

Hillsborough County, Florida



Wetlands Division



Air Division



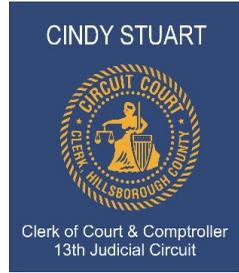
Waste Division



Water Division



Financial Summary Report
Fiscal Year Ended September 30, 2020



To the Residents of Hillsborough County:

I am pleased to provide you with the *Hillsborough County, Florida Financial Summary Report for the Fiscal Year, which ended on September 30, 2020*.

The Financial Summary Report was derived from the *Hillsborough County Florida Comprehensive Annual Financial Report (AFR)*. The AFR consists of over 260 pages of detailed financial statements, notes, schedules, and reports. The AFR is posted at www.hillsclerk.com (select "Records and Reports" at the top of the page, then "County Financial Reports"). 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 am proud to say this year's cover spotlights the Environmental Protection Commission of Hillsborough County.

Thank you for your partnership as we work together to Get to YES!

Sincerely,

Cindy Stuart

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:

- Lesley "Les" Miller, Jr., *Chair*
- Kimberly Overman, *Vice-Chair*
- Stacy White, *Chaplain*
- Ken Hagan
- Pat Kemp
- Sandra Murman
- Mariella Smith



County's website:
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

- Bonnie Wise
County Administrator
- Christine Beck
County Attorney

Revenues

Total revenues decreased \$(157) million or (5.8) % from the previous year.

Amounts in millions	Fiscal Yr 2020	Fiscal Yr 2019	Increase (Decrease)	Change
Governmental activities:				
Property taxes	\$ 895	821	74	9 %
Sales taxes and state shared revenues	564	563	1	0.2 %
Other taxes	50	56	(6)	-11 %
Investment earnings	51	59	(8)	-14 %
Charges for services	267	270	(3)	-1 %
Grants and contributions	219	413	(194)	-47 %
Other revenues	26	40	(14)	-35 %
Total governmental activities	2,072	2,222	(150)	-7 %
Business-type activities:				
Water	356	360	(4)	-1 %
Solid Waste	116	119	(3)	-6 %
Total business-type activities	472	479	(7)	-2 %
Total revenues	\$ 2,544	2,701	(157)	-6 %

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 \$74.3 million due to an \$8.9 billion or 9.4% increase in the assessed value of taxable real estate in Hillsborough County during fiscal year 2019. This increase was primarily the result of real estate market values rising \$10.8 billion, offset by property tax exemptions rising only \$1.8 billion.

Sales taxes consist of discretionary sales surtaxes such as the Community Investment Tax, Health Care Sales Surtax and a Transportation Improvement 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 \$10.5 million increase in discretionary sales surtaxes for infrastructure, health care and transportation was offset by decreases in fuel taxes and state shared revenues due to COVID-19 and the ensuing drop in the state's economy.

Investment earnings decreased by \$(7.8) million due to a lower rate of return on the County's investment portfolio.

Charges for services decreased \$(3.4) million primarily due to decreased activity in virtually all facets of government due to COVID-19 partially offset by an increase in impact fees.

Grants and contributions as a whole decreased \$(193.4) million from the previous year due to decreases in infrastructure contributions of \$(278.7) million partly offset by increases from CARES Act funding and Hurricane Irma disaster relief.

Other revenues decreased \$(14.0) million primarily due to decreases in gains on sale of capital assets and refunds of prior year expenditures.

Water utility revenues decreased \$(4.0) million primarily due to an increase in charges for services of \$29.2 million and an increased transfers in of \$5.0 million, completely offset by a decrease of \$(35.0) million in capital contributions from developers and a decrease in investment earnings of \$(3.9) million.

Solid Waste revenues decreased \$(2.6) million due to a \$1.6 million increase in operating fees offset by decreases in nonoperating revenues of \$(4.2) million.

Expenses

Total expenses increased \$161 million or 7.3% from the previous year.

Amounts in millions	Fiscal Yr 2020	Fiscal Yr 2019	Increase (Decrease)	Change
Governmental Activities:				
General government	\$ 436	414	22	5 %
Public safety	817	689	128	19 %
Physical environment	55	52	3	6 %
Transportation	126	209	(83)	-40 %
Economic environment	92	65	27	42 %
Human services	268	259	9	3 %
Culture and recreation	93	87	6	7 %
Interest on long-term debt	23	24	(1)	-4 %
Total governmental activities	<u>1,910</u>	<u>1,799</u>	<u>111</u>	6 %
Business-type Activities:				
Water	332	287	45	16 %
Solid Waste	111	106	5	5 %
Total business-type activities	<u>443</u>	<u>393</u>	<u>50</u>	13 %
Total expenses	<u>\$ 2,353</u>	<u>2,192</u>	<u>161</u>	7 %

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 \$22.3 million due to a variety of reasons. There was a \$17.5 million increase in impact fee payments to the School Board for construction of schools. A \$2.6 million increase in computer software annual maintenance agreements and a \$2.2 million increase in compensated absences expense attributable to the general government function.

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 \$128.5 million primarily due to an \$83.5 million increase in disaster relief expenditures related to COVID-19, a higher pension expense allocation* and increased personnel and professional services costs across multiple funds.

Physical environment expenses are associated with conserving and managing natural resources such as air, water, soil, wildlife, as well as controlling pollution. Expenses increased \$2.5 million which was attributable to increased pension expense allocation* and increased stormwater preservation expenditures.

Transportation expenses are related to: maintaining county roads, bridges, street lighting, other infrastructure, and highway safety projects. Expenses decreased by \$(82.1) million mainly due to a \$(67.6) million comparative decrease in construction and preservation costs, increased pension expense allocation* and a decrease in the impact fee offsets buyback program of \$(14.4) million.

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 \$26.5 million primarily due to new CARES Act-related grants and aids expenditures as well as to a smaller extent by an increased pension expense allocation*.

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 \$8.5 million primarily due to increased grants and aid expenditures related to COVID-19 and an increase in professional services.

Culture and recreation expenses are associated with libraries, parks, and recreational facilities. Expenses increased by \$5.8 million primarily due to increased pension expense allocation*, increased grants and aids and increased maintenance expenditures.

*Pension expense allocation increased in each function because all governments that participate in the Florida Retirement System must record their share of changes caused by factors such as changes in actuarial assumptions and related actuarial liability, funding decisions and investment performance.

Balance Sheet

September 30, 2020

Amounts in Millions

	Governmental Activities	Business-Type Activities	Total	Prior Yr.
ASSETS				
Cash and investments	\$ 2,191	639	2,830	2,508
Due from state/federal governments	125	3	128	119
Receivables/other current assets	40	50	90	73
Capital assets, net of depreciation	7,861	1,474	9,335	9,162
Notes receivable/noncurrent assets	--	178	178	177
Total assets	10,217	2,344	12,561	12,039
DEFERRED OUTFLOWS OF RESOURCES				
Bond refunding losses	4	3	7	6
Pensions	356	19	375	342
Postemployment benefits (OPEB)	34	1	35	36
Purchase price in excess of book value	--	6	6	6
Total deferred outflows	394	29	423	390
LIABILITIES				
Accounts payable	350	55	405	349
Accrued payroll liabilities, etc.	37	4	41	33
Unearned revenues (taxes or other revenues received but not yet earned)	218	19	237	36
Deposits payable	1	17	18	18
Long-term liabilities	1,982	546	2,528	2,405
Total liabilities	2,588	641	3,229	2,841
DEFERRED INFLOWS OF RESOURCES				
Pensions	29	3	32	86
Postemployment benefits (OPEB)	6	--	6	4
Total deferred inflows	35	3	38	90
NET POSITION (Equity)				
Net invested in capital assets	7,141	1,045	8,186	8,125
Restricted	1,021	149	1,170	1,318
Unrestricted	(174)	535	361	55
Total net position	\$ 7,988	1,729	9,717	9,498

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 (\$174 million) and \$535 million, for governmental and business-type activities, respectively.

The increase in total net position from \$9,498 million to \$9,717 million indicates the County's financial position increased by 2.3% 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 2020 of 1.90%, compared to the benchmark rate of 1.84%. At September 30, 2020, the County investment portfolio was invested as shown below:

	Amount in Millions	Percent of Total
US treasury and govt. sponsored agency securities	\$ 2,028	69.8 %
Bank accounts	110	3.8 %
Government-only money market mutual funds	9	0.3 %
State Board of Administration's Florida PRIME investment pool	673	23.2 %
Corporate notes and commercial paper	50	1.7 %
Municipal bonds	34	1.2 %
Total cash and investments	2,904	100 %
Less amounts held in trust for non-County entities	(74)	
County's total cash and investments	\$ 2,830	

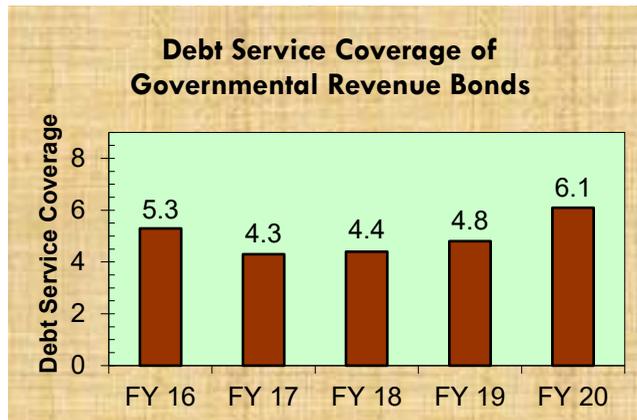
The balance sheet shows the financial position of the County at the end of the fiscal year compared to the prior year. The balance sheet and other statements in this report were

Long-Term Liabilities

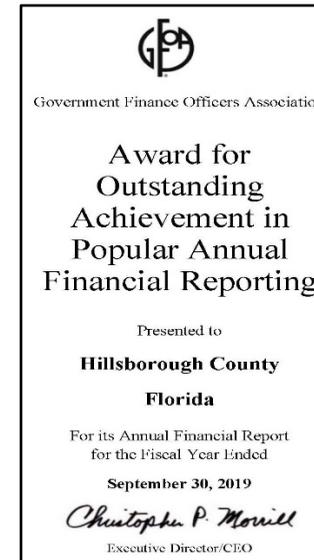
At September 30, 2020, the County had 19 bonded debt issues outstanding for a variety of purposes including the construction or acquisition of parks and recreation facilities, court facilities, environmentally sensitive land, solid waste facilities, and water/wastewater treatment systems. Bonded debt outstanding and other long-term liabilities, which include amounts due within one year at September 30, 2020 were as follows:

Amounts in Millions	2020	2019	Change
General obligation bonds	\$ 112	116	(4)
Revenue bonds	982	1,056	(74)
Total bonded debt	1,094	1,172	(78)
Notes payable	73	39	34
Direct borrowings and placements	56	60	(4)
Compensated absences payable	61	54	7
Net pension liability	1,267	1,031	236
Insurance claims payable	35	32	3
Net OPEB liability	117	119	(2)
Other long-term debt	44	41	3
Total long-term liabilities	\$ 2,747	2,548	199

At September 30, 2020, 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 6.1 times greater than the amount needed for debt service on the County's governmental revenue bonds during fiscal year 2020.



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, 2019*. 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.

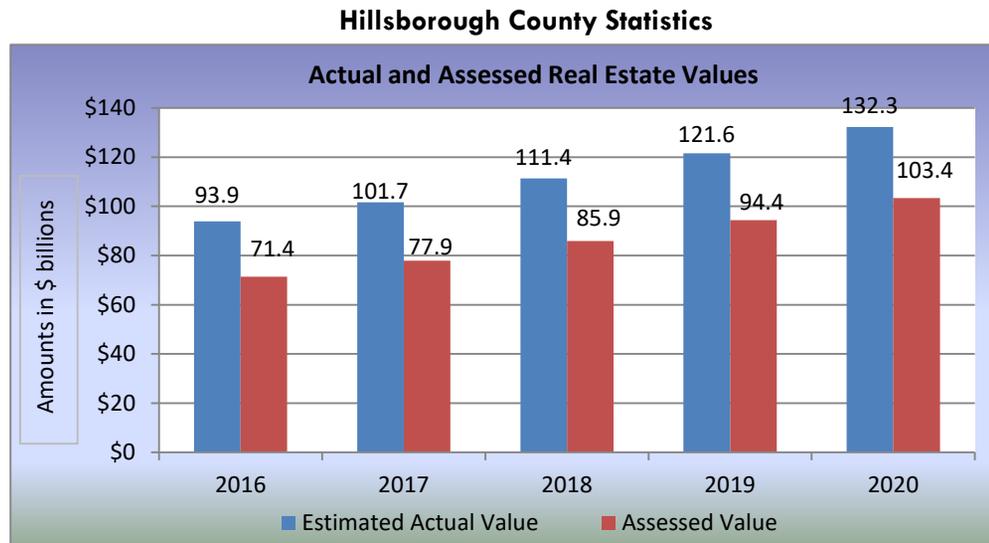
Environmental Protection Commission of Hillsborough County (on Cover)

The Environmental Protection Commission (EPC) of Hillsborough County is a local environmental regulatory program with broad authority to provide the citizens of Hillsborough County the assurance that its resources will be protected for future generations and their monitoring programs are recognized as being among the best in the nation.

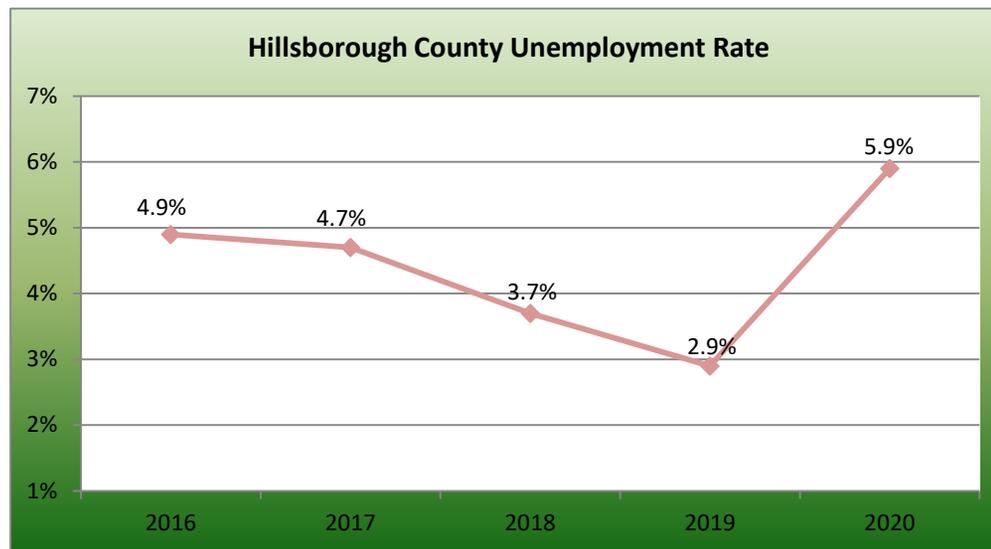
EPC services including total spending for each division for fiscal year 2020:

- Air Division:** Outdoor air quality; asbestos; industrial and vehicle air pollution emissions; noise; odors; and open burning which expended **\$3.6M** during fiscal year 2020.
- Water Division:** industrial wastewater; domestic wastewater treatment plants; environmental laboratory analysis; habitat restoration; artificial reef program; surface water monitoring; and pollution recovery fund which expended **\$4M** during fiscal year 2020.
- Waste Division:** hazardous waste disposal; waste oil disposal; Superfund clean-up monitoring; brownfields; pollution prevention and old landfill program which expended **\$3.4M** during fiscal year 2020.
- Wetlands Division:** wetland protection and mitigation; dock program; wetland identification & delineation; environmental land use review; and one-stop permitting which expended **\$2.7M** during fiscal year 2020.

To learn more about the Environmental Protection Commission of Hillsborough County and its services, visit: <https://www.epchc.org>



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. Real estate valuations have been on the rise for the past five years. Please refer to the AFR for more information.



The County's unemployment rate improved from 2016 through 2019, but the effects of COVID-19 reversed that trend.