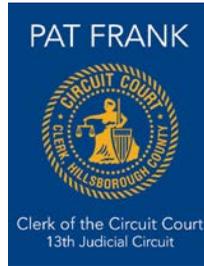


# Hillsborough County, Florida

## Financial Summary Report

Fiscal Year Ended September 30, 2017





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, 2017*. It presents the County's fiscal year 2017 financial activity in a concise and easy-to-read format. This year's cover spotlights Hillsborough County Emergency Management.

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, 2017 (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 black ink 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:

- Stacy White, *Chair*
- Sandra Murman, *Vice-Chair*
- Lesley "Les" Miller, Jr., *Chaplain*
- Victor D. Crist
- Ken Hagan
- Al Higginbotham
- Pat Kemp



County's website:  
[www.hcflgov.net](http://www.hcflgov.net)

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

## APPOINTED OFFICIALS

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

# Revenues

Total revenues increased \$138 million or 7.2% from the previous year.

Amounts in millions	Fiscal Yr 2017	Fiscal Yr 2016	Increase (Decrease)	Change
<b>Governmental activities:</b>				
Property taxes	\$ 688	641	47	7 %
Sales taxes and state shared revenues	469	448	21	5 %
Other taxes	54	53	1	2 %
Investment earnings	11	11	--	--
Charges for services	235	218	17	8 %
Grants and contributions	167	134	33	25 %
Other revenues	25	26	(1)	-4 %
<b>Total governmental activities</b>	<b>1,649</b>	<b>1,531</b>	<b>118</b>	<b>8 %</b>
<b>Business-type activities:</b>				
Water	284	269	15	6 %
Solid Waste	109	104	5	5 %
<b>Total business-type activities</b>	<b>393</b>	<b>373</b>	<b>20</b>	<b>5 %</b>
<b>Total revenues</b>	<b>\$ 2,042</b>	<b>1,904</b>	<b>138</b>	<b>7 %</b>

**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 \$47.0 million or 7.4% due to a \$5.56 billion or 8.4% increase in the assessed value of taxable real estate in Hillsborough County during fiscal year 2016. This increase was primarily the result of real estate market values rising \$6.5 billion, offset by property tax exemptions rising only \$0.94 billion.

**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 increase of \$20.6 million from the prior year due to a stronger economy and increased tourism.

**Investment earnings** remained relatively unchanged from the prior year.

**Charges for services** increased \$16.5 million primarily due to increases in school impact fees, fines and forfeitures, and building permits, partly offset by decreases in other impact fees and special assessments.

**Grants and contributions** as a whole increased \$32.5 million from the previous year due to an increase in developer infrastructure contributions of \$50.8 million, partly offset by a decrease in capital grant revenues primarily in the general government function.

**Other revenues** declined \$1.0 million or 4% primarily because in 2016 the County recorded a one-time miscellaneous revenue related to a relinquishment of an \$8.5 million contingent liability, causing a comparative decrease in the current year. This decrease was partly offset by a \$6.9 million increase in revenue due to prior year expenditure refunds, loan repayments and a gain on sale of capital assets.

**Water** utility revenues increased \$15.0 million primarily due to an increase in charges for services of \$14.0 million as well as an increase of \$1.4 million in capital contributions from developers.

**Solid Waste** revenues increased \$5.0 million mainly due to an increase in charges for services as a result of higher commercial service volume and an increase in miscellaneous revenues.

# Expenses

Total expenses increased \$58 million or 3.1% from the previous year.

Amounts in millions	Fiscal Yr 2017	Fiscal Yr 2016	Increase (Decrease)	Change
<b>Governmental Activities:</b>				
General government	\$ 334	344	(10)	-3 %
Public safety	604	561	43	8 %
Physical environment	46	53	(7)	--
Transportation	110	97	13	13 %
Economic environment	72	64	8	--
Human services	236	210	26	12 %
Culture and recreation	78	72	6	8 %
Pension expense*	0	34	(34)	-100 %
Interest on long-term debt	18	22	(4)	-18 %
Total governmental activities	<u>1,498</u>	<u>1,457</u>	<u>41</u>	<u>3 %</u>
<b>Business-type Activities:</b>				
Water	245	223	22	10 %
Solid Waste	100	105	(5)	-5 %
Total business-type activities	<u>345</u>	<u>328</u>	<u>17</u>	<u>5 %</u>
<b>Total expenses</b>	<u>\$ 1,843</u>	<u>1,785</u>	<u>58</u>	<u>3 %</u>

\***Pension expense** beginning with the fiscal year 2017 pension expenses are allocated to individual government functions rather than shown separately.

**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 decreased \$10.1 million due to a variety of reasons including payroll costs, health care insurance charges and operating expenses. There was a \$28.1 million decrease due to payments to the School Board for new school construction that took place in fiscal year 2016. These large payments did not repeat in 2017.

This decrease was partially offset by an increase in pension expense, which was reported separately in the prior year, as well as an increase in compensated absences. In addition there was an increase in operating expenses attributable to maintenance costs and computer/hardware support agreements.

**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 by \$42.4 million due to higher personnel costs, as well as an increase in pension expense that was recorded separately in 2016. There was also an increase in depreciation expense due to higher depreciable assets and a higher portion of depreciation allocated to public safety.

**Physical environment** expenses are associated with conserving and managing natural resources such as air, water, soil, wildlife, as well as controlling pollution. Expenses decreased by \$7.1 million primarily due to a prior year disposal of land that increased expenses in fiscal year 2016.

**Transportation** expenses are related to maintaining county roads, bridges, street lighting, other infrastructure, and highway safety projects. Expenses increased by \$13.1 million mainly due to an increase in infrastructure disposals and pension expense that was reported separately in the previous year.

**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 increased \$8.5 million primarily due to the Yankee spring training stadium project, which was partly offset by a decrease in funding to Tampa Bay Arena L.P. 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 by \$25.9 million primarily due to an increase in grants and aids, pension expense, which was reported separately in the previous year, and an increase in intergovernmental grants.

**Culture and recreation** expenses are associated with libraries, parks, and recreational facilities. Expenses increased by \$6.0 million primarily due to increased personnel costs, as well as indirect administrative and maintenance costs.

# Balance Sheet

September 30, 2017

Amounts in Millions

	Governmental	Business-Type		Prior Yr.
ASSETS	Activities	Activities	Total	(Restated)
Cash and investments	\$ 1,415	696	2,111	1,985
Due from state/federal governments	99	--	99	92
Receivables/other current assets	25	42	67	61
Capital assets, net of depreciation	7,336	1,322	8,658	8,516
Notes receivable/noncurrent assets	56	137	193	187
Total assets	8,931	2,197	11,128	10,841
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Bond refunding losses	8	1	9	9
Pensions	374	20	394	451
Purchase price in excess of book value	--	2	2	2
Total deferred outflows	382	23	405	462
<b>LIABILITIES</b>				
Accounts payable	197	33	230	191
Accrued payroll liabilities, etc.	29	5	34	33
Unearned revenues (taxes or other revenues received but not yet earned)	71	19	90	81
Deposits payable	--	15	15	15
Long-term liabilities	1,678	598	2,276	2,196
Total liabilities	1,975	670	2,645	2,516
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions	63	4	67	165
Postemployment benefits (OPEB)	1	--	1	2
Total deferred inflows	64	4	68	167
<b>NET POSITION (Equity)</b>				
Net invested in capital assets	6,728	981	7,709	7,577
Restricted	524	110	634	603
Unrestricted	22	455	477	440
Total net position	\$ 7,274	1,546	8,820	8,620

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. "Deferred outflows of Resources" are consumptions of resources, like prepaid expenses, which will be recognized as expenses in the future. "Deferred inflows of resources" are acquisitions of resources that will be recognized as revenues in the future. Restricted net position represents 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 position of \$22 million and \$455 million, for governmental and business-type activities, respectively.

The increase in total net position from \$8,620 million to \$8,820 million indicates the County's financial position increased by 2% from the year before.

## 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 has Standard & Poor's highest rating of **AAAf**. It also had an overall annual rate of return for fiscal year 2017 of 0.97%, compared to the benchmark rate of 0.59%. At September 30, 2017, the County investment portfolio was invested as shown below:

	Amount in Millions	Percent of Total
US treasury and govt. sponsored agency securities	\$ 1,571	72 %
Bank accounts	94	4 %
Government-only money market mutual funds	1	--
State Board of Administration's Florida PRIME investment pool	357	17 %
Corporate notes and commercial paper	136	6 %
Municipal bonds	21	1 %
Total cash and investments	2,180	100 %
Less amounts held in trust for non-County entities	(69)	
County's total cash and investments	\$ 2,111	

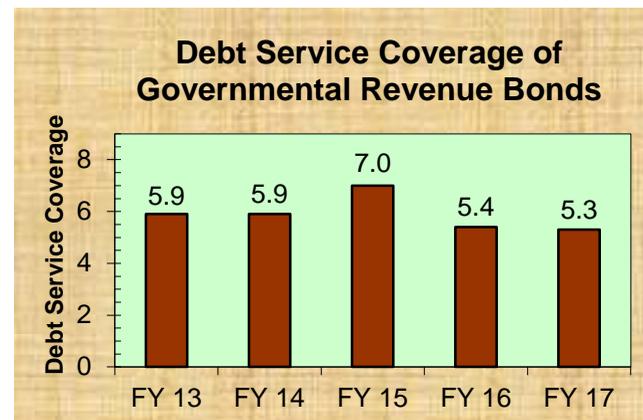
The balance sheet shows the financial position of the County at the end of the fiscal year compared to the prior year. The balance sheet and other statements in this report

# Long-Term Liabilities

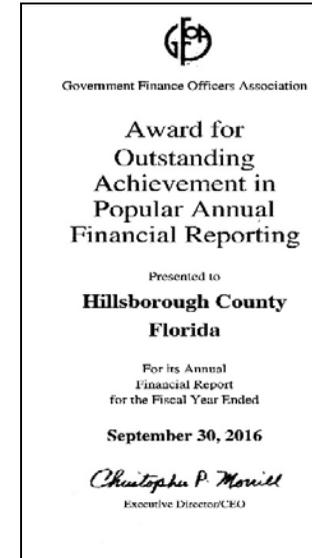
At September 30, 2017, the County had 20 bonded debt issues outstanding for a variety of purposes including the construction or acquisition of parks and recreation facilities, court facilities, environmentally sensitive land, solid waste facilities, and water/wastewater treatment systems. Bonded debt outstanding and other long-term liabilities at September 30, 2017 were as follows:

Amounts in Millions	2017	2016 (Restated)	Change
General obligation bonds	\$ 59	62	(3)
Revenue bonds	965	984	(19)
Total bonded debt	1,024	1,046	(22)
Notes payable	123	120	3
Sick & vacation benefits payable	55	55	--
Net pension liability	920	820	100
Insurance claims payable	34	34	--
Total OPEB liability	83	84	(1)
Other long-term debt	37	37	--
Total long-term liabilities	\$ 2,276	2,196	80

At September 30, 2017, 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 5.3 times greater than the amount needed for debt service on the County's governmental revenue bonds during fiscal year 2017.



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, 2016*. 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

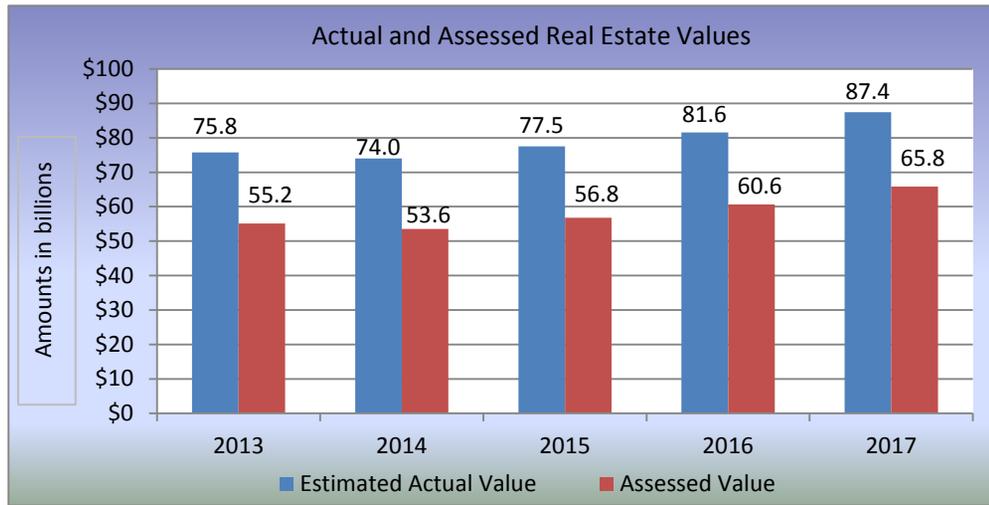
Reporting requirements and we are submitting it to the Government Finance Officers Association for review.

## Hillsborough County Emergency Management (on Cover)

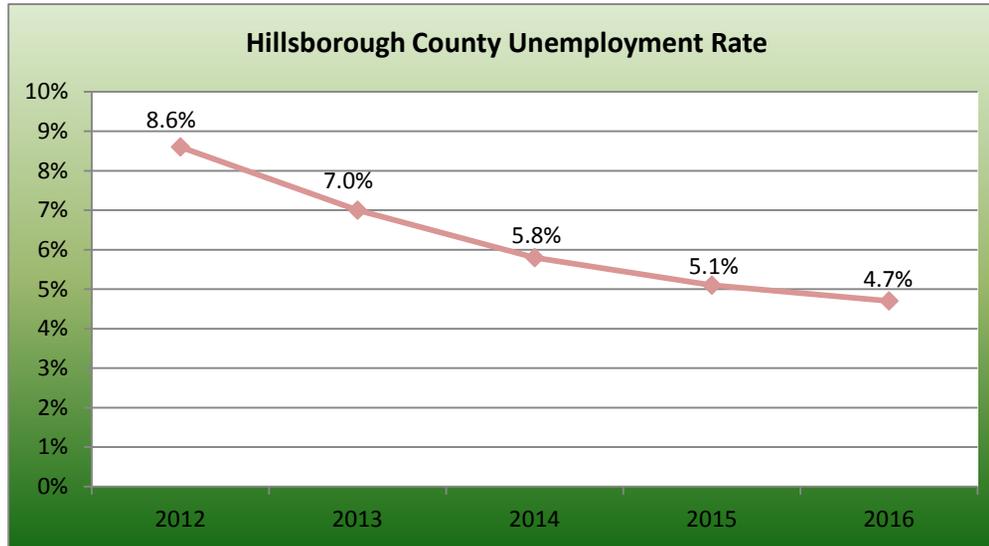
Hillsborough County Emergency Management is responsible for planning and coordinating actions to prepare, respond, and recover from natural or man-made disasters in Hillsborough County. Emergency Management accomplishments include:

- Served as the lead agency for the County's response to Hurricane Irma where over 60 shelters were opened and housed over 30,000 general and special needs residents and visitors during the weather event. The Emergency Operations Center maintained staffing levels to support 24-hour operations for over 4 days.
- Hosted multiple training and exercise events to include the annual Mass Casualty Drill, annual Statewide Hurricane Exercise, All Hazards Incident Management Team training and Public Health Points of Distribution exercise.
- Served as the coordinator with multiple departments to assist the evacuees from Puerto Rico who were displaced from their homes by Hurricane Maria.
- Conducted 127 hazardous materials site visits to ensure compliance with the Superfund Amendments and Reauthorization Act (SARA Title III).
- Provided 136,000 Disaster Planning Guides (English and Spanish) to the community and reached over 15,200 individuals through public education and community outreach presentations.

## Hillsborough County Statistics



This chart depicts the estimated actual value of real property versus the assessed value of that property in billions for the last five years. The difference between the estimated actual and assessed values is attributable to homestead and other exemptions.



The County's unemployment rate has improved the last five years along with the economy. There are positive signs of sustained economic recovery. Real estate valuations have been on the rise for the past four years. Please refer to the CAFR for more detailed information.