



AGENDA ITEM 6B

CRTPA FISCAL YEAR (FY) 2020 FINANCIAL STATEMENTS

TYPE OF ITEM: Action

STATEMENT OF ISSUE

The purpose of this item is to discuss and accept the CRTPA's FY 2020 Financial Statements.

CRTPA EXECUTIVE COMMITTEE

The CRTPA's Executive Committee reviewed the FY 2020 Financial Statements and received a presentation on the audit from James Moore and Company, the CRTPA's Audit Firm. No action was taken.

RECOMMENDED ACTION

Option 1: Recommend the CRTPA Board accept the CRTPA's FY 2020 Financial Statements.

BACKGROUND AND ANALYSIS

The CRTPA Auditors, James Moore and Co., conducted a Single Audit and completed the CRTPA FY 2020 Financial Statements (provided as **Attachment 1**). The CRTPA's management is responsible for the preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America. Additionally, the CRTPA grants require compliance with federal and state laws and regulations and the provisions of the grant agreements, including associated accounting and reporting requirements.

Summary of Auditor's Results

The Audit (see page 45 of **Attachment 1**) did not identify any material weaknesses or significant deficiencies in the CRTPA's "Internal Control over Financial Reporting" or in the "Internal Control over Major Programs." The Audit was submitted timely to the Federal Clearinghouse and the Florida Department of Transportation. Note, this is the second consecutive year that the CRTPA's Audit did not include any findings and was submitted on time.

The Audit was conducted in accordance with the attestation standards by the American Institute of Certified Public Accountants. Those standards require that the Auditor plan and perform the examination to obtain reasonable assurances about whether the agency complied with the requirements of Section 215.97 Florida Statutes (Florida Single Audit Act) and applicable requirements of Code of Federal Regulations, 2 CFR 200 for the year ending September 30, 2020.

RECOMMENDED ACTION

Option 1: Accept the CRTPA's FY 2020 Financial Statements.
(Recommended)

Option 2: As desired by the Board.

ATTACHMENT

Attachment 1: CRTPA's FY 2020 Financial Statements

CAPITAL REGION TRANSPORTATION PLANNING AGENCY

Annual Financial Statements

**For the Fiscal Year Ended
September 30, 2020**



PREPARED BY:

**Financial Services Department
Financial Reporting Division
City of Tallahassee, Florida**

Financial Statements

Capital Region

Transportation Planning Agency

Fiscal Year Ended September 30, 2020

with Independent Auditors' Report

**Capital Region Transportation Planning Agency
Financial Statements
Fiscal Year Ended September 30, 2020**

Contents

I. Financial Section

| | |
|---|---|
| Independent Auditors' Report..... | 4 |
| Management's Discussion and Analysis..... | 7 |

Basic Financial Statements

Government-wide Financial Statements:

| | |
|--------------------------------|----|
| Statement of Net Position..... | 14 |
| Statement of Activities..... | 15 |

Fund Financial Statements:

| | |
|--|----|
| Balance Sheet, Governmental Funds..... | 16 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position..... | 17 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds..... | 18 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities..... | 19 |

Notes to the Financial Statements

| | |
|--|----|
| Note I - Summary of Significant Accounting Policies..... | 22 |
| Note II - Stewardship, Compliance, and Accountability..... | 26 |
| Note III - Detail Notes - All Funds..... | 26 |
| Note IV - Other Information..... | 27 |

II. Required Supplementary Information

| | |
|--|----|
| Budgetary Comparison Schedule..... | 39 |
| Proportionate Share of Net Pension Liability - City of Tallahassee Pension Plan..... | 40 |
| Schedule of Contributions - City of Tallahassee Pension Plan..... | 41 |
| Schedule of Changes in the Net OPEB Liability and Related Ratios..... | 42 |
| Schedule of Contributions-OPEB..... | 43 |

III. Other Reports

| | |
|--|----|
| Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 45 |
| Independent Auditors' Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance..... | 47 |
| Schedule of Expenditures of Federal Awards..... | 49 |
| Schedule of Findings and Questioned Costs..... | 50 |
| Independent Accountants' Examination Report..... | 51 |
| Independent Auditors' Management Letter Required by Office of the Auditor General..... | 52 |

This page intentionally left blank.

FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING SUBSECTIONS:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Notes to Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Governing Board
of the Capital Region Transportation Planning Agency:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Capital Region Transportation Planning Agency (the Agency), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Agency's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386-257-4100

133 East Indiana Avenue
DeLand, FL 32724-4329
Telephone: 386-738-3300

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850-386-6184

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency, as of September 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

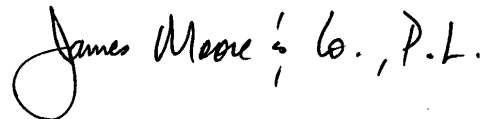
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The schedule of expenditures of federal awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the 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 June 25, 2021 on our consideration of Capital Region Transportation Planning Agency'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 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 Agency's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive, flowing style.

Tallahassee, Florida
June 25, 2021

CAPITAL REGION TRANSPORTATION AGENCY

Management's Discussion and Analysis

This section of CRTPA's annual financial report is designed to provide the reader with a better understanding of the financial activity for the fiscal year that ended September 30, 2020. Notes mentioned below are Notes to the Financial Statements, which follow the statements.

FINANCIAL HIGHLIGHTS

- Total assets and deferred outflows of resources of \$1,444,000 decreased by approximately \$116,000 from the prior year primarily due to the increase in OPEB related deferred outflows and accrued expenses and a decrease in Due From Other Governments. Total liabilities and deferred inflows of \$1,656,000 increased by \$1,000. When applicable, negative cash balance gets reclassified to "due to other governments" since the City is effectively temporarily loaning the cash to cover the Agency's expenses.
- Net position decreased by approximately \$117,000 during the fiscal year primarily due to the net effect of increased Pension liability and Other Post employment liability to recognize future obligations and decreases in Due From Other Governments and Accounts Payable and Accrued Expenses.
- Revenues of \$1,586,000, primarily operating grants, were received during the fiscal year, as compared to approximately \$1,610,000 in prior year. Expenses of \$1,703,000, primarily personnel expenses and contractual services, were incurred during the fiscal year, as compared to approximately \$1,729,000 in the prior year.

An Overview of the Financial Statements

Required Components of CRTPA's Annual Financial Report

| |
|--------------------------------------|
| Management's Discussion and Analysis |
|--------------------------------------|

Basic Financial Statements

| | |
|---|------------------------------|
| Government-wide Financial Statements | Fund Financial Statements |
| Notes to the Financial Statements | |

| |
|------------------------------------|
| Required Supplementary Information |
|------------------------------------|

The focus of the financial statements is on both CRTPA's overall financial status and the major individual funds. The following briefly describes the component parts.

GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are designed to report information about CRTPA as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position combines all of CRTPA's current financial resources with capital assets and long-term obligations. Net position, the difference between CRTPA's assets and liabilities, is one way to measure its financial health.

CRTPA is considered a single-function government with all activities classified as governmental rather than business-type. Consequently, the government-wide financial statements include only governmental activities. These are services that are financed primarily from Federal and State grants and contributions from member governments. Business-type activities by definition include services for which specific fees are charged, which are meant to cover the cost of providing those services. The CRTPA does not have these types of activities.

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. All of CRTPA's funds are considered to be governmental funds. CRTPA maintains a general fund and a special revenue fund; both of which are considered major funds. The following chart describes the fund requirements:

| | |
|---|--|
| Scope | Includes CRTPA's revenues, which are primarily from operating grants |
| Required financial statements | Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances |
| Accounting basis and Measurement focus | Modified accrual accounting and current financial resources focus |
| Type of asset / liability information | Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets are included |
| Type of inflow / outflow information | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter |

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table reflects the condensed Statement of Net Position compared to the prior year. Deferred inflows of resources decreased by \$136,000. CRTPA's net position decreased by approximately \$117,000 in fiscal year 2020. Total assets decreased by \$155,000 and total liabilities increased by approximately \$137,000.

Table 1
Statement of Net Position
As of September 30
Governmental Activities
(in thousands)

| | 2020 | 2019 | \$ Change |
|---|-----------------|-----------------|-----------------|
| Assets | | | |
| Due from other governments | \$ 881 | \$ 1,031 | \$ (150) |
| Capital assets, net of accumulated depreciation | 1 | 6 | (5) |
| Total assets | <u>882</u> | <u>1,037</u> | <u>(155)</u> |
| Deferred outflows of resources | | | |
| Pension related deferred outflows | 469 | 469 | - |
| OPEB related deferred outflows | 93 | 54 | 39 |
| Total deferred outflows | <u>562</u> | <u>523</u> | <u>39</u> |
| Total assets and deferred outflows | <u>1,444</u> | <u>1,560</u> | <u>(116)</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable and accrued expenses | 137 | 303 | (166) |
| Due to other governments | 542 | 549 | (7) |
| Compensated absences | 79 | 46 | 33 |
| Total current liabilities | <u>758</u> | <u>898</u> | <u>(140)</u> |
| Noncurrent liabilities | | | |
| Net OPEB obligation | 262 | 211 | 51 |
| Net pension liability | 608 | 374 | 234 |
| Compensated absences | - | 8 | (8) |
| Total noncurrent liabilities | <u>870</u> | <u>593</u> | <u>277</u> |
| Total liabilities | <u>1,628</u> | <u>1,491</u> | <u>137</u> |
| Deferred inflows of resources | | | |
| Pension related inflows | 12 | 147 | (135) |
| OPEB related deferred inflows | 16 | 17 | (1) |
| Total deferred inflows | <u>28</u> | <u>164</u> | <u>(136)</u> |
| Total liabilities and deferred inflows | <u>1,656</u> | <u>1,655</u> | <u>1</u> |
| Net position | | | |
| Net investment in capital assets | 1 | 6 | (5) |
| Unrestricted | <u>(213)</u> | <u>(101)</u> | <u>(112)</u> |
| Total net position | <u>(212)</u> | <u>(95)</u> | <u>(117)</u> |
| Total Liabilities, deferred inflows, and net position | <u>\$ 1,444</u> | <u>\$ 1,560</u> | <u>\$ (116)</u> |

CHANGES IN NET POSITION

In 2020, CRTPA's total revenues were \$1,586,000 and expenses were \$1,703,000, resulting in a decrease in net position of \$117,000. Revenues consisted primarily of operating grants and contributions; expenses consisted primarily of personnel costs and contractual services. The following table shows comparative revenues and expenses by sources and programs and the resulting change in net position:

FUND Table 2
Changes in Net Position
For the year ended September 30
Governmental Activities
(in thousands)

| FINANCIAL STATEMENTS | | | |
|---|-----------------|-----------------|-------------|
| | 2020 | 2019 | \$ Change |
| Program revenues | | | |
| Operating grants and contributions | | | |
| Operating grants and contributions | \$ 1,584 | \$ 1,602 | \$ (18) |
| Increase in FMV of investments | 2 | 5 | (3) |
| Miscellaneous | - | 3 | (3) |
| Total program revenues | <u>1,586</u> | <u>1,610</u> | <u>(24)</u> |
| Expenses | | | |
| Transportation | 1,698 | 1,726 | (28) |
| Depreciation | 5 | 3 | 2 |
| Total expenses | <u>1,703</u> | <u>1,729</u> | <u>(26)</u> |
| Increase (Decrease) in net position | <u>\$ (117)</u> | <u>\$ (119)</u> | <u>\$ 2</u> |

The following table reflects the sources and uses and the resulting change in fund balances for each fund:

Table 3
Governmental Funds
Financial Analysis
(in thousands)

| Fund | Fund Balances 9/30/2019 | Sources | Uses | Sources Over (Under) Uses | Fund Balance 9/30/2020 |
|-----------------|--------------------------------|-----------------|-----------------|----------------------------------|-------------------------------|
| General | \$ 151 | \$ 844 | \$ 844 | \$ - | \$ 151 |
| Special revenue | 27 | 818 | 790 | 28 | 55 |
| Total | <u>\$ 178</u> | <u>\$ 1,662</u> | <u>\$ 1,634</u> | <u>\$ 28</u> | <u>\$ 206</u> |

BUDGETARY HIGHLIGHTS

A schedule showing the original budget for CRTPA's General Fund and the final budget and comparing the final budget to the actual results is included in the required supplementary information to the financial statements. There were no changes made to the budget during the year.

CAPITAL ASSETS

The Agency's capital assets, net of accumulated depreciation, as of September 30, 2020, were \$1,000. See Note III.A. for more information about the CRTPA's capital assets.

ECONOMIC AND OTHER FACTORS THAT MAY IMPACT CRTPA'S FINANCIAL POSITION

Projected population increases continue to place pressure on the transportation infrastructure for the four-county area; therefore, there continues to be a need for coordinated planning of the transportation needs of the area. CRTPA's funding is influenced by its ability to obtain federal and state grants.

FISCAL YEAR 2021 BUDGET

CRTPA's General Fund Budget for fiscal year 2021 totaling \$880,108 consists primarily of personnel costs and contractual services; funding for these expenses continues to be primarily from federal and state operating grants.

FINANCIAL CONTACT

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of CRTPA's finances and to demonstrate the CRTPA's accountability for the money it receives. If you have questions about the report or need additional financial information, contact the City of Tallahassee's Financial Reporting Division, 300 South Adams Street, Box A-29, Tallahassee, Florida 32301-1731 or by calling 850-891-8048.

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

These basic financial statements provide a summary overview of the financial position as well as the operating results of the Capital Region Transportation Planning Agency. They also serve as an introduction to the more detailed statements and schedules that follow in subsequent sections:

Government-wide Financial Statements
Fund Financial Statements
Notes to Financial Statements

Capital Region Transportation Planning Agency
Statement of Net Position
September 30, 2020
(in thousands)

Assets and deferred outflows of resources

Current assets:

| | |
|-----------------------------|------------|
| Due from other governments | \$ 881 |
| Total current assets | <u>881</u> |

Capital assets:

| | |
|---|------------|
| Capital assets, net of accumulated depreciation | 1 |
| Total assets | <u>882</u> |

Deferred outflows of resources:

| | |
|--|------------|
| Pension related deferred outflows | 469 |
| Other post-employment benefits related deferred outflows | 93 |
| Total deferred outflows of resources | <u>562</u> |

| | |
|--|------------------------|
| Total assets and deferred outflows of resources | <u><u>\$ 1,444</u></u> |
|--|------------------------|

Liabilities, deferred inflows of resources and net position

Current liabilities:

| | |
|---------------------------------------|------------|
| Accounts payable and accrued expenses | \$ 137 |
| Due to other governments | 542 |
| Compensated absences | 79 |
| Total current liabilities | <u>758</u> |

Noncurrent liabilities:

| | |
|--|--------------|
| Net other post-employment benefits liability | 262 |
| Net pension liability | 608 |
| Total noncurrent liabilities | <u>870</u> |
| Total liabilities | <u>1,628</u> |

Deferred inflows of resources:

| | |
|--|--------------|
| Pension related deferred inflows | 12 |
| OPEB related deferred inflows | 16 |
| Total deferred inflows of resources | <u>28</u> |
| Total liabilities and deferred inflows of resources | <u>1,656</u> |

Net position:

| | |
|----------------------------------|--------------|
| Net investment in capital assets | 1 |
| Unrestricted | (213) |
| Total net position | <u>(212)</u> |

| | |
|---|------------------------|
| Total liabilities, deferred inflows of resources, and net position | <u><u>\$ 1,444</u></u> |
|---|------------------------|

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

Capital Region Transportation Planning Agency
Statement of Activities
Year ended September 30, 2020
(in thousands)

| Function/Programs | Expenses | Program Revenues | | | Net (Expenses) Revenues and Changes in Net Position |
|---------------------------------------|-----------------|-------------------------|--|--|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Governmental Activities |
| Primary government: | | | | | |
| Transportation | \$ 1,698 | \$ - | \$ 1,584 | \$ - | \$ (114) |
| Depreciation | <u>5</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(5)</u> |
| Total primary government | <u>\$ 1,703</u> | <u>\$ -</u> | <u>\$ 1,584</u> | <u>\$ -</u> | <u>\$ (119)</u> |
| General revenues: | | | | | |
| Increase in fair value of investments | | | | | \$ <u>2</u> |
| Change in net position | | | | | <u>(117)</u> |
| Net position - October 1, 2019 | | | | | <u>(95)</u> |
| Net position - September 30, 2020 | | | | | <u>\$ (212)</u> |

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

Capital Region Transportation Planning Agency
Balance Sheet
Governmental Funds
September 30, 2020
(in thousands)

| | <u>General</u> | <u>Special Revenue</u> | <u>Total Governmental Funds</u> |
|---------------------------------------|----------------|----------------------------|---|
| Assets | | | |
| Due from other governments | \$ 464 | \$ 417 | \$ 881 |
| Total assets | <u>\$ 464</u> | <u>\$ 417</u> | <u>\$ 881</u> |
| Liabilities and fund balance | | | |
| Accounts payable and accrued expenses | \$ 31 | \$ 102 | \$ 133 |
| Due to other governments | <u>282</u> | <u>260</u> | <u>542</u> |
| Total liabilities | <u>313</u> | <u>362</u> | <u>675</u> |
| Fund balance: | | | |
| Committed | <u>151</u> | <u>55</u> | <u>206</u> |
| Total fund balance | <u>151</u> | <u>55</u> | <u>206</u> |
| Total liabilities and fund balance | <u>\$ 464</u> | <u>\$ 417</u> | <u>\$ 881</u> |

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

**Capital Region Transportation Planning Agency
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2020
(in thousands)**

| | |
|---|-----------------|
| Total fund balance per the governmental fund financial statements | \$ 206 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | |
| Deferred outflows of resources related to the pension liability and the Net OPEB liability are not receivable in the current period and are not reported in the governmental funds. | 562 |
| OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. | (262) |
| Certain amounts related to the net pension liability are deferred and amortized over time and are not reported in the governmental funds. | (608) |
| Deferred inflows of resources related to the pension liability and the Net OPEB liability are not due and payable in the current period and are not reported in the governmental funds. | (28) |
| Compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds. | (79) |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. | 1 |
| Other miscellaneous adjustments | <u>(4)</u> |
| Total net position per the government-wide statement of net position | <u>\$ (212)</u> |

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

Capital Region Transportation Planning Agency
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Governmental Funds
Year ended September 30, 2020
(in thousands)

| | <u>General</u> | <u>Special Revenue</u> | <u>Total Governmental Funds</u> |
|---|----------------|----------------------------|---|
| Revenues by source: | | | |
| Intergovernmental: | | | |
| Federal | \$ 758 | \$ 758 | \$ 1,516 |
| State | - | 26 | 26 |
| Local | - | 6 | 6 |
| CRTPA Members | 84 | - | 84 |
| Increase in fair market value of investments | 2 | - | 2 |
| Total revenues | <u>844</u> | <u>790</u> | <u>1,634</u> |
| Expenditures: | | | |
| Current: | | | |
| Transportation: | | | |
| Personnel services | 629 | - | 629 |
| Operating expenses | 106 | 790 | 896 |
| Administrative charges | 81 | - | 81 |
| Total expenditures | <u>816</u> | <u>790</u> | <u>1,606</u> |
| Excess of revenues over (under) expenditures | <u>28</u> | <u>-</u> | <u>28</u> |
| Transfers In | - | 28 | 28 |
| Transfers Out | (28) | - | (28) |
| Total other financing sources (uses) | <u>(28)</u> | <u>28</u> | <u>-</u> |
| Net change in fund balance | - | 28 | 28 |
| Fund balances - October 1, 2019 | <u>151</u> | <u>27</u> | <u>178</u> |
| Fund balances - September 30, 2020 | <u>\$ 151</u> | <u>\$ 55</u> | <u>\$ 206</u> |

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

**Capital Region Transportation Planning Agency
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year ended September 30, 2020
(in thousands)**

| | |
|--|-----------------|
| Net change in fund balance per the governmental fund financial statements | \$ 28 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | |
| The net change in compensated absences, which is reported in the Statement of Activities, does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds. | (25) |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives. | (10) |
| Pension related items reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as an expenditure in the governmental funds. | (99) |
| OPEB related items reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as an expenditure in the governmental funds. | <u>(11)</u> |
| Change in net position per the government-wide Statement of Activities | <u>\$ (117)</u> |

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

This page intentionally left blank.

NOTES TO THE FINANCIAL STATEMENTS

NOTE I- Summary of Significant Accounting Policies

NOTE II - Stewardship, Compliance, and Accountability

NOTE III - Detail Notes - All Funds

NOTE IV - Other Information

Capital Region Transportation Planning Agency
Notes to the Financial Statements
September 30, 2020

Note I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in interpreting the financial statements of the Capital Region Transportation Planning Agency (CRTPA). These policies are considered essential and should be read in conjunction with the accompanying financial statements. The accounting policies of the CRTPA conform to Generally Accepted Accounting Principles (GAAP) as applicable to governmental units. This report, the accounting system of the CRTPA, and the classification of accounts, conform to standards of the Governmental Accounting Standard Board (GASB).

A. REPORTING ENTITY

In December 2004, the CRTPA was created through an interlocal agreement between the Florida Department of Transportation; the Counties of Leon, Gadsden, and Wakulla; the Cities of Midway, Quincy, and Tallahassee; the Town of Havana and the Leon County School Board as authorized by Section 163.01 Florida Statutes. CRTPA was established in order for the members to participate cooperatively in the development of transportation related plans and programs. Currently, the governing board consists of voting representatives from the Counties of Leon, Gadsden, Jefferson and Wakulla; the Cities of Midway, Quincy, Tallahassee, Chattahoochee and Gretna; the Towns of Greensboro and Havana, the Leon County School Board, and three nonvoting representatives from the Florida Department of Transportation, the Federal Highway Administration, and StarMetro (City of Tallahassee Transit system). The CRTPA is not a component unit of any of the entities listed or any other entity. In addition, the CRTPA has not identified any other entities for which the CRTPA has operational or financial relationships that would require them to be included as component units of the CRTPA.

On November 17, 2007, CRTPA members voted to expand the boundaries of the planning area to include all of Gadsden County, Jefferson County, Leon County, and Wakulla County and to make the necessary changes to the Interlocal Agreement to reflect this change. On January 12, 2009, CRTPA members approved the Apportionment Plan, which is the initial step in recognizing new representatives from the expanded boundaries. CRTPA staff contacted each of the counties and municipalities to obtain a formal resolution from each governing body stating they wished to participate as a member of the CRTPA. An approved apportionment plan and all the resolutions obtained were sent to the Florida Department of Transportation on August 12, 2010 for review and were approved by the Governor's Office on March 17, 2011.

The CRTPA receives federal and state transportation planning funds for the performance of its transportation planning and programming activities. If operating expenses exceed the external funding obtained, the deficit is funded by the members of the CRTPA in proportion to their weighted votes.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements report information on all the activities of the CRTPA. The effect of interfund activity has been eliminated from these government-wide statements. These statements include the Statement of Net Position and the Statement of Activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those expenses that are clearly identifiable with a specific function or segment. Program revenues are revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry. Program revenues reduce the net cost of the function to be financed from the government's other revenues. Program revenues in the current year primarily consisted of grant revenues from the US Department of Transportation, passed through the Florida Department of Transportation.

Separate fund financial statements are also provided for the individual governmental funds of the CRTPA. The CRTPA has no other types of funds. All funds are treated as major funds and are therefore presented in separate columns in the fund financial statements. The fund financial statements include the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance.

Capital Region Transportation Planning Agency
Notes to the Financial Statements
September 30, 2020

Note I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Basis of accounting refers to when revenues, expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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.

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. Expenditures generally are recorded when a liability is incurred.

When an expense or expenditure is incurred for purposes for which both restricted and unrestricted net assets are available, it is the CRTPA's policy to use restricted resources first, and then unrestricted resources as they are needed.

The CRTPA reports the following major governmental funds:

- The General Fund is the CRTPA's primary operating fund. It accounts for all financial resources of the CRTPA including federal operating grants and contributions from the CRTPA members.
- The Special Revenue Fund accounts for federal grants, state grants and local revenues which are to be used for particular functions of the CRTPA and are not to be diverted to other uses.

D. ASSETS, LIABILITIES, AND NET POSITION / DEFERRED INFLOWS AND OUTFLOWS

CASH AND CASH EQUIVALENTS/INVESTMENTS - CRTPA considers cash on hand, demand deposits, liquid investments with an original maturity of 90 days or less, and balances included within the City of Tallahassee's (City) cash and investments pool to be cash and cash equivalents. The City's cash and investments pool is an internal cash management pool used to obtain efficiencies of operation and improved financial performance, and includes certain non-pension cash, cash equivalent, and investment securities. CRTPA maintains a share in the equity of the pool which is reported as cash and cash equivalents in the statement of net position since cash may be withdrawn from the pool at any time without penalty. Interest earned by the cash and investments pool is distributed to CRTPA monthly based on daily balances. Liquid investments classified as cash and cash equivalents include repurchase agreements purchased under the terms of the City's depository contract, open repurchase agreements, certificates of deposit, banker's acceptances, commercial paper, and U.S. Treasury direct and agency obligations. Investment securities are carried at fair value.

The bank balances are insured by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Depository Act (the Act). Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Capital Region Transportation Planning Agency
Notes to the Financial Statements
September 30, 2020

Note I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION / DEFERRED INFLOWS AND OUTFLOWS (CONTINUED)

Investments held in the cash and investments pool measured at fair value are categorized 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. Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets. Investments classified in Level 2 of the fair value hierarchy are based upon observable, market-based inputs for similar, but not identical, investments. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Investments classified in Level 3 of the fair value hierarchy are based upon extrapolated data, proprietary pricing models and indicative quotes for similar securities.

CRTPA has adopted the City's Non-Pension Investment Policy, therefore, the investment policies used by CRTPA are the investment policies of the City. The City's Non-Pension Investment Policy, which is approved by the City Commission, governs the investment of all non-pension monies of the City, including the cash and investments pool, and specifies the types of investments that are authorized for purchase. The investment policies also identify various portfolio parameters addressing issuer diversification, term to maturity and liquidity, and requirement of "purchase versus delivery" perfection for securities held by a third party on behalf of and in the name of the City. Under the Non-Pension Investment Policy, the City Treasurer-Clerk is designated to invest all monies belonging to the City pursuant to the policy, and is responsible for managing the day-to-day investment of all monies. The investment policy is described in more detail in the City's Comprehensive Annual Financial Report (CAFR) along with fair value and credit and interest rate disclosures pertaining to the cash and investments pool. The City CAFR may be obtained by contacting the Financial Services Director at Mailbox A-29, 300 South Adams Street, Tallahassee, Florida 32301 or via the web at Patrick.Twyman@talgov.com.

CAPITAL ASSETS - Capital assets are defined as assets with a cost of \$1,000 or more and an estimated useful life greater than one year.

Capital assets are recorded at historical cost when purchased. Equipment is depreciated using the straight-line method over an estimated useful life of 5 to 10 years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

COMPENSATED ABSENCES – CRTPA employees have the choice of selecting either the City of Tallahassee's benefit options or those of Leon County. Currently, all staff members have selected to participate in the City of Tallahassee's compensated absences policy. Permanent employees earn vacation and sick leave starting with the first day of employment. Accumulated current and long-term vacation and sick leave amounts are accrued when earned in the government-wide financial statements. A liability for the accumulated vacation and sick leave is reported in the governmental funds only if it is expected to be paid as a result of employee resignation or retirement as of September 30, 2020.

Vacation leave is earned based on years of continuous and creditable service as follows:

| Executive | | Senior Management | | General | |
|--------------------------|-----------------------|--------------------------|-----------------------|--------------------------|-----------------------|
| Creditable Service Hours | Leave Earned per Hour | Creditable Service Hours | Leave Earned per Hour | Creditable Service Hours | Leave Earned per Hour |
| 0-2,079 | 0.057693 | 0-2,079 | 0.057693 | 0-10,400 | 0.057693 |
| 2,080-10,400 | 0.080770 | 2,080-10,400 | 0.069231 | 10,401-20,800 | 0.069231 |
| 10,401-20,800 | 0.092308 | 10,401-20,800 | 0.080770 | 20,801-41,600 | 0.080770 |
| over 20,800 | 0.103847 | 20,801-41,600 | 0.092308 | over 41,600 | 0.092308 |
| | - | over 41,600 | 0.103847 | | - |

**Capital Region Transportation Planning Agency
Notes to the Financial Statements
September 30, 2020**

Note I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION / DEFERRED INFLOWS AND OUTFLOWS (CONTINUED)

A maximum of 344 hours of vacation leave time may be carried over from one calendar year to the next for executive employees and a maximum of 264 hours for senior management and general employees. An employee who terminates employment with the CRTPA is paid for any unused vacation leave accumulated to the time of termination.

Sick leave is earned at the rate of .023077 hours for each hour of service with no maximum limit on the number of hours which may be accumulated.

An employee who terminates from the CRTPA for any reason other than termination for cause will be paid one-half of the total amount of sick leave (without regard to catastrophic illness leave) accumulated by him or her on the effective date of termination. If the employee dies, the sick leave amount will be paid to the employee's beneficiary or estate. Retiring employees can elect the option of using the accumulated sick leave amount to purchase single coverage health insurance in lieu of receiving payment for such accumulated sick leave.

NET POSITION AND FUND BALANCE - In the government-wide financial statements, net position is unrestricted with the exception of amounts invested in capital assets (net of related debt). For governmental fund financial statements, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for fund financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

1. *Nonspendable* fund balance category includes amounts associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),
2. *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the CRTPA Board (the CRTPA's highest level of decision-making authority),
4. *Assigned* fund balance classification is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and
5. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

CRTPA's fund balance is all committed for transportation.

Capital Region Transportation Planning Agency
Notes to the Financial Statements
September 30, 2020

Note II STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

An annual budget is adopted on a budgetary basis for the General Fund. The CRTPA members must approve any revision that alters the total expenditures of the operating budget. There is no requirement to legally adopt a budget for the Special Revenue Fund.

Encumbrance accounting is used to reserve that portion of an applicable appropriation for which requisitions, purchase orders, contracts, and other commitments for the expenditures of resources have been issued. Any encumbrances outstanding at year-end are reported as reservations of fund balance, and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

B. COMPLIANCE WITH FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

The CRTPA had no material violations of finance-related legal and contractual provisions.

NOTE III DETAIL NOTES - ALL FUNDS

A. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 was as follows (in thousands):

| | Beginning Balance | Increases | Decreases | Ending Balance |
|------------------------------------|----------------------|---------------|-------------|-------------------|
| Governmental activities: | | | | |
| Depreciable assets | | | | |
| Equipment | \$ 29 | \$ - | \$ - | \$ 29 |
| Total depreciable assets | <u>29</u> | <u>-</u> | <u>-</u> | <u>29</u> |
| Less accumulated depreciation for: | | | | |
| Equipment | 23 | 5 | - | 28 |
| Total capital assets, net | <u>\$ 6</u> | <u>\$ (5)</u> | <u>\$ -</u> | <u>\$ 1</u> |

There was \$4,699 of depreciation expense during the year ended September 30, 2020.

B. INTERFUND TRANSFERS

In fiscal year ended September 30, 2020 interfund transfers were as follows:

| | September 30, 2020 | | Transfers | |
|----------------------|--------------------|----------------|-----------|------|
| | Transfers In | Out | Total | |
| General Fund | \$ - | \$ (28) | \$ | (28) |
| Special Revenue Fund | 28 | - | | 28 |
| Subtotal | <u>\$ 28</u> | <u>\$ (28)</u> | \$ | - |

Capital Region Transportation Planning Agency
Notes to the Financial Statements
September 30, 2020

Note III Detail Notes - All Funds (CONTINUED)

C. RELATED PARTY TRANSACTIONS

As written in Section F, paragraph 1 of the CRTPA's by-laws, "Each member government shall pay a proportional share of the operating costs of the CRTPA, over and above the amount annually provided by federal and state sources. Proportional costs are based on population and stipulated in the interlocal agreements forming the CRTPA."

In addition, due to the reimbursement nature of the grants which primarily fund the CRTPA, the City of Tallahassee provides up-front funding to the CRTPA; as of September 30, 2020 the net amount due from the CRTPA members was approximately \$90,505.

Certain general and administrative functions are charged to the CRTPA by the City of Tallahassee. For the year ended September 30, 2020, the amount of these charges was \$80,900.

NOTE IV OTHER INFORMATION

A. RISK MANAGEMENT PROGRAM

The CRTPA is exposed to various risks of loss. The CRTPA participates in the City's Risk Management Program (Program). This Program provides coverage for worker's compensation by self-insuring primary losses up to \$1,000,000. Losses above that amount are insured through an excess policy. General liability, automobile and employment liability are self-insured. General and automobile liability losses are statutorily limited by sovereign immunity of \$200,000 per person and \$300,000 per accident. Prior to October 2011, the statutory limit was \$100,000 per person and \$200,000 per accident. The Program also provides for Employment Practice Liability such as race, gender, and other discrimination or disparate treatment allegations. Liabilities for losses would be recorded when a loss occurs and the amount can be reasonably estimated. There were no such losses at September 30, 2020. In the past three years, there have been no claims.

B. PENSION PLAN OBLIGATIONS

RETIREMENT PLANS - Employees of the CRTPA participate in the City of Tallahassee benefits program. Employees in the City of Tallahassee (the City) program are eligible to participate in the City's General Employees' Pension Plan (The Plan).

| | City of Tallahassee Plan |
|--|--------------------------------|
| Plan Obligations and Expense (in thousands): | |
| Net pension liability | \$ 607 |
| Pension related deferred outflows | \$ 469 |
| Pension related deferred inflows | \$ (12) |
| Membership Statistical - 2019 | |
| Retirees and beneficiaries of deceased retirees | - |
| Terminated employees entitled to benefits but not yet receiving benefits | - |
| Active employees | 5 |

The Plan is a cost sharing multiple-employer plan established by Chapter 14 of the City Code of Ordinances. Changes to the Plan can only occur through a change in the law by the City Commission. The Plan is administered by the City of Tallahassee Treasurer-Clerk's Office, under guidance from the Plan's Board of Trustees, which is composed of the members of the City Commission and one City police officer or firefighter. The Plan includes defined benefit and defined contribution provisions. Currently, there are five (5) employees participating in the plan

The Defined Benefit and Defined Contribution provisions are combined and reported as one plan in the City of Tallahassee's financial statements. The City does not issue a stand-alone financial report on the City Plan. The City's

**Capital Region Transportation Planning Agency
Notes to the Financial Statements
September 30, 2020**

Note IV Other Information (CONTINUED)

B. PENSION PLAN OBLIGATIONS (CONTINUED)

financial statements may be obtained by contacting the Financial Services Director at Mailbox A-29, 300 South Adams Street, Tallahassee, Florida 32301 or via the web at Patrick.Twyman@talgov.com.

1. DEFINED BENEFIT PROVISION

The Plan is established in Chapter 14 of the Municipal Code, through Parts A, B, C and D in Article II. for general employees with Parts A, B and C are closed to new participants. Effective April 1, 2013, the City Commission approved changes to the City's General Employees' Pension Plan creating Part D participants. Part D provides coverage to all new employees hired after that date. All members of the City Plan are covered by one of these parts depending upon employment date. These parts provide a detailed description of the various defined benefit provisions. These provisions include the types of employees covered, benefit provisions, employee eligibility requirements for normal, early and/or vested retirements, and the related benefits of these retirement, pre-retirement death benefits, and provisions for disability retirement. There are also post retirement cost-of-living adjustments (COLA) and health care supplements.

| | City Plan | |
|-------------------------------------|--|---|
| | Part C—Employees hired prior to April 1, 2013 | Part D—Employees hired after April 1, 2013 |
| Normal Retirement Benefits: | | |
| Age | 62 (or 30 years of Credited Service, regardless of age) | 65 (or 33 years of Credited Service, regardless of age) |
| Years of Credited Service (minimum) | 5 | 5 |
| Benefit Calculation | 2.25% x AFC x Years of Credited Service | 2.25% x AFC x Years of Credited Service |
| Average Final Compensation (AFC) | Higher of: 1) final 3 yrs; 2) any consecutive 3 yrs – 1/1987 to 12/2005, escalated by 3%; or 3) any consecutive 3 yrs during 1/1987 to the date of retirement. | Average of the highest consecutive 5 years of Credited Service |
| Maximum Benefit | 81% of AFC | 81% of AFC |
| COLA | 3% increase in benefits each 10/1 starting at the later of normal retirement date, or age 55 (under age and service eligibility); or age 50 (under service eligibility) | 3% increase in benefits each 10/1 starting at the later of normal retirement date of age 65 |
| Early Retirement | If a member is retiring under the age and service eligibility, Normal Retirement Benefit is reduced by 4.8% per year for each year by which the Early Retirement date precedes the Normal Retirement date. If a member is retiring under the service eligibility, the Normal Retirement Benefit is reduced by 5% per year for each year by which the Early Retirement date precedes the Normal Retirement date. | |

**Capital Region Transportation Planning Agency
Notes to the Financial Statements
September 30, 2020**

Note IV Other Information (CONTINUED)

B. PENSION PLAN OBLIGATIONS (CONTINUED)

1. DEFINED BENEFIT PROVISION (CONTINUED)

| City Plan | | |
|--|--|--|
| | Part C—Employees hired prior to April 1, 2013 | Part D—Employees hired after April 1, 2013 |
| Normal Retirement Benefits: | | |
| Disability | Five years of Credited Service for non-service connected disability. None for service connected disability. Benefit: The greater of 1) the member's accrued benefit to date of disability; and 2) the member's benefit with service projected to normal retirement date not to exceed 50% of AFC in effect on the date of disability. | |
| Contributions Rates – actuarially determined for the year ended September 30, 2020 | | |
| City | 24.72% | |
| Employee | 5.00% | |

2. DEFINED CONTRIBUTION PROVISION

The City Plan's defined contribution provisions are described in Article V. All employees may elect to contribute a portion of their salary to the defined contribution plan, also known as the Matched Annuity Plan (MAP). Employees can contribute up to, but not exceed, the maximum amount allowed by the Internal Revenue Service. CRTPA contributes 5% to each employee's MAP account. Upon reaching normal retirement age or retiring, a participant shall be paid his contributions, together with accrued earnings. If an employee uses the contributions and accrued earnings to purchase an annuity contract, the Plan will increase the amount of funds (only on the CRTPA's 5%, employee flex matched contribution and employees' contribution up to the 5%) used by the participant by a factor of 50 percent. Employee and the employer's 5% contribution, plus accrued earnings thereon, are 100% refundable to the employee if the employee elects to terminate his vesting rights or is not vested at the date of employment termination.

Employer contributions required to support the benefits under Article V (MAP Program) are actuarially determined. Contributions are based on rates of covered payroll of 7.14% (5% employer contribution and 2.14% actuarial contribution) for the CRTPA. There were no forfeitures reflected in the employer's contribution amounts.

Net Pension Liability – The total and net pension liability for the reporting period ending September 30, 2020 were determined as of September 30, 2019, as reported in the October 1, 2019 actuarial valuation.

The CRTPA's proportionate share of the City Plan is based on the covered payroll, since that was the basis for determining employer contributions. The CRTPA's portion of the net pension liability of the City Plan as of September 30, 2020 was as follows (in thousands):

| | |
|---|----------|
| Total pension liability | \$ 4,912 |
| Plan fiduciary net position | 4,305 |
| Net pension liability | 607 |
| Plan fiduciary net position as a % of total pension liability | 87.64% |
| CRTPA's proportion of the net pension liability | 0.38% |

Capital Region Transportation Planning Agency
Notes to the Financial Statements
September 30, 2020

Note IV Other Information (CONTINUED)

B. PENSION PLAN OBLIGATIONS (CONTINUED)

2. DEFINED CONTRIBUTION PROVISION (CONTINUED)

Actuarial Methods and Assumptions – The CRTPA's total pension liability and contribution rates was determined by an actuarial valuation as of October 1, 2019, using the following significant actuarial assumptions applied to all periods included in the measurement. The actuarially determined contribution rates are calculated as of October 1, 2019, which is two years prior to the end of the fiscal year in which contributions are reported. The actuarially determined contribution is projected to the contribution year using conventional actuarial projection methods.

| | City Plan |
|---|--|
| Valuation Date | September 30, 2019 |
| Actuarial Cost Method | Entry age, normal |
| Retirement Age | Experience - based table of rates that are specific to the type of eligibility condition. |
| Remaining Amortization Period | 30 years |
| Asset Valuation Method | 20% of the difference between expected actuarial value and market value is recognized annually with a 20% corridor around market value |
| Inflation rate | 2.50% |
| Salary Increase, Including Inflation Rate | A range of 2.95% to 5%, depending on completed years of service including inflation. |
| Investment Rate of Return | 7.50% |
| Mortality Rate: | RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for postretirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. |
| Experience Study | Based on the last experience study dated June 24, 2016, new salary, retirement, employment separation, disability and administrative assumptions are being phased-in over a three-year period. The October 1, 2018 Actuarial Valuation (dated May 16, 2019) fully phased-in the new assumptions. |

3. INVESTMENTS

Investments – Plan assets are managed in accordance with the City Plan's Pension Investment Policy. The table below presents the adopted asset allocation as of September 30, 2020.

| Asset Class | Target Allocation Percentage | Long-Term Expected Real Rate of Return |
|-------------------------|------------------------------|--|
| Domestic equity | 36% | 4.5% |
| International equity | 10% | 5.0% |
| Emerging markets equity | 5% | 6.4% |
| Fixed income | 19% | 1.6% |
| Real estate | 15% | 5.0% |
| Private equity | 5% | 8.0% |
| Private credit | 5% | 6.8% |
| Timber | 5% | 4.7% |
| Total | 100% | |

The City Plan's investments are managed by various investment managers under contract with the Boards who have discretionary authority of the assets managed by them and within the City Plan's investment guidelines as established by the Board. The investments are held in trust by the City Plan's custodian in the City Plan's name. The City of Tallahassee Sinking Fund Commission is responsible for making investment policy changes. These assets are held exclusively for the

Capital Region Transportation Planning Agency
Notes to the Financial Statements
September 30, 2020

Note IV Other Information (CONTINUED)

B. PENSION PLAN OBLIGATIONS (CONTINUED)

3. INVESTMENTS (CONTINUED)

purpose of providing benefits to members of the City Plan and their beneficiaries.

For the year ended September 30, 2020, the annual money-weighted rate of return on the City Plan's investments, net of investment expense, was 3.73%. The money-weighted rate of return takes into account cash flows into and from the various investments of the City Plan.

The long-term expected rate of return on pension plan investments is based upon an asset allocation study that was conducted for the City Plan by its investment consultant toward the end of fiscal year 2018. The study was prepared by the City Plan's investment consultant, and went through numerous iterations before a final asset allocation was established. The study looked at expected rates of return for twenty-one (21) different asset classes, as well as examining expected standard deviations and correlations among these various asset classes.

4. DISCOUNT RATES

Discount Rates – A single discount rate of 7.50% was used to measure the total pension liability for the City Plan. This single discount rate was based on the expected rate of return on pension plan investments of 7.50%. The projection of cash flows used to determine this single discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the employee rate. Based on these assumptions, the City Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments (7.50%) was applied to all periods of projected benefits payments to determine the total pension liability.

The table below represents the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the City Plan and the CRTPA's proportionate share if the discount rate calculated is 1% higher or 1% lower than the current discount rate (in thousands):

| CRTPA Net Pension Liability (Asset) – City Plan | | | | |
|---|------------------------|----------------------------------|------------------------|--|
| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) | |
| City Plan | \$ 319,945 | \$ 153,687 | \$ 17,138 | |
| CRTPA'S Proportionate Share | \$ 1,263 | \$ 607 | \$ 68 | |

Pension Expense and Deferred Outflows/(Inflows) of Resources – In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized as pension expense in the current measurement period, except as shown 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 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 which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- ◆ Changes of assumptions or other inputs which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- ◆ Changes in proportion and differences between contributions and proportionate share of contributions which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.

Capital Region Transportation Planning Agency
Notes to the Financial Statements
September 30, 2020

Note IV Other Information (CONTINUED)

B. PENSION PLAN OBLIGATIONS (CONTINUED)

4. DISCOUNT RATES (CONTINUED)

- ◆ Differences between expected and actual earnings on pension plan investments are amortized over five years.

For the year ended September 30, 2020, CRTPA recognized pension expense of \$197,000 for its proportionate share of the Plan. At September 30, 2020, CRTPA reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources (in thousands):

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflows (Inflows) of Resources |
|--|--------------------------------------|----------------------------------|---|
| Differences between expected and actual experience | \$ 162 | \$ - | \$ 162 |
| Assumption Changes | 175 | - | 175 |
| Change in cost-sharing allocation percentage | 33 | (8) | 25 |
| Net difference between projected and actual earnings on pension plan investments | - | (4) | (4) |
| Total | <u>\$ 370</u> | <u>\$ (12)</u> | <u>\$ 358</u> |

Deferred outflows of resources related to the City Plan in the amount of \$99,000 related to CRTPA contributions to the plan 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 fiscal year ending September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as follows (in thousands):

| Year Ending September 30, | |
|------------------------------|---------------|
| 2021 | \$ 96 |
| 2022 | 100 |
| 2023 | 96 |
| 2024 | 66 |
| Total | <u>\$ 358</u> |

C. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

As discussed in Note IV.B., employees of the CRTPA have the option of participating in either the County's or the City's benefit programs. The CRTPA, through the City's Retiree Medical Insurance Plan (OPEB Plan), provides health insurance and prescription drug coverage to its active and retired employees. Pursuant to Section 112.0801, Florida Statutes, the CRTPA is required to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. In addition, the CRTPA, via its participation in the City's program, has elected to provide a partial subsidy to its retirees to offset the cost of such health insurance. As of September 30, 2020, there were no employees of the CRTPA receiving benefits under the OPEB Plan. The City does not issue a stand alone financial report on the OPEB Plan. The City of Tallahassee's Other Post-Employment Benefit Plan is described in more detail in the City's Annual Financial Report along with the Schedule of Funding Progress. That report may be obtained by writing to Department of Financial Services, 300 South Adams Street, Tallahassee, Florida 32301 or by calling 850-891-8520.

Capital Region Transportation Planning Agency
Notes to the Financial Statements
September 30, 2020

Note IV Other Information (CONTINUED)

C. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

CRTPA's proportionate share of the City's OPEB Plan is 0.28% and was determined based on the amount of covered payroll as an estimate for determining each employer's proportionate share. The aggregate amounts, reported by the CRTPA as of September 30, 2020, of net OPEB liabilities, related deferred inflows and outflows of resources, and OPEB expenses using a valuation date and measurement date of September 30, 2019 are summarized as follows (in thousands):

| OPEB Plan Obligations and Expenses | CRTPA Share of City Plan Amounts |
|------------------------------------|----------------------------------|
| Net OPEB Liability | \$262 |
| OPEB Related Deferred Outflows | 93 |
| OPEB Related Deferred Inflows | 16 |
| OPEB Expense | 24 |

Benefits - A member receives a reduced rate on the health insurance premium for the City's health insurance plan. All reduced rate premiums will be deducted from the retiree's pension benefit. If the health insurance premium exceeds the pension benefit amount, the member will pay the City for the difference.

Eligibility - A member may continue on the City's health insurance plan upon retirement if the member is drawing a pension for Normal Retirement, Early Retirement or Disability Retirement. The retiree may continue to cover any qualified dependents that were on the City's health insurance plan at the time of retirement. A member who is a Deferred Retiree (eligible to retire upon termination but chooses to defer the commencement of a pension benefit) may choose to remain on the City's health insurance plan and pay the reduced health insurance premium until the commencement of a pension benefit.

Funding Policy - The contribution requirements of OPEB Plan members and the City are established and may be amended by the City Commission. These contributions are neither mandated or guaranteed. The City has retained the right to unilaterally modify its payment for retiree health care benefits. Effective October 1, 2010, the City implemented a "cap" on employer contributions for retirees. Accordingly, the City's subsidy was frozen at the 2010 levels, and retirees must absorb all future premium rate increases.

Net OPEB Liability - At September 30, 2020, the CRTPA reported a liability of \$261,671 for its employees' proportionate share of the net OPEB liability. The net OPEB liability was measured as of September 30, 2019.

Capital Region Transportation Planning Agency
Notes to the Financial Statements
September 30, 2020

Note IV Other Information (CONTINUED)

C. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

The total OPEB liability and contribution rate was determined by an actuarial valuation as of September 30, 2019. The total OPEB liability was rolled forward one year. The significant assumptions used were as follows:

| | |
|-----------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Normal Inflation | 2.25%. |
| Discount Rate | 2.81%, the resulting Single Discount Rate based on the expected rate of return on OPEB Plan investments as of September 30, 2019 at 7.50% and the long term municipal bond rate as of September 28, 2017 at 2.75%. |
| Salary Increases | 2.95% to 6.40%, including inflation; varies by plan type and years of service. |
| Retirement Age | Experience based table of rates that are specific to the plan and type of eligibility condition. |
| Mortality | Mortality Tables used for Regular Class and Special Risk Class members in the July 1, 2018 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2008 through 2013. |
| Healthcare Cost Trend Rates | Based on the Getzen Model, with trend starting at 3.7% for 2020 (based on actual premium rates), followed by 6.25% for 2020, and gradually decreasing to an ultimate trend rate of 3.99% plus 0.46% increase to reflect the Excise Tax on High-Cost Employer Health Plans. |
| Aging factors and Expenses | Based on the 2013 SOA Study "Health Care Costs From Birth to Death; Investment expenses are net of the investment returns; and Administrative expenses are included in the per capita health costs |
| Other Information Notes: | There were no benefit changes during the year. Assumption changes reflect the following changes: <ul style="list-style-type: none"> - The Single Discount Rate from the beginning of the year at 3.88% is changed to the end of the year at 2.81%. - Per capita costs and premiums updated based on information provided. - Assumed ultimate rate of inflation was revised from 2.5% to 2.25 and the healthcare cost trend was revised to reflect that change. |

Capital Region Transportation Planning Agency
Notes to the Financial Statements
September 30, 2020

Note IV Other Information (CONTINUED)

C. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Sensitivity of net OPEB Liability to changes in the Single Discount Rate - The following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 2.81%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher (in thousands):

| Current Single Discount Rate Assumption | | |
|--|-------|-------------------|
| 1% Decrease 1.81% | 2.81% | 1% Increase 3.81% |
| \$301 | \$262 | \$229 |

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates - The following presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher (in thousands):

| Current Healthcare Cost Trend Rate Assumption | | |
|---|-------|-------------|
| 1% Decrease | | 1% Increase |
| \$236 | \$262 | \$293 |

OPEB Expense and Deferred Outflows/(Inflows) of Resources Related to OPEB - In accordance with GASB 75, changes in the net OPEB liability are recognized as OPEB expense in the current measurement period, except as shown below. For each of the following, a portion is recognized in OPEB expense in the current measurement period, and the balance is amortized as deferred outflows or 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 which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive
- Changes of assumptions or other inputs which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.
- Changes in proportion and differences between contributions and proportionate share of contributions which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.
- Differences between expected and actual earnings on OPEB plan investments are amortized over five years.

Capital Region Transportation Planning Agency
Notes to the Financial Statements
September 30, 2020

Note IV Other Information (CONTINUED)

C. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Based on a valuation date and measurement date of September 30, 2019, CRTPA recognized OPEB expenses of \$23,691 for the year ended September 30, 2020. At September 30, 2020, CRTPA reported deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources (in thousands):

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|---|
| Change in Net OPEB Liability due to Change in Cost-Sharing Allocation Percentage | \$ 52 | \$ - | \$ 52 |
| Assumption Changes | 28 | 11 | 17 |
| Net difference between projected and actual earnings on OPEB plan investments | 1 | 2 | (1) |
| Net difference between projected and actual earnings on OPEB plan investments | - | 3 | (3) |
| Total | <u>\$ 81</u> | <u>\$ 16</u> | <u>\$ 65</u> |

Deferred outflows of resources related to the plan of \$12,096, resulting from CRTPA contributions to the plan paid subsequent to the measurement date and prior to the CRTPA's fiscal year, will be recognized as a reduction of the net OPEB liability in the fiscal year ended September 30, 2021. Other amounts reported as OPEB related deferred outflows and inflows of resources will be recognized in future OPEB expense, as follows (in thousands):

| Year Ending September 30 | Net Amount |
|-----------------------------|--------------|
| 2021 | \$ 11 |
| 2022 | 11 |
| 2023 | 11 |
| 2024 | 12 |
| 2025 | 13 |
| Thereafter | 7 |
| Total | <u>\$ 65</u> |

D. NON-CURRENT LIABILITIES

| | Beginning Balance | Additions | Reductions | Ending Balance |
|--|----------------------|---------------|---------------|-------------------|
| Governmental activities (in thousands):: | | | | |
| Compensated absences | \$ 8 | \$ 32 | \$ 40 | \$ - |
| OPEB liability | 211 | 76 | 25 | 262 |
| Net pension liability | 374 | 473 | 239 | 608 |
| Total noncurrent liabilities | <u>\$ 593</u> | <u>\$ 581</u> | <u>\$ 304</u> | <u>\$ 870</u> |

E. CONTINGENCIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the CRTPA expects amounts, if any, to be immaterial.

**Capital Region Transportation Planning Agency
Notes to the Financial Statements
September 30, 2020**

Note IV Other Information (CONTINUED)

F. EVALUATION OF SUBSEQUENT EVENTS

The CRTPA has evaluated subsequent events through June 25, 2021, the date the financial statements were available to be issued.

**REQUIRED
SUPPLEMENTARY INFORMATION**

THIS SUBSECTION CONTAINS THE FOLLOWING:

Budgetary Comparison Schedule

Proportionate Share of Net Pension Liability - City of Tallahassee Pension Plan

Schedule of Contributions - City of Tallahassee Pension Plan

Schedule of Changes in the Net OPEB Liability and Related Ratio

Schedule of Contributions - OPEB

Capital Regional Transportation Planning Agency

**Budgetary Comparison Schedule
General Fund**

**Year ended September 30, 2020
(Unaudited)
(in thousands)**

| | Budgeted Amounts | | Actual | Variance with |
|--|-------------------------|--------------|--|---|
| | Original | Final | Amounts (Budgetary Basis) | Final Budget Positive (Negative) |
| Budgetary Fund Balance - October 1 | \$ 8 | \$ 8 | \$ 8 | \$ - |
| Resources | | | | |
| Taxes | - | - | - | - |
| Intergovernment Revenues | 833 | 833 | 842 | 9 |
| Interest Earned | - | - | 2 | 2 |
| Miscellaneous | 7 | 7 | - | (7) |
| Amounts Available for Appropriations | <u>848</u> | <u>848</u> | <u>852</u> | <u>4</u> |
| Charges to Appropriations | | | | |
| Transportation | <u>848</u> | <u>848</u> | <u>824</u> | <u>24</u> |
| Total Charges to Appropriations | <u>848</u> | <u>848</u> | <u>824</u> | <u>24</u> |
| Budgetary Fund Balance - September 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 28</u> | <u>\$ 28</u> |

Note: There is no requirement to legally adopt a budget for the Special Revenue Fund.

See Independent Auditors' Report.

Capital Regional Transportation Planning Agency
Proportionate Share of Net Pension Liability
City of Tallahassee Pension Plan
Last Ten Fiscal Years
September 30, 2020
(Unaudited)
(in thousands)

| Measurement year ending September 30, | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Net Pension Liability (Asset) | \$ 607 | \$ 374.00 | \$ 193.00 | \$ 112.00 | \$ 67.00 | \$ 95.00 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 87.64 % | 92.12 | 95.02 | 95.86 | 97.48 | 95.86 |
| Employer's Proportion of the Net Pension Liability | 0.38 % | 0.38 | 0.34 | 0.26 | 0.24 | 0.23 |
| Covered Employee Payroll | 400 | 389.00 | 389.00 | 380.00 | 294.00 | 257.00 |
| Net Pension Liability as a Percentage of Covered Employee Payroll | 151.75 % | 96.14 % | 49.61 % | 29.47 % | 22.79 % | 36.00 % |

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

See Independent Auditors' Report.

**Capital Regional Transportation Planning Agency
Schedule of Contributions
City of Tallahassee Pension Plan
Last Ten Fiscal Years
(Unaudited)
(in thousands)**

| Fiscal year ending September 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|---|--|--------------------------------|---|----------------------------|--|
| 2014 | \$ 37 | \$ 37 | \$ - | \$ 242 | 15.18 |
| 2015 | 39 | 39 | - | 257 | 15.18 |
| 2016 | 38 | 38 | - | 294 | 12.93 |
| 2017 | 50 | 50 | - | 380 | 13.16 |
| 2018 | 73 | 73 | - | 389 | 18.77 |
| 2019 | 82 | 82 | - | 400 | 20.50 |
| 2020 | \$ 99 | \$ 99 | \$ - | \$ 417 | 23.74 |

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

Notes to the Schedule of Contributions

Valuation date: October 1, 2018
Measurement date: September 30, 2020

Notes: Actuarially determined contribution rates are calculated as of October 1, 2018, for the fiscal year ended September 30, 2020. Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level Percent of Pay (with 1.09% payroll growth assumption), Closed |
| Remaining amortization period | 30 years |
| Asset valuation method | 20% of the difference between expected actuarial value (based on assumed return) and market value is recognized each year with 20% corridor around market value |
| Inflation | 2.5 % |
| Salary increases | A range of 2.95% to 5.00%, depending on completed years of service, including inflation |
| Investment rate of return | 7.5% |
| Retirement age | Experience-based table of rates that are specific to the type of eligibility condition |
| Mortality | RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for postretirement mortality) with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. |
| Notes | See Discussion of Valuation Results in the October 1, 2018 Actuarial Valuation Report dated May 16, 2019. |

See Independent Auditors' Report.

Capital Regional Transportation Planning Agency
Schedule of Changes in the Net OPEB Liability and Related Ratios
Last Ten Fiscal Years
(Based on measurement periods ending September 30)
(Unaudited)
(in thousands)

| Measurement year ending September 30, | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|----------------------|----------------------|----------------------|
| Total OPEB Liability | | | |
| Service cost | \$ 5 | \$ 6 | \$ 5 |
| Interest on the total OPEB liability | 10 | 9 | 6 |
| Actual and expected experience difference | (3) | - | - |
| Changes in assumptions | 33 | (7) | (10) |
| Changes in allocation percentages | 20 | 43 | - |
| Benefit payments | (13) | (12) | (8) |
| Net change in total OPEB liability | <u>52</u> | <u>39</u> | <u>(7)</u> |
| Total OPEB liability - beginning | <u>225</u> | <u>186</u> | <u>193</u> |
| Total OPEB liability - ending (a) | <u><u>277</u></u> | <u><u>225</u></u> | <u><u>186</u></u> |
| Plan Fiduciary Net Position | | | |
| Contribution - employer | 6 | 5 | 4 |
| Net investment income | 1 | 3 | 2 |
| Benefit payments | (6) | (7) | (5) |
| Net change in plan fiduciary net position | <u>1</u> | <u>1</u> | <u>1</u> |
| Plan fiduciary net position - beginning | <u>14</u> | <u>13</u> | <u>12</u> |
| Plan fiduciary net position - ending (b) | <u><u>15</u></u> | <u><u>14</u></u> | <u><u>13</u></u> |
| Net OPEB liability (a)-(b) | <u><u>\$ 262</u></u> | <u><u>\$ 211</u></u> | <u><u>\$ 173</u></u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 5.07 % | 9.62 % | 8.04 % |
| Covered-employee payroll | \$ 400 | \$ 389 | \$ 294 |
| Net OPEB liability as a percentage of covered-employee payroll | 65.50 % | 54.13 % | 58.06 % |

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

See Independent Auditors' Report.

Capital Regional Transportation Planning Agency
Schedule of Contributions-OPEB
Last Ten Fiscal Years
(Unaudited)
(in thousands)

| Fiscal year ending September 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|---|--|--------------------------------|---|----------------------------|--|
| 2020 | \$ 15 | \$ (6) | \$ 9 | \$ 400 | 1.50 |
| 2019 | 14 | (5) | 9 | 389 | 1.29 |
| 2018 | \$ 10 | \$ (4) | \$ 6 | \$ 294 | 1.36 |

Notes to Schedule of Contributions

Actuarially determined contribution rates are calculated as of October 1, which is 12 months prior to the end of the fiscal year in which contributions are made and reported

Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level Percentage of Payroll, Closed |
| Remaining amortization period | 26 years |
| Asset valuation method | Market Value |
| Inflation | 2.5% |
| Salary increases | 2.95% to 6.4% including inflation; varies by plan type and years of service |
| Investment rate of return | 3.88%, net of OPEB plan expense, including inflation. |
| Retirement age | Experience?based table of rates that are specific to the plan and type of eligibility condition. |
| Mortality | RP-2000 Healthy Annuitant Mortality Table, with mortality improvements projected to all future years using Scale BB. For females, the base mortality rates include a 100% white collar adjustment. For males, the base mortality rates include a 50% white collar adjustment and a 50% blue collar adjustment for General Employees and a 10% white collar adjustment and a 90% blue collar adjustment for Police Officers and Firefighters. These are the same mortality rates currently in use for Regular and Special Risk Class members of the Florida Retirement System (FRS). They are based on the results of a statewide experience study covering the period 2008 through 2013. |
| Healthcare Cost Trend Rates | Based on the Getzen Model, with trend starting at 6.1% and gradually decreasing to an ultimate trend rate of 4.73% (including the impact of the excise tax). |
| Aging Factors | Based on the 2013 SOA Study "Health Care Costs - From Birth to Death". |
| Expenses | Investment returns are net of the investment expenses; and, Administrative expenses are included in the premium costs. |

Other Information:

There were no benefit changes during the year.

See Independent Auditors' Report.

OTHER REPORTS

THIS SUBSECTION CONTAINS THE FOLLOWING:

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 Federal Program
and Report on Internal Control Over Compliance In Accordance with the Uniform Guidance
Schedule of Expenditures of Federal Awards
Schedule of Findings and Questioned Costs
Independent Accountants' Examination Report
Independent Auditor's Management Letter Required by the Office of the Auditor General

**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***

To the Governing Board
of the Capital Region 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 each major fund of the Capital Region Transportation Planning Agency (the Agency) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated June 25, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386-257-4100

133 East Indiana Avenue
DeLand, FL 32724-4329
Telephone: 386-738-3300

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352-378-1331

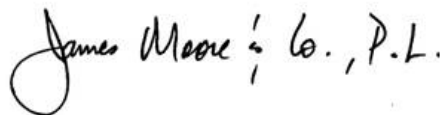
2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850-386-6184

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looping initial "J".

Tallahassee, Florida
June 25, 2021

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Governing Board
of the Capital Region Transportation Planning Agency:

Report on Compliance for Each Major Federal Program

We have audited the Capital Region Transportation Planning Agency's (the Agency) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended September 30, 2020. The Agency's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency's major federal programs based on our audit of the types of compliance requirements referred to above. 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance, and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Agency's compliance.

Opinion on Each Major Federal Program

In our opinion, the Agency 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 September 30, 2020.

| | | | |
|------------------------------|-------------------------|----------------------------|----------------------------------|
| 121 Executive Circle | 133 East Indiana Avenue | 5931 NW 1st Place | 2477 Tim Gamble Place, Suite 200 |
| Daytona Beach, FL 32114-1180 | DeLand, FL 32724-4329 | Gainesville, FL 32607-2063 | Tallahassee, FL 32308-4386 |
| Telephone: 386-257-4100 | Telephone: 386-738-3300 | Telephone: 352-378-1331 | Telephone: 850-386-6184 |

Website: www.jmco.com | Email: info@jmco.com | Member of AGN International with offices in principal cities worldwide

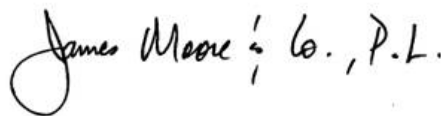
Report on Internal Control over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's 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 a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

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 and the Guide. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Tallahassee, Florida
June 25, 2021

**CAPITAL REGION TRANSPORTATION PLANNING AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

| Federal Agency / Pass-Through Entity / Federal Program | CFDA Number | Contract / Grant Number | Expenditures |
|---|------------------------|------------------------------------|----------------------------|
| <u>U.S. DEPARTMENT OF TRANSPORTATION</u> | | | |
| Pass through Florida Department of Transportation: | | | |
| Highway Planning and Construction | 20.205 | G0Y56 | \$ 1,138,199 |
| Highway Planning and Construction | 20.205 | G1L15 | 250,176 |
| Total Highway Planning and Construction Cluster | | | <u>1,388,375</u> |
| Pass through Florida Department of Transportation: | | | |
| UMTA Technical Studies Grants | 20.505 | ARL-33 | 10,838 |
| UMTA Technical Studies Grants | 20.505 | G1779 | 147,219 |
| UMTA Technical Studies Grants | 20.505 | G1P57 | 92,455 |
| | | | <u>250,512</u> |
| Total Federal Awards | | | <u><u>\$ 1,638,887</u></u> |

NOTES:

(1) The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal activity of all deferral programs of the CRTPA for the year ended September 30, 2020. All expenditure related to federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies are included in the accompanying Schedule. The information in this Schedule is presented in accordance with 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). Some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

(2) The accompanying Schedule was prepared on the modified accrual basis of accounting.

(3) There were no transfers to subrecipients during the fiscal year.

(4) No federal assistance was expended in noncash assistance.

(5) The CRTPA has not elected to use the 10 percent de minimus indirect cost rate.

**CAPITAL REGION TRANSPORTATION PLANNING AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

I. Summary of Auditors' Results:

Financial Statements:

Type of audit report issued on the basic financial statements: *Unmodified.*

Internal Control over Financial Reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards:

Internal Control over Major Programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Type of report issued on compliance for each major federal program: *Unmodified.*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X none reported

Auditee qualified as a low-risk auditee? _____ yes X no

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Major program identification:

| <u>CFDA Number</u> | <u>Program Name</u> |
|--------------------|---|
| 20.205 | Highway Planning and Construction Cluster |

II. Financial Statement Findings: None.

III. Federal Award Findings and Questioned Costs: None.

IV. Summary Schedule of Prior Audit Findings: Not applicable as no findings were reported in the prior audit.

V. Corrective Action Plan: Not applicable as no findings have been reported.

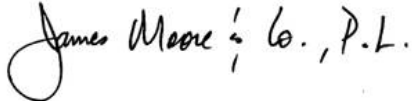
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Governing Board
of the Capital Region Transportation Planning Agency:

We have examined the Capital Region Transportation Planning Agency's (the Agency) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020. Management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020, in all material respects. An examination involves performing procedures to obtain evidence about the Agency's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.



Tallahassee, Florida
June 25, 2021

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386-257-4100

133 East Indiana Avenue
DeLand, FL 32724-4329
Telephone: 386-738-3300

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850-386-6184

Website: www.jmco.com | Email: info@jmco.com | Member of AGN International with offices in principal cities worldwide

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED
BY OFFICE OF THE AUDITOR GENERAL**

To the Governing Board
of the Capital Region Transportation Planning Agency:

Report on the Financial Statements

We have audited the basic financial statements of the Capital Region Transportation Planning Agency (the Agency), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 25, 2021.

Auditors' 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards (Uniform Guidance), and Chapter 10.550, Rules of the State of Florida Office 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 the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in accordance with the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountant's Examination Report 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 June 25, 2021, 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 findings or recommendations made in the preceding annual financial audit report.

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386-257-4100

133 East Indiana Avenue
DeLand, FL 32724-4329
Telephone: 386-738-3300

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850-386-6184

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 legal authority for the primary government and component units of the reporting entity is disclosed in Note 1 of the basic financial statements.

Financial Condition and Management

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

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

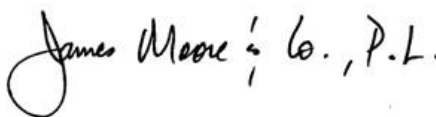
Additional Matters

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 note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, Agency Board, management, others within the Agency, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Tallahassee, Florida
June 25, 2021

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive, flowing style. The "J" is large and loops around the first part of the name. The "&" is written as a simple ampersand. The "Co." is written in a slightly smaller, more upright script. The "P.L." is at the end, also in a similar script.