



# Hillsborough County, Florida Financial Summary Report



Fiscal Year Ended  
September 30, 2014



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, 2014*. It presents the County's fiscal year 2014 financial activity in a concise and easy-to-read format. This year's cover spotlights the Tampa-Hillsborough County Public Library.

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, 2014 (CAFR)*. The CAFR consists of over 250 pages of detailed financial statements, notes, schedules, and reports. The CAFR is posted at [www.hillsclerk.com](http://www.hillsclerk.com) (select "Clerks in the Sunshine" and then "Financial Reports - County"). It is also available at the County Finance Department, County Center 12<sup>th</sup> 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,

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 (BOCC) elected by the voters. Board members at fiscal year-end were:

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

## 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*
- Craig Latimer  
*Supervisor of Elections*
- Bob Henriquez  
*Property Appraiser*

## APPOINTED OFFICIALS

- Michael S. Merrill  
*County Administrator*
- Chip Fletcher  
*County Attorney*



County's website:  
[hillsboroughcounty.org](http://hillsboroughcounty.org)

# Revenues

Total revenues increased \$79 million or 4.8% from the previous year.

Amounts in millions	Fiscal Yr 2014	Fiscal Yr 2013 (Restated)	Increase (Decrease)	Change
<b>Governmental activities:</b>				
Property taxes	\$ 556	530	26	5 %
Sales taxes and state shared revenues	395	397	(2)	-1 %
Other taxes	50	47	3	6 %
Investment earnings	4	5	(1)	-20 %
Charges for services	209	190	19	10 %
Grants and contributions	165	138	27	20 %
Other revenues	18	25	(7)	-28 %
Total governmental activities	<u>1,397</u>	<u>1,332</u>	<u>65</u>	5 %
<b>Business-type activities:</b>				
Water	246	235	11	5 %
Solid Waste	105	102	3	3 %
Total business-type activities	<u>351</u>	<u>337</u>	<u>14</u>	4 %
<b>Total revenues</b>	<u>\$ 1,748</u>	<u>1,669</u>	<u>79</u>	5 %

**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** increased \$25.6 million or 4.8% due to a \$3.22 billion or 6.0% increase in the assessed value of taxable real estate in Hillsborough County during fiscal year 2013. This increase was primarily the result of real estate market values rising \$3.5 billion, offset by property tax exemptions rising only \$0.23.

**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. There was an overall decrease of \$1.5 million from the prior year due to a change in Florida Statutes which changed the funding of the Clerk of Circuit Court from state shared revenues to fine and forfeiture revenues; partly offset by greater revenues brought about by higher retail sales within the County.

**Investment earnings** declined \$1.4 million or 26.9% from the previous year because interest earnings on the County's investment pool dropped from 0.46% for fiscal year 2013 to 0.44% for fiscal year 2014.

**Charges for services** increased \$19.4 million primarily due to the following: Florida Statutes changed the funding of the Clerk of Circuit Court from state shared revenues to fine and forfeiture revenues by \$18.0 million. Impact fee revenues decreased \$3.0 million, while Sheriff's charges for services increased \$1.5 million. There was also an increase in general government charges and fees of \$3.2 million in the General Fund due to increases in ambulance, fire protection, land use/zoning, land development, Environmental Protection Commission and class fees.

**Other revenues** decreased \$6.6 million or 26.3% primarily due to the following: There was a \$2.2 million comparative reduction in monetary contributions for transportation-related capital projects from real estate developers. There was a \$2.1 million reduction in loan payments received on Affordable Housing grant funded programs. There was a \$1.5 million reduction in prior year expenditure refunds received in the General Fund.

**Water** utility revenues increased \$11.2 million due to a \$12.1 million increase in capital contributions from developers and others, offset by a reduction in interest revenues.

# Expenses

Total expenses increased \$74 million or 4.7% from the previous year.

Amounts in millions	Fiscal Yr 2014	Fiscal Yr 2013 (Restated)	Increase (Decrease)	Change
<b>Governmental Activities:</b>				
General government	\$ 353	290	63	22 %
Public safety	521	518	3	1 %
Physical environment	30	27	3	11 %
Transportation	90	95	(5)	-5 %
Economic environment	53	56	(3)	-5 %
Human services	203	202	1	1 %
Culture and recreation	80	70	10	14 %
Interest on long-term debt	22	24	(2)	-8 %
Total governmental activities	<u>1,352</u>	<u>1,282</u>	<u>70</u>	<u>5 %</u>
<b>Business-type Activities:</b>				
Water	203	193	10	5 %
Solid Waste	98	104	(6)	-6 %
Total business-type activities	<u>301</u>	<u>297</u>	<u>4</u>	<u>1 %</u>
<b>Total expenses</b>	<u>\$ 1,653</u>	<u>1,579</u>	<u>74</u>	<u>5 %</u>

**General government** expenses include categories such as administrative, financial, court-related, budgeting and accounting, property assessments and tax collection, master planning, and zoning. General government expenses increased \$63.0 million primarily due to a \$44.0 million payment of impact fees to the School Board for building an elementary and a middle school. The rest of the increase was due to higher expenditures in areas including real estate, facilities, development services, nonprofit entities, information technology, animal services, communications, the Sheriff's Office, and family and aging services.

**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 increased \$2.6 million due to higher expenditures for the Fire Rescue and Medical Examiner Departments, and the Sheriff's Office partly offset a reduction in payments to the Florida Department of Juvenile Justice for detention and correction services.

**Physical environment** expenses are associated with conserving and managing natural resources such as air, water, soil, wildlife, as well as controlling pollution. Expenses increased by \$2.8 million due to increases in conservation and resource management, the Environmentally Sensitive Lands Acquisitions Program and flood control projects.

**Transportation** expenses are related to maintaining county roads, bridges, street lighting, other infrastructure, and highway safety projects. Expenses decreased \$4.9 million primarily due to a reduction in funding to the Hillsborough Area Regional Transit Authority and other transportation expenditures partly offset by road resurfacing costs and increased retirements of infrastructure.

**Economic environment** expenses are related to new business promotion and development; housing assistance and rehabilitation programs; and disadvantaged minority, women owned, and small business enterprise programs. Expenses decreased \$2.8 million primarily due to: a \$7.3 million decrease in expenditures on housing related grants, partly offset by increases in Community Investment Tax distributions to the School Board, Tampa, Temple Terrace and Plant City, and the Tampa Sports Authority, as well as a payment for improvements to the Amalie Arena.

**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 increased \$1.4 million primarily due to increased federal grant funding.

**Culture and recreation** expenses are associated with libraries, parks, and recreational facilities. Expenses increased \$9.9 million primarily due to: a \$4.9 million increase in library refurbishing expenses; a \$2.7 million increase in grants to other entities; and a \$2.0 million increase in various other expenses.



# Balance Sheet

September 30, 2014

Amounts in Millions

	Governmental	Business-Type		Prior Yr.
ASSETS	Activities	Activities	Total	(Restated)
Cash and investments	\$ 1,173	527	1,700	1,793
Due from state/federal governments	94	--	94	82
Receivables/other current assets	24	33	57	52
Capital assets, net of depreciation	7,035	1,170	8,205	8,067
Notes receivable/noncurrent assets	71	111	182	190
	<u>8,397</u>	<u>1,841</u>	<u>10,238</u>	<u>10,184</u>
<b>DEFERRED OUTFLOWS</b>				
Bond refunding losses	6	--	6	7
Total assets and deferred outflows	<u>8,403</u>	<u>1,841</u>	<u>10,244</u>	<u>10,191</u>
<b>LIABILITIES</b>				
Accounts payable	98	29	127	108
Accrued payroll liabilities, etc.	28	1	29	51
Unearned revenues (taxes or other revenues received but not yet earned)	84	19	103	103
Deposits payable	--	13	13	13
Long-term liabilities	739	365	1,104	1,143
	<u>949</u>	<u>427</u>	<u>1,376</u>	<u>1,418</u>
<b>NET POSITION (Equity)</b>				
Invested in capital assets, net of debt	6,413	857	7,270	7,120
Restricted net assets	400	90	490	518
Unrestricted net assets	641	467	1,108	1,135
Total net position	<u>\$ 7,454</u>	<u>1,414</u>	<u>8,868</u>	<u>8,773</u>

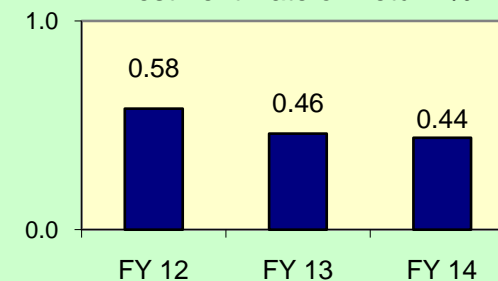
The balance sheet shows the financial position of the County at the end of the fiscal year compared to the prior year. The balance sheet and other statements in this report were summarized from the *Hillsborough County, Florida Comprehensive Annual Financial Report*. To simplify presentation, the statements 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. The County had unrestricted net assets of \$641 million and \$467 million, for governmental and business-type activities, respectively.

# 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. The Board of County Commissioners Investment Pool is in full compliance with the investment policy and had an overall annual rate of return for fiscal year 2014 of 0.44%, compared to the benchmark rate of 0.22%. At September 30, 2014, the County investment portfolio was invested as shown below.

	Amount in Millions	Percent of Total
US treasury and govt. sponsored agency securities	\$ 1,224	68 %
Bank accounts	153	9 %
Government-only money market mutual funds	1	--
State Board of Administration's Florida PRIME investment pool	250	14 %
Corporate notes and commercial paper	147	8 %
Municipal bonds	19	1 %
Total cash and investments	<u>1,794</u>	<u>100 %</u>
Less amounts held in trust for non-County entities	(94)	
County's total cash and investments	<u>\$ 1,700</u>	

Hillsborough County BOCC Investment Rate of Return %



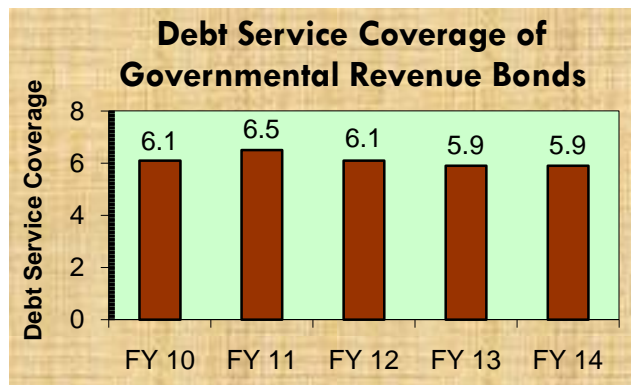
Along with general interest rates, the County's investment returns have continued to decline. For safety and flexibility, the County kept the overall average life of investments at only "1.1 years" at September 30, 2014. Standard & Poor's awarded the County's Investment Pool its second highest fund credit quality rating of AA+f.

# Long-Term Liabilities

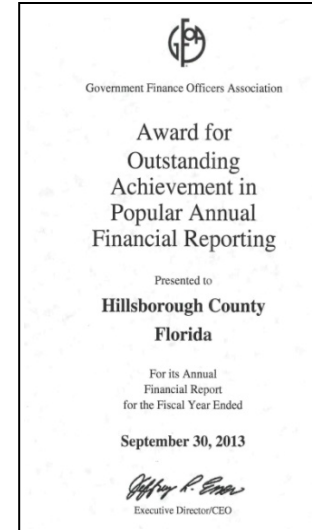
At September 30, 2014, the County had twenty-one bonded debt issues outstanding for a variety of purposes including the construction or acquisition of parks and recreation facilities, environmentally sensitive land, tourist development, court facilities, and solid waste. Bonded debt outstanding and other long-term liabilities at September 30, 2014 were as follows:

Amounts in Millions	Year-End 2014	Year-End 2013 (Restated)	Change
General obligation bonds	\$ 66	68	(2)
Revenue bonds	765	810	(45)
Total bonded debt	831	878	(47)
Notes payable	116	109	7
Sick & vacation benefits payable	63	63	--
Insurance claims payable	35	35	--
Other long-term debt	59	58	1
Total long-term liabilities	\$ 1,104	1,143	(39)

At September 30, 2014, 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 attainable credit ratings.



This chart shows that pledged revenues were 5.9 times greater than the amount needed for debt service on the County's governmental revenue bonds during fiscal year 2014.



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, 2013*. 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.

## Hillsborough County Library Services...

The Library circulates over 10 million items per year, has almost 658,000 cardholders, and provides a wide range of services and programs for County residents including the following:

- 30 easily accessible locations including regional libraries, branch libraries, bookmobiles, talking books, and eight partner locations.
- Convenient hours with evening and weekend hours: regional libraries are currently open Monday-Thursday 10 a.m. - 9 p.m., Friday-Saturday 10 a.m. - 6 p.m. and Sunday 12:30 p.m. - 5 p.m.
- Digital magazines, eBooks, video streaming, and music via the internet.
- The HIVE, located at the John F. Germany Public Library, features 10,000 square feet of creative space that includes a robotics center, an entrepreneurial center with 1,500 square feet of flexible meeting space, a hands-on mechanical and electrical workshop, a 3D printer, and a recording studio.
- A variety of online "skill development" classes ranging from pet training and business software skills to learning up to 42 languages.
- Job and career resources including one-on-one tutoring and listings for jobs and internships.