

METROPOLITAN AREA PLANNING COUNCIL

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

YEAR ENDED JUNE 30, 2018

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Financial Section

Includes the following Funds:

Metropolitan Area Planning Council (MAPC) Direct Fund

Central Transportation Planning Staff (CTPS) Fund

MetroFuture, Inc. Fund



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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, 2018, 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, 2018, 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 20, 2019 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 20, 2019

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, 2018. 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, 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 \$2.3 million at the close of the most recent year. Key components of the Council's activities are presented below.

	<u>2018</u>	<u>2017</u>
Assets:		
Current assets.....	\$ 8,094,301	\$ 8,086,527
Capital assets, net of accumulated depreciation.....	<u>424,751</u>	<u>567,276</u>
Total assets.....	<u>8,519,052</u>	<u>8,653,803</u>
Liabilities:		
Current liabilities (excluding debt).....	6,049,455	6,161,236
Noncurrent liabilities (excluding debt).....	27,004	31,662
Current debt.....	79,451	100,592
Noncurrent debt.....	<u>95,803</u>	<u>165,856</u>
Total liabilities.....	<u>6,251,713</u>	<u>6,459,346</u>
Net Position:		
Net investment in capital assets.....	249,497	300,828
Unassigned.....	<u>2,017,842</u>	<u>1,893,629</u>
Total net position.....	<u>\$ 2,267,339</u>	<u>\$ 2,194,457</u>

Net position of \$249,000 (11%) 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 \$2.0 million (89%) may be used to meet the MAPC's ongoing obligations to cities and towns and other creditors.

In 2018, MAPC acquired capital assets totaling \$64,000 relating to office equipment and software and licenses.

	<u>2018</u>	<u>2017</u>
Operating Revenues:		
Intergovernmental grants and contracts..... \$	13,029,498	\$ 12,657,974
Intergovernmental - Commonwealth pension support.....	2,695,542	3,000,995
Private grants and contracts.....	2,215,695	1,827,496
Charges for services.....	1,474,635	1,453,540
Contributions.....	-	140,917
Member assessments.....	1,664,130	1,469,019
Total operating revenues.....	<u>21,079,500</u>	<u>20,549,941</u>
Operating Expenses:		
Direct:		
Salaries and benefits.....	6,336,785	6,021,526
Commonwealth pension support.....	2,695,542	3,000,995
Professional services.....	2,150,177	3,107,365
Equipment.....	906,016	42,909
Homeland Security capital outlay.....	1,613,125	1,872,162
Supplies.....	23,985	28,179
Communications.....	8,279	7,047
Travel.....	77,748	99,113
Meetings and conferences.....	59,380	58,859
Other.....	11,792	10,178
Total direct expenses.....	<u>13,882,829</u>	<u>14,248,333</u>
Indirect:		
General overhead.....	6,858,822	6,437,310
CTPS administrative services.....	282,000	282,100
Total indirect expenses.....	<u>7,140,822</u>	<u>6,719,410</u>
Total operating expenses.....	<u>21,023,651</u>	<u>20,967,743</u>
Operating income.....	55,849	(417,802)
Nonoperating Revenues (Expenses):		
Investment income.....	<u>17,033</u>	<u>6,223</u>
Change in net position.....	72,882	(411,579)
Net position - beginning.....	<u>2,194,457</u>	<u>2,606,036</u>
Net position - ending..... \$	<u><u>2,267,339</u></u>	<u><u>2,194,457</u></u>

Total operating revenue increased \$530,000 and direct operating expenses decreased \$366,000 from the prior year. Approximately \$305,000 of the decreases in revenues and expenses relate to the Commonwealth's pension support recorded as on-behalf payments to the Organization. Expenses also decreased in 2018 related to the activities of the MetroFuture fund due to there being little activity during the current year.

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 Director of Finance at Metropolitan Area Planning Council, 60 Temple Place, Boston, Massachusetts 02111.

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Basic Financial Statements

PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION

JUNE 30, 2018

	Business-type Activities			
	MAPC Direct	CTPS	MetroFuture, Inc.	Total
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 4,362,189	\$ 1,071,508	\$ 24,761	\$ 5,458,458
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	2,033,884	558,083	-	2,591,967
Prepaid expenses.....	43,876	-	-	43,876
Total current assets.....	<u>6,439,949</u>	<u>1,629,591</u>	<u>24,761</u>	<u>8,094,301</u>
NONCURRENT:				
Capital assets, net of accumulated depreciation.....	424,751	-	-	424,751
TOTAL ASSETS.....	<u>6,864,700</u>	<u>1,629,591</u>	<u>24,761</u>	<u>8,519,052</u>
LIABILITIES				
CURRENT:				
Accounts payable.....	1,149,103	66,422	-	1,215,525
Accrued payroll and expenses.....	185,537	99,373	-	284,910
Grant advances.....	3,690,419	118,971	-	3,809,390
Due to granting agencies.....	-	73,182	-	73,182
Rent credits.....	4,658	-	-	4,658
Capital lease obligations.....	10,158	-	-	10,158
Compensated absences.....	303,163	358,627	-	661,790
Notes payable.....	69,293	-	-	69,293
Total current liabilities.....	<u>5,412,331</u>	<u>716,575</u>	<u>-</u>	<u>6,128,906</u>
NONCURRENT:				
Rent credits.....	27,004	-	-	27,004
Capital lease obligations.....	5,360	-	-	5,360
Notes payable.....	90,443	-	-	90,443
Total noncurrent liabilities.....	<u>122,807</u>	<u>-</u>	<u>-</u>	<u>122,807</u>
TOTAL LIABILITIES.....	<u>5,535,138</u>	<u>716,575</u>	<u>-</u>	<u>6,251,713</u>
NET POSITION				
Net investment in capital assets.....	249,497	-	-	249,497
Unrestricted.....	1,080,065	913,016	24,761	2,017,842
TOTAL NET POSITION.....	<u>\$ 1,329,562</u>	<u>\$ 913,016</u>	<u>\$ 24,761</u>	<u>\$ 2,267,339</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2018

	Business-type Activities - Enterprise Funds			
	MAPC Direct	CTPS	MetroFuture, Inc.	Total
OPERATING REVENUES:				
Intergovernmental grants and contracts.....	\$ 7,061,455	\$ 5,968,043	\$ -	\$ 13,029,498
Intergovernmental - Commonwealth pension support.....	2,695,542	-	-	2,695,542
Private grants and contracts.....	2,215,695	-	-	2,215,695
Charges for services.....	1,474,635	-	-	1,474,635
Member assessments.....	1,664,130	-	-	1,664,130
TOTAL OPERATING REVENUES	15,111,457	5,968,043	-	21,079,500
OPERATING EXPENSES:				
Direct expenses:				
Salaries and benefits.....	3,445,797	2,890,988	-	6,336,785
Commonwealth pension support.....	2,695,542	-	-	2,695,542
Professional services.....	2,142,328	-	7,849	2,150,177
Program equipment.....	844,514	61,502	-	906,016
Homeland Security capital outlay.....	1,613,125	-	-	1,613,125
Supplies.....	23,985	-	-	23,985
Communications.....	8,279	-	-	8,279
Travel.....	62,653	15,095	-	77,748
Meetings and conferences.....	59,380	-	-	59,380
Other operating expenses.....	-	8,073	3,719	11,792
Subtotal.....	10,895,603	2,975,658	11,568	13,882,829
Indirect expenses:				
General overhead.....	4,188,922	2,669,900	-	6,858,822
CTPS administration services.....	282,000	-	-	282,000
Subtotal.....	4,470,922	2,669,900	-	7,140,822
TOTAL OPERATING EXPENSES.....	15,366,525	5,645,558	11,568	21,023,651
OPERATING INCOME (LOSS).....	(255,068)	322,485	(11,568)	55,849
NONOPERATING REVENUES (EXPENSES):				
Investment income.....	13,612	3,325	96	17,033
INCOME (LOSS) BEFORE TRANSFERS.....	(241,456)	325,810	(11,472)	72,882
TRANSFERS IN (OUT):				
Indirect costs transfers in (out) - CTPS.....	282,000	(282,000)	-	-
CHANGE IN NET POSITION.....	40,544	43,810	(11,472)	72,882
NET POSITION AT BEGINNING OF YEAR.....	1,289,018	869,206	36,233	2,194,457
NET POSITION AT END OF YEAR.....	\$ 1,329,562	\$ 913,016	\$ 24,761	\$ 2,267,339

See notes to basic financial statements.

PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2018

	Business-type Activities - Enterprise Funds			
	MAPC Direct	CTPS	MetroFuture Inc.	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users.....	\$ 15,944,480	\$ 6,132,689	\$ -	\$ 22,077,169
Payments to vendors.....	(9,240,998)	(951,521)	(230,919)	(10,423,438)
Payments to employees.....	(6,096,980)	(4,653,402)	-	(10,750,382)
NET CASH FROM OPERATING ACTIVITIES.....	606,502	527,766	(230,919)	903,349
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Indirect costs transfers in (out) - CTPS.....	282,000	(282,000)	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets.....	(64,467)	-	-	(64,467)
Principal payments on notes payable.....	(66,249)	-	-	(66,249)
Principal payments on capital lease obligations.....	(24,945)	-	-	(24,945)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(155,661)	-	-	(155,661)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income.....	13,612	3,325	96	17,033
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	746,453	249,091	(230,823)	764,721
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	3,615,736	822,417	255,584	4,693,737
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 4,362,189	\$ 1,071,508	\$ 24,761	\$ 5,458,458
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:				
Operating income (loss).....	\$ (255,068)	\$ 322,485	\$ (11,568)	\$ 55,849
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation and amortization.....	206,992	-	-	206,992
Changes in assets and liabilities:				
Accounts receivable.....	484,457	294,266	-	778,723
Prepaid expenses.....	(21,776)	-	-	(21,776)
Accounts payable.....	(184,027)	41,251	(219,351)	(362,127)
Accrued payroll and expenses.....	17,960	(20,448)	-	(2,488)
Grant advances.....	369,925	(129,620)	-	240,305
Rent credits.....	(21,359)	-	-	(21,359)
Compensated absences.....	9,398	19,832	-	29,230
Total adjustments.....	861,570	205,281	(219,351)	847,500
NET CASH FROM OPERATING ACTIVITIES.....	\$ 606,502	\$ 527,766	\$ (230,919)	\$ 903,349
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Capital lease financing.....	\$ 13,203	\$ -	\$ -	\$ 13,203

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 Director of Finance 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 Metropolitan Area Planning Council serves as the lead Statewide Fiduciary for the Massachusetts Homeland Security Planning Regions under a contract from the Massachusetts Executive Office of Public Safety and Security (EOPSS) for the State Homeland Security Program Grants the Commonwealth receives from the Department of Homeland Security.

In this role, MAPC subcontracts with other regional planning agencies across the state to provide fiduciary, planning, facilitation, administrative support, and procurement and project management services to the Regional Homeland Security Councils. Under the leadership of MAPC as Statewide Homeland Security Fiduciary, the Statewide Homeland Security Team Partners are made up of the following Regional Planning Agencies:

- Central Homeland Security Region: Central Massachusetts Regional Planning Commission (CMRPC)
- Northeast Homeland Security Region: Metropolitan Area Planning Council (MAPC)
- Southeast Homeland Security Region: Southeastern Regional Planning and Economic Development District (SRPEDD)
- Western Homeland Security Region: Franklin Regional Council of Governments (FRCOG)

The Central Region Homeland Security Advisory Council, Northeast Homeland Security Regional Advisory Council, Southeast Regional Homeland Security Advisory Council, and Western Region Homeland Security Advisory Council were created by the Massachusetts Executive Office of Public Safety and Security in 2004 to serve as policy making bodies for homeland security preparedness in their regions. The councils are comprised of volunteers with expertise in all relevant public safety disciplines including law enforcement, fire service, emergency management, public health, emergency medical services, public works, transportation, corrections, healthcare, and local government administration.

Memorandum of Understanding

The MAPC has entered into Memorandum of Understandings with the Greater Boston Police Council, Inc. (GBPC) and with the Fire Chiefs Association of Massachusetts (FCAM), non-profit organizations that provide technical assistance and advice to member municipalities and other police and fire agencies in the Commonwealth of Massachusetts regarding public safety and communication equipment and radio systems utilized by municipal police and fire departments. In an effort to minimize procurement costs, the MAPC administers collective procurements of public safety equipment under the support of the 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 these Agreements. In addition, the MAPC pays a fee to GBPC and to FCAM from 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.

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

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 and CTPS

The fixed assets of MAPC Direct and CTPS 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>Capital Asset Type</u>	<u>Estimated Useful Life (in 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 capitalizes 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.

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 122% 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 \$5,458,458 and the bank balance totaled \$5,848,721. Of the bank balance, \$250,000 was covered by Federal Depository Insurance (FDIC), and the balance of \$5,598,721 was exposed to custodial credit risk because it was uninsured and uncollateralized.

At June 30, 2018, 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, 2018 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.....	\$ 1,734,824	\$ 56,526	\$ -	\$ 1,791,350
Software and licenses.....	696,311	7,941	-	704,252
Leasehold improvements.....	305,503	-	-	305,503
Total capital assets being depreciated.....	<u>2,736,638</u>	<u>64,467</u>	<u>-</u>	<u>2,801,105</u>
<u>Less: accumulated depreciation for:</u>				
Office equipment.....	(1,552,751)	(160,803)	-	(1,713,554)
Software and licenses.....	(457,474)	(33,395)	-	(490,869)
Leasehold improvements.....	(159,137)	(12,794)	-	(171,931)
Total accumulated depreciation.....	<u>(2,169,362)</u>	<u>(206,992)</u>	<u>-</u>	<u>(2,376,354)</u>
Total capital assets, net.....	\$ <u>567,276</u>	\$ <u>(142,525)</u>	\$ <u>-</u>	\$ <u>424,751</u>

Depreciation expense amounted to \$206,992 for the year ended June 30, 2018.

NOTE 4 – 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 currently a tenant-at-will.

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>
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>\$ 4,166,026</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, 2018, have been recorded as "Rent Credits" on the Statement of Net Position.

Rent expense for the year ended June 30, 2018, was \$666,000 for MAPC and \$321,000 for CTPS, which totaled just over \$987,000.

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 2021. Equipment originally acquired under these capital leases totaled approximately \$230,000. At June 30, 2018, the future minimum payments under capital leases are as follows:

<u>Year Ending June 30:</u>	<u>MAPC Direct</u>
2019.....	\$ 10,877
2020.....	4,731
2021.....	<u>790</u>
Total payments.....	16,398
Less amounts representing interest.....	<u>(880)</u>
Total.....	<u>\$ 15,518</u>

NOTE 5 – 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, 2018.

NOTE 6 – 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, 2018, are as follows:

Purpose	Interest Rate (%)	Due Date	Original Amount	Balance at June 30, 2018
Term Note Payable.....	4.50%	9/30/2020	\$ 335,000	\$ 159,736

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

Year	Principal	Interest	Total
2019.....	\$ 69,293	\$ 5,771	\$ 75,064
2020.....	72,476	2,587	75,063
2021.....	17,967	132	18,099
	\$ 159,736	\$ 8,490	\$ 168,226

NOTE 7 – 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:

	2018 MAPC Direct
	<u> </u>
Salaries and benefits.....	\$ 160,886
Professional services.....	1,477,607
Homeland Security capital outlay.....	1,613,125
Equipment.....	151
Travel.....	2,867
Meetings and conferences.....	<u>3,420</u>
Total.....	<u>\$ 3,258,056</u>

NOTE 8 – 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 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, 2017. MAPC’s portion of the collective pension expense, contributed by the Commonwealth, of \$2,695,542 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 \$20,832,215 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 9 – 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, 2018, was immaterial and is therefore not reported.

NOTE 10 – 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 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 20, 2019, which is the date the financial statements were available to be issued.

NOTE 12 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2018, the following GASB pronouncements were implemented:

- GASB Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This pronouncement did not impact the basic financial statements.
- GASB Statement #81, *Irrevocable Split-Interest Agreements*. This pronouncement did not impact the basic financial statements.
- GASB Statement #85, *Omnibus 2017*. This pronouncement did not impact the basic financial statements.
- GASB Statement #86, *Certain Debt Extinguishment Issues*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #83, *Certain Asset Retirement Obligations*, which is required to be implemented in 2019.
- The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in 2019.
- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2021.
- The GASB issued Statement #88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which is required to be implemented in 2019.
- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2021.
- The GASB issued Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*, which is required to be implemented in 2020.

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. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

Year	Commonwealth's 100% Share of the Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2018.....	\$ 20,832,215	\$ 2,695,542	67.21%
2017.....	21,608,834	3,000,995	63.48%
2016.....	18,502,978	2,069,538	67.87%
2015.....	11,463,064	816,566	72.32%

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

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COMBINING SCHEDULE OF INDIRECT COSTS

YEAR ENDED JUNE 30, 2018

	MAPC Direct	CTPS	Total
Salaries and wages.....	\$ 2,678,541	\$ 1,761,798	\$ 4,440,339
Employee benefits.....	294,248	252,415	546,663
Supplies.....	62,645	28,517	91,162
Office equipment and related maintenance.....	78,095	232,091	310,186
Depreciation and amortization.....	206,992	-	206,992
Premises.....	700,054	325,434	1,025,488
Communications.....	38,883	43,601	82,484
Accounting and auditing.....	27,000	-	27,000
Legal.....	5,167	2,500	7,667
Data processing.....	7,288	-	7,288
Temporary help.....	34,206	-	34,206
Other professional services.....	52,772	-	52,772
Meetings and conferences.....	63,281	1,683	64,964
Professional fees.....	65,277	5,064	70,341
Printing and copying.....	53,214	11,424	64,638
Travel.....	40,829	5,075	45,904
Interest.....	11,767	-	11,767
Miscellaneous.....	50,663	298	50,961
TOTAL INDIRECT COSTS.....	4,470,922	2,669,900	7,140,822
ALLOCATION OF MAPC DIRECT ADMINISTRATION SERVICES.....	(282,000)	282,000	-
TOTAL ALLOCATED INDIRECT COSTS.....	\$ 4,188,922	\$ 2,951,900	\$ 7,140,822
DIRECT SALARIES AND BENEFITS.....	\$ 3,445,797	\$ 2,890,988	\$ 6,336,785
INDIRECT COST RATE.....	121.57%	102.11%	112.69%

MAPC DIRECT FUND
 COMBINING SCHEDULE OF REVENUES AND EXPENSES
 YEAR ENDED JUNE 30, 2018

	Federal Grants					
	M0148	M0149	M0268	M0269	M0816	M0817
	FFY17 3C Highway Transportation Planning Grant	FFY18 3C Highway Transportation Planning Grant	FFY17 5303 Transit Planning Grant	FFY18 5303 Transit Planning Grant	Homeland Security FY15 NERAC	Homeland Security FY16 NERAC
OPERATING REVENUES:						
Intergovernmental grants and contracts.....	\$ 183,070	\$ 537,205	\$ 67,309	\$ 172,190	\$ 258,981	\$ 450,431
Intergovernmental - Commonwealth pension support.....	-	-	-	-	-	-
Private grants and contracts.....	-	-	-	-	-	-
Charges for services.....	-	-	-	-	-	-
Member assessments.....	-	-	-	-	-	-
TOTAL OPERATING REVENUES.....	183,070	537,205	67,309	172,190	258,981	450,431
OPERATING EXPENSES:						
Direct Expenses:						
Salaries and benefits.....	83,063	244,331	38,384	98,224	7,920	42,690
Commonwealth pension support.....	-	-	-	-	-	-
Professional services.....	-	550	-	-	128,038	112,875
Equipment.....	-	-	-	-	113,149	241,448
Supplies.....	-	-	-	-	-	-
Communications.....	-	-	-	-	-	-
Travel.....	488	1,552	117	788	-	-
Meetings and conferences.....	700	9	-	-	524	2,613
Sub-total.....	84,251	246,442	38,501	99,012	249,631	399,626
Indirect Expenses:						
Overhead allocation.....	100,976	297,023	46,661	119,407	9,628	51,897
CTPS administration services.....	-	-	-	-	-	-
Sub-total.....	100,976	297,023	46,661	119,407	9,628	51,897
TOTAL OPERATING EXPENSES.....	185,227	543,465	85,162	218,419	259,259	451,523
OPERATING INCOME (LOSS).....	(2,157)	(6,260)	(17,853)	(46,229)	(278)	(1,092)
NONOPERATING REVENUES (EXPENSES):						
Investment income.....	-	-	-	-	-	-
INCREASE (DECREASE) BEFORE TRANSFERS.....	(2,157)	(6,260)	(17,853)	(46,229)	(278)	(1,092)
TRANSFERS IN (OUT):						
Indirect costs transfers in - CTPS.....	-	-	-	-	-	-
INCREASE (DECREASE) IN NET POSITION.....	(2,157)	(6,260)	(17,853)	(46,229)	(278)	(1,092)

(Continued)

MAPC DIRECT FUND

COMBINING SCHEDULE OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 2018

	Federal Grants					
	M0818	M0826	M0827	M0836	M0837	M0846
	Homeland Security FY17 NERAC	Homeland Security FY15 Western Region	Homeland Security FY16 Western Region	Homeland Security FY15 Southeast Region	Homeland Security FY16 Southeast Region	Homeland Security FY15 Central Region
OPERATING REVENUES:						
Intergovernmental grants and contracts.....	\$ 1,020	\$ 268,160	\$ 401,031	\$ 350,452	\$ 381,320	\$ 152,799
Intergovernmental - Commonwealth pension support.....	-	-	-	-	-	-
Private grants and contracts.....	-	-	-	-	-	-
Charges for services.....	-	-	-	-	-	-
Member assessments.....	-	-	-	-	-	-
TOTAL OPERATING REVENUES.....	1,020	268,160	401,031	350,452	381,320	152,799
OPERATING EXPENSES:						
Direct Expenses:						
Salaries and benefits.....	-	-	-	3,841	-	-
Commonwealth pension support.....	-	-	-	-	-	-
Professional services.....	1,020	16,609	302,591	52,882	145,966	33,814
Equipment.....	-	251,551	98,440	288,706	235,354	118,985
Supplies.....	-	-	-	-	-	-
Communications.....	-	-	-	-	-	-
Travel.....	-	-	-	404	-	-
Meetings and conferences.....	-	-	-	-	-	-
Sub-total.....	1,020	268,160	401,031	345,833	381,320	152,799
Indirect Expenses:						
Overhead allocation.....	-	-	-	4,669	-	-
CTPS administration services.....	-	-	-	-	-	-
Sub-total.....	-	-	-	4,669	-	-
TOTAL OPERATING EXPENSES.....	1,020	268,160	401,031	350,502	381,320	152,799
OPERATING INCOME (LOSS).....	-	-	-	(50)	-	-
NONOPERATING REVENUES (EXPENSES):						
Investment income.....	-	-	-	-	-	-
INCREASE (DECREASE) BEFORE TRANSFERS.....	-	-	-	(50)	-	-
TRANSFERS IN (OUT):						
Indirect costs transfers in - CTPS.....	-	-	-	-	-	-
INCREASE (DECREASE) IN NET POSITION.....	\$ -	\$ -	\$ -	\$ (50)	\$ -	\$ -

(Continued)

MAPC DIRECT FUND

COMBINING SCHEDULE OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 2018

	Federal Grants					
	M0847	M1140	M1187	M1220	M1225	M1226
	Homeland Security FY16 Central Region	Homeland Security FY15 State Wide M&A/ Planning	NARC Purchasing/ Procurement Process	Homeland Security FY16 State Wide M&A/ Planning	Homeland Security FY16 WR/CR Competitive Tech Rescue	Homeland Security FY16 NE/SE Competitive Tech Rescue
OPERATING REVENUES:						
Intergovernmental grants and contracts.....	\$ 421,827	\$ 39,437	\$ 43,881	\$ 364,138	\$ 925	\$ 140,438
Intergovernmental - Commonwealth pension support.....	-	-	-	-	-	-
Private grants and contracts.....	-	-	-	-	-	-
Charges for services.....	-	-	-	-	-	-
Member assessments.....	-	-	-	-	-	-
TOTAL OPERATING REVENUES.....	421,827	39,437	43,881	364,138	925	140,438
OPERATING EXPENSES:						
Direct Expenses:						
Salaries and benefits.....	-	17,213	19,610	89,222	-	-
Commonwealth pension support.....	-	-	-	-	-	-
Professional services.....	162,853	2,616	-	165,858	-	134,941
Equipment.....	258,974	116	-	131	925	5,497
Supplies.....	-	-	-	-	-	-
Communications.....	-	-	-	-	-	-
Travel.....	-	-	55	2,463	-	-
Meetings and conferences.....	-	-	881	283	-	-
Sub-total.....	421,827	19,945	20,546	257,957	925	140,438
Indirect Expenses:						
Overhead allocation.....	-	20,925	23,839	108,463	-	-
CTPS administration services.....	-	-	-	-	-	-
Sub-total.....	-	20,925	23,839	108,463	-	-
TOTAL OPERATING EXPENSES.....	421,827	40,870	44,385	366,420	925	140,438
OPERATING INCOME (LOSS).....	-	(1,433)	(504)	(2,282)	-	-
NONOPERATING REVENUES (EXPENSES):						
Investment income.....	-	-	-	-	-	-
INCREASE (DECREASE) BEFORE TRANSFERS.....	-	(1,433)	(504)	(2,282)	-	-
TRANSFERS IN (OUT):						
Indirect costs transfers in - CTPS.....	-	-	-	-	-	-
INCREASE (DECREASE) IN NET POSITION.....	\$ -	\$ (1,433)	\$ (504)	\$ (2,282)	\$ -	\$ -

(Continued)

MAPC DIRECT FUND
 COMBINING SCHEDULE OF REVENUES AND EXPENSES
 YEAR ENDED JUNE 30, 2018

	Federal Grants					
	M1227	M1228	M1239	M1280	M1295	M1321
	Homeland Security FY16 NE/SE Competitive Active Shooter	Homeland Security FY16 WR/CR Competitive Tech Rescue	Tufts R2A Near Highway Pollution	Homeland Security FY17 State Wide M&A/ Planning	EDA FY18	Tufts - Near Highway Pollution Study
OPERATING REVENUES:						
Intergovernmental grants and contracts.....	\$ 67,841	\$ 144,590	\$ 4,993	\$ 5,113	\$ 70,000	\$ 20,464
Intergovernmental - Commonwealth pension support.....	-	-	-	-	-	-
Private grants and contracts.....	-	-	-	-	-	-
Charges for services.....	-	-	-	-	-	-
Member assessments.....	-	-	-	-	-	-
TOTAL OPERATING REVENUES.....	67,841	144,590	4,993	5,113	70,000	20,464
OPERATING EXPENSES:						
Direct Expenses:						
Salaries and benefits.....	-	-	2,287	-	46,842	9,249
Commonwealth pension support.....	-	-	-	-	-	-
Professional services.....	67,841	144,590	-	5,113	-	-
Equipment.....	-	-	-	-	500	-
Supplies.....	-	-	-	-	155	-
Communications.....	-	-	-	-	112	-
Travel.....	-	-	-	-	1,149	208
Meetings and conferences.....	-	-	-	-	529	-
Sub-total.....	67,841	144,590	2,287	5,113	49,287	9,457
Indirect Expenses:						
Overhead allocation.....	-	-	2,780	-	56,944	11,243
CTPS administration services.....	-	-	-	-	-	-
Sub-total.....	-	-	2,780	-	56,944	11,243
TOTAL OPERATING EXPENSES.....	67,841	144,590	5,067	5,113	106,231	20,700
OPERATING INCOME (LOSS).....	-	-	(74)	-	(36,231)	(236)
NONOPERATING REVENUES (EXPENSES):						
Investment income.....	-	-	-	-	-	-
INCREASE (DECREASE) BEFORE TRANSFERS.....	-	-	(74)	-	(36,231)	(236)
TRANSFERS IN (OUT):						
Indirect costs transfers in - CTPS.....	-	-	-	-	-	-
INCREASE (DECREASE) IN NET POSITION.....	\$ -	\$ -	\$ (74)	\$ -	\$ (36,231)	\$ (236)

(Continued)

MAPC DIRECT FUND

COMBINING SCHEDULE OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 2018

	Federal Grants		State Grants			
	M1324		M1173	M1214	M1244	M1246
	New England Aquarium CPR	Sub-total	Lower Mystic Working Group	META Green Communities Grant	DDER - LED Streetlight Rapid Retrofit	District Local Tech Assistance 17
OPERATING REVENUES:						
Intergovernmental grants and contracts.....	\$ 41,725	\$ 4,589,340	\$ 68,838	\$ 68,136	\$ 909,238	\$ 406,089
Intergovernmental - Commonwealth pension support.....	-	-	-	-	-	-
Private grants and contracts.....	-	-	-	-	-	-
Charges for services.....	-	-	-	-	-	-
Member assessments.....	-	-	-	-	-	-
TOTAL OPERATING REVENUES.....	41,725	4,589,340	68,838	68,136	909,238	406,089
OPERATING EXPENSES:						
Direct Expenses:						
Salaries and benefits.....	18,890	721,766	13,889	30,853	45,810	201,997
Commonwealth pension support.....	-	-	-	-	-	-
Professional services.....	-	1,478,157	38,379	-	59	783
Equipment.....	-	1,613,776	-	-	807,384	216
Supplies.....	-	155	-	-	124	96
Communications.....	-	112	-	-	738	377
Travel.....	343	7,567	40	567	551	2,131
Meetings and conferences.....	10	5,549	-	-	50	1,109
Sub-total.....	19,243	3,827,082	52,308	31,420	854,716	206,709
Indirect Expenses:						
Overhead allocation.....	22,964	877,419	16,885	37,507	55,689	245,559
CTPS administration services.....	-	-	-	-	-	-
Sub-total.....	22,964	877,419	16,885	37,507	55,689	245,559
TOTAL OPERATING EXPENSES.....	42,207	4,704,501	69,193	68,927	910,405	452,268
OPERATING INCOME (LOSS).....	(482)	(115,161)	(355)	(791)	(1,167)	(46,179)
NONOPERATING REVENUES (EXPENSES):						
Investment income.....	-	-	-	-	-	-
INCREASE (DECREASE) BEFORE TRANSFERS.....	(482)	(115,161)	(355)	(791)	(1,167)	(46,179)
TRANSFERS IN (OUT):						
Indirect costs transfers in - CTPS.....	-	-	-	-	-	-
INCREASE (DECREASE) IN NET POSITION.....	\$ (482)	\$ (115,161)	\$ (355)	\$ (791)	\$ (1,167)	\$ (46,179)

(Continued)

MAPC DIRECT FUND

COMBINING SCHEDULE OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 2018

	State Grants					
	M1252	M1253	M1255	M1268	M1302	M1325
	Shannon Grant 2017	ERG- North Suffolk Health	ERG- Magic Stormwater Partnership FY17	ERG- Online Permitting & Shared Data	DPH MiM Food TA FY18	DPH 1422 Year 4 Local Mode T-A
OPERATING REVENUES:						
Intergovernmental grants and contracts.....	\$ 310,759	\$ 30,728	\$ 47,105	\$ 68,935	\$ 56,652	\$ 63,892
Intergovernmental - Commonwealth pension support.....	-	-	-	-	-	-
Private grants and contracts.....	-	-	-	-	-	-
Charges for services.....	-	-	-	-	-	-
Member assessments.....	-	-	-	-	-	-
TOTAL OPERATING REVENUES.....	310,759	30,728	47,105	68,935	56,652	63,892
OPERATING EXPENSES:						
Direct Expenses:						
Salaries and benefits.....	11,020	13,536	20,266	27,201	22,265	22,119
Commonwealth pension support.....	-	-	-	-	-	-
Professional services.....	291,163	-	1,750	-	7,000	15,450
Equipment.....	-	-	-	9,750	-	-
Supplies.....	-	-	-	-	-	-
Communications.....	-	-	-	-	-	-
Travel.....	148	242	938	63	472	-
Meetings and conferences.....	36	-	41	-	418	-
Sub-total.....	302,367	13,778	22,995	37,014	30,155	37,569
Indirect Expenses:						
Overhead allocation.....	13,396	16,455	24,637	33,067	27,067	26,889
CTPS administration services.....	-	-	-	-	-	-
Sub-total.....	13,396	16,455	24,637	33,067	27,067	26,889
TOTAL OPERATING EXPENSES.....	315,763	30,233	47,632	70,081	57,222	64,458
OPERATING INCOME (LOSS).....	(5,004)	495	(527)	(1,146)	(570)	(566)
NONOPERATING REVENUES (EXPENSES):						
Investment income.....	-	-	-	-	-	-
INCREASE (DECREASE) BEFORE TRANSFERS.....	(5,004)	495	(527)	(1,146)	(570)	(566)
TRANSFERS IN (OUT):						
Indirect costs transfers in - CTPS.....	-	-	-	-	-	-
INCREASE (DECREASE) IN NET POSITION.....	(5,004)	495	(527)	(1,146)	(570)	(566)

(Continued)

MAPC DIRECT FUND

COMBINING SCHEDULE OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 2018

	State Grants					
	M1335	M1342	M1351	M1352	M1355	M1358
	MetroMayors Shannon Grant 2018	District Local Tech Assistance 18	ERG MMC Opioid Project	ERG North Shore Mobility Pilot	MassDOT Projections	DPH - Fore River in Weymouth HIA
OPERATING REVENUES:						
Intergovernmental grants and contracts.....	\$ 14,541	\$ 147,178	\$ 10,185	\$ 2,349	\$ 34,409	\$ 8,381
Intergovernmental - Commonwealth pension support.....	-	-	-	-	-	-
Private grants and contracts.....	-	-	-	-	-	-
Charges for services.....	-	-	-	-	-	-
Member assessments.....	-	-	-	-	-	-
TOTAL OPERATING REVENUES.....	14,541	147,178	10,185	2,349	34,409	8,381
OPERATING EXPENSES:						
Direct Expenses:						
Salaries and benefits.....	3,149	75,159	4,514	1,031	15,711	3,828
Commonwealth pension support.....	-	-	-	-	-	-
Professional services.....	7,445	1,567	16	-	-	-
Equipment.....	-	-	-	-	-	-
Supplies.....	-	-	-	-	-	-
Communications.....	-	55	-	-	-	-
Travel.....	198	667	154	91	-	-
Meetings and conferences.....	-	245	129	-	-	-
Sub-total.....	10,792	77,693	4,813	1,122	15,711	3,828
Indirect Expenses:						
Overhead allocation.....	3,829	91,368	5,487	1,253	19,100	4,653
CTPS administration services.....	-	-	-	-	-	-
Sub-total.....	3,829	91,368	5,487	1,253	19,100	4,653
TOTAL OPERATING EXPENSES.....	14,621	169,061	10,300	2,375	34,811	8,481
OPERATING INCOME (LOSS).....	(80)	(21,883)	(115)	(26)	(402)	(100)
NONOPERATING REVENUES (EXPENSES):						
Investment income.....	-	-	-	-	-	-
INCREASE (DECREASE) BEFORE TRANSFERS.....	(80)	(21,883)	(115)	(26)	(402)	(100)
TRANSFERS IN (OUT):						
Indirect costs transfers in - CTPS.....	-	-	-	-	-	-
INCREASE (DECREASE) IN NET POSITION.....	(80)	(21,883)	(115)	(26)	(402)	(100)

(Continued)

MAPC DIRECT FUND

COMBINING SCHEDULE OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 2018

	State Grants			
	Other State Projects	Subtotal	FY18 Assessments and Other Projects	Total
OPERATING REVENUES:				
Intergovernmental grants and contracts.....	\$ 224,700	\$ 2,472,115	\$ -	\$ 7,061,455
Intergovernmental - Commonwealth pension support.....	-	-	2,695,542	2,695,542
Private grants and contracts.....	-	-	2,215,695	2,215,695
Charges for services.....	-	-	1,474,635	1,474,635
Member assessments.....	-	-	1,664,130	1,664,130
TOTAL OPERATING REVENUES.....	224,700	2,472,115	8,050,002	15,111,457
OPERATING EXPENSES:				
Direct Expenses:				
Salaries and benefits.....	87,953	600,301	2,123,730	3,445,797
Commonwealth pension support.....	-	-	2,695,542	2,695,542
Professional services.....	5,250	368,862	295,309	2,142,328
Equipment.....	23,000	840,350	3,513	2,457,639
Supplies.....	169	389	23,441	23,985
Communications.....	-	1,170	6,997	8,279
Travel.....	1,453	7,715	47,371	62,653
Meetings and conferences.....	1,330	3,358	50,473	59,380
Sub-total.....	119,155	1,822,145	5,246,376	10,895,603
Indirect Expenses:				
Overhead allocation.....	106,921	729,762	2,581,741	4,188,922
CTPS administration services.....	-	-	282,000	282,000
Sub-total.....	106,921	729,762	2,863,741	4,470,922
TOTAL OPERATING EXPENSES.....	226,076	2,551,907	8,110,117	15,366,525
OPERATING INCOME (LOSS).....	(1,376)	(79,792)	(60,115)	(255,068)
NONOPERATING REVENUES (EXPENSES):				
Investment income.....	-	-	13,612	13,612
INCREASE (DECREASE) BEFORE TRANSFERS.....	(1,376)	(79,792)	(46,503)	(241,456)
TRANSFERS IN (OUT):				
Indirect costs transfers in - CTPS.....	-	-	282,000	282,000
INCREASE (DECREASE) IN NET POSITION.....	\$ (1,376)	\$ (79,792)	\$ 235,497	\$ 40,544

(Concluded)

CTPS FUND

COMBINING SCHEDULE OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 2018

	Federal Grants					
	C0715	C0723	C0724	C0725	C0726	C0727
	MassDOT Title VI Program FY14	Travel Demand Modeling & Forecasting	Lower Mystic Regional Working Group	Section 405C Traffic Records Improvement	I-90/I-495 Interchange Traffic Analysis	South Coast Rail 2016
OPERATING REVENUES:						
Intergovernmental grants and contracts.....	\$ 7,633	\$ 36,621	\$ 37,401	\$ 2,916	\$ 1,090	\$ 102,415
OPERATING EXPENSES:						
Direct Expenses:						
Salaries and benefits.....	3,711	19,092	18,806	1,438	538	50,526
Equipment.....	-	-	-	-	-	-
Travel.....	-	-	-	-	-	-
Other.....	-	-	-	-	-	-
Sub-total.....	3,711	19,092	18,806	1,438	538	50,526
Indirect Expenses:						
General overhead.....	3,427	17,632	17,368	1,329	497	46,661
TOTAL OPERATING EXPENSES.....	7,138	36,724	36,174	2,767	1,035	97,187
OPERATING INCOME (LOSS).....	495	(103)	1,227	149	55	5,228
NONOPERATING REVENUES:						
Investment income.....	-	-	-	-	-	-
INCREASE (DECREASE) BEFORE TRANSFERS.....	495	(103)	1,227	149	55	5,228
TRANSFERS IN (OUT):						
Indirect costs transfers out - MAPC Direct.....	(362)	(1,862)	(1,834)	(140)	(52)	(4,929)
INCREASE (DECREASE) IN NET POSITION.....	\$ 133	\$ (1,965)	\$ (607)	\$ 9	\$ 3	\$ 299

(Continued)

CTPS FUND

COMBINING SCHEDULE OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 2018

	Federal Grants					
	C0728	C0729	C1201	C1218	C1318	C1517
	Section 405C Traffic Records II	MBTA Commuter Rail Passenger Counts	MassDOT 5303 2016-2017	MassDOT 5303 2017-2018	MassDOT SPR #100160 2017-2018	MPO 3CPL FFY17 #95411
OPERATING REVENUES:						
Intergovernmental grants and contracts.....	\$ 13,229	\$ 184,387	\$ 96,787	\$ 37,514	\$ 426,530	\$ 835,881
OPERATING EXPENSES:						
Direct Expenses:						
Salaries and benefits.....	6,526	85,797	47,723	15,809	204,671	406,839
Equipment.....	-	6,609	-	5,000	10,000	10,000
Travel.....	-	1,322	45	-	1,180	1,220
Other.....	-	-	-	-	486	-
Sub-total.....	6,526	93,728	47,768	20,809	216,337	418,059
Indirect Expenses:						
General overhead.....	6,027	79,235	44,073	14,600	189,019	375,726
TOTAL OPERATING EXPENSES.....	12,553	172,963	91,841	35,409	405,356	793,785
OPERATING INCOME (LOSS).....	676	11,424	4,946	2,105	21,174	42,096
NONOPERATING REVENUES:						
Investment income.....	-	-	-	-	-	-
INCREASE (DECREASE) BEFORE TRANSFERS.....	676	11,424	4,946	2,105	21,174	42,096
TRANSFERS IN (OUT):						
Indirect costs transfers out - MAPC Direct.....	(637)	(8,369)	(4,655)	(1,542)	(19,965)	(39,685)
INCREASE (DECREASE) IN NET POSITION.....	\$ 39	\$ 3,055	\$ 291	\$ 563	\$ 1,209	\$ 2,411

(Continued)

CTPS FUND

COMBINING SCHEDULE OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 2018

	Federal Grants			Sub-total	FY18 Other Projects	Total
	C1518	C1617	C1618			
	MPO 3CPL FFY18 #101725	MassDOT Transit 5303 FFY17 #98873	MassDOT Transit 5303 FFY18 #102694			
OPERATING REVENUES:						
Intergovernmental grants and contracts.....	\$ 2,143,847	\$ 511,075	\$ 545,000	\$ 4,982,326	\$ 985,717	\$ 5,968,043
OPERATING EXPENSES:						
Direct Expenses:						
Salaries and benefits.....	1,028,129	247,009	260,996	2,397,610	493,378	2,890,988
Equipment.....	15,000	9,857	5,036	61,502	-	61,502
Travel.....	8,869	523	1,346	14,505	590	15,095
Other.....	5,522	-	1,840	7,848	225	8,073
Sub-total.....	1,057,520	257,389	269,218	2,481,465	494,193	2,975,658
Indirect Expenses:						
General overhead.....	949,503	228,119	241,036	2,214,252	455,648	2,669,900
TOTAL OPERATING EXPENSES.....	2,007,023	485,508	510,254	4,695,717	949,841	5,645,558
OPERATING INCOME (LOSS).....	136,824	25,567	34,746	286,609	35,876	322,485
NONOPERATING REVENUES:						
Investment income.....	-	-	-	-	3,325	3,325
INCREASE (DECREASE) BEFORE TRANSFERS.....	136,824	25,567	34,746	286,609	39,201	325,810
TRANSFERS IN (OUT):						
Indirect costs transfers out - MAPC Direct.....	(100,288)	(24,094)	(25,459)	(233,873)	(48,127)	(282,000)
INCREASE (DECREASE) IN NET POSITION.....	\$ 36,536	\$ 1,473	\$ 9,287	\$ 52,736	\$ (8,926)	\$ 43,810

(Concluded)