



**Moving
Hillsborough
*Together***



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023

Hillsborough Transit Authority
Tampa, Florida

Hillsborough Transit Authority Tampa, Florida

Annual Comprehensive Financial Report

For Fiscal Year Ended September 30, 2023

Mission Statement

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

Prepared by the Finance Department



FY2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT
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SECTION I

INTRODUCTORY SECTION



Hillsborough Transit Authority

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April 15, 2024

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, 2023.

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, 2023, 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, 2023, 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 14-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 July 2022 has a population of 1,513,301.

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 2,279 bus stops and 650 shelters (310 HART maintained; 340 vendor-maintained), 6 transfer stations, 2 transit centers, a fleet of 132 buses, 75 vans for Paratransit, 8 flex vans and 9 streetcars.

FY2023 ridership (source: NTD report)

- Bus & Flex: 11,062,383 (an increase of 14.70 percent compared to FY2022),
- Paratransit: 201,991 (an increase of 9.32 percent compared to FY 2022)
- Streetcar: 1,281,399 (an increase of 15.69 percent compared to FY 2022)
- Taxi Voucher program for the Paratransit service listed above: 28,820 (a decrease of 6.36 percent compared to FY 2022)

Note: These statistics are reflective of the effects of the recovery from coronavirus which had a significant impact on HART ridership and required changes to how HART delivered service.

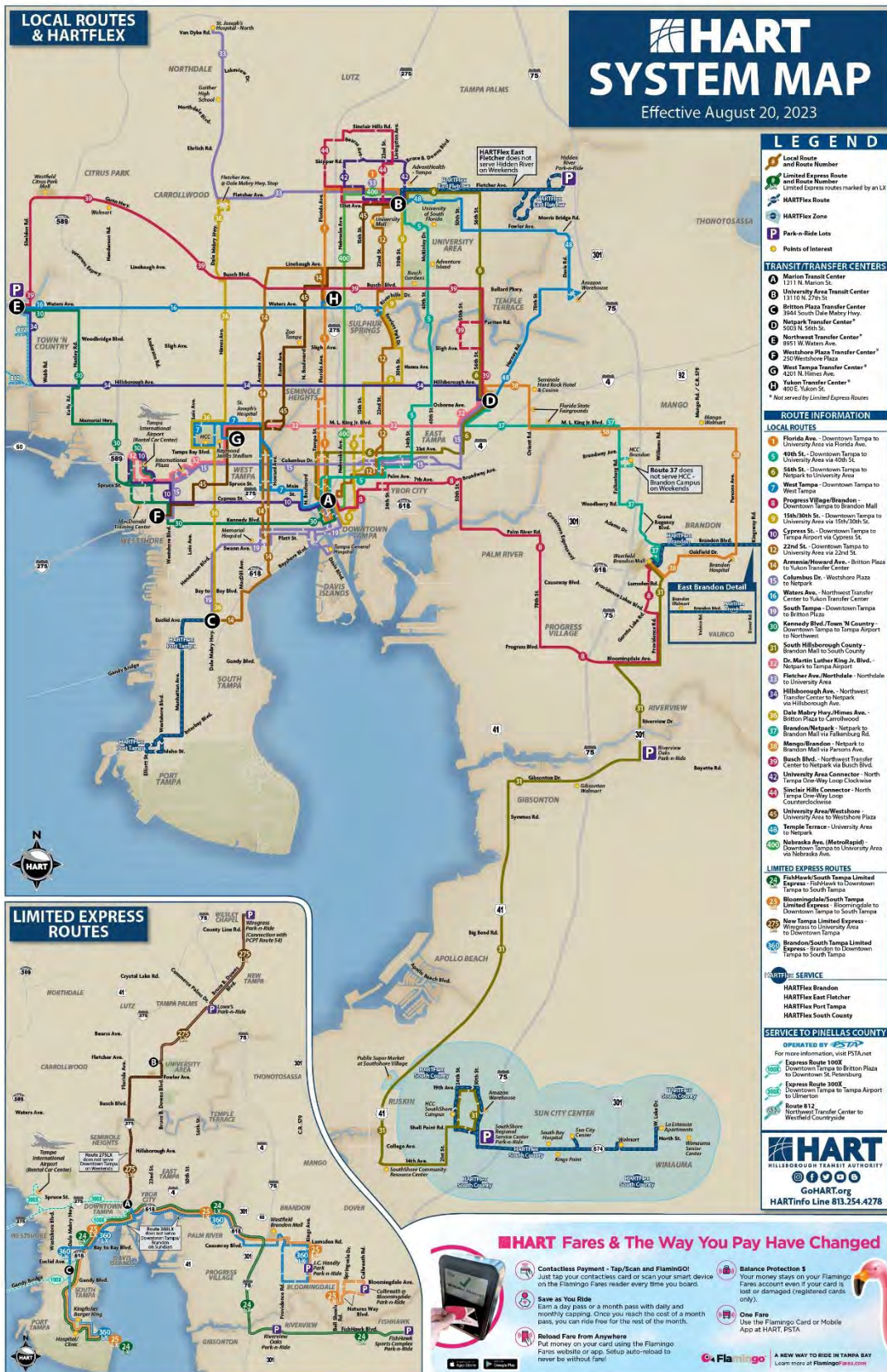
Governing Board

The Authority is governed by a 14-member Board that establishes policies and sets direction for the Authority. The Board consists of a chair and 13 members; seven (7) 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.

FY2023 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 FY2023 operating and capital budget totaled \$159,149,766.

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 Authority's millage rate has remained at .5000 since FY2012.

FY2021 presented an extraordinary challenge with the on-going Coronavirus pandemic. Initially it caused a decrease in passenger fare revenue; a decrease in passenger service; changed the physical workspace for some employees to work-from-home and required more space for social distancing. Passenger fare revenues and service levels have not yet recovered to pre-pandemic levels.

Congress authorized The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) which was signed into law on March 27, 2020. The Federal Transit Administration (FTA) allocated CARES funding to urbanized and rural areas to cover expenditures incurred beginning on January 20, 2020 at 100-percent federal share, with no local match required, and was available to support capital, operating and other expenses generally eligible under the urbanized area formula programs. The Authority received a CARES Act grant through FTA's 5307 program in the award amount of \$39,865,488; \$23,209,263 was received in 2021 and \$16,656,225 was received in 2020. The CARES grant was used solely for bus and paratransit operating costs in accordance with FTA guidelines.

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) which included \$14 billion to support the transit industry during the COVID-19 public health emergency, was signed into law. The authority received a CRRSAA grant in the award amount of \$15,747,731 of which \$15,747,731 was received in 2022.

The American Rescue Plan Act of 2021, also called the COVID-19 Stimulus Package or American Rescue Plan was signed into law March 11, 2021 to speed up the country's recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession. The authority received an ARP grant in the award amount of \$47,765,443 of which \$9,803,587 was received in

2022, \$19,932,511 was received in 2023 with the remaining \$18,029,345 is budgeted to be received in FY2024.

Long-Range Financial Planning

The Authority has seen a significant challenge in maintaining the current level of service to the community due to increases in expenses to provide the service while operating under increased financial constraints to support that service. To ensure the Authority maintains and can support increased service demands in the future, prudent long-range financial planning is critical. In the coming year, the Authority will continue to look at solidifying and building its reserves, examine a multi-year operating budgeting process, and continue to work on reducing overall expenses through gains in efficiency and productivity.

In April, 2021 HART awarded a contract for the development of strategic financial advisory services and the development of a thirty-year financial plan. The financial plan was completed in 2022 and the deliverables included a financial model that has been updated periodically for HART to use as a guide for financial decisions.

Major Initiatives

Major initiatives undertaken in FY2023 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 planned transition to an electric fleet by 2035, advance HART's partnership with Hillsborough Community College – housing 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.
- **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 FY2022, the streetcar rehabilitation project restored the last two, #434, #430, of four Streetcars; #428 and #432 were restored in 2021, and rebuilt into a "Like-New" condition with a complete frame up restoration. This project was completed on July 30, 2022. 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 is preparing to complete a Comprehensive Operations Analysis (COA) and Transit Development Plan (TDP) Update. 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 minor updates annually as explained in the Florida Administrative Code.
- Basic Transit Infrastructure: In FY2023 Basic Transit Infrastructure (BTI) completed the construction of eight (8) new or improved ADA-compliant bus stops. BTI installed 47 new transit shelters at new or existing stops within the fiscal year FY23.
- HART Arterial BRT Project; HART is currently designing the Low-Cost Alternative Bus Rapid Transit (BRT) project, funded by a \$2.5M FDOT Grant. 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 a dedicated-lane for a majority of the corridor traveling along Florida, Nebraska, and Fowler Avenues to provide a time-competitive transit option for existing and potential customers alike. 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.
- Fixed Route Diesel Replacement; In FY23, HART continued to demonstrate its commitment to environmental sustainability and community with the receipt of 10 out of 14 new Gillig 40ft CNG low-floor transit buses, bringing the CNG fleet total to ninety-nine (99). Today, 75% of the active bus fleet runs on clean-burning American natural gas. HART's efforts in replacing 99 diesel buses with CNG buses represent a substantial step towards environmental sustainability and cleaner urban transportation. This transition has significantly reduced harmful emissions such as nitrogen oxides (NOx), particulate matter, and greenhouse gases, leading to improved air quality and public health in the communities served by these buses.

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, 2022. This was the twelfth 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 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 also must be given to the governing Board of Directors for its unfailing support for maintaining the highest standards of professionalism in the management of the Authority's finances.

Respectfully submitted,

Loretta Kirk
Chief Financial 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

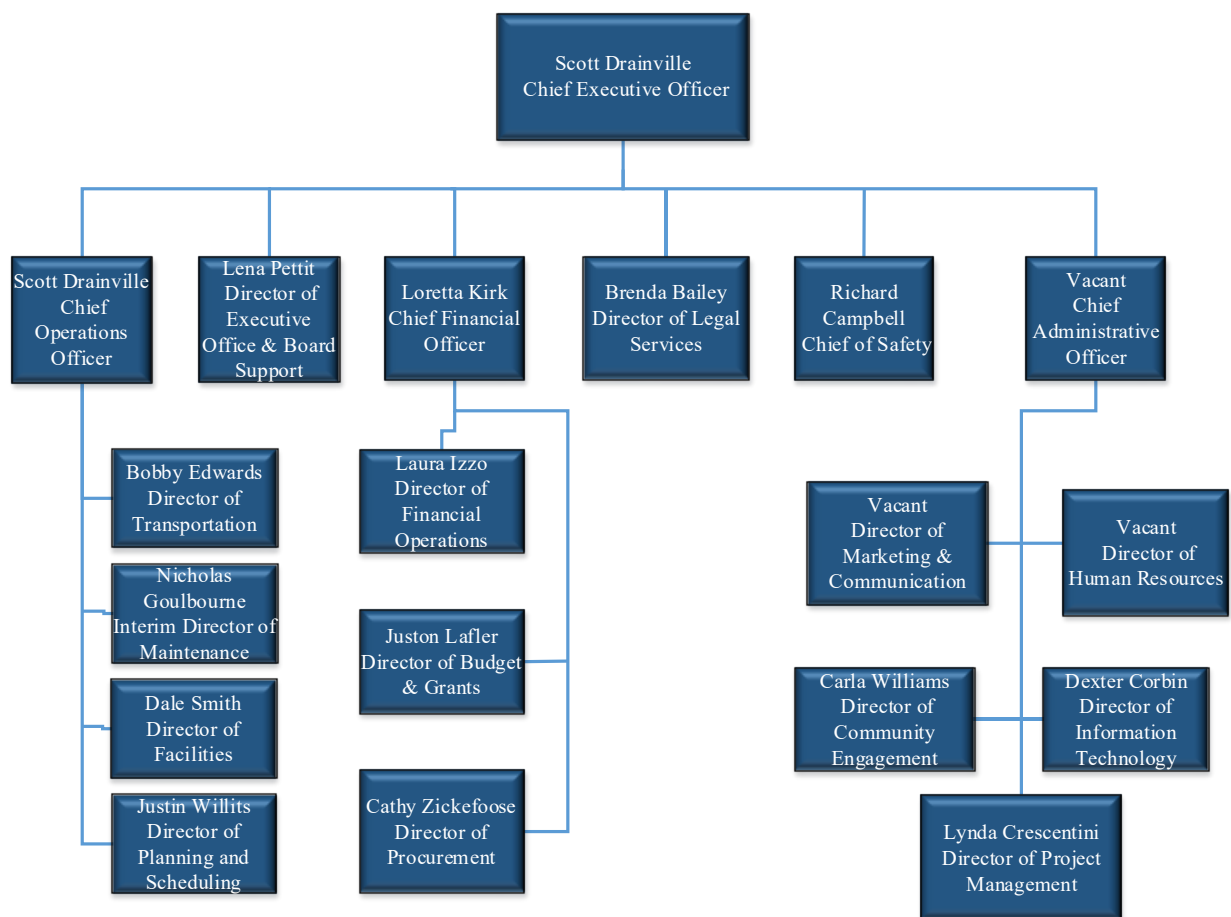
September 30, 2022

Christopher P. Morrill

Executive Director/CEO

HART Organization Chart

As of September 30, 2023



**ELECTED AND APPOINTED OFFICIALS
(As of September 30, 2023)**

Board of Directors – Officers

Councilman Luis Viera, Chairperson
Commissioner Michael Owen, Vice Chair
Melanie Williams, Secretary

Hillsborough County

Commissioner Gwen Myers
Eric Johnson
Marvin Ray Knight
Rena Upshaw-Frazier
Commissioner Joshua Wostal

City of Temple Terrace

Councilman Gil Schisler

City of Tampa

Councilwoman Gwendolyn Henderson
David Mechanik

State of Florida

Vacant
Vacant

Chief Executive Officer

Scott Drainville

General Counsel

Juila Mandell, GrayRobinson

Independent Auditors

Cherry Bekaert, LLP

**DIRECTORY OF OFFICIALS
APPOINTED OFFICIALS
(As of September 30, 2023)**

Scott Drainville, Chief Executive Officer

Loretta Kirk, Chief Financial Officer

Scott Drainville, Chief Operating Officer

Vacant, 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

Justin Lafler, Director of Budgets & Grants

Nicholas Goulbourne, Director of Fleet Maintenance

Dale Smith, Director of Facilities Maintenance

Bobby Edwards, Director of Transportation

Brian Allan, Director of Streetcar Operations

Justin Willits, Director of Planning & Scheduling

Dexter Corbin, Director of Technology and Innovation

Lynda Crescentini, Director of Enterprise Project Management

Richard Cambell, Director of Safety, Security and Training

Vacant, Director of Human Resources

Vacant, Director of Communications & Marketing

SECTION II

FINANCIAL SECTION



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 year ended September 30, 2023, 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, 2023, and the respective changes in financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the 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 Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 April 15, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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
April 15, 2024

HILLSBOROUGH TRANSIT AUTHORITY MANAGEMENT’S DISCUSSION AND ANALYSIS

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, 2023 and 2022. 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.

FY2023 FINANCIAL HIGHLIGHTS

- Net position of the Authority increased by \$16,730,792 or 19.1%. \$1,234,943 represents a decrease in the amount invested in capital assets, \$11,426,799 represents an increase in restricted net position and \$6,427,936 represents an increase in unrestricted net position.
- Operating Expense increased by \$9,690,967 or 9.5%.

**HILLSBOROUGH TRANSIT AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS**

- Salaries, wages and fringe benefits increased \$15,093,489 or 21.0% in FY2023 from FY2022. This increase is primarily due to an increase in expenses for the Pension FRS (\$9.756M) as well as increases in State pension, (\$910k). Also included in this increase is a severance payout to various people in October 2022 (\$349k), a 3.1% COLA increase to non-bargaining staff, ATU/Teamsters negotiated increases (\$1.547M), an increase in platform route wages (\$859k). and an increase in OPEB (\$253k), 3rd party Health Insurance costs (\$180K) and Health Ins Claims (\$318k).
- Fuel and Lubricants cost decreased by \$678,229 or 12.5% due to a decrease in fuel costs. Parts and Supplies increased \$692,871 or 14.8% primarily due to an increase in corrective based supplies and chemicals and cleaners. Contracted services decreased \$338,173 or 4.2%. primarily due to a decrease in computer services (\$714,524) offset by an increase in Security services (\$404,423). Claims costs decreased \$985,765 or 23.6% primarily due to a decrease in estimated claims costs. Operating expenses reimbursed by grants decreased \$4,484,255 or 92.5%. Total increase in all other expense is \$391,031 or .03% is due to an increase in Utilities of \$114,436, increase in marketing expenses of \$34,664, first time reporting of GASB 96 interest of \$50,879 and an increase in miscellaneous expenses of \$191,176.

FY2023 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 \$104,504,286 and \$87,773,494 as of September 30, 2023 and 2022, 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). The Authority uses these capital assets to provide services to its customers. As described above, net investment in capital assets as of September 30, 2023 was \$1,123,943 lower than September 30, 2022, primarily due to the impact of accumulated depreciation. As of September 30, 2023, all Right-to-use assets are included in Net Investment of Capital Assets
- 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, 2023 and 2022 is \$28,526,571 and \$17,099,772.
- The Authority’s unrestricted net position as of September 30, 2023 was \$6,427,936 higher than September 30, 2022.

**HILLSBOROUGH TRANSIT AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS**

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**

	2023	2022	Increase (Decrease)	Percent Change 2022 to 2023
Assets				
Current and other assets	\$ 78,190,643	\$ 38,793,458	\$ 39,397,184	101.6%
Leased Assets	-	52,724	(52,724)	-100.0%
Capital assets	104,519,643	104,150,115	369,528	0.4%
Total assets	182,710,286	142,996,299	39,713,988	27.8%
Deferred outflows of resources				
Deferred outflows on pension and OPEB related amounts	13,613,246	15,725,968	(2,112,722)	-13.4%
Total deferred outflows of resources	13,613,246	15,725,968	(2,112,722)	-13.4%
Liabilities				
Current liabilities	19,925,231	8,705,605	11,219,626	128.9%
Lease Liability	-	52,944	(52,944)	-100.0%
Long-term liabilities	69,440,399	59,129,873	10,310,526	17.4%
Total liabilities	89,365,630	67,888,422	21,477,208	31.6%
Deferred inflows of resources				
Deferred inflows on pension and OPEB related amounts	2,453,616	3,060,351	(606,735)	-19.8%
Total deferred inflows of resources	2,453,616	3,060,351	(606,735)	-19.8%
Net position:				
Net investment in capital assets	103,025,953	104,149,896	(1,123,943)	-1.1%
Restricted	28,526,571	17,099,772	11,426,799	66.8%
Unrestricted	(27,048,238)	(33,476,174)	6,427,936	-19.2%
Total net position	\$ 104,504,286	\$ 87,773,494	\$ 16,730,793	19.1%

Note: In 2023 Right to use assets were combined with the capital assets and the liabilities were reflected in Current and Long Term Liabilities

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 80.7 % for FY2023 and 78.5% for FY2022. User charges in the form of passenger fares as a percentage of operating and non-operating revenue were 6.9% in FY2023 and 7.9% for FY2022. The cost of providing the remainder of the service was subsidized by ad valorem tax revenue

**HILLSBOROUGH TRANSIT AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS**

collections and federal, state, and local funding which included the coronavirus relief as described above. The Authority’s millage rate for the 2023 and 2022 tax year was 0.5000.

FY2023 Operating Results Compared to FY2022

FY2023 operating revenues increased by 2.8% and operating expenses, prior to the recognition of depreciation and amortization increased by 10.2%.

- Passenger fares increased \$475,138 or 5.8% in FY2023, from \$8,162,616 in 2022 to \$8,637,755 in 2023. Ridership increased 14.7%, for all modes, from 10,936,758 in FY2022 to 12,545,773 in FY2023.
- Advertising income decreased \$170 or 0.0% in FY2023, from \$1,660,872 in FY2022 to \$1,660,701 in FY2023.
- Other operating revenues decreased \$184,295 or 31.7% in FY2023, from \$581,318 in FY2022 to \$397,023 in FY2023. This is primarily due to a FY2023 increase in loss on disposal of equipment in the amount of \$64,808, a FY2023 decrease in gain on sale in the amount of \$81,043 and a FY2023 decrease in claims recoveries on vehicles and shelters in the amount of \$35,286
- Salaries, wages and fringe benefits increased \$15,093,482 or 21.0% in FY2023 from FY2022 as explained above.
- Fuel and lubricants decreased \$678,230 or 12.5% in FY2023 from FY2022. This decrease is primarily attributable due to the decrease in fuel prices.
- Parts and supplies increased \$692,871 or 14.8% in FY2023 over FY2022.
- Operating expenses reimbursed by grants decreased \$4,484,255 in FY2023. This is primarily due to a decrease in consulting fees
- Ad valorem distributions increased \$8,481,796 or 14.7% in FY2023. This is due to an increase in taxable assessed values in FY2023 from FY2022.
- Investment income increased \$1,771,747 or 948% in FY2023. This is due to an increase in funds held in the Prime interest-bearing accounts along with an increase in interest rates in 2023.
- Federal Operating grants increased \$12,403,547 in FY2023. This increase is due to primarily to the execution of the FY2022 and FY2023 Section 5307 Program of Projects grants in FY2023

**HILLSBOROUGH TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

- Federal Capital grants increased \$12,957,219 in FY2023. The increase is primarily due to the execution of the FY2019 thru FY2023 formula grants (5307P, 5337, and 5339) along with the 5339 discretionary grant.

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

	2023	2022	Increase (Decrease)	Percent Change 2022 to 2023
Passenger fares	\$ 8,637,755	\$ 8,162,616	\$ 475,139	5.8%
Advertising	1,660,701	1,660,872	(171)	0.0%
Other operating revenues	397,023	581,318	(184,295)	-31.7%
Total operating revenues	10,695,479	10,404,806	290,673	2.8%
Salaries and fringe benefits	86,877,869	71,784,379	15,093,489	21.0%
Fuel and lubricants	4,738,543	5,416,772	(678,229)	-12.5%
Parts and supplies	5,383,658	4,690,787	692,871	14.8%
Other Expenses	14,876,120	20,293,284	(5,417,164)	-26.7%
Total operating expenses	111,876,190	102,185,222	9,690,967	9.5%
Operating loss before depreciation	(101,180,711)	(91,780,416)	(9,400,295)	10.2%
Depreciation and amortization	13,037,258	12,106,040	931,218	7.7%
Operating loss	(114,217,969)	103,886,456	(218,104,425)	-209.9%
Federal, state and local grants	47,007,613	34,966,149	12,041,464	34.4%
Transportation Surtax-Local	0	(216,090,967)	216,090,967	-100.0%
Other Federal Funds	0	332,014	(332,014)	-100.0%
Property tax proceeds	66,018,626	57,536,830	8,481,796	14.7%
Other Income	1,958,613	186,866	1,771,747	948.1%
Total non-operating revenues	114,984,852	(123,069,108)	238,053,960	-193.4%
Net Gain(Loss) before capital contributions	766,883	(226,955,564)	227,722,447	-100.3%
Capital grants	15,957,252	3,300,841	12,656,411	383.4%
Developer contributed assets	6,657	0	6,657	100.0%
Increase (decrease) in net position	16,730,792	(223,654,723)	240,385,515	-107.5%
Net position at beginning of year	87,773,494	311,428,217	(223,654,723)	-71.8%
Net Position at end of Year	\$ 104,504,286	\$ 87,773,494	\$ 16,730,792	19.1%

**HILLSBOROUGH TRANSIT AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS**

CAPITAL ASSETS

The Authority has invested \$103 million in capital assets (net of accumulated depreciation). 22.3% of the net investment represents buildings and improvements and 36.6% of the net investment represents revenue vehicles at the close of the fiscal year, September 30, 2023.

Capital Assets and Long-Term Debt Administration

The Authority’s net investment in capital assets for the fiscal year ending September 30, 2023 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 to the financial statements for more detailed information.)

The Authority ordered and received fourteen (14) compressed natural gas fueled buses for Bus service in FY2023. Additionally, one (1) gasoline non-revenue vehicle for maintenance purposes and one (1) gasoline non-revenue vehicle for operations were ordered and received in FY2023.

Transit Infrastructure Improvements in FY2023 included one (1) new bus bay, and eight (8) new landing and shelter pads were built by the Authority throughout the county. The Authority also had ten (10) new landing and shelter pads constructed for the Transit Authority by developers.

Capital Assets, Net of Accumulated Depreciation

	2023	2022	Percent of Total	
			2023	2022
Land	\$ 19,043,009	\$ 19,043,009	18.2%	18.3%
Constuction work in progress	4,752,207	9,159,493	4.5%	8.8%
Building and Improvements	22,991,263	25,266,976	22.0%	24.3%
Operating and transit related equipment	6,132,313	4,214,021	5.9%	4.0%
Other equipment, fixtures and other vehicles	9,966,831	10,674,165	9.5%	10.2%
Computer equipment and software	2,347,629	445,769	2.2%	0.4%
Revenue Vehicles	37,672,934	35,346,683	36.0%	33.9%
Lease assets	32,940	-	0.0%	0.0%
Subscription-Based Informational Technology Agreements (SBITA)	1,580,517	-	1.5%	0.0%
TOTAL	\$ 104,519,643	\$ 104,150,115	100%	100%

Additional information regarding capital assets can be found in Note 4 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. In addition, in FY2023 the Authority also received additional funding from the FTA for coronavirus relief (ARP) in the amount of \$19,932,511. The FY2023 adopted budget was based on a .5000 millage rate which is unchanged from FY2022.

The HART Board adopted the FY2024 budget on September 25, 2023.

- The total FY2024 adopted operating and capital budget of \$159,149,766 is \$896,249 less than the total FY2023 adopted operating and capital budget of 160,046,015, or a decrease of .56%.

**HILLSBOROUGH TRANSIT AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS**

- The total FY2024 adopted operating budget of \$108,688,780 is \$5,620,330 less than the FY2023 adopted operating budget of \$114,309,110, or a decrease of 4.92%.
- The FY2024 adopted annual capital budget of \$50,460,986 is \$4,724,081 greater than the FY2023 adopted capital budget of \$45,736,905, or an increase of 10.33%.
- The FY2023 adopted millage rate remained at .5000.

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 Loretta Kirk, Chief Financial Officer, Hillsborough Transit Authority, Finance Division, 1201 East 7th Avenue, Tampa, Florida 33605.

BASIC FINANCIAL STATEMENTS

**HILLSBOROUGH TRANSIT AUTHORITY
STATEMENTS OF NET POSITION
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2023**

ASSETS	
Current assets	
Cash and cash equivalents-unrestricted (Note 3)	\$ 12,132,057
Cash and cash equivalents-restricted (Note 3)	28,526,571
Accounts receivable	
Trade and other, net of allowance for uncollectible	2,330,872
Federal grants	24,917,028
State grants	6,948,539
Local grants	326,269
Inventory of Replacement parts and supplies	2,499,690
Prepaid Expenses	509,617
Total current assets	<u>78,190,643</u>
Capital assets	
Land	19,043,009
Construction in progress	4,752,207
Capital assets, net of accumulated depreciation	79,110,970
Lease assets, net of accumulated amortization	32,940
Subscription-Based Informational Technology Agreements (SBITA) net of accumulated amortization	1,580,517
Total capital assets, net (Note 4, 11, & 12)	<u>104,519,643</u>
Total assets	<u>182,710,286</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows on OBEB related amounts	317,792
Deferred outflows on pension related amounts	13,295,454
Total deferred outflows of resources (Note 5 & 8)	<u>13,613,246</u>
Total Assets and Deferred Outflows	<u><u>\$ 196,323,532</u></u>

(Continued)
See accompanying notes to financial statements.

**HILLSBOROUGH TRANSIT AUTHORITY
STATEMENTS OF NET POSITION
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2023**

LIABILITIES

Current liabilities

Accounts payable	\$ 13,384,434
Accrued expenses	2,634,485
Lease Liability due within one year (Note 11)	17,243
Lease Interest Payable	39
SBITA Liability due within one year (Note 12)	624,342
SBITA Interest Payable	39,116
Unearned revenue	194,764
Self insurance and loss contingencies due within one year (Note 9 & 10)	2,845,294
Compensated absences due within one year (Note 10)	185,514

Total current liabilities

19,925,231

Long-term liabilities

Lease Liability (Note 11)	16,101
SBITA Liability (Note 12)	796,849
Self Insurance and Loss Contingency (Note 9 & 10)	2,407,879
Compensated absences (Note 10)	3,421,974
Net pension liability (Note 5 & 10)	61,132,782
Total OPEB liability (Note 8 & 10)	1,664,814

Total long-term liabilities

69,440,399

Total liabilities

89,365,630

DEFERRED INFLOWS OF RESOURCES

Deferred inflows on OPEB related amounts	393,451
Deferred inflows on Pension related amounts	2,060,165

Total deferred inflows of resources (Note 5 & 8)

2,453,616

NET POSITION

Net investment in capital assets	103,025,953
Restricted Cash (Note 13)	
Reserves for Capital	4,678,556
Reserves for Operations	17,702,207
Reserves for Designated Medical and Risk Liability	3,783,562
Other Reserves	2,362,246
Unrestricted Net Position (Note 13)	(27,048,238)

Total net position

104,504,286

Total Liabilities and Net Position

\$ 196,323,532

See accompanying notes to financial statements.

HILLSBOROUGH TRANSIT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2023

Operating revenues	
Passenger fares	\$ 8,637,755
Advertising	1,660,701
Other revenues	397,023
Total operating revenues	<u>10,695,479</u>
Operating expenses	
Salaries and wages	86,877,869
Fuel and lubricants	4,738,543
Parts and supplies	5,383,658
Contracted services	7,710,944
Claims	3,187,346
Utilities	1,162,030
Marketing and promotion	399,869
Lease Interest Expense	260
SBITA Interest Expense	50,879
Other	2,003,671
Operating expenses reimbursed by grants	361,121
Total operating expenses before depreciation and amortization	<u>111,876,190</u>
Operating (loss) before depreciation	<u>(101,180,711)</u>
Depreciation	12,321,051
Lease Amortization	19,784
SBITA Amortization	696,423
Operating loss	<u>(114,217,969)</u>
Nonoperating revenues (expenses)	
Operating assistance grants	
Federal	38,657,191
State	6,759,964
Local	1,590,458
Property tax proceeds	66,018,626
Investment income	1,958,613
Total nonoperating revenues	<u>114,984,852</u>
Net gain before capital contributions	\$ 766,883

(Continued)
See accompanying notes to financial statements.

**HILLSBOROUGH TRANSIT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2023**

Net gain before capital contributions	\$	766,883
Capital grants		
Federal		15,527,636
State		238,669
Local		190,947
Developer contributed assets		6,657
Total capital contributions		15,963,909
Increase in net position		16,730,792
Net position at beginning of year		87,773,494
Net position at end of year		\$ 104,504,286

See accompanying notes to financial statements.

**HILLSBOROUGH TRANSIT AUTHORITY
STATEMENTS OF CASH FLOW
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2023**

Cash flows from operating activities	
Cash received from customers	\$ 11,135,389
Cash paid to employees	(76,121,895)
Cash paid to suppliers	(14,747,544)
Other receipts	1,050,053
Net cash used in operating activities	<u>(78,683,997)</u>
Cash flows from noncapital financing activities	
Operating grants received	27,991,456
Property tax revenues received	66,018,626
Net cash provided by financing activities	<u>94,010,082</u>
Cash flows from capital and related financing activities	
Purchase of capital assets	(14,086,140)
Capital assistance grants	7,613,409
Proceeds from the sale of revenue vehicles	85,705
Net cash used in capital and related financing activities	<u>(6,387,026)</u>
Cash flows from investing activities	
Investment income	1,958,613
Net cash provided by investing activities	<u>1,958,613</u>
Net change in cash and cash equivalents	10,897,672
Cash and cash equivalents at beginning of year	<u>29,760,956</u>
Cash and cash equivalents at end of year	<u>\$ 40,658,628</u>

(Continued)
See accompanying notes to financial statements.

**HILLSBOROUGH TRANSIT AUTHORITY
STATEMENTS OF CASH FLOW
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2023**

		2023
Reconciliation of operating expenses in excess of operating revenues to net cash used in operating activities		
Operating loss	\$	(114,217,969)
Adjustments to reconcile operating expenses in excess of operating revenues to net cash used in operating activities		
Add back depreciation		12,321,051
Add back lease and SBITA amortization		716,207
Add back pension expense adjustments		11,515,496
Add back OPEB expense adjustments		166,703
Loss on disposal of capital assets		(166,749)
Gain on disposal of capital assets		819,779
(Increase) decrease in accounts receivable		(836,933)
(Increase) decrease in inventories		(139,668)
(Increase) decrease in prepaid expenses		(162,915)
Increase (decrease) in accounts payable		9,923,679
Increase (decrease) in accrued expenses		554,038
Increase (decrease) in lease and SBITA liability		1,401,591
Increase (decrease) in interest payable		39,101
Increase (decrease) in unearned revenue		(44,527)
Increase (decrease) in self insurance		(811,007)
Increase (decrease) in accumulated compensated absences		238,126
Total adjustments		35,533,972
Net cash used in operating activities	\$	(78,683,997)
Noncash investing, capital or financing transactions		
Developer contributed assets, a noncash capital activity	\$	6,657

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 include: 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 \$5,000. Such assets are recorded at cost and are depreciated using the straight-line method over the estimated useful lives as follows:

<u>Description</u>	<u>Useful Lives (Years)</u>
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: The Authority recognizes lease liabilities and an intangible right-to-use lease asset in the financial statements presented as capital assets. The Authority recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, The Authority 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.

Key estimates and judgments related to leases include how the Authority 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)

- The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, The Authority 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 The Authority is reasonably certain to exercise.

The Authority 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-to-use asset (SBITA asset) in the statement of net position presented as capital assets. 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 noncancellable 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 statement 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: Vacation pay is accrued when earned. Vested or accumulated vacation leave, up to a maximum of 240 hours per employee, is reported as an expense and as a liability. Employees are required to transfer accumulated hours in excess of 240 to the sick leave and/or catastrophic sick leave banks. The Authority allows employees to accumulate unused sick leave which is payable to the employee at retirement or resignation. Eligibility is as follows: Amalgamated Transit Union (ATU), Teamsters and Non-Bargaining receive 50% of their balance if they have over 10 years of service and 100% if they have over 20 years of service.

The compensated absences liability is calculated based on the pay or salary rates in effect at the balance sheet date. Additionally, accruals have been made for salary-related payments associated with the payment of compensated absences, using the rates in effect at the balance sheet date.

The Authority is liable to pay the employee all accrued liabilities upon termination. Accordingly, the Authority has recognized 7.65% of the compensated absences liability, representing its share of the Social Security and Medicare taxes. An accrual is also made for the defined contribution pension cost related to the compensated absences amount due to the Authority's employees being covered under the Investment Plan of the Florida Retirement System (FRS).

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 total 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Net Position: The statement of net position presents the difference between assets & deferred outflows of resources and liabilities & 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, 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 sold.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Property tax calendar:

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.

The carrying value of the Authority's cash, cash equivalents, and investments for the fiscal year end September 30, 2023 is as follows:

NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash, cash equivalents and investments

Cash on hand	\$	36,441
Demand Deposits		12,095,616
Imprest Accounts		930,000
Florida State Board of Administration - Florida PRIME		27,596,571
Total	\$	<u>40,658,628</u>

A portion of the total cash, cash equivalents are identified as Restricted on our Statement of Net Position which is identified below:

Restricted for Risk Auto/General Liability	\$	180,000
Restricted for Workers Compensation		125,000
Restricted for Self-Insured Medical		625,000
Restricted for Fund 12		50,627
Restricted for Fund 13 Private Developers		116,665
Restricted for FTA Liability		1,264,953
Restricted for Capital		4,678,556
Restricted for Operating Reserves		17,702,208
Restricted for Designated Risk Liability		3,470,274
Restricted for Designated Medical Liability		313,288
Total	\$	<u>28,526,571</u>

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.

NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

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 liquidity or operations of the trust fund, for 48 hours 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 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, 2023, 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, 2023 was 35 days. The weighted average life (WAL) of Florida PRIME at September 30, 2023 was 75 days. The Authority's investment policy does not set limits for investment maturities. As of September 30, 2023, all of the Authority's excess cash was invested with the State Board of Administration Local Government Surplus Trust Funds Investment Pool.

NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

Foreign Currency Risk: Florida PRIME was not exposed to any foreign currency risk during FY2023.

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 year ended September 30, 2023 is summarized below:

Description	Balance October 1 2022	Additions and Reclasses	Deletions	Balance Sep. 30, 2023
Non-depreciable capital assets				
Land	\$ 19,043,009	\$ -	\$ -	\$ 19,043,009
Construction work in progress *	9,159,493	-	4,407,286	4,752,207
Total non-depreciable capital assets	28,202,502	-	4,407,286	23,795,216
Depreciable assets				
Buildings and improvements	77,852,350	18,435	-	77,870,785
Operating and transit related equipment	30,250,558	3,661,267	179,203	33,732,622
Other equipment, fixtures, and other vehicles	24,764,195	-	67,337	24,696,858
Computer equipment and software	13,639,667	2,650,049	9,333	16,280,383
Revenue vehicles	86,773,502	9,219,468	8,293,836	87,699,134
Leased Assets	-	92,378	-	92,378
Subscription-Based Informational Technology Agreements (SBITA)	-	2,276,940	-	2,276,940
Total depreciable capital assets	233,280,272	17,918,537	8,549,709	242,649,100
Less accumulated depreciation and amortization				
Buildings and improvements	52,585,375	2,294,147	-	54,879,522
Operating and transit related equipment	26,036,537	1,742,975	179,203	27,600,309
Other equipment, fixtures, and other vehicles	14,090,030	707,333	67,336	14,730,027
Computer equipment and software	13,193,897	748,190	9,333	13,932,754
Revenue vehicles	51,426,820	6,828,406	8,229,026	50,026,200
Leased Assets	-	59,438	-	59,438
Subscription-Based Informational Technology Agreements (SBITA)	-	696,423	-	696,423
Total accumulated depreciation and amortization	157,332,659	13,076,912	8,484,898	161,924,673
Total depreciable assets, net	75,947,613	4,841,625	64,811	80,724,427
Total capital assets, net	\$ 104,150,115	\$ 4,841,625	\$ 4,472,097	\$ 104,519,643

* The construction work in progress at September 30, 2023 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 year ended September 30, 2023 is summarized below:

	Balance September 30, 2022	Additions	Subtractions	Balance September 30, 2023
Assets				
Equipment	\$ 36,045	-	-	\$ 36,045
Copy Machine	56,333	-	-	56,333
	92,378	-	-	92,378
Less: Accumulated Amortization				
Equipment	10,178	5,089	-	15,267
Copy Machine	29,476	14,695	-	44,171
	39,654	19,784	-	59,438
Total Right-to-use, net	\$ 52,724	\$ 19,784	\$ -	\$ 32,940

Subscription-Based Informational Technology Agreements Assets (SBITA)

SBITA activity and balance for the year ended September 30, 2023 is as follows:

	Balance September 30, 2022	Additions	Subtractions	Balance September 30, 2023
Assets				
SBITAS	\$ -	\$ 2,276,940	-	\$ 2,276,940
		2,276,940		2,276,940
Less: Accumulated Amortization				
SBITAS	-	696,423	-	696,423
		696,423		696,423
Total SBITA, net	\$ -	\$ 1,580,517	\$ -	\$ 1,580,517

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 expense totaled \$17,144,980 for both the FRS Pension Plan and HIS Plan for the fiscal year ended September 30, 2023.

The Authority's deferred outflows totaled \$13,295,454 for both the FRS Pension Plan and HIS plan for the fiscal year ended September 30, 2023.

The Authority's deferred inflows totaled \$2,060,165 for both the FRS Pension Plan and HIS plan for the fiscal year ended September 30, 2023.

The Authority's net pension liability totaled \$61,132,782 for both the FRS Pension and HIS plan for the fiscal year ended September 30, 2023.

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 as well as assistant state attorneys, assistant statewide prosecutors, assistant public defenders, assistant attorneys general, deputy court administrators, assistant capital collateral representatives, and judges of compensation claims. Members of the Elected Officers’ Class may elect to withdraw from the FRS or participate in the SMSC in lieu of the Elected Officers’ Class.
- *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

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

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.

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:

	% Value (per year of service)
<u>Regular Class members initially enrolled before July 1, 2011</u>	
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
<u>Regular Class members initially enrolled on or after July 1, 2011</u>	
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
<u>Special Risk Class</u>	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00
<u>Special Risk Administrative Support Class members initially enrolled before July 1, 2011</u> (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
<u>Special Risk Administrative Support Class members initially enrolled on or after July 1, 2011</u> (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
<u>Elected Officers' Class</u>	
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
<u>Senior Management Service Class</u>	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, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023, respectively, were applied to employee salaries as follows: Regular – 11.91% and 13.57%; Special Risk Administrative Support – 38.65% and 39.82%; Special Risk – 27.83% and 32.67%; Senior Management Service – 31.57% and 34.52%; Elected Officers’ – 57.00% and 58.68%; and DROP participants – 18.60% and 21.13%. These employer contributions rates include the appropriate retirement contribution rate, HIS contribution rate of 2% from July 1, 2023 through September 30, 2023 and 1.66% for October 1, 2022 through June 30, 2023, administrative/educational fee of 0.06% for both 2023 and 2022 and any applicable UAL rates. The Authority’s contributions to the FRS Plan was \$4,833,413 for the fiscal year ended September 30, 2023.

Pension Costs

For the fiscal year ended September 30, 2023, the Authority reported a liability of \$40,035,437 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, 2023, the Authority’s proportion was 0.1005%, which was an increase of 0.0001% from its proportion measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the Authority recognized pension expense of \$9,002,531 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	\$ 3,758,982	\$ -
Changes in Actuarial Assumptions	2,609,842	-
Net Difference Between Projected and Actual Earnings on Pension Plan	1,671,988	-
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions Authority Contributions Subsequent to the Measurement Date	2,169,902	66,238
	1,117,398	-
Total	<u>\$ 11,328,112</u>	<u>\$ 66,238</u>

\$1,117,398 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, 2024. 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:

FRS Future Pension Expense

Year Ending September 30	Amount
2024	1,095,860
2025	(434,175)
2026	6,575,662
2027	624,633
2028	178,832
Thereafter	2,103,664
TOTAL	<u>10,144,476</u>

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions

The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per year
Salary Increases	3.25%, Average, Including Inflation 6.70%, Net of Pension Plan
Investment Rate of Return	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:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global Equity	54.0%	8.7%	7.1%	18.1%
Real Estate (Property)	10.3%	7.6%	6.6%	14.8%
Private Equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	3.8%	6.3%	6.1%	7.7%
Totals	100%			
Assumed Inflation - Mean			2.4%	1.3%

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

Discount Rate

The discount rate used to measure the total pension liability in the July 1, 2023 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 position was 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 2023, 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)	\$ 68,388,678	\$ 40,035,437	\$ 16,314,558

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

At September 30, 2023 The Authority reported 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

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a 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.

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 years ended June 30, 2023, 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 for the fiscal year ended September 30, 2023 was \$873,869.

Pension Costs

At September 30, 2023, the Authority reported a liability of \$21,097,345 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. At June 30, 2023, the Authority's proportion was 0.1328%, which was an increase of 0.0027% from its proportion measured as of June 30, 2022.

For the year ended September 30, 2023, the Authority recognized pension expense of \$8,142,449 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:

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 308,851	\$ 49,519
Changes in Actuarial Assumptions	554,643	1,828,156
Net Difference Between Projected and Actual		
Earnings on HIS Program Investments	10,895	-
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions		
Authority Contributions Subsequent to the Measurement Date	877,402	116,252
	<u>215,551</u>	<u>-</u>
Total	<u>\$1,967,342</u>	<u>\$1,993,927</u>

\$230,008 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follow:

HIS Future Pension Expense

Year Ending June 30	Amount
2024	\$ (175,301)
2025	(106,285)
2026	(176,836)
2027	(346,852)
2028	(183,731)
Thereafter	746,869
TOTAL	<u>(242,136)</u>

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions

The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.40% per year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	3.65%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018. The actuarial assumptions used in the July 1, 2022 valuation were 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, 2023 was 3.65% 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.

Pension Liability Sensitivity

The following presents the Authority's proportionate share of the net pension liability for the HIS Plan for FY2023, 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	2.65%	3.65%	4.65%
Authority's Proportionate Share of the HIS Plan Net Pension Liability	\$ 24,068,778	\$ 21,097,345	\$ 18,634,226

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

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

Payables to the HIS Plan

At September 30, 2023 The Authority 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 2022-23 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 8.30%, Special Risk Administrative Support class 9.95%, Special Risk class 16.00%, Senior Management Service class 9.67% and County Elected Officers class 13.34%. 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 for 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, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Authority.

NOTE 6 – DEFINED CONTRIBUTION PLAN (continued)

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 option. 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.

The Authority's investment plan pension expense totaled \$752,258 for the fiscal year ended September 30, 2023. Employee contributions to the investment plan totaled \$148,557 for the fiscal years ended September 30, 2023.

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 for FY 2023 was \$816,754. 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 for FY 2023 was \$38,192. 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

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. There are no assets accumulated in a GASB-compliant trust.

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, 2022. (Note: FY 2023 was a roll-forward year therefore all information remains the same from the FY 2022 full valuation) 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.

Active Participants

Number	734
Average Age	48
Average Service	8

Inactive Participants

Retirees and Surviving Spouses	4
Average Age	63
Covered Spouses	1
Average Age	64

Total Participants 739

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

Contributions

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

Tier	2023 Retiree Premium Paid Monthly
Retiree Only	\$961.39
Retiree + Spouse	\$1,956.53
Retiree + Child(ren)	\$1,678.30
Family	\$2,750.57

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of September 30, 2023 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	4.50%
Discount Rate as of September 30, 2022	2.26% (based on the municipal bond rate)
Discount Rate as of September 30, 2023	4.02% (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 10% of current active employees age 65 and over would elect coverage by retirement age.
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NOTE 8 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Health Care Cost Trend Rates	Year	Medical w/Rx	
		Pre-65	Post-65
	2022 to 2023	6.75%	5.75%
	2023 to 2024	6.50%	5.50%
	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+	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).

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 4.02% as of September 30, 2022 to 4.06% as of September 30, 2023 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

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

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, 2022 to September 30, 2023:

Description	Total OPEB Liability
Balance Recognized at 9/30/2022 (Based on 9/30/2022 Measurement Date)	\$ 1,485,007
Changes Recognized for the Fiscal Year:	
Service Cost	155,153
Interest on the Total OPEB Liability	65,208
Changes of Assumptions	(4,428)
Benefit Payments	(36,126)
Net Changes	179,807
Balance Recognized at 9/30/2023 (Based on 9/30/2023 Measurement Date)	\$ 1,664,814

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

For the year ended September 30, 2023, the Authority recognized OPEB expense of \$202,829. 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	\$ 46,751	\$ 327,133
Assumption Changes	271,041	66,318
Total	\$ 317,792	\$ 393,451

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:

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

Year End September 30:

2024	(17,525)
2025	(17,525)
2026	(16,207)
2027	(15,194)
2028	(251)
Thereafter	(8,957)
TOTAL	<u><u>(75,659)</u></u>

Interest Rate Sensitivity

The following table illustrates the impact of interest rate sensitivity on the total OPEB liability for fiscal year ended September 30, 2023:

	1% Decrease 3.06%	<u>2023</u> Current Rate 4.06%	1% Increase 5.06%
Total OPEB Liability	\$1,554,000	\$1,664,814	\$1,784,000

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, 2023:

	1% Decrease 3.06%	<u>2023</u> Current Rate 4.06%	1% Increase 5.06%
Total OPEB Liability	\$1,784,000	\$1,664,814	\$1,554,000

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.

NOTE 9 – SELF INSURANCE AND LOSS CONTINGENCIES (continued)

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, 2023 was \$5,253,173. 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.

Changes in the claim’s liability amount:

Description	<u>2023</u>	<u>2022</u>	<u>2021</u>
Beginning Balance	6,064,180	5,702,011	6,260,140
Current year claims and changes in estimate	11,352,516	11,837,835	10,488,194
Claims payments	(12,163,523)	(11,475,666)	(11,046,323)
Ending Balance	<u>5,253,173</u>	<u>6,064,180</u>	<u>5,702,011</u>
Amount due within one year	<u>2,845,294</u>	<u>2,760,494</u>	<u>2,504,328</u>
Amount due past one year	\$ 2,407,879	\$ 3,303,686	\$ 3,197,683

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>More than One Year</u>
Self insurance and loss contingencies	6,064,180	11,352,516	(12,163,523)	5,253,173	2,845,294	2,407,879
Lease liability	52,810	134	(19,599)	33,345	17,243	16,102
SBITA Liability	-	2,056,590	(635,400)	1,421,190	624,341	796,849
Compensated Absences	3,369,362	476,252	(238,126)	3,607,488	185,514	3,421,974
Net Pension Liability	51,136,382	9,996,400	-	61,132,782	-	61,132,782
Total OPEB Liability	1,485,007	179,807	-	1,664,814	-	1,664,814
Total long-term liabilities	62,107,741	24,061,699	(13,056,648)	73,112,792	3,672,392	69,440,400

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 .62%

The Authority entered into a lease as a lessee for the use of equipment (Pitney Bowes). An initial lease liability was recorded in the amount of \$56,332.

The Authority entered into a lease as a lessee for the use of copiers (Konica). An initial lease liability was recorded in the amount of \$36,045.

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

Maturity Analysis	Principal	Interest	Total Payments
Year Ending 2024-09	17,243	154	17,397
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	33,344	329	33,673

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

The Authority adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* as of October 1, 2022. The requirements of this Statement provide guidance on the accounting and financial reporting for Subscription-Based Information Technology Arrangements

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

(SBITAs) for government end users (governments). This Statement defines a SBITA, establishes that a SBITA results in a right-to-use subscription intangible asset and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

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 0.21% to 3.33% 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, 2022.

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

Maturity Analysis	Principal	Interest	Total Payments
Year Ending 2024-09	624,342	47,004	671,346
Year Ending 2025-09	328,453	26,461	354,914
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
5 years ending 2033	46,254	1,583	47,837
Total Future Payments	1,421,190	98,579	1,519,769

For the year ended September 30, 2023, the Authority had \$50,342 of SBITAs with variable payments that were based on user seats.

For the year ended September 30, 2023, 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, 2023, 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 deficit as of September 30, 2023 was \$27,048,238. The Authority's restricted net position as of September 30, 2023 was \$28,526,571.

Restricted for Risk Auto/General Liability	\$	180,000
Restricted for Workers Compensation		125,000
Restricted for Self-Insured Medical		625,000
Restricted for Private Developers		116,665
Restricted for Fund 12		50,627
Restricted for FTA Liability		1,264,954
Restricted for Capital		4,678,556
Restricted for oper reserves		17,702,207
Restricted for Designated Risk Liab		3,470,274
Restricted for Designated Med Liab		313,288
		<u>\$ 28,526,571</u>

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Legacy Contamination

Areas of HART's 21st Avenue Facility site that require remediation and/or monitoring to address soil and groundwater contamination resulting from historical reported spills/releases were identified as the, Area of Concern 1 (AOC-1), and Area of Concern 2 (AOC-2).

Potential sources of soil and groundwater contamination in AOC-1 and AOC-2:

Historical reported spills/releases in AOC-1

- April 1985 – estimated 400 gallons unleaded gasoline, leak from former underground fuel line between former underground storage tank (UST) and former dispensing station. Early Detection Incentive (EDI) Program eligible.
- December 1987 – estimated 100 gallons diesel, former UST area
- February 1988 – estimated 333 gallons diesel, former UST area
- December 2003 – estimated 109 gallons diesel, former UST area
- May 2013 – estimated 25 gallons diesel, current AST area

During FY-2020, a Limited Contamination Assessment Report (LCAR) and Site Rehabilitation Funding Allocation (SRFA) was prepared for AOC-1 and submitted to the EPCHC. The submitted reports were reviewed by the EPCHC and a site rehabilitation funding allocation agreement has been agreed upon between Florida Department of Environmental Protection (DEP) and HART. AOC-1 discharge -priority score 10 is currently eligible for funding and received FDEP purchase order for site assessment. Completed Task 1 and will be conducting Task 2- groundwater sampling.

NOTE 14 – COMMITMENTS AND CONTINGENCIES (continued)

Historical reported spills/releases in AOC-2

- October 1995 – unknown gallons automatic transmission fluid (ATF) / hydraulic fluid; leak from former above ground storage tanks, pumps, underground piping and system leakages associated with vehicle hydraulic lift cylinders in service bay area within Main Shop.

During FY2022, HART continued monthly monitoring of groundwater wells in AOC-2 for water levels and free-product levels, with quarterly reporting to the EPCHC. This monitoring and reporting to EPCHC is required until remediation and/or monitoring efforts are undertaken at AOC-2.

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, 2023

Florida Retirement System Pension Plan	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Authority's Proportion of the Net Pension Liability	0.100473317%	0.100390928%	0.096316563%	0.087619426%	0.087846167%	0.084403818%	0.088678260%	0.083875483%	0.087636522%	0.084919178%
Authority's Proportionate Share of the Net Pension Liability	\$ 40,035,437	\$ 37,353,493	\$ 7,275,622	\$ 37,975,550	\$ 30,252,997	\$ 25,422,868	\$ 26,230,434	\$ 21,178,625	\$ 11,319,432	\$ 5,181,319
Authority's Covered Payroll	\$ 47,838,818	\$ 43,159,255	\$ 41,373,772	\$ 35,835,279	\$ 35,264,645	\$ 32,844,936	\$ 34,349,769	\$ 32,152,579	\$ 28,576,273	\$ 27,170,675
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	83.69%	86.55%	17.59%	105.97%	85.79%	77.40%	76.36%	65.87%	39.61%	19.07%
Plan Fiduciary Net Position as a Percentage of the total Net Pension Liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Retiree Health Insurance Subsidy Program	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Authority's Proportion of the Net Pension Liability	0.132843659%	0.130130414%	0.127952745%	0.125247093%	0.122731291%	0.117813858%	0.124699170%	0.119854302%	0.115730222%	0.111865048%
Authority's Proportionate Share of the Net Pension Liability	\$ 21,097,345	\$ 13,782,889	\$ 15,695,328	\$ 15,292,466	\$ 13,732,403	\$ 12,469,551	\$ 13,333,411	\$ 13,968,522	\$ 11,802,662	\$ 10,459,655
Authority's Covered Payroll	\$ 52,728,409	\$ 47,555,425	\$ 45,776,824	\$ 43,548,361	\$ 41,091,798	\$ 38,496,059	\$ 39,250,189	\$ 37,260,356	\$ 35,063,188	\$ 33,294,462
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	40.01%	28.98%	35.86%	35.12%	33.42%	32.39%	33.97%	37.49%	33.66%	31.42%
Percentage of the total Net Pension Liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

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, 2023**

Florida Retirement System Pension Plan	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 4,833,413	\$ 4,368,962	\$ 3,954,965	\$ 2,942,778	\$ 2,810,946	\$ 2,508,308	\$ 2,305,879	\$ 2,191,784	\$ 2,120,448	\$ 1,920,319
Contributions in Relation to the Contractually Required Contribution	<u>\$ (4,833,413)</u>	<u>\$ (4,368,962)</u>	<u>\$ (3,954,965)</u>	<u>\$ (2,942,778)</u>	<u>\$ (2,810,946)</u>	<u>\$ (2,508,308)</u>	<u>\$ (2,305,879)</u>	<u>\$ (2,191,784)</u>	<u>\$ (2,120,448)</u>	<u>\$ (1,920,319)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll	\$46,210,238	\$43,982,880	\$38,244,143	\$34,183,924	\$35,792,529	\$33,169,710	\$34,937,134	\$33,369,552	\$28,972,948	\$27,298,037
Contributions as a Percentage of Covered Payroll	10.46%	9.93%	10.34%	8.61%	7.85%	7.56%	6.60%	6.57%	7.32%	7.03%
Retiree Health Insurance Subsidy Program	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
	\$ 873,869	\$ 800,287	\$ 784,810	\$ 700,464	\$ 696,320	\$ 644,240	\$ 669,012	\$ 639,553	\$ 480,410	\$ 382,210
Contributions in Relation to the Contractually Required Contribution	<u>\$ (873,869)</u>	<u>\$ (800,287)</u>	<u>\$ (784,810)</u>	<u>\$ (700,464)</u>	<u>\$ (696,320)</u>	<u>\$ (644,240)</u>	<u>\$ (669,012)</u>	<u>\$ (639,553)</u>	<u>\$ (480,410)</u>	<u>\$ (382,210)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll	\$51,162,123	\$48,471,023	\$43,770,929	\$42,223,521	\$42,009,042	\$38,846,705	\$39,797,742	\$38,767,502	\$35,487,167	\$33,795,904
Contributions as a Percentage of Covered Payroll	1.71%	1.65%	1.79%	1.66%	1.66%	1.66%	1.68%	1.65%	1.35%	1.13%

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, 2023**

	Fiscal Year Ended							
	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	155,153	36,159	158,994	\$110,011	\$90,448	102,296	\$111,561	\$100,373
Interest Cost	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	48,302	(48,446)	(278,215)	(11,186)	(262,813)	17,633	(40,345)
Changes of Assumptions	(4,428)	(60,038)	(3,649)	363,040	72,488	20,913	(27,727)	27,186
Benefit Payments	(36,126)	(141,802)	(2,349)	14,944	(28,711)	12,475	(55,835)	(5,960)
Net Change in Total OPEB Liability	179,807	(81,433)	139,572	244,358	168,607	(83,244)	79,343	117,857
Total OPEB Liability (Beginning)	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)	\$1,664,814	\$1,485,007	\$1,566,440	\$1,426,868	\$1,182,510	\$1,013,903	\$1,097,147	\$1,017,804
Covered-employee payroll	\$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	3.72%	3.47%	3.79%	4.18%	4.31%	4.13%	4.20%	4.14%

Notes to Schedule:

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

Changes of assumptions: The financial accounting valuation reflects the following assumption changes:

- The discount rate increased from 4.02% as of September 30, 2022 to 4.06% as of September 30, 2023 to reflect changes in the Bond Buyer GO 20-Bond Municipal Bond Index.
- The base mortality table changed from the aggregate 2006 base rates from the RP-2014 mortality study to the PUB-2010, “General” Classification, amounts-weighted mortality tables.
- The mortality improvement scale changed from MP-2017 projected generationally from 2006 to MP-2020 projected generationally from 2010.
- Health care claims were updated to reflect more recent experience.
- The healthcare trend rates were updated as of September 30, 2022 to be based on national average information from a variety of sources, including S&P Healthcare Economic Index, NHCE data, plan renewal data, and vendor Rx reports, with adjustments based on the provisions of the benefits sponsored by HART. In addition, the healthcare trend rates were updated to remove the Health Care Reform excise tax adjustment.

**HILLSBOROUGH TRANSIT AUTHORITY
SCHEDULE OF CHANGES IN OPEB
FOR FISCAL YEAR END SEPTEMBER 30, 2023**

- Retirement, withdrawal and disability rates were updated to be in-line with the most recent experience published in the 2020 FRS experience study.
- 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, 2023**

<u>GRANTOR / PROGRAM TITLE</u>	<u>Federal Assistance Listing Number</u>	<u>Federal Grant Number</u>	<u>FY 2023 Program Expenditures</u>	<u>FY 2023 Transfers to Subrecipients</u>
Direct Federal Grantor Grants				
U.S. Department of Transportation - Federal Transit Administration				
Capital Investment Grants				
Transit Oriented Development Planning Pilot Program 2018	20.500	FL-2019-081	3,223	-
Total Federal Transit Capital Investment Grants			3,223	-
Urbanized Area Formula Program				
FY18 Urbanized Area Formula Program	20.507	FL-2018-095	3,500	-
FY20 Urbanized Area Formula Program	20.507	FL-2020-066	56,337	-
FY21 Urbanized Area Formula Program	20.507	FL-2021-073	652,397	-
FY22 Urbanized Area Formula Program	20.507	FL-2023-024	7,800,845	-
FY23 Urbanized Area Formula Program	20.507	FL-2023-075	15,508,953	-
FT19 Surface Transportation Block Program	20.507	FL-2020-024	63,505	-
FY20 Surface Transportation Block Program	20.507	FL-2021-010	17,981	-
FY21 The American Rescue Plan Act	20.507	FL-2022-009	19,932,511	-
Total Urbanized Area Formula Program			44,036,030	-
State of Good Repair Formula Grant Program				
FY20&21 State of Good Repair Formula Grant Program	20.525	FL-2023-030	389,820	-
Total State of Good Repair Formula Grant Program			389,820	-
Total Bus & Bus Facilities Formula Program				
FY16 Bus and Bus Facilities Formula Program	20.526	FL-2017-065	195,811	-
FY20&21 Bus and Bus Facilities Formula Program	20.526	FL-2023-022	2,068,697	-
FY22&23 Bus and Bus Facilities Formula Program	20.526	FL-2023-076	2,933,318	-
FY19 Bus and Bus Facilities Competitive Program	20.526	FL-2023-045	4,300,000	-
Total Bus & Bus Facilities Formula Program			9,497,826	-
Total Federal Transit Administration Cluster	20.500, 20.507, 20.525, 20.526		53,926,899	-
Total Direct Federal Grantor Grants			\$ 53,926,899	\$ -

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

**HILLSBOROUGH TRANSIT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2023**

<u>GRANTOR / PROGRAM TITLE</u>	<u>Federal ALN Number</u>	<u>Federal Grant Number</u>	<u>FY2023 Program Expenditures</u>	<u>FY2023 Transfers to subrecipients</u>
Pass-through Federal Grant Awards				
Florida Department of Transportation (Pass-through from the Federal Transit Administration)				
Transportation Regional Incentive Program - Flamingo Fares (G1936)	20.205	439820-1-84-02	8,456	-
Total Transportation Regional Incentive Program			8,456	
Enhanced Mobility of Seniors and Individuals with Disabilities - Mobility Manager (G1T66)	20.513	437547-1-94-02	5,000	
Enhanced Mobility of Seniors and Individuals with Disabilities - Customer Choice (G2492)	20.513	439820-1-84-02	315,028	-
Total Enhanced Mobility of Seniors and Individuals with Disabilities Program			320,028	-
Total Pass Through Federal Assistance			328,484	-
Total Expenditures of Federal Awards			\$ 54,255,383	\$ -

<u>GRANTOR / PROGRAM TITLE</u>	<u>State CSFA Number</u>	<u>State Project Number</u>	<u>FY 2023 Program Expenditures</u>	<u>FY2023 Transfers to subrecipients</u>
Direct State Financial Assistance				
Florida Department of Transportation				
Commuter Assistance Program / Ride Share Grants - Streetcar Free Fares (G1W96)	55.007	412533-1-84-21	700,000	-
Total Commuter Assistance / Ride Share Program			700,000	-
Public Transit Block Grant Program (G2E82)	55.010	402251-1-84-23	6,054,964	-
Total Public Transit Block Grant Program			6,054,964	-
Transportation Regional Incentive Program - Flamingo Fares (G1936)	55.026	436677-1-94-01	8,456	-
Total Transportation Regional Incentive Program			8,456	-
Enhanced Mobility of Seniors and Individuals with Disabilities - Mobility Manager (G1T66)	N/A	437547-1-94-02	40,000	-
Total Enhanced Mobility of Seniors and Individuals with Disabilities Program			40,000	-
Total state grantor awards			6,803,420	-
Total Expenditures of Federal Awards and State Financial Assistance			61,058,803	\$ -

**HILLSBOROUGH TRANSIT AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2023**

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. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

NOTE 3 – INDIRECT COSTS

The Authority has elected not to use the 10-percent de minimis indirect cost rate as is allowed under the Uniform Guidance. Instead, the Authority derives its cost rate using a Cost Allocation Plan (CAP) to develop a fully allocated rate based on total eligible operating costs to total vehicle hours.

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 perform.

Note: The statistical section contains “Unaudited” data

Statistical Section

Financial Trends

- Net Position by Component (FY2014 to FY2023)
- Statement of Assets, Deferred Outflows, Liabilities, Deferred Inflows & Net Position (FY2014 to FY2018)
- Statement of Assets, Deferred Outflows, Liabilities, Deferred Inflows & Net Position (FY2019 to FY2023)
- Statement of Revenues, Expenses, & Changes in Net Position (FY2014 to FY2018)
- Statement of Revenues, Expenses, & Changes in Net Position (FY2019 to FY2023)

**NET POSITION BY COMPONENT
FY2014 to FY2023**

	FY2014	FY2015	FY2016	FY2017	FY2018
NET POSITION	RESTATED				
Net Investment in Capital Assets	\$122,526,409	\$123,085,260	\$122,976,936	\$121,766,602	\$117,985,314
Restricted	\$445,000	\$700,000	\$610,800	\$1,037,807	\$1,037,807
Unrestricted	(\$1,304,949)	(\$5,632,905)	(\$14,589,739)	(\$24,544,597)	(\$26,301,549)
Total Net Position	\$121,666,460	\$118,152,355	\$108,997,997	\$98,259,812	\$92,721,572

	FY2019	FY2020	FY2021	FY2022	FY2023
NET POSITION					
Net Investment in Capital Assets	\$120,027,532	\$110,229,835	\$104,384,887	\$104,149,896	\$103,025,953
Restricted	\$85,625,022	\$197,353,969	\$218,851,884	\$17,099,772	\$28,526,571
Unrestricted	(\$34,808,461)	(\$27,878,361)	(\$11,808,554)	(\$33,476,174)	(\$27,048,238)
Total Net Position	\$170,844,093	\$279,705,443	\$311,428,217	\$87,773,494	\$ 104,504,286



STATEMENT OF ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS & NET POSITION					
FY2014 to FY2018					
	FY2014	FY2015	FY2016	FY2017	FY2018
ASSETS	RESTATED				
Cash & Cash Equivalents-Unrestricted	\$ 20,711,606	\$ 15,775,962	\$ 10,137,998	\$ 12,768,003	\$ 14,052,908
Cash & Cash Equivalents-Restricted	\$ 445,000	\$ 700,000	\$ 425,000	\$ 1,037,807	\$ 1,037,807
Investments	\$ -	\$ -	\$ -	\$ -	\$ -
Trade Receivable, net	\$ 683,225	\$ 778,787	\$ 756,015	\$ 2,298,457	\$ 748,588
Surtax Receivable	\$ -	\$ -	\$ -	\$ -	\$ -
Delinquent Property Tax Receivable	\$ 39,591	\$ 65,759	\$ 79,845	\$ 62,134	\$ 47,059
Federal Grants Receivable	\$ 11,195,043	\$ 11,667,050	\$ 11,275,149	\$ 1,764,141	\$ 517,258
State Grants Receivable	\$ 175,814	\$ 146,098	\$ 1,623,079	\$ 315,322	\$ 1,759,924
Local Grants Receivable	\$ 437,953	\$ 318,397	\$ 61,215	\$ 155,885	\$ 50,543
Inventory of Parts & Supplies	\$ 1,471,430	\$ 1,513,189	\$ 1,503,769	\$ 1,628,946	\$ 1,411,075
Prepaid Expenses	\$ 377,293	\$ 323,797	\$ 372,462	\$ 382,913	\$ 620,634
Total Current Assets	\$ 35,536,955	\$ 31,289,039	\$ 26,234,532	\$ 20,413,608	\$ 20,245,796
Long Term Assets:					
Right-to-use Asset*	\$ -	\$ -	\$ -	\$ -	\$ -
Right-to-use Amortization*	\$ -	\$ -	\$ -	\$ -	\$ -
Land	\$ 18,260,818	\$ 19,040,309	\$ 19,040,309	\$ 19,040,309	\$ 19,043,009
Construction in Progress	\$ 16,523,147	\$ 540,588	\$ 3,378,211	\$ 4,469,892	\$ 5,736,827
Capital Assets, net	\$ 88,481,029	\$ 103,904,284	\$ 101,647,794	\$ 98,256,401	\$ 93,205,478
Total Long Term Assets	\$123,264,994	\$123,485,181	\$124,066,314	\$121,766,602	\$117,985,314
Total Assets	\$158,801,949	\$154,774,220	\$150,300,846	\$142,180,210	\$138,231,110
DEFERRED OUTFLOWS					
Deferred Outflows on pension and OPEB related amounts	\$ 2,515,349	\$ 4,724,263	\$ 12,704,894	\$ 15,993,288	\$ 14,577,121
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 2,517,083	\$ 1,866,153	\$ 3,500,875	\$ 3,898,479	\$ 3,547,234
Accrued Expenses	\$ 1,991,514	\$ 2,384,932	\$ 1,088,320	\$ 1,468,902	\$ 1,228,463
Right to use lease Liability *	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Payable*	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	\$ 181,703	\$ 177,300	\$ 1,946	\$ 5,659	\$ 10,109
Self-Insurance & Contingency	\$ 3,826,224	\$ 3,337,878	\$ 2,808,134	\$ 3,016,930	\$ 2,391,880
Environmental Remediation	\$ 49,708	\$ 119,000	\$ 138,136	\$ 207,233	\$ 308,019
Compensated Absences	\$ 246,000	\$ 82,432	\$ 84,823	\$ 115,127	\$ 91,239
Capital Lease Obligation	\$ -	\$ 73,949	\$ 306,249	\$ -	\$ -
Net Pension Liability	\$ 371,057	\$ 450,452	\$ 430,446	\$ 374,957	\$ 318,652
Net OPEB Liability	\$ -	\$ -	\$ -	\$ 46,963	\$ -
Total Current Liabilities	\$ 9,183,289	\$ 8,492,096	\$ 8,358,929	\$ 9,134,250	\$ 7,895,596
Lease Liability *	\$ -	\$ -	\$ -	\$ -	\$ -
Self-Insurance & Contingency	\$ 3,867,110	\$ 4,653,651	\$ 6,283,924	\$ 5,407,660	\$ 5,619,072
Environmental Remediation	\$ -	\$ -	\$ -	\$ -	\$ -
Compensated Absences	\$ 2,366,586	\$ 2,231,413	\$ 2,438,666	\$ 2,735,005	\$ 2,789,154
Capital Lease Obligation	\$ -	\$ 325,972	\$ 479,238	\$ -	\$ -
Net Pension Liability	\$ 15,269,917	\$ 22,671,642	\$ 34,716,701	\$ 39,188,888	\$ 37,573,767
Net OPEB Liability	\$ -	\$ -	\$ 1,017,804	\$ 1,050,184	\$ 1,013,903
Total Long Term Liabilities	\$ 21,503,613	\$ 29,882,678	\$ 44,936,333	\$ 48,381,737	\$ 46,995,896
Total Liabilities	\$ 30,686,902	\$ 38,374,774	\$ 53,295,262	\$ 57,515,987	\$ 54,891,492
DEFERRED INFLOWS					
Deferred Inflows on pension and OPEB related amounts	\$ 8,963,936	\$ 2,971,354	\$ 712,481	\$ 2,397,699	\$ 5,195,167
NET POSITION					
Net Investment in Capital Assets	\$ 122,526,409	\$ 123,085,260	\$ 122,976,936	\$ 121,766,602	\$ 117,985,314
Restricted	\$ 445,000	\$ 700,000	\$ 610,800	\$ 1,037,807	\$ 1,037,807
Unrestricted	\$ (1,304,949)	\$ (5,632,905)	\$ (14,589,739)	\$ (24,544,597)	\$ (26,301,549)
Total Net Position	\$121,666,460	\$118,152,355	\$108,997,997	\$ 98,259,812	\$ 92,721,572

STATEMENT OF ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS & NET POSITION					
FY2019 to FY2023					
	FY2019	FY2020	FY2021	FY2022	FY2023
ASSETS					
Cash & Cash Equivalents-Unrestricted	\$ 9,272,590	\$ 22,596,459	\$ 32,360,767	\$ 12,661,184	\$ 12,132,057
Cash & Cash Equivalents-Restricted	\$ 66,023,804	\$ 177,655,390	\$ 218,848,884	\$ 17,099,772	\$ 28,526,571
Investments	\$ -	\$ -	\$ -	\$ -	\$ -
Trade Receivable, net	\$ 1,100,599	\$ 569,053	\$ 674,160	\$ 1,493,939	\$ 2,330,872
Surtax Receivable	\$ 19,601,218	\$ 19,698,579	\$ -	\$ -	\$ -
Delinquent Property Tax Receivable	\$ 55,895	\$ 84,131	\$ 37,717	\$ -	\$ -
Federal Grants Receivable	\$ 2,211,812	\$ 1,771,783	\$ 3,226,257	\$ 2,798,019	\$ 24,917,028
State Grants Receivable	\$ 865,935	\$ 1,076,633	\$ 3,767,495	\$ 1,737,765	\$ 6,948,539
Local Grants Receivable	\$ 160,192	\$ 239,470	\$ 922,011	\$ 296,055	\$ 326,269
Inventory of Parts & Supplies	\$ 1,956,216	\$ 1,939,187	\$ 2,160,769	\$ 2,360,022	\$ 2,499,690
Prepaid Expenses	\$ 503,634	\$ 508,821	\$ 565,960	\$ 346,702	\$ 509,617
Total Current Assets	\$101,751,895	\$226,139,506	\$262,564,020	\$ 38,793,458	\$ 78,190,643
Long Term Assets:					
Land	\$ 19,043,009	\$ 19,043,009	\$ 19,043,009	\$ 19,043,009	\$ 19,043,009
Construction in Progress	\$ 7,786,592	\$ 6,221,020	\$ 8,206,207	\$ 9,159,493	\$ 4,752,207
Capital Assets, net	\$ 93,356,839	\$ 85,042,401	\$ 77,135,671	\$ 75,947,613	\$ 79,110,971
Leased Assets, net	\$ -	\$ -	\$ -	\$ -	\$ 32,940
SBIT, net	\$ -	\$ -	\$ -	\$ -	\$ 1,580,516
Total Long Term Assets	\$120,186,440	\$110,306,430	\$104,457,566	\$104,202,839	\$104,519,643
Total Assets	\$221,938,335	\$336,445,936	\$367,021,586	\$142,996,299	\$182,710,286
DEFERRED OUTFLOWS					
Deferred Outflows on pension and OPEB related amounts	\$ 14,566,634	\$ 16,063,147	\$ 13,425,823	\$ 15,725,968	\$ 13,613,246
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 4,453,958	\$ 4,510,817	\$ 5,562,045	\$ 3,460,755	\$ 13,384,433
Accrued Expenses	\$ 1,637,797	\$ 1,617,934	\$ 2,228,657	\$ 2,080,447	\$ 2,634,485
Right to use lease liability *	\$ -	\$ -	\$ 19,736	\$ 19,600	\$ 641,585
Interest Payable*	\$ -	\$ -	\$ 69	\$ 54	\$ 39,155
Deferred Revenue	\$ 8,440	\$ 6,264	\$ 184,962	\$ 239,291	\$ 194,764
Self-Insurance & Contingency	\$ 3,915,661	\$ 3,426,588	\$ 2,504,328	\$ 2,760,494	\$ 2,845,294
Environmental Remediation	\$ 133,734	\$ 150,000	\$ 150,000	\$ -	\$ -
Compensated Absences	\$ 110,894	\$ 116,809	\$ 91,095	\$ 150,729	\$ 185,514
Capital Lease Obligation	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability	\$ 262,590	\$ 168,757	\$ 83,659	\$ 13,835	\$ -
Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
Total Current Liabilities	\$ 10,523,074	\$ 9,997,169	\$ 10,824,551	\$ 8,725,205	\$ 19,925,231
Lease Liability *	\$ -	\$ -	\$ 52,874	\$ 33,344	\$ 812,950
Self-Insurance & Contingency	\$ 3,125,977	\$ 2,833,552	\$ 3,197,683	\$ 3,303,686	\$ 2,407,879
Environmental Remediation	\$ -	\$ -	\$ -	\$ -	\$ -
Compensated Absences	\$ 2,782,394	\$ 3,086,926	\$ 3,317,998	\$ 3,218,633	\$ 3,421,974
Capital Lease Obligation	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability	\$ 43,722,810	\$ 53,099,259	\$ 22,887,291	\$ 51,122,547	\$ 61,132,782
Net OPEB Liability	\$ 1,182,510	\$ 1,426,868	\$ 1,566,440	\$ 1,485,007	\$ 1,664,814
Total Long Term Liabilities	\$ 50,813,691	\$ 60,446,605	\$ 31,022,286	\$ 59,163,217	\$ 69,440,399
Total Liabilities	\$ 61,336,765	\$ 70,443,774	\$ 41,846,837	\$ 67,888,422	\$ 89,365,630
DEFERRED INFLOWS					
Deferred Inflows on pension and OPEB related amounts	\$ 4,324,111	\$ 2,359,866	\$ 27,172,356	\$ 3,060,351	\$ 2,453,616
NET POSITION					
Net Investment in Capital Assets	\$ 120,027,532	\$ 110,229,835	\$ 104,384,887	\$ 104,149,896	\$ 103,025,953
Restricted	\$ 85,625,022	\$ 197,353,969	\$ 218,851,884	\$ 17,099,772	\$ 28,526,571
Unrestricted	\$ (34,808,461)	\$ (27,878,361)	\$ (11,808,554)	\$ (33,476,174)	\$ (27,048,238)
Total Net Position	\$170,844,093	\$279,705,443	\$311,428,217	\$ 87,773,494	\$104,504,286

**STATEMENT OF REVENUES, EXPENSES, & CHANGES IN NET POSITION
FY2014 to FY2018**

	FY2014	FY2015	FY2016	FY2017	FY2018
OPERATING REVENUES:	RESTATED				
Passenger Fare Revenues	\$16,420,800	\$16,593,816	\$15,155,608	\$14,148,572	\$12,576,581
Advertising Revenues	\$903,308	\$1,033,518	\$1,144,644	\$1,072,635	\$1,089,898
Other Revenues	\$392,061	\$116,589	\$237,079	\$405,193	\$3,150,349
Total Operating Revenues	\$17,716,169	\$17,743,923	\$16,537,331	\$15,626,400	\$16,816,828
OPERATING EXPENSES:					
Salaries & Wages	\$30,141,573	\$31,819,094	\$34,095,944	\$36,305,701	\$35,122,040
Fringe Benefits	\$13,960,033	\$16,912,330	\$18,670,787	\$23,405,926	\$21,257,654
Fuel & Oil	\$8,139,358	\$7,206,460	\$4,389,479	\$4,065,775	\$4,262,223
Parts & Supplies	\$3,415,413	\$4,150,983	\$4,178,489	\$4,281,705	\$4,481,531
Contract Services	\$2,971,681	\$3,300,141	\$4,033,881	\$5,948,106	\$6,494,192
Claims	\$4,528,743	\$3,000,607	\$4,277,254	\$2,407,661	\$2,812,076
Utilities	\$710,147	\$761,274	\$1,022,155	\$1,140,717	\$993,158
Marketing & Printing	\$313,093	\$339,870	\$354,185	\$346,738	\$340,216
Other Expenses	\$1,778,298	\$2,741,421	\$3,551,218	\$3,061,563	\$2,829,903
Expenses Reimbursed by Grants	\$1,595,894	\$1,793,741	\$1,440,203	\$1,750,812	\$2,477,298
Lease Interest Expense*	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$67,554,233	\$72,025,921	\$76,013,595	\$82,714,704	\$81,070,291
Total Operating Gain (Loss)	(\$49,838,064)	(\$54,281,998)	(\$59,476,264)	(\$67,088,304)	(\$64,253,463)
Depreciation Expense	\$10,578,252	\$11,671,433	\$11,652,527	\$12,164,514	\$12,194,544
Lease Amortization Expense*	\$0	\$0	\$0	\$0	\$0
Net Operating Gain (Loss)	(\$60,416,316)	(\$65,953,431)	(\$71,128,791)	(\$79,252,818)	\$76,448,007
NON-OPERATING REVENUES:					
Federal Operating Grants	\$11,508,660	\$10,726,311	\$9,893,280	\$12,409,977	\$12,038,587
State Operating Grants	\$5,295,505	\$4,906,810	\$5,205,625	\$5,085,689	\$6,041,652
Local Operating Grants	\$1,273,864	\$770,884	\$903,640	\$1,053,973	\$1,146,219
State Operating rebates - CNG	\$0	\$0	\$0	\$250,000	\$0
Local Transportation Surtax	\$0	\$0	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0	\$0	\$0
Property Tax Proceeds	\$30,171,450	\$32,398,546	\$34,869,378	\$37,509,439	\$40,801,680
Interest Revenue	\$20,823	\$84,466	\$60,899	\$122,610	\$288,659
Total Non-Operating Revenues	\$48,270,302	\$48,887,017	\$50,932,822	\$56,431,688	\$60,316,797
Gain (Loss) before Capital Grants	(\$12,146,014)	(\$17,066,414)	(\$20,195,969)	(\$22,821,130)	(\$16,131,210)
CAPITAL GRANT REVENUES:					
Federal Capital Grants	\$6,759,290	\$13,088,152	\$9,744,445	\$11,283,930	\$9,398,143
State Capital Grants	\$730,031	\$89,406	\$1,857,575	\$562,907	\$1,108,304
Local Capital Grants	\$1,907,899	\$341,726	\$339,538	\$171,420	\$86,523
Developer Contributed Assets	\$36,408	\$33,025	\$0	\$64,688	\$0
Total Capital Contribution Revenue	\$9,433,628	\$13,552,309	\$11,941,558	\$12,082,945	\$10,592,970
Increase (Decrease) in Net Position	(\$2,712,386)	(\$3,514,105)	(\$8,254,411)	(\$10,738,185)	(\$5,538,240)
Net Position, Beginning Year	\$124,378,846	\$121,666,460	\$117,252,408	\$108,997,997	\$98,259,812
Net Position, End of the Year	\$121,666,460	\$118,152,355	\$108,997,997	\$98,259,812	\$92,721,572

2014 Restatement of FY2014 beginning net position per application of GASB 68 and GASB 71

**STATEMENT OF REVENUES, EXPENSES, & CHANGES IN NET POSITION
FY2019 to FY2023**

	FY2019	FY2020	2021	2022	2023
OPERATING REVENUES:					
Passenger Fare Revenues	\$12,412,904	\$9,029,994	\$6,272,298	\$8,162,616	\$8,637,755
Advertising Revenues	\$1,109,730	\$564,256	\$1,739,039	\$1,660,872	\$1,660,701
Other Revenues	\$2,817,582	\$104,994	\$246,383	\$581,318	\$397,023
Total Operating Revenues	\$16,340,216	\$9,699,244	\$8,257,720	\$10,404,806	\$10,695,479
OPERATING EXPENSES:					
Salaries & Wages	\$37,836,961	\$37,308,373	\$41,715,733	\$42,806,690	\$52,628,592
Fringe Benefits	\$26,820,478	\$30,351,736	\$24,998,425	\$28,977,689	\$34,249,277
Fuel & Oil	\$4,417,508	\$2,974,830	\$3,296,975	\$5,416,772	\$4,738,543
Parts & Supplies	\$5,103,773	\$5,603,276	\$4,368,288	\$4,690,787	\$5,383,658
Contract Services	\$8,268,305	\$8,930,148	\$8,182,724	\$8,049,117	\$7,710,944
Claims	\$3,313,183	\$3,233,629	\$2,970,319	\$4,173,111	\$3,187,346
Utilities	\$933,400	\$924,601	\$943,186	\$1,047,594	\$1,162,030
Marketing & Printing	\$542,376	\$354,346	\$355,111	\$365,206	\$399,869
Other Expenses	\$2,241,779	\$2,329,677	\$2,015,999	\$1,812,495	\$2,003,671
Expenses Reimbursed by Grants	\$693,637	\$4,125,879	\$3,087,727	\$4,845,377	\$361,121
Lease Interest Expense*	\$0	\$0	\$503	\$384	\$51,139
Total Operating Expenses	\$90,171,400	\$96,136,495	\$91,934,990	\$102,185,222	\$111,876,190
Total Operating Gain (Loss)	(\$73,831,184)	(\$86,437,251)	(\$83,677,270)	(\$91,780,416)	(\$101,180,711)
Depreciation Expense	\$12,353,469	\$12,807,484	\$12,845,735	\$12,086,256	\$12,321,051
Lease Amortization Expense*	\$0	\$0	\$19,870	\$19,784	\$716,207
Net Operating Gain (Loss)	(\$86,184,653)	(\$99,244,735)	(\$96,542,875)	(\$103,886,456)	(\$114,217,969)
NON-OPERATING REVENUES:					
Federal Operating Grants	\$12,513,482	\$29,256,664	\$35,072,557	\$26,253,644	\$38,657,191
State Operating Grants	\$8,399,287	\$7,189,103	\$6,787,687	\$7,205,688	\$6,759,964
Local Operating Grants	\$1,151,425	\$1,465,932	\$1,531,207	\$1,506,817	\$1,590,458
State Operating rebates-CNG	\$0	\$0	\$0	\$0	\$0
Local Transportation Surtax	\$84,299,484	\$111,409,428	\$21,012,547	(\$216,090,967)	\$0
Other Federal Funds	\$0	\$1,985,705	\$944,142	\$332,014	\$0
Property Tax Proceeds	\$44,834,934	\$48,870,629	\$53,130,355	\$57,536,830	\$66,018,626
Interest Revenue	\$726,168	\$1,379,791	\$389,600	\$186,866	\$1,958,613
Total Non-Operating Revenues	\$151,924,780	\$201,557,252	\$118,868,095	(\$123,069,108)	\$114,984,852
Gain (Loss) before Capital Grants	\$65,740,127	\$102,312,517	\$22,325,220	(\$226,955,564)	\$766,883
CAPITAL GRANT REVENUES:					
Federal Capital Grants	\$11,430,645	\$4,831,653	\$7,884,702	\$2,570,418	\$15,527,636
State Capital Grants	\$641,910	\$1,416,991	\$782,539	\$722,107	\$238,669
Local Capital Grants	\$309,839	\$285,589	\$715,713	\$8,316	\$190,947
Developer Contributed Assets	\$0	\$14,600	\$14,600	\$0	\$6,657
Total Capital Contribution Revenue	\$12,382,394	\$6,548,833	\$9,397,554	\$3,300,841	\$15,963,909
Increase (Decrease) in Net Position	\$78,122,521	\$108,861,350	\$31,722,774	(\$223,654,723)	\$16,730,792
Net Position, Beginning Year	\$92,721,572	\$170,844,093	\$279,705,443	\$311,428,217	\$87,773,494
Net Position, End of the Year	\$170,844,093	\$279,705,443	\$311,428,217	\$87,773,494	\$104,504,286

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

* GASB 96 implemented in FY2023

Statistical Section

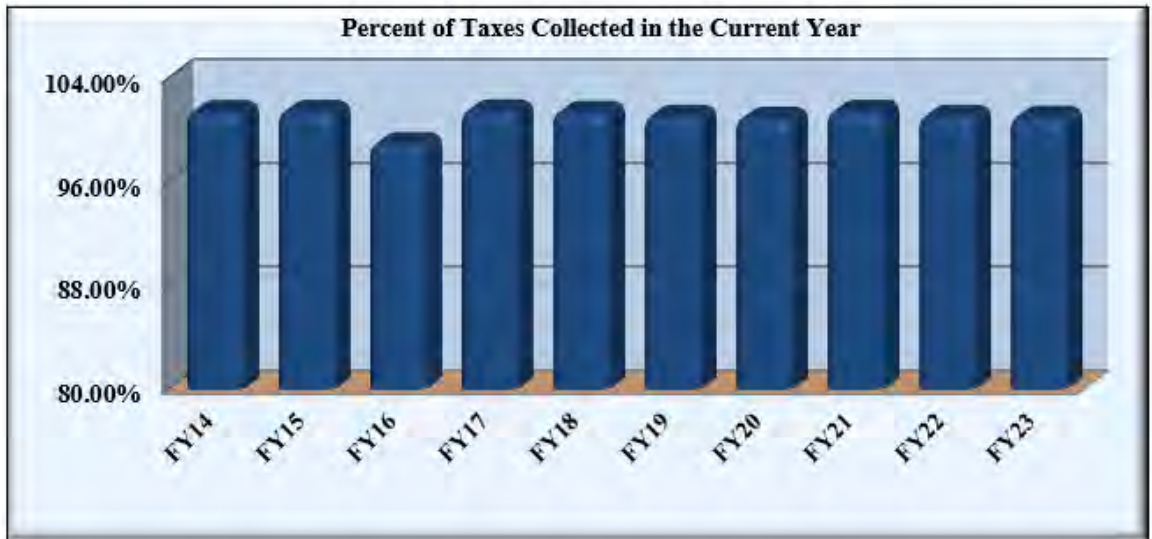
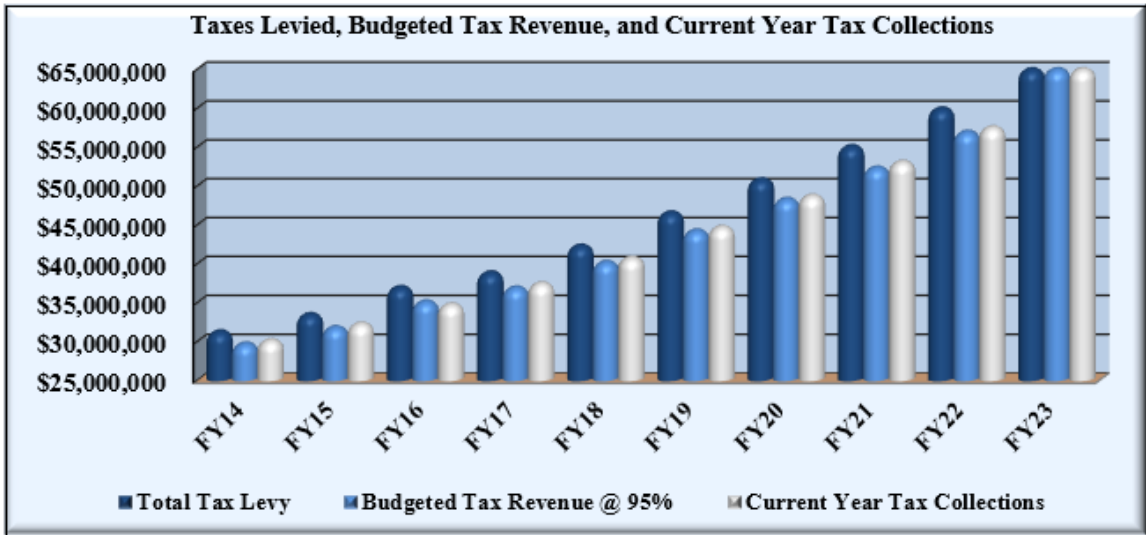
Revenue Capacity

- Hillsborough Transit Authority, Property Tax Levies and Collections (FY2014 to FY2023)
- Hillsborough County, FL, Taxable Assessed Value and Actual Value of Property (FY2008 to FY2023)
- Single Family Taxable Values and Levies (2009 to 2024)
- Millage Rates (2014 to 2023)
- Taxable Sales (2008 to 2023)
- Revenues by Source (FY2014 to FY2023)
- Property Tax Revenue Used for Operations (FY2014 to FY2023)

Note: The statistical section contains “Unaudited” data.

**HILLSBOROUGH TRANSIT AUTHORITY
PROPERTY TAX LEVIES AND COLLECTIONS FY2014-FY2023**

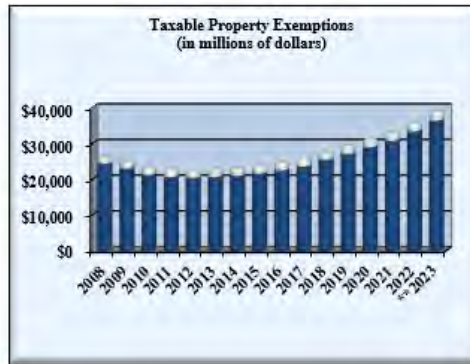
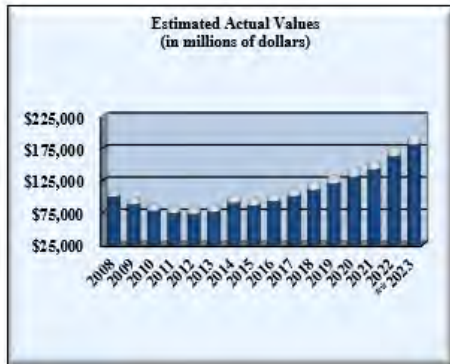
Fiscal Year	Total Tax Levy	Budgeted Tax Revenue @ 95%	Current Year Tax Collections	Percent of Current Year to Budget	Other Net Collections during the Year	Total Collections	Percent of Total Collections to Tax Levy	Millage Rate
FY2014	\$31,293,062	\$29,728,409	\$30,145,483	101.40%	\$48,651	\$30,194,134	96.49%	0.5000
FY2015	\$33,519,856	\$31,843,863	\$32,292,256	101.41%	\$80,123	\$32,372,379	96.58%	0.5000
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



HILLSBOROUGH COUNTY, FLORIDA TAXABLE ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY 2008 to 2023							
Year	Estimated Actual		Exemptions*		Assessed Value*		HART's
	Real Property	Personal Property	Real Property	Personal Property	Real Property	Personal Property	Millage Rate
2008	\$100,896	\$9,120	\$24,489	\$1,905	\$76,407	\$7,215	0.4495
2009	\$88,961	\$8,054	\$23,168	\$1,899	\$65,793	\$6,155	0.4682
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

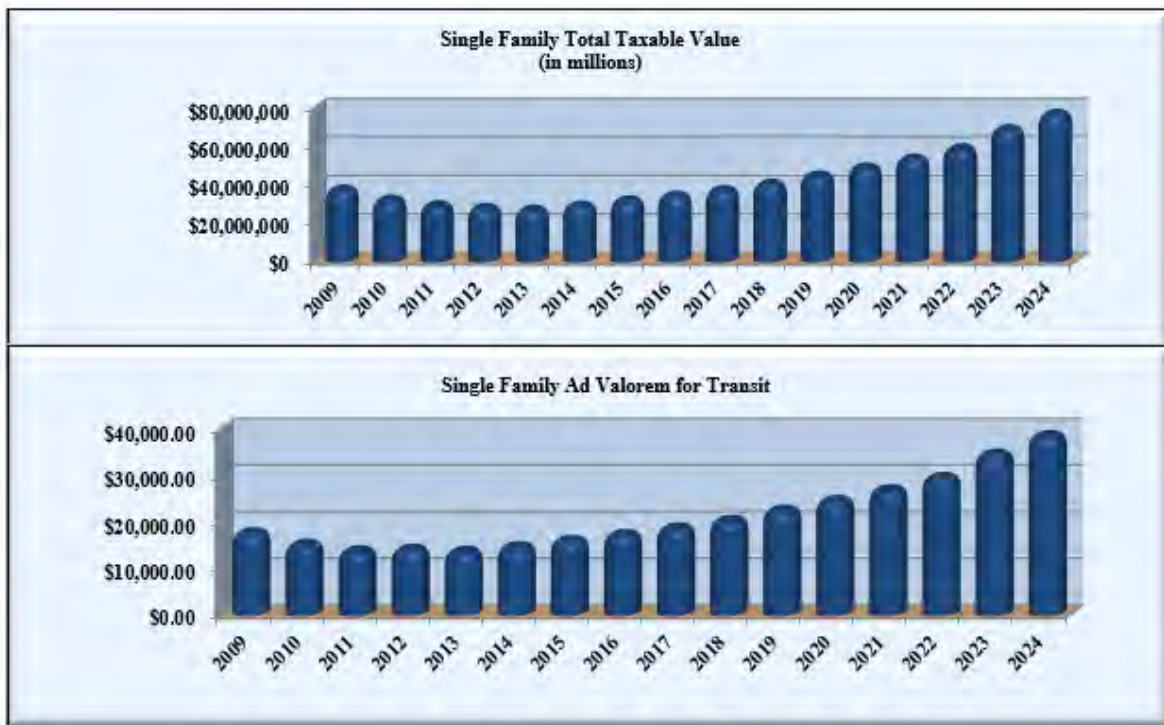
Notes: * Values in millions
**2023 Preliminary

Source:
Florida Department of Revenue



HILLSBOROUGH COUNTY, FLORIDA SINGLE FAMILY TAXABLE VALUES AND LEVIES 2009-2024					
Fiscal Year	Tax Year	Single Family Taxable Values (000's)	HART's Millage Rate	Single Family Ad Valorem for Transit	Percent Change
2009	2008	\$38,109,677	0.4682	\$17,842.95	
2010	2009	\$32,798,590	0.4682	\$15,356.30	-13.9%
2011	2010	\$29,953,254	0.4682	\$14,024.11	-8.7%
2012	2011	\$28,528,801	0.5000	\$14,264.40	1.7%
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%

Source:
Hillsborough County Property Appraiser
U.S. Census Bureau
Preliminary Assessment Rolls Reports for Tax Years 2003 to 2018 (or HART Fiscal Years 2004 to 2019)



**HILLSBOROUGH COUNTY, FLORIDA
MILLAGE RATES
2014 to 2023**

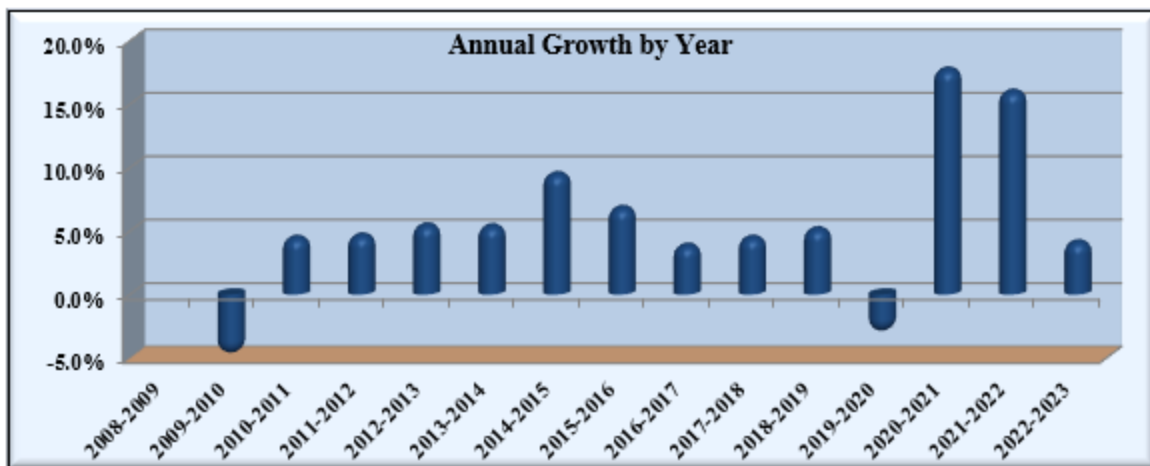
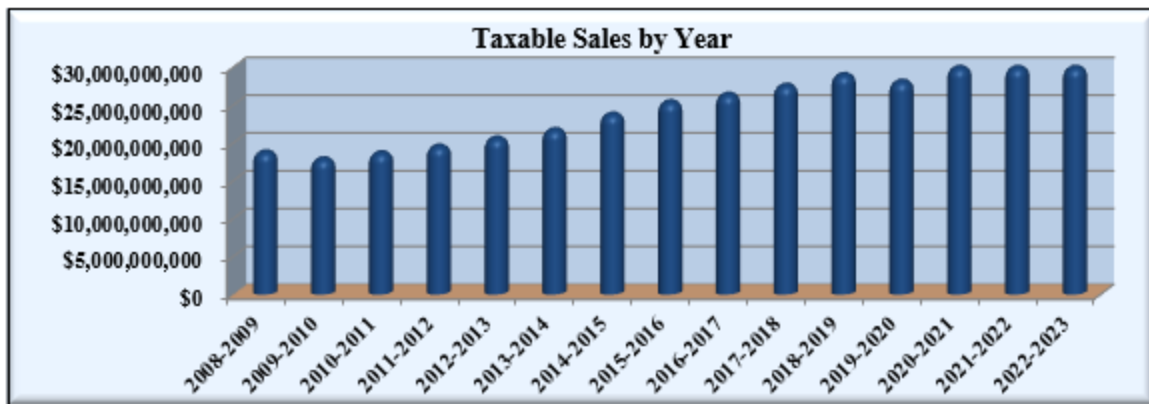
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District School Board:										
Local Required Effort	5.4420	5.1050	4.9990	4.6580	4.3480	4.1660	3.8810	3.7050	3.5810	3.6060
Discretionary Local	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480
Supplemental Discretionary	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Debt Service	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
Total District School Board	7.6900	7.3530	7.2470	6.9060	6.5960	6.4140	6.1290	5.9530	5.8290	5.8540
Other County-Wide:										
Board of County Commissioners	5.7960	5.7943	5.7322	5.7322	5.7309	5.3614	5.7309	5.7309	5.7309	5.7309
Tampa Port Authority	0.1750	0.1650	0.1550	0.1450	0.1300	0.1150	0.1050	0.1050	0.0935	0.0840
Children's Board	0.4828	0.4599	0.4589	0.4589	0.4589	0.4589	0.4589	0.4589	0.4589	0.4589
S.W. Florida River Water Mgt.	0.3818	0.3488	0.3488	0.3317	0.3131	0.2801	0.2801	0.2669	0.2535	0.2260
Total Other County-Wide	6.8356	6.7680	6.6949	6.6678	6.6329	6.2154	6.5749	6.5617	6.5368	6.4998
Total County-Wide	14.5256	14.1210	13.9419	13.5738	13.2289	12.6294	12.7039	12.5147	12.3658	12.3538
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	4.3745
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	5.7326	5.7326	6.2076	6.2076	6.2076	6.2076	6.2076	6.2076
Plant City	4.7157	4.7157	4.7157	5.7157	5.7157	5.7157	5.7157	5.7157	5.7157	5.7157
Temple Terrace	6.4300	6.3050	6.9550	7.2050	6.9550	6.5550	6.5550	6.5550	6.5550	6.4550
Grand Total Millages	36.8626	36.3330	36.8039	37.6858	37.5659	36.5664	36.6409	36.6349	36.3028	36.1908

Source:
Hillsborough Tax Collector



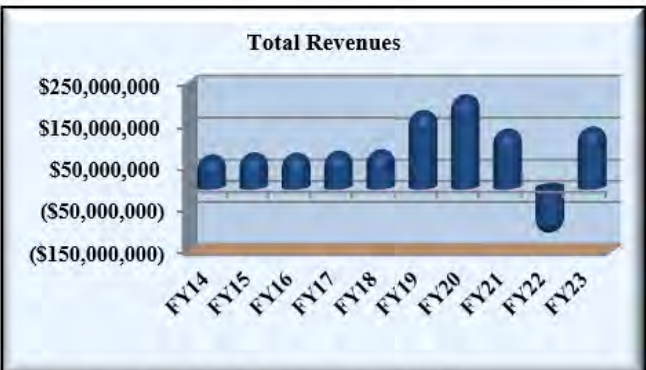
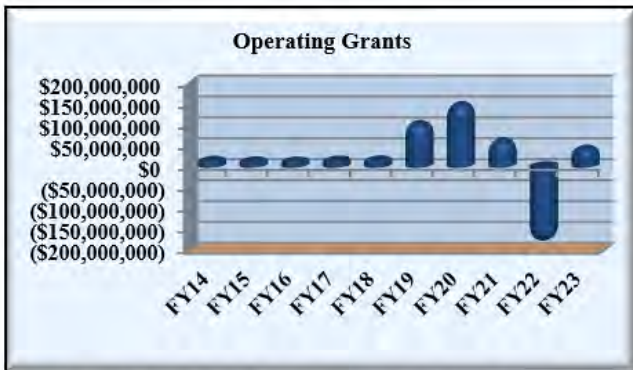
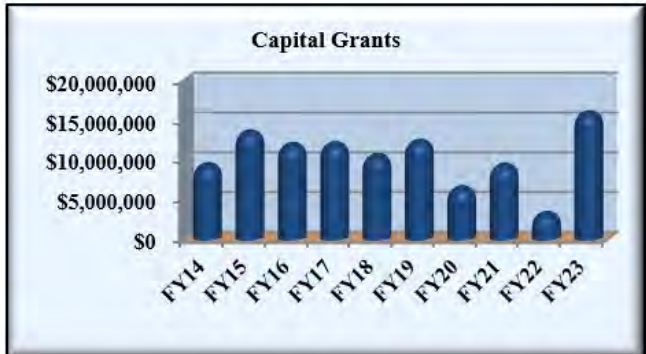
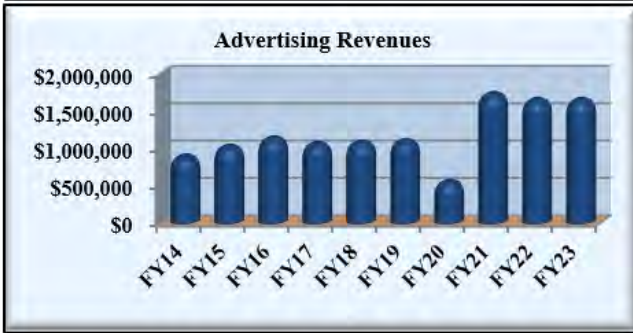
HILLSBOROUGH COUNTY, FLORIDA TAXABLE SALES 2008 to 2023					
State Fiscal Year	Hillsborough Taxable Sales	Annual Growth	Half Cent	Full Cent	Seven Cent
2008-2009	\$18,831,222,537		\$94,156,113	\$188,312,225	\$1,318,185,578
2009-2010	\$17,929,543,843	-4.8%	\$89,647,719	\$179,295,438	\$1,255,068,069
2010-2011	\$18,730,240,925	4.5%	\$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

Source:
Florida Department of Revenue



REVENUES BY SOURCE FY 2014 to FY2023					
	FY2014	FY2015	FY2016	FY2017	FY2018
GENERAL FUND REVENUES:					
Passenger Fare Revenues	\$16,420,800	\$16,593,816	\$15,155,608	\$14,148,572	\$12,576,581
Property Tax Proceeds	\$30,171,450	\$32,398,546	\$34,869,378	\$37,509,439	\$40,801,680
Advertising Revenues	\$903,308	\$1,033,518	\$1,144,644	\$1,072,635	\$1,089,898
Interest Revenues	\$20,823	\$84,466	\$60,899	\$122,610	\$288,659
Other Income (Loss)	\$392,061	\$116,589	\$237,079	\$405,193	\$3,150,349
Total General Funds	\$47,908,442	\$50,226,935	\$51,467,608	\$53,258,449	\$57,907,167
OPERATING GRANT REVENUES:					
Federal Operating Grants	\$11,508,660	\$10,726,311	\$9,893,280	\$12,409,977	\$12,038,587
State Operating Grants	\$5,295,505	\$4,906,810	\$5,205,625	\$5,335,689	\$6,041,652
Local Operating Grants	\$1,273,864	\$770,884	\$903,640	\$1,053,973	\$1,146,219
Local Transportation Surtax	\$0	\$0	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0	\$0	\$0
Total Operating Grants	\$18,078,029	\$16,404,005	\$16,002,545	\$18,799,639	\$19,226,458
CAPITAL GRANT REVENUES:					
Federal Capital Grants	\$6,759,290	\$13,088,152	\$9,744,445	\$11,283,930	\$9,398,143
State Capital Grants	\$730,031	\$89,406	\$1,857,575	\$562,907	\$1,108,304
Local Capital Grants	\$1,907,899	\$341,726	\$339,538	\$171,420	\$86,253
Developer Contributed Assets	\$36,408	\$33,025	\$33,025	\$64,688	\$0
Total Capital Revenues	\$9,433,628	\$13,552,309	\$11,974,583	\$12,082,945	\$10,592,700
Total Revenue	\$75,420,099	\$80,183,249	\$79,444,736	\$84,141,033	\$87,726,325
	FY2019	FY2020	FY 2021	FY 2022	FY 2023
GENERAL FUND REVENUES:					
Passenger Fare Revenues	\$12,412,904	\$9,029,994	\$6,272,298	\$8,162,616	\$8,637,755
Property Tax Proceeds	\$44,834,934	\$48,870,629	\$53,130,355	\$57,536,830	\$66,018,626
Advertising Revenues	\$1,109,730	\$564,256	\$1,739,039	\$1,660,872	\$1,660,701
Interest Revenues	\$726,168	\$1,379,791	\$389,600	\$186,866	\$1,958,613
Other Income (Loss)	\$2,817,582	\$104,994	\$246,383	\$581,318	\$397,023
Total General Funds	\$61,901,318	\$59,949,664	\$61,777,675	\$68,128,502	\$78,672,718
OPERATING GRANT REVENUES:					
Federal Operating Grants	\$12,513,482	\$29,256,664	\$35,072,557	\$26,253,644	\$38,657,191
State Operating Grants	\$8,399,287	\$7,189,103	\$6,787,687	\$7,205,688	\$6,759,964
Local Operating Grants	\$1,151,425	\$1,465,932	\$1,531,207	\$1,506,817	\$1,590,458
Local Transportation Surtax	\$84,299,484	\$111,409,428	\$21,012,547	(\$216,090,967)	\$0
Other Federal Funds	\$0	\$1,985,705	\$944,142	\$332,014	\$0
Total Operating Grants	\$106,363,678	\$151,306,832	\$65,348,140	(\$180,792,804)	\$47,007,613
CAPITAL GRANT REVENUES:					
Federal Capital Grants	\$11,430,645	\$4,831,653	\$7,884,702	\$2,570,418	\$15,527,636
State Capital Grants	\$641,910	\$1,416,991	\$782,539	\$722,107	\$238,669
Local Capital Grants	\$309,839	\$285,589	\$715,713	\$8,316	\$190,947
Developer Contributed Assets	\$0	\$14,600	\$14,600	\$0	\$6,657
Total Capital Revenues	\$12,382,394	\$6,548,833	\$9,397,554	\$3,300,841	\$15,963,909
Total Revenue	\$180,647,390	\$217,805,329	\$136,523,369	(\$109,363,461)	\$141,644,240

REVENUES BY SOURCE FY2014 to FY2023



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 source 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, State 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 FY2014 to FY2023					
Fiscal Year	Property Tax Revenue	Percent Change	Bus & Paratransit Revenue	Percent of Total	Millage Rate
FY2014	\$30,171,450	5.48%	\$61,170,429	54.06%	0.5000
FY2015	\$32,398,546	7.38%	\$64,504,989	57.55%	0.5000
FY2016	\$34,869,378	7.63%	\$65,181,172	61.89%	0.5000
FY2017	\$37,509,439	7.57%	\$65,930,367	63.71%	0.5000
FY2018	\$40,801,680	8.78%	\$70,374,803	50.23%	0.5000
FY2019	\$44,834,934	9.89%	\$81,718,165	54.87%	0.5000
FY2020	\$48,870,629	9.00%	\$97,294,382	50.23%	0.5000
FY2021	\$53,130,355	8.72%	\$83,393,014	63.71%	0.5000
FY2022	\$57,536,830	8.29%	(\$166,900,291)	-34.47%	0.5000
FY2022	\$66,018,626	14.74%	\$75,618,957	87.30%	0.5000

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

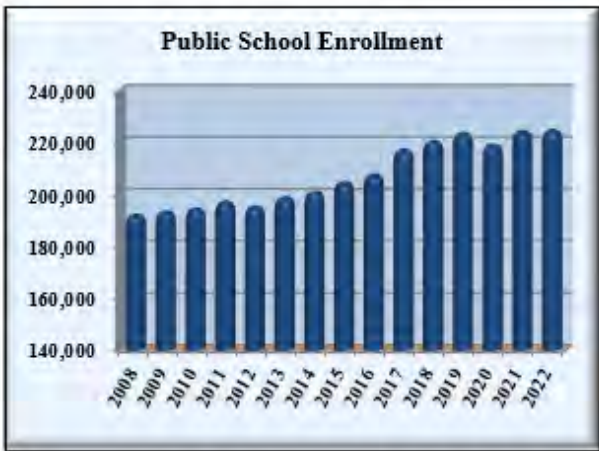
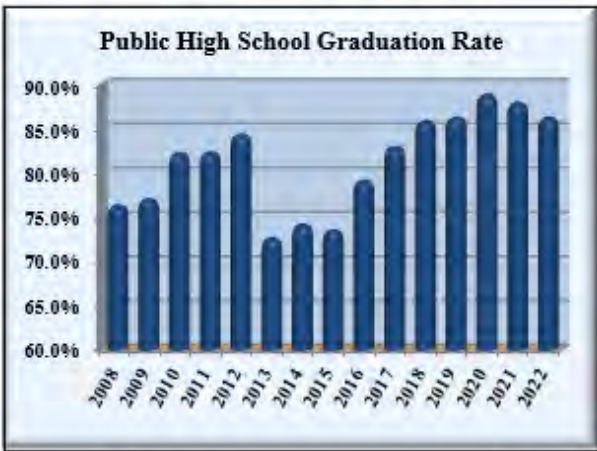
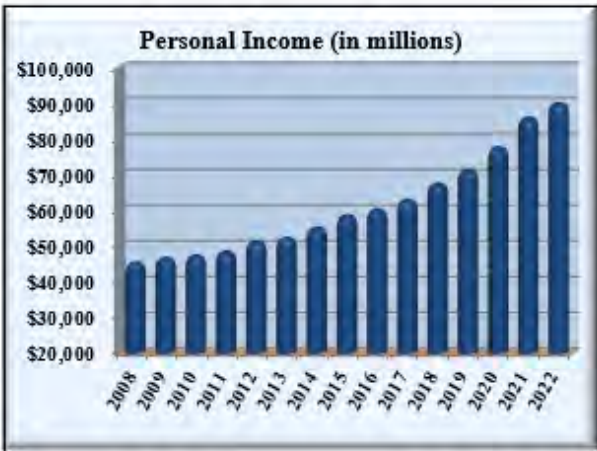
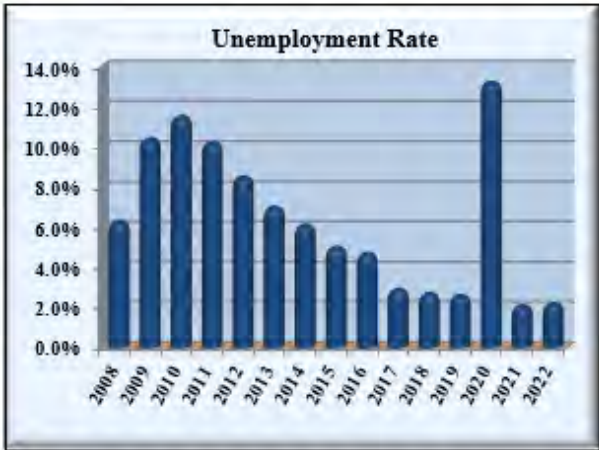
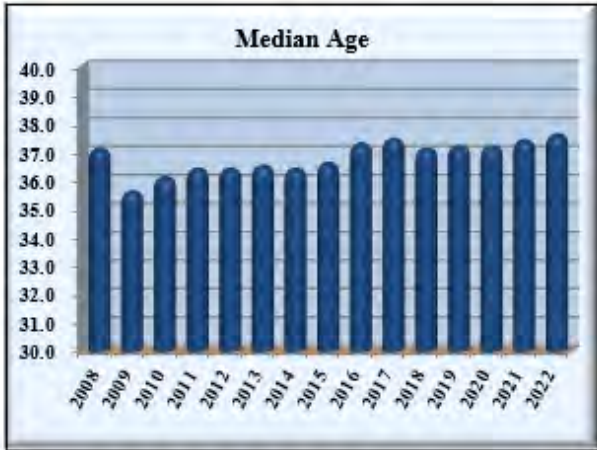
Statistical Section

Demographic and Economic Information

- Hillsborough County, Demographic and Economic Statistics (2008 to 2022)
- Principal Employers (2013 and 2022)

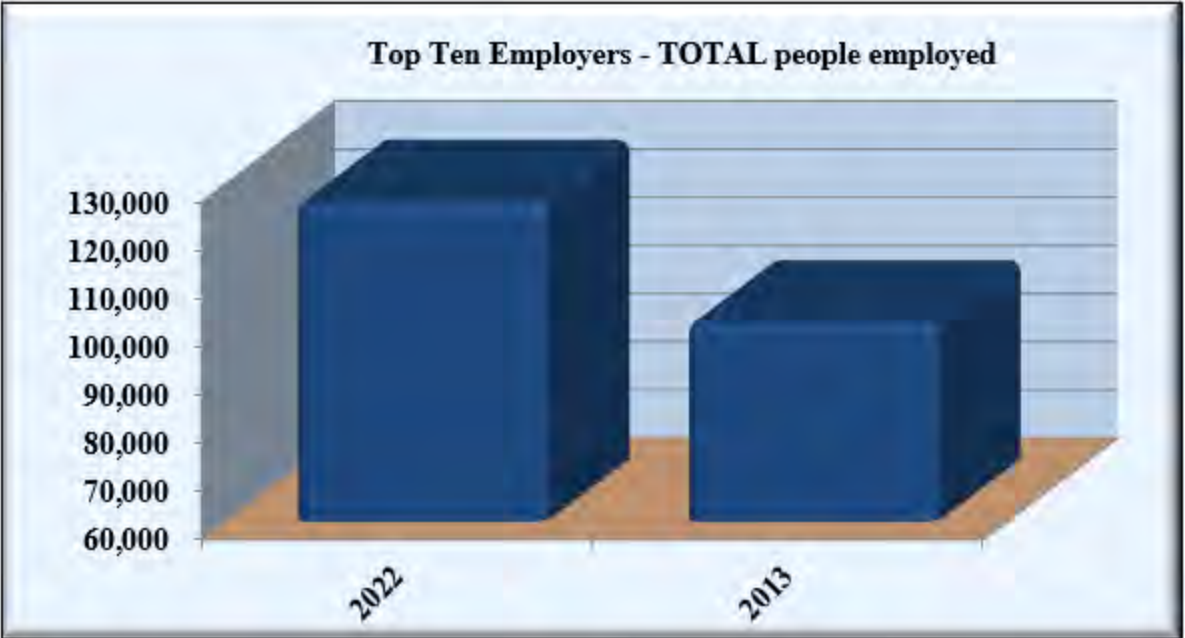
HILLSBOROUGH COUNTY, FLORIDA DEMOGRAPHIC AND ECONOMIC STATISTICS 2008 to 2022							
Year	Population	Median Age	Unemployment Rate	Personal Income (millions)	Personal Income (per capita)	Public High School Graduation Rate	Total Public School Enrollment
2008	1,196,773	37.1	6.3%	\$45,364	\$37,473	76.3%	191,965
2009	1,214,050	35.6	10.4%	\$46,692	\$37,923	77.0%	193,239
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
	(A)	(A)	(B)	(C)	(D)	(E)	(E)
<i>Sources:</i>							
<i>A. United States Census Bureau, American Fact Finder</i>							
<i>B. U.S. Bureau of Labor Statistics, Unemployment Rate in Hillsborough County, FL retrieved from FRED, Federal Reserve Bank of St. Louis</i>							
<i>C. U.S. Bureau Economic Analysis, Personal Income in Hillsborough County, FL retrieved from FRED, Federal Reserve Bank of St. Louis</i>							
<i>D. U.S. Bureau Economic Analysis, Per Capita Personal Income in Hillsborough County, FL retrieved from FRED, Federal Reserve Bank of St. Louis</i>							
<i>E. Florida Department of Education - Hillsborough County District School</i>							

HILLSBOROUGH COUNTY, FLORIDA DEMOGRAPHIC AND ECONOMIC STATISTICS 2008 to 2022



HILLSBOROUGH COUNTY, FLORIDA PRINCIPAL EMPLOYERS 2013 and 2022					
	2022 Rank	2022	2022 Percentage to Total	2013	2013 Percentage
MacDill Air Force Base	1	30,844	24.4%	14,500	14.3%
Hillsborough County School District	2	24,866	19.7%	25,936	25.6%
University of South Florida	3	15,678	12.4%	10,837	10.7%
Hillsborough County Government	4	11,073	8.8%	9,355	9.2%
Publix	5	9,286	7.4%	6,826	6.7%
Baycare Health Systems	6	8,556	6.8%	-	0.0%
Tampa General Hospital	7	8,207	6.5%	6,500	6.4%
H.Lee Moffitt Cancer Center	8	7,868	6.2%	-	0.0%
James A Haley Veterans Hospital	9	5,157	4.1%	4,700	4.6%
City of Tampa	10	4,764	3.8%	-	0.0%
AdventHealth West Florida Division		-	0.0%	5,179	5.1%
Verizon Information Technologies		-	0.0%	9,957	9.8%
Tampa International Airport		-	0.0%	7,500	7.4%
Grand Totals		126,299	100.0%	101,290	100.0%
<i>Source: Hillsborough County Annual Comprehensive Financial Report</i>					

**HILLSBOROUGH COUNTY, FLORIDA
PRINCIPAL EMPLOYERS
2013 and 2022**



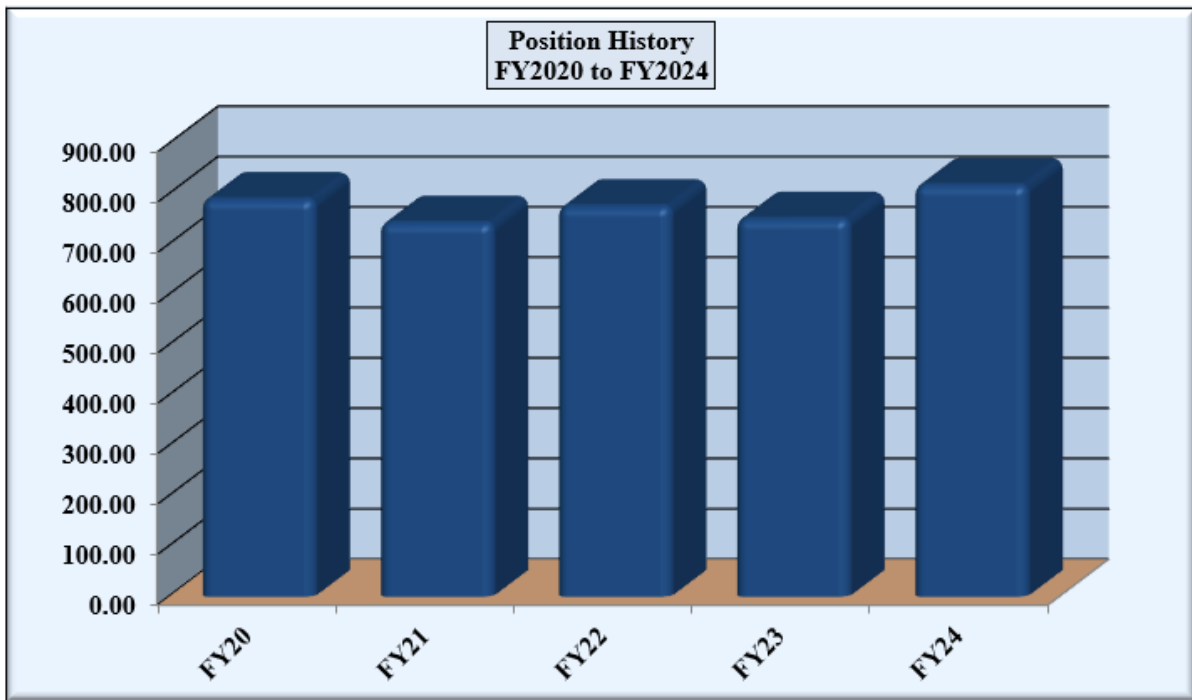
Statistical Section

Operating Information

- Miscellaneous HART Statistics
- Staffing – Position Count by Unit (FY2020 to FY2024)
- Bus Service Trends (FY2014 to FY2023)
- Paratransit Service Trends (FY2014 to FY2023)
- Streetcar Service Trends (FY2014 to FY2023)
- Expenses by Program (FY2014 to FY2023)

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 = 25 local routes, 1 MetroRapid route, and 4 limited Express routes. 100% wheelchair/bicycle accessible buses and vans Flex service = 4 Flex route Paratransit = Door to Door van service for disables persons Streetcar = Streetcar service operated and maintained under contract to Tampa Historic Streetcar Inc. (THS)
Bus Stops / Shelters	2,262 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: 132 buses Paratransit: 79 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 11 Streetcar Stations

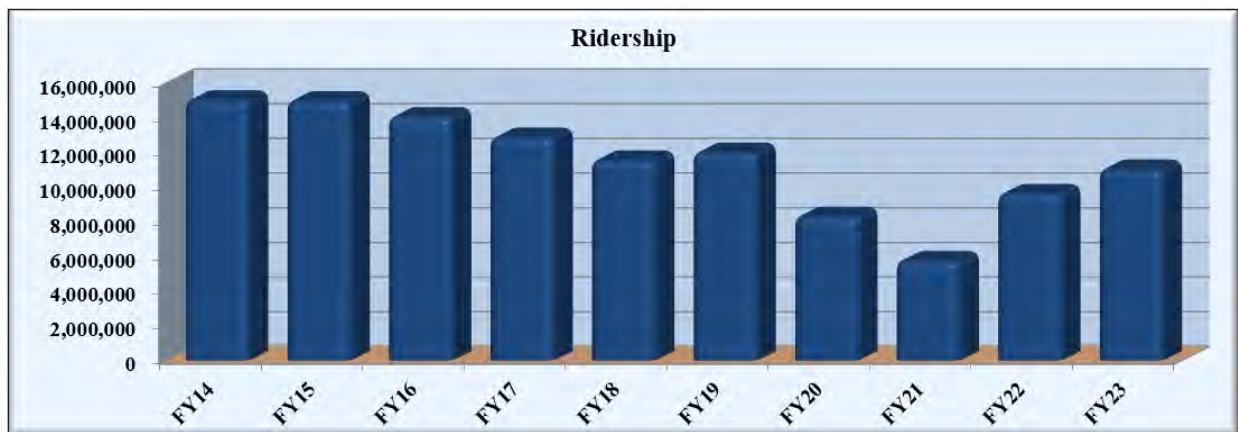
STAFFING - POSITION COUNT BY UNIT						
UNIT	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Proposed	FY2024 Incr (Decr) FY2023
ATU	598.00	563.00	581.00	584.00	627.00	43.00
Teamster	54.00	53.00	52.00	55.00	55.00	0.00
Non-Bargaining	139.00	128.00	144.00	113.00	137.00	24.00
Total Positions	791.00	744.00	777.00	752.00	819.00	67.00



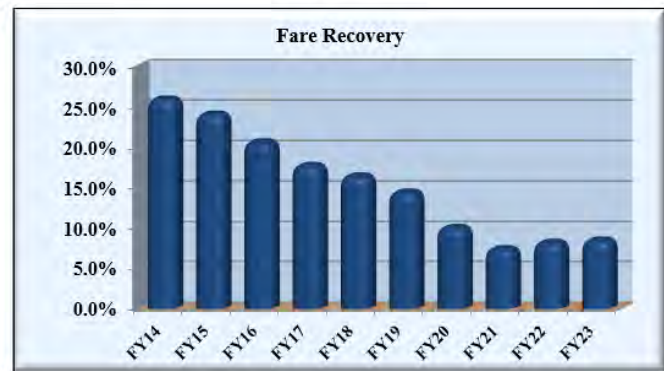
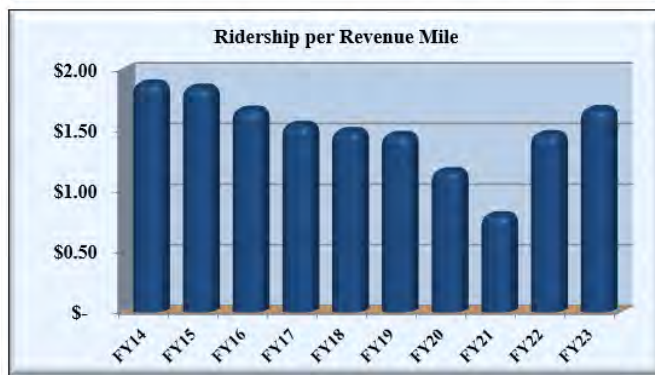
HILLSBOROUGH TRANSIT AUTHORITY TREND OF BUS SERVICE FY2014 to FY2018					
	FY2014	FY2015	FY2016	FY2017	FY2018
STATISTICS					
Total Miles *	8,908,643	9,052,316	9,378,111	9,294,792	8,450,701
Revenue Miles *	7,961,048	8,078,542	8,400,733	8,324,037	7,730,066
Total Hours*	678,449	686,304	703,706	696,251	660,283
Revenue Hours*	635,945	646,097	661,137	656,116	631,317
Vehicle Trips*	574,636	581,113	604,196	599,725	694,737
Ridership*	15,056,967	15,003,289	14,081,260	12,901,178	11,586,334
Positions*	679.3	676.5	698.0	684.0	646.0
REVENUES					
Passenger Fares	\$ 15,393,039	\$ 15,484,564	\$ 13,981,071	\$ 12,825,045	\$ 11,455,183
Ad Valorem	\$ 26,815,634	\$ 29,583,129	\$ 31,576,314	\$ 33,967,084	\$ 36,958,839
Operating Grant Revenues	\$ 15,825,431	\$ 14,238,190	\$ 13,477,832	\$ 14,898,215	\$ 15,118,795
Other Revenues	\$ 1,264,650	\$ 1,219,233	\$ 1,465,920	\$ 1,599,991	\$ 4,528,343
Total Operating Revenues	\$ 59,298,754	\$ 60,525,116	\$ 60,501,137	\$ 63,290,335	\$ 68,061,160
EXPENSES					
Total Operating Expenses	\$ 59,204,422	\$ 64,165,322	\$ 67,549,582	\$ 72,191,976	\$ 69,518,173
KEY OPERATING INDICATORS					
Operating Cost per Total Mile	\$ 6.65	\$ 7.09	\$ 7.20	\$ 7.77	\$ 8.23
Operating Cost per Revenue Mile	\$ 7.44	\$ 7.94	\$ 8.04	\$ 8.67	\$ 8.99
Ridership per Revenue Mile	\$ 1.89	\$ 1.86	\$ 1.68	\$ 1.55	\$ 1.50
Operating Cost per Rider	\$ 3.93	\$ 4.28	\$ 4.80	\$ 5.60	\$ 6.00
Average Fare per Rider	\$ 1.02	\$ 1.03	\$ 0.99	\$ 0.99	\$ 0.99
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	26.0%	24.1%	20.7%	17.8%	16.5%

* Numbers are obtained from NTD report

HILLSBOROUGH TRANSIT AUTHORITY TREND OF BUS SERVICE FY2019 to FY2023					
	FY19	FY20	FY21	FY22	FY23
STATISTICS					
Total Miles*	9,056,592	7,713,928	7,652,872	7,157,294	7,187,489
Revenue Miles*	8,199,394	7,135,272	7,187,617	6,544,375	6,582,991
Total Hours*	692,964	595,430	602,434	554,216	553,859
Revenue Hours*	662,198	574,098	584,719	535,992	529,706
Vehicle Trips*	681,158	590,513	596,336	602,343	535,313
Ridership*	12,032,360	8,343,331	5,784,404	9,644,403	11,062,383
Positions*	677.0	640.0	624.0	638.0	616.0
REVENUES					
Passenger Fares	\$ 11,477,437	\$ 8,265,314	\$ 5,746,646	\$ 7,297,322	\$ 7,858,899
Ad Valorem	\$ 40,760,104	\$ 46,435,486	\$ 49,135,127	\$ 52,861,038	\$ 63,796,335
Operating Grant Revenues	\$ 16,829,916	\$ 30,800,393	\$ 36,100,159	\$ 31,478,353	\$ 36,385,396
Other Revenues	\$ 4,652,989	\$ 4,037,992	\$ 3,229,204	\$ 2,580,976	\$ 3,754,366
Total Operating Revenues	\$ 73,720,446	\$ 89,539,185	\$ 94,211,136	\$ 94,217,689	\$ 111,794,996
EXPENSES					
Total Operating Expenses	\$ 79,232,697	\$ 81,694,363	\$ 76,693,257	\$ 88,130,868	\$ 98,168,418
KEY OPERATING INDICATORS					
Operating Cost per Total Mile	\$ 8.75	\$ 10.59	\$ 10.02	\$ 12.31	\$ 13.66
Operating Cost per Revenue Mile	\$ 9.66	\$ 11.45	\$ 10.67	\$ 13.47	\$ 14.91
Ridership per Revenue Mile	\$ 1.47	\$ 1.17	\$ 0.80	\$ 1.47	\$ 1.68
Operating Cost per Rider	\$ 6.58	\$ 9.79	\$ 13.26	\$ 9.14	\$ 8.87
Average Fare per Rider	\$ 0.95	\$ 0.99	\$ 0.99	\$ 0.76	\$ 0.71
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	14.5%	10.1%	7.5%	8.3%	8.0%
<p><i>Note:</i> 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.</p>					



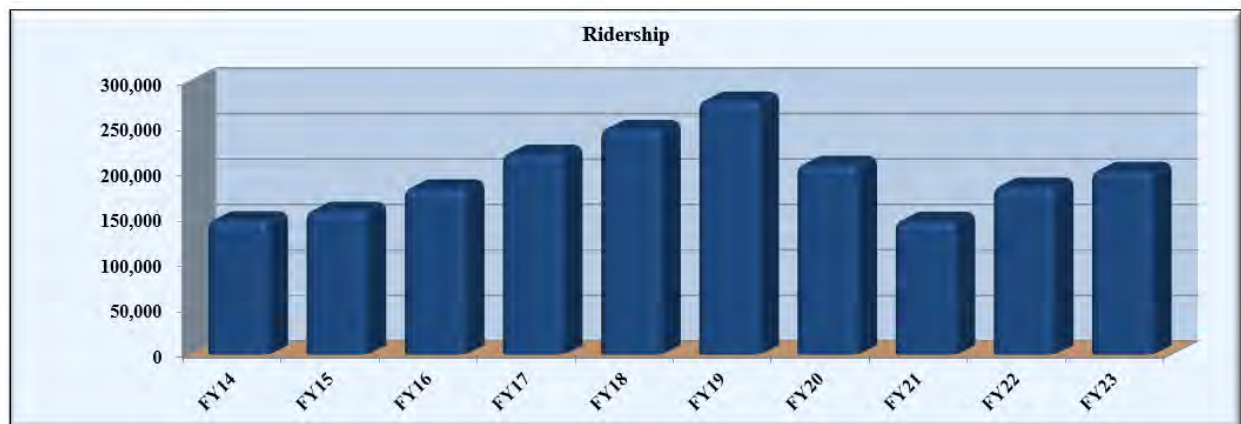
**HILLSBOROUGH TRANSIT AUTHORITY
TREND OF BUS SERVICE
FISCAL YEARS 2014 to 2023**



HILLSBOROUGH TRANSIT AUTHORITY TREND OF PARATRANSIT SERVICE FY2014 to FY2018					
	FY14	FY15	FY16	FY17	FY18
STATISTICS					
Total Miles *	1,664,147	1,593,096	1,745,008	1,972,566	2,016,025
Revenue Miles *	1,438,299	1,387,828	1,538,575	1,741,816	1,790,463
Total Hours*	108,904	108,920	113,010	141,802	116,736
Revenue Hours*	90,492	93,469	96,861	123,641	98,390
Vehicle Trips*	134,488	141,198	167,318	206,914	231,467
Ridership*	147,828	158,090	182,883	220,922	248,133
Positions*	86.0	79.0	99.0	88.0	93.0
REVENUES					
Passenger Fares	\$562,749	\$545,456	\$604,772	\$773,229	\$792,382
Ad Valorem	\$3,355,816	\$2,815,417	\$3,293,064	\$3,542,355	\$3,842,841
Operating Grant Revenues	\$1,287,491	\$1,294,931	\$1,531,073	\$2,768,455	\$2,861,444
Other Revenues	\$179	\$252	\$321	\$429	\$448
Total Operating Revenues	\$5,206,235	\$4,656,056	\$5,429,230	\$7,084,468	\$7,497,115
EXPENSES					
Total Operating Expenses	\$5,206,235	\$4,656,056	\$5,429,230	\$7,084,468	\$7,497,115
KEY OPERATING INDICATORS					
Operating Cost per Total Mile	\$3.13	\$2.92	\$3.11	\$3.59	\$3.72
Operating Cost per Revenue Mile	\$3.62	\$3.35	\$3.53	\$4.07	\$4.19
Ridership per Revenue Mile	0.10	0.11	0.12	0.13	0.14
Operating Cost per Rider	\$35.22	\$29.45	\$29.69	\$32.07	\$30.21
Average Fare per Rider	\$3.81	\$3.45	\$3.31	\$3.50	\$3.19
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	10.6%	11.7%	11.1%	10.9%	10.6%

* Numbers are obtained from NTD report

HILLSBOROUGH TRANSIT AUTHORITY TREND OF PARATRANSIT SERVICE FY2019 to FY2023					
	FY19	FY20	FY21	FY22	FY23
STATISTICS					
Total Miles *	2,402,235	1,836,848	1,599,966	1,974,734	2,202,061
Revenue Miles *	2,155,760	1,629,486	1,363,101	1,708,365	1,909,425
Total Hours*	138,070	108,036	120,912	146,021	146,640
Revenue Hours*	120,621	93,127	100,864	122,835	124,679
Vehicle Trips*	175,867	126,483	129,316	165,154	180,655
Ridership*	279,278	208,715	147,186	184,771	201,991
Positions*	91.0	121.0	95.0	107.0	103.0
REVENUES					
Passenger Fares	\$929,626	\$764,680	\$525,652	\$865,294	\$783,493
Ad Valorem	\$4,074,830	\$2,435,143	\$3,995,228	\$4,675,792	\$2,222,291
Operating Grant Revenues	\$2,992,853	\$4,555,374	\$4,751,039	\$1,099,004	\$7,831,758
Other Revenues	\$410	\$0	\$409	\$545	\$79,277
Total Operating Revenues	\$7,997,719	\$7,755,197	\$9,272,328	\$6,640,635	\$10,916,819
EXPENSES					
Total Operating Expenses	\$7,997,719	\$7,755,197	\$9,272,328	\$6,640,635	\$10,916,819
Operating Cost per Total Mile	\$3.33	\$4.22	\$5.80	\$3.36	\$4.96
Operating Cost per Revenue Mile	\$3.71	\$4.76	\$6.80	\$3.89	\$5.72
Ridership per Revenue Mile	0.13	0.13	0.11	0.11	0.11
Operating Cost per Rider	\$28.64	\$37.16	\$63.00	\$35.94	\$54.05
Average Fare per Rider	\$3.33	\$3.66	\$3.57	\$4.68	\$3.88
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	11.6%	9.9%	5.7%	13.0%	7.2%
Note : <i>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.</i>					



**HILLSBOROUGH TRANSIT AUTHORITY
TREND OF PARATRANSIT SERVICE
FISCAL YEARS 2014 to 2023**



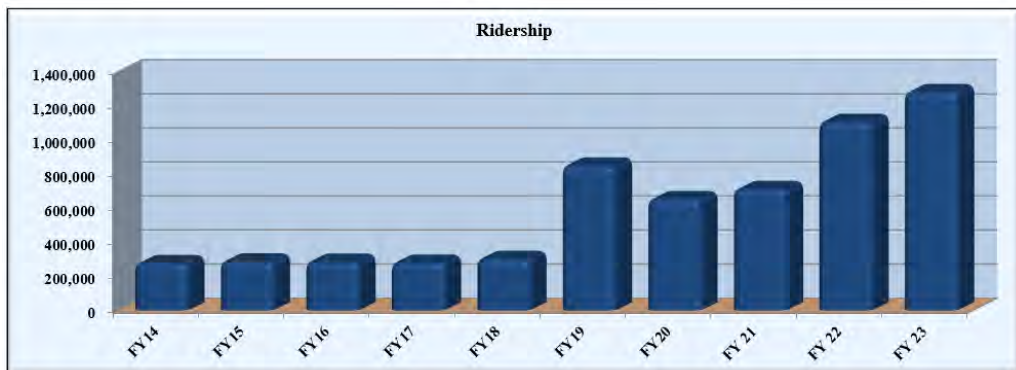
HILLSBOROUGH TRANSIT AUTHORITY TREND OF STREETCAR SERVICE FY2014 to FY2018					
	FY14	FY15	FY16	FY17	FY18
STATISTICS					
Total Miles *	66,611	67,041	67,156	73,183	62,460
Revenue Miles *	66,587	67,018	67,134	72,666	60,468
Total Hours*	12,446	12,525	12,547	13,659	11,575
Revenue Hours*	12,373	12,463	12,475	13,576	11,508
Vehicle Trips*	26,334	26,504	28,921	28,760	24,984
Ridership*	277,806	288,131	286,685	280,601	302,872
Positions*	17.0	19.0	18.0	19.0	24.0
REVENUES					
Passenger Fares	\$465,012	\$567,297	\$569,765	\$550,298	\$329,016
Ad Valorem	\$0	\$0	\$0	\$0	\$0
Operating Grant Revenues	\$965,107	\$870,884	\$993,640	\$1,132,969	\$1,246,219
Other Revenues	\$51,363	\$11,587	-\$23,619	\$18	\$115
Total Operating Revenue	\$1,481,482	\$1,449,768	\$1,539,786	\$1,683,285	\$1,575,350
EXPENSES					
Total Operating Expenses	\$1,547,682	\$1,410,802	\$1,594,582	\$1,687,448	\$1,577,705
KEY OPERATING INDICATORS					
Operating Cost per Total Mile	\$23.23	\$21.04	\$23.74	\$23.06	\$25.26
Operating Cost per Revenue Mile	\$23.24	\$21.05	\$23.75	\$23.22	\$26.09
Ridership per Revenue Mile	4.17	4.30	4.27	3.86	5.01
Operating Cost per Rider	\$5.57	\$4.90	\$5.56	\$6.01	\$5.21
Average Fare per Rider	\$1.67	\$1.97	\$1.99	\$1.96	\$1.09
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	30.0%	40.2%	35.7%	32.6%	20.9%

* Numbers are obtained from NTD report

HILLSBOROUGH TRANSIT AUTHORITY TREND OF STREETCAR SERVICE FY2019 to FY2023					
	FY19	FY20	FY 21	FY 22	FY 23
STATISTICS					
Total Miles *	117,636	116,357	127,879	126,380	126,282
Revenue Miles *	114,855	115,874	124,055	123,616	126,282
Total Hours*	21,982	21,960	23,620	22,487	23,248
Revenue Hours*	20,758	21,842	23,564	22,487	23,248
Vehicle Trips*	43,539	44,424	48,862	48,591	49,691
Ridership*	850,853	653,232	712,693	1,107,584	1,281,399
Positions*	29.0	30.0	25.0	32.0	33.0
REVENUES					
Passenger Fares	\$5,841	\$0	\$0	\$0	\$0
Ad Valorem	\$0	\$0	\$0	\$0	\$0
Operating Grant Revenues	\$2,241,425	\$2,555,932	\$2,540,253	\$2,388,792	\$2,790,457
Other Revenues	\$81	-\$3,248	\$89,550	\$179,550	\$182,693
Total Operating Revenue	\$2,247,347	\$2,552,686	\$2,629,803	\$2,568,342	\$2,973,150
EXPENSES					
Total Operating Expenses	\$2,247,347	\$2,561,056	\$2,629,803	\$2,568,342	\$2,973,150
KEY OPERATING INDICATORS					
Operating Cost per Total Mile	\$19.10	\$22.01	\$20.56	\$20.32	\$23.54
Operating Cost per Revenue Mile	\$19.57	\$22.10	\$21.20	\$20.78	\$23.54
Ridership per Revenue Mile	7.41	5.64	5.74	8.96	10.15
Operating Cost per Rider	\$2.64	\$3.92	\$3.69	\$2.32	\$2.32
Average Fare per Rider	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	0.3%	0.0%	0.0%	0.0%	0.0%

Note :

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 2014 to 2023**



HILLSBOROUGH TRANSIT AUTHORITY EXPENSES BY PROGRAM FY2014 to FY2023					
	FY2014	FY2015	FY2016	FY2017	FY2018
OPERATING EXPENSES:	RESTATED				
Bus Operations	\$37,347,689	\$42,664,566	\$44,182,428	\$47,715,002	\$44,052,634
Paratransit Operations	\$5,206,235	\$4,656,056	\$5,429,230	\$7,084,468	\$7,497,115
Streetcar Operations	\$1,547,682	\$1,410,802	\$1,594,582	\$1,687,448	\$1,577,705
Administration & Other	\$21,856,733	\$21,500,756	\$23,367,153	\$24,476,974	\$25,465,538
Op. Exp Reimb by Grants	\$1,595,894	\$1,793,741	\$1,440,203	\$1,750,812	\$2,477,538
Total Operating Expenses	\$67,554,233	\$72,025,921	\$76,013,596	\$82,714,704	\$81,070,530
Depreciation Expense	\$10,578,252	\$11,671,433	\$11,652,527	\$12,164,514	\$12,194,544
Lease Amortization Expense	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$78,132,485	\$83,697,354	\$87,666,123	\$94,879,218	\$93,265,074

	FY2019	FY2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENSES:					
Bus Operations	\$53,215,806	\$55,974,173	\$65,954,761	\$73,445,182	\$78,539,212
Paratransit Operations	\$7,997,719	\$7,755,197	\$9,272,328	\$6,640,635	\$10,373,495
Streetcar Operations	\$2,247,347	\$2,561,056	\$2,629,803	\$2,568,342	\$2,973,150
Administration & Other	\$26,016,891	\$25,720,190	\$10,990,371	\$14,685,686	\$19,629,206
Op. Exp Reimb by Grants	\$693,637	\$4,125,879	\$3,087,727	\$4,845,377	\$361,121
Total Operating Expenses	\$90,171,400	\$96,136,495	\$91,934,990	\$102,185,222	\$111,876,184
Depreciation Expense	\$12,353,469	\$12,807,484	\$12,845,735	\$12,086,256	\$12,321,051
Lease Amortization Expense	\$0	\$0	\$19,870	\$19,784	\$716,207
Total Expenses	\$102,524,869	\$108,943,979	\$104,800,595	\$114,291,262	\$124,913,442

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.

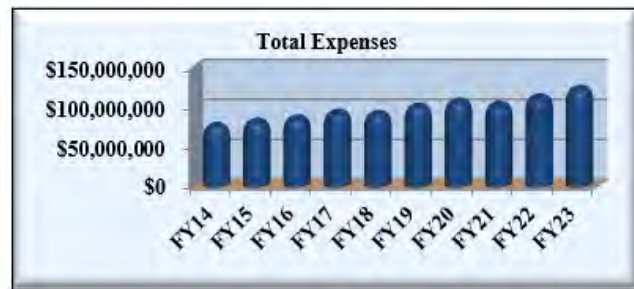
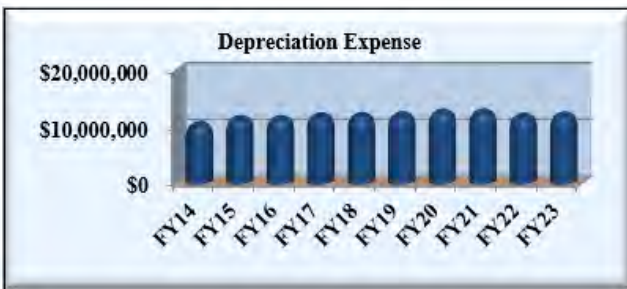
Operating Expense reimbursed by Grants are costs which are grant funded but are not classified as capital assets and need to be recognized as operating costs.

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
FY2014 to FY2023**



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

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, 2023, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated April 15, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audits 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be a material weakness.

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*.

The Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
April 15, 2024

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, 2023. 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, 2023.

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
April 15, 2024

HILLSBOROUGH TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2023

Part I – Summary of Auditor’s Results

Financial Statement Section

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

 x yes 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

State projects:

CSFA Numbers	Name of Project
55.010	Public Transit Block Grant Program

HILLSBOROUGH TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2023

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

Dollar threshold used to determine Type A programs:

Federal programs	\$ 1,627,661
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*.

Finding 2023-001 Material Weakness in Internal Control over Financial Reporting

Criteria: The Authority’s finance department should have the necessary staff to properly record, reconcile and report all financial transactions in a timely manner.

Condition: During the year ended September 30, 2023, and subsequent to year end, there was a strain on the current personnel to complete their responsibilities in an accurate and timely manner. For example, we noted that there was a significant increase in the time required to close the year-end books with management providing several versions of the trial balance before ultimately providing the final version in March 2024. During the fiscal year 2023 audit, the auditor discovered it was necessary for management to record several post-closing journal entries to various accounts in order to properly reflect transactions of the fiscal period.

- A post-closing entry was made to reclass the payroll accrual previously recorded as an adjustment to cash. The amount of this adjustment was approximately \$792,000 made to increase cash and increase accrued expenses.
- In reviewing amounts reported as trade receivables, it was noted that approximately \$433,000 was recorded as receivable in relationship to amounts received through Flamingo Fares transactions. An offsetting amount of approximately \$433,000 was posted to accounts payable. Inquiry into this amount determined that these amounts were not due from an external party, rather, they were due from cash accounts operated by HART and should be reversed as part of the financial statement preparation process. Management declined to post the reversing entry.
- As the result of communication with legal counsel, it was noted that a 401a plan in the name of the Authority was incorrectly established, and the corresponding wind-down of that plan will create a liability of approximately \$200,000. Management declined to post the entry for this liability.

In addition to the adjusting journal entries described above discovered by audit procedures, management provided the following entries to the auditor after providing the trial balance.

- A post-closing entry was made in the amount of approximately \$2,120,000 to reverse amounts accrued for alternative fuel tax credits that the Authority was not eligible for, thus reducing both nonoperating revenue and accounts receivable.

HILLSBOROUGH TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2023

Cause: Insufficient staffing levels and/or increased responsibilities of the finance department's personnel. Due to the level of staffing and increased responsibilities of the employees, formal closing procedures and reconciliations were not properly/timely prepared and reviewed.

Effect: Financial reports and related reconciliations were not prepared, reviewed, and recorded in a timely manner, which resulted in amounts not being accurately reported as noted above.

Recommendation: We recommend that the Authority assess the number of personnel needed by the finance department to accurately and timely complete its interim and year-end financial reporting. In the absence of proper staffing, management should reevaluate roles and responsibilities to ensure that staff can perform their duties and maintain a segregation of duties.

Management's Response: We agree with the finding.

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.

Summary of Prior Audit Findings

Finding 2022-001 was repeated as finding 2023-001.

Finding 2022-002: Material Weakness in Internal Control over Grant Revenue Recognition

Finding: The Authority's finance department should have the necessary information to properly record, reconcile and report all grant revenue in the annual comprehensive annual report. According to the Federal Register, Vol. 86, No. 136 under the Department of Transportation and Federal Transit Administration "FTA Fiscal Year 2018 Apportionments, Allocations, Program Information and Guidance," Section V.3., paragraph a., Pre-award authority is not a legal of implemented commitment to that the subject project will be approved for FTA assistance of that FTA will obligate Federal funds. Furthermore, it is not a legal of implied commitment that all items undertaken by the applicant will be eligible for inclusion in the project. During the years ended September 30, 2022, and 2021, the finance department incorrectly recorded revenue of approximately \$12,716,000 and \$849,000, respectively, related to grant agreements that were only in pre-award authority. The auditor discovered it was necessary for management to record several post-closing journal entries to reduce Federal operating assistance grants revenue and accounts receivable – Federal grants.

Status: Implemented. The Authority enhanced its communication with granting agencies and ensured that unexecuted grants were properly recorded.



Hillsborough Transit Authority

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



April 15, 2024

Cherry Bekaert LLP
401 East Jackson Street, Suite 1200
Tampa, Florida 33629

Below is the corrective action plan for Finding 2023-001 identified during the audit for the Fiscal Year ended September 30, 2023.

**HILLSBOROUGH TRANSIT AUTHORITY
CORRECTIVE ACTION PLAN
For the Year Ended September 30, 2023**

Finding 2023-001: Material Weakness in Internal Control over Financial Reporting

Name of Contact Person: Loretta Kirk, Chief Financial Officer

Corrective Action:

Management concurs with the finding. In the months of July, September and November 2023 HART filled four key accounting positions in Financial Operations and the Budgets and Grants departments. These hires should ease the strain on personnel to complete their responsibilities in an accurate and timely manner. Extensive training of these individuals has been in progress since their hire date. There remains an accountant vacancy for which we are aggressively recruiting. HART recently filled the position of Director of Budgets and Grants and that individual's start date is April 22, 2024.

Procedures for properly recording transactions, completing monthly and annual closings, and reconciliation of accounts are being updated.

Proposed Completion Date: June 30, 2024

Sincerely,

A handwritten signature in black ink, appearing to read "Loretta Kirk". The signature is written in a cursive, flowing style.

Loretta Kirk



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, 2023, and have issued our report thereon dated April 15, 2024.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our 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 Policies, regarding compliance in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 15, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations in the preceding financial audit report, except as noted below.

Tabulation of Uncorrected Audit Findings		
Current Year Finding No.	2021-22 FY Finding No.	2020-21 FY Finding No.
2023-001	2022-001	2021-001

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 that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we 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 740.
- 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 \$52,628,585.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$18,281.
- 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:
 - a. VC00000920, Task Order 2, American Construction Services, Inc., Turn-key construction for site improvements at the Casey Road Park and Ride Facility \$87,671.00.
 - b. VC00000921, Task Order 2, AJ General Construction Services, Construction Bus Bays, Shelters Pads, and Landing Pads Tampa Bay Boulevard at Hillsborough Community College Dale Mabry, \$201,299.69.
 - c. VC00000919, Task Order 4, Flores Construction, Construction Bus Stop with Shelter and Landing Pads, Rowlett Park Drive at Mulberry Drive, \$67,49.00.
 - d. VC00000921, Task Order 4, AJ General Construction Services, Construction Bus Stop with Shelter and Landing Pads, West Himes at Humphrey Street, \$66,343.15.
 - e. VC00000919, Task Order 6, Flores Construction, Construction Bus Stop with Shelter and Landing Pads, Armenia Avenue at Waters Avenue, \$75,306.00.
 - f. VC00000920, Task Order 7, American Construction Services, Rehabilitation of Failed and damaged concrete inlets cover at HART Operations Facility, \$94,840.00

- 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 \$-0-.

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 \$66,018,626.
- 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

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

Cherry Bekaert LLP

Tampa, Florida
April 15, 2024



**Report of Independent Accountant on Compliance
with 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, 2023. 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 judgement, 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, 2023.

Cherry Bekaert LLP

Tampa, Florida
April 15, 2024



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