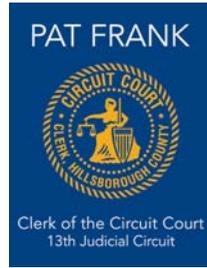


Hillsborough County, Florida

Financial Summary Report



Fiscal Year Ended September 30, 2011



Principal Officials

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, 2011*. It presents the County's fiscal year 2011 financial activity in a concise and easy-to-read format. This year's cover spotlights a variety of museums located in Hillsborough County.

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, 2011 (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 County Finance Department, County Center 12th Floor, 601 E. Kennedy Blvd, Tampa, FL 33602 or by calling (813) 307-7026. 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

BOARD OF COUNTY COMMISSIONERS

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

- Al Higginbotham, *Chair*
- Mark Sharpe, *Vice-Chair*
- Kevin Beckner
- Victor D. Crist
- Ken Hagan
- Lesley "Les" Miller, Jr.
- Sandra L. Murman



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

- Michael S. Merrill
County Administrator
- Donald R. Odom
Interim County Attorney

Revenues

Total revenues fell \$58 million or 3% from the previous year.

Amounts in Millions	Fiscal Yr 2011	Fiscal Yr 2010	Increase (Decrease)	Change
Governmental activities:				
Property taxes	\$ 561	631	(70)	-11 %
Sales taxes and state shared revenues	375	364	11	3 %
Other taxes	47	45	2	4 %
Investment earnings	11	25	(14)	-56 %
Charges for services	169	173	(4)	-2 %
Grants and contributions	156	153	3	2 %
Other revenues	53	59	(6)	-10 %
Total governmental activities	<u>1,372</u>	<u>1,450</u>	<u>(78)</u>	-5 %
Business-type activities:				
Water	216	197	19	10 %
Solid Waste	102	101	1	1 %
Total business-type activities	<u>318</u>	<u>298</u>	<u>20</u>	7 %
Total revenues	<u>\$ 1,690</u>	<u>1,748</u>	<u>(58)</u>	-3 %

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 and the Solid Waste utilities.

Property taxes fell \$70.0 million or 11% due to a \$2.77 billion or 4.3% reduction in the assessed value of taxable real property in Hillsborough County. This decline was primarily the result of real property market

values falling \$3.5 billion, offset by property tax exemptions falling only \$0.75 billion (since market values less exemptions equal 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, County Fuel Tax and the State Housing Initiatives Partnership program. There was an overall increase of \$11.2 million from the prior year due to higher retail sales.

Investment earnings declined \$13.5 million or 56% from the previous year because interest earnings on the County's investment pool dropped from 1.45% for fiscal year 2010 to 0.82% for fiscal year 2011 due to a decline in already low market interest rates.

Charges for services fell \$3.8 million due to a variety of factors: A \$1.3 million decrease in revenues associated with the indirect cost allocation plan which assigns costs to benefiting departments. A \$0.6 million decrease in the Tax Collector's statutory fee for collecting taxes due to lower value of property taxes collected. A \$0.5 million decrease in revenues assigned to the 800 MHz inter-governmental radio communication program as a result of lower civil traffic infractions and pollution control violation fees. A \$1.4 million decrease in reimbursements received for maintaining roads and stormwater management infrastructure engineering services in fiscal year 2011.

Other revenues decreased \$6.1 million or 10% primarily due to a nonrecurring \$6.1 million sale of environmentally sensitive land to the state's Florida Communities Trust (Lake Dan) during fiscal year 2010. By selling environmentally sensitive land to the Florida Communities Trust, additional funding is provided to buy and protect more environmentally sensitive land in the County.

Water utility revenues increased \$19 million due to higher consumption from new rules allowing twice weekly lawn sprinkling and automatic rate increases based on an index published by the Florida Public Service Commission.

Expenses

Total expenses fell \$61 million or 4% from the previous year.

Amounts in Millions	Fiscal Yr	Fiscal Yr	Increase	Change
	2011	2010	(Decrease)	
Governmental Activities:				
General government	\$ 274	288	(14)	-5 %
Public safety	511	519	(8)	-2 %
Physical environment	30	36	(6)	-17 %
Transportation	73	83	(10)	-12 %
Economic environment	71	79	(8)	-10 %
Human services	227	245	(18)	-7 %
Culture and recreation	80	90	(10)	-11 %
Interest on long-term debt	26	26	--	--
Total governmental activities	<u>1,292</u>	<u>1,366</u>	<u>(74)</u>	-5 %
Business-type Activities:				
Water	197	190	7	4 %
Solid Waste	105	99	6	6 %
Total business-type activities	<u>302</u>	<u>289</u>	<u>13</u>	4 %
Total expenses	<u>\$ 1,594</u>	<u>1,655</u>	<u>(61)</u>	-4 %

General government expenses include categories such as administrative, financial, court administration and court-related, budgeting and accounting, property assessments and tax collection, master planning, zoning, and economic development. General government expenses decreased \$13.6 million primarily due to: a \$8.6 million decrease in General Fund personnel cost; a \$1.0 million reduction in the statutory fees for tax collection and property appraisal services due to a decline in property taxes collected; a \$0.6 million reduction in Clerk of Circuit Court expenditures; and a \$2.6 million decrease due to the nonrecurring write-off of maintenance costs from certain Capital Improvement Program projects during fiscal year 2010.

Public safety expenses are for protecting 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 decreased \$8.0 million due to: a \$3.7 million decrease in personnel services and operating expenses in the General Fund; a \$2.7 million reduction in compensated absences due to the Voluntary Separation Incentive Program that encouraged retirement-eligible employees to resign; and \$1.6 million of nonrecurring construction at the Sheriff's Operations Center in fiscal year 2010.

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 decreased \$10.0 million primarily due to: a \$3.4 million decrease in personnel and operating expenses; a \$4.3 million decrease in road resurfacing costs; and a \$3.1 million decrease in infrastructure disposals.

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 \$8.6 million primarily due to: a \$3.6 million reduction in payments to the city of Tampa for tax increment levies; a \$7.9 million decrease in grants and aids to private organizations; offset by a \$3.0 million increase in community development payments for apartment projects for affordable housing.

Human services expenses include 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 decreased \$17.8 million primarily due to: a \$10.1 million decrease in medical payments for low-income County residents due to negotiating lower medical reimbursement costs, having more efficient medical management, and emphasizing personal member accountability to reduce the number of members in the plan; a \$4.6 million decrease in personnel, contractual services, other operating, and depreciation expenses; and a \$1.2 million decrease in grant expenses.

Culture and recreation expenses are associated with libraries, parks, and recreational facilities. Expenses decreased \$9.4 million primarily due to: a \$1.5 million in personnel cost; a \$3.4 million decrease in repairs and maintenance, office supplies, books, professional services, other operating expenses, and the indirect cost allocation plan; and a \$3.4 million decrease in aids to other governments.

Balance Sheet

September 30, 2011

Amounts in Millions

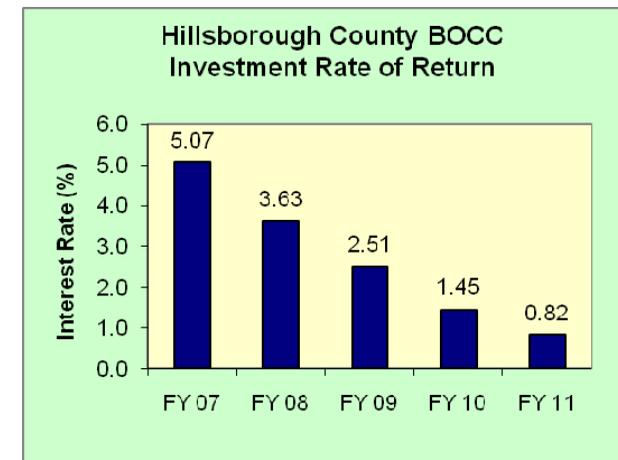
	Governmental	Business-Type		Prior
ASSETS	Activities	Activities	Total	Fiscal Yr
Cash and investments	\$ 1,216	533	1,749	1,617
Due from state/federal governments	57	--	57	70
Receivables/other current assets	46	31	77	161
Capital assets, net of depreciation	6,889	1,072	7,961	7,882
Notes receivable/noncurrent assets	93	109	202	114
	<u>8,301</u>	<u>1,745</u>	<u>10,046</u>	<u>9,844</u>
LIABILITIES				
Accounts payable	102	23	125	131
Accrued payroll liabilities, etc.	27	5	32	51
Deferred revenues (taxes or other revenues received but not yet earned)	103	21	124	127
Deposits payable	--	12	12	11
Long-term liabilities	753	388	1,141	1,008
	<u>985</u>	<u>449</u>	<u>1,434</u>	<u>1,328</u>
NET ASSETS (Equity)				
Invested in capital assets, net of debt	6,261	845	7,106	7,043
Net assets, restricted	346	95	441	461
Net assets, unrestricted	709	356	1,065	1,012
Total net assets	<u>\$ 7,316</u>	<u>1,296</u>	<u>8,612</u>	<u>8,516</u>

The balance sheet shows the financial position of the County on the last day of the fiscal year compared to 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 2011, the Board of County Commissioners Investment Pool had an overall annual rate of return of .82%. At September 30, 2011, the County investment portfolio was invested as shown below.

	Amount in Millions	Percent of Total
U.S. treasury and govt. sponsored agency securities	\$ 1,117	61 %
Bank accounts	255	14 %
Government-only money market mutual funds	18	1 %
State Board of Administration's Florida PRIME and Fund B investment pools	255	14 %
Corporate notes and commercial paper	162	9 %
Municipal bonds	11	1 %
Total cash and investments	<u>1,818</u>	<u>100 %</u>
Less amounts held in trust for non-County entities	(69)	
Total County cash and investments	<u>\$ 1,749</u>	



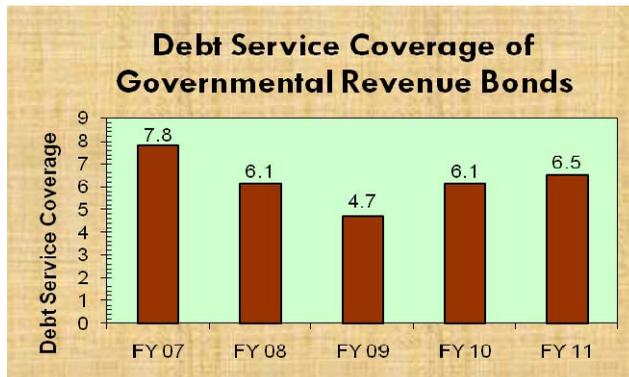
This chart shows the County's investment returns over the past five years. For greater safety and flexibility, the County kept the overall weighted average maturity on its Investment Pool at only "1.2 years" at September 30, 2011. Standard & Poor's awarded the County's Investment Pool its second highest fund credit quality rating of AA+f.

Long-Term Liabilities

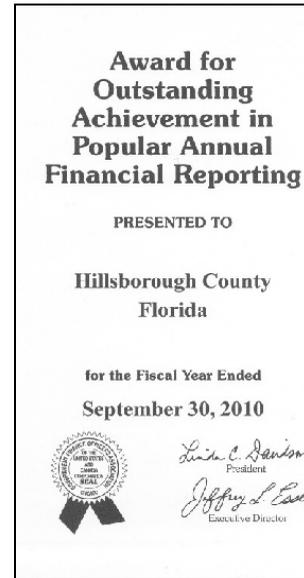
At September 30, 2011, the County had twenty bonded debt issues outstanding for a variety of purposes including the construction or acquisition of parks and recreation facilities, environmentally sensitive land, tourist development, court facilities, and solid waste. Bonded debt outstanding and other long-term liabilities at September 30, 2011 were as follows:

Amounts in Millions	Fiscal Yr	Fiscal Yr	Increase (Decrease)
	2011	2010	
General obligation bonds	\$ 72	73	(1)
Limited ad valorem tax bonds	--	5	(5)
Revenue bonds	779	665	114
Total bonded debt	851	743	108
Notes payable	136	110	26
Sick & vacation benefits payable	68	77	(9)
Insurance claims payable	38	35	3
Other long-term debt	48	43	5
Total long-term liabilities	\$ 1,141	1,008	133

At September 30, 2011, the County's general obligation debt was rated **Aaa** by Moody's Investors Service, **AAA** by Standard & Poor's, and **AAA** by Fitch Ratings. These are the highest possible credit ratings.



This chart shows that pledged revenues were 6.5 times greater than the amount needed for debt service on the County's governmental revenue bonds during fiscal year 2011.



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, 2010*. 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 conform to the Popular Annual Financial Reporting requirements and we are submitting it to the Government Finance Officers Association for review.

Did you know...

- Hillsborough County Public Schools is the eighth largest district in the nation and third largest in Florida. A total of 254 elementary, middle, senior high, and adult schools accommodate students, both day and evening. Total student membership from pre-kindergarten through senior high was 193,244 in 2011.
- The Port of Tampa is Florida's largest and most diverse seaport, handling 38 million tons of cargo and 802,775 cruise passengers during FY 2010. The Port of Tampa comprises nearly half of all sea-borne commerce in the state of Florida.
- Hillsborough County has a diversified employment base. The top 20 employers in the County employ only 25% of the total employees within the County. The County's diversified employment base provides a stabilizing effect on the local economy and the County's sales-related revenues.
- Hillsborough County has 2,843 farms, the 2nd highest number of farms of any county in the state of Florida and 28th highest in the nation.