027	128,369	10,809	436,631
OPERATING EXPENSES:						
Direct Expenses:						
Salaries and benefits.....	35,804	6,776	-	-	-	96,966
Commonwealth pension support.....	-	-	-	-	-	-
Professional services.....	3,813	21,830	19,269	22,364	8,544	202,818
Equipment.....	1,466	43,482	35,765	106,005	2,265	6,554
Supplies.....	-	74	-	-	-	194
Communications.....	-	197	-	-	-	-
Travel.....	688	-	-	-	-	9,158
Meetings and conferences.....	-	-	-	-	-	3,820
Other.....	-	-	-	-	-	-
Sub-total.....	41,771	72,359	55,034	128,369	10,809	319,510
Indirect Expenses:						
Overhead allocation.....	45,391	8,590	-	-	-	122,929
CTPS administration services.....	-	-	-	-	-	-
Sub-total.....	45,391	8,590	-	-	-	122,929
TOTAL OPERATING EXPENSES.....	87,162	80,949	55,034	128,369	10,809	442,439
OPERATING INCOME (LOSS).....	(3,198)	(4,858)	9,993	-	-	(5,808)
NONOPERATING REVENUES (EXPENSES):						
Investment income.....	-	-	-	-	-	-
INCREASE (DECREASE) BEFORE TRANSFERS.....	(3,198)	(4,858)	9,993	-	-	(5,808)
TRANSFERS IN (OUT):						
Transfers out.....	-	-	-	-	-	-
Indirect costs transfers in - CTPS.....	-	-	-	-	-	-
INCREASE (DECREASE) IN NET POSITION.....	\$ (3,198)	\$ (4,858)	\$ 9,993	\$ -	\$ -	\$ (5,808)

MAPC DIRECT FUND

COMBINING SCHEDULE OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 2016

Federal Grants				State Grants			
M1140	M1121	M1149		M0806	M0985	M1038	M1045
Homeland Security Security FY15 State Wide M&A/ Planning	FY15 Department of Commerce EDA Grant	Department of Transportation Gas Leaks Grant	Sub-total	EOT South Coast Rail	Metro Mayors 911 Call Center Grant	Mass Food Plan Project	CIC - LED Streetlights
\$ 22,847	\$ 70,000	\$ 55,121	\$ 4,769,909	\$ 47,576	\$ 25,000	\$ 47,795	\$ 131,350
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	35,000	-	93,578	-	-	-	-
<u>22,847</u>	<u>105,000</u>	<u>55,121</u>	<u>4,863,487</u>	<u>47,576</u>	<u>25,000</u>	<u>47,795</u>	<u>131,350</u>
-	46,432	4,735	668,361	21,138	-	2,137	-
-	-	-	-	-	-	-	-
22,832	850	44,385	1,610,835	2,594	25,000	32,943	131,350
-	-	-	1,739,989	-	-	-	-
15	-	-	894	-	-	-	-
-	53	-	4,118	-	-	-	-
-	915	272	17,933	466	-	-	-
-	150	-	6,960	-	-	-	-
-	-	-	816	-	-	-	-
<u>22,847</u>	<u>48,400</u>	<u>49,392</u>	<u>4,049,906</u>	<u>24,198</u>	<u>25,000</u>	<u>35,080</u>	<u>131,350</u>
-	58,864	6,003	847,320	26,798	-	2,709	-
-	-	-	-	-	-	-	-
-	58,864	6,003	847,320	26,798	-	2,709	-
<u>22,847</u>	<u>107,264</u>	<u>55,395</u>	<u>4,897,226</u>	<u>50,996</u>	<u>25,000</u>	<u>37,789</u>	<u>131,350</u>
-	(2,264)	(274)	(33,739)	(3,420)	-	10,006	-
-	-	-	-	-	-	-	-
-	(2,264)	(274)	(33,739)	(3,420)	-	10,006	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ (2,264)</u>	<u>\$ (274)</u>	<u>\$ (33,739)</u>	<u>\$ (3,420)</u>	<u>\$ -</u>	<u>\$ 10,006</u>	<u>\$ -</u>

(Continued)

MAPC DIRECT FUND

COMBINING SCHEDULE OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 2016

	State Grants					
	M1047	M1048	M1068	M1080	M1155	M1093
	Bike Ped Safety Project	CIC - Commonwealth Connect	Hudson - Wellness Trust	District Local Tech Assistance 15	District Local Tech Assistance 16	Metro Mayors Shannon Gt 15
OPERATING REVENUES:						
Intergovernmental grants and contracts.....	\$ 181,138	\$ 9,173	\$ 28,004	\$ 356,852	\$ 226,250	\$ 301,944
Intergovernmental - Commonwealth pension support.....	-	-	-	-	-	-
Private grants and contracts.....	-	-	-	-	-	-
Charges for services.....	-	-	-	-	-	-
Member assessments.....	-	-	-	39,650	25,139	-
TOTAL OPERATING REVENUES.....	181,138	9,173	28,004	396,502	251,389	301,944
OPERATING EXPENSES:						
Direct Expenses:						
Salaries and benefits.....	3,405	915	12,452	174,225	106,737	10,810
Commonwealth pension support.....	-	-	-	-	-	-
Professional services.....	180,774	7,500	-	1,695	13,531	286,807
Equipment.....	-	-	-	-	-	-
Supplies.....	-	-	-	662	-	-
Communications.....	35	-	-	168	178	-
Travel.....	-	-	433	3,207	3,285	265
Meetings and conferences.....	-	176	-	449	608	112
Other.....	-	-	-	-	-	-
Sub-total.....	184,214	8,591	12,885	180,406	124,339	297,994
Indirect Expenses:						
Overhead allocation.....	4,316	1,160	15,786	220,875	135,317	13,704
CTPS administration services.....	-	-	-	-	-	-
Sub-total.....	4,316	1,160	15,786	220,875	135,317	13,704
TOTAL OPERATING EXPENSES.....	188,530	9,751	28,671	401,281	259,656	311,698
OPERATING INCOME (LOSS).....	(7,392)	(578)	(667)	(4,779)	(8,267)	(9,754)
NONOPERATING REVENUES (EXPENSES):						
Investment income.....	-	-	-	-	-	-
INCREASE (DECREASE) BEFORE TRANSFERS.....	(7,392)	(578)	(667)	(4,779)	(8,267)	(9,754)
TRANSFERS IN (OUT):						
Transfers out.....	-	-	-	-	-	-
Indirect costs transfers in - CTPS.....	-	-	-	-	-	-
INCREASE (DECREASE) IN NET POSITION.....	\$ (7,392)	\$ (578)	\$ (667)	\$ (4,779)	\$ (8,267)	\$ (9,754)

MAPC DIRECT FUND
 COMBINING SCHEDULE OF REVENUES AND EXPENSES
 YEAR ENDED JUNE 30, 2016

State Grants							
M1175	M1096	M1106	M1156	M1160	Subtotal	FY16 Assessments and Other Projects	Total
Metro Mayors Shannon Gt 16	DPH Growth and Health Plan	Mass CEC Task 14-1	Healthy Community Design	Quincy - CZM Resilience Gt			
\$ 50,265	\$ 26,131	\$ 23,113	\$ 15,574	\$ -	\$ 1,470,165	\$ 796,294	\$ 7,036,368
-	-	-	-	-	-	2,069,538	2,069,538
-	-	-	-	-	-	1,542,624	1,542,624
-	-	-	-	74,964	74,964	790,230	865,254
-	-	-	-	-	64,789	1,604,420	1,762,787
<u>50,265</u>	<u>26,131</u>	<u>23,113</u>	<u>15,574</u>	<u>74,964</u>	<u>1,609,918</u>	<u>6,803,166</u>	<u>13,276,571</u>
1,336	11,591	685	6,872	18,030	370,333	1,752,797	2,791,491
-	-	-	-	-	-	2,069,538	2,069,538
47,172	-	21,600	-	34,600	785,566	444,809	2,841,210
-	-	-	-	-	-	-	1,739,989
-	-	-	-	-	662	78,905	80,461
-	-	-	-	-	381	4,928	9,427
140	10	-	386	94	8,286	40,105	66,324
-	499	-	-	608	2,452	17,648	27,060
-	-	-	-	-	-	349	1,165
<u>48,648</u>	<u>12,100</u>	<u>22,285</u>	<u>7,258</u>	<u>53,332</u>	<u>1,167,680</u>	<u>4,409,079</u>	<u>9,626,665</u>
1,694	14,695	868	8,712	22,858	469,492	2,247,182	3,563,994
-	-	-	-	-	-	284,770	284,770
<u>1,694</u>	<u>14,695</u>	<u>868</u>	<u>8,712</u>	<u>22,858</u>	<u>469,492</u>	<u>2,531,952</u>	<u>3,848,764</u>
<u>50,342</u>	<u>26,795</u>	<u>23,153</u>	<u>15,970</u>	<u>76,190</u>	<u>1,637,172</u>	<u>6,941,031</u>	<u>13,475,429</u>
<u>(77)</u>	<u>(664)</u>	<u>(40)</u>	<u>(396)</u>	<u>(1,226)</u>	<u>(27,254)</u>	<u>(137,865)</u>	<u>(198,858)</u>
-	-	-	-	-	-	351	351
<u>(77)</u>	<u>(664)</u>	<u>(40)</u>	<u>(396)</u>	<u>(1,226)</u>	<u>(27,254)</u>	<u>(137,514)</u>	<u>(198,507)</u>
-	-	-	-	-	-	(44,250)	(44,250)
-	-	-	-	-	-	284,770	284,770
<u>\$ (77)</u>	<u>\$ (664)</u>	<u>\$ (40)</u>	<u>\$ (396)</u>	<u>\$ (1,226)</u>	<u>\$ (27,254)</u>	<u>\$ 103,006</u>	<u>\$ 42,013</u>

(Concluded)

CTPS FUND

COMBINING SCHEDULE OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 2016

	Federal Grants						
	C0595	C0599	C0688	C0689	C0715	C0718	C0722
	Mass DOT FY15 SPR 86842	3C Highway Planning Grant FY15	MassDOT Transit 5303 FY15	MassDOT Transit 5303	MassDOT Title VI Program FY14	Mass Pike Allston Interchange Traffic Study	EERPAT Boston Modeling Assistance
OPERATING REVENUES:							
Intergovernmental grants and contracts.....	\$ 491,875	\$ 562,473	\$ 585,514	\$ 228,025	\$ 18,421	\$ 54,268	\$ 10,373
OPERATING EXPENSES:							
Direct Expenses:							
Salaries and benefits.....	248,283	290,009	301,888	116,061	9,331	27,489	5,407
Equipment.....	10,000	3,818	4,250	5,000	-	-	-
Travel.....	2,846	2,609	2,678	-	-	-	-
Other.....	572	-	-	-	-	-	-
Sub-total.....	261,701	296,436	308,816	121,061	9,331	27,489	5,407
Indirect Expenses:							
General overhead.....	201,331	235,166	261,705	94,113	7,567	22,290	4,385
TOTAL OPERATING EXPENSES.....	463,032	531,602	570,521	215,174	16,898	49,779	9,792
OPERATING INCOME (LOSS).....	28,843	30,871	14,993	12,851	1,523	4,489	581
NONOPERATING REVENUES:							
Investment income.....	-	-	-	-	-	-	-
INCREASE (DECREASE) BEFORE TRANSFERS.....	28,843	30,871	14,993	12,851	1,523	4,489	581
TRANSFERS IN (OUT):							
Indirect costs transfers out - MAPC Direct.....	(24,112)	(28,164)	(29,317)	(11,271)	(906)	(2,670)	(525)
INCREASE (DECREASE) IN NET POSITION.....	\$ 4,731	\$ 2,707	\$ (14,324)	\$ 1,580	\$ 617	\$ 1,819	\$ 56

CTPS FUND

COMBINING SCHEDULE OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 2016

Federal Grants							
C0723	C0724	C1301	C1501	C1601			
Travel Demand Modeling & Forecasting	Lower Mystic Regional Working Group	CTPS FY16 SPR Modeling Contract	3C Highway Planning Grant FY16	MassDOT Transit 5303 FY16	Sub-total	FY16 Other Projects	Total
\$ 163,658	\$ 156,760	\$ 113,933	\$ 1,936,717	\$ 683,284	\$ 5,005,301	\$ 821,666	\$ 5,826,967
84,568	78,818	56,916	961,279	342,577	2,522,626	409,717	2,932,343
-	-	-	20,533	-	43,601	-	43,601
-	-	736	4,393	1,961	15,223	532	15,755
-	-	-	-	-	572	22,124	22,696
84,568	78,818	57,652	986,205	344,538	2,582,022	432,373	3,014,395
68,576	69,478	50,171	847,361	301,982	2,164,125	347,850	2,511,975
153,144	148,296	107,823	1,833,566	646,520	4,746,147	780,223	5,526,370
10,514	8,464	6,110	103,151	36,764	259,154	41,443	300,597
-	-	-	-	-	-	219	219
10,514	8,464	6,110	103,151	36,764	259,154	41,662	300,816
(8,213)	(7,654)	(5,527)	(93,353)	(33,269)	(244,981)	(39,789)	(284,770)
\$ 2,301	\$ 810	\$ 583	\$ 9,798	\$ 3,495	\$ 14,173	\$ 1,873	\$ 16,046

(Concluded)