

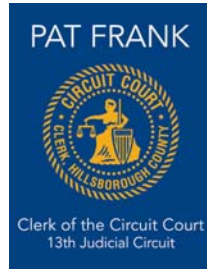


Hillsborough County, Florida Financial Summary Report



Fiscal Year Ended September 30, 2009





To the Residents of Hillsborough County:

I am pleased to provide you with the *Hillsborough County, Florida Financial Summary Report for the Fiscal Year Ended September 30, 2009*. It presents the County's fiscal year 2009 financial activity in a concise and easy to read format. This year's cover presents photographs of Lettuce Lake Park donated to the Hillsborough County Parks, Recreation and Conservation Department by renowned photographer Johnny Alterman.

The information in this *Financial Summary Report* was derived from the *Hillsborough County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2009 (CAFR)*. The CAFR consists of 250 pages of detailed financial statements, notes, schedules, and reports. The CAFR is posted at www.hillsclerk.com (select "Clerks in the Sunshine" and then "Financial Reports - County"). It is also available at the Finance Department, County Center 12th Floor, 601 E. Kennedy Blvd, Tampa, FL 33602 or by calling (813) 276-8100 ext. 3766. The *Financial Summary Report* 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 *Financial Summary Report* 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,

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*
- Kevin Beckner
- Rose Ferlita
- Al Higginbotham
- Jim Norman
- Kevin White



Visit the County's
web site at
hillsboroughcounty.org

CONSTITUTIONAL OFFICERS

Constitutional Officers are elected officials responsible for functions of County government specified in the Florida Constitution. Constitutional Officers at fiscal year-end were:

- Pat Frank
Clerk of Circuit Court
- Doug Belden
Tax Collector
- David Gee
Sheriff
- Earl Lennard
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 revenues fell \$179 million or 9% from the previous year.

Amounts in Millions	Fiscal Yr 2009	Fiscal Yr 2008	Increase (Decrease)	Percent Change
Governmental activities:				
Property taxes	\$ 724	772	(48)	-6 %
Sales taxes and state shared revenues	352	374	(22)	-6 %
Other taxes	47	51	(4)	-8 %
Investment earnings	32	50	(18)	-36 %
Charges for services	199	203	(4)	-2 %
Grants and contributions	131	162	(31)	-19 %
Other revenues	46	88	(42)	-48 %
Total governmental activities	<u>1,531</u>	<u>1,700</u>	<u>(169)</u>	-10 %
Business-type activities:				
Water Resource Services	246	256	(10)	-4 %
Solid Waste Resource Recovery	101	101	--	
Total business-type activities	<u>347</u>	<u>357</u>	<u>(10)</u>	-3 %
Total revenues	<u>\$ 1,878</u>	<u>2,057</u>	<u>(179)</u>	-9 %

Governmental Activities are activities supported primarily by taxes, state shared revenues, charges for service, or federal and state 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 fell \$47.5 million or 6% due to a 13.9% decrease in the taxable assessed value of real property in Hillsborough County. Taxable assessed value is market value less property tax exemptions. This decline was the net result of market values of real property falling \$11.9 billion, offset by property tax exemptions falling \$1.3 billion (since a decrease in exemptions increases taxable assessed values).

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 \$21.5 million decrease was due to a lower level of economic activity which resulted in decreases in: the Health Care Sales Surtax of \$9.4 million; Community Investment Tax sales surtax of \$9.3 million; Local Government Half-Cent Sales Tax of \$8.7 million; and state revenue sharing proceeds of \$2.8 million. These declines were partly offset by a new state shared revenue of \$7.3 million to fund the Clerk of Circuit Court's court-related operations since new legislation required the Clerk's court-related fines, fees, and service charges to be sent to the state of Florida.

Overall **investment earnings** decreased \$17.9 million due to a steep decline in short-term interest rates earned on US treasury securities and other high quality investments.

Grants and contributions decreased \$31.5 million primarily due to: a \$36.3 million decrease in the receipt of infrastructure contributions such as roads and sidewalks from real estate developers; and a \$3.8 million decrease in grants received for the construction or acquisition of capital assets; offset by a net \$8.6 million increase in operating grants received for economic development (housing), human services, public safety, and physical environment.

Other Revenues decreased \$42.5 million due to: a \$16.7 million decline in developer contributions for the widening of US Highway 301; a \$7.8 million decrease in impact fees; a \$6.4 million decline from street lighting assessments being moved to the Charges for Services category in FY 2009; a \$9.8 million reduction in reimbursements from the state for the US Highway 301 widening project; and a \$1.3 million reduction in miscellaneous revenues received in the Sheriff's Law Enforcement and Jail Inmate Canteen Funds.

Expenses

Total expenses fell \$18 million or 1% from the previous year while the County's population rose 1% during the same period.

Amounts in Millions	Fiscal Yr	Fiscal Yr	Increase	Percent
	2009	2008	(Decrease)	Change
Governmental Activities:				
General government	\$ 339	347	(8)	-2 %
Public safety	508	507	1	0 %
Physical environment	35	37	(2)	-5 %
Transportation	107	146	(39)	-27 %
Economic environment	85	79	6	8 %
Human services	253	241	12	5 %
Culture and recreation	111	116	(5)	-4 %
Interest on long-term debt	30	25	5	20 %
Total governmental activities	<u>1,468</u>	<u>1,498</u>	<u>(30)</u>	-2 %
Business-type Activities:				
Water Resource Services	206	209	(3)	-1 %
Solid Waste Resource Recovery	94	79	15	19 %
Total business-type activities	<u>300</u>	<u>288</u>	<u>12</u>	4 %
Total expenses	<u>\$ 1,768</u>	<u>1,786</u>	<u>(18)</u>	-1 %

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 economic development. General government expenses decreased \$7.4 million primarily due to: a \$4.3 million decrease in Community Investment Tax revenues resulting in lower distributions to other governments; a \$6.5 million increase in new school land and construction; a \$6.8 decrease due to lower court-related funding from the state of Florida; a \$1.8 million decrease in public records modernization expenditures; and a \$1.5 million reduction from prior year bond issuance costs not repeated in FY 2009.

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.

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, other infrastructure, and highway safety projects. Expenses fell \$39.8 million primarily due to: a \$59.0 million decrease in payments to the state of Florida for advance funding of the US Highway 301 widening project; an \$11.1 million increase from higher infrastructure asset disposals; a \$6.9 million increase for road resurfacing costs; and a \$3.0 million increase in payments to the city of Tampa for the 40th Street Corridor Enhancement project.

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 increased \$6.4 million primarily due to: a \$11.9 million increase in industry incentive payments to the H. Lee Moffitt Cancer Center and Research Institute for the Moffitt Genetics Project (M2Gen) with Merck & Co; a \$3.1 million reduction in the Sales Tax Revenue Fund due to reduced level of tourist development taxes received; a \$2.9 million decrease in the Community Development Block Grant and other grants; an increase of \$1.4 million in Section 8 housing grants; and a \$1.8 million decrease in rehabilitation and First Time Home Buyers down payment loans.

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 \$12.0 million primarily due to a \$12.5 million increase in medical payments for low-income residents because the number of individuals served increased 6% to about 27,400.

Culture and recreation expenses are associated with libraries, parks, and recreational facilities.

Balance Sheet

September 30, 2009

Amounts in Millions

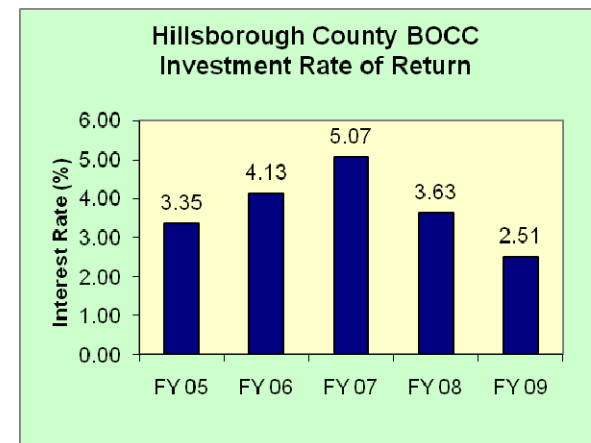
	Governmental	Business-Type	FY 2009	FY 2008
ASSETS	Activities	Activities	Total	Total
Cash and investments	\$ 1,308	360	1,668	1,897
Due from state/federal governments	55	--	55	56
Receivables and other current assets	130	32	162	156
Capital assets, net of depreciation	6,722	1,119	7,841	7,678
Other noncurrent assets	6	105	111	82
	<u>8,221</u>	<u>1,616</u>	<u>9,837</u>	<u>9,869</u>
LIABILITIES				
Accounts payable	75	39	114	154
Accrued payroll liabilities, etc.	45	5	50	56
Insurance claims payable	46	--	46	45
Deferred revenues (taxes or other revenues received but not yet earned)	98	21	119	119
Deposits payable	--	10	10	10
Long-term liabilities (e.g. bonds, notes, and compensated absences)	795	271	1,066	1,163
	<u>1,059</u>	<u>346</u>	<u>1,405</u>	<u>1,547</u>
NET ASSETS (Equity)				
Invested in capital assets, net of debt	5,998	917	6,915	6,801
Net assets, restricted	603	51	654	766
Net assets, unrestricted	561	302	863	755
Total net assets	<u>\$ 7,162</u>	<u>1,270</u>	<u>8,432</u>	<u>8,322</u>

The balance sheet shows the financial position of the County on the last day of the fiscal year as well as the prior 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 *Financial Summary Report* 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 requirements. For fiscal year 2009, the Board of County Commissioners' investment pool had an overall annual rate of return of 2.51%. At September 30, 2009, the County investment portfolio was invested as shown below.

	Amount in Millions	Percent of Total
U.S. treasury and govt. sponsored agency securities	\$ 1,009	58 %
Interest bearing bank accounts	254	15 %
Government-only money market mutual funds	11	1 %
Florida PRIME and Fund B		
(State Board of Administration)	244	14 %
Corporate notes and commercial paper	158	9 %
Guaranteed investment contracts	50	3 %
Total cash and investments	<u>1,726</u>	<u>100 %</u>
Less amounts held in trust for other entities	(58)	
Total County cash and investments	<u>\$ 1,668</u>	



This chart shows the County's investment returns over the past five years. For safety and flexibility, the County kept an overall weighted average maturity on its investments of only "1.1 year" at September 30, 2009.

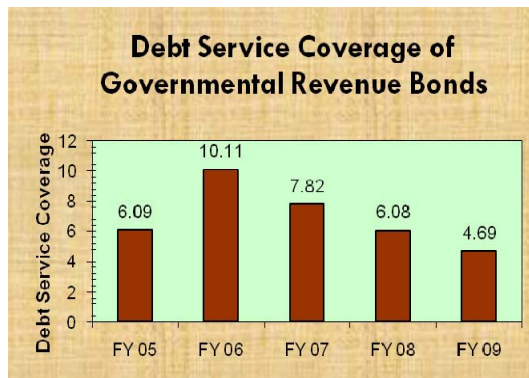
Standard & Poor's awarded the County's Investment Pool a fund credit quality rating of **AAAf**.

Long-Term Liabilities

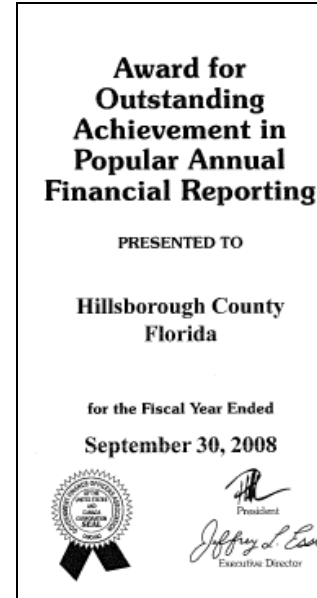
At September 30, 2009, the County had twenty bonded debt issues outstanding for a variety of purposes including the construction or acquisition of parks and recreation facilities, environmentally sensitive land, court and criminal justice facilities, streets and other infrastructure, the County Center 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, 2009 were as follows:

Amounts in Millions	Fiscal Yr	Fiscal Yr	Increase
	2009	2008	(Decrease)
General obligation bonds	\$ 14	14	--
Limited ad valorem tax bonds	10	14	(4)
Revenue bonds	813	894	(81)
Total bonded debt	837	922	(85)
Notes payable	107	123	(16)
Compensated absences	80	79	1
Insurance claims payable	40	41	(1)
Other long-term debt	41	38	3
Total long-term liabilities	\$ 1,105	1,203	(98)

At September 30, 2009, the County's general obligation debt was rated **Aa1** by Moody's Investors Service, **AAA** by Standard & Poor's, and **AA+** by Fitch Ratings.



This chart shows that pledged revenues were 4.69 times the amount needed for debt service on the County's governmental revenue bonds during fiscal year 2009.



The Government Finance Officers Association of United States and Canada has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Hillsborough County, Florida for its *Financial Summary Report for the Fiscal Year Ended September 30, 2008*. 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 requirements and we are submitting it to the Government Finance Officers Association for review.

Did you know...

- Lowry Park Zoo was ranked the number one family-friendly zoo in the United States by *Parents* magazine 2009 and *Child* magazine 2004.
- The Port of Tampa is a very significant economic engine in West Central Florida. The port handled 37.8 million tons of cargo during fiscal year 2009. The port is the state's largest seaport and handled 803,000 cruise passengers during 2009 on 185 sailings.
- Hillsborough County's population in 2009 was 1,234,010, an increase of 0.8% from 2008. Hillsborough County is the fourth most populated county in the state of Florida, and has more people than each of the states of Alaska, Delaware, Montana, North Dakota, Rhode Island, South Dakota, Vermont, and Wyoming.
- Tampa International Airport is well known for its efficiency and passenger convenience. During 2008 9.4 million domestic passengers enplaned at the airport, 212.6 million pounds of cargo were handled, and 14.9 million pounds of mail were transported.