



Meeting of the Board of Directors

January 22, 2024 - 1:30 p.m.

THEA Headquarters
1104 E. Twiggs Street
First Floor Board Room
Tampa, FL 33602

For any person who wishes to address the Board, a sign-up sheet is provided at the Board Room entrance. Presentations are limited to three (3) minutes. When addressing the Board, please state your name and address and speak clearly into the microphone. If distributing backup materials, please furnish ten (10) copies for the Authority Board members and staff. Any person who decides to appeal any decisions of the Authority concerning any matter considered at its meeting or public hearing will need a record of the proceedings and, for such purpose, may need to hire a court reporter to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which an appeal is to be based.

I. Call to Order and Pledge of Allegiance

II. Public Input/Public Presentations

III. Consent Agenda

A. Approval of the Minutes from the December 11, 2023, Board Meeting

IV. Discussion/Action Items

A. Planning & Innovation, John Weatherford, Committee Chair – *Bob Frey, Director*

1. Vulnerable Road User Project – Task Work Order - Commsignia and Yunex - \$205,005

Purpose: In November 2023, THEA demonstrated a Vulnerable Road User (VRU) application aimed at improving bicycle and e-scooter (2-wheel devices) safety using a Commsignia “OBU Lite” device. The demonstration showed the following use case:

Forward Collision Warning – The vehicle approaches the bicycle from behind at a fast speed. The bicycle determines if the car is approaching too fast and provides an alert to the cyclist.

Due to the success of the demonstration, a small deployment of a Vulnerable Road User safety application is being proposed. This pilot project will test ten V2X Onboard Units optimized for micro-mobility (OBU Lite) and other V2X equipment at two intersections along Meridian Avenue. Existing THEA

infrastructure (RSUs) will generate and broadcast Basic Safety Messages (BSM) to equipped bicycles, scooters, and cars to alert drivers and riders of potential danger.

Action: Request the Board to authorize the Executive Director to execute task orders with Commsignia and Yunex for \$135,505 and \$69,500 respectively, to deploy and test the Vulnerable Road User CV2X Safety Project.

2. East Selmon Preferred Alternative

Purpose: To evaluate capacity improvements needed along the eastern section of the Selmon Expressway. The East Selmon PD&E Study limits extend approximately ten miles from Brorein Street in downtown Tampa to I-75 near Brandon. Roadway and ramp improvements will be evaluated to address the safety, efficiency, and capacity needs of the Selmon Expressway general lanes and reversible express lanes through the year 2045. It is anticipated that the improvements will primarily be within the existing right-of-way.

Action: Request the Board to accept the Preferred Alternative and direct staff to move forward with Preferred Alternative refinement, coordinating with the FDOT, Hillsborough County, and other Agencies, and public comment and bring it back to the Board for final approval.

3. Emerging Tech Shortlist

Purpose: To procure professional services to provide support to THEA staff for the analysis, design, and deployment of emerging technology to create a functional advantage in operations, safety, and efficiency. The firms selected will be assigned projects based on expertise for specific emerging technology projects as determined by THEA Staff.

Action: Request Board approval to interview the following nine firms and develop a shortlist for Board approval.

Firm
Arcadis U.S., Inc.
CDM Smith, Inc.
Deloitte Consulting
Ernst & Young Infrastructure Advisors, Inc.
HNTB Corporation
Metric Engineering, Inc.
Michael Baker International, Inc.
Southwest Research Institute
The MITRE Corporation

B. Information Technology and Security – Shari Callahan, Director

1. Video Wall Upgrade Project

Purpose: To upgrade technology and enhance the performance of the TMC Video Wall.

Action: Request the Board to:

- a. Approve the recommendation of the evaluation committee.

Firm	Ranking
AVI-SPL LLC	84.67
Parsons Transportation Group, Inc.	83.89

- b. Authorize and direct staff to negotiate and execute a contract with the number one ranked firm. If negotiations are unsuccessful, staff will negotiate with the number two ranked firm. Contract execution is subject to final review and approval of THEA General Counsel.

C. Budget and Finance – Commissioner Cepeda, Committee Chair – Jeff Seward, Director

1. FY23 Financial Statements/Audit Presentation – Rivero, Gordimer and Company

Purpose: To accept the FY23 audited financial statements.

Action: Acceptance of the financial statements, as audited by Rivero, Gordimer & Company, for Fiscal Year 2023.

D. General Counsel – Amy Lettelleir, Esquire

1. Legal Services

Purpose: To provide specialty legal services to the Authority on an as-needed basis, including, but not limited to, local government, cyber security, procurement, labor and employment, real estate, construction law, and litigation.

Action: Request the Board to authorize and direct staff to enter into contracts with the following five firms. Contract execution is subject to final review and approval of THEA General Counsel.

Firm
Bryant Miller Olive
Gray Robinson
Mcfarlane Ferguson & McMullen
Nelson Mullins
Taylor English

V. Staff Reports

- A. Operations & Engineering – *Brian Pickard, P.E., Director*
- B. Toll Operations – *Tim Garrett, Interim Director*
- C. Information Technology & Security – *Shari Callahan, Director*
- D. Strategy, Communications & Community Engagement – *Keisha Boyd, Director*

VI. Executive Reports

- A. Executive Director – *Greg Slater, Executive Director*
 - 1. **Contract Renewals and Expirations**
 - 2. Director’s Report
- B. General Counsel – *Amy Lettelleir*
- C. Chairman – *Vincent Cassidy*
 - 1. **Upcoming Meetings**
 - Committees of the Whole – February 12, 2024
 - Board Meeting – February 26, 2024

VII. Old Business

VIII. New Business

IX. Adjournment

III. A. Approval of Minutes

Tampa-Hillsborough County Expressway Authority
Minutes of the December 11, 2023, Board Meeting
1104 E. Twiggs Street
Tampa, FL 33602

The Tampa-Hillsborough County Expressway Authority held a public meeting at 1:30 p.m. on December 11, 2023, at THEA Headquarters, 1104 E. Twiggs Street in Tampa Florida. The following were present:

ATTENDANCE

Board:

Vincent Cassidy, Chairman
Bennett Barrow, Vice Chairman
John Weatherford, Secretary
FDOT District Secretary David Gwynn, Member
Mayor Jane Castor, Member
Commissioner Donna Cameron Cepeda, Member

Staff:

Greg Slater	Shannon Bush
Amy Lettelleir	Toni Nhlapo
Jeff Seward	Brian Ramirez
Bob Frey	Frederick Pekala
Brian Pickard	Julie Aure
Keisha Boyd	Szabina Szenassy
Shari Callahan	Lisa Pessina
Tim Garrett, HNTB	Anna Quinones
Charlene Varian	
Chaketa Mister	

Others:

Sally Dee, Playbook	Snehal Ambare, CDM Smith
Rick Patterson, Raymond James	John Palsa, Parsons
David Hubbard, Wey Engineering	Russ Wilkins, Middlesex
Jansel Sexto, HDR	Jason Watts, HNTB
Visha Szumouski, Kiewit	Jonathan Tursky, TransCore
William Junkin, BCC Engineering	Alex Bourne, RS&H
Matthew Sansbury, RBC	Joey Roselli, American Structurepoint
Michelle Schofner, Atkins	Chris Jadick, WSP
Len Becker, HNTB	Christina Matthews, WSP
Grant Chungo, Playbook	Sarah Lesch, Playbook

Call to Order and Pledge of Allegiance

Chairman Cassidy called the meeting to order at 1:30 p.m., followed by the Pledge of Allegiance.

I. Public Input/Public Presentations

There were no public comments.

Mr. Slater presented Representative Daniel Alvarez, former THEA Board member, with a U.S. flag encased in a wooden and glass box, as a token of THEA’s appreciation for his years of service to the agency.

II. Consent Agenda

A. Approval of the Minutes from the October 30, 2023, Board of Directors Meeting

B. Approval of Potential Board Member Travel – TEAMFL - \$750

C. Approval of Ongoing Task Work Orders for FY2024

- 1. Clean and Stain REL Project Support, HNTB, \$150,000
- 2. Annual Work Program Development Support, HNTB, \$102,455
- 3. Urban Area Safety Evaluations and Concept Alternatives, WSP/WEY - Concept Designs, Safety Evaluation, and NACTO Standards, \$109,000
- 4. Grant Application Services, WSP, \$67,126
- 5. V2X Grant Application Services, WSP, \$72,200
- 6. RSU Travel Time, Traffic Count, and Speed Functionality, Yunex - \$100,000

Chairman Cassidy requested a motion to approve the consent items. Mr. Barrow moved approval, seconded by Mr. Weatherford.

The motion passed unanimously.

III. Discussion/Action Items

A. Planning & Innovation, John Weatherford, Committee – Bob Frey, Director

1. Completion of Revisions to Whiting PD&E Preferred Alternative, Lochner

Mr. Frey provided an update on the completion of the revisions to the Whiting PD&E noting that, with the new preferred alternative, THEA will need an extension of the PD&E contract with H.W. Lochner, as well as an additional \$285,635 from the capital budget. The remaining work includes completion of the revisions to the preferred alternative, additional public involvement, updating the Project Environmental Impact Report (PEIR) and supporting reports, and ongoing coordination culminating in a Board presentation.

The requested action is for Board approval to execute a task order for H.W. Lochner to perform the remaining tasks to complete the Whiting PD&E Study with a revised preferred alternative in the amount not to exceed \$285,635.

Chairman Cassidy requested a motion. Mr. Barrow moved approval, seconded by Mr. Weatherford.

The Chairman asked Mayor Castor if she agreed with where we are on the PD&E. She responded in the affirmative.

The motion passed unanimously.

2. US 301 Design Traffic Analysis, WSP

Mr. Frey presented an update on the US 301 design traffic analysis, noting that before beginning the NEPA-level PD&E, THEA is completing preliminary work to assist in determining project needs. As part of this preliminary work, it is necessary to collect data and determine existing and future traffic, operational changes, and safety associated with US 301. This will include traffic operational analysis, traffic forecasting, historical and predictive safety evaluation, conceptual design, planning level cost estimation, and coordination support efforts.

The requested action is for Board approval to execute a task order with WSP for the US 301 Design Traffic Analysis in the amount not to exceed \$418,624 from the capital budget.

Chairman Cassidy requested a motion. Mr. Barrow moved approval, seconded by Mr. Weatherford.

Chairman Cassidy asked about the timeline of the output for this task. Mr. Frey noted that Planning will bring the results back to the Board in six months.

Mr. Weatherford asked if we know what the potential savings would be for doing a project like this.

Mr. Frey explained that THEA is only looking at the project's viability at this point.

Mr. Slater added that the county is updating its community plans in the southern part of Hillsborough County to make them consistent with the extension of the expressway. We do not want to delay - we want to go ahead and move forward with the traffic analysis, see what the options are, and bring those back to the Board. That way, once the plans are updated, we will be ready to go.

The motion passed unanimously.

B. Operations & Engineering, Bennett Barrow, Committee Chair – Brian Pickard, P.E., Director

1. Inspection Services – Selmon West Extension, Ferrovial Services Infrastructure, NKA Webber Infrastructure Management

Mr. Pickard presented a task order for Ferrovial Services Infrastructure, NKA Webber Infrastructure Management, to inspect the tendons on the Selmon West Extension. He explained that this is a follow-up to the work that was done in 2022.

The requested action is for the Board to authorize the Executive Director to execute a task order with Ferrovial Services Infrastructure, NKA Webber Infrastructure Management, to inspect the tendons on the Selmon West Extension for \$145,833 from the operations and maintenance budget.

Chairman Cassidy requested a motion. Mr. Barrow moved approval, seconded by Mr. Weatherford.

The motion passed unanimously.

2. Change Order to Contract No. 0-02520 with The Middlesex Corporation for Designing and Building the East Selmon Slip Ramps

Mr. Pickard presented a request to reimburse Middlesex for extra work, which includes material escalation costs, Hurricane Idalia response, contract adjustments for fuel and bituminous spread rate and material quality, extra work related to gate and sign control, extra drainage work, and a credit for reduction of work.

The requested action is for the Board to authorize the Executive Director to execute a purchase order with The Middlesex Corporation for \$784,675 from the capital budget, for material escalation costs, Hurricane Idalia response, contract adjustments for fuel and bituminous spread rate, and material quality, extra work related to gate and sign control, extra drainage work, and a credit for reduction of work not covered in the scope of the original RFP.

Chairman Cassidy requested a motion. Mr. Weatherford moved approval, seconded by Mr. Barrow.

Mr. Slater pointed out that the original contract bid amount was \$23,988,000 and we are going to end at \$26,000,000 – about \$1M of that is from the anticipated pipework that we knew was going to come in after the bid and was not included in the original bid. The \$700,000 - \$800,000 additional was for material escalation – we honor the agreement that the FDOT Chief Engineer makes with the industry. That leaves us with \$200,000 to \$300,000 of unanticipated costs. That is a well-delivered project.

Mr. Barrow asked what the top material escalation costs were. Mr. Pickard noted it was mostly steel, beams, and drainage materials.

The motion passed unanimously.

3. I-4 FRAME Construction, Engineering, and Inspection (CEI) Consor

Next, Mr. Pickard presented a request to procure the services of a CEI consultant to perform field engineering and testing for the contract work called for in the I-4 Frame Project being designed by KCI. Consor Engineering was selected previously (August 26, 2019, Board meeting) for task-driven contracts for minor design and CEI projects.

The requested action is for the Board to authorize the Executive Director to execute a purchase order with Consor Engineering for \$497,807 to provide CEI services for the I-4 Frame.

Chairman Cassidy requested a motion. Mr. Barrow moved approval, seconded by Mr. Weatherford.

The motion passed unanimously.

4. GEC (HNTB) Assistance in Evaluating Risk Items from South Selmon Capacity Procurement

Mr. Pickard then presented an item to utilize the GEC (HNTB) and their sub-consultants to assist THEA staff in identifying the capacity of foundations, bridge decks, pile lengths, noise wall options, and utility coordination before the next phase of the South Selmon Capacity procurement. This will significantly reduce the risk the upcoming project contractor will incorporate into their price.

The requested action is for the Board to authorize the Executive Director to execute a task order with HNTB to provide GEC support during FY24 to evaluate and reduce risk items for the upcoming South Selmon Capacity Project from Himes Avenue to the Hillsborough River in an amount not to exceed \$1,092,620 from the capital budget.

Chairman Cassidy requested a motion. Mr. Weatherford moved approval, seconded by Mr. Barrow.

The Chairman commented that it was his understanding that the dollars being spent on this project, the multitude we expect to save is considerable. Mr. Slater concurred, noting that gives them much more of a known quantity when they are bidding. He asked Mr. Pickard what he estimated the return to be on this. Mr. Picard estimated a 5:1 return (reduction in contract costs).

The motion passed unanimously.

5. Assistance in Evaluating Risk Items from South Selmon Capacity Procurement – Consor Engineering

Finally, Mr. Pickard presented a request to utilize Consor Engineering and their sub-consultants to assist THEA staff in identifying pavement condition, cross slope corrections required, drainage modeling, and advanced stormwater permitting requirements and mitigation in preparation for the next phase of the South Selmon Capacity procurement. This, too, will significantly reduce the risk that the upcoming South Selmon Capacity Project contractor will incorporate into their price. Consor Engineering was previously selected during the August 26, 2019, Board meeting, for task-driven contracts for minor design and CEI projects.

The requested action is for the Board to authorize the Executive Director to execute a task order with Consor Engineering to provide support during FY24 in evaluating and reducing risk items for the upcoming South Selmon Capacity Project from Himes Avenue to the Hillsborough River in an amount not to exceed \$496,722 from the capital budget.

Chairman Cassidy requested a motion. Mr. Weatherford moved approval, seconded by Mr. Barrow.

The motion passed unanimously.

IV. Staff Reports

A. **Planning & Innovation** – *Bob Frey, Director*

Mr. Frey reported on the initial impacts of the East Selmon Slip Ramp project, noting that the preliminary traffic count data shows approximately 875 vehicles entering per hour on inbound on ramp 3 and approximately 450 at outbound ramp 2 during peak a.m. hours. This translates to about 300 fewer vehicles exiting the REL during peak hours.

Mr. Frey then reported on the average speeds and congestion between US 301 and 78th street, noting that the average speed on local lanes has improved, as well as improved user capacity on the REL.

Chairman Cassidy asked if we are getting any backup traffic on the slip lanes. Mr. Frey reported that the ramps are helping at the I-4 connector area where vehicles are entering the Expressway. The real impact of the length of the queue at Twiggs is we are noticing an improvement in the right-turn backups as they appear to be better, but we have not yet done an analysis to verify

Mr. Slater added that before the slip ramps were installed, we saw congestion at 301/Faulkenburg Road from vehicles trying to get on the REL. Now, they can get on the REL and bypass the congestion. He noted that the most significant piece is the right turn at the end of the REL in Downtown Tampa at Twiggs still backs up, but not as much as it did before the slip ramps, and it seems to dissipate much faster. The data shows 300 vehicles coming downtown – so that is 300 fewer cars that are not navigating downtown and are staying on the Expressway just in that morning peak hour.

Mayor Castor asked if the staff had any updates on the MacDill AFB passes. Mr. Slater explained that THEA is interested in replicating the State's program, which is more beneficial to both MacDill and THEA and we are working on getting something in place.

Chairman Cassidy asked if MacDill is at capacity and if everyone has returned to in-person duty. Mayor Castor reported that they are fully activated. Mr. Slater added that the patterns are changing with hybrid work arrangements.

B. **Strategy, Communications & Community Engagement**– *Keisha Boyd, Director*

Ms. Boyd gave an update on THEA in the media, noting twenty-five media mentions with a reach of 1,403,229. Most of these were due to the opening of the slip ramps. She added that THEA's slip ramp video had more than 24,000 views and a reach of 110,000.

Finally, she reported that THEA is wrapping up its 60-year celebration and will continue to be involved and engaged in the community.

Chairman Cassidy asked when the Marketing and Communications Board Workshop will be held. Mr. Slater noted that planning is in progress.

C. Operations & Engineering – *Brian Pickard, P.E., Director*

Mr. Pickard reported that the railroad track removal project is underway. The present contract amount with Kimmins is \$2,710,650 and so far, they have earned 25% of the contract. Project completion remains April 2024. Utilized contract time is at 36%.

D. Toll Operations – *Tim Garrett, Interim Director*

Mr. Garrett reported toll operations statistics for November. The weekly average transactions for November were 1,254,937, noting that the year-to-year increase is nominally 7%. He then showed the increases in the average weekday transactions across the various plazas. He pointed out that in November, the greatest increase was at the REL, likely due to the opening of the slip ramps. Mr. Garrett noted that overall, there was a year-over-year weekday transaction volume increase of 7.6%.

Finally, Mr. Garrett reviewed the toll operations activities for November, which show 6,274,685 total transactions were processed, with 69% being transponder transactions and 31% Toll-by-Plate.

E. IT & Security – *Shari Callahan, Director*

Ms. Callahan provided an update on the employee cyber security training program THEA has implemented over the past twelve months. First, we did a review to determine THEA users' existing knowledge. We conducted some training and testing, and the response was amazing. We collected enough data to design a program to meet our users' needs. We used different aspects of several different programs to empower our users and change the culture. Along with the training we have added features to outlook, such as the PAB button, which allows users to report phishing emails with the click of a button. IT reviews and if it is phishing or spam, the email is destroyed. If it is an actual email, it is returned to the user. We have also enhanced spam protection and encryption and follow up on all of this with tests and quizzes.

Ms. Callahan reported that five hundred phishing emails were reported in a 30-day period. She reviewed the Security Culture Survey Scores, pointing out that we started out around 30-40 and we are now up to 70-80.

Mr. Weatherford commented that with the PAB flagging and the blocking of these emails, the numbers should get smaller. Ms. Callahan pointed out that it should, but that the scammers just change the IP or the email address.

V. Executive Reports

A. Executive Director – *Greg Slater, Executive Director*

1. Contract Renewals and Expirations

Mr. Slater reported on nine contracts, four are up for renewal and consist of contracts with Aptim Environmental & Infrastructure; Arthur J. Gallagher & Co.; and Atkins Global. Another five are expiring, which include A-Stellar Property Maintenance & Landscaping; Evolve; Ferrovia Services Infrastructure; Handex; and Public Trust Advisors. See attached.

Mr. Cassidy mentioned that the contract dates do not reflect that THEA may have been working with a firm/contractor for twenty years. He suggested adding “original” contract date so the Board could see how long we have been doing business with them.

Mr. Slater pointed out that many of these contracts are with companies that THEA has been doing business with for decades, but they have won two or three different procurements along the way. The 3+1+1 allows us to rebid every five years.

Ms. Lettelleir added that the contract length – 3+1+1 is the maximum contract length.

2. Director’s Report

Mr. Slater reported that at the end of November, THEA staff came together for a six-hour Success Management Workshop to develop a plan to meet our goals relative to the South Selmon Capacity Project. We want to:

1. Get answers to all the analysis for all the foundational questions before putting something out on the street.
2. Move forward with a more flexible solicitation.

This should give us a better structure for today’s market with our budgetary limitations.

Mr. Slater did a quick review of 2023 highlighting the Strategic Blueprint. THEA has a new ITS Master Plan, new Greenway Master Plan, Work Program, and Budget, all of which align with the Strategic Blueprint.

He noted that THEA was one of a small group of special districts across the state that ended the year with 100% compliance with the Florida Transportation Commission’s performance measures. We will close out the year at 2.47 in debt service; our video backlog is down to 5.2 days; congested transactions are at 3.3%; growth areas for next year are around reducing the video toll coverage; and our roadside MRP is around 88%.

Chairman Cassidy asked about the 31% video transactions and whether we could identify what percent of those are vehicles with transponders with technology in the windshield that prevents the transaction from going through.

Mr. Garrett explained that Turnpike maintains a list of vehicles with problematic windshields. With that said, we have recently investigated an instance with a team member who has a transponder but was receiving image-based tolls. We looked at both that particular toll site as well as his vehicle. The transponder was swapped out and it improved, but this is one of the measures we are going to use when we are looking at our SunPass rate. We are also going to look at targeted markets to continuous toll-by-plate customers. They can pay a lot less in tolls if they have a transponder.

Mr. Cassidy noted that as car manufacturing technology evolves it could make collecting a little bit more difficult. Mr. Garrett agreed and discussed options, adding that this is something we will be looking into.

B. General Counsel – Amy Lettelleir

No report.

C. Chairman – Vincent Cassidy

1. Upcoming Meetings

- Committees of the Whole – January 8, 2024 - *Cancelled*
- Board Meeting – January 22, 2024

VI. Old Business

No old business.

VII. New Business

No new business.

VIII. Adjournment

The meeting was adjourned at 2:18 p.m.

APPROVED: _____

Chairman: Vincent Cassidy

ATTEST: _____

Vice Chairman: Bennett Barrow

DATED THIS 22nd DAY OF January 2024.

Contract Renewal & Expiration Report (>\$30,000)

Project Manager	Firm	Description of Services	Contract Effective Date	Contract Expiration Date	Term of Contract (Years)	Bid / Renew / End
Brian	A-Stellar Property Maintenance & Landscaping, Inc.	Maintenance and Landscaping Services	7/1/2017	6/30/2024		Expires
Brian	Aptim Environmental & Infrastructure, LLC	Environmental Advisory Services	5/7/2019	5/6/2024	3-yr, 2 Optional 1 yr Renewals	Renew (2nd one-year renewal ~ 5/7/24 - 5/7/25)
Amy	Arthur J. Gallagher & Co.	Insurance Broker Services	6/4/2021	6/3/2024	3-yr, 2 Optional 1 yr Renewals	Renew (1st one-year renewal ~ 6/4/24 - 6/3/25)
Bob	Atkins Global	Misc. Trail, Parks & Community Enhancement Services	5/20/2021	5/20/2024	3-yr, 2 Optional 1 yr Renewals	Renew (1st one-year renewal ~ 5/20/24 - 5/20/25)
Amy	Bryant Miller Olive P.A	Disclosure Counsel	5/5/2020	5/4/2024	3-yr, 2 Optional 1 yr Renewals	Renew (1st one-year renewal ~ 5/5/24 - 5/4/25)
Bob	Evolve	Misc. Emerging Technology Services	6/27/2019	6/26/2024		Expires
Brian	Ferrovia Services Infrastructure, Inc. NKA Webber Infrastructure Management, Inc.	Asset Management Services	7/1/2017	6/30/2024		Expires
Brian	Handex	Environmental Advisory Services	5/19/2019	5/19/2024		Expires
Jeff	Public Trust Advisors	Investment Advisory Services	5/19/2019	5/1/2024		Expires

IV. A. 1. Vulnerable Road User Project



Account Name TAMPA HILLSBOROUGH COUNTY
EXPRESSWAY AUTHORITY
Contact Name Bob Frey
Email bobf@tampa-xway.com

Quote Number 00001043_1
Created Date 12/01/2024
Expiration Date 29/02/2024
Payment term Advanced payment
Prepared by László Kaufmann
Contact email laszlo.kaufmann@commsignia.com

Bill to:

TAMPA HILLSBOROUGH COUNTY
EXPRESSWAY AUTHORITY
1104 E TWIGGS ST STE 300
TAMPA FL 33602-3103

Ship to:

TAMPA HILLSBOROUGH COUNTY
EXPRESSWAY AUTHORITY
1104 E TWIGGS ST STE 300
TAMPA FL 33602-3103

Products

Product Name	Product code	QTY.	Unit price	Total price
Commsignia Road Side Unit (RS4)	ITS-RS4-M ver:D-W-C495-BL5-S-SGLB	5	USD 2,900.00	USD 14,500.00
RSU Antenna kit	ANT-ITS-RS4-M ver:D-W-C-B	5	USD 399.00	USD 1,995.00
PoE injector for ITS-RS4-M devices (all variant)	ADDON-POEI	5	USD 100.00	USD 500.00
Commsignia WAVE/DSRC V2X Software Stack and Security Stack License for DSRC and C-V2X with RSU 4.1 support	SW-V2X-SS-WAVE-msD-2018-RSU	5	USD 900.00	USD 4,500.00
E-SCMS Enrollment for each device	E-SCMS	5	USD 320.00	USD 1,600.00
OBU Lite	OBU-Lite-SPL-B	10	USD 4,000.00	USD 40,000.00
SW Foresight tool License	SW-TOOL-FORS	10	USD 1,200.00	USD 12,000.00
On-site support (1 day)	SRV-SUPPORT-ONSITE	5	USD 2,400.00	USD 12,000.00
Additional support engineer hour	COMM-ENG-FEE-H	40	USD 200.00	USD 8,000.00
V2X Training on-site	SRV-TRAINING	1	USD 12,000.00	USD 12,000.00
Commsignia Device and Data Manager Platform	SW-CDDM-PLATFORM	5	USD 380.00	USD 1,900.00
Commsignia Central - Setup service	SW-CENTRAL-INIT	1	USD 20,000.00	USD 20,000.00
Commsignia Standard Support (monthly)	COMM-SP-STD	6	USD 960.00	USD 5,760.00
Shipping Fee	SHIPPING	1	USD 750.00	USD 750.00



Find detailed product description below.

Subtotal	USD 135,505.00
Tax	USD 0.00
Total	USD 135,505.00

Product descriptions

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 Commsignia Road Side Unit (RS4)
 =====

ITS-RS4-M ver:D-W-C495-BL5-S-SGLB
 "Commsignia Road Side Unit (RSU)

Designed for Cooperative ITS deployment, the fourth generation ITS-RS4 from Commsignia is the ultimate dual V2X communication solution (Both DSRC/ETSI-G5 and C-V2X) for roadside applications. The platform combines a high-performance application with V2X software stack (sold separately) and radio (DSRC/ETSI-G5 and C-V2X/PC5). Enhanced security solutions, IP67 enclosure and Industrial grade design offers a professional solution for equipment operators and makes TMC integration easy and secure.

- * NXP i.MX6 quadcore 792 MHz CPU
- * 2 GB DDR3 SDRAM
- * 4 GB eMMC
- * 100/100 Mbps Ethernet (RJ45, PoE)
- * Dual USB 2.0 (USB-A female, INTERNAL, restrictions are applied)
- * 5x isolated inputs, 3x isolated MOSFET outputs (2x8 pos. microFit, INTERNAL, restrictions are applied)
- * Female N antenna connectors
- * Power over Ethernet - 802.11at support
- * Autotalks Secton IEEE 802.11p radio
- * Qualcomm 9150 C-V2X radio
- * Hardware Security Module (HSM) – Autotalks Secton integrated
- * ECDSA verification, encryption – Autotalks Secton integrated
- * GPS, GLONASS, Galileo and QZSS
- * Bicolor status LED, Green power LED

Hardened manufacturing

Security hardened manufacturing is a prerequisite for security enrollment in different SCMS systems. Secured manufacturing blocks any kind of software modifications and installing any 3rd-party software on the units. 3rd-party software can be used on a separate host only (connecting via TCP/IP using the V2X Software Stack SDK and API).

- * Wi-Fi interface: IEEE 802.11 b/g/n
- * Cellular interface: GPRS/EDGE/WCDMA/HSPA+/ LTE (nano SIM)
- * Bluetooth 5.0
- * Backup power (super cap) gives about 10 second for graceful shutdown in case of power outage
- * NEMA4X - IP67, vibration proof, waterproof outdoor enclosure

Compatible antenna kit(s): ANT-ITS-RS4-M ver:D-W-C-B

Accessories included:

- *1x UTP patch cable, 1 m - U/UTP5-CCA-10BK
- *1x Black cable gland for UTP cable
- *1x RSU mounting bracket"

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RSU Antenna kit
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ANT-ITS-RS4-M ver:D-W-C-B

"Antenna kit

Antenna kit for the following variants of ITS-RS4-M : ITS-RS4-M ver:D-C495-BL5-S-SGLB

- * 2x Outdoor IP67/NEMA6 DSRC Urban Antenna 5795~5925MHz 7.6dBi N Plug
- * Frequency / Peak Gain: 5795~5925MHz 7.6dBi
- * Polarization: Linear, Vertical
- * Output Impedance: 50 Ohms
- * Antenna Connector: N Plug
- * Efficiency: 75% min
- * VSWR: 2.0 max:1
- * Power Handling: 2W (cw)
- * Certification: IP67
- * 2x Outdoor IP67/NEMA6 C-V2X Urban Antenna 5795~5925MHz 7.6dBi N Plug
- * Frequency / Peak Gain: 5795~5925MHz 7.6dBi
- * Polarization: Linear, Vertical
- * Output Impedance: 50 Ohms
- * Antenna Connector: N Plug
- * Efficiency: 75% min
- * VSWR: 2.0 max:1
- * Power Handling: 2W (cw)
- * Certification: IP67
- * Outdoor IP67/NEMA6 GPS/GNSS Antenna 1575.42~1602MHz 28.2±3dBic/28.1±3dBic N Plug
- * Frequency / Peak Gain: 1575.42~1602MHz 28.2±3dBic/28.1±3dBic
- * Output Impedance: 50 Ohms
- * Antenna Connector: N Plug
- * VSWR: 2.0 max:1
- * Dimensions: (ODxH mm) 64x55
- * Certification: IP67
- * Outdoor IP67/NEMA6 WiFi Antenna 2400~2500MHz (2.4GHz) 4dBi 5150~5875MHz (5GHz) 6dBi N Plug
- * Frequency / Peak Gain: 2400~2500MHz (2.4GHz) 4dBi 5150~5875MHz (5GHz) 6dBi
- * Polarization: Linear, Vertical
- * Output Impedance: 50 Ohms
- * Antenna Connector: N Plug
- * Efficiency: 65% min / 60% min
- * VSWR: 2.0 max:1
- * Power Handling: 2W (cw)
- * Certification: IP67
- * Outdoor IP67/NEMA6 4G (LTE) Antenna 698~960MHz 1.5dBi 1710~2170MHz 4.0dBi 2300~2690MHz 4.0dBi N Plug
- * Frequency / Peak Gain: 698~960MHz 1.5dBi 1710~2170MHz 4.0dBi 2300~2690MHz 4.0dBi
- * Polarization: Linear, Vertical
- * Output Impedance: 50 Ohms
- * Antenna Connector: N Plug
- * Efficiency: 33% - 60% / 52% - 70% / 40% - 50%
- * VSWR: 4.0 max:1
- * Power Handling: 2W (cw)
- * Weight: 60.5g
- * Dimensions: (LxW mm) 178x22

- * Certification: IP67
- * Outdoor IP67/NEMA6 Bluetooth Antenna 2400~2500MHz (2.4GHz) 4dBi 5150~5875MHz (5GHz) 6dBi N Plug
- * Frequency / Peak Gain: 2400~2500MHz (2.4GHz) 4dBi 5150~5875MHz (5GHz) 6dBi
- * Polarization: Linear, Vertical
- * Output Impedance: 50 Ohms
- * Antenna Connector: N Plug
- * Efficiency: 65% min / 60% min
- * VSWR: 2.0 max:1
- * Power Handling: 2W (cw)
- * Certification: IP67"

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Commsignia WAVE/DSRC V2X Software Stack and Security Stack License for DSRC and C-V2X with RSU 4.1 support

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SW-V2X-SS-WAVE-msD-2018-RSU

Commsignia V2X Software

Complete WAVE/DSRC V2X Software Stack and Security Stack both for DSRC and C-V2X:

- * IEEE 1609.2-2016 (IEEE Standard for Wireless Access in Vehicular Environments - Security Services for Applications and Management Messages)
- * IEEE 1609.2a-2017 (IEEE Standard for Wireless Access in Vehicular Environments - Security Services for Applications and Management Messages - Amendment 1)
- * IEEE 1609.3-2016 (IEEE Standard for Wireless Access in Vehicular Environments (WAVE) - Networking Services)
- * IEEE 1609.4-2016 (IEEE Standard for Wireless Access in Vehicular Environments (WAVE) - Multi-Channel Operation)
- * IEEE 1609.12-2016 (IEEE Standard for Wireless Access in Vehicular Environments (WAVE) - Identifier Allocations)
- * SAE J2735-202007 (Dedicated Short Range Communications (DSRC) Message Set Dictionary)
- * SAE J3067-201408 (Candidate Improvements to Dedicated Short Range Communications (DSRC) Message Set Dictionary [SAE J2735] Using Systems Engineering Methods)
- * SAE J2945/1-201603 (On-Board System Requirements for V2V Safety Communications)

Note: In case of DSRC/G5 - C-V2X dual mode devices, concurrent G5, and C-V2X concurrent operation is not supported

WAVE/DSRC V2X Software Stack extension providing FHWA RSU 4.1 support

- * Store and Repeat
- * Immediate Forward
- * Data Logging
- * SNMP and selected SNMP MIBs
- * Management and operations functionalities
- * WSA management

Commsignia Cooperative Filtering and Aggregation (CFF):

- * Collecting and storing V2X messages
- * Manage V2X message life-cycle
- * Abstract object space
- * Common calculations
- * Region independent representation (EU/US/Asia)
- * Object classification and relation management
- * Classification and relation-based filtering
- * Multi-host support

V2X Software Development Kit (SDK) and APIs. Linux x86_64 (C programming language) to the stack via TCP/IP.

- * Facility notification API
- * LDM notification API
- * Facility message triggering, updating, terminating API



- * Network sockets for GeoNetworking / WSMP
- * Security API for managing certificates and other features
- * Development and Debug API for various features (inject, debug, logging, positioning source, profiling)

Application Notification API Source Code Development (SDK). Linux x86_64 (C++ programming language) version connecting to Commsignia CFF.

- * Abstract, region-independent objects, such as a vehicle, pedestrian, intersection, traffic info
- * Asynchronous notification interface with pre-defined 100 ms sampling rate including objects and application alerts

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On-site support (1 day)
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SRV-SUPPORT-ONSITE
On-site support
One day on-site support with one Commsignia Engineer.

Price does not include travel and accommodation.

Minimum quantity: two days

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Commsignia Standard Support (monthly)
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COMM-SP-STD
Maximum response time for Severity Level 1 issues:24-hours
Technical support coverage (product level based): "Mon-Fi, 9 am - 5 pm CET
Mon-Fri 9 am - 5 pm US EST (for USA partners)"
Maximum non charged support engineer hours per month: 8

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Shipping Fee
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SHIPPING
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SW Foresight tool License
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SW-TOOL-FORS
Foresight tool license

Foresight is an Android application that is used to visualize and query CFF Entities and Notifications through a CFF API connection, by populating a map with visual markers, that represent entities and their connections in real time. It is intended to be used for quickly evaluating CFF applications or for demonstration purposes.

- * Live map showing tracked entities as well as tracks, lanes and intersections
- * Real time notifications, categorized by entity
- * Server list that's easy to maintain using labels for each connected device
- * Full compatibility with the Commsignia software stack and safety applications

- * Flexible map configurations with selectable layers and data sources
- * A wide range of compatible devices. Foresight is designed to run on any phone or tablet with Android 5.0 or later software
- * An easy to use and quickly configurable tool for testing and demonstration purposes

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OBU Lite
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OBU-Lite-SPL-B
OBU Lite - HW Sample B

The first generation of Commsignia's vehicular connectivity system offers superior performance coupled with V2X Software stack (sold separately). Commsignia OBU Lite offers automotive-grade performance and security for bicycles and other micromobility vehicles. The OBU Lite builds on the success of the OB4 hardware unit and the Commsignia V2X Stack used by automotive OEMs and urban fleets worldwide. The OBU Lite's high-performance application CPU offers a complete solution for bicycle and micromobility OEMs.

The unit provides low-cost and easy OEM / aftermarket integration, offering built in Hardware Security Module, CAN-FD, BLE, Wifi, USB, GPIO interfaces, high range V2X radio and easy HMI integration. By combining the benefits of automotive grade design, high performance application CPU. The OBU Lite provides V2X radio utilizing both DSRC/ETSI-G5 and C-V2X (PC5).

- * Dual-core ARM Cortex-A7 both running at 600 MHz
- * 2 Gb DDR3 SDRAM
- * 4 Gb eMMC
- * 1x slave USB2.0 wired interface
- * 1x open-drain MOSFET output
- * 1x CAN-FD wired interface
- * multi-band, built-in GNSS receiver for precision positioning
- * onboard Wifi/BT/BLE wireless interface
- * ON/OFF switch button
- * integrated, loud buzzer

Antennas:

- * Integrated: 1x V2X, 1x flex WiFi/BT/BLE, 1x dual-band (L1&L5) GNSS

Connector:

- * Single interface connector including:
DC power supply (input: 8-55V)
USB 2.0
CAN-FD
Wheel-tick input for GNSS dead-reckoning
switched Output
Switch ON/OFF interface

V2X Radio:

- * Autotalks Craton2 - supporting IEEE 802.11p and C-V2X (PC5) radio

High-Precision GNSS module features:

- * L1 & L5 multi-band
- * Featuring dead-reckoning (DR) optimized for two-wheelers
- * Capable of utilizing wheel-tick inputs
- * supports RTK position correction
- * supports multiple constellation: GPS, GLONASS, Galileo and QZSS

HMI integrated:

- * Integrated buzzer – for sound notification

Security:

- * Embedded HSM – integrated in Autotalks Craton2 chipset
- * ECDSA verification, encryption – integrated in Autotalks Craton2 chipset

Wireless interface:

- * Combined Wi-Fi/BT/BLE
- Wi-fi, 802.11a/b/g/n/ac**
- BT 5.0 BR/EDR
- BLE 5.0

Environmental:

- * Storage & Operating temperature range: -40 C° - +60 C°

Accessories included:

- * 1x M12 single cable assembly providing power and data access to the unit from an external battery or external platform:
cable P/N: OBU-LITE-CABLE-001
- * 1x handlebar mounting console (mechanically compatible with iGPSPORT bike computers)

Hardened manufacturing

- * Security hardened manufacturing is a prerequisite for security enrollment in different SCMS systems. Secured manufacturing blocks any kind of software modifications and installing any 3rd-party software on the units. 3rd-party software can be used on a separate host only (connecting via TCP/IP using the V2X Software Stack SDK and API).

Internal antenna board features:

- * Integrated dual-band (L1 & L5) dual-feed GNSS active antenna
- * Integrated V2X patch antenna

[ADDON-ITS-OBU-LITE-HMI]

- * License only for the Foresight Tool – for visual and sound notification

[OBU-LITE-SW-R2.1]

Commsignia V2X Software License

Complete ETSI V2X Software Stack and Security Stack License both for G5 and C-V2X:

- * ETSI EN 302 663-V1.2.1 (Access layer specification for Intelligent Transport Systems operating in the 5 GHz frequency band)
- * ETSI TS 103 613 V1.1.1 (Access layer specification for Intelligent Transport Systems using LTE Vehicle to everything communication in the 5,9 GHz frequency band)
- * ETSI EN 302 636-4-1-V1.3.1 (GeoNetworking; Geographical addressing and forwarding for point-to-point and point-to-multipoint communications; Media-Independent Functionality)
- * ETSI EN 302 636-5-1-V2.1.1 (GeoNetworking; Transport Protocols; Basic Transport Protocol)
- * ETSI TS 103 097-V1.3.1 (Security; Security header and certificate formats)
- * ETSI TS 102 941-V1.3.1 (Security; Trust and Privacy Management)
- * ETSI EN 302 637-2-V1.4.0 (Basic Set of Applications; Specification of Cooperative Awareness Basic Service)
- * ETSI EN 302 637-3-V1.3.0 (Basic Set of Applications; Specifications of Decentralized Environmental Notification Basic Service)
- * ETSI TS 102 894-2-V1.3.1 (Users and applications requirements; Applications and facilities layer common data dictionary)
- * ETSI TS 103 301-V1.2.1 (Basic Set of Applications; Facilities layer protocols and communication requirements for infrastructure services)
- * CEN ISO TS 19321-2015 (Cooperative ITS - Dictionary of in-vehicle information (IVI) data structures)
- * CEN ISO TS 19091-2017 (Cooperative ITS - Using V2I and I2V communications for applications related to signalized intersections)
- * ISO 14823-2017 (Graphic data dictionary)
- * SAE J2735-201509 (Dedicated Short Range Communications (DSRC) Message Set Dictionary)

Note: In case of DSRC/G5 - C-V2X dual mode devices, concurrent G5 and C-V2X concurrent operation is not supported

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- * Manage V2X message life-cycle
- * Abstract object space
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- * LDM notification API
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- * Abstract, region-independent objects, such as vehicle, pedestrian, intersection, traffic info
- * Asynchronous notification interface with pre-defined 100 ms sampling rate including objects and application alerts

[SW-APP-CFF-2019]

Commsignia Applications License bundled with the SW stack

Vehicle to Micromobility vehicle (OBU<>OBU) Safety Applications package. Fully functional V2X safety applications for evaluation and demo purposes supporting the following use-cases:

- * FCW (Forward Collision Warning) - for ETSI & WAVE stack
- * IMA (Intersection Movement Assist) - for ETSI & WAVE stack
- * BSW (Blind Spot Warning) - for ETSI & WAVE stack
- * CTW (Combined Turn Warning) incl. LTA (Left-turn Assist), RTA (Right-turn Assist) - for ETSI & WAVE stack
- * SMVA (Slow Moving Vehicle Ahead) – for ETSI & WAVE stack
- * TWS (Turn Warning with Standing Car) – for ETSI & WAVE stack

[SW-TOOL-FORS]

Foresight Tool License

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- * Server list that's easy to maintain using labels for each connected device
- * Full compatibility with the Commsignia software stack and safety applications
- * Flexible map configurations with selectable layers and data sources
- * A wide range of compatible devices. Foresight is designed to run on any phone or tablet with Android 5.0 or later software
- * An easy to use and quickly configurable tool for testing and demonstration purposes



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SRV-TRAINING
Two-day on-site V2X Training.
V2X technology introduction and Commsignia product briefing. For one region only.

Price does not include travel and accommodation.

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Additional support engineer hour

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COMM-ENG-FEE-H
Additional hours on top of the purchased monthly support hours

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E-SCMS Enrollment for each device

E-SCMS
Enrollment in the SCMS system for each device

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PoE injector for ITS-RS4-M devices (all variant)

ADDON-POEI
"PoE injector for ITS-RS4-M devices
* 1pc PoE power injector compliant with IEEE802.3af/at - PR_PT-PSE105G-AC
* 1pc AC cable 1.5m long (wire end and plug end) based on the region (EU/US)
* 1 pc of UTP patch cable, 1 m - U/UTP5-CCA-10BK"

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Commsignia Central - Setup service

SW-CENTRAL-INIT
"Commsignia Central - Setup service

Professional service provided by Commsignia to assist with the installation of Commsignia Central in the desired server environment. Consultation about network topologies, routing strategies, firewall settings with local IT department is also included.
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Commsignia Device and Data Manager Platform

SW-CDDM-PLATFORM
Commsignia Device and Data Manager Platform is a central system for V2X communication devices. The system manages the device basic configuration, software, operation and connected vehicle communication data and sensor information on the infrastructure side.

Per year, per device

- * User management
- * Overview of connected V2X devices
- * Monitoring device operation
- * Alerts and notification
- * V2X message deployment

TERMS AND CONDITIONS

TERMS AND CONDITIONS

1) Purchase order shall contain a reference to the Quote number indicated. No general conditions of the Customer – even if indicated on the accepted Purchase Order – is considered applicable to the supply or performance of products or services based on this quote without the express written consent of Commsignia. Such general terms and conditions will be disregarded by both parties and deemed not to be applicable.

2) LEAD TIME; SHIPMENT: Lead time is 8-12 weeks for the current package from the date of officially accepted purchase order. Please note that lead times for larger quantities (different from what is included in the current Quote) need to be agreed separately.

Physical (e.g. hardware type) products will be shipped according to the office location of the Commsignia entity as set out below.

- In case United States of America based customer's purchase orders for quotes issued by Commsignia, Inc., products will be shipped under INCOTERMS DDP (Delivery Duty Paid).
- In case of Quotes issued by Commsignia Ltd., or Quotes issued by Commsignia, Inc. to non-USA customers, products will be shipped under INCOTERMS FCA (Free Carrier) from Budapest, Hungary

Products will be shipped via an established courier organization such as FedEx or DHL. Commsignia disclaims all liability for any losses due to courier actions or omissions.

Physical shipments are not insured, however if requested, Commsignia insures shipments with the couriers. Costs of insurance are to be borne by Customer, will be invoiced or added to the Purchase Order amount.

Software is provided under INCOTERMS EXW (Exworks) from Budapest, Hungary. Software is delivered electronically. For Standalone Software Commsignia may at its sole discretion impose digital rights management and licensing processes to be followed by Customer. Commsignia licenses the necessary specialized software tools and provides a reasonable amount of consultancy type off-site assistance free of charge to help implement such processes into Customer's manufacturing processes.

3) Products supplied are under continuous development and some parts or features are still in development or experimental phase. Therefore, Commsignia supports evaluation and pilot use of the products, unless otherwise explicitly agreed. Products used are only allowed to be used with Commsignia's proprietary V2X software stack supplied by Commsignia.

Deployment in live environment. Deployments are decided and controlled by Customer. Commsignia does not assume any liability for any claims coming from the Customer or any other party due to deployment in live environments. To the extent Customer elects to use any hardware or software products that are used in applications or environments requiring fail-safe performance in which failure or malfunction of any of the products could lead to death, personal injury, or severe physical or environmental damage, Customer shall assume all risk and liabilities associated with such deployments.

It is the responsibility of Customer to

- (a) properly inform and get consent of all operators/passengers exposed to vehicles or products or systems that rely on Commsignia technology in the deployment of connected risks;
 - (b) build in safeguards to its systems and processing utilizing Commsignia technology that ensure effective measures to protect passengers, bystanders and property in case of failure;
 - (c) protect and indemnify Commsignia from third party claims for damages and compensation of other consequences of defects, errors or faults or Customer's (or their employees', agents', subcontractors') behavior.
- 4) ORDERING. Quote is valid and effective for 6 weeks from the date stated in the letterhead, unless validity is explicitly specified in the letterhead. Product information and prices are subject to change.
- 5) PURCHASE ORDER. If not otherwise stated herein or agreed in writing, supply of any product or performance of any service quoted shall be based on a written Purchase Order issued by Customer and accepted by Commsignia. Such Purchase Order shall contain the deadlines, specifications and any other conditions necessary for the Parties.
- 6) NON-CONSUMER. Quote is based on the assumption that Customer does not qualify as a "consumer" under its own jurisdiction. Therefore by submitting a Purchase Order based on this Quote, Customer declares that it is a business entity acting within its trade, business or profession and orders the products for its business or professional purposes and consumer protection laws of Customer's jurisdiction are not applicable to the products supplied based on this Quote and the Purchase Order.
- 7) LICENSE TERMS. Software provided on the basis of this Quote – whether embedded or standalone software – is always LICENSED, NOT SOLD. Quoted software items are units of "licenses" of Commsignia software.

Embedded Software. Software embedded in the physical products supplied on the basis of this Quote may only be used together with the physical product in which it is embedded and such software may not be transferred to any other device.

Standalone Software. If not otherwise expressly agreed, standalone software is licensed on a non-transferable, non-exclusive basis for the sole purposes of internal evaluation and testing. Unless based on a final and binding licensing agreement expressly authorizing Customer for the intended use cases, no live production usage (distribution to customers or end users) license is granted without executing such an agreement.

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- 8) RESTRICTIONS. Customer shall not transfer or sublicense any part of the software, except pursuant to the terms and conditions of a separate commercial license agreement mutually agreed by the Parties. Customer shall not, or allow any third party to, (a) reverse engineer, decompile, unlock, reverse compile, or disassemble, alter, modify, translate, amend the supplied software or integrate with other works protected by intellectual property rights, or (b) use the software for any purpose other than herein allowed.

Furthermore, the Customer is not entitled

- to duplicate the Commsignia software (to make a copy thereof) or any part of it, except to the extent allowed;
- to resell, sublicense, lease, rent or lend it, or to transfer it to a third person or otherwise distribute them without Commsignia's express written authorization;

- to translate the Commsignia software (including translation (compilation) to other programming languages);
- to evade any protection applied on the Commsignia software or to modify, circumvent or obviate such protection through technological or by any other means;
- to modify, extend, transform the Commsignia products and software (in whole or in part), to separate it into parts, combine it with other products, install it in other products, utilize it in other products;
- to remove, modify or obscure any copyright, trademark notice, or restrictive legend included in the products and software or any part thereof;
- to attempt to identify information about the internal architecture, design, operation, manufacture, features, or functionality of the product beyond that information provided to Customer.

9) SERVICES. Services (e.g. engineering, software development, software maintenance, consultancy) are provided on the basis of a binding service agreement undersigned by both Parties. Commsignia is not obliged to provide any quoted services without such a written service agreement.

10) PAYMENT. Payment term: Unless otherwise stated above in the quotation, 30 Days from reception of Commsignia's invoice.

Invoice shall be issued to the name and address of the Customer indicated on the accepted Purchase Order. Unless otherwise indicated, the total invoiced sum is payable within 30 days after receiving the invoice. Neither shipment nor any additional costs are included in the total price, unless indicated.

Amounts quoted are exclusive of any tax (including any value added, sales, withholding, or other tax), duties, expenses, fees or other, similar charges, which shall be the responsibility of the Customer. In the event that the amounts payable to Commsignia are subject to withholding tax as a result of the laws applicable, Commsignia shall increase the affected items' prices, so that Commsignia remains entitled to the full quoted amount after tax withheld.

11) EXPORT CONTROL. Customer is solely responsible for complying with any and all export restrictions applicable to the products or to Customer. Customer acknowledges that it is fully responsible for the consequences of any export of Commsignia supplied products or software to countries where such export is restricted by the U.S. Government or laws of the European Union.

12) RETURN POLICY. No returns from amounts are accepted or reimbursed by Commsignia. For warranty replacements see WARRANTY section below.

13) WARRANTY. Commsignia's hardware products (excluding any software) are warranted to be free from defects in materials or workmanship for one year from the date of purchase by the contracted Customer of Commsignia. Within this period, Commsignia will, at its sole option, repair or replace any components that fail in normal use. Such repairs or replacement will be made at no charge to the Customer for parts or labor, provided that the Customer shall be responsible for the incurred transportation cost.

Hardware products must be installed, maintained, operated and serviced in accordance with the documentation (e.g., user manual, installation manual) provided with- or made accessible in connection to the product. Commsignia may refuse warranty in case of installation, maintenance, operation or servicing that is not conformant with documentation.

This warranty does not apply to: (i) cosmetic damage, such as scratches, nicks and dents; (ii) consumable parts, such as batteries, unless product damage has occurred due to a defect in materials or workmanship of the product; (iii) damage caused by accident, abuse, misuse, water, flood, fire, or other acts of nature or external causes; (iv) damage caused by service performed by anyone who is not an authorized service person of Commsignia or damage caused by actions or omissions not in line with documentation; or (v) damage to a product that has been modified or altered (including hardware and software) without the written permission of Commsignia.

In addition, Commsignia reserves the right to refuse warranty claims against products or services that are obtained and/or used in contravention of the laws of any country.

Warranty Start Date: "Start Date" as used in this policy means the delivery date of this product. Commsignia retains the exclusive right to repair or replace (with a new or newly overhauled replacement product) the device or software or offer a full refund of the purchase price at its sole discretion. Repairs have a 90-day warranty. If the unit sent in is still under its original warranty, then the new warranty is 90 days or to the end of the original one-year warranty, depending upon which is longer. Commsignia retains the right to reject both repair and replacement of the product if Customer has any overdue payment obligation towards Commsignia.

Software warranty: Although the greatest care was taken in producing them, the Commsignia software (whether standalone or embedded) may contain errors, bugs and other defects, therefore they are provided on an "as-is" and "with all faults" basis. It is acknowledged by Customer that the Commsignia software will not be guaranteed to be fully functional and/or compliant with any product specifications or fit for any particular purpose. Because Commsignia software are subject to change, Commsignia reserves the right to alter the Commsignia software at any time, and any reliance on the Commsignia software or their quality or performance is at Customer's own risk.

NO OTHER WARRANTY OF ANY KIND, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, IS GIVEN BY COMMSIGNIA. THE SOLE REMEDY PROVIDED BY COMMSIGNIA IS THE WARRANTY PROVIDED AS STATED ABOVE.

14) SUPPORT. No support after delivery is provided, unless such service is quoted by Commsignia, ordered by Customer. Support terms are according to the current Commsignia Support Policy, available at <https://my.commsignia.com>.

15) LIMITATION OF LIABILITY. COMMSIGNIA'S TOTAL AGGREGATE LIABILITY (INCLUDING ANY STATUTORY OR CONTRACTUAL INDEMNIFICATION OBLIGATIONS UNDER APPLICABLE LAW) (i) IN CASE OF STANDALONE SOFTWARE LICENSING: LIMITED TO THE AMOUNT OF SOFTWARE LICENSE FEES PAID BY CUSTOMER DURING THE 12 (TWELVE) MONTH PERIOD PRECEDING THE OCCURRENCE OF THE DAMAGE OR THIRD PARTY CLAIM, (ii) IN CASE OF OTHER PRODUCTS: LIMITED TO THE NET PURCHASE PRICE PAID BY CUSTOMER FOR THE AFFECTED PRODUCT, BUT (iii) THE TOTAL LIABILITY TO CUSTOMER SHALL IN NO CASE EXCEED 5000 EUR PER CLAIM OR A SERIES OF CLAIMS CONNECTED TO A CERTAIN EVENT.

FURTHERMORE IN NO CASE SHALL COMMSIGNIA BE LIABLE FOR (i) THIRD-PARTY CLAIMS AGAINST THE CUSTOMER AND (ii) ANY CLAIM RELATING TO THE USE OF THIRD PARTY PRODUCTS OR CUSTOMER PRODUCTS IN COMBINATION WITH COMMSIGNIA PRODUCTS, SERVICES OR SOFTWARE OR (iii) FOR CLAIMS REGARDING SPECIFICATIONS OR INSTRUCTIONS GIVEN BY CUSTOMER, OR (iv) FOR ANY LOSS OF PROFIT, BUSINESS OR GOODWILL, LOSS OF OR CORRUPTION OF CONFIDENTIAL OR OTHER INFORMATION OR DATA, FOR BUSINESS INTERRUPTION, FOR LOSS OF USE OF EQUIPMENT, FOR LOSS OF PRIVACY OR ANY OTHER INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE COST, DAMAGES OR EXPENSE, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, EVEN IF COMMSIGNIA HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE, AND WHETHER OR NOT ANY REMEDY PROVIDED SHOULD FAIL OF ITS ESSENTIAL PURPOSE.

IN ADDITION, COMMSIGNIA SHALL NOT BE LIABLE FOR CUSTOMER'S OR ANY THIRD PARTY'S SOFTWARE, FIRMWARE, INFORMATION, OR MEMORY DATA CONTAINED IN, SORTED ON, OR INTEGRATED WITH ANY PRODUCT RETURNED TO COMMSIGNIA, WHETHER UNDER WARRANTY OR NOT.

THIRD PARTY SUPPLIERS (E.G. THE CHIPSET OR CHIPSET EMBEDDED SOFTWARE SUPPLIER) OR AGENTS OF LICENSOR SHALL HAVE NO MONETARY LIABILITY TO THE CUSTOMER FOR ANY CAUSE (REGARDLESS OF THE FORM OF ACTION) UNDER OR RELATING TO THIS AGREEMENT.

COMMSIGNIA SHALL NOT BE LIABLE FOR OPERATING MICROWAVE RADIO MODULES IN COMMSIGNIA COMMUNICATION EQUIPMENT OUTSIDE THE NATIONAL AND INTERNATIONAL REGULATORY RULES. ALL RADIO MODULES ARE, THEREFORE, SHIPPED DISABLED.

16) GOVERNING LAW AND VENUE. Quoted products and services provision shall be governed by the laws applicable at the office location of the Commsignia entity as set out below.

- In case of Quotes issued by Commsignia, Inc., the laws of California, USA will govern. All disputes arising out of or in connection with the quoted products or services shall be finally settled by a state or federal court situated in Santa Clara County, State of California, USA.
- In case of Quotes issued by Commsignia Ltd., the laws of Hungary will govern. All disputes arising out of or in connection with the quoted products or services shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said Rules. The place of arbitration shall be Budapest, Hungary. The language shall be English.

17) CHANNEL PARTNERS. Channel Partner Customers have the authorization to resell and distribute the products to their end customers in line with their respective Channel Partner Agreements and any end user license terms Commsignia may supply with the respective product. If there are no end user terms notified by Commsignia to Customer regarding quoted Software, Channel Partner will resell or distribute the Software with the same or more protective license as set out in this Quote.

Accepted by

TAMPA HILLSBOROUGH COUNTY
EXPRESSWAY AUTHORITY

Signature _____

Printed Name _____

Title _____

Date _____

Title: **Unequipped Vehicle Detection**

To: **Tampa-Hillsborough Expressway Authority (THEA)**

Subject: **Yunex Traffic Project Scope**

Project: **Commsignia**

ABSTRACT: Add Infrastructure Sensors to multiple intersections already equipped with Roadside Units (RSUs) to create, sign, and send Connected Vehicle (CV) Basic Safety Messages (BSMs) on behalf of vehicles not equipped with CV technology to receive the messages.

Key Words: C_Restricted

Revision History

#	Date	Author	Remarks
1	2023-12-21	D. Miller	First Draft
2	2024-01-03	D Miller C. Dankocsik	Final Submittal

YUNEX TRAFFIC

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1. Introduction

1.1 Document Identifier

Document Storage: Local
Document Category: ProjectRecord
Revision: 2
Revision Date: 2024-01-03
Effective Date: 2024-01-03
Document Status: Final Submittal Draft
Author: Dave Miller & Chuck Dankocsik
Department: SMO YU US PS SE
Responsible: dave.miller@yunextraffic.com & chuck.dankocsik@yunextraffic.com
Company: Yunex LLC (Yunex Traffic)
Classification: Restricted

1.2 Document Conventions

[RDn] indicates Related Document per Table 2.

1.3 Glossary

Table 1: Glossary

Abbreviation	Comment
BSM	Basic Safety Message
CV	Connected Vehicle
IS	Infrastructure Sensor
OBU	Onboard Unit
RD	Related Document
RSU	Roadside Unit
SPaT	Signal Phase and Timing
V2I	Vehicle to Infrastructure
VRU	Vulnerable Road User

1.4 Related Documentation

Table 2: Related Documents

RD	Related Document
	None

2. Operational Description

2.1 Current Situation

Signalized intersections are currently equipped with Roadside Units (RSUs) supporting Vehicle to Infrastructure (V2I) safety applications, which send Signal Phase and Timing (SPaT) of traffic signal countdown and MAP of roadway lane location, geometry, width, travel direction, and lane-to-phase assignments to nearby vehicles equipped with Connected Vehicle (CV) Onboard Units (OBUs). Vehicles not equipped with with OBUs do not participate in V2I safety applications.

2.2 Project Scope

This project adds an Infrastructure Sensor (IS) to each approach to the (2) signalized intersection as shown in Figure 1. The IS metadata sent to the RSU includes the location, heading, speed, and classification of approaching moving objects within the field-of-view of the IS. The RSU classifies the moving objects as either vehicles or Vulnerable Road Users (VRUs), such as pedestrians and cyclists. If classified as vehicle, the RSU signs and sends BSMs on behalf of all vehicles within the IS field-of-view; meaning that equipped vehicles will also broadcast BSMs directly without participation of the RSU.

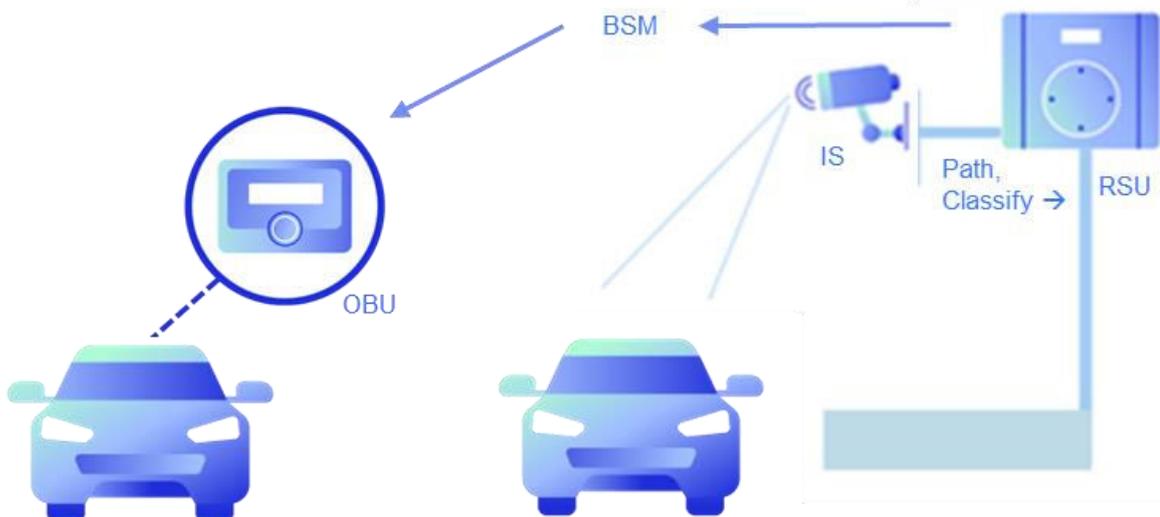


Figure 1: Operation

2.3 Installation

An IS is installed on each approach of the (2) signalized intersections as shown in **Figure 2**; identified as IS1 through IS4. The camera field of view includes the stop bar for all ingress lanes on that approach, extending 200-feet advanced from the stop bar. Detection zones of the IS are placed to coincide with existing physical detector zones (if any). If no physical zones are currently in-place, each ingress lane of each approach is placed with a stop bar detection zone according to local policy, plus an advanced detection zone according to local policy.

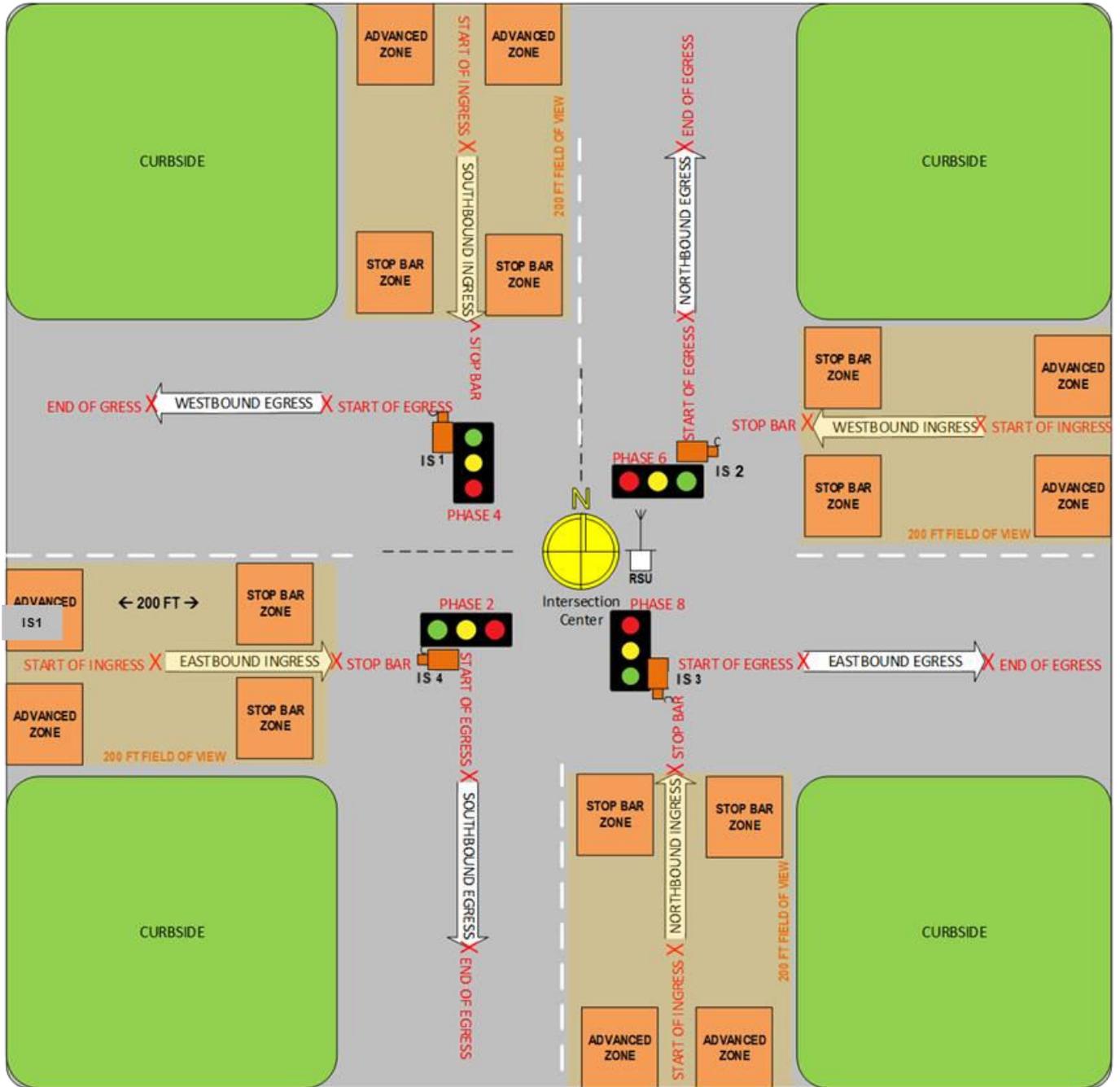


Figure 2: Installation

YUNEX TRAFFIC

3. Scope-of-Work (SOW)

3.1 Included within Scope

The following is included within the SOW for this project:

1. Procure (12) IS
 - a. (4) per intersection plus (4) spares
 - b. Includes all necessary software and/or video detection modules
2. Procure (12) Power-over-Ethernet (PoE) Injectors.
 - a. (4) per intersection plus (4) spares.
3. Procure (12) IS brackets (for installation).
 - a. (4) per intersection plus (4) spares.
4. Install (1) IS per approach on (2) signalized intersections (as shown in **Figure 2**).
5. Systems Engineering effort to:
 - a. Adjust the field of view to include the approach areas shown in **Figure 2**.
 - b. Tune the IS parameters to match the mounting location & mounting height.
 - c. Integration test with RSU.
 - d. Integration test with unequipped vehicle.
 - e. Integration test with data collector.

3.2 Excluded within Scope

1. Updating As-Built Drawings
2. Permitting

YUNEX TRAFFIC

4. Price

Yunex Traffic will procure all of the necessary equipment and perform all of the required services included in "Section 3 – Scope-of-Work" for a firm-fixed price of \$69,500.

IV.C.1. FY23 Financial Statements/Audit Presentation



Annual Comprehensive Financial Report

June 30, 2023 and 2022

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TAMPA-HILLSBOROUGH COUNTY EXPRESSWAY AUTHORITY

MEMBERS OF THE AUTHORITY

June 30, 2023

Vincent Cassidy, Chairman	Gubernatorial Appointee
Bennett Barrow, Vice Chairman	Gubernatorial Appointee
John Weatherford, Secretary	Gubernatorial Appointee
Mayor Jane Castor, Member	City of Tampa, Florida
Honorable Donna Cameron-Cepeda, Member	Board of County Commissioners, Hillsborough County, Florida
David Gwynn, Member	District 7 Secretary, Florida Department of Transportation

STAFF

Greg Slater, Executive Director

Amy Lettelleir, Esquire, General Counsel

Jeff Seward, Director of Finance

Robert Frey, AICP, Director of Planning and Innovation

Brian Pickard, Director of Operations and Engineering

Keisha Pickett Boyd, Director of Strategy, Communications and Community Engagement

Shari Callahan, Director of IT and Security

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Tampa-Hillsborough County Expressway Authority's ("Authority") annual comprehensive financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2023.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows at the close of the fiscal year by \$653,104,108.

Change in net position for fiscal year ended June 30, 2023 totaled \$74,680,527 as a result of operations.

Construction in progress decreased by approximately \$38 million from the prior year due to the completion of connected vehicle pilot program, safety improvements as well as investment for new access ramps for the East Selmon Slip Ramp Project.

Long-term debt decreased by approximately \$14 million as a result of principal payments made and refunding of Series 2012D Bond Payable through issuance of 2022A Note Payable.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual comprehensive financial report consists of six parts; Management's Discussion and Analysis, Basic Financial Statements, Required Supplementary Information, Other Supplementary Information, Statistical Section, and Other Reports and Information. The Financial Statements also include notes that explain in more detail some of the information contained therein.

BASIC FINANCIAL STATEMENTS

The Financial Statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Statement of Net Position includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets and deferred outflows of resources) and the obligations to Authority creditors (liabilities and deferred inflows of resources). It also provides the basis for computing rate of return, evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority. All of the current year revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through user fees and other charges, profitability, and credit worthiness. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where cash came from, what was cash used for, and what was the change in cash balance during the reporting period.

The Statement of Net Position presents information on all of the Authority's assets and deferred outflows, and liabilities and deferred inflows, with the difference between them reported as net position. The net position is one way to measure the financial health or financial position.

Over time, increases or decreases in the Authority's net position is one indicator of whether its financial health is improving or deteriorating. However, other non-financial factors should be considered, such as economic conditions, population growth, and changing government legislation.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

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

FINANCIAL ANALYSIS OF THE AUTHORITY

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Authority's trend data on infrastructure condition and information on net pension liability and pension contributions.

NET POSITION

The following table summarizes the Authority's Statement of Net Position (in millions):

	2023	2022	2021
Unrestricted current assets	\$ 30.57	\$ 26.84	\$ 51.31
Restricted current assets	31.52	29.48	23.66
Restricted assets			
Cash and investments	288.90	252.57	206.37
Receivables and other	18.84	19.26	17.21
Capital assets			
Property and equipment - net	1,062.52	1,006.41	996.42
Construction in progress	91.04	129.38	108.33
Total assets	1,523.39	1,463.94	1,403.30
Deferred outflows of resources	19.79	21.03	23.69
Current liabilities	2.00	3.99	2.61
Restricted current liabilities	31.52	29.48	23.66
Long-term debt			
Bonds payable	637.19	654.79	671.78
Due to other governments	213.83	213.83	213.83
Compensated absences	0.27	0.18	0.15
Pension liability	4.94	1.58	5.13
Total liabilities	889.75	903.85	917.16
Deferred inflows of resources	0.32	2.70	0.14
Net position			
Invested in capital assets, net of related debt	306.50	273.19	265.06
Restricted	332.39	286.20	199.57
Unrestricted	14.22	19.03	45.06
Total net position	\$ 653.11	\$ 578.42	\$ 509.69

As can be seen from the above table, restricted cash and investments increased \$36.33 million which is a result of earnings related to higher interest rates. Construction in process declined \$38.34 due to completion of various safety improvements and the connected vehicle pilot program. During the year ended June 30, 2023 the Authority had a strong operational performance of an increase in net position of \$74.68 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**NET POSITION - Continued**

The following table summarizes the Authority's Statement of Revenues, Expenses, and Changes in Net Position (in millions):

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Toll revenues	\$ 115.63	\$ 114.07	\$ 87.86
Expenses			
Operating expenses	19.80	15.76	13.09
General and administrative	7.85	6.82	6.64
Total expenses	<u>27.65</u>	<u>22.58</u>	<u>19.73</u>
Operating net income	87.98	91.49	68.13
Net non-operating expenses	<u>(14.09)</u>	<u>(24.55)</u>	<u>(24.51)</u>
Income before capital grants	73.89	66.94	43.62
Capital grants	<u>0.80</u>	<u>1.80</u>	<u>2.14</u>
Increase in net position	74.69	68.74	45.76
Net position at beginning of year	<u>578.42</u>	<u>509.68</u>	<u>463.93</u>
Net position at end of year	<u>\$ 653.11</u>	<u>\$ 578.42</u>	<u>\$ 509.69</u>

While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses, and Changes in Net Position, provides details as to the nature and source of these changes. As can be seen from the above table, revenues increased over prior year due to the increase in the Tampa Bay population. Operating expenses increased \$4.04 million which was related to an increase in operational services in the current year. Capital grant revenue decreased by \$1.00 million due to the Connected Vehicle Pilot project being completed in 2023.

BUDGETARY PROCESS

The Authority's Operating Budget is recommended by the Finance and Budget Committee of the Authority's governing board. The budget is based upon a review of current revenues and expenditures and the projected future funding needs of the Authority for administration, operations, maintenance, and the annual approved work program. The budget is then approved by the Authority's governing board.

The development of the Authority's six-year work program is a combined effort between the Executive Director and the Directors of Planning, Roadway Operations, Toll Operations and the Director of Finance. Annual updates to the work program will be presented to the Authority's governing board for approval in conjunction with the annual budget.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**BUDGETARY PROCESS - Continued**

Toll revenues were higher than budgeted by \$4.75 million due to higher traffic counts than expected as a result of the effects of events taking place in the Tampa Bay area combined with an increase in population.

Expenses were higher than budget by \$3.57 million due to additional operations and maintenance expenditures due to increased traffic, projects and non-cash pension and retirement expenditures that are not normally budgeted for on an annual ongoing operational basis.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets consist of the following (in millions):

	June 30, 2022	Additions	Deletions	June 30, 2023
Assets subject to depreciation	\$ 49.07	\$ 30.29	\$ (0.03)	\$ 79.33
Less accumulated depreciation	<u>(33.73)</u>	<u>(3.89)</u>	<u>0.12</u>	<u>(37.50)</u>
	15.34	26.41	0.09	41.84
Assets not subject to depreciation	<u>991.07</u>	<u>29.72</u>	<u>0.00</u>	<u>1,020.79</u>
Total property and equipment	<u>\$ 1,006.41</u>	<u>\$ 56.13</u>	<u>\$ 0.09</u>	<u>\$ 1,062.63</u>
Construction in progress	<u>\$ 129.38</u>	<u>\$ 21.68</u>	<u>\$ (60.01)</u>	<u>\$ 91.05</u>

The Authority's investment in capital assets includes buildings, improvements, furniture and equipment and roads. Additionally, the Authority added approximately \$21.68 million of construction in progress improvements related to the addition of the East Selmon Slip Ramp Project, and various other projects. The Authority also completed approximately \$60.01 million of construction in progress projects which were move to infrastructure in service.

INFRASTRUCTURE PRESERVATION

It is the policy of the Authority that it will take all necessary actions to ensure that infrastructure assets are maintained, repaired, renewed and, when needed, replaced, so as to last indefinitely. Depreciation is not recorded as long as the infrastructure assets are maintained at the level established by the Authority. Routine maintenance and renewal and replacement costs are expensed annually. The Authority's policy is to maintain the roadway condition and a Maintenance Rating Program (MRP) rating 90 or better. The Authority's GEC has determined that the overall rating of the Expressway System in the Florida Department of Transportation's Maintenance Rating Program exceeds minimum standards. For fiscal year 2023, road maintenance expenses were \$5,045,194 and renewal and replacement expenses \$1,085,142.

Anticipated major renewal and replacement activities have been identified and included in the six-year work program. A \$10 million renewal and replacement reserve has been established by the Authority.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

SIGNIFICANT EVENTS

By the end of 2023, THEA completed 91% of the East Selmon Slip Ramp Project. This endeavor has an on ramp near I-75 allowing drivers to access the underutilized capacity of the Reversible Elevated Lanes (REL) for travelers headed west from I-75 in the morning rush hour period. As a consequence, the travelers on the lower local lanes will see much less stop and go in the morning rush hour. A second ramp, which is an off-ramp near 22nd street, allows drivers who are on the REL to exit onto the lower local lanes and continue their journey without exiting into downtown as they would be required to do if they continued on the REL.

In 2023, THEA completed a Fiber Characterization project which is the prelude to a GIS based Asset Management Program. It allows THEA to share with local government agencies, contractors, designers and maintainers, a digital picture of THEA's entire Fiber network including how fibers are connected in each junction box. This is groundbreaking base information for all digital information flow on THEA's system.

FY2023 also saw a major paving project that eliminated many areas on the system which were showing signs of deterioration. In that project, THEA utilized an asphalt additive which research has shown to be equal in crack resistance, rut resistance and longevity of Portland cement concrete. We expect the life of this pavement to be nearly 25 years as opposed to the 12 years of life THEA is seeing with its normal asphalt paving.

LONG TERM DEBT

The Authority issues debt to fund major capital projects and to capitalize on current economic conditions for debt refunding's. The Authority issues all bonds under its Master Bond Resolution. During 2023, the Authority issued Series 2022A Note Payable to advance refund Series 2012D bond payable. The advance refunding resulted in an economic loss of approximately \$100,000. During 2023, the Authority made regular principal payments of \$14.9 million, interest payments of \$21.5 million, and escrow deposit for 2012D refunding of \$51 million. Further details on the Authority's debt activities can be found in Note F to the basic financial statements.

The Authority has amounts due to the Florida Department of Transportation (the "Department") for prior payments of operation and maintenance costs of the expressway system and renewal and replacement costs which occurred under the LPA that was terminated in December 2012; (\$200.4 million). The Authority also owes the Department \$13.8 million in State Transportation Trust loans and interest. The Authority has agreed to repay the Department in twenty annual payments beginning July 1, 2025.

Pursuant to the Tampa-Hillsborough County Expressway Authority Master Bond Resolution, the Traffic and Revenue Engineer has verified that pledged funds estimated for fiscal year 2022 will be sufficient to comply with estimated bond payments as required by the terms of the Master Resolution.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In the development of the FY2024 revenue budget, the Authority's Traffic and Revenue (T&R) Engineer, Stantec Consulting Services, Inc., reviewed the performance of the FY2023 budget forecast. Through the first 6 months of FY2023 (the timing of the development of the FY2024 forecast), actual revenues were slightly lower than forecasted due to toll suspension during Hurricane Ian. However, for non-toll suspension days, actual traffic and revenue was between 5 and 6 percent above forecast. The FY2024 forecast used the long-term growth rates based on steady population growth as opposed to the recent strong performance. Through the first 6 months of FY2024 the forecast is performing well.

CONTACTING THE AUTHORITY'S MANAGEMENT

The financial report is designated to provide our citizens, customers, investors, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives.

If you have questions about this report or need additional information, contact the Tampa-Hillsborough County Expressway Authority's Director of Finance at 1104 East Twiggs Street, Suite 300, Tampa, Florida 33602, phone number 813-272-6740.

INDEPENDENT AUDITORS' REPORT

Distinguished Members of the Authority
Tampa-Hillsborough County Expressway Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Tampa-Hillsborough County Expressway Authority (the "Authority") as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2023 and 2022 and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tampa-Hillsborough County Expressway Authority and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tampa-Hillsborough County Expressway Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Tampa-Hillsborough County Expressway Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tampa-Hillsborough County Expressway Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 6 - 11), Trend Data on Infrastructure Condition (page 44), and pension schedules (pages 45 - 46) be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that comprise the Tampa-Hillsborough Expressway Authority's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section, statistical section and data elements required by Section 2188.32(1) Florida Statutes but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated **DATE**, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the effectiveness the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Tampa, Florida
DATE

Tampa-Hillsborough County Expressway Authority

STATEMENTS OF NET POSITION

June 30,

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (notes B2 and C)	\$ 295	\$ 57,163
Restricted cash and investments to meet current liabilities	31,519,736	29,476,727
Accounts receivable - tolls (note B4)	1,987,593	2,063,973
Investments (notes B3 and C)	27,687,272	23,680,471
Other assets	896,543	1,040,147
	<u>62,091,439</u>	<u>56,318,481</u>
Total current assets		
RESTRICTED ASSETS		
Investments (notes B3 and C)	288,897,427	252,573,973
Accrued interest receivable	949,161	347,127
Accounts receivable - tolls (note B4)	17,888,341	18,575,762
Grant receivable	-	334,708
	<u>307,734,929</u>	<u>271,831,570</u>
Total restricted assets		
PROPERTY AND EQUIPMENT (notes B8, B9 and D)		
Capital assets not being depreciated:		
Land and infrastructure	1,020,787,683	991,072,239
Capital assets		
Buildings and improvements	17,786,902	17,547,334
Furniture and equipment	61,340,545	31,438,131
Vehicles	108,434	79,960
Accumulated depreciation	(37,500,151)	(33,729,607)
	<u>1,062,523,413</u>	<u>1,006,408,057</u>
Total property and equipment		
CONSTRUCTION IN PROGRESS (notes B7 and D)		
	<u>91,043,999</u>	<u>129,378,955</u>
TOTAL ASSETS		
	<u>1,523,393,780</u>	<u>1,463,937,063</u>
DEFERRED OUTFLOWS OF RESOURCES (note B10)		
	<u>19,785,615</u>	<u>21,025,276</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES		
	<u>19,785,615</u>	<u>21,025,276</u>

Tampa-Hillsborough County Expressway Authority

STATEMENTS OF NET POSITION - CONTINUED

June 30,

	<u>2023</u>	<u>2022</u>
LIABILITIES		
CURRENT LIABILITIES FROM UNRESTRICTED ASSETS		
Accounts payable	1,791,945	3,793,348
Accrued expenses	<u>210,624</u>	<u>196,399</u>
Total current unrestricted liabilities	<u>2,002,569</u>	<u>3,989,747</u>
CURRENT LIABILITIES FROM RESTRICTED ASSETS		
Accounts and contracts payable	4,560,343	2,668,509
Current portion of revenue bonds and note payable (note E)	15,980,000	15,130,000
Interest payable	10,974,305	11,672,929
Unearned revenue	<u>5,088</u>	<u>5,289</u>
Total current liabilities payable from restricted assets	<u>31,519,736</u>	<u>29,476,727</u>
Total current liabilities	<u>33,522,305</u>	<u>33,466,474</u>
LONG-TERM LIABILITIES due after one year (notes E and F)		
Revenue bonds and note payable	637,193,741	654,787,727
Due to governmental agencies	213,833,835	213,833,835
Compensated absences	267,982	180,530
Net pension liability (note H)	<u>4,936,289</u>	<u>1,575,064</u>
Total long-term liabilities	<u>856,231,847</u>	<u>870,377,156</u>
TOTAL LIABILITIES	<u>889,754,152</u>	<u>903,843,630</u>
DEFERRED INFLOWS OF RESOURCES (note B11)	<u>321,135</u>	<u>2,695,128</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>321,135</u>	<u>2,695,128</u>
NET POSITION		
Invested in capital assets, net of related debt	306,495,982	273,187,302
Restricted - capital projects	208,738,756	160,738,522
Restricted - operation, maintenance and administrative reserve	21,294,981	22,480,959
Restricted - renewal and replacement	20,758,477	22,587,018
Restricted - debt service	81,600,468	80,395,635
Unrestricted	<u>14,215,444</u>	<u>19,034,145</u>
TOTAL NET POSITION	<u>\$ 653,104,108</u>	<u>\$ 578,423,581</u>

The accompanying notes are an integral part of these statements.

Tampa-Hillsborough County Expressway Authority

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the year ended June 30,

	<u>2023</u>	<u>2022</u>
Toll revenues	<u>\$ 115,634,606</u>	<u>\$ 114,065,752</u>
Operating expenses		
Operations	9,198,916	8,615,234
Maintenance	5,045,194	4,970,930
Renewal and replacement	1,085,142	30,682
Depreciation	3,893,388	1,421,136
Other expenses	576,212	720,379
Total operating expenses	<u>19,798,852</u>	<u>15,758,361</u>
General and administrative expenses		
Payroll expense	4,478,014	3,725,666
Outside services	1,465,179	1,383,720
Occupancy and office expense	1,895,544	1,711,829
Total general and administrative expenses	<u>7,838,737</u>	<u>6,821,215</u>
Total expenses	<u>27,637,589</u>	<u>22,579,576</u>
Income from operations	<u>87,997,017</u>	<u>91,486,176</u>
Non-operating revenues (expenses)		
Investment income	7,883,313	720,370
Net decrease in the fair value of investments	(448,461)	(2,990,309)
Miscellaneous revenue	865,409	1,271,321
Gain on sale of asset	-	4,200
Interest expense	(22,284,842)	(23,551,880)
Debt issuance costs	(127,935)	-
Total non-operating expenses	<u>(14,112,516)</u>	<u>(24,546,298)</u>
Income before capital grants	73,884,501	66,939,878
Capital grants	<u>796,026</u>	<u>1,804,136</u>
Increase in net position	74,680,527	68,744,014
Net position at beginning of year	<u>578,423,581</u>	<u>509,679,567</u>
Net position at end of year	<u>\$ 653,104,108</u>	<u>\$ 578,423,581</u>

The accompanying notes are an integral part of these statements.

Tampa-Hillsborough County Expressway Authority

STATEMENTS OF CASH FLOWS

For the year ended June 30,

	<u>2023</u>	<u>2022</u>
Operating activities		
Receipts from customers	\$116,398,407	\$ 110,408,872
Payments to suppliers	(20,434,153)	(17,411,659)
Payments to employees	(4,822,379)	(3,158,265)
Net cash from operating activities	<u>91,141,875</u>	<u>89,838,948</u>
Non-capital financing activities		
Miscellaneous non-operating revenue	<u>865,409</u>	<u>1,271,321</u>
Capital and related financing activities		
Acquisition and construction of capital assets	(19,783,260)	(31,477,836)
Proceeds from bond issuance	50,878,808	-
Interest paid on revenue bonds	(22,745,459)	(23,486,971)
Principal payments on bonds payable	(65,876,594)	(9,780,000)
Cash proceeds from grant	1,130,734	3,307,519
Bond issuance costs	(127,935)	-
Net cash from capital and related financing activities	<u>(56,523,706)</u>	<u>(61,437,288)</u>
Investing activities		
(Purchases) proceeds of investments, net	(36,820,448)	(23,993,177)
Interest received on investments	<u>7,281,279</u>	<u>458,475</u>
Net cash from investing activities	<u>(29,539,169)</u>	<u>(23,534,702)</u>
Net increase in cash	5,944,409	6,138,279
Cash and cash equivalents at beginning of year	<u>20,326,389</u>	<u>14,188,110</u>
Cash and cash equivalents at end of year	<u>\$ 26,270,798</u>	<u>\$ 20,326,389</u>
Cash and cash equivalents - unrestricted	\$ 295	\$ 57,163
Cash and cash equivalents - restricted for current liabilities	<u>26,270,503</u>	<u>20,269,226</u>
Cash and cash equivalents at end of year	<u>\$ 26,270,798</u>	<u>\$ 20,326,389</u>

Tampa-Hillsborough County Expressway Authority

STATEMENTS OF CASH FLOWS - CONTINUED

For the year ended June 30,

	<u>2023</u>	<u>2022</u>
Reconciliation of operating income to net cash provided by operating activities		
Income from operations	<u>\$ 87,997,017</u>	<u>\$ 91,486,176</u>
Adjustments to reconcile income from operations to net cash provided by operating activities		
Depreciation	3,893,388	1,421,136
Changes in assets and liabilities		
Accounts receivable - tolls	763,801	(3,656,880)
Other assets	143,604	(39,076)
Accounts payable	(2,000,111)	1,568,488
Unearned revenue	(189)	(373,495)
Pension items	242,688	(397,237)
Other liabilities	101,677	(170,164)
Total adjustments	<u>3,144,858</u>	<u>(1,647,228)</u>
Net cash provided by operating activities	<u><u>\$ 91,141,875</u></u>	<u><u>\$ 89,838,948</u></u>

The accompanying notes are an integral part of these statements.

NOTES TO BASIC FINANCIAL STATEMENTS

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE A - ORGANIZATION AND REPORTING ENTITY

Tampa-Hillsborough County Expressway Authority (the "Authority") was created as a body politic, corporate, and an agency of the State of Florida, under Chapter 348, Part IV, Sections 348.50, et seq., Florida Statutes, effective July 1, 1974. It was created for the purposes of and having the power to construct, reconstruct, improve, extend, repair, maintain and operate the expressway system within Hillsborough County, Florida.

The Authority's governing body consists of a board of seven members (the "Board"). Four members are appointed by the Governor of the State of Florida, subject to confirmation by the State Senate. Serving as ex-officio members are: the Mayor of the City of Tampa, Florida (the "City"), or their designee; one member of the Board of County Commissioners of Hillsborough County, Florida (the "County"), selected by such board; and, the District Secretary of the Florida Department of Transportation ("FDOT") serving the district that contains the County, currently District Seven.

The Authority has been determined to be an "Independent Special District", as described in Section 189.403, Florida Statutes, and is a "Related Organization" of the State of Florida, which is referred to as the "Primary Government." The State of Florida appoints a voting majority of the board but does not have financial accountability.

The Authority is a stand-alone entity for financial reporting purposes; there are no component units included in the accompanying financial statements, and the Authority is not considered a component unit of another entity.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Authority's significant accounting policies consistently applied in the preparation of the accompanying general-purpose financial statements follows:

1. Basis of Accounting

The Authority accounts for its activities through use of an enterprise fund. Enterprise funds are used to account for activities similar to those found in the private sector, where the determination of a change in financial position is necessary or useful for sound financial administration (business-type activities). Since the Authority only has business-type activities, it is considered a special-purpose government for financial reporting under Governmental Accounting Standards Board (GASB) No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (GASB 34)*. Accordingly, the Authority only presents fund financial statements as defined by GASB 34. The Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses when incurred.

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Cash and Cash Equivalents

Cash and investments with a maturity of three months or less when purchased are considered cash equivalents.

3. Investments

Investments consist of deposits in investment pools and specific accounts maintained by the Treasurer of the State of Florida and commercial banks.

4. Accounts Receivable

The Authority has all electronic tolling. Tolls are collected through the use of either SunPass or Video Toll Collection (VTC). VTC utilizes cameras to record license plate images and a bill for the tolls is sent to the registered owner of the vehicle.

The Authority records accounts receivable at estimated net realizable value. Accordingly, accounts receivable at June 30, 2023 and 2022 are shown net of allowances for doubtful accounts. The Authority has determined that no allowance is deemed necessary at June 30, 2023 and 2022, respectively.

5. Debt Service Payments

Debt service payments of principal are recorded at the time funds are disbursed to the paying agent while interest is recorded in the period it relates to. Funds disbursed to the paying agent are no longer under the control of the Authority and cannot be retrieved by the Authority. Principal payments are due on July 1 of each year. Interest payments are due on each January 1 and July 1. In effect, debt service payments of principal will not be recorded until paid, but interest will be recorded and accrued for the amount due on July 1, at the end of the fiscal year.

6. Bond Premiums and Discounts

Bond premiums and discounts are amortized over the life of the related bond issued, which approximates the effective interest method. Bond premiums and discounts are presented as an addition and a reduction, respectively to the bond payable balances.

7. Construction in Progress

Costs associated with the construction of new infrastructure assets or betterments of existing infrastructure assets are recorded as construction in progress. Upon completion of construction or betterment of an asset, the construction in progress account is closed to the infrastructure asset account. Interest costs incurred prior to the end of a construction period are expensed in the period they are incurred.

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Property and Equipment

Infrastructure assets, roadways and bridges, are recorded at historical cost, including the costs of right of way, engineering fees, and construction cost. Furniture and equipment, including toll collection equipment, are recorded at historical cost plus the cost of installation for toll collection equipment. The Authority capitalizes asset acquisitions over \$5,000.

9. Depreciation

Depreciation of toll equipment, buildings, toll facilities, and furniture and equipment is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	36 years
Land improvements	10 - 15 years
Electronic toll collection equipment	5 - 10 years
Furniture and equipment	5 years
Computers and software	3 years

The preservation method of accounting is used for infrastructure assets; roads, bridges and other highway improvements with indefinite lives. It is the policy of the Authority that all necessary actions will be taken to ensure that its infrastructure assets will be maintained, repaired, renewed and, when needed, replaced so as to last indefinitely. Depreciation is not recorded as long as the infrastructure assets are maintained at the level established by the Authority. In the event the infrastructure assets of the expressway system fall below acceptable standards of condition established by the policy, a special "contra asset" account will be established against the capital asset that was determined to be deficient in an amount equal to the cost required to restore the asset to an acceptable standard. The Authority's consulting engineer is required to provide a cost estimate of the amount required to bring the asset up to the established standard. Routine maintenance costs and renewal and replacement costs, since they are needed to preserve the value of existing infrastructure assets, are expensed annually. This treatment is consistent with practices of other similar entities within the toll bridge, turnpike and tunnel industry.

10. Deferred Outflows of Resources

The Deferred Outflows of Resources on refunding of revenue bonds is the difference between the reacquisition price and the net carrying amount of refunded bonds. Deferred outflows of resources relating to debt refunding were \$17,626,090 and \$19,610,295 at June 30, 2023 and 2022, respectively. The amortization period of deferred refunding losses is the remaining life of the old debt or the life of the new debt, whichever is shorter.

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Deferred Outflows of Resources related to the pension liability relates to pre-payments of future pension contributions and other proportionate share changes of the pension liability since the last measurement date. This totaled \$2,159,525 and \$1,414,981 for the years ended June 30, 2023 and 2022, respectively.

11. Deferred Inflows of Resources

The Deferred Inflows of Resources on the pension liability relates to differences between expected and actual earnings on pension investments. This totaled \$321,135 and \$2,695,128 at June 30, 2023 and 2022, respectively.

12. Restricted Funds

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first and then unrestricted resources when they are needed.

13. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates that affect certain reported amounts and disclosures. These estimates are based on management's knowledge and experience. Accordingly, actual results could differ from these estimates.

14. Operating Revenues and Expenses

The Authority's operating revenues and expenses consist of revenues earned and expenses incurred relating to the operations and maintenance of the expressway system. All other revenues and expenses are reported as non-operating revenues and expenses.

15. Budgets and Budgetary Accounting

The Authority follows the following procedures in establishing budgetary data:

The Authority's operating budget is recommended by the Finance and Budget Committee of the Authority's governing board. The budget is based upon a review of current revenues and expenditures and the projected future funding needs of the Authority for administration, operations, maintenance, and the annual approved work program. The budget is then approved by the Authority's governing board.

The Authority's renewal and replacement and capital improvement projects budget is recommended by the Finance and Budget Committee of the Authority's governing board, based on the first year of the submitted five-year capital projects program.

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

16. Reclassification

Certain prior year information was reclassified to conform to current year classification. The reclassifications have no impact on previously reported net assets.

17. Change in Accounting Principle

The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs) during the year ended June 30, 2023. GASB Statement No. 96 provides guidance on the accounting and financial reporting for SBITAs for government end users. The adoption of this standard did not have any significant impacts on the Authority's financial statements.

The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 87, Leases during the year ended June 30, 2022. GASB Statement No. 87 required retrospective adoption to all periods presented. The adoption of this standard did not have any significant impacts on the Authority's financial statements.

NOTE C - CASH AND INVESTMENTS

The total carrying amounts of the Authority's cash and investments (unrestricted and restricted) was \$348,104,730 and \$305,788,334 with a fair value of \$348,104,760 and \$305,788,334 at June 30, 2023 and 2022, respectively. Cash consists of deposits with the Florida State Treasurer, local government investment pools and commercial banks at June 30, 2023 and 2022. Investments are reported at fair value in the accompanying financial statements.

Certain cash and investments totaling and carried at \$320,427,916 and \$273,576,864, with a fair value of \$320,417,163 and \$282,050,700 as of June 30, 2023 and 2022, respectively, are restricted as to their use by agreements or bond covenants.

1. Deposits

As of June 30, 2023 and 2022, approximately \$26,663,000 and \$20,920,000, respectively, was collateralized by the State of Florida collateral pool, which is a multiple financial institution pool with the ability to assess its members for collateral shortfalls if any of its member institutions fail. Required collateral is defined under Chapter 280 of the Florida Statutes, *Security for Public Deposits*.

2. Investments

Section 218.415, Florida Statutes, authorizes the Authority to invest surplus funds in the following:

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE C - CASH AND INVESTMENTS - Continued

- a. The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Florida Statute 163.01.
- b. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- c. Interest bearing time deposits or savings accounts in qualified public depositories, as defined in Florida Statutes 280.02.
- d. Direct obligations of the U.S. Treasury.

The Authority has invested \$7,480,994 and \$7,193,716 at June 30, 2023 and 2022, respectively, in FLCLASS, a Florida local government investment pool. FLCLASS is measured at amortized cost that approximated fair value. As such, FLCLASS is not required to be categorized within the fair value hierarchy. The dollar weighted average days to maturity of FLCLASS was 28 days at June 30, 2022. FLCLASS is rated AAAM by S&P Global Ratings.

As of June 30, 2023 and 2022, other than the investments in the Florida Treasury Investment Pool, all of the investments are in the Authority's name.

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Short term investments: Consist of cash deposits with financial institutions and money market funds. The Authority uses quoted market prices of identical assets on active exchanges, or Level 1 measurements.

US Government obligations: Primarily consist of fixed income funds. The Authority uses quoted market prices of identical assets on active exchanges, or Level 1 measurements.

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the Authority believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE C - CASH AND INVESTMENTS - Continued

The following table set forth by level, within the fair value hierarchy, the Authority's investments at fair value as of June 30, 2023 and 2022:

<u>June 30, 2023</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Short term investments	\$ 231,184,507	\$ 231,184,507	\$ -	\$ -
US Government obligations	83,168,461	83,168,461	-	-
Total	\$ 314,352,968	\$ 314,352,968	\$ -	\$ -
<u>June 30, 2022</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Short term investments	\$ 195,195,561	\$ 195,195,561	\$ -	\$ -
US Government obligations	83,129,459	83,129,459	-	-
Total	\$ 278,325,020	\$ 278,325,020	\$ -	\$ -

3. Concentration of Credit Risk

The following is the percent of any issuer with whom the Authority had invested more than 5% of the Authority's total portfolio as of June 2023 and 2022:

Issuer:	<u>2023</u>	<u>2022</u>
Fidelity Investment Money Market	74%	0%
U.S. Treasury Notes	22%	25%
First American Government Obligations Fund Class Y	0%	70%

4. Custodial Credit Risk

All of the Authority's depositories are members of the State of Florida collateral pool. The State of Florida collateral pool is a multiple, financial institution collateral pool with the ability to make additional assessments to satisfy the claims of governmental entities if any member institution fails. This ability provides protection, which is similar to depository insurance.

The Authority's investment policy requires use of a third-party custodial safekeeping agreement for all purchased securities and requires that securities be designated as an asset of the Authority. As of June 30, 2023 and 2022, all of the Authority's securities were held in a bank's trust/custodial department in the Authority's name.

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE D - PROPERTY AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

Changes in property and equipment and construction in progress during the years ended June 30, 2023 and 2022 consist of the following:

	June 30, 2022	Additions	Deletions	June 30, 2023
Assets subject to depreciation				
Buildings and improvements	\$ 17,518,561	\$ 268,341	\$ -	\$ 17,786,902
Furniture and equipment	31,438,431	30,024,959	(122,845)	61,340,545
Vehicle	108,433	-	-	108,433
	<u>49,065,425</u>	<u>30,293,300</u>	<u>(122,845)</u>	<u>79,235,880</u>
Less accumulated depreciation	<u>(33,729,607)</u>	<u>(3,893,388)</u>	<u>122,845</u>	<u>(37,500,150)</u>
	15,335,818	26,399,912	-	41,735,730
Assets not subject to depreciation				
Land, improvements and infrastructure	991,072,239	29,715,444	-	1,020,787,683
	<u>\$ 1,006,408,057</u>	<u>\$ 56,115,356</u>	<u>\$ -</u>	<u>\$ 1,062,523,413</u>
Construction in progress	<u>\$ 129,378,955</u>	<u>\$ 21,675,094</u>	<u>\$ (60,010,050)</u>	<u>\$ 91,043,999</u>
	<u>\$ 1,135,787,012</u>	<u>\$ 77,790,450</u>	<u>\$ (60,010,050)</u>	<u>\$ 1,165,567,413</u>
Assets subject to depreciation				
Buildings and improvements	\$ 10,677,526	\$ 6,841,035	\$ -	\$ 17,518,561
Furniture and equipment	27,314,453	4,123,978	-	31,438,431
Vehicle	56,619	80,287	(28,473)	108,433
	<u>38,048,598</u>	<u>11,045,300</u>	<u>(28,473)</u>	<u>49,065,425</u>
Less accumulated depreciation	<u>(32,336,944)</u>	<u>(1,421,136)</u>	<u>28,473</u>	<u>(33,729,607)</u>
	5,711,654	9,624,164	-	15,335,818
Assets not subject to depreciation				
Land and infrastructure	990,711,803	360,436	-	991,072,239
	<u>\$ 996,423,457</u>	<u>\$ 9,984,600</u>	<u>\$ -</u>	<u>\$ 1,006,408,057</u>
Construction in progress	<u>\$ 108,327,584</u>	<u>\$ 32,457,107</u>	<u>\$ (11,405,736)</u>	<u>\$ 129,378,955</u>
	<u>\$ 1,104,751,041</u>	<u>\$ 13,441,707</u>	<u>\$ (11,405,736)</u>	<u>\$ 1,136,787,012</u>

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE E - LONG-TERM DEBT

Long-term debt consists of revenue bonds payable and amounts due to other governmental entities, as follows:

1. Revenue Bonds and Notes Payable

The Authority issued \$334,165,000 in Tampa-Hillsborough County Expressway Authority Refunding Revenue Bonds, Series 2012A and 2012B; \$40,420,000 in Tampa-Hillsborough County Expressway Authority Taxable Revenue Bonds, Series 2012C; and \$70,105,000 in Tampa-Hillsborough County Expressway Authority Taxable Refunding Revenue Bonds, Series 2012D during the year ended June 30, 2013. The funds were used to refund the Series 2002 and Series 2005 bonds; payoff the SIB and TFRTF loans; fund the Authority's portion of the I-4/Selmon Connector project and the AET conversion; and fund reserves for debt service, operations, maintenance and administration and renewal and replacement.

During the year ended June 30, 2018, the Authority issued \$157,780,000 in Tampa-Hillsborough County Expressway Authority Revenue Bonds, Series 2017; \$152,410,000 in Tampa-Hillsborough County Expressway Authority Refunding Revenue Bonds, Series 2017B; and \$36,190,000 in Tampa-Hillsborough County Expressway Authority Revenue Bonds, Series 2017C. The funds were used to refund the series 2012B bonds; fund Selmon-West Extension Project which includes the construction of 2.5 miles of elevated roadway over a portion of the existing Gandy Boulevard in South Tampa; and fund South Selmon Safety Project and Meridian Improvement Project.

On June 15, 2020, the Authority deposited cash on hand of \$4,549,216 into an irrevocable escrow to advance refund, through an in-substance defeasance, \$4,415,000 of the Series 2012C Tax Revenue Bonds. The remaining balance at June 30, 2020 of \$10,210,000 was transferred to the paying agent July 1, 2020. As a result, the Series 2012C Bonds are considered to be defeased and the escrowed assets and the liability for the bonds have been removed from these financial statements. The Authority achieved a cash flow difference and an economic loss of \$18,731 as a result of the refunding.

During the year ended June 30, 2021, the Authority issued \$20,090,000 in Tampa-Hillsborough County Expressway Authority Revenue Bonds, Series 2020A and \$202,210,000 in Tampa-Hillsborough County Expressway Authority Taxable Refunding Revenue Bonds, Series 2020B. The funds were used to fund the costs of acquiring, constructing, and equipping certain capital improvements to the Expressway System and to advance refund the Series 2012A Bonds.

In September 2020, the Authority deposited cash on hand of \$210,397,502 into an irrevocable escrow to advance refund, through an in-substance defeasance, \$192,435,000 of the Series 2012A Refunding Revenue Bonds. As a result, the Series 2012A Bonds are considered to be defeased and the escrowed assets and the liability for the bonds have been removed from these financial statements. The Authority achieved a cash flow difference and an economic loss of \$468,871 as a result of the refunding.

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE E - LONG-TERM DEBT - Continued

During the year ended June 30, 2023, the Authority obtained a note payable in the amount of \$51,115,000 and these funds were used to advance refund the Series 2012D Bonds. The Authority deposited \$50,953,277 into an irrevocable escrow to advance refund, through an in-substance defeasance, \$50,855,000 of the Series 2012D Refunding Revenue Bonds. As a result, the Series 2012D Bonds are considered to be defeased and the escrowed assets and the liability for the bonds have been removed from these financial statements. The Authority achieved a cash flow difference and an economic loss of \$108,406 as a result of the refunding.

The Series 2012D, Series 2017, Series 2017B, Series 2017C, Series 2020A, and Series 2020B Bonds are secured by a pledge of, and lien on the net system revenues of the expressway system less the cost of operations, maintenance, and administrative expenses. The Master Bond Resolution contains a provision that in the event of default, the bonds are not subject to acceleration, but any holder of such bonds shall be entitled as of right to the appointment of a receiver of the Expressway System in an appropriate judicial proceeding.

Bonds payable and direct borrowings as of June 30, are as follows:

	<u>2023</u>	<u>2022</u>
Bonds payable:		
Series 2012D bonds payable		
Serial bonds (taxable) due from July 1, 2021 through July 1, 2026, bearing interest from 3.04% to 3.84%	\$ -	\$ 62,865,000
Series 2017 bonds payable		
Term bonds due July 1, 2047, bearing interest at 5.00%	<u>157,780,000</u>	<u>157,780,000</u>
Series 2017B bonds payable		
Serial bonds (taxable) due from July 1, 2019 through July 1, 2037, bearing interest from 4.00% to 5.00%	17,545,000	17,915,000
Term bonds due July 1, 2042, bearing interest at 4.00%	<u>133,485,000</u>	<u>133,485,000</u>
	<u>151,030,000</u>	<u>151,400,000</u>
Series 2017C bonds payable		
Term bonds due July 1, 2048, bearing interest at 5.00%	<u>36,190,000</u>	<u>36,190,000</u>
Series 2020A bonds payable		
Serial bonds (taxable) due from July 1, 2020 through July 1, 2038, bearing interest from 4% to 5%	<u>18,625,000</u>	<u>19,450,000</u>
Series 2020B bonds payable		
Serial bonds (taxable) due from July 1, 2020 through July 1, 2038, bearing interest from .81% to 2.7%	<u>198,740,000</u>	<u>200,665,000</u>
Total bonds payable	<u>562,365,000</u>	<u>628,350,000</u>

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE E - LONG-TERM DEBT - Continued

	<u>2023</u>	<u>2022</u>
Direct borrowings:		
Series 2022 note payable, maturing July 2026 bearing interest from 3.00% to 5.00%	<u>51,115,000</u>	<u>-</u>
Total direct borrowings	<u>51,115,000</u>	<u>-</u>
Total bonds and direct borrowings	<u>613,480,000</u>	<u>628,350,000</u>
Plus unamortized premium	<u>39,693,741</u>	<u>41,567,727</u>
Less current portion	<u>(15,980,000)</u>	<u>(15,130,000)</u>
Long-term portion	<u>\$ 637,193,741</u>	<u>\$ 654,787,727</u>

Debt service requirements to maturity at June 30, 2023 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 15,980,000	\$ 21,686,504	\$ 37,666,504
2025	16,290,000	21,366,969	37,656,969
2026	16,610,000	21,036,779	37,646,779
2027	16,940,000	20,709,486	37,649,486
2028	17,840,000	20,475,581	38,315,581
2029 - 2033	94,945,000	96,407,200	191,352,200
2034 - 2038	107,420,000	83,652,862	191,072,862
2039 - 2043	133,485,000	64,929,300	198,414,300
2044 - 2048	165,670,000	28,789,000	194,459,000
2049 - 2053	<u>28,300,000</u>	<u>1,415,000</u>	<u>29,715,000</u>
	<u>\$613,480,000</u>	<u>\$ 380,468,681</u>	<u>\$ 993,948,681</u>

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE E - LONG-TERM DEBT - Continued

2. Debt Service Reserve Requirements

The Authority has established debt service reserve accounts. Amounts deposited into the accounts equal the Maximum Annual Debt Service for the related bond series and are pledged solely to secure repayment of the bond issue. The balance of these accounts is as follows at June 30,:

	<u>2023</u>	<u>2022</u>
2012D, 2020B Reserve	\$ 20,073,789	\$ 19,914,057
2017, 2017 B/C Reserve	32,750,018	32,487,637
2020 A/B Reserve	5,529,058	5,406,578.00
2022 A Note Reserve	14,657,198	-
Common reserve account	<u>8,590,405</u>	<u>22,587,363</u>
	<u>\$ 81,600,468</u>	<u>\$ 80,395,635</u>

3. Due to Other Governmental Agencies

The Authority is indebted to other governmental entities as follows at June 30,:

	<u>2023</u>	<u>2022</u>
Due to State of Florida - FDOT	\$ 200,074,890	\$ 200,074,890
Due to State of Florida - FDOT State Transportation Trust Fund	<u>13,758,945</u>	<u>13,758,945</u>
	213,833,835	213,833,835
Less current portion	<u>-</u>	<u>-</u>
	<u>\$ 213,833,835</u>	<u>\$ 213,833,835</u>

The amounts due to State of Florida - FDOT resulted from payments of operations and maintenance costs of the expressway system for the year ended June 30, 2013 and prior which occurred under the Lease Purchase Agreement (LPA) with FDOT from November 18, 1997 - December 20, 2012. The LPA was terminated on December 20, 2012. The Authority agreed to pay FDOT in twenty annual installments beginning July 1, 2025.

The amount due State of Florida - FDOT - State Transportation Trust Fund resulted from advances made to the Authority for the purposes under Section 339.08(2)(g), Florida Statutes, as interim financing for future projects. The amount owed at June 30, 2023 and 2022 was \$12,034,945. The Authority has also negotiated a \$1,724,000 interest free loan. These loans are payable in twenty annual installments beginning July 1, 2025.

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE F - LONG-TERM LIABILITIES

The following is long-term liabilities activity for the years ended June 30, 2023 and 2022:

<u>2023</u>	June 30, 2022	Additions	Deletions	June 30, 2023	Due within one year
Revenue bonds	\$ 628,350,000	\$ -	\$ (65,985,000)	\$ 562,365,000	\$ 3,195,000
Unamortized bond premium	41,567,727	19,381	(1,893,367)	39,693,741	-
Note payable	-	51,115,000	-	51,115,000	12,785,000
Government notes and loans	213,833,835	-	-	213,833,835	-
Compensated absences	268,530	400,910	(313,458)	355,982	88,000
Net pension liability	1,575,064	3,361,225	-	4,936,289	-
Total long-term liabilities	<u>\$ 885,595,156</u>	<u>\$ 54,896,516</u>	<u>\$ (68,191,825)</u>	<u>\$ 872,299,847</u>	<u>\$ 16,068,000</u>
<u>2022</u>	June 30, 2021	Additions	Deletions	June 30, 2022	Due within one year
Revenue bonds	\$ 638,130,000	\$ -	\$ (9,780,000)	\$ 628,350,000	\$ 15,130,000
Unamortized bond premium	43,427,178	-	(1,859,451)	41,567,727	-
Government notes and loans	213,833,835	-	-	213,833,835	-
Compensated absences	483,186	93,116	(307,772)	268,530	88,000
Net pension liability	5,126,936	-	(3,551,872)	1,575,064	-
Total long-term liabilities	<u>\$ 901,001,135</u>	<u>\$ 93,116</u>	<u>\$ (15,499,095)</u>	<u>\$ 885,595,156</u>	<u>\$ 15,218,000</u>

NOTE G - COMPENSATED ABSENCES

It is the Authority's policy to permit employees to accumulate earned, but unused vacation and sick leave, which will be paid to employees as of the statement of net position date, or upon retirement from the Authority. The liability for unpaid compensated absences was \$355,982 and \$268,530 at June 30, 2023 and 2022, respectively.

NOTE H - RETIREMENT PLANS

1. State of Florida Retirement System (FRS)

All permanent employees of the Authority participate in the State of Florida Retirement System (the "FRS"), a multiple-employer cost sharing defined benefit retirement plan or defined contribution retirement plan, administered by the Florida Department of Administration, Division of Retirement. As a general rule, membership in the FRS is compulsory for all employees working in a regular established position for a state agency, county government, district school board, state university, community college or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Employees are classified in either the regular service class or the senior management service class ("SMSC").

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE H - RETIREMENT PLANS – Continued

The senior management service class is for members who fill the senior level management positions.

Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida Legislature.

Employees may participate in the Public Employee Optional Retirement Program (the "Investment Plan"), a defined contribution retirement program, in lieu of participation in the defined benefit retirement plan ("Pension Plan"). If the Investment Plan is elected, active membership in the defined benefit retirement plan is terminated. Eligible members of the Investment Plan are vested at one year of service and receive a contribution for self-direction in an investment product with a third-party administrator selected by the State Board of Administration.

For employees in the Pension Plan, benefits are computed on the basis of age, average final compensation and service credit. Regular class and senior management class employees who were enrolled in the FRS prior to July 1, 2011 and retire at or after age 62 with at least six years of credited service or 30 years of service, regardless of age, are entitled to a retirement benefit payable monthly for life, based on their final average compensation of their five highest fiscal years of pay for each year of credited service.

Employees enrolled on or after July 1, 2011 and who retire at or after age 65 with at least eight years of credited service, or 33 years of service, regardless of age, are entitled to a retirement benefit payable monthly for life, as explained above, based on their eight highest fiscal years of pay. Using their date of enrollment as a basis, vested employees with less than the minimum years of service may retire before the minimum age and receive reduced retirement benefits.

In addition to the above benefits, the FRS administers a Deferred Retirement Option Program ("DROP"). This program allows eligible employees to defer receipt of monthly retirement benefit payments while continuing employment with a Florida Retirement System employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Starting on July 1, 2011, Chapter 2011-68 of the Laws of Florida required members of the FRS not enrolled in DROP to contribute 3% of their salary to their retirement. Governmental employers are required to make contributions to the FRS based on statewide contribution rates.

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE H - RETIREMENT PLANS - Continued

The rates applicable to the Authority's employee's were the following for the years ended June 30,:

	2023		2022	
	FRS	HIS	FRS	HIS
Regular class	13.25%	1.66%	9.16%	1.66%
Senior management class	32.91%	1.66%	27.35%	1.66%
DROP participants	16.94%	1.66%	16.68%	1.66%

The Authority's actual contributions to the HIS for the fiscal years ended June 30, 2023 and 2022 were \$50,729 and \$50,065, respectively.

The Authority also participates in a Deferred Compensation plan (the "Plan") for public employees of the State of Florida, under Section 457 of the Internal Revenue Code, covering substantially all of its employees. The Authority's contributions to the Plan are based upon the employee's salaries. Contributions of \$96,207 and \$88,002 were made to the Plan for the year ended June 30, 2023 and 2022, respectively.

Health Insurance Subsidy (HIS) Program

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administrated in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retiree of the state-administrated retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2014, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Net Pension Liability

The component of the collective net pension liability of the Authority as of June 30, 2023 and 2022 is shown below:

	FRS	HIS	Total
June 30, 2023	<u>\$ 4,059,940</u>	<u>\$ 876,349</u>	<u>\$ 4,936,289</u>
June 30, 2022	<u>\$ 695,362</u>	<u>\$ 879,702</u>	<u>\$ 1,575,064</u>

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE H - RETIREMENT PLANS - Continued

The total pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated July 1, 2022 and July 1, 2021 for the net pension liability as of June 30, 2023 and 2022, respectively.

Actuarial Methods and Assumptions

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed as of June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for this program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40% for the years ended June 30, 2023 and 2022. Payroll growth, including inflation, for both plans is assumed at 3.25% for each of the years ended June 30, 2023 and 2022. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70% for the year ended June 30, 2023 and 6.80% for the year ended June 30, 2022. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because the HIS Program uses the pay-as-you-go funding structure, a municipal bond rate of 3.54% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index) at June 30, 2023 and 2022 and 2.16% was used at June 30, 2022. Mortality assumptions for both plans were based on the PUB-2010 base table.

The following changes in actuarial assumptions occurred during the fiscal year ended June 30, 2023:

- FRS: The long-term expected rate of return decreased from 6.80% to 6.70%
- HIS: The demographic assumptions for the Special Risk class were updated to reflect plan changes to HB5007, HB689 and SB838
- HIS: The election assumption for vested terminated members was updated from 20% to 50% to reflect recent experience
- HIS: The municipal bond rate used to determine total pension liability was increased from 2.16% to 3.54%

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE H - RETIREMENT PLANS - Continued

The following changes in actuarial assumptions occurred during the fiscal year ended June 30, 2022:

- FRS: Decreasing the maximum amortization period to 20 years for all current and future amortization bases
- HIS: The municipal bond rate used to determine total pension liability was decreased from 2.21% to 2.16%.

The long-term expected rate of return, net of investment expense on pension plan investments was 6.70% and 6.80% for the years ended June 30, 2023 and 2022. This rate was determined using a forward-looking capital market economic model. The table below shows the assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The expected rate of return is presented in arithmetic and geometric means.

June 30, 2023			
Asset Class	Target Allocation	Annual Arithmetic Return	Compounded Annual (Geometric) Return
Cash	1.0%	2.6%	2.6%
Fixed income	19.8%	4.4%	4.4%
Global equity	54.0%	8.8%	7.3%
Real estate (property)	10.3%	7.4%	6.3%
Private equity	11.1%	12.0%	8.9%
Strategic investments	3.8%	6.2%	5.9%

June 30, 2022			
Asset Class	Target Allocation	Annual Arithmetic Return	Compounded Annual (Geometric) Return
Cash	1.0%	2.1%	1.1%
Fixed income	20.0%	3.8%	3.3%
Global equity	54.2%	8.2%	17.8%
Real estate (property)	10.3%	7.1%	13.8%
Private equity	10.8%	11.7%	26.4%
Strategic investments	3.7%	5.7%	8.4%

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE H - RETIREMENT PLANS - Continued

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the collective net pension liability recorded in the Authority's Statement of Net Position as of June 30, 2023 and 2022 if the discount rate was 1.00% higher or 1.00% lower than the current discounted rate.

June 30, 2023		
FRS Net Pension Liability		
1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
\$ 7,021,388	\$ 4,059,940	\$ 1,583,818
HIS Net Pension Liability		
1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
\$ 1,002,615	\$ 876,349	\$ 771,866
June 30, 2022		
FRS Net Pension Liability		
1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
\$ 3,109,699	\$ 695,362	\$ (1,322,756)
HIS Net Pension Liability		
1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
\$ 1,017,019	\$ 879,702	\$ 767,199

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE H - RETIREMENT PLANS - Continued

Pension Expense and Deferred Outflows/ Inflows of Resources

In accordance with GASB 68, paragraph 54 and 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current measurement period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
- Changes of assumptions or other inputs - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
- Differences between expected and actual earnings on pension plan investments are amortized over five years.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2023 was 5.5 years for FRS and 6.4 for HIS and 5.7 for FRS and 6.4 for HIS at June 30, 2022.

The proportionate share is measured as of the measurement date. The Authority's proportion of the FRS was 0.011 percent at June 30, 2022, which was an increase of 0.0002 from its proportion measured as of June 30, 2021. At June 30, 2022, the Authority's proportion of the HIS was 0.0083 percent, which was an increase of 0.0001 from its proportion measured as of June 30, 2021.

The Authority recognized pension expense of approximately \$615,500, \$62,200 and \$956,000, for the years ended June 30, 2023, 2022 and 2021, respectively.

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE H - RETIREMENT PLANS - Continued

At June 30, 2023 and 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2023

Deferred Inflows / Outflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 219,423	\$ (3,856)
Changes of assumptions	550,232	(135,571)
Net difference between projected and actual earnings on pension plan investments	269,346	-
Changes in proportion and differences between Tampa-Hillsborough County Expressway Authority's contributions and proportionate share of contributions	600,842	(181,708)
Tampa-Hillsborough County Expressway Authority's contributions subsequent to the measurement date	<u>519,682</u>	<u>-</u>
Total	<u>\$ 2,159,525</u>	<u>\$ (321,135)</u>

2022

Deferred Inflows / Outflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 148,623	\$ (368)
Changes of assumptions	544,925	(36,246)
Net difference between projected and actual earnings on pension plan investments	917	(2,425,938)
Changes in proportion and differences between Tampa-Hillsborough County Expressway Authority's contributions and proportionate share of contributions	204,839	(232,576)
Tampa-Hillsborough County Expressway Authority's contributions subsequent to the measurement date	<u>515,677</u>	<u>-</u>
Total	<u>\$ 1,414,981</u>	<u>\$ (2,695,128)</u>

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE H - RETIREMENT PLANS - Continued

The \$519,682 and \$515,677 reported as deferred outflows of resources related to pensions resulting from the Authority’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan years ended June 30, 2023 and 2022, respectively.

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Period Ending June 30:		
2024	\$	335,178
2025		166,252
2026		(13,509)
2027		754,993
2028		76,425
Thereafter		<u>(631)</u>
	\$	<u>1,318,708</u>

Additional Financial and Actuarial Information

Additional audited financial information supporting the Schedules of Employer Allocations and the Schedule of Pensions Amounts by Employer is located in the Florida ACFR and in the Florida Retirement System Pension Plan and Other State-Administered Systems ACFR for the fiscal year ended June 30, 2022. The system’s ACFR and the actuarial valuation reports referenced herein are available online at:

http://www.dms.myflorida.com/workforce_operations/retirement/publications

The system’s ACFR and actuarial reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services
 Division of Retirement
 Bureau of Research and Member Communications
 P.O. Box 9000
 Tallahassee, Florida 32315-900
 850-488-4706 or toll free at 877-377-1737

Tampa-Hillsborough County Expressway Authority

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE H - RETIREMENT PLANS - Continued

2. 457(b) Deferred Compensation Plan

The Authority has a non-qualified deferred compensation plan, a 457(b) Plan for certain eligible employees. The Authority makes a non-elective contribution equal to 3% of each participant's eligible salary. Contributions to this plan for the years ended June 30, 2023 and 2022, were \$96,207 and \$88,002, respectively.

NOTE I - EMPLOYEE SEVERANCE

The Authority's personnel policies and procedures manual provide unclassified managerial, administrative and unclassified executive management positions a severance benefit upon termination without cause. The number of months of severance pay ranges from three to twelve.

NOTE J - COMMITMENTS AND CONTINGENCIES

Consulting Contracts

The Authority has entered into contracts with consultants for design, engineering, technology, construction and other services. The committed, but unspent balances of these contracts were \$32,655,553 and \$21,012,597 at June 30, 2023 and 2022, respectively.

Risk Management

The Authority is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and mutual disasters for which the Authority purchased commercial insurance.

NOTE K - CURRENT LEASE AGREEMENT WITH TENANT

The Authority leases certain office space and property to tenants which expire in various years through 2034. The leases are short term in nature or have certain terms which make them cancellable. As such, these leases are not applicable under GASB 87, *Leases*.

NOTE L - SUBSEQUENT EVENTS

The Authority has evaluated events and transactions subsequent to June 30, 2023 as of **DATE** which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Tampa-Hillsborough County Expressway Authority

TREND DATA ON INFRASTRUCTURE CONDITION

June 30, 2023

The Authority has elected to use the Modified Approach to account for maintenance of its infrastructure assets. The Florida Department of Transportation (the "FDOT") annually inspects the Authority's roadways. The FDOT utilizes the Maintenance Rating Program ("MRP") to assess the condition of the Expressway System. Copies of the MRP manual may be obtained from the State Maintenance Office, 605 Suwannee Street, Mail Station 52, Tallahassee, FL 32399-0450. The MRP manual provides a uniform evaluation system for maintenance features of the State Highway System. The roadways are rated on a 100-point scale, with 100 meaning that every aspect of the roadway is in new and perfect condition. The Authority's system as a whole is given an overall rating, indicating the average condition of all roadways operated by the Authority. The assessment of condition is made by visual and mechanical tests designed to reveal any condition that would reduce highway-user benefits below the maximum level of service. The Authority's policy is to maintain the roadway condition at a MRP rating of 90 or better.

The results of the last five inspections are as follows:

Evaluation Period Fiscal Year	Rating
2023	96%
2022	96%
2021	95%
2020	96%
2019	94%

The budget-to-actual expenditures for road maintenance for the past five years are as follows:

Fiscal Year	Budget	Actual
2023	\$ 5,022,800	\$ 5,045,194
2022	\$ 4,881,759	\$ 4,376,020
2021	\$ 4,654,995	\$ 4,063,008
2020	\$ 4,687,500	\$ 4,164,056
2019	\$ 4,458,663	\$ 3,952,973

Tampa-Hillsborough County Expressway Authority

SCHEDULE OF TAMPA-HILLSBOROUGH COUNTY EXPRESSWAY AUTHORITY'S
PROPORTIONATE SHARE OF NET PENSION LIABILITY

Florida Retirement System (FRS) Defined Benefit Pension Plan

Authority Year Ending June 30,	Plan Sponsor Measurement Date June 30,	Authority's Proportion of the FRS Net Pension Liability	Authority's Proportionate Share of the FRS Net Pension Liability	Authority's Covered Employee Payroll	Authority's proportionate share of the Net Pension Liability as a Percentage of Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2023	2022	0.010911461%	\$ 4,059,940	\$ 3,081,363	131.76%	82.89%
2022	2021	0.009205364%	\$ 695,362	\$ 3,015,307	23.06%	96.40%
2021	2020	0.009649819%	\$ 4,182,374	\$ 2,541,971	164.53%	78.85%
2020	2019	0.010036555%	\$ 3,456,450	\$ 2,690,542	128.47%	82.61%
2019	2018	0.009617100%	\$ 2,896,720	\$ 2,558,813	113.21%	84.26%
2018	2017	0.009267292%	\$ 2,741,202	\$ 2,410,007	113.74%	83.89%
2017	2016	0.007995643%	\$ 2,018,906	\$ 2,173,184	92.90%	84.88%
2016	2015	0.007360228%	\$ 950,672	\$ 1,833,148	51.86%	92.00%
2015	2014	0.006741295%	\$ 411,316	\$ 1,622,163	25.36%	96.09%
2014	2013	0.002944881%	\$ 506,945	\$ 1,569,484	32.30%	88.54%

Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan

Authority Year Ending June 30,	Plan Sponsor Measurement Date June 30,	Authority's Proportion of the HIS Net Pension Liability	Authority's Proportionate Share of the HIS Net Pension Liability	Authority's Covered Employee Payroll	Authority's proportionate share of the Net Pension Liability as a Percentage of Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2023	2022	0.008274002%	\$ 876,349	\$ 3,081,363	28.44%	4.81%
2022	2021	0.007171568%	\$ 879,702	\$ 3,015,307	29.17%	3.56%
2021	2020	0.007736061%	\$ 944,562	\$ 2,541,971	37.16%	3.00%
2020	2019	0.007650970%	\$ 856,067	\$ 2,690,542	31.82%	2.63%
2019	2018	0.007285065%	\$ 771,059	\$ 2,558,813	30.13%	2.15%
2018	2017	0.006852751%	\$ 732,728	\$ 2,410,007	30.40%	1.64%
2017	2016	0.005799349%	\$ 675,890	\$ 2,173,184	31.10%	0.97%
2016	2015	0.005296215%	\$ 540,131	\$ 1,833,148	29.46%	0.50%
2015	2014	0.005250370%	\$ 491,080	\$ 1,622,163	30.27%	0.99%
2014	2013	0.004991401%	\$ 434,567	\$ 1,569,484	27.69%	1.78%

Tampa-Hillsborough County Expressway Authority

SCHEDULE OF TAMPA-HILLSBOROUGH COUNTY EXPRESSWAY AUTHORITY'S CONTRIBUTIONS

Florida Retirement System (FRS) Defined Benefit Pension Plan

Authority Year Ending June 30,	FRS Contributions in Relation to the		FRS Contribution Deficiency (Excess)	Authority's Covered Employee Payroll	FRS Contributions as a Percentage of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution			
2023	\$ 468,953	\$ 468,953	\$ -	\$ 3,081,363	15.22%
2022	\$ 465,612	\$ 465,612	\$ -	\$ 3,015,307	15.44%
2021	\$ 350,685	\$ 350,685	\$ -	\$ 2,541,971	13.80%
2020	\$ 320,621	\$ 320,621	\$ -	\$ 2,690,542	11.92%
2019	\$ 311,206	\$ 311,206	\$ -	\$ 2,558,813	12.16%
2018	\$ 274,080	\$ 274,080	\$ -	\$ 2,410,007	11.37%
2017	\$ 241,250	\$ 241,250	\$ -	\$ 2,173,184	11.10%
2016	\$ 194,987	\$ 194,987	\$ -	\$ 1,833,148	10.64%
2015	\$ 179,449	\$ 179,449	\$ -	\$ 1,622,163	11.06%
2014	\$ 147,663	\$ 147,663	\$ -	\$ 1,569,484	9.41%

Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan

Authority Year Ending June 30,	HIS Contributions in Relation to the		HIS Contribution Deficiency (Excess)	Authority's Covered Employee Payroll	HIS Contributions as a Percentage of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution			
2023	\$ 50,729	\$ 50,729	\$ -	\$ 3,081,363	1.65%
2022	\$ 50,065	\$ 50,065	\$ -	\$ 3,015,307	1.66%
2021	\$ 42,155	\$ 42,155	\$ -	\$ 2,541,971	1.66%
2020	\$ 44,579	\$ 44,579	\$ -	\$ 2,690,542	1.66%
2019	\$ 42,485	\$ 42,485	\$ -	\$ 2,558,813	1.66%
2018	\$ 39,507	\$ 39,507	\$ -	\$ 2,410,007	1.64%
2017	\$ 36,267	\$ 36,267	\$ -	\$ 2,173,184	1.67%
2016	\$ 29,725	\$ 29,725	\$ -	\$ 1,833,148	1.62%
2015	\$ 20,245	\$ 20,245	\$ -	\$ 1,622,163	1.25%
2014	\$ 17,992	\$ 17,992	\$ -	\$ 1,569,484	1.15%

Tampa-Hillsborough County Expressway Authority
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2023

Grantor and Project Title	Assistance Listing Number	Contract Number	Pass-Through Entity Identifying Number	Pass-Through To Subrecipients	Expenditures
U.S. Department of Transportation					
Direct Program					
Federal Highway Administration					
Highway Research and Development					
Program	20.200	DTFH6116H00025	N/A	\$ -	\$ 796,026
Total expenditures of federal awards				<u>\$ -</u>	<u>\$ 796,026</u>

The accompanying notes are an integral part of this schedule.

Tampa-Hillsborough County Expressway Authority

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2023

NOTE 1 - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal awards activity of Tampa-Hillsborough County Expressway Authority under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Federal expenditures reported on the Schedule are reported on the accrual basis of accounting. Federal expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2 - INDIRECT COST RATE

The Authority did not utilize the de minimus indirect cost rates for reimbursement of grant expenditures for the fiscal year ended June 30, 2023.

NOTE 3 - CONTINGENCIES

These federal programs are subject to financial and compliance audits by grantor agencies which, if instances of material noncompliance are found, may result in disallowed expenditures and affect the Authority's continued participation in specific programs. The amounts, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Authority's annual comprehensive annual financial report presents detail information which provides further clarification to the information contained in the financial statements, note disclosures, and all required supplementary information. The information in this section includes important indicators about the Authority's overall financial well-being. Reports in this section have been prepared according to GASB guidelines.

Contents:

Financial Trends

The following tables contain trend information to help the reader understand how the Authority's financial performance and condition has changed over the past 10 years.

Table 1 - Net Position by Component

Table 2 - Revenues, Expenses and Changes in Net Position

Revenue Capacity

The following tables contain information to help the reader assess the Authority's most significant revenue source, toll revenue.

Table 3 - Total Toll Revenues, Net and Percentage by Payment Type

Table 4 - Total Toll Transactions by Facility and Average Toll Rate

Table 5 - Schedule of Toll Rates

Debt Capacity

The following tables contain information to help the reader assess the Authority's capability of meeting its current level of debt service and its ability to issue future debt.

Table 6 - Schedule of Net Revenues and Coverage Ratio

Table 7 - Ratio of Outstanding Debt by Type

Demographic and Economic Information

The following tables contain information to help the reader understand demographics and economic indicators related to the Authority's financial activities in their current environment.

Table 8 - Schedule of Demographic and Economic Statistics

Table 9 - Schedule of Principal Employers

Operating Information

The follow tables contain information directly elated to the operating indicators, the capital assets, and the number of personnel employed by Authority.

Table 10 - Contribution to Capital Assets

Table 11 - Number of Employees by Activity

Tampa-Hillsborough County Expressway Authority
Table 1 - Net Position by Component
FY2014 through FY2023
(in thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Investment in capital assets	\$ 295,106	\$ 273,187	\$ 264,838	\$ 223,924	\$ 204,528	\$ 181,166	\$ 189,261	\$ 161,894	\$ 154,477	\$ 137,365
Restricted	339,641	286,202	198,547	218,016	196,430	165,129	111,213	86,606	46,671	27,807
Unrestricted	<u>19,265</u>	<u>19,034</u>	<u>46,295</u>	<u>21,988</u>	<u>15,132</u>	<u>19,284</u>	<u>13,545</u>	<u>13,174</u>	<u>12,850</u>	<u>11,938</u>
Total Net Position	<u>\$ 654,012</u>	<u>\$ 578,423</u>	<u>\$ 509,680</u>	<u>\$ 463,928</u>	<u>\$ 416,090</u>	<u>\$ 365,579</u>	<u>\$ 314,019</u>	<u>\$ 261,674</u>	<u>\$ 213,998</u>	<u>\$ 177,110</u>

Tampa-Hillsborough County Expressway Authority
Table 2 - Revenues, Expenses and Changes in Net Position
FY2014 through FY2023
(in thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Operating Revenues:										
Toll and Fee Revenues	\$ 115,635	\$ 114,066	\$ 87,859	\$ 87,897	\$ 82,090	\$ 82,716	\$ 84,983	\$ 80,118	\$ 68,210	\$ 45,108
Operating Expenses:										
Operations	9,192	8,615	6,386	6,551	5,742	4,491	4,974	4,973	4,624	3,978
Maintenance	5,745	4,971	4,063	4,164	3,953	2,749	2,939	2,925	2,919	2,767
Renewal and replacement	1,085	31	1,548	2,906	2,097	1,176	5,499	871	1,150	225
Depreciation	3,893	1,421	1,128	1,131	1,163	1,177	1,183	1,043	900	857
Administration	7,146	6,821	6,136	6,676	5,577	5,597	4,498	3,768	3,394	3,186
Other expenses	576	720	467	555	545	571	485	694	338	553
Total Operating Expenses	27,637	22,579	19,728	21,983	19,077	15,761	19,578	14,274	13,325	11,566
Non-Operating										
Revenues/(Expenses):										
Non-Operating Revenues	9,208	(995)	1,440	7,912	10,438	5,647	1,883	1,488	1,315	1,121
Non-Operating Expenses	(22,413)	(23,552)	(25,964)	(27,796)	(25,232)	(28,519)	(20,132)	(20,445)	(20,556)	(20,313)
Total Non-Operating										
Revenues / (Expenses)	(13,205)	(24,547)	(24,524)	(19,884)	(14,794)	(22,872)	(18,249)	(18,957)	(19,241)	(19,192)
Capital Contributions	796	1,804	2,144	1,809	2,290	7,476	5,189	789	1,245	246
Changes in Net Position	\$ 75,589	\$ 68,744	\$ 45,752	\$ 47,839	\$ 50,509	\$ 51,559	\$ 52,345	\$ 47,676	\$ 36,889	\$ 14,596

Tampa-Hillsborough County Expressway Authority
Table 3 - Toll Revenues, Net and Percentage by Payment Type
FY2014 through FY2023

<u>Fiscal Year</u>	<u>Sunpass</u>	<u>TBP</u>	<u>I-4 Connector</u>	<u>Third Party Collections</u>	<u>Total Toll Revenues, net</u>	<u>Sunpass %</u>	<u>TBP %</u>	<u>I-4 Connector %</u>	<u>Third Party Collections %</u>
2023	\$ 84,143,752	\$ 15,055,930	\$ 1,559,909	\$ 14,875,015	\$ 115,634,606	72.8%	13.0%	1.3%	12.9%
2022	\$ 80,495,602	\$ 14,320,165	\$ 1,471,622	\$ 17,778,363	\$ 114,065,752	70.6%	12.6%	1.3%	15.6%
2021	\$ 62,597,115	\$ 10,954,142	\$ 1,126,983	\$ 13,180,363	\$ 87,858,603	71.2%	12.5%	1.3%	15.0%
2020	\$ 65,250,553	\$ 10,588,967	\$ 1,226,358	\$ 10,830,683	\$ 87,896,561	74.2%	12.0%	1.4%	12.3%
2019	\$ 69,571,534	\$ 8,924,930	\$ 1,392,474	\$ 2,201,204	\$ 82,090,142	84.8%	10.9%	1.7%	2.7%
2018	\$ 73,053,425	\$ 1,659,528	\$ 1,184,285	\$ 6,819,254	\$ 82,716,492	88.3%	2.0%	1.4%	8.2%
2017*					\$ 84,982,937				
2016*					\$ 80,118,452				
2015*					\$ 68,210,122				
2014*					\$ 45,107,928				

* 2018 was the first year that Toll Revenue was stratified by category

Tampa-Hillsborough County Expressway Authority
Table 4 - Total Toll Transactions by Facility and Average Toll Rate
FY2014 through FY2023

Toll Transactions by Facility							Total Toll Revenues	Average Toll Rate
Fiscal Year	Lee Roy Selmon Expressway Mainline	Lee Roy Selmon Expressway Reversible Express Lanes	Lee Roy Selmon Expressway West Extension	Total				
2023	\$ 63,062,993	\$ 4,218,956	\$ 7,566,230	\$ 74,848,179	\$ 115,634,606	\$ 1.54		
2022	\$ 59,364,706	\$ 3,679,756	\$ 6,351,655	\$ 69,396,117	\$ 114,065,752	\$ 1.64		
2021	\$ 49,302,943	\$ 2,671,371	\$ 1,025,981	\$ 53,000,295	\$ 87,858,603	\$ 1.66		
2020	\$ 50,261,289	\$ 3,992,175	\$ -	\$ 54,253,464	\$ 87,896,561	\$ 1.62		
2019	\$ 56,965,644	\$ 4,972,052	\$ -	\$ 61,937,696	\$ 82,090,142	\$ 1.33		
2018	\$ 54,201,121	\$ 4,958,924	\$ -	\$ 59,160,045	\$ 82,716,492	\$ 1.40		
2017	\$ 51,020,776	\$ 5,083,569	\$ -	\$ 56,104,345	\$ 84,982,937	\$ 1.51		
2016	\$ 48,986,394	\$ 5,165,970	\$ -	\$ 54,152,364	\$ 80,118,452	\$ 1.48		
2015	\$ 33,517,802	\$ 4,115,562	\$ -	\$ 37,633,364	\$ 68,210,122	\$ 1.81		
2014	\$ 23,628,383	\$ 4,268,245	\$ -	\$ 27,896,628	\$ 45,107,928	\$ 1.62		

Tampa-Hillsborough County Expressway Authority
Table 5 - FY2023 Toll Rates

Toll Site number	Toll Site Name	SunPass / Interoperable Transponder				Toll By Plate				Additional Axle Charge	
		2 Axles	3 Axles	4 Axles	5 Axles	2 Axles	3 Axles	4 Axles	5 Axles	SunPass	Toll By Plate
101701	SR618 Ext. Main - Eastbound	\$ 0.99	\$ 1.98	\$ 2.97	\$ 3.86	\$ 1.35	\$ 2.70	\$ 4.05	\$ 5.40	\$ 0.99	\$ 1.35
101702	SR618 Ext. Main - Westbound	\$ 0.99	\$ 1.98	\$ 2.97	\$ 3.86	\$ 1.35	\$ 2.70	\$ 4.05	\$ 5.40	\$ 0.99	\$ 1.35
101705	SR618 Ext. SR573/US92 OFF RAMP	\$ 0.99	\$ 1.98	\$ 2.97	\$ 3.86	\$ 1.35	\$ 2.70	\$ 4.05	\$ 5.40	\$ 0.99	\$ 1.35
101710	Willow Avenue ON - Westbound	\$ 0.99	\$ 1.98	\$ 2.97	\$ 3.86	\$ 1.35	\$ 2.70	\$ 4.05	\$ 5.40	\$ 0.99	\$ 1.35
101715	Willow Avenue OFF - Eastbound	\$ 0.99	\$ 1.98	\$ 2.97	\$ 3.86	\$ 1.35	\$ 2.70	\$ 4.05	\$ 5.40	\$ 0.99	\$ 1.35
101720	SELMON EXPY WEST MAINLINE Westbound	\$ 1.34	\$ 2.68	\$ 4.02	\$ 5.36	\$ 1.70	\$ 3.40	\$ 5.10	\$ 6.80	\$ 1.34	\$ 1.70
101725	SELMON EXPY WEST MAINLINE Eastbound	\$ 1.34	\$ 2.68	\$ 4.02	\$ 5.36	\$ 1.70	\$ 3.40	\$ 5.10	\$ 6.80	\$ 1.34	\$ 1.70
101730	Plant Avenue OFF - Westbound	\$ 0.69	\$ 1.38	\$ 2.07	\$ 2.76	\$ 1.05	\$ 2.10	\$ 3.15	\$ 4.20	\$ 0.69	\$ 1.05
101735	Plant Avenue ON - Eastbound	\$ 0.69	\$ 1.38	\$ 2.07	\$ 2.76	\$ 1.05	\$ 2.10	\$ 3.15	\$ 4.20	\$ 0.69	\$ 1.05
101740	22nd Street ON - Westbound	\$ 0.69	\$ 1.38	\$ 2.07	\$ 2.76	\$ 1.05	\$ 2.10	\$ 3.15	\$ 4.20	\$ 0.69	\$ 1.05
101745	22nd Street OFF - Eastbound	\$ 0.69	\$ 1.38	\$ 2.07	\$ 2.76	\$ 1.05	\$ 2.10	\$ 3.15	\$ 4.20	\$ 0.69	\$ 1.05
101750	50th Street ON - Westbound	\$ 0.99	\$ 1.98	\$ 2.97	\$ 3.96	\$ 1.35	\$ 2.70	\$ 4.05	\$ 5.40	\$ 0.99	\$ 1.35
101755	50th Street OFF - Eastbound	\$ 0.99	\$ 1.98	\$ 2.97	\$ 3.96	\$ 1.35	\$ 2.70	\$ 4.05	\$ 5.40	\$ 0.99	\$ 1.35
101760	SELMON EXPY EAST MAINLINE Westbound	\$ 2.03	\$ 4.06	\$ 6.09	\$ 8.12	\$ 2.39	\$ 4.78	\$ 7.17	\$ 9.56	\$ 2.03	\$ 2.39
101765	SELMON EXPY EAST MAINLINE Eastbound	\$ 2.03	\$ 4.06	\$ 6.09	\$ 8.12	\$ 2.39	\$ 4.78	\$ 7.17	\$ 9.56	\$ 2.03	\$ 2.39
101770	Reversible Express Lanes - Westbound	\$ 2.03	\$ 4.06	\$ 6.09	\$ 8.12	\$ 2.39	\$ 4.78	\$ 7.17	\$ 9.56	\$ 2.03	\$ 2.39
101775	Reversible Express Lanes - Eastbound	\$ 2.03	\$ 4.06	\$ 6.09	\$ 8.12	\$ 2.39	\$ 4.78	\$ 7.17	\$ 9.56	\$ 2.03	\$ 2.39

Tampa-Hillsborough County Expressway Authority
Table 6 - Schedule of Net Revenues and Coverage Ratio
FY2014 through FY2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Toll and Fee Revenues	\$115,634,606	\$114,065,752	\$ 87,858,603	\$ 87,896,561	\$ 82,090,142	\$ 82,716,492	\$ 84,982,937	\$ 80,118,452	\$ 68,210,122	\$ 45,107,928
Investment Income	8,689,247	720,370	1,393,636	5,369,239	8,102,890	4,993,349	1,098,502	444,276	612,918	300,378
Other Revenues	865,409	1,271,321	916,218	884,257	889,329	905,635	1,014,345	819,352	822,463	817,479
Total Revenues	125,189,262	116,057,443	90,168,457	94,150,057	91,082,361	88,615,476	87,095,784	81,382,080	69,645,503	46,225,785
Operating Expenses	20,491,713	15,758,361	13,591,549	15,307,581	13,499,609	10,163,965	15,080,991	10,506,388	9,932,079	8,380,673
Less Depreciation	(3,893,388)	(1,421,136)	(1,127,909)	(1,130,959)	(1,162,625)	(1,177,173)	(1,183,354)	(1,043,488)	(900,044)	(857,189)
General & Administrative Expenses	7,145,078	6,821,215	6,136,415	6,675,948	5,576,957	5,597,013	4,497,783	3,767,733	3,393,785	3,185,996
Total Expenses	23,743,403	21,158,440	18,600,055	20,852,570	17,913,941	14,583,805	18,395,420	13,230,633	12,425,820	10,709,480
<u>Net Revenues</u>	<u>\$101,445,859</u>	<u>\$ 94,899,003</u>	<u>\$ 71,568,402</u>	<u>\$ 73,297,487</u>	<u>\$ 73,168,420</u>	<u>\$ 74,031,671</u>	<u>\$ 68,700,364</u>	<u>\$ 68,151,447</u>	<u>\$ 57,219,683</u>	<u>\$ 35,516,305</u>
<u>Senior Debt Service</u>	\$ 38,232,859	\$ 38,254,883	\$33,275,846	\$38,526,328	\$36,977,733	\$35,468,471	\$24,768,371	\$23,216,004	\$21,592,131	\$21,616,551
<u>Senior Bonds Coverage Ratio</u>	2.65	2.48	2.15	1.90	1.98	2.09	2.77	2.94	2.65	1.64

Tampa-Hillsborough County Expressway Authority
Table 7 - Ratio of Outstanding Debt by Type
FY2014 through FY2023

<u>Fiscal Year</u>	<u>Revenue</u>		<u>State Transportation</u>			<u>Total Debt</u>	<u>Total Toll Transactions</u>	<u>Debt per Transaction</u>
	<u>Bonds Principal</u>	<u>Note Payable</u>	<u>FDOT Loan *</u>	<u>Trust Fund Loan</u>				
2023	\$ 558,780	\$ 38,720	\$ 200,075	\$ 13,759	\$ 811,334	74,848	\$ 10.84	
2022	\$ 628,350	\$ -	\$ 200,075	\$ 13,759	\$ 842,184	69,396	\$ 12.14	
2021	\$ 638,130	\$ -	\$ 200,075	\$ 13,759	\$ 851,964	53,000	\$ 16.07	
2020	\$ 618,810	\$ -	\$ 200,075	\$ 13,759	\$ 832,644	54,253	\$ 15.35	
2019	\$ 631,995	\$ -	\$ 200,075	\$ 13,759	\$ 845,829	61,938	\$ 13.66	
2018	\$ 638,785	\$ -	\$ 200,075	\$ 13,759	\$ 852,619	59,160	\$ 14.41	
2017	\$ 439,310	\$ -	\$ 200,075	\$ 13,759	\$ 653,144	56,104	\$ 11.64	
2016	\$ 442,840	\$ -	\$ 200,075	\$ 13,759	\$ 656,674	54,152	\$ 12.13	
2015	\$ 444,690	\$ -	\$ 200,432	\$ 13,759	\$ 658,881	37,633	\$ 17.51	
2014	\$ 444,690	\$ -	\$ 199,778	\$ 13,759	\$ 658,227	27,897	\$ 23.59	

*Repayment of FDOT loan begins in 2025 in 20 annual installments

Tampa-Hillsborough County Expressway Authority
Table 8 - Demographic and Economic Statistics
Last Ten Years

Calendar Year	Population (1)	Personal Income <i>(in thousands)</i> (1)	Personal Income Per Capita	Unemployment Rate (%) (2)	Median Age
2013	1,282,040	\$52,741,892	\$41,139	7.7	36.4
2014	1,294,140	\$52,137,332	\$40,287	6.4	36.5
2015	1,316,310	\$54,893,552	\$41,703	5.7	37.9
2016	1,325,563	\$58,596,262	\$39,594	4.9	36.2
2017	1,352,797	\$62,630,443	\$46,297	4.7	36.2
2018	1,379,302	\$62,976,126	\$45,658	3.7	36.6
2019	1,408,864	\$67,533,935	\$47,935	2.9	36.8
2020	1,444,870	\$71,319,751	\$49,361	5.9	37.8
2021	1,490,374	\$77,665,624	\$52,111	3.9	38.5
2022	1,520,529	\$85,942,006	\$56,521	2.7	37.9
2023	1,528,924	Note (4)	Note (4)	3.1*	Note (4)

Note: Information presented for Hillsborough County, Florida

Sources:

- (1) Florida Office of Economic and Demographic Research
- (2) Bureau of Labor Market Statistics, LAUS Program
- (3) Hillsborough County School District Annual Comprehensive Financial Reports
- (4) Data not available at date of publication

* As of August, 2023

Tampa-Hillsborough County Expressway Authority
Table 9 - Principal Employers
Current Year and Ten Years Ago

Employer	Type	2023*			2014*		
		Employees	%	Rank	Employees	%	Rank
Baycare Health System	Medical	29,045	3.6%	1	-	-	-
Publix Super Markets, Inc.	Supermarkets	27,000	3.3%	2	6,100	1.2%	8
Hillsborough County School Board	Education	23,750	2.9%	3	25,554	4.8%	1
MacDill Air Force Base	Military	22,800	2.8%	4	-	-	-
HCA West Florida	Medical	22,000	2.7%	5	15,485	2.9%	2
University of South Florida	Education	15,700	1.9%	6	8,507	1.6%	4
AdventHealth West Florida Division	Medical	11,000	1.4%	7	-	-	-
Tampa International Airport	Aviation	11,000	1.4%	8	8,047	1.5%	5
Hillsborough County Government	Government	10,376	1.3%	9	9,328	1.8%	3
Tampa General Hospital	Medical	8,135	1.0%	10	6,600	1.2%	7
H. Lee Moffit Cancer Center	Medical	7,500	0.9%	11	-	-	-
James A. Haley VA Hospital	Medical	5,157	0.6%	12	-	-	-
City of Tampa	Government	4,382	0.5%	13	4,500	0.8%	9
St. Josephs Hospital	Medical	-	-	-	4,437	0.8%	10
Verizon Communications, Inc.	Telecommunications	-	-	-	7,850	1.5%	6
Total Principal Employers		197,845	24.3%		96,408	18.1%	
Other Employers		614,394	75.7%				
Total Hillsborough County Employment		812,239	100.0%				

Note: Information presented for Hillsborough County, Florida

Sources: Hillsborough County City-County Planning Commission
Florida Agency for Workforce Innovations, Labor Statistics
City of Tampa
Tampa Bay Partnership
Tampa Bay Business Journal

* Data reported is for CY2022/2013, which encompasses the first two quarters of THEA's FY2023/2014

Tampa-Hillsborough County Expressway Authority
Table 10 - Contribution to Capital Assets
FY2014 through FY2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Beginning Balance	\$ 1,135,787	\$ 1,104,751	\$ 1,032,348	\$ 921,071	\$ 845,621	\$ 767,820	\$ 749,870	\$ 746,334	\$ 743,375	\$ 731,593
Additions	81,679	43,863	333,489	112,621	76,791	79,010	19,133	4,779	36,824	90,055
Deletions	(60,133)	(11,434)	(259,958)	(213)	(178)	(32)	-	(200)	(32,965)	(77,416)
Depreciation	<u>(3,771)</u>	<u>(1,393)</u>	<u>(1,128)</u>	<u>(1,131)</u>	<u>(1,163)</u>	<u>(1,177)</u>	<u>(1,183)</u>	<u>(1,043)</u>	<u>(900)</u>	<u>(857)</u>
Total Capital Assets, Net	<u>\$ 1,153,562</u>	<u>\$ 1,135,787</u>	<u>\$ 1,104,750</u>	<u>\$ 1,032,348</u>	<u>\$ 921,071</u>	<u>\$ 845,621</u>	<u>\$ 767,820</u>	<u>\$ 749,870</u>	<u>\$ 746,334</u>	<u>\$ 743,375</u>

Tampa-Hillsborough County Expressway Authority
Table 11 - Full-time equivalent Employees by Function
FY2014 through FY2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
ADMINISTRATION										
Administrative Services	4	4	5	5	5	4	5	3	3	3
Human Resources and Records Management	1	1	1	1	1	1	1	1	1	1
Communications	3	2	1	1	1	1	2	1	1	1
Executive	1	1	1	1	3	1	1	1	1	1
Finance	4	3	3	3	1	3	2	2	2	2
Legal	1	1	1	1	1	1	1	1	1	1
Procurement	2	2	1	1	1	1	1	1	1	1
OPERATIONS										
Information Technology	1	1	1	1	1	1	1	1	1	1
Engineering	2	2	2	2	1	2	2	1	1	1
Field Services	1	1	1	1	1	1	1	1	1	1
Maintenance	-	-	1	1	1	1	1	1	1	1
Planning and Innovation	2	2	2	2	3	2	1	1	1	1
Toll Operations	<u>5</u>	<u>6</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>4</u>	<u>4</u>	<u>3</u>	<u>2</u>	<u>2</u>
TOTAL EMPLOYEES	<u>27</u>	<u>26</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>23</u>	<u>23</u>	<u>18</u>	<u>17</u>	<u>17</u>

OTHER REPORTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Distinguished Members of the Authority
Tampa-Hillsborough County Expressway Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Tampa-Hillsborough County Expressway Authority (the "Authority") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated **DATE**.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Tampa, Florida

DATE

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE

Distinguished Members of the Authority
Tampa-Hillsborough County Expressway Authority

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Tampa-Hillsborough County Expressway Authority's (the "Authority") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the Tampa-Hillsborough County Expressway Authority's major federal programs for the year ended June 30, 2023. Tampa-Hillsborough County Expressway Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Tampa-Hillsborough County Expressway Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grants agreements applicable to the Authority's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Tampa, Florida

DATE

Tampa-Hillsborough County Expressway Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting

Material weakness(es) identified?

 yes X no

Significant deficiency(ies) identified?

 yes X none reported

Noncompliance material to financial statements noted?

 yes X no

Federal Awards

Internal control over major federal awards

Material weakness(es) identified?

 yes X no

Significant deficiency(ies) identified?

 yes X none reported

Type of auditors' report issued on compliance for major federal awards:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 yes X no

Identification of major federal programs:

Assistance Listing Number

Name of Federal Program

20.200

Highway Research and Development Program

Dollar threshold used to distinguish between type A and type B programs

Federal

\$ 750,000

Auditee qualified as low-risk auditee

 X yes no

Section II - Financial Statement Findings

No matters were reported for the year ended June 30, 2023

Section III - Federal Award Findings and Questioned Costs

No matters were reported for the year ended June 30, 2023

MANAGEMENT LETTER BASED ON RULE 10.554(1)(i) OF
THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Distinguished Members of the Authority
Tampa-Hillsborough County Expressway Authority

Report on the Financial Statements

We have audited the financial statements of the Tampa-Hillsborough County Expressway Authority (the “Authority”), as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated **DATE**.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors’ Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs, and Independent Accountant’s Report on Compliance with the Requirements of Section 218.415, Florida Statutes on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated **DATE**, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no prior year findings nor corrective actions disclosed in the preceding audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The required information is disclosed in the Notes to Basic Financial Statements (see Note A - Organization and Reporting Entity), [page 21](#).

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Special District Component Units

Section 10.554(1)(i)5.d., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a country, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the country, municipality, or special district, in accordance with Section 218.32(1)(a), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.32(1)(a), Florida Statutes.

Specific Information

As required by Section 218.39(3)(c) Florida Statutes, and section 10.554(1)(i)b and 10.554(1)(i)7, *Rules of the Auditor General*, the Authority included other information titled Data Elements Required by Section 218.39(3)(c), Florida Statutes (Unaudited), [pages 74 -75](#).

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, Members of the Authority's Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Tampa, Florida

DATE

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES

INDEPENDENT ACCOUNTANTS' REPORT ON
COMPLIANCE WITH THE REQUIREMENTS
OF SECTION 218.415, FLORIDA STATUTES

Distinguished Members of the Authority
Tampa-Hillsborough County Expressway Authority

We have examined the compliance of Tampa-Hillsborough County Expressway Authority (the "Authority") with the requirements of Section 218.415, Florida Statutes during the year ended June 30, 2023. Management of the Authority is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied in all material respects, with the specified compliance requirements above during the year ended June 30, 2023.

Tampa, Florida
DATE

Tampa-Hillsborough County Expressway Authority

DATA ELEMENTS REQUIRED BY SECTION 218.39(3)(C), FLORIDA STATUTES
(UNAUDITED)

For the year ended June 30, 2023

<u>Data Element</u>	<u>Reference</u>	<u>Comment</u>
The total number of employees compensated in the last pay period of the fiscal year being reported on:	Section 218.39(3)(e)(2)(a)	27
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the fiscal year being reported on:	Section 218.39(3)(e)(2)(b)	\$ -
All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency:	Section 218.39(3)(e)(2)(c)	\$ 3,057,539
All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency:	Section 218.39(3)(e)(2)(d)	\$ -
Each construction project with a total cost of at least \$65,000 approved by the Authority that is scheduled to begin on or after July 1 of the fiscal year being reported, together with total expenditures for such projects:	Section 218.39(3)(e)(2)(e)	See next page
A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Authority amended a final adopted budget under Section 189.016(6), Florida Statutes:	Section 218.39(3)(e)(2)(f)	See Management's Discussion and Analysis

Tampa-Hillsborough County Expressway Authority

DATA ELEMENTS REQUIRED BY SECTION 218.39(3)(C), FLORIDA STATUTES
(UNAUDITED)

For the year ended June 30, 2023

<u>Project Description</u>		<u>Amount</u>
West Toll Building Roof Update	\$	66,000
Underpass Remediation	\$	150,905
Operational Bank Office (OBOS) Replacement	\$	254,104
Roadside Toll Collections System (RTCS)	\$	74,644

VI.A.1. Contract Renewals and Expirations

**CONTRACT RENEWAL
and
EXPIRATION REPORT
(> \$30,000)**

Report month: January, 2024

Project Manager	Firm	Description of Services	Contract Effective Date	Contract Expiration Date	Term of Contract (Years)	Bid / Renew / End	Initial Services Date
Brian	Alliance Air	Service Maintenance Agreement	7/1/2022	6/30/2024		Expires ~ 6/30/24	3/24/2016
Brian	Consor Engineering	Misc. Design and CEI Services	7/21/2020	7/20/2023	3-yr, 2 Optional 1-yr Renewals	Renew (2nd one-year renewal ~ 7/21/24 - 7/21/25)	2/3/2020
Brian	HNTB	General Engineering Consult Services	7/1/2021	6/30/2024	3-yr, 2 Optional 1-yr Renewals	Renew (1st one-year renewal ~ 7/1/24 - 6/30/25)	1/14/2011
Brain	KCI Technologies	Professional Engineering Services	7/7/2021	7/6/2024	3-yr, 2 Optional 1-yr Renewals	Renew (1st one-year renewal ~ 7/1/24 - 6/30/25)	5/18/2020
Bob	Pennoni Associates	Misc. Planning and Traffic Services	7/8/2019	7/7/2024		Expires ~ 7/7/24	7/8/2019