

# Hillsborough County, Florida

Annual Report Summary

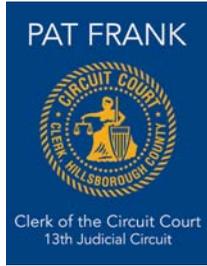
Fiscal Year Ended September 30, 2008



*Something for Everyone*

@ your library





To the Residents of Hillsborough County:

I am pleased to provide you with the *Hillsborough County, Florida Annual Report Summary for the Fiscal Year Ended 2008*. It presents the County's fiscal year 2008 financial activity in a concise and easy to read format. This year's theme is *Something for Everyone @ your library*. The cover showcases the Library and the services they provide to the public.

The information in this *Annual Report Summary* was derived from the *Hillsborough County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2008*. The CAFR consists of over 240 pages of detailed financial statements, notes, schedules, and reports. The CAFR is posted at [www.hillsclerk.com](http://www.hillsclerk.com) (select "Clerk Services" and then "Financial Information") It is also available at the Finance Department, County Center 12<sup>th</sup> Floor, 601 E. Kennedy Blvd, Tampa, FL 33602 or by calling (813) 276-8100 ext. 3766. The *Annual Report Summary* presents the financial information of all County government operations, including those of the Board of County Commissioners, Clerk of Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector, but excludes discretely presented component units. Since the *Annual Report Summary* contains simplified information, it does not conform to Generally Accepted Accounting Principles (GAAP) for governmental entities. As the Chief Financial Officer of Hillsborough County, I am fully responsible for the accuracy of these financial reports. I hope that you find this report interesting and informative.

Sincerely,

A handwritten signature in cursive script that reads "Pat Frank".

Pat Frank

# Principal Officials

## BOARD OF COUNTY COMMISSIONERS

Hillsborough County's legislative body consists of a seven-member Board of County Commissioners elected by the voters. Board members at fiscal year-end were:

- Ken Hagan, *Chair*
- Mark Sharpe, *Vice-Chair*
- Brian Blair
- Rose Ferlita
- Al Higginbotham
- Jim Norman
- Kevin White



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## CONSTITUTIONAL OFFICERS

Constitutional Officers are elected officials responsible for specifically designated functions of County government. The Constitutional Officers at fiscal year-end were:

- Pat Frank  
*Clerk of Circuit Court*
- Doug Belden  
*Tax Collector*
- David Gee  
*Sheriff*
- Buddy Johnson  
*Supervisor of Elections*
- Rob Turner  
*Property Appraiser*

## APPOINTED OFFICIALS

- Patricia G. Bean  
*County Administrator*
- Renée Francis Lee  
*County Attorney*
- James Barnes  
*County Internal Performance Auditor*

# Revenues

Total revenue decreased \$71 million or 3.5% from the previous year.

Amounts in Millions	Fiscal Yr 2008	Fiscal Yr 2007	Increase (Decrease)
<b>Governmental activities:</b>			
Property taxes	\$ 772	783	(11)
Sales taxes and state shared revenues	374	390	(16)
Other taxes	51	49	2
Investment earnings	50	71	(21)
Charges for services	203	208	(5)
Grants and contributions	162	178	(16)
Other revenues	88	76	12
Total governmental activities	<u>1,700</u>	<u>1,755</u>	<u>(55)</u>
<b>Business-type activities:</b>			
Water Resource Services	256	277	(21)
Solid Waste Resource Recovery	101	96	5
Total business-type activities	<u>357</u>	<u>373</u>	<u>(16)</u>
<b>Total Revenues</b>	<u>\$ 2,057</u>	<u>2,128</u>	<u>(71)</u>

**Governmental Activities** are activities supported primarily by taxes, state shared revenues, or grants. Governmental activities consist of all activities not included in the business-type activities category.

**Business-type Activities** are activities supported by fees and user charges that are set to recover the cost of services provided. Business-type activities consist of the Water Resource Services System and the Solid Waste Resource Recovery System.

**Property taxes** decreased \$11.4 million or 1.5% due to an 11.5% decrease in the taxable assessed value of real property in Hillsborough County primarily due to the expansion of exemptions allowed by state law.

**Sales taxes** consist of discretionary sales surtaxes such as the Community Investment Tax and Health Care Sales Surtax. **State shared revenues** consist of revenues received from the state of Florida such as the Local Government Half-Cent Sales Tax, state revenue sharing proceeds, the Constitutional Fuel Tax, and County Fuel Tax. The \$15.8 million decrease was due to a lower level of economic activity which resulted in decreases in: the Health Care Sales Surtax of \$6.5 million; Community Investment Tax sales surtax of \$6.5 million; Local Government Half-Cent Sales Tax of \$6.7 million; state revenue sharing proceeds of \$1.8 million; and fuel taxes of \$1.1 million. There was a \$6.5 million comparative increase in state shared revenues from the State Housing Initiative Partnership (SHIP) Program because the state of Florida delayed most of its fiscal year 2007 revenue distributions until fiscal year 2008 due to a change in distribution method.

Overall **investment earnings** decreased \$20.9 million due to lower interest rates and a decrease in the fair value of the investment portfolio. Fair value change is the unrealized gain or loss in the fair market value of the investment portfolio during the year.

**Grants and contributions** decreased \$16.0 million primarily due to: a \$11.1 million decrease in the receipt of infrastructure contributions such as roads and sidewalks from real estate developers; and a \$7.1 million decrease in grants received for the construction or acquisition of capital assets; offset by a net \$2.2 million increase in operating grants received for economic development (housing), human services and public safety.

**Other Revenues** increased \$12.0 million due to a \$6.3 million increase in school impact fees; a \$12.8 million increase due to receipt of developer contributions for US Highway 301 widening; a \$1.0 million reduction in loan repayments received in the Local Housing Assistance Fund due to weakening of the real estate market in fiscal year 2008; and a \$6.0 million decrease in proceeds from the state of Florida for the purchase of environmentally sensitive lands under the Florida Forever program.

# Expenses

Total expenses increased \$67 million or 3.9% over the previous year. During this same period, the Consumer Price Index-Urban for Tampa - St. Petersburg - Clearwater rose about 3.8% and County population rose 2%.

Amounts in Millions	Fiscal Yr	Fiscal Yr	Increase
	2008	2007	(Decrease)
<b>Governmental Activities:</b>			
General government	\$ 347	365	(18)
Public safety	507	487	20
Physical environment	37	42	(5)
Transportation	146	100	46
Economic environment	79	88	(9)
Human services	241	215	26
Culture and recreation	116	110	6
Interest on long-term debt	25	29	(4)
Total governmental activities	1,498	1,436	62
<b>Business-type Activities:</b>			
Water Resource Services	209	197	12
Solid Waste Resource Recovery	79	86	(7)
Total business-type activities	288	283	5
<b>Total expenses</b>	<b>\$ 1,786</b>	<b>1,719</b>	<b>67</b>

**General government** expenses include categories such as administrative, financial, court administration and court-related, budgeting and accounting, property appraisals, tax collection, master planning, zoning, and development. General government expenses decreased \$18.0 million primarily due to: a \$27.3 million decrease from a large loss on disposal of capital assets in fiscal year 2007; offset by a \$3.9 million payment for the School Board to buy land for an elementary school, and a \$4.7 million increase in expenditures due to the indirect cost allocation plan.

**Public safety** expenses are related to providing security for people and property. This category includes costs of the Sheriff, Fire Rescue, the Medical Examiner, Consumer Affairs, building inspections, and emergency and disaster relief services. Expenses increased \$19.8 million primarily due to a \$15.1 million increase in the Sheriff's law enforcement and detention expenses due to a greater emphasis on funding public safety expenditures during the budget adoption process and a \$4.6 million increase in General Fund expenditures for fire rescue services due to higher personnel costs.

**Physical environment** expenses are associated with conserving and managing natural resources such as air, water, soil, wildlife, as well as controlling pollution.

**Transportation** expenses are related to maintaining County roads, bridges, street lighting, stormwater systems and other infrastructure, and highway safety projects. Expenses increased \$46.4 million primarily due to a \$31.5 million increase in transportation-related expenditures in the County Transportation Fund and a \$14 million increase in transportation-related expenditures in capital projects funds for payments to Florida Department of Transportation for the widening of US Highway 301.

**Economic environment** expenses are related to: new business promotion and development; disadvantaged minority, women and small business enterprise programs; and housing assistance and rehabilitation programs. Expenses decreased \$9.4 million primarily due to: a \$7.1 million decrease in expenditures under the State Housing Initiatives Partnership (SHIP) Program; a decrease of \$6.0 million in contributions to the city of Tampa for roof repair and replacement work on the Tampa Convention Center that was done in fiscal year 2007; and a \$4.4 million increase due to a payment to the H. Lee Moffitt Cancer Center and Research Institute for the Moffitt Genetics Project (M2Gen) with Merck & Co.

**Human services** expenses are related to providing services such as health care for the poor, public assistance, care for the elderly, social services, as well as animal and mosquito control. Expenses increased \$26.1 million primarily due to a \$24.2 million increase in medical payments for low-income residents due to an increase in the number of individuals served.

**Culture and recreation** expenses include costs related to libraries, parks, and recreational facilities.

# Balance Sheet

September 30, 2008

Amounts in Millions

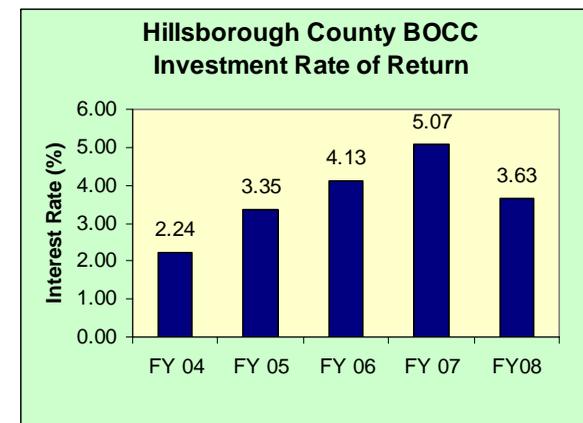
	Governmental	Business-Type	Total
ASSETS	Activities	Activities	
Cash and investments	\$ 1,400	497	1,897
Due from state/federal governments	56	--	56
Receivables and other current assets	129	26	155
Capital assets, net of depreciation	6,633	1,045	7,678
Other noncurrent assets	12	71	83
	<u>8,230</u>	<u>1,639</u>	<u>9,869</u>
<b>LIABILITIES</b>			
Accounts payable	95	60	155
Accrued liabilities, claims liabilities, etc.	79	6	85
Due to other governments, payroll taxes	16	--	16
Deferred revenues (taxes or other revenues received but not yet earned)	99	20	119
Deposits payable	--	10	10
Long-term liabilities (e.g. bonds, notes, and compensated absences)	843	319	1,162
	<u>1,132</u>	<u>415</u>	<u>1,547</u>
<b>NET ASSETS (Equity)</b>			
Invested in capital assets, net of debt	5,981	821	6,802
Net assets, restricted	693	72	765
Net assets, unrestricted	424	331	755
Total net assets	<u>\$ 7,098</u>	<u>1,224</u>	<u>8,322</u>

The balance sheet shows the financial position of the County on the last day of the fiscal year. The balance sheet and other statements in this report were summarized from the *Hillsborough County, Florida Comprehensive Annual Financial Report*. To simplify presentation, the statements in this *Annual Report Summary* are not in GAAP format. Restricted net assets represent equity that may be used only as specified by debt covenants, grantors, laws or regulations, other governments, or other external restrictions.

# Cash & Investments

The County manages its investment portfolio with the primary objectives of safeguarding principal, ensuring liquidity to meet daily cash needs, and maximizing investment earnings within statutory and fiduciary constraints. For fiscal year 2008, the Board of County Commissioners' investment pool had an overall annual rate of return of 3.63%. At September 30, 2008, the County investment portfolio was invested as shown below.

	Amount in Millions	Percent of Total
U.S. treasury and govt. sponsored agency securities	\$ 1,074	55
Interest bearing bank accounts	187	10
Government-only money market mutual funds	31	2
Florida Local Government Investment Pool (State Board of Administration)	471	24
Corporate notes	48	2
Guaranteed investment contracts	121	6
Certificate of deposit	20	1
Total cash and investments	<u>1,952</u>	<u>100</u>
Less amounts held in trust for other entities	(55)	
Total County cash and investments	<u>\$ 1,897</u>	



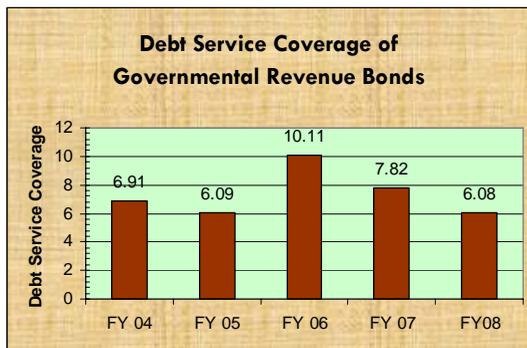
This chart shows the County's rate of return on investments over the past five years. For safety and flexibility, the County maintains a short overall weighted average maturity on its cash and investments. It was only 0.9 of a year at September 30, 2008.

# Long-Term Liabilities

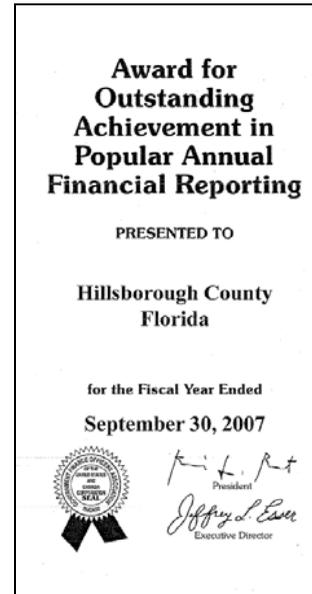
At September 30, 2008, the County had twenty-one bonded debt issues outstanding for a variety of purposes including the construction or acquisition of parks and recreation facilities, environmentally sensitive land, court and criminal justice facilities, streets and other infrastructure, the County Center building, the Museum of Science & Industry, water resource services, and solid waste resource recovery. Bonded debt outstanding and other long-term liabilities at September 30, 2008 were as follows:

Amounts in Millions	Fiscal Year		Increase (Decrease)
	2008	2007	
General obligation bonds	\$ 14	15	(1)
Limited ad valorem tax bonds	14	19	(5)
Revenue bonds	894	736	158
Total bonded debt	922	770	152
Notes payable	123	54	69
Compensated absences	79	78	1
Insurance claims payable	41	35	6
Other long-term debt	38	40	(2)
Total long-term liabilities	\$ 1,203	977	226

At September 30, 2008, the County's general obligation debt was rated Aa1 by Moody's Investors Service, AAA by Standard & Poor's (S&P), and AA+ by Fitch Ratings.



This chart shows that during fiscal year 2008, revenues pledged for governmental revenue bonds were 6.08 times the amount of debt service expenditures for these bonds.



The Government Finance Officers Association of United States and Canada has given an Award for the Outstanding Achievement in Popular Annual Financial Reporting to Hillsborough County, Florida for its *Annual Report Summary for the Fiscal Year Ended September 30, 2007*. This prestigious national award recognizes conformance with the highest standards for the preparation of state and local government popular reports. To receive this Award a government must publish a Popular Annual Financial Report whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for only one year. We believe our current report continues to conform to the Popular Annual Financial Reporting and we are submitting it to the Government Finance Officers Association for evaluation.

## Did you know...

- Hillsborough County Public Schools is the eighth largest district in the nation and third largest in Florida. The District's 248 public schools had a total enrollment of more than 200,000 as of June 2008.
- With three seaports, Tampa Bay is a major entry point for domestic and international shipping. The Port of Tampa comprises nearly half of all seaborne commerce in the state, is the state's largest seaport, the 12<sup>th</sup> largest cargo port in the nation, and a major cruise port.
- Hillsborough County's population as of April 2008 was 1,224,520, an increase of 1.6% from 2007. Hillsborough County is the fourth most populated county in the state of Florida.
- Hillsborough County ranks as the 3<sup>rd</sup> largest producer of agricultural products in the state, and 45<sup>th</sup> in the United States. Hillsborough County produces the most tropical fish and strawberries of all counties in the state.