



**Moving
Hillsborough
*Together***

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021

Hillsborough Transit Authority
Tampa, Florida

Hillsborough Transit Authority Tampa, Florida

Annual Comprehensive Financial Report

For Fiscal Years Ended September 30, 2022 and 2021

Mission Statement

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

Prepared by the Finance Department



FY2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT
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SECTION I

INTRODUCTORY SECTION



Hillsborough Area Regional Transit Authority

1201 E. 7th Avenue • Tampa, Florida 33605

(813) 384-6600 • fax (813) 384-6284 • www.goHART.org



May 15, 2023

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, 2022.

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, 2022, 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, 2022, 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, according to the July 2021 Census, it has a population of 1,478,194.

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 2,262 bus stops and 650 shelters (229 HART maintained; 351 vendor maintained), 6 transfer stations, 2 transit centers, a fleet of 132 buses, 79 vans for Paratransit, 4 flex vans and 9 streetcars.

FY2022 ridership (source: NTD report)

- Bus & Flex: 9,644,403 (an increase of 66.73 percent compared to FY2021)
- Paratransit: 184,771 (an increase of 25.54 percent compared to FY 2021)
- Streetcar: 1,107,584 (an increase of 55.41 percent compared to FY 2021)
- Taxi Voucher program: 30,777 (a decrease of 6.5 percent compared to FY 2021)

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.

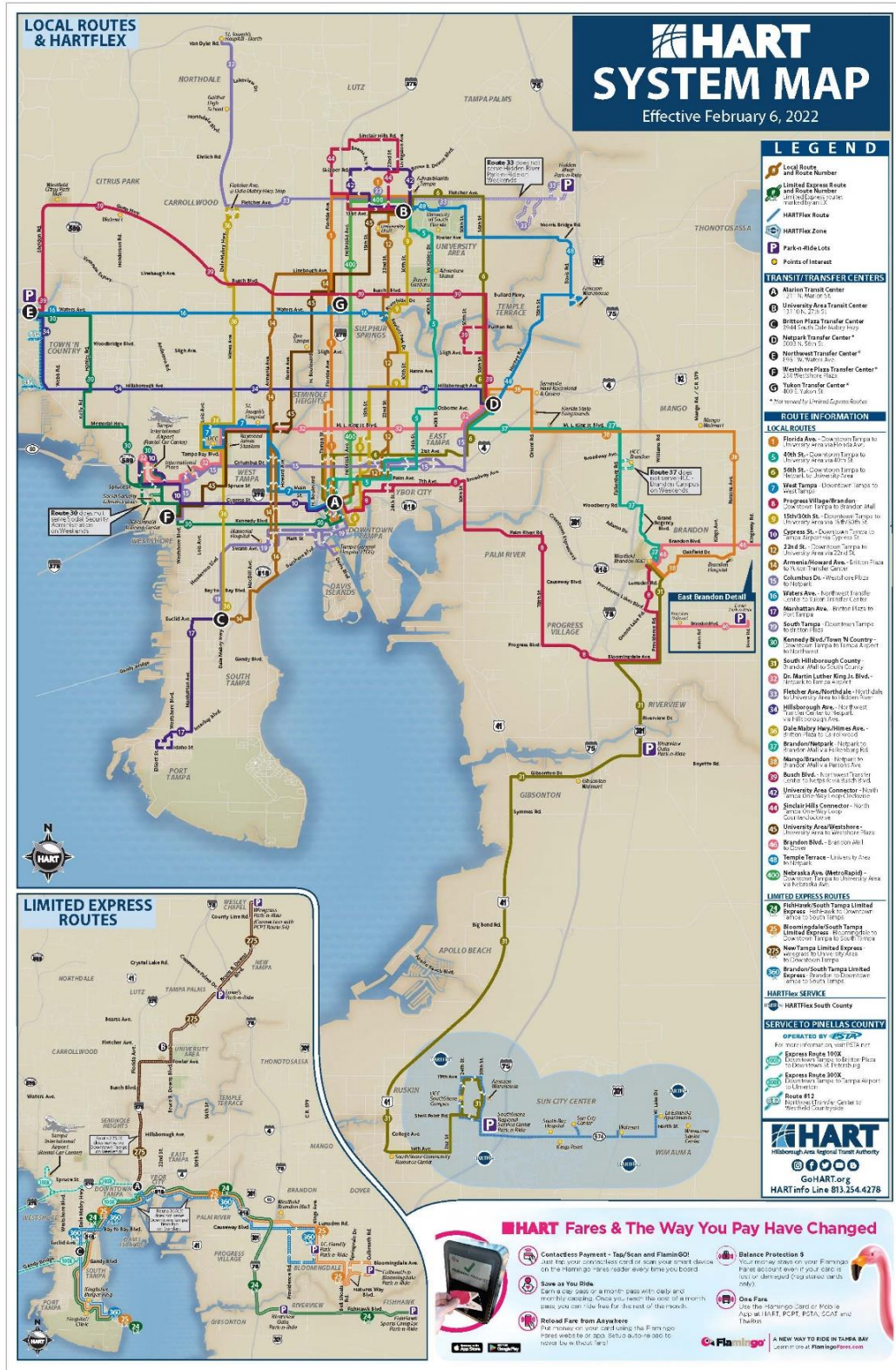
Governing Board

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 Customer Experience Officer; Chief Financial Officer; Chief of Maintenance & Transportation; Director of Communications & Marketing; and Director of Legal Services. Additionally, there are departments that support these functions.

FY2022 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 FY2022 operating and capital budget totaled \$168,681,326.

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; changed the physical workspace for some employees to work-from-home and required more space for social distancing; drove additional sanitation and personal protective gear expenditures and these expenditures have become the norm. Passenger fare revenues 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; of which \$0 was received in 2022, \$23,209,263 was received in 2021 and \$16,656,225 was received in 2020. In FY2022, 2021 and 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 with the remaining \$37,961,856 still to be received in subsequent years.

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 project was completed in 2022 and the deliverables included a financial model that can be updated periodically for HART to use as a guide for future financial decisions.

Major Initiatives

Major initiatives undertaken in FY2022 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.
- **Streetcar Rehabilitation:** In FY2022, the streetcar rehabilitation project restored the last two, #434, #430, of four (4) Streetcars, #428, #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.
- **Basic Transit Infrastructure:** In FY2022 Basic Transit Infrastructure (BTI) completed the construction of sixteen (16) new or improved ADA -compliant bus stops. Also, BTI began revamping and standardizing the transit shelter and amenities within the fiscal year by purchasing and receiving sixty-one (61) new shelters. These new-style shelters are to replace HART's again shelter inventory and are scheduled to be installed in FY2023.
- **Transit Development Plan:** As of September 2022, HART was in the process of competing a major update to its Transit Development Plan (TDP). A TDP is a multi-year financial and operating plan for a transit agency. The Florida Department of Transportation (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. The last major update by HART was approved by the Board in September 2017. The current update under development reflects a revised mission and vision, and goals, and priorities for service and capital projects. The update to the TDP will provide a progress status report on implementing the key projects and initiatives that were included in the FY2018-FY2027 Major TDP Update. The FY2023-FY2032 TDP was scheduled to be approved by the HART Board of Directors during the first quarter of FY2023.

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, 2021. This was the eleventh 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 Finance 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,

A handwritten signature in cursive script that reads "Loretta Kirk".

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

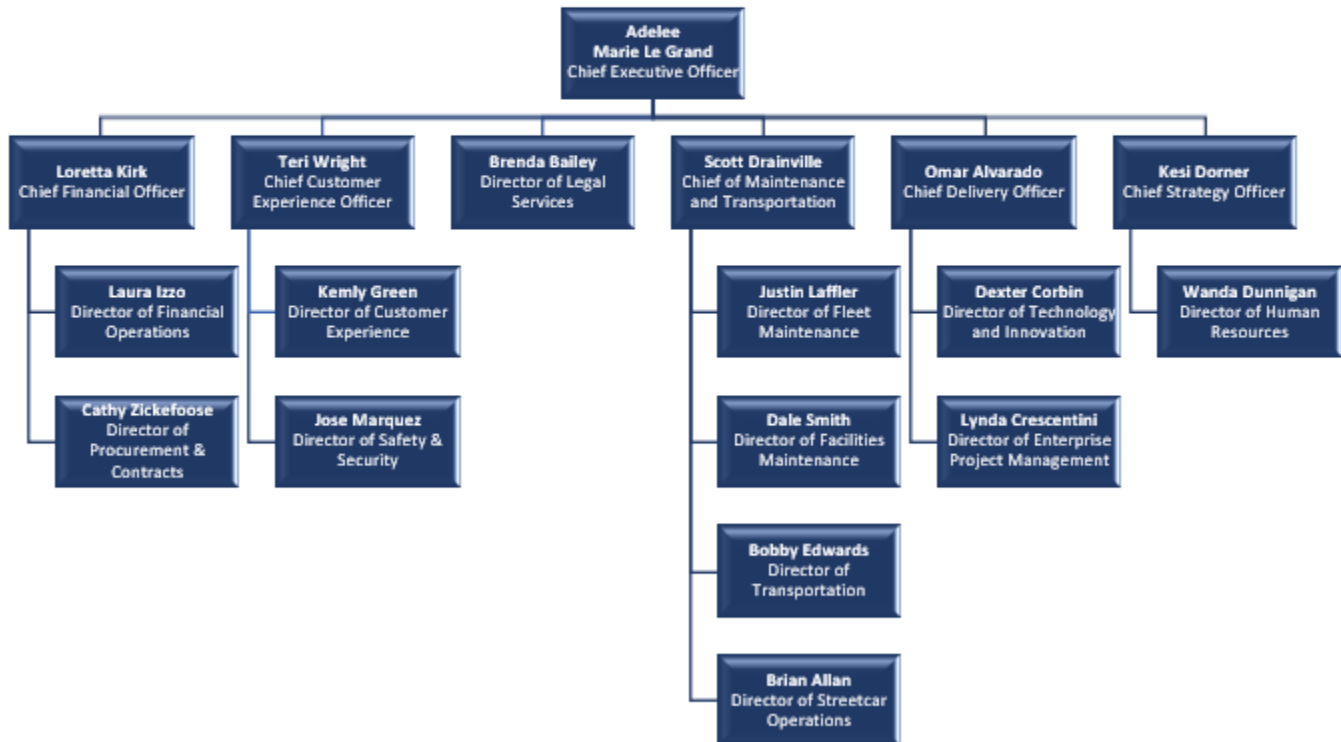
September 30, 2021

Christopher P. Morrill

Executive Director/CEO

HART Organization Chart

As of September 30, 2022



ELECTED AND APPOINTED OFFICIALS
(As of September 30, 2022)

Board of Directors – Officers

Commissioner Patricia Kemp, Chairperson
Commissioner Kimberly Overman, Vice Chair
Melanie Williams, Secretary

Hillsborough County

Commissioner Mariella Smith
Commissioner Gwen Myers
Eric Johnson
Marvin Ray Knight
Rena Upshaw-Frazier

City of Tampa

Mayor Jane Castor
Councilman Luis Viera
Tyler Hudson

State of Florida

Vacant

City of Temple Terrace

Councilman Gil Schisler

Chief Executive Officer

Adelee Marie Le Grand, AICP

General Counsel

David Smith, GrayRobinson

Independent Auditors

Cherry Bekaert, LLP

**DIRECTORY OF OFFICIALS
APPOINTED OFFICIALS
(As of September 30, 2022)**

Adelee Marie Le Grand, AICP, Chief Executive Officer

Loretta Kirk, Chief Financial Officer

Teri Wright, Chief Customer Experience Officer

Scott Drainville, Chief of Maintenance and Transportation

Omar Alvarado, Chief Delivery Officer

Kesi Dorner, Chief Strategy Officer

Brenda Bailey, Director of Legal Services

Laura Izzo, Director of Financial Operations

Cathy Zickefoose, Director of Procurement & Contracts

Kemly Green, Director of Customer Experience

Jose Marquez, Director of Safety & Security

Justin Laffler, Director of Fleet Maintenance

Dale Smith, Director of Facilities Maintenance

Bobby Edwards, Director of Transportation

Brian Allen, Director of Streetcar Operations

Dexter Corbin, Director of Technology and Innovation

Lynda Crescentini, Director of Enterprise Project Management

Wanda Dunnigan, Director of Human Resources

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 years ended September 30, 2022 and 2021, 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, 2022 and 2021 and, the respective changes in financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*. As a result, the September 30, 2021, financial statement amounts have been restated. Our opinion is not modified with respect to this matter.

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 Authorities ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in liability and related ratios-other postemployment benefits, and schedules of the Authority's proportionate share of the net pension liability and of its contributions-pension plans, 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 May 24, 2023, 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.



Tampa, Florida
May 24, 2023

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, 2022, 2021 and 2020. 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.

FY2022 FINANCIAL HIGHLIGHTS

- Net position of the Authority decreased by \$223,654,723 or 71.8%. \$234,991 represents a decrease in the amount invested in capital assets, \$201,752,112 represents a decrease in restricted net position (this decrease is primarily due to the repayment of the surtax to the Florida Department of Revenue in July 2022) and \$21,667,620 represents a decrease in unrestricted net position.
- Operating expenses increased by \$10,250,232 or 11.1%. Salary expense increased \$1,090,955 or 2.6%. Payroll taxes, fringe benefits and workers’ compensation increased

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

\$3,979,264 or 15.9%. Fuel and Lubricants cost increased \$2,119,797 or 64.3%. Parts and Supplies increased \$322,499 or 7.4%. Contracted services decreased \$133,607 or 1.6%. Claims costs increased \$1,202,792 or 40.5%. Operating expenses reimbursed by grants increased \$1,757,650 or 56.9%. Total decrease in all other expense is \$89,001 due to: increase in Utilities of \$104,408, increase in marketing expenses of \$10,095 offset by a decrease in miscellaneous expenses of \$203,504.

FY2021 FINANCIAL HIGHLIGHTS

- Net position of the Authority increased by \$31,722,774 or 11.3%, of which \$5,921,543 represents a decrease in the amount invested in capital assets, \$21,497,915 represents an increase in restricted net position and \$16,146,399 represents an increase in unrestricted net position.
- Operating expenses decreased by \$4,181,635 or 4.3%. Salary expense increased \$4,407,360 or 11.8%. Payroll taxes, fringe benefits and workers’ compensation decreased \$5,353,311 or 17.6%. Fuel and Lubricants cost increased \$322,145 or 10.8%. Parts and supplies decreased \$1,234,988 or 22.0%. Contracted services decreased \$727,051 or 8.1%. Claims costs decreased \$263,310 or 2.4%. Total decrease in others is \$2,332,480 due to: decrease in marketing expenses of \$765,000 decrease in utilities and miscellaneous expenses of \$295,093 and a decrease in expenditures reimbursed by grants of \$1,038,152.

FY2022 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 \$87,773,494 and \$311,428,217 as of September 30, 2022 and 2021, 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, 2022 was \$129,103 lower than September 30, 2021, primarily due to the impact of accumulated depreciation.
- The Authority’s restricted net position represents funds held in escrow for payment of general liability, workers compensation and medical self-insured claims, funds from private developers as well as FTA liability for assets with federal interest which were retired before their useful life was met. The Authority’s total restricted net position as of September 30, 2022 and 2021 is \$17,099,772 and \$218,851,884.
- Transportation Improvement Surtax (TIS): A final decree dated July 7, 2022 was ordered by the Circuit Court Judge mandating that all proceeds from the TIS, including interest

HILLSBOROUGH TRANSIT AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

earned since inception, was to be paid back to the Florida Department of Revenue. These funds had been recorded as restricted cash and restricted net position on the statement of net position. \$219,157,070 was wired to the Hillsborough Clerk of the Court (on behalf of the Florida Department of Revenue). This amount includes all surtax payments received since inception plus all interest earned.

- The Authority's unrestricted net position as of September 30, 2022 was \$21,773,508 lower than September 30, 2021. This decrease in net position is primarily due to an increase in net pension liabilities of \$28,235,256 as a result of a loss on investment income in FY2022. FY2021 deferred inflows were unusually high due to the unusually high rate of return in the stock market. FY2022 deferred inflows reflect the drop in the market and are recorded at \$3,060,351.
- Additional information on the Authority's capital assets can be found in Note 4 to the financial statements.

FY2021 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 \$311,428,217 and \$279,705,443 as of September 30, 2021 and 2020, 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, 2021 was \$5,921,543 lower than September 30, 2020, primarily due to the impact of accumulated depreciation.

- The Authority's restricted net position represents funds held in escrow for payment of general liability, workers compensation and medical self-insured claims, funds from private developers as well as FTA liability for assets with federal interest which were retired before their useful life was met. These restricted funds also include monies received from the Transportation Improvement Surtax (TIS) which HART began receiving in April 2019. Total collections made for HART through September 30, 2021 have totaled \$216,721,459. These funds will be held from HART's current use until authorization to utilize the funds are made available as well as direction on how the moneys are to be spent. All other restricted funds as of September 30, 2021 are \$2,130,425. The Authority's total restricted net position as of September 30, 2021 and 2020 is \$218,851,884 and \$197,353,969.
- The September 30, 2021 restricted funds included monies received from the Transportation Improvement Surtax (TIS) which HART began receiving in April 2019. Total collections made for HART through September 30, 2021 equaled \$216,721,459. All other restricted funds as of September 30, 2021 were \$2,130,425.

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

- The Authority's unrestricted net position as of September 30, 2021 was \$16,069,807 higher than September 30, 2020. The increase in net position was primarily a result of CARES Act funding allocated by the Federal Transit Administration for COVID-19 relief of which HART received \$23,309,264 in 2021 and \$16,556,225 in FY2020. This increase was partially offset by a decrease in passenger fares of \$2,757,696 due to the effects the coronavirus had on ridership and the delivery of service.
- 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**

	2022	Restated * 2021	Increase (Decrease)	Percent Change 2021 to 2022	2020	Percent Change 2020 to 2021
Assets						
Current and other assets	\$ 38,793,458	\$ 262,564,020	\$ (223,770,562)	-85.2%	\$ 226,139,506	16.1%
Lease Assets	52,724	72,679	(19,955)	-27.5%	N/A	N/A
Capital assets	104,150,115	104,384,887	(234,772)	-0.2%	110,306,430	-5.4%
Total assets	142,996,299	367,021,586	(224,025,287)	-61.0%	336,445,936	9.1%
Deferred outflows of resources						
Deferred outflows on pension and OPEB related amounts	15,725,968	13,425,823	2,300,145	17.1%	16,063,147	-16.4%
Total deferred outflows of resources	15,725,968	13,425,823	2,300,145	17.1%	16,063,147	-16.4%
Liabilities						
Current liabilities	8,705,605	10,785,009	(2,079,405)	-19.3%	9,997,169	7.9%
Lease liability	52,944	72,679	(19,736)	-27.2%	9,997,169	-99.3%
Long-term liabilities	59,129,873	30,916,458	28,213,415	91.3%	60,446,605	-48.9%
Total liabilities	67,888,422	41,774,147	26,114,275	62.5%	80,440,943	-48.1%
Deferred inflows of resources						
Deferred inflows on pension and OPEB related amounts	3,060,351	27,172,356	(24,112,005)	-88.7%	2,359,866	1051.4%
Total deferred inflows of resources	3,060,351	27,172,356	(24,112,005)	-88.7%	2,359,866	1051.4%
Net position:						
Net investment in capital assets	104,149,896	104,384,887	(234,991)	-0.2%	110,229,835	-5.3%
Restricted	17,099,772	218,851,884	(201,752,112)	-92.2%	197,353,969	10.9%
Unrestricted	(33,476,174)	(11,808,554)	(21,667,620)	183.5%	(27,878,361)	-57.6%
Total net position	\$ 87,773,494	\$ 311,428,217	\$ (223,654,723)	-71.8%	\$ 279,705,443	11.3%

* FY2021 restated due to the implementation of GASB 87 Leases

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 78.5% for FY2022 and 75.9% for FY2021. User charges in the form of passenger fares as a

HILLSBOROUGH TRANSIT AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

percentage of operating and non-operating revenue were 7.9% for FY2022 and 4.9% for FY2021. The percentage calculations exclude the Transportation Surtax receipts as these funds were not available for use as noted earlier. The cost of providing the remainder of the service was subsidized by ad valorem tax revenue collections and federal, state, and local funding which included the coronavirus relief as described above. The Authority's millage rate for the 2022 and 2021 tax year was 0.5000.

FY2022 Operating Results Compared to FY2021

FY2022 operating revenues increased by 26.0% and operating expenses, prior to the recognition of depreciation and amortization increased by 11.1%.

- Passenger fares increased \$1,890,318 or 30.1% in FY2022, from \$6,272,298 in FY2021 to \$8,162,616 in 2022. The effects of the coronavirus for the comparative period of FY 2021 – FY2022 had a significant impact on HART ridership and corresponding passenger fare revenue. Ridership increased 39.25%, from 6,644,283 in FY2021 to 10,936,758 in FY2022.
- Advertising income decreased \$78,167 or 4.5% in FY2022, from \$1,739,039 in FY2021 to \$1,660,872 in FY2022.
- Other operating revenues increased \$334,935 or 135.9% in FY2022, from \$246,393 in FY2021 to \$581,318 in FY2022. This is due to a FY2021 loss on disposal of equipment in the amount of \$425,000 offset by a decrease in claims recoveries on vehicles and shelters in FY2022.
- Salaries and wages increased \$1,090,957 or 2.6% in FY2022 from FY2021
- Payroll taxes and fringe benefits increased \$3,979,264 or 15.9% in FY2022 from FY2021.
- Fuel and lubricants increased \$2,119,797 or 64.3% in FY2022 from FY2021. This increase is primarily attributable due to the increase in fuel prices.
- Contract services decreased \$133,607 or 1.6% in FY2022 over FY2021.
- Operating expenses reimbursed by grants increased \$1,757,650 in FY2022 due to an increase in Consulting Projects (\$112,898), Transit Studies (\$916,232) and Streetcar Maintenance (\$728,520)
- Ad valorem distributions increased \$4,406,475 or 8.3% in FY2022. This is due to an increase in taxable assessed values in FY2022 from FY2021.
- Federal operating grants decreased \$8,818,913 in FY2022. This is due to the timing of the award of the FTA Section 5307 grant. This federal grant had not been awarded as of September 30, 2022.

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

- Federal Capital grants decreased \$5,314,285 in FY2022. The decrease is primarily due to the timing of capital projects

FY2021 Operating Results Compared to FY2020

FY2021 operating revenues decreased by 14.9% and operating expenses, prior to the recognition of depreciation, decreased by 4.3%.

- Passenger fares decreased \$2,757,696 or 30.5% in FY2021, from \$9,029,994 in FY2020 to \$6,272,298 in FY2021. The effects of the coronavirus had a significant impact on HART ridership and corresponding passenger fare revenue and required reductions in HART's delivery of service. Ridership decreased 27.82%, from 9,205,278 in FY2020 to 6,644,283 in FY2021.
- Advertising income increased \$1,174,783 or 208.2% in FY2021, from \$564,256 in FY2020 to \$1,739,039 in FY2021.
- Other operating revenues increased \$141,389 or 134.7% in FY2021, from \$104,944 in FY2020 to \$246,383 in FY2021.
- Salaries and wages increased \$4,407,360 or 11.8% in FY2021 from FY2020
- Payroll taxes and fringe benefits decreased \$5,353,311 or 17.6% in FY2021 from FY2020.
- Fuel and lubricants increased \$322,145 or 10.8% in FY2021 from FY2020. This increase is primarily attributable due to the increase in fuel prices.
- Parts & Supplies decreased \$1,234,988 or 22% in FY2021 over FY2020. This decrease is primarily attributable to the retirement of aging vehicles.
- Contract services decreased \$727,051 or 8.1% in FY2021 over FY2020. This decrease was primarily due to Legal resolution of a prior year whistleblower complaint and ATU contract negotiations (\$434,180), Consultant fees (\$205,168), and a reduction in downtown circulator services (\$87,703).
- Operating expenses reimbursed by grants decreased \$1,038,152 in FY2021 due to a decrease in consulting projects (\$896,840) and a decrease in streetcar maintenance (\$141,312).
- Ad valorem distributions increased \$4,259,726 or 8.7% in FY2021. This is due to an increase in taxable assessed values from FY2020 to FY2021.
- Federal operating grants increased \$5,815,893 in FY2021. This is due to the CARES Act funding for coronavirus relief authorized by Congress and allocated by the Federal Transit Administration (FTA). The Authority was awarded \$39,865,488 of which \$23,309,264 was reimbursed by FTA in FY2021

HILLSBOROUGH TRANSIT AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

- Federal Capital grants increased \$3,053,049 in FY2021. The increase is primarily due to the purchase of 53 (fifty-three) Paratransit Revenue Vehicles.

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

	2022	2021	Increase (Decrease)	Percent Change 2021 to 2022	2020	Percent Change 2020 to 2021
Passenger fares	\$ 8,162,616	\$ 6,272,298	\$ 1,890,318	30.1%	\$ 9,029,994	-30.5%
Advertising	1,660,872	1,739,039	(78,167)	-4.5%	564,256	208.2%
Other operating revenues	581,318	246,383	334,935	135.9%	104,994	134.7%
Total operating revenues	10,404,806	8,257,720	2,147,086	26.0%	9,699,244	-14.9%
Salaries and wages	42,806,690	41,715,733	1,090,957	2.6%	37,308,373	11.8%
Payroll taxes and fringe benefits	28,977,689	24,998,425	3,979,264	15.9%	30,351,736	-17.6%
Fuel and lubricants	5,416,772	3,296,975	2,119,797	64.3%	2,974,830	10.8%
Parts and supplies	4,690,787	4,368,288	322,499	7.4%	5,603,276	-22.0%
Other Expenses	20,293,284	17,555,569	2,737,715	15.6%	19,898,279	-11.8%
Total operating expenses	102,185,222	91,934,990	10,250,232	11.1%	96,136,495	-4.4%
Operating loss before depreciation	(91,780,416)	(83,677,270)	8,103,146	9.7%	(86,437,251)	-3.2%
Depreciation and amortization	12,106,040	12,865,605	(759,565)	-5.9%	12,807,484	0.5%
Operating loss	(103,886,456)	(96,542,875)	7,343,581	7.6%	(99,244,735)	-2.7%
Federal, state and local grants	34,966,149	43,391,451	(8,425,302)	-19.4%	37,911,699	14.5%
Transportation Surtax-Local	(216,090,967)	21,012,547	(237,103,514)	-1128.4%	111,409,428	-81.1%
Other Federal Funds	332,014	944,142	(612,128)	-64.8%	1,985,705	-52.5%
Property tax proceeds	57,536,830	53,130,355	4,406,475	8.3%	48,870,629	8.7%
Other Income	186,866	389,600	(202,734)	-52.0%	1,379,791	-71.8%
Total non-operating revenues	(123,069,108)	118,868,095	(241,937,203)	-203.5%	201,557,252	-41.0%
Net Gain (Loss) before capital contributions	(226,955,564)	22,325,220	(249,280,784)	-1116.6%	102,312,517	-78.2%
Capital grants	3,300,841	9,382,954	(6,082,113)	-64.8%	6,534,233	43.6%
Developer contributed assets	-	14,600	(14,600)	-100.0%	14,600	0.0%
Increase (decrease) in net position	(223,654,723)	31,722,774	(255,377,498)	-805.0%	108,861,350	-70.9%
Net position at beginning of year	311,428,217	279,705,443	31,722,774	11.3%	170,844,093	63.7%
Net Position at end of year	\$ 87,773,494	\$311,428,217	\$ (223,654,723)	-71.8%	\$ 279,705,443	11.3%

CAPITAL ASSETS

The Authority has invested \$104 million in capital assets (net of accumulated depreciation). 26.4% of the net investment represents buildings and improvements and 34.1% of the investment represents revenue vehicles at the close of the fiscal year, September 30, 2022.

Capital Assets and Long-Term Debt Administration

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

The Authority’s net investment in capital assets for the fiscal year ending September 30, 2022 included: right-to-use assets, 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.)

Specifically:

The Authority ordered and received sixteen (16) compressed natural gas fueled buses for Bus service in FY2022. Additionally, three (3) gasoline maintenance vehicles and six (6) gasoline administrative vehicles were ordered and received in FY2022.

Transit Infrastructure Improvements in FY2022 included one (1) new bus bay, nineteen (19) new landing pads, and shelter pads, which were built by the Authority throughout the county. The Authority also had three (3) new landing pad, and a shelter pad constructed for the Transit Authority by developers.

The Authority has no long-term or short-term debt. Stringent capital funding and project implementation requirements have enabled the Authority to avoid issuing long-term debt instruments for the construction of capital projects.

Capital Assets, Net of Accumulated Depreciation

	2022	2021	Percent of Total		
			2022	2021	2020
Land	\$ 19,043,009	\$ 19,043,009	18.2%	17.3%	\$ 19,043,009
Constuction work in progress	9,159,493	8,206,204	8.8%	7.4%	6,221,020
Building and Improvements	25,266,976	27,580,334	24.2%	25.0%	30,107,401
Operating and transit related equipment	4,214,021	4,929,296	4.0%	4.5%	5,263,784
Other equipment, fixtures and other vehicles	10,674,165	11,381,915	10.2%	10.3%	12,115,859
Computer equipment and software	445,769	1,128,207	0.4%	1.0%	1,949,206
Revenue Vehicles	35,346,683	32,115,922	33.9%	29.1%	35,606,151
TOTAL	\$ 104,150,115	\$ 104,384,887	100%	95%	\$ 110,306,430

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 FY2022 the Authority also received additional funding from the FTA for coronavirus relief in the amount of \$25,551,018. The FY2022 adopted budget was based on a .5000 millage rate which is unchanged from FY2021.

The HART Board adopted the FY2023 budget on September 26, 2022.

- The total FY2023 adopted operating and capital budget of \$160,046,015 is \$8,635,311 less than the total FY2022 adopted operating and capital budget of 168,681,326, or a decrease

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

of 5.10%.

- The total FY2023 adopted operating budget of \$114,309,110 is \$8,674,090 greater than the FY2022 adopted operating budget of \$105,635,020, or an increase of 8.22%.
- The FY2023 adopted annual capital budget of \$45,736,905 is \$17,309,401 less than the FY2022 adopted capital budget of \$63,046,306, or a decrease of 27.4%.
- The FY2022 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
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022 AND 2021**

	2022	Restated * 2021
ASSETS		
Current assets		
Cash and cash equivalents-unrestricted (Note 3)	12,661,184	32,357,767
Cash and cash equivalents-restricted (Note 3)	17,099,772	218,851,884
Accounts receivable		
Trade and other, net of \$0 and \$0 allowance for uncollectible	1,493,939	674,160
Delinquent Property Tax Receivable	-	37,717
Federal grants	2,798,019	3,226,257
State grants	1,737,765	3,767,495
Local grants	296,055	922,011
Inventory of replacement parts and supplies	2,360,022	2,160,769
Prepaid expenses	346,702	565,960
Total current assets	38,793,458	262,564,020
Right-to-use assets		
Right-to-use assets (Note 4)	92,378	92,378
Accumulated amortization	(39,654)	(19,699)
Total Right-to-use Assets	52,724	72,679
Capital assets (Note 4)		
Land	19,043,009	19,043,009
Construction in progress	9,159,493	8,206,207
Capital assets, net of accumulated depreciation	75,947,613	77,135,671
Total capital assets, net	104,150,115	104,384,887
Total assets	142,996,299	367,021,586
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows on pension	15,355,477	13,050,930
Deferred outflows on OPEB related amounts	370,491	374,893
Total deferred outflows of resources (Note 5 & 8)	15,725,968	13,425,823
Total Assets and Deferred outflows	158,722,267	380,447,409

* FY2021 restated due to the implementation of GASB 87 Leases (see Note 4)

See accompanying notes to financial statements.

**HILLSBOROUGH TRANSIT AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022 AND 2021**

	2022	Restated * 2021
LIABILITIES		
Current liabilities		
Accounts payable	3,460,755	5,562,044
Accrued expenses	2,080,447	2,228,657
Interest payable	54	69
Lease liability due within one year (Note 10 and Note 11)	19,600	19,736
Unearned revenue	239,291	184,962
Self insurance and loss contingencies due within one year (Note 9 & 10)	2,760,494	2,504,328
Environmental remediation due within one year (Note 10 & 12)	-	150,000
Compensated absences due within one year (Note 10)	150,729	91,095
Net pension liability due within one year (Note 5 & 10)	13,835	83,659
Total current liabilities	8,725,205	10,824,550
Long-term liabilities		
Lease liability (Note 10 and Note 11)	33,344	52,874
Self Insurance and Loss Contingency (Note 9 & 10)	3,303,686	3,197,683
Compensated absences (Note 10)	3,218,633	3,317,998
Net pension liability (Note 5 & 10)	51,122,547	22,887,291
Total OPEB liability (Note 8 & 10)	1,485,007	1,566,440
Total long-term liabilities	59,163,217	31,022,286
Total liabilities	67,888,422	41,846,836
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows on pension (Note 5 & 8)	2,601,097	26,703,191
Deferred inflows on OPEB related amounts (Note 5 & 8)	459,254	469,165
Total deferred inflows of resources	3,060,351	27,172,356
NET POSITION		
Net investment in capital assets	104,149,896	104,384,887
Restricted Cash (Note 11)	17,099,772	218,851,884
Unrestricted Cash (Note 11)	(33,476,174)	(11,808,554)
Total net position	87,773,494	311,428,217

* FY2021 restated due to the implementation of GASB 87 Leases (see Note 10 and Note 11)

(Continued)
See accompanying notes to financial statements.

HILLSBOROUGH TRANSIT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDING SEPTEMBER 30, 2022 AND 2021

	2022	2021
Operating revenues		
Passenger fares	8,162,616	6,272,298
Advertising	1,660,872	1,739,039
Other revenues	581,318	246,383
Total operating revenues	10,404,806	8,257,720
Operating expenses		
Salaries and wages	42,806,690	41,715,733
Payroll taxes, fringe benefits and workers' compensation	28,977,689	24,998,425
Fuel and lubricants	5,416,772	3,296,975
Parts and supplies	4,690,787	4,368,288
Contracted services	8,049,117	8,182,724
Claims	4,173,111	2,970,319
Utilities	1,047,594	943,186
Marketing and promotion	365,206	355,111
Other	1,812,495	2,015,999
Operating expenses reimbursed by grants	4,845,377	3,087,727
Lease Interest Expense	384	503
Total operating expenses before depreciation	102,185,222	91,934,990
Operating (loss) before depreciation	(91,780,416)	(83,677,270)
Depreciation	12,086,256	12,845,735
Lease Amortization Expense	19,784	19,870
Operating loss	(103,886,456)	(96,542,875)
Nonoperating revenues (expenses)		
Operating assistance grants		
Federal	26,253,644	35,072,557
State	7,205,688	6,787,687
Local	1,506,817	1,531,207
Transportation surtax-local	(216,090,967)	21,012,547
Other Federal Funds	332,014	944,142
Property tax proceeds	57,536,830	53,130,355
Investment income	186,866	389,600
Total nonoperating revenues	(123,069,108)	118,868,095
Net gain/(loss) before capital contributions	(226,955,564)	22,325,220

(Continued)
See accompanying notes to financial statements.

HILLSBOROUGH TRANSIT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDING SEPTEMBER 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Net gain/(loss) before capital contributions	(226,955,564)	22,325,220
Capital grants		
Federal	2,570,418	7,884,702
State	722,107	782,539
Local	8,316	715,713
Developer contributed assets	0	14,600
Total capital contributions	3,300,841	9,397,554
Increase/(decrease) in net position	(223,654,723)	31,722,774
Net position at beginning of year	311,428,217	279,705,443
Net position at end of year	87,773,494	311,428,217

(Continued)
See accompanying notes to financial statements.

HILLSBOROUGH TRANSIT AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDING SEPTEMBER 30, 2022 AND 2021

	2022	2021
Cash flows from operating activities		
Cash received from customers	10,643,270	8,116,445
Cash paid to employees	(71,972,319)	(68,565,970)
Cash paid to suppliers	(32,257,184)	(25,185,425)
Other receipts	414,569	589,997
Net cash used in operating activities	(93,171,664)	(85,044,952)
Cash flows from noncapital financing activities		
Operating grants received	36,957,754	40,767,288
Property tax revenues received	57,574,547	53,176,769
Transportation Surtax (payback)	(216,090,967)	40,711,127
Other federal funds received	332,014	944,142
Net cash provided by financing activities	(121,226,652)	135,599,326
Cash flows from capital and related financing activities		
Purchase of capital assets	(11,851,484)	(7,423,716)
Capital assistance grants	4,447,488	7,357,939
Proceeds from the sale of revenue vehicles	166,751	79,605
Net cash provided by (used in) capital and related financing activities	(7,237,245)	13,828
Cash flows from investing activities		
Investment income	186,866	389,600
Net cash provided by investing activities	186,866	389,600
Net change in cash and cash equivalents	(221,448,695)	50,957,802
Cash and cash equivalents at beginning of year	251,209,651	200,251,849
Cash and cash equivalents at end of year	29,760,956	251,209,651

(Continued)
See accompanying notes to financial statements.

HILLSBOROUGH TRANSIT AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDING SEPTEMBER 30, 2022 AND 2021

	2022	2021
Reconciliation of operating expenses in excess of operating revenues to net cash used in operating activities		
Operating loss	(103,886,456)	(96,542,875)
Adjustments to reconcile operating expenses in excess of operating revenues to net cash used in operating activities		
Add back depreciation	12,086,256	12,845,735
Add back lease amortization	19,784	0
Add back pension expense adjustments	(1,746,013)	(2,791,943)
Add back OPEB expense adjustments	1,758,791	175,164
Loss on disposal of capital assets	0	423,223
Gain on disposal of capital assets	(166,749)	(79,605)
(Increase) decrease in accounts receivable	819,779	(105,107)
(Increase) decrease in inventories	(199,253)	(221,582)
(Increase) decrease in prepaid expenses	219,258	(57,142)
Increase (decrease) in accounts payable	(2,101,289)	1,051,228
Increase (decrease) in accrued expenses	(148,210)	610,723
Increase (decrease) in self insurance	362,169	(558,129)
Increase (decrease) in environmental remediation	(150,000)	0
Increase (decrease) in accumulated unused compensated absences	(39,731)	205,358
Total adjustments	10,714,792	11,497,923
Net cash used in operating activities	(93,171,664)	(85,044,952)
Noncash investing, capital or financing transactions		
Developer contributed assets, a noncash capital activity	0	14,600

(Continued)
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, state surtax receipts and highly liquid investments which are readily convertible to cash. These are limited to assets with 90 days or less original maturity.

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

the same basis as they are reported by the FRS and HIS plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

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

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 as the option of the Authority's Board of Directors. If restricted and unrestricted net position is available for the same purpose, then restricted will be used before unrestricted.

Net Investment in Capital Assets: Capital assets, and right-to-use assets 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

The carrying value of the Authority’s cash, cash equivalents, and investments as of September 30, 2022 and 2021 are as follows:

	2022	2021
Cash, cash equivalents and investments		
Cash on hand	\$ 27,035	\$ 31,916
Demand Deposits	12,240,507	3,527,637
Imprest Accounts	930,000	930,000
Florida State Board of Administration - Florida PRIME	16,563,414	246,720,098
Total	\$ 29,760,956	\$ 251,209,651

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

	FY 2022	FY 2021
Restricted for Risk Auto/General Liability	\$ 180,000	\$ 180,000
Restricted for Workers Compensation	125,000	125,000
Restricted for Self-Insured Medical	625,000	625,000
Restricted for Private Developers	107,807	107,807
Restricted for Fund 12	375,346	-
Restricted for FTA Liability	1,205,635	1,092,618
Restricted for Capital	4,500,000	-
Restricted for oper reserves	6,450,353	-
Restricted for Designated Risk Liab	3,217,250	-
Restricted for Designated Med Liab	313,289	-
Restricted for Surtax (Interest remaining to be paid)	92	216,721,459
	\$ 17,099,772	\$ 218,851,884

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

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

State Board of Administration (SBA): The SBA manages Florida PRIME, a 2a-7-like pool, carried at an amortized cost. A 2a-7-like pool is not registered with the Securities and Exchange

Commission (SEC) as an investment company, but has a policy that it operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, which regulates money market funds. Therefore, Florida PRIME operates essentially as a money market fund and the Authority's position in Florida PRIME is considered to be equivalent to its fair value.

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

Qualifying local government investment pools (LGIPs) in the state of Florida must comply with applicable Florida statutory requirements. Chapter 218.409(8)(a), Florida Statutes, states that the principal balance within a LGIP trust fund is subject to withdrawal at any time. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on 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, 2022 and 2021, 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.

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

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, 2022 and 2021 was 21 days and 49 days, respectively. The weighted average life (WAL) of Florida PRIME at September 30, 2022 and 2021 was 72 days and 64 days, respectively. The Authority's investment policy does not set limits for investment maturities. As of September 30, 2022, all of the Authority's excess cash was invested with the State Board of Administration Local Government Surplus Trust Funds Investment Pool.

Foreign Currency Risk: Florida PRIME was not exposed to any foreign currency risk during FY2022.

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 years ending September 30, 2022 and 2021 are summarized below:

NOTE 4 – CAPITAL ASSETS (continued)

Description	Balance Oct. 1, 2021	Additions and Reclasses	Deletions	Balance Sep. 30, 2022
Non-depreciable capital assets				
Land	\$ 19,043,009	\$ -	\$ -	\$ 19,043,009
Construction work in progress *	8,206,207	3,780,667	2,827,381	9,159,493
Total non-depreciable capital assets	27,249,216	3,780,667	2,827,381	28,202,502
Depreciable assets				
Buildings and improvements	77,660,270	192,080	0	77,852,350
Operating and transit related equipment	29,820,257	826,378	396,077	30,250,558
Other equipment, fixtures, and other vehicles	24,756,285	7,910	0	24,764,195
Computer equipment and software	13,620,145	19,522	0	13,639,667
Revenue vehicles	86,793,537	10,146,358	10,166,393	86,773,502
Total depreciable capital assets	232,650,494	11,192,248	10,562,470	233,280,272
Less accumulated depreciation				
Buildings and improvements	50,079,938	2,505,437	0	52,585,375
Operating and transit related equipment	24,890,962	1,247,601	102,026	26,036,537
Other equipment, fixtures, and other vehicles	13,374,370	715,660	0	14,090,030
Computer equipment and software	12,491,938	701,959	0	13,193,897
Revenue vehicles	54,677,615	6,915,598	10,166,393	51,426,820
Total accumulated depreciation	155,514,823	12,086,255	10,268,419	157,332,659
Total depreciable assets, net	77,135,671	(894,007)	294,051	75,947,613
Total capital assets, net	\$ 104,384,887	\$ 2,886,660	3,121,432	\$ 104,150,115

* The construction work in progress at September 30, 2022 is primarily related to vehicle cameras, operation/maintenance vehicles, regional fare collection systems, bus shelters and facility renovations.

NOTE 4 – CAPITAL ASSETS (continued)

Description	Balance Oct. 1, 2020	Additions and Reclasses	Deletions	Balance Sep. 30, 2021
Non-depreciable capital assets				
Land	\$ 19,043,009	\$ -	\$ -	\$ 19,043,009
Construction work in progress *	6,221,020	2,261,585	276,398	8,206,207
Total non-depreciable capital assets	25,264,029	2,261,585	276,398	27,249,216
Depreciable assets				
Buildings and improvements	77,675,625	29,402	44,757	77,660,270
Operating and transit related equipment	29,209,804	880,335	269,882	29,820,257
Other equipment, fixtures, and other vehicles	24,740,809	18,486	3,010	24,756,285
Computer equipment and software	13,506,155	201,038	87,048	13,620,145
Revenue vehicles	87,326,544	4,232,967	4,765,974	86,793,537
Total depreciable capital assets	232,458,937	5,362,228	5,170,671	232,650,494
Less accumulated depreciation				
Buildings and improvements	47,568,224	2,548,336	36,622	50,079,938
Operating and transit related equipment	23,946,020	1,185,560	240,618	24,890,962
Other equipment, fixtures, and other vehicles	12,624,950	752,430	3,010	13,374,370
Computer equipment and software	11,556,949	1,022,037	87,048	12,491,938
Revenue vehicles	51,720,393	7,337,372	4,380,150	54,677,615
Total accumulated depreciation	147,416,536	12,845,735	4,747,448	155,514,823
Total depreciable assets, net	85,042,401	(7,483,507)	423,223	77,135,671
Total capital assets, net	\$ 110,306,430	\$ (5,221,922)	\$ 699,621	\$ 104,384,887

* The construction work in progress at September 30, 2021 is primarily related to the regional fare collection system, buildings and various facility renovations.

NOTE 4 – CAPITAL ASSETS (continued)

Right-to-Use Assets

Right-to-use activity and balance for the years ending September 30, 2022 and 2021 are summarized below:

September 30, 2022

Assets	Beginning of Year	Additions	Modifications & Remeasurement	Subtractions	End of Year
Equipment	\$ 36,045	\$ -	\$ -	\$ -	\$ 36,045
Copy Machine	56,333	-	-	-	56,333
	92,378	-	-	-	92,378
Less: Accumulated Amortization					
Equipment	(5,089)	(5,089)	-	-	(10,177)
Copy Machine	(14,695)	(14,695)	-	-	(29,391)
	(19,784)	(19,784)	-	-	(39,568)
Total Right-to-use, net	\$ 72,594	\$ (19,784)	\$ -	\$ -	\$ 52,810

September 30, 2021

Lease Assets	Beginning of Year	Additions	Modifications & Remeasurements	Subtractions	End of Year
Equipment	\$ -	\$ 36,045	\$ -	\$ -	\$ 36,045
Copy Machine	-	56,333	-	-	56,333
	-	92,378	-	-	92,378
Less: Accumulated Amortization					
Equipment	-	(5,089)	-	-	(5,089)
Copy Machine	-	(14,695)	-	-	(14,695)
	-	(19,784)	-	-	(19,784)
Total Right-to-use, net	\$ -	\$ 72,594	\$ -	\$ -	\$ 72,594

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,

NOTE 5 – DEFINED BENEFIT PENSION PLANS (Continued)

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 \$6,928,039 and \$1,856,926 for both the FRS Pension Plan and HIS Plan for the fiscal year ended September 30, 2022 and 2021, respectively.

The Authority's deferred outflows totaled \$15,355,477 and \$13,050,930 for both the FRS Pension Plan and HIS plan for the fiscal year ended September 30, 2022 and 2021, respectively.

The Authority's deferred inflows totaled \$2,601,097 and \$26,703,191 for both the FRS Pension Plan and HIS plan for the fiscal year ended September 30, 2022 and 2021, respectively.

The Authority's net pension liability totaled \$51,136,382 and \$22,970,951 for both the FRS Pension and HIS plan for the fiscal year ended September 30, 2022 and 2021, respectively.

Florida Retirement System Pension Plan

Plan Description

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

- *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.

NOTE 5 – DEFINED BENEFIT PENSION PLANS (Continued)

- *Special Risk Administrative Support Class* – Former Special Risk Class members who are transferred or reassigned to nonspecial risk law enforcement, firefighting, emergency medical care, or correctional administrative support positions within an FRS special risk-employing agency.
- *Elected County Officers Class (EOC)* – Members who are elected state and county officers and the elected officers of cities and special districts that choose to place their elected officials in this class.

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

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

Benefits Provided

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

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

	% 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, 2021 through June 30, 2022 and from July 1, 2022 through September 30, 2022, respectively, were applied to employee salaries as follows: Regular – 10.82% and 11.91%; Special Risk Administrative Support – 37.76% and 38.65%; Special Risk – 25.89% and 27.83%; Senior Management Service – 29.01% and 31.57%; Elected Officers’ – 51.42% and 57.00%; and DROP participants – 18.34% and 18.60%. These employer contributions rates include the appropriate retirement contribution rate, HIS contribution rate of 1.66% for both 2022 and 2021, administrative/educational fee of 0.06% for both 2022 and 2021 and any applicable UAL rates. The Authority’s contributions to the FRS Plan were \$4,368,962 and \$3,954,965 for the years ended September 30, 2022 and 2021, respectively.

Pension Costs

At September 30, 2022 and 2021, the Authority reported a liability of \$37,353,493 and \$7,275,622, respectively, for its proportionate share of the FRS Plan’s net pension liability. The net pension liability was measured as of June 30, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of July 1. The Authority’s proportion of the net pension liability was based on the Authority’s contributions received by FRS during the measurement period for employer payroll paid dates from July 1 through June 30, relative to the total employer contributions received from all of FRS’s participating employers. At June 30, 2022, the Authority’s proportion was 0.1004%, which was an increase of 0.0041% from its proportion measured as of June 30, 2021. At June 30, 2021, the Authority’s proportion was 0.0963%, which was an increase of 0.0087% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2022, the Authority recognized pension expense of \$5,988,267 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	\$ 1,774,075	\$ -
Changes in Actuarial Assumptions	4,600,239	-
Net Difference Between Projected and Actual Earnings on Pension Plan	2,466,446	-
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	2,986,009	195,119
Authority Contributions Subsequent to the Measurement Date	1,195,191	-
Total	<u>\$ 13,021,960</u>	<u>\$ 195,119</u>

\$1,195,191 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ending September 30	Amount
2023	\$ 2,844,211
2024	1,537,914
2025	(7,269)
2026	6,819,214
2027	437,580
Thereafter	-

For the year ended September 30, 2021, the Authority recognized pension expense of \$507,747 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	\$ 1,247,053	\$ -
Changes in Actuarial	4,978,341	-
Net Difference Between Projected and Actual Earnings	-	25,382,815
Differences Between Authority Contributions and Proportionate Share of Contributions	2,772,714	357,111
Authority Contributions Subsequent to the Measurement	1,110,093	-
Total	<u>\$ 10,108,201</u>	<u>\$ 25,739,926</u>

Actuarial Assumptions

The total pension liability in the July 1, 2022 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:

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate (Property)	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
Totals	100%			
Assumed Inflation - Mean			2.4%	1.3%

The total pension liability in the July 1, 2021, 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 6.80%, 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:

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate (Property)	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
Totals	100%			
Assumed Inflation - Mean			2.4%	1.2%

Discount Rate

The discount rate used to measure the total pension liability in the July 1, 2022 and 2021 actuarial valuation was 6.70% and 6.80% respectively 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 2022, 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)	\$ 64,600,297	\$ 37,353,493	\$ 14,571,922

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

The following presents the Authority’s proportionate share of the net pension liability for the FRS Plan for fiscal year 2021, 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	5.8%	6.8%	7.8%
Entity's Proportionate Share of the FRS Plan Net Pension Liability (Asset)	32,537,067	7,275,622	(13,840,115)

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 Comprehensive Annual 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, 2022 and 2021 HART 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 of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal years ended June 30, 2022 and June 30, 2021, 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.

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal years ended June 30, 2022 and 2021, the contribution rates were 1.66% of payroll pursuant to section 112.363, Florida Statutes. The Authority contributed 100% of its statutorily required contributions for the current and preceding three (3) years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The Authority's contributions to the HIS Plan were \$800,287 and \$784,810, respectively, for the years ended September 30, 2022 and 2021, respectively.

Pension Costs

At September 30, 2022 and 2021, the Authority reported a liability of \$13,782,889 and \$15,695,328 respectively, for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, and the total pension liability used to calculate the net pension liability was determined by annual actuarial valuations as of July 1. The Authority's proportion of the net pension liability was based on the Authority's contributions received during the measurement period for employer payroll paid dates from July 1 through June 30, relative to the total employer contributions received from all participating employers. At June 30, 2022, the Authority's proportion was 0.1301%, which was an increase of 0.0021% from its proportion measured as of June 30, 2021. At June 30, 2021, the Authority's proportion was 0.1280%, which was an increase of 0.0027% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2022, the Authority recognized pension expense of \$939,772 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	\$ 418,343	\$ 60,646
Changes in Actuarial Assumptions	790,044	2,132,204
Net Difference Between Projected and Actual Earnings on HIS Program Investments	19,955	-
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	889,625	213,128
Authority Contributions Subsequent to the Measurement Date	215,550	-
Total	<u>\$2,333,517</u>	<u>\$ 2,405,978</u>

\$215,550 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, 2023. 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:

Year Ending June 30	Amount
2023	\$ (56,959)
2024	(14,296)
2025	117,561
2026	11,135
2027	(227,605)
Thereafter	(117,847)

For the year ended September 30, 2021, the Authority recognized pension expense of \$1,349,179 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	\$ 525,205	\$ 6,574
Changes in Actuarial Assumptions	1,233,301	646,687
Net Difference Between Projected and Actual		
Earnings on HIS Program Investments	16,362	-
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	965,199	310,004
Authority Contributions Subsequent to the Measurement Date	202,662	-
Total	2,942,729	963,265

Actuarial Assumptions

The total pension liability in the July 1, 2022, 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	3.54%

Mortality rates were based on the Generational PUB-2010 with Projection 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 total pension liability in the July 1, 2021, 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	2.16%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018. The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

Discount Rate

The discount rate used to measure the total pension liability in the July 1, 2022 and 2021 actuarial valuation was 3.54% and 2.16% respectively for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Pension Liability Sensitivity

The following presents the Authority’s proportionate share of the net pension liability for the HIS Plan for FY2022, 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	2.54%	3.54%	4.54%
Authority’s Proportionate Share of the HIS Plan Net Pension Liability	\$15,768,757	\$13,782,889	\$12,139,625

The following presents the Authority’s proportionate share of the net pension liability for the HIS Plan for FY2021, 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	1.16%	2.16%	3.16%
Authority’s Proportionate Share of the HIS Plan Net Pension Liability	\$18,145,319	\$15,695,328	\$13,688,108

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, 2022 and 2021 HART reported no payables for outstanding amounts of contributions to the HIS plan.

NOTE 6 – DEFINED CONTRIBUTION PLAN

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual 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 2020-21 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 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and County Elected Officers class 11.34%. 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, 2022 and 2021, 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 distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Authority's investment plan pension expense totaled \$647,387 and \$548,325 for the years ended September 30, 2022 and 2021, respectively. Employee contributions to the investment plan totaled \$134,645 and \$132,092 for the years ended September 30, 2022 and 2021, respectively.

NOTE 7 – OTHER PENSION PLANS

Deferred Compensation Plan: All full-time employees are eligible to participate in the Authority's Deferred Compensation Plan. The deferred compensation plan is governed by the Internal Revenue Code (IRC) 457 savings plan authorized by Congress. Under the plan, an employee contributes a set sum each pay period to an investment account in the employee's name. Deferred compensation is a voluntary, payroll-deducted retirement program which offers the opportunity of setting aside a portion of income on a pre-tax basis and investing those monies into one or more funds selected by the employee. Contributions to the investment account are made out of pretax income and the earnings of the account are not taxed until they are withdrawn, usually at retirement. In an effort to encourage employees to save for their retirement, the company will match the employee's contribution dollar for dollar up to the equivalent of three and one-half (3 ½) percent of the employee's salary on an annual basis. The Authority's contribution for FY 2022 was \$742,923, for FY2021 was \$720,777, and for FY2020 was \$690,125. 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 2022 was \$44,691, for FY2021 was \$61,071, and for FY2020 was \$67,332. 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.

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. 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	<u>64</u>
Total Participants	<u>739</u>

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	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, 2022 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	4.50%
Discount Rate as of September 30, 2021	2.26% (based on the municipal bond rate)
Discount Rate as of September 30, 2022	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.

Health Care Cost Trend Rates	Year	Medical w/Rx	
		Pre-65	Post-65
	2021 to 2022	7.00%	6.00%
	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%

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

Mortality Rates - Healthy & Disabled

Base table: PUB-2010, "General" Classification, amounts-weighted mortality tables

Projection: Mortality rates are projected generationally from 2010 using Scale MP-2020

Changes in Assumptions or Other Inputs Since Prior Measurement Date

Method Changes

There has been a change in the OPEB actuary from AON to Arthur J Gallagher. There have been no method changes.

Assumption Changes

The financial accounting valuation reflects the following assumption changes:

- The discount rate increased from 2.26% as of September 30, 2021 to 4.02% as of September 30, 2022 to reflect changes in the Bond Buyer GO 20-Bond Municipal Bond Index.
- The mortality projection scale was updated from MP-2020 to MP-2021 to reflect the Society of Actuaries recent mortality study.
- Health care claims were updated to reflect more recent experience, along with the aging factors to be based on the 2013 Society of Actuaries study.
- The healthcare trend rates were reset to an initial 7.00% (6.00% for post-Medicare), grading down by 0.25% per year until reaching the ultimate rate of 4.00% based on current Healthcare Analytics (HCA) Consulting trend study; current economic environment suggests a longer period until reaching the ultimate rate.

Total OPEB Liability

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

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

Shown below are details regarding the total OPEB liability for the Measurement Period from October 1, 2021 to September 30, 2022:

Description	Total OPEB Liability
Balance Recognized at 9/30/2021 (Based on 9/30/2021 Measurement Date)	\$ 1,566,440
Changes Recognized for the Fiscal Year:	
Service Cost	36,159
Interest on the Total OPEB Liability	35,946
Changes of Benefit Terms	
Differences Between Expected and Actual Experience	48,302
Changes of Assumptions	(60,038)
Benefit Payments	(141,802)
Net Changes	(81,433)
Balance Recognized at 9/30/2022 (Based on 9/30/2022 Measurement Date)	\$ 1,485,007

Shown below are details regarding the total OPEB liability for the Measurement Period from October 1, 2020 to September 30, 2021:

Description	Total OPEB Liability
Balance Recognized at 9/30/2020 (Based on 9/30/2020 Measurement Date)	\$ 1,426,868
Changes Recognized for the Fiscal Year:	
Service Cost	158,994
Interest on the Total OPEB Liability	35,022
Changes of Benefit Terms	
Differences Between Expected and Actual Experience	(48,446)
Changes of Assumptions	(3,649)
Benefit Payments	(2,349)
Net Changes	139,572
Balance Recognized at 9/30/2021 (Based on 9/30/2021 Measurement Date)	\$ 1,566,440

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

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

For the year ended September 30, 2022, the Authority recognized OPEB expense of \$54,861. 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	\$ 51,673	\$ (389,985)
Assumption Changes	318,818	(69,269)
Total	<u>\$ 370,491</u>	<u>\$ (459,254)</u>

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

Year End September 30:

2023	(17,244)
2024	(17,244)
2025	(17,244)
2026	(15,933)
2027	(14,914)
Thereafter	(6,184)

For the year ended September 30, 2021, the Authority recognized OPEB expense of \$177,514. 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	\$ 8,293	\$ 452,837
Assumption Changes	366,600	16,328
Total	<u>\$ 374,893</u>	<u>\$ 469,165</u>

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

Interest Rate Sensitivity

The following table illustrates the impact of interest rate sensitivity on the total OPEB liability for fiscal year ended September 30, 2022:

	1% Decrease 3.02%	<u>2022</u> Current Rate 4.02%	1% Increase 5.02%
Total OPEB Liability	\$1,386,000	\$1,485,007	\$1,591,000

The following table illustrates the impact of interest rate sensitivity on the total OPEB liability for fiscal year ended September 30, 2021:

	1% Decrease 1.26%	<u>2021</u> Current Rate 2.26%	1% Increase 3.26%
Total OPEB Liability	\$1,653,432	\$1,566,440	\$1,511,249

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, 2022:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	\$1,345,000	\$1,485,007	\$1,651,000

The following table illustrates the impact of healthcare cost trend sensitivity on the total OPEB Liability for fiscal year ended September 30, 2021:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	\$1,396,011	\$1,566,440	\$1,804,108

NOTE 9 – SELF INSURANCE AND LOSS CONTINGENCIES

The Authority is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 1987, the Authority established a self-insurance program for general liability claims. During 1990, the Authority established a self-insurance program for its workers' compensation claims. The

Authority also established a medical self-insured program effective January 1, 2012. Workers' compensation and medical insurance claims are administered internally by the Authority and a third-party administrator.

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

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

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

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

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

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

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

The liability as of September 30, 2022 was \$6,064,180 and as of September 30, 2021 was \$5,702,011, and as of September 30, 2020, was \$6,260,140. These are based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires liability for claims to be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

NOTE 9 – SELF INSURANCE AND LOSS CONTINGENCIES (continued)

Changes in the claim's liability amount:

Description	<u>2022</u>	<u>2021</u>	<u>2020</u>
Beginning balance	5,702,011	6,260,140	7,041,638
Current year claims and changes in estimate	11,837,835	10,488,194	10,574,030
Claims payments	(11,475,666)	(11,046,323)	(11,355,528)
Ending balance	<u>6,064,180</u>	<u>5,702,011</u>	<u>6,260,140</u>
Amount due within one year	<u>2,760,494</u>	<u>2,504,328</u>	<u>3,426,588</u>
Amount due past one year	<u>3,303,686</u>	<u>3,197,683</u>	<u>2,833,552</u>

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the years ended September 30, 2022 and September 30, 2021:

	<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>
Balance at September 30, 2022						
Self insurance and loss contingencies	\$5,702,011	\$11,837,835	\$11,475,666	\$6,064,180	\$2,760,494	\$3,303,686
Environmental remediation	150,000	-	150,000	-	-	-
Lease liability	72,594	-	19,784	52,810	19,600	\$33,210
Compensated Absences	3,409,094	3,369,362	3,409,094	3,369,362	150,729	3,218,633
Net Pension Liability	22,970,950	28,165,432	-	51,136,382	13,835	51,122,547
Total OPEB Liability	1,566,440	48,302	129,735	1,485,007	-	1,485,007
Total long-term liabilities	<u>\$33,871,089</u>	<u>\$43,420,931</u>	<u>\$15,184,279</u>	<u>\$62,107,741</u>	<u>\$2,944,658</u>	<u>\$59,163,083</u>

	<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>
Balance at September 30, 2021						
Self insurance and loss contingencies	\$6,260,140	\$10,488,194	\$11,046,323	\$5,702,011	\$2,504,328	\$3,197,683
Environmental remediation	150,000	-	-	150,000	150,000	-
Lease liability	-	92,378	19,784	72,594	19,736	\$52,858
Compensated Absences	3,203,735	3,409,094	3,203,735	3,409,094	91,905	\$3,317,998
Net Pension Liability	53,268,016	-	30,297,066	22,970,950	83,659	\$22,887,291
Total OPEB Liability	1,426,868	194,016	54,444	1,566,440	-	\$1,566,440
Total long-term liabilities	<u>\$64,308,759</u>	<u>\$14,183,682</u>	<u>\$44,621,352</u>	<u>\$33,871,089</u>	<u>\$2,849,628</u>	<u>\$31,022,270</u>

NOTE 11 – GASB 87 LEASES

For the year ended September 30, 2021, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to

NOTE 11 – GASB 87 LEASES (continued)

use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

HART entered into a lease as a lessee for the use of equipment (Pitney Bowes) prior to, but with a commencement date of October 1, 2021, with a remaining life of 24 months. An initial lease liability was recorded in the amount of \$56,332. As of September 30, 2022, the value of the lease liability is \$52,944. HART is required to make monthly fixed payments of \$1,239. The lease has an interest rate of 0.62%.

HART entered into a lease as a lessee for the use of copiers (Konica) prior to, but with a commencement date of October 1, 2021, with a remaining life of 60 months. An initial lease liability was recorded in the amount of \$36,045. As of September 30, 2022, the value of the lease liability is \$52,944. HART is required to make quarterly fixed payments of \$1,252. The lease has an interest rate of 0.62%.

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

September 30, 2022

	Principal	Interest	Total Payment
FY 2023	\$19,600	\$275	\$19,875
FY 2024	\$17,243	\$154	\$17,397
FY 2025	\$4,920	\$89	\$5,009
FY 2026	\$4,951	\$58	\$5,009
FY 2027	\$4,980	\$27	\$5,007
5 Years Ending 2031	\$1,250	\$2	\$1,252
Total Future Payments	\$52,944	\$605	\$53,549

September 30, 2021

	Principal	Interest	Total Payment
FY 2022	\$19,736	\$397	\$20,133
FY 2023	\$19,599	\$275	\$19,874
FY 2024	\$17,243	\$154	\$17,397
FY 2025	\$4,920	\$89	\$5,009
FY 2026	\$4,951	\$58	\$5,009
5 Years Ending 2031	\$6,161	\$29	\$6,190
Total Future Payments	\$72,610	\$1,002	\$73,612

NOTE 12 – UNRESTRICTED AND RESTRICTED NET POSITION

The Authority’s unrestricted net position deficit as of September 30, 2022 was (\$33,476,174) and as of September 30, 2021 was \$(11,808,554). The Authority’s restricted net position as of September 30, 2022 was \$17,099,772 and as of September 30, 2021 was \$218,851,884.

	FY 2022	FY 2021
Restricted for Risk Auto/General Liability	\$ 180,000	\$ 180,000
Restricted for Workers Compensation	125,000	125,000
Restricted for Self-Insured Medical	625,000	625,000
Restricted for Private Developers	107,807	107,807
Restricted for Fund 12	375,346	-
Restricted for FTA Liability	1,205,635	1,092,618
Restricted for Capital	4,500,000	-
Restricted for oper reserves	6,450,353	-
Restricted for Designated Risk Liab	3,217,250	-
Restricted for Designated Med Liab	313,289	-
Restricted for Surtax	92	216,721,459
	\$ 17,099,772	\$ 218,851,884

NOTE 13 – 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 Fueling bypass Lane, Area of Concern 1 (AOC-1), and Area of Concern 2 (AOC-2).

January 2017 Reported spill/release in Fueling Bypass Lane

- Estimated 400-500 gallons diesel, current above ground storage tank (AST) area; HART Tank #3, aka: FDEP Tank #18

During FY-2020, remediation activities were undertaken at the Fueling Bypass Lane that involved removal of contaminated soil and replacement with clean soil, sampling/analysis of area soil and groundwater, and submission of reports to the Environmental Protection Commission of Hillsborough County (EPCHC). The submitted reports were reviewed by the EPCHC. September 30, 2021 HART responded to EPCHC comments. Bypass Lane received site rehabilitation completion order (Attached SRCO-FDEP) was received March 14, 2022, which closed the process.

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

NOTE 13 – COMMITMENTS AND CONTINGENCIES (continued)

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.

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 14 – 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

Florida Retirement System Pension Plan	<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	0.100390928%	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	\$ 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	\$ 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	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	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Retiree Health Insurance Subsidy Program	<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	0.130130414%	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	\$ 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	\$ 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	28.98%	34.29%	35.12%	33.42%	32.39%	33.97%	37.49%	33.66%	31.42%
Plan Fiduciary Net Position as a Percentage of the total Net Pension Liability	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.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

**HILLSBOROUGH TRANSIT AUTHORITY
SCHEDULE OF CONTRIBUTIONS**

Florida Retirement System Pension Plan	<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	\$ 4,368,962	\$ 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>\$ (4,368,962)</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>
Authority's Covered Payroll	\$ 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	9.93%	10.34%	8.61%	7.85%	7.56%	6.60%	6.57%	7.32%	7.03%

Retiree Health Insurance Subsidy Program	<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	\$ 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>\$ (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>
Authority's Covered Payroll	\$ 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	1.65%	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.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

**HILLSBOROUGH TRANSIT AUTHORITY
SCHEDULE OF CHANGES IN OPEB
YEARS ENDING SEPTEMBER 30, 2022 AND 2021**

	Fiscal Year Ended						
	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	36,159	158,994	\$110,011	\$90,448	102,296	\$111,561	\$100,373
Interest Cost	35,946	35,022	34,578	45,568	43,885	33,711	36,603
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experiences	48,302	(48,446)	(278,215)	(11,186)	(262,813)	17,633	(40,345)
Changes of Assumptions	(60,038)	(3,649)	363,040	72,488	20,913	(27,727)	27,186
Benefit Payments	(141,802)	(2,349)	14,944	(28,711)	12,475	(55,835)	(5,960)
Net Change in Total OPEB Liability	(81,433)	139,572	244,358	168,607	(83,244)	79,343	117,857
Total OPEB Liability (Beginning)	1,566,440	1,426,868	1,182,510	1,013,903	1,097,147	1,017,804	899,947
Total OPEB Liability (Ending)	\$1,485,007	\$1,566,440	\$1,426,868	\$1,182,510	\$1,013,903	\$1,097,147	\$1,017,804
Covered-employee payroll	\$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	3.47%	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 2.26% as of September 30, 2021 to 4.02% as of September 30, 2022 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.
- Retirement, withdrawal and disability rates were updated to be in-line with the most recent experience published in the 2020 FRS experience study.

**HILLSBOROUGH TRANSIT AUTHORITY
SCHEDULE OF CHANGES IN OPEB
YEARS ENDING SEPTEMBER 30, 2022 AND 2021**

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

OTHER SUPPLEMENTAL INFORMATION

**HILLSBOROUGH TRANSIT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDING SEPTEMBER 30, 2022**

<u>GRANTOR / PROGRAM TITLE</u>	<u>Federal Assistance Listing Number</u>	<u>Federal Grant Number</u>	<u>FY 2022 Program Expenditures</u>	<u>FY 2022 Transfers to Subrecipients</u>
Direct Federal Grantor Grants				
U.S. Department of Transportation - Federal Transit Administration				
Capital Investment Grants				
State of Good Repair HM Rehab/Renov	20.500	FL-04-0167	-	-
Transit Oriented Development Planning Pilot Program 2018	20.500	FL-2019-081	298,271	-
Total Federal Transit Capital Investment Grants			298,271	-
Urbanized Area Formula Program				
FY18 Urbanized Area Formula Program	20.507	FL-2018-095	63,403	-
FY19 Urbanized Area Formula Program	20.507	FL-2019-066	128,096	-
FY20 Urbanized Area Formula Program	20.507	FL-2020-066	532,905	-
FY21 Urbanized Area Formula Program	20.507	FL-2021-073	884,805	-
Surface Transportation Block Program	20.507	FL-2020-024	55,951	-
FY20 Covid-19 CRRSAA	20.507	FL-2022-003	15,747,731	-
FY21 Covid-19 ARP	20.507	FL-2022-009	9,803,587	-
Total Urbanized Area Formula Program			27,216,478	-
U.S. Department of Transportation - Federal Transit Administration				
State of Good Repair Formula Grant Program				
State of Good Repair Fixed Guideway	20.525	FL-2020-062	636,958	-
Total State of Good Repair Grant Program			636,958	-
Total Bus & Bus Facilities Formula Program				
Bus Formula Grant	20.526	FL-2017-065	76,500	-
Bus Formula Grant	20.526	FL-2019-095	165,758	-
Total Bus & Bus Facilities Formula Program			242,258	-
Total Federal Transit Cluster	20.500, 20.507, 20.525, 20.526		28,393,965	
Total Direct Federal Grantor Awards			\$ 28,393,965	\$ -

**HILLSBOROUGH TRANSIT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDING SEPTEMBER 30, 2022**

GRANTOR / PROGRAM TITLE	Federal ALN Number	Federal Grant Number	FY 2022 Program Expenditures
<i>Pass-through federal grantor awards</i>			
<i>Florida Department of Transportation (pass through from the Federal Transit Administration)</i>			
Transportation Regional Incentive Program Regional Mobility Fare Collection (G1936)	20.205	436677-19401	170,954
Total Transportation Regional Incentive Program Regional Mobility Fare Collection			170,954
Enhanced Mobility of Seniors and Individuals with Disabilities (G1T51)	20.513	438958-18405	137,616
Enhanced Mobility of Seniors and Individuals with Disabilities (2492)	20.513	438958-18406	57,443
Total Enhanced Mobility of Seniors and Individuals with Disabilities			195,059
			366,013
			\$ 28,759,978

(Continued)

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
YEAR ENDING SEPTEMBER 30, 2022**

<u>GRANTOR / PROGRAM TITLE</u>	<u>State CSFA Number</u>	<u>State Project Number</u>	<u>FY 2022 Program Expenditures</u>
Direct state financial assistance			
State of Florida Department of Transportation			
Public Transit Block Grant Program (G2320)	55.010	402251-18422	5,878,606
			<u>5,878,606</u>
Commuter Assistance / Ride Share - Streetcar Free Fares (G1W96)	55.012	412533-18421	701,021
Public Transit Service Development Program - Streetcar Free Fares (G1S11)	55.012	443963-18419	80,954
			<u>781,975</u>
Transit Corridor Development Program - (Route 400) (G2779)	55.013	420741-18422	272,554
Transit Corridor Development Program - (Route 34) (G2780)	55.013	430322-18422	272,553
			<u>545,107</u>
Intermodal Development Program - Autonomous Mobility Service (G0I81)	55.014	422799-39401	216,970
			<u>216,970</u>
Transportation Regional Incentive Program - Regional Mobility Fare Collection (G1936)	55.026	436677-19401	170,954
			<u>170,954</u>
		Total state grantor awards	<u><u>7,593,612</u></u>
Total Expenditures of Federal Awards and State Financial Assistance			<u><u>36,353,590</u></u>

(Continued)

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

HILLSBOROUGH TRANSIT AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDING SEPTEMBER 30, 2022

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.

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

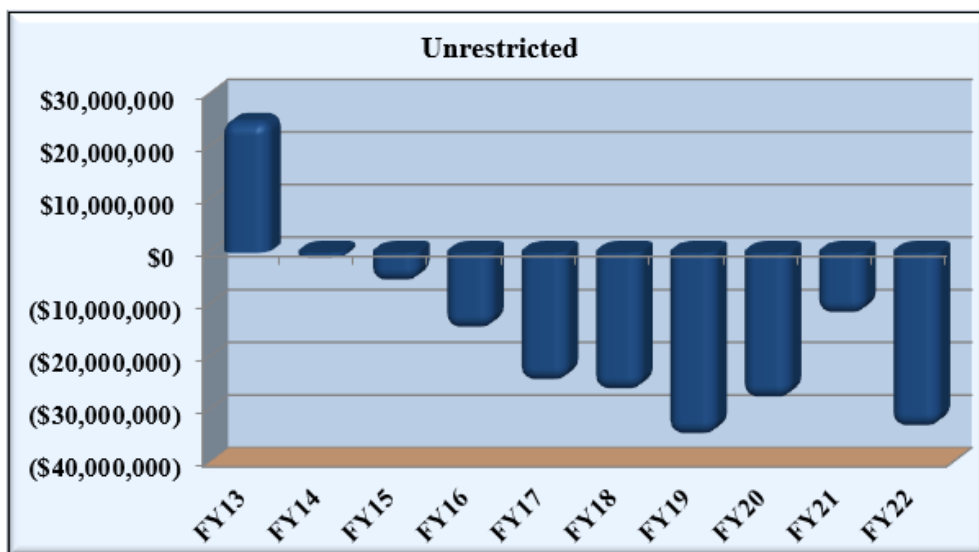
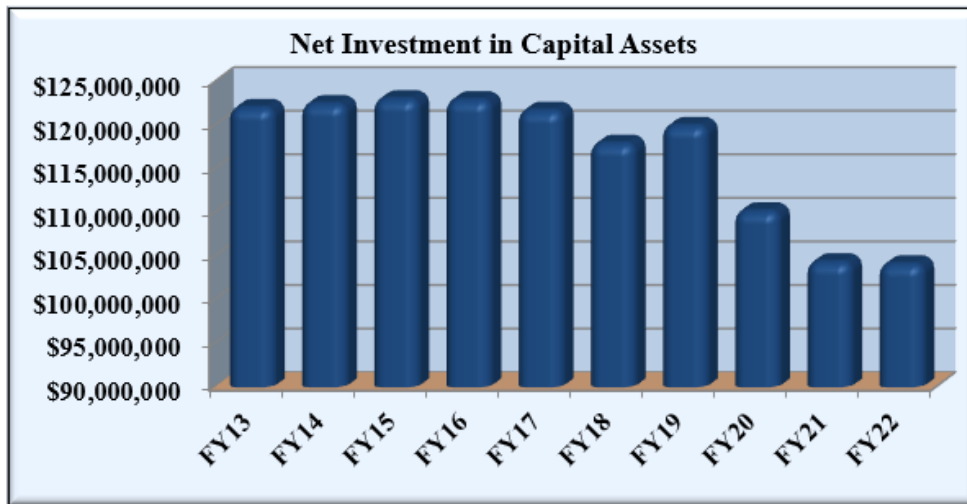
Financial Trends

- Net Position by Component (FY2013 to FY2022)
- Statement of Assets, Deferred Outflows, Liabilities, Deferred Inflows & Net Position (FY2013 to FY2017)
- Statement of Assets, Deferred Outflows, Liabilities, Deferred Inflows & Net Position (FY2018 to FY2022)
- Statement of Revenues, Expenses, & Changes in Net Position (FY2013 to FY2017)
- Statement of Revenues, Expenses, & Changes in Net Position (FY2018 to FY2022)

**NET POSITION BY COMPONENT
FY2013 to FY2022**

	FY2013	FY2014	FY2015	FY2016	FY2017
NET POSITION	RESTATED				
Net Investment in Capital Assets	\$122,087,138	\$122,526,409	\$123,085,260	\$122,976,936	\$121,766,602
Restricted	\$445,000	\$445,000	\$700,000	\$610,800	\$1,037,807
Unrestricted	\$24,894,805	(\$1,304,949)	(\$5,632,905)	(\$14,589,739)	(\$24,544,597)
Total Net Position	\$147,426,943	\$121,666,460	\$118,152,355	\$108,997,997	\$98,259,812

	FY2018	FY2019	FY2020	FY2021	FY2022
NET POSITION					
Net Investment in Capital Assets	\$117,985,314	\$120,027,532	\$110,229,835	\$104,384,887	\$104,149,896
Restricted	\$1,037,807	\$85,625,022	\$197,353,969	\$218,851,884	\$17,099,772
Unrestricted	(\$26,301,549)	(\$34,808,461)	(\$27,878,361)	(\$11,808,554)	(\$33,476,174)
Total Net Position	\$92,721,572	\$170,844,093	\$279,705,443	\$311,428,217	\$87,773,494



STATEMENT OF ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS & NET POSITION					
FY2013 to FY2017					
	FY2013	FY2014	FY2015	FY2016	FY2017
ASSETS		RESTATED			
Cash & Cash Equivalents-Unrestricted	\$22,012,439	\$20,711,606	\$15,775,962	\$10,137,998	\$12,768,003
Cash & Cash Equivalents-Restricted	\$445,000	\$445,000	\$700,000	\$425,000	\$1,037,807
Investments	\$232,135	\$0	\$0	\$0	\$0
Trade Receivable, net	\$1,166,770	\$683,225	\$778,787	\$756,015	\$2,298,457
Surtax Receivable	\$0	\$0	\$0	\$0	\$0
Delinquent Property Tax Receivable	\$62,276	\$39,591	\$65,759	\$79,845	\$62,134
Federal Grants Receivable	\$6,746,845	\$11,195,043	\$11,667,050	\$11,275,149	\$1,764,141
State Grants Receivable	\$463,334	\$175,814	\$146,098	\$1,623,079	\$315,322
Local Grants Receivable	\$7,216,827	\$437,953	\$318,397	\$61,215	\$155,885
Inventory of Parts & Supplies	\$1,401,416	\$1,471,430	\$1,513,189	\$1,503,769	\$1,628,946
Prepaid Expenses	\$659,289	\$377,293	\$323,797	\$372,462	\$382,913
Total Current Assets	\$40,383,646	\$35,536,955	\$31,289,039	\$26,234,532	\$20,413,608
Long Term Assets:					
Right-to-use Asset*	0	0	0	0	0
Right-to-use Amortization*	0	0	0	0	0
Land	\$18,260,818	\$18,260,818	\$19,040,309	\$19,040,309	\$19,040,309
Construction in Progress	\$20,033,244	\$16,523,147	\$540,588	\$3,378,211	\$4,469,892
Capital Assets, net	\$85,679,116	\$88,481,029	\$103,904,284	\$101,647,794	\$98,256,401
Total Long Term Assets	\$123,973,178	\$123,264,994	\$123,485,181	\$124,066,314	\$121,766,602
Total Assets	\$164,356,824	\$158,801,949	\$154,774,220	\$150,300,846	\$142,180,210
DEFERRED OUTFLOWS					
Deferred Outflows on pension and OPEB related amounts	\$462,335	\$2,515,349	\$4,724,263	\$12,704,894	\$15,993,288
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$5,476,526	\$2,517,083	\$1,866,153	\$3,500,875	\$3,898,479
Accrued Expenses	\$2,024,834	\$1,991,514	\$2,384,932	\$1,088,320	\$1,468,902
Lease Liability due within one year*	\$0	\$0	\$0	\$0	\$0
Interest Payable*	\$0	\$0	\$0	\$0	\$0
Unearned Revenue	\$826,607	\$181,703	\$177,300	\$1,946	\$5,659
Self-Insurance & Contingency	\$2,518,300	\$3,826,224	\$3,337,878	\$2,808,134	\$3,016,930
Environmental Remediation	\$282,427	\$49,708	\$119,000	\$138,136	\$207,233
Compensated Absences	\$190,000	\$246,000	\$82,432	\$84,823	\$115,127
Capital Lease Obligation	\$0	\$0	\$73,949	\$306,249	\$0
Net Pension Liability	\$0	\$371,057	\$450,452	\$430,446	\$374,957
Net OPEB Liability	\$0	\$0	\$0	\$0	\$46,963
Total Current Liabilities	\$11,318,694	\$9,183,289	\$8,492,096	\$8,358,929	\$9,134,250
Lease Liability *	\$0	\$0	\$0	\$0	\$0
Self-Insurance & Contingency	\$3,233,700	\$3,867,110	\$4,653,651	\$6,283,924	\$5,407,660
Environmental Remediation	\$0	\$0	\$0	\$0	\$0
Compensated Absences	\$2,377,487	\$2,366,586	\$2,231,413	\$2,438,666	\$2,735,005
Capital Lease Obligation	\$0	\$0	\$325,972	\$479,238	\$0
Net Pension Liability	\$0	\$15,269,917	\$22,671,642	\$34,716,701	\$39,188,888
Net OPEB Liability	\$0	\$0	\$0	\$1,017,804	\$1,050,184
Total Long Term Liabilities	\$5,611,187	\$21,503,613	\$29,882,678	\$44,936,333	\$48,381,737
Total Liabilities	\$16,929,881	\$30,686,902	\$38,374,774	\$53,295,262	\$57,515,987
DEFERRED INFLOWS					
Deferred Inflows on pension and OPEB related amounts	\$0	\$8,963,936	\$2,971,354	\$712,481	\$2,397,699
NET POSITION					
Net Investment in Capital Assets	\$122,087,138	\$122,526,409	\$123,085,260	\$122,976,936	\$121,766,602
Restricted	\$445,000	\$445,000	\$700,000	\$610,800	\$1,037,807
Unrestricted	\$24,894,805	(\$1,304,949)	(\$5,632,905)	(\$14,589,739)	(\$24,544,597)
Total Net Position	\$147,426,943	\$121,666,460	\$118,152,355	\$108,997,997	\$98,259,812

* GASB 87 put in place in 2022 and 2021 restated for comparative reporting purposes

STATEMENT OF ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS & NET POSITION					
FY2018 to FY2022					
	FY2018	FY2019	FY2020	FY2021	FY2022
ASSETS					
Cash & Cash Equivalents-Unrestricted	\$14,052,908	\$9,272,590	\$22,596,459	\$32,360,767	\$12,661,184
Cash & Cash Equivalents-Restricted	\$1,037,807	\$66,023,804	\$177,655,390	\$218,848,884	\$17,099,772
Investments	\$0	\$0	\$0		
Trade Receivable, net	\$748,588	\$1,100,599	\$569,053	\$674,160	\$1,493,939
Surtax Receivable	\$0	\$19,601,218	\$19,698,579	\$0	\$0
Delinquent Property Tax Receivable	\$47,059	\$55,895	\$84,131	\$37,717	\$0
Federal Grants Receivable	\$517,258	\$2,211,812	\$1,771,783	\$3,226,257	\$2,798,019
State Grants Receivable	\$1,759,924	\$865,935	\$1,076,633	\$3,767,495	\$1,737,765
Local Grants Receivable	\$50,543	\$160,192	\$239,470	\$922,011	\$296,055
Inventory of Parts & Supplies	\$1,411,075	\$1,956,216	\$1,939,187	\$2,160,769	\$2,360,022
Prepaid Expenses	\$620,634	\$503,634	\$508,821	\$565,960	\$346,702
Total Current Assets	\$20,245,796	\$101,751,895	\$226,139,506	\$262,564,020	\$38,793,458
Long Term Assets:					
Right-to-use Asset*	0	0	0	92,378	\$92,378
Right-to-use Amortization*	0	0	0	(19,699)	(\$39,654)
Land	\$19,043,009	\$19,043,009	\$19,043,009	\$19,043,009	\$19,043,009
Construction in Progress	\$5,736,827	\$7,786,592	\$6,221,020	\$8,206,207	\$9,159,493
Capital Assets, net	\$93,205,478	\$93,356,839	\$85,042,401	\$77,135,671	\$75,947,613
Total Long Term Assets	\$117,985,314	\$120,186,440	\$110,306,430	\$104,457,566	\$104,202,839
Total Assets	\$138,231,110	\$221,938,335	\$336,445,936	\$367,021,586	\$142,996,299
DEFERRED OUTFLOWS					
Deferred Outflows on pension and OPEB related amounts	\$14,577,121	\$14,566,634	\$16,063,147	\$13,425,823	\$15,725,968
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$3,547,234	\$4,453,958	\$4,510,817	\$5,562,045	\$3,460,755
Accrued Expenses	\$1,228,463	\$1,637,797	\$1,617,934	\$2,228,657	\$2,080,447
Lease Liability due within one year*	\$0	\$0	\$0	\$19,736	\$19,600
Interest Payable*	\$0	\$0	\$0	\$69	\$54
Unearned Revenue	\$10,109	\$8,440	\$6,264	\$184,962	\$239,291
Self-Insurance & Contingency	\$2,391,880	\$3,915,661	\$3,426,588	\$2,504,328	\$2,760,494
Environmental Remediation	\$308,019	\$133,734	\$150,000	\$150,000	\$0
Compensated Absences	\$91,239	\$110,894	\$116,809	\$91,095	\$150,729
Capital Lease Obligation	\$0	\$0	\$0	\$0	\$0
Net Pension Liability	\$318,652	\$262,590	\$168,757	\$83,659	\$13,835
Net OPEB Liability	\$0	\$0	\$0	\$0	\$0
Total Current Liabilities	\$7,895,596	\$10,523,074	\$9,997,169	\$10,824,551	\$8,725,205
Lease Liability *	\$0	\$0	\$0	\$52,874	\$33,344
Self-Insurance & Contingency	\$5,619,072	\$3,125,977	\$2,833,552	\$3,197,683	\$3,303,686
Environmental Remediation	\$0	\$0	\$0	\$0	\$0
Compensated Absences	\$2,789,154	\$2,782,394	\$3,086,926	\$3,317,998	\$3,218,633
Capital Lease Obligation	\$0	\$0	\$0	\$0	\$0
Net Pension Liability	\$37,573,767	\$43,722,810	\$53,099,259	\$22,887,291	\$51,122,547
Net OPEB Liability	\$1,013,903	\$1,182,510	\$1,426,868	\$1,566,440	\$1,485,007
Total Long Term Liabilities	\$46,995,896	\$50,813,691	\$60,446,605	\$31,022,286	\$59,163,217
Total Liabilities	\$54,891,492	\$61,336,765	\$70,443,774	\$41,846,837	\$67,888,422
DEFERRED INFLOWS					
Deferred Inflows on pension and OPEB related amounts	\$5,195,167	\$4,324,111	\$2,359,866	\$27,172,356	\$3,060,351
NET POSITION					
Net Investment in Capital Assets	\$117,985,314	\$120,027,532	\$110,229,835	\$104,384,887	\$104,149,896
Restricted	\$1,037,807	\$85,625,022	\$197,353,969	\$218,851,884	\$17,099,772
Unrestricted	(\$26,301,549)	(\$34,808,461)	(\$27,878,361)	(\$11,808,554)	(\$33,476,174)
Total Net Position	\$92,721,572	\$170,844,093	\$279,705,443	\$311,428,217	\$87,773,494

**STATEMENT OF REVENUES, EXPENSES, & CHANGES IN NET POSITION
FY2013 to FY2017**

	FY2013	FY2014	FY2015	FY2016	FY2017
OPERATING REVENUES:		RESTATED			
Passenger Fare Revenues	\$15,536,071	\$16,420,800	\$16,593,816	\$15,155,608	\$14,148,572
Advertising Revenues	\$770,830	\$903,308	\$1,033,518	\$1,144,644	\$1,072,635
Other Revenues	(\$15,031)	\$392,061	\$116,589	\$237,079	\$405,193
Total Operating Revenues	\$16,291,870	\$17,716,169	\$17,743,923	\$16,537,331	\$15,626,400
OPERATING EXPENSES:					
Salaries & Wages	\$28,866,836	\$30,141,573	\$31,819,094	\$34,095,944	\$36,305,701
Fringe Benefits	\$12,783,267	\$13,960,033	\$16,912,330	\$18,670,787	\$23,405,926
Fuel & Oil	\$8,118,427	\$8,139,358	\$7,206,460	\$4,389,479	\$4,065,775
Parts & Supplies	\$3,621,651	\$3,415,413	\$4,150,983	\$4,178,489	\$4,281,705
Contract Services	\$3,442,716	\$2,971,681	\$3,300,141	\$4,033,881	\$5,948,106
Claims	\$2,738,407	\$4,528,743	\$3,000,607	\$4,277,254	\$2,407,661
Utilities	\$693,489	\$710,147	\$761,274	\$1,022,155	\$1,140,717
Marketing & Printing	\$391,819	\$313,093	\$339,870	\$354,185	\$346,738
Other Expenses	\$1,802,389	\$1,778,298	\$2,741,421	\$3,551,218	\$3,061,563
Expenses Reimbursed by Grants	\$3,070,237	\$1,595,894	\$1,793,741	\$1,440,203	\$1,750,812
Lease Interest Expense*	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$65,529,238	\$67,554,233	\$72,025,921	\$76,013,595	\$82,714,704
Total Operating Gain (Loss)	(\$49,237,368)	(\$49,838,064)	(\$54,281,998)	(\$59,476,264)	(\$67,088,304)
Depreciation Expense	\$11,635,161	\$10,578,252	\$11,671,433	\$11,652,527	\$12,164,514
Lease Amortization Expense*	\$0	\$0	\$0	\$0	\$0
Net Operating Gain (Loss)	(\$60,872,529)	(\$60,416,316)	(\$65,953,431)	(\$71,128,791)	(\$79,252,818)
NON-OPERATING REVENUES:					
Federal Operating Grants	\$11,410,293	\$11,508,660	\$10,726,311	\$9,893,280	\$12,409,977
State Operating Grants	\$5,351,617	\$5,295,505	\$4,906,810	\$5,205,625	\$5,085,689
Local Operating Grants	\$812,018	\$1,273,864	\$770,884	\$903,640	\$1,053,973
State Operating rebates - CNG	\$0	\$0	\$0	\$0	\$250,000
Local Transportation Surtax	\$0	\$0	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0	\$0	\$0
Property Tax Proceeds	\$28,603,229	\$30,171,450	\$32,398,546	\$34,869,378	\$37,509,439
Interest Revenue	\$101,034	\$20,823	\$84,466	\$60,899	\$122,610
Total Non-Operating Revenues	\$46,278,191	\$48,270,302	\$48,887,017	\$50,932,822	\$56,431,688
Gain (Loss) before Capital Grants	(\$14,594,338)	(\$12,146,014)	(\$17,066,414)	(\$20,195,969)	(\$22,821,130)
CAPITAL GRANT REVENUES:					
Federal Capital Grants	\$15,801,857	\$6,759,290	\$13,088,152	\$9,744,445	\$11,283,930
State Capital Grants	\$300,171	\$730,031	\$89,406	\$1,857,575	\$562,907
Local Capital Grants	\$18,708,777	\$1,907,899	\$341,726	\$339,538	\$171,420
Developer Contributed Assets	\$35,190	\$36,408	\$33,025	\$0	\$64,688
Total Capital Contribution Revenues	\$34,845,995	\$9,433,628	\$13,552,309	\$11,941,558	\$12,082,945
Increase (Decrease) in Net Position	\$20,251,657	(\$2,712,386)	(\$3,514,105)	(\$8,254,411)	(\$10,738,185)
Net Position, Beginning Year	\$127,175,286	\$124,378,846	\$121,666,460	\$117,252,408	\$108,997,997
Net Position, End of the Year	\$147,426,943	\$121,666,460	\$118,152,355	\$108,997,997	\$98,259,812

2014 Restatement - Refer to Note 7 regarding restatement of FY2014 beginning net position per application of GASB 68, Net Pension Liability and GASB 71, Deferred Outflow of Resources.

STATEMENT OF REVENUES, EXPENSES, & CHANGES IN NET POSITION					
FY2018 to FY2022					
	FY2018	FY2019	FY2020	2021	2022
OPERATING REVENUES:					
Passenger Fare Revenues	\$12,576,581	\$12,412,904	\$9,029,994	\$6,272,298	\$8,162,616
Advertising Revenues	\$1,089,898	\$1,109,730	\$564,256	\$1,739,039	\$1,660,872
Other Revenues	\$3,150,349	\$2,817,582	\$104,994	\$246,383	\$581,318
Total Operating Revenues	\$16,816,828	\$16,340,216	\$9,699,244	\$8,257,720	\$10,404,806
OPERATING EXPENSES:					
Salaries & Wages	\$35,122,040	\$37,836,961	\$37,308,373	\$41,715,733	\$42,806,690
Fringe Benefits	\$21,257,654	\$26,820,478	\$30,351,736	\$24,998,425	\$28,977,689
Fuel & Oil	\$4,262,223	\$4,417,508	\$2,974,830	\$3,296,975	\$5,416,772
Parts & Supplies	\$4,481,531	\$5,103,773	\$5,603,276	\$4,368,288	\$4,690,787
Contract Services	\$6,494,192	\$8,268,305	\$8,930,148	\$8,182,724	\$8,049,117
Claims	\$2,812,076	\$3,313,183	\$3,233,629	\$2,970,319	\$4,173,111
Utilities	\$993,158	\$933,400	\$924,601	\$943,186	\$1,047,594
Marketing & Printing	\$340,216	\$542,376	\$354,346	\$355,111	\$365,206
Other Expenses	\$2,829,903	\$2,241,779	\$2,329,677	\$2,015,999	\$1,812,495
Expenses Reimbursed by Grants	\$2,477,298	\$693,637	\$4,125,879	\$3,087,727	\$4,845,377
Lease Interest Expense*	\$0	\$0	\$0	\$503	\$384
Total Operating Expenses	\$81,070,291	\$90,171,400	\$96,136,495	\$91,934,990	\$102,185,222
Total Operating Gain (Loss)	(\$64,253,463)	(\$73,831,184)	(\$86,437,251)	(\$83,677,270)	(\$91,780,416)
Depreciation Expense	\$12,194,544	\$12,353,469	\$12,807,484	\$12,845,735	\$12,086,256
Lease Amortization Expense*	\$0	\$0	\$0	\$19,870	\$19,784
Net Operating Gain (Loss)	\$76,448,007	(\$86,184,653)	(\$99,244,735)	(\$96,542,875)	(\$103,886,456)
NON-OPERATING REVENUES:					
Federal Operating Grants	\$12,038,587	\$12,513,482	\$29,256,664	\$35,072,557	\$26,253,644
State Operating Grants	\$6,041,652	\$8,399,287	\$7,189,103	\$6,787,687	\$7,205,688
Local Operating Grants	\$1,146,219	\$1,151,425	\$1,465,932	\$1,531,207	\$1,506,817
State Operating rebates-CNG	\$0	\$0	\$0	\$0	\$0
Local Transportation Surtax	\$0	\$84,299,484	\$111,409,428	\$21,012,547	(\$216,090,967)
Other Federal Funds	\$0	\$0	\$1,985,705	\$944,142	\$332,014
Property Tax Proceeds	\$40,801,680	\$44,834,934	\$48,870,629	\$53,130,355	\$57,536,830
Interest Revenue	\$288,659	\$726,168	\$1,379,791	\$389,600	\$186,866
Total Non-Operating Revenues	\$60,316,797	\$151,924,780	\$201,557,252	\$118,868,095	(\$123,069,108)
Gain (Loss) before Capital Grants	(\$16,131,210)	\$65,740,127	\$102,312,517	\$22,325,220	(\$226,955,564)
CAPITAL GRANT REVENUES:					
Federal Capital Grants	\$9,398,143	\$11,430,645	\$4,831,653	\$7,884,702	\$2,570,418
State Capital Grants	\$1,108,304	\$641,910	\$1,416,991	\$782,539	\$722,107
Local Capital Grants	\$86,523	\$309,839	\$285,589	\$715,713	\$8,316
Developer Contributed Assets	\$0	\$0	\$14,600	\$14,600	\$0
Total Capital Contribution Revenue	\$10,592,970	\$12,382,394	\$6,548,833	\$9,397,554	\$3,300,841
Increase (Decrease) in Net Position	(\$5,538,240)	\$78,122,521	\$108,861,350	\$31,722,774	(\$223,654,723)
Net Position, Beginning Year	\$98,259,812	\$92,721,572	\$170,844,093	\$279,705,443	\$311,428,217
Net Position, End of the Year	\$92,721,572	\$170,844,093	\$279,705,443	\$311,428,217	\$87,773,494

* GASB 87 put in place in 2022 and 2021 restated for comparative reporting purposes

Statistical Section

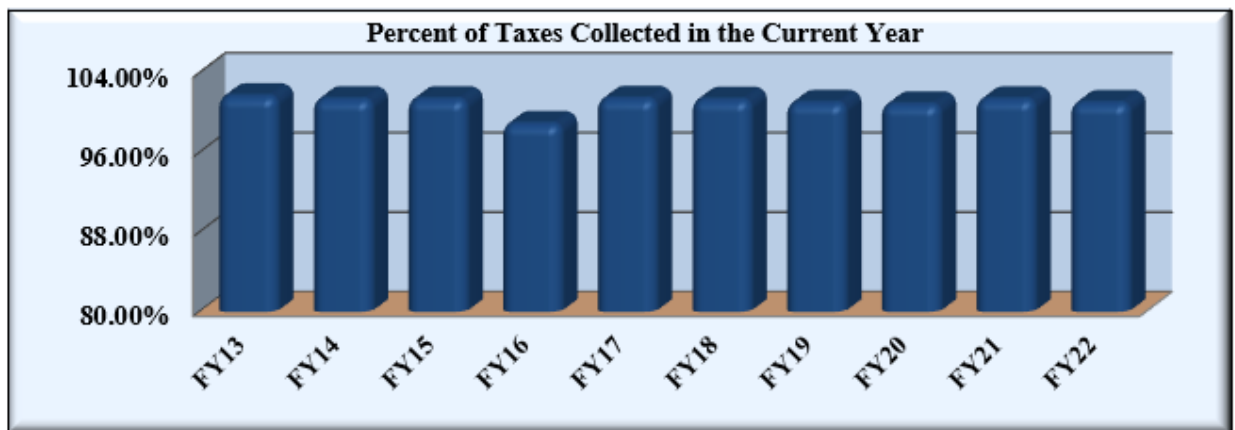
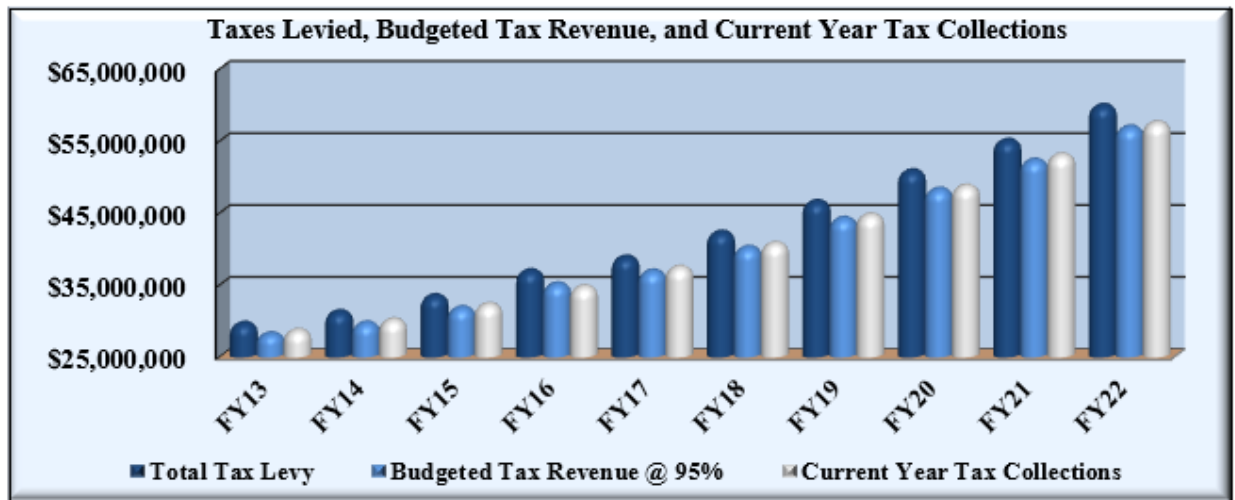
Revenue Capacity

- Hillsborough Transit Authority, Property Tax Levies and Collections (FY2013 to FY2022)
- Hillsborough County, FL, Taxable Assessed Value and Actual Value of Property (FY2007 to FY2022)
- Single Family Taxable Values and Levies (2008 to 2023)
- Millage Rates (2013 to 2022)
- Taxable Sales (2007 to 2022)
- Revenues by Source (FY2013 to FY2022)
- Property Tax Revenue Used for Operations (FY2013 to FY2022)

Note: The statistical section contains “Unaudited” data.

**HILLSBOROUGH TRANSIT AUTHORITY
PROPERTY TAX LEVIES AND COLLECTIONS FY2013-FY2022**

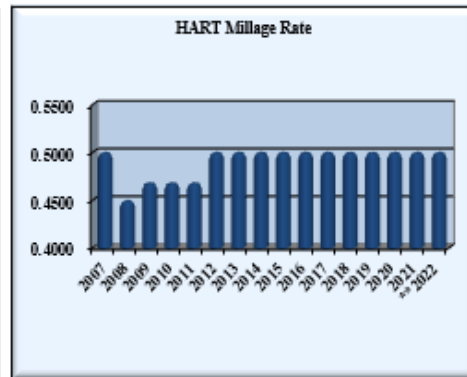
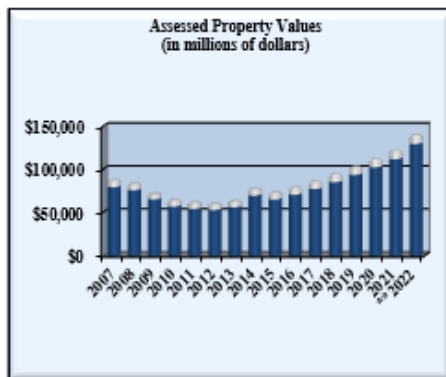
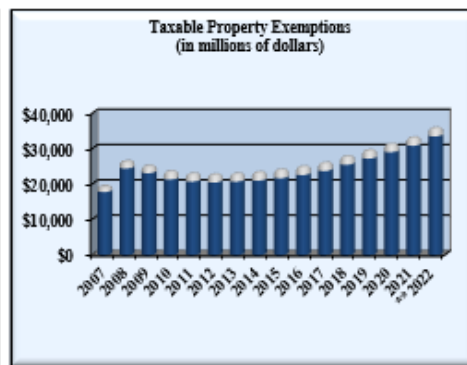
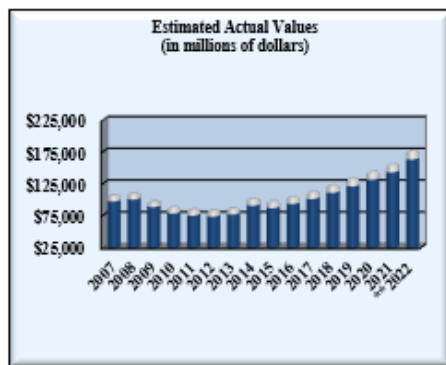
Fiscal Year	Total Tax Levy	Budgeted Tax Revenue @ 95%	Current Year Tax Collections	Percent of Current Year to Budget	Other Net Collections during the Year	Total Collections	Percent of Total Collections to Tax Levy	Millage Rate
FY2013	\$29,680,363	\$28,196,345	\$28,677,987	101.71%	\$101,968	\$28,779,955	96.97%	0.5000
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	\$57,537,147	101.04%	\$37,320	\$57,574,467	96.05%	0.5000



HILLSBOROUGH COUNTY, FLORIDA TAXABLE ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY 2007 to 2022							
Year	Estimated Actual		Exemptions*		Assessed Value*		HART's
	Real Property	Personal Property	Real Property	Personal Property	Real Property	Personal Property	Millage Rate
2007	\$97,915	\$8,988	\$17,866	\$1,432	\$80,049	\$7,556	0.5000
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

Notes: * Values in millions
**2022 Preliminary

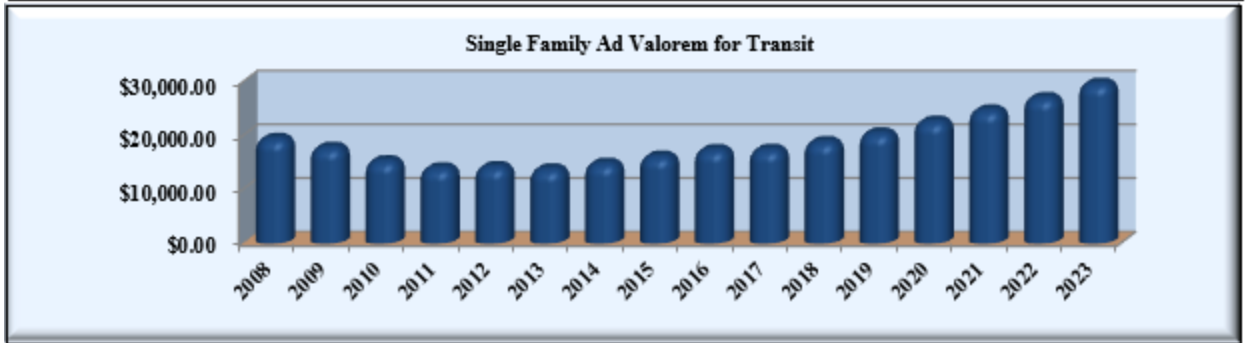
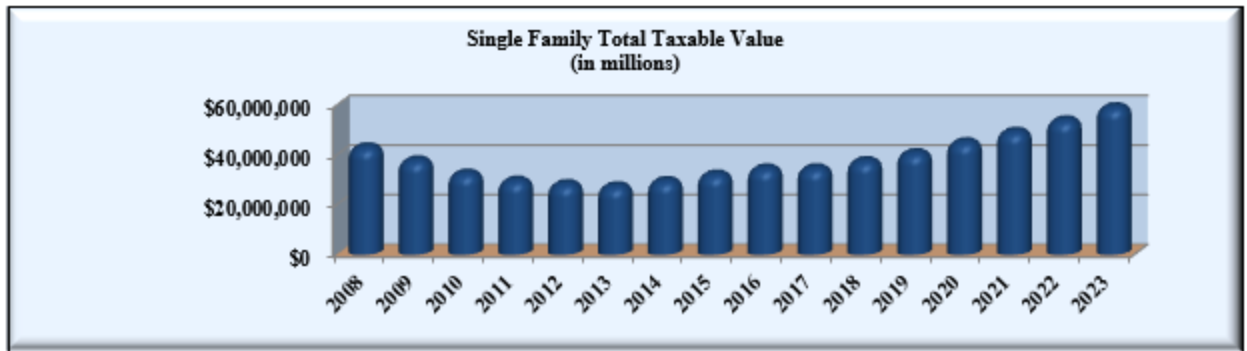
Source:
Florida Department of Revenue



**HILLSBOROUGH COUNTY, FLORIDA
SINGLE FAMILY TAXABLE VALUES AND LEVIES
2008-2023**

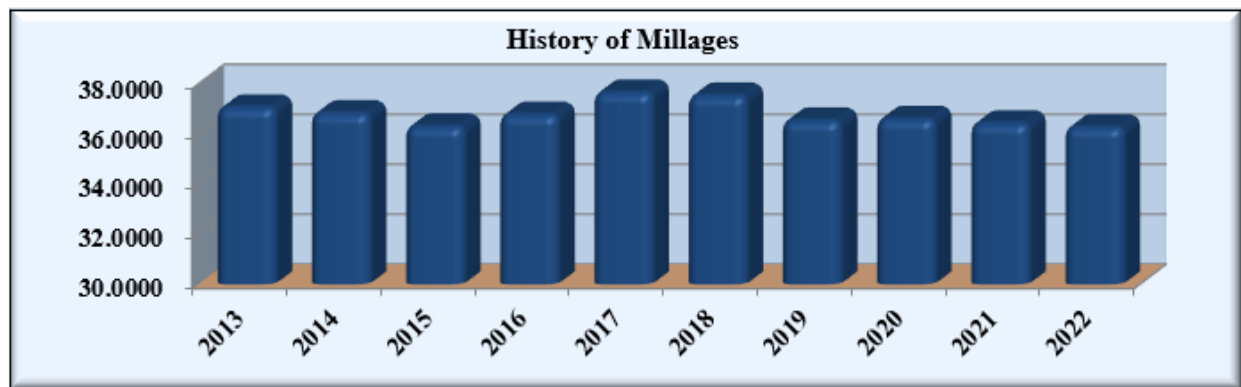
Fiscal Year	Tax Year	Single Family Taxable Values (000's)	HART's Millage Rate	Single Family Ad Valorem for Transit	Percent Change
2008	2007	\$43,386,630	0.4495	\$19,502.29	
2009	2008	\$38,109,677	0.4682	\$17,842.95	-8.5%
2010	2009	\$32,798,590	0.4682	\$15,356.30	-13.9%
2011	2010	\$29,953,254	0.4682	\$14,024.11	-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	\$34,873,178	0.5000	\$17,436.59	7.6%
2017	2016	\$34,943,064	0.5000	\$17,471.53	0.2%
2018	2017	\$37,817,808	0.5000	\$18,908.90	8.2%
2019	2018	\$41,073,218	0.5000	\$20,536.61	8.6%
2020	2019	\$45,434,858	0.5000	\$22,717.43	10.6%
2021	2020	\$49,606,553	0.5000	\$24,803.28	9.2%
2022	2021	\$54,215,674	0.5000	\$27,107.84	9.3%
2023	2022	\$59,528,781	0.5000	\$29,764.39	9.8%

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)



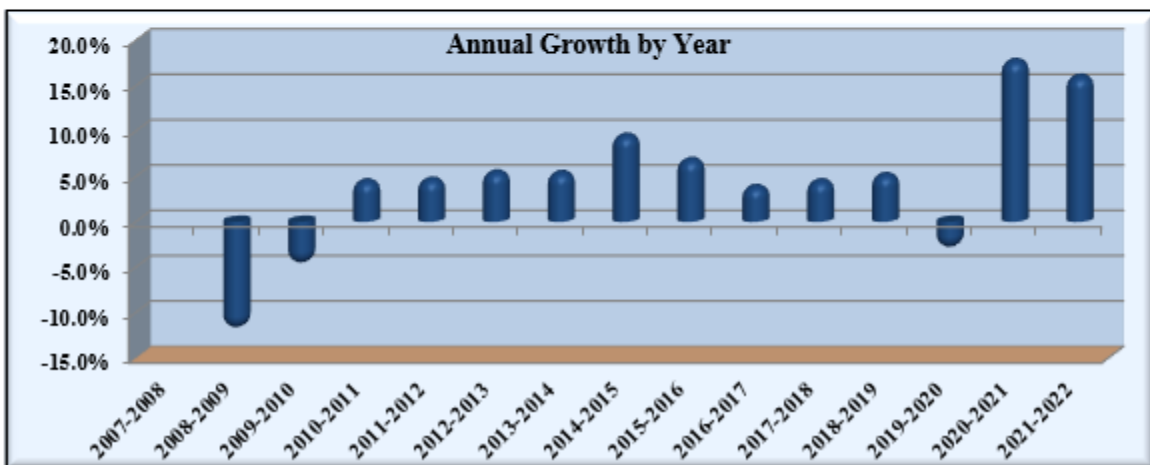
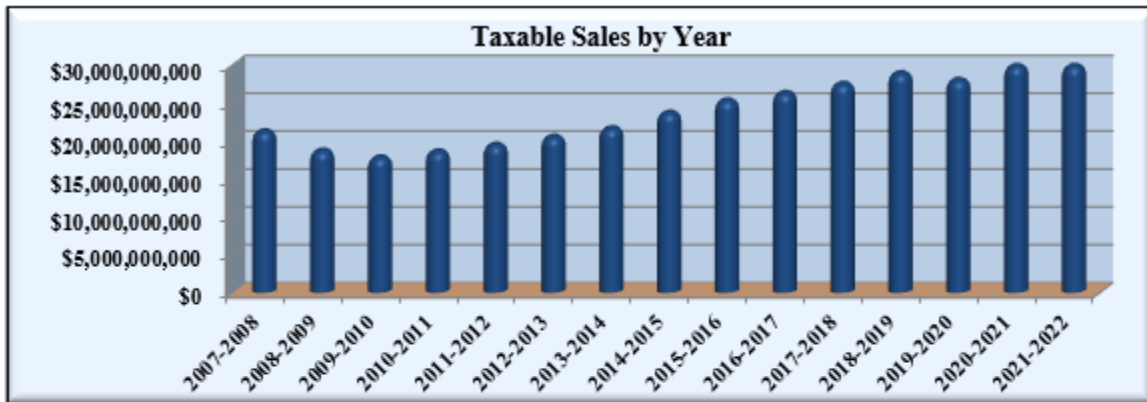
HILLSBOROUGH COUNTY, FLORIDA										
MILLAGE RATES										
2013 to 2022										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
District School Board:										
Local Required Effort	5.6290	5.4420	5.1050	4.9990	4.6580	4.3480	4.1660	3.8810	3.7050	3.5810
Discretionary Local	0.7480	0.7480	0.7480	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	7.8770	7.6900	7.3530	7.2470	6.9060	6.5960	6.4140	6.1290	5.9530	5.8290
Other County-Wide:										
Board of County Commissioners	5.7978	5.7960	5.7943	5.7322	5.7322	5.7309	5.3614	5.7309	5.7309	5.7309
Tampa Port Authority	0.1850	0.1750	0.1650	0.1550	0.1450	0.1300	0.1150	0.1050	0.1050	0.0935
Children's Board	0.5000	0.4828	0.4599	0.4589	0.4589	0.4589	0.4589	0.4589	0.4589	0.4589
S.W. Florida River Water Mgt.	0.3928	0.3818	0.3488	0.3488	0.3317	0.3131	0.2801	0.2801	0.2669	0.2535
Total Other County-Wide	6.8756	6.8356	6.7680	6.6949	6.6678	6.6329	6.2154	6.5749	6.5617	6.5368
Total County-Wide	14.7526	14.5256	14.1210	13.9419	13.5738	13.2289	12.6294	12.7039	12.5147	12.3658
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	5.7326	6.2076	6.2076	6.2076	6.2076	6.2076
Plant City	4.7157	4.7157	4.7157	4.7157	5.7157	5.7157	5.7157	5.7157	5.7157	5.7157
Temple Terrace	6.4300	6.4300	6.3050	6.9550	7.2050	6.9550	6.5550	6.5550	6.5550	6.5550
Grand Total Millages	37.0896	36.8626	36.3330	36.8039	37.6858	37.5659	36.5664	36.6349	36.4517	36.3028

Source:
Hillsborough Tax Collector



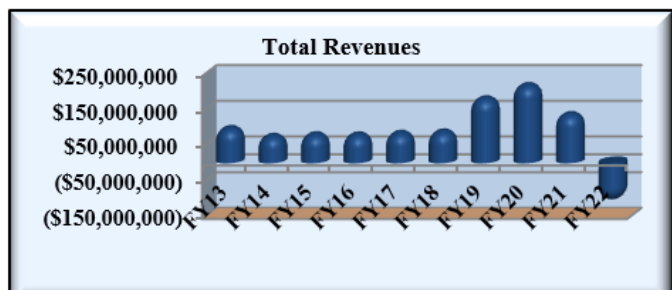
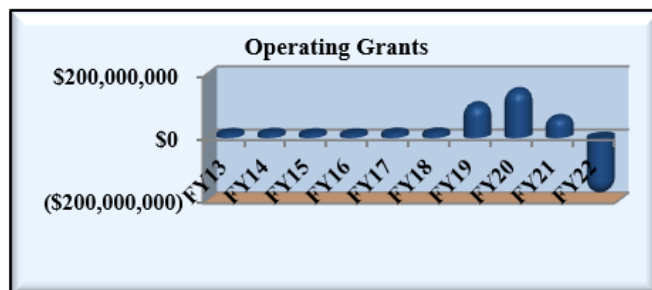
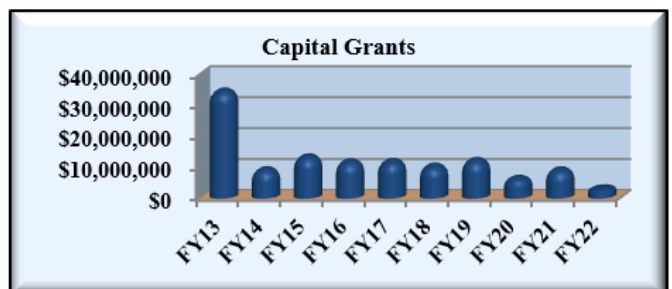
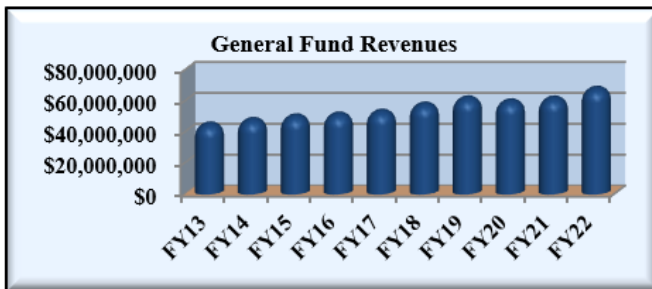
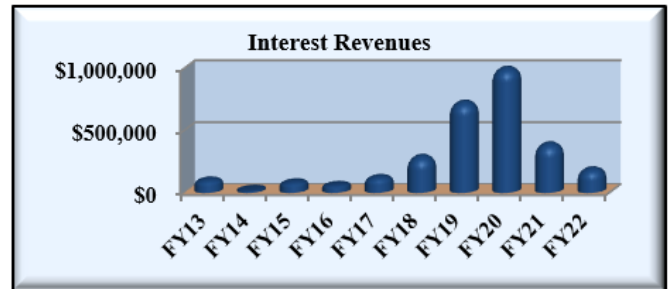
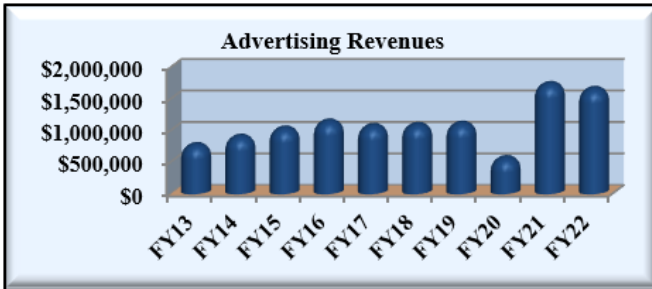
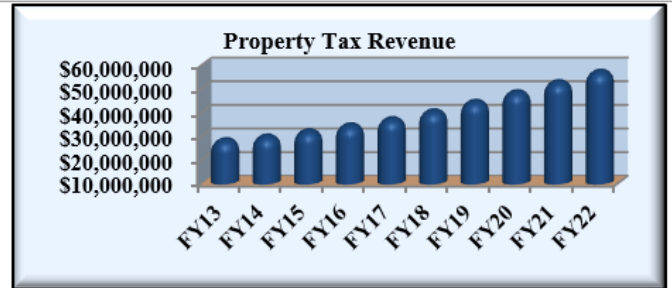
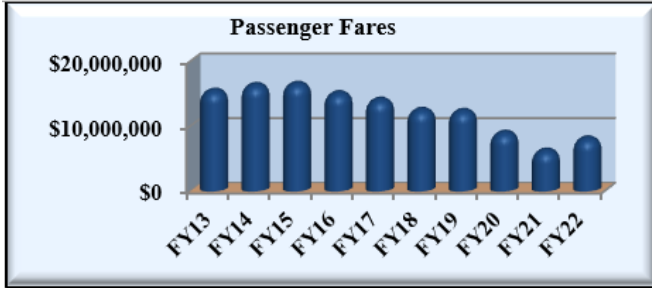
HILLSBOROUGH COUNTY, FLORIDA TAXABLE SALES 2007 to 2022					
State Fiscal Year	Hillsborough Taxable Sales	Annual Growth	Half Cent	Full Cent	Seven Cent
2007-2008	\$21,377,893,474		\$106,889,467	\$213,778,935	\$1,496,452,543
2008-2009	\$18,831,222,537	-11.9%	\$94,156,113	\$188,312,225	\$1,318,185,578
2009-2010	\$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

Source:
Florida Department of Revenue



REVENUES BY SOURCE					
FY2013 to FY2022					
	FY2013	FY2014	FY2015	FY2016	FY2017
GENERAL FUND REVENUES:					
Passenger Fare Revenues	\$15,536,071	\$16,420,800	\$16,593,816	\$15,155,608	\$14,148,572
Property Tax Proceeds	\$28,603,229	\$30,171,450	\$32,398,546	\$34,869,378	\$37,509,439
Advertising Revenues	\$770,830	\$903,308	\$1,033,518	\$1,144,644	\$1,072,635
Interest Revenues	\$101,034	\$20,823	\$84,466	\$60,899	\$122,610
Other Income (Loss)	(\$15,031)	\$392,061	\$116,589	\$237,079	\$405,193
Total General Funds	\$44,996,133	\$47,908,442	\$50,226,935	\$51,467,608	\$53,258,449
OPERATING GRANT REVENUES:					
Federal Operating Grants	\$11,410,293	\$11,508,660	\$10,726,311	\$9,893,280	\$12,409,977
State Operating Grants	\$5,351,617	\$5,295,505	\$4,906,810	\$5,205,625	\$5,335,689
Local Operating Grants	\$812,018	\$1,273,864	\$770,884	\$903,640	\$1,053,973
Local Transportation Surtax	\$0	\$0	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0	\$0	\$0
Total Operating Grants	\$17,573,928	\$18,078,029	\$16,404,005	\$16,002,545	\$18,799,639
CAPITAL GRANT REVENUES:					
Federal Capital Grants	\$15,801,857	\$6,759,290	\$13,088,152	\$9,744,445	\$11,283,930
State Capital Grants	\$300,171	\$730,031	\$89,406	\$1,857,575	\$562,907
Local Capital Grants	\$18,708,777	\$1,907,899	\$341,726	\$339,538	\$171,420
Developer Contributed Assets	\$35,190	\$36,408	\$33,025	\$33,025	\$64,688
Total Capital Revenues	\$34,845,995	\$9,433,628	\$13,552,309	\$11,974,583	\$12,082,945
Total Revenue	\$97,416,056	\$75,420,099	\$80,183,249	\$79,444,736	\$84,141,033
	FY2018	FY2019	FY2020	FY 2021	FY 2022
GENERAL FUND REVENUES:					
Passenger Fare Revenues	\$12,576,581	\$12,412,904	\$9,029,994	\$6,272,298	\$8,162,616
Property Tax Proceeds	\$40,801,680	\$44,834,934	\$48,870,629	\$53,130,355	\$57,536,830
Advertising Revenues	\$1,089,898	\$1,109,730	\$564,256	\$1,739,039	\$1,660,872
Interest Revenues	\$288,659	\$726,168	\$1,379,791	\$389,600	\$186,866
Other Income (Loss)	\$3,150,349	\$2,817,582	\$104,994	\$246,383	\$581,318
Total General Funds	\$57,907,167	\$61,901,318	\$59,949,664	\$61,777,675	\$68,128,502
OPERATING GRANT REVENUES:					
Federal Operating Grants	\$12,038,587	\$12,513,482	\$29,256,664	\$35,072,557	\$26,253,644
State Operating Grants	\$6,041,652	\$8,399,287	\$7,189,103	\$6,787,687	\$7,205,688
Local Operating Grants	\$1,146,219	\$1,151,425	\$1,465,932	\$1,531,207	\$1,506,817
Local Transportation Surtax	\$0	\$84,299,484	\$111,409,428	\$21,012,547	(\$216,090,967)
Other Federal Funds	\$0	\$0	\$1,985,705	\$944,142	\$332,014
Total Operating Grants	\$19,226,458	\$106,363,678	\$151,306,832	\$65,348,140	(\$180,792,804)
CAPITAL GRANT REVENUES:					
Federal Capital Grants	\$9,398,143	\$11,430,645	\$4,831,653	\$7,884,702	\$2,570,417
State Capital Grants	\$1,108,304	\$641,910	\$1,416,991	\$782,539	\$722,107
Local Capital Grants	\$86,253	\$309,839	\$285,589	\$715,713	\$8,316
Developer Contributed Assets	\$0	\$0	\$14,600	\$14,600	\$0
Total Capital Revenues	\$10,592,700	\$12,382,394	\$6,548,833	\$9,397,554	\$3,300,840
Total Revenue	\$87,726,325	\$180,647,390	\$217,805,329	\$136,523,369	(\$109,363,462)

REVENUES BY SOURCE FY2013 to FY2022



Operating Grants include Surtax Revenue and 2022 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 FY2013 to FY2022					
Fiscal Year	Property Tax Revenue	Percent Change	Bus & Paratransit Revenue	Percent of Total	Millage Rate
FY2013	\$28,603,229		\$60,703,030	47.12%	0.5000
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%	(\$166,900,292)	-34.47%	0.5000

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

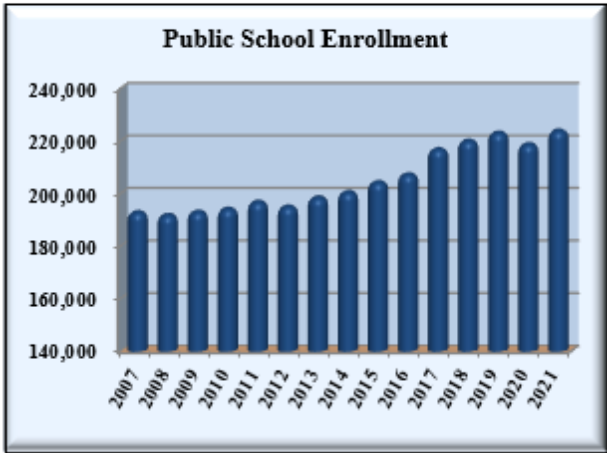
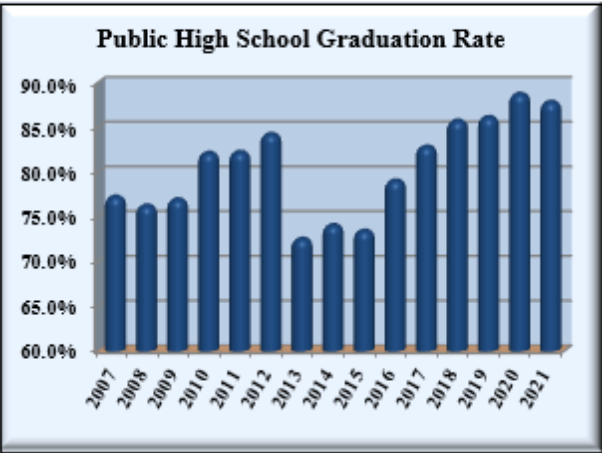
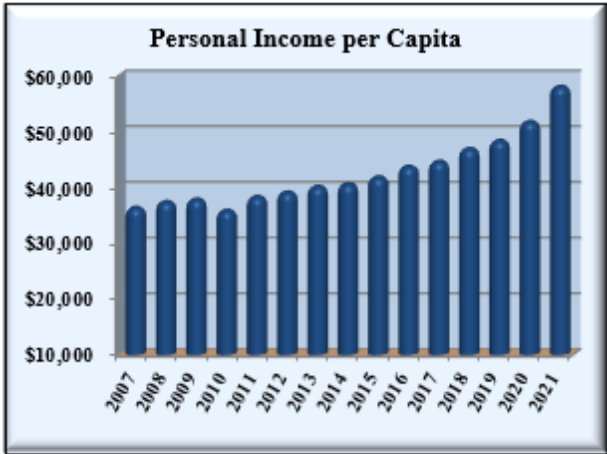
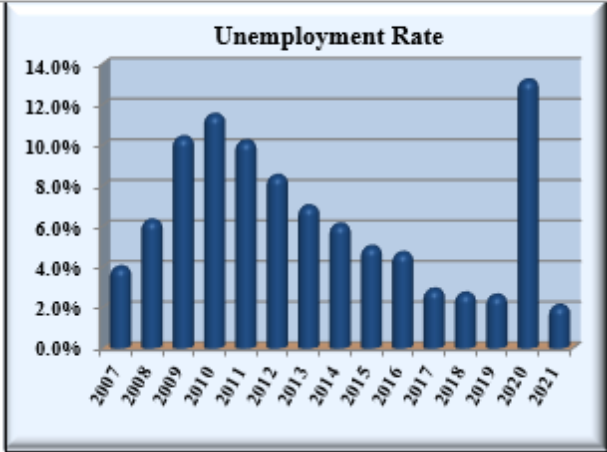
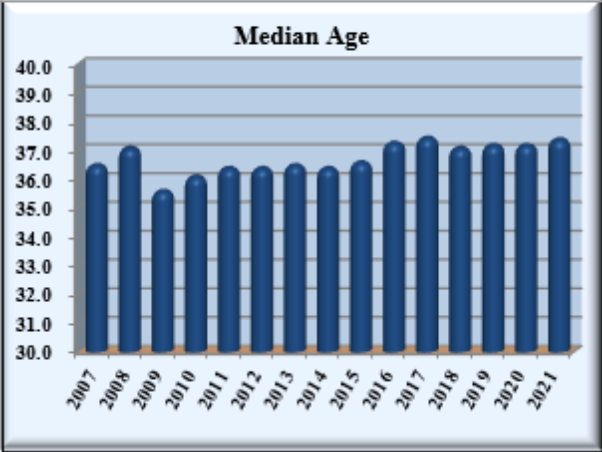
Statistical Section

Demographic and Economic Information

- Hillsborough County, Demographic and Economic Statistics (2007 to 2021)
- Principal Employers (2012 and 2021)

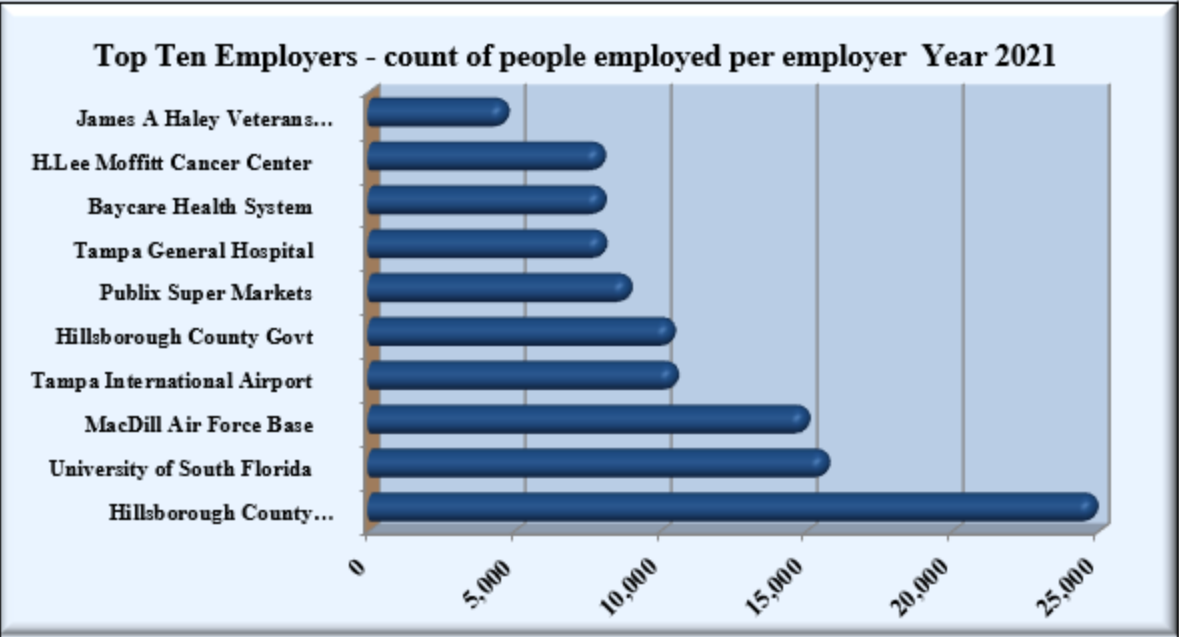
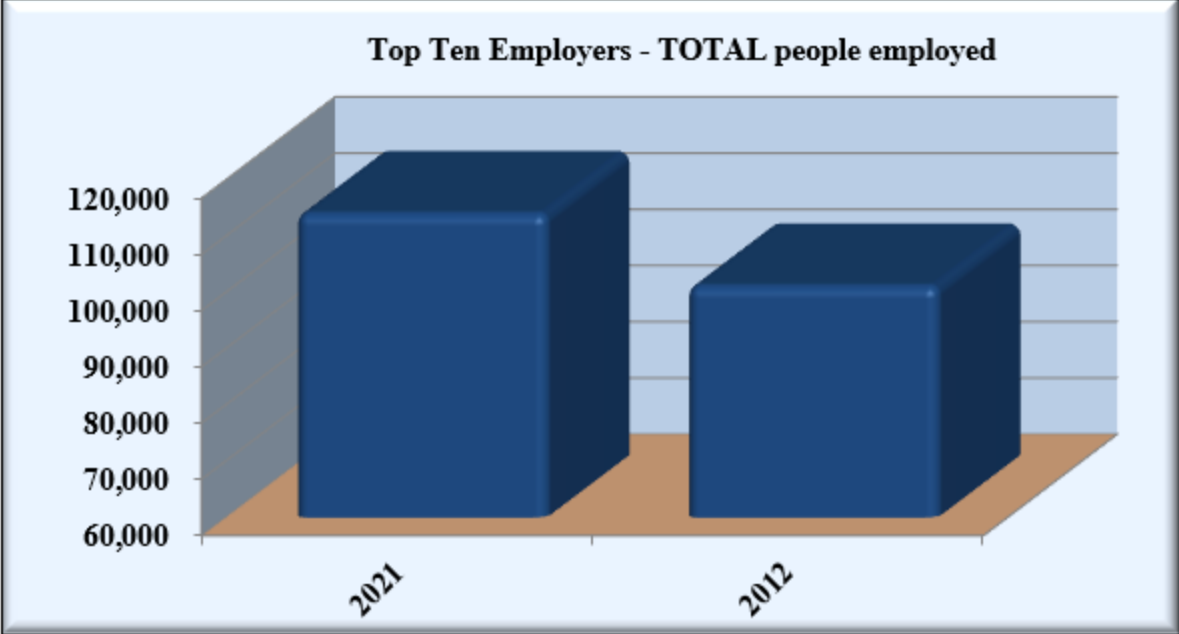
HILLSBOROUGH COUNTY, FLORIDA DEMOGRAPHIC AND ECONOMIC STATISTICS 2007 to 2021							
Year	Population	Median Age	Unemployment Rate	Personal Income (millions)	Personal Income (per capita)	Public High School Graduation Rate	Total Public School Enrollment
2007	1,184,686	36.5	4.0%	\$43,827	\$36,417	77.3%	193,062
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
	(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
2007 to 2021**



HILLSBOROUGH COUNTY, FLORIDA PRINCIPAL EMPLOYERS 2012 and 2021					
	2021 Rank	2021	2021 Percentage to Total	2012	2012 Percentage
Hillsborough County School District	1	24,866	21.8%	24,463	24.2%
University of South Florida	2	15,678	13.7%	9,464	9.3%
MacDill Air Force Base	3	15,000	13.1%	15,485	15.3%
Tampa International Airport	4	10,500	9.2%	7,500	7.4%
Hillsborough County Govt	5	10,394	9.1%	8,953	8.8%
Publix Super Markets	6	8,909	7.8%	5,714	5.6%
Tampa General Hospital	7	8,047	7.1%	6,515	6.4%
Baycare Health System	8	8,025	7.0%	-	0.0%
H.Lee Moffitt Cancer Center	9	8,000	7.0%	4,187	4.1%
James A Haley Veterans Hospital	10	4,700	4.1%	4,700	4.6%
Verizon Information Technologies		-	-	9,065	9.0%
AdventHealth West Florida Division		-	-	5,179	5.1%
Grand Totals		114,119	100.0%	101,225	100.0%
<i>Source: Hillsborough County Annual Comprehensive Financial Report</i>					

**HILLSBOROUGH COUNTY, FLORIDA
PRINCIPAL EMPLOYERS
2012 and 2021**



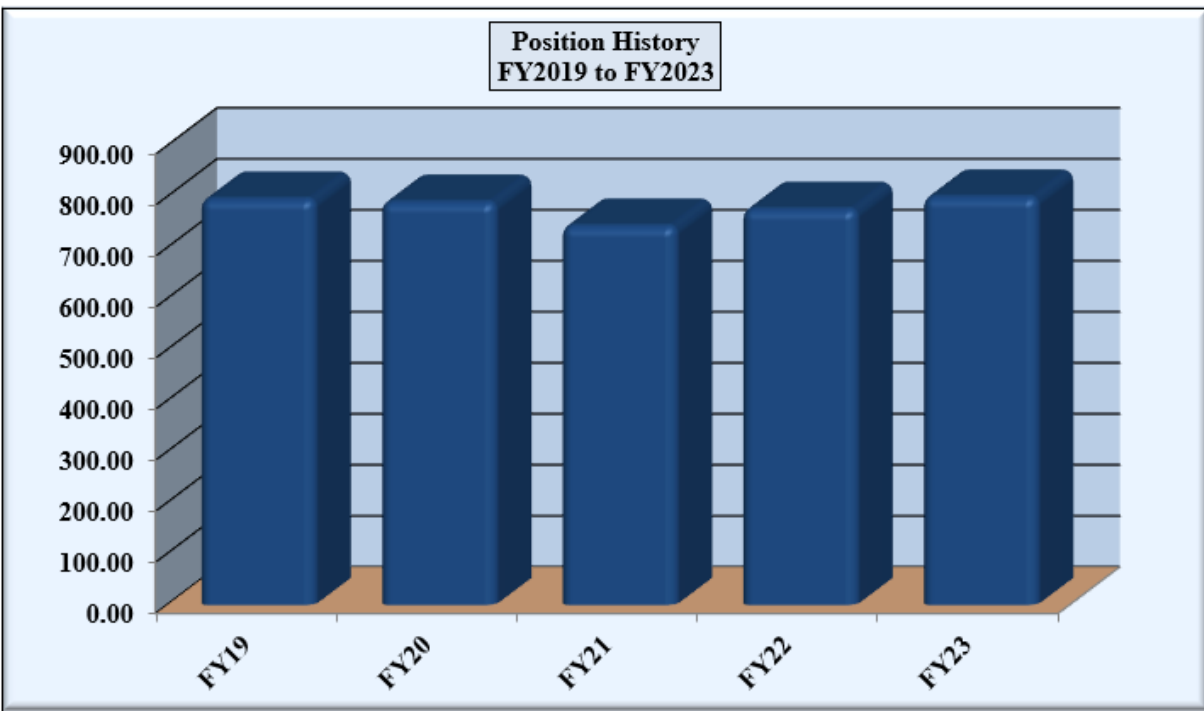
Statistical Section

Operating Information

- Miscellaneous HART Statistics
- Staffing – Position Count by Unit (FY2019 to FY2023)
- Bus Service Trends (FY2013 to FY2022)
- Paratransit Service Trends (FY2013 to FY2022)
- Streetcar Service Trends (FY2013 to FY2022)
- Expenses by Program (FY2013 to FY2022)

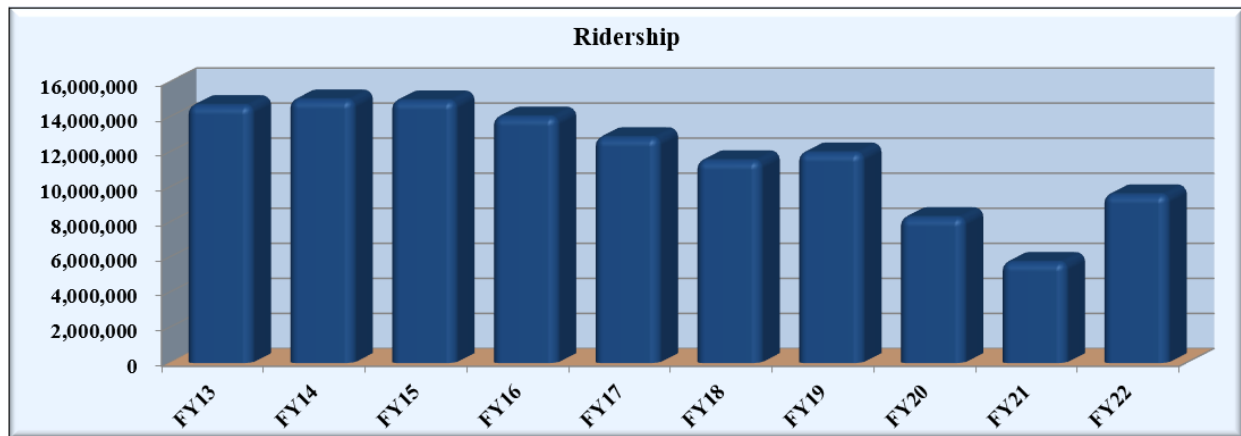
MISCELLANEOUS HART STATISTICS	
Date Authority Created	October 3, 1979
Date Authority Began Operations	March 1980
Form of Government	Board of Directors, Chief Executive Officer
Board of Directors	12
Total Square Miles	1266 Square miles **
Type of Tax Support	Property Tax
Property Tax (Millage/Rate) 2015 Adopted Budget	.5 mil (0.50)
Services	Fixed Route = 27 local routes, 1 MetroRapid route, and 4 limited Express routes. 100% wheelchair/bicycle accessible buses and vans Flex service = 1 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 299 are maintained by the Authority and 351 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	<ul style="list-style-type: none"> - 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	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Proposed	FY2023 Incr (Decr) FY2022
ATU	598.00	598.00	563.00	581.00	594.00	13.00
Teamster	53.00	54.00	53.00	52.00	52.00	0.00
Non-Bargaining	146.00	139.00	128.00	144.00	155.00	11.00
Total Positions	797.00	791.00	744.00	777.00	801.00	24.00

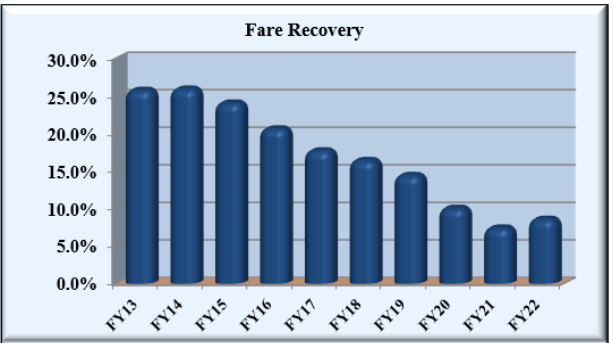
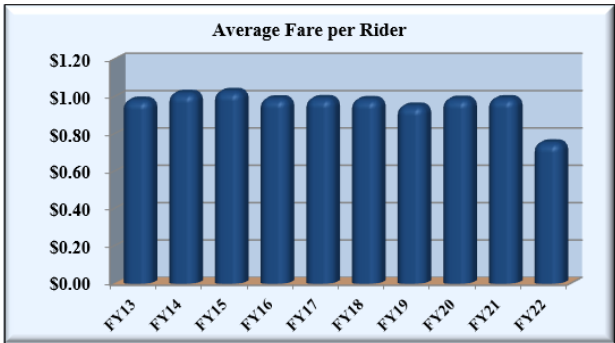
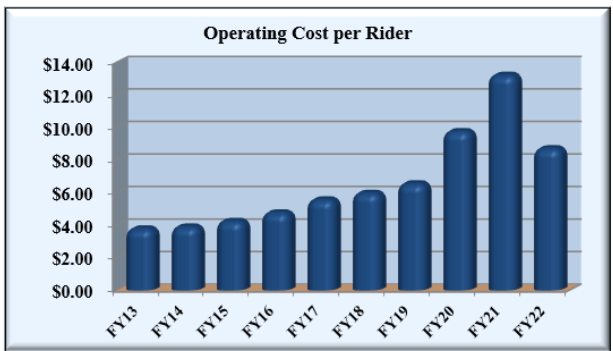
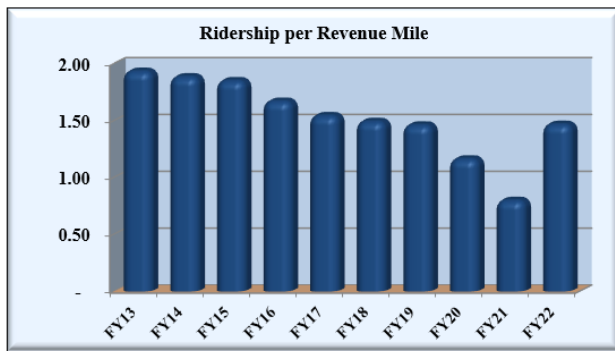
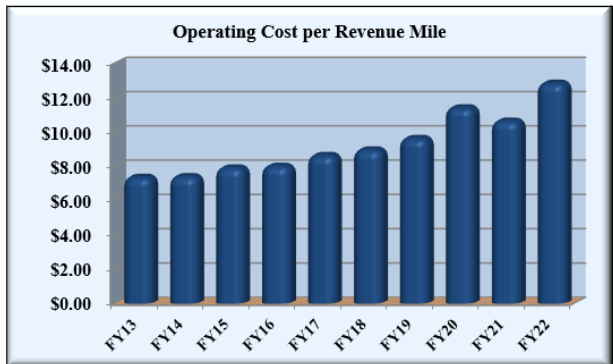
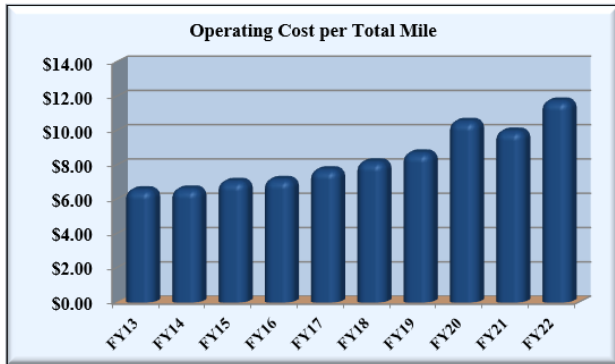


HILLSBOROUGH TRANSIT AUTHORITY TREND OF BUS SERVICE FY2013 to FY2017					
	FY2013	FY2014	FY2015	FY2016	FY2017
STATISTICS					
Total Miles *	8,516,695	8,908,643	9,052,316	9,378,111	9,294,792
Revenue Miles *	7,594,914	7,961,048	8,078,542	8,400,733	8,324,037
Total Hours*	645,804	678,449	686,304	703,706	696,251
Revenue Hours*	602,876	635,945	646,097	661,137	656,116
Vehicle Trips*	552,869	574,636	581,113	604,196	599,725
Ridership*	14,732,525	15,056,967	15,003,289	14,081,260	12,901,178
Positions*	670.5	679.3	676.5	698.0	684.0
REVENUES					
Passenger Fares	\$14,517,590	\$15,393,039	\$15,484,564	\$13,981,071	\$12,825,045
Ad Valorem	\$25,574,942	\$26,815,634	\$29,583,129	\$31,576,314	\$33,967,084
Operating Grant Revenues	\$15,402,438	\$15,825,431	\$14,238,190	\$13,477,832	\$14,898,215
Other Revenues	\$856,438	\$1,264,650	\$1,219,233	\$1,465,920	\$1,599,991
Total Operating Revenues	\$56,351,408	\$59,298,754	\$60,525,116	\$60,501,137	\$63,290,335
EXPENSES					
Total Operating Expenses	\$56,195,624	\$59,204,422	\$64,165,322	\$67,549,582	\$72,191,976
KEY OPERATING INDICATORS					
Operating Cost per Total Mile	\$6.60	\$6.65	\$7.09	\$7.20	\$7.77
Operating Cost per Revenue Mile	\$7.40	\$7.44	\$7.94	\$8.04	\$8.67
Ridership per Revenue Mile	1.94	1.89	1.86	1.68	1.55
Operating Cost per Rider	\$3.81	\$3.93	\$4.28	\$4.80	\$5.60
Average Fare per Rider	\$0.99	\$1.02	\$1.03	\$0.99	\$0.99
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	25.8%	26.0%	24.1%	20.7%	17.8%

HILLSBOROUGH TRANSIT AUTHORITY TREND OF BUS SERVICE FY2018 to FY2022					
	FY2018	FY2019	FY2020	FY21	FY22
STATISTICS					
Total Miles*	8,450,701	9,056,592	7,713,928	7,652,872	7,157,294
Revenue Miles*	7,730,066	8,199,394	7,135,272	7,187,617	6,544,375
Total Hours*	660,283	692,964	595,430	602,434	554,216
Revenue Hours*	631,317	662,198	574,098	584,719	535,992
Vehicle Trips*	694,737	681,158	590,513	596,336	602,343
Ridership*	11,586,334	12,032,360	8,343,331	5,784,404	9,644,403
Positions*	646.0	677.0	640.0	624.0	638.0
REVENUES					
Passenger Fares	\$11,455,183	\$11,477,437	\$8,265,314	\$5,746,646	\$7,297,322
Ad Valorem	\$36,958,839	\$40,760,104	\$46,435,486	\$49,135,127	\$52,861,038
Operating Grant Revenues	\$15,118,795	\$16,829,916	\$30,800,393	\$36,100,159	\$31,478,353
Other Revenues	\$4,528,343	\$4,652,989	\$4,037,992	\$3,229,204	\$2,580,976
Total Operating Revenues	\$68,061,160	\$73,720,446	\$89,539,185	\$94,211,136	\$94,217,689
EXPENSES					
Total Operating Expenses	\$69,518,173	\$79,232,697	\$81,694,363	\$76,693,257	\$88,130,868
KEY OPERATING INDICATORS					
Operating Cost per Total Mile	\$8.23	\$8.75	\$10.59	\$10.02	\$12.31
Operating Cost per Revenue Mile	\$8.99	\$9.66	\$11.45	\$10.67	\$13.47
Ridership per Revenue Mile	1.50	1.47	1.17	0.80	1.47
Operating Cost per Rider	\$6.00	\$6.58	\$9.79	\$13.26	\$9.14
Average Fare per Rider	\$0.99	\$0.95	\$0.99	\$0.99	\$0.76
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	16.5%	14.5%	10.1%	7.5%	8.3%
<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>					

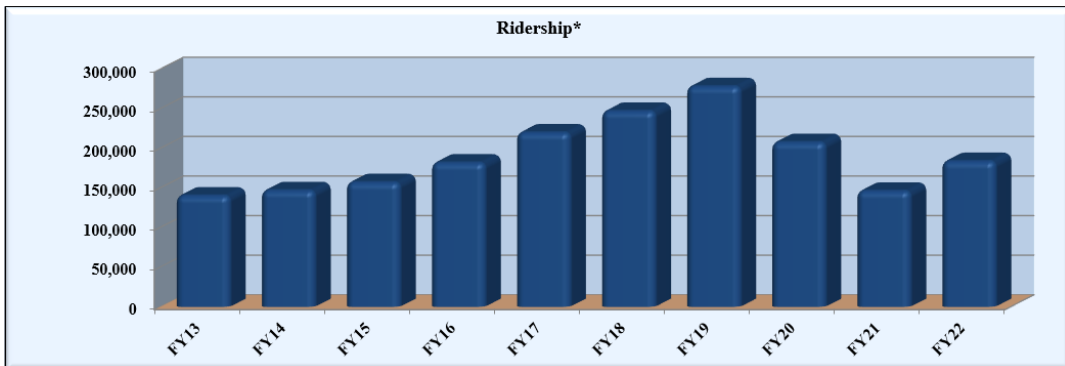


**HILLSBOROUGH TRANSIT AUTHORITY
TREND OF BUS SERVICE
FISCAL YEARS 2013 to 2022**

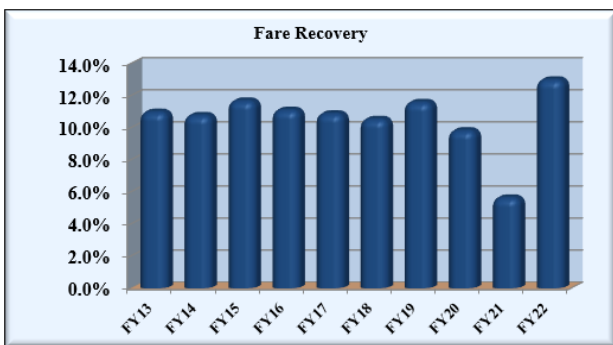
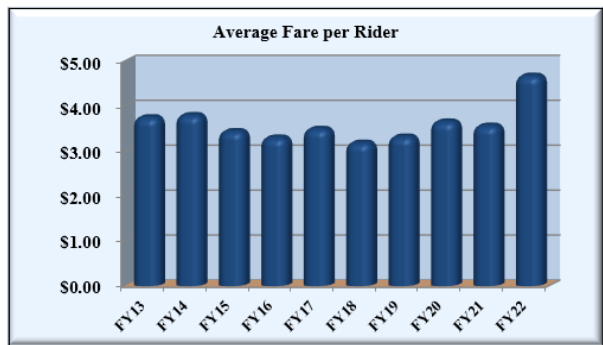
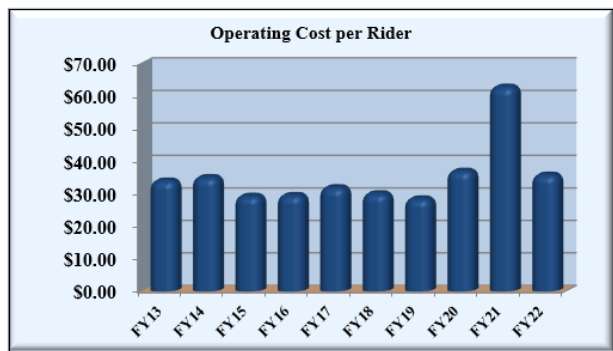
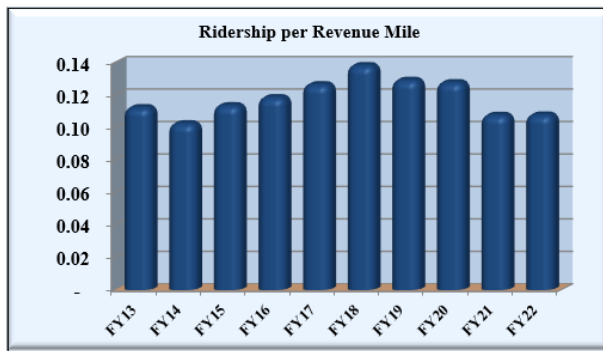
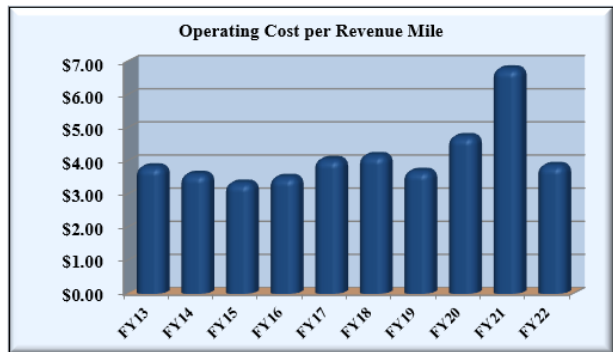
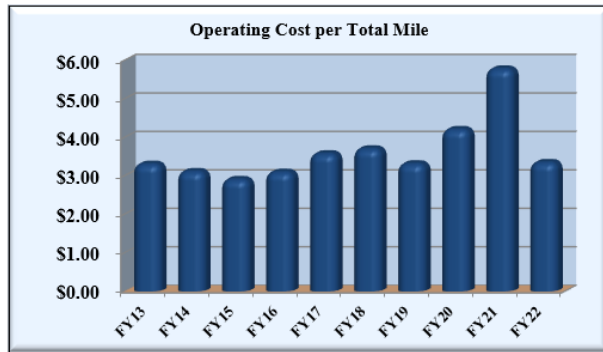


HILLSBOROUGH TRANSIT AUTHORITY TREND OF PARATRANSIT SERVICE FY2013 to FY2017					
	FY13	FY14	FY15	FY16	FY17
Total Hours*	104,730	108,904	108,920	113,010	141,802
Revenue Hours*	84,429	90,492	93,469	96,861	123,641
Vehicle Trips*	124,442	134,488	141,198	167,318	206,914
Ridership*	141,219	147,828	158,090	182,883	220,922
Positions*	75.0	86.0	79.0	99.0	88.0
REVENUES					
Passenger Fares	\$530,893	\$562,749	\$545,456	\$604,772	\$773,229
Ad Valorem	\$3,028,287	\$3,355,816	\$2,815,417	\$3,293,064	\$3,542,355
Operating Grant Revenues	\$1,259,472	\$1,287,491	\$1,294,931	\$1,531,073	\$2,768,455
Other Revenues	\$368	\$179	\$252	\$321	\$429
Total Operating Revenues	\$4,819,020	\$5,206,235	\$4,656,056	\$5,429,230	\$7,084,468
EXPENSES					
Total Operating Expenses	\$4,819,020	\$5,206,235	\$4,656,056	\$5,429,230	\$7,084,468
KEY OPERATING INDICATORS					
Operating Cost per Total Mile	\$3.32	\$3.13	\$2.92	\$3.11	\$3.59
Operating Cost per Revenue Mile	\$3.85	\$3.62	\$3.35	\$3.53	\$4.07
Ridership per Revenue Mile	0.11	0.10	0.11	0.12	0.13
Operating Cost per Rider	\$34.12	\$35.22	\$29.45	\$29.69	\$32.07
Average Fare per Rider	\$3.76	\$3.81	\$3.45	\$3.31	\$3.50
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	11.0%	10.8%	11.7%	11.1%	10.9%

HILLSBOROUGH TRANSIT AUTHORITY TREND OF PARATRANSIT SERVICE FY2018 to FY2022					
	FY18	FY19	FY20	FY21	FY22
STATISTICS					
Total Miles*	2,016,025	2,402,235	1,836,848	1,599,966	1,974,734
Revenue Miles*	1,790,463	2,155,760	1,629,486	1,363,101	1,708,365
Total Hours*	116,736	138,070	108,036	120,912	146,021
Revenue Hours*	98,390	120,621	93,127	100,864	122,835
Vehicle Trips*	231,467	175,867	126,483	129,316	165,154
Ridership*	248,133	279,278	208,715	147,186	184,771
Positions*	93.0	91.0	121.0	95.0	107.0
REVENUES					
Passenger Fares	\$792,382	\$929,626	\$764,680	\$525,652	\$865,294
Ad Valorem	\$3,842,841	\$4,074,830	\$2,435,143	\$3,995,228	\$4,675,792
Operating Grant Revenues	\$2,861,444	\$2,992,853	\$4,555,374	\$4,751,039	\$1,099,004
Other Revenues	\$448	\$410	\$0	\$409	\$545
Total Operating Revenues	\$7,497,115	\$7,997,719	\$7,755,197	\$9,272,328	\$6,640,635
EXPENSES					
Total Operating Expenses	\$7,497,115	\$7,997,719	\$7,755,197	\$9,272,328	\$6,640,635
Operating Cost per Total Mile	\$3.72	\$3.33	\$4.22	\$5.80	\$3.36
Operating Cost per Revenue Mile	\$4.19	\$3.71	\$4.76	\$6.80	\$3.89
Ridership per Revenue Mile	0.14	0.13	0.13	0.11	0.11
Operating Cost per Rider	\$30.21	\$28.64	\$37.16	\$63.00	\$35.94
Average Fare per Rider	\$3.19	\$3.33	\$3.66	\$3.57	\$4.68
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	10.6%	11.6%	9.9%	5.7%	13.0%
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>					

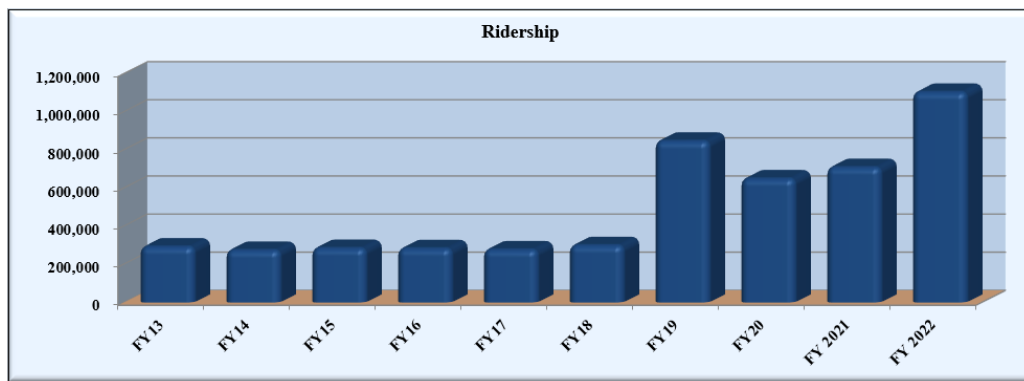


**HILLSBOROUGH TRANSIT AUTHORITY
TREND OF PARATRANSIT SERVICE
FISCAL YEARS 2013 to 2022**

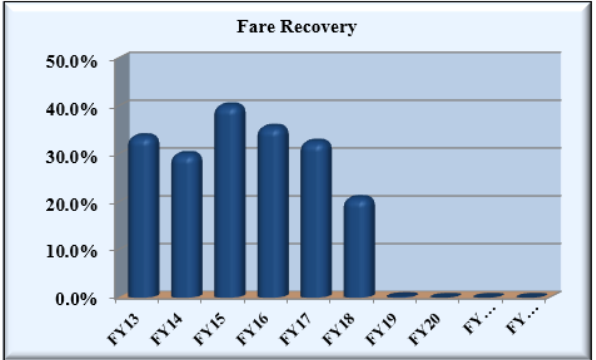
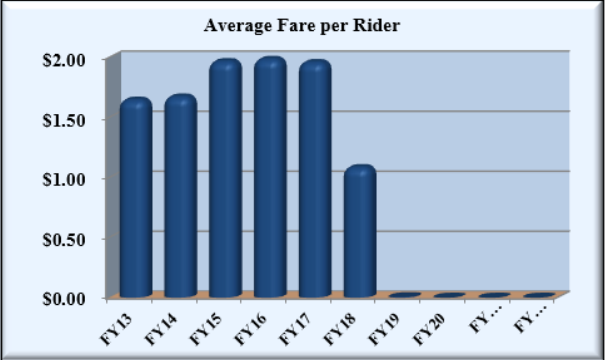
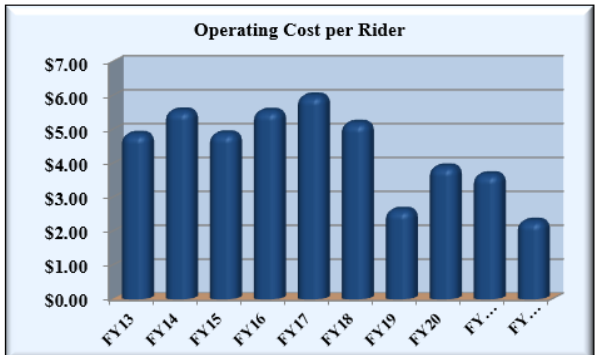
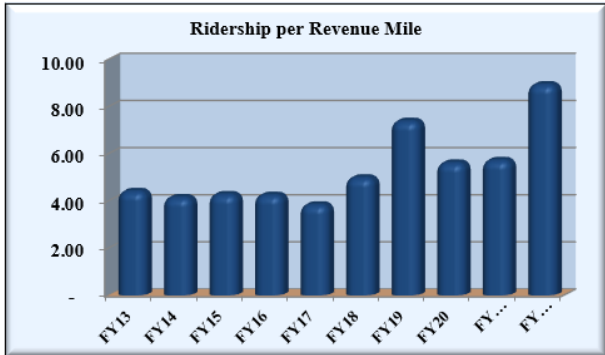
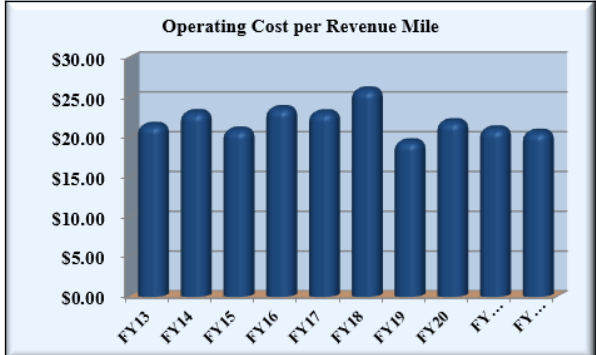


HILLSBOROUGH TRANSIT AUTHORITY TREND OF STREETCAR SERVICE FY2013 to FY2017					
	FY13	FY14	FY15	FY16	FY17
STATISTICS					
Total Miles *	66,779	66,611	67,041	67,156	73,183
Revenue Miles *	66,757	66,587	67,018	67,134	72,666
Total Hours*	12,476	12,446	12,525	12,547	13,659
Revenue Hours*	12,404	12,373	12,463	12,475	13,576
Vehicle Trips*	26,400	26,334	26,504	28,921	28,760
Ridership*	295,916	277,806	288,131	286,685	280,601
Positions*	16.5	17.0	19.0	18.0	19.0
REVENUES					
Passenger Fares	\$487,588	\$465,012	\$567,297	\$569,765	\$550,298
Ad Valorem	\$0	\$0	\$0	\$0	\$0
Operating Grant Revenues	\$912,018	\$965,107	\$870,884	\$993,640	\$1,132,969
Other Revenues	\$27	\$51,363	\$11,587	-\$23,619	\$18
Total Operating Revenues	\$1,399,633	\$1,481,482	\$1,449,768	\$1,539,786	\$1,683,285
EXPENSES					
Total Operating Expenses	\$1,444,357	\$1,547,682	\$1,410,802	\$1,594,582	\$1,687,448
KEY OPERATING INDICATORS					
Operating Cost per Total Mile	\$21.63	\$23.23	\$21.04	\$23.74	\$23.06
Operating Cost per Revenue Mile	\$21.64	\$23.24	\$21.05	\$23.75	\$23.22
Ridership per Revenue Mile	4.43	4.17	4.30	4.27	3.86
Operating Cost per Rider	\$4.88	\$5.57	\$4.90	\$5.56	\$6.01
Average Fare per Rider	\$1.65	\$1.67	\$1.97	\$1.99	\$1.96
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	33.8%	30.0%	40.2%	35.7%	32.6%

HILLSBOROUGH TRANSIT AUTHORITY TREND OF STREETCAR SERVICE FY2018 to FY2022					
	FY18	FY19	FY20	FY 21	FY 22
Total Hours*	11,575	21,982	21,960	23,620	22,487
Revenue Hours*	11,508	20,758	21,842	23,564	22,487
Vehicle Trips*	24,984	43,539	44,424	48,862	48,591
Ridership*	302,872	850,853	653,232	712,693	1,107,584
Positions*	24.0	29.0	30.0	25.0	32.0
REVENUES					
Passenger Fares	\$329,016	\$5,841	\$0	\$0	\$0
Ad Valorem	\$0	\$0	\$0	\$0	\$0
Operating Grant Revenues	\$1,246,219	\$2,241,425	\$2,555,932	\$2,540,253	\$2,388,792
Other Revenues	\$115	\$81	-\$3,246	\$89,550	\$179,550
Total Operating Revenues	\$1,575,350	\$2,247,347	\$2,552,686	\$2,629,803	\$2,568,342
EXPENSES					
Total Operating Expenses	\$1,577,705	\$2,247,347	\$2,561,056	\$2,629,803	\$2,568,342
KEY OPERATING INDICATORS					
Operating Cost per Total Mile	\$25.26	\$19.10	\$22.01	\$20.56	\$20.32
Operating Cost per Revenue Mile	\$26.09	\$19.57	\$22.10	\$21.20	\$20.78
Ridership per Revenue Mile	5.01	7.41	5.64	5.74	8.96
Operating Cost per Rider	\$5.21	\$2.64	\$3.92	\$3.69	\$2.32
Average Fare per Rider	\$1.09	\$0.01	\$0.00	\$0.00	\$0.00
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	20.9%	0.3%	0.0%	0.0%	0.0%
Note : <i>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.</i>					



**HILLSBOROUGH TRANSIT AUTHORITY
TREND OF STREETCAR SERVICE
FISCAL YEARS 2013 to 2022**



HILLSBOROUGH TRANSIT AUTHORITY					
EXPENSES BY PROGRAM					
FY2013 to FY2022					
	FY2013	FY2014	FY2015	FY2016	FY2017
OPERATING EXPENSES:		RESTATED			
Bus Operations	\$41,650,103	\$37,347,689	\$42,664,566	\$44,182,428	\$47,715,002
Paratransit Operations	\$4,819,020	\$5,206,235	\$4,656,056	\$5,429,230	\$7,084,468
Streetcar Operations	\$1,444,357	\$1,547,682	\$1,410,802	\$1,594,582	\$1,687,448
Administration & Other	\$14,545,520	\$21,856,733	\$21,500,756	\$23,367,153	\$24,476,974
Op. Exp Reimb by Grants	\$3,070,237	\$1,595,894	\$1,793,741	\$1,440,203	\$1,750,812
Total Operating Expenses	\$65,529,238	\$67,554,233	\$72,025,921	\$76,013,596	\$82,714,704
Depreciation Expense	\$11,635,161	\$10,578,252	\$11,671,433	\$11,652,527	\$12,164,514
Lease Amortization Expense	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$77,164,399	\$78,132,485	\$83,697,354	\$87,666,123	\$94,879,218

	FY2018	FY2019	FY2020	FY 2021	FY 2022
OPERATING EXPENSES:					
Bus Operations	\$44,052,634	\$53,215,806	\$55,974,173	\$65,954,761	\$73,445,182
Paratransit Operations	\$7,497,115	\$7,997,719	\$7,755,197	\$9,272,328	\$6,640,635
Streetcar Operations	\$1,577,705	\$2,247,347	\$2,561,056	\$2,629,803	\$2,568,342
Administration & Other	\$25,465,538	\$26,016,891	\$25,720,190	\$10,990,371	\$14,685,686
Op. Exp Reimb by Grants	\$2,477,538	\$693,637	\$4,125,879	\$3,087,727	\$4,845,377
Total Operating Expenses	\$81,070,530	\$90,171,400	\$96,136,495	\$91,934,990	\$102,185,222
Depreciation Expense	\$12,194,544	\$12,353,469	\$12,807,484	\$12,845,735	\$12,086,256
Lease Amortization Expense	\$0	\$0	\$0	\$19,870	\$19,784
Total Expenses	\$93,265,074	\$102,524,869	\$108,943,979	\$104,800,595	\$114,291,262

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.

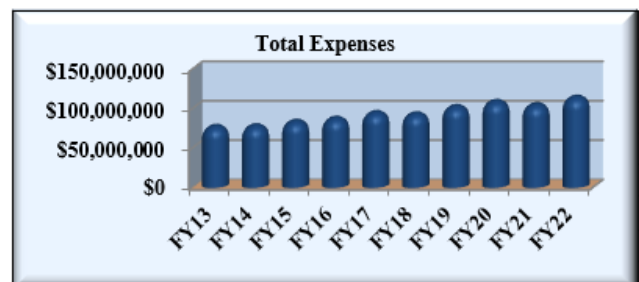
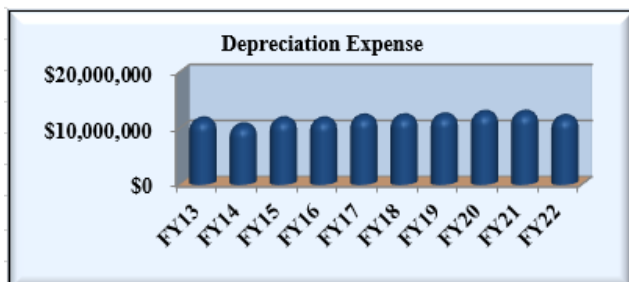
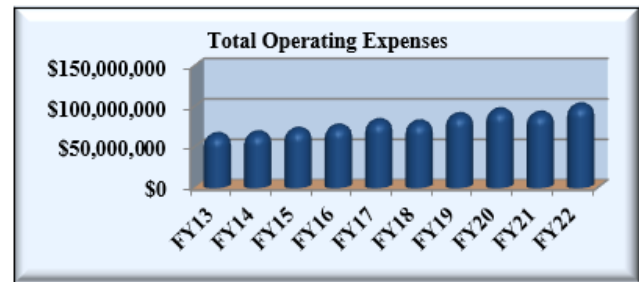
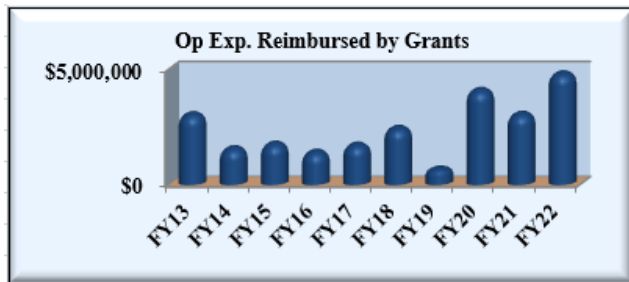
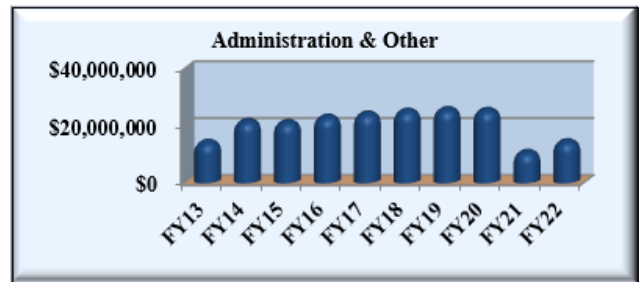
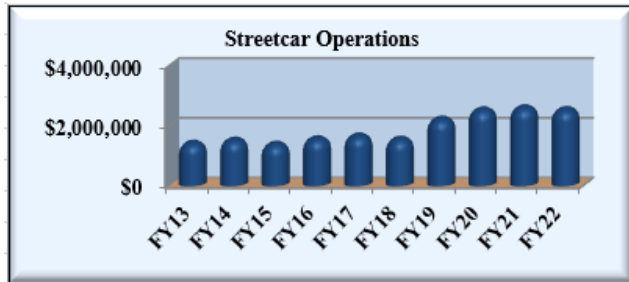
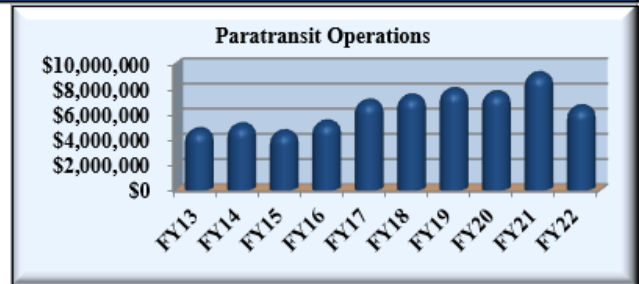
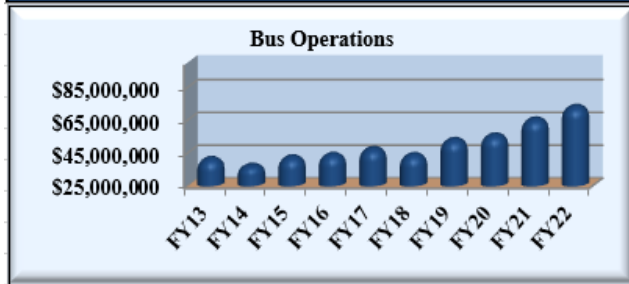
Operating Expense reimbursed by Grants are costs which are grant funded but are not classified as capital assets and need to be recognized as operating costs.

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
FY2013 to FY2022**



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, 2022, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated May 24, 2023.

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 items 2022-001 and 2022-002, that we consider to be material weaknesses.

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

The Authority's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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
May 24, 2023



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, 2022. 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, 2022.

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 project.

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 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 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 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
May 24, 2023

HILLSBOROUGH TRANSIT AUTHORITY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2022

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, 2022

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

Dollar threshold used to determine Type A programs:

Federal programs	\$ 862,799
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 2022-001 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, 2022, 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. During the fiscal year 2022 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.

- During the year ended September 30, 2021, a post-closing entry was made to properly balance the financial statements. Finance staff was unable to determine the cause for the unbalance and thus, an entry was made to decrease inventory and decrease net position for approximately \$159,000. At September 30, 2021, inventory was understated by approximately \$159,000. Management corrected the inventory balance in the current year. As such, the operating expenses for the year ended September 30, 2022, are overstated by approximately \$159,000.
- A post-closing entry was made in the amount of approximately \$216,000,000 to properly record payment of HART’s portion of a 1% Transportation Improvement Surtax to the State of Florida. Finance staff originally posted the entry directly to net position rather than as nonoperating expenses. Additionally, approximately \$2,600,000 of interest income earned on the Transportation Improvement Surtax funds needed to be reclassified from investment income to nonoperating expenses.
- A post-closing entry was made to remove Florida Retirement System contributions from the calculation of the compensated absences liability. Finance staff had previously recorded the full contribution as a part of the calculation; however, this additional created an overstatement of the entity’s obligation related to compensated absences. The amount of this adjustment was approximately \$46,000.
- A post-closing entry was made to remove a previously recorded environmental remediation liability related to Areas of Concern designated by the Hillsborough County Environmental Protection Commission and a contract for remediation for which the accrued payment was determined not to be owed to a third party. The liability removed was approximately \$150,000.
- A post-closing entry was made to reclass Federal Transit Authority funding previously recorded to ad valorem tax revenues. These funds are directly related to the purchase of buses. The amount of this adjustment was approximately \$646,000.

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

YEAR ENDED SEPTEMBER 30, 2022

- After finance staff's reconciliation of the capital assets balances in the general ledger to the amounts recorded in the financial statements, it was discovered that capital asset additions were overstated. The amount of this adjustment was approximately \$2,500,000.
- After finance staff's reconciliation of the capital assets balances in the general ledger to the amounts recorded in the financial statements, it was discovered that depreciation expense was overstated. The amount of this adjustment was approximately \$4,000.
- 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.

- Multiple post-closing entries amounting to approximately \$150,000 were posted to close fund level activities after receipt of the initial trial balance and general ledger.
- Following receipt of the initial trial balance and general ledger, finance staff made several post-closing entries for OPEB and compensated absence activities in addition to the implementation of new accounting standards. The amount of these adjustments was approximately \$180,000

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.

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

Criteria: 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.

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

YEAR ENDED SEPTEMBER 30, 2022

Condition: 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.

Cause: Personnel had insufficient communication regarding the status of FTA grants.

Effect: Communication regarding the pre-award authority of FTA grants was not provided to the individuals responsible for recording revenue. Communication regarding the status of open projects and percentages complete at year end.

Recommendation: We recommend that the Authority employ a process to track whether or not FTA grants received fully executed prior to recording grant revenue.

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 2021-001 was repeated as finding 2022-001.



Hillsborough Transit Authority

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



May 15, 2023

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

Below is the corrective action plan for Finding 2022-001 and Finding 2022-002 identified during the audit for the Fiscal Year ended September 30, 2022.

**HILLSBOROUGH TRANSIT AUTHORITY
CORRECTIVE ACTION PLAN**

For the Year Ended September 30, 2022

Finding 2022-001: Material Weakness in Internal Control over Financial Reporting

Name of Contact Person: Loretta Kirk, Chief Financial Officer

Corrective Action:

Management concurs with the finding. HART has filled several positions and continues to aggressively recruit to fill the vacant positions in the Financial Operations department during FY22. The positions of Director of Finance, Director of Budgets & Grants, and Manager of Accounting have been filled since the year ended September 30, 2022. We are currently recruiting for the positions of Accountant and Budgets & Grants Analyst.

Updated procedures for properly recording transactions, completing monthly and annual closings, and reconciliation of accounts have been developed and will be enforced for FY2023.

Proposed Completion Date: July 31, 2023

**HILLSBOROUGH TRANSIT AUTHORITY
CORRECTIVE ACTION PLAN**

For the Year Ended September 30, 2022

Finding 2022-001: Material Weakness in Internal Control over Grant Revenue Recognition

Name of Contact Person: Loretta Kirk, Chief Financial Officer

Corrective Action:

Management concurs with the finding. HART will properly record unexecuted grants and reconcile to key financial statement line items.

Proposed Completion Date: Immediately

Sincerely,

A handwritten signature in cursive script that reads "Loretta Kirk".

Loretta Kirk
Chief Financial Officer



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, 2022, and have issued our report thereon dated May 24, 2023.

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 May 24, 2023, 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. No comments remain uncorrected from the second preceding audit.

2021-001 Material Weakness in Internal Control over Financial Reporting: Corrective Action not taken. See repeat comment 2022-001.

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 (name of district) reported:

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 687.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 1.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$49,675,154.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$33,233.
- 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. VC00000909, Rome Avenue at Hillsborough Avenue Bus Bay, Shelter Pads and Landing Pads: \$145,618.
- 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 \$59,738,364.
- i. The total amount of outstanding bonds issued by the district and the terms of such bonds as none.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

Cherry Bekaert LLP

Tampa, Florida
May 24, 2023

**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, 2022. 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, 2022.

Cherry Bekaert LLP

Tampa, Florida
May 24, 2023



www.goHART.org

