

HART

Connecting Hillsborough *Together*

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEARS ENDED SEPTEMBER 30, 2025 AND 2024

Hillsborough Transit Authority
Tampa, Florida

Hillsborough Transit Authority
Tampa, Florida

Annual Comprehensive Financial Report

For Fiscal Years Ended September 30, 2025 and 2024

Mission Statement

The mission of Hillsborough Transit Authority (HART) is HART takes people to places that enhance their lives.

Prepared by the Finance Department

HART

FY2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT
TABLE OF CONTENTS

Section-Page #

SECTION I – INTRODUCTORY SECTION

Letter of Transmittal I-2

GFOA Certificate of Achievement I-11

Organization Chart I-12

Elected and Appointed Officials I-13

Directory of Officials I-14

SECTION II – FINANCIAL SECTION

Report of Independent Auditor II-2

Management's Discussion and Analysis II-5

Basic Financial Statements

- Statements of Net Position II-16
- Statements of Revenues, Expenses, and Changes in Net Position II-18
- Statements of Cash Flows II-20
- Notes to Financial Statements II-22

Required Supplementary Information

- Schedule of Proportionate Share of Net Pension Liability II-62
- Schedule of Contributions II-63
- Schedule of Changes in OPEB II-64

Other Supplemental Information

- Schedule of Expenditures of Federal Awards and State Financial Assistance II-66
- Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance II-68

TABLE OF CONTENTS (Continued)

Section-Page#

SECTION III – STATISTICAL SECTION

Financial Trends

Net Position by Component (FY2016 to FY2025) III-4

Statement of Assets, Deferred Outflows, Liabilities, Deferred Inflows & Net Position (FY2016 to FY2020) III-5

Statement of Assets, Deferred Outflows, Liabilities, Deferred Inflows & Net Position (FY2021 to FY2025) III-6

Statement of Revenues, Expenses & Changes in Net Position (FY2016 to FY2020) III-7

Statement of Revenues, Expenses & Changes in Net Position (FY2021 to FY2025) III-8

Revenue Capacity

Hillsborough Transit Authority, Property Tax Levies and Collections (FY2016 to FY2025) III-10

Hillsborough County, FL., Taxable Assessed Value and Actual Value of Property (FY2010 to FY2025) III-11

Single Family Taxable Values and Levies (2010 to 2025) III-12

Millage Rates (2016 to 2025) III-13

Taxable Sales (2010 to 2025) III-14

Revenues by Source (FY2016 to FY2025) III-15

Property Tax Revenue Used for Operations (FY2016 to FY2025) III-18

Demographic and Economic Information

Hillsborough County, Demographic and Economic Statistics (2010 to 2025) III-20

Principal Employers (2016 and 2025) III-22

Operating Information

Miscellaneous HART Statistics III-25

Staffing – Position Count by Unit (FY2022 to FY2026) III-26

Trend of Bus Service (FY2016 to FY2020) III-27

Trend of Bus Service (FY2021 to FY2025) III-28

Trend of Paratransit Service (FY2016 to FY2020) III-30

Trend of Paratransit Service (FY2021 to FY2025) III-31

Trend of Streetcar Service (FY2016 to FY2025) III-33

TABLE OF CONTENTS (Continued)

Section-Page#

Trend of Streetcar Service (FY2021 to FY2025) III-34

Expenses by Program (FY2016 to FY2025).....III-36

Debt Capacity Data

Leased Assets and Subscription-Based Information Technology Agreements……..III-38

SECTION IV – COMPLIANCE REPORTS

Report of Independent Auditor 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*.....IV-2

Report of Independent Auditor on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General……..IV- 4

Schedule of Findings and Questioned Costs .....IV- 7

Summary of Prior Audit Findings …….IV- 9

Independent Auditor's Management Letter.....IV- 10

Report of Independent Accountant on Compliance with Local Government Investment Policies……IV-13

SECTION I

INTRODUCTORY SECTION

Hillsborough Transit Authority
1201 E. 7th Avenue • Tampa, Florida 33605
(813) 384-6600 • fax (813) 384-6284 • www.goHART.org

March 2, 2026

Councilman Luis E. Viera, Board Chair and
Members of the Board of Directors of the Hillsborough Transit Authority and
Citizens of our Service Area

Dear Board Chair, Board Members and Citizens:

State law requires that each fiscal year all independent special districts publish each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles in the United States (GAAP) and audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the Hillsborough Transit Authority, for the fiscal year ended September 30, 2025.

This Annual Comprehensive Financial Report is indicative of Authority management's continued commitment to provide high quality, complete, concise, and reliable financial information on the Authority.

This report consists of management's representations concerning the finances of the Authority. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Authority has established a comprehensive internal control framework that is designed both to provide the Authority's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh its benefit, the Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Authority's basic financial statements have been audited by Cherry Bekaert LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended September 30, 2025, are free of material misstatement. The independent audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements; evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified, "clean" opinion that the Authority's financial statements for the fiscal year ended September 30, 2025, are fairly presented in conformity with GAAP. The report of the independent auditor is located at the front of the financial section of this report.

The independent audit of the financial statements of the Authority was part of a broader, mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state grant awards. These reports are included in the Single Audit section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. This year's MD&A can be found immediately following the report of the independent auditor.

Profile of the Authority

The Hillsborough Transit Authority, operating and also known as Hillsborough Area Regional Transit Authority, or HART, was created as a body politic and corporate under Chapter 163, Part V, Sections 163.567, et seq., Florida Statutes, on October 3, 1979. HART operates under its Charter, as amended and is comprised of three (3) members, those being the County of Hillsborough, Florida, the City of Tampa, Florida and the City of Temple Terrace, Florida. Any county, municipality, or other political subdivision contiguous to a member of HART may apply to become a member of HART pursuant to the limitations imposed under Chapter 163 and the Amendment and Restatement of the Charter of the Hillsborough Transit Authority, dated January 21, 1980.

The Authority's Board of Directors is comprised of two (2) directors appointed by the Governor of the State of Florida and a minimum of one (1) director from each member. Each member shall appoint one (1) additional Board Member for each 150,000 persons, or major fraction thereof, resident in that member's jurisdictional limits. In no event shall the Board be composed of less than five (5) Board Members, including the two (2) appointed by the Governor. At a minimum, one (1) Board Member appointed by each local government member shall be either the public official elected to the chief executive office of the member (if the member has an elected chief executive officer) or a public official elected to the governing legislative body of the member if the elected chief executive officer does not serve. The Authority is governed by its 15-member Board of Directors ("Board"), which makes decisions, designates management, significantly influences operations, and maintains primary fiscal responsibility.

The Authority has been determined to be an "Independent Special District" as described in Section 189.403, Florida Statutes, and is authorized to levy an ad valorem tax of up to one-half mill (.50) on the taxable value of real and tangible personal property within the jurisdiction of its members. Chapter 165.570, Florida Statutes, allows the Authority to levy up to three mills, subject to public referendum. The Authority's ad valorem taxes are reviewed as part of the annual assessment of Hillsborough County, which levies its taxes November 1. Collection of taxes is scheduled November through the following March. Taxes become delinquent April 1 and tax certificates placing liens on the property are sold May 31.

Additional revenues and funding are received from passenger fares, other revenue services, and grants from the U.S. Government, the State of Florida, the City of Tampa, and the County of Hillsborough.

Located in Hillsborough County, Florida, on the west coast of the state, the Authority is a *regional* provider of mass transportation services primarily within Hillsborough County. The total area is 1,266 square miles and as of 9/30/25 the population is estimated to be $1.605M.

Services and Ridership

The Authority provides virtually all public transportation services in this area. These services include fixed route, flex route, Paratransit, and streetcar. The Authority maintains 2,311 bus stops and 650 shelters (310 HART maintained; 340 vendor-maintained), 6 transfer stations, 2 transit centers, a fleet of 131 buses, 74 vans for Paratransit, 4 flex vans and 9 streetcars.

FY2025 ridership:

- Bus & Flex: 10,449,717 a decrease of 7.59 percent compared to FY2024. (source: UTA Auto Passenger Counter Data Reports)
- Paratransit: 177,822 an increase of 0.01 percent compared to FY2024 (source: Trapeze)
- Taxi Voucher: 132,958, an increase of 0.36 percent compared to FY 2024. (source: Yellow Cab Invoice Reports).
- Streetcar: 1,319,565, a decrease of 0.03 percent compared to FY 2024. (source: UTA Auto Passenger Counter Data Reports)

The reduction in ridership for bus and streetcar is explained as follows:

- For bus, the elimination of paper fare passes in January 2025 led to a reduction of overall ridership as some people chose to either ride less due to the practical end of fare capping for cash-using and reluctancy related to Flamingo Fares by some riders. As more riders adopted Flamingo Fares, ridership did slightly rebound but there was a noticeable drop in ridership early on.

- The impacts of the Hurricanes in September and October 2024 had a negative impact on ridership as some people were displaced. This may have impacted previous HART riders and we believe this led to an overall reduction in ridership primarily for bus. We also believe that it may explain the slight dip in streetcar ridership as the prospect of hurricanes might have dissuaded tourism to Tampa but that piece is more speculative. As with the point above, as population grows again it is not unreasonable that ridership may rebound as time goes on.

- For streetcar specifically, while ridership remained mostly constant, a higher number of service reductions and missed trips due to mechanical/operational issues in FY25 compared to FY24 we believe led to a reduction in streetcar ridership overall.

Governing Board

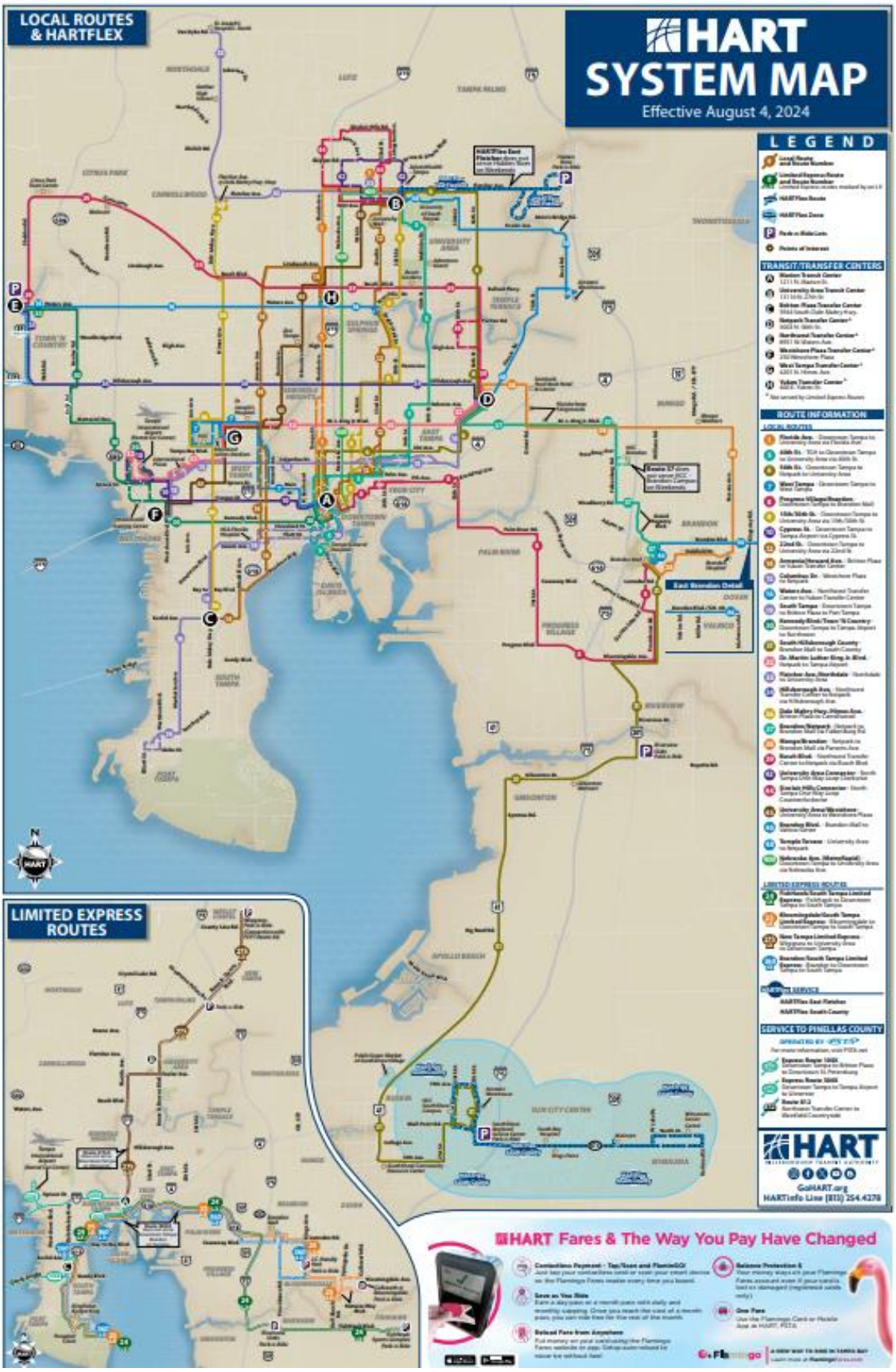
The Authority is governed by a 15-member Board that establishes policies and sets direction for the Authority. The Board consists of a chair and 14 members; eight (8) appointed by the

Hillsborough Board of County Commissioners, four (4) members appointed by the City of Tampa, one (1) appointed by the City of Temple Terrace, and two (2) members appointed by the Governor. All Board Members shall be appointed for 3-year terms and each Board Member shall hold office until their successor has been appointed and qualified. Said terms shall end on November 30 of the appropriate year or such other date designated by the member government. If a local government member's laws or procedures provide for a different appointment time frame for elected officials, said member may create its own procedure for appointing a replacement before the end of the term, in order to avoid a vacancy.

Management

The Authority is managed by a Chief Executive Officer who acts in accordance with the direction, goals and policies articulated by the Board. The Chief Executive Officer is responsible for the Authority's daily operations and directly supervises the core personnel who lead the organization: Chief Operations Officer; Chief Financial Officer; Chief of Safety; Chief Administrative Officer; Director of Executive Office & Board Support; and Director of Legal Services. Additionally, there are departments that support these functions.

FY2025 Service Area



Budget

The Board is required to adopt an annual operating budget before the beginning of each fiscal year. The budget serves as a financial plan for the Authority. The process for developing the Authority's budget begins with budget review and planning in March through May. This is followed up with a series of meetings and analytical review which results in a balanced operating budget and a prioritized, balanced capital budget. The Authority may not spend more than the approved operating budget without an amendment and Board approval to increase the budget. The Chief Executive Officer and the Chief Financial Officer may permit movement of funds within the approved budget.

The HART Board's adopted FY2025 operating and capital budget totaled $190,857,715.

Factors Affecting Financial Condition

Local economy. While there has been a slight upturn in property tax revenue over the last couple of years, the demand for service has also increased. As a result, the Authority is experiencing a continued increase in the cost to support that service. The Authority's ability to fund its operations along with this increased service demand is heavily dependent on a millage levy generated from property taxes. The HART charter allows HART to levy an ad valorem tax based on full valuation of real property not to exceed one half mill ($.0005) on the taxable real property within the jurisdictional limits of its constituent members.

Population Growth and Demographics. Hillsborough County's mass transit faces severe financial strain from massive funding shortfalls, population growth outpacing infrastructure, disruptions from the pandemic, challenges to voter-approved taxes (All for Transportation) and rising operating costs vs. static revenues leading to potential service cuts and worsening congestion, impacting vulnerable residents and the economy.

Financial Stewardship.

- Restored HART's financial stability by growing operating reserves to more than 125% of the required level and earning national recognition for budget excellence.
- Secured the largest federal grant in agency history, a 23.4M RAISE grant from the Department of Transportation, positioning HART for long-term modernization and investment.
- Successfully completed major audits with strong outcomes, reinforcing confidence in our governance and stewardship.

Major Initiatives

Major initiatives undertaken in FY2025 include the following projects:

- Heavy Maintenance Building - The design and build of the new Heavy Maintenance (HM) building is HART's priority capital project. Rebuilding the Heavy Maintenance Facility will support HART's transition to a zero-emission fleet, and advance HART's partnership with Hillsborough Community College which will house a high-tech training facility on campus and create a pipeline for frontline employees to fill jobs at HART. HART is currently developing a phased implementation plan to deliver this project while simultaneously securing matching capital funding from stakeholders and identifying grants

to pursue. Phases 1 and 2 are estimated at $140M (2024 dollars) with a project duration of 7 years. HART was awarded $23,356,950 through the Department of Transportation's (DOT) Rebuilding American Infrastructure with Sustainability and Equity (RAISE) program. The grant will support Phase 1 of the Maintenance Site Remediation and Facility Modernization Project. Phase 1 of the Maintenance Site Remediation and Facility Modernization Project focuses on redeveloping a heavy maintenance facility site to meet the current and future needs of the HART fleet and operations and advances the agency's mission to provide safe, efficient, and sustainable public transportation throughout Hillsborough County. Expenditures for the above noted grant are reported under grant G1k16 in CFSA number 55.012 on the Schedule of Federal Awards and State Financial Assistance.

- Computer-Aided Dispatch (CAD) - Automatic Vehicle Location (AVL) Upgrade -HART is replacing its current OrbCAD voice and data communications system and other transit management technologies. HART currently uses the OrbCAD/AVL system, which was installed in 2007, which has surpassed its useful life. The system tracks the vehicle location in real time, records the vehicle routes, monitors vehicle health, provides an emergency alarm, displays the correct route on bus reader board signs, counts the passengers, and does in-vehicle annunciations, for each vehicle that is part of the OrbCAD system. The upgraded system will assist in optimizing service changes, implementation, and operations by increasing the ability of operators to deliver the scheduled service to the customers in real-time.

- Streetcar Rehabilitation - In February of 2024 a five-year contract was signed with the Gomaco Trolley Company to restore the remaining five cars in the fleet that have not been rebuilt. (#431, #433, #435, #436, #1976). In FY2025, the streetcar rehabilitation project restored #431, and rebuilt into a "Like-New" condition with a complete frame up restoration. Car 433 is currently being rebuilt. This project was made possible through an FTA State of Good Repair grant specifically for this purpose. This rebuild will provide another 20 to 25 years of service to these 20-year-old vehicles and provide reliability and dependability to our customers and employees.

- Transit Development Plan - Per the recommendation of The Florida Department of Transportation's (FDOT) Governance and Operational Management Analysis study, HART has conducted a Comprehensive Operations Analysis (COA). Additionally, HART is kicking off a Transit Development Plan Major Update to be submitted to and approved by FDOT no later than March 2027. FDOT requires public transit providers receiving State funding to develop and adopt a TDP based on a ten-year planning horizon. FDOT requires transit systems to prepare a major update of the TDP every 5 years, with annual progress reports as explained in the Florida Administrative Code.

- Basic Transit Infrastructure - In FY25 HART completed the construction of six (6) new or improved ADA-compliant bus stops. Thirty-one (31) new transit shelters were installed at new or existing stops in FY25.

- HART Arterial BRT Project - HART has completed partial design work for the Low-Cost Alternative Bus Rapid Transit (BRT) project, funded by a $2.5M Florida Department of Transportation (FDOT) Grant. This grant has not been received yet and is not reflected on the current year Schedule of Expenditures of Federal Awards and Financial Assistance. The project would reduce travel time and enhance station areas between Downtown and USF which is one of, if not the, strongest transit market in the Tampa Bay Region. This project would deliver enhanced transit along the corridor of Florida, Nebraska, and Fowler

Avenues to provide a time-competitive transit option for existing and potential riders. By delivering this capital project, HART would make limited operating resources go farther by providing better service with marginal increases to revenue hours and vehicles along a corridor that currently serves HART's two highest ridership bus routes which are routes #1 and #6.

- HCSO P25 Radio System Integration - During FY 2025, Fleet Maintenance completed the procurement of equipment necessary to integrate HART's fleet into the Hillsborough County Sheriff's Office (HCSO) P25 radio system. This investment significantly enhances systemwide communication reliability, interoperability, and emergency response capability. By aligning fleet communications with the region's public safety infrastructure, HART improved operational resiliency, reduced dependence on aging legacy systems, and strengthened coordination between transit operations, maintenance, and first responders during incidents and service disruptions.

- Fixed Route Diesel Replacement - During FY 2025, Fleet Maintenance placed an order for eight Gillig compressed natural gas (CNG) buses to support HART's ongoing fleet replacement and sustainability strategy. This procurement advances the agency's transition toward a standardized, low-emission fixed-route fleet while improving reliability, maintainability, and lifecycle cost control. The new CNG buses align with HART's State of Good Repair objectives, leverage existing fueling and maintenance infrastructure, and support long-term environmental goals by reducing emissions and fuel costs. Once delivered, these vehicles will replace aging assets, improve fleet availability, and enhance service reliability for customers across the system.

- Paratransit Fleet Expansion – 36 Ford SUVs - In support of HART's Paratransit Business Plan and service delivery goals, Fleet Maintenance procured 36 Ford SUVs during FY 2025—16, replacement vehicles, and 20 expansion units. This initiative introduced greater fleet diversity and operational flexibility, allowing Paratransit Services to better match vehicle deployment to trip demand, thereby improving reliability and the customer experience. The SUVs provide a nimble, cost-effective alternative to cutaway vehicles for appropriate trips, helping increase daily vehicle availability and supporting the agency's objective to achieve sustained ADA service compliance.

- Route Supervision Fleet – 7 Ford SUVs - Fleet Maintenance also purchased seven Ford SUVs in FY 2025 to modernize and standardize the Route Supervision fleet. These vehicles enhance field supervision coverage, improve response times to service disruptions, and support real-time operational decision-making. The new supervisor vehicles strengthen on-street oversight, improve operator support, and contribute to more consistent service delivery, reinforcing HART's commitment to safe, reliable, and customer-focused transit operations.

- Paper Farecard Elimination and Fare Structure Change – Plans were initiated on January 5, 2025 to eliminate paper farecards. The transition to paperless farecards aims to modernize fare collection, enhance convenience, increase the usage of Flamingo Fares (e-fare) system and improve the rider experience.

- Route 1 Fare-Free Pilot – On January 5, 2025, HART began a one-year pilot program for Route 1 to provide fare-free service and increase weekday frequencies from every 20 to

every 15 minutes. This pilot was made possible due to a strategic partnership with the City of Tampa where they provided funding for both the added frequency and fare replacement for a year. This route was chosen for the pilot as it is HART's highest ridership route and due to its operating along the future BRT corridor (HART and TPO priority project). Since the pilot has been implemented, average daily ridership has risen to 5,000+ on weekdays, 3,000+ on Saturdays, and 2,500+ on Sundays and route on-time performance (OTP) has improved on weekdays as well. HART staff has worked to collect and document rider, public, and operator feedback on the fare-free pilot program. The pilot will end on January 4, 2026, however, the City has expressed interest in continuing Route 1 frequency improvements and extending them to weekends. As of this time, the City has gotten initial approval of this funding to continue through the first reading of their budget.

- Student Passes - In August 2025, HART's Community Engagement and Retail Sales Departments presented to two schools, Middleton High School and Hillsborough High School where we distributed 200 Flamingo Cards. The purpose of the presentation was to start a pilot program between Hillsborough County Schools(HCPS) and HART to support student attendance and access to transportation.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Hillsborough Transit Authority for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. This was the fourteenth year that the Authority has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized Annual Comprehensive Financial Report that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that HART's current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Financial Operations and Budget and Grants Department and the HART organization. We wish to express our appreciation to all members of the organization who assisted and contributed to the preparation of this report. Credit must also be given to the governing Board of Directors for its unfailing support in maintaining the highest standards of professionalism in the management of the Authority's finances.

Respectfully submitted,

Scott Drainville
Chief Executive Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Hillsborough Transit Authority
Florida

For its Annual Comprehensive Financial Report
For the Fiscal Year Ended

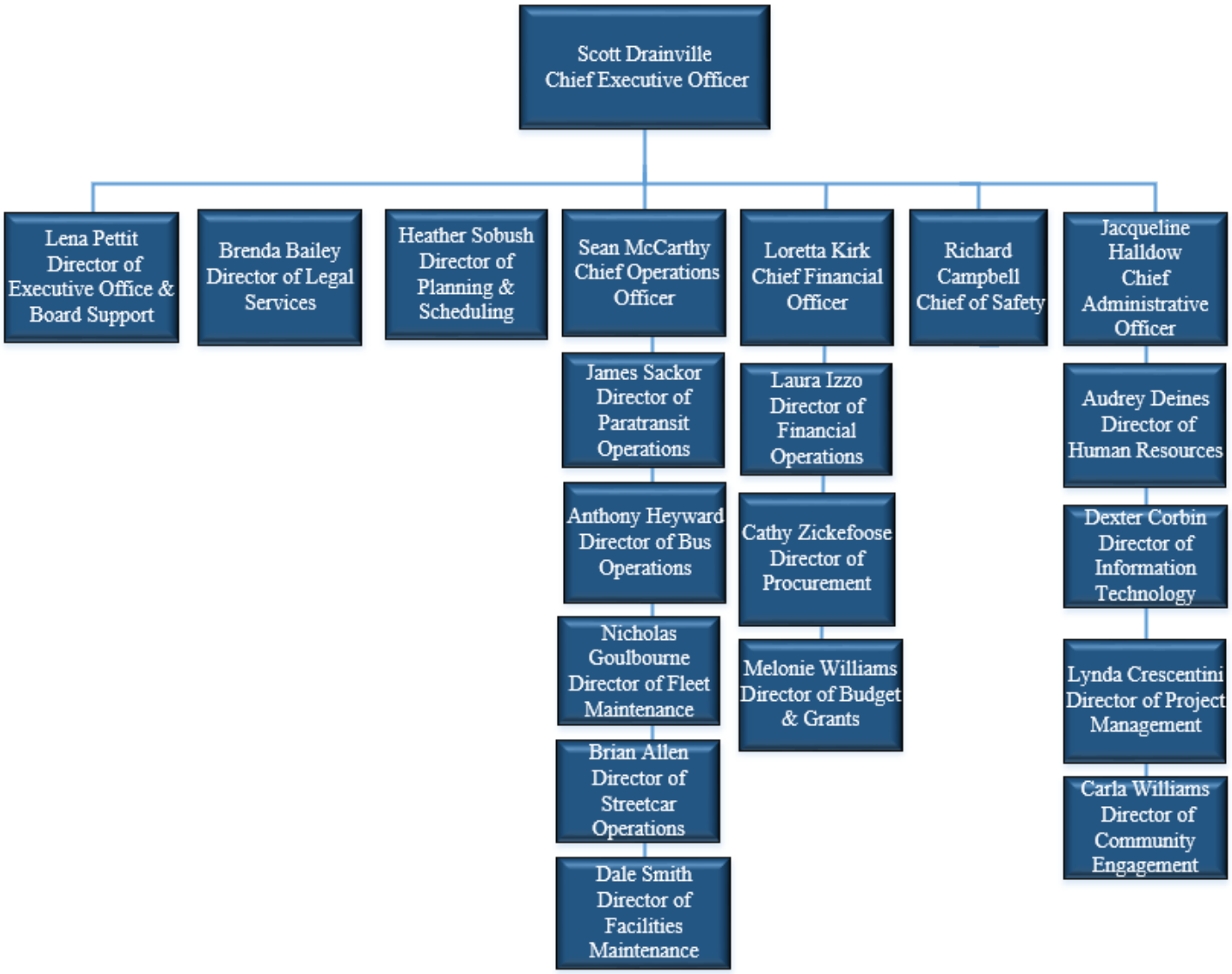
September 30, 2024

Christopher P. Morrill

Executive Director/CEO

HART Organization Chart

As of September 30, 2025



ELECTED AND APPOINTED OFFICIALS
As of September 30, 2025

Board of Directors – Officers
Councilman Luis Viera, Chairperson
Commissioner Joshua Wostal, Vice Chair
Councilmember Gil Schisler, Secretary

Hillsborough County
Commissioner Gwen Myers
Gary Hartfield
Marvin Ray Knight
John King
Commissioner Christine Miller
Commissioner Donna Cameron-Cepeda

City of Tampa
Councilmember Alan Clendenin
David Mechanik
Melonie Williams

City of Temple Terrace
Councilman Gil Schisler

State of Florida
Thomas Hobbs
Brian McElfatrick

Chief Executive Officer
Scott Drainville

General Counsel
Juila Mandell, GrayRobinson

Independent Auditors
Cherry Bekaert, LLP

DIRECTORY OF OFFICIALS
As of September 30, 2025

Scott Drainville, Chief Executive Officer

Loretta Kirk, Chief Financial Officer

Sean McCarthy, Chief Operating Officer

Jacqueline Halldow, Chief Administrative Officer

Richard Campbell, Chief of Safety

Yelena Petit, Director of Executive Office and Board Support

Brenda Bailey, Director of Legal Services

Laura Izzo, Director of Financial Operations

Cathy Zickefoose, Director of Procurement & Contracts

Carla Williams, Director of Community and Business Engagement

Melonie Williams, Director of Budgets & Grants

Nicholas Goulbourne, Director of Fleet Maintenance

Dale Smith, Director of Facilities Maintenance

Anthony Hawyard, Director of Bus Operations

Janes Sakor, Director of Paratransit Operations

Brian Allan, Director of Streetcar Operations

Heather Sobush, Director of Planning & Scheduling

Dexter Corbin, Director of Technology and Innovation

Lynda Crescentini, Director of Enterprise Project Management

Audrey Evans, Director of Human Resources

SECTION II

FINANCIAL SECTION

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

To the Board of Directors
Hillsborough Transit Authority
Tampa, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Hillsborough Transit Authority, a/k/a Hillsborough Area Regional Transit Authority, or HART (the "Authority"), as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of September 30, 2025 and 2024, and the respective changes in financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*, respectively, is presented for the purposes of additional analysis and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Tampa, Florida
March 2, 2026

The following Management's Discussion and Analysis (MD&A) of the Hillsborough Transit Authority's ("the Authority"), financial performance provides an overview of the financial activities for the fiscal years ended September 30, 2025, 2024 and 2023. Please read it in conjunction with the financial statements, which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this report consists of three parts: Management Discussion and Analysis (this section), the basic financial statements and notes to the financial statements, and other supplementary information.

The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as applied to an enterprise fund using an accrual basis of accounting. Under this basis, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred.

Included in the financial statements are the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, the Statement of Cash Flows, and the related notes.

The Statement of Net Position presents information on the Authority's assets and deferred outflows of resources and the liabilities and deferred inflow of resources, of which the difference is net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the Authority is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position present information on the Authority's operating revenues and expenses and non-operating revenues and expenses for the fiscal year. The net income or loss, when combined with capital grant revenue, determines the change in net position for the year. The change in net position is combined with the previous year-end's net position total to arrive at the net position total for this fiscal year.

The Statement of Cash Flows presents information on the Authority's cash and cash equivalents activities for the fiscal year resulting from operating activities, capital and related financing activities, non-capital financing activities and investing activities. The net result of these activities added to the beginning of the year cash balance reconciles to the cash and cash equivalents balance at the end of the current fiscal year.

FY2025 FINANCIAL HIGHLIGHTS

- Net position of the Authority increased by $15,296,959 or 14.6%; $2,073,602 represents a decrease in the net amount invested in capital assets $42,000 represents an increase in restricted net position and $17,328,561 represents an increase in unrestricted net position.

- Operating expense before depreciation and amortization decreased by $538,568 or 0.5%.

- Cash and cash equivalents increased by $19,215,091 or 30.6% primarily due to a $6M increase in the general operating account due to the timing of the ad valorem tax payments from prior year and due to a $9M increase in capital reserves.

- Other Federal funds decreased by $2,209,911 or 93.54% primarily due to the fact that in FY24 the Authority received $2.362M in Fuel Tax Credits which represented credits due for the period 1/1/23 – 9/30/24 (7 fiscal quarters). (This program was enacted by the Inflation Reduction Act. This incentive expired December 31, 2021 and was reinstated through December 31, 2024 by Public Law 117-169). In 2025 HART received the final payment due for the 4th calendar quarter 2024 in the amount of $152,000.

FY2024 FINANCIAL HIGHLIGHTS

- Net position of the Authority increased by $1,052,639 or 1.0%; $8,567,351 represents a decrease in the amount invested in capital assets $391,712 represents an increase in restricted net position and $9,228,278 represents an increase in unrestricted net position.

- Operating expense before depreciation and amortization decreased by $320,236 or .3%.

- Cash and cash equivalents increased by $22M primarily due to a $17M increase in operating reserves.

- In FY24 the Authority received $2.362M in Fuel Tax Credits. This represents credits due for the period 1/1/23 – 9/30/24 (7 fiscal quarters). This program was enacted by the Inflation Reduction Act. This incentive expired December 31, 2021 and was reinstated through December 31, 2024 by Public Law 117-169.

FY2025 FINANCIAL ANALYSIS OF THE AUTHORITY

Statements of Net Position

- Net position serves as a measurement of the Authority's financial position over a period of time. The Authority's assets and deferred outflows exceeded liabilities and deferred inflows by $120,853,884 and $105,556,925 as of September 30, 2025 and 2024, respectively.

- A large portion of the Authority's net position each year represents its net investment in capital assets (i.e., land, buildings and improvements, buses, paratransit vans and non-revenue vehicles and leased assets). The Authority uses these capital assets to provide services to its customers. Net investment in capital assets, including lease assets, as of September 30, 2025 was $2,073,602 lower than September 30, 2024, primarily due to the impact of depreciation.

- The Authority's restricted net position represents funds held in escrow for payment of medical self-insured claims. The Authority's total restricted net position as of September

30, 2025 and 2024 is $747,000 and $705,000 respectively.

- The Authority's unrestricted net position as of September 30, 2025 was $17,328,651 or 166% higher than September 30, 2024 due to a $10,000,000 increase in reserves for capital and a $7,000,000 increase in the general reserve account.

- Additional information on the Authority's capital assets can be found in Note 4 to the financial statements.

FY2024 FINANCIAL ANALYSIS OF THE AUTHORITY

Statements of Net Position

- Net position serves as a measurement of the Authority's financial position over a period of time. The Authority's assets and deferred outflows exceeded liabilities and deferred inflows by $105,556,925 and $104,504,286 as of September 30, 2024 and 2023, respectively.

- A large portion of the Authority's net position each year represents its net investment in capital assets (i.e., land, buildings and improvements, buses, paratransit vans and non-revenue vehicles and leased assets). The Authority uses these capital assets to provide services to its customers. Net investment in capital assets, including lease assets, as of September 30, 2024 was $9,248,092 lower than September 30, 2023, primarily due to the impact of accumulated depreciation.

- The Authority's restricted net position represents funds held in escrow for payment of general liability, workers compensation and medical self-insured claims, funds from private developers as well as FTA liability for assets with federal interest which were retired before their useful life was met. The Authority's total restricted net position as of September 30, 2024 and 2023 is $705,000 and $313,288 respectively.

- The Authority's unrestricted net position as of September 30, 2024 was $9,228,278 higher than September 30, 2023.

- Additional information on the Authority's capital assets can be found in Note 4 to the financial statements.

Table 1
Condensed Statement of Net Position

	2025	2024	Increase (Decrease)	Percent Change 2024 to 2025	2023	Percent Change 2023 to 2024
Assets						
Current and other assets	$ 95,942,206	$ 78,664,786	$ 17,277,420	22.0%	$ 78,190,643	0.6%
Capital assets	92,865,599	95,271,551	(2,405,952)	-2.5%	104,519,643	-8.8%
Total assets	**188,807,805**	**173,936,337**	**14,871,468**	**8.1%**	**182,710,286**	**-4.8%**
Deferred outflows of resources						
Deferred outflows on pension and OPEB related amounts	9,599,809	13,406,323	(3,806,514)	-28.4%	13,613,246	-1.5%
Total deferred outflows of resources	**9,599,809**	**13,406,323**	**(3,806,514)**	**-28.0%**	**13,613,246**	**-1.5%**
Liabilities						
Current liabilities	10,767,302	8,730,968	2,036,334	23.3%	19,925,231	-56.2%
Long-term liabilities	52,994,227	63,908,520	(10,914,293)	-17.1%	69,440,399	-8.0%
Total liabilities	**63,761,529**	**72,639,488**	**(8,877,959)**	**6.2%**	**89,365,630**	**-64.1%**
Deferred inflows of resources						
Deferred inflows on pension and OPEB related amounts	13,792,201	9,146,247	4,645,954	50.8%	2,453,616	272.8%
Total deferred inflows of resources	**13,792,201**	**9,146,247**	**4,645,954**	**50.8%**	**2,453,616**	**272.8%**
Net position:						
Net investment in capital assets	92,385,000	94,458,602	(2,073,602)	-2.2%	103,025,953	-8.3%
Restricted	747,000	705,000	42,000	6.0%	313,288	125.0%
Unrestricted	27,721,884	10,393,323	17,328,561	166.7%	1,165,045	792.1%
Total net position	**$ 120,853,884**	**$ 105,556,925**	**$ 15,296,959**	**14.6%**	**$ 104,504,286**	**1.0%**

OPERATING FINANCIAL ACTIVITY OF THE AUTHORITY

Statements of Revenues, Expenses and Changes in Net Position

The Authority operates as a single enterprise fund providing public transportation to the community. User charges, in the form of passenger fares, as a percentage of total operating revenue were 79.2% for FY2025 and 84.4% for FY2024. User charges in the form of passenger fares as a percentage of operating and non-operating revenue were 6.3% for FY2025 and 8.0% for FY2024. The decrease to fares in FY2025 is primarily due to the Route 1 free fares which began on January 5, 2025. (The local subsidy for this free fare program is reflected in local grant revenue). The cost of providing the remainder of the service was subsidized by ad valorem tax revenue collections and federal, state, and local funding. The Authority's millage rate for the 2025 and 2024 tax year was 0.5000.

FY2025 Operating Results Compared to FY2024

FY2025 operating revenues decreased by 12.4% and, operating expenses, prior to the recognition of depreciation and amortization, decreased by 0.48%.

- Passenger fares decreased $1,721,613 or 17.9% in FY2025, from $9,634,992 in 2024 to $7,912,679 in 2025 due to the Route 1 free fares program. Ridership decreased 819,233 for all modes, from 12,899,295 in FY2024 to 12,080,062 in FY2025 due to the elimination of paper passes and the impact of displaced riders during the September and October 2024 hurricanes.

- Advertising income increased $462,321 or 39.6% in FY2025, from $1,168,639 in FY2024 to $1,630,960 in FY2025. This increase in FY2025 is primarily due to the waiver of the first quarter's minimum guarantee in FY2024.

- Other operating revenues decreased by $159,412 or 26.2% in FY2025, from $608,304 in FY2024 to $449,892 in FY2025. This is primarily due to a decrease in claims recoveries ($426,000).

- Operating expenses reimbursed by grants decreased by $407,939 or 19.2% in FY2025. This is primarily due to the decrease of the expenses for the BRT study ($1,075,000) offset by an increase in the expenses for Streetcar Maintenance ($575,000).

- Property tax proceeds increased $5,076,239 or 6.9% in FY2025. This is due to an increase in taxable assessed values in FY2025 from FY2024.

- Investment income increased $639,457 or 22.2% in FY2025. This is due to an increase in funds held in the Prime interest-bearing accounts and a slight increase in interest rates in 2025.

- Other Federal Funds decreased $2,209,911 or 93.5% in FY2025. This is due to the receipt of only one (1) quarter of fuel credits in FY2025 as compared to seven (7) quarters of alternative fuel tax credits as explained above.

- Federal Operating grants increased $2,051,426 or 11.05% in FY2025. The increase is primarily due to Increase primarily due to 5307 Urbanized Area Formula Grant.

- State Operating grants decreased $794,538 or 9.1% in FY2025. This is primarily due FY2025 reflecting a year with no eligible expenditures between one award ending and the next being executed.

- Local Operating Grants increased by $3,174,401 or 145.9% in FY2025. The increase is primarily due to the reimbursement for the Route 1 Free Fares and FY2025 being the first year a portion of the expenses for Streetcar operations was allocated and reimbursed by local funds.

- Federal Capital grants increased $7,044,582 or 45.4% in FY2025. The increase is primarily due to; CAD/AVL grant FL-2025-007 executed on 1/17/2025. The project was funded in the FY2025 Capital Budget and the Authority started spending the grant in March 2025, BTI grant FL-2024-016 was executed on 4/26/2024. The project was funded in the FY2025 Capital Budget and the Authority started spending the grants in December 2024.

- Salaries and wages increased $1,564,721 or 2.9% in FY2025 from FY2024. This increase is primarily due to an increase in base salaries ($1.740M), an increase in platform route ($706,000), an increase in sick pay $800k, offset by a decrease in Emergency pay ($2.042M).

- Fringe Benefits and pension expense decreased $3,259,360 or 12.4% in FY2025 from FY2024. This decrease is primarily due to a decrease in expenses for the Pension FRS ($3.4M), a decrease in Health Insurance Claims and third-party costs ($1.2M) both offset by an increase in State Pension ($838k) and an increase in Social Security ($457k).

- Contracted services increased by $1,769,251 or 17.6%. This increase is primarily due to an increase in demand for paratransit (taxi) services of which grant funding offsets a portion of these costs.

- Other expenses increased by $403,968 or 17.3% primarily due to merchant service fees ($233,523) and tax collector commission fees ($176,223).

FY2024 Operating Results Compared to FY2023

FY2024 operating revenues increased by 6.7% and operating expenses, prior to the recognition of depreciation and amortization, decreased by 0.3%.

- Passenger fares increased $996,537 or 11.5% in FY2024, from $8,637,755 in 2023 to $9,634,992 in 2024. Ridership increased 353,522 for all modes, from 12,545,773 in FY2023 to 12,899,295 in FY2024.

- Advertising income decreased $492,062 or 29.6% in FY2024, from $1,660,701 in FY2023 to $1,168,639 in FY2024. This is primarily due to the waiver of the first quarter's minimum guarantee.

- Other operating revenues increased by $211,281 or 53.2% in FY2024, from $397,023 in FY2023 to $608,304 in FY2024. This is primarily due to a decrease in gains and losses on disposal of equipment ($242,000) offset by an increase in claims recoveries ($426,000).

- Operating expenses reimbursed by grants increased by $1,760,703 in FY2024. This is primarily due to an increase in consulting fees for BRT study ($1.028M) and an increase in bus maintenance ($596k).

- Ad valorem proceeds increased $7,772,022 or 11.8% in FY2024. This is due to an increase in taxable assessed values in FY2024 from FY2023.

- Investment income increased $926,189 or 47.3% in FY2024. This is due to an increase in funds held in the Prime interest-bearing accounts and an increase in interest rates in 2024.

- Other Federal Funds increased $2,362,491 in FY2024. This is due primarily to the receipt of seven (7) quarters of alternative fuel tax credits. This program is set to expire December 31, 2024.

- Federal Operating grants decreased $20,026,421 in FY2024. The decrease is due to the timing of the earning and recording of the FTA Section 5307 funding.

- Federal Capital grants decreased $10,815,790 in FY2024. This decrease is due primarily to the timing of the purchase of capital assets.

- Salaries and wages increased $2,077,829 or 3.9% in FY2024 from FY2023. This increase is primarily due to an increase in emergency pay ($2.057M), an increase in overtime ($568,000), and an increase in platform route ($831,000). These increases are offset by a decrease in base salaries and severance pay ($1.164M).

- Fringe Benefits and pension expense decreased $8,042,031 or 23.5% in FY2024 from FY2023. This decrease is primarily due to a decrease in expenses for the Pension FRS ($11.529M), offset by an increase in State Pension ($752,000), and an increase in Health Insurance Claims and third-party costs ($3.070M)

- Fuel and lubricants decreased $850,652 or 18.0% in FY2024 from FY2023. This decrease is primarily attributable due to the decrease in fuel prices and HART's acquisition of CNG buses as buses are replaced.

- Parts and supplies increased $567,081 or 10.5% in FY2024 over FY2023.

- Contracted Services increased by $2,319,052 or 30.1%. This increase is primarily due to Paratransit Taxi service which increased from $579,450 in FY2023 to $2.280M in FY2024.

- Claims cost increased by $1,558,505 or 48.9%. This increase is primarily due to an increase in claims ($350,000) and an increase in estimated claims ($1.400M).

- Parts and Supplies increased by $567,081 or 10.5% primarily due to an increase in corrective based supplies and chemicals and cleaners. Total increase in all other expenses is $289,235 or 7.9% primarily due to an increase in Marketing of $30,166, and increase in training of $30,000 and an increase in tax collector commissions.

Table 2
Condensed Statement of Revenues, Expenses and Changes in Net Position

	2025	2024	Increase (Decrease)	Percent Change 2024 to 2025	2023	Percent Change 2023 to 2024
Passenger fares	$ 7,912,679	$ 9,634,292	$ (1,721,613)	-17.9%	$ 8,637,755	11.5%
Advertising	1,630,960	1,168,639	$ 462,321	39.6%	1,660,701	(30)
Other operating revenues	448,892	608,304	$ (159,412)	-26.2%	397,023	53.2%
Total operating revenues	**9,992,531**	**11,411,235**	**(1,418,704)**	**-12.4%**	**10,695,479**	**6.7%**
Salaries and wages	56,271,142	54,706,421	$ 1,564,721	2.9%	52,658,580	-6.9%
Payroll taxes, fringe benefits and workers' compensation	22,947,886	26,207,246	$ (3,259,360)	-12.4%	34,219,289	-6.9%
Fuel and lubricants	3,688,493	3,887,891	$ (199,398)	-5.1%	4,738,543	-18.0%
Parts and supplies	5,827,025	5,950,739	$ (123,714)	-2.1%	5,383,658	10.5%
Other expenses	22,282,670	20,803,657	$ 1,479,013	7.1%	14,876,126	39.8%
Total operating expenses	**111,017,216**	**111,555,954**	**(538,738)**	**-0.5%**	**111,876,196**	**-3.0%**
Operating loss before depreciation	(101,024,685)	(100,144,719)	$ (879,966)	0.9%	(101,180,711)	-1.0%
Depreciation and amortization	12,151,533	13,532,160	$ (1,380,627)	-10.2%	13,037,258	3.8%
Operating loss	**(113,176,218)**	**(113,676,879)**	**500,661**	**-0.4%**	**(114,217,969)**	**-1.3%**
Federal, state and local grants	33,995,439	29,564,150	$ 4,431,289	15.0%	47,007,613	-37.1%
Other Federal Funds	152,580	2,362,491	$ (2,209,911)	-93.5%	-	-100.0%
Property tax proceeds	78,866,887	73,790,648	$ 5,076,239	6.9%	66,018,626	11.8%
Other Income	3,524,259	2,884,802	$ 639,457	22.2%	1,958,613	47.3%
Total non-operating revenues	**116,539,165**	**108,602,091**	**7,937,074**	**7.3%**	**114,984,852**	**-5.6%**
Net Gain (Loss) before capital contributions	**3,362,947**	**(5,074,788)**	$ 8,437,735	-166.3%	**766,883**	**-761.7%**
Capital grants	11,934,012	6,127,427	$ 5,806,585	94.8%	15,957,252	-61.6%
Developer contributed assets	-	-	$ -	0.0%	6,657	100.0%
Increase in net position	**15,296,959**	**1,052,639**	**14,244,320**	**1353.2%**	**16,730,792**	**-93.7%**
Net position at beginning of year	**105,556,925**	**104,504,286**	**$ 1,052,639**	**1.0%**	**87,773,494**	**19.1%**
Net Position at end of year	**$ 120,853,884**	**$ 105,556,925**	**$ 15,296,959**	**12.7%**	**$ 104,504,286**	**1.0%**

CAPITAL ASSETS

The Authority has invested $92.9 million in capital assets (net of accumulated depreciation). 22.2% of the net investment represents buildings and improvements and 26.7% of the net investment represents revenue vehicles at the close of the fiscal year, September 30, 2025.

Capital Assets and Long-Term Debt Administration

The Authority's net investment in capital assets for the fiscal year ending September 30, 2025 included land, buildings and improvements, construction in progress, shelters, computer software and hardware, revenue and other vehicles and equipment net of accumulated depreciation and amortization. (See Note 4, Note 11 and Note 12 to the financial statements for more detailed information).

The Authority has both Leased assets and Subscription-Based Information Technology Agreements (SBITA's). Accounting for these assets is recorded in accordance with GASB 87 and 96 respectively.

Transit Infrastructure Improvements in FY2025 included six (6) new landing and shelter pads built by the Authority throughout the county. The Authority also had thirty-one (31) new shelters installed on new/existing landing pads.

Capital Assets, Net of Accumulated Depreciation and Amortization

			Percent of Total		
	2025	2024	2025	2024	2023
Land	$ 19,043,009	$ 19,043,009	20.0%	20.0%	$ 19,043,009
Constuction work in progress	11,576,676	4,959,361	12.5%	5.2%	4,752,207
Building and Improvements	20,613,448	21,076,331	22.2%	22.1%	22,991,263
Operating and transit related equipment	6,744,289	7,426,005	7.3%	7.8%	6,132,313
Other equipment, fixtures and other vehicles	8,857,810	9,279,447	9.5%	9.7%	9,966,831
Computer equipment and software	734,800	1,467,329	0.8%	1.5%	2,347,629
Revenue Vehicles	24,814,968	31,087,409	26.7%	32.6%	37,672,934
Lease assets	10,601	15,690	0.0%	0.0%	32,940
Subscription-Based Informational Technology Agreements (SBITA)	469,998	916,970	1.0%	1.0%	1,580,517
TOTAL	**$ 92,865,599**	**$ 95,271,551**	**100.0%**	**100%**	**$ 104,519,643**

Additional information regarding capital assets can be found in Note 4 to the financial statements.

Long-Term Debt Administration

	2025	2024	2023
Lease liability	11,181	16,101	33,344
Lease liability - SBITAs	467,826	796,848	1,421,191
Total Long-Term Debt	**479,007**	**812,949**	**1,454,535**

Additional information regarding Long-Term debt administration can be found in Notes 11 and 12 to the financial statements.

ECONOMIC FACTORS AND NEXT YEARS'S BUDGET AND RATES

The Authority's primary source of funding is ad valorem property taxes. The FY2026 adopted budget was based on a .5000 millage rate which is unchanged from FY2025.

The HART Board adopted the FY2026 budget on September 22, 2025.

- The total FY2026 adopted operating and capital budget of $200,608,124 is $9,750,409 greater than the total FY2025 adopted operating and capital budget of 190,857,715 or an increase 5.11%.
- The total FY2026 adopted operating budget of $126,420,186 is $6,958,692 greater than the FY2025 adopted operating budget of $119,461,494, or an increase of 5.83%.

- The FY2026 adopted annual capital budget of $74,187,938 is $2,791,717 greater than the FY2025 adopted capital budget of $71,396,221, or an increase of 3.91%.

REQUESTS FOR INFORMATION

This financial report is intended to provide an overview of the finances of the Authority for those with an interest in this organization. If you have questions concerning information contained within this report, contact Scott Drainville, Chief Executive Officer, Hillsborough Transit Authority, Finance Division, 1201 East 7th Avenue, Tampa, Florida 33605.

BASIC FINANCIAL STATEMENTS

HILLSBOROUGH TRANSIT AUTHORITY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2025 AND 2024

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents-unrestricted (Note 3)	$ 81,173,643	$ 62,000,552
Cash and cash equivalents-restricted (Note 3)	747,000	705,000
Accounts receivable		
Trade and other, net of allowance for uncollectible	1,146,510	1,593,095
Federal grants	4,681,479	857,999
State grants	2,175,666	9,211,866
Local grants	2,132,148	1,335,948
Inventory of replacement parts and supplies	3,250,575	2,552,435
Prepaid expenses	635,185	407,891
Total current assets	**95,942,206**	**78,664,786**
Capital assets		
Land	19,043,009	19,043,009
Construction in progress	11,576,676	4,959,360
Capital assets, net of accumulated depreciation	61,765,314	70,336,522
Lease assets, net of accumulated amortization	10,602	15,690
Subscription-Based Informational Technology Agreements (SBITA), net of accumulated amortization	469,998	916,970
Total capital assets, net (Note 4)	**92,865,599**	**95,271,551**
Total assets	**188,807,805**	**173,936,337**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows on OBEB related amounts	907,847	1,091,771
Deferred outflows on pension related amounts	8,691,962	12,314,552
Total deferred outflows of resources (Note 5 & 8)	**9,599,809**	**13,406,323**
Total Assets and Deferred Outlows	**$ 198,407,614**	**$ 187,342,660**

(Continued)
See accompanying notes to financial statements.

HILLSBOROUGH TRANSIT AUTHORITY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2025 AND 2024

	2025	2024
LIABILITIES		
Current liabilities		
Accounts payable	$ 4,162,094	$ 3,053,630
Accrued expenses	1,647,239	2,599,143
Lease liability due within one year (Note 11)	4,950	4,920
Lease interest payable	17	25
SBITA liability due within one year (Note 12)	327,264	328,454
SBITA interest payable	13,536	23,354
Unearned revenue	2,124,702	763,621
Self insurance and loss contingencies due within one year (Note 9 & 10)	2,202,512	1,786,715
Compensated absences due within one year (Note 10)	284,988	161,106
OPEB liability due within one year (Note 8 & 10)	-	10,000
Total current liabilities	**10,767,302**	**8,730,968**
Long-term liabilities		
Lease liability (Note 11)	6,231	11,181
SBITA liability (Note 12)	140,562	468,394
Self insurance and loss contingency (Note 9 & 10)	4,691,042	4,013,720
Compensated absences (Note 10)	3,713,555	3,399,020
OPEB liability (Note 8 & 10)	1,985,354	2,040,099
Net pension liability (Note 5 & 10)	42,457,483	53,976,106
Total long-term liabilities	**52,994,227**	**63,908,520**
Total liabilities	**63,761,529**	**72,639,488**
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows on OPEB related amounts	1,167,995	1,006,572
Deferred inflows on pension related amounts	12,624,206	8,139,675
Total deferred inflows of resources (Note 5 & 8)	**13,792,201**	**9,146,247**
NET POSITION		
Net investment in capital assets	92,385,000	94,458,602
Restricted - reserves for designated medical liabilty (Note 13)	747,000	705,000
Unrestricted net position (Note 13)	27,721,884	10,393,323
Total net position	**120,853,884**	**105,556,925**
Total Liabilities and Net Position	**$ 198,407,614**	**$ 187,342,660**

See accompanying notes to financial statements.

HILLSBOROUGH TRANSIT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR FISCAL YEARS ENDING SEPTEMBER 30, 2025 AND 2024

	2025	2024
Operating revenues		
Passenger fares	$ 7,912,679	$ 9,634,292
Advertising	1,630,960	1,168,639
Other revenues	448,892	608,304
Total operating revenues	**9,992,531**	**11,411,235**
Operating expenses		
Salaries and wages	56,271,142	54,706,421
Payroll taxes, fringe benefits and workers' compensation	22,947,886	26,207,246
Fuel and lubricants	3,688,493	3,887,891
Parts and supplies	5,827,025	5,950,739
Contracted services	11,799,199	10,029,948
Claims	4,371,283	4,745,851
Utilities	1,225,478	1,114,372
Marketing and promotion	422,042	430,035
Lease Interest Expense	81	140
SBITA Interest Expense	16,659	31,242
Other	2,734,043	2,330,075
Operating expenses reimbursed by grants	1,713,885	2,121,824
Total operating expenses before depreciation and amortization	**111,017,216**	**111,555,784**
Operating (loss) before depreciation	**(101,024,685)**	**(100,144,549)**
Depreciation	11,699,894	12,851,533
Lease amortization	5,089	17,250
SBITA amortization	446,550	663,547
Operating loss	**(113,176,218)**	**(113,676,879)**
Nonoperating revenues		
Operating assistance grants		
Federal	20,682,196	18,630,770
State	7,963,611	8,758,149
Local	5,349,632	2,175,231
Other Federal Funds	152,580	2,362,491
Property tax proceeds	78,866,887	73,790,648
Investment income	3,524,259	2,884,802
Total nonoperating revenues	**116,539,165**	**108,602,091**
Net gain (loss) gain before capital contributions	**$ 3,362,947**	**$ (5,074,788)**

(Continued)
See accompanying notes to financial statements.

HILLSBOROUGH TRANSIT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR FISCAL YEARS ENDING SEPTEMBER 30, 2025 AND 2024

	2025	2024
Net (loss) gain before capital contributions	**$ 3,362,947**	**$ (5,074,788)**
Capital grants		
Federal	11,756,428	4,711,846
State	173,165	1,332,359
Local	4,419	83,222
Total capital contributions	**11,934,012**	**6,127,427**
Increase in net position	**15,296,959**	**1,052,639**
Net position at beginning of year	**105,556,925**	**104,504,286**
Net position at end of year	**$ 120,853,884**	**$ 105,556,925**

See accompanying notes to financial statements.

HILLSBOROUGH TRANSIT AUTHORITY
STATEMENTS OF CASH FLOWS
FOR FISCAL YEARS ENDING SEPTEMBER 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities		
Cash received from customers	$ 9,097,054	$ 10,065,154
Cash paid to employees	(81,961,039)	(79,143,911)
Cash paid to suppliers	(29,504,726)	(40,465,182)
Other receipts	448,892	608,304
Net cash used in operating activities	**(101,919,819)**	**(108,935,635)**
Cash flows from noncapital financing activities		
Operating grants received	39,121,624	40,967,991
Property tax revenues received	78,866,887	73,790,648
Other Federal Funds received	152,580	2,362,491
Net cash provided by (used in) financing activities	**118,141,091**	**117,121,130**
Cash flows from capital and related financing activities		
Purchase of capital assets	(9,754,787)	(4,536,040)
Capital assistance grants	9,224,347	15,509,608
Proceeds from the sale of revenue vehicles	-	3,059
Net cash provided by (used in) capital and related financing activities	**(530,440)**	**10,976,627**
Cash flows from investing activities		
Investment income	3,524,259	2,884,802
Net cash provided by investing activities	**3,524,259**	**2,884,802**
Net change in cash and cash equivalents	19,215,091	22,046,924
Cash and cash equivalents at beginning of year	62,705,552	40,658,628
Cash and cash equivalents at end of year	**$ 81,920,643**	**$ 62,705,552**

(Continued)
See accompanying notes to financial statements.

HILLSBOROUGH TRANSIT AUTHORITY
STATEMENTS OF CASH FLOWS
FOR FISCAL YEARS ENDING SEPTEMBER 30, 2025 AND 2024

	2025	2024
Reconciliation of operating expenses in excess of operating revenues to net cash used in operating activities		
Operating loss	$ (113,176,218)	$ (113,676,879)
Adjustments to reconcile operating expenses in excess of operating revenues to net cash used in operating activities		
Add back depreciation	11,699,894	12,851,533
Add back lease and SBITA amortization	451,639	680,797
Add back pension expense adjustments	(3,411,502)	(96,264)
Add back OPEB expense adjustments	280,604	224,427
Loss on disposal of captial assets	9,205	251,802
Gain on disposal of capital assets	-	(3,059)
(Increase) decrease in accounts receivable	446,585	737,777
(Increase) decrease in inventories	(698,140)	(52,745)
(Increase) decrease in prepaid expenses	(227,294)	101,726
Increase (decrease) in accounts payable	1,108,464	(10,330,804)
Increase (decrease) in accrued expenses	(951,904)	(35,342)
Increase (decrease) in lease and SBITA liability	(333,942)	(641,586)
Increase (decrease) in interest payable	(9,826)	(15,776)
Increase (decrease) in unearned revenue	1,361,081	568,857
Increase (decrease) in self insurance	1,093,119	547,262
Increase (decrease) in accumulated compensated absences	438,416	(47,361)
Total adjustments	**11,256,399**	**4,741,244**
Net cash used in operating activities	**$ (101,919,819)**	**$ (108,935,635)**
Noncash investing, capital or financing transactions		
Lease liability recognized	$ 31	$ 12,323
SBITA liability recognized	-	295,887

See accompanying notes to financial statements.

NOTE 1 – ORGANIZATION AND REPORTING ENTITY

General: Hillsborough Transit Authority, operating and also known as Hillsborough Area Regional Transit Authority, or HART ("the Authority"), was created as a body politic and corporate under Chapter 163, Part V, Sections 163.567, et seq., Florida Statutes, on October 3, 1979. It was chartered for the purpose of providing mass transit service to its two charter members, the City of Tampa ("the City") and the unincorporated areas of Hillsborough County, Florida ("the County"). The Authority may admit to membership any county or municipality contiguous to a member of the Authority upon application and after approval by a majority vote of the entire Board of Directors.

The Authority's Board of Directors is comprised of two directors appointed by the Governor of the State of Florida and a minimum of one director from each member of the Authority. Members are allowed an additional director for each 150,000 persons, or major fraction thereof, resident in those member's jurisdictional limits.

Basis of Presentation: The Authority operates the transit system as a single enterprise fund with operational cost centers to account for costs of services: operations, maintenance, and administration. Ad valorem tax revenues, operating grants and other non-capital grant revenue are classified as non-operating revenue. Capital grants are separately presented in the statements of revenue, expenses and changes in fund net position.

The accompanying financial statements are reported on the accrual basis of accounting, under which, revenues are recognized when earned and measurable and expenses are recognized when incurred.

The Authority's significant financial and accounting policies utilized in formulating these financial statements are as follows:

Cash and Cash Equivalents: The Authority's cash and cash equivalents includes cash on hand, demand deposits, and highly liquid investments which are readily convertible to cash. These are limited to assets with 90 days or less original maturity.

Investment Policy: Florida Statute 218.415 and the Authority's investment policy authorize the Authority to invest surplus funds in the following:

a. Negotiable direct obligations of, or obligations of which the principal and interest are unconditionally guaranteed by the U.S. Government.
b. Interest bearing time deposits or savings accounts in qualified public depositories as defined in Section 280.02, Florida Statutes.
c. Prime commercial paper with the highest credit quality rating from a nationally recognized agency.
d. Tax exempt obligations rated "A" or higher and issued by state and local governments.
e. Money market mutual funds; and
f. Local government investment pools.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Authority invests funds throughout the year with the Local Government Surplus Funds Trust Fund Investment Pool, ("the Pool"), administered by the State Board of Administration (SBA) under the regulatory oversight of State of Florida, Chapter 19-7 of the Florida Administrative Code. The Authority has no investments measured at fair value.

Accounts Receivable: The Authority provides for an allowance for doubtful accounts based on the expected collectability of outstanding balances.

Inventory: Inventory, principally consisting of vehicle replacement parts and operating supplies, is stated at average cost.

Capital Assets: Capital assets are defined by the Authority as assets with an initial, individual cost of more than $1,000. Such assets are recorded at cost and are depreciated using the straight-line method over the estimated useful lives as follows:

Description	Useful Lives (Years)
Building and improvements	5 to 40
Revenue vehicles (includes Streetcars)	4 to 30
Operating and transit related equipment	3 to 15
Other equipment, fixtures and other vehicles	3 to 7
Computer equipment and software	3 to 7

On an annualized basis, the Authority evaluates the useful lives of the capital assets and writes off net capitalized costs of assets with no future value.

Contributed capital assets are reported at acquisition value. 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.

Right-of-Use Assets and Lease Liabilities: HART recognizes lease liabilities and an intangible right-to-use lease asset in the financial statements. HART recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, HART initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life which is the same as its lease term.

Key estimates and judgments related to leases include how HART determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- HART uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, HART generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that HART is reasonably certain to exercise.

HART monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Subscription Based Information Technology Arrangements (SBITA): The Authority has noncancellable SBITA contracts for finance, reporting, and tracking software. The Authority has recognized a SBITA liability and an intangible right-of-use asset (SBITA asset) in the government -wide financial statements. The Authority recognizes SBITAs when the initial measurement of the SBITA liability, based on terms of the SBITA, is $5,000 or more.

At the commencement of the SBITA, the Authority initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the present value of the future lease payments plus any payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term and capitalizable initial implementation costs. Subsequently, the SBITA asset is amortized on a straight-line basis over the lesser of the estimated useful lives of the individual assets or the term of the related SBITA agreement. The SBITA term includes the non-cancellable period of the SBITA.

Key estimates and judgments related to SBITAs include how the Authority determines the discount rate it uses to discount the expected SBITA payments to present value, SBITA term and SBITA payments. The Authority uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the Authority uses its estimated incremental borrowing rate as the discount rate for SBITAs.

The Authority monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with capital assets and SBITA liabilities are reported with current and noncurrent liabilities on the statements of net position.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unearned Revenue: Unearned Revenue is considered a liability until it becomes relevant to the business at hand, such as payment received for work not performed or revenues received which have not been earned.

Compensated Absences: The cost of paid time off accrued as a liability for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash.

The compensated absences liability also includes other salary-related costs incrementally associated with the payment of compensated absences such as the Authority's share of Social Security and Medicare taxes.

Pensions: In the statement of net position, liabilities are recognized for the Authority's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the FRS defined benefit plan and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post Employment Benefits (OPEB): In the statement of net position, a liability is recognized for the Authority's OPEB liability as determined by an actuarial review of the healthcare coverage purchased by retirees to continue participation in the Authority's self-insured health plan. The Authority is responsible for covering the excess of retiree claims over premium payments made by retirees to the Authority, which creates another post-employment benefit. OPEB expense is recognized immediately for changes in the OPEB liability resulting from current-period service cost, interest on the total OPEB liability and changes of benefit terms.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The deferred outflows of resources reported in the Authority's statement of net position represent amounts that will be recognized as increases in pension and OPEB expense in future years.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported in the Authority's statement of net position represent amounts that will be recognized as reductions in pension and OPEB expense in future years.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position: The statement of net position presents the difference between assets and deferred outflows of resources and the difference between liabilities and deferred inflows of resources. Net position is reported as restricted when there are legal limitations imposed on use by laws or regulations of other governments or external restrictions by creditors, grantors or from external parties that require funds to be segregated and used only for specific purposes. Unrestricted net position may be designated for specific purposes at the option of the Authority's Board of Directors. If restricted and unrestricted net position is available for the same purpose, then restricted will be used before unrestricted.

Net Investment in Capital Assets: Capital assets, and right-to-use assets and subscription-based assets net of accumulated depreciation and amortization, less outstanding balances of any obligations or other payables that are attributable to the acquisition, construction or improvement of those assets, represents the Authority's investment in capital assets.

Passenger Fares: Passenger cash fares are recorded as revenue at the farebox. Multi-issue passes are recorded as revenue when used.

Operating Revenue: Revenues resulting from the normal operations of the Authority such as fares and advertising are considered operating revenue.

Non-Operating Revenue: Income that the authority receives that is not part of normal business operations such as operating assistance grants, property tax revenue, and interest income are considered non-operating revenue.

Property Tax Revenue: The Authority has been determined to be an "Independent Special District" as described in Section 189.403, Florida Statutes, and is authorized to levy an ad valorem tax of up to one-half mill (.50) on the taxable value of real and tangible personal property within the jurisdiction of its members. Chapter 165.570, Florida Statutes, allows the Authority to levy up to a three- mill levy, subject to public referendum. Property tax collections are governed by Chapter

197, Florida Statutes. The Hillsborough County Tax Collector bills and collects all property taxes levied within the County. Discounts of 4, 3, 2, and 1% are allowed for early payment in November, December, January, and February, respectively.

The Tax Collector remits collected taxes at least monthly to the Authority. The Authority recognizes property tax revenue on a cash basis as it is received from the Tax Collector throughout the fiscal year. An estimate is then accrued at the end of the year for current fiscal year taxes not yet received.

Property taxes are levied annually based on the value of real property and tangible personal property as assessed on January 1 and are collected from November through the following March. Accordingly, these revenues are recognized in the same fiscal period in which payment is collected.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Valuation Date	January 1
Levy Date	October 1
Due Date	November 1
Delinquent Date	April 1
Tax Certificate Sale	On or before June 1

Other Federal Funds: Revenues received from the federal government for Alternative Fuel Credits based on HART's Compressed Natural Gas (CNG) usage.

Operating Expenses: Operating expenses include the cost of providing transit service and administrative support which includes wages, benefits, supplies, purchased services, utilities, and other expenses.

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

Recently Issued Accounting Pronouncements – In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvement*s. The objective of this Statement is to improve key components of the financial reporting mode to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, all all reporting periods thereafter. Earlier application is permitted. The Authority is currently evaluating the impacts of this statement on its financial statements.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34, Basic Financial Statements and Management Discussions and Analysist for State and Local Governments. This Statement also requires additional disclosures for capital assets held for sale. The requirements of this statement are effective for fiscal years beginning after June 15, 2025 and all reporting periods thereafter. Earlier application is permitted. The Authority is currently evaluating the impacts of this statement on its financial statements.

NOTE 3 – CASH AND CASH EQUIVALENTS

The carrying value of the Authority's cash and cash equivalents as of September 30, 2025 and 2024 is as follows:

NOTE 3 – CASH AND CASH EQUIVALENTS (continued)

	For year ended 9/30/2025	For year ended 9/30/2024
Cash and cash equivalents		
Cash on hand	$ 27,854	$ 32,837
Demand deposits	22,285,858	13,832,612
Imprest accounts	1,010,000	1,010,000
Florida State Board of Administration - Florida PRIME	58,596,931	47,830,103
Total	**$ 81,920,643**	**$ 62,705,552**

The Federal Deposit Insurance Corporation (FDIC) insures the balances up to $250,000 for each banking relationship. The remaining balances are collateralized pursuant to Chapter 280, Florida Statutes. The Authority's procedures have been to replenish the bank accounts with transfers from the interest-bearing accounts at the Florida State Board of Administration Local Government Surplus Trust Fund Investment Pool to cover cash needs.

State Board of Administration (SBA): The SBA manages Florida PRIME, a 2a-7-like pool, carried at an amortized cost. A 2a-7-like pool is not registered with the Securities and Exchange Commission (SEC) as an investment company but has a policy that it operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, which regulates money market funds. Therefore, Florida PRIME operates essentially as a money market fund and the Authority's position in Florida PRIME is considered to be equivalent to its fair value.

Regulatory oversight of the SBA is provided by three state of Florida elected officials designated as trustees: the Governor serves as Chairman of the SBA; the Chief Financial Officer serves as Treasurer of the SBA; and the Attorney General serves as Secretary of the SBA. External oversight of the State Board of Administration is provided by the Investment Advisory Council, which reviews investment performance, strategy and decision-making, provides insight, advice and counsel on these and other matters when appropriate. Audit oversight is also provided by the state of Florida Auditor General.

Qualifying local government investment pools (LGIPs) in the state of Florida must comply with applicable Florida statutory requirements. Chapter 218.409(8)(a), Florida Statutes, states that the principal balance within a LGIP trust fund is subject to withdrawal at any time. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on the liquidity or operations of the trust fund, for 48-hour limit contributions to or withdrawals from the trust fund to ensure that the Board can invest in the monies entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the

NOTE 3 – CASH AND CASH EQUIVALENTS (continued)

Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council.

With regard to liquidity fees, Chapter 218.409(4) provides authority for a LGIP to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made by the SBA.

At September 30, 2025 and 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value within Florida PRIME.

Custodial Risk: For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As authorized by the Authority's investment policy, the Authority invests its surplus funds with the Local Government Surplus Funds Trust Fund Investment Pool administered by the State Board of Administration (SBA) under the regulatory oversight of State of Florida, Chapter 19-7 of the Florida Administrative Code.

Credit Risk: Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. Per the Authority's investment policy, the Authority invests in the investment pool administered by the SBA. As part of the SBA, Florida Prime is rated by Standard & Poor's with an 'AAAm' rating.

Interest Rate Risk: The dollar weighted average days to maturity (WAM) of Florida PRIME at September 30, 2025 and 2024 was 47 days and 39 days. The weighted average life (WAL) of Florida PRIME at September 30, 2025 and 2024 was 73 days and 74 days. The Authority's investment policy does not set limits for investment maturities. As of September 30, 2025 and 2024, all of the Authority's excess cash was invested with the State Board of Administration Local Government Surplus Trust Funds Investment Pool.

Foreign Currency Risk: Florida PRIME was not exposed to any foreign currency risk for the year ended September 30, 2025 and 2024.

Concentration of Credit Risk: Concentration of credit risk is the risk associated with a government's investment in a single issuer. HART's investment policy allows for the Authority to be 100% invested in external local government investment pools. The Authority is entirely invested in the SBA's Florida PRIME.

NOTE 4 – CAPITAL ASSETS

Capital asset activity and balance for the fiscal years ending September 30, 2025 and 2024 are summarized below:

NOTE 4 – CAPITAL ASSETS (continued)

Description	Balance October 1, 2024	Additions and Reclasses	Deletions	Balance September 30, 2025
Non-depreciable capital assets				
Land	$ 19,043,009	$ -	$ -	19,043,009
Construction work in progress *	4,959,361	9,250,574	2,633,259	11,576,676
Total non-depreciable capital assets	24,002,370	9,250,574	2,633,259	30,619,685
Depreciable assets				
Buildings and improvements	77,906,256	1,393,651	28,061	79,271,846
Operating and transit related equipment	36,850,508	1,209,184	353,565	37,706,127
Other equipment, fixtures, and other vehicles	24,683,609	265,929	30,976	24,918,562
Computer equipment and software	15,967,855	263,908	139,465	16,092,298
Revenue vehicles	84,635,470	4,800	4,691,917	79,948,353
Lease assets	36,045	-	-	36,045
Subscription-Based Informational Technology Agreements (SBITA)	2,174,383	-	715,426	1,458,957
Total depreciable capital assets	242,254,126	3,137,472	5,959,410	239,432,188
Less accumulated depreciation and amortization				
Buildings and improvements	56,829,925	1,856,533	28,060	58,658,398
Operating and transit related equipment	29,424,503	1,882,117	344,782	30,961,838
Other equipment, fixtures, and other vehicles	15,404,162	687,566	30,976	16,060,752
Computer equipment and software	14,500,526	996,437	139,465	15,357,498
Revenue vehicles	53,548,061	6,277,241	4,691,917	55,133,385
Lease assets	20,355	5,089		25,444
Subscription-Based Informational Technology Agreements (SBITA)	1,257,413	446,550	715,004	988,959
Total accumulated depreciation and amortization	170,984,945	12,151,533	5,950,204	177,186,274
Total depreciable assets, net	71,269,181	(9,014,061)	9,206	62,245,914
Total capital assets, net	$ 95,271,551	$ 236,513	$ 2,642,465	92,865,599

* The construction work in progress at September 30, 2025 is primarily related to bus shelters and facility renovations.

NOTE 4 – CAPITAL ASSETS (continued)

Description	Balance October 1, 2023	Additions and Reclasses	Deletions	Balance September 30, 2024
Non-depreciable capital assets				
Land	$ 19,043,009	$ -	$ -	$ 19,043,009
Construction work in progress *	4,752,207	543,762	336,608	4,959,361
Total non-depreciable capital assets	23,795,216	543,762	336,608	24,002,370
Depreciable assets				
Buildings and improvements	77,870,785	35,471	-	77,906,256
Operating and transit related equipment	33,732,622	3,405,067	287,181	36,850,508
Other equipment, fixtures, and other vehicles	24,696,858	6,850	20,099	24,683,609
Computer equipment and software	16,280,383	150,103	462,631	15,967,855
Revenue vehicles	87,699,134	731,395	3,795,059	84,635,470
Lease assets	92,378	-	56,333	36,045
Subscription-Based Informational Technology Agreements (SBITA)	2,276,940	-	102,557	2,174,383
Total depreciable capital assets	242,649,100	4,328,886	4,723,860	242,254,126
Less accumulated depreciation and amortization				
Buildings and improvements	54,879,522	1,950,403	-	56,829,925
Operating and transit related equipment	27,600,309	2,047,996	223,802	29,424,503
Other equipment, fixtures, and other vehicles	14,730,027	694,234	20,099	15,404,162
Computer equipment and software	13,932,754	1,027,154	459,382	14,500,526
Revenue vehicles	50,026,200	7,131,746	3,609,885	53,548,061
Lease assets	59,438	17,250	56,333	20,355
Subscription-Based Informational Technology Agreements (SBITA)	696,423	663,547	102,557	1,257,413
Total accumulated depreciation and amortization	161,924,673	13,532,330	4,472,058	170,984,945
Total depreciable assets, net	80,724,427	(9,203,444)	251,802	71,269,181
Total capital assets, net	$ 104,519,643	$ (8,659,682)	$ 588,410	$ 95,271,551

* The construction work in progress at September 30, 2024 is primarily related to bus shelters and facility renovations.

NOTE 4 – CAPITAL ASSETS (continued)

Right-to-Use Assets

Right-to-use activity and balance for the years ended September 30, 2025 and 2024 is summarized below:

September 30, 2025

	Balance September 30, 2024	Additions	Subtractions	Balance September 30, 2025
Assets				
Equipment	$ 36,045	$ -	$ -	$ 36,045
	36,045	-	-	36,045
Less: Accumulated Amortization				
Equipment	20,355	5,089	-	25,444
	20,355	5,089	-	25,444
Total Right-to-use, net	**$ 15,690**	**$ 5,089**	**$ -**	**$ 10,601**

September 30, 2024

	Balance September 30, 2023	Additions	Subtractions	Balance September 30, 2024
Assets				
Equipment	$ 36,045	$ -	$ -	$ 36,045
Copy Machine	56,333	-	56,333	-
	92,378	-	56,333	36,045
Less: Accumulated Amortization				
Equipment	15,267	5,088	-	20,355
Copy Machine	44,171	12,162	56,333	-
	59,438	17,250	56,333	20,355
Total Right-to-use, net	**$ 32,940**	**$ 17,250**	**$ -**	**$ 15,690**

NOTE 4 – CAPITAL ASSETS (continued)

Subscription-Based Informational Technology Agreements Assets (SBITA)

SBITA activity and balance for the fiscal years ending September 30, 2025 and 2024 are summarized below:

September 30, 2025

	Balance September 30, 2024	Additions	Subtractions	Balance September 30, 2025
Assets				
SBITAS	$ 2,174,383	$ -	$ 715,426	$ 1,458,957
	2,174,383	-	715,426	1,458,957
Less: Accumulated Amortization				
SBITAS	1,257,413	446,550	715,004	988,959
	1,257,413	446,550	715,004	988,959
Total SBITA, net	**$ 916,970**	**$ 446,550**	**$ 422**	**$ 469,998**

September 30 ,2024

	Balance September 30, 2023	Additions	Subtractions	Balance September 30, 2024
Assets				
SBITAS	$ 2,276,940	$ -	$ 102,557	$ 2,174,383
	2,276,940	-	102,557	2,174,383
Less: Accumulated Amortization				
SBITAS	696,423	663,547	102,557	1,257,413
	696,423	663,547	102,557	1,257,413
Total SBITA, net	**$ 1,580,517**	**$ 663,547**	**$ -**	**$ 916,970**

NOTE 5 – DEFINED BENEFIT PENSION PLANS

Background

The Florida Retirement System (FRS) was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution plan is the FRS Investment Plan, which is administered by the State Board of Administration. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Authority are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The Authority's pension (benefit) totaled ($2,857,003) and ($6,215,236) for both the FRS Pension Plan and HIS Plan for the fiscal year ended September 30, 2025 and 2024, respectively.

The Authority's deferred outflows totaled $8,691,962 and $12,314,552 for both the FRS Pension Plan and HIS plan for the fiscal year ended September 30, 2025 and 2024, respectively.

The Authority's deferred inflows totaled $12,624,206 and $8,139,675 for both the FRS Pension Plan and HIS plan for the fiscal year ended September 30, 2025 and 2024, respectively.

The Authority's net pension liability totaled $42,457,483 and $53,976,106 for both the FRS Pension and HIS plan for the fiscal year ended September 30, 2025 and 2024, respectively.

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. There are five (5) classes of membership, as follows:

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions in state and local governments who fill compulsory and designated positions participate in the Senior Management Service Class (SMSC). Members of the Elected Officers' Class (EOC) may elect to participate in the SMSC in lieu of the EOC.
- *Special Risk Class* – Members who are employed as law enforcement officers, firefighters, firefighter trainers, fire prevention officers, state fixed-wing pilots for aerial firefighting surveillance, correctional officers, emergency medical technicians, paramedics, community-based correctional probation officers, youth custody officers (from July 1, 2001, through June 30, 2014), certain health-care related positions within state forensic or correctional facilities, or specified forensic employees of a medical examiner's office or a law enforcement agency, and meet the criteria to qualify for this class.
- *Special Risk Administrative Support Class* – Former Special Risk Class members who are transferred or reassigned to nonspecial risk law enforcement, firefighting, emergency medical care, or correctional administrative support positions within an FRS special risk-employing agency.
- *Elected County Officers Class (EOC)* – Members who are elected state and county officers and the elected officers of cities and special districts that choose to place their elected officials in this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six (6) years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight (8) years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to four (4) years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

Deferred Retirement Option Program (DROP), subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned. The following chart shows the percentage value for each year of service credit earned.

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

Florida Retirement System

	% Value (per year of service)
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60%
Retirement at age 63 or with 31 years of service	1.63%
Retirement at age 64 or with 32 years of service	1.65%
Retirement at age 65 or with 33 or more years of service	1.68%
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60%
Retirement at age 66 or with 34 years of service	1.63%
Retirement at age 67 or with 35 years of service	1.65%
Retirement at age 68 or with 36 or more years of service	1.68%
Special Risk Class	
Service from Dec. 1, 1970 through Sept. 30, 1974	2.00%
Service on and after Oct. 1, 1974	3.00%
Special Risk Administrative Support Class members initially enrolled before July 1, 2011	
(With six or more years of special risk service, the service in this class counts towards special risk normal retirement; otherwise, Regular Class requirements apply.)	
Retirement up to age 55; or up to 25 total years special risk service; or at age 52 with 25 years (if total service includes wartime military service)	1.60%
Retirement at age 56; or with 26 total years special risk service; or at age 53 with 26 years (if total service includes wartime military service)	1.63%
Retirement at age 57; or with 27 total years special risk service; or at age 54 with 27 years (if total service includes wartime military service)	1.65%
Retirement at age 58; or with 28 total years special risk service; or at age 55 with 28 years (if total service includes wartime military service)	1.68%
Special Risk Administrative Support Class members initially enrolled on or after July 1, 2011	
(With eight or more years of special risk service, the service in this class counts towards special risk normal retirement; otherwise, Regular Class requirements apply.)	
Retirement up to age 60; or up to 30 total years special risk service	1.60%
Retirement at age 61; or with 31 total years special risk service	1.63%
Retirement at age 62; or with 32 total years special risk service	1.65%
Retirement at age 63; or with 33 total years special risk service	1.68%
Elected Officers' Class	
Service as Supreme Court Justice, district court of appeal judge, circuit court judge, or county court judge	3.33%
Service as Governor, Lt. Governor, Cabinet Officer, Legislator, state attorney, public defender, elected county officer, or elected official of a city or special district that chose EOC membership for its elected officials	3.00%
Senior Management Service Class	2.00%

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The employer contribution rates by job class for the periods from October 1, 2024 through June 30, 2025 and from July 1, 2025 through September 30, 2025, respectively, were applied to employee salaries as follows: Regular – 14.03% and 13.63%; Special Risk Administrative Support – 39.48% and 39.82%; Special Risk – 35.19% and 32.79%; Senior Management Service – 34.52% and 33.24%; Elected Officers' – 54.75% and 58.68%; and DROP participants – 22.02% and 21.13%. These employer contributions rates include the appropriate retirement contribution rate, HIS contribution rate of 2% from July 1, 2025 through September 30, 2025 and 2% for October 1, 2024 through June 30, 2025, administrative/educational fee of 0.06% for both 2025 and 2024 and any applicable UAL rates. The Authority's contributions to the FRS Plan were $5,148,871 and $5,140,125 for the years ended September 30, 2025 and 2024, respectively.

Pension Costs

On September 30, 2025 and 2024, the Authority reported a liability of $26,763,387 and $35,115,148, respectively, for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of July 1. The Authority's proportion of the net pension liability was based on the Authority's contributions received by FRS during the measurement period for employer payroll paid dates from July 1 through June 30, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2025, the Authority's proportion was 0.0862%, which was a decrease of 0.0045% from its proportion measured as of June 30, 2024. At June 30, 2024, the Authority's proportion was 0.0908%, which was a decrease of 0.0010% from its proportion measured as of June 30, 2023.

For the year ended September 30, 2025, the Authority recognized pension (benefit) of ($2,606,345) for its proportionate share of FRS's pension expense. In addition, the Authority reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 2,858,611	$ -
Changes in Actuarial Assumptions	3,107,924	-
Net Difference Between Projected and Actual Earnings on Pension Plan	-	4,468,417
Differences Between Authority Contributions and Proportionate Share of Contributions	648,944	3,067,921
Authority Contributions Subsequent to the Measurement Date	1,215,245	-
Total	$ 7,830,724	$ 7,536,338

$1,215,245 reported as deferred outflows of resources related to pensions resulting from Authority contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ending September 30		Amount
2026		$ 3,986,520
2027		(1,556,706)
2028		(2,044,077)
2029		(915,208)
2030		(391,388)
Thereafter		-
	TOTAL	$ (920,859)

For the year ended September 30, 2024, the Authority recognized pension expense (benefit) of ($5,475,935) for its proportionate share of FRS's pension expense. In addition, the Authority reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 3,547,573	$ -
Changes in Actuarial Assumptions	4,812,852	-
Net Difference Between Projected and Actual Earnings on Pension Plan	-	2,333,935
Differences Between Authority Contributions and Proportionate Share of Contributions	1,376,914	2,515,027
Authority Contributions Subsequent to the Measurement Date	1,194,959	-
Total	$ 10,932,298	$ 4,848,962

Actuarial Assumptions

The total pension liability in the July 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per year
Salary Increases	3.50%, Average, Including Inflation
Investment Rate of Return	6.70%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the PUB-2010 projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2021 valuation was based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

The long-term expected rate of return on pension plan investments was not based on historical returns but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation, as outlined in the FRS Plan's investment policy, and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed Income	29.0%	5.5%	5.4%	4.0%
Global Equity	45.0%	8.5%	6.9%	18.3%
Real Estate (Property)	12.0%	8.4%	7.1%	16.8%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.5%	6.1%	8.7%
Totals	100%			
Assumed Inflation - Mean			2.4%	1.5%

The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per year
Salary Increases	3.50%, Average, Including Inflation
Investment Rate of Return	6.70%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the PUB-2010 projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation, as outlined in the FRS Plan's investment policy, and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed Income	29.0%	5.7%	5.6%	3.9%
Global Equity	45.0%	8.6%	7.0%	18.2%
Real Estate (Property)	12.0%	8.1%	6.8%	16.6%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.6%	6.2%	8.7%
Totals	100%			
Assumed Inflation - Mean			2.4%	1.5%

Discount Rate

The discount rate used to measure the total pension liability in the July 1, 2025 and 2024 actuarial valuation was 6.70% for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net positions are projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

The following presents the Authority's proportionate share of the net pension liability for the FRS Plan for fiscal year 2025, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase
FRS Plan Discount Rate	5.70%	6.70%	7.70%
Entity's Proportionate Share of the FRS Plan Net Pension Liability (Asset)	$52,522,733	$ 26,763,387	$ 5,167,123

The following presents the Authority's proportionate share of the net pension liability for the FRS Plan for fiscal year 2024, calculated using the discount rate disclosed in the preceding paragraph,

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase
FRS Plan Discount Rate	5.70%	6.70%	7.70%
Entity's Proportionate Share of the FRS Plan Net Pension Liability (Asset)	$ 61,766,316	$ 35,115,148	$ 12,789,142

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary's net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website (www.dms.myflorida.com).

Payables to the Pension Plan

On September 30, 2025 reported $293,991 outstanding contributions to the pension plan.

On September 30, 2024 HART reports no payables for outstanding amounts of contributions to the pension plan.

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the fiscal years ended June 30, 2025 and June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with minimum HIS payment of $30 and a maximum HIS payment of $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under one of the state-administered retirement systems must provide proof of health insurance coverage, which may include Medicare.

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2025, the contribution rate was 2% of payroll pursuant to section 112.363, Florida Statutes. For the fiscal year ended June 30, 2024, the contribution rate was 2% of payroll pursuant to section 112.363, Florida Statutes. The Authority contributed 100% of its statutorily required contributions for the current and preceding three (3) years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The Authority's contributions to the HIS Plan were $1,094,352 and $1,064,480 respectively, for the years ended September 30, 2025 and 2024, respectively.

Pension Costs

On September 30, 2025 and 2024, the Authority reported a liability of $15,694,096 and $18,860,958 respectively, for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, and the total pension liability used to calculate the net pension liability was determined by annual actuarial valuations as of July 1. The Authority's proportion of the net pension liability was based on the Authority's contributions received during the measurement period for employer payroll paid dates from July 1 through June 30, relative to the total employer contributions received from all participating employers. On June 30, 2025, the Authority's proportion was 0.1224%, which was a decrease of 0.0033% from its proportion measured as of June 30, 2024. On June 30, 2024, the Authority's proportion was 0.1258%, which was a decrease of 0.0071% from its proportion measured as of June 30, 2023.

For the year ended September 30, 2025, the Authority recognized pension benefit of $(250,658) for its proportionate share of HIS's pension expense. In addition, the Authority reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 93,683	$ 24,896
Changes in Actuarial Assumptions	138,910	3,795,999
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	13,062
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	378,763	1,253,911
Authority Contributions Subsequent to the Measurement Date	249,881	-
Total	$ 861,238	$ 5,087,868

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

$249,881 reported as deferred outflows of resources related to pensions resulting from Authority contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ending September 30	Amount
2026	$ (889,255)
2027	(1,118,156)
2028	(1,017,305)
2029	(641,772)
2030	(413,140)
Thereafter	(396,883)
	$ (4,476,511)

For the year ended September 30, 2024, the Authority recognized pension benefit of ($739,301) for its proportionate share of HIS's pension expense. In addition, the Authority reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 182,115	$ 36,216
Changes in Actuarial Assumptions	333,795	2,232,895
Net Difference Between Projected and Actual Earnings on HIS Program Investments	-	6,823
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	621,458	1,014,779
Authority Contributions Subsequent to the Measurement Date	244,886	-
Total	$ 1,382,254	$ 3,290,713

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions

The total pension liability in the July 1, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.40% per year
Salary Increases	3.50%, Average, Including Inflation
Municipal Bond Rate	5.20%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021. The actuarial assumptions used in the July 1, 2022 valuation was based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

The total pension liability in July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.40% per year
Salary Increases	3.50%, Average, Including Inflation
Municipal Bond Rate	3.93%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018. The actuarial assumptions used in the July 1, 2022 valuation was based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability in the July 1, 2025 and 2024 actuarial valuation was 5.20% and 3.93% respectively for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

Pension Liability Sensitivity

The following presents the Authority's proportionate share of the net pension liability for the HIS Plan for FY2025, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase
HIS Plan Discount Rate	4.20%	5.20%	6.20%
Authority's Proportionate Share of the HIS Plan Net Pension Liability	$ 17,697,620	$ 15,694,096	$ 14,013,777

The following presents the Authority's proportionate share of the net pension liability for the HIS Plan for FY2024, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase
HIS Plan Discount Rate	2.93%	3.93%	4.93%
Authority's Proportionate Share of the HIS Plan Net Pension Liability	$ 21,470,775	$ 18,860,957	$ 16,694,386

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan's fiduciary's net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial

Report. That report may be obtained through the Florida Department of Management Services website (www.dms.myflorida.com).

Payables to the HIS Plan

On September 30, 2025 HART reported $6,000 outstanding contributions to the HIS plan.

On September 30, 2024 HART reported no payables for outstanding amounts of contributions to the HIS plan.

NOTE 6 – DEFINED CONTRIBUTION PLAN

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Authority employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 % of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2024-25 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, were as follows: Regular class 8.60%, Special Risk Administrative Support class 10.43%, Special Risk class 19.11%, Senior Management Service class 9.98% and County Elected Officers class 13.95%. These allocations include a required employee contribution of 3% of gross compensation for each member-class.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested or these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the years ended September 30, 2025 and 2024, the information for the number of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Authority.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the finds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

NOTE 6 – DEFINED CONTRIBUTION PLAN (continued)

The Authority's investment plan pension expense totaled $1,835,716 and $701,133 for the fiscal years ended September 30, 2025 and 2024 respectively. Employee contributions to the investment plan totaled $363,357 and $169,524 for the years ended September 30, 2025 and 2024 respectively.

NOTE 7 – OTHER PENSION PLANS

Deferred Compensation Plan: All full-time employees are eligible to participate in the Authority's Deferred Compensation Plan. The deferred compensation plan is governed by the Internal Revenue Code (IRC) 457 savings plan authorized by Congress. Under the plan, an employee contributes a set sum each pay period to an investment account in the employee's name. Deferred compensation is a voluntary, payroll-deducted retirement program which offers the opportunity of setting aside a portion of income on a pre-tax basis and investing those monies into one or more funds selected by the employee. Contributions to the investment account are made out of pretax income and the earnings of the account are not taxed until they are withdrawn, usually at retirement. In an effort to encourage employees to save for their retirement, the company will match the employee's contribution dollar for dollar up to the equivalent of three and one-half (3 ½) percent of the employee's salary on an annual basis. The Authority's contribution was $955,210 for FY 2025 $868,063 for FY 2024. This contribution is included in the payroll taxes, fringe benefits and workers' compensation in the accompanying Statements of Revenues, Expenses, and Changes in Net Position.

City of Tampa Pension Plan: The Authority is required by the City of Tampa to pay retirement benefits to employees that transitioned from the City to the Authority on March 1, 1980, but chose to remain in the City of Tampa Pension Fund. The Authority's contribution was $34,405 for FY 2025 and $37,772 for FY 2024. This contribution is included in the payroll taxes, fringe benefits, and workers' compensation in the accompanying Statements of Revenues, Expenses, and Changes in Net Position.

NOTE 8 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The Authority administers a single employer defined benefit healthcare plan that provides medical insurance benefits to its employees and their eligible dependents. As required by Florida Statute 112.0801, the Authority allows retirees to purchase healthcare coverage at the same group insurance rates that current employees are charged, but it is incumbent upon the retiree to pay for this coverage. This practice results in an implicit rate subsidy and creates an OPEB liability based on the theory that retirees have higher utilization of health care benefits than active employees. Unless the premium rate for retirees is set to fully recover their health costs, the premium for active employees is implicitly overstated to subsidize utilization by retirees. Similarly, unless the premium rate for retirees is set to fully recover their health costs, the premium for retirees is understated. The difference creates an implicit rate subsidy. This rate subsidy is considered a benefit that should be included in OPEB valuations.

NOTE 8 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Eligibility

Employees are eligible to continue the group insurance coverage after retirement for themselves,

their spouses and dependent children provided that the following requirements are met. Employees hired prior to July 1, 2011 and retired at age 62 with at least 6 years of service or 30 years of creditable service. Employees hired on or after July 1, 2011 and retired at age 65 with at least 8 years of service or 33 years of creditable service. The surviving spouses and dependent children who are covered under any of HART sponsored health plans do not have the right to continue coverage upon the death of the HART employee/retiree.

Participant Data

The actuarial valuation was based on personnel information as of September 30, 2024. Following are some of the pertinent characteristics from the personnel data as of that date. Both age and service have been determined using years and months as of the valuation date.

Health Care Participants	2024
Active Participants	
Number	785
Average Age	48
Average Service	7
Inactive Participants	
Retirees and Surviving Spouses	2
Average Age	65
Covered Spouses	0
Average Age	0
Total Participants	787

Contributions

Current Pre 65/Post 65 retirees who retired from active employment contribute 100% of the following premiums:

NOTE 8 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Tier	2024 Retiree Premium Paid Monthly
Retiree Only	$ 1,110.47
Retiree + Spouse	$ 2,259.93
Retiree + Child(ren)	$ 1,938.55
Family	$ 3,177.10

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of September 30, 2025 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	4.50%
Discount Rate as of September 30, 2024	3.81% (based on the municipal bond rate)
Discount Rate as of September 30, 2025	4.90% (based on the municipal bond rate)

Health Care Participation Rate Future Retirees	The assumption was made that 30% of current active employees not yet age 65 would elect coverage by retirement age and 8% of current active employees age 65 and over would elect coverage by retirement age.

Health Care Cost Trend Rates

Year	Medical w/Rx Pre-65	Medical w/Rx Post-65
2024 to 2025	6.25%	5.25%
2025 to 2026	6.00%	5.00%
2026 to 2027	5.75%	4.75%
2027 to 2028	5.50%	4.50%
2028 to 2029	5.25%	4.25%
2029 to 2030	5.00%	4.00%
2030 to 2031	4.75%	4.00%
2031 to 2032	4.50%	4.00%
2032 to 2033	4.25%	4.00%
2033 to 2034	4.00%	4.00%
2034 to 2035	4.00%	4.00%
2036+	4.00%	4.00%

Mortality Rates	PUB-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).

NOTE 8 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Changes in Assumptions or Other Inputs Since Prior Measurement Date

Method Changes

There has been no change.

Benefit Term Changes

There are no changes of benefit terms.

Assumption Changes

The financial accounting valuation reflects the following assumption changes:

- The discount rate increased from 3.81% as of September 30, 2024 to 4.90% as of September 30, 2025 to reflect changes in the Bond Buyer GO 20-Bond Municipal Bond Index.

Total OPEB Liability

The method used to calculate the service cost and accumulated post-retirement benefit obligation for determining OPEB expense is the entry age normal cost method. Under this cost method, the actuarial accrued liability is based on a prorated portion of the present value of all benefits earned to date over expected future working life time as defined by GASB. The proration is determined so that the cost with respect to service accrued from date of hire is recognized as a level percentage of pay each year. The normal cost is equal to the prorated cost for the year of valuation. Since this is a single employer benefit plan and does not have a special funding situation, it is required to recognize a liability equal to the total OPEB liability.

Shown below are details regarding the total OPEB liability for the Measurement Period from October 1, 2024 to September 30, 2025:

NOTE 8 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Description		Total OPEB Liability
Balance Recognized at 9/30/2024 (Based on 9/30/2024 Measurement Date)	$	2,050,099
Changes Recognized for the Fiscal Year:		
Service Cost		247,716
Interest on the Total OPEB Liability		87,436
Changes of Benefit Terms		-
Differences Between Expected and Actual		-
Changes of Assumptions		(394,108)
Benefit Payments		(5,789)
Net Changes		(64,745)
Balance Recognized at 9/30/2025 (Based on 9/30/2025 Measurement Date)	$	1,985,354

Shown below are details regarding the total OPEB liability for the Measurement Period from October 1, 2023 to September 30, 2024:

Description		Total OPEB Liability
Balance Recognized at 9/30/2023 (Based on 9/30/2023 Measurement Date)	$	1,664,814
Changes Recognized for the Fiscal Year:		
Service Cost		160,635
Interest on the Total OPEB Liability		73,804
Changes of Benefit Terms		-
Differences Between Expected and Actual		957,903
Changes of Assumptions		(791,818)
Benefit Payments		(15,239)
Net Changes		385,285
Balance Recognized at 9/30/2024 (Based on 9/30/2024 Measurement Date)	$	2,050,099

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended September 30, 2025, the Authority recognized OPEB expense of $286,000. In addition, the Authority reported deferred outflow of resources and deferred inflow of resources from the following sources:

NOTE 8 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Actual and Expected Experience	$ 732,369	$ 201,430
Assumption Changes	175,478	966,565
Total	$ 907,847	$ 1,167,995

Amounts recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expenses as follows:

Year End September 30:	
2026	$ (47,443)
2027	(46,430)
2028	(31,487)
2029	(26,869)
2030	(37,109)
Thereafter	(70,810)
	$ (260,148)

For the year ended September 30, 2024, the Authority recognized OPEB expense of $251,865. In addition, the Authority reported deferred outflow of resources and deferred inflow of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Actual and Expected Experience	$ 868,511	$ (264,282)
Assumption Changes	223,260	(742,290)
Total	$ 1,091,771	$ (1,006,572)

Amounts recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expenses as follows:

Year End September 30:	
2025	$ 5,226
2026	6,544
2027	7,557
2028	22,501
2029	27,119
Thereafter	16,252
	$ 85,199

NOTE 8 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Interest Rate Sensitivity

The following table illustrates the impact of interest rate sensitivity on the total OPEB liability for fiscal year ended September 30, 2025:

	2025		
	1% Decrease 3.90%	Current Rate 4.90%	1% Increase 5.90%
Total OPEB Liability	$2,376,000	$1,985,354	$1,675,000

The following table illustrates the impact of interest rate sensitivity on the total OPEB liability for fiscal year ended September 30, 2024:

	2024		
	1% Decrease 2.81%	Current Rate 3.81%	1% Increase 4.81%
Total OPEB Liability	$2,453,000	$2,050,099	$1,730,000

Healthcare Cost Trend Sensitivity

The following table illustrates the impact of healthcare cost trend sensitivity on the total OPEB Liability for fiscal year ended September 30, 2025:

	2025		
	1% Decrease 6.75%	Trend Rate 7.75%	1% Increase 8.75%
Total OPEB Liability	$1,596,000	$1,985,000	$2,501,000

The following table illustrates the impact of healthcare cost trend sensitivity on the total OPEB Liability for fiscal year ended September 30, 2024:

	2024		
	1% Decrease 6.75%	Trend Rate 7.75%	1% Increase 8.75%
Total OPEB Liability	$1,648,000	$2,050,099	$2,582,000

NOTE 9 – SELF INSURANCE AND LOSS CONTINGENCIES

The Authority is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 1987, the Authority established a self-insurance program for general liability claims. During 1990, the Authority established a self-insurance program for its workers' compensation claims. The Authority also established a medical self-insured program effective January 1, 2012. Workers' compensation and medical insurance claims are administered internally by the Authority and a third-party administrator.

The liabilities currently provided are based upon an actuarial study which is performed annually by an outside professional.

Self-insured claims, liability limitations and methods used to limit the exposures are as follows:

General Liability Claims: The Authority's exposure for general liability, including vehicle, property and bodily injury, is subject to the State of Florida sovereign immunity laws, which provide loss limits of $200,000 per person and $300,000 per occurrence.

Workers' Compensation Claims: The Authority has excess coverage provided by Safety National Insurance Company subject to a $600,000 per occurrence deductible.

Property Damage Insurance Coverage: The Authority has an insurance policy for property damage with a $25,000 deductible per occurrence for all perils; with a three percent Total Insured Value (TIV) subject to a minimum of $35,000 for named wind storms.

Unemployment Compensation: The Authority is fully self-insured and payments are made quarterly, based on actual claims, to the Florida Department of Revenue, Florida Unemployment Compensation Fund.

Group Medical: Effective January 1, 2012, the Authority transitioned to self-insured coverage for health care insurance benefits. To mitigate against substantial claims exposure, The Authority has contracted for stop-loss coverage for claims in excess of $150,000.

The liability as of September 30, 2025 was $6,893,554. These are based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires liability for claims to be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

NOTE 9 – SELF INSURANCE AND LOSS CONTINGENCIES (continued)

Description	2025	2024	2023
Beginning balance	$ 5,800,435	$ 5,253,173	$ 6,064,180
Current year claims and changes in estimate	13,117,792	15,612,973	11,352,516
Claims payments	(12,024,673)	(15,065,711)	(12,163,523)
Ending balance	6,893,554	5,800,435	5,253,173
Amount due within one year	$ 2,202,512	$ 1,786,715	$ 2,845,294

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2025:

Balance at September 30, 2025

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	More than One Year
Self insurance and loss contingencies	$ 5,800,435	$ 13,117,792	$(12,024,673)	$ 6,893,554	$ 2,202,512	$ 4,691,042
Lease liability	16,101	30	(4,950)	11,181	4,950	6,231
SBITA liability	796,848	-	(329,022)	467,826	327,264	140,562
Compensated absences	3,560,127	438,416	-	3,998,543	284,988	3,713,555
Net pension liability	53,976,106	-	(11,518,623)	42,457,483	-	42,457,483
Total OPEB liability	2,050,099	-	(64,745)	1,985,354	-	1,985,354
Total long-term liabilities	$ 66,199,716	$ 13,556,238	$(23,942,013)	$ 55,813,941	$ 2,819,714	$ 52,994,227

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES (continued)

Long-term liability activity for the year ended September 30, 2024:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	More than One Year
Self insurance and loss contingencies	$ 5,253,173	$ 15,612,973	$(15,065,711)	$ 5,800,435	$ 1,786,715	$ 4,013,720
Lease liability	33,345	12,323	(29,567)	16,101	4,920	11,181
SBITA liability	1,421,190	295,887	(920,229)	796,848	328,454	468,394
Compensated absences	3,607,488	47,359	(94,720)	3,560,127	161,107	3,399,020
Net pension liability	61,132,782	-	(7,156,676)	53,976,106	-	53,976,106
Total OPEB liability	1,664,814	385,285	-	2,050,099	10,000	2,040,099
Total long-term liabilities	$ 73,112,792	$ 16,353,827	$(23,266,903)	$ 66,199,716	$ 2,291,196	$ 63,908,520

NOTE 11 – LEASE LIABILITIES

The Authority has entered into right-to-use leases for the use of equipment and copiers. The right -to-use assets have been recorded at the present value of future contract payments at the date of their inception at an interest rate of 0.62%.

Total future minimum lease payments under the lease agreement are as follows:

For the year ended September 30, 2025

Maturity Analysis	Principal	Interest	Total Payments
Year Ending 2026-09	4,950	58	5,008
Year Ending 2027-09	4,981	27	5,008
Year Ending 2028-09	1,250	2	1,252
Total Future Payments	$ 11,181	$ 87	$ 11,268

For the year ended September 30, 2024

Maturity Analysis	Principal	Interest	Total Payments
Year Ending 2025-09	$ 4,920	$ 88	$ 5,008
Year Ending 2026-09	4,950	58	5,008
Year Ending 2027-09	4,981	27	5,008
Year Ending 2028-09	1,250	2	1,252
Total Future Payments	$ 16,101	$ 175	$ 16,276

NOTE 12 –Subscription-Based Information Technology Arrangements (SBITAs) Liabilities

The Authority has entered into SBITAs for finance, reporting, and tracking software for a period of 2 to 6 years and an incremental borrowing rate of 0.27% to 3.37% percent. The SBITAs have been recorded at the present value of the future contract payments as of the date of their inception or, for SBITAs existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at October 1, 2023.

Total future minimum SBITA payments under the SBITA agreements are as follows:

For the year ended September 30, 2025

Maturity Analysis	Principal	Interest	Total Payments
Year Ending 2026-09	327,264	15,539	342,803
Year Ending 2027-09	45,413	4,690	50,103
Year Ending 2028-09	49,760	3,196	52,956
Year Ending 2029-09	45,389	1,553	46,942
Total Future Payments	$ 467,826	$ 24,978	$ 492,804

For the year ended September 30, 2024

Maturity Analysis	Principal	Interest	Total Payments
Year Ending 2025-09	$ 328,454	$ 26,461	$ 354,915
Year Ending 2026-09	327,112	15,575	342,687
Year Ending 2027-09	45,304	4,726	50,030
Year Ending 2028-09	49,725	3,230	52,955
Year Ending 2029-09	46,253	1,583	47,836
Total Future Payments	$ 796,848	$ 51,575	$ 848,423

For the year ended September 30, 2025 and 2024, the Authority had no variable payments that were based on user seats.

For the year ended September 30, 2025 and 2024, the Authority had no other payments, such as termination penalties, not previously included in the measurement of the subscription liability.

For the year ended September 30, 2025 and 2024, the Authority had no commitments under SBITAs before the commencement of the subscription term or any losses associated with an impairment.

NOTE 13 – UNRESTRICTED AND RESTRICTED NET POSITION

The Authority's unrestricted net position as of September 30, 2025, was $27,721,884 and as of September 30, 2024 was $10,393,323. The Authority's restricted net position as of September 30, 2025 was $747,000 and as of September 30, 2024 was $705,000. These funds are restricted for medical risk liability.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

The Authority receives federal and state grants that are subject to financial and compliance audits by grantor agencies, which, if instances of material noncompliance are found, may result in disallowable expenditures. Any disallowed expenditures may become a liability of the Authority and affect the Authority's continued participation in specific programs. It is management's opinion that no material liabilities will result from such grantor audits.

The Authority is a defendant in various litigation incidental to its routine operations. In the opinion of the Authority, based upon the number of damages alleged in the various cases and facts currently known, the potential liabilities in these cases will not materially affect the Authority's financial position.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events were evaluated through the report date and there were none found that need to be disclosed.

REQUIRED SUPPLEMENTAL INFORMATION

HILLSBOROUGH TRANSIT AUTHORITY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2025

Florida Retirement System Pension Plan	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's Proportion of the Net Pension Liability	0.086235777%	0.090772697%	0.100473317%	0.100390928%	0.096316563%	0.087619426%	0.087846167%	0.084403818%	0.088678260%	0.083875483%
Authority's Proportionate Share of the Net Pension Liability	$ 26,763,387	$ 35,115,149	$ 40,035,437	$ 37,353,493	$ 7,275,622	$ 37,975,550	$ 30,252,997	$ 25,422,868	$ 26,230,434	$ 21,178,625
Authority's Covered Payroll	$ 45,540,381	$ 47,718,516	$ 47,838,818	$ 43,159,255	$ 41,373,772	$ 35,835,279	$ 35,264,645	$ 32,844,936	$ 34,349,769	$ 32,152,579
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	58.77%	73.59%	83.69%	86.55%	17.59%	105.97%	85.79%	77.40%	76.36%	65.87%
Plan Fiduciary Net Position as a Percentage of the total Net Pension Liability	82.38%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

Retiree Health Insurance Subsidy Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's Proportion of the Net Pension Liability	0.122443257%	0.125731524%	0.132843659%	0.130130414%	0.127952745%	0.125247093%	0.122731291%	0.117813858%	0.124699170%	0.119854302%
Authority's Proportionate Share of the Net Pension Liability	$ 15,694,096	$ 18,860,957	$ 21,097,345	$ 13,782,889	$ 15,695,328	$ 15,292,466	$ 13,732,403	$ 12,469,551	$ 13,333,411	$ 13,968,522
Authority's Covered Payroll	$ 54,947,305	$ 53,283,660	$ 52,728,409	$ 47,555,425	$ 45,776,824	$ 43,548,361	$ 41,091,798	$ 38,496,059	$ 39,250,189	$ 37,260,356
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	28.56%	35.40%	40.01%	28.98%	35.86%	35.12%	33.42%	32.39%	33.97%	37.49%
Plan Fiduciary Net Position as a Percentage of the total Net Pension Liability	4.12%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

Note: The Amounts Presented for Each Fiscal Year were Determined as of June 30.

HILLSBOROUGH TRANSIT AUTHORITY
SCHEDULE OF CONTRIBUTIONS
FOR FISCAL YEAR END SEPTEMBER 30, 2025

Florida Retirement System Pension Plan	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 5,148,871	$ 5,140,125	$ 4,833,413	$ 4,368,962	$ 3,954,965	$ 2,942,778	$ 2,810,946	$ 2,508,308	$ 2,305,879	$ 2,191,784
Contributions in Relation to the Contractually Required Contribution	$ (5,148,871)	$ (5,140,125)	$ (4,833,413)	$ (4,368,962)	$ (3,954,965)	$ (2,942,778)	$ (2,810,946)	$ (2,508,308)	$ (2,305,879)	$ (2,191,784)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's Covered Payroll	$ 43,157,074	$ 48,275,254	$ 46,210,238	$ 43,982,880	$ 38,244,143	$ 34,183,924	$ 35,792,529	$ 33,169,710	$ 34,937,134	$ 33,369,552
Contributions as a Percentage of Covered Payroll	11.93%	10.65%	10.46%	9.93%	10.34%	8.61%	7.85%	7.56%	6.60%	6.57%

Retiree Health Insurance Subsidy Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 1,094,352	$ 1,064,480	$ 873,869	$ 800,287	$ 784,810	$ 700,464	$ 696,320	$ 644,240	$ 669,012	$ 639,553
Contributions in Relation to the Contractually Required Contribution	$ (1,094,352)	$ (1,064,480)	$ (873,869)	$ (800,287)	$ (784,810)	$ (700,464)	$ (696,320)	$ (644,240)	$ (669,012)	$ (639,553)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's Covered Payroll	$ 55,271,049	$ 53,926,047	$ 51,162,123	$ 48,471,023	$ 43,770,929	$ 42,223,521	$ 42,009,042	$ 38,846,705	$ 39,797,742	$ 38,767,502
Contributions as a Percentage of Covered Payroll	1.98%	1.97%	1.71%	1.65%	1.79%	1.66%	1.66%	1.66%	1.68%	1.65%

Note: The Amounts Presented for Each Fiscal Year were Determined as of September 30.

HILLSBOROUGH TRANSIT AUTHORITY
SCHEDULE OF CHANGES IN OPEB
FOR FISCAL YEAR END SEPTEMBER 30, 2025

	Fiscal Year Ended									
	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Total OPEB Liability										
Service Cost	247,716	160,635	155,153	36,159	158,994	$110,011	$90,448	102,296	$111,561	$100,373
Interest Cost	87,436	73,804	65,208	35,946	35,022	34,578	45,568	43,885	33,711	36,603
Changes of Benefit Terms	-	-	-	-		-	-		-	-
Differences Between Expected and Actual Experiences	0	957,903	0	48,302	(48,446)	(278,215)	(11,186)	(262,813)	17,633	(40,345)
Changes of Assumptions	(394,108)	(791,818)	(4,428)	(60,038)	(3,649)	363,040	72,488	20,913	(27,727)	27,186
Benefit Payments	(5,789)	(15,239)	(36,126)	(141,802)	(2,349)	14,944	(28,711)	12,475	(55,835)	(5,960)
Net Change in Total OPEB Liability	(64,745)	385,285	179,807	(81,433)	139,572	244,358	168,607	(83,244)	79,343	117,857
Total OPEB Liability (Beginning)	2,050,099	1,664,814	1,485,007	1,566,440	1,426,868	1,182,510	1,013,903	1,097,147	1,017,804	899,947
Total OPEB Liability (Ending)	$ 1,985,354	$2,050,099	$1,664,814	$1,485,007	$1,566,440	$1,426,868	$1,182,510	$1,013,903	$1,097,147	$1,017,804
Covered-employee payroll	$48,147,171	$46,073,848	$44,735,000	$42,808,377	$41,373,771	$34,117,868	$27,458,002	$24,563,703	$26,113,584	$24,565,983
Total OPEB liability as a percentage of covered-employee payroll	4.12%	4.45%	3.72%	3.47%	3.79%	4.18%	4.31%	4.13%	4.20%	4.14%
Plan Fiduciary Net Position										
Contributions - Employer	5,789	15,239	36,126	141,802	2,349	(14,944)	28,711	(12,475)	55,835	5,960
Contributions - Member	0	0	0	0	0	0	0	0	0	0
Net Investment Income	0	0	0	0	0	0	0	0	0	0
Benefit Payments	(5,789)	(15,239)	(36,126)	(141,802)	(2,349)	14,944	(28,711)	12,475	(55,835)	(5,960)
Administrative Expense	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	0	0	0	0	0	0	0	0	0	0
Plan Fiduciary Net Position (Beginning)	0	0	0	0	0	0	0	0	0	0
Plan Fiduciary Net Position (Ending)	0	0	0	0	0	0	0	0	0	0
Net OPEB Liability (Ending)	$1,985,354	$2,050,099	$1,664,814	$1,485,007	$1,566,440	$1,426,868	$1,182,510	$1,013,903	$1,097,147	$1,017,804
Net Position as a Percentage of OPEB Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered-Employee Payroll	$48,147,171	$46,073,848	$44,735,000	$42,808,377	$30,582,516	$34,117,868	$27,458,002	$24,563,703	$26,113,584	$24,565,983
Net OPEB Liability as a Percentage of Payroll	4.12%	4.45%	3.72%	3.47%	5.12%	4.18%	4.31%	4.13%	4.20%	4.14%

Notes to Schedule:

Changes of benefit terms: There are no changes of benefit terms.

- The discount rate was updated from 3.81%, to 4.90%.
- The was no change to the marriage assumption rate.
- The participation assumption is 8% based on recent participation experience.
- The retirement and termination tables were updated to the Florida Retirement System Actuarial Valuation as of June 30, 2023.
- The base mortality table is based on the PUB-2010 “General Classification amounts-weighted mortality tables.
- The mortality improvement scale is based on the MP-2020 projected generationally from 2010.
- Retirement, withdrawal and disability rates were updated to the Florida Retirement System Actuarial Valuation as of June 30, 2023.
- There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

OTHER SUPPLEMENTAL INFORMATION

HILLSBOROUGH TRANSIT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2025

GRANTOR / PROGRAM TITLE	Federal Assistance Listing Number	Federal Grant Number	FY 2025 Program Expenditures	FY 2025 Transfers to Subrecipients
Direct Federal Grantor Grants				
U.S. Department of Transportation - Federal Transit Administration				
Capital Investment Grants				
State of Good Repair HM Rehab/Renov	20.500	FL-04-0167	-	-
FY14 State of Good Repair Discretionary Program	20.500	FL-04-0167	$ 445,317	-
Total Federal Transit Capital Investment Grants			**445,317**	-
Urbanized Area Formula Program				
FY19 Urbanized Area Formula Program	20.507	FL-2019-066	-	-
FY20 Urbanized Area Formula Program	20.507	FL-2020-066	109,938	-
FY21 Urbanized Area Formula Program	20.507	FL-2021-073	190,358	-
FY22 Urbanized Area Formula Program	20.507	FL-2023-024	1,355,758	-
FY23 Urbanized Area Formula Program	20.507	FL-2023-075	510,453	-
FY24 Urbanized Area Formula Program	20.507	FL-2024-070	20,734,476	-
FY19 Surface Transportation Block Program	20.507	FL-2020-024	2,587,999	-
FY20 Surface Transportation Block Program	20.507	FL-2021-010	3,992,000	-
Total Urbanized Area Formula Program			**29,480,982**	-
State of Good Repair Formula Grant Program				
FY17 State of Good Repair Formula Grant Program	20.525	FL-2020-062	-	-
FY17 State of Good Repair Formula Grant Program	20.525	FL-2020-062	1,480	-
FY20&21 State of Good Repair Formula Grant Program	20.525	FL-2023-030	175,377	-
FY22&23 State of Good Repair Formula Grant Program	20.525	FL-2023-079	732,226	-
Total State of Good Repair Formula Grant Program			**909,083**	-
Total Bus & Bus Facilities Formula Program				
FY16 Bus and Bus Facilities Formula Program	20.526	FL-2017-065	-	-
FY18 Bus and Bus Facilities Formula Program	20.526	FL-2019-095	-	-
FY18 Bus and Bus Facilities Formula Program	20.526	FL-2019-095	114,589	-
FY20&21 Bus and Bus Facilities Formula Program	20.526	FL-2023-022	46,133	-
Total Bus & Bus Facilities Formula Program			**160,722**	-
Total Federal Transit Administration Cluster	20.500, 20.507, 20.525, 20.526		**30,996,104**	-
Community Project Funding Program				
FY23 Community Project Funding Program	20.534	FL-2024-016	1,442,521	-
Total Community Project Funding Program			**1,442,521**	-
Total Direct Federal Grantor Grants			**$ 32,438,625**	$ -

HILLSBOROUGH TRANSIT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2025

GRANTOR / PROGRAM TITLE	Federal ALN Number	Federal Grant Number	FY 2025 Program Expenditures	FY 2025 Transfers to Subrecipients
Pass-through Federal Grant Awards				
Florida Department of Transportation (Pass-through from the Federal Transit Administration)				
Enhanced Mobility of Seniors and Individuals with Disabilities Program	20.513	452497-1-84-23	$ 750,000	$ -
Total Transit Services Progam Cluster			750,000	-
Total Pass-through Federal Assistance			**750,000**	-
Grand Total Expenditures of Federal Awards			**33,188,625**	-

GRANTOR / PROGRAM TITLE	State CSFA Number	State Project Number	FY 2025 Program Expenditures	FY2025 Transfers to subrecipients
Direct State Financial Assistance				
Florida Department of Transportation				
Commuter Assistance Program / Ride Share Grants - Park & Ride Seal Coating (G3064)	55.007	412534-1-84-24	55,140	-
Total Commuter Assistance / Ride Share Program			**55,140**	-
Public Transit Block Grant Program (G3564)	55.010	402251-1-84-24	6,607,283	-
Total Public Transit Block Grant Program			**6,607,283**	-
Public Transit Service Development Program - Heavy Maintenance Facility (G1K16)	55.012	443140-1-94-01	118,025	
Total Public Transit Service Development Program			**118,025**	-
Transit Corridor Development Program - Route 34 (G3566)	55.013	430322-1-84-23	303,164	-
Transit Corridor Development Program - Route 400 (G3565)	55.013	430322-1-84-24	303,164	-
Total Transit Corridor Development Program			**606,328**	-
Total State Grant Awards			**7,386,776**	
Total Expenditures of Federal Awards and State Grant Awards			**$ 40,575,401**	

(Continued)

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

HILLSBOROUGH TRANSIT AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes federal and state activity of the Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the Florida Single Audit Act, and Chapter 10.550, Rules of the Auditor General of the State of Florida. The grants reflect transactions for the fiscal year irrespective of the year of grant award and, accordingly, the Schedules do not include a full year's activity for grants awarded or terminated on dates not coinciding with the aforementioned year.

NOTE 2 – CONTINGENCIES

The federal programs and state projects shown in the Schedule of Expenditures of Federal Awards and State Financial Assistance are subject to financial and compliance audits by grantor agencies, which, if instances of material noncompliance are found, may result in disallowable expenditures, and affect the Authority's continued participation in specific programs. Any disallowed expenditures may become a liability of the Authority and affect the Authority's continued participation in specific programs. It is management's opinion that no material liabilities will result from such grantor audits.

NOTE 3 – BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards and state financial assistance is reported on the accrual basis of accounting, under which revenues are recognized when earned and measurable and expenses are recognized when incurred.

NOTE 3 – INDIRECT COSTS

The Authority has elected not to use the 15-percent de minimis indirect cost rate as is allowed under the Uniform Guidance.

SECTION III

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Authority's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Authority's most significant local revenue source, the property tax.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the Authority provides and the activities it performs.

Debt Capacity Data

These schedules contain service and infrastructure data to help the reader assess the sources of debt and understand how the information in the government's financial report relates to the Authority's off-balance sheet commitments.

Note: The statistical section contains "Unaudited" data.

Statistical Section

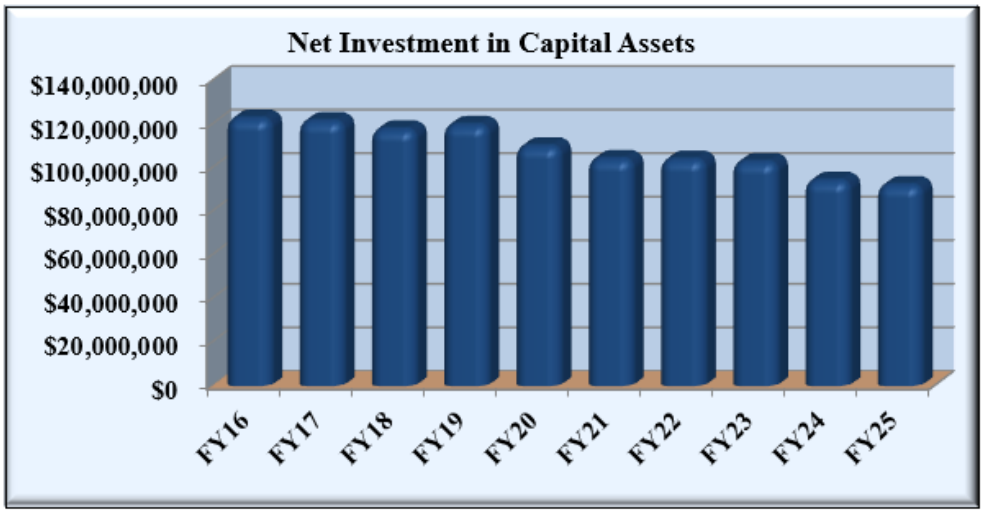
Financial Trends

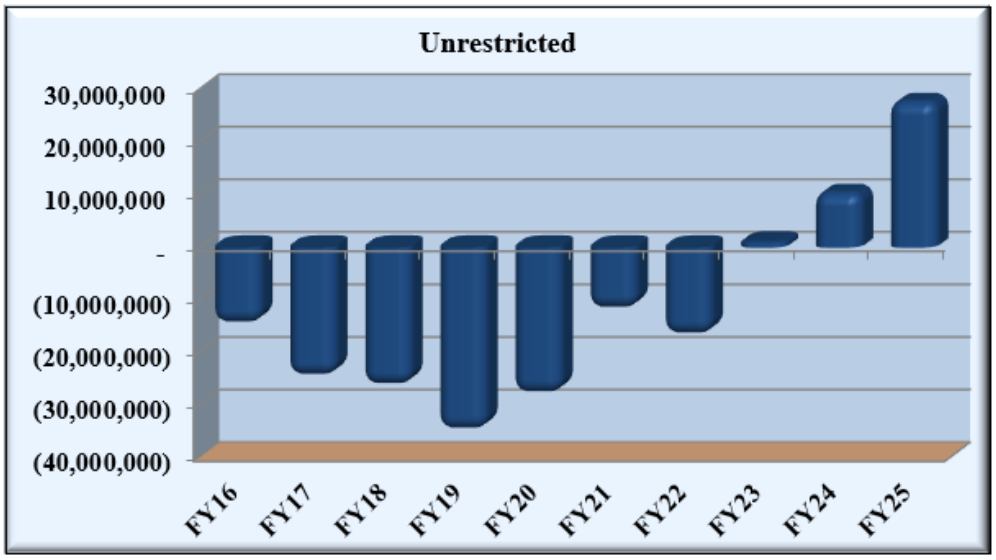
- Net Position by Component (FY2016 to FY2025).
- Statement of Assets, Deferred Outflows, Liabilities, Deferred Inflows & Net Position (FY2016 to FY2020).
- Statement of Assets, Deferred Outflows, Liabilities, Deferred Inflows & Net Position (FY2021 to FY2025).
- Statement of Revenues, Expenses, & Changes in Net Position (FY2016 to FY2020).
- Statement of Revenues, Expenses, & Changes in Net Position (FY2021 to FY2025).

NET POSITION BY COMPONENT
FY2016 to FY2025

	FY2016	FY2017	FY2018	FY2019	FY2020
NET POSITION					
Net Investment in Capital Assets	$ 122,976,936	$ 121,766,602	$ 117,985,314	$ 120,027,532	$ 110,229,835
Restricted	610,800	1,037,807	1,037,807	85,625,022	197,353,969
Unrestricted	(14,589,739)	(24,544,597)	(26,301,549)	(34,808,461)	(27,878,361)
Total Net Position	$ 108,997,997	$ 98,259,812	$ 92,721,572	$ 170,844,093	$ 279,705,443

	FY2021	FY2022	FY2023	FY2024	FY2025
NET POSITION					
Net Investment in Capital Assets	$ 104,384,887	$ 104,149,896	$ 103,025,953	$ 94,458,602	$ 92,385,000
Restricted	218,851,884	313,380	313,288	705,000	747,000
Unrestricted	(11,808,554)	(16,689,782)	1,165,045	10,393,323	27,721,884
Total Net Position	$ 311,428,217	$ 87,773,494	$ 104,504,286	$ 105,556,925	$ 120,853,884





STATEMENT OF ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS & NET POSITION FY2016 to FY2020					
	FY2016	**FY2017**	**FY2018**	**FY2019**	**FY2020**
ASSETS					
Cash & Cash Equivalents-Unrestricted	$ 10,137,998	$ 12,768,003	$ 14,052,908	$ 9,272,590	$ 22,596,459
Cash & Cash Equivalents-Restricted	425,000	1,037,807	1,037,807	66,023,804	177,655,390
Accounts Receivable					
Trade Receivable, net	756,015	2,298,457	748,588	1,100,599	569,053
Surtax Receivable	-	-	-	19,601,218	19,698,579
Delinquent Property Tax Receivable	79,845	62,134	47,059	55,895	84,131
Federal Grants Receivable	11,275,149	1,764,141	517,258	2,211,812	1,771,783
State Grants Receivable	1,623,079	315,322	1,759,924	865,935	1,076,633
Local Grants Receivable	61,215	155,885	50,543	160,192	239,470
Inventory of Parts & Supplies	1,503,769	1,628,946	1,411,075	1,956,216	1,939,187
Prepaid Expenses	372,462	382,913	620,634	503,634	508,821
Total Current Assets	**26,234,532**	**20,413,608**	**20,245,796**	**101,751,895**	**226,139,506**
Long Term Assets:					
Land	19,040,309	19,040,309	19,043,009	19,043,009	19,043,009
Construction in Progress	3,378,211	4,469,892	5,736,827	7,786,592	6,221,020
Capital Assets, net	101,647,794	98,256,401	93,205,478	93,356,839	85,042,401
Lease Assets, net	-	-	-	-	-
SBITA, net	-	-	-	-	-
Total Long Term Assets	**124,066,314**	**121,766,602**	**117,985,314**	**120,186,440**	**110,306,430**
Total Assets	**150,300,846**	**142,180,210**	**138,231,110**	**221,938,335**	**336,445,936**
DEFERRED OUTFLOWS					
Deferred Outflows on pension and OPEB related amounts	12,704,894	15,993,288	14,577,121	14,566,634	16,063,147
LIABILITIES					
Current Liabilities:					
Accounts Payable	3,500,875	3,898,479	3,547,234	4,453,958	4,510,817
Accrued Expenses	1,088,320	1,468,902	1,228,463	1,637,797	1,617,934
Right to use lease Liability *	-	-	-	-	-
Interest Payable*	-	-	-	-	-
Deferred Revenue	1,946	5,659	10,109	8,440	6,264
Self-Insurance & Contingency	2,808,134	3,016,930	2,391,880	3,915,661	3,426,588
Environmental Remediation	138,136	207,233	308,019	133,734	150,000
Compensated Absences	84,823	115,127	91,239	110,894	116,809
Capital Lease Obligation	306,249	-	-	-	-
Net Pension Liability	430,446	374,957	318,652	262,590	168,757
Net OPEB Liability	-	46,963	-	-	-
Total Current Liabilities	**8,358,929**	**9,134,250**	**7,895,596**	**10,523,074**	**9,997,169**
Lease Liability *	-	-	-	-	-
Self-Insurance & Contingency	6,283,924	5,407,660	5,619,072	3,125,977	2,833,552
Environmental Remediation	-	-	-	-	-
Compensated Absences	2,438,666	2,735,005	2,789,154	2,782,394	3,086,926
Capital Lease Obligation	479,238	-	-	-	-
Net Pension Liability	34,716,701	39,188,888	37,573,767	43,722,810	53,099,259
Net OPEB Liability	1,017,804	1,050,184	1,013,903	1,182,510	1,426,868
Total Long Term Liabilities	**44,936,333**	**48,381,737**	**46,995,896**	**50,813,691**	**60,446,605**
Total Liabilities	**53,295,262**	**57,515,987**	**54,891,492**	**61,336,765**	**70,443,774**
DEFERRED INFLOWS					
Deferred Inflows on pension and OPEB related amounts	712,481	2,397,699	5,195,167	4,324,111	2,359,866
NET POSITION					
Net Investment in Capital Assets	122,976,936	121,766,602	117,985,314	120,027,532	110,229,835
Restricted	610,800	1,037,807	1,037,807	85,625,022	197,353,969
Unrestricted	(14,589,739)	(24,544,597)	(26,301,549)	(34,808,461)	(27,878,361)
Total Net Position	**$ 108,997,997**	**$ 98,259,812**	**$ 92,721,572**	**$ 170,844,093**	**$ 279,705,443**

STATEMENT OF ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS & NET POSITION FY2021 to FY2025					
	FY2021	**FY2022**	**FY2023**	**FY2024**	**FY2025**
ASSETS					
Cash & Cash Equivalents-Unrestricted	$ 32,360,767	$ 29,447,576	$ 40,345,340	$ 62,000,552	$ 81,173,643
Cash & Cash Equivalents-Restricted	218,848,884	313,380	313,288	705,000	747,000
Accounts Receivable					
Trade Receivable, net	674,160	1,493,939	2,330,872	1,593,095	1,146,510
Surtax Receivable	-	-	-	-	-
Delinquent Property Tax Receivable	37,717	-	-	-	-
Federal Grants Receivable	3,226,257	2,798,019	24,917,028	857,999	4,681,479
State Grants Receivable	3,767,495	1,737,765	6,948,539	9,211,866	2,175,666
Local Grants Receivable	922,011	296,055	326,269	1,335,948	2,132,148
Inventory of Parts & Supplies	2,160,769	2,360,022	2,499,690	2,552,435	3,250,575
Prepaid Expenses	565,960	346,702	509,617	407,891	635,185
Total Current Assets	**262,564,020**	**38,793,458**	**78,190,643**	**78,664,786**	**95,942,206**
Long Term Assets:					
Land	19,043,009	19,043,009	19,043,009	19,043,009	19,043,009
Construction in Progress	8,206,207	9,159,493	4,752,207	4,959,360	11,576,676
Capital Assets, net	77,135,671	75,947,613	79,110,971	70,336,522	61,765,314
Lease Assets, net	-	-	32,940	15,690	10,602
SBITA, net	-	-	1,580,516	916,970	469,998
Total Long Term Assets	**104,457,566**	**104,202,839**	**104,519,643**	**95,271,551**	**92,865,599**
Total Assets	**367,021,586**	**142,996,299**	**182,710,286**	**173,936,337**	**188,807,805**
DEFERRED OUTFLOWS					
Deferred Outflows on pension and OPEB related amounts	13,425,823	15,725,968	13,613,246	13,406,323	9,599,809
LIABILITIES					
Current Liabilities:					
Accounts Payable	5,562,045	3,460,755	13,384,433	3,053,630	4,162,094
Accrued Expenses	2,228,657	2,080,447	2,634,485	2,599,143	1,647,239
Right to use lease liability *	19,736	19,600	641,585	333,374	332,214
Interest Payable*	69	54	39,155	23,379	13,553
Deferred Revenue	184,962	239,291	194,764	763,621	2,124,702
Self-Insurance & Contingency	2,504,328	2,760,494	2,845,294	1,786,715	2,202,512
Environmental Remediation	150,000	-	-	-	-
Compensated Absences	91,095	150,729	185,514	161,106	284,988
Capital Lease Obligation	-	-	-	-	-
Net Pension Liability	83,659	13,835	-	-	-
Net OPEB Liability	-	-	75,000	10,000	-
Total Current Liabilities	**10,824,551**	**8,725,205**	**20,000,230**	**8,730,968**	**10,767,302**
Lease Liability *	52,874	33,344	812,950	479,575	146,793
Self-Insurance & Contingency	3,197,683	3,303,686	2,407,879	4,013,720	4,691,042
Environmental Remediation	-	-	-	-	-
Compensated Absences	3,317,998	3,218,633	3,421,974	3,399,020	3,713,555
Capital Lease Obligation	-	-	-	-	-
Net Pension Liability	22,887,291	51,122,547	61,132,782	53,976,106	42,457,483
Net OPEB Liability	1,566,440	1,485,007	1,589,814	2,040,099	1,985,354
Total Long Term Liabilities	**31,022,286**	**59,163,217**	**69,365,399**	**63,908,520**	**52,994,227**
Total Liabilities	**41,846,837**	**67,888,422**	**89,365,629**	**72,639,488**	**63,761,529**
DEFERRED INFLOWS					
Deferred Inflows on pension and OPEB related amounts	27,172,356	3,060,351	2,453,616	9,146,247	13,792,201
NET POSITION					
Net Investment in Capital Assets	104,384,887	104,149,896	103,025,953	94,458,602	92,385,000
Restricted	218,851,884	313,380	313,288	705,000	747,000
Unrestricted	(11,808,554)	(16,689,782)	1,165,045	10,393,323	27,721,884
Total Net Position	**$ 311,428,217**	**$ 87,773,494**	**$ 104,504,286**	**$ 105,556,925**	**$ 120,853,884**

*** GASB 87 implemented in FY2022 and FY2021 and GASB 96 implemented in FY2023**

STATEMENT OF REVENUES, EXPENSES, & CHANGES IN NET POSITION FY2016 to FY2020					
	FY2016	**FY2017**	**FY2018**	**FY2019**	**FY2020**
OPERATING REVENUES:					
Passenger Fare Revenues	15,155,608	14,148,572	12,576,581	12,412,904	9,029,994
Advertising Revenues	1,144,644	1,072,635	1,089,898	1,109,730	564,256
Other Revenues	237,079	405,193	3,150,349	2,817,582	104,994
Total Operating Revenues	**16,537,331**	**15,626,400**	**16,816,828**	**16,340,216**	**9,699,244**
OPERATING EXPENSES:					
Salaries & Wages	34,095,944	36,305,701	35,122,040	37,836,961	37,308,373
Fringe Benefits	18,670,787	23,405,926	21,257,654	26,820,478	30,351,736
Fuel & Oil	4,389,479	4,065,775	4,262,223	4,417,508	2,974,830
Parts & Supplies	4,178,489	4,281,705	4,481,531	5,103,773	5,603,276
Contract Services	4,033,881	5,948,106	6,494,192	8,268,305	8,930,148
Claims	4,277,254	2,407,661	2,812,076	3,313,183	3,233,629
Utilities	1,022,155	1,140,717	993,158	933,400	924,601
Marketing & Printing	354,185	346,738	340,216	542,376	354,346
Other Expenses	3,551,218	3,061,563	2,829,903	2,241,779	2,329,677
Expenses Reimbursed by Grants	1,440,203	1,750,812	2,477,298	693,637	4,125,879
Lease and SBITA Interest Expense*	-	-	-	-	-
Total Operating Expenses	**76,013,595**	**82,714,704**	**81,070,291**	**90,171,400**	**96,136,495**
Total Operating Gain (Loss)	**(59,476,264)**	**(67,088,304)**	**(64,253,463)**	**(73,831,184)**	**(86,437,251)**
Depreciation Expense	11,652,527	12,164,514	12,194,544	12,353,469	12,807,484
Amortization expense*	-	-	-	-	-
Net Operating Gain (Loss)	**(71,128,791)**	**(79,252,818)**	**76,448,007**	**(86,184,653)**	**(99,244,735)**
NON-OPERATING REVENUES:					
Federal Operating Grants	9,893,280	12,409,977	12,038,587	12,513,482	29,256,664
State Operating Grants	5,205,625	5,085,689	6,041,652	8,399,287	7,189,103
Local Operating Grants	903,640	1,053,973	1,146,219	1,151,425	1,465,932
State Operating rebates - CNG	-	250,000	-	-	-
Local Transportation Surtax	-	-	-	84,299,484	111,409,428
Other Federal Funds	-	-	-	-	1,985,705
Property Tax Proceeds	34,869,378	37,509,439	40,801,680	44,834,934	48,870,629
Interest Revenue	60,899	122,610	288,659	726,168	1,379,791
Total Non-Operating Revenues	**50,932,822**	**56,431,688**	**60,316,797**	**151,924,780**	**201,557,252**
Gain (Loss) before Capital Grants	**(20,195,969)**	**(22,821,130)**	**(16,131,210)**	**65,740,127**	**102,312,517**
CAPITAL GRANT REVENUES:					
Federal Capital Grants	9,744,445	11,283,930	9,398,143	11,430,645	4,831,653
State Capital Grants	1,857,575	562,907	1,108,304	641,910	1,416,991
Local Capital Grants	339,538	171,420	86,523	309,839	285,589
Developer Contributed Assets	-	64,688	-	-	14,600
Total Capital Contribution Revenue	**11,941,558**	**12,082,945**	**10,592,970**	**12,382,394**	**6,548,833**
Increase (Decrease) in Net Position	**(8,254,411)**	**(10,738,185)**	**(5,538,240)**	**78,122,521**	**108,861,350**
Net Position, Beginning Year	**117,252,408**	**108,997,997**	**98,259,812**	**92,721,572**	**170,844,093**
Net Position, End of the Year	**$108,997,997**	**$98,259,812**	**$92,721,572**	**$170,844,093**	**$279,705,443**

STATEMENT OF REVENUES, EXPENSES, & CHANGES IN NET POSITION FY2021 to FY2025					
	2021	2022	2023	2024	2025
OPERATING REVENUES:					
Passenger Fare Revenues	6,272,298	8,162,616	8,637,755	9,634,292	7,912,679
Advertising Revenues	1,739,039	1,660,872	1,660,701	1,168,639	1,630,960
Other Revenues	246,383	581,318	397,023	608,304	448,892
Total Operating Revenues	**8,257,720**	**10,404,806**	**10,695,479**	**11,411,235**	**9,992,531**
OPERATING EXPENSES:					
Salaries & Wages	41,715,733	42,806,690	52,628,592	54,706,420	56,271,142
Fringe Benefits	24,998,425	28,977,689	34,249,277	26,207,247	22,947,886
Fuel & Oil	3,296,975	5,416,772	4,738,543	3,887,891	3,688,493
Parts & Supplies	4,368,288	4,690,787	5,383,658	5,950,739	5,827,025
Contract Services	8,182,724	8,049,117	7,710,944	10,029,948	11,799,199
Claims	2,970,319	4,173,111	3,187,346	4,745,851	4,371,283
Utilities	943,186	1,047,594	1,162,030	1,114,372	1,225,478
Marketing & Printing	355,111	365,206	399,869	430,035	422,042
Other Expenses	2,015,999	1,812,495	2,003,671	2,330,245	2,734,043
Expenses Reimbursed by Grants	3,087,727	4,845,377	361,121	2,121,824	1,713,885
Lease and SBITA Interest Expense*	503	384	51,139	31,382	16,740
Total Operating Expenses	**91,934,990**	**102,185,222**	**111,876,190**	**111,555,954**	**111,017,216**
Total Operating Gain (Loss)	**(83,677,270)**	**(91,780,416)**	**(101,180,711)**	**(100,144,719)**	**(101,024,685)**
Depreciation Expense	12,845,735	12,086,256	12,321,051	12,851,363	11,699,894
Amortization expense*	19,870	19,784	716,207	680,797	451,639
Net Operating Gain (Loss)	**(96,542,875)**	**(103,886,456)**	**(114,217,969)**	**(113,676,879)**	**(113,176,218)**
NON-OPERATING REVENUES:					
Federal Operating Grants	35,072,557	26,253,644	38,657,191	18,630,770	20,682,196
State Operating Grants	6,787,687	7,205,688	6,759,964	8,758,149	7,963,611
Local Operating Grants	1,531,207	1,506,817	1,590,458	2,175,231	5,349,632
State Operating rebates-CNG	-	-	-	-	-
Local Transportation Surtax	21,012,547	(216,090,967)	-	-	-
Other Federal Funds	944,142	332,014	-	2,362,491	152,580
Property Tax Proceeds	53,130,355	57,536,830	66,018,626	73,790,648	78,866,887
Interest Revenue	389,600	186,866	1,958,613	2,884,802	3,524,259
Total Non-Operating Revenues	**118,868,095**	**(123,069,108)**	**114,984,852**	**108,602,091**	**116,539,165**
Gain (Loss) before Capital Grants	**22,325,220**	**(226,955,564)**	**766,883**	**(5,074,788)**	**3,362,947**
CAPITAL GRANT REVENUES:					
Federal Capital Grants	7,884,702	2,570,418	15,527,636	4,711,846	11,756,428
State Capital Grants	782,539	722,107	238,669	1,332,359	173,165
Local Capital Grants	715,713	8,316	190,947	83,222	4,419
Developer Contributed Assets	14,600	-	6,657	-	-
Total Capital Contribution Revenue	**9,397,554**	**3,300,841**	**15,963,909**	**6,127,427**	**11,934,012**
Increase (Decrease) in Net Position	**31,722,774**	**(223,654,723)**	**16,730,792**	**1,052,639**	**15,296,959**
Net Position, Beginning Year	**279,705,443**	**311,428,217**	**87,773,494**	**104,504,286**	**105,556,925**
Net Position, End of the Year	**$311,428,217**	**$87,773,494**	**$104,504,286**	**$105,556,925**	**$120,853,884**

*** GASB 87 implemented in FY2022 and FY2021 was restated for comparative reporting purposes**

*** GASB 96 implemented in FY2023**

Statistical Section

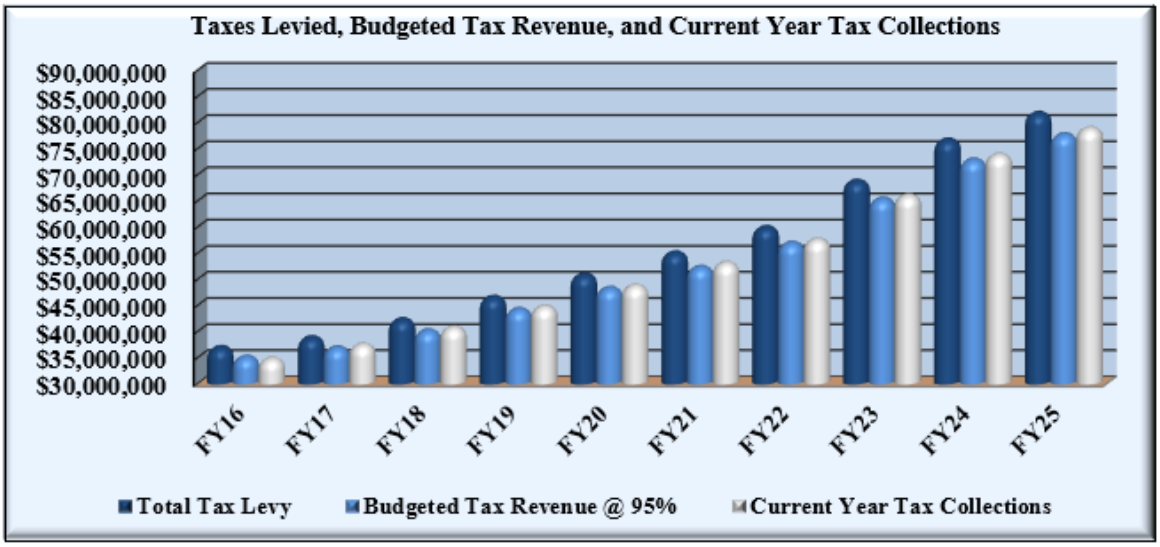
Revenue Capacity

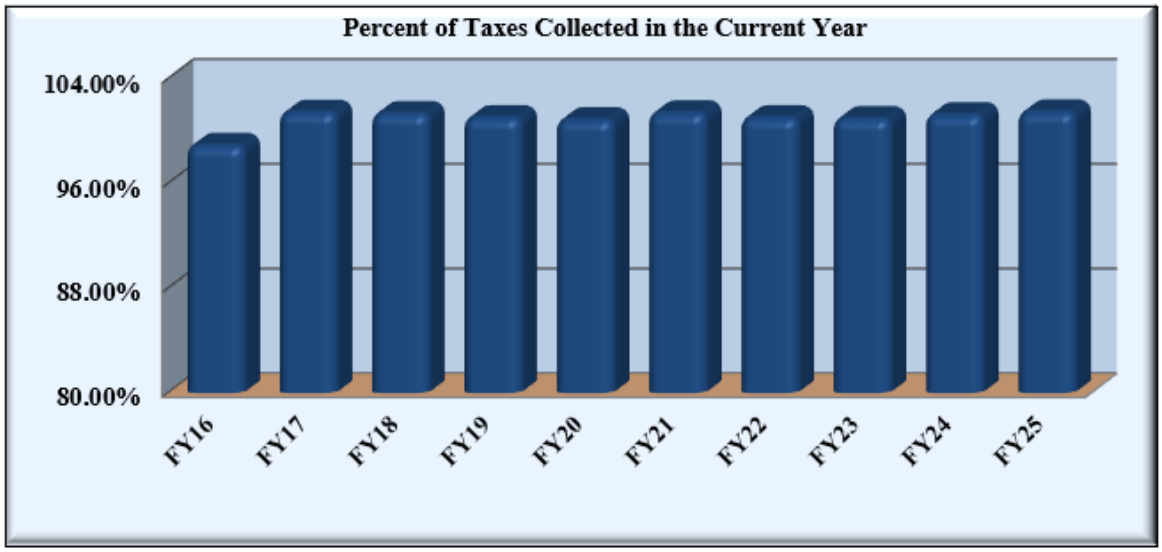
- Hillsborough Transit Authority, Property Tax Levies and Collections (FY2016 to FY2025)
- Hillsborough County, FL, Taxable Assessed Value and Actual Value of Property (FY2010 to FY2025)
- Single Family Taxable Values and Levies (2011 to 2025)
- Millage Rates (2016 to 2025)
- Taxable Sales (2010 to 2025)
- Revenues by Source (FY2016 to FY2025)
- Property Tax Revenue Used for Operations (FY2016 to FY2025)

Note: The statistical section contains "Unaudited" data.

HILLSBOROUGH TRANSIT AUTHORITY
PROPERTY TAX LEVIES AND COLLECTIONS FY2016-FY2025

Fiscal Year	Total Tax Levy	Budgeted Tax Revenue @ 95%	Current Year Tax Collections	Percent of Current Year to Budget	Other Net Collections during the Year	Total Collections	Percent of Total Collections to Tax Levy	Millage Rate
FY2016	$36,989,171	$35,139,712	$34,762,497	98.93%	$92,795	$34,855,292	94.23%	0.5000
FY2017	$38,872,885	$36,929,241	$37,465,915	101.45%	$61,234	$37,527,149	96.54%	0.5000
FY2018	$42,329,206	$40,212,746	$40,757,120	101.35%	$59,635	$40,816,755	96.43%	0.5000
FY2019	$46,594,680	$44,264,946	$44,725,221	101.04%	$100,876	$44,826,097	96.20%	0.5000
FY2020	$50,858,236	$48,315,324	$48,742,386	100.88%	$100,007	$48,842,393	96.04%	0.5000
FY2021	$55,104,336	$52,349,119	$53,086,515	101.41%	$50,457	$53,136,972	96.43%	0.5000
FY2022	$59,944,287	$56,947,073	$57,536,830	101.04%	$37,320	$57,574,150	96.05%	0.5000
FY2023	$68,820,327	$65,379,311	$66,018,626	100.98%	$66,274	$66,084,900	96.03%	0.5000
FY2024	$76,700,424	$72,865,403	$73,790,648	101.27%	$124,860	$73,915,508	96.37%	0.5000
FY2025	$81,806,798	$77,716,458	$78,866,887	101.48%	$187,887	$79,054,774	96.64%	0.5000



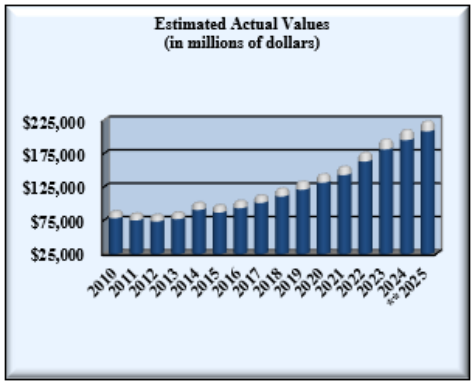


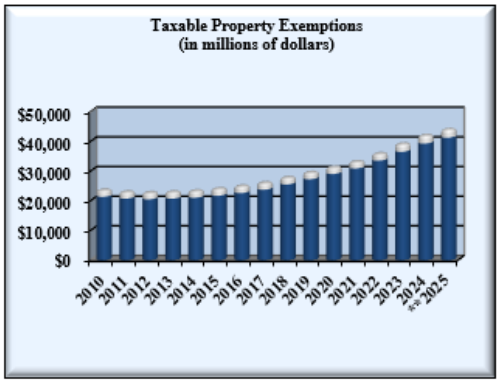
HILLSBOROUGH COUNTY, FLORIDA
TAXABLE ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
2010 to 2025

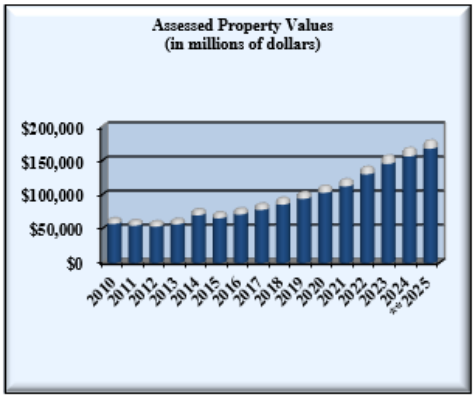
	Estimated Actual		Exemptions*		Assessed Value*		HART's
	Real	Personal	Real	Personal	Real	Personal	Millage
Year	Property	Property	Property	Property	Property	Property	Rate
2010	$78,832	$9,453	$21,393	$2,143	$57,439	$7,310	0.4682
2011	$75,558	$9,255	$20,775	$2,148	$54,783	$7,107	0.4682
2012	$73,961	$9,073	$20,528	$2,154	$53,433	$6,919	0.5000
2013	$77,492	$9,048	$20,761	$2,153	$56,731	$6,895	0.5000
2014	$91,169	$10,066	$21,066	$2,238	$70,103	$7,828	0.5000
2015	$87,291	$10,117	$21,742	$2,281	$65,549	$7,836	0.5000
2016	$93,867	$10,182	$22,655	$2,258	$71,212	$7,924	0.5000
2017	$101,712	$10,376	$23,773	$2,221	$77,939	$8,155	0.5000
2018	$111,308	$11,288	$25,553	$2,218	$85,755	$9,070	0.5000
2019	$121,507	$11,418	$27,296	$2,210	$94,211	$9,208	0.5000
2020	$132,181	$11,742	$29,073	$2,169	$103,108	$9,573	0.5000
2021	$143,472	$11,846	$30,941	$2,175	$112,531	$9,671	0.5000
2022	$163,726	$12,577	$33,579	$2,250	$130,147	$10,327	0.5000
2023	$181,947	$14,238	$36,537	$2,600	$145,410	$11,638	0.5000
2024	$195,812	$14,501	$39,356	$2,654	$156,456	$11,847	0.5000
**2025	$209,007	$14,460	$41,308	$2,770	$167,699	$11,690	0.5000

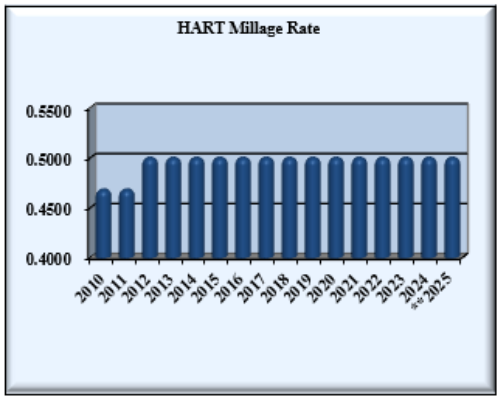
*Notes: * Values in millions*
***2025 Preliminary*

Source:
Florida Department of Revenue



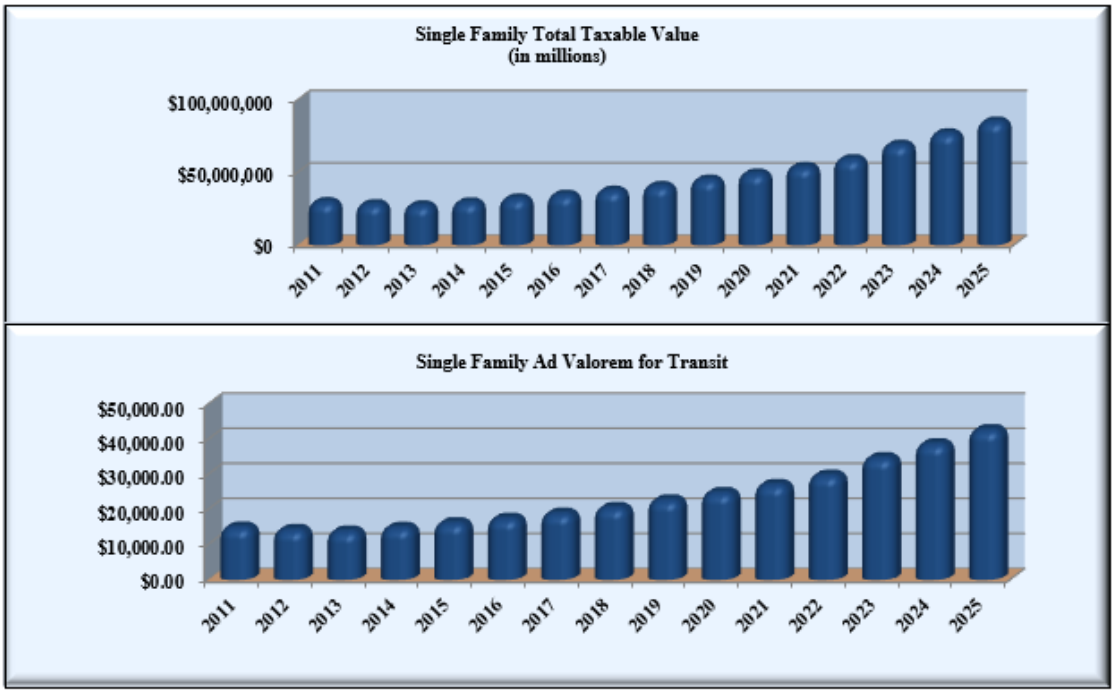






HILLSBOROUGH COUNTY, FLORIDA SINGLE FAMILY TAXABLE VALUES AND LEVIES 2011-2025					
Fiscal Year	Tax Year	Single Family Taxable Values (000's)	HART's Millage Rate	Single Family Ad Valorem for Transit	Percent Change
2011	2010	$29,953,254	0.5000	$14,976.63	
2012	2011	$28,528,801	0.5000	$14,264.40	-4.8%
2013	2012	$27,669,609	0.5000	$13,834.80	-3.0%
2014	2013	$29,759,828	0.5000	$14,879.91	7.6%
2015	2014	$32,413,326	0.5000	$16,206.66	8.9%
2016	2015	$34,943,065	0.5000	$17,471.53	7.8%
2017	2016	$37,817,809	0.5000	$18,908.90	8.2%
2018	2017	$41,073,218	0.5000	$20,536.61	8.6%
2019	2018	$45,434,858	0.5000	$22,717.43	10.6%
2020	2019	$49,606,553	0.5000	$24,803.28	9.2%
2021	2020	$54,215,674	0.5000	$27,107.84	9.3%
2022	2021	$59,528,781	0.5000	$29,764.39	9.8%
2023	2022	$69,498,404	0.5000	$34,749.20	16.7%
2024	2023	$77,434,972	0.5000	$38,717.49	11.4%
2025	2024	$85,500,092	0.5000	$42,750.05	10.4%

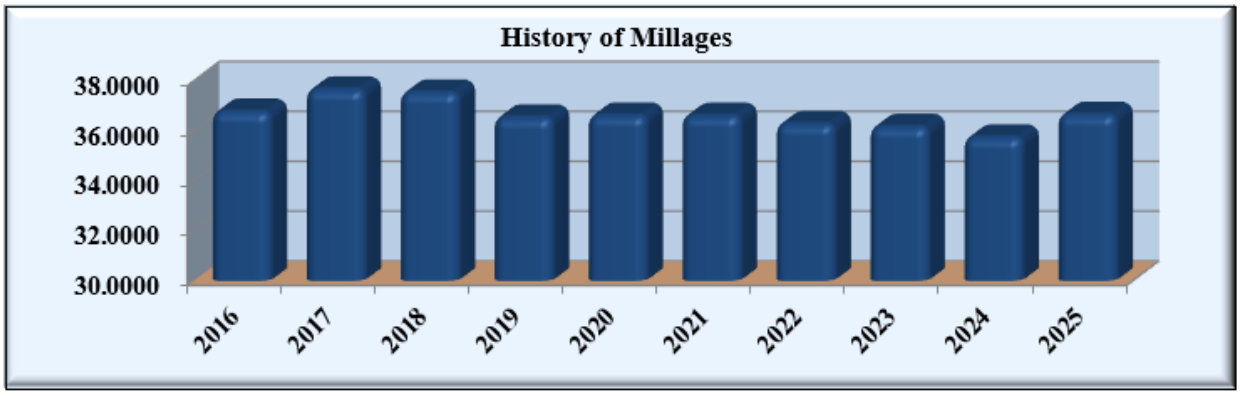
Source:
Hillsborough County Property Appraiser
U.S. Census Bureau



HILLSBOROUGH COUNTY, FLORIDA
MILLAGE RATES
2016 to 2025

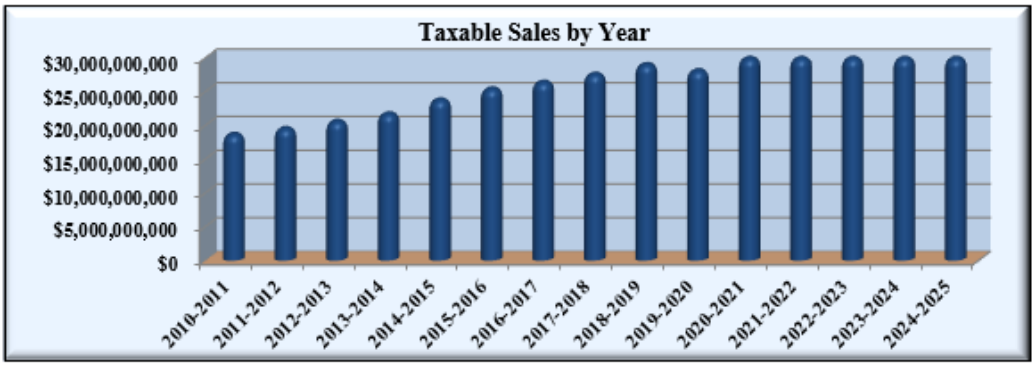
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District School Board:										
Local Required Effort	4.9990	4.6580	4.3480	4.1660	3.8810	3.7050	3.5810	3.6060	3.1400	3.0920
Discretionary Local	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480
Supplemental Discretionary	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Capital Improvements	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
Additional Voted Millage	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	1.0000
Total District School Board	7.2470	6.9060	6.5960	6.4140	6.1290	5.9530	5.8290	5.8540	5.3880	6.3400
Other County-Wide:										
Board of County Commissioners	5.7322	5.7322	5.7309	5.3614	5.7309	5.7309	5.7309	5.7309	5.7913	5.6630
Tampa Port Authority	0.1550	0.1450	0.1300	0.1150	0.1050	0.1050	0.0935	0.0840	0.0840	0.0840
Children's Board	0.4589	0.4589	0.4589	0.4589	0.4589	0.4589	0.4589	0.4589	0.4589	0.4589
S.W. Florida River Water Mgt.	0.3488	0.3317	0.3131	0.2801	0.2801	0.2669	0.2535	0.2260	0.2043	0.1909
Total Other County-Wide	6.6949	6.6678	6.6329	6.2154	6.5749	6.5617	6.5368	6.4998	6.5385	6.3968
Total County-Wide	13.9419	13.5738	13.2289	12.6294	12.7039	12.5147	12.3658	12.3538	11.9265	12.7368
Non County-Wide:										
Public Library Service	0.5583	0.5583	0.5583	0.5583	0.5583	0.5583	0.5583	0.5583	0.5583	0.5583
Municipal Service Tax	4.3745	4.3745	4.3745	4.3745	4.3745	4.3745	4.3745	4.3745	4.3745	4.4745
Parks & Recreation (Unincorporated)	0.0259	0.0259	0.0259	0.0259	0.0259	0.0259	0.0259	0.0259	0.0259	0.0259
Independent Special Districts:										
SWFWMD										
Alafia River Basin	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Hillsborough River Basin	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
N.W. Hillsborough River Basin	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Transit Authority	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Tampa Palms C.D.D.	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Municipalities:										
Tampa	5.7326	5.7326	6.2076	6.2076	6.2076	6.2076	6.2076	6.2076	6.2076	6.2076
Plant City	4.7157	5.7157	5.7157	5.7157	5.7157	5.7157	5.7157	5.7157	5.7157	5.7157
Temple Terrace	6.9550	7.2050	6.9550	6.5550	6.5550	6.5550	6.5550	6.4550	6.4550	6.4550
Grand Total Millages	36.8039	37.6858	37.5659	36.5664	36.6409	36.6349	36.3028	36.1908	35.7635	36.6738

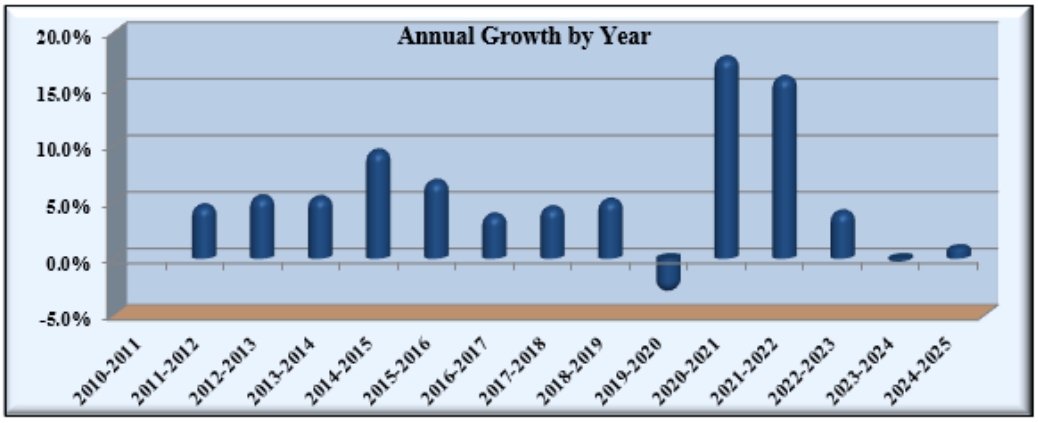
Source:
Hillsborough Tax Collector



HILLSBOROUGH COUNTY, FLORIDA TAXABLE SALES 2010 to 2025					
State Fiscal Year	Hillsborough Taxable Sales	Annual Growth	Half Cent	Full Cent	Seven Cent
2010-2011	$18,730,240,925		$93,651,205	$187,302,409	$1,311,116,865
2011-2012	$19,600,504,529	4.6%	$98,002,523	$196,005,045	$1,372,035,317
2012-2013	$20,668,297,980	5.4%	$103,341,490	$206,682,980	$1,446,780,859
2013-2014	$21,779,534,595	5.4%	$108,897,673	$217,795,346	$1,524,567,422
2014-2015	$23,846,559,173	9.5%	$119,232,796	$238,465,592	$1,669,259,142
2015-2016	$25,472,830,434	6.8%	$127,364,152	$254,728,304	$1,783,098,130
2016-2017	$26,452,915,372	3.8%	$132,264,577	$264,529,154	$1,851,704,076
2017-2018	$27,638,248,195	4.5%	$138,191,241	$276,382,482	$1,934,677,374
2018-2019	$29,062,457,106	5.2%	$145,312,286	$290,624,571	$2,034,371,997
2019-2020	$28,172,187,699	-3.1%	$140,860,938	$281,721,877	$1,972,053,139
2020-2021	$33,169,100,373	17.7%	$165,845,502	$331,691,004	$2,321,837,026
2021-2022	$38,475,899,594	16.0%	$192,379,498	$384,758,996	$2,693,312,972
2022-2023	$40,063,848,374	4.1%	$200,319,242	$400,638,484	$2,804,469,386
2023-2024	$39,911,016,970	-0.4%	$199,555,085	$399,110,170	$2,793,771,188
2024-2025	$40,315,390,695	1.0%	$201,576,953	$403,153,907	$2,822,077,349

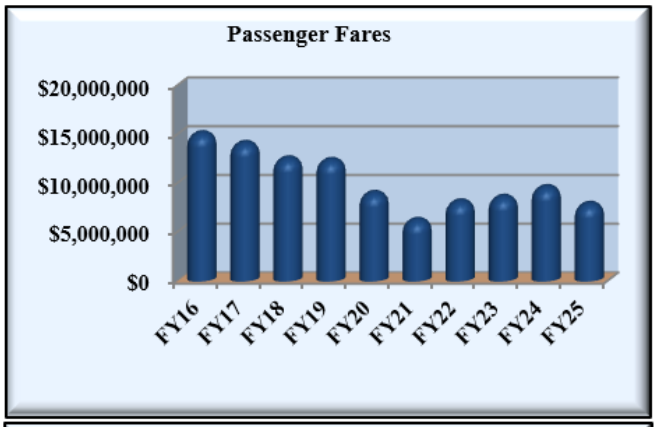
Source:
Florida Department of Revenue

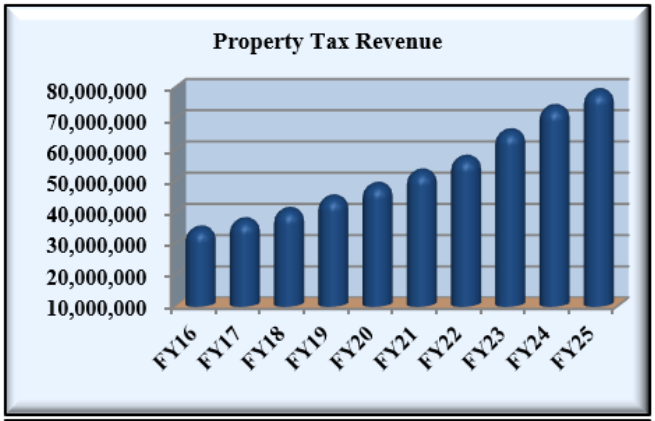


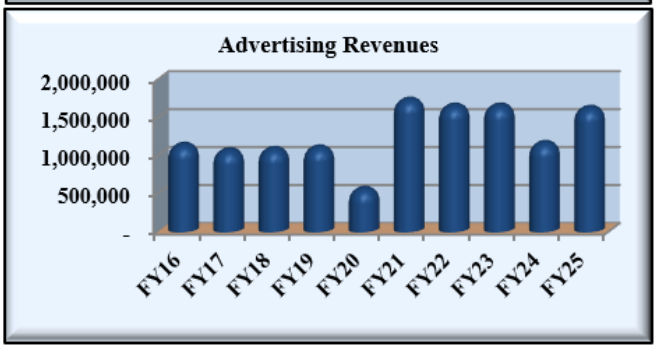


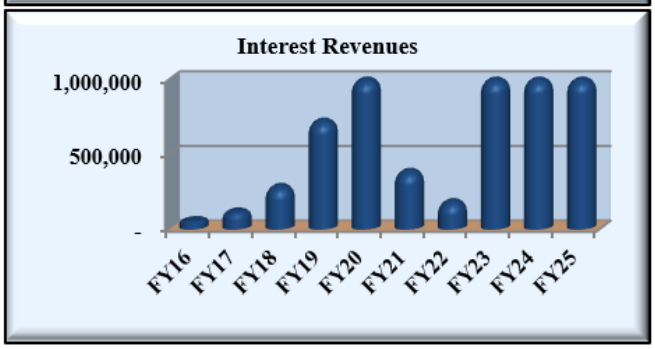
REVENUES BY SOURCE FY 2016 to FY2025					
	FY2016	**FY2017**	**FY2018**	**FY2019**	**FY2020**
GENERAL FUND REVENUES:					
Passenger Fare Revenues	$15,155,608	$14,148,572	$12,576,581	$12,412,904	$9,029,994
Property Tax Proceeds	34,869,378	37,509,439	40,801,680	44,834,934	48,870,629
Advertising Revenues	1,144,644	1,072,635	1,089,898	1,109,730	564,256
Interest Revenues	60,899	122,610	288,659	726,168	1,379,791
Other Income (Loss)	237,079	405,193	3,150,349	2,817,582	104,994
Total General Funds	**51,467,608**	**53,258,449**	**57,907,167**	**61,901,318**	**59,949,664**
OPERATING GRANT REVENUES:					
Federal Operating Grants	9,893,280	12,409,977	12,038,587	12,513,482	29,256,664
State Operating Grants	5,205,625	5,335,689	6,041,652	8,399,287	7,189,103
Local Operating Grants	903,640	1,053,973	1,146,219	1,151,425	1,465,932
Local Transportation Surtax	-	-	-	84,299,484	111,409,428
Other Federal Funds	-	-	-	-	1,985,705
Total Operating Grants	**16,002,545**	**18,799,639**	**19,226,458**	**106,363,678**	**151,306,832**
CAPITAL GRANT REVENUES:					
Federal Capital Grants	9,744,445	11,283,930	9,398,143	11,430,645	4,831,653
State Capital Grants	1,857,575	562,907	1,108,304	641,910	1,416,991
Local Capital Grants	339,538	171,420	86,253	309,839	285,589
Developer Contributed Assets	33,025	64,688	-	-	14,600
Total Capital Revenues	**11,974,583**	**12,082,945**	**10,592,700**	**12,382,394**	**6,548,833**
Total Revenue	**$79,444,736**	**$84,141,033**	**$87,726,325**	**$180,647,390**	**$217,805,329**
	FY 2021	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**
GENERAL FUND REVENUES:					
Passenger Fare Revenues	$6,272,298	$8,162,616	$8,637,755	$9,634,292	$7,912,679
Property Tax Proceeds	53,130,355	57,536,830	66,018,626	73,790,648	78,866,887
Advertising Revenues	1,739,039	1,660,872	1,660,701	1,168,639	1,630,960
Interest Revenues	389,600	186,866	1,958,613	2,884,802	3,524,259
Other Income (Loss)	246,383	581,318	397,023	608,304	448,892
Total General Funds	**61,777,675**	**68,128,502**	**78,672,718**	**88,086,685**	**92,383,677**
OPERATING GRANT REVENUES:					
Federal Operating Grants	35,072,557	26,253,644	38,657,191	18,630,770	20,682,196
State Operating Grants	6,787,687	7,205,688	6,759,964	8,758,149	7,963,611
Local Operating Grants	1,531,207	1,506,817	1,590,458	2,175,231	5,349,632
Local Transportation Surtax	21,012,547	(216,090,967)	-	-	-
Other Federal Funds	944,142	332,014	-	2,362,491	152,580
Total Operating Grants	**65,348,140**	**(180,792,804)**	**47,007,613**	**31,926,641**	**34,148,019**
CAPITAL GRANT REVENUES:					
Federal Capital Grants	7,884,702	2,570,418	15,527,636	4,711,846	11,756,428
State Capital Grants	782,539	722,107	238,669	1,332,359	173,165
Local Capital Grants	715,713	8,316	190,947	83,222	4,419
Developer Contributed Assets	14,600	-	6,657	-	-
Total Capital Revenues	**9,397,554**	**3,300,841**	**15,963,909**	**6,127,427**	**11,934,012**
Total Revenue	**$136,523,369**	**($109,363,461)**	**$141,644,240**	**$126,140,753**	**$138,465,708**

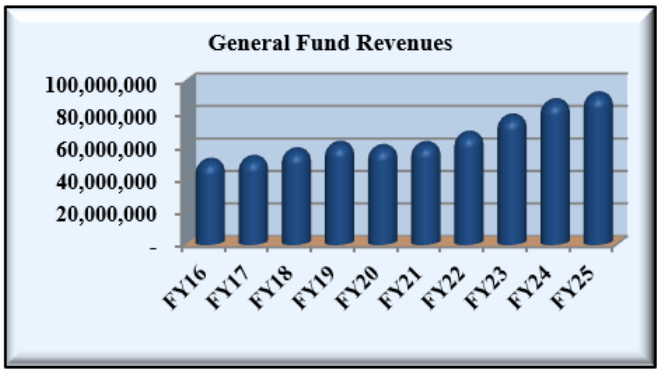
REVENUES BY SOURCE FY2016 to FY2025

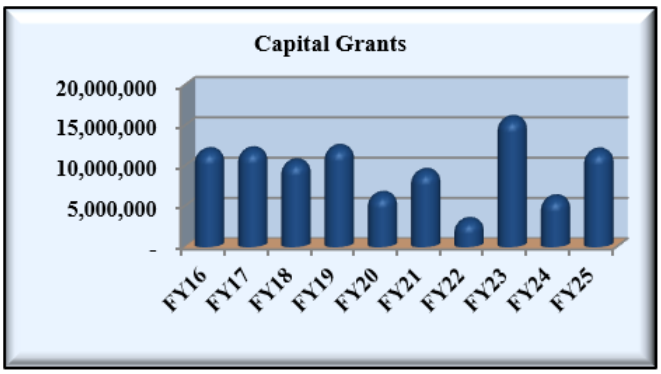


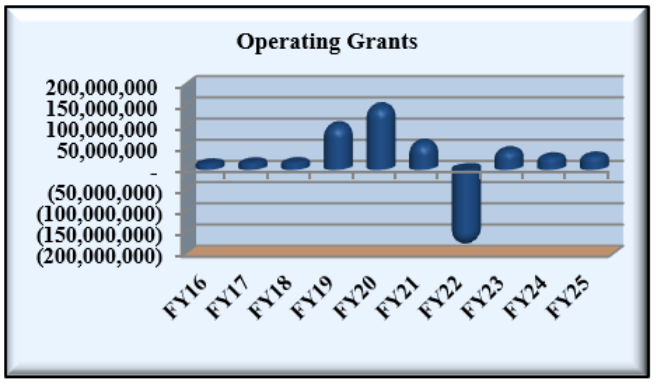


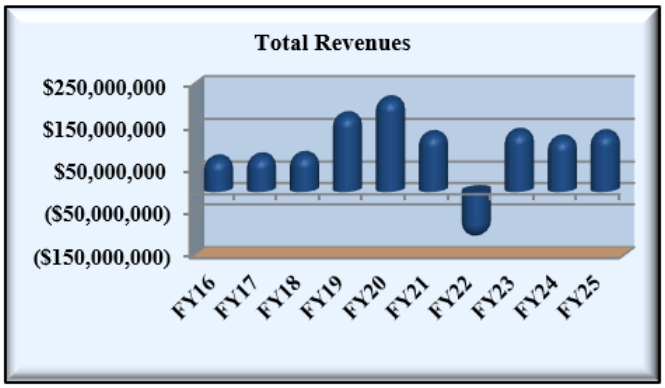












2022 Operating Grants include Surtax Revenue and Surtax payback

2022 Total Revenues include $216M surtax payback

Notes:
Passenger Fares are the fees HART charges its riders for riding: Fixed Route Buses, Flex Vans, Paratransit Vans or Streetcars
Property Tax Revenue is the revenue collected based on a millage rate and the taxable value of real and personal property within Hillsborough County. On an annual Basis, Hillsborough County Tax Collector collects property tax proceeds and then remits these proceeds to HART on a real-time basis. These proceeds are based on taxable values established by Hillsborough County Property Appraiser and the millage rate which is adopted by the HART Board of Directors
Advertising Revenue related to advertising by various companies on HART vehicles and facilities. HART has entered into agreements with outside Marketing Agencies to sell Advertising space
Interest Revenues is the interest earned on idle cash reserves from HART banking partners and state banking agencies
General Fund Revenues include: Passenger Fares, Property Tax Revenues, Advertising Revenues, Interest Revenues and Other Revenues. The General Fund Revenues do not have a stated purpose, other than to provide funding to the authority for operating activities
Operating Grant Revenues are revenues earned related to operating activities. The sourse of these revenues are Federal, State and Local government agencies. These revenues are earned at the time of the activity and are reimbursed to HART after the fact.
Other Federal Funds are revenues received from the Federal government for a Compressed Natural Gas (CNG) Alternative Fuel Credit based on HART's CNG usage
Capital Grant Revenues are revenues earned related to the capital projects and some operating projects of the authority. The sources of these revenues are Federal, Statle and Local government agencies. These revenues are earned at the time of the activity and are reimbursed to HART after the fact.
Total Revenues include General Fund Revenues and Operating and Grant Revenues.

PROPERTY TAX REVENUE USED FOR OPERATIONS FY2016 to FY2025					
Fiscal Year	Property Tax Revenue	Percent Change	Bus & Paratransit Revenue	Percent of Total	Millage Rate
FY2016	$34,869,378	7.63%	$65,181,172	34.85%	0.5000
FY2017	$37,509,439	7.57%	$65,930,367	36.26%	0.5000
FY2018	$40,801,680	8.78%	$70,374,803	36.70%	0.5000
FY2019	$44,834,934	9.89%	$81,718,165	35.43%	0.5000
FY2020	$48,870,629	9.00%	$97,294,382	33.44%	0.5000
FY2021	$53,130,355	8.72%	$83,393,014	38.92%	0.5000
FY2022	$57,536,830	8.29%	($166,900,291)	-52.61%	0.5000
FY2023	$66,018,626	14.74%	$75,625,614	46.61%	0.5000
FY2024	$73,790,648	11.77%	$52,350,105	58.50%	0.5000
FY2025	$78,866,887	6.88%	$59,598,821	56.96%	0.5000

Note: FY 2022 Bus and Paratransit Revenues include payback of $216M surtax

Statistical Section

Demographic and Economic Information

- Hillsborough County, Demographic and Economic Statistics (2010 to 2024).
- Principal Employers (2015 and 2024).

HILLSBOROUGH COUNTY, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
2010 to 2024

Year	Population	Median Age	Unemployment Rate	Personal Income (millions)	Personal Income (per capita)	Public High School Graduation Rate	Total Public School Enrollment
2010	1,233,900	36.1	11.5%	$47,336	$35,914	82.2%	194,353
2011	1,269,354	36.4	10.2%	$48,477	$38,382	82.3%	197,001
2012	1,277,746	36.4	8.5%	$51,284	$39,180	84.3%	195,198
2013	1,291,578	36.5	7.0%	$52,321	$40,206	72.6%	198,659
2014	1,316,298	36.4	6.1%	$55,156	$40,680	74.1%	200,684
2015	1,349,050	36.6	5.0%	$58,569	$41,902	73.5%	204,491
2016	1,350,910	37.3	4.7%	$60,283	$43,803	79.1%	207,469
2017	1,389,374	37.5	2.9%	$62,976	$44,709	82.9%	217,072
2018	1,436,888	37.1	2.7%	$67,533	$47,000	85.8%	220,257
2019	1,471,970	37.2	2.6%	$71,320	$48,452	86.2%	223,314
2020	1,459,762	37.2	13.2%	$77,666	$51,848	88.8%	218,943
2021	1,482,816	37.4	2.1%	$85,942	$58,140	87.9%	224,149
2022	1,513,301	37.6	2.2%	$90,064	$59,515	86.2%	224,538
2023	1,535,564	37.6	2.9%	$97,724	$63,640	88.0%	259,942
2024	1,581,426	37.8	3.2%	not available	not available	90.9%	220,437
	(A)	*(A)*	*(B)*	*(C)*	*(D)*	*(E)*	*(F)*

Sources:

A. United States Census Bureau, American Fact Finder

B. U.S. Bureau of Labor Statistics, Unemployment Rate in Hillsborough County, FL retrieved from FRED, Federal Reserve Bank of St. Louis

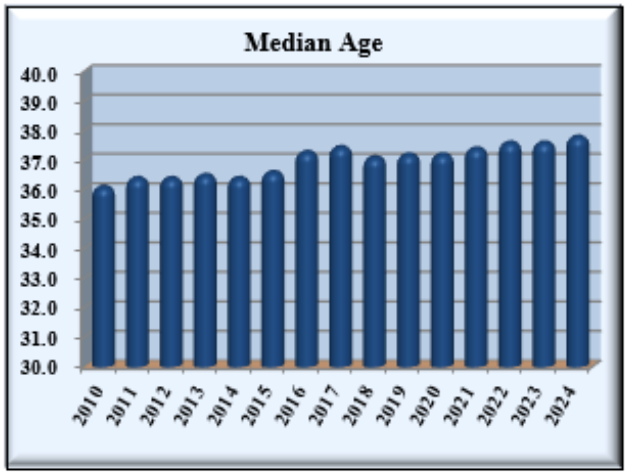
C. U.S. Bureau Economic Analysis, Personal Income in Hillsborough County, FL retrieved from FRED, Federal Reserve Bank of St. Louis

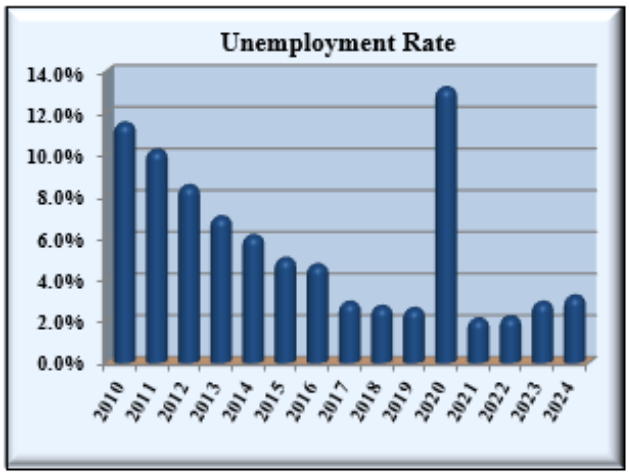
D. U.S. Bureau Economic Analysis, Per Capita Personal Income in Hillsborough County, FL retrieved from FRED, Federal Reserve Bank of St. Louis

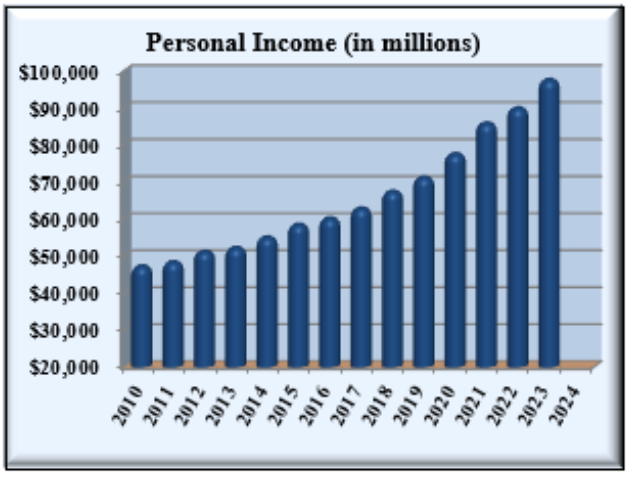
E. Florida Department of Education - Hillsborough County District School

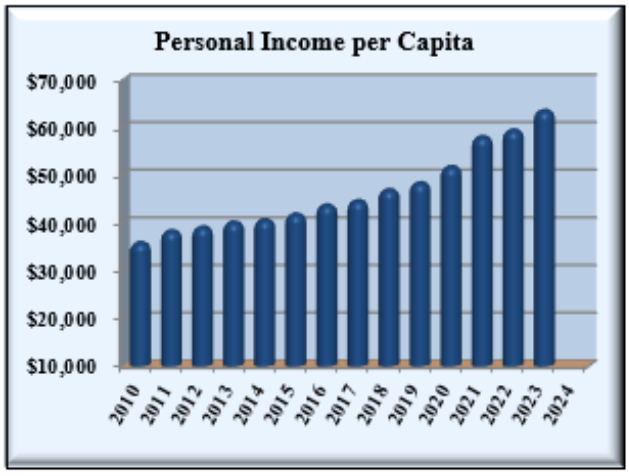
F. National Center for Education Statistics - Hillsborough County District School

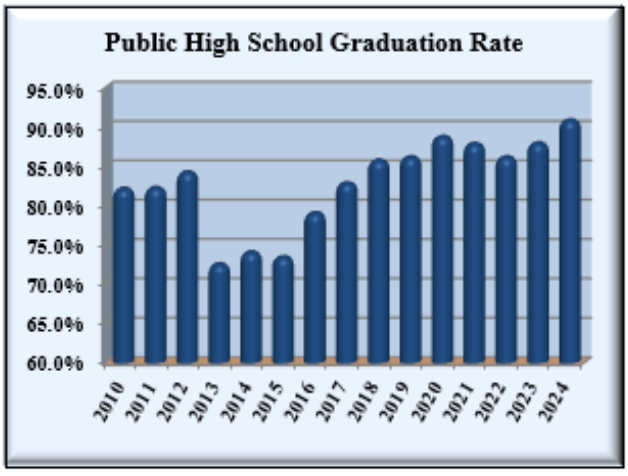
HILLSBOROUGH COUNTY, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
2010 to 2024

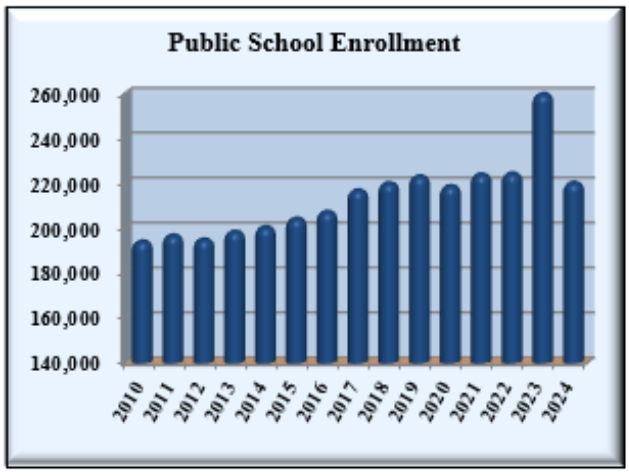










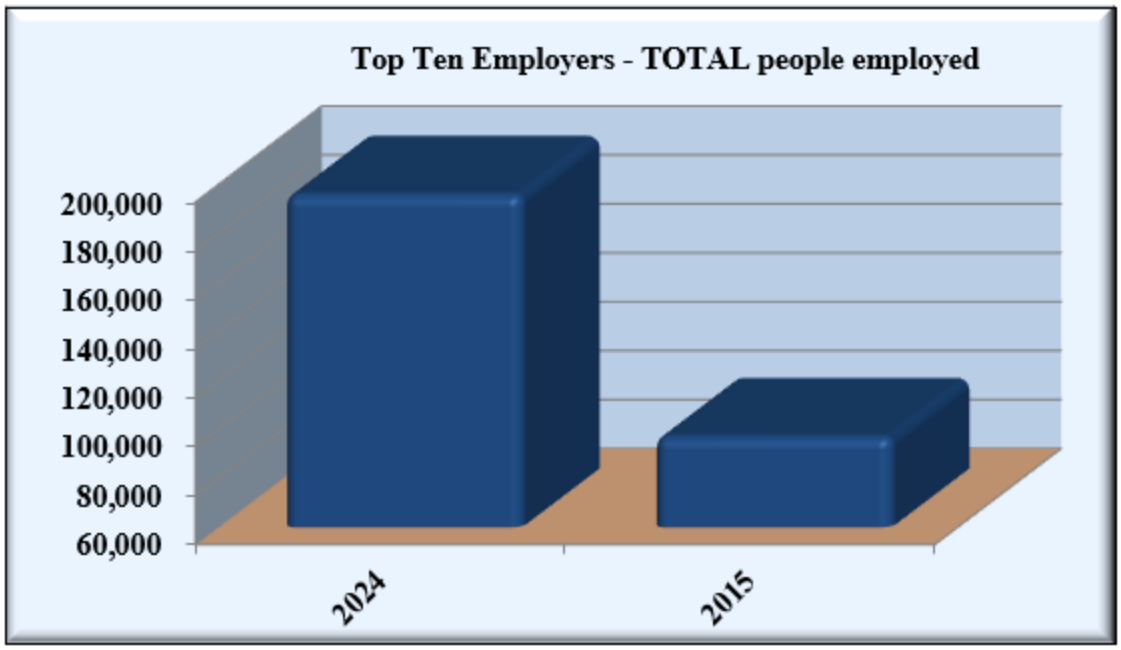


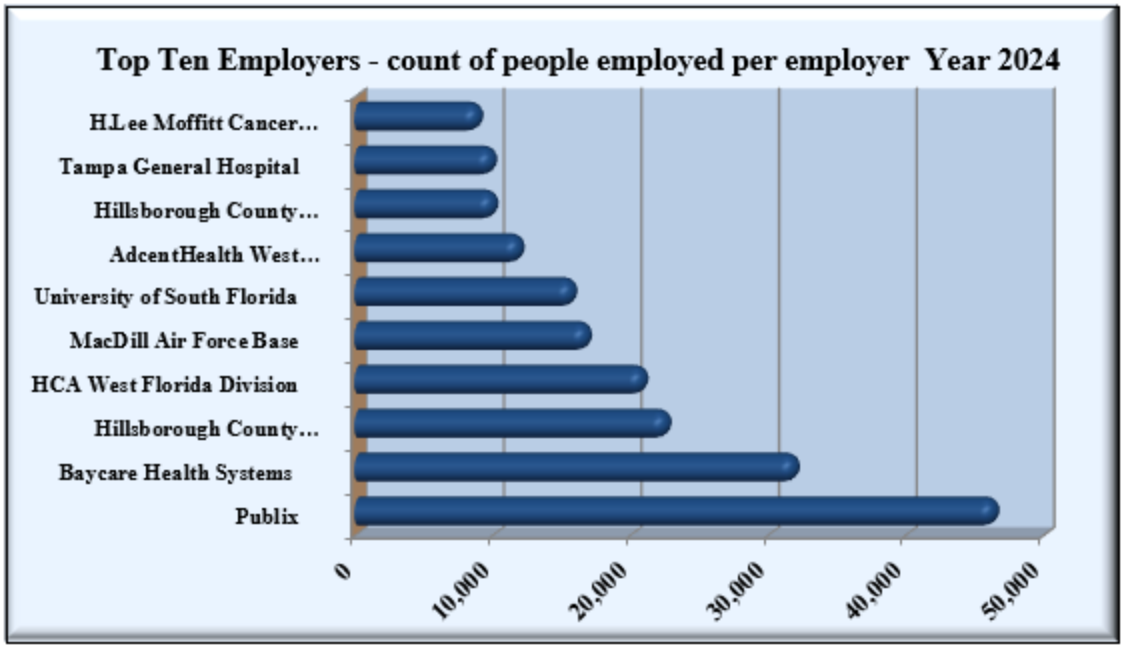
HILLSBOROUGH COUNTY, FLORIDA PRINCIPAL EMPLOYERS 2015 and 2024					
	2024 Rank	2024	2024 Percentage to Total	2015	2015 Percentage
Publix	1	46,500	23.7%	6,964	7.2%
Baycare Health Systems	2	32,000	16.3%	5,664	5.8%
Hillsborough County School District	3	22,680	11.6%	26,000	26.8%
HCA West Florida Division	4	21,000	10.7%	3,500	3.6%
MacDill Air Force Base	5	16,900	8.6%	14,500	14.9%
University of South Florida	6	15,837	8.1%	11,269	11.6%
AdcentHealth West Florida Division	7	12,000	6.1%	5,179	5.3%
Hillsborough County Government	8	10,093	5.1%	9,313	9.6%
Tampa General Hospital	9	10,000	5.1%	6,900	7.1%
H.Lee Moffitt Cancer Center	10	9,000	4.6%	4,500	4.6%
US Postal Service	-	-	-	3,284	3.4%
Grand Total		196,010	**100.0%**	97,073	**100.0%**

Source:
Hillsborough County Annual Comprehensive Financial Report

*There is a one year lag on the reporting of these numbers from reported financial statements

HILLSBOROUGH COUNTY, FLORIDA
PRINCIPAL EMPLOYERS
2015 and 2024





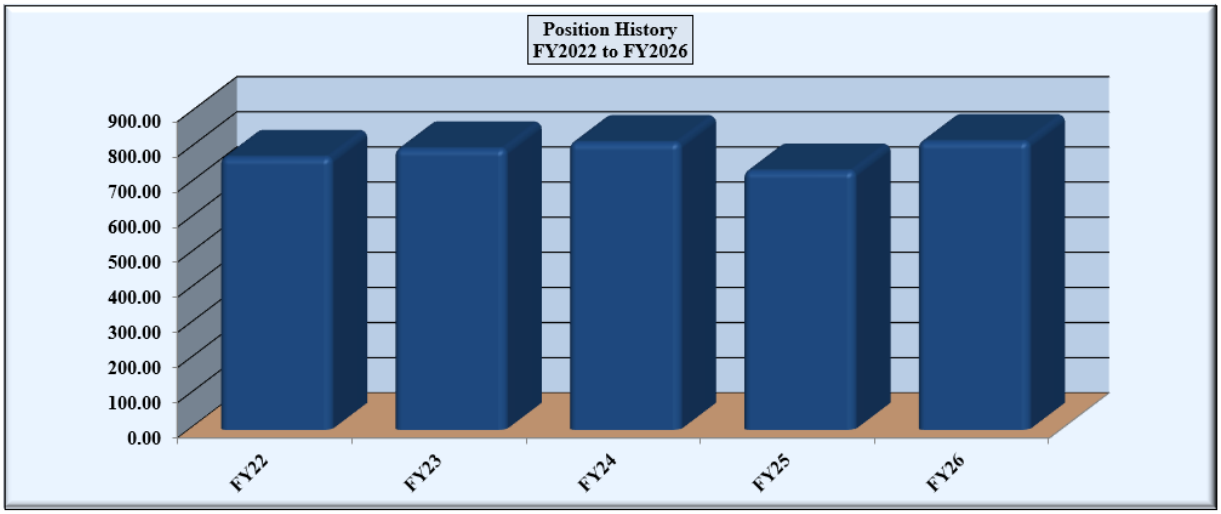
Statistical Section

Operating Information

- Miscellaneous HART Statistics.
- Staffing – Position Count by Unit (FY2022 to FY2026).
- Bus Service Trends (FY2016 to FY2025).
- Paratransit Service Trends (FY2016 to FY2025).
- Streetcar Service Trends (FY2016 to FY2025).
- Expenses by Program (FY2016 to FY2025).

MISCELLANEOUS HART STATISTICS	
Date Authority Created	October 3, 1979
Date Authority Began Operations	March 1980
Form of Government	Board of Directors, Chief Executive Officer
Board of Directors	12
Total Square Miles	1266 Square miles
Type of Tax Support	Property Tax
Property Tax (Millage/Rate) 2015 Adopted Budget	.5 mil (0.50)
Services	Fixed Route = 27 local routes and 4 Limited Express routes 100% wheelchair/bicycle accessible buses and vans Flex service = 2 Flex route Paratransit = Door to Door van service for disabled persons Streetcar = Streetcar service operated and maintained under contract to Tampa Historic Streetcar Inc. (THS)
Bus Stops / Shelters	2,311 Bus stops; 650 shelters of which 310 are maintained by the Authority and 340 are maintained by a vendor
Transit Fleet	Fixed Route and Flex service: 131 buses Paratransit: 74 paratransit vans and 4 flex vans Streetcar: 9 streetcars
Facilities	- 21st Avenue Operations and Maintenance Facility - 9 park-and-ride lots - 2 transit centers (Marion Transit Center and University Area Transit) - 6 transfer centers (Britton Plaza, Westshore Plaza, Northwest, Netpark West Tampa, Yukon) - Marion Street Transit Parkway - The Raymond C. Miller Building / Streetcar Barn / Ybor Station / (streetcar operations, streetcar maintenance facility and administrative staff) - Dick Greco Southern Transportation Plaza and 10 Streetcar Stations

STAFFING - POSITION COUNT BY UNIT						
UNIT	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Proposed	FY2026 Incr (Decr) FY2025
ATU	581.00	594.00	627.00	587.00	616.75	29.75
Teamster	52.00	52.00	55.00	51.00	63.00	12.00
Non-Bargaining	144.00	155.00	137.00	122.00	142.00	20.00
Total Positions	**777.00**	**801.00**	**819.00**	**760.00**	**821.75**	**61.75**

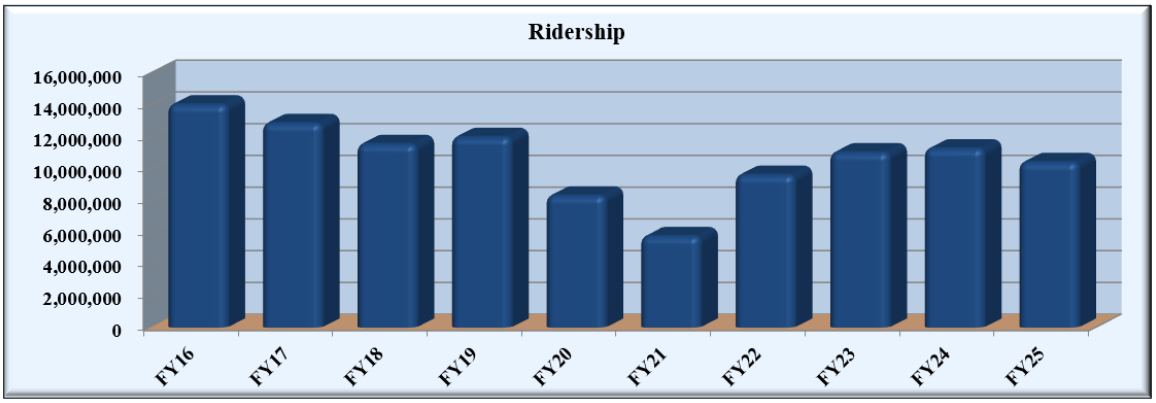


HILLSBOROUGH TRANSIT AUTHORITY TREND OF BUS SERVICE FY2016 to FY2020					
	FY16	**FY17**	**FY18**	**FY19**	**FY20**
STATISTICS					
Total Miles *	9,378,111	9,294,792	8,450,701	9,056,592	7,713,928
Revenue Miles *	8,400,733	8,324,037	7,730,066	8,199,394	7,135,272
Total Hours*	703,706	696,251	660,283	692,964	595,430
Revenue Hours*	661,137	656,116	631,317	662,198	574,098
Vehicle Trips*	604,196	599,725	694,737	681,158	590,513
Ridership*	14,081,260	12,901,178	11,586,334	12,032,360	8,343,331
Positions*	698.0	684.0	646.0	677.0	640.0
REVENUES					
Passenger Fares	$ 13,981,071	$ 12,825,045	$ 11,455,183	$ 11,477,437	$ 8,265,314
Ad Valorem	$ 31,576,314	$ 33,967,084	$ 36,958,839	$ 40,760,104	$ 46,435,486
Operating Grant Revenues	$ 13,477,832	$ 14,898,215	$ 15,118,795	$ 16,829,916	$ 30,800,393
Other Revenues	$ 1,465,920	$ 1,599,991	$ 4,528,343	$ 4,652,989	$ 4,037,992
Total Operating Revenues	**$ 60,501,137**	**$ 63,290,335**	**$ 68,061,160**	**$ 73,720,446**	**$ 89,539,185**
EXPENSES					
Total Operating Expenses	$ 67,549,582	$ 72,191,976	$ 69,518,173	$ 79,232,697	$ 81,694,363
KEY OPERATING INDICATORS					
Operating Cost per Total Mile	$ 7.20	$ 7.77	$ 8.23	$ 8.75	$ 10.59
Operating Cost per Revenue Mile	$ 8.04	$ 8.67	$ 8.99	$ 9.66	$ 11.45
Ridership per Revenue Mile	$ 1.68	$ 1.55	$ 1.50	$ 1.47	$ 1.17
Operating Cost per Rider	$ 4.80	$ 5.60	$ 6.00	$ 6.58	$ 9.79
Average Fare per Rider	$ 0.99	$ 0.99	$ 0.99	$ 0.95	$ 0.99
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	20.7%	17.8%	16.5%	14.5%	10.1%

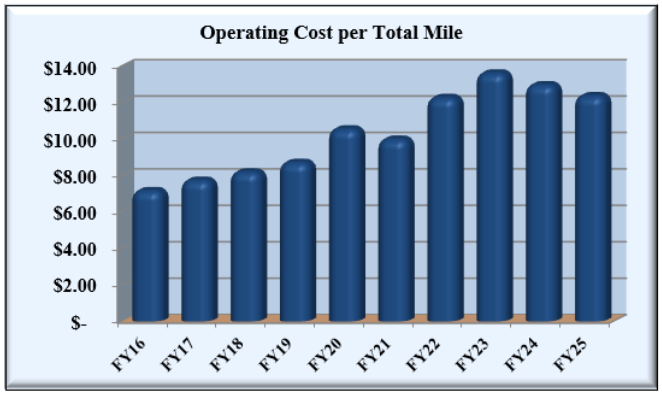
* Numbers are obtained from NTD report

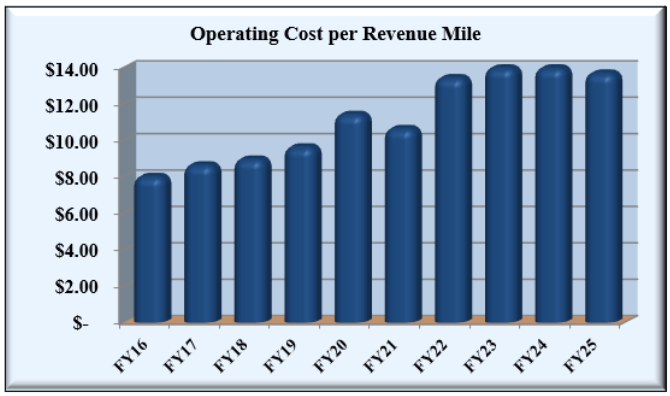
HILLSBOROUGH TRANSIT AUTHORITY TREND OF BUS SERVICE FY2021 to FY2025					
	FY21	**FY22**	**FY23**	**FY24**	**FY25**
STATISTICS					
Total Miles *	7,652,872	7,157,294	7,187,489	7,229,554	7,247,617
Revenue Miles *	7,187,617	6,544,375	6,582,991	6,584,154	6,557,129
Total Hours*	602,434	554,216	553,859	559,075	568,651
Revenue Hours*	584,719	535,992	529,706	528,443	537,538
Vehicle Trips*	596,336	602,343	535,313	511,635	502,074
Ridership*	5,784,404	9,644,403	11,062,383	11,308,431	10,449,717
Positions*	624.0	638.0	683.0	667.0	607.0
REVENUES					
Passenger Fares	$ 5,746,646	$ 7,297,322	$ 7,858,899	$ 8,632,327	$ 7,287,062
Ad Valorem	$ 49,135,127	$ 52,861,038	$ 63,796,335	$ 60,878,383	$ 70,615,380
Operating Grant Revenues	$ 36,100,159	$ 31,478,353	$ 36,385,396	$ 26,493,439	$ 23,931,109
Other Revenues	$ 3,229,204	$ 2,580,976	$ 3,754,366	$ 6,532,539	$ 5,353,723
Total Operating Revenues	**$ 94,211,136**	**$ 94,217,689**	**$ 111,794,996**	**$ 102,536,688**	**$ 107,187,274**
EXPENSES					
Total Operating Expenses	$ 76,693,257	$ 88,130,868	$ 98,168,418	$ 94,079,318	$89,958,909
KEY OPERATING INDICATORS					
Operating Cost per Total Mile	$ 10.02	$ 12.31	$ 13.66	$ 13.01	$ 12.41
Operating Cost per Revenue Mile	$ 10.67	$ 13.47	$ 14.91	$ 14.29	$ 13.72
Ridership per Revenue Mile	$ 0.80	$ 1.47	$ 1.68	$ 1.72	$ 1.59
Operating Cost per Rider	$ 13.26	$ 9.14	$ 8.87	$ 8.32	$ 8.61
Average Fare per Rider	$ 0.99	$ 0.76	$ 0.71	$ 0.76	$ 0.70
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	7.5%	8.3%	8.0%	9.2%	8.1%

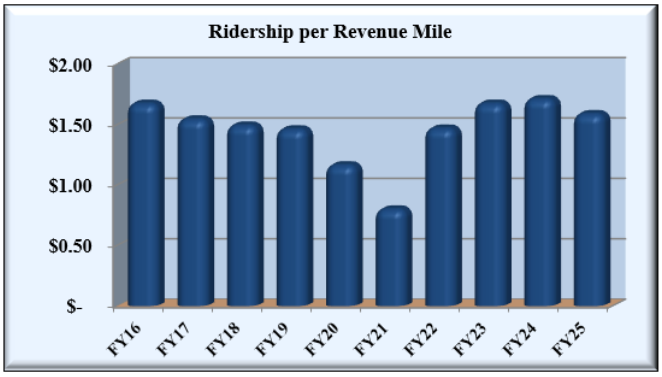
Note:
Total bus operating expenses include salaries, fringes, fuel & lubricants, parts & supplies, contracted services, claims, utilities, marketing and other miscellaneous expenses which are not directly attributable to paratransit or streetcar. It does not include operating expenses reimbursed by grants or depreciation.

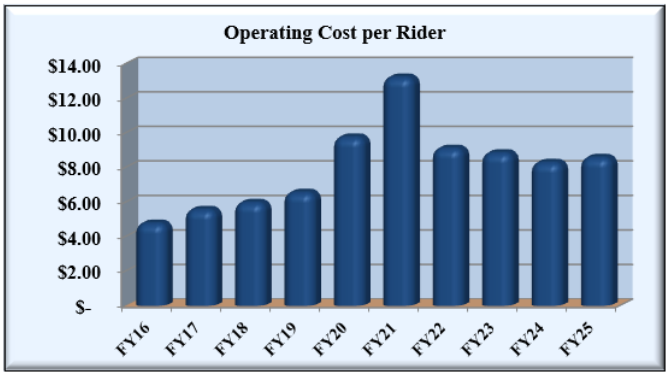


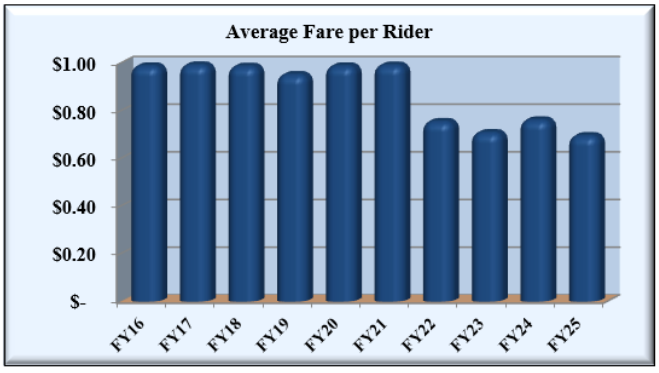
HILLSBOROUGH TRANSIT AUTHORITY
TREND OF BUS SERVICE
FISCAL YEARS 2016 to 2025

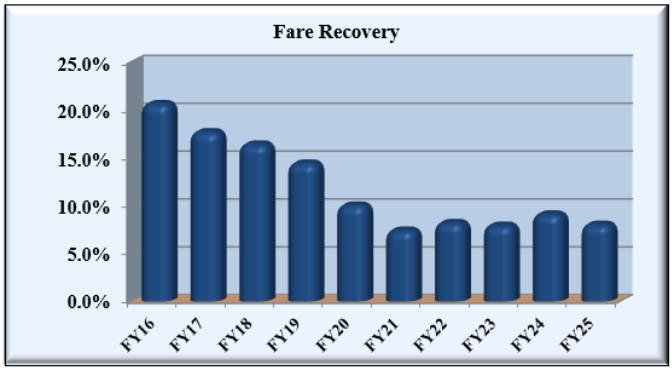












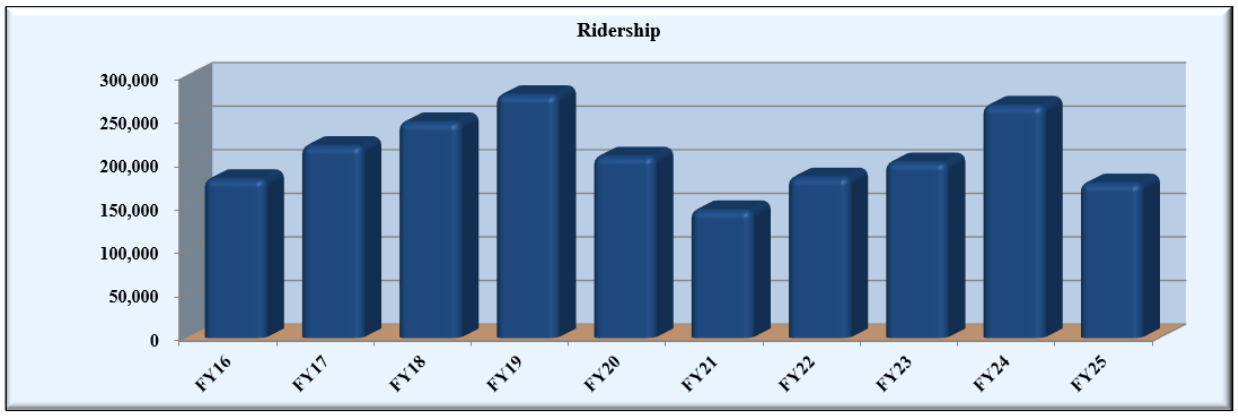
HILLSBOROUGH TRANSIT AUTHORITY TREND OF PARATRANSIT SERVICE FY2016 to FY2020					
	FY16	**FY17**	**FY18**	**FY19**	**FY20**
STATISTICS					
Total Miles *	1,745,008	1,972,566	2,016,025	2,402,235	1,836,848
Revenue Miles *	1,538,575	1,741,816	1,790,463	2,155,760	1,629,486
Total Hours*	113,010	141,802	116,736	138,070	108,036
Revenue Hours*	96,861	123,641	98,390	120,621	93,127
Vehicle Trips*	167,318	206,914	231,467	175,867	126,483
Ridership*	182,883	220,922	248,133	279,278	208,715
Positions*	99.0	88.0	93.0	91.0	121.0
REVENUES					
Passenger Fares	$604,772	$773,229	$792,382	$929,626	$764,680
Ad Valorem	$3,293,064	$3,542,355	$3,842,841	$4,074,830	$2,435,143
Operating Grant Revenues	$1,531,073	$2,768,455	$2,861,444	$2,992,853	$4,555,374
Other Revenues	$321	$429	$448	$410	$0
Total Operating Revenues	**$5,429,230**	**$7,084,468**	**$7,497,115**	**$7,997,719**	**$7,755,197**
EXPENSES					
Total Operating Expenses	$5,429,230	$7,084,468	$7,497,115	$7,497,115	$7,755,197
KEY OPERATING INDICATORS					
Operating Cost per Total Mile	$3.11	$3.59	$3.72	$3.33	$4.22
Operating Cost per Revenue Mile	$3.53	$4.07	$4.19	$3.71	$4.76
Ridership per Revenue Mile	0.12	0.13	0.14	0.13	0.13
Operating Cost per Rider	$29.69	$32.07	$30.21	$28.64	$37.16
Average Fare per Rider	$3.31	$3.50	$3.19	$3.33	$3.66
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	11.1%	10.9%	10.6%	11.6%	9.9%

* Numbers are obtained from NTD report

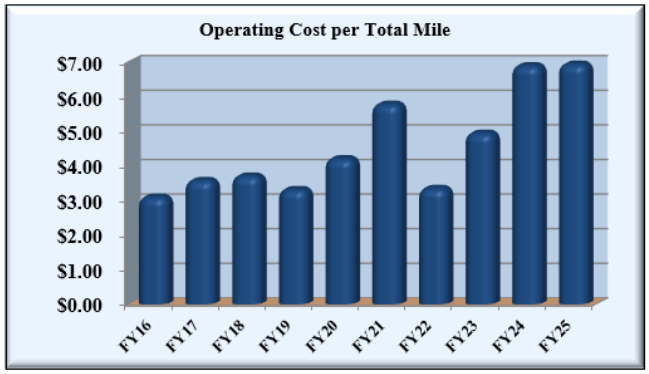
HILLSBOROUGH TRANSIT AUTHORITY TREND OF PARATRANSIT SERVICE FY2021 to FY2025					
	FY21	**FY22**	**FY23**	**FY24**	**FY25**
STATISTICS					
Total Miles *	1,599,966	1,974,734	2,202,061	2,048,142	2,100,600
Revenue Miles *	1,363,101	1,708,365	1,909,425	1,744,985	1,783,297
Total Hours*	120,912	146,021	146,640	152,181	150,260
Revenue Hours*	100,864	122,835	124,679	126,603	124,707
Vehicle Trips*	129,316	165,154	180,655	156,602	167,067
Ridership*	147,186	184,771	201,991	267,149	177,822
Positions*	95.0	107.0	103.0	121.0	124.0
REVENUES					
Passenger Fares	$525,652	$865,294	$783,493	$1,001,964	$625,617
Ad Valorem	$3,995,228	$4,675,792	$2,222,291	$12,912,265	$8,251,507
Operating Grant Revenues	$4,751,039	$1,099,004	$7,831,758	$95,480	$5,610,557
Other Revenues	$409	$545	$79,277	$138,377	$115,134
Total Operating Revenues	**$9,272,328**	**$6,640,635**	**$10,916,819**	**$14,148,086**	**$14,602,815**
EXPENSES					
Total Operating Expenses	$9,272,328	$6,640,635	$10,916,819	$14,148,086	$14,602,815
KEY OPERATING INDICATORS					
Operating Cost per Total Mile	$5.80	$3.36	$4.96	$6.91	$6.95
Operating Cost per Revenue Mile	$6.80	$3.89	$5.72	$8.11	$8.19
Ridership per Revenue Mile	0.11	0.11	0.11	0.15	0.10
Operating Cost per Rider	$63.00	$35.94	$54.05	$52.96	$82.12
Average Fare per Rider	$3.57	$4.68	$3.88	$3.75	$3.52
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	5.7%	13.0%	7.2%	7.1%	4.3%

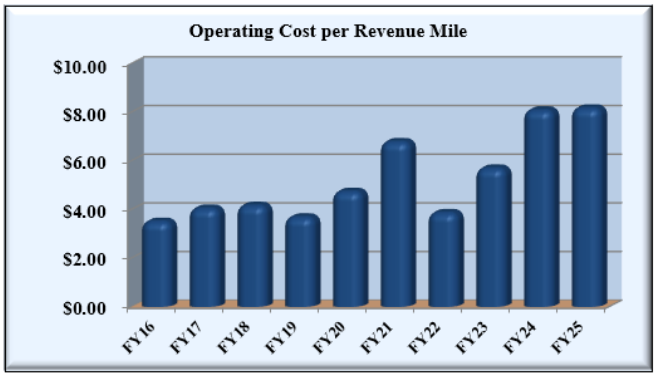
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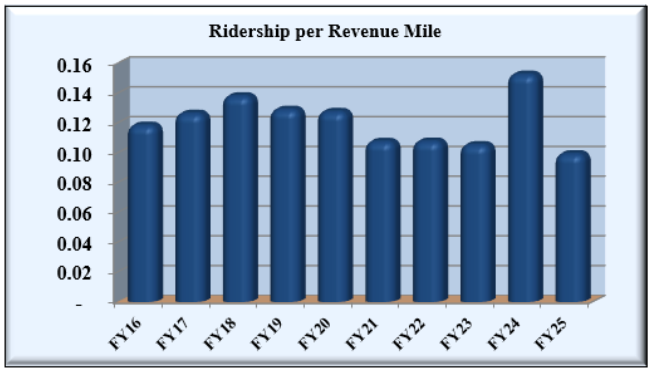
Total paratransit operating expenses include those expenses directly attributable to paratransit service which include salaries, fringes, fuel & lubricants, parts & supplies, contracted services, claims, utilities, marketing and other miscellaneous expenses. It does not include operating expenses reimbursed by grants or depreciation. Ridership includes the Taxi Voucher Program.

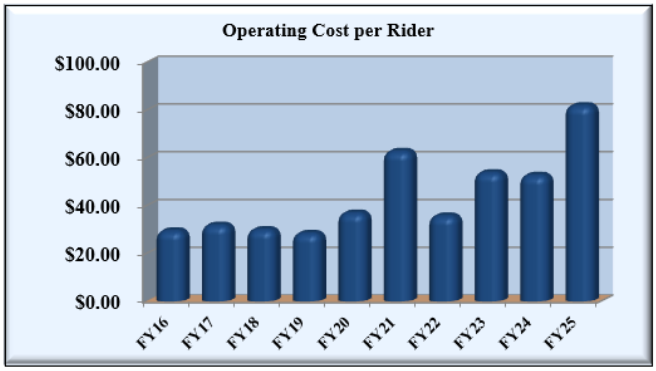


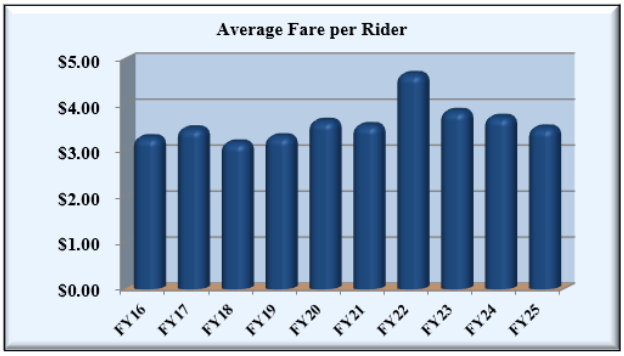
HILLSBOROUGH TRANSIT AUTHORITY
TREND OF PARATRANSIT SERVICE
FISCAL YEARS 2016 to 2025

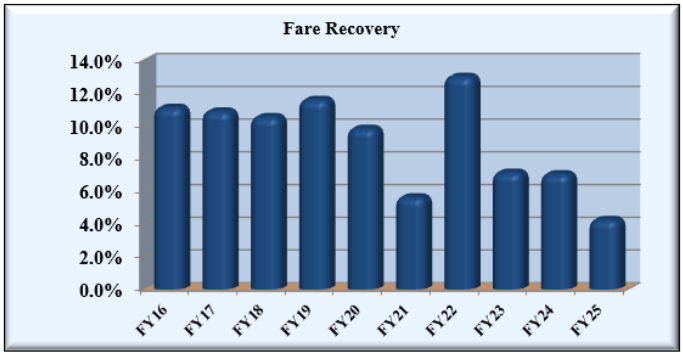












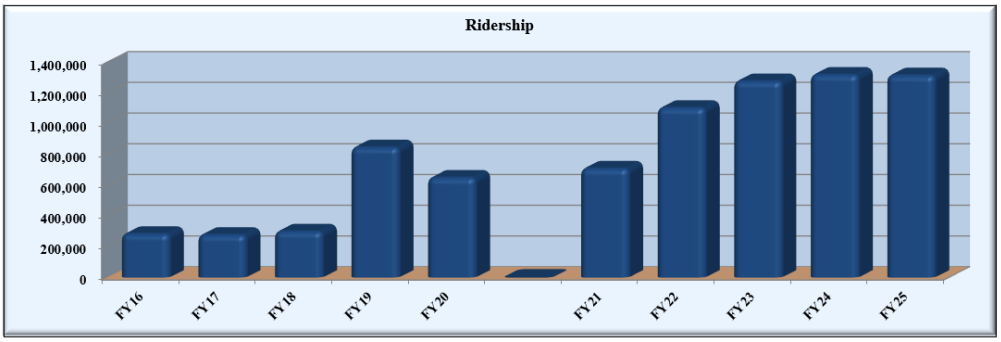
HILLSBOROUGH TRANSIT AUTHORITY TREND OF STREETCAR SERVICE FY2016 to FY2020					
	FY16	FY17	FY18	FY19	FY20
STATISTICS					
Total Miles *	67,156	73,183	62,460	117,636	116,357
Revenue Miles *	67,134	72,666	60,468	114,855	115,874
Total Hours*	12,547	13,659	11,575	21,982	21,960
Revenue Hours*	12,475	13,576	11,508	20,758	21,842
Vehicle Trips*	28,921	28,760	24,984	43,539	44,424
Ridership*	286,685	280,601	302,872	850,853	653,232
Positions*	18.0	19.0	24.0	29.0	30.0
REVENUES					
Passenger Fares	$569,765	$550,298	$329,016	$5,841	$0
Ad Valorem	$0	$0	$0	$0	$0
Operating Grant Revenues	$993,640	$1,132,969	$1,246,219	$2,241,425	$2,555,932
Other Revenues	-$23,619	$18	$115	$81	-$3,246
Total Operating Revenue	**$1,539,786**	**$1,683,285**	**$1,575,350**	**$2,247,347**	**$2,552,686**
EXPENSES					
Total Operating Expenses	$1,594,582	$1,687,448	$1,577,705	$2,247,347	$2,561,056
KEY OPERATING INDICATORS					
Operating Cost per Total Mile	$23.74	$23.06	$25.26	$19.10	$22.01
Operating Cost per Revenue Mile	$23.75	$23.22	$26.09	$19.57	$22.10
Ridership per Revenue Mile	4.27	3.86	5.01	7.41	5.64
Operating Cost per Rider	$5.56	$6.01	$5.21	$2.64	$3.92
Average Fare per Rider	$1.99	$1.96	$1.09	$0.01	$0.00
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	35.7%	32.6%	20.9%	0.3%	0.0%

* Numbers are obtained from NTD report

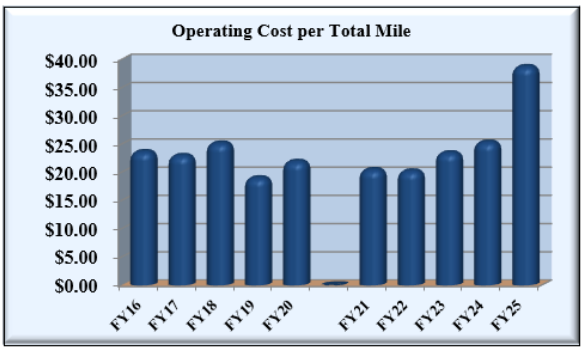
HILLSBOROUGH TRANSIT AUTHORITY TREND OF STREETCAR SERVICE FY2021 to FY2025					
	FY21	**FY22**	**FY23**	**FY24**	**FY25**
STATISTICS					
Total Miles *	127,879	126,380	126,282	130,920	122,148
Revenue Miles *	124,055	123,616	126,282	130,920	122,148
Total Hours*	23,620	22,487	23,248	24,778	23,373
Revenue Hours*	23,564	22,487	23,248	24,778	23,373
Vehicle Trips*	48,862	48,591	49,691	52,044	48,859
Ridership*	712,693	1,107,584	1,281,399	1,323,715	1,319,565
Positions*	25.0	32.0	33.0	31.0	29.0
REVENUES					
Passenger Fares	$0	$0	$0	$0	$0
Ad Valorem	$0	$0	$0	$0	$0
Operating Grant Revenues	$2,540,253	$2,388,792	$2,790,457	$2,975,231	$4,453,773
Other Revenues	$89,550	$179,550	$182,693	$353,319	$287,835
Total Operating Revenue	**$2,629,803**	**$2,568,342**	**$2,973,150**	**$3,328,550**	**$4,741,608**
EXPENSES					
Total Operating Expenses	$2,629,803	$2,568,342	$2,973,150	$3,328,550	$4,741,608
KEY OPERATING INDICATORS					
Operating Cost per Total Mile	$20.56	$20.32	$23.54	$25.42	$38.82
Operating Cost per Revenue Mile	$21.20	$20.78	$23.54	$25.42	$38.82
Ridership per Revenue Mile	5.74	8.96	10.15	10.11	10.80
Operating Cost per Rider	$3.69	$2.32	$2.32	$2.51	$3.59
Average Fare per Rider	$0.00	$0.00	$0.00	$0.00	$0.00
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	0.0%	0.0%	0.0%	0.0%	0.0%

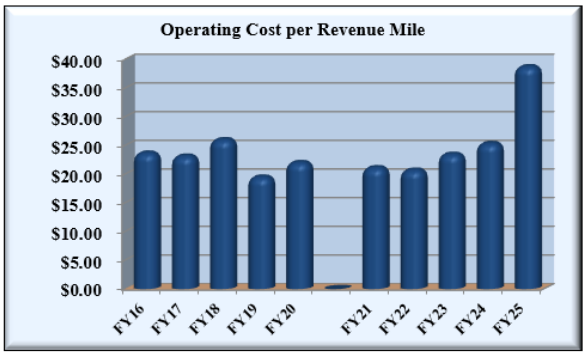
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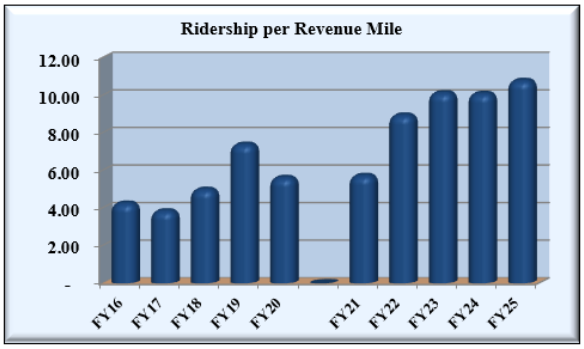
Total streetcar operating expenses include those expenses directly attributable to streetcar service which include salaries, fringes, fuel & lubricants, parts & supplies, contracted services, claims, utilities, marketing and other miscellaneous expenses. It does not include operating expenses reimbursed by grants or depreciation. Through a grant from Florida Department of Transportation, starting October 2018 free fares are now offered on the streetcar. While there is still a small amount of special event revenue taken in, this schedule shows the sharp drop in Passenger Fares while the ridership and other statistical data reflects a sharp increase.

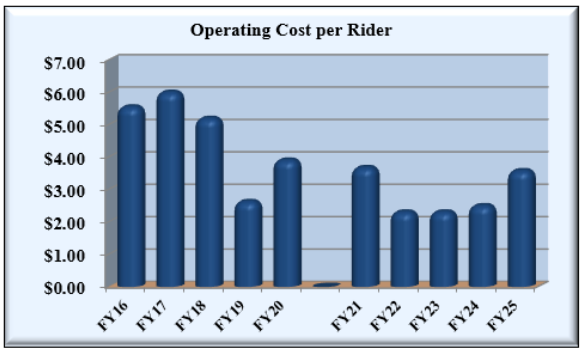


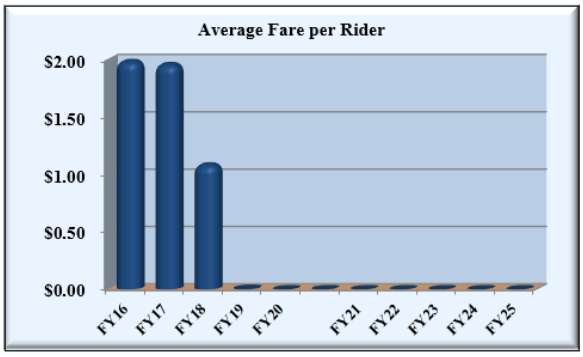
HILLSBOROUGH TRANSIT AUTHORITY
TREND OF STREETCAR SERVICE
FISCAL YEARS 2016 to 2025

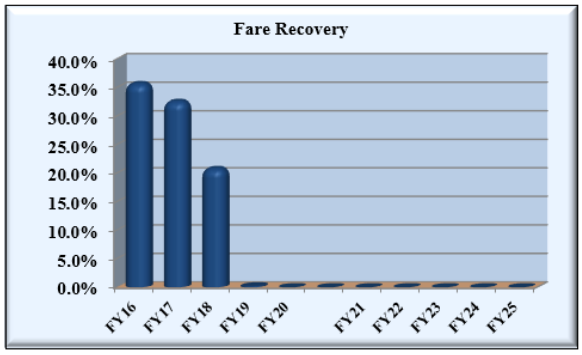








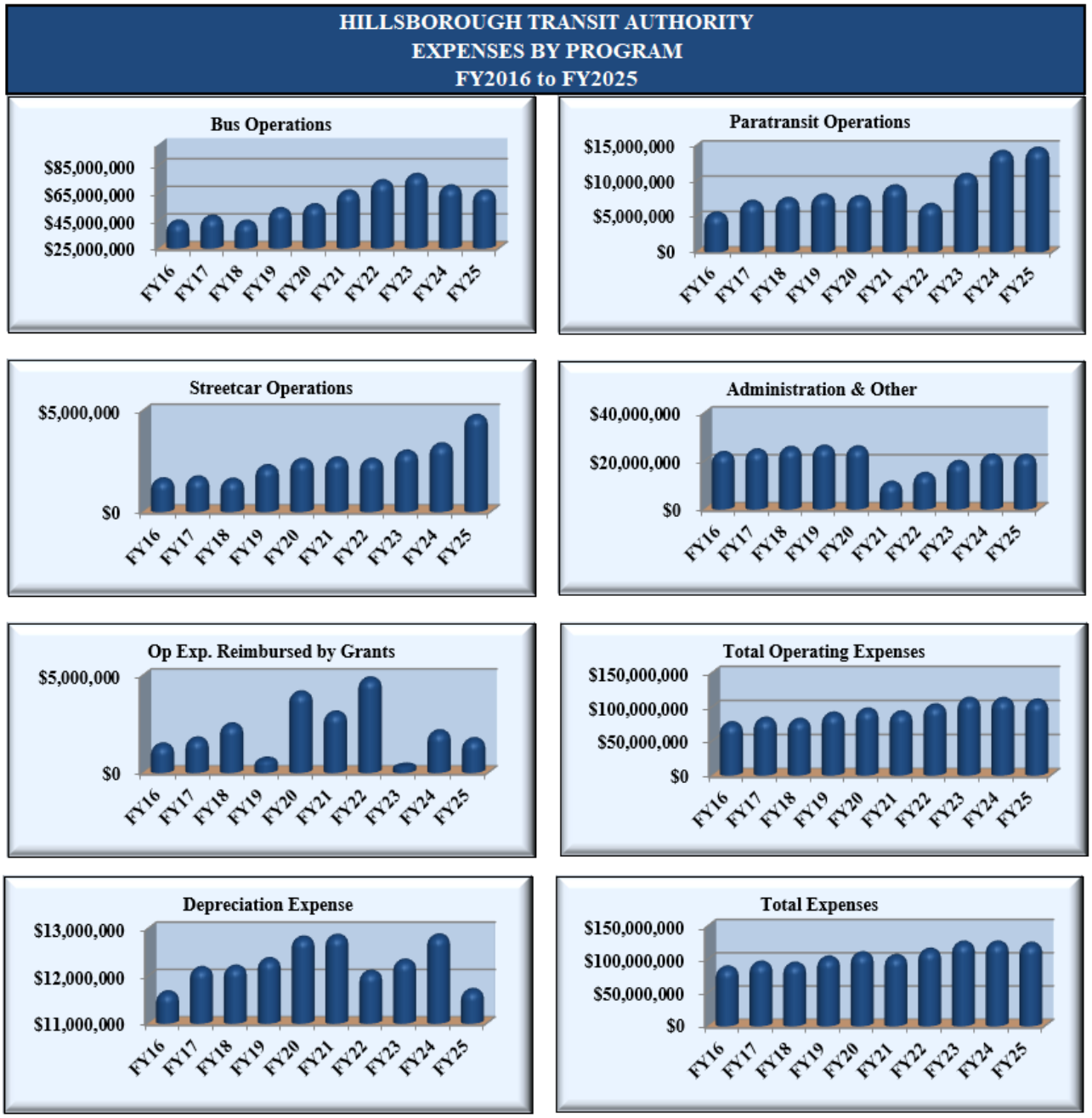




HILLSBOROUGH TRANSIT AUTHORITY EXPENSES BY PROGRAM FY2016 to FY2025					
	FY2016	**FY2017**	**FY2018**	**FY2019**	**FY2020**
OPERATING EXPENSES:					
Bus Operations	$44,182,428	$47,715,002	$44,052,634	$53,215,806	$55,974,173
Paratransit Operations	$5,429,230	$7,084,468	$7,497,115	$7,997,719	$7,755,197
Streetcar Operations	$1,594,582	$1,687,448	$1,577,705	$2,247,347	$2,561,056
Administration & Other	$23,367,153	$24,476,974	$25,465,538	$26,016,891	$25,720,190
Op. Exp Reimb by Grants	$1,440,203	$1,750,812	$2,477,538	$693,637	$4,125,879
Total Operating Expenses	$76,013,596	$82,714,704	$81,070,530	$90,171,400	$96,136,495
Depreciation Expense	$11,652,527	$12,164,514	$12,194,544	$12,353,469	$12,807,484
Lease Amortization Expense	$0	$0	$0	$0	$0
Total Expenses	$87,666,123	$94,879,218	$93,265,074	$102,524,869	$108,943,979

	FY 2021	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**
OPERATING EXPENSES:					
Bus Operations	$65,954,761	$73,445,182	$77,995,894	$69,643,523	$67,755,465
Paratransit Operations	$9,272,328	$6,640,635	$10,916,819	$14,148,086	$14,602,815
Streetcar Operations	$2,629,803	$2,568,342	$2,973,150	$3,328,550	$4,741,608
Administration & Other	$10,990,371	$14,685,686	$19,629,206	$22,313,971	$22,203,443
Op. Exp Reimb by Grants	$3,087,727	$4,845,377	$361,121	$2,121,824	$1,713,885
Total Operating Expenses	$91,934,990	$102,185,222	$111,876,190	$111,555,954	$111,017,216
Depreciation Expense	$12,845,735	$12,086,256	$12,321,051	$12,851,363	11,699,894
Lease Amortization Expense	$19,870	$19,784	$716,207	$680,797	$451,639
Total Expenses	$104,800,595	$114,291,262	$124,913,448	$125,088,114	$123,168,749

Notes:
Bus Operations are those functions and related cost for Bus and Flex Service. These functions include: Vehicle Operators, Maintenance Tech's, Scheduling, Customer Service, Support and Supervisory Personnel.
Paratransit Operations are those functions and related cost for Paratransit Service. These functions include: Vehicle Operators, Maintenance Techs, Scheduling, Customer Service, Support and Supervisory Personnel along with Administrative and Contract Services which directly support Paratransit Operations.
Streetcar Operations are those functions and related cost for Streetcar Service. These functions include: Vehicle Operators, Maintenance Tech's, and Supervisory Personnel along with Administrative and Contract Services which directly support Streetcar Operations.
Administrative & Other are those support functions and related cost which support the whole organization which do not already directly support Paratransit and Streetcar. These functions include: Executive, Finance, Human Resource, Information Technology, Procurement, Marketing, Legal, Risk Management, Insurance Costs, and Other Overhead Costs.
Operating Expense reimbursed by Grants are costs which are grant funded but are not classified as capital assets and need to be recognized as operating costs.
Total Operating Costs include: Bus, Paratransit & Streetcar operations and Administrative & Other functions.
Depreciation Expense is the straight-line amortization of capitalized assets.
Total Expenses include all cost listed above.


HILLSBOROUGH TRANSIT AUTHORITY
EXPENSES BY PROGRAM
FY2016 to FY2025
Bus Operations
$85,000,000
$65,000,000
$45,000,000
$25,000,000
Paratransit Operations
$15,000,000
$10,000,000
$5,000,000
$0
Streetcar Operations
$5,000,000
$0
Administration & Other
$40,000,000
$20,000,000
$0
Op Exp. Reimbursed by Grants
$5,000,000
$0
Total Operating Expenses
$150,000,000
$100,000,000
$50,000,000
$0
Depreciation Expense
$13,000,000
$12,000,000
$11,000,000
Total Expenses
$150,000,000
$100,000,000
$50,000,000
$0
FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25

Debt Capacity Data

- Schedule of Outstanding Debt FY22 – FY25

SCHEDULE OF OUTSTANDING DEBT
FY2022 to FY2025

Fiscal Year	Total Debt	Leases Liability	SBITA Liability	Revenue Vehicle Miles	Debt per Revenue Mile	Revenue Vehicle Hours	Debt per Revenue Vehicle Hours
2022	$ 19,600	$ 19,600	$ -	8,376,356	$ 0.00	681,314	$ 0.03
2023	$ 1,454,535	$ 33,345	$ 1,421,190	8,618,698	$ 0.17	677,633	$ 2.15
2024	$ 812,949	$ 16,101	$ 796,848	8,460,059	$ 0.10	679,824	$ 1.20
2025	$ 479,007	$ 11,181	$ 467,826	8,462,574	$ 0.06	685,618	$ 0.70

*** GASB 87 implemented in FY2022 and GASB 96 implemented in FY2023**

SECTION IV

COMPLIANCE REPORTS

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Hillsborough Transit Authority
Tampa, Florida

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 Hillsborough Transit Authority, a/k/a Hillsborough Area Regional Transit Authority, or HART (the "Authority") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated March 2, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Cherry Bekaert LLP

Tampa, Florida
March 2, 2026

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor on Compliance for Each Major Federal Program and State Financial Assistance Project and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General

To the Board of Directors
Hillsborough Transit Authority
Tampa, Florida

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

Opinion on Each Major Federal Program and State Financial Assistance Project

We have audited the Hillsborough Transit Authority's, a/k/a Hillsborough Area Regional Transit Authority, or HART (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the Florida Department of Financial Services, *State Projects Compliance Supplement* that could have a direct and material effect on its major federal programs and state financial assistance projects for the year ended September 30, 2025. The Authority's major federal programs and state financial assistance projects are identified in the *Summary of the Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority 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 and major state financial assistance projects for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program and State Financial Assistance Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and Chapter 10.550, Rules of the Auditor General ("Chapter 10.550"). Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550 are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program and state financial assistance project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, and Chapter 10.550 we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state financial assistance project 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 and state financial assistance project 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 and state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Tampa, Florida
March 2, 2026

HILLSBOROUGH TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2025

Part I – Summary of Auditor's Results

Financial Statement Section

statements audited were prepared in accordance with GAAP:	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	____ yes	_x_ no	
Significant deficiency(ies) identified not considered to be material weakness(es)?	____ yes	_x_ none reported	
Noncompliance material to financial statements noted	____ yes	_x_ no	

Federal Awards Programs and State Projects Section

Internal control over major programs:			
Material weakness(es) identified?	____ yes	_x_ no	
Significant deficiency(ies) identified not considered to be material weakness(es)?	____ yes	_x_ none reported	
Type of auditor's report on compliance for major federal programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 516(a) and Chapter 10.550	____ yes	_x_ no	

Identification of major federal programs and state projects:

Federal Programs:

Assistance Listing Numbers	Name of Program or Cluster
20.500, 20.507, 20.525, 20.526	Federal Transit Cluster
20.534	Community Project Funding Congressionally Directed Spending

Part I – Summary of Auditor's Results (continued)

State Project:

CSFA Number	Name of Project
55.010	Public Transit Block Grant Program

Dollar threshold used to determine Type A programs:	
Federal programs	$ 995,658
State projects	$ 750,000
Auditee qualified as low-risk auditee for federal purposes?	____ yes x no

Part II – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no findings required to be reported in accordance with the *Government Auditing Standards*.

Part III – Findings and Questioned Costs – Major Federal Award Programs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required to be reported by the Uniform Guidance.

There were no findings required to be reported in accordance with the Uniform Guidance.

Part IV – Findings and Questioned Costs – Major State Financial Assistance Projects

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required to be reported by the Chapter 10.550, Rules of the Auditor General.

There were no findings required to be reported in accordance with Chapter 10.550, Rules of the Auditor General.

HILLSBOROUGH TRANSIT AUTHORITY
SUMMARY OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2025

Finding 2024-001: Significant Deficiency Internal Control over the Preparation of the Schedule of Expenditures of Federal Awards and State Financial Assistance ("SEFASFA")

Finding: The Public Transportation Emergency Relief Program (Assistance Listing Number 20.527) was improperly reported as being a part of the federal transit administration cluster.

Status: Implemented. The Authority enhanced its review of the program against the most recent compliance supplement when preparing the SEFASFA.

Finding 2024-002: Significant Deficiency Internal Control over the Review of the Assumptions Used in the Actuarially Determined Other Post Employment Benefit ("OPEB") Liability

Finding: The Authority did not compare the inputs used in the actuarial calculations to census data provided to the actuary.

Status: Implemented. The Authority enhanced its review of actuarial inputs. The year ended September 30, 2025 was a roll-forward valuation year for the OPEB liability.

Finding 2024-003: Significant Deficiency Internal Control over the Classification of Restricted

Finding: The Authority was reporting cash and net position amounts as restricted when the Board of Directors placed restrictions on the funds as opposed to an external restriction.

Status: Implemented. The Authority implemented a process to ensure only external restrictions are reported in the restricted categories of cash and net position.

Finding 2024-004: Significant Deficiency Internal Control over the Disposal of Capital Assets

Finding: The Authority did not record the disposals of capital assets that were sold or not in use in previous years.

Status: Implemented. The Authority implemented a process to ensure the capital asset ledgers are reviewed for accurately include any disposal whether due to sale or non-use.

Cherry Bekaert LLP
CPAs & Advisors

Independent Auditor's Management Letter

To the Board of Directors
Hillsborough Transit Authority
Tampa, Florida

Report on the Financial Statements

We have audited the financial statements of the Hillsborough Transit Authority, a/k/a Hillsborough Area Regional Transit Authority, or HART (the "Authority"), as of and for the year ended September 30, 2025, and have issued our report thereon dated March 2, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditor 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*; Report of Independent Auditor on Compliance for Each Major Federal Program and State Financial Assistance Project and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs; and Report of Independent Accountant on Compliance with Local Government Investment Polices, regarding compliance in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 2, 2026, 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. Corrective actions have been taken to address findings and recommendations in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Authority was established pursuant to the constitution and laws of Florida, particularly Chapter 91-368, Laws of Florida, as amended, revising and consolidating Chapter 31263, Special Laws of Florida, 1955. There were no component units related to the Authority.

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 Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Authority reported (unaudited):

a. The total number of district employees compensated in the last pay period of the district's fiscal year as 762.

b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as -0-.

c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $56,271,142.

d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $76,924.

e. Each construction project with a total cost of at least $65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as follows:

Contract #	Reference	Date	Vendor	Description	Total	Amount paid in FY25
VC00000920	Task Order #9	12/2/2024	American Construction Services, Inc. of Tampa	Widening of SE (DACCO) Driveway & Gate	$ 218,971.23	$ 218,971.23
VC00000920	Task Order #10	4/28/2025	American Construction Services, Inc. of Tampa	Reseal and Restripe Hidden River Park and Ride	78,517.60	78,517.60
VC00001021	New Contract	4/29/2025	Trias Construction LLC	Construction of Temporary Unleaded Fuel Facility	1,391,943.00	256,761.25
VC00000919	Task Order #10	5/14/2025	Flores Construction Co.	Construction Bus Stop, Shelter Pads and Landing Pads, Main Street at Rome Avenue and Main Street at Willow Avenue	108,955.00	108,955.00
VC00000921	Task Order #13	8/28/2025	AJ General Construction Services, Inc.	BTI Miscellaneous Construction at Various Locations	200,000.00	-
Total					$ 1,998,386.83	$ 663,205.08

f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as $2,155,929.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Authority.

g. The mileage rate or rates imposed by the district as 0.5.

h. The total amount of ad valorem taxes collected by or on behalf of the district as $78,866,887.

i. The total amount of outstanding bonds issued by the district and the terms of such bonds as none.

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 warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

Cherry Bekaert LLP

Tampa, Florida
March 2, 2026

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Accountant on Compliance with Investment Local Government Investment Policies

To the Board of Directors
Hillsborough Transit Authority
Tampa, Florida

We have examined the Hillsborough Transit Authority's, a/k/a Hillsborough Area Regional Transit Authority, or HART (the "Authority") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2025. Management of the Authority is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements 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 Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Authority's compliance with the specified requirements.

The purpose of this report is to comply with the audit requirements of Section 218.415, Florida Statutes, and Rules of the Auditor General.

In our opinion, the Authority complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2025.

Cherry Bekaert LLP

Tampa, Florida
March 2, 2026

HART

www.GoHART.org

