

# 2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT

*Years*

**Tampa-Hillsborough County Expressway Authority**

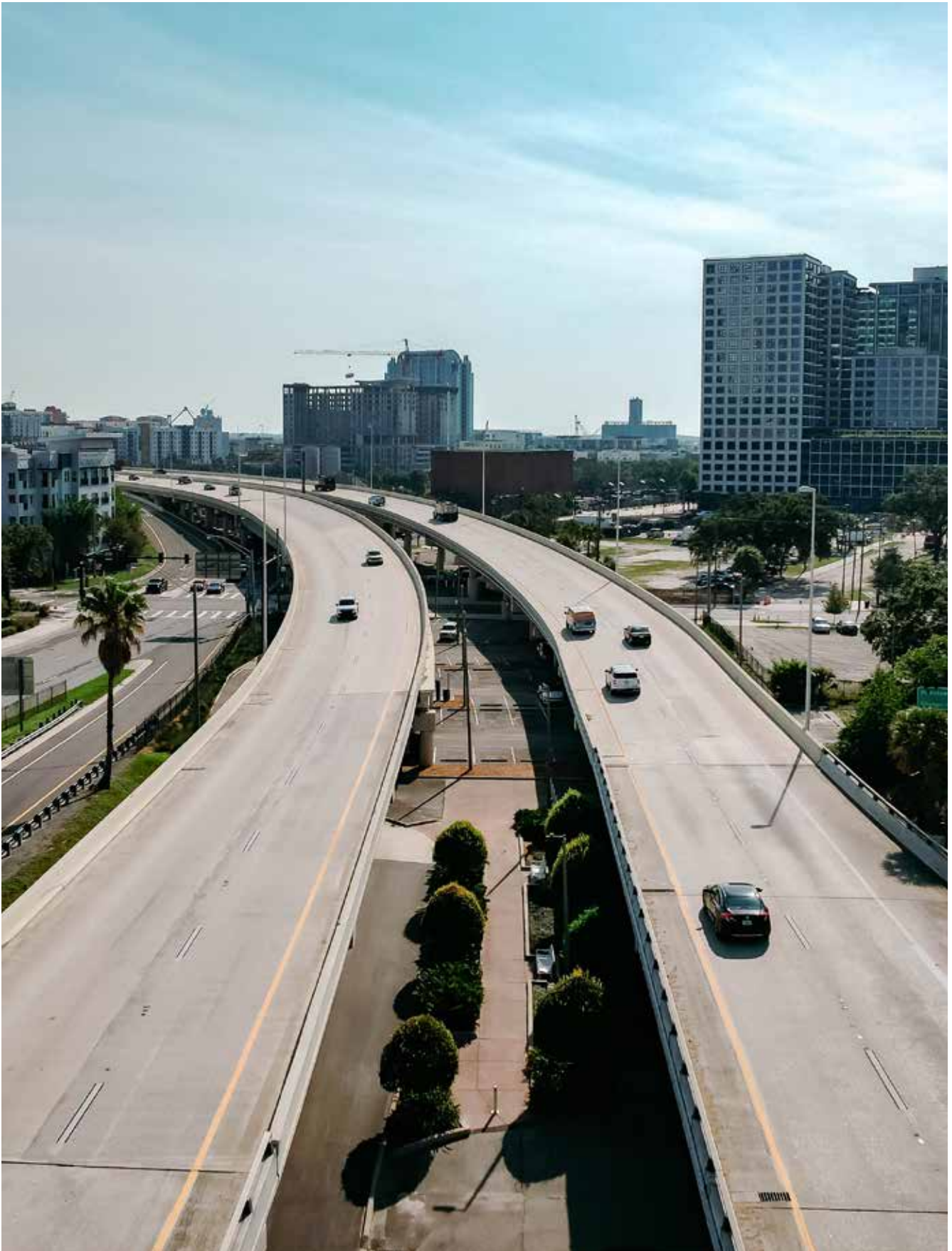
*Fiscal year ended June 30, 2023*

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## TAMPA-HILLSBOROUGH COUNTY EXPRESSWAY AUTHORITY

### 2023 BOARD OF DIRECTORS



**VINCENT CASSIDY**  
Chairman  
Gubernatorial Appointee



**BENNETT BARROW**  
Vice Chairman  
Gubernatorial Appointee



**JOHN WEATHERFORD**  
Secretary  
Gubernatorial Appointee



**DAVID GWYNN**  
Member  
District 7 Secretary,  
Florida Department  
of Transportation



**HONORABLE  
JANE CASTOR**  
Member  
City of Tampa Mayor



**HONORABLE  
DONNA CAMERON-CEPEDA**  
Member  
Board of County Commissioners,  
Hillsborough County, FL

### LEADERSHIP TEAM



**GREG SLATER**  
Executive Director



**AMY LETTELLEIR**  
General Counsel



**BRIAN PICKARD**  
Director of Operations  
and Engineering



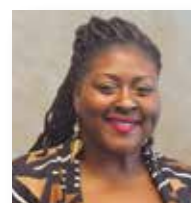
**JEFF SEWARD**  
Director of  
Finance



**SHARI CALLAHAN**  
Director of IT  
and Security



**ROBERT FREY**  
Director of  
Planning and Innovation



**KEISHA PICKETT BOYD**  
Director of Strategy,  
Communications, and  
Community Engagement

# About THEA

The Tampa-Hillsborough County Expressway Authority (THEA) was established by the Florida Legislature on July 23, 1963, as a transportation option to bring roadway infrastructure projects using toll revenues and zero local tax dollars. Since the 1960s, Tampa Bay has experienced remarkable growth, transforming into a vibrant metropolitan area. Advances in transportation, including the expansion of highways and the development of public transit, have played a pivotal role in connecting communities and facilitating economic development.

THEA owns, manages, and operates the Lee Roy Selmon Expressway, Brandon Parkway, Meridian Avenue, and the 1.7-mile multi-use Selmon Greenway. The Selmon Expressway is a 16.5-mile limited access highway that stretches from the Gandy Bridge, through downtown Tampa and to Brandon. The Selmon Expressway features pioneering Reversible Express Lanes (REL) that change direction for commuters; traveling westbound in the morning and eastbound in the evening. Each property serves a purpose in Tampa Bay, to allow the community to have state-of-the-art mobility options.

“We’re **committed to** life on, around and under **the expressway.**”  
- Greg Slater

THEA's commitment to the community is as strong as ever, being a strategic partner in providing transportation and mobility solutions and thought leadership expertise across Tampa Bay. By reinvesting dollars back into the community, THEA has established itself as a pillar of the community for mobility innovation and has fostered connections that empower and strengthen the Tampa Bay ecosystem.





# Letter of Transmittal

February 06, 2024

## Board Members, Bondholders and Customers of the Tampa-Hillsborough County Expressway Authority

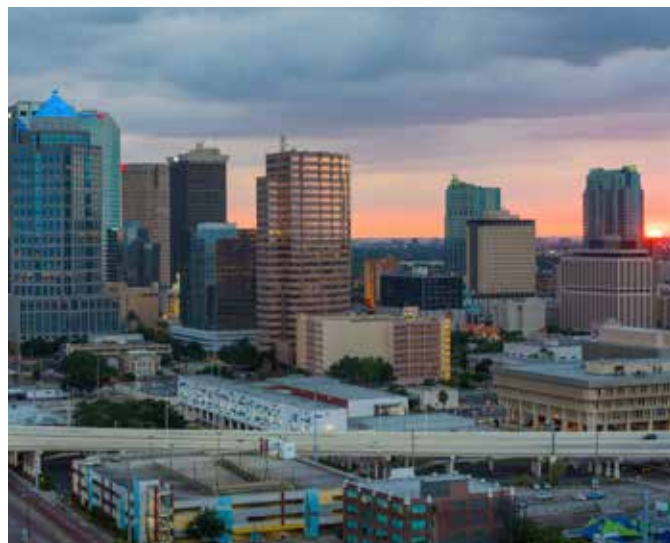
### 2023 Annual Comprehensive Financial Report (ACFR)

The Annual Comprehensive Financial Report (ACFR) for the Tampa-Hillsborough County Expressway Authority (THEA) for the fiscal year ended June 30, 2023, and accepted by the Board of Directors on January 22, 2024, is hereby submitted.

The management of THEA holds responsibility for ensuring the accuracy of the data, completeness, and fairness of the report, including all disclosures. They have implemented internal controls to provide reasonable assurance in safeguarding assets and ensuring the reliability of financial records for the preparation of financial statements. Management is confident that the internal control system in place offers reasonable assurance that the enclosed data is materially precise and presented in a fair manner, accurately reflecting the financial position and results of operations at THEA, which is reported as an independent special district of the State of Florida, consisting of a single enterprise fund.

THEA has a finance and audit committee that assists the THEA Board of Directors in fulfilling its oversight responsibilities by reviewing the financial information, systems of internal controls, and the audit process. For FY 2023, this committee was chaired by the Hillsborough Board of County Commissioners' THEA Board member, Commissioner Donna Cameron Cepeda.

The financial operations of THEA are independently audited on an annual basis. For FY 2023, Rivero, Gordimer & Company, P.A., conducted the audit and issued an unbiased and "clean" opinion on THEA's financial statements. Their report is presented in the financial section of this ACFR.





## THEA Profile

THEA was established in 1963 as a body politic and an Independent Special District in the State of Florida. THEA is governed by a seven-member Board of Directors consisting of, as prescribed in the Authority's 1963 enabling legislation, four members appointed by the governor of the State of Florida, the mayor (or the mayor's designate) of the City of Tampa, one member of the Board of County Commissioners of Hillsborough County, and the district secretary of the Department of Transportation which serves Hillsborough County (currently, District 7).

THEA is responsible for the construction, reconstruction, improvement, extension, repair, maintenance, and operation of the expressway system. THEA's Bond Resolution defines the "expressway system" as *those toll roads and associated feeder roads and other related structures, appurtenances, or rights previously designated, acquired, or constructed pursuant to the Tampa Hillsborough County Expressway Authority Law and other additional Expressway Projects as may be acquired or constructed as authorized and approved pursuant to Florida law, and such other roads and facilities as are designated part of the expressway system pursuant to the provisions of the Tampa Hillsborough County Expressway Authority Law.* During the 2009 Florida legislative session, the Florida Legislature amended THEA's enabling legislation to provide the ability to issue its own bonds and other debt obligations for the purpose of financing and refinancing improvements to the expressway. In 2014, the Florida Legislature made an additional amendment to the Tampa Hillsborough County Expressway Authority Law to expand the Authority's jurisdiction to allow it to construct, operate and maintain roads, bridges, avenues of access, thoroughfares, boulevards and managed lanes and



other transit-supporting facilities, together with the right to construct, repair, replace, operate, install and maintain such facilities and its electronic toll payment systems thereon or incidental thereto, in any county contiguous (Manatee, Pinellas, Pasco and Polk) to Hillsborough County at the request of such county. Currently no facilities have been requested in any contiguous county.

## THEA's Namesake – Lee Roy Selmon

The youngest of nine children, Lee Roy Selmon came from humble beginnings, raised on a farm near Eufaula, Oklahoma, by his parents Lucious and Jessie Selmon. In 1972, he joined two of his older brothers at the University of Oklahoma on the Sooner's football team's defensive line. By 1974, he was recognized as a star player, leading the team in one of the best defenses in Sooner history. With the Selmon brothers on the team, the University of Oklahoma took the NCAA Division 1-A National Football Championship Title in both 1974 and 1975. In 1975, Lee Roy was awarded the Lombardi Award, which recognizes the best college football lineman, as well as the Outland Trophy, honoring the best United States college football interior lineman.

In 1976, Lee Roy was the first-ever NFL draft pick for the Tampa Bay Buccaneers. Lee Roy was awarded the Buccaneer's Rookie of the Year and Most Valuable Player awards after his first year with the team. During his professional career, Lee Roy won six Pro Bowl Championships and was named NFL Defensive Player of the Year in 1979. Selmon played his entire professional career with the Bucs, with his last season in 1984. In 1986, the Bucs retired his jersey number, 63. In 1988, Lee Roy was inducted into the College Football Hall of Fame, the GTE Academic All America Hall of Fame in 1994 and the NFL Football Hall of Fame in 1995. Lee Roy was the first Hall of Famer to earn his credentials primarily in Tampa Bay.

Once retired from professional football, Lee Roy stayed in the Tampa Bay area and became heavily involved in the local community. While still playing for the Buccaneers, Lee Roy began a successful career in banking. After retiring, he progressed to vice president for marketing and public relations with Barnett Bank in Tampa, where he served in this capacity for nearly a decade.

In 1993, Lee Roy joined the University of South Florida (USF) as assistant athletic director; and in 2001, he became the athletic director. Lee Roy is credited with building and launching the football



program at USF where he spearheaded the construction of a new athletic facility. He then moved from the athletic program to serve as president of the USF Foundation Partnership for Athletics, an athletics fundraising organization. The USF athletic family moved into a brand-new \$15 million facility in 2004 and on February 22, 2012, the building was officially named the Lee Roy Selmon Athletics Center, in honor of his legacy.



In 1996, local Tampa Bay business and community leaders urged the legislature to do something to honor Selmon. The name of SR 618 was officially named the Lee Roy Selmon Expressway ("Selmon Expressway").

The Selmon Expressway converted to All-Electronic Tolling (AET) in 2010; and Lee Roy was instrumental in the marketing and awareness campaign. He graciously gave his time and talents to help deliver the message to the community, through videos, print advertisements and radio interviews. He gave countless hours of his time to ensure Tampa Bay residents and drivers of the Selmon Expressway were thoroughly informed about the innovative and progressive changes being made to "his" road.

In return, THEA developed the Selmon S.T.E.M. Internship program to provide an avenue for young scholars to further their education. The program gives back to the Tampa Bay community by providing educational opportunities and exposure to careers in science, technology, engineering, and mathematics. The program features outreach programs in area high schools, the University of South Florida (USF) College of Engineering's Bridge-Building Competition, monetary scholarships, and paid internships at the Authority.

## Economic Conditions

From 2010 to 2023, Hillsborough County's population grew by 24.38% and is projected to total 2 million residents by 2050, according to the Tampa Bay Economic Development Council. With an expanding region, the Selmon Expressway is vital to accommodate the rapidly evolving region's need for efficient travel.

The Selmon Expressway provides regional connectivity between several densely populated areas and attractors, including important medical and education centers such as Tampa General

Hospital, MacDill Air Force Base, South Tampa, Downtown Tampa, Port Tampa Bay, Ybor City, Brandon, Riverview and the City of St. Petersburg, across the bay in Pinellas County. It also serves as an alternative to I-4, I-75, and I-275 during road closures and is a critical corridor for hurricane evacuations. In 2022, THEA opened the Selmon West Extension, an elevated bridge over Gandy Boulevard that provides for connectivity between Brandon, Tampa, and Pinellas County, including the world-renowned Gulf Coast beaches.

The Selmon Expressway is proud to be a part of the exciting City of Tampa developments happening in the Water Street district. THEA worked with the City of Tampa to complete Cumberland Street and is currently working on projects that will reconnect Whiting, and Meridian Streets. In addition, THEA plans to add a new Whiting Street exit ramp. The additions will help offer bi-directional tracks, wider sidewalks, and enhanced bike signals.

In 2022, THEA commissioned the USF Center for Urban Transportation (CUTR) to provide deeper insight into the Selmon Expressway's economic impact through the Selmon Expressway's network of properties including the Meridian Parkway, Selmon Greenway, and Brandon Parkway. The report found that THEA's wide-ranging economic activity in the region creates new jobs, facilitates the transportation of goods, increases property values in areas surrounding the roadways, and saves drivers time and money. The report estimated that THEA has an estimated economic impact, both direct and indirect, of over \$2.8 billion.

CUTR concluded that THEA had a substantial positive impact on urban mobility and business development. This analysis included \$1.8 billion savings in travel time and out-of-pocket costs as well as \$37 million in accident-cost savings.

## Long-Range Financial Planning

THEA's infrastructure capital projects, as well as its Renewal and Replacement, Intelligent Transportation Systems, and Information Technology projects, are budgeted and planned for in its six-year work program. Once the plan is deemed fundable by the finance department, it is brought before the Board for approval. For FY 2023, THEA's Six-Year Work Program was adopted on June 27, 2022.

During FY 2023, THEA was operating under the FY 2021 to FY 2026 Six-Year Work Program with a total amount of \$604.2 million with \$89.5 million programmed in FY 2023. Projects in the plan include, but are not limited to, existing system enhancements, increased capacity for future growth, safety initiatives, expansion, and growth of THEA's urban mobility trail system, continued Renewal and Replacement, as well as several Project Development and Environment (PD&E) studies.

The work program's funding strategy is to utilize both cash on hand (pay-as-you-go) and future bond issues to fund the Authority's major capital infrastructure projects. The scope and balance of each will be determined as project costs and contracts become more solidified, however, THEA is aggressively allocating cash reserves for these work program initiatives. Controlling overall operating costs, coupled with the policy driven annual toll rate increases, is providing THEA with the flexibility of multi-financing options (cash and/or bonding) in the future.

In tandem with the adoption of the work program, THEA's FY 2023 Operations, Maintenance and Administration (OM&A) budget was adopted on June 27, 2022, in the amount of \$24.06 million. Initial budget planning for the next fiscal year begins in the Spring with initial revenue and traffic projections (for both the OM&A as well as the work program) provided by THEA's Traffic and Revenue consultant. Budgets are prepared at departmental level and compiled by the finance department. After financial review at several levels, the OM&A budget is presented to the Board at a workshop in May, and then for approval in June prior to the beginning of the next fiscal year in July.

Built into THEA's conservative long-term financial and tolling models, which THEA continues to outpace, are the following assumptions and estimated growth rates for transactions, toll rates, expenses, and revenue growth over the next five years:

- 1. Transaction annual growth rate: 0.9%**
- 2. Average toll annual growth rate: 2.1%**
- 3. Resulting revenue annual growth rate: 3.0%**
- 4. Operating expenditure growth rate: 4.0%**

After the strong recovery from COVID-19 impacts in FY 2022, the forecast assumes very modest growth of transactions in the rapidly growing Tampa region. The assumed average toll increase is less than the 2.5% annual inflationary escalation floor. Although forecasting models reflect a 4% annual expenditure growth, as new assets come on-line (e.g., South Selmon Capacity, Selmon East, etc.), increases in maintenance and upkeep will need to be included for the expanded Selmon Expressway segments, as well as impacts from continued inflationary drivers.

Another component to this expansion is an evolution from commuter traffic patterns, which has made the Selmon Expressway a vital transportation element in the booming Tampa Bay region. THEA's customer profile continues to diversify, serving several different trip models as compared to pre-COVID. This includes more off-peak destination trips such as the Gulf Coast beaches using the Selmon West Extension, and visits to Tampa's popular Channelside and Water Street venues.

## Authority Financial Health

Working closely with financial advisors and bond counsel, THEA reaffirmed its bond ratings with both S&P and Moody's during 2023, maintaining its A+ and A2 ratings, respectively, and both remaining stable. THEA ended FY 2023 with a debt service ratio (DSR) of 2.66, well above the bond covenant requirements of 1.3 and THEA's policy of 1.5.



## The Future

With a growing population base, diversification of expressway utilization, and strong financial health, THEA will move forward with multiple projects in the future that will enable the authority to accommodate these shifts in customer behavior and regional growth while leveraging its strong financial position. Specifically, over the next year, THEA will award a multi-million dollar expansion Project on its southern corridor which will increase the capacity of the existing expressway to six lanes in an effort to provide relief for this anticipated growth. The South Selmon Capacity Project will address current and future congestion challenges, enhance roadway safety and help keep cut-through traffic off of arterial and neighborhood roads. Coupled with this capacity work, THEA is currently conducting analysis for the feasibility and viability of extending expressway services along US 301 in southern Hillsborough County. Due to increasing levels of development in the east and south Hillsborough County areas, local roadways are currently, and will continue to be, under pressure to manage future traffic growth. With this Project, THEA could extend its current system 10 miles south and divert motorists along US 301, I-75 and other local arterial roads. This will reduce systemwide congestion and provide relief to that community.

THEA is also moving forward with its East Selmon Project, which will impact the expressway from Brorein Street to I-75 in Brandon. With an expected 38% increase in population over the next two decades, THEA recognizes the need to adjust to best serve its customers, both current and future. The East Selmon Project will reduce congestion, improve travel times and enhance regional mobility. Most importantly, it will offer a safer roadway for motorists.

## Acknowledgements

This document represents the first ACFR produced by the Tampa-Hillsborough County Expressway Authority. THEA believes that this ACFR will meet the Government Finance Officers Association of the United States and Canada (GFOA) program requirements for consideration for its Certificate of Achievement for Excellence in Financial Reporting which requires that a governmental entity must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both U.S. Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

The preparation of the Authority's first ACFR was made possible by the hard work and dedicated service of THEA's finance department. Sincere thanks are expressed to the communications department; and to our external auditors, Rivero, Gordimer & Company, P.A., for their assistance in preparing this report. Finally, we extend our appreciation to all the employees and Board members of the Tampa-Hillsborough County Expressway Authority for their cooperation and assistance in matters pertaining to the finances of THEA.

Respectfully submitted,

*Gregory Slater*

Gregory Slater  
Executive Director

*Jeffrey Seward*

Jeffrey Seward  
Director of Finance

*Lisa Pessina*

Lisa Pessina  
Assistant Director of Finance  
and Controller

# 2023 STRATEGIC BLUEPRINT

In 2023, THEA established the Strategic Blueprint with four goals and objectives aligned with the mission to provide safe, reliable, and financially sustainable transportation services to the Tampa Bay region while reinvesting customer-based revenues back into the community.



THEA regularly assesses and updates the Strategic Blueprint to provide a clear path forward for the organization with strategic goals, objectives and strategies. The Strategic Blueprint establishes a cohesive vision of the future to focus on key priorities, strategic investments and collaboration.

The development of this Strategic Blueprint was a collaborative process across THEA's organization with the door-to-door customer experience as the primary focus. This document establishes the roadmap for near-term actions and communicates the agency's internal goals with external partners and stakeholders. The Strategic Blueprint establishes THEA's responsibilities for a performance-based culture.



At THEA, we work hard to continually improve transportation and mobility for Tampa Bay. This investment in our vision means an investment in our system, customers, and community. We strive to be innovative and reimagine the customer experience to elevate every encounter, from traveling along our roadways and trails, and experiencing our community assets, to providing a simpler interface to pay tolls. Our customer-driven focus is about safety, seamless travel, and enjoying your ride, and our Strategic Plan exemplifies that. The possibilities of the future are exciting!



# THEA 60 *for* 60

To celebrate its 60th year of operation, THEA launched their “60 for 60” campaign, targeting 60 ways for THEA to engage with the community through a full schedule of community activations and investments. The “60 for 60” campaign focused on five pillars of giving:

- Inspiring the next generation with STEM
- Connecting communities/healthy communities
- Sustainability
- Improving mobility/activating spaces
- Being a good community partner

For six decades, THEA has played a pivotal role as a proactive collaborator in fostering connections among communities and contributing to the growth of the Tampa Bay region. We work to not only provide a smooth commute for our drivers, but also to have a visible presence within the communities we serve. Throughout the year, we engaged with area charities, schools, and other government entities to support several initiatives including summits, competitions, holiday surprises, and more. In addition, we volunteered our time to various non-profit organizations for area clean-ups, back to school efforts, food pantries, teach-ins. The THEA team truly increased our footprint in the surrounding areas and look forward to doing more in the years to come.









# PROJECT OVERVIEW: INFRASTRUCTURE, DEVELOPMENT AND IMPROVEMENTS

## SELMON EXPRESSWAY US 301 EXPANSION

THEA is preparing to conduct a Project Development and Environment (PD&E) Study to identify potential concepts and impacts of extending the Selmon Expressway south to Big Bend Road. In partnership with the Florida Department of Transportation (FDOT) and Hillsborough County, this extension would provide additional safe and reliable transportation service to the region. Southern Hillsborough County has experienced huge growth in the last decade, and is expected to trend upward, thus driving the need for additional transportation routes in this part of the county. The US 301 Extension project would provide 10 miles of new toll facilities constructed in the median of US301, likely elevated and at grade at times, giving travelers another option for mobility and relieving traffic congestion along existing US 301 and I 75.



## SOUTH SELMON CAPACITY PROJECT

The Tampa Hillsborough Expressway Authority (THEA) will increase the capacity of the existing Lee Roy Selmon Expressway to 6-lanes (one lane in each direction) to help meet anticipated growth. The South Selmon Capacity Project area will extend 4.5 miles from the eastern end of the Selmon Extension to the six-lane section near the overpass at Florida Avenue in Downtown Tampa.

The South Selmon Capacity Project will address current and future congestion challenges, enhance roadway safety and help keep cut-through traffic off Bayshore Boulevard and other neighborhood roads. The South Selmon Capacity Project will also include multiple Vision Zero design aspects including additional traffic signals, sidewalks and crosswalks, dedicated bike lane markings and pedestrian signals. This project will also offer a new public space concept which will feature dog parks, pickleball courts, and open event areas for food trucks, special events, and markets.

## EAST SELMON PD&E STUDY

The East Selmon PD&E is evaluating capacity improvements along the eastern section of the Selmon Expressway. The East Selmon PD&E Study limits extend approximately nine miles from just west of the I-4 Connector in Tampa to I-75 near Brandon. Roadway and ramp improvements are being evaluated to address the safety, efficiency, and capacity needs of the Selmon Expressway general lanes and reversible express lanes through the year 2045. THEA expects to add one lane in both directions, two additional REL access points, and widen newly constructed ramp spaces.

## EAST SELMON EXPRESSWAY SLIP RAMPS

THEA is thrilled to announce the completion and opening of the East Selmon slip ramps, offering an upgraded commuting experience for Tampa Bay residents.

During the research phase of the East Selmon Project Development and Environment (PD&E) study, we identified an opportunity to improve service levels for drivers on the Selmon Expressway. We're excited to introduce two new slip ramps strategically located to empower westbound drivers. These slip ramps provide convenient access points, allowing you to seamlessly enter the Reversible Express Lanes (REL) near I-75 and exit the REL near IKEA. From there, you can effortlessly continue your journey on the local lanes of the Selmon Expressway, heading towards your western destinations.

The opening of these slip ramps is a significant achievement as it significantly alleviates morning congestion on the westbound Selmon Expressway near I-75, mitigates traffic around the I-4 Connector, and reduces backup at the Twiggs Street and REL intersection. This promises a more efficient commute for Tampa Bay residents.

Construction for the slip ramps began in January 2022 and was completed in the fall of 2023, ahead of schedule. Both the on-ramp near I-75 and the off-ramp just past the I-4 connector interchange near IKEA are now open and operational.



## THE GREENWAY MASTER PLAN

The Selmon Greenway Master Plan is an important public amenity that currently connects destinations in downtown Tampa from the Hillsborough River to 19th Street. The Greenway's 1.9 mile alignment is broken into five zones, defined by the context around the Greenway in those locations. THEA established the foundation for today's Greenway from Ashley Drive to Twiggs Street, and developed The Greenway Master Plan in 2023. The Greenway Master Plan reflects THEA's values with inspiration from the community. The next phase includes partner engagement, community outreach, project refinement and design planning, and construction.



## ELECTRIC VEHICLES (EV) CHARGING STATIONS

As Electric Vehicles (EV) become increasingly popular with drivers, THEA is investigating how to make charging your electric vehicle safe and seamless. With Florida ranking second for most electric vehicle registrations (US Department of Energy), THEA is proactive to meet the needs of EV vehicles by investing in EV stations. Our agency is actively engaging with community and business partners to explore optimal ways of leveraging our properties to enhance the effectiveness of electric vehicle travel within the Selmon system.





## INTELLIGENT TRANSPORTATION SYSTEMS (ITS) MASTER PLAN

In 2023, THEA introduced the Intelligent Transportation Systems (ITS) Master Plan. The purpose of this ITS Master Plan is to lay out a strategy for how THEA will use ITS to achieve its vision to lead, partner and implement safe, economically sound, and innovative multi-modal transportation solutions for the Tampa Bay Community. The plan identifies the status of THEA's existing Intelligent Transportation System and provides a structured approach to the future ITS deployment, operations and maintenance based on a needs analysis and the current state of the system. The plan builds on THEA's 2019 ITS Master Plan and the more recent 2021 ITS Sketch Plan, with a focus on the implementation of THEA'S ITS Program from a deployment, operation and maintenance perspective to support the agency's strategic goals and priorities.

## CV PILOT PROGRAM

In 2015, the U.S. Department of Transportation awarded THEA a grant to conduct a Connected Vehicle (CV) Pilot. During the original first four years of the Pilot, THEA was the only program in the nation that produced real-time data. The THEA CV Pilot results created a data set that will allow for traffic flow optimization, congestion alleviation, prioritizing transit, emissions reduction, and pedestrian safety. Translated into real-world applications, drivers can take advantage of shorter commutes, safer roads, and more connected communities.

The THEA CV Pilot shifted to the last phase of the program and began working with Honda R&D Americas, LLC., Hyundai America Technical Center, Inc. (HATCI), and Toyota Motor North America to provide the next evolution of delivering safer transportation. This collaboration is among the first of its kind, where multiple auto manufacturers joined forces to advance CV technology working toward the ultimate Vision Zero goal, a collision-free society.





# B

## FINANCIAL SECTION

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## 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 \$653,105,292.

Change in net position for fiscal year ended June 30, 2023 totaled \$74,681,711 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.

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	\$216.79	\$146.70	\$85.36
Restricted current assets	31.52	29.48	23.66
<b>Restricted assets</b>			
Cash and investments	110.06	132.72	172.31
Receivables and other	11.45	19.26	17.21
<b>Capital assets</b>			
Property and equipment - net	1,062.52	1,006.41	996.42
Construction in progress	91.04	129.38	108.33
<b>Total assets</b>	<b>1,523.38</b>	<b>1,463.95</b>	<b>1,403.29</b>
<b>Deferred outflows of resources</b>	19.79	21.03	23.69
Current liabilities	1.99	3.99	2.61
Restricted current liabilities	31.52	29.48	23.66
<b>Long-term debt</b>			
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
<b>Total liabilities</b>	<b>889.74</b>	<b>903.85</b>	<b>917.16</b>
<b>Deferred inflows of resources</b>	<b>0.32</b>	<b>2.70</b>	<b>0.14</b>
<b>Net position</b>			
Invested in capital assets, net of related debt	306.50	273.46	265.06
Restricted	146.17	164.98	165.51
Unrestricted	200.44	139.99	79.11
<b>Total net position</b>	<b>\$653.11</b>	<b>\$578.43</b>	<b>\$509.68</b>

As can be seen from the above table, restricted cash and investments decreased \$22.66 million resulting from usage of funds for capital projects, operations and maintenance, as well as renewal and replacement needs. Construction in process declined \$38.34 million 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.

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

	2023	2022	2021
<b>Toll revenues</b>	<b>\$115.63</b>	<b>\$114.07</b>	<b>\$87.86</b>
<b>Expenses</b>			
Operating expenses	19.80	15.76	13.09
General and administrative	7.84	6.82	6.64
<b>Total expenses</b>	<b>27.64</b>	<b>22.58</b>	<b>19.73</b>
Operating net income	87.99	91.49	68.13
Net non-operating expenses	(14.10)	(24.54)	(24.52)
Income before capital grants	73.89	66.95	43.61
Capital grants	0.80	1.80	2.14
Increase in net position	74.69	68.75	45.75
Net position at beginning of year	578.42	509.68	463.93
<b>Net position at end of year</b>	<b>\$653.11</b>	<b>\$578.43</b>	<b>\$509.68</b>

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 Audit 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 Director of Planning and Innovation, Director of Operations and Engineering, 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.

Toll revenues were higher than budgeted by \$4.76 million due to higher traffic counts.

Expenses were higher than budgeted by \$3.57 million due to additional operations, maintenance, and renewal and replacement expenditures, as well as non-cash pension and retirement expenditures that were not budgeted for in the adopted operating budget.



## 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	(33.73)	(3.89)	0.12	(37.50)
	<b>15.34</b>	<b>26.40</b>	<b>0.09</b>	<b>41.84</b>
Assets not subject to depreciation	991.07	29.72	0.00	1,020.79
<b>Total property and equipment</b>	<b>\$1,006.41</b>	<b>\$56.13</b>	<b>0.09</b>	<b>\$1,062.63</b>
<b>Construction in progress</b>	<b>\$129.38</b>	<b>\$21.68</b>	<b>\$(60.01)</b>	<b>\$91.05</b>

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 moved to infrastructure and other capital assets 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, as required by the master bond resolution.

## 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 the majority of 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 refundings. 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. 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 E 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 Authority's Traffic and Revenue Engineer, Stantec Consulting Services, Inc., has verified that pledged funds estimated for fiscal year 2024 will be sufficient to comply with estimated bond payments as required by the terms of the Master Resolution.



## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In the development of the FY2024 revenue budget, the Authority's Traffic and Revenue (T&R) Engineer, reviewed the performance of the FY2023 budget forecast. Through the first six 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 six 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.



RIVERO, GORDIMER & COMPANY, P.A.

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Jonathan E. Stein

Stephen G. Douglas

Marc D. Sasser, of Counsel

Cesar J. Rivero, in Memoriam (1942-2017)

Michael E. Helton

James K. O'Connor

David M. Bohnsack

Julie A. Davis

## 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 2 - 7), Trend Data on Infrastructure Condition (page 40), and pension schedules (pages 41 - 42) 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***

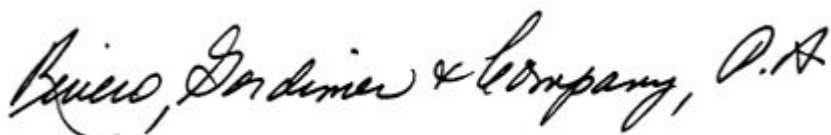
Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section, statistical section and data elements required by Section 2188.32(1) Florida Statutes but does not include the basic financial statements 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 January 31, 2024, 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  
January 31, 2024

A handwritten signature in black ink that reads "Buico, Gardiner & Company, P.A." The signature is written in a cursive, flowing style.

## STATEMENTS OF NET POSITION

June 30, 2023 and 2022

	2023	2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (notes B2 and C)	\$21,542,949	\$8,683,842
Restricted cash and investments to meet current liabilities	31,519,736	29,476,727
Accounts receivable - tolls (note B4)	8,944,170	2,063,973
Other receivables	114,814	0
Accrued interest receivable	427,122	0
Investments (notes B3 and C)	184,977,066	134,905,300
Other assets	781,729	1,040,147
<b>Total current assets</b>	<b>248,307,586</b>	<b>176,169,989</b>
<b>Restricted assets</b>		
Investments (notes B3 and C)	110,064,979	132,722,465
Accrued interest receivable	522,039	347,127
Accounts receivable - tolls (note B4)	10,931,764	18,575,762
Grant receivable	0	334,708
<b>Total restricted assets</b>	<b>121,518,782</b>	<b>151,980,062</b>
<b>Property and equipment (notes B8, B9 and D)</b>		
Capital assets not being depreciated: Land and infrastructure	1,020,787,683	991,072,239
<b>Capital assets</b>		
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	(37,498,967)	(33,729,607)
<b>Total property and equipment</b>	<b>1,062,524,597</b>	<b>1,006,408,057</b>
<b>Construction in progress (notes B7 and D)</b>	<b>91,043,999</b>	<b>129,378,955</b>
<b>Total assets</b>	<b>1,523,394,964</b>	<b>1,463,937,063</b>
<b>Deferred outflows of resources (note B10)</b>		
Deferred loss on refunding of debt	17,626,090	19,610,295
Deferred amounts related to pensions	2,159,525	1,414,981
<b>Total deferred outflows of resources</b>	<b>19,785,615</b>	<b>21,025,276</b>



## STATEMENTS OF NET POSITION - CONTINUED

June 30, 2023 and 2022

	2023	2022
<b>Liabilities</b>		
<b>Current liabilities from unrestricted assets</b>		
Accounts Payable	1,791,945	3,793,348
Accrued Expenses	210,624	196,399
<b>Total current unrestricted liabilities</b>	<b>2,002,569</b>	<b>3,989,747</b>
<b>Current liabilities from restricted assets</b>		
Accounts and contracts payable	4,560,343	2,668,509
Current portion of revenue bonds and payable (note E)	15,980,000	15,130,000
Interest payable	10,974,305	11,672,929
Unearned revenue	5,088	5,289
<b>Total current liabilities payable from restricted assets</b>	<b>31,519,736</b>	<b>29,476,727</b>
<b>Total current liabilities</b>	<b>33,522,305</b>	<b>33,466,474</b>
<b>Long-term liabilities due after one year (notes E and F)</b>		
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)	4,936,289	1,575,064
<b>Total long-term liabilities</b>	<b>856,231,847</b>	<b>870,377,156</b>
<b>Total liabilities</b>	<b>889,754,152</b>	<b>903,843,630</b>
Deferred inflows of resources (note B11)		
Deferred amounts related to pensions	321,135	2,695,128
<b>Total deferred inflows of resources</b>	<b>321,135</b>	<b>2,695,128</b>
<b>Net position</b>		
Invested In capital assets, net of related debt	306,497,166	273,456,517
Restricted - capital projects	22,514,193	36,961,907
Restricted - operation, maintenance and administrative reserve	21,294,981	25,032,246
Restricted - renewal and replacement	20,758,477	22,587,018
Restricted - debt service	81,600,468	80,395,635
Unrestricted	200,440,007	139,990,258
<b>Total net position</b>	<b>\$653,105,292</b>	<b>\$578,423,581</b>

The accompanying notes are an integral part of these statements.

## STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the year ended June 30, 2023 and 2022

	2023	2022
<b>Toll revenues</b>	<b>\$115,634,606</b>	<b>\$114,065,752</b>
<b>Operating expenses</b>		
Operations	9,198,916	8,615,234
Maintenance	5,045,194	4,970,930
Renewal and replacement	1,085,142	30,682
Depreciation	3,892,204	1,421,136
Other expenses	576,212	720,379
<b>Total operating expenses</b>	<b>19,797,668</b>	<b>15,758,361</b>
<b>General and administrative expenses</b>		
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
<b>Total general and administrative expenses</b>	<b>7,838,737</b>	<b>6,821,215</b>
<b>Total expenses</b>	<b>27,636,405</b>	<b>22,579,576</b>
<b>Income from operations</b>	<b>87,998,201</b>	<b>91,486,176</b>
<b>Non-operating revenues (expenses)</b>		
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	0	4,200
Interest expense	(22,284,842)	(23,551,880)
Debt issuance costs	(127,935)	0
<b>Total non-operating expenses</b>	<b>(14,112,516)</b>	<b>(24,546,298)</b>
Income before capital grants	73,885,685	66,939,878
Capital grants	796,026	1,804,136
<b>Increase in net position</b>	<b>74,681,711</b>	<b>68,744,014</b>
Net position at beginning of year	578,423,581	509,679,567
<b>Net position at end of year</b>	<b>\$653,105,292</b>	<b>\$578,423,581</b>

The accompanying notes are an integral part of these statements.

## STATEMENTS OF CASH FLOWS

For the year ended June 30, 2023 and 2022

	2023	2022
<b>Operating activities</b>		
Receipts from customers	\$115,971,285	\$110,408,872
Payments to suppliers	(20,434,153)	(17,411,659)
Payments to employees	(4,822,379)	(3,158,265)
<b>Net cash from operating activities</b>	<b>90,714,753</b>	<b>89,838,948</b>
<b>Non-capital financing activities</b>		
Miscellaneous non-operating revenue	865,409	1,271,321
<b>Capital and related financing activities</b>		
Acquisition and construction of capital assets	(19,783,260)	(31,477,836)
Repayment of governmental advances	0	0
Proceeds from bond issuance	50,878,808	0
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)	0
<b>Net cash from capital and related financing activities</b>	<b>(56,523,706)</b>	<b>(61,437,288)</b>
<b>Investing activities</b>		
(Purchases) proceeds of investments, net	(36,820,448)	(23,993,177)
Interest received on investments	7,708,401	458,475
<b>Net cash from investing activities</b>	<b>(29,112,047)</b>	<b>(23,534,702)</b>
<b>Net increase in cash</b>	<b>5,944,409</b>	<b>6,138,279</b>
Cash and cash equivalents at beginning of year	20,326,389	14,188,110
<b>Cash and cash equivalents at end of year</b>	<b>\$26,270,798</b>	<b>\$20,326,389</b>
Cash and cash equivalents - unrestricted	\$21,542,949	\$8,683,842
Cash and cash equivalents - restricted for current liabilities	4,727,849	11,642,547
<b>Cash and cash equivalents at end of year</b>	<b>\$26,270,798</b>	<b>\$20,326,389</b>



## STATEMENTS OF CASH FLOWS - CONTINUED

For the year ended June 30, 2023 and 2022

	2023	2022
<b>Reconciliation of operating income to net cash provided by operating activities</b>		
<b>Income from operations</b>	<b>\$87,998,201</b>	<b>\$91,486,176</b>
<b>Adjustments to reconcile income from operations to net cash provided by operating activities</b>		
Depreciation	3,892,204	1,421,136
<b>Changes in assets and liabilities</b>		
Accounts receivable - tolls	336,679	(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)
<b>Total adjustments</b>	<b>2,716,552</b>	<b>(1,647,228)</b>
<b>Net cash provided by operating activities</b>	<b>\$90,714,753</b>	<b>\$89,838,948</b>

The accompanying notes are an integral part of these statements.



## 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.

#### 2. Cash and Cash Equivalents

Cash and investments with a maturity of three months or less when purchased are considered cash equivalents. NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 3. Investments

Investments consist of deposits in investment pools and specific accounts maintained by 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 are disbursed to the paying agent for debt service and 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.

### 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.

### 8. Property and Equipment

It is the Authority's policy to account for infrastructure assets using the "modified approach," in which infrastructure is treated as an inexhaustible capital asset. Accordingly, infrastructure is recorded at accumulated historical costs expended to construct and place the project in service, including engineering fees and the costs to acquire rights-of-way. Asset acquisitions subject to depreciation, including buildings, land improvements, toll equipment, furniture and equipment, computers and software, and vehicles are capitalized at historical cost plus any costs of installation. Any costs incurred to prolong the useful lives of these assets are capitalized as well. The Authority capitalizes amounts equal to or in excess of \$5,000.



## NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 9. Depreciation

Depreciation of toll equipment, buildings, land improvements, furniture and equipment, computers and software, and vehicles 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.

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.

Management has created reserve accounts that are assigned to future capital projects in the amounts of \$127,354,775 and \$82,862,822 as of June 30, 2023 and 2022, respectively. These funds have been assigned by management and are not legally restricted and thus available for other uses should the need arise.

## NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 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 six-year capital projects program.



### 16. Reclassification

Certain prior year information was reclassified to conform to current year classification. These amounts were related to assets and net assets previously identified as restricted that by definition are no longer reported as restricted. The reclassifications have no impact on previously reported total 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 \$348,104,730 and \$305,788,334 at June 30, 2023 and 2022, respectively. Cash consists of deposits with the 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 \$141,584,715 and \$276,661,879, with a fair value of \$141,584,715 and \$273,576,864 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:

- 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.

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



## NOTE C - CASH AND INVESTMENTS CONTINUED

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.

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

June 30, 2023	Fair Value	Level 1	Level 2	Level 3
<b>Investments</b>				
Short term investments	\$231,184,507	\$231,184,507	\$0	\$0
U.S. Government obligations	83,168,461	83,168,461	0	0
<b>Total</b>	<b>\$314,352,968</b>	<b>\$314,352,968</b>	<b>\$0</b>	<b>\$0</b>

June 30, 2022	Fair Value	Level 1	Level 2	Level 3
<b>Investments</b>				
Short term investments	\$195,195,561	\$195,195,561	\$0	\$0
U.S. Government obligations	83,129,459	83,129,459	0	0
<b>Total</b>	<b>\$278,325,020</b>	<b>\$278,325,020</b>	<b>\$0</b>	<b>\$0</b>

### 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 at June 30, 2023 and 2022:

Issuer:	2023	2022
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.

## 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
<b>Assets subject to depreciation</b>				
Buildings and improvements	\$17,547,334	\$239,568	\$0	\$17,786,902
Furniture and equipment	31,438,131	30,025,258	(122,844)	61,340,545
Vehicle	79,960	28,474	0	108,434
	<b>49,065,425</b>	<b>30,293,300</b>	<b>(122,844)</b>	<b>79,235,881</b>
Less accumulated depreciation	(33,729,607)	(3,892,204)	122,844	(37,498,967)
	<b>15,335,818</b>	<b>26,401,096</b>	<b>0</b>	<b>41,736,914</b>
<b>Assets not subject to depreciation</b>				
Land, improvements and infrastructure	991,072,239	29,715,444	0	1,020,787,683
<b>Total property and equipment</b>	<b>\$1,006,408,057</b>	<b>\$56,116,540</b>	<b>\$0</b>	<b>\$1,062,524,597</b>
<b>Construction in progress</b>	<b>\$129,378,955</b>	<b>\$21,675,094</b>	<b>\$(60,010,050)</b>	<b>\$91,043,999</b>

	June 30, 2021	Additions	Deletions	June 30, 2022
<b>Assets subject to depreciation</b>				
Buildings and improvements	\$10,677,826	\$6,869,508	\$0	\$17,547,334
Furniture and equipment	27,314,156	4,123,975	0	31,438,131
Vehicle	56,619	51,814	(28,473)	79,960
	38,048,601	11,045,297	(28,473)	49,065,425
Less accumulated depreciation	(32,336,944)	(1,421,136)	28,473	(33,729,607)
	5,711,657	9,624,161	0	15,335,818
<b>Assets not subject to depreciation</b>				
Land and infrastructure	990,711,803	360,436	0	991,072,239
<b>Total property and equipment</b>	<b>\$996,423,460</b>	<b>\$9,984,597</b>	<b>0</b>	<b>\$1,006,408,057</b>
<b>Construction in progress</b>	<b>\$108,327,584</b>	<b>\$32,457,107</b>	<b>\$(11,405,736)</b>	<b>\$129,378,955</b>

## 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.

During the year ended June 30, 2023, the Authority obtained a note payable in the amount of \$51,115,000. 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.



## NOTE E - LONG-TERM DEBT CONTINUED

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 2022A Note Payable is secured by a pledge of, and lien on the net system revenues derived from the operations of the expressway system on a parity with the Authority's other senior lien outstanding debt issued under the Master Bond Resolution. 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:

	2023	2022
<b>Bonds payable:</b>		
Series 2012D bonds payable		
Serial bonds (taxable) due from July 1, 2021 through July 1, 2026, bearing interest from 3.04% to 3.84%	\$0	\$62,865,000
Series 2017 bonds payable		
Term bonds due July 1, 2047, bearing interest at 5.00%	157,780,000	157,780,000
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%	133,485,000	133,485,000
Total series 2017B	151,030,000	151,400,000
Series 2017C bonds payable		
Term bonds due July 1, 2048, bearing interest at 5.00%	36,190,000	36,190,000
Series 2020A bonds payable		
Serial bonds (taxable) due from July 1, 2020 through July 1, 2038, bearing interest from 4% to 5%	18,625,000	19,450,000
Series 2020B bonds payable		
Serial bonds (taxable) due from July 1, 2020 through July 1, 2038, bearing interest from .81% to 2.7%	198,740,000	200,665,000
<b>Total bonds payable</b>	<b>562,365,000</b>	<b>628,350,000</b>
<b>Direct borrowings:</b>		
Series 2022 note payable, maturing July 2026 bearing interest from 3.00% to 5.00%	51,115,000	0
<b>Total direct borrowings</b>	<b>51,115,000</b>	<b>0</b>
<b>Total bonds and direct borrowings</b>	<b>613,480,000</b>	<b>628,350,000</b>
Plus unamortized premium	39,693,741	41,567,727
Less current portion	(15,980,000)	(15,130,000)
<b>Long-term portion</b>	<b>\$637,193,741</b>	<b>\$654,787,727</b>

**NOTE E - LONG-TERM DEBT CONTINUED**

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

	Principal	Interest	Total
2024	\$15,980,000	\$21,792,458	\$37,772,458
2025	16,290,000	21,474,505	37,764,505
2026	16,610,000	21,145,943	37,755,943
2027	16,940,000	20,807,423	37,747,423
2028	17,840,000	20,463,706	38,303,706
2029 - 2033	94,945,000	96,341,725	191,286,725
2034 - 2038	107,420,000	83,399,862	190,819,862
2039 - 2043	133,485,000	62,259,600	195,744,600
2044 - 2048	165,670,000	28,591,750	194,261,750
2049 - 2053	28,300,000	707,500	29,007,500
	<b>\$613,480,000</b>	<b>\$376,984,472</b>	<b>\$990,464,472</b>



## NOTE E - LONG-TERM DEBT CONTINUED

### 2. Debt Service Reserve Requirements

The Authority has established separate debt service payment accounts for the semiannual interest and annual principal payments due for each debt issuance pursuant to the Authority's bond covenants and Master Bond Resolution. Deposits are made to these accounts on a monthly basis in amounts equal to the proportioned amount of annual debt service. The Authority has also established separate debt service reserve accounts for the related bond series whose purpose is solely to secure repayment of the bond issues should the net system revenues derived from operations be insufficient to do so. The balance of these accounts is as follows at June 30, 2023 and 2022.

	2023	2022
2012D, 2020B Reserve	\$0	\$19,914,057
2020B, 2022A Reserve	20,073,789	0
2017, 2017B/C Reserve	32,750,018	32,487,637
2020A/B Principal and Interest	5,529,058	5,406,578
2022A Principal and Interest	14,657,198	0
2017, 2017B/C Principal and Interest	8,590,405	22,587,363
	<b>\$81,600,468</b>	<b>\$80,395,635</b>

### 3. Due to Other Governmental Agencies

The Authority is indebted to other governmental entities as follows at June 30, 2023 and 2022

	2023	2022
Due to State of Florida - FDOT	\$200,074,890	\$200,074,890
Due to State of Florida - FDOT State Transportation Trust Fund	13,758,945	13,758,945
	<b>\$213,833,835</b>	<b>\$213,833,835</b>
Less current portion	0	0
	<b>\$213,833,835</b>	<b>\$213,833,835</b>

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.



**NOTE F - LONG-TERM LIABILITIES**

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

<b>2023</b>	<b>June 30, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2023</b>	<b>Due within one year</b>
Revenue bonds	\$628,350,000	\$0	\$(65,985,000)	\$562,365,000	\$3,195,000
Unamortized bond premium	41,567,727	0	(1,873,986)	39,693,741	0
Note payable	0	51,115,000	0	51,115,000	12,785,000
Government notes and loans	213,833,835	0	0	213,833,835	0
Compensated absences	268,530	400,910	(313,458)	355,982	88,000
Net pension liability	1,575,064	3,361,225	0	4,936,289	0
<b>Total long-term liabilities</b>	<b>\$885,595,156</b>	<b>\$54,877,135</b>	<b>\$(68,172,444)</b>	<b>\$872,299,847</b>	<b>\$16,068,000</b>

<b>2022</b>	<b>June 30, 2021</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2022</b>	<b>Due within one year</b>
Revenue bonds	\$ 638,130,000	\$0	\$(9,780,000)	\$628,350,000	\$15,130,000
Unamortized bond premium	43,427,178	0	(1,859,451)	41,567,727	0
Government notes and loans	213,833,835	0	0	213,833,835	0
Compensated absences	483,186	93,116	(307,772)	268,530	88,000
Net pension liability	5,126,936	0	(3,551,872)	1,575,064	0
<b>Total long-term liabilities</b>	<b>\$901,001,135</b>	<b>\$93,116</b>	<b>\$(15,499,095)</b>	<b>\$885,595,156</b>	<b>\$15,218,000</b>

## NOTE G - COMPENSATED ABSENCES

It is the Authority's policy to permit employees to accumulate earned, but unused vacation and sick leave, to established policy not to exceed amounts, to be paid to employees upon retirement or separation 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").

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.

## NOTE H - RETIREMENT PLANS CONTINUED

The rates applicable to the Authority's employees were the following for the years ended June 30, 2023 and 2022.

	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 FRS for the fiscal years ended June 30, 2023 and 2022 were \$468,953 and \$465,612, respectively. The Authority's actual contributions to HIS for the fiscal years ended June 30, 2023 and 2022 were \$50,729 and \$50,065, 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 retirees 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	\$4,059,940	\$876,349	\$4,936,289
June 30, 2022	\$695,362	\$879,702	\$1,575,064

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.

## NOTE H - RETIREMENT PLANS CONTINUED

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%

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.





## NOTE H - RETIREMENT PLANS CONTINUED

## 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%

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

## 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.



## 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:

As of June 30, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Deferred Inflows/Outflows of Resources</b>		
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	0
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	\$519,682	0
<b>Total</b>	<b>\$2,159,525</b>	<b>(\$321,135)</b>
As of June 30, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Deferred Inflows/Outflows of Resources</b>		
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	\$515,677	0
<b>Total</b>	<b>\$1,414,981</b>	<b>(\$2,695,128)</b>

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.



## NOTE H - RETIREMENT PLANS CONTINUED

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	(631)
	<b>\$1,318,708</b>

### Additional Financial and Actuarial Information

Additional audited financial information supporting the Schedules of Employer Allocations and the Schedule of Pension 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](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 32315-9000  
 850-488-4706 or toll free at 877-377-1737

## 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 - COMMITMENTS AND CONTINGENCIES

### Consulting Contracts

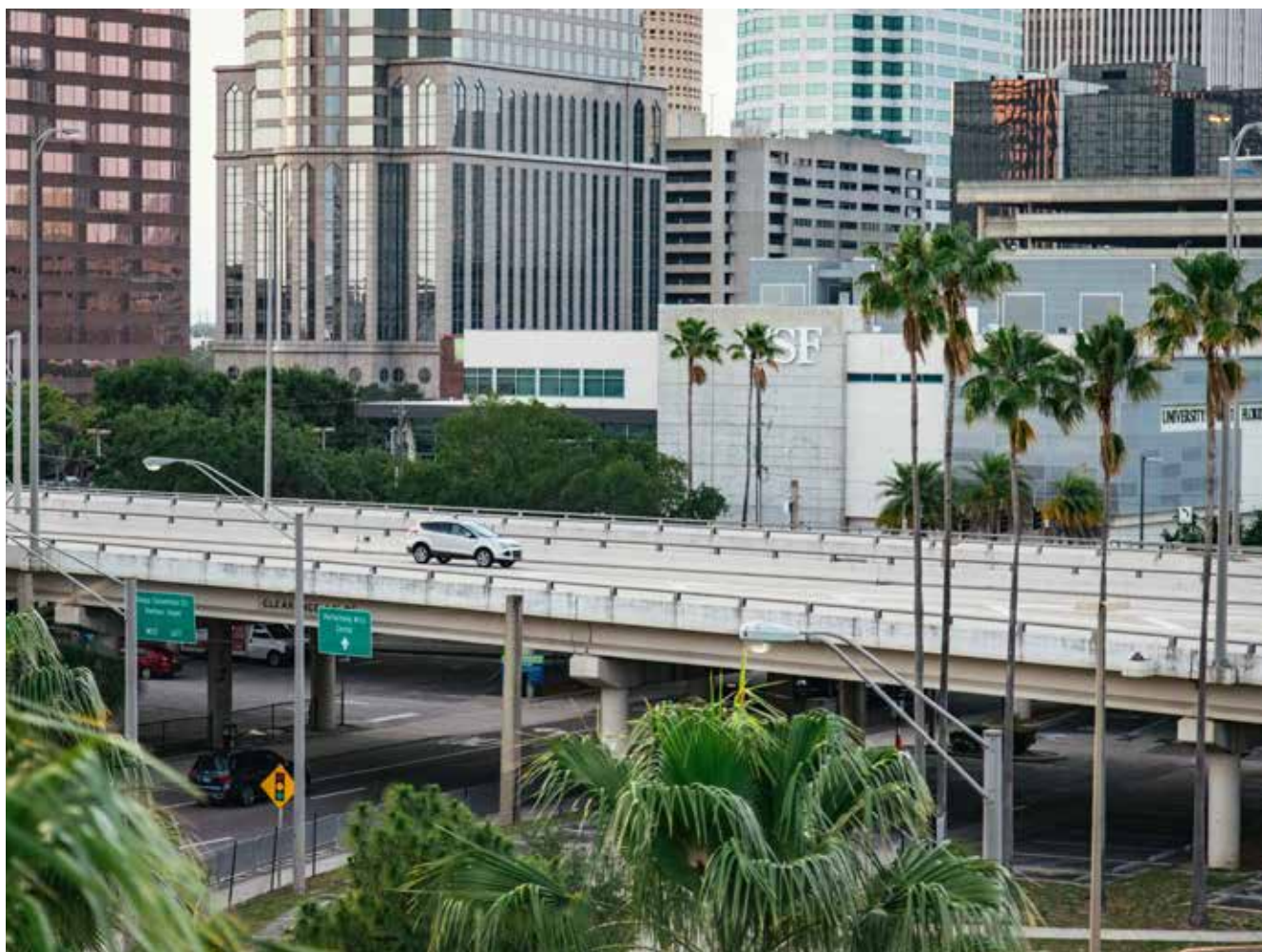
The Authority has entered into contracts with consultants for design, engineering, technology, construction and other services. The committed, but unspent balances of these contracts were \$32,655,553 and \$21,012,597 at June 30, 2023 and 2022, respectively.

### 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 J - 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*.





# SUPPLEMENTARY INFORMATION

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62	Schedule of Tampa-Hillsborough County Expressway Authority's Contributions
63	Schedule of Expenditures of Federal Awards
64	Notes to Schedule of Expenditures of Federal Awards

## 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 an 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	\$6,087,800	\$5,045,194
2022	\$5,056,759	\$4,376,020
2021	\$4,654,995	\$4,063,008
2020	\$4,687,500	\$4,164,056
2019	\$4,458,663	\$3,952,973



## 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%

## SCHEDULE OF TAMPA-HILLSBOROUGH COUNTY EXPRESSWAY AUTHORITY'S CONTRIBUTIONS

### Florida Retirement System (FRS) Defined Benefit Pension Plan

Authority Year Ending June 30,	FRS Contractually Required Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	Authority's Covered Employee Payroll	FRS Contributions as a Percentage of Covered Payroll
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 Contractually Required Contribution	HIS Contributions in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	Authority's Covered Employee Payroll	HIS Contributions as a Percentage of Covered Payroll
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%

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2023

Grantor and Project Title	Assistance Listing Number	Contact Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Expenditures
<b>U.S. Department of Transportation</b>					
Direct Program					
Federal Highway Administration					
Highway Research and Development Program	20.200	DTFH6116H00025	N/A	\$0	\$796,026
<b>Total expenditures of federal awards</b>				<b>\$0</b>	<b>\$796,026</b>

The accompanying notes are an integral part of this schedule.



## 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

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## STATISTICAL SECTION

This part of the Authority's Annual Comprehensive Financial Report presents detailed 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** - Toll Revenues, Net and Percentage by Payment Type

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

**Table 5** - FY2023 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** - Demographic and Economic Statistics

**Table 9** - Principal Employers

#### ***Operating Information***

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

**Table 10** - Contribution to Capital Assets

**Table 11** - Full-time Equivalent Employees by Function

**Table 1 - Net Position by Component**  
**FY2014 through FY2023 (in thousands)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net Investment in capital assets	\$306,497	\$273,457	\$265,056	\$223,924	\$204,528	\$181,166	\$189,261	\$161,894	\$154,477	\$137,365
Restricted	146,168	164,977	165,512	218,016	196,430	165,129	111,213	86,606	46,671	27,807
Unrestricted	200,440	139,990	79,112	21,988	15,132	19,284	13,545	13,174	12,850	11,938
<b>Total Net Position</b>	<b>\$653,105</b>	<b>\$578,424</b>	<b>\$509,680</b>	<b>\$463,928</b>	<b>\$416,090</b>	<b>\$365,579</b>	<b>\$314,019</b>	<b>\$261,674</b>	<b>\$213,998</b>	<b>\$177,110</b>



**Table 2 - Revenues, Expenses and Changes in Net Position  
FY2014 through FY2023 (in thousands)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Operating Revenues:</b>										
<b>Toll and Fee Revenues</b>	<b>\$115,635</b>	<b>\$114,066</b>	<b>\$87,859</b>	<b>\$87,897</b>	<b>\$82,090</b>	<b>\$82,716</b>	<b>\$84,983</b>	<b>\$80,118</b>	<b>\$68,210</b>	<b>\$45,108</b>
<b>Operating Expenses:</b>										
Operations	9,199	8,615	6,386	6,551	5,742	4,491	4,974	4,973	4,624	3,978
Maintenance	5,045	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	3,892	1,421	1,128	1,131	1,163	1,177	1,183	1,043	900	857
Administration	7,839	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
<b>Total Operating Expenses</b>	<b>27,636</b>	<b>22,579</b>	<b>19,728</b>	<b>21,983</b>	<b>19,077</b>	<b>15,761</b>	<b>19,578</b>	<b>14,274</b>	<b>13,325</b>	<b>11,566</b>
<b>Non-Operating Revenues/(Expenses):</b>										
Non-Operating Revenues	8,748	(995)	1,440	7,912	10,438	5,647	1,883	1,488	1,315	1,121
Non-Operating Expenses	(22,861)	(23,552)	(25,964)	(27,796)	(25,232)	(28,519)	(20,132)	(20,445)	(20,556)	(20,313)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(14,113)</b>	<b>(24,547)</b>	<b>(24,524)</b>	<b>(19,884)</b>	<b>(14,794)</b>	<b>(22,872)</b>	<b>(18,249)</b>	<b>(18,957)</b>	<b>(19,241)</b>	<b>(19,192)</b>
Capital Contributions	796	1,804	2,144	1,809	2,290	7,476	5,189	789	1,245	246
<b>Changes in Net Position</b>	<b>\$74,682</b>	<b>\$68,744</b>	<b>\$45,752</b>	<b>\$47,839</b>	<b>\$50,509</b>	<b>\$51,559</b>	<b>\$52,345</b>	<b>\$47,676</b>	<b>\$36,889</b>	<b>\$14,596</b>



**Table 3 - Toll Revenues, Net and Percentage by Payment Type  
FY2014 through FY2023**

Fiscal Year	SunPass	TBP	I-4 Connector	Third Party Collections	Total Toll Revenues, net	SunPass %	TBP %	I-4 Connector %	Third Party Collections %
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



**Table 4 - Total Toll Transactions by Facility and Average Toll Rate  
FY2014 through FY2023**

Toll Transactions by Facility				Totals		
Fiscal Year	Lee Roy Selmon Expressway Mainline	Lee Roy Selmon Expressway Reversible Express Lanes	Lee Roy Selmon Expressway West Extension	Total	Total Toll Revenues	Average Toll Rate
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	\$0	\$54,253,464	\$87,896,561	\$1.62
2019	\$56,965,644	\$4,972,052	\$0	\$61,937,696	\$82,090,142	\$1.33
2018	\$54,201,121	\$4,958,924	\$0	\$59,160,045	\$82,716,492	\$1.40
2017	\$51,020,776	\$5,083,569	\$0	\$56,104,345	\$84,982,937	\$1.51
2016	\$48,986,394	\$5,165,970	\$0	\$54,152,364	\$80,118,452	\$1.48
2015	\$33,517,802	\$4,115,562	\$0	\$37,633,364	\$68,210,122	\$1.81
2014	\$23,628,383	\$4,268,245	\$0	\$27,896,628	\$45,107,928	\$1.62



**Table 5 - FY2023 Toll Rates**

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	SR 618 Ext. Main - Eastbound	\$0.99	\$1.98	\$2.97	\$3.86	\$1.35	\$2.70	\$4.05	\$5.40	\$0.99	\$1.35
101702	SR 618 Ext. Main - Westbound	\$0.99	\$1.98	\$2.97	\$3.86	\$1.35	\$2.70	\$4.05	\$5.40	\$0.99	\$1.35
101705	SR 618 Ext. SR 573/ 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

**Table 6 - Schedule of Net Revenues and Coverage Ratio  
FY2014 through FY2023**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	7,883,313	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
<b>Total Revenues</b>	<b>124,383,328</b>	<b>116,057,443</b>	<b>90,168,457</b>	<b>94,150,057</b>	<b>91,082,361</b>	<b>88,615,476</b>	<b>87,095,784</b>	<b>81,382,080</b>	<b>69,645,503</b>	<b>46,225,785</b>
Operating Expenses	19,797,668	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	(3,892,204)	(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	7,838,737	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
<b>Total Expenses</b>	<b>23,744,201</b>	<b>21,158,440</b>	<b>18,600,055</b>	<b>20,852,570</b>	<b>17,913,941</b>	<b>14,583,805</b>	<b>18,395,420</b>	<b>13,230,633</b>	<b>12,425,820</b>	<b>10,709,480</b>
<b>Net Revenues</b>	<b>\$100,639,127</b>	<b>\$94,899,003</b>	<b>\$71,568,402</b>	<b>\$73,297,487</b>	<b>\$73,168,420</b>	<b>\$74,031,671</b>	<b>\$68,700,364</b>	<b>\$68,151,447</b>	<b>\$57,219,683</b>	<b>\$35,516,305</b>
<b>Senior Debt Service</b>	<b>\$37,875,459</b>	<b>\$33,266,971</b>	<b>\$33,275,846</b>	<b>\$38,526,328</b>	<b>\$36,977,733</b>	<b>\$35,468,471</b>	<b>\$24,768,371</b>	<b>\$23,216,004</b>	<b>\$21,592,131</b>	<b>\$21,616,551</b>
<b>Senior Bonds Coverage Ratio</b>	<b>2.66</b>	<b>2.85</b>	<b>2.15</b>	<b>1.90</b>	<b>1.98</b>	<b>2.09</b>	<b>2.77</b>	<b>2.94</b>	<b>2.65</b>	<b>1.64</b>



**Table 7 - Ratio of Outstanding Debt by Type  
FY2014 through FY2023 (in thousands)**

Fiscal Year	Revenue Bonds Principal	Note Payable	FDOT Loan*	State Transportation Trust Fund Loan	Total Debt	Total Toll Transactions	Debt per Transaction
2023	\$562,365	\$51,115	\$200,075	\$13,759	\$827,314	74,848	\$11.05
2022	\$628,350	\$0	\$200,075	\$13,759	\$842,184	69,396	\$12.14
2021	\$638,130	\$0	\$200,075	\$13,759	\$851,964	53,000	\$16.07
2020	\$618,810	\$0	\$200,075	\$13,759	\$832,644	54,253	\$15.35
2019	\$631,995	\$0	\$200,075	\$13,759	\$845,829	61,938	\$13.66
2018	\$638,785	\$0	\$200,075	\$13,759	\$852,619	59,160	\$14.41
2017	\$439,310	\$0	\$200,075	\$13,759	\$653,144	56,104	\$11.64
2016	\$442,840	\$0	\$200,075	\$13,759	\$656,674	54,152	\$12.13
2015	\$444,690	\$0	\$200,432	\$13,759	\$658,881	37,633	\$17.51
2014	\$444,690	\$0	\$199,778	\$13,759	\$658,227	27,897	\$23.59

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

## Table 8 - Demographic and Economic Statistics Last Ten Years

Calendar Year	Population (1)	Personal Income (in thousands) (1)	Personal Income Per Capita	Unemployment Rate (%) (2)	Median Age (3)
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	(4)	(4)	3.1*	(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

**Table 9 - Principal Employers Current Year and Ten Years Ago**

		2023*			2014*		
Employer	Type	Employees	%	Rank	Employees	%	Rank
BayCare Health System	Medical	29,045	3.6%	1	5,664	0.9%	10
Publix Super Markets, Inc.	Supermarkets	27,000	3.3%	2	6,100	1.2%	9
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	14,500	2.3%	3
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%	5
AdventHealth West Florida Division	Medical	11,000	1.4%	7	0	0%	0
Tampa International Airport	Aviation	11,000	1.4%	8	8,047	1.5%	6
Hillsborough County Government	Government	10,376	1.3%	9	9,328	1.8%	4
Tampa General Hospital	Medical	8,135	1.0%	10	6,600	1.2%	8
H. Lee Moffitt Cancer Center	Medical	7,500	0.9%	11	4,187	0.7%	14
James A. Haley Veterans' Hospital	Medical	5,157	0.6%	12	4,700	0.8%	11
City of Tampa	Government	4,382	0.5%	13	4,500	0.8%	12
St. Joseph's Hospital	Medical	0	0%	0	4,437	0.8%	13
Verizon Communications, Inc.	Telecommunications	0	0%	0	7,850	1.5%	7
Total Principal Employers	0	197,845	24.3%	0	125,459	18.1%	
Other Employers	0	614,394	75.7%	0	0	0%	
<b>Total Hillsborough County Employment</b>	<b>0</b>	<b>812,239</b>	<b>100.0%</b>	<b>0</b>	<b>0</b>	<b>0%</b>	

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

**Table 10 - Contribution to Capital Assets FY2014 through FY2023 (in thousands)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	81,684	43,863	333,489	112,621	76,791	79,010	19,133	4,779	36,824	90,055
Deletions	(60,133)	(11,434)	(259,957)	(213)	(178)	(32)	-	(200)	(32,965)	(77,416)
Depreciation	(3,769)	(1,393)	(1,128)	(1,131)	(1,163)	(1,177)	(1,183)	(1,043)	(900)	(857)
<b>Total Capital Assets, Net</b>	<b>\$1,153,569</b>	<b>\$1,135,787</b>	<b>\$1,104,752</b>	<b>\$1,032,348</b>	<b>\$921,071</b>	<b>\$845,621</b>	<b>\$767,820</b>	<b>\$749,870</b>	<b>\$746,334</b>	<b>\$743,375</b>

**Table 11 - Full-time Equivalent Employees by Function  
FY2014 through FY2023**

<b>Administration</b>	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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
<b>Operations</b>										
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	5	6	5	5	5	4	4	3	2	2
<b>Total Employees</b>	<b>27</b>	<b>26</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>23</b>	<b>23</b>	<b>18</b>	<b>17</b>	<b>17</b>





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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 January 31, 2024.

**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  
January 31, 2024

A handwritten signature in black ink that reads "Bruce, Jordan & Company, P.A." The signature is written in a cursive, flowing style.



RIVERO, GORDIMER & COMPANY, P.A.

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Julie A. Davis

**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.

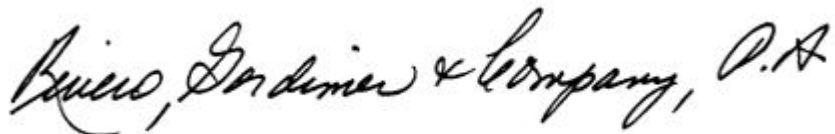
## Report on Internal Control Over Compliance

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  
January 31, 2024

## 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 ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

#### Federal Awards

Internal control over major federal awards

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ 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 ☒ 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 ☒ 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 January 31, 2024.

### **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 January 31, 2024, 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 17.

## **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 70 -71.

## **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.



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

Distinguished Members of the Authority  
Tampa-Hillsborough County Expressway Authority

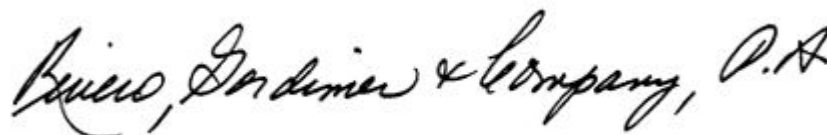
We have examined the compliance of Tampa-Hillsborough County Expressway Authority (the "Authority") with the requirements of Section 218.415, Florida Statutes during the year ended June 30, 2023. Management of the Authority is responsible for the Authority's compliance with those requirements. Our responsibility 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  
January 31, 2024



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

For the year ended June 30, 2023

Data Element	Reference	Comment
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)	\$0
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)	\$0
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 below
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

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

For the year ended June 30, 2023

Project Description	Amount
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



**Tampa-Hillsborough County Expressway Authority**

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