

Palm Beach Transportation Planning Agency

Financial Statements
and Additional Information
For the Year Ended June 30, 2024

Palm Beach Transportation Planning Agency

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Palm Beach Transportation Planning Agency

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of Palm Beach Transportation Planning Agency (the "TPA"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the TPA'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 respective financial position of the governmental activities and major fund of the TPA, as of June 30, 2024, and the respective changes in financial position for the year 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 TPA and to meet our other ethical responsibilities, in accordance with the 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 audit 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 TPA's ability to continue as a going concern for 12 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 TPA'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 TPA'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

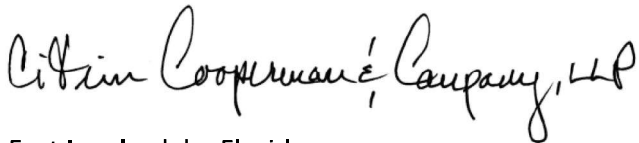
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule and the schedules related to the pension plan, as listed in the table of contents, be presented to supplement the basic financial statements. 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 collectively comprise the TPA's basic financial statements. The 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 also not a required part 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2025, on our consideration of the TPA'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 solely 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 of the TPA'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 TPA's internal control over financial reporting and compliance.



Fort Lauderdale, Florida
February 18, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Palm Beach Transportation Planning Agency's (the "TPA") financial performance provides an overview of the TPA's financial activities for the year ended June 30, 2024, with certain comparative information for the year ended June 30, 2023. Please read it in conjunction with the TPA's financial statements which immediately follow this discussion.

Financial Highlights

The following are highlights of financial activity for the year ended June 30, 2024:

- The TPA's total assets and deferred outflows of resources exceeded its liabilities and deferred inflow of resources as of June 30, 2024, by \$ 645,725.
- The TPA's total revenues were \$ 4,170,862, including \$ 4,019,163 from federal and state grants, \$ 147,414 from local contributions, \$ 1,459 from investment income and \$ 2,826 from miscellaneous income. The TPA's total expenses for the year were \$ 4,393,642.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the TPA's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements: The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the TPA's finances, in a manner similar to a private-sector business.

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

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

The government-wide financial statements can be found on pages 8 and 9 of this report.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The TPA only has one category of funds - governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the year. Such information may be useful in evaluating the TPA's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the TPA's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The TPA adopts an annual budget for its governmental fund. Budgetary comparison schedules have been provided for the General Fund to demonstrate compliance.

The governmental fund financial statements can be found on pages 10 through 13 of this report.

Notes to Basic Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 14 through 26 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the TPA's adopted budget to actual results and schedules relating to the TPA's Pension Plan. Required supplementary information can be found on pages 27 through 32 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position. The following table reflects the condensed government-wide statements of net position as of June 30:

Palm Beach Transportation Planning Agency Net Position		
	2024	2023
Assets:		
Current assets	\$ 2,676,817	\$ 1,955,160
Capital assets, net	1,564,465	1,856,092
Total assets	4,241,282	3,811,252
Total deferred outflows of resources	843,753	1,090,056
Liabilities:		
Current liabilities	2,035,056	233,792
Noncurrent liabilities	2,212,107	3,742,932
Total liabilities	4,247,163	3,976,724
Total deferred inflows of resources	192,147	56,079
Net Position:		
Net investment in capital assets	653,364	792,479
Unrestricted	(7,639)	76,026
Total net position	\$ 645,725	\$ 868,505

**Palm Beach Transportation Planning Agency
Management's Discussion and Analysis
June 30, 2024**

The following table reflects the TPA's change in net position for the year ended June 30:

Palm Beach Transportation Planning Agency Change in Net Position		
	2024	2023
Revenues:		
Federal and state grants	\$ 4,019,163	\$ 2,763,565
Local contributions	147,414	146,147
Interest income	1,459	2,489
Miscellaneous income	2,826	3,425
	<u>4,170,862</u>	<u>2,915,626</u>
Expenses:		
Transportation planning and other	4,393,642	3,420,615
	<u>4,393,642</u>	<u>3,420,615</u>
Change in net position	(222,780)	(504,989)
Net Position, Beginning of Year	<u>868,505</u>	<u>1,373,494</u>
Net Position, End of Year	<u>\$ 645,725</u>	<u>\$ 868,505</u>

The increase in current assets over the prior year is due mainly to increases in cash and accounts receivable resulting from increases in grant activities in the current year. The decrease in capital assets is due to the depreciation charges for the year. The increase in current liabilities over the prior year is consistent with the increase in current assets, as the accounts payable increased due to the increase in grant expenses. The decrease in noncurrent liabilities over the prior year is due to the change in lease liability. Overall revenue increased over the prior year due to the TPA's increased grant funded activities in 2024. The current year expenses have increased when compared to the prior year due to the increased grant activity resulting in more consulting expenses.

Analysis of the Government's Funds

As noted earlier, the TPA uses fund accounting to maintain control over resources that have been segregated for specific activities or objectives. The focus of the TPA's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the TPA's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the TPA's net resources available for spending at the end of the fiscal year.

The General Fund is the sole operating fund of the TPA. At the end of year 2024, fund balance of the General Fund was \$ 805,756, which includes \$ 59,181 that was nonspendable for prepaids and deposits.

Capital and Right-of-Use Assets and Debt Administration

The TPA's capital and right-of-use assets, less accumulated depreciation and amortization, for its governmental activities as of June 30, 2024, amounts to \$ 1,564,465 which consists of leasehold improvements, furniture and equipment and lease assets, as compared to \$ 1,856,092 at June 30, 2023.

As of June 30, 2024, the TPA had long term liabilities outstanding relating to pension, compensated absences and lease obligation of \$ 2,376,102 as compared to \$ 2,542,932 at June 30, 2023.

General Fund Budgetary Highlights

An operating budget for the General Fund was adopted by the governing board for the TPA and subsequently approved by various agencies. The General Fund budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The budget to actual comparisons for the General Fund, including the original and final adopted budget, is shown on page 23.

The TPA experienced favorable (unfavorable) variances in revenues and expenditures compared to the General Fund budget in the amounts of \$ (1,688,663) and \$ 1,926,623 respectively. This resulted in an overall favorable variance of \$ 237,960.

Requests for Information

This financial report is designed to provide a general overview of the TPA's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Palm Beach Transportation Planning Agency, Florida; 301 Datura Street, West Palm Beach, Florida 33401.

BASIC FINANCIAL STATEMENTS

Palm Beach Transportation Planning Agency
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 769,081
Intergovernmental receivables	1,848,555
Prepays and deposits	59,181
Capital assets, net of accumulated depreciation & amortization	<u>1,564,465</u>
Total assets	<u>4,241,282</u>
Deferred Outflows of Resources:	
Pension related	<u>843,753</u>
Liabilities:	
Accounts payable and accrued liabilities	671,061
Due to other agencies	1,200,000
Long term liabilities:	
Due within one year:	
Compensated absences	1,051
Lease liability	162,944
Due in more than one year:	
Compensated absences	9,459
Lease liability	748,157
Net pension liability	<u>1,454,491</u>
Total liabilities	<u>4,247,163</u>
Deferred Inflows of Resources:	
Pension related	<u>192,147</u>
Net Position:	
Net investment in capital assets	653,364
Unrestricted	<u>(7,639)</u>
Total net position	<u>\$ 645,725</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Palm Beach Transportation Planning Agency
Statement of Activities
For the Fiscal Year Ended June 30, 2024**

Functions/Programs	Expenses	Program Revenues Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position Governmental Activities
Governmental Activities			
Transportation	\$ <u>4,393,642</u>	\$ <u>4,166,577</u>	\$ <u>(227,065)</u>
Total Governmental Activities	<u>4,393,642</u>	<u>4,166,577</u>	<u>(227,065)</u>
Total Primary Government	\$ <u><u>4,393,642</u></u>	\$ <u><u>4,166,577</u></u>	\$ <u><u>(227,065)</u></u>
General Revenues			
Interest income			\$ 1,459
Miscellaneous			<u>2,826</u>
Total General Revenues			<u>4,285</u>
Changes in Net Position			<u>(222,780)</u>
Net Position - Beginning of			<u>868,505</u>
Net Position - End of Year			\$ <u><u>645,725</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Palm Beach Transportation Planning Agency
Balance Sheet - Governmental Fund
June 30, 2024**

	<u>General Fund</u>
Assets:	
Cash and cash equivalents	\$ 769,081
Due from governmental agencies	1,848,555
Prepays and deposits	<u>59,181</u>
Total assets	<u>2,676,817</u>
Liabilities:	
Accounts payable and accrued liabilities	671,061
Due to other agencies	<u>1,200,000</u>
Total liabilities	<u>1,871,061</u>
Fund Balance:	
Nonspendable for prepaids and deposits	59,181
Unassigned	<u>746,575</u>
Total fund balance	<u>805,756</u>
Total liabilities and fund balance	\$ <u><u>2,676,817</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Palm Beach Transportation Planning Agency
 Reconciliation of the Balance Sheet of Governmental Fund
 to the Statement of Net Position
 June 30, 2024**

**Amounts Reported for Governmental Activities in the
 Statement of Net Position are Different Because:**

Fund Balances - Total Governmental Fund		\$ 805,756
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.</p>		
Capital assets	\$ 2,891,243	
Accumulated depreciation & amortization	<u>(1,326,778)</u>	1,564,465
<p>Certain pension-related amounts are not due in the current period or do not represent current financial resources and therefore, are not reported in the governmental fund:</p>		
Pension outflows	843,753	
Pension inflows	<u>(192,147)</u>	651,606
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund:</p>		
Net pension liability	\$ (1,454,491)	
Compensated absence	(10,510)	
Lease liability	<u>(911,101)</u>	<u>(2,376,102)</u>
Net Position of Governmental Activities		\$ <u><u>645,725</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.

Palm Beach Transportation Planning Agency
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund
For the Year Ended June 30, 2024

	<u>General Fund</u>
Revenues:	
Federal and state grants	\$ 4,019,163
Local contributions	147,414
Interest income	1,459
Miscellaneous income	<u>2,826</u>
Total revenues	<u>4,170,862</u>
Expenditures:	
Current:	
Transportation planning:	
Personnel services	1,827,457
Professional and consulting	1,572,693
Operation and maintenance	201,606
Occupancy	67,714
Debt Service:	
Principal	152,512
Interest	31,122
Capital outlay	<u>33,370</u>
Total expenditures	<u>3,886,474</u>
Net change in fund balance	284,388
Fund Balance	
Beginning of year	<u>521,368</u>
End of year	<u>\$ 805,756</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Palm Beach Transportation Planning Agency
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
 Governmental Fund to the Statement of Activities
 For the Year Ended June 30, 2024**

**Amounts Reported for Governmental Activities in the
 Statement of Activities are Different Because:**

Net changes in fund balance - total governmental funds \$ 284,388

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense:

Expenditures for capital outlay	\$ 33,370	
Less: current year provision for depreciation expense	<u>(324,997)</u>	(291,627)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, had any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts (other than direct issuance costs) are deferred and amortized in the statement of activities.

This detail of the difference is as follows:

Principal paid for leases	152,512
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Compensated absences	11,234
Pension expenses	<u>(379,287)</u>

Change in Net Position of Governmental Activities	\$ <u>(222,780)</u>
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Note 1 - Agency TPA and Operations

The Palm Beach Metropolitan Planning Organization d.b.a. Palm Beach Transportation Planning Agency (the "TPA") is a transportation policy-making board created by federal and state statute to provide a cooperative, comprehensive, and continuing transportation planning process for Palm Beach County. The process encompasses all transportation modes and covers both short-range and long-range planning. The TPA Governing Board (the "Board") is comprised of five county commissioners, 15 elected officials from the largest 13 cities in the county, and one port commissioner. The TPA maintains a long-range forecast of population, employment, and transportation projects and services that advance the regional vision. The TPA also annually adopts a funding program that prioritizes over \$ 600 million of federal, state, and local transportation dollars per year to implement those projects.

Note 2 - Summary of Significant Accounting Policies

Financial Reporting Entity: The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units ("U.S. GAAP"), established by the Governmental Accounting Standards Board (GASB), who is the accepted stand-setting body for establishing governmental accounting and financial reporting principles. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of its officials. The governmental reporting entity consists of the TPA and its component units. Component units are legally separate entities for which the Governing Board is financially accountable or other entities whose nature and significant relationship with the TPA are such that exclusion would cause the TPA's financial statements to be misleading. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the TPA's ability to impose its will on the entity or (ii) there is potential for the entity to provide a financial benefit to or impose a financial burden on the TPA. Based upon the application of these criteria, there were no entities that met the criteria described above.

Government-Wide and Fund Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the TPA.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the TPA considers revenues to be available if they are collected within one year of the end of the current fiscal period. Expenditures are recorded when a liability is incurred,

Note 2 - Summary of Significant Accounting Policies (continued)

as under accrual accounting. However, compensated absences and pension liabilities are recorded as expenditures only when payment is due.

Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred.

The TPA reports the following major governmental fund:

The General Fund is the TPA's primary operating fund and its only governmental fund. It accounts for all financial resources of the TPA.

Cash and cash equivalents: Cash and cash equivalents includes cash on hand, time and demand deposits. The TPA defines cash equivalents as financial instruments purchased with an original maturity of 90 days or less. The TPA does not hold any cash equivalents as of June 30, 2024.

Due from governmental agencies: Amounts due to the TPA by governments or agencies are for grants or programs when expenditures occur.

Capital assets: Capital assets, which include furniture and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the TPA as assets with an initial, individual cost of more than \$ 1,000 and estimated useful lives in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the TPA are depreciated using the straight-line method over the following estimated useful lives:

Furniture and equipment	3-5 years
Leasehold improvements	10 years

The TPA has recorded an intangible right-to-use lease asset as a result of implementing GASB 87. The right-to-use asset is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use asset is amortized on a straight-line basis over the life of the related lease.

Due to other agency: Amounts due to other agency are advanced monies paid to the TPA for the payment of operational expenses in accordance with the TPA's current budget and adopted Unified Planning Work Program.

Compensated absences: The TPA maintains personnel records that allow it to determine the cumulative number of unused paid time off available to its employees. This allows the TPA to determine its future liability for these compensated absences.

Deferred outflows/inflows of resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The TPA has one item that qualifies for reporting in this category. The item is the deferred outflows related to the pension plan and discussed in further detail in Note 8.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The TPA has one item that qualifies for reporting in this category. The item is the deferred inflows related to the pension plan and discussed in further detail in Note 8.

Note 2 - Summary of Significant Accounting Policies (continued)

Net position: Net position is classified in three categories. The general meaning of each is as follows:

- Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings or payables that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net position - consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund balance: The TPA follows U.S. GAAP which requires that governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the TPA is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- Restricted - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the TPA's Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- Assigned - This classification includes amounts that are constrained by the TPA's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the TPA's management.
- Unassigned - This classification includes the residual fund balance for the General Fund.

The TPA considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the TPA would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 2 - Summary of Significant Accounting Policies (continued)

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts of assets, liabilities, deferred inflows/outflows, disclosures of contingent liabilities, revenues and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectability of receivables and the useful lives of capital assets. Although these estimates as well as all estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Date of management's review: Subsequent events were evaluated by management through February 18, 2025, which is the date the financial statements were available to be issued.

Note 3 - Cash and Cash Equivalents

At June 30, 2024, the carrying amount of the TPA's deposits and the bank balance was \$ 769,081.

The TPA maintains deposits with "Qualified Public Depositories" as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses.

Under this method, all the TPA's deposits are fully insured or collateralized at the highest level of security as defined by Governmental Accounting Standards Board, Statement Number 40, *Deposits and Investment Disclosures*. The TPA has cash in financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC"). At various times throughout the year, the TPA may have cash balances at financial institutions that exceed the insured amount. The excess amount at June 30, 2024, was approximately \$ 519,000.

Note 4 – Interlocal Agreements

The TPA entered into inter-local agreements with four municipalities: the City of Boca Raton, The Village of Royal Palm Beach, City of Palm Beach Gardens and the Town of Jupiter to provide advance monies for the payment of operational expenses in accordance with the TPA's operating budget and adopted Unified Planning Work Program. The TPA is required to provide annual administrative fees to each municipality for the ongoing use of the funds in accordance with the agreement. The TPA expends the funds for grant services and replenishes the account upon reimbursement of grant expenses. The account balance at June 30, 2024 was \$ 1,200,000 and is due one hundred eighty (180) days after the termination of the interlocal agreements. The interlocal agreements are effective through September 30, 2023 and were renewed for an additional five year period until September 30, 2028, at which point they may be renewed for one additional five year period upon mutual agreement of both parties.

The TPA entered into an inter-local agreement with the Broward Metropolitan Planning Organization (the "MPO") to jointly obtain health and other personnel insurance at a discounted rate. The agreement was terminated on December 31, 2023. As of January 1, 2024, the TPA procured health and personnel insurance on its own. At June 30, 2024, there was no amount due to the MPO.

Palm Beach Transportation Planning Agency
Notes to Basic Financial Statements
June 30, 2024

Note 5 - Capital Assets

Capital and lease asset activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024
Governmental Activities:				
Capital assets, being depreciated/amortized:				
Furniture and equipment	\$ 231,491	\$ 33,370	\$ 2,775	\$ 262,086
Leasehold improvements	1,286,424	-	-	1,286,424
Lease assets:				
Office space	<u>1,342,733</u>	<u>-</u>	<u>-</u>	<u>1,342,733</u>
 Total capital assets, being depreciated	<u>2,860,648</u>	<u>33,370</u>	<u>2,775</u>	<u>2,891,243</u>
 Less: accumulated depreciation/ amortization for:				
Furniture and equipment	200,417	26,746	2,775	224,388
Leasehold improvements	464,923	128,643	-	593,566
Lease assets:				
Office space	<u>339,216</u>	<u>169,608</u>	<u>-</u>	<u>508,824</u>
 Total accumulated depreciation/amortization	<u>1,004,556</u>	<u>324,997</u>	<u>2,775</u>	<u>1,326,778</u>
 Total capital assets depreciated, net	<u>1,856,092</u>	<u>(291,627)</u>	<u>-</u>	<u>1,564,465</u>
 Governmental activities capital assets, net	<u>\$ 1,856,092</u>	<u>\$ (291,627)</u>	<u>\$ -</u>	<u>\$ 1,564,465</u>

The TPA allocated the depreciation/amortization expense to transportation planning.

Note 6 - Long-Term Liabilities

The following is a summary of the changes in the long-term liabilities of the TPA for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Compensated absences	\$ 21,744	\$ 107,808	\$ (119,042)	\$ 10,510	\$ 1,051
Net pension liability	<u>1,457,575</u>	<u>-</u>	<u>(3,084)</u>	<u>1,454,491</u>	<u>-</u>
 Total	<u>\$ 1,479,319</u>	<u>\$ 107,808</u>	<u>\$ (122,126)</u>	<u>\$ 1,465,001</u>	<u>\$ 1,051</u>

Note 7 - Florida Retirement System

As provided by Chapters 121 and 112, Florida Statutes, the Florida Retirement System (“FRS”) provides two cost sharing, multiple employers defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, 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. 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 State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Plan’s Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available in the separately issued reports referred to above. The effect of the pension amounts on the TPA’s net position has been determined on the same basis used by the Plans.

Pension Plan

Plan Description - The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who 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, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service.

Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary, for each year of credited service. Senior Management Service class members who 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, equal to 2.0% of their final average compensation based on the five highest years of salary, for each year of credited service. Elected Officers’ class members who 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, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary, for each year of credited service.

Note 7 - Florida Retirement System (continued)

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, the annual cost-of living adjustment is three percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 96 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from July 1, 2023 through June 30, 2024, were as follows: Regular - 13.57%; Special Risk Administrative Support - 39.82%; Special Risk - 32.67%; Senior Management Service - 34.52%; Elected Officers' - 58.68%; and DROP participants - 21.13%. These employer contribution rates do not include 3.00% HIS Plan subsidy for the periods from July 1, 2023 through June 30, 2024. The total amount of contributions made to the pension plan at June 30, 2024 was approximately \$ 92,000.

HIS Plan

Plan Description - The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided - For the fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$ 7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$ 45 and a maximum HIS payment of \$ 225 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employer's asset by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2024, the HIS contribution was 3.00%. The TPA contributed 100% of its statutorily required contributions for the current and preceding three years, as applicable. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled. The total amount of contributions made to the HIS plan at June 30, 2024 was approximately \$ 9,000.

Note 7 - Florida Retirement System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2024, the TPA reported liabilities of \$ 978,094 for its proportionate share of the Pension Plan’s net pension liability and \$ 476,397 for its proportionate share of the HIS Plan’s net pension liability, for a total net pension liability of \$ 1,454,491. The net pension liabilities were measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The TPA’s proportion of the net pension liability was based on a projection of the TPA’s 2023-24 fiscal year contributions relative to the 2023-24 fiscal year contributions of all participating members. At June 30, 2023, the TPA’s proportion was 0.002454634% for the FRS Plan and 0.003003509% for the HIS Plan.

For the period ended June 30, 2024, the TPA recognized pension expense of \$ 316,801 for the Pension Plan and \$ 226,621 for the HIS Plan for a total pension expense of \$ 543,422.

At June 30, 2024, the TPA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		
	<u>Pension Plan</u>	<u>HIS Plan</u>	<u>Total</u>
Differences between expected and actual experience	\$ 91,835	\$ 6,983	\$ 98,818
Changes of assumptions	63,760	12,540	76,300
Net difference between projected and actual earnings on pension plan investments	40,848	246	41,094
Changes in proportion and differences between TPA contributions and proportionate share of contributions	342,907	183,897	526,804
TPA contributions subsequent to the measurement date	<u>91,687</u>	<u>9,050</u>	<u>100,737</u>
Total	<u>\$ 631,037</u>	<u>\$ 212,716</u>	<u>\$ 843,753</u>

Note 7 - Florida Retirement System (continued)

Deferred outflows of resources related to the Pension Plan and HIS Plan, totaling \$ 100,737 related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the subsequent reporting period ending June 30, 2025.

	Deferred Inflows of Resources		
	Pension Plan	HIS Plan	Total
Changes of assumptions	\$ -	\$ (41,333)	\$ (41,333)
Changes in proportion and differences between TPA contributions and proportionate share of contributions	(118,766)	(30,928)	(149,694)
Differences between expected and actual experience	-	(1,120)	(1,120)
Total	\$ (118,766)	\$ (73,381)	\$ (192,147)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized in pension expense as follows:

Year Ended June 30,	Pension Plan	HIS Plan	Total
2025	\$ 140,997	\$ 43,601	\$ 184,598
2026	\$ 96,575	\$ 45,161	\$ 141,736
2027	\$ 189,125	\$ 43,566	\$ 232,691
2028	\$ (2,196)	\$ 6,948	\$ 4,752
2029	\$ (3,917)	\$ (6,917)	\$ (10,834)
Thereafter	\$ -	\$ (2,074)	\$ (2,074)

Actuarial Assumptions - The Florida Retirement System Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of both pension plans pursuant to section 216.136 (10), Florida Statutes. The Pension Plan's valuation is performed annually. The HIS Plan 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 Pension Plan was completed in 2019 for the period July 1, 2013 through June 30, 2018. Because the HIS Plan is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the Pension Plan. The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Note 7 - Florida Retirement System (continued)

	Pension Plan	HIS Plan
Inflation	2.40%	2.40%
Salary increases	3.25%, average, including inflation	3.25%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation	N/A
Municipal bond rate	N/A	3.65%
Actuarial cost method	Individual entry age	Individual entry age
Mortality table	PUB-2010 with Generationally Scale MP-2018	Generational PUB-2010 with Projection Scale MP-2018

Long-term Expected Rate of Return - The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. 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 target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.8%	7.1%	18.1%
Real estate	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
Total	<u>100.0%</u>			
Assumed Inflation - Mean			2.4%	1.4%

(1) As outlined in the Pension Plan's investment policy.

Note 7 - Florida Retirement System (continued)

Discount Rate - The discount rate used to measure the total pension liability was 6.70% for the Pension Plan. The Pension 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 calculation the total pension liability is equal to the long-term expected rate of return.

The discount rate used to measure the total pension liability was 3.65% for the HIS Plan. In general, the discount rate for calculating the HIS Plan's total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Plan benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the municipal bond rate of 3.65% was used to determine the total pension liability. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the TPA's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following table represents sensitivity of the TPA's proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis, below, shows the impact of the TPA's proportionate share of the net pension liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate on June 30, 2023.

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
TPA's proportionate share of the net pension liability for Pension plan	\$ <u>1,670,784</u>	\$ <u>978,094</u>	\$ <u>398,576</u>
	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
TPA's proportionate share of the net pension liability for HIS plan	\$ <u>544,179</u>	\$ <u>476,397</u>	\$ <u>421,308</u>

Note 8 - Federal and State Grants

Federal Highway Administration (FHWA) Grants - The FHWA-PL grants represent apportionments under 23 USC Section 104(f) made to the TPA through the State of Florida Department of Transportation. The FHWA-PL grants use a sliding scale federal/non-federal match ratio for metropolitan planning funds. This ratio is 81.93% federal and 18.07% non-federal. It is the policy of FDOT to use a “soft match” using toll credits as authorized by Title 23 U.S.C. (Section 120) for the non-federal share for all FHWA sliding scale eligible funding programs. The FHWA-PL grant is a cost reimbursement grant.

Florida Commission for the Transportation Disadvantaged Planning Grant - The purpose of this Agreement is to provide financial assistance to accomplish the duties and responsibilities of the Official Planning Agency as set forth in Chapter 427, Florida Statutes, Rule 41-2, Florida Administrative Code, Commission policies, and the application and policy manual for Transportation Disadvantaged Planning related services. This grant is a fixed cost grant.

During the year ended June 30, 2024, funding from federal and state agencies is summarized as follows:

FHWA - PL Grant	\$	3,965,477
Transportation Disadvantaged Grant		<u>53,686</u>
	\$	<u><u>4,019,163</u></u>

Note 9 – Lease

The TPA entered into a non-cancelable office space lease agreement for a ten (10) year period, commencing on June 1, 2019. The lease provides for initial base lease payments of approximately \$ 13,600 per month and escalates annually by 3.00% throughout the remainder of the lease. In addition to base rent, the TPA is also responsible for telecommunications, internet, computer, electricity, water, sewer, trash and fire detection services. The TPA shall pay for other repairs, maintenance and replacement to the building as well as other reasonable operating expenses that may be necessary to maintain the premises in a usable condition. The total amount for these services was approximately \$71,000 at June 30, 2024.

This lease agreement qualifies as an other than short-term lease under GASB 87 and, therefore, has been recorded at the present value of the future minimum lease payments as of the implementation date of July 1, 2021. The discount rate used to recognize the intangible right-to-use asset and the lease liability was 3.13%.

The following is a schedule of the TPA’s future base rent payments as of June 30, 2024:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 162,944	\$ 26,200	\$ 189,144
2026	173,874	20,944	194,818
2027	185,324	15,339	200,663
2028	197,315	9,367	206,682
2029	<u>191,644</u>	<u>3,012</u>	<u>194,656</u>
Total	<u>\$ 911,101</u>	<u>\$ 74,862</u>	<u>\$ 985,963</u>

Palm Beach Transportation Planning Agency
Notes to Basic Financial Statements
June 30, 2024

Note 9 – Lease (continued)

The lease activity of the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Lease - office space	\$ <u>1,063,613</u>	\$ <u>-</u>	\$ <u>(152,512)</u>	\$ <u>911,101</u>	\$ <u>162,944</u>

Note 10 - Commitments and Contingencies

Risk management: The TPA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The TPA purchases insurance through the Florida Municipal Insurance Trust. There were no claims during the fiscal year.

Grants contingency: Federal and state programs in which the TPA participates are subject to audit by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. In the opinion of management, future disallowances of grant expenditures, if any, would not have a material, adverse effect on the financial condition of the TPA.

Contracts commitments: The TPA has commitments to various vendors relating to contracts amounting to approximately \$ 858,200 at the end of the year.

REQUIRED SUPPLEMENTARY
INFORMATION

**Palm Beach Transportation Planning Agency
 Budgetary Comparison Schedule - General Fund
 For the Year Ended June 30, 2024**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Favorable (Unfavorable) Variance
Revenues:				
Federal and state grants	\$ 4,800,667	\$ 5,713,097	\$ 4,019,163	\$ (1,693,934)
Local contributions	146,428	146,428	147,414	986
Interest income	-	-	1,459	1,459
Miscellaneous income	-	-	2,826	2,826
	<u>4,947,095</u>	<u>5,859,525</u>	<u>4,170,862</u>	<u>(1,688,663)</u>
Expenditures:				
Current:				
Transportation planning	4,900,667	5,813,097	3,669,470	2,143,627
Debt Service:				
Principal	-	-	152,512	(152,512)
Interest	-	-	31,122	(31,122)
Capital outlay	-	-	33,370	(33,370)
	<u>4,900,667</u>	<u>5,813,097</u>	<u>3,886,474</u>	<u>1,926,623</u>
Net change in fund balance	<u>\$ 46,428</u>	<u>\$ 46,428</u>	<u>\$ 284,388</u>	<u>\$ 237,960</u>

See notes to budgetary comparison schedule.

Note 1 - Budgets and Budgetary Accounting

The TPA prepares its budget for the General Fund on a basis consistent with accounting principles generally accepted in the United States of America. The TPA follows these procedures in establishing the budgetary data reflected in the basic financial statements.

- Every two years, in February, the TPA requests comments from the general public of Palm Beach County and associated local governmental agencies related to the proposed budget and projects to be considered for the two-year period that commences on July 1. After review and consideration of those comments, the budget is then formally presented to the TPA Board by the Executive Director in March. The operating budget includes proposed expenditures and the means of financing them.
- Prior to July 1, the budget is legally enacted through Board adoption and subsequent approval by the Federal Highway Administration and the Federal Transit Administration.
- The TPA experienced an unfavorable budget variance in capital outlay of \$33,370. This was absorbed by the favorable variance in the transportation planning budget line item.

**Palm Beach Transportation Planning Agency
Schedule of Proportionate Share of Net Pension Liability -
Florida Retirement System Pension Plan
Last 4 Fiscal Years *
(Unaudited)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Proportion of the net pension liability	0.002454634%	0.002970048%	0.002562639%	0.001630837%
Proportionate share of the net pension liability	\$ 978,094	1,105,096	\$ 193,578	\$ 706,829
Covered payroll	\$ 1,174,686	1,212,784	\$ 1,025,363	\$ 625,236
Proportionate share of the net pension liability as a percentage of its covered payroll	83.26%	91.12%	18.88%	113.05%
Plan fiduciary net position as a percentage of total pension liability	82.38%	82.89%	96.40%	78.85%

* The TPA presents four years of data because their operations started in fiscal year 2021.

The amounts above are as of the measurement date, which is June 30 of the preceding year.

**Palm Beach Transportation Planning Agency
Schedule of Proportionate Share of Net Pension Liability -
Retiree Health Insurance Subsidy Program
Last 4 Fiscal Years *
(Unaudited)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Proportion of the net pension liability	0.003003509%	0.003327910%	0.002896321%	0.001801462%
Proportionate share of the net pension liability	\$ 476,397	352,479	\$ 355,277	\$ 219,956
Covered payroll	\$ 1,174,686	1,212,784	\$ 1,025,363	\$ 625,236
Proportionate share of the net pension liability as a percentage of its covered payroll	40.56%	29.06%	34.65%	35.18%
Plan fiduciary net position as a percentage of total pension liability	4.12%	4.81%	3.56%	3.00%

* The TPA presents four years of data because their operations started in fiscal year 2021.

The amounts above are as of the measurement date, which is June 30 of the preceding year.

**Palm Beach Transportation Planning Agency
Schedule of Contributions -
Florida Retirement System Pension Plan
Last 4 Fiscal Years *
(Unaudited)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 188,007	\$ 161,440	\$ 121,130	\$ 68,281
Contributions in related to the contractually required contribution	<u>(188,007)</u>	<u>(161,440)</u>	<u>(121,130)</u>	<u>(68,281)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,174,686	\$ 1,212,784	\$ 1,025,363	\$ 625,236
Contributions as a percentage of covered payroll	16.00%	13.31%	11.81%	10.92%

* The TPA presents four years of data because their operations started in fiscal year 2021.

The amounts above are as of the measurement date, which is June 30 of the preceding year.

**Palm Beach Transportation Planning Agency
Schedule of Contributions -
Retiree Health Insurance Subsidy Program
Last 4 Fiscal Years *
(Unaudited)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 19,500	20,132	\$ 17,021	\$ 10,379
Contributions in related to the contractually required contribution	<u>(19,500)</u>	<u>(20,132)</u>	<u>(17,021)</u>	<u>(10,379)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,174,686	1,212,784	\$ 1,025,363	\$ 625,236
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%

* The TPA presents four years of data because their operations started in fiscal year 2021.

The amounts above are as of the measurement date, which is June 30 of the preceding year.

COMPLIANCE SECTION



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INDEPENDENT AUDITOR'S 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*

To the Board of Directors
Palm Beach Transportation Planning Agency

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 governmental activities and major fund of Palm Beach Transportation Planning Agency (the "TPA") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the TPA's basic financial statements and have issued our report thereon dated (DATE).

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the TPA's internal control over financial reporting (internal control) as a basis for designing the 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 TPA's internal control. Accordingly, we do not express an opinion on the effectiveness of the TPA'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.

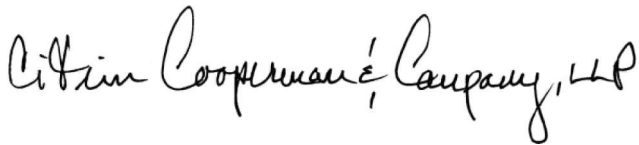
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report Compliance and Other Matters

As part of obtaining reasonable assurance about whether the TPA's financial statements are free of 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 determination of 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 entity'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.



Fort Lauderdale, Florida
February 18, 2025

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

To the Board of Directors
Palm Beach Transportation Planning Agency

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Palm Beach Transportation Planning Agency's (the "TPA") compliance with the types of compliance requirements identified as subject to the audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the TPA's major federal programs for the year ended June 30, 2024. The TPA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the TPA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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 TPA 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 TPA'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 grant agreements applicable to the TPA's federal programs.

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 TPA'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 TPA'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 TPA'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 TPA'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 TPA'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.

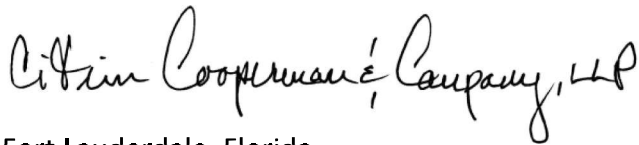
Report on Internal Control over Compliance

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 a 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 in internal control over compliance. 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.



Fort Lauderdale, Florida
February 18, 2025

**Palm Beach Transportation Planning Agency
Notes to Schedule of Expenditures of Federal Awards
June 30, 2024**

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Palm Beach Transportation Planning Agency (the "TPA") for the year ended June 30, 2024. Because the Schedule presents only a selected portion of the operations of the TPA, it is not intended to and does not present the financial position, or changes in net position of the TPA.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such 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 3 - Indirect Cost Rate

The TPA did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**Palm Beach Transportation Planning Agency
 Schedule of Findings and Questioned Costs
 June 30, 2024**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X no

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X no

Type of auditor's report issued on compliance for major federal programs? *Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major federal program:

<u>AL No.</u>	<u>Federal Program or Cluster</u>
20.205	United States Department of Transportation - Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 750,000

Auditee qualified as low-risk auditee? yes X no

SECTION II – FINANCIAL STATEMENT FINDINGS

None Reported

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None Reported

**Palm Beach Transportation Planning Agency
Schedule of Findings and Questioned Costs
(continued)
June 30, 2024**

SECTION IV – PRIOR YEAR FINDINGS

	<u>Still Applicable</u>	<u>Partially Implemented</u>	<u>Implemented</u>
2020-001 Accounting Staff			X
2020-002 Bank Reconciliation Procedures			X
2020-003 General Journal Entry Review Procedures			X
2020-005 Year-End Closing Schedule			X
2020-006 Monthly Closing Procedures			X
2023-001 Accuracy of the Schedule of Expenditures of Federal Awards			X