



**Building  
Hillsborough  
*Connections***



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023

Hillsborough Transit Authority  
Tampa, Florida

# **Hillsborough Transit Authority Tampa, Florida**

## **Annual Comprehensive Financial Report**

**For Fiscal Years Ended September 30, 2024 and 2023**

### **Mission Statement**

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

*Prepared by the Finance Department*



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**SECTION I**

**INTRODUCTORY SECTION**



**Hillsborough Transit Authority**

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March 3, 2025

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, 2024.

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, 2024, 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, 2024, are fairly

presented in conformity with GAAP. The report of the independent auditor is located at the front of the financial section of this report.

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

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

### **Profile of the Authority**

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

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

The Authority has been determined to be an “Independent Special District” as described in Section 189.403, Florida Statutes, and is authorized to levy an ad valorem tax of up to one-half mill (.50) on the taxable value of real and tangible personal property within the jurisdiction of its members. Chapter 165.570, Florida Statutes, allows the Authority to levy up to three mills, subject to public referendum. The Authority’s ad valorem taxes are reviewed as part of the annual assessment of

Hillsborough County, which levies its taxes November 1. Collection of taxes is scheduled November through the following March. Taxes become delinquent April 1 and tax certificates placing liens on the property are sold May 31.

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

Located in Hillsborough County, Florida, on the west coast of the state, the Authority is a *regional* provider of mass transportation services primarily within Hillsborough County. The total area is 1,266 square miles and as of July 2023 has a population of 1.536M.

### **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 2,301 bus stops and 650 shelters (310 HART maintained; 340 vendor-maintained), 6 transfer stations, 2 transit centers, a fleet of 132 buses, 75 vans for Paratransit, 8 flex vans and 9 streetcars.

FY2024 ridership (source: NTD report):

- Bus & Flex: 11,308,431 (an increase of 2.22 percent compared to FY2023).
- Paratransit and Taxi Voucher: 267,149 (an increase of 12.56 percent compared to FY 2023).
- Streetcar: 1,323,715 (an increase of 3.3 percent compared to FY 2023).

### **Governing Board**

The Authority is governed by a 15-member Board that establishes policies and sets direction for the Authority. The Board consists of a chair and 14 members; eight (8) appointed by the Hillsborough Board of County Commissioners, four (4) members appointed by the City of Tampa, one (1) appointed by the City of Temple Terrace, and two (2) members appointed by the Governor. All Board Members shall be appointed for 3-year terms and each Board Member shall hold office until their successor has been appointed and qualified. Said terms shall end on November 30 of the appropriate year or such other date designated by the member government. If a local government member's laws or procedures provide for a different appointment time frame for elected officials, said member may create its own procedure for appointing a replacement before the end of the term, in order to avoid a vacancy.

## **Management**

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



## **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 FY2024 operating and capital budget totaled \$159,149,766.

## **Factors Affecting Financial Condition**

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

FY2021 presented an extraordinary challenge with the on-going Coronavirus pandemic. Initially it caused a decrease in passenger fare revenue; a decrease in passenger service; changed the physical workspace for some employees to work-from-home and required more space for social distancing. To date, passenger fare revenues and service levels have 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. In 2020 the Authority received a CARES Act grant through FTA's 5307 program in the award amount of \$39,865,488; \$23,209,263 was received in 2021 and \$16,656,225 was received in 2020. The CARES grant was used solely for bus and paratransit operating costs in accordance with FTA guidelines.

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

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

2022, \$19,932,511 was received in 2023 and the remaining \$18,029,345 received in FY2024.

### **Long-Range Financial Planning**

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

In April, 2021 HART awarded a contract for the development of strategic financial advisory services and the development of a thirty-year financial plan. The financial plan was completed in 2022, and the deliverables included a financial model that has been updated periodically for HART to use as a guide for financial decisions. The last update to the financial model was presented to the Board on July 15, 2024.

Each year during the Capital Budget process, a five-year capital plan is created. Although only the current year is budgeted, the future years are used in planning. Understanding planned future projects can aid HART in finding grant and partnership opportunities.

### **Major Initiatives**

Major initiatives undertaken in FY2024 include the following projects:

- **Heavy Maintenance Building** - The design and build of the new Heavy Maintenance (HM) building is HART's priority capital project. Rebuilding the Heavy Maintenance Facility will support HART's transition to a zero-emission fleet, and advance HART's partnership with Hillsborough Community College which will house a high-tech training facility on campus and create a pipeline for frontline employees to fill jobs at HART. HART is currently developing a phased implementation plan to deliver this project while simultaneously securing matching capital funding from stakeholders and identifying grants to pursue. Phases 1 and 2 are estimated at \$140M (2024 dollars) with a project duration of 5 years.
- **Computer-Aided Dispatch (CAD) - Automatic Vehicle Location (AVL) Upgrade** - HART is replacing its current OrbCAD voice and data communications system and other transit management technologies. HART currently uses the OrbCAD/AVL system, which was installed in 2007, which has surpassed its useful life. The system tracks the vehicle location in real time, records the vehicle routes, monitors vehicle health, provides an emergency alarm, displays the correct route on bus reader board signs, counts the passengers, and does in-vehicle annunciations, for each vehicle that is part of the OrbCAD system. The upgraded system will assist in optimizing service changes, implementation, and operations by increasing the ability of operators to deliver the scheduled service to the customers in real-time.

- Radio Replacement Project – This project is to replace radios with a P25 radio system to support communications for HART bus operators, road supervisors and facilities maintenance employees. HART’s radios will be integrated with and be a part of the Hillsborough County radio system.
- Streetcar Rehabilitation - In FY2022, the streetcar rehabilitation project restored #434, #430, of four Streetcars; #428 and #432 were restored in 2021, and rebuilt into a “Like-New” condition with a complete frame up restoration. In February of 2024 a five-year contract was signed with the Gomaco Trolley Company to restore the remaining five cars in the fleet. This project was made possible through an FTA State of Good Repair grant specifically for this purpose. This rebuild will provide another 20 to 25 years of service to these 20-year-old vehicles, and provide reliability and dependability to our customers and employees.
- Transit Development Plan - Per the recommendation of The Florida Department of Transportation’s (FDOT) Governance and Operational Management Analysis study, HART is preparing to complete a Comprehensive Operations Analysis (COA) and Transit Development Plan (TDP) Update. FDOT requires public transit providers receiving State funding to develop and adopt a TDP based on a ten-year planning horizon. FDOT requires transit systems to prepare a major update of the TDP every 5 years, with minor updates annually as explained in the Florida Administrative Code.
- Basic Transit Infrastructure - In FY24 HART completed the construction of eight (8) new or improved ADA-compliant bus stops. Fifteen (15) new transit shelters were installed at new or existing stops in FY24.
- HART Arterial BRT Project - HART has completed partial design work for the Low-Cost Alternative Bus Rapid Transit (BRT) project, funded by a \$2.5M Florida Department of Transportation (FDOT) Grant. The project would reduce travel time and enhance station areas between Downtown and USF which is one of, if not the, strongest transit market in the Tampa Bay Region. This project would deliver a dedicated lane for a majority of the corridor traveling along Florida, Nebraska, and Fowler Avenues to provide a time-competitive transit option for existing and potential customers. By delivering this capital project, HART would make limited operating resources go farther by providing better service with marginal increases to revenue hours and vehicles along a corridor that currently serves HART’s two highest ridership bus routes which are routes #1 and #6.
- Fixed Route Diesel Replacement - In FY23 and FY24, HART continued to demonstrate its commitment to environmental sustainability and community with the receipt of 10 new Gillig 40ft CNG low-floor transit buses in FY23 and 4 new Gillig 40ft CNG low-floor transit buses in FY24, bringing the CNG fleet total to ninety-nine (99). Today, 75% of the active bus fleet runs on clean-burning American natural gas. HART’s efforts in replacing 99 diesel buses with CNG buses represent a substantial step towards environmental sustainability and cleaner urban transportation. This transition has significantly reduced harmful emissions such as nitrogen oxides (NOx), particulate matter, and greenhouse gases, leading to improved air quality and public health in the communities served by these buses.
- FDOT Governance and Operational Management Analysis - FDOT commenced a study on June 2, 2023 which was completed on December 15, 2023. This study was prompted by two bills pertaining to transit agency consolidation: CS/HB 1397 and CS/CB 1532. The enacted law directed FDOT to conduct a review of the organizational structure and

operations of HART. The conclusion of this analysis was that HART has demonstrated its value to Hillsborough County. The report delineated opportunities for improvement to its governance structure, funding and facilities. The report listed as examples the fact that HART is one (1) of few Tier transit agencies across the nation that had recovered its ridership back to its pre-pandemic levels, and that the agency's compliance with FTA operations and management guidelines is strong.

- HART Cost Allocation Plan – There are two phases to the development of the cost allocation plan. The first phase was an independent review to validate HART's overhead streetcar operating expenses. The second phase is to support HART's methodology for allocating the agency's operating expenses.
- Paper Farecard Elimination and Fare Structure Change – Plans were initiated on January 5, 2025 to eliminate paper farecards. The transition to paperless farecards aims to modernize fare collection, enhance convenience, increase the usage of Flamingo Fares (e-fare) system and improve the rider experience.
- CNG Rebates - HART has been authorized to receive Alternative Fuel Tax Credit for claims for the use of its Compressed Natural Gas (CNG). This credit was initially terminated December 31, 2021. This credit was subsequently reinstated in August of 2022 through the Inflation Reduction Act with new claims beginning Oct 1, 2022, and ending Dec 31, 2024 at which time the program is set to expire. Payments for all IRS forms submitted for the alternative fuel tax credit for the period of Oct 1, 2022, through June 30, 2024 have been received and total \$2,362,491. The third calendar quarter return (July-September) was filed on October 22, 2024, in the amount of \$244,000. The fourth calendar quarter 2024 will be the final quarter eligible for filing before the program runs out and this return will be filed in January 2025.
- Reinstatement of Student Passes - HART partnered with Hillsborough County Public Schools (HCPS) on the return of the HART Youth Pass in April 2024. Youths aged 5-18 are eligible for a 50% fare discount with the Youth Pass. This discount is available exclusively through Flamingo Fares, and students need to register for the pass at a HART Customer Service window to verify eligibility. Ages 5 and under with an adult remain free on HART services.

### **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, 2023. This was the thirteenth year that the Authority has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized Annual Comprehensive Financial Report that satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

Loretta Kirk  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Hillsborough Transit Authority  
Florida**

For its Annual Comprehensive Financial Report  
For the Fiscal Year Ended

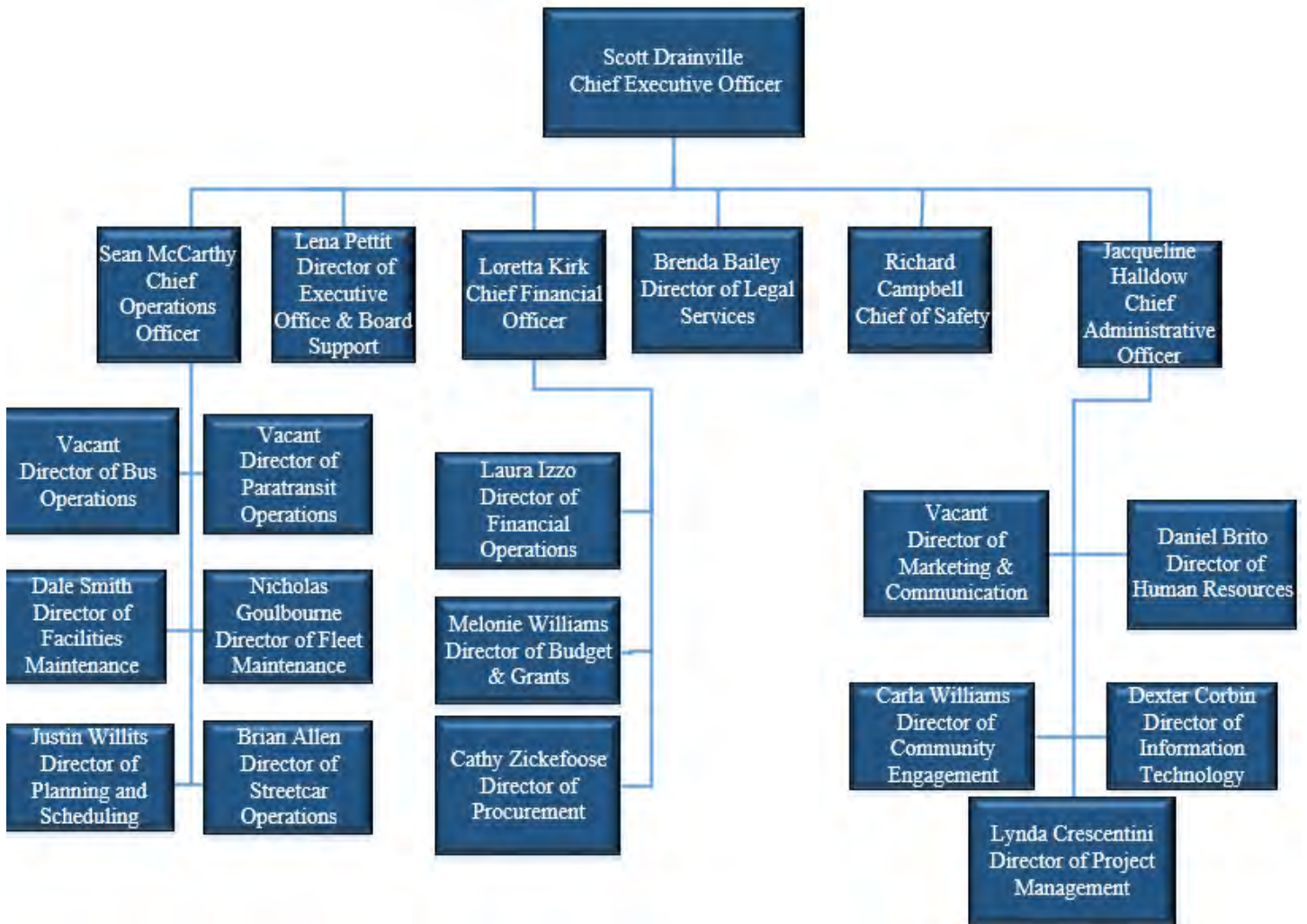
September 30, 2023

*Christopher P. Morrill*

Executive Director/CEO

# HART Organization Chart

As of September 30, 2024



**ELECTED AND APPOINTED OFFICIALS**  
**As of September 30, 2024**

**Board of Directors – Officers**

Councilman Luis Viera, Chairperson  
Commissioner Joshua Wostal, Vice Chair  
Melanie Williams, Secretary

**Hillsborough County**

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

**City of Tampa**

Councilwoman Gwendolyn Henderson  
David Mechanik

**State of Florida**

Thomas Hobbs  
Brian McElfatrick

**City of Temple Terrace**

Councilman Gil Schisler

**Chief Executive Officer**

Scott Drainville

**General Counsel**

Juila Mandell, GrayRobinson

**Independent Auditors**

Cherry Bekaert, LLP

**DIRECTORY OF OFFICIALS  
APPOINTED OFFICIALS  
As of September 30, 2024**

**Scott Drainville**, Chief Executive Officer

**Loretta Kirk**, Chief Financial Officer

**Sean McCarthy**, Chief Operating Officer

**Jacqueline Halldow**, Chief Administrative Officer

**Richard Campbell**, Chief of Safety

**Yelena Petit**, Director of Executive Office and Board Support

**Brenda Bailey**, Director of Legal Services

**Laura Izzo**, Director of Financial Operations

**Cathy Zickefoose**, Director of Procurement & Contracts

**Carla Williams**, Director of Community and Business Engagement

**Melonie Williams**, Director of Budgets & Grants

**Nicholas Goulbourne**, Director of Fleet Maintenance

**Dale Smith**, Director of Facilities Maintenance

**Vacant**, Director of Bus Operations

**Vacant**, Director of Paratransit Operations

**Brian Allan**, Director of Streetcar Operations

**Justin Willits**, Director of Planning & Scheduling

**Dexter Corbin**, Director of Technology and Innovation

**Lynda Crescentini**, Director of Enterprise Project Management

**Richard Cambell**, Director of Safety, Security and Training

**Daniel Brito**, Director of Human Resources

**Vacant**, Director of Communications & Marketing

**SECTION II**  
**FINANCIAL SECTION**

## Report of Independent Auditor

To the Board of Directors  
Hillsborough Transit Authority  
Tampa, Florida

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Hillsborough Transit Authority, a/k/a Hillsborough Area Regional Transit Authority, or HART (the "Authority"), as of and for the years ended September 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of September 30, 2024 and 2023, and the respective changes in financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

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

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

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

#### ***Required Supplementary Information***

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

**Supplementary Information**

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

**Other Information**

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

*Cherry Bekaert LLP*

Tampa, Florida  
March 3, 2025

## **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, 2024, 2023 and 2022. Please read it in conjunction with the financial statements, which follow this section.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

### **FY2024 FINANCIAL HIGHLIGHTS**

- Net position of the Authority increased by \$1,052,639 or 1.0%; \$8,567,351 represents a decrease in the amount invested in capital assets \$391,712 represents an increase in restricted net position and \$9,228,278 represents an increase in unrestricted net position.
- Operating Expense before depreciation and amortization decreased by \$320,236 or .3%.

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

- Cash and cash equivalents increased by \$22M primarily due to a \$17M increase in operating reserves.
- In FY24 the Authority received \$2.362M in Fuel Tax Credits. This represents credits due for the period 1/1/23 – 9/30/24 (7 fiscal quarters). This program was enacted by the Inflation Reduction Act. This incentive expired December 31, 2021 and was reinstated through December 31, 2024 by Public Law 117-169.

### **FY2023 FINANCIAL HIGHLIGHTS**

- Net position of the Authority increased by \$16,730,792 or 19.1%. \$1,234,943 represents a decrease in the amount invested in capital assets, \$253,024 represents an increase in restricted net position and \$17,601,711 represents an increase in unrestricted net position.
- Operating Expense increased by \$9,690,967 or 9.5%.
- Salaries, wages and fringe benefits increased \$15,093,489 or 21.0% in FY2023 from FY2022. This increase is primarily due to an increase in expenses for the Pension FRS (\$9.756M) as well as increases in State pension, (\$910k). Also included in this increase is a severance payout to various people in October 2022 (\$349k), a 3.1% COLA increase to non-bargaining staff, ATU/Teamsters negotiated increases (\$1.547M), an increase in platform route wages (\$859k). and an increase in OPEB (\$253k), 3rd party Health Insurance costs (\$180K) and Health Ins Claims (\$318k).
- Fuel and Lubricants cost decreased by \$678,229 or 12.5% due to a decrease in fuel costs. Parts and Supplies increased \$692,871 or 14.8% primarily due to an increase in corrective based supplies and chemicals and cleaners. Contracted services decreased \$338,173 or 4.2%. primarily due to a decrease in computer services (\$714,524) offset by an increase in Security services (\$404,423). Claims costs decreased \$985,765 or 23.6% primarily due to a decrease in estimated claims costs. Operating expenses reimbursed by grants decreased \$4,484,255 or 92.5%. Total increase in all other expense is \$391,031 or .03% is due to an increase in Utilities of \$114,436, increase in marketing expenses of \$34,664, first time reporting of GASB 96 interest of \$50,879 and an increase in miscellaneous expenses of \$191,176.

### **FY2024 FINANCIAL ANALYSIS OF THE AUTHORITY**

#### **Statements of Net Position**

- Net position serves as a measurement of the Authority’s financial position over a period of time. The Authority’s assets and deferred outflows exceeded liabilities and deferred inflows by \$105,556,925 and \$104,504,286 as of September 30, 2024 and 2023, respectively.
- A large portion of the Authority’s net position each year represents its net investment in

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

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

- The Authority’s restricted net position represents funds held in escrow for payment of general liability, workers compensation and medical self-insured claims, funds from private developers as well as FTA liability for assets with federal interest which were retired before their useful life was met. The Authority’s total restricted net position as of September 30, 2024 and 2023 is \$705,000 and \$313,288 respectively.
- The Authority’s unrestricted net position as of September 30, 2024 was \$9,228,278 higher than September 30, 2023.
- Additional information on the Authority’s capital assets can be found in Note 4 to the financial statements.

### **FY2023 FINANCIAL ANALYSIS OF THE AUTHORITY**

#### **Statements of Net Position**

- Net position serves as a measurement of the Authority’s financial position over a period of time. The Authority’s assets and deferred outflows exceeded liabilities and deferred inflows by \$104,504,286 and \$87,773,494 as of September 30, 2023 and 2022, respectively.
- A large portion of the Authority’s net position each year represents its net investment in capital assets (i.e., land, buildings and improvements, buses, paratransit vans and non-revenue vehicles). The Authority uses these capital assets to provide services to its customers. Net investment in capital assets as of September 30, 2023 was \$1,123,943 lower than September 30, 2022, primarily due to the impact of accumulated depreciation. As of September 30, 2023, all Right-to-use assets are included in Net Investment of Capital Assets.
- The Authority’s restricted net position represents funds held in escrow for payment of general liability, workers compensation and medical self-insured claims, funds from private developers as well as FTA liability for assets with federal interest which were retired before their useful life was met. The Authority’s total restricted net position as of September 30, 2023 and 2022 is \$313,288 and \$313,380.
- The Authority’s unrestricted net position as of September 30, 2023 was \$25,918,060 higher than September 30, 2022.
- Additional information on the Authority’s capital assets can be found in Note 4.

# HILLSBOROUGH TRANSIT AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

**Table 1**  
**Condensed Statement of Net Position**

	2024	2023	Increase (Decrease)	Percent Change 2023 to 2024	2022	Percent Change 2022 to 2023
<b>Assets</b>						
Current and other assets	\$ 78,664,786	\$ 78,190,643	\$ 474,143	0.6%	\$ 38,793,458	101.6%
Capital assets	95,271,551	104,519,643	(9,248,092)	-8.8%	104,202,841	4.0%
<b>Total assets</b>	<b>173,936,337</b>	<b>182,710,286</b>	<b>(8,773,949)</b>	<b>-4.8%</b>	<b>142,996,299</b>	<b>27.8%</b>
<b>Deferred outflows of resources</b>						
Deferred outflows on pension and OPEB related amounts	13,406,323	13,613,246	(206,923)	-1.5%	15,725,968	13.4%
<b>Total deferred outflows of resources</b>	<b>13,406,323</b>	<b>13,613,246</b>	<b>(206,923)</b>	<b>-1.5%</b>	<b>15,725,968</b>	<b>-13.4%</b>
<b>Liabilities</b>						
Current liabilities	8,730,968	19,925,231	(11,194,263)	-56.2%	8,705,605	128.9%
Long-term liabilities	63,908,520	69,440,399	(5,531,879)	-8.0%	59,182,817	17.4%
<b>Total liabilities</b>	<b>72,639,488</b>	<b>89,365,630</b>	<b>(16,726,142)</b>	<b>-64.1%</b>	<b>67,888,422</b>	<b>31.6%</b>
<b>Deferred inflows of resources</b>						
Deferred inflows on pension and OPEB related amounts	9,146,247	2,453,616	6,692,631	272.8%	3,060,351	-19.8%
<b>Total deferred inflows of resources</b>	<b>9,146,247</b>	<b>2,453,616</b>	<b>6,692,631</b>	<b>272.8%</b>	<b>3,060,351</b>	<b>-19.8%</b>
<b>Net position:</b>						
Net investment in capital assets	94,458,602	103,025,953	(8,567,351)	-8.3%	104,149,896	-1.1%
Restricted	705,000	313,288	391,712	125.0%	313,380	66.8%
Unrestricted	10,393,323	1,165,045	9,228,278	792.1%	(16,689,782)	-19.2%
<b>Total net position</b>	<b>\$ 105,556,925</b>	<b>\$ 104,504,286</b>	<b>\$ 1,052,639</b>	<b>1.0%</b>	<b>\$ 87,773,494</b>	<b>19.1%</b>

## 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 84.4% for FY2024 and 80.7% for FY2023. User charges in the form of passenger fares as a percentage of operating and non-operating revenue were 8.0% in FY2024 and 6.9% for FY2023. 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 funding as described above. The Authority's millage rate for the 2024 and 2023 tax year was 0.5000.

### FY2024 Operating Results Compared to FY2023

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

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

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

- Advertising income decreased \$492,062 or 29.6% in FY2024, from \$1,660,701 in FY2023 to \$1,168,639 in FY2024. This is primarily due to the waiver of the first quarter’s minimum guarantee.
- Other operating revenues increased by \$211,281 or 53.2% in FY2024, from \$397,023 in FY2023 to \$608,304 in FY2024. This is primarily due to a decrease in gains and losses on disposal of equipment (\$242,000) offset by an increase in claims recoveries (\$426,000).
- Operating expenses reimbursed by grants increased by \$1,760,703 in FY2024. This is primarily due to an increase in consulting fees for BRT study (\$1.028M) and an increase in bus maintenance (\$596k).
- Ad valorem proceeds increased \$7,772,022 or 11.8% in FY2024. This is due to an increase in taxable assessed values in FY2024 from FY2023.
- Investment income increased \$926,189 or 47.3% in FY2024. This is due to an increase in funds held in the Prime interest-bearing accounts and an increase in interest rates in 2024.
- Other Federal Funds increased \$2,362,491 in FY2024. This is due primarily to the receipt of seven (7) quarters of alternative fuel tax credits. This program is set to expire December 31, 2024.
- Federal Operating grants decreased \$20,026,421 in FY2024. The decrease is due to the timing of the earning and recording of the FTA Section 5307 funding.
- Federal Capital grants decreased \$10,815,790 in FY2024. This decrease is due primarily to the timing of the purchase of capital assets.
- Salaries and wages increased \$2,077,829 or 3.9% in FY2024 from FY2023. This increase is primarily due to an increase in emergency pay (\$2.057M), an increase in overtime (\$568,000), and an increase in platform route (\$831,000). These increases are offset by a decrease in base salaries and severance pay (\$1.164M).
- Fringe Benefits and pension expense decreased \$8,042,031 or 23.5% in FY2024 from FY2023. This decrease is primarily due to a decrease in expenses for the Pension FRS (\$11.529M), offset by an increase in State Pension (\$752,000), and an increase in Health Insurance Claims and third-party costs (\$3.070M)
- Fuel and lubricants decreased \$850,652 or 18.0% in FY2024 from FY2023. This decrease is primarily attributable due to the decrease in fuel prices and HART’s acquisition of CNG buses as buses are replaced.
- Parts and supplies increased \$567,081 or 10.5% in FY2024 over FY2023.

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

- Contracted Services increased by \$2,319,052 or 30.1%. This increase is primarily due to Paratransit Taxi service which increased from \$579,450 in FY2023 to \$2.280M in FY2024.
- Claims cost increased by \$1,558,505 or 48.9%. This increase is primarily due to an increase in claims (\$350,000) and an increase in estimated claims (\$1.400M).
- Parts and Supplies increased by \$567,081 or 10.5% primarily due to an increase in corrective based supplies and chemicals and cleaners. Total increase in all other expenses is \$289,235 or 7.9% primarily due to an increase in Marketing of \$30,166, and increase in training of \$30,000 and an increase in tax collector commissions.

### **FY2023 Operating Results Compared to FY2022**

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

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

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

- Investment income increased \$1,771,747 or 948% in FY2023. This is due to an increase in funds held in the Prime interest-bearing accounts along with an increase in interest rates in 2023.
- Federal Operating grants increased \$12,403,547 in FY2023. This increase is due to primarily to the execution of the FY2022 and FY2023 Section 5307 Program of Projects grants in FY2023.
- Federal Capital grants increased \$12,957,219 in FY2023. The increase is primarily due to the execution of the FY2019 through FY2023 formula grants (5307P, 5337, and 5339) along with the 5339 discretionary grant.

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

	2024	2023	Increase (Decrease)	Percent Change 2023 to 2024	2022	Percent Change 2022 to 2023
Passenger fares	\$ 9,634,292	\$ 8,637,755	\$ 996,537	11.5%	\$ 8,162,616	5.8%
Advertising	1,168,639	1,660,701	(492,062)	-29.6%	1,660,872	-
Other operating revenues	608,304	397,023	211,281	53.2%	581,318	-31.7%
<b>Total operating revenues</b>	<b>11,411,235</b>	<b>10,695,479</b>	<b>715,756</b>	<b>6.7%</b>	<b>10,404,806</b>	<b>2.8%</b>
Salaries and fringe benefits	80,913,667	86,877,869	(5,964,202)	-6.9%	71,784,379	21.0%
Fuel and lubricants	3,887,891	4,738,543	(850,652)	-18.0%	5,416,772	-12.5%
Parts and supplies	5,950,739	5,383,658	567,081	10.5%	4,690,787	14.8%
Other expenses	20,803,657	14,876,126	5,927,531	39.8%	20,293,284	-26.7%
<b>Total operating expenses</b>	<b>111,555,954</b>	<b>111,876,196</b>	<b>(320,242)</b>	<b>-0.3%</b>	<b>102,185,223</b>	<b>9.5%</b>
Operating loss before depreciation	(100,144,719)	(101,180,711)	1,035,992	-1.0%	(91,780,416)	10.2%
Depreciation and amortization	13,532,160	13,037,258	494,902	3.8%	12,106,040	7.7%
<b>Operating loss</b>	<b>(113,676,879)</b>	<b>(114,217,969)</b>	<b>1,530,894</b>	<b>-1.3%</b>	<b>(103,886,456)</b>	<b>-209.9%</b>
Federal, state and local grants	29,564,150	47,007,613	(17,443,463)	-37.1%	34,966,149	34.4%
Other Federal Funds	2,362,491	-	2,362,491	100.0%	332,014	-100.0%
Property tax proceeds	73,790,648	66,018,626	7,772,022	11.8%	57,536,830	14.7%
Other Income	2,884,802	1,958,613	926,189	47.3%	186,866	948.1%
<b>Total non-operating revenues</b>	<b>108,602,091</b>	<b>114,984,852</b>	<b>(6,382,761)</b>	<b>-5.6%</b>	<b>(123,069,108)</b>	<b>-193.4%</b>
<b>Net Gain (Loss) before capital contributions</b>	<b>(5,074,788)</b>	<b>766,883</b>	<b>(5,841,671)</b>	<b>-761.7%</b>	<b>(226,955,564)</b>	<b>-100.3%</b>
Capital grants	6,127,427	15,957,252	(9,829,825)	-61.6%	3,300,841	383.4%
Developer contributed assets	-	6,657	(6,657)	-100.0%	-	100.0%
<b>Increase in net position</b>	<b>1,052,639</b>	<b>16,730,792</b>	<b>(15,678,153)</b>	<b>-93.7%</b>	<b>(223,654,723)</b>	<b>-107.5%</b>
<b>Net position at beginning of year</b>	<b>104,504,286</b>	<b>87,773,494</b>	<b>16,730,792</b>	<b>19.1%</b>	<b>311,428,217</b>	<b>71.8%</b>
<b>Net Position at end of year</b>	<b>\$ 105,556,925</b>	<b>\$ 104,504,286</b>	<b>\$ 1,052,639</b>	<b>1.0%</b>	<b>\$ 87,773,494</b>	<b>19.1%</b>

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

**CAPITAL ASSETS**

The Authority has invested \$95.3 million in capital assets (net of accumulated depreciation). 22.1% of the net investment represents buildings and improvements and 32.6% of the net investment represents revenue vehicles at the close of the fiscal year, September 30, 2024.

**Capital Assets and Long-Term Debt Administration**

The Authority’s net investment in capital assets for the fiscal year ending September 30, 2024 included land, buildings and improvements, construction in progress, shelters, computer software and hardware, revenue and other vehicles and equipment net of accumulated depreciation and amortization. (See Note 4, Note 11 and Note 12 to the financial statements for more detailed information).

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

Transit Infrastructure Improvements in FY2024 included eight (8) new landing and shelter pads built by the Authority throughout the county. The Authority also had fifteen (15) new shelters installed on new/existing landing pads.

**Capital Assets, Net of Accumulated Depreciation and Amortization**

			Percent of Total		2022
	2024	2023	2024	2023	
Land	\$ 19,043,009	\$ 19,043,009	20.0%	18.2%	\$ 19,043,009
Constuction work in progress	4,959,361	4,752,207	5.2%	4.5%	9,159,493
Building and Improvements	21,076,331	22,991,263	22.1%	22.0%	25,266,976
Operating and transit related equipment	7,426,005	6,132,313	7.8%	5.9%	4,214,021
Other equipment, fixtures and other vehicles	9,279,447	9,966,831	9.7%	9.5%	10,674,165
Computer equipment and software	1,467,329	2,347,629	1.5%	2.2%	445,769
Revenue Vehicles	31,087,409	37,672,934	32.6%	36.0%	35,346,683
Lease assets	15,690	32,940	0.0%	0.0%	-
Subscription-Based Informational Technology Agreements (SBITA)	916,970	1,580,517	1.0%	1.5%	-
<b>TOTAL</b>	<b>\$ 95,271,551</b>	<b>\$ 104,519,643</b>	<b>100.0%</b>	<b>100%</b>	<b>\$ 104,150,115</b>

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

**Long-Term Debt Administration**

	2024	2023	2022
Lease liability	16,101	33,344	33,398
Lease liability - SBITAs	796,848	1,421,191	-
<b>Total Long-Term Debt</b>	<b>812,949</b>	<b>1,454,535</b>	<b>33,398</b>

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

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

**ECONOMIC FACTORS AND NEXT YEARS’S BUDGET AND RATES**

The Authority’s primary source of funding is ad valorem property taxes. The FY2024 adopted budget was based on a .5000 millage rate which is unchanged from FY2023.

The HART Board adopted the FY2025 budget on September 23, 2024.

- The total FY2025 adopted operating and capital budget of \$188,701,786 is \$29,552,020 greater than the total FY2024 adopted operating and capital budget of 159,149,766 or an increase 18.6%.
- The total FY2025 adopted operating budget of \$117,305,565 is \$8,616,785 greater than the FY2024 adopted operating budget of \$108,688,780, or an increase of 7.9%.
- The FY2025 adopted annual capital budget of \$71,396,221 is \$20,935,235 greater than the FY2024 adopted capital budget of \$50,460,986, or an increase of 41.5%.
- The FY2025 adopted millage rate remained at .5000.

**REQUESTS FOR INFORMATION**

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

**BASIC FINANCIAL STATEMENTS**

**HILLSBOROUGH TRANSIT AUTHORITY  
STATEMENTS OF NET POSITION  
SEPTEMBER 30, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents-unrestricted (Note 3) *	\$ 62,000,552	\$ 40,345,340
Cash and cash equivalents-restricted (Note 3) *	705,000	313,288
Accounts receivable		
Trade and other, net of allowance for uncollectible	1,593,095	2,330,872
Federal grants	857,999	24,917,028
State grants	9,211,866	6,948,539
Local grants	1,335,948	326,269
Inventory of replacement parts and supplies	2,552,435	2,499,690
Prepaid expenses	407,891	509,617
<b>Total current assets</b>	<b>78,664,786</b>	<b>78,190,643</b>
Capital assets		
Land	19,043,009	19,043,009
Construction in progress	4,959,360	4,752,207
Capital assets, net of accumulated depreciation	70,336,522	79,110,970
Lease assets, net of accumulated amortization	15,690	32,940
Subscription-Based Informational Technology Agreements (SBITA), net of accumulated amortization	916,970	1,580,517
<b>Total capital assets, net (Note 4)</b>	<b>95,271,551</b>	<b>104,519,643</b>
<b>Total assets</b>	<b>173,936,337</b>	<b>182,710,286</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows on OBEB related amounts	1,091,771	317,792
Deferred outflows on pension related amounts	12,314,552	13,295,454
<b>Total deferred outflows of resources (Note 5 &amp; 8)</b>	<b>13,406,323</b>	<b>13,613,246</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 187,342,660</b>	<b>\$ 196,323,532</b>

\* Certain prior year amounts were reclassified. See footnote 16.

(Continued)  
See accompanying notes to financial statements.

**HILLSBOROUGH TRANSIT AUTHORITY  
STATEMENTS OF NET POSITION  
SEPTEMBER 30, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 3,053,630	\$ 13,384,434
Accrued expenses	2,599,143	2,634,485
Lease Liability due within one year (Note 11)	4,920	17,243
Lease Interest Payable	25	39
SBITA Liability due within one year (Note 12)	328,454	624,342
SBITA Interest Payable	23,354	39,116
Unearned revenue	763,621	194,764
Self insurance and loss contingencies due within one year (Note 9 & 10)	1,786,715	2,845,294
Compensated absences due within one year (Note 10)	161,106	185,514
OPEB liability due within one year (Note 8 & 10)	10,000	75,000
<b>Total current liabilities</b>	<b>8,730,968</b>	<b>20,000,231</b>
<b>Long-term liabilities</b>		
Lease Liability (Note 11)	11,181	16,101
SBITA Liability (Note 12)	468,394	796,849
Self Insurance and Loss Contingency (Note 9 & 10)	4,013,720	2,407,879
Compensated absences (Note 10)	3,399,020	3,421,974
OPEB liability (Note 8 & 10)	2,040,099	1,589,814
Net pension liability (Note 5 & 10)	53,976,106	61,132,782
<b>Total long-term liabilities</b>	<b>63,908,520</b>	<b>69,365,399</b>
<b>Total liabilities</b>	<b>72,639,488</b>	<b>89,365,630</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows on OPEB related amounts	1,006,572	393,451
Deferred inflows on Pension related amounts	8,139,675	2,060,165
<b>Total deferred inflows of resources (Note 5 &amp; 8)</b>	<b>9,146,247</b>	<b>2,453,616</b>
<b>NET POSITION</b>		
Net investment in capital assets	94,458,602	103,025,953
Restricted - Reserves for designated medical liability (Note 13 and Note 16)*	705,000	313,288
Unrestricted Net Position (Note 13 and Note 16)*	10,393,323	1,165,045
<b>Total net position</b>	<b>105,556,925</b>	<b>104,504,286</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 187,342,660</b>	<b>\$ 196,323,532</b>

\* Certain prior year amounts were reclassified. See footnote 16.

See accompanying notes to financial statements.

**HILLSBOROUGH TRANSIT AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR FISCAL YEARS ENDING SEPTEMBER 30, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>Operating revenues</b>		
Passenger fares	\$ 9,634,292	\$ 8,637,755
Advertising	1,168,639	1,660,701
Other revenues	608,304	397,023
<b>Total operating revenues</b>	<b>11,411,235</b>	<b>10,695,479</b>
<b>Operating expenses</b>		
Salaries and wages	54,706,421	52,628,592
Payroll taxes, fringe benefits and workers' compensation	26,207,246	34,249,277
Fuel and lubricants	3,887,891	4,738,543
Parts and supplies	5,950,739	5,383,658
Contracted services	10,029,948	7,710,944
Claims	4,745,851	3,187,346
Utilities	1,114,372	1,162,030
Marketing and promotion	430,035	399,869
Lease Interest Expense	140	260
SBITA Interest Expense	31,242	50,879
Other	2,330,075	2,003,671
Operating expenses reimbursed by grants	2,121,824	361,121
<b>Total operating expenses before depreciation and amortization</b>	<b>111,555,784</b>	<b>111,876,190</b>
<b>Operating (loss) before depreciation</b>	<b>(100,144,549)</b>	<b>(101,180,711)</b>
Depreciation	12,851,533	12,321,051
Lease Amortization	17,250	19,784
SBITA Amortization	663,547	696,423
<b>Operating loss</b>	<b>(113,676,879)</b>	<b>(114,217,969)</b>
<b>Nonoperating revenues</b>		
Operating assistance grants		
Federal	18,630,770	38,657,191
State	8,758,149	6,759,964
Local	2,175,231	1,590,458
Other Federal Funds	2,362,491	-
Property tax proceeds	73,790,648	66,018,626
Investment income	2,884,802	1,958,613
<b>Total nonoperating revenues</b>	<b>108,602,091</b>	<b>114,984,852</b>
<b>Net (loss) gain before capital contributions</b>	<b>\$ (5,074,788)</b>	<b>\$ 766,883</b>

(Continued)  
See accompanying notes to financial statements.

**HILLSBOROUGH TRANSIT AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR FISCAL YEARS ENDING SEPTEMBER 30, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>Net (loss) gain before capital contributions</b>	<b>\$ (5,074,788)</b>	<b>\$ 766,883</b>
Capital grants		
Federal	4,711,846	15,527,636
State	1,332,359	238,669
Local	83,222	190,947
Developer contributed assets	-	6,657
<b>Total capital contributions</b>	<b>6,127,427</b>	<b>15,963,909</b>
<b>Increase in net position</b>	<b>1,052,639</b>	<b>16,730,792</b>
<b>Net position at beginning of year</b>	<b>104,504,286</b>	<b>87,773,494</b>
<b>Net position at end of year</b>	<b>\$ 105,556,925</b>	<b>\$ 104,504,286</b>

See accompanying notes to financial statements.

**HILLSBOROUGH TRANSIT AUTHORITY  
STATEMENTS OF CASH FLOWS  
FOR FISCAL YEARS ENDING SEPTEMBER 30, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 10,065,154	\$ 11,135,389
Cash paid to employees	(79,143,911)	(76,121,895)
Cash paid to suppliers	(40,465,182)	(14,747,544)
Other receipts	608,304	1,050,053
<b>Net cash used in operating activities</b>	<b>(108,935,635)</b>	<b>(78,683,997)</b>
<b>Cash flows from noncapital financing activities</b>		
Operating grants received	40,967,991	27,991,456
Property tax revenues received	73,790,648	66,018,626
Other Federal Funds received	2,362,491	-
<b>Net cash provided by financing activities</b>	<b>117,121,130</b>	<b>94,010,082</b>
<b>Cash flows from capital and related financing activities</b>		
Purchase of capital assets	(4,536,040)	(14,086,140)
Capital assistance grants	15,509,608	7,613,409
Proceeds from the sale of revenue vehicles	3,059	85,705
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>10,976,627</b>	<b>(6,387,026)</b>
<b>Cash flows from investing activities</b>		
Investment income	2,884,802	1,958,613
<b>Net cash provided by investing activities</b>	<b>2,884,802</b>	<b>1,958,613</b>
<b>Net change in cash and cash equivalents</b>	<b>22,046,924</b>	<b>10,897,672</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>40,658,628</b>	<b>29,760,956</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 62,705,552</b>	<b>\$ 40,658,628</b>

(Continued)  
See accompanying notes to financial statements.

**HILLSBOROUGH TRANSIT AUTHORITY  
STATEMENTS OF CASH FLOWS  
FOR FISCAL YEARS ENDING SEPTEMBER 30, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>Reconciliation of operating expenses in excess of operating revenues to net cash used in operating activities</b>		
Operating loss	\$ (113,676,879)	\$ (114,217,969)
<b>Adjustments to reconcile operating expenses in excess of operating revenues to net cash used in operating activities</b>		
Add back depreciation	12,851,533	12,321,051
Add back lease and SBITA amortization	680,797	716,207
Add back pension expense adjustments	(96,264)	11,515,496
Add back OPEB expense adjustments	224,427	166,703
Loss on disposal of capital assets	251,802	(166,749)
Gain on disposal of capital assets	(3,059)	819,779
(Increase) decrease in accounts receivable	737,777	(836,933)
(Increase) decrease in inventories	(52,745)	(139,668)
(Increase) decrease in prepaid expenses	101,726	(162,915)
Increase (decrease) in accounts payable	(10,330,804)	9,923,679
Increase (decrease) in accrued expenses	(35,342)	554,038
Increase (decrease) in lease and SBITA liability	(641,586)	1,401,591
Increase (decrease) in interest payable	(15,776)	39,101
Increase (decrease) in unearned revenue	568,857	(44,527)
Increase (decrease) in self insurance	547,262	(811,007)
Increase (decrease) in accumulated compensated absences	(47,361)	238,126
<b>Total adjustments</b>	<b>4,741,244</b>	<b>35,533,972</b>
<b>Net cash used in operating activities</b>	<b>\$ (108,935,635)</b>	<b>\$ (78,683,997)</b>

See accompanying notes to financial statements.

## NOTE 1 – ORGANIZATION AND REPORTING ENTITY

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

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

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

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

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

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

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

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

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Capital Assets: Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$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.

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

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

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

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

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

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

Other Post Employment Benefits (OPEB): In the statement of net position, a liability is recognized for the Authority's OPEB liability as determined by an actuarial review of the healthcare coverage purchased by retirees to continue participation in the Authority's self-insured health plan. The

Authority is responsible for covering the excess of retiree claims over premium payments made by retirees to the Authority, which creates another post-employment benefit. OPEB expense is recognized immediately for changes in the OPEB liability resulting from current-period service cost, interest on the total OPEB liability and changes of benefit terms.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

Passenger Fares: Passenger cash fares are recorded as revenue at the farebox. Multi-issue passes are recorded as revenue when sold, with the exception of passes sold on Flamingo in which revenue is recorded as earned when the service is performed.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

Property tax calendar:

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

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

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

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

**NOTE 3 – CASH AND CASH EQUIVALENTS**

The carrying value of the Authority’s cash and cash equivalents as of September 30, 2024 and 2023 is as follows:

**NOTE 3 – CASH AND CASH EQUIVALENTS (continued)**

	<b>For year ended 9/30/2024</b>	<b>For year ended 9/30/2023</b>
<b>Cash and cash equivalents</b>		
Cash on hand	\$ 32,837	\$ 36,441
Demand Deposits	13,832,612	12,095,616
Imprest Accounts	1,010,000	930,000
Florida State Board of Administration - Florida PRIME	47,830,103	27,596,571
<b>Total</b>	<b>\$ 62,705,552</b>	<b>\$ 40,658,628</b>

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

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

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

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

### **NOTE 3 – CASH AND CASH EQUIVALENTS (continued)**

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

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

At September 30, 2024 and 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value within Florida PRIME.

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

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

Interest Rate Risk: The dollar weighted average days to maturity (WAM) of Florida PRIME at September 30, 2024 and 2023 was 39 days and 35 days. The weighted average life (WAL) of Florida PRIME at September 30, 2024 and 2023 was 74 days and 75 days. The Authority's investment policy does not set limits for investment maturities. As of September 30, 2024, all of the Authority's excess cash was invested with the State Board of Administration Local Government Surplus Trust Funds Investment Pool.

Foreign Currency Risk: Florida PRIME was not exposed to any foreign currency risk during FY2024.

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

### **NOTE 4 – CAPITAL ASSETS**

Capital asset activity and balance for the fiscal years ending September 30, 2024 and 2023 are summarized below:

## NOTE 4 – CAPITAL ASSETS (continued)

Description	Balance October 1, 2023	Additions and Reclasses	Deletions	Balance September 30, 2024
<b>Non-depreciable capital assets</b>				
Land	\$ 19,043,009	\$ -	\$ -	\$ 19,043,009
Construction work in progress *	4,752,207	543,762	336,608	4,959,361
Total non-depreciable capital assets	23,795,216	543,762	336,608	24,002,370
<b>Depreciable assets</b>				
Buildings and improvements	77,870,785	35,471	-	77,906,256
Operating and transit related equipment	33,609,475	3,405,067	164,034	36,850,508
Other equipment, fixtures, and other vehicles	24,696,858	6,850	20,099	24,683,609
Computer equipment and software	15,817,752	150,103	-	15,967,855
Revenue vehicles	84,224,017	731,395	319,942	84,635,470
Lease Assets	92,378	-	56,333	36,045
Subscription-Based Informational Technology Agreements (SBITA)	2,276,940	-	102,557	2,174,383
Total depreciable capital assets	238,588,205	4,328,886	662,965	242,254,126
<b>Less accumulated depreciation and amortization</b>				
Buildings and improvements	54,879,522	1,950,403	-	56,829,925
Operating and transit related equipment	27,477,162	2,047,996	100,655	29,424,503
Other equipment, fixtures, and other vehicles	14,730,027	694,234	20,099	15,404,162
Computer equipment and software	13,470,123	1,027,154	-	14,497,277
Revenue vehicles	46,551,083	7,131,746	131,519	53,551,310
Lease Assets	59,438	17,250	56,333	20,355
Subscription-Based Informational Technology Agreements (SBITA)	696,423	663,547	102,557	1,257,413
Total accumulated depreciation and amortization	157,863,778	13,532,330	411,163	170,984,945
Total depreciable assets, net	80,724,427	(9,203,444)	251,802	71,269,181
Total capital assets, net	\$ 104,519,643	\$ (8,659,682)	\$ 588,410	\$ 95,271,551

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

## NOTE 4 – CAPITAL ASSETS (continued)

Description	Balance October 1, 2022	Additions and Reclasses	Deletions	Balance September 30, 2023
<b>Non-depreciable capital assets</b>				
Land	\$ 19,043,009	\$ -	\$ -	\$ 19,043,009
Construction work in progress *	9,159,493	-	4,407,286	4,752,207
Total non-depreciable capital assets	28,202,502	-	4,407,286	23,795,216
<b>Depreciable assets</b>				
Buildings and improvements	77,852,350	18,435	-	77,870,785
Operating and transit related equipment	30,192,315	3,661,267	244,107	33,609,475
Other equipment, fixtures, and other vehicles	24,764,195	-	67,337	24,696,858
Computer equipment and software	13,639,667	2,650,049	471,964	15,817,752
Revenue vehicles	84,199,633	9,219,468	9,195,084	84,224,017
Lease Assets	-	92,378	-	92,378
Subscription-Based Informational Technology Agreements (SBITA)	-	2,276,940	-	2,276,940
Total depreciable capital assets	230,648,160	17,918,537	9,978,492	238,588,205
<b>Less accumulated depreciation and amortization</b>				
Buildings and improvements	52,585,375	2,294,147	-	54,879,522
Operating and transit related equipment	25,978,294	1,742,975	244,107	27,477,162
Other equipment, fixtures, and other vehicles	14,090,030	707,333	67,336	14,730,027
Computer equipment and software	13,193,897	748,190	471,964	13,470,123
Revenue vehicles	48,852,951	6,828,406	9,130,274	46,551,083
Lease Assets	-	59,438	-	59,438
Subscription-Based Informational Technology Agreements (SBITA)	-	696,423	-	696,423
Total accumulated depreciation and amortization	154,700,547	13,076,912	9,913,681	157,863,778
Total depreciable assets, net	75,947,613	4,841,625	64,811	80,724,427
Total capital assets, net	\$ 104,150,115	\$ 4,841,625	\$ 4,472,097	\$ 104,519,643

\* The construction work in progress at September 30, 2023 is primarily related to bus shelters and facility renovations.

**NOTE 4 – CAPITAL ASSETS (continued)**

**Right-to-Use Assets**

Right-to-use activity and balance for the years ended September 30, 2024 and 2023 is summarized below:

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

**September 30, 2023**

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

**NOTE 4 – CAPITAL ASSETS (continued)**

**Subscription-Based Informational Technology Agreements Assets (SBITA)**

SBITA activity and balance for the fiscal years ending September 30, 2024 and 2023 are summarized below:

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

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

**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

## NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

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

The Authority's pension benefit totaled (\$6,215,236) and \$17,144,980 for both the FRS Pension Plan and HIS Plan for the fiscal year ended September 30, 2024 and 2023, respectively.

The Authority's deferred outflows totaled \$12,314,552 and \$13,295,454 for both the FRS Pension Plan and HIS plan for the fiscal year ended September 30, 2024 and 2023, respectively.

The Authority's deferred inflows totaled \$8,139,675 and \$2,060,165 for both the FRS Pension Plan and HIS plan for the fiscal year ended September 30, 2024 and 2023, respectively.

The Authority's net pension liability totaled \$53,976,106 and \$61,132,782 for both the FRS Pension and HIS plan for the fiscal year ended September 30, 2024 and 2023, 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 who fill compulsory and designated positions participate in the Senior Management Service Class (SMSC). Members of the Elected Officers' Class (EOC) may elect to participate in the SMSC in lieu of the EOC.
- *Special Risk Class* – Members who are employed as law enforcement officers, firefighters, firefighter trainers, fire prevention officers, state fixed-wing pilots for aerial firefighting surveillance, correctional officers, emergency medical technicians, paramedics, community-based correctional probation officers, youth custody officers (from July 1, 2001, through June 30, 2014), certain health-care related positions within state forensic or

## NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)

correctional facilities, or specified forensic employees of a medical examiner’s office or a law enforcement agency, and meet the criteria to qualify for this class.

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

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

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

### **Benefits Provided**

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

**NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)**

**Florida Retirement System**

	% Value (per year of service)
<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 Dec. 1, 1970 through Sept. 30, 1974 .....	2.00%
Service on and after Oct. 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, 2023 through June 30, 2024 and from July 1, 2024 through September 30, 2024, respectively, were applied to employee salaries as follows: Regular – 13.57% and 13.63%; Special Risk Administrative Support – 39.82% and 39.82%; Special Risk – 32.67% and 32.79%; Senior Management Service – 34.52% and 34.52%; Elected Officers’ – 58.68% and 58.68%; and DROP participants – 21.13% and 21.13%. These employer contributions rates include the appropriate retirement contribution rate, HIS contribution rate of 2% from July 1, 2024 through September 30, 2024 and 2% for October 1, 2023 through June 30, 2023, administrative/educational fee of 0.06% for both 2024 and 2023 and any applicable UAL rates. The Authority’s contributions to the FRS Plan were \$5,140,125 and \$4,833,413 for the years ended September 30, 2024 and 2023, respectively.

### **Pension Costs**

On September 30, 2024 and 2023, the Authority reported a liability of \$35,115,148 and \$40,035,437, 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, 2024, the Authority’s proportion was 0.0908%, which was a decrease of 0.0100% from its proportion measured as of June 30, 2023. At June 30, 2023, the Authority’s proportion was 0.1005%, which was an increase of 0.0001% from its proportion measured as of June 30, 2022.

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

**NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)**

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

\$1,194,959 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, 2025. 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
2025	\$ (397,508)
2026	5,757,928
2027	(54,019)
2028	19,996
2029	318,348
Thereafter	(756,368)
	<u>\$ 4,888,377</u>

For the year ended September 30, 2023, the Authority recognized pension expense of \$9,002,531 for its proportionate share of FRS’s pension expense. In addition, the Authority reported its proportionate share of FRS’s deferred outflows of resources and deferred inflows of resources from the following sources:

**NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)**

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 3,758,982	\$ -
Changes in Actuarial Assumptions	2,609,842	-
Net Difference Between Projected and Actual Earnings on Pension Plan	1,671,988	-
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	2,169,902	66,238
Authority Contributions Subsequent to the Measurement Date	1,117,398	-
Total	<u>\$ 11,328,112</u>	<u>\$ 66,238</u>

**Actuarial Assumptions**

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

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

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

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

**NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)**

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

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

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

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

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

**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%

**Discount Rate**

The discount rate used to measure the total pension liability in the July 1, 2024 and 2023 actuarial valuation was 6.70% for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan’s fiduciary net positions are projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Pension Liability Sensitivity**

The following presents the Authority’s proportionate share of the net pension liability for the FRS Plan for fiscal year 2024, 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)	\$ 61,766,316	\$ 35,115,148	\$ 12,789,142

The following presents the Authority’s proportionate share of the net pension liability for the FRS Plan for fiscal year 2023, calculated using the discount rate disclosed in the preceding paragraph,

**NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)**

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

Description	1% Decrease	Current Discount Rate	1% Increase
FRS Plan Discount Rate	5.70%	6.70%	7.70%
Entity's Proportionate Share of the FRS Plan Net Pension Liability (Asset)	\$ 68,388,678	\$ 40,035,437	\$ 16,314,558

**Pension Plan Fiduciary Net Position**

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

**Payables to the Pension Plan**

On September 30, 2024 and 2023 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, 2024 and June 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112,363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under one of the state-administered retirement systems must provide proof of health insurance coverage, which may include Medicare.

## **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, 2024, the contribution rate was 2% of payroll pursuant to section 112.363, Florida Statutes. For the fiscal year ended June 30, 2023, the contribution rate was 2% of payroll pursuant to section 112.363, Florida Statutes. The Authority contributed 100% of its statutorily required contributions for the current and preceding three (3) years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The Authority's contributions to the HIS Plan were \$1,064,480 and \$873,869, respectively, for the years ended September 30, 2024 and 2023, respectively.

### **Pension Costs**

On September 30, 2024 and 2023, the Authority reported a liability of \$18,860,958 and \$21,097,345 respectively, for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, and the total pension liability used to calculate the net pension liability was determined by annual actuarial valuations as of July 1. The Authority's proportion of the net pension liability was based on the Authority's contributions received during the measurement period for employer payroll paid dates from July 1 through June 30, relative to the total employer contributions received from all participating employers. On June 30, 2024, the Authority's proportion was 0.1258%, which was a decrease of 0.0071% from its proportion measured as of June 30, 2023. On June 30, 2023, the Authority's proportion was 0.1328%, which was an increase of 0.0027% from its proportion measured as of June 30, 2022.

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

**NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)**

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

\$244,886 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, 2025. 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 June 30	Amount
2025	\$ (250,029)
2026	(354,118)
2027	(587,228)
2028	(482,337)
2029	(368,688)
Thereafter	(110,945)
TOTAL	<u>(2,153,345)</u>

For the year ended September 30, 2023, the Authority recognized pension expense of \$8,142,449 for its proportionate share of HIS's pension expense. In addition, the Authority reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

**NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)**

**HIS Deferred Inflows/Outflows - 2023**

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 308,851	\$ 49,519
Changes in Actuarial Assumptions	554,643	1,828,156
Net Difference Between Projected and Actual		
Earnings on HIS Program Investments	10,895	-
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	877,402	116,252
Authority Contributions Subsequent to the Measurement Date	230,008	-
Total	<u>\$1,981,799</u>	<u>\$1,993,927</u>

**Actuarial Assumptions**

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

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

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

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

Inflation	2.40% per year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	3.54%

**NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)**

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

**Discount Rate**

The discount rate used to measure the total pension liability in the July 1, 2024 and 2023 actuarial valuation was 3.93% and 3.65% 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 FY2024, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

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

The following presents the Authority’s proportionate share of the net pension liability for the HIS Plan for FY2023, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase
HIS Plan Discount Rate	2.65%	3.65%	4.65%
Authority's Proportionate Share of the HIS Plan Net Pension Liability	\$ 24,068,778	\$ 21,097,345	\$ 18,634,226

## **NOTE 5 – DEFINED BENEFIT PENSION PLANS (continued)**

### **Pension Plan Fiduciary Net Position**

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

### **Payables to the HIS Plan**

On September 30, 2024 and 2023 HART reported no payables for outstanding amounts of contributions to the HIS plan.

## **NOTE 6 – DEFINED CONTRIBUTION PLAN**

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Authority employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 % of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2023-24 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, were as follows: Regular class 8.60%, Special Risk Administrative Support class 10.43%, Special Risk class 19.11%, Senior Management Service class 9.98% and County Elected Officers class 13.95%. These allocations include a required employee contribution of 3% of gross compensation for each member class.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested on these funds and the earnings on the funds. Non-vested employer contributions are placed in a

## **NOTE 6 – DEFINED CONTRIBUTION PLAN (continued)**

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, 2024 and 23, 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.

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 \$701,133 and \$752,258 for the fiscal years ended September 30, 2024 and 2023 respectively. Employee contributions to the investment plan totaled \$169,524 and \$148,557 for the years ended September 30, 2024 and 2023 respectively.

## **NOTE 7 – OTHER PENSION PLANS**

Deferred Compensation Plan: All full-time employees are eligible to participate in the Authority's Deferred Compensation Plan. The deferred compensation plan is governed by the Internal Revenue Code (IRC) 457 savings plan authorized by Congress. Under the plan, an employee contributes a set sum each pay period to an investment account in the employee's name. Deferred compensation is a voluntary, payroll-deducted retirement program which offers the opportunity of setting aside a portion of income on a pre-tax basis and investing those monies into one or more funds selected by the employee. Contributions to the investment account are made out of pretax income and the earnings of the account are not taxed until they are withdrawn, usually at retirement. In an effort to encourage employees to save for their retirement, the company will match the employee's contribution dollar for dollar up to the equivalent of three and one-half (3 ½) percent of the employee's salary on an annual basis. The Authority's contribution was \$868,063 for FY 2024 and \$816,754 for FY2023. This contribution is included in the payroll taxes, fringe benefits and workers' compensation in the accompanying Statements of Revenues, Expenses, and Changes in Net Position.

City of Tampa Pension Plan: The Authority is required by the City of Tampa to pay retirement benefits to employees that transitioned from the City to the Authority on March 1, 1980, but chose to remain in the City of Tampa Pension Fund. The Authority's contribution was \$37,772 for FY 2024 and \$38,192 for FY 2023. This contribution is included in the payroll taxes, fringe benefits, and workers' compensation in the accompanying Statements of Revenues, Expenses, and Changes in Net Position.

## NOTE 8 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

### Eligibility

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

### Participant Data

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

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

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

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of September 30, 2024 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	4.50%
Discount Rate as of September 30, 2023	4.06% (based on the municipal bond rate)
Discount Rate as of September 30, 2024	3.81% (based on the municipal bond rate)

Health Care Participation Rate Future Retirees	The assumption was made that 30% of current active employees not yet age 65 would elect coverage by retirement age and 8% of current active employees age 65 and over would elect coverage by retirement age.
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**NOTE 8 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

Health Care Cost Trend Rates	Year	Medical w/Rx	
		Pre-65	Post-65
	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 to 2034	4.00%	4.00%
	2024+	4.00%	4.00%

Mortality Rates

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

**Changes in Assumptions or Other Inputs Since Prior Measurement Date**

Method Changes

There has been no change.

Benefit Term Changes

There are no changes of benefit terms.

Assumption Changes

The financial accounting valuation reflects the following assumption changes:

- The discount rate decreased from 4.06% as of September 30, 2023 to 3.81% as of September 30, 2024 to reflect changes in the Bond Buyer GO 20-Bond Municipal Bond Index.

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

**Total OPEB Liability**

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

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

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

Shown below are details regarding the total OPEB liability for the Measurement Period from October 1, 2022 to September 30, 2023:

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

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

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

For the year ended September 30, 2024, the Authority recognized OPEB expense of \$239,665. In addition, the Authority reported deferred outflow of resources and deferred inflow of resources from the following sources:

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

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

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

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

For the year ended September 30, 2023, the Authority recognized OPEB expense of \$202,829. In addition, the Authority reported deferred outflow of resources and deferred inflow of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Actual and Expected	\$ 46,751	\$ (327,133)
Assumption Changes	271,041	(66,318)
Total	<u>\$ 317,792</u>	<u>\$ (393,451)</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:	
2024	(17,525)
2025	(17,525)
2026	(16,207)
2027	(15,194)
2028	(251)
Thereafter	(8,957)
<b>TOTAL</b>	<u><u>(75,659)</u></u>

**Interest Rate Sensitivity**

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

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

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

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

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

**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, 2024:

	<u>2024</u>		
	1% Decrease	Trend Rate	1% Increase
	6.75%	7.75%	8.75%
<b>Total OPEB Liability</b>	<b>\$1,648,000</b>	<b>\$2,050,099</b>	<b>\$2,582,000</b>

The following table illustrates the impact of healthcare cost trend sensitivity on the total OPEB Liability for fiscal year ended September 30, 2023:

	<u>2023</u>		
	1% Decrease	Trend Rate	1% Increase
	5.75%	6.75%	7.75%
<b>Total OPEB Liability</b>	<b>\$1,508,000</b>	<b>\$1,664,814</b>	<b>\$1,851,000</b>

**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.

**NOTE 9 – SELF INSURANCE AND LOSS CONTINGENCIES (continued)**

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

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

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

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

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

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

The liability as of September 30, 2024 was \$5,800,435. 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.

Description	<u>2024</u>	<u>2023</u>	<u>2022</u>
Beginning balance	5,253,173	6,064,180	5,702,011
Current year claims and changes in estimate	15,612,973	11,352,516	11,837,835
Claims payments	(15,065,711)	(12,163,523)	(11,475,666)
Ending balance	<u>5,800,435</u>	<u>5,253,173</u>	<u>6,064,180</u>
Amount due within one year	<u>1,786,715</u>	<u>2,845,294</u>	<u>2,760,494</u>

## NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

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

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

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

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>	<u>More than</u> <u>One Year</u>
Self insurance and loss contingencies	\$ 6,064,180	\$ 11,352,516	\$(12,163,523)	\$ 5,253,173	\$ 2,845,294	\$ 2,407,879
Lease liability	52,810	134	(19,599)	33,345	17,243	16,102
SBITA liability	-	2,056,590	(635,400)	1,421,190	624,341	796,849
Compensated absences	3,369,362	476,252	(238,126)	3,607,488	185,514	3,421,974
Net pension liability	51,136,382	9,996,400	-	61,132,782	-	61,132,782
Total OPEB liability	1,664,814	179,807	-	1,664,814	75,000	1,589,814
Total long-term liabilities	<u>\$ 62,107,741</u>	<u>\$ 24,061,699</u>	<u>\$(13,056,648)</u>	<u>\$ 73,112,792</u>	<u>\$ 3,672,392</u>	<u>\$ 69,440,400</u>

## NOTE 11 – LEASE LIABILITIES

The Authority has entered into right-to-use leases for the use of equipment and copiers. The right-to-use assets have been recorded at the present value of future contract payments at the date of their inception at an interest rate of .62%.

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

## NOTE 11 – LEASE LIABILITIES (continued)

### For the year ended September 30, 2024

<b>Maturity Analysis</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Payments</b>
Year Ending 2025-09	\$ 4,920	\$ 88	\$ 5,008
Year Ending 2026-09	4,950	58	5,008
Year Ending 2027-09	4,981	27	5,008
Year Ending 2028-09	1,250	2	1,252
Year Ending 2029-09	-	-	-
<b>Total Future Payments</b>	<b>\$ 16,101</b>	<b>\$ 175</b>	<b>\$ 16,276</b>

### For the year ended September 30, 2023

<b>Maturity Analysis</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Payments</b>
Year Ending 2024-09	\$ 17,243	\$ 154	\$ 17,397
Year Ending 2025-09	4,920	88	5,008
Year Ending 2026-09	4,950	58	5,008
Year Ending 2027-09	4,981	27	5,008
Year Ending 2028-09	1,251	2	1,253
<b>Total Future Payments</b>	<b>\$ 33,345</b>	<b>\$ 329</b>	<b>\$ 33,674</b>

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

The Authority has entered into SBITAs for finance, reporting, and tracking software for a period of 2 to 6 years and an incremental borrowing rate of 0.21% to 3.33% percent. The SBITAs have been recorded at the present value of the future contract payments as of the date of their inception or, for SBITAs existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at October 1, 2022.

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

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

**For the year ended September 30, 2024**

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

**For the year ended September 30, 2023**

<b>Maturity Analysis</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Payments</b>
Year Ending 2024-09	\$ 624,342	\$ 47,004	\$ 671,346
Year Ending 2025-09	328,453	26,461	354,914
Year Ending 2026-09	327,112	15,575	342,687
Year Ending 2027-09	45,304	4,726	50,030
Year Ending 2028-09	49,725	3,230	52,955
5 years ending 2033	46,254	1,583	47,837
<b>Total Future Payments</b>	<b>\$ 1,421,190</b>	<b>\$ 98,579</b>	<b>\$ 1,519,769</b>

For the year ended September 30, 2024 and 2023, the Authority had \$50,342 of SBITAs with variable payments that were based on user seats.

For the year ended September 30, 2024 and 2023, the Authority had no other payments, such as termination penalties, not previously included in the measurement of the subscription liability.

For the year ended September 30, 2024 and 2023, the Authority had no commitments under SBITAs before the commencement of the subscription term or any losses associated with an impairment.

### **NOTE 13 – UNRESTRICTED AND RESTRICTED NET POSITION**

The Authority's unrestricted net position as of September 30, 2024, was \$10,393,323 and as of September 30, 2023 the unrestricted net position was \$1,165,045. The Authority's restricted net position as of September 30, 2024 was \$705,000 and as of September 30, 2023 was \$313,288. These funds are restricted for medical risk liability.

### **NOTE 14 – COMMITMENTS AND CONTINGENCIES**

The Authority receives federal and state grants that are subject to financial and compliance audits by grantor agencies, which, if instances of material noncompliance are found, may result in disallowable expenditures, 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.

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

### **NOTE 15 – SUBSEQUENT EVENTS**

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

### **NOTE 16 – ERROR CORRECTIONS**

During fiscal year 2024, an error correction resulted in adjustments to and restatements of the beginning balances of capital assets and the reclassification of restricted cash and net position balances to unrestricted:

**NOTE 16 – ERROR CORRECTIONS (continued)**

**Capital Assets**

	<b>Previously Reported</b>	<b>Error correction</b>	<b>As Restated</b>
Operating and transit related equipment 9/30/22	\$ 30,250,558	\$ (58,243)	\$ 30,192,315
Accumulated Depreciation 9/30/22	(26,036,537)	58,243	(25,978,294)
Computer Equipment and Software 9/30/22	13,639,667	-	13,639,667
Accumulated Depreciation 9/30/22	13,193,897	-	13,193,897
Revenue Vehicles 9/30/22	86,773,502	(2,573,869)	84,199,633
Accumulated Depreciation 9/30/22	(51,426,820)	2,573,869	(48,852,951)
<b>TOTAL</b>	<b>\$ 66,394,267</b>	<b>\$ -</b>	<b>\$ 66,394,267</b>

	<b>Previously Reported</b>	<b>Error correction</b>	<b>As Restated</b>
Operating and transit related equipment 9/30/23	\$ 33,732,622	\$ (123,147)	\$ 33,609,475
Accumulated Depreciation 9/30/23	(27,600,309)	123,147	(27,477,162)
Computer Equipment and Software 9/30/23	16,280,383	(462,631)	15,817,752
Accumulated Depreciation 9/30/23	(13,932,754)	462,631	(13,470,123)
Revenue Vehicles 9/30/23	87,699,134	(3,475,117)	84,224,017
Accumulated Depreciation 9/30/23	(50,026,200)	3,475,117	(46,551,083)
<b>TOTAL</b>	<b>\$ 46,152,876</b>	<b>\$ -</b>	<b>\$ 46,152,876</b>

**Restricted/Unrestricted Cash**

	<b>Previously Reported</b>	<b>Error correction</b>	<b>As Restated</b>
Unrestricted Cash 9/30/23	12,132,057	28,213,283	40,345,340
Restricted Cash 9/30/23	\$ 28,526,571	\$ (28,213,283)	\$ 313,288
<b>TOTAL</b>	<b>\$ 40,658,628</b>	<b>\$ -</b>	<b>\$ 40,658,628</b>

**Restricted/Unrestricted Net Position**

	<b>Previously Reported</b>	<b>Error correction</b>	<b>As Restated</b>
Restricted Net Position 9/30/23	\$ 28,526,571	\$ (28,213,283)	\$ 313,288
Unrestricted Net Position 9/30/23	(27,048,238)	28,213,283	1,165,045
<b>TOTAL</b>	<b>\$ 1,478,333</b>	<b>\$ -</b>	<b>\$ 1,478,333</b>

## **REQUIRED SUPPLEMENTAL INFORMATION**

**HILLSBOROUGH TRANSIT AUTHORITY**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**FOR FISCAL YEAR ENDING SEPTEMBER 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Florida Retirement System Pension Plan</b>										
Authority's Proportion of the Net Pension Liability	0.090772697%	0.100473317%	0.100390928%	0.096316563%	0.087619426%	0.087846167%	0.084403818%	0.088678260%	0.083875483%	0.087636522%
Authority's Proportionate Share of the Net Pension Liability	\$ 35,115,149	\$ 40,035,437	\$ 37,353,493	\$ 7,275,622	\$ 37,975,550	\$ 30,252,997	\$ 25,422,868	\$ 26,230,434	\$ 21,178,625	\$ 11,319,432
Authority's Covered Payroll	\$ 47,718,516	\$ 47,838,818	\$ 43,159,255	\$ 41,373,772	\$ 35,835,279	\$ 35,264,645	\$ 32,844,936	\$ 34,349,769	\$ 32,152,579	\$ 28,576,273
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	73.59%	83.69%	86.55%	17.59%	105.97%	85.79%	77.40%	76.36%	65.87%	39.61%
Plan Fiduciary Net Position as a Percentage of the total Net Pension Liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%
<b>Retiree Health Insurance Subsidy Program</b>										
Authority's Proportion of the Net Pension Liability	0.125731524%	0.132843659%	0.130130414%	0.127952745%	0.125247093%	0.122731291%	0.117813858%	0.124699170%	0.119854302%	0.115730222%
Authority's Proportionate Share of the Net Pension Liability	\$ 18,860,957	\$ 21,097,345	\$ 13,782,889	\$ 15,695,328	\$ 15,292,466	\$ 13,732,403	\$ 12,469,551	\$ 13,333,411	\$ 13,968,522	\$ 11,802,662
Authority's Covered Payroll	\$ 53,283,660	\$ 52,728,409	\$ 47,555,425	\$ 45,776,824	\$ 43,548,361	\$ 41,091,798	\$ 38,496,059	\$ 39,250,189	\$ 37,260,356	\$ 35,063,188
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	35.40%	40.01%	28.98%	35.86%	35.12%	33.42%	32.39%	33.97%	37.49%	33.66%
Plan Fiduciary Net Position as a Percentage of the total Net Pension Liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

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

**HILLSBOROUGH TRANSIT AUTHORITY  
SCHEDULE OF CONTRIBUTIONS  
FOR FISCAL YEAR END SEPTEMBER 30, 2024**

<b>Florida Retirement System Pension Plan</b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Contractually Required Contribution	\$ 5,140,125	\$ 4,833,413	\$ 4,368,962	\$ 3,954,965	\$ 2,942,778	\$ 2,810,946	\$ 2,508,308	\$ 2,305,879	\$ 2,191,784	\$ 2,120,448
Contributions in Relation to the Contractually Required Contribution	\$ (5,140,125)	\$ (4,833,413)	\$ (4,368,962)	\$ (3,954,965)	\$ (2,942,778)	\$ (2,810,946)	\$ (2,508,308)	\$ (2,305,879)	\$ (2,191,784)	\$ (2,120,448)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's Covered Payroll	\$ 48,275,254	\$ 46,210,238	\$ 43,982,880	\$ 38,244,143	\$ 34,183,924	\$ 35,792,529	\$ 33,169,710	\$ 34,937,134	\$ 33,369,552	\$ 28,972,948
Contributions as a Percentage of Covered Payroll	10.65%	10.46%	9.93%	10.34%	8.61%	7.85%	7.56%	6.60%	6.57%	7.32%
<b>Retiree Health Insurance Subsidy Program</b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Contractually Required Contribution	\$ 1,064,480	\$ 873,869	\$ 800,287	\$ 784,810	\$ 700,464	\$ 696,320	\$ 644,240	\$ 669,012	\$ 639,553	\$ 480,410
Contributions in Relation to the Contractually Required Contribution	\$ (1,064,480)	\$ (873,869)	\$ (800,287)	\$ (784,810)	\$ (700,464)	\$ (696,320)	\$ (644,240)	\$ (669,012)	\$ (639,553)	\$ (480,410)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's Covered Payroll	\$ 53,926,047	\$ 51,162,123	\$ 48,471,023	\$ 43,770,929	\$ 42,223,521	\$ 42,009,042	\$ 38,846,705	\$ 39,797,742	\$ 38,767,502	\$ 35,487,167
Contributions as a Percentage of Covered Payroll	1.97%	1.71%	1.65%	1.79%	1.66%	1.66%	1.66%	1.68%	1.65%	1.35%

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

**HILLSBOROUGH TRANSIT AUTHORITY  
SCHEDULE OF CHANGES IN OPEB  
FOR FISCAL YEAR END SEPTEMBER 30, 2024**

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

**Notes to Schedule:**

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

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

- The discount rate was updated from 4.06%, to 3.81%
- The trend rates were updated to an initial rate of 7.75% (6.75% for post-65) grading down to an ultimate rate of 4.00%. The initial rate and the grade down period is extended to account for recent inflationary pressures and price increases over the next couple of years.
- The marriage assumption was changed to 23% for future retirees.
- The participation assumption was reduced to 8% based on recent participation experience.
- The retirement and termination tables were updated to the Florida Retirement System Actuarial Valuation as of June 30, 2023.
- Retirement, withdrawal and disability rates were updated to the Florida Retirement System Actuarial Valuation as of June 30, 2023.
- There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

## **OTHER SUPPLEMENTAL INFORMATION**

**HILLSBOROUGH TRANSIT AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2024**

<u>GRANTOR / PROGRAM TITLE</u>	<u>Federal Assistance Listing Number</u>	<u>Federal Grant Number</u>	<u>FY 2024 Program Expenditures</u>	<u>FY 2024 Transfers to Subrecipients</u>
<b>Direct Federal Grantor Grants</b>				
U.S. Department of Transportation - Federal Transit Administration				
<b>Capital Investment Grants</b>				
FY14 State of Good Repair Discretionary Program	20.500	FL-04-0167	\$ 51,078	\$ -
<b>Total Federal Transit Capital Investment Grants</b>			<u>51,078</u>	<u>-</u>
<b>Urbanized Area Formula Program</b>				
FY20 Urbanized Area Formula Program	20.507	FL-2020-066	106,267	-
FY21 Urbanized Area Formula Program	20.507	FL-2021-073	570,400	-
FY22 Urbanized Area Formula Program	20.507	FL-2023-024	1,150,290	-
FY23 Urbanized Area Formula Program	20.507	FL-2023-075	948,095	-
FY19 Surface Transportation Block Program	20.507	FL-2020-024	13,167	-
FY20 Surface Transportation Block Program	20.507	FL-2021-010	557,019	-
FY21 The American Rescue Plan Act	20.507	FL-2022-009	18,029,345	-
<b>Total Urbanized Area Formula Program</b>			<u>21,374,583</u>	<u>-</u>
FY20&21 State of Good Repair Formula Grant Program	20.525	FL-2023-030	175,316	-
FY22&23 State of Good Repair Formula Grant Program	20.525	FL-2023-079	186,554	-
<b>Total State of Good Repair Formula Grant Program</b>			<u>361,870</u>	<u>-</u>
<b>Total Bus &amp; Bus Facilities Formula Program</b>				
FY16 Bus and Bus Facilities Formula Program	20.526	FL-2017-065	128,445	-
FY20&21 Bus and Bus Facilities Formula Program	20.526	FL-2023-022	279,024	-
FY22&23 Bus and Bus Facilities Formula Program	20.526	FL-2023-076	147,616	-
<b>Total Bus &amp; Bus Facilities Formula Program</b>			<u>555,085</u>	<u>-</u>
<b>Total Federal Transit Administration Cluster</b>	20.500, 20.507, 20.525, 20.526		<u>22,342,616</u>	<u>-</u>
<b>Emergency Relief Program</b>				
FY2019 Emergency Relief Resiliency Program	20.527	FL-2024-062	1,000,000	-
<b>Total Emergency Relief Program</b>			<u>1,000,000</u>	<u>-</u>
<b>Total Expenditure of Federal Grants</b>			<u>23,342,616</u>	<u>-</u>

**HILLSBOROUGH TRANSIT AUTHORITY  
NOTES TO THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2024**

<u>GRANTOR / PROGRAM TITLE</u>	<u>State CSFA Number</u>	<u>State Project Number</u>	<u>FY 2024 Program Expenditures</u>	<u>FY 2024 Transfers to Subrecipients</u>
<b>Direct State Financial Assistance</b>				
<b>Florida Department of Transportation</b>				
Commuter Assistance Program / Ride Share Grants - Streetcar Free Fares (G2O61)	55.007	412533-1-84-24	700,000	-
Commuter Assistance Program / Ride Share Grants - BTI Bus Stop Improvements (G2L60)	55.007	412534-1-84-23	150,527	-
<b>Total Commuter Assistance / Ride Share Program</b>			<b>850,527</b>	<b>-</b>
Public Transit Block Grant Program (G2Q30)	55.010	402251-1-84-24	6,897,651	-
<b>Total Public Transit Block Grant Program</b>			<b>6,897,651</b>	<b>-</b>
Public Transit Service Development Program - Heavy Maintenance Facility (G1K16)	55.012	443140-1-94-01	181,687	-
<b>Total Public Transit Service Development Program</b>			<b>181,687</b>	<b>-</b>
Transit Corridor Development Program - Route 400 (G2C25)	55.013	420741-1-84-23	285,915	-
Transit Corridor Development Program - Route 34 (G2C28)	55.013	430322-1-84-23	285,915	-
Transit Corridor Development Program - Route 400 (G2Q40)	55.013	430322-1-84-24	294,334	-
Transit Corridor Development Program - Route 34 (G2Q41)	55.013	430322-1-84-24	294,334	-
<b>Total Transit Corridor Development Program</b>			<b>1,160,498</b>	<b>-</b>
<b>Total State Grant Awards</b>			<b>9,090,363</b>	<b>-</b>
<b>Total Expenditures of Federal Awards and State Grant Awards</b>			<b>\$ 32,432,979</b>	<b>\$ -</b>

(Continued)

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

**HILLSBOROUGH TRANSIT AUTHORITY  
NOTES TO THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2024**

**NOTE 1 – BASIS OF PRESENTATION**

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

**NOTE 2 – CONTINGENCIES**

The federal programs and state projects shown in the Schedule of Expenditures of Federal Awards and State Financial Assistance are subject to financial and compliance audits by grantor agencies, which, if instances of material noncompliance are found, may result in disallowable expenditures, and affect the Authority's continued participation in specific programs. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial. The accompanying schedule of expenditures of federal awards and state financial assistance is reported on the accrual basis of accounting, under which revenues are recognized when earned and measurable and expenses are recognized when incurred.

**NOTE 3 – INDIRECT COSTS**

The Authority has elected not to use the 10-percent de minimis indirect cost rate as is allowed under the Uniform Guidance.

**SECTION III**  
**STATISTICAL SECTION**

## **STATISTICAL SECTION**

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

**Note: The statistical section contains “Unaudited” data.**

## Statistical Section

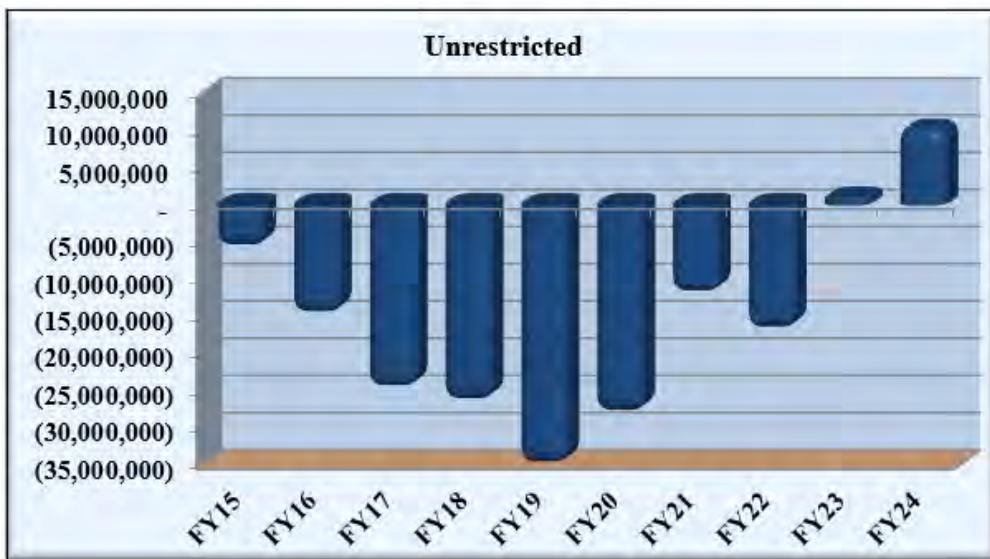
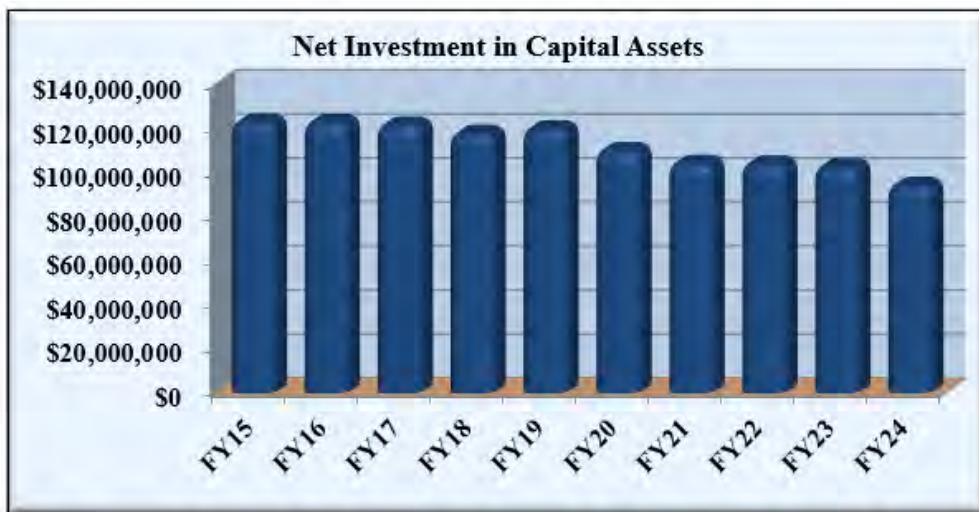
### Financial Trends

- Net Position by Component (FY2014 to FY2024).
- Statement of Assets, Deferred Outflows, Liabilities, Deferred Inflows & Net Position (FY2015 to FY2019).
- Statement of Assets, Deferred Outflows, Liabilities, Deferred Inflows & Net Position (FY2020 to FY2024).
- Statement of Revenues, Expenses, & Changes in Net Position (FY2015 to FY2019).
- Statement of Revenues, Expenses, & Changes in Net Position (FY2020 to FY2024).

**NET POSITION BY COMPONENT  
FY2015 to FY2024**

	FY2015	FY2016	FY2017	FY2018	FY2019
<b>NET POSITION</b>					
Net Investment in Capital Assets	\$123,085,260	\$122,976,936	\$121,766,602	\$117,985,314	\$120,027,532
Restricted	700,000	610,800	1,037,807	1,037,807	85,625,022
Unrestricted	(5,632,905)	(14,589,739)	(24,544,597)	(26,301,549)	(34,808,461)
Total Net Position	118,152,355	108,997,997	98,259,812	92,721,572	170,844,093

	FY2020	FY2021	FY2022	FY2023	FY2024
<b>NET POSITION</b>					
Net Investment in Capital Assets	110,229,835	104,384,887	104,149,896	103,025,953	94,458,602
Restricted	197,353,969	218,851,884	313,380	313,288	705,000
Unrestricted	(27,878,361)	(11,808,554)	(16,689,782)	1,165,045	10,393,323
Total Net Position	\$279,705,443	\$311,428,217	\$87,773,494	\$104,504,286	\$105,556,925



<b>STATEMENT OF ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS &amp; NET POSITION</b>					
<b>FY2015 to FY2019</b>					
	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>
<b>ASSETS</b>					
Cash & Cash Equivalents-Unrestricted	\$ 15,775,962	\$ 10,137,998	\$ 12,768,003	\$ 14,052,908	\$ 9,272,590
Cash & Cash Equivalents-Restricted	700,000	425,000	1,037,807	1,037,807	66,023,804
<b>Investments</b>	-	-	-	-	-
Trade Receivable, net	778,787	756,015	2,298,457	748,588	1,100,599
Surtax Receivable	-	-	-	-	19,601,218
Delinquent Property Tax Receivable	65,759	79,845	62,134	47,059	55,895
Federal Grants Receivable	11,667,050	11,275,149	1,764,141	517,258	2,211,812
State Grants Receivable	146,098	1,623,079	315,322	1,759,924	865,935
Local Grants Receivable	318,397	61,215	155,885	50,543	160,192
Inventory of Parts & Supplies	1,513,189	1,503,769	1,628,946	1,411,075	1,956,216
Prepaid Expenses	323,797	372,462	382,913	620,634	503,634
<b>Total Current Assets</b>	<b>31,289,039</b>	<b>26,234,532</b>	<b>20,413,608</b>	<b>20,245,796</b>	<b>101,751,895</b>
<b>Long Term Assets:</b>					
Land	19,040,309	19,040,309	19,040,309	19,043,009	19,043,009
Construction in Progress	540,588	3,378,211	4,469,892	5,736,827	7,786,592
Capital Assets, net	103,904,284	101,647,794	98,256,401	93,205,478	93,356,839
Leased Assets, net	-	-	-	-	-
SBIT, net	-	-	-	-	-
<b>Total Long Term Assets</b>	<b>123,485,181</b>	<b>124,066,314</b>	<b>121,766,602</b>	<b>117,985,314</b>	<b>120,186,440</b>
<b>Total Assets</b>	<b>154,774,220</b>	<b>150,300,846</b>	<b>142,180,210</b>	<b>138,231,110</b>	<b>221,938,335</b>
<b>DEFERRED OUTFLOWS</b>					
Deferred Outflows on pension and OPEB related amounts	4,724,263	12,704,894	15,993,288	14,577,121	14,566,634
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	1,866,153	3,500,875	3,898,479	3,547,234	4,453,958
Accrued Expenses	2,384,932	1,088,320	1,468,902	1,228,463	1,637,797
Right to use lease Liability *	-	-	-	-	-
Interest Payable*	-	-	-	-	-
Deferred Revenue	177,300	1,946	5,659	10,109	8,440
Self-Insurance & Contingency	3,337,878	2,808,134	3,016,930	2,391,880	3,915,661
Environmental Remediation	119,000	138,136	207,233	308,019	133,734
Compensated Absences	82,432	84,823	115,127	91,239	110,894
Capital Lease Obligation	73,949	306,249	-	-	-
Net Pension Liability	450,452	430,446	374,957	318,652	262,590
Net OPEB Liability	-	-	46,963	-	-
<b>Total Current Liabilities</b>	<b>8,492,096</b>	<b>8,358,929</b>	<b>9,134,250</b>	<b>7,895,596</b>	<b>10,523,074</b>
Lease Liability *	-	-	-	-	-
Self-Insurance & Contingency	4,653,651	6,283,924	5,407,660	5,619,072	3,125,977
Environmental Remediation	-	-	-	-	-
Compensated Absences	2,231,413	2,438,666	2,735,005	2,789,154	2,782,394
Capital Lease Obligation	325,972	479,238	-	-	-
Net Pension Liability	22,671,642	34,716,701	39,188,888	37,573,767	43,722,810
Net OPEB Liability	-	1,017,804	1,050,184	1,013,903	1,182,510
<b>Total Long Term Liabilities</b>	<b>29,882,678</b>	<b>44,936,333</b>	<b>48,381,737</b>	<b>46,995,896</b>	<b>50,813,691</b>
<b>Total Liabilities</b>	<b>38,374,774</b>	<b>53,295,262</b>	<b>57,515,987</b>	<b>54,891,492</b>	<b>61,336,765</b>
<b>DEFERRED INFLOWS</b>					
Deferred Inflows on pension and OPEB related amounts	2,971,354	712,481	2,397,699	5,195,167	4,324,111
<b>NET POSITION</b>					
Net Investment in Capital Assets	123,085,260	122,976,936	121,766,602	117,985,314	120,027,532
Restricted	700,000	610,800	1,037,807	1,037,807	85,625,022
Unrestricted	(5,632,905)	(14,589,739)	(24,544,597)	(26,301,549)	(34,808,461)
<b>Total Net Position</b>	<b>\$118,152,355</b>	<b>\$108,997,997</b>	<b>\$ 98,259,812</b>	<b>\$ 92,721,572</b>	<b>\$ 170,844,093</b>

<b>STATEMENT OF ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS &amp; NET POSITION</b>					
<b>FY2020 to FY2024</b>					
	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
<b>ASSETS</b>					
Cash & Cash Equivalents-Unrestricted	\$ 22,596,459	\$ 32,360,767	\$ 29,447,576	\$ 40,345,340	\$ 62,000,552
Cash & Cash Equivalents-Restricted	177,655,390	218,848,884	313,380	313,288	705,000
Investments	-	-	-	-	-
Trade Receivable, net	569,053	674,160	1,493,939	2,330,872	1,593,095
Surtax Receivable	19,698,579	-	-	-	-
Delinquent Property Tax Receivable	84,131	37,717	-	-	-
Federal Grants Receivable	1,771,783	3,226,257	2,798,019	24,917,028	857,999
State Grants Receivable	1,076,633	3,767,495	1,737,765	6,948,539	9,211,866
Local Grants Receivable	239,470	922,011	296,055	326,269	1,335,948
Inventory of Parts & Supplies	1,939,187	2,160,769	2,360,022	2,499,690	2,552,435
Prepaid Expenses	508,821	565,960	346,702	509,617	407,891
<b>Total Current Assets</b>	<b>226,139,506</b>	<b>262,564,020</b>	<b>38,793,458</b>	<b>78,190,643</b>	<b>78,664,786</b>
<b>Long Term Assets:</b>					
Land	19,043,009	19,043,009	19,043,009	19,043,009	19,043,009
Construction in Progress	6,221,020	8,206,207	9,159,493	4,752,207	4,959,360
Capital Assets, net	85,042,401	77,135,671	75,947,613	79,110,971	70,336,522
Leased Assets, net	-	-	-	32,940	15,690
SBIT, net	-	-	-	1,580,516	916,970
<b>Total Long Term Assets</b>	<b>110,306,430</b>	<b>104,457,566</b>	<b>104,202,839</b>	<b>104,519,643</b>	<b>95,271,551</b>
<b>Total Assets</b>	<b>336,445,936</b>	<b>367,021,586</b>	<b>142,996,299</b>	<b>182,710,286</b>	<b>173,936,337</b>
<b>DEFERRED OUTFLOWS</b>					
Deferred Outflows on pension and OPEB related amounts	16,063,147	13,425,823	15,725,968	13,613,246	13,406,323
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	4,510,817	5,562,045	3,460,755	13,384,433	3,053,630
Accrued Expenses	1,617,934	2,228,657	2,080,447	2,634,485	2,599,143
Right to use lease liability *	-	19,736	19,600	641,585	333,374
Interest Payable*	-	69	54	39,155	23,379
Deferred Revenue	6,264	184,962	239,291	194,764	763,621
Self-Insurance & Contingency	3,426,588	2,504,328	2,760,494	2,845,294	1,786,715
Environmental Remediation	150,000	150,000	-	-	-
Compensated Absences	116,809	91,095	150,729	185,514	161,106
Capital Lease Obligation	-	-	-	-	-
Net Pension Liability	168,757	83,659	13,835	-	-
Net OPEB Liability	-	-	-	75,000	10,000
<b>Total Current Liabilities</b>	<b>9,997,169</b>	<b>10,824,551</b>	<b>8,725,205</b>	<b>20,000,230</b>	<b>8,730,968</b>
Lease Liability *	-	52,874	33,344	812,950	479,575
Self-Insurance & Contingency	2,833,552	3,197,683	3,303,686	2,407,879	4,013,720
Environmental Remediation	-	-	-	-	-
Compensated Absences	3,086,926	3,317,998	3,218,633	3,421,974	3,399,020
Capital Lease Obligation	-	-	-	-	-
Net Pension Liability	53,099,259	22,887,291	51,122,547	61,132,782	53,976,106
Net OPEB Liability	1,426,868	1,566,440	1,485,007	1,589,814	2,040,099
<b>Total Long Term Liabilities</b>	<b>60,446,605</b>	<b>31,022,286</b>	<b>59,163,217</b>	<b>69,365,399</b>	<b>63,908,520</b>
<b>Total Liabilities</b>	<b>70,443,774</b>	<b>41,846,837</b>	<b>67,888,422</b>	<b>89,365,629</b>	<b>72,639,488</b>
<b>DEFERRED INFLOWS</b>					
Deferred Inflows on pension and OPEB related amounts	2,359,866	27,172,356	3,060,351	2,453,616	9,146,247
<b>NET POSITION</b>					
Net Investment in Capital Assets	110,229,835	104,384,887	104,149,896	103,025,953	94,458,602
Restricted	197,353,969	218,851,884	313,380	313,288	705,000
Unrestricted	(27,878,361)	(11,808,554)	(16,689,782)	1,165,045	10,393,323
<b>Total Net Position</b>	<b>\$279,705,443</b>	<b>\$311,428,217</b>	<b>\$ 87,773,494</b>	<b>\$104,504,286</b>	<b>\$105,556,925</b>

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

<b>STATEMENT OF REVENUES, EXPENSES, &amp; CHANGES IN NET POSITION</b>					
<b>FY2015 to FY2019</b>					
	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>
<b>OPERATING REVENUES:</b>					
Passenger Fare Revenues	16,593,816	15,155,608	14,148,572	12,576,581	12,412,904
Advertising Revenues	1,033,518	1,144,644	1,072,635	1,089,898	1,109,730
Other Revenues	116,589	237,079	405,193	3,150,349	2,817,582
<b>Total Operating Revenues</b>	<b>17,743,923</b>	<b>16,537,331</b>	<b>15,626,400</b>	<b>16,816,828</b>	<b>16,340,216</b>
<b>OPERATING EXPENSES:</b>					
Salaries & Wages	31,819,094	34,095,944	36,305,701	35,122,040	37,836,961
Fringe Benefits	16,912,330	18,670,787	23,405,926	21,257,654	26,820,478
Fuel & Oil	7,206,460	4,389,479	4,065,775	4,262,223	4,417,508
Parts & Supplies	4,150,983	4,178,489	4,281,705	4,481,531	5,103,773
Contract Services	3,300,141	4,033,881	5,948,106	6,494,192	8,268,305
Claims	3,000,607	4,277,254	2,407,661	2,812,076	3,313,183
Utilities	761,274	1,022,155	1,140,717	993,158	933,400
Marketing & Printing	339,870	354,185	346,738	340,216	542,376
Other Expenses	2,741,421	3,551,218	3,061,563	2,829,903	2,241,779
Expenses Reimbursed by Grants	1,793,741	1,440,203	1,750,812	2,477,298	693,637
Lease and SBITA Interest Expense*	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>72,025,921</b>	<b>76,013,595</b>	<b>82,714,704</b>	<b>81,070,291</b>	<b>90,171,400</b>
<b>Total Operating Gain (Loss)</b>	<b>(54,281,998)</b>	<b>(59,476,264)</b>	<b>(67,088,304)</b>	<b>(64,253,463)</b>	<b>(73,831,184)</b>
Depreciation Expense	11,671,433	11,652,527	12,164,514	12,194,544	12,353,469
Amortization expense*	-	-	-	-	-
<b>Net Operating Gain (Loss)</b>	<b>(65,953,431)</b>	<b>(71,128,791)</b>	<b>(79,252,818)</b>	<b>76,448,007</b>	<b>(86,184,653)</b>
<b>NON-OPERATING REVENUES:</b>					
Federal Operating Grants	10,726,311	9,893,280	12,409,977	12,038,587	12,513,482
State Operating Grants	4,906,810	5,205,625	5,085,689	6,041,652	8,399,287
Local Operating Grants	770,884	903,640	1,053,973	1,146,219	1,151,425
State Operating rebates - CNG	-	-	250,000	-	-
Local Transportation Surtax	-	-	-	-	84,299,484
Other Federal Funds	-	-	-	-	-
Property Tax Proceeds	32,398,546	34,869,378	37,509,439	40,801,680	44,834,934
Interest Revenue	84,466	60,899	122,610	288,659	726,168
<b>Total Non-Operating Revenues</b>	<b>48,887,017</b>	<b>50,932,822</b>	<b>56,431,688</b>	<b>60,316,797</b>	<b>151,924,780</b>
<b>Gain (Loss) before Capital Grants</b>	<b>(17,066,414)</b>	<b>(20,195,969)</b>	<b>(22,821,130)</b>	<b>(16,131,210)</b>	<b>65,740,127</b>
<b>CAPITAL GRANT REVENUES:</b>					
Federal Capital Grants	13,088,152	9,744,445	11,283,930	9,398,143	11,430,645
State Capital Grants	89,406	1,857,575	562,907	1,108,304	641,910
Local Capital Grants	341,726	339,538	171,420	86,523	309,839
Developer Contributed Assets	33,025	-	64,688	-	-
<b>Total Capital Contribution Revenue</b>	<b>13,552,309</b>	<b>11,941,558</b>	<b>12,082,945</b>	<b>10,592,970</b>	<b>12,382,394</b>
<b>Increase (Decrease) in Net Position</b>	<b>(3,514,105)</b>	<b>(8,254,411)</b>	<b>(10,738,185)</b>	<b>(5,538,240)</b>	<b>78,122,521</b>
<b>Net Position, Beginning Year</b>	<b>121,666,460</b>	<b>117,252,408</b>	<b>108,997,997</b>	<b>98,259,812</b>	<b>92,721,572</b>
<b>Net Position, End of the Year</b>	<b>\$118,152,355</b>	<b>\$108,997,997</b>	<b>\$98,259,812</b>	<b>\$92,721,572</b>	<b>\$170,844,093</b>

**STATEMENT OF REVENUES, EXPENSES, & CHANGES IN NET POSITION**  
**FY2020 to FY2024**

	<b>FY2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>OPERATING REVENUES:</b>					
Passenger Fare Revenues	9,029,994	6,272,298	8,162,616	8,637,755	9,634,292
Advertising Revenues	564,256	1,739,039	1,660,872	1,660,701	1,168,639
Other Revenues	104,994	246,383	581,318	397,023	608,304
<b>Total Operating Revenues</b>	<b>9,699,244</b>	<b>8,257,720</b>	<b>10,404,806</b>	<b>10,695,479</b>	<b>11,411,235</b>
<b>OPERATING EXPENSES:</b>					
Salaries & Wages	37,308,373	41,715,733	42,806,690	52,628,592	54,706,420
Fringe Benefits	30,351,736	24,998,425	28,977,689	34,249,277	26,207,247
Fuel & Oil	2,974,830	3,296,975	5,416,772	4,738,543	3,887,891
Parts & Supplies	5,603,276	4,368,288	4,690,787	5,383,658	5,950,739
Contract Services	8,930,148	8,182,724	8,049,117	7,710,944	10,029,948
Claims	3,233,629	2,970,319	4,173,111	3,187,346	4,745,851
Utilities	924,601	943,186	1,047,594	1,162,030	1,114,372
Marketing & Printing	354,346	355,111	365,206	399,869	430,035
Other Expenses	2,329,677	2,015,999	1,812,495	2,003,671	2,330,245
Expenses Reimbursed by Grants	4,125,879	3,087,727	4,845,377	361,121	2,121,824
Lease and SBITA Interest Expense*	-	503	384	51,139	31,382
<b>Total Operating Expenses</b>	<b>96,136,495</b>	<b>91,934,990</b>	<b>102,185,222</b>	<b>111,876,190</b>	<b>111,555,954</b>
<b>Total Operating Gain (Loss)</b>	<b>(86,437,251)</b>	<b>(83,677,270)</b>	<b>(91,780,416)</b>	<b>(101,180,711)</b>	<b>(100,144,719)</b>
Depreciation Expense	12,807,484	12,845,735	12,086,256	12,321,051	12,851,363
Amortization expense*	-	19,870	19,784	716,207	680,797
<b>Net Operating Gain (Loss)</b>	<b>(99,244,735)</b>	<b>(96,542,875)</b>	<b>(103,886,456)</b>	<b>(114,217,969)</b>	<b>(113,676,879)</b>
<b>NON-OPERATING REVENUES:</b>					
Federal Operating Grants	29,256,664	35,072,557	26,253,644	38,657,191	18,630,770
State Operating Grants	7,189,103	6,787,687	7,205,688	6,759,964	8,758,149
Local Operating Grants	1,465,932	1,531,207	1,506,817	1,590,458	2,175,231
State Operating rebates-CNG	-	-	-	-	-
Local Transportation Surtax	111,409,428	21,012,547	(216,090,967)	-	-
Other Federal Funds	1,985,705	944,142	332,014	-	2,362,491
Property Tax Proceeds	48,870,629	53,130,355	57,536,830	66,018,626	73,790,648
Interest Revenue	1,379,791	389,600	186,866	1,958,613	2,884,802
<b>Total Non-Operating Revenues</b>	<b>201,557,252</b>	<b>118,868,095</b>	<b>(123,069,108)</b>	<b>114,984,852</b>	<b>108,602,091</b>
<b>Gain (Loss) before Capital Grants</b>	<b>102,312,517</b>	<b>22,325,220</b>	<b>(226,955,564)</b>	<b>766,883</b>	<b>(5,074,788)</b>
<b>CAPITAL GRANT REVENUES:</b>					
Federal Capital Grants	4,831,653	7,884,702	2,570,418	15,527,636	4,711,846
State Capital Grants	1,416,991	782,539	722,107	238,669	1,332,359
Local Capital Grants	285,589	715,713	8,316	190,947	83,222
Developer Contributed Assets	14,600	14,600	-	6,657	-
<b>Total Capital Contribution Revenue</b>	<b>6,548,833</b>	<b>9,397,554</b>	<b>3,300,841</b>	<b>15,963,909</b>	<b>6,127,427</b>
<b>Increase (Decrease) in Net Position</b>	<b>108,861,350</b>	<b>31,722,774</b>	<b>(223,654,723)</b>	<b>16,730,792</b>	<b>1,052,639</b>
<b>Net Position, Beginning Year</b>	<b>170,844,093</b>	<b>279,705,443</b>	<b>311,428,217</b>	<b>87,773,494</b>	<b>104,504,286</b>
<b>Net Position, End of the Year</b>	<b>\$279,705,443</b>	<b>\$311,428,217</b>	<b>\$87,773,494</b>	<b>\$104,504,286</b>	<b>\$105,556,925</b>

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

\* GASB 96 implemented in FY2023

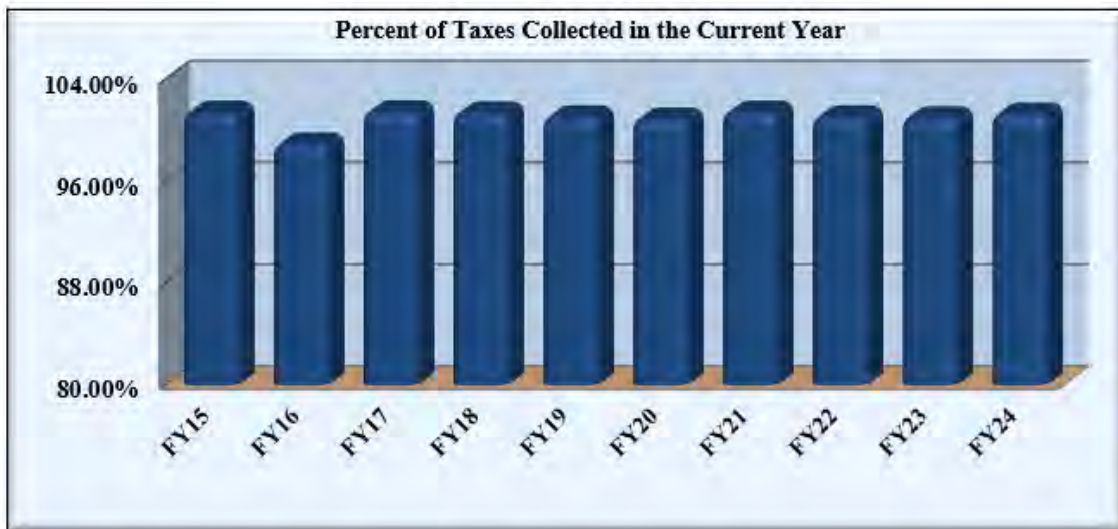
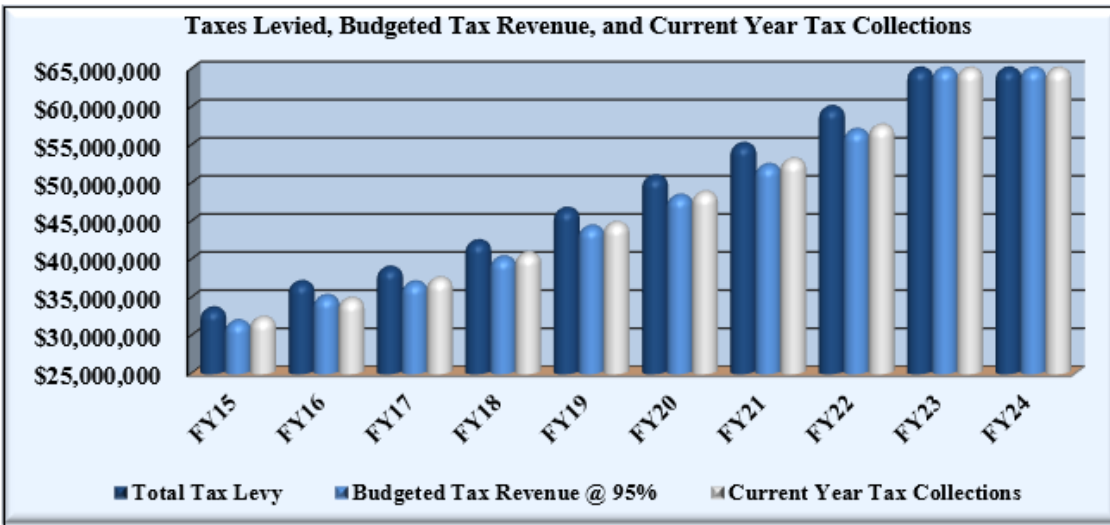
## Statistical Section

### Revenue Capacity

- Hillsborough Transit Authority, Property Tax Levies and Collections (FY2015 to FY2024).
- Hillsborough County, FL, Taxable Assessed Value and Actual Value of Property (FY2009 to FY2024).
- Single Family Taxable Values and Levies (2010 to 2025).
- Millage Rates (2015 to 2024).
- Taxable Sales (2009 to 2024).
- Revenues by Source (FY2015 to FY2024).
- Property Tax Revenue Used for Operations (FY2015 to FY2024).

**Note: The statistical section contains “Unaudited” data.**

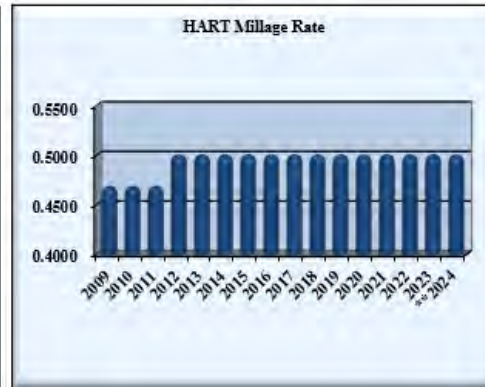
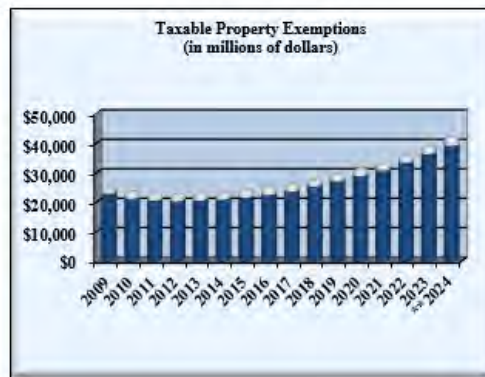
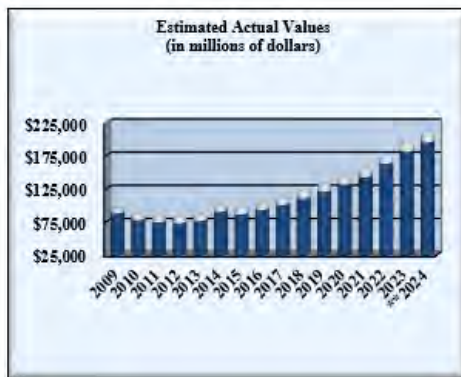
HILLSBOROUGH TRANSIT AUTHORITY PROPERTY TAX LEVIES AND COLLECTIONS FY2015-FY2024								
Fiscal Year	Total Tax Levy	Budgeted Tax Revenue @ 95%	Current Year Tax Collections	Percent of Current Year to Budget	Other Net Collections during the Year	Total Collections	Percent of Total Collections to Tax Levy	Millage Rate
FY2015	\$33,519,856	\$31,843,863	\$32,292,256	101.41%	\$80,123	\$32,372,379	96.58%	0.5000
FY2016	\$36,989,171	\$35,139,712	\$34,762,497	98.93%	\$92,795	\$34,855,292	94.23%	0.5000
FY2017	\$38,872,885	\$36,929,241	\$37,465,915	101.45%	\$61,234	\$37,527,149	96.54%	0.5000
FY2018	\$42,329,206	\$40,212,746	\$40,757,120	101.35%	\$59,635	\$40,816,755	96.43%	0.5000
FY2019	\$46,594,680	\$44,264,946	\$44,725,221	101.04%	\$100,876	\$44,826,097	96.20%	0.5000
FY2020	\$50,858,236	\$48,315,324	\$48,742,386	100.88%	\$100,007	\$48,842,393	96.04%	0.5000
FY2021	\$55,104,336	\$52,349,119	\$53,086,515	101.41%	\$50,457	\$53,136,972	96.43%	0.5000
FY2022	\$59,944,287	\$56,947,073	\$57,536,830	101.04%	\$37,320	\$57,574,150	96.05%	0.5000
FY2023	\$68,820,327	\$65,379,311	\$66,018,626	100.98%	\$66,274	\$66,084,900	96.03%	0.5000
FY2024	\$76,700,424	\$72,865,403	\$73,790,648	101.27%	\$124,860	\$73,915,508	96.37%	0.5000



HILLSBOROUGH COUNTY, FLORIDA TAXABLE ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY 2009 to 2024							
Year	Estimated Actual		Exemptions*		Assessed Value*		HART's
	Real Property	Personal Property	Real Property	Personal Property	Real Property	Personal Property	Millage Rate
2009	\$88,961	\$8,054	\$23,168	\$1,899	\$65,793	\$6,155	0.4682
2010	\$78,832	\$9,453	\$21,393	\$2,143	\$57,439	\$7,310	0.4682
2011	\$75,558	\$9,255	\$20,775	\$2,148	\$54,783	\$7,107	0.4682
2012	\$73,961	\$9,073	\$20,528	\$2,154	\$53,433	\$6,919	0.5000
2013	\$77,492	\$9,048	\$20,761	\$2,153	\$56,731	\$6,895	0.5000
2014	\$91,169	\$10,066	\$21,066	\$2,238	\$70,103	\$7,828	0.5000
2015	\$87,291	\$10,117	\$21,742	\$2,281	\$65,549	\$7,836	0.5000
2016	\$93,867	\$10,182	\$22,655	\$2,258	\$71,212	\$7,924	0.5000
2017	\$101,712	\$10,376	\$23,773	\$2,221	\$77,939	\$8,155	0.5000
2018	\$111,308	\$11,288	\$25,553	\$2,218	\$85,755	\$9,070	0.5000
2019	\$121,507	\$11,418	\$27,296	\$2,210	\$94,211	\$9,208	0.5000
2020	\$132,181	\$11,742	\$29,073	\$2,169	\$103,108	\$9,573	0.5000
2021	\$143,472	\$11,846	\$30,941	\$2,175	\$112,531	\$9,671	0.5000
2022	\$163,726	\$12,577	\$33,579	\$2,250	\$130,147	\$10,327	0.5000
2023	\$181,947	\$14,238	\$36,537	\$2,600	\$145,410	\$11,638	0.5000
**2024	\$195,812	\$14,501	\$39,356	\$2,654	\$156,456	\$11,847	0.5000

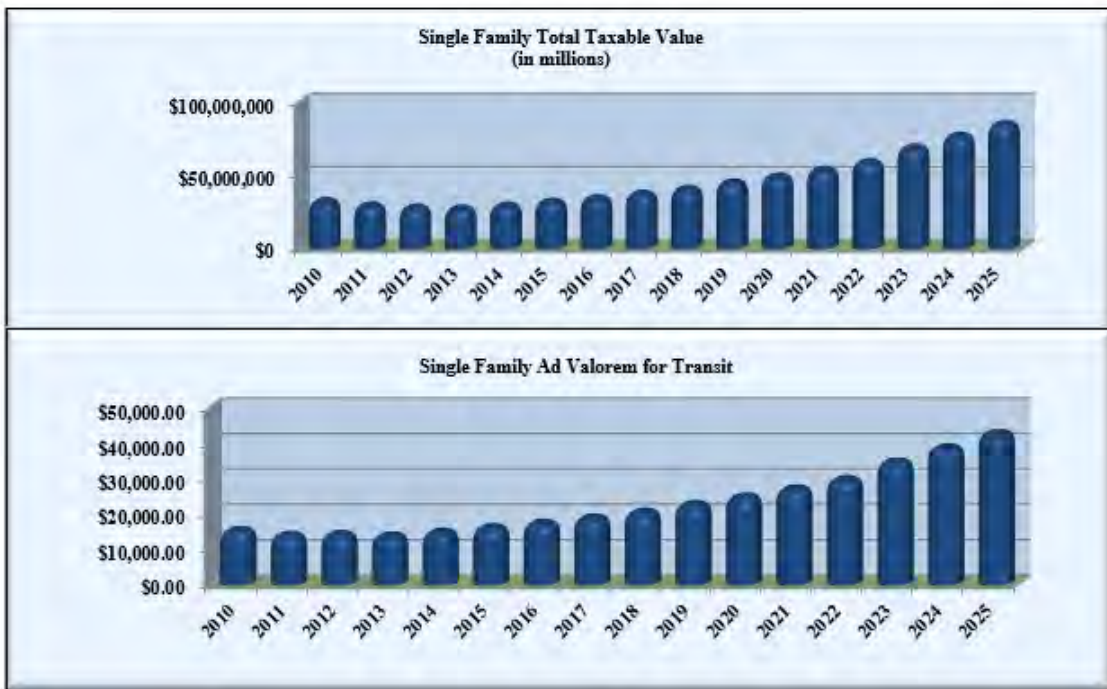
Notes: \* Values in millions  
\*\*2024 Preliminary

Source:  
Florida Department of Revenue



HILLSBOROUGH COUNTY, FLORIDA SINGLE FAMILY TAXABLE VALUES AND LEVIES 2010-2025					
Fiscal Year	Tax Year	Single Family Taxable Values (000's)	HART's Millage Rate	Single Family Ad Valorem for Transit	Percent Change
2010	2009	\$32,798,590	0.4682	\$15,356.30	
2011	2010	\$29,953,254	0.4682	\$14,024.11	-8.7%
2012	2011	\$28,528,801	0.5000	\$14,264.40	1.7%
2013	2012	\$27,669,609	0.5000	\$13,834.80	-3.0%
2014	2013	\$29,759,828	0.5000	\$14,879.91	7.6%
2015	2014	\$32,413,326	0.5000	\$16,206.66	8.9%
2016	2015	\$34,943,065	0.5000	\$17,471.53	7.8%
2017	2016	\$37,817,809	0.5000	\$18,908.90	8.2%
2018	2017	\$41,073,218	0.5000	\$20,536.61	8.6%
2019	2018	\$45,434,858	0.5000	\$22,717.43	10.6%
2020	2019	\$49,606,553	0.5000	\$24,803.28	9.2%
2021	2020	\$54,215,674	0.5000	\$27,107.84	9.3%
2022	2021	\$59,528,781	0.5000	\$29,764.39	9.8%
2023	2022	\$69,498,404	0.5000	\$34,749.20	16.7%
2024	2023	\$77,434,972	0.5000	\$38,717.49	11.4%
2025	2024	\$85,500,092	0.5000	\$42,750.05	10.4%

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



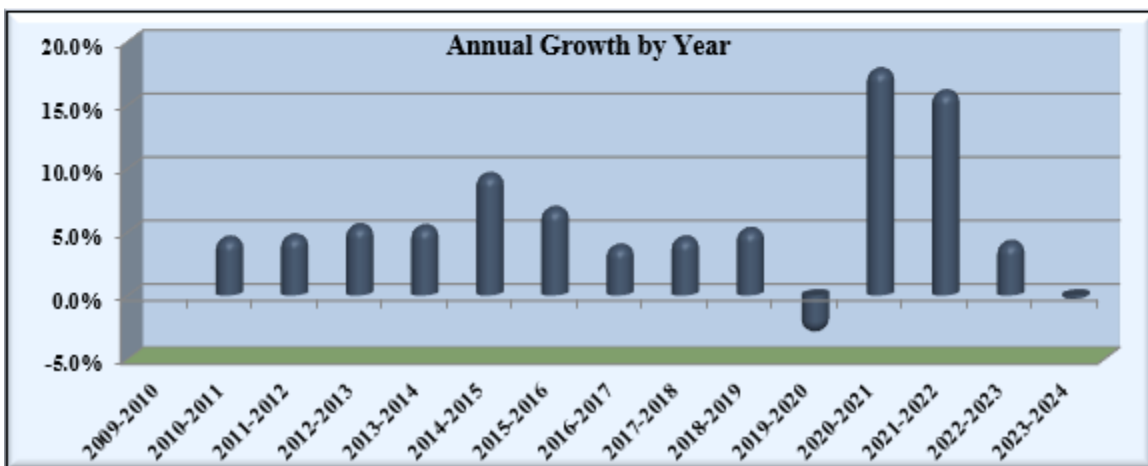
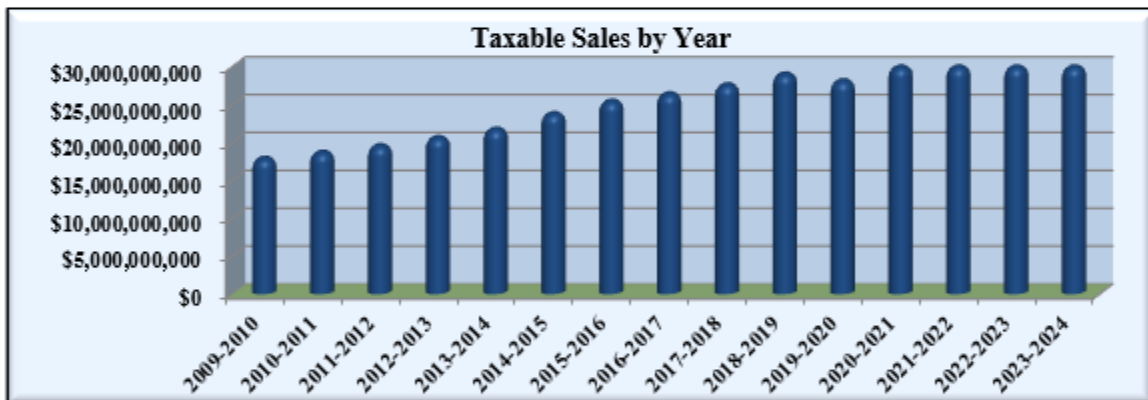
<b>HILLSBOROUGH COUNTY, FLORIDA MILLAGE RATES 2015 to 2024</b>										
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>District School Board:</b>										
Local Required Effort	5.1050	4.9990	4.6580	4.3480	4.1660	3.8810	3.7050	3.5810	3.6060	3.1400
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
<b>Total District School Board</b>	<b>7.3530</b>	<b>7.2470</b>	<b>6.9060</b>	<b>6.5960</b>	<b>6.4140</b>	<b>6.1290</b>	<b>5.9530</b>	<b>5.8290</b>	<b>5.8540</b>	<b>5.3880</b>
<b>Other County-Wide:</b>										
Board of County Commissioners	5.7943	5.7322	5.7322	5.7309	5.3614	5.7309	5.7309	5.7309	5.7309	5.7913
Tampa Port Authority	0.1650	0.1550	0.1450	0.1300	0.1150	0.1050	0.1050	0.0935	0.0840	0.0840
Children's Board	0.4599	0.4589	0.4589	0.4589	0.4589	0.4589	0.4589	0.4589	0.4589	0.4589
S.W. Florida River Water Mgt.	0.3488	0.3488	0.3317	0.3131	0.2801	0.2801	0.2669	0.2535	0.2260	0.2043
<b>Total Other County-Wide</b>	<b>6.7680</b>	<b>6.6949</b>	<b>6.6678</b>	<b>6.6329</b>	<b>6.2154</b>	<b>6.5749</b>	<b>6.5617</b>	<b>6.5368</b>	<b>6.4998</b>	<b>6.5385</b>
<b>Total County-Wide</b>	<b>14.1210</b>	<b>13.9419</b>	<b>13.5738</b>	<b>13.2289</b>	<b>12.6294</b>	<b>12.7039</b>	<b>12.5147</b>	<b>12.3658</b>	<b>12.3538</b>	<b>11.9265</b>
<b>Non County-Wide:</b>										
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
<b>Independent Special Districts:</b>										
<b>SWFWMD</b>										
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
<b>Municipalities:</b>										
Tampa	5.7326	5.7326	5.7326	6.2076	6.2076	6.2076	6.2076	6.2076	6.2076	6.2076
Plant City	4.7157	4.7157	5.7157	5.7157	5.7157	5.7157	5.7157	5.7157	5.7157	5.7157
Temple Terrace	6.3050	6.9550	7.2050	6.9550	6.5550	6.5550	6.5550	6.5550	6.4550	6.4550
<b>Grand Total Millages</b>	<b>36.3330</b>	<b>36.8039</b>	<b>37.6858</b>	<b>37.5659</b>	<b>36.5664</b>	<b>36.6409</b>	<b>36.6349</b>	<b>36.3028</b>	<b>36.1908</b>	<b>35.7635</b>

*Source:  
Hillsborough Tax Collector*



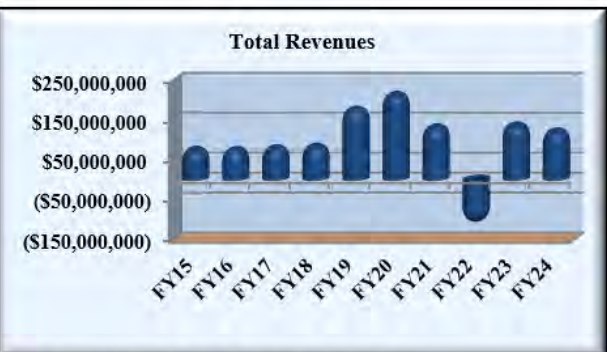
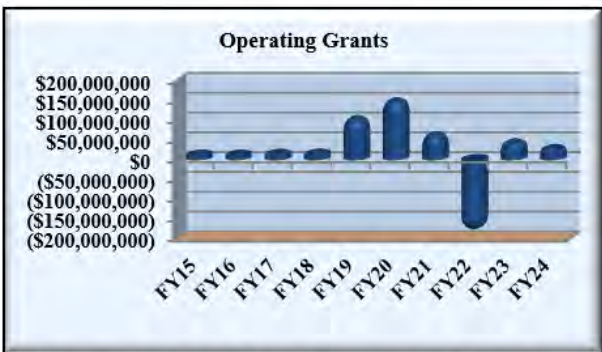
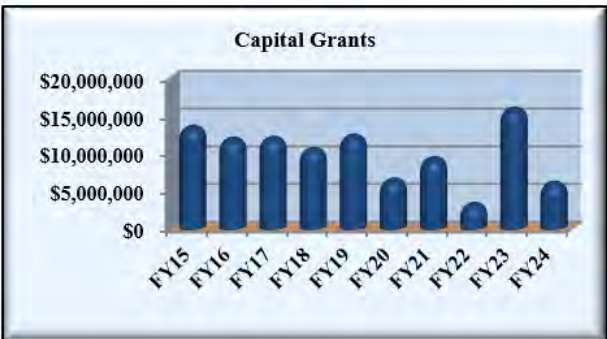
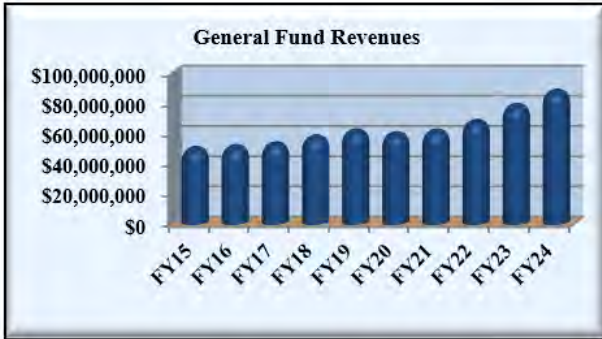
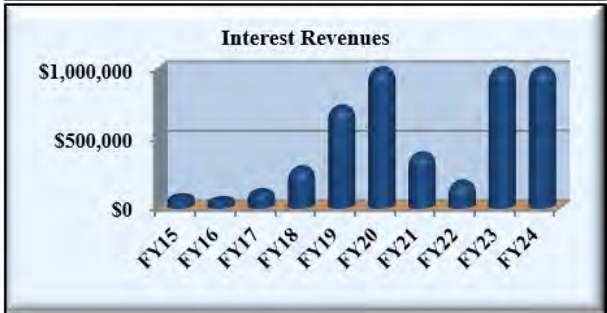
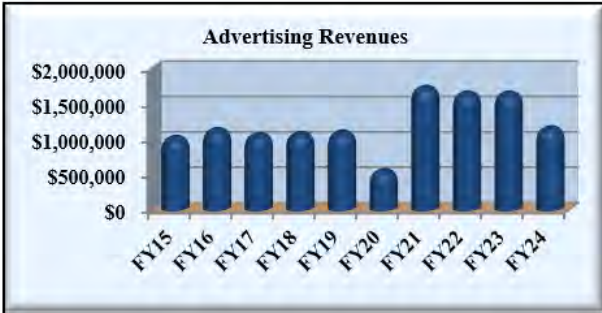
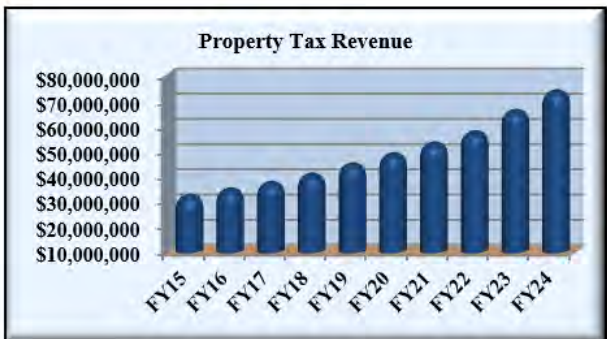
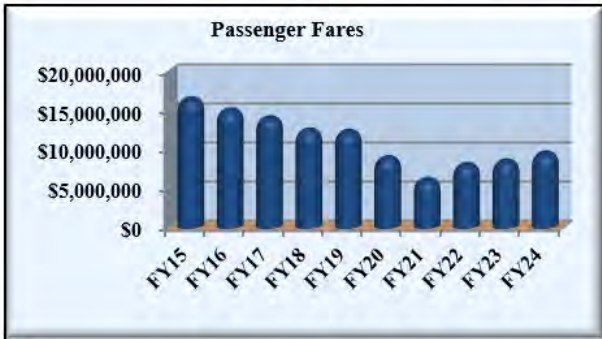
HILLSBOROUGH COUNTY, FLORIDA TAXABLE SALES 2009 to 2024					
State Fiscal Year	Hillsborough Taxable Sales	Annual Growth	Half Cent	Full Cent	Seven Cent
2009-2010	\$17,929,543,843		\$89,647,719	\$179,295,438	\$1,255,068,069
2010-2011	\$18,730,240,925	4.5%	\$93,651,205	\$187,302,409	\$1,311,116,865
2011-2012	\$19,600,504,529	4.6%	\$98,002,523	\$196,005,045	\$1,372,035,317
2012-2013	\$20,668,297,980	5.4%	\$103,341,490	\$206,682,980	\$1,446,780,859
2013-2014	\$21,779,534,595	5.4%	\$108,897,673	\$217,795,346	\$1,524,567,422
2014-2015	\$23,846,559,173	9.5%	\$119,232,796	\$238,465,592	\$1,669,259,142
2015-2016	\$25,472,830,434	6.8%	\$127,364,152	\$254,728,304	\$1,783,098,130
2016-2017	\$26,452,915,372	3.8%	\$132,264,577	\$264,529,154	\$1,851,704,076
2017-2018	\$27,638,248,195	4.5%	\$138,191,241	\$276,382,482	\$1,934,677,374
2018-2019	\$29,062,457,106	5.2%	\$145,312,286	\$290,624,571	\$2,034,371,997
2019-2020	\$28,172,187,699	-3.1%	\$140,860,938	\$281,721,877	\$1,972,053,139
2020-2021	\$33,169,100,373	17.7%	\$165,845,502	\$331,691,004	\$2,321,837,026
2021-2022	\$38,475,899,594	16.0%	\$192,379,498	\$384,758,996	\$2,693,312,972
2022-2023	\$40,063,848,374	4.1%	\$200,319,242	\$400,638,484	\$2,804,469,386
2023-2024	\$39,911,016,970	-0.4%	\$199,555,085	\$399,110,170	\$2,793,771,188

Source:  
Florida Department of Revenue



<b>REVENUES BY SOURCE FY 2015 to FY2024</b>					
	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>
<b>GENERAL FUND REVENUES:</b>					
Passenger Fare Revenues	\$16,593,816	\$15,155,608	\$14,148,572	\$12,576,581	\$12,412,904
Property Tax Proceeds	32,398,546	34,869,378	37,509,439	40,801,680	44,834,934
Advertising Revenues	1,033,518	1,144,644	1,072,635	1,089,898	1,109,730
Interest Revenues	84,466	60,899	122,610	288,659	726,168
Other Income (Loss)	116,589	237,079	405,193	3,150,349	2,817,582
<b>Total General Funds</b>	<b>50,226,935</b>	<b>51,467,608</b>	<b>53,258,449</b>	<b>57,907,167</b>	<b>61,901,318</b>
<b>OPERATING GRANT REVENUES:</b>					
Federal Operating Grants	10,726,311	9,893,280	12,409,977	12,038,587	12,513,482
State Operating Grants	4,906,810	5,205,625	5,335,689	6,041,652	8,399,287
Local Operating Grants	770,884	903,640	1,053,973	1,146,219	1,151,425
Local Transportation Surtax	-	-	-	-	84,299,484
Other Federal Funds	-	-	-	-	-
<b>Total Operating Grants</b>	<b>16,404,005</b>	<b>16,002,545</b>	<b>18,799,639</b>	<b>19,226,458</b>	<b>106,363,678</b>
<b>CAPITAL GRANT REVENUES:</b>					
Federal Capital Grants	13,088,152	9,744,445	11,283,930	9,398,143	11,430,645
State Capital Grants	89,406	1,857,575	562,907	1,108,304	641,910
Local Capital Grants	341,726	339,538	171,420	86,253	309,839
Developer Contributed Assets	33,025	33,025	64,688	-	-
<b>Total Capital Revenues</b>	<b>13,552,309</b>	<b>11,974,583</b>	<b>12,082,945</b>	<b>10,592,700</b>	<b>12,382,394</b>
<b>Total Revenue</b>	<b>\$80,183,249</b>	<b>\$79,444,736</b>	<b>\$84,141,033</b>	<b>\$87,726,325</b>	<b>\$180,647,390</b>
	<b>FY2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>GENERAL FUND REVENUES:</b>					
Passenger Fare Revenues	\$9,029,994	\$6,272,298	\$8,162,616	\$8,637,755	\$9,634,292
Property Tax Proceeds	48,870,629	53,130,355	57,536,830	66,018,626	73,790,648
Advertising Revenues	564,256	1,739,039	1,660,872	1,660,701	1,168,639
Interest Revenues	1,379,791	389,600	186,866	1,958,613	2,884,802
Other Income (Loss)	104,994	246,383	581,318	397,023	608,304
<b>Total General Funds</b>	<b>59,949,664</b>	<b>61,777,675</b>	<b>68,128,502</b>	<b>78,672,718</b>	<b>88,086,685</b>
<b>OPERATING GRANT REVENUES:</b>					
Federal Operating Grants	29,256,664	35,072,557	26,253,644	38,657,191	18,630,770
State Operating Grants	7,189,103	6,787,687	7,205,688	6,759,964	8,758,149
Local Operating Grants	1,465,932	1,531,207	1,506,817	1,590,458	2,175,231
Local Transportation Surtax	111,409,428	21,012,547	(216,090,967)	-	-
Other Federal Funds	1,985,705	944,142	332,014	-	2,362,491
<b>Total Operating Grants</b>	<b>151,306,832</b>	<b>65,348,140</b>	<b>(180,792,804)</b>	<b>47,007,613</b>	<b>31,926,641</b>
<b>CAPITAL GRANT REVENUES:</b>					
Federal Capital Grants	4,831,653	7,884,702	2,570,418	15,527,636	4,711,846
State Capital Grants	1,416,991	782,539	722,107	238,669	1,332,359
Local Capital Grants	285,589	715,713	8,316	190,947	83,222
Developer Contributed Assets	14,600	14,600	-	6,657	-
<b>Total Capital Revenues</b>	<b>6,548,833</b>	<b>9,397,554</b>	<b>3,300,841</b>	<b>15,963,909</b>	<b>6,127,427</b>
<b>Total Revenue</b>	<b>\$217,805,329</b>	<b>\$136,523,369</b>	<b>(\$109,363,461)</b>	<b>\$141,644,240</b>	<b>\$126,140,753</b>

**REVENUES BY SOURCE FY2015 to FY2024**



2022 Operating Grants include Surtax Revenue and Surtax payback

2022 Total Revenues include \$216M surtax payback

Notes:

Passenger Fares are the fees HART charges its riders for riding: Fixed Route Buses, Flex Vans, Paratransit Vans or Streetcars

Property Tax Revenue is the revenue collected based on a millage rate and the taxable value of real and personal property within Hillsborough County. On an annual Basis, Hillsborough County Tax Collector collects property tax proceeds and then remits these proceeds to HART on a real-time basis. These proceeds are based on taxable values established by Hillsborough County Property Appraiser and the millage rate which is adopted by the HART Board of Directors

Advertising Revenue related to advertising by various companies on HART vehicles and facilities. HART has entered into agreements with outside Marketing Agencies to sell Advertising space

Interest Revenues is the interest earned on idle cash reserves from HART banking partners and state banking agencies

General Fund Revenues include: Passenger Fares, Property Tax Revenues, Advertising Revenues, Interest Revenues and Other Revenues. The General Fund Revenues do not have a stated purpose, other than to provide funding to the authority for operating activities

Operating Grant Revenues are revenues earned related to operating activities. The source of these revenues are Federal, State and Local government agencies. These revenues are earned at the time of the activity and are reimbursed to HART after the fact.

Other Federal Funds are revenues received from the Federal government for a Compressed Natural Gas (CNG) Alternative Fuel Credit based on HART's CNG usage

Capital Grant Revenues are revenues earned related to the capital projects and some operating projects of the authority. The sources of these revenues are Federal, State and Local government agencies. These revenues are earned at the time of the activity and are reimbursed to HART after the fact.

Total Revenues include General Fund Revenues and Operating and Grant Revenues.

<b>PROPERTY TAX REVENUE USED FOR OPERATIONS FY2015 to FY2024</b>					
<b>Fiscal Year</b>	<b>Property Tax Revenue</b>	<b>Percent Change</b>	<b>Bus &amp; Paratransit Revenue</b>	<b>Percent of Total</b>	<b>Millage Rate</b>
FY2015	\$32,398,546	7.38%	\$64,504,989	33.43%	0.5000
FY2016	\$34,869,378	7.63%	\$65,181,172	34.85%	0.5000
FY2017	\$37,509,439	7.57%	\$65,930,367	36.26%	0.5000
FY2018	\$40,801,680	8.78%	\$70,374,803	36.70%	0.5000
FY2019	\$44,834,934	9.89%	\$81,718,165	35.43%	0.5000
FY2020	\$48,870,629	9.00%	\$97,294,382	33.44%	0.5000
FY2021	\$53,130,355	8.72%	\$83,393,014	38.92%	0.5000
FY2022	\$57,536,830	8.29%	(\$166,900,291)	-52.61%	0.5000
FY2023	\$66,018,626	14.74%	\$75,625,614	46.61%	0.5000
FY2024	\$73,790,648	11.77%	\$52,350,105	58.50%	0.5000

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

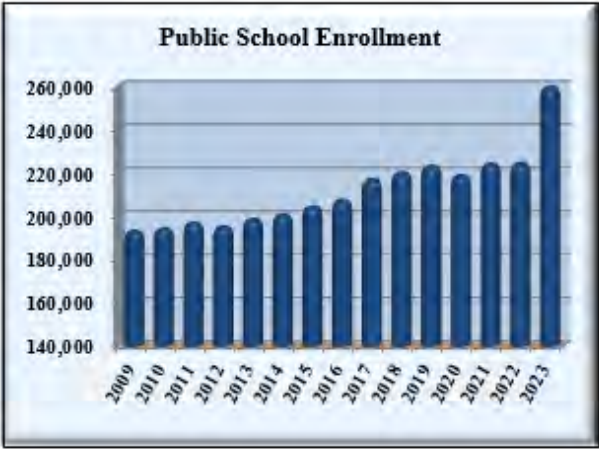
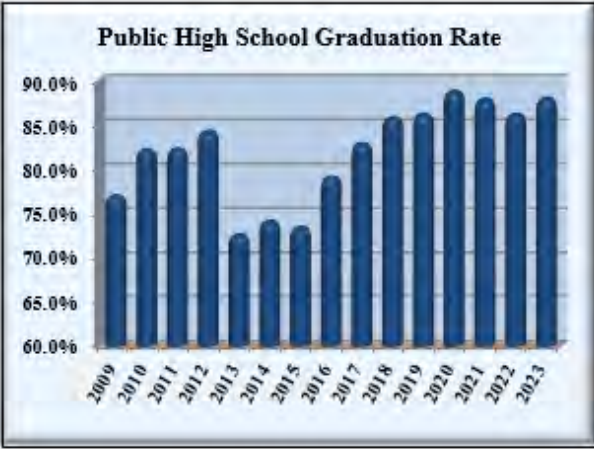
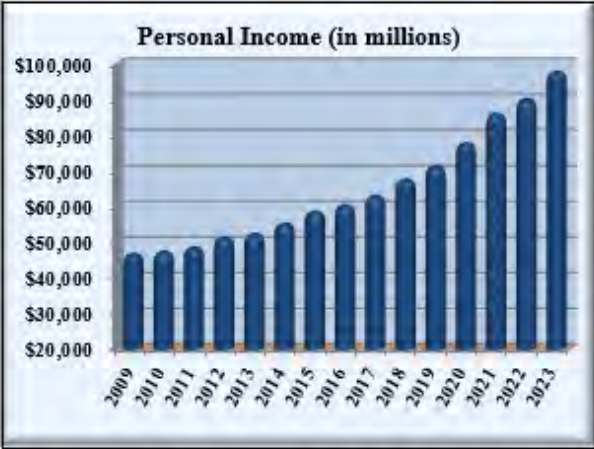
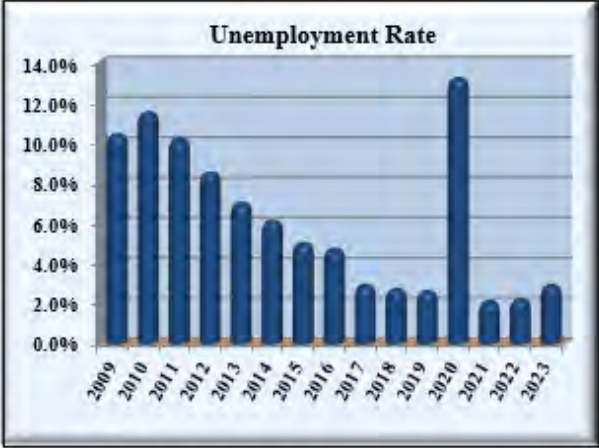
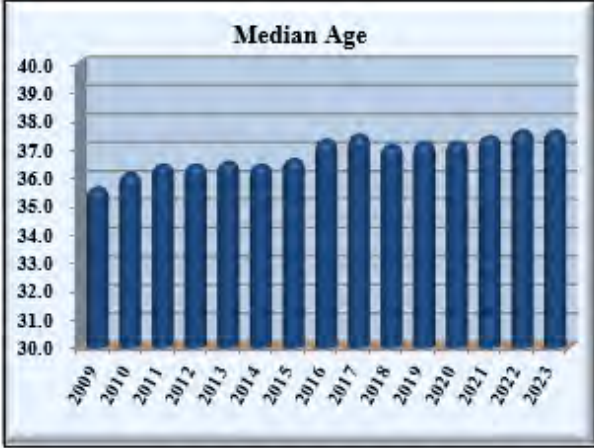
## **Statistical Section**

### **Demographic and Economic Information**

- Hillsborough County, Demographic and Economic Statistics (2009 to 2023).
- Principal Employers (2014 and 2023).

<b>HILLSBOROUGH COUNTY, FLORIDA                      DEMOGRAPHIC AND ECONOMIC STATISTICS                      2009 to 2023</b>							
<b>Year</b>	<b>Population</b>	<b>Median Age</b>	<b>Unemployment Rate</b>	<b>Personal Income (millions)</b>	<b>Personal Income (per capita)</b>	<b>Public High School Graduation Rate</b>	<b>Total Public School Enrollment</b>
2009	1,214,050	35.6	10.4%	\$46,692	\$37,923	77.0%	193,239
2010	1,233,900	36.1	11.5%	\$47,336	\$35,914	82.2%	194,353
2011	1,269,354	36.4	10.2%	\$48,477	\$38,382	82.3%	197,001
2012	1,277,746	36.4	8.5%	\$51,284	\$39,180	84.3%	195,198
2013	1,291,578	36.5	7.0%	\$52,321	\$40,206	72.6%	198,659
2014	1,316,298	36.4	6.1%	\$55,156	\$40,680	74.1%	200,684
2015	1,349,050	36.6	5.0%	\$58,569	\$41,902	73.5%	204,491
2016	1,350,910	37.3	4.7%	\$60,283	\$43,803	79.1%	207,469
2017	1,389,374	37.5	2.9%	\$62,976	\$44,709	82.9%	217,072
2018	1,436,888	37.1	2.7%	\$67,533	\$47,000	85.8%	220,257
2019	1,471,970	37.2	2.6%	\$71,320	\$48,452	86.2%	223,314
2020	1,459,762	37.2	13.2%	\$77,666	\$51,848	88.8%	218,943
2021	1,482,816	37.4	2.1%	\$85,942	\$58,140	87.9%	224,149
2022	1,513,301	37.6	2.2%	\$90,064	\$59,515	86.2%	224,538
2023	1,535,564	37.6	2.9%	\$97,724	\$63,640	88.0%	259,942
	(A)	(A)	(B)	(C)	(D)	(E)	(E)
<b>Sources:</b> A. United States Census Bureau, American Fact Finder B. U.S. Bureau of Labor Statistics, Unemployment Rate in Hillsborough County, FL retrieved from FRED, Federal Reserve Bank of St. Louis C. U.S. Bureau Economic Analysis, Personal Income in Hillsborough County, FL retrieved from FRED, Federal Reserve Bank of St. Louis D. U.S. Bureau Economic Analysis, Per Capita Personal Income in Hillsborough County, FL retrieved from FRED, Federal Reserve Bank of St. Louis E. Florida Department of Education - Hillsborough County District School							

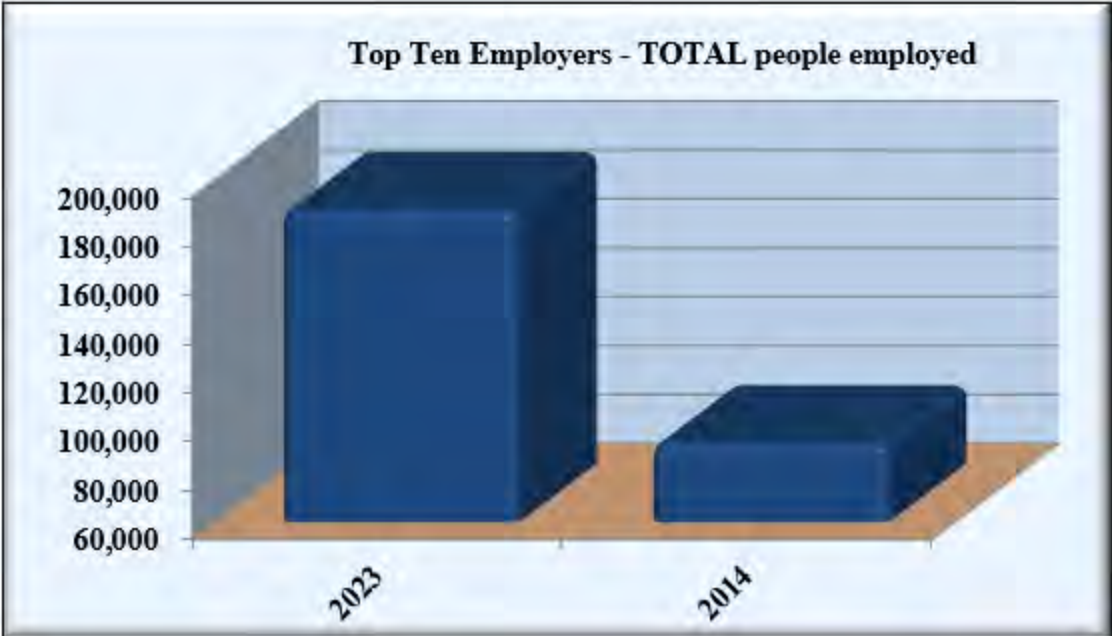
**HILLSBOROUGH COUNTY, FLORIDA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
2009 to 2023**



<b>HILLSBOROUGH COUNTY, FLORIDA PRINCIPAL EMPLOYERS 2014 and 2023*</b>					
	<b>2023 Rank</b>	<b>2023</b>	<b>2023 Percentage to Total</b>	<b>2014</b>	<b>2014 Percentage</b>
MacDill Air Force Base	1	30,844	16.5%	14,500	15.8%
Baycare Health Systems	2	28,402	15.2%	6,000	6.5%
Publix	3	27,000	14.4%	7,156	7.8%
Hillsborough County School District	4	22,925	12.2%	25,776	28.0%
HCA West Florida	5	20,710	11.0%	-	-
University of South Florida	6	16,277	8.7%	10,427	11.3%
Tampa International Airport	7	11,165	6.0%	7,500	8.2%
AdventHealth West Florida Division	8	11,000	5.9%	-	-
Hillsborough County Government	9	10,539	5.6%	9,707	10.5%
H.Lee Moffitt Cancer Center	10	8,600	4.6%	-	-
Tampa General Hospital	-	-	-	6,550	7.1%
City of Tampa	-	-	-	4,406	4.8%
JP Morgan Chase	-	-	-	5,000	5.4%
<b>Grand Totals</b>		<b>187,462</b>	<b>100.0%</b>	<b>92,022</b>	<b>100.0%</b>
<i>Source: Hillsborough County Annual Comprehensive Financial Report</i>					

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

**HILLSBOROUGH COUNTY, FLORIDA  
PRINCIPAL EMPLOYERS  
2014 and 2023**



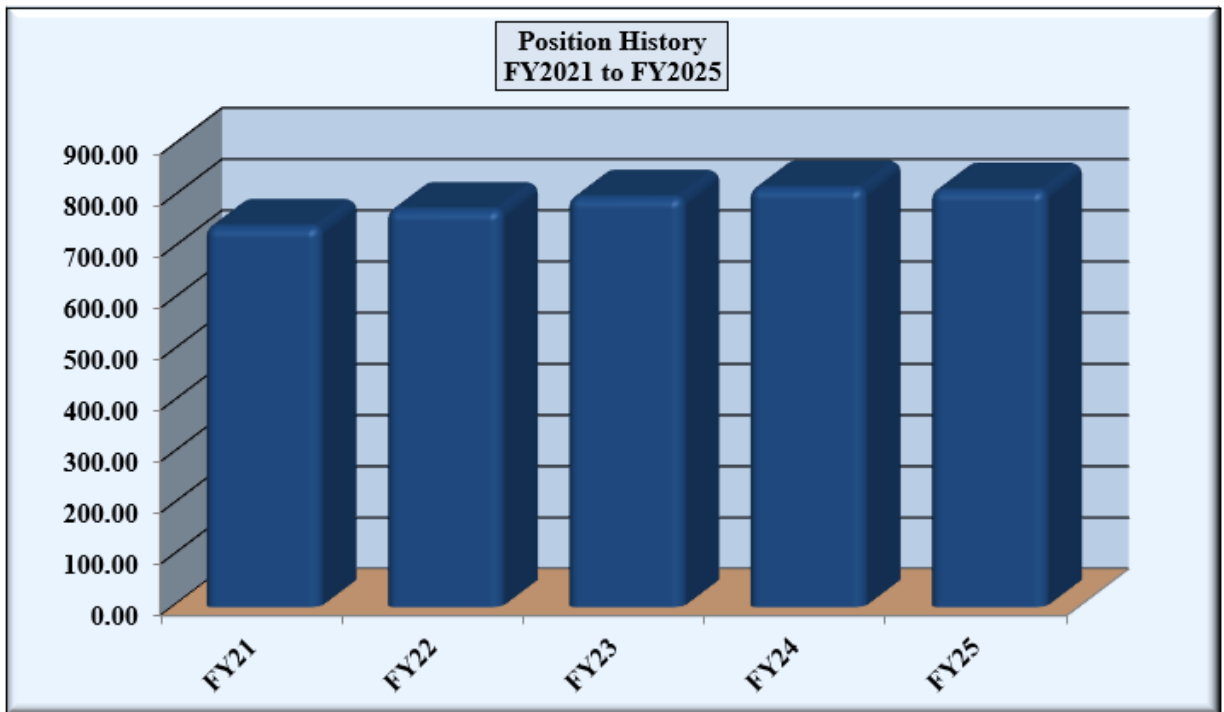
## **Statistical Section**

### **Operating Information**

- Miscellaneous HART Statistics.
- Staffing – Position Count by Unit (FY2021 to FY2025).
- Bus Service Trends (FY2015 to FY2024).
- Paratransit Service Trends (FY2015 to FY2024).
- Streetcar Service Trends (FY2015 to FY2024).
- Expenses by Program (FY2015 to FY2024).

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 = 26 local routes, 1 MetroRapid route, and 4 limited Express routes. 100% wheelchair/bicycle accessible buses and vans Flex service = 2 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	2,301 Bus stops; 650 shelters of which 310 are maintained by the Authority and 340 are maintained by a vendor
Transit Fleet	Fixed Route and Flex service: 132 buses Paratransit: 75 paratransit vans and 8 flex vans Streetcar: 9 streetcars
Facilities	<ul style="list-style-type: none"> <li>- 21st Avenue Operations and Maintenance Facility</li> <li>- 9 park-and-ride lots</li> <li>- 2 transit centers (Marion Transit Center and University Area Transit )</li> <li>- 6 transfer centers (Britton Plaza, Westshore Plaza, Northwest, Netpark West Tampa, Yukon)</li> <li>- Marion Street Transit Parkway</li> <li>- The Raymond C. Miller Building / Streetcar Barn / Ybor Station / (streetcar operations, streetcar maintenance facility and administrative staff)</li> <li>- Dick Greco Southern Transportation Plaza and 10 Streetcar Stations</li> </ul>

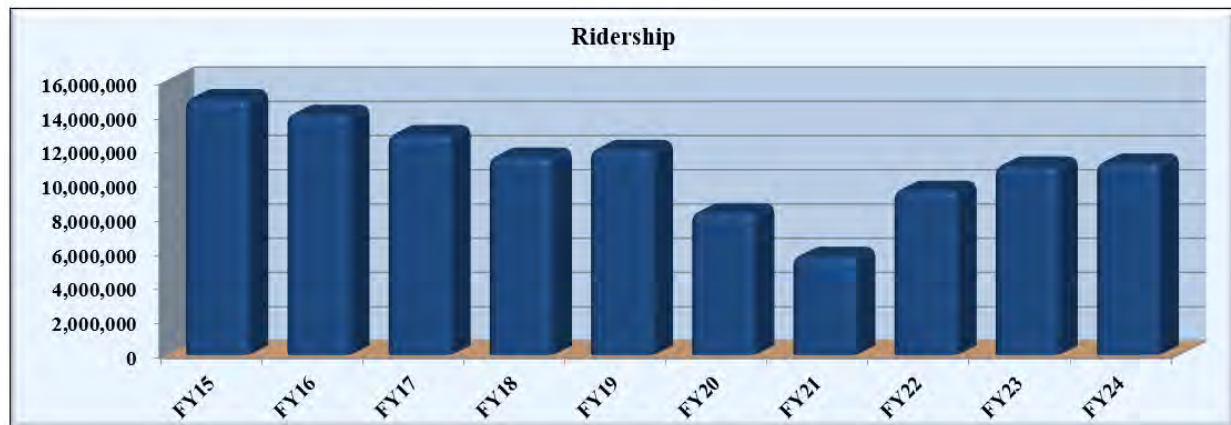
STAFFING - POSITION COUNT BY UNIT						
UNIT	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Proposed	FY2025 Incr (Decr) FY2024
ATU	563.00	581.00	594.00	627.00	615.75	(11.25)
Teamster	53.00	52.00	52.00	55.00	55.00	0.00
Non-Bargaining	128.00	144.00	155.00	137.00	144.00	7.00
<b>Total Positions</b>	<b>744.00</b>	<b>777.00</b>	<b>801.00</b>	<b>819.00</b>	<b>814.75</b>	<b>(4.25)</b>



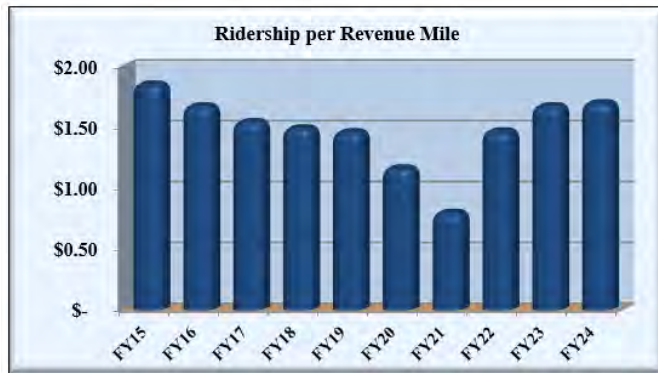
<b>HILLSBOROUGH TRANSIT AUTHORITY TREND OF BUS SERVICE FY2015 to FY2019</b>					
	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
<b>STATISTICS</b>					
Total Miles *	9,052,316	9,378,111	9,294,792	8,450,701	9,056,592
Revenue Miles *	8,078,542	8,400,733	8,324,037	7,730,066	8,199,394
Total Hours *	686,304	703,706	696,251	660,283	692,964
Revenue Hours *	646,097	661,137	656,116	631,317	662,198
Vehicle Trips *	581,113	604,196	599,725	694,737	681,158
Ridership *	15,003,289	14,081,260	12,901,178	11,586,334	12,032,360
Positions *	676.5	698.0	684.0	646.0	677.0
<b>REVENUES</b>					
Passenger Fares	\$ 15,484,564	\$ 13,981,071	\$ 12,825,045	\$ 11,455,183	\$ 11,477,437
Ad Valorem	\$ 29,583,129	\$ 31,576,314	\$ 33,967,084	\$ 36,958,839	\$ 40,760,104
Operating Grant Revenues	\$ 14,238,190	\$ 13,477,832	\$ 14,898,215	\$ 15,118,795	\$ 16,829,916
Other Revenues	\$ 1,219,233	\$ 1,465,920	\$ 1,599,991	\$ 4,528,343	\$ 4,652,989
<b>Total Operating Revenues</b>	<b>\$ 60,525,116</b>	<b>\$ 60,501,137</b>	<b>\$ 63,290,335</b>	<b>\$ 68,061,160</b>	<b>\$ 73,720,446</b>
<b>EXPENSES</b>					
Total Operating Expenses	\$ 64,165,322	\$ 67,549,582	\$ 72,191,976	\$ 69,518,173	\$ 79,232,697
<b>KEY OPERATING INDICATORS</b>					
Operating Cost per Total Mile	\$ 7.09	\$ 7.20	\$ 7.77	\$ 8.23	\$ 8.75
Operating Cost per Revenue Mile	\$ 7.94	\$ 8.04	\$ 8.67	\$ 8.99	\$ 9.66
Ridership per Revenue Mile	\$ 1.86	\$ 1.68	\$ 1.55	\$ 1.50	\$ 1.47
Operating Cost per Rider	\$ 4.28	\$ 4.80	\$ 5.60	\$ 6.00	\$ 6.58
Average Fare per Rider	\$ 1.03	\$ 0.99	\$ 0.99	\$ 0.99	\$ 0.95
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	24.1%	20.7%	17.8%	16.5%	14.5%

\* Numbers are obtained from MTD report

HILLSBOROUGH TRANSIT AUTHORITY TREND OF BUS SERVICE FY2020 to FY2024					
	FY20	FY21	FY22	FY23	FY24
<b>STATISTICS</b>					
Total Miles *	7,713,928	7,652,872	7,157,294	7,187,489	7,229,554
Revenue Miles *	7,135,272	7,187,617	6,544,375	6,582,991	6,584,154
Total Hours*	595,430	602,434	554,216	553,859	559,075
Revenue Hours*	574,098	584,719	535,992	529,706	528,443
Vehicle Trips*	590,513	596,336	602,343	535,313	511,635
Ridership*	8,343,331	5,784,404	9,644,403	11,062,383	11,308,431
Positions*	640.0	624.0	638.0	683.0	667.0
<b>REVENUES</b>					
Passenger Fares	\$ 8,265,314	\$ 5,746,646	\$ 7,297,322	\$ 7,858,899	\$ 8,632,327
Ad Valorem	\$ 46,435,486	\$ 49,135,127	\$ 52,861,038	\$ 63,796,335	\$ 60,878,383
Operating Grant Revenues	\$ 30,800,393	\$ 36,100,159	\$ 31,478,353	\$ 36,385,396	\$ 26,493,439
Other Revenues	\$ 4,037,992	\$ 3,229,204	\$ 2,580,976	\$ 3,754,366	\$ 6,532,539
<b>Total Operating Revenues</b>	<b>\$ 89,539,185</b>	<b>\$ 94,211,136</b>	<b>\$ 94,217,689</b>	<b>\$ 111,794,996</b>	<b>\$ 102,536,688</b>
<b>EXPENSES</b>					
Total Operating Expenses	\$ 81,694,363	\$ 76,693,257	\$ 88,130,868	\$ 98,168,418	\$ 94,079,318
<b>KEY OPERATING INDICATORS</b>					
Operating Cost per Total Mile	\$ 10.59	\$ 10.02	\$ 12.31	\$ 13.66	\$ 13.01
Operating Cost per Revenue Mile	\$ 11.45	\$ 10.67	\$ 13.47	\$ 14.91	\$ 14.29
Ridership per Revenue Mile	\$ 1.17	\$ 0.80	\$ 1.47	\$ 1.68	\$ 1.72
Operating Cost per Rider	\$ 9.79	\$ 13.26	\$ 9.14	\$ 8.87	\$ 8.32
Average Fare per Rider	\$ 0.99	\$ 0.99	\$ 0.76	\$ 0.71	\$ 0.76
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	10.1%	7.5%	8.3%	8.0%	9.2%
<i>Note:</i>					
<i>Total bus operating expenses include salaries, fringes, fuel &amp; lubricants, parts &amp; 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.</i>					



**HILLSBOROUGH TRANSIT AUTHORITY  
TREND OF BUS SERVICE  
FISCAL YEARS 2015 to 2024**

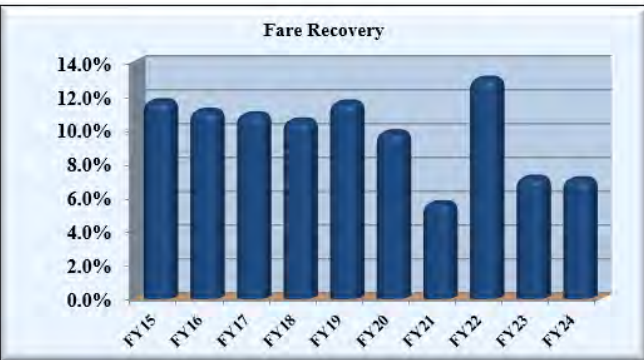
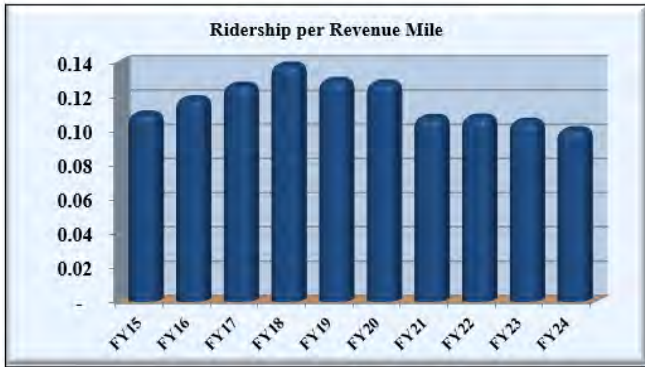
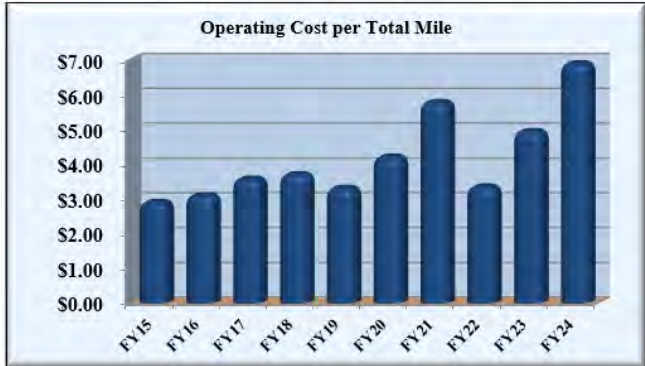


<b>HILLSBOROUGH TRANSIT AUTHORITY TREND OF PARATRANSIT SERVICE FY2015 to FY2019</b>					
	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
<b>STATISTICS</b>					
Total Miles *	1,593,096	1,745,008	1,972,566	2,016,025	2,402,235
Revenue Miles *	1,387,828	1,538,575	1,741,816	1,790,463	2,155,760
Total Hours*	108,920	113,010	141,802	116,736	138,070
Revenue Hours*	93,469	96,861	123,641	98,390	120,621
Vehicle Trips*	141,198	167,318	206,914	231,467	175,867
Ridership*	158,090	182,883	220,922	248,133	279,278
Positions*	79.0	99.0	88.0	93.0	91.0
<b>REVENUES</b>					
Passenger Fares	\$545,456	\$604,772	\$773,229	\$792,382	\$929,626
Ad Valorem	\$2,815,417	\$3,293,064	\$3,542,355	\$3,842,841	\$4,074,830
Operating Grant Revenues	\$1,294,931	\$1,531,073	\$2,768,455	\$2,861,444	\$2,992,853
Other Revenues	\$252	\$321	\$429	\$448	\$410
<b>Total Operating Revenues</b>	<b>\$4,656,056</b>	<b>\$5,429,230</b>	<b>\$7,084,468</b>	<b>\$7,497,115</b>	<b>\$7,997,719</b>
<b>EXPENSES</b>					
Total Operating Expenses	\$4,656,056	\$5,429,230	\$7,084,468	\$7,497,115	\$7,497,115
<b>KEY OPERATING INDICATORS</b>					
Operating Cost per Total Mile	\$2.92	\$3.11	\$3.59	\$3.72	\$3.33
Operating Cost per Revenue Mile	\$3.35	\$3.53	\$4.07	\$4.19	\$3.71
Ridership per Revenue Mile	0.11	0.12	0.13	0.14	0.13
Operating Cost per Rider	\$29.45	\$29.69	\$32.07	\$30.21	\$28.64
Average Fare per Rider	\$3.45	\$3.31	\$3.50	\$3.19	\$3.33
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	11.7%	11.1%	10.9%	10.6%	11.6%

<b>HILLSBOROUGH TRANSIT AUTHORITY TREND OF PARATRANSIT SERVICE FY2020 to FY2024</b>					
	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
<b>STATISTICS</b>					
Total Miles *	1,836,848	1,599,966	1,974,734	2,202,061	2,048,142
Revenue Miles *	1,629,486	1,363,101	1,708,365	1,909,425	1,744,985
Total Hours*	108,036	120,912	146,021	146,640	152,181
Revenue Hours*	93,127	100,864	122,835	124,679	126,603
Vehicle Trips*	126,483	129,316	165,154	180,655	156,602
Ridership*	208,715	147,186	184,771	201,991	267,149
Positions*	121.0	95.0	107.0	103.0	121.0
<b>REVENUES</b>					
Passenger Fares	\$764,680	\$525,652	\$865,294	\$783,493	\$1,001,964
Ad Valorem	\$2,435,143	\$3,995,228	\$4,675,792	\$2,222,291	\$12,912,265
Operating Grant Revenues	\$4,555,374	\$4,751,039	\$1,099,004	\$7,831,758	\$95,480
Other Revenues	\$0	\$409	\$545	\$79,277	\$138,377
<b>Total Operating Revenues</b>	<b>\$7,755,197</b>	<b>\$9,272,328</b>	<b>\$6,640,635</b>	<b>\$10,916,819</b>	<b>\$14,148,086</b>
<b>EXPENSES</b>					
Total Operating Expenses	\$7,755,197	\$9,272,328	\$6,640,635	\$10,916,819	\$14,148,086
Operating Cost per Total Mile	\$4.22	\$5.80	\$3.36	\$4.96	\$6.91
Operating Cost per Revenue Mile	\$4.76	\$6.80	\$3.89	\$5.72	\$8.11
Ridership per Revenue Mile	0.13	0.11	0.11	0.11	0.15
Operating Cost per Rider	\$37.16	\$63.00	\$35.94	\$54.05	\$52.96
Average Fare per Rider	\$3.66	\$3.57	\$4.68	\$3.88	\$3.75
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	9.9%	5.7%	13.0%	7.2%	7.1%
<b>Note :</b>					
<i>Total paratransit operating expenses include those expenses directly attributable to paratransit service which include salaries, fringes, fuel &amp; lubricants, parts &amp; 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 2015 to 2024**

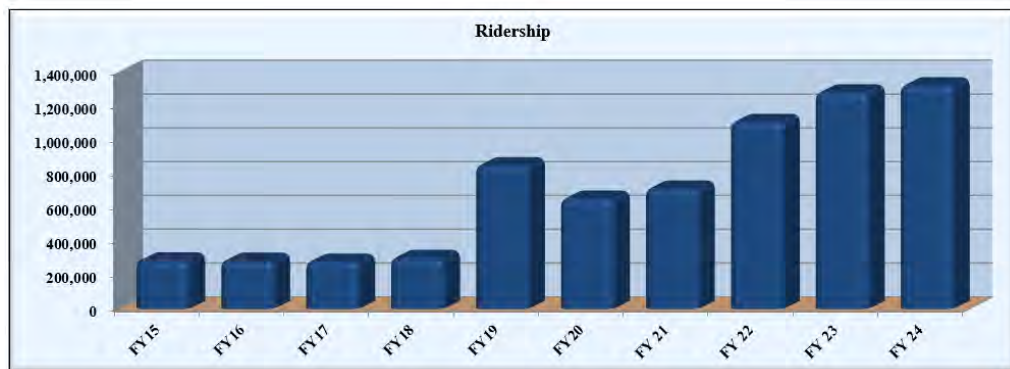


<b>HILLSBOROUGH TRANSIT AUTHORITY TREND OF STREETCAR SERVICE FY2015 to FY2019</b>					
	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
<b>STATISTICS</b>					
Total Miles *	67,041	67,156	73,183	62,460	117,636
Revenue Miles *	67,018	67,134	72,666	60,468	114,855
Total Hours*	12,525	12,547	13,659	11,575	21,982
Revenue Hours*	12,463	12,475	13,576	11,508	20,758
Vehicle Trips*	26,504	28,921	28,760	24,984	43,539
Ridership*	288,131	286,685	280,601	302,872	850,853
Positions*	19.0	18.0	19.0	24.0	29.0
<b>REVENUES</b>					
Passenger Fares	\$567,297	\$569,765	\$550,298	\$329,016	\$5,841
Ad Valorem	\$0	\$0	\$0	\$0	\$0
Operating Grant Revenues	\$870,884	\$993,640	\$1,132,969	\$1,246,219	\$2,241,425
Other Revenues	\$11,587	-\$23,619	\$18	\$115	\$81
<b>Total Operating Revenue</b>	<b>\$1,449,768</b>	<b>\$1,539,786</b>	<b>\$1,683,285</b>	<b>\$1,575,350</b>	<b>\$2,247,347</b>
<b>EXPENSES</b>					
Total Operating Expenses	\$1,410,802	\$1,594,582	\$1,687,448	\$1,577,705	\$2,247,347
<b>KEY OPERATING INDICATORS</b>					
Operating Cost per Total Mile	\$21.04	\$23.74	\$23.06	\$25.26	\$19.10
Operating Cost per Revenue Mile	\$21.05	\$23.75	\$23.22	\$26.09	\$19.57
Ridership per Revenue Mile	4.30	4.27	3.86	5.01	7.41
Operating Cost per Rider	\$4.90	\$5.56	\$6.01	\$5.21	\$2.64
Average Fare per Rider	\$1.97	\$1.99	\$1.96	\$1.09	\$0.01
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	40.2%	35.7%	32.6%	20.9%	0.3%

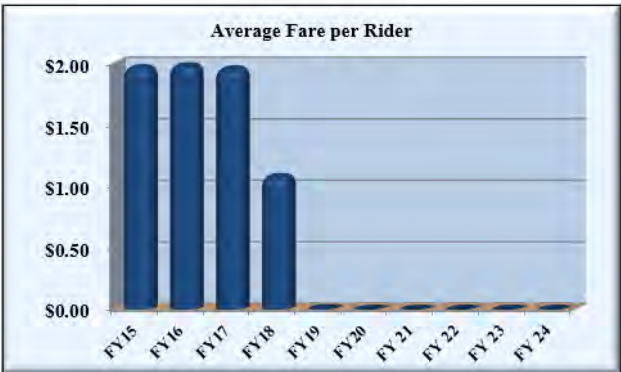
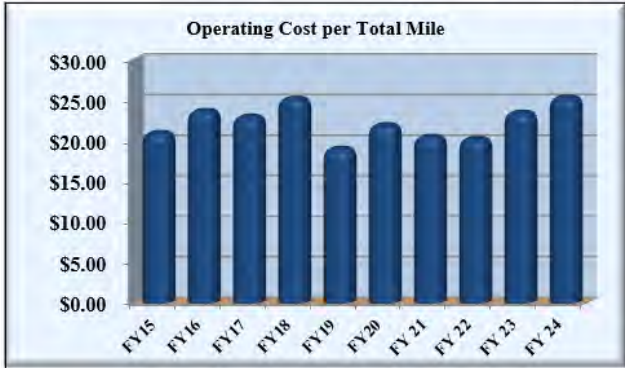
<b>HILLSBOROUGH TRANSIT AUTHORITY TREND OF STREETCAR SERVICE FY2020 to FY2024</b>					
	<b>FY20</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>FY 24</b>
<b>STATISTICS</b>					
Total Miles *	116,357	127,879	126,380	126,282	130,920
Revenue Miles *	115,874	124,055	123,616	126,282	130,920
Total Hours*	21,960	23,620	22,487	23,248	24,778
Revenue Hours*	21,842	23,564	22,487	23,248	24,778
Vehicle Trips*	44,424	48,862	48,591	49,691	52,044
Ridership*	653,232	712,693	1,107,584	1,281,399	1,323,715
Positions*	30.0	25.0	32.0	33.0	31.0
<b>REVENUES</b>					
Passenger Fares	\$0	\$0	\$0	\$0	\$0
Ad Valorem	\$0	\$0	\$0	\$0	\$0
Operating Grant Revenues	\$2,555,932	\$2,540,253	\$2,388,792	\$2,790,457	\$2,975,231
Other Revenues	-\$3,246	\$89,550	\$179,550	\$182,693	\$353,319
<b>Total Operating Revenue</b>	<b>\$2,552,686</b>	<b>\$2,629,803</b>	<b>\$2,568,342</b>	<b>\$2,973,150</b>	<b>\$3,328,550</b>
<b>EXPENSES</b>					
Total Operating Expenses	\$2,561,056	\$2,629,803	\$2,568,342	\$2,973,150	\$3,328,550
<b>KEY OPERATING INDICATORS</b>					
Operating Cost per Total Mile	\$22.01	\$20.56	\$20.32	\$23.54	\$25.42
Operating Cost per Revenue Mile	\$22.10	\$21.20	\$20.78	\$23.54	\$25.42
Ridership per Revenue Mile	5.64	5.74	8.96	10.15	10.11
Operating Cost per Rider	\$3.92	\$3.69	\$2.32	\$2.32	\$2.51
Average Fare per Rider	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Percentage of Passenger Fare to Operating Cost (Fare Recovery)	0.0%	0.0%	0.0%	0.0%	0.0%

**Note :**

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



**HILLSBOROUGH TRANSIT AUTHORITY  
TREND OF STREETCAR SERVICE  
FISCAL YEARS 2015 to 2024**



<b>HILLSBOROUGH TRANSIT AUTHORITY EXPENSES BY PROGRAM FY2015 to FY2024</b>					
	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>
<b>OPERATING EXPENSES:</b>					
Bus Operations	\$42,664,566	\$44,182,428	\$47,715,002	\$44,052,634	\$53,215,806
Paratransit Operations	\$4,656,056	\$5,429,230	\$7,084,468	\$7,497,115	\$7,997,719
Streetcar Operations	\$1,410,802	\$1,594,582	\$1,687,448	\$1,577,705	\$2,247,347
Administration & Other	\$21,500,756	\$23,367,153	\$24,476,974	\$25,465,538	\$26,016,891
Op. Exp Reimb by Grants	\$1,793,741	\$1,440,203	\$1,750,812	\$2,477,538	\$693,637
Total Operating Expenses	\$72,025,921	\$76,013,596	\$82,714,704	\$81,070,530	\$90,171,400
Depreciation Expense	\$11,671,433	\$11,652,527	\$12,164,514	\$12,194,544	\$12,353,469
Lease Amortization Expense	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$83,697,354</b>	<b>\$87,666,123</b>	<b>\$94,879,218</b>	<b>\$93,265,074</b>	<b>\$102,524,869</b>

	<b>FY2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>OPERATING EXPENSES:</b>					
Bus Operations	\$55,974,173	\$65,954,761	\$73,445,182	\$77,995,894	\$69,643,523
Paratransit Operations	\$7,755,197	\$9,272,328	\$6,640,635	\$10,916,819	\$14,148,086
Streetcar Operations	\$2,561,056	\$2,629,803	\$2,568,342	\$2,973,150	\$3,328,550
Administration & Other	\$25,720,190	\$10,990,371	\$14,685,686	\$19,629,206	\$22,313,971
Op. Exp Reimb by Grants	\$4,125,879	\$3,087,727	\$4,845,377	\$361,121	\$2,121,824
Total Operating Expenses	\$96,136,495	\$91,934,990	\$102,185,222	\$111,876,190	\$111,555,954
Depreciation Expense	\$12,807,484	\$12,845,735	\$12,086,256	\$12,321,051	\$12,851,363
Lease Amortization Expense	\$0	\$19,870	\$19,784	\$716,207	\$680,797
<b>Total Expenses</b>	<b>\$108,943,979</b>	<b>\$104,800,595</b>	<b>\$114,291,262</b>	<b>\$124,913,448</b>	<b>\$125,088,114</b>

*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.

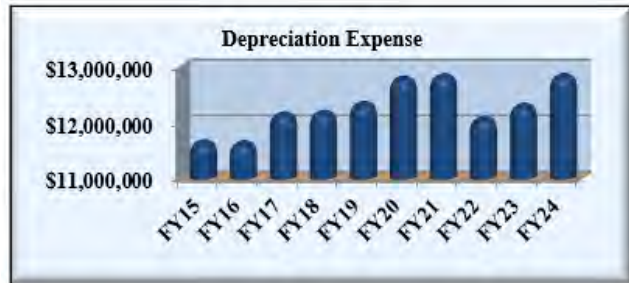
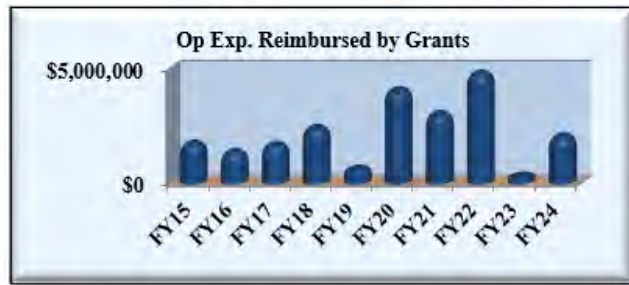
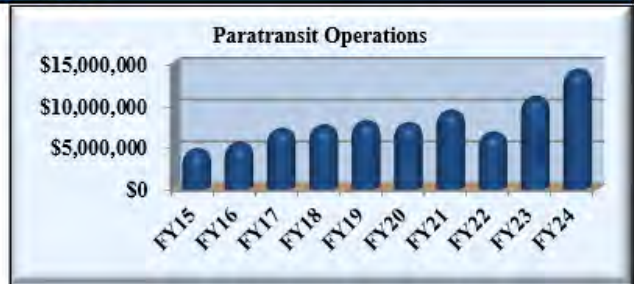
Operating Expense reimbursed by Grants are costs which are grant funded but are not classified as capital assets and need to be recognized as operating costs.

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  
FY2015 to FY2024**



**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, 2024, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated March 3, 2025.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001, 2024-002, 2024-003, and 2024-004 that we consider to be significant deficiencies.

**Report on Compliance and Other Matters**

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

**The Authority's Response to Findings**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cherry Bekaert LLP*

Tampa, Florida  
March 3, 2025



**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, 2024. 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, 2024.

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

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

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

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control over Compliance**

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

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

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

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

*Cherry Bekaert LLP*

Tampa, Florida  
March 3, 2025

**HILLSBOROUGH TRANSIT AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED SEPTEMBER 30, 2024

**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?

\_\_\_\_\_ yes      x   no

Significant deficiency(ies) identified not considered to be material weakness(es)?

  x   yes    \_\_\_\_\_ none reported

Noncompliance material to financial statements noted

\_\_\_\_\_ yes      x   no

**Federal Awards Programs and State Projects Section**

Internal control over major programs:

Material weakness(es) identified?

\_\_\_\_\_ yes      x   no

Significant deficiency(ies) identified not considered to be material weakness(es)?

\_\_\_\_\_ yes      x   none reported

Type of auditor's report on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 516(a) and Chapter 10.550

\_\_\_\_\_ yes      x   no

Identification of major federal programs and state projects:

Federal programs:

Assistance Listing Numbers	Name of Program or Cluster
20.500, 20.507, 20.525, 20.526	Federal Transit Cluster
20.527	Public Transportation Emergency Relief Program

**HILLSBOROUGH TRANSIT AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED SEPTEMBER 30, 2024

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

State projects:

CSFA Numbers	Name of Project
55.007	Commuter Assistance Program/Ride Share Grants
55.010	Public Transit Block Grant Program
55.013	Transit Corridor Development Program

Dollar threshold used to determine Type A programs:

Federal programs	\$ 750,000
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 2024-001 – Significant Deficiency Internal Control over the Preparation of the Schedule of Expenditures of Federal Awards and State Financial Assistance (“SEFASFA”)***

**Criteria:** Hillsborough Transit Authority, operating and known as Hillsborough Area Regional Transit Authority, or HART (the “Authority”) is responsible for preparing appropriate financial statements, including the SEFASFA for the period covered by the Authority’s financial statements providing the total State awards expended for each individual State project in accordance Chapter 10.550, Rules of the Auditor General – Local Governmental Entity Audits.

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

**Cause:** This is the first year the Authority has received funding from the Public Transportation Emergency Relief Program (Assistance Listing Number 20.527) and the granting personnel did not review the agreement or compliance supplement for the program when preparing the SEFASFA. The program was properly reported on the corrected SEFASFA.

**Effect:** The SEFASFA provided to the auditors improperly reported \$1,000,000 of Public Transportation Emergency Relief Program (Assistance Listing Number 20.527) in the federal transit administration cluster as opposed to its own federal program. This impacted the major program determination.

**Recommendation:** We recommend the Authority perform of a review of its programs against the most recent compliance supplement when preparing the SEFASFA.

**Management’s Response:** We agree with the finding.

# HILLSBOROUGH TRANSIT AUTHORITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2024

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

**Criteria:** The Authority is responsible for preparing appropriate financial statements, including the OPEB liability, expense, deferred inflows of resources, deferred outflows of resources, and related financial statement footnotes in accordance with generally accepted accounting standards. Government Accounting Standard Board Statement No. 74 states the liability of employers to employees for defined benefit OPEB (net OPEB liability) is to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service. The Authority has engaged an actuary to assist with the measurement.

**Condition:** During the course of the audit, it was discovered the number of participants noted in the actuarial report did not agree to the number of participants in the census data provided by the Authority. When the Authority contacted the actuary, to update the report the following revisions were made:

- The number of participants in the plan
- The marriage rate
- Per capital health claim cost was updated to reflect the new demographic mix
- Plan election percentage was updated to reflect a new plan election mix
- Plan participation rate

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

**Effect:** The following financial statement amounts were corrected as of September 30, 2024.

- Deferred outflows on OPEB related amounts – understated by \$613,686
- OPEB liability – overstated by \$83,566
- Deferred inflows on OPEB related amounts – understated by \$683,350
- OPEB expense – overstated by \$13,902

**Recommendation:** We recommend the Authority perform of a review the actuarial reviews to ensure the proper census data and assumptions were utilized.

**Management's Response:** We agree with the finding.

### ***Finding 2024-003 – Significant Deficiency Internal Control over the Classification of Restricted***

**Criteria:** The Authority is responsible for preparing appropriate financial statements, including the classification of net position in accordance with generally accepted accounting standards. Government Accounting Standard Board Statement No. 34 states that net position should be reported as restricted when constraints place on net position use are either:

- a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments
- b. Imposed by law through constitutional provisions or enabling legislation.

**Condition:** During the course of the audit, it was discovered the Authority was reporting cash and net position amounts as restricted when the Board of Directors placed restrictions on the funds as opposed to an external restriction.

**Cause:** The Authority included Board of Director's restrictions as restricted cash and net position for financial reporting purposes.

# HILLSBOROUGH TRANSIT AUTHORITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2024

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**Effect:** Restricted cash and restricted net position were overstated and unrestricted cash and unrestricted net position were understated by \$28,213,283 as of September 30, 2023. Restricted cash and restricted net position were overstated and unrestricted cash and unrestricted net position were understated by \$48,135,103 as of September 30, 2024.

**Recommendation:** We recommend the Authority implement a process to ensure only external restrictions are reported in the restricted categories of cash and net position.

**Management's Response:** We agree with the finding.

### **Finding 2024-004 – Significant Deficiency Internal Control over the Disposal of Capital Assets**

**Criteria:** The Authority is responsible for preparing appropriate financial statements, including the proper disposal of capital assets in the financial statement records when sold or no longer in use.

**Condition:** During the course of the audit, it was discovered the Authority did not record the disposals of capital assets that were sold or not in use in previous years.

**Cause:** In previous years, there was not a control in place to ensure the financial records reflect the sale or disposal of capital assets. This was caused by staff turnover throughout the Authority during that time.

**Effect:** Capital assets with a cost of \$3,880,895 and a remaining book value of \$207,711 were disposed of but not properly reported as a disposal during the years ended September 30, 2022 and 2023.

**Recommendation:** We recommend the Authority implement a process to ensure the capital asset ledgers are reviewed for accurately include any disposal whether due to sale or non-use.

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

**Finding:** Due to the level of staffing and increased responsibilities of the employees, formal closing procedures and reconciliation were not properly/timely prepared and reviewed.

**Status:** Implemented. The Authority enhanced its staffing and ensured formal closing procedures and reconciliation were properly/timely prepared and reviewed.



**Hillsborough Transit Authority**

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



February 17, 2025

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

Below is the corrective action plan for Findings 2024-001 through 2024-004 identified during the audit for the Fiscal Year ended September 30, 2024.

**HILLSBOROUGH TRANSIT AUTHORITY  
CORRECTIVE ACTION PLAN**

For the Year Ended September 30, 2024

Name of Contact Person: Loretta Kirk, Chief Financial Officer

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

Corrective Action: Management concurs with the finding. While the total expenditure of federal grants remained unchanged, this emergency relief program grant should have been reported separately from the traditional Federal Transit Administration (FTA) clusters. These Resilience Program funds were appropriated for Florida in the Emergency Relief Program. HART was required to follow the normal process to apply for these funds through FTA.

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

Corrective Action: Management concurs with the finding. In the future, the Authority will compare the inputs that the actuary uses for their actuarial valuations with the published actuarial report.

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

Corrective Action: Management concurs with the finding. While the total cash and net position remained unchanged, the mix between restricted and non-restricted was adjusted. The Authority has traditionally reported the HART reserves as restricted. In the future, the HART reserves will be reported as unrestricted in accordance with government accounting standards.

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

Corrective Action: Management concurs with the finding. While reconciling the records in Fiscal Year 2024, it was discovered that previous year disposals had not been recorded. Once identified, staff recorded the disposal in Fiscal Year 2024. Internal controls have been put in place to ensure that disposals are reviewed and recorded timely.

Sincerely,

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, 2024, and have issued our report thereon dated March 3, 2025.

### 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 March 3, 2025, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

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

## **Financial Condition and Management**

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

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

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

## **Specific Information**

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

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 750.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as -0-.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$54,706,423.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$41,909.
- 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:
  - 1) VC00000919 Task Order #6 Flores Construction Co., Construction Bus Stop with Shelter and Landing pads, Armenia Ave at Waters Avenue. \$75,306.00.
  - 2) VC00000920 Task Order #6 American Construction Svs., Repair failed and damaged concrete areas located at Dick Greco Plaza, \$13,167.00.
  - 3) VC00000920 Task Order #7 American Construction Services Inc. of Tampa, Rehab of failed and damaged concrete inlet covers at HART operations facility \$149,918.00.
  - 4) VC00000921 Task Order #5 AJ General Constructions Services, Inc. Construction Bus Stop with Shelter and Landing Pads at Columbus Drive at Florida Ave \$54,347.10.
  - 5) VC00000921 Task Order #6 AJ Construction, Construction Removal and installation of Bus shelters, \$50,005.00.
  - 6) VC00000919 Task Order #7 Flores Construction Co., Construction Bus Stop with Shelter and Landing pads at Manhattan Ave at Oklahoma Ave, \$50,005.00.
  - 7) VC00000919 Task Order #8 Flores Construction Co., Construction of Bus Bay, Shelter Pad and Landing Pad, 21st Avenue at 43rd Street, \$107,714.00.

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$-0-.

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

- g. The mileage rate or rates imposed by the district as 0.5.
- h. The total amount of ad valorem taxes collected by or on behalf of the district as \$73,740,648.
- i. The total amount of outstanding bonds issued by the district and the terms of such bonds as none.

#### **Additional Matters**

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

#### **Purpose of this Letter**

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

*Cherry Bekaert LLP*

Tampa, Florida  
March 3, 2025



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

To the Board of Directors  
Hillsborough Transit Authority  
Tampa, Florida

We have examined the Hillsborough Transit Authority's, a/k/a Hillsborough Area Regional Transit Authority, or HART (the "Authority") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2024. 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, 2024.

*Cherry Bekaert LLP*

Tampa, Florida  
March 3, 2025



[www.GoHART.org](http://www.GoHART.org)

