

# Annual Financial Report 2015

Solid Waste Enterprise Fund  
Public Works Department



**HILLSBOROUGH COUNTY, FLORIDA**

**SOLID WASTE ENTERPRISE FUND**

**PUBLIC WORKS DEPARTMENT**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**Prepared by:**

**COUNTY FINANCE DEPARTMENT**

**CLERK OF CIRCUIT COURT**

**PAT FRANK, Clerk**

**SOLID WASTE ENTERPRISE FUND  
PUBLIC WORKS DEPARTMENT  
PRINCIPAL OFFICIALS  
September 30, 2015**

**Board of County Commissioners**

Sandra Murman , Chair  
Kevin Beckner  
Victor D. Crist  
Ken Hagan  
Al Higginbotham  
Lesley "Les" Miller, Jr.  
Stacy White

**Constitutional Officers**

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  
John Lyons, Director, Public Works Department, Solid Waste Enterprise

**HILLSBOROUGH COUNTY, FLORIDA  
SOLID WASTE ENTERPRISE FUND  
PUBLIC WORKS DEPARTMENT  
ANNUAL FINANCIAL REPORT  
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2015**

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## Report of Independent Auditor

Board of County Commissioners of  
Hillsborough County, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Hillsborough County, Florida, Solid Waste Enterprise Fund (the "Fund"), an enterprise fund of Hillsborough County, Florida, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed on the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of September 30, 2015, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

#### ***Change in Accounting Principle***

As discussed in Note 10 to the financial statements, the Fund adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, during the year ended September 30, 2015. Our opinion is not modified with respect to this matter.

*Other Information*

As discussed in Note 1 to the financial statements, the financial statements referred to above present only the Fund and do not purport to, and do not, present fairly the financial position of Hillsborough County, Florida as of September 30, 2015, and the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7-10 and the required supplementary information on pages 43 and 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The supplemental information and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on the statistical section.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2016, on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.



Tampa, Florida  
June 7, 2016

## Report of Independent Auditor on Bond Compliance

Board of County Commissioners of  
Hillsborough County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States, the basic financial statements of the Hillsborough County, Florida, Solid Waste Enterprise Fund (the "Fund"), an enterprise fund of Hillsborough County, Florida, as of and for the year ended September 30, 2015, and have issued our report thereon dated June 7, 2016.

In connection with our audit, nothing came to our attention that caused us to believe the Fund failed to comply with the terms, covenants, provisions, or conditions of Article XI of Ordinance No. 06-28, as supplemented by Resolution No. R06-231 and Resolution No. R13-069 of the bond resolution governing the Solid Waste Resource and Recovery Revenue Bonds, Series 2006A, the Solid Waste Resource and Recovery Revenue Bonds, Series 2006B, and the Solid Waste Resource Recovery Revenue Bonds, Series 2013, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of any such noncompliance.

This report is intended solely for the information and use of management and the Board of County Commissioners of Hillsborough County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

*Cherry Bekaert LLP*

Tampa, Florida  
June 7, 2016





Hillsborough County  
Florida

**SOLID WASTE ENTERPRISE FUND  
PUBLIC WORKS DEPARTMENT  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**



**HILLSBOROUGH COUNTY, FLORIDA**  
**SOLID WASTE ENTERPRISE FUND**  
**PUBLIC WORKS DEPARTMENT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**  
(Amounts in Thousands)

The Hillsborough County Solid Waste Enterprise Fund (Fund) presents the following review of its financial activities for the fiscal year ended September 30, 2015, with respective financial comparisons to the prior fiscal year. Financial statement readers are encouraged to consider information presented here together with the accompanying financial statement notes to obtain a complete overview of the Fund's financial condition and operating results for the fiscal years ended September 30, 2015. All amounts, unless otherwise stated, are presented in thousands of dollars.

**Fiscal Year 2015 Financial Summary**

- ❑ Fiscal year 2015 operating revenues were \$100,948. This represented a \$2,780 or 2.7% revenue decrease from fiscal year 2014 revenues of \$103,728.
- ❑ For fiscal year 2015, the Fund had a \$3,664 positive Change in Net Position. This represented a comparative \$3,000 decrease from last year's \$6,664 positive Change in Net Position. The comparative change was primarily due to decreases in operating revenues and modest increases in operating costs, specifically in utilities. Total Net Position on September 30, 2015 was \$158,702.
- ❑ The Rate Covenant, Test 1, with the assistance of a \$5.0 million transfer from the Rate Stabilization Account, demonstrated that total gross revenues exceeded the total costs of operations, bond service requirements, and other required bond covenant deposits by \$14,959.

Management believes the Fund was compliant with all bond covenant requirements for the fiscal year ended September 30, 2015. Please refer to the rate covenant test in the supplemental information section of this financial report.

**Overview of the Financial Statements**

This analysis is intended to serve as an introduction to the Fund's financial statements. These statements consist of two parts, the financial statements and the accompanying financial statement notes. Also, the accompanying report contains supplementary and statistical information, which may provide additional insight to financial statement readers.

**Required Financial Statements**

The Fund reports its financial activities by using accounting methods similar to those in the private business sector. The financial statements offer both current and other data about its financial activities. The Statement of Net Position includes assets, deferred outflows of resources, liabilities, and deferred inflows of resources and provides summary information for amounts invested in capital assets and for amounts owed to creditors. The assets and liabilities are presented in a classified format, which lists current and other amounts separately. The Fund's operating results are recorded on the Statement of Activities. This Statement displays operating activities over the past year, and indicates whether the Fund recovered all its costs through user fees and other revenues. The last required Statement is the Statements of Cash Flows. The purpose of this Statement is to summarize the

**HILLSBOROUGH COUNTY, FLORIDA  
SOLID WASTE ENTERPRISE FUND  
PUBLIC WORKS DEPARTMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015  
(Amounts in Thousands)**

Fund's cash activities such as receipts, payments, and other changes in cash balances resulting from operating, capital expansion, borrowing, and investing transactions.

**Financial Analysis: Fiscal Year 2015 Financial Comparison with Fiscal Year 2014  
Condensed Statement of Net Position**

A key measure of financial condition is net position. An analysis of 2015 net position compared to 2014 follows:

<b>Assets</b>	<b>2015</b>	<b>2014 Restated</b>	<b>Change</b>	<b>Percent Change</b>
Current and other assets	\$160,368	156,318	4,050	2.6%
Capital assets, net	224,599	233,047	(8,448)	(3.6%)
<b>Total assets</b>	<b>384,967</b>	<b>389,365</b>	<b>(4,398)</b>	<b>(1.1%)</b>
<b>Deferred outflows of resources</b>	<b>720</b>	<b>403</b>	<b>317</b>	<b>78.7%</b>
<b>Liabilities</b>				
Current liabilities	30,104	31,449	(1,345)	(4.3%)
Other liabilities	196,007	201,209	(5,202)	(2.6%)
<b>Total liabilities</b>	<b>226,111</b>	<b>232,658</b>	<b>(6,547)</b>	<b>(2.8%)</b>
<b>Deferred inflows of resources</b>	<b>874</b>	<b>2,072</b>	<b>(1,198)</b>	<b>(0.6%)</b>
<b>Net Position</b>				
Net investment in capital assets	63,181	71,035	(7,854)	(11.1%)
Restricted	11,739	11,644	95	(0.8%)
Unrestricted	83,782	72,359	11,423	15.8%
<b>Total net position</b>	<b>\$158,702</b>	<b>155,038</b>	<b>3,664</b>	<b>2.4%</b>

**Total net position** - Fiscal year 2015 total net position increased \$3,664 or 2.4% from fiscal year 2014. This was due to increases in investment earnings and other miscellaneous revenues. The Fund increased its unrestricted net position by \$11,423 or 15.8%.

**HILLSBOROUGH COUNTY, FLORIDA  
SOLID WASTE ENTERPRISE FUND  
PUBLIC WORKS DEPARTMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**  
(Amounts in Thousands)

**Condensed Statement of Activities**

Comparative revenues, expenses, and change in net position for the fiscal years ended September 30, 2015 and 2014 were as follows:

	<b>2015</b>	<b>2014 Restated</b>	<b>Change</b>	<b>Percent Change</b>
<b>Revenues</b>				
Operating revenues	\$100,948	103,728	(2,780)	(2.7%)
Nonoperating revenues	569	193	376	194.8
<b>Total revenues</b>	<b>101,517</b>	<b>103,921</b>	<b>(2,404)</b>	<b>(2.3%)</b>
<b>Expenses</b>				
Operating expenses before depreciation	76,957	76,612	345	0.5%
Depreciation and amortization	15,529	14,346	1,183	8.2%
Nonoperating expenses	5,367	6,299	(932)	(14.8%)
<b>Total expenses</b>	<b>97,853</b>	<b>97,257</b>	<b>596</b>	<b>0.5%</b>
<b>Change in net position</b>	<b>3,664</b>	<b>6,664</b>	<b>(3,000)</b>	<b>(45.0%)</b>
<b>Net position, beginning of year, as previously reported</b>	<b>155,038</b>	<b>153,046</b>		
Adjustments to beginning balance	-	(4,672)		
<b>Net position, beginning of year, as restated</b>	<b>155,038</b>	<b>148,374</b>		
<b>Net position, end of year</b>	<b>\$158,702</b>	<b>155,038</b>	<b>3,664</b>	<b>2.4%</b>

**Operating revenues** - Fiscal year 2015 operating revenues of \$100,948 decreased \$2,780 or 2.7% from last year. This was due to a reduction of tipping fee revenues and recycling revenues.

**Nonoperating revenues** - Fiscal year 2015 nonoperating revenues of \$569 increased \$376 or 194.8% from last year due to refunds for prior year expenditures.

**Total expenses** - Fiscal year 2015 total expenses of \$97,853 increased by \$596 or 0.5% from last year. The change was primarily related to the following transactions:

**Operating expenses before depreciation:** there was a \$345 or 0.5% increase in fiscal year 2015 operating expenses before depreciation over last year. This was primarily due to **Contractual services:** there was a \$2,326 or 3.9% increase in contractual services costs related to the new franchise contractor contracts. **Utility costs:** there was a \$204 or 16.5% increase in Utility costs related to elimination of Communication services as a separately reported line item. **Fleet services costs:** there was a \$108 or 7.0% decrease in fleet service costs, reflecting lower fuel and vehicle maintenance cost over last year due to replacing the current fleet vehicles with leases as a cost savings to the Fund.

**HILLSBOROUGH COUNTY, FLORIDA  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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(Amounts in Thousands)**

**Landfill closure and long-term care:** there was an \$888 or 53.8% comparative decrease in landfill closure and long-term care costs from last year. This was due to a life to date revision of the estimated landfill capacity consumed due to normal settlement over time and to an increase in future estimated closing costs.

**Other general operating costs:** there was a \$1,178 or 49.4% decrease in these costs related to the reduction over the fiscal year 2014 promotional costs for the new trash collection and recycling program.

**Depreciation and amortization expense:** there was a \$1,183 or 8.2% increase in depreciation and amortization costs. This increase can be attributed to the depreciation of the new garbage roll carts purchased by Solid Waste using the 2013 Resource Recovery Bond proceeds in relation to the implementation of the new franchise contracts in order to reduce overall solid waste collection costs throughout Hillsborough County. Further depreciation costs are from the North West Solid Waste Transfer Station Expansion recently completed and transferred from construction work in progress.

**Capital Asset Activities**

On September 30, 2015 capital assets net of accumulated depreciation were \$224,599 compared to \$233,047 last year for a net decrease of \$8,448 or 3.6%. The Fund expended an additional \$6,132 on capital additions primarily funded from the 2006B Resource Recovery Bond for the completion of the North West Solid Waste Transfer Station Expansion.

**Debt Administration**

On September 30, 2015 outstanding bonds payable were \$160,435 compared to \$167,312 for fiscal year 2014. The fiscal year decrease of \$6,877 or 1.1% was due to the following: a decrease of \$6,716 in outstanding bonds principal and \$160 in amortization of bond issue premiums.

**Fiscal Year 2016 Outlook**

**Economic Factors**

The special assessment residential customer base is expected to remain stable with a modest amount of growth forecasted for fiscal year 2017 and beyond. The Fund has experienced a little more growth than previously projected but remains conservative in growth projections. It has been the goal of the Fund to keep residential rates flat for the past three years and that will continue for one more year and then modest increases are planned thereafter to keep the Fund current with contracted increases in operating costs. Currently, the Fund's capacity is adequate to serve the County's current and foreseeable future disposal requirements without any major capital expansions.

**Requests for Information**

The purpose of this analysis as well as the financial statements, financial statement notes, and supplemental financial information is to provide a general overview of the financial position and operating results for the fiscal years ended September 30, 2015. Additional information concerning the Fund's operations and the services provided to Hillsborough County residents may be obtained from:

Hillsborough County Public Works Department  
Attention: Director  
P. O. Box 1110  
Tampa, FL 33601-1110

**HILLSBOROUGH COUNTY, FLORIDA**  
**SOLID WASTE ENTERPRISE FUND**  
**PUBLIC WORKS DEPARTMENT**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2015**  
(Amounts in Thousands)

**ASSETS**

**Current assets:**

Cash and cash equivalents	\$ 24,216
Investments	116,590
Accounts receivable, net	3,965
Interest receivable	310
Due from other governments	1,099
Prepaid charges	322

<b>Current unrestricted assets</b>	<b>146,502</b>
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**Restricted current assets:**

Cash and cash equivalents	2,379
Investments	11,456
Interest receivable	31

<b>Total restricted current assets</b>	<b>13,866</b>
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<b>Total current assets</b>	<b>160,368</b>
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**Capital assets, net of accumulated depreciation and amortization**

Land	13,877
Buildings and utility plant	31,066
Equipment	18,251
Intangibles	311
Building improvements	160,416
Construction work in progress	678

<b>Total capital assets, net</b>	<b>224,599</b>
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<b>Total assets</b>	<b>384,967</b>
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**DEFERRED OUTFLOWS OF RESOURCES**

Pensions	\$ 720
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## LIABILITIES

### Current liabilities:

Accounts and contracts payable	\$ 4,747
Accrued liabilities	273
Unearned revenues	16,015
Due to other governments	98
Compensated absences, current portion	617
Revenue bonds payable, current maturities	6,974
General liabilities, current maturities	218

**Total current liabilities** 28,942

### Current liabilities payable from restricted assets:

Accounts and contracts payable	234
Deposits	352
Accrued interest on debt	576

**Total current liabilities payable from restricted assets** 1,162

**Total current liabilities** 30,104

### Other liabilities:

Compensated absences, less current portion	42
Revenue bonds payable, net, less current maturities	153,461
General liabilities, less current maturities	38,230
Pension liabilities	4,274

**Total other liabilities** 196,007

**Total liabilities** 226,111

## DEFERRED INFLOWS OF RESOURCES

Pensions	<u>874</u>
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## NET POSITION

Net investment in capital assets	63,181
Restricted for:	
Bond covenants-renewal and replacement	10,358
Debt service	1,381
Unrestricted	83,782

**Total net position** \$ 158,702

**The accompanying notes are an integral part of this statement.**

**HILLSBOROUGH COUNTY, FLORIDA  
SOLID WASTE ENTERPRISE FUND  
PUBLIC WORKS DEPARTMENT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015  
(Amounts in Thousands)**

<b>Operating revenues:</b>	
Charges for services	<b>\$ 100,948</b>
<b>Operating expenses:</b>	
Employee services	9,177
Contractual services	62,690
Fleet services	1,443
Repairs and maintenance	468
Utilities	1,437
Supplies	14
Landfill closure and postclosure care	763
Depreciation and amortization	15,529
Other	1,208
Pension expense (benefit)	(243)
<b>Total operating expenses</b>	<b>92,486</b>
<b>Operating income</b>	<b>8,462</b>
<b>Nonoperating revenues (expenses):</b>	
Investment earnings	1,263
Interest expense	(6,864)
Asset disposal gain	234
Other revenues	569
<b>Total nonoperating expenses</b>	<b>(4,798)</b>
<b>Change in net position</b>	<b>3,664</b>
<b>Net position, beginning of year, as previously reported</b>	<b>159,710</b>
Restatement for implementation of GASB Statement No. 68	(4,672)
<b>Net position, beginning of year, as restated, see Note 10</b>	<b>155,038</b>
<b>Net position, end of year</b>	<b>\$ 158,702</b>

**The accompanying notes are an integral part of this statement.**

**HILLSBOROUGH COUNTY, FLORIDA**  
**SOLID WASTE ENTERPRISE FUND**  
**PUBLIC WORKS DEPARTMENT**  
**STATEMENTS OF CASH FLOWS**  
**FOR FISCAL YEAR ENDED SEPTEMBER 30, 2015**  
(Amounts in Thousands)

<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 100,824
Cash received from other operating sources	569
Cash payments to suppliers for goods and services	(69,067)
Cash payments for employee services	(9,179)
	<hr/>
<b>Net cash provided by operating activities</b>	<b>23,147</b>
<b>Cash flows from capital and related financing activities:</b>	
Surplus capital asset sale proceeds	301
Capital asset acquisition and construction	(5,905)
Revenue bond interest payments	(6,945)
Revenue bond principal maturity payment	(6,717)
	<hr/>
<b>Net cash used for capital and related financing activities</b>	<b>(19,266)</b>
<b>Cash flows from investing activities:</b>	
Investment maturities and sale proceeds	114,751
Investment purchases	(120,734)
Investment earnings	1,203
	<hr/>
<b>Net cash used for investing activities</b>	<b>(4,780)</b>
	<hr/>
<b>Change in cash and cash equivalents</b>	<b>(899)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>27,494</b>
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<b>Cash and cash equivalents, end of year</b>	<b>26,595</b>
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<b>Cash and cash equivalent components:</b>	
Cash and cash equivalents	24,216
Restricted cash and cash equivalents	2,379
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<b>Total cash and cash equivalents</b>	<b>\$ 26,595</b>
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**Reconciliation of operating income to net cash provided by operating activities:**

<b>Operating income</b>	<b>\$ 8,462</b>
Depreciation and amortization	15,529
Other nonoperating revenues	569
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(273)
(Increase) decrease in due from other governments	(2)
(Increase) decrease in prepaid charges	5
(Increase) decrease in deferred outflows	(316)
Increase (decrease) in accounts and contracts payable	(1,351)
Increase (decrease) in accrued and other charges	1,005
Increase (decrease) in due to other governments	(462)
Increase (decrease) in compensated absences	(74)
Increase (decrease) in pension liabilities	1,271
Increase (decrease) in deposits	(18)
Increase (decrease) in deferred inflows	(1,198)
<b>Total adjustments</b>	<b>14,685</b>
<b>Net cash provided by operating activities</b>	<b>\$ 23,147</b>

**Noncash investing, capital, and financing activities:**

Interest expense capitalized to construction work in progress	\$ 113
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**The accompanying notes are an integral part of this statement.**



**HILLSBOROUGH COUNTY, FLORIDA**  
**SOLID WASTE ENTERPRISE FUND**  
**PUBLIC WORKS DEPARTMENT**  
**FINANCIAL STATEMENT NOTES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**  
(Amounts in Thousands)

**(1) Significant Accounting Policies Summary**

The following is a summary of the significant accounting policies applied in the preparation of the accompanying Solid Waste Enterprise Fund (Fund) Financial Statements.

**(A) Reporting Entity**

The Fund is an enterprise fund of the Hillsborough County, Florida, Board of County Commissioners (BOCC). The Fund's financial statements are included in the Hillsborough County, Florida, Comprehensive Annual Financial Report.

**(B) Presentation Basis**

The accompanying financial statements were prepared in conformity with generally accepted accounting principles (GAAP) in the United States as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Governmental accounting requires reporting business activities similar to those found in the private business sector in an enterprise fund. An enterprise fund is used to account for an operation that is financed primarily through user charges, or where the governing body has decided that the determination of net income and capital maintenance is appropriate.

**(C) Accounting Basis**

The accrual accounting basis was utilized to report the Fund's operations. Under this accounting basis, revenues are recognized in the period earned and expenses are recognized in the period liabilities are incurred.

**(D) Cash, Cash Equivalents, and Investments**

Cash consists of checking and savings accounts, collectively designated as cash deposits. Cash deposits are carried at cost. For financial statement presentation purposes, cash equivalents are highly liquid investments with maturities of three months or less from the date purchased.

**HILLSBOROUGH COUNTY, FLORIDA  
SOLID WASTE ENTERPRISE FUND  
PUBLIC WORKS DEPARTMENT  
FINANCIAL STATEMENT NOTES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015  
(Amounts in Thousands)**

Cash is deposited in qualified public depositories. Deposits are fully insured by the Federal Deposit Insurance Corporation and/or secured by multiple financial institutions collateral pool established under Chapter 280, Florida Statutes. In accordance with these statutes, qualified public depositories must pledge eligible collateral in varying percentages. Public depositor losses are covered by applicable deposit insurance, by sale of pledged securities, and if necessary, by assessments against other qualified public depositories. County Ordinance 08-6 and Section 218.415, Florida Statutes, authorize investments in United States Government obligations or its agencies and certain other investments. Investments are stated at fair value. See Note 2 for more information.

**(E) Capital Assets**

The Fund records capital equipment additions with an original cost of at least one thousand dollars and an estimated useful life in excess of two years, while intangible assets are capitalized with an original cost of at least five thousand dollars. Donated capital assets are valued at their estimated fair value and are recorded as capital contributions on the Statement of Activities. Maintenance and repair costs are expensed as incurred, while expenses for renewals and betterments are capitalized and depreciated over their estimated useful lives. Depreciation is provided in amounts sufficient to allocate depreciable asset costs to operations over their estimated service lives using the straight-line method.

Fund capital assets have estimated useful lives as follows:

<u>Capital asset categories</u>	<u>Estimated useful life (in years)</u>
Buildings and utility plant	5 – 50
Building improvements	10 – 35
Equipment	2 – 5
Intangible	2 – 30

**(F) Bond Issue Premiums**

Unamortized bond issue premiums are recorded as an increase in bonds payable on the Statement of Net Position. These amounts were amortized using the effective interest method over the debt issue's life. For fiscal year 2015 bond issuance premiums amortized to and decreasing interest expense was \$160.

**(G) Capitalized Interest Costs**

During fiscal year 2015, interest costs of \$113, were capitalized to construction work in progress on the Statement of Net Position and deducted from interest expense on the Statement of Activities. Interest expense is capitalized into the related capital asset to the extent that the interest cost incurred on the tax-

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exempt borrowing exceeds the investment income earned on the related unspent bond proceeds. Total interest costs incurred during fiscal year 2015 was \$6,977.

**(H) Compensated Absences**

GAAP requires the Fund to accrue a liability for compensated absences along with other salary related costs associated with the payment of compensated absences. Vacation leave accrues as a liability as the employee earns the benefit. Sick leave accrues as a liability as the employee earns the benefit, but only to the extent that it is probable that the Fund will compensate the employee for this benefit through cash payments at termination or retirement.

The Fund's compensated sick leave liability consists of two-parts. Under Hillsborough County Civil Service Rules, sick leave is paid at termination under two conditions. First, sick leave compensation for employees in "Plan A" includes payment at termination for all hours of sick time accrued up to four hundred and eighty hours and half of the sick time accrued over nine hundred and sixty hours. Second, sick leave compensation for employees in "Plan B" includes payment at termination for the employee's unused sick leave hours accrued on February 2, 1997. Payment is made only for each hour of sick time up to four hundred and eighty hours and half of the sick time accrued over nine hundred and sixty hours as of that date. The liability for employees in Plan A and Plan B is calculated using each employee's hourly pay rate. Plan B employees hired after February 2, 1997 will not receive a sick leave payment at termination.

In addition to the preceding benefits, other salary costs associated with compensated absence payments were included. These costs include the Fund's share of social security and Medicare taxes.

**(I) Landfill Closure and Postclosure Care Costs**

GAAP requires the Fund, as a municipal solid waste landfill owner and operator, to record a current operating expense and a related other liability for future landfill closure and postclosure care costs. A portion of these future costs is recognized each year based on the cumulative landfill capacity consumed as of each Statement of Net Position date. Also, the Fund records an estimated liability for remediation and monitoring costs for those landfills that closed prior to October 9, 1991. More information on these expenses and the related other liabilities is disclosed in Note 13.

**(J) Operating and Nonoperating Revenues and Expenses**

The Fund reports its operating revenues and expenses separately from its nonoperating revenues and expenses. Operating revenues are earned from the principal activities of collecting, recycling and disposing solid waste, operating a waste to energy plant, and providing environmentally safe landfill

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operations and includes leasing property belonging to the Fund. Operating expenses include employee salaries and benefits, contractual costs, plant operating and maintenance costs, and capital asset depreciation. Nonoperating revenues and expenses are those transactions unrelated to the Fund's principal activities such as operating grant revenue, investment earnings and long-term debt interest charges.

**(K) Self-Insurance**

The Fund participates in a self-insurance internal service Fund, which is managed by the BOCC. This fund encompasses two-major sections -- risk management and employee group health insurance.

Risk management includes workers' compensation, automotive, and general liability. The BOCC is self-insured for workers' compensation claims up to a maximum of \$650 per occurrence with unlimited excess coverage above the self-insurance cap. Also, the BOCC is self-insured against general liability and automotive claims with limited liability, per Section 768.28, Florida Statutes, of \$200 per person and \$300 per occurrence. Negligence claims in excess of the statutory limits can only be recovered through Federal lawsuits or acts of the Florida Legislature.

For fiscal year 2015, settled claims did not exceed insurance coverage. During fiscal year 2015, the Fund paid premiums of \$386 to the BOCC Self-Insurance Internal Service Fund for workers' compensation, automotive, general liability, and property insurance coverage.

The Fund, through the BOCC, provides health, life and disability insurance for its employees and eligible dependents on a cost-sharing basis with employees. The BOCC has an employee group health self-insurance plan to account for and to finance its uninsured losses. Under this plan, the BOCC provides coverage of up to \$550 per person annually. Stop-loss insurance was purchased to cover an unlimited amount per person above the \$550 per person deductible. During fiscal year 2015, the Fund paid \$1,017 to the BOCC Internal Service Fund for group health, life and disability insurance coverage.

Based on actuarial estimates, liabilities have been established in the BOCC self-insurance fund for claims reported but not paid, and incurred but not reported. Insurance coverage costs paid by the Fund are reflected in the financial statements as a current year operating expense.

**(L) Employee Retirement Plans**

With a few exceptions, all full-time and part-time employees working for the County in regularly established positions are members of the Florida Retirement System (FRS), a multiple-employer cost-sharing public retirement system administered by the state of Florida. The governmentwide Statement of Net Position and Proprietary Fund Financial Statements present the County's proportionate shares of the net pension liabilities associated with the retirement plans offered by the Florida Retirement System. Effective October 1, 2014, the County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date; an amendment of GASB*

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*Statement No. 68*; See Note 10, Employee Retirement Plans, for more information. GASB Statement numbers 68 and 71 cover the measurement of the net pension liability deferred outflows of resources and deferred inflows of resources related to pensions and pension expense for the retirement plans offered.

**(M) Use of Restricted Versus Unrestricted Net Position**

When an expense is incurred for which both restricted and unrestricted resources are available, Fund policy is to liquidate the expense with restricted resources first, as appropriate.

**(N) Subsequent Events**

The Fund has evaluated subsequent events through June 7, 2016, in connection with the preparation of these financial statements, which is the date the financial statements were available for publication.

**(O) Deferred Outflows of Resources and Deferred Inflows of Resources**

The County follows GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

Deferred outflows of resources represent a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense or expenditure) until then. The Fund had pension-related items that qualify as deferred outflows of resources. These items totaled \$720 at September 30, 2015. See Note 10, Employee Retirement Plans, for more information.

Deferred inflows of resources represent acquisition of resources that apply to future reporting period(s) and will not be recognized as an inflow of resource (revenue) until then. The Fund had pension-related items that qualify as deferred inflows of resources. These items totaled \$874 at September 30, 2015. See Note 10, Employee Retirement Plans, for more information.

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**(2) Deposits and Investments**

**(A) Deposits**

On September 30, 2015, the Fund's total cash deposits were \$1,866 and the total bank balance was \$2,970. Bank balances are fully insured by federal depository insurance or through financial institutions participating in the Florida Security for Public Deposits Act pursuant to Chapter 280, Florida Statutes.

**(B) Investments**

In accordance with GAAP, investments are reported at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale. If quoted market prices are available, they are used to determine fair value. For investments in open-end mutual funds, fair value is determined by the fund's current share price.

The Fund's cash, cash equivalents, and investments on September 30, 2015 were as follows:

	Duration (years)	Credit Rating	
U. S. treasury securities	1.1	AA+/A-1+	\$ 73,506
Federal agency securities	1.3	AA+/A-1+	44,689
Corporate notes	1.9	AAA/AA	7,818
Municipal bonds	0.9	AA	2,033
Total investments			<u>128,046</u>
Commercial paper notes	0.3	A-1	5,162
Open-end mutual funds	0.1	AAA	1,389
Florida PRIME	0.1	AAAm	18,178
Total cash equivalents and investments			<u>152,775</u>
Cash deposits			<u>1,866</u>
Total cash, cash equivalents and investments			<u><u>\$ 154,641</u></u>

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Reconciliation of total cash, cash equivalents, and investments to amounts reported on the Statement of Net Position follows:

Cash and cash equivalents:	
Current	\$ 24,216
Restricted	2,379
Total cash and cash equivalents	<u>26,595</u>
Investments:	
Current	116,590
Restricted	11,456
Total investments	<u>128,046</u>
Total cash, cash equivalents, and investments	<u>\$ 154,641</u>

Modified duration is a measure of interest rate risk. It measures the sensitivity of an investment's price to interest rate changes. For example, if an investment security has a modified duration of two years, then a one percentage point increase in the market interest rate will cause the value of the security to decline by two percent. Conversely, a one percentage point decline in the market interest rate will cause the value of the security with a modified duration of two years to increase in value by two percent. The modified duration of the BOCC's investment portfolio was 0.98 for the fiscal year ended September 30, 2015.

A credit rating is a measure of credit risk, the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Custodial credit risk, a subset of credit risk, is the risk that the counterparty fails to fulfill its obligations. All the Fund's investments are insured or registered, or held by the BOCC or its agent in the BOCC's name. On September 30, 2015, there was no amount held by counterparties. Excluding the United States Government, its agencies or instrumentalities, and mutual funds or investment pools that invest in such securities, no one issuer represents five percent or more of the BOCC's total investments.

**(C) SBA's Florida PRIME**

The Fund has investments with the Florida Local Government Surplus Funds Trust Fund, managed by the State Board of Administration. The Florida Local Government Surplus Funds Trust Fund consists of the Florida PRIME.

Florida PRIME, which is a 2a-7 like pool, is carried at amortized cost. A 2a-7 like pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, which regulates money market funds. Therefore, Florida PRIME operates essentially as a money market fund. The fair

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value of the Fund's position in the pool is the same as the value of the pool shares. Fund investments are listed by category of investment, fair value, effective duration in years, and credit rating. All investment income, including investment fair value changes, was reported as a component of investment earnings on the Statement of Activities.

**(D) Investment Policy**

Section 218.415, Florida Statutes, authorizes the BOCC to invest surplus money in the following:

- a. The state of Florida's Florida PRIME Fund.
- b. Direct obligations of the United States government.
- c. Obligations of United States government agencies such as the Government National Mortgage Association.
- d. Obligations of United States Government sponsored agencies such as the Federal Farm Credit Banks, Freddie Mac and the Federal Home Loan Mortgage Corporation.
- e. Interest bearing time deposits or savings accounts in qualified public depositories as defined in Section 280.02, Florida Statutes.
- f. United States Securities and Exchange Commission money market funds with the highest credit quality ratings from a nationally recognized rating agency.
- g. Securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, as amended, provided the portfolio of such investment company or investment trust is limited to United States Government obligations and to repurchase agreements fully collateralized by United States Government obligations and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.
- h. Other investments authorized for the BOCC by law, county ordinance, or resolution.

In addition to the preceding, County Ordinance 08-06 restricts BOCC investments as follows:

- a. The entire portfolio may be invested in United States Treasury securities with a maximum maturity length of ten years, but investments in Treasury Strips are limited to ten percent of the portfolio.
- b. A maximum of fifty percent of the portfolio may be invested in the state of Florida's Florida PRIME.
- c. A maximum of fifty percent of the portfolio may be invested in United States Government agency securities, with no more than ten percent of the portfolio invested in any individual United States Government agency.
- d. A maximum of sixty percent of the portfolio may be invested in obligations of United States Government

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instrumentalities, with a maturity length of ten years, provided that no more than thirty percent of the portfolio is invested in any one issuer and no more than twenty five percent of the portfolio is invested in callable securities.

- e. A maximum of twenty percent of the portfolio may be invested in repurchase agreements, excluding one business day agreements and overnight sweep agreements, with no more than ten percent of the portfolio in a single institution repurchase agreements.
- f. A maximum of twenty percent of the portfolio may be invested in non-negotiable interest bearing certificates of deposit with an institution having deposits secured by the Florida Security for Public Deposits Act, provided that the maximum maturity on any certificate of deposit is no greater than one year and no more than ten percent of the portfolio is invested with any one issuer.
- g. A maximum of twenty percent of the portfolio may be invested in prime commercial paper (i.e. rated Prime-1 by Moody's, A-1 by Standard and Poor's, or AA by two nationally recognized rating agencies if backed by a letter of credit), provided no more than five percent of the portfolio is invested in the commercial paper of a single issuer. The maximum length to maturity shall be two hundred seventy days from the purchase date.
- h. A maximum of fifty percent of the portfolio may be invested in money market funds offered by registered investment companies and operated in accordance with 17 CFR 270.2a-7, provided that the money market funds are rated AAAM-G or better by Standard & Poor's or the equivalent by another nationally recognized rating agency. No more than twenty-five percent of the portfolio may be invested in any one money market fund.
- i. A maximum of fifteen percent of the portfolio may be invested in high quality corporate notes (rated Aa by Moody's and AA by Standard and Poor's) provided no more than five percent of the portfolio is invested in a single issuer's notes.
- j. A maximum of twenty percent of the portfolio may be invested in intergovernmental investment pools, provided that the total does not exceed twenty five percent of the intergovernmental pool.
- k. A maximum of twenty-five percent of the portfolio may be invested in state or local government taxable or tax exempt general obligation or revenue bonds (rated Aa by Moody's and AA by Standard and Poor's) or short-term debt (rated MIG-2 by Moody's and SP-2 by Standard and Poor's).
- l. A maximum of twenty percent of the portfolio may be invested in banker's acceptances issued by a domestic bank or federally chartered domestic office of a foreign bank (rated P-1 by Moody's and A-1 by Standard and Poor's) with a maximum of five percent of available funds invested with any one issuer. The maximum length to maturity shall be one hundred eighty days from purchase date.
- m. Investment in reverse repurchase agreements and securities lending transactions are prohibited.
- n. The maximum maturities shown above may be exceeded if investments are acquired to fulfill long-term debt service reserve requirements in which case investments are permitted to have maturities dates throughout the term of the debt service reserve.

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Deposits in excess of the Fund's operating requirements are pooled with and invested by the BOCC in various investments, as specified, to attain maximum yield. Investment earnings are distributed based on the average daily balance of each fund's equity in the pool or as prescribed by the investment ordinance.

**(3) Accounts Receivable, Net**

Accounts receivable represents solid waste disposal fees charged to franchise haulers, delinquent residential special assessment fees, and other charges for services billed but not collected. The September 30, 2015 accounts receivable balance of \$3,965 was net of an allowance for doubtful accounts of \$56.

**(4) Due From/To Other Governments**

Due from other governments consists of excess collection fees refunded by the Hillsborough County Tax Collector. These fees relate to residential special assessment collections. On September 30, 2015, the amount due was \$1,099.

Due to other governments consists of amounts due to the Hillsborough County Sheriff's Office for litter enforcement. On September 30, 2015 the amount due was \$98.

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**(5) Capital Asset Changes**

Capital asset changes for the fiscal year ended September 30, 2015 was as follows:

	Balance 10/01/14	Additions/ Transfers-in	Disposals/ Transfers-out	Balance 9/30/15
Capital assets, non-depreciable:				
Land	\$ 13,627	250	-	13,877
Construction work in progress	21,410	5,034	(25,766)	678
Total non-depreciable capital assets	<u>35,037</u>	<u>5,284</u>	<u>(25,766)</u>	<u>14,555</u>
Capital assets, depreciable:				
Buildings and utility plant	150,857	1,723	-	152,580
Building improvements	224,370	24,335	-	248,705
Equipment	38,329	1,430	(941)	38,818
Intangibles – software	-	371	-	371
Total depreciable capital assets	<u>413,556</u>	<u>27,859</u>	<u>(941)</u>	<u>440,474</u>
Accumulated depreciation:				
Buildings and utility plant	(120,512)	(1,002)	-	(121,514)
Building improvements	(79,759)	(8,530)	-	(88,289)
Equipment	(15,275)	(6,165)	873	(20,567)
Intangibles – software	-	(60)	-	(60)
Total accumulated depreciation	<u>(215,546)</u>	<u>(15,757)</u>	<u>873</u>	<u>(230,430)</u>
Total depreciated capital assets, net	<u>198,010</u>	<u>12,102</u>	<u>(68)</u>	<u>210,044</u>
Total capital assets, net	<u>\$ 233,047</u>	<u>17,386</u>	<u>(25,834)</u>	<u>224,599</u>

During fiscal year 2015, substantially completed construction projects of \$25,766 were transferred from construction work in progress to buildings and building improvements and \$113 of long-term debt interest charges, net of the related investment earnings, were capitalized to construction work in progress.

On September 30, 2015, construction work in progress of \$678 is related to the ongoing Solid Waste Management of Facilities Repair and Replacement master project.

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**(6) Current Liabilities**

**(A) Accounts and Contracts Payable**

Accounts and contracts payable balances on September 30, 2015 were as follows:

Accounts payable	\$ 3,796
Contracts payable	1,185
Total	\$ 4,981

**(B) Unearned Revenues**

Unearned revenues represent that quarterly portion of the calendar year solid waste residential customer special assessment fees collected for the period October through December but not earned until the ensuing fiscal year. On September 30, 2015, unearned special assessment revenues were \$16,015.

**(7) Other Liabilities**

**(A) Compensated Absences**

GAAP requires recording a liability for unpaid compensated absences. On September 30, 2015, the combined current and long term accumulated compensated absence liabilities were \$659.

**(B) Revenue Bonds**

On November 14, 2006, the BOCC issued \$117 million in Solid Waste Resource Recovery Revenue Bonds, Series 2006A (Alternative Minimum Tax), and \$40.4 million in Solid Waste Resource Recovery Revenue Bonds, Series 2006B, (Non-AMT). Interest rates range from 4% to 5% with interest payable semi-annually on March 1 and September 1, respectively. On September 30, 2015, the combined Series 2006 bonds unpaid principal, including current maturities of \$4,570 was \$138,230. The Series 2006 bonds contain covenants requiring the BOCC to levy user rates to meet operating and maintenance costs, pay scheduled debt service, and to make other required deposits. The 2006A bond matures on September 1, 2034 and the 2006B bond matures on September 1, 2030.

On May 8, 2013, the BOCC issued \$25,160 in Solid Waste Resource Recovery Revenue Bonds, Series 2013. The interest rate is 1.791% with interest payable semi-annually on March 1 and September 1, respectively. On September 30, 2015, the Series 2013 bonds unpaid principal balance, including the current maturity of \$2,404 was \$20,479. The bond matures on September 1, 2023.

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**(C) Revenues Pledged for Debt Service and Future Debt Service Requirements**

Under Bond Resolution R06-231 and BOCC Ordinance 06-28, operating revenues are pledged and distributed as follows: first, to payment of operations and maintenance costs, and second, to annual debt service requirements on the outstanding bonds.

A combined summary of the Series 2006A, 2006B, and 2013 bonds debt service requirements including current maturities of \$6,974 follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2016	\$ 6,974	6,912	13,886
2017	7,247	6,641	13,888
2018	7,525	6,357	13,882
2019	7,825	6,059	14,184
2020	8,135	5,750	13,885
2021-2025	40,248	23,634	63,882
2026-2030	40,885	14,692	55,577
2031-2034	39,870	4,584	44,454
Total principal and interest	158,709	74,629	233,338
Plus unamortized issue premium	1,726		
Revenue bonds payable, net	160,435		
Less current maturities	6,974		
Revenue bonds payable, net	<u>\$ 153,461</u>		

**(D) General Liabilities**

**Open Landfill Closure and Postclosure Costs.** On September 30, 2015, the liability for landfill closure and postclosure care costs was \$34,525. More information on these expenses and the related liabilities is disclosed in Note 13(A).

**Closed Landfill Remediation and Monitoring Costs.** On September 30, 2015, there were recorded liabilities of \$3,923 related to potential remediation and monitoring costs at landfill sites closed prior to October 9, 1991. More information on these reserves is disclosed in Note 13(C).

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A summary of general liabilities on September 30, 2015, including current maturities of \$218 was as follows:

Landfill closure and postclosure costs	\$ 34,525
Closed landfill remediation	3,923
Total other liabilities	<u>38,448</u>
Less current maturities	218
General liabilities	<u><u>\$ 38,230</u></u>

On September 30, 2015, these amounts were scheduled for payment in fiscal year ending (FYE) as follows:

FYE September 30,	Amount	FYE September 30,	Amount
2016	\$ 218	2051-2055	5,512
2017	224	2056-2060	5,512
2018	229	2061-2065	5,512
2019	235	2066-2070	5,512
2020	241	2071-2075	5,706
2021-2025	1,295	2076-2080	2,447
2026-2030	975	2081-2085	242
2031-2035	374	2086-2090	242
2036-2040	124	2091-2095	242
2041-2045	8	2096-2100	242
2046-2050	3,308	2101-2105	48
Total general liabilities			<u><u>\$ 38,448</u></u>

**(E) Changes in Total Other Liabilities**

The change in total other liabilities for the fiscal years ended September 30, 2015 was:

Description	Balance			Balance 09/30/15	Due Within one year
	10/1/14	Additions	Reductions		
2006A and 2006B bonds	\$ 142,585	-	4,355	138,230	4,570
2013 bond	22,840	-	2,361	20,479	2,404
Bonds unamortized issue premium	1,887	-	161	1,726	-
Compensated absences	733	543	617	659	617
Landfill closure and postclosure care costs	33,445	1,591	511	34,525	-
Closed landfill remediation	4,239	213	529	3,923	218
Total other liabilities	<u><u>\$ 205,729</u></u>	<u>2,347</u>	<u>8,534</u>	<u>199,542</u>	<u>7,809</u>

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**(8) Components of Restricted Net Position**

Under GAAP, restricted net position is either: (a) restricted externally by constraints imposed by creditors through bond covenants, grant agreements and law; or (b) restricted by enabling legislation to the sole purpose specified by that legislation. Net position restricted for bond covenants and future debt service for the fiscal years ended September 30, 2015 was \$11,739.

**(9) Employee Retirement Plans**

**Florida Retirement System – General Information**

Substantially all County employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two multiple-employer cost-sharing defined benefit plans administered by the Florida Department of Management Services, Division of Retirement: the FRS Pension Plan and the Retiree Health Insurance Subsidy (HIS Program). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (Investment Plan) administered by the State Board of Administration. Employees may choose the Investment Plan as an alternative to the FRS Pension Plan. As a general rule, membership in the FRS is compulsory for employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the state of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida Legislature.

The state of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. That report may be obtained by writing to the state of Florida Division of Retirement, PO Box 9000, Tallahassee, Florida 32315-9000. That report may also be viewed on the Florida Retirement System's website located at:

[www.dms.myflorida.com/workforce\\_operations/retirement/publications/annual\\_reports](http://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports).

**Plan Descriptions for Cost-Sharing Defined Benefit Plans**

- The FRS Pension Plan is a multiple-employer cost-sharing qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees.
- The Retiree Health Insurance Subsidy (HIS) Program is a multiple-employer cost-sharing, defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature sets and amends the contribution requirements and benefit terms of the HIS Program.

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**Benefits Provided**

FRS Pension Plan

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. Regular Class, Senior Management Service Class and Elected Officers Class plan members hired prior to July 1, 2011 at age 62 with 6 years of credited service or 30 years of service regardless of age are entitled to an annual retirement benefit payable monthly for life, equal to 1.6% of their final average compensation for each year of credited service. Average final compensation is the average of the employee's five highest fiscal years of salary earned during credited service. Vested employees with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Class and Special Risk Administrative Support Class members employees such as sworn law enforcement officers, firefighters, and correctional officers who retire at or after age 55 with 6 years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life equal to 3.0% of their final average compensation for each year of credited service.

Regular Class, Senior Management Service Class and Elected Officers Class plan members hired after June 30, 2011 at age 65 with 8 years of credited service or 33 years of service regardless of age are entitled to annual retirement benefits payable monthly for life, equal to 1.6% of their final average compensation for each year of credited service. Average final compensation will be the average of the employee's eight highest fiscal years earned during credited service. Vested employees with less than 33 years of service may retire before age 65 and receive reduced retirement benefits. Special risk class employees such as sworn law enforcement officers, firefighters, and correctional officers who retire at or after age 60 with 8 years of credited service, or with 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

HIS Program

The benefit under the HIS Program is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150

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per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive an HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

### **Contributions**

#### **FRS Pension Plan**

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, respectively, were as follows: Regular—7.37% and 7.26%; Special Risk Administrative Support—42.07% and 32.95%; Special Risk—19.82% and 22.04%; Senior Management Service—21.14% and 21.43%; Elected Officers—43.24% and 42.27%; and DROP participants—12.28% and 12.88%. These employer contribution rates include 1.26% and 1.66% HIS Program subsidies.

#### **HIS Program**

The HIS Program is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. The HIS contribution for the period October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015 were 1.26% and 1.66%, respectively. The employer contribution rates shown in the FRS Pension Plan section above include the HIS Program contribution rates of 1.26% and 1.66%, for the periods of October 1, 2014 through June 30, 2015 and July 1, 2015 through September 30, 2015, respectively. HIS Program contributions are deposited in a separate trust fund from which payments are authorized. HIS Program benefits are not guaranteed and are subject to annual legislative appropriation. In the event that legislative appropriations and/or available funds are not sufficient, HIS benefits may be reduced or canceled.

The Fund's contributions, including employee contributions, to the FRS Pension Plan were \$391 for the fiscal year ended September 30, 2015. The Fund's contributions to the HIS Program were \$42 for the fiscal year ended September 30, 2015.

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**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Pension Liabilities** - At September 30, 2015, the Fund reported net pension liabilities of \$2,121 and \$2,153, respectively, for its proportionate shares of the FRS Pension Plan and HIS Program net pension liabilities. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Fund's proportionate share of the net pension liability was based on the Fund's proportionate share of the County's contributions as a percentage of all contributions from participating members for the state of Florida fiscal year ended June 30, 2015. At June 30, 2015, the Fund's proportionate shares for the FRS Pension Plan and HIS Program were 0.726% and 1.242%, respectively of the County's proportionate share. The Fund's proportionate shares for the FRS Pension Plan and HIS Program, which were 0.06 and -0- percentage points lower than the respective proportionate shares measured as of June 30, 2014. The components of the Fund's net pension liabilities at September 30, 2015 were as follows:

	<u>FRS Pension Plan</u>	<u>HIS Program</u>	<u>Total</u>
Total pension liability	\$ 26,512	2,164	28,676
Plan fiduciary net position	(24,391)	(11)	(24,402)
Net pension liability	<u>\$ 2,121</u>	<u>2,153</u>	<u>4,274</u>
Plan fiduciary net position as a percentage of the total pension liability	92.00%	0.50%	85.09%

“Plan fiduciary net position” represents cash and investment assets held to pay pension liabilities as they mature. “Net pension liability” represents the equity in the applicable pension plan. “Plan fiduciary net position” represents the portion of the total pension liability that is funded by cash and investments. Detailed information regarding the FRS Pension Plan and HIS Program fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. To obtain this document, see the third paragraph of this note.

**Pension Expense (Benefit)** - For the fiscal year ended September 30, 2015, the Fund recognized pension expense (benefit) of (\$314) and \$71 for the Pension Plan and HIS Program, respectively.

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**Deferred Outflows/Inflows of Resources** – For the fiscal year ended September 30, 2015, the Fund reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS Pension Plan		HIS Pension Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 225	(51)	-	-
Changes in assumptions	141	-	169	-
Net difference between projected and actual earnings on pension plan	-	(506)	1	-
Changes in proportion and differences between Fund contributions and proportionate share of contributions	21	(281)	31	(36)
Fund contributions subsequent to the measurement date	105	-	27	-
<b>Total</b>	<b>\$ 492</b>	<b>(838)</b>	<b>228</b>	<b>(36)</b>

The deferred outflows of resources totaling \$105 and \$27 resulting from County contributions to the Pension Plan and HIS Program, respectively, which were subsequent to the June 30, 2015 measurement date, will be recognized as a pension expense in the fiscal year ending September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the FRS Pension Plan and HIS Program will be recognized in pension expense as follows:

<b>Fiscal Year Ending September 30</b>	<b>FRS Pension Plan</b>	<b>HIS Program</b>
2016	\$ (209)	29
2017	(209)	29
2018	(209)	29
2019	209	29
2020	7	29
Thereafter	(40)	20

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**Actuarial Assumptions** – The total pension liabilities for the FRS Pension Plan and HIS Program in the June 30, 2015 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate of 2.60%

Average rate of salary increases of 3.25%, including inflation

Investment rate of return, net of pension plan investment expense of 7.65%, including inflation for FRS Pension Plan Investment rate of return, net of pension plan investment expense of 3.80%, including inflation for HIS Plan

Average expected remaining service life of employees provided with FRS Pension Plan at June 30, 2015 was 6.3 years Average expected remaining service life of employees provided with HIS Program at June 30, 2015 was 7.2 years

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables

The actuarial assumptions used in the July 1, 2015, FRS Pension Plan valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The long-term expected rates of return on FRS Pension Plan and HIS Program investments were not based on historical returns, but instead were based on a forward-looking capital market economic model. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions. A mean inflation rate of 2.6% was assumed along with a standard deviation of 1.9%.

The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	3.2%	3.1%	1.7%
Fixed income	18%	4.8%	4.7%	4.7%
Global equity	53%	8.5%	7.2%	17.7%
Real estate (property)	10%	6.8%	6.2%	12.0%
Private equity	6%	11.9%	8.2%	30.0%
Strategic investments	12%	6.7%	6.1%	11.4%
	<u>100%</u>			

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**Discount Rates**

The FRS Pension Plan discount rate used to measure the total pension liability was 7.65%. The FRS Pension Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

The HIS Program discount rate used to measure the total pension liability was 3.80%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Program sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**Sensitivity of Net Pension Liability to Changes in the Discount Rate**

The Fund’s proportionate share of the FRS Pension Plan and HIS Program will change under varying discount rate assumptions. For example, a higher discount rate would lead to a lower net pension liability. Conversely a lower discount rate would lead to a higher net pension liability. The following chart show the effects on the FRS Pension Plan and HIS Program net pension (assets) liabilities under discount rates that are one percentage point higher or lower than the discount rate actually used. The chart specifically shows the net pension (assets) liability of the FRS Pension Plan if its discount rates were 6.65%, 7.65% or 8.65% as well as the net pension liability of the HIS Program if its discount rates were 2.80%, 3.80% or 4.80%.

The Fund remits contractually required FRS Pension Plan and HIS Program contributions as established by the Florida Legislature. The Fund did not have a payable for outstanding contributions to the FRS Pension Plan, HIS Program or Investment Plan at September 30, 2015.

<b>Proportionate Share of FRS Net Pension Plan Net Pension (Asset) Liability</b>			<b>Proportionate Share of HIS Program Net Pension Liability</b>		
1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
6.65%	7.65%	8.65%	2.80%	3.80%	4.80%
5,496	2,121	(688)	2,453	2,153	1,903

**Investment Plan**

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA’s annual financial statements and in the state of Florida Comprehensive Annual Financial Report.

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As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS Pension Plan. County employees participating in DROP are not eligible to participate in the Investment Plan.

Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of plan members. See FRS Pension Plan contribution rates in the Contributions section of this note for more information.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The County remits contractually required FRS Investment Plan contributions as established by the Florida Legislature. The Fund's total contributions to the Investment Plan were approximately \$42 for fiscal year 2015.

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**Restatement of Prior Year as a Result of GASB Statement Nos. 68 and 71**

	Deferred Outflows of Resources (Pensions)	Net Pension Liability	Deferred Inflows of Resources (Pensions)	Net Position
Beginning of year, as previously reported	\$ -	-	-	159,710
Restatement for implementation of GASB Statements No. 68 and 71	403	(3,003)	(2,072)	(4,672)
Beginning of year, as restated	<u>\$ 403</u>	<u>(3,003)</u>	<u>(2,072)</u>	<u>155,038</u>

**(11) Other Post-Employment Benefits (OPEB)**

GAAP requires public sector employers to record an expense for the future portion of post-employment benefits earned by the employee in the current period rather than recognizing these obligations on a “pay as you go” basis.

The BOCC provides the following OPEB to retirees: (a) retirees are permitted to purchase healthcare coverage at the same “group insurance rates” current employees are charged in accordance with Florida Statute 112.0801. Retirees purchasing health insurance at group rates is a benefit and represents an “implicit subsidy” as they may purchase health insurance at a cost less than the market cost associated with their age category and (b) with some exceptions, retirees between the ages of sixty-two to sixty-five are provided a health insurance stipend to partially offset health insurance costs. This benefit is subject to cancellation by the BOCC at any time.

On September 30, 2015, the County’s annual OPEB cost, as calculated by an independent actuary in accordance with GAAP, was \$5.9 million. This annual cost represents a thirty-year annual funding level, that will fund all current and future employee as well as earned retiree OPEB benefits including amortization of prior year unfunded OPEB liabilities, if any. For fiscal years 2015, the OPEB liability allocated to and paid by the Fund was \$34.

**(12) Outstanding Purchase Orders and Contracts**

On September 30, 2015, outstanding purchase orders and contracts was \$5,067.

**(13) Accounting for Municipal Solid Waste Landfill Financial Responsibilities**

**(A) Open Landfill**

GAAP requires municipal solid waste landfill owners to record a current expense and the related long-term liability for certain future landfill closure and postclosure care costs. GASB 18 is based on a United States Environmental Protection Agency rule, *Solid Waste Disposal Facility Criteria*, and has two components. The first component establishes closure requirements for landfills receiving solid waste

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after October 9, 1991. The second component establishes thirty-year postclosure care requirements for landfills receiving solid waste after October 9, 1993. Additionally, the Florida Department of Environmental Protection, through Rule 62-701.630, Florida Administrative Code, established other financial accountability standards for landfill closure and postclosure care. As an owner and operator of an open landfill, the Fund must accumulate financial resources to close the landfill after the landfill stops accepting solid waste and to perform postclosure maintenance and monitoring functions at the closed landfill site for thirty years.

GAAP requires recording a portion of the future closure and postclosure care costs as a current period operating expense and as a other liability based on the cumulative amount of landfill capacity consumed as of each Statement of Net Position date. Fund management estimates, based on an independent engineer's cost projection on September 30, 2015, that total future closure and postclosure care costs will be \$63,506. The actual costs for future landfill closure and postclosure care costs may differ from projections due to inflation, deflation, technology, and environmental law changes. Of the total cost projection of \$63,506, life to date liabilities of \$34,525 were recorded on September 30, 2015, based on the amount of cubic yards consumed as of those dates. For the fiscal years ended September 30, 2015, the Fund recorded future closure and postclosure care cost, net of current expense of \$1,080.

Of the total cost projection of \$63,506, a life-to-date liability of \$34,525 was recorded at September 30, 2015 as a part of other long-term debt for business-type activities. See Note 7.D. This liability for future landfill closure and postclosure care costs was determined from the consulting engineer's certification, that 34.6% or 16,070 cubic yards of the estimated 46,463 cubic yards landfill capacity had been consumed at September 30, 2015. Although only 34.6% of the overall landfill capacity was consumed, a total of 54.4% of the total closure and postclosure costs were reported as a liability because the landfill consists of two separate sections and the calculations were done separately on each section. Section One has total projected closure and postclosure care costs of \$51,047, of which 64.8% was consumed. Section Two has total projected closure and postclosure care costs of \$12,459, of which only 11.6% was consumed. The County will record the balance of the projected future closure and postclosure care costs of \$34,525, as adjusted by future estimated cost revisions, as the remaining landfill capacity is consumed. The County anticipates closing Section One of the landfill in 33 years (fiscal year 2048) and Section Two of the landfill in 57 years (fiscal year 2072). At September 30, 2015, the County had reserved assets of \$35,186 to meet future landfill closure and postclosure care obligations.

**(B) Fiscal Responsibility for Future Landfill Closure Costs**

Fund management, as required by state law, must certify annually that sufficient financial resources are available to pay future landfill closure and postclosure care costs. Management chose an annual financial test to comply with this requirement. This financial test requires a governmental entity to demonstrate that its tangible net position is at least six times greater than the combined total estimated amount of closure and postclosure care costs as of the Statement of Net Position date. The BOCC's net position was used to meet this test. As of September 30, 2015 management believes the Fund was compliant with all financial responsibility requirements.

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**(C) Closed Landfills**

Fund management annually reviews, and revises when necessary, the estimates for potential remediation and monitoring costs at landfills closed prior to October 9, 1991. On September 30, 2015, the estimated liability for future remediation and monitoring costs of these closed landfill sites was \$3,923.

**(14) Contingencies**

**(A) Litigation**

The Fund is involved in certain litigation in the ordinary course of operations. Management believes, after consulting with legal counsel, that any potential losses would not materially affect the Fund's financial condition for the fiscal years ended September 30, 2015.

There is a reasonable possibility that future charges may occur in excess of the amount recorded to absorb closed landfill remediation costs. Fund management does not believe that potential liabilities in excess of amounts recorded would materially affect the accompanying financial statements.

**(B) State and Federal Grants**

Grants received and disbursed by the Fund are for specific purposes and are subject to review by grantor agencies and their independent auditors. Such audits may result in requests for repayments due to disallowed costs. Management believes that such repayments, if any, would not materially affect the Fund's financial condition on September 30, 2015.

**(C) Environmental Protection**

Occasionally, the FDEP may cite the Fund for accidental environmental infractions. These infractions and the related remediation activities are considered a routine part of Fund business operations. Management believes that any contingent liabilities arising from an accidental environmental infraction, if any, would be immaterial.



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**Schedule of Proportionate Share of the Florida Retirement System Net Pension  
Liabilities for the Pension Plan and Health Insurance Subsidy Program  
Last Two Fiscal Years  
(Required Supplementary Information)  
(Amounts in Thousands)**

**FRS Pension Plan**

	<u>2015</u>	<u>2014</u>
Fund's proportion of net pension liability	0.016%	0.017%
Fund's proportionate share of net pension liability	\$ 2,121	1,027
Fund's covered-employee payroll	\$ 6,559	6,738
Fund's proportionate share of net pension liability as a percentage of its covered-employee payroll	32.34%	15.24%
FRS Plan fiduciary net position as a percentage of the total pension liability	92.00%	96.09%

**Health Insurance Subsidy Program**

	<u>2015</u>	<u>2014</u>
Fund's proportion of net pension liability	0.021%	0.021%
Fund's proportionate share of net pension liability	\$ 2,153	1,975
Fund's covered-employee payroll	\$ 6,559	6,738
Fund's proportionate share of net pension liability as a percentage of its covered-employee payroll	32.83%	29.31%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.99%

**Note: Data was unavailable prior to 2014**



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**Schedule of Contributions - Florida Retirement System and Health Insurance Subsidy Program**  
**(Required Supplementary Information)**  
**Last Two Fiscal Years**  
(Amounts in Thousands)

**FRS Pension Plan**

	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 391	360
Contributions in relation to the contractually required contributions	391	360
Contributions deficiency (excess)	<u>\$ -</u>	<u>-</u>
Fund's covered employee payroll	\$ 6,559	6,466
Contributions as a percentage of covered employee payroll	5.96%	5.57%

**Health Insurance Subsidy Program**

	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 42	37
Contributions in relation to the contractually required contributions	42	37
Contributions deficiency (excess)	<u>\$ -</u>	<u>-</u>
Fund's covered employee payroll	\$ 6,559	6,466
Contributions as a percentage of covered employee payroll	0.64%	0.57%

**Note: Data was unavailable prior to 2014**

**HILLSBOROUGH COUNTY, FLORIDA  
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COMPARISON OF ACTUAL REVENUES AND EXPENSES  
TO BUDGET  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015  
(Amounts in Thousands)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>Operating revenues:</b>			
Charges for services	<b>\$ 99,044</b>	<b>100,948</b>	<b>1,904</b>
<b>Operating expenses:</b>			
Employee services	9,932	9,177	755
Contractual services	65,864	62,690	3,174
Fleet services	976	1,443	(467)
Repairs and maintenance	412	468	(56)
Utilities	1,353	1,437	(84)
Supplies	36	14	22
Landfill closure and postclosure care	2,803	763	2,040
Other	3,259	1,208	2,051
Pension expense (benefit)	-	(243)	243
<b>Total operating expenses before depreciation and amortization</b>	<b>84,635</b>	<b>76,957</b>	<b>7,678</b>
<b>Operating income before depreciation and amortization</b>	<b>\$ 14,409</b>	<b>23,991</b>	<b>9,582</b>
Depreciation and amortization *		15,529	
<b>Operating income</b>		<b>8,462</b>	

\* Depreciation and amortization expense is not budgeted.

**EXHIBIT A**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Solid Waste Resource Recovery Bonds**  
**Series 2006A**  
**Issued November 14, 2006**  
**Debt Service Schedule**  
(Amounts in Thousands)

<b>Fiscal</b>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 1,900	5,005	6,905
2017	4,800	4,910	9,710
2018	5,035	4,670	9,705
2019	5,290	4,417	9,707
2020	5,555	4,153	9,708
2021	5,830	3,875	9,705
2022	6,125	3,584	9,709
2023	6,430	3,277	9,707
2024	6,750	2,956	9,706
2025	7,090	2,618	9,708
2026	7,445	2,264	9,709
2027	-	1,892	1,892
2028	-	1,892	1,892
2029	-	1,892	1,892
2030	2,175	1,892	4,067
2031	9,320	1,794	11,114
2032	9,740	1,375	11,115
2033	10,175	936	11,111
2034	10,635	479	11,114
	<b>\$ 104,295</b>	<b>\$ 53,881</b>	<b>\$ 158,176</b>

**EXHIBIT B**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Solid Waste Resource Recovery Bonds**  
**Series 2006B**  
**Issued November 14, 2006**  
**Debt Service Schedule**  
(Amounts in Thousands)

<b>Fiscal</b>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 2,670	1,540	4,210
2017	-	1,407	1,407
2018	-	1,407	1,407
2019	-	1,407	1,407
2020	-	1,407	1,407
2021	-	1,407	1,407
2022	-	1,407	1,407
2023	-	1,407	1,407
2024	-	1,407	1,407
2025	-	1,407	1,407
2026	-	1,407	1,407
2027	7,815	1,407	9,222
2028	8,170	1,055	9,225
2029	8,535	688	9,223
2030	6,745	303	7,048
	<b>\$ 33,935</b>	<b>\$ 19,063</b>	<b>\$ 52,998</b>

**EXHIBIT C**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Solid Waste Resource Recovery Enterprise Fund**  
**Series 2013**  
**Issued May 8, 2013**  
**Debt Service Schedule**  
(Amounts in Thousands)

<b>Fiscal</b>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 2,404	367	2,771
2017	2,447	324	2,771
2018	2,490	280	2,770
2019	2,535	235	2,770
2020	2,580	190	2,770
2021	2,627	144	2,771
2022	2,674	97	2,771
2023	2,722	48	2,770
	<b>\$ 20,479</b>	<b>\$1,685</b>	<b>\$22,164</b>

**HILLSBOROUGH COUNTY, FLORIDA  
SOLID WASTE ENTERPRISE FUND  
PUBLIC WORKS DEPARTMENT  
RATE COVENANT TESTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**  
(Amounts in Thousands)

		<b>TESTS</b>	
		<b>1</b>	<b>2</b>
<b>Gross Revenues:</b>			
Operating revenues	\$ 100,948		
Additions:			
Other covenant receipts			
Investment earnings	1,263		
Transfer from rate stabilization account	5,000		
Deductions:			
Non-covenant investment earnings:			
Debt service account investment earnings	35		
Bond proceed investment earnings	22		
Landfill closure escrow account investment earnings	251		
<b>Total net revenues</b>		<b>106,903</b>	<b>106,903</b>
<b>Funds required:</b>			
Total operating expenses	92,486		
Deductions:			
Depreciation and amortization expense	15,529		
Landfill closure account investment earnings	251		
<b>Total cost of operation and maintenance</b>		<b>76,706</b>	<b>76,706</b>
<b>Net revenues</b>		<b>30,197</b>	<b>30,197</b>
<b>Bond service requirements:</b>			
Series 2006 bonds - interest requirement	6,763		
Series 2013 bonds - interest requirement	409		
Series 2006 bonds - principal requirement	4,355		
Series 2013 bonds - principal requirement	2,361		
<b>Total debt service requirement</b>	<b>13,888</b>		
Less debt service sinking fund investment earnings	35		
<b>Total bond service requirements</b>		<b>13,853</b>	<b>13,853</b>
10% of bond service requirements		1,385	-
<b>Total bond service requirements</b>		<b>15,238</b>	<b>13,853</b>
<b>Total funds required</b>		<b>91,944</b>	<b>90,559</b>
<b>Excess rate covenant test funds - September 30, 2015</b>		<b>\$ 14,959</b>	<b>\$ 16,344</b>
<b>Coverage: Net revenues/bond service requirements</b>		<b>2.0</b>	<b>2.2</b>

**HILLSBOROUGH COUNTY, FLORIDA  
SOLID WASTE ENTERPRISE FUND  
PUBLIC WORKS DEPARTMENT  
RATE COVENANT TEST  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

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**REQUIREMENTS**

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For fiscal year ended September 30, 2015, the following requirements as state in Ordinance Numbers 06-28 and 13-069, and Resolution Number 06-231 (collectively the Bond Ordinance) Article XI, Section 11.04 were met as follows

- I. Gross revenues surpassed the total of 100% of the Cost of Operation and Maintenance, 110% of Bond Service Requirements, and 100% of Other Required Deposits
  
- II. Gross revenues surpassed the total of 100% of the Cost of Operation and Maintenance, 100% of Bond Service Requirements, and 100% of Other Required Deposits



**HILLSBOROUGH COUNTY, FLORIDA  
SOLID WASTE ENTERPRISE FUND  
PUBLIC WORKS DEPARTMENT  
RATE COVENANT TEST EXCESS FUNDS RECONCILED  
TO CHANGE IN NET POSITION  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015  
(Amounts in Thousands)**

<b>Excess rate covenant test funds - September 30, 2015</b>	<b><u>\$ 14,959</u></b>
<b>Items considered in determining change in net position, but not considered for rate covenant requirements:</b>	
Transfer from rate stabilization account	(5,000)
Depreciation expense	(15,529)
Difference in interest expense:	
Statement of Activities	\$ 6,864
Rate covenant test	<u>7,172</u> 308
Bond proceed investment earnings	22
Asset disposal cost	234
Other nonoperating revenues	569
<b>Items considered for rate covenant requirements, but not considered for determining the change in net position:</b>	
Principal payment	6,716
Additional 10% of bond service requirement	<u>1,385</u>
<b>Change in net position, September 30, 2015</b>	<b><u><u>\$ 3,664</u></u></b>



**HILLSBOROUGH COUNTY, FLORIDA  
SOLID WASTE ENTERPRISE FUND  
PUBLIC WORKS DEPARTMENT  
SCHEDULE OF RESTRICTED/RESERVED RECEIPTS AND DISBURSEMENTS  
FOR ACCOUNTS RESTRICTED BY BOND COVENANT OR RESERVED BY BOCC POLICY  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015  
(Amounts in Thousands)**

	Restricted by Bond Covenant or by Law							Reserved by BOCC Policy				Total Fund
	2006 Bond Proceeds	2013 Bond Proceeds	Debt Service Sinking	Renewal and Replacement	Restricted Totals	General Purpose	Rate Stabilization	Southeast Landfill Closure Cells I-VI	Southeast Landfill Closure Cells VII-VIII	Closed Landfill Maintenance	Internal Capital Improvement	
<b>Balance, October 1, 2014</b>	\$ 4,417	881	1,178	10,466	16,942	5,988	25,458	30,974	1,961	293	11,623	93,239
<b>Receipts:</b>												
Bond proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Investment earnings from construction accounts	18	4	-	-	22	-	-	-	-	-	-	22
Investment earnings from debt service/reserve accounts	-	-	35	-	35	-	-	-	-	-	-	35
Investment earnings from landfill reserve accounts	-	-	-	-	-	-	-	236	15	-	85	336
Other operating receipts	-	-	-	301	301	-	-	-	-	-	-	301
Transfers-in from non-revenue accounts	-	-	13,908	-	13,908	-	-	-	-	-	-	13,908
Transfers-in from the revenue account	-	-	-	-	-	-	5,491	2,000	-	2,700	-	10,191
<b>Total receipts</b>	<b>18</b>	<b>4</b>	<b>13,943</b>	<b>301</b>	<b>14,266</b>	<b>-</b>	<b>5,491</b>	<b>2,236</b>	<b>15</b>	<b>2,700</b>	<b>85</b>	<b>24,793</b>
<b>Disbursements:</b>												
Expenditures	3,684	566	-	409	4,659	-	-	-	-	1,473	686	6,818
Interest payments	-	-	7,024	-	7,024	-	-	-	-	-	-	7,024
Principal payment	-	-	6,716	-	6,716	-	-	-	-	-	-	6,716
Other debt service costs	-	-	-	-	-	-	-	-	-	-	-	-
Transfers-out to the revenue account	-	-	-	-	-	-	5,000	-	-	-	-	5,000
<b>Total disbursements</b>	<b>3,684</b>	<b>566</b>	<b>13,740</b>	<b>409</b>	<b>18,399</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>1,473</b>	<b>686</b>	<b>25,558</b>
<b>Balance, September 30, 2015</b>	<b>\$ 751</b>	<b>319</b>	<b>1,381</b>	<b>10,358</b>	<b>12,809</b>	<b>5,988</b>	<b>25,949</b>	<b>33,210</b>	<b>1,976</b>	<b>1,520</b>	<b>11,022</b>	<b>92,474</b>
			(A)	(A)		(B)	(B)	(B)	(B)	(B)	(B)	

Investment earnings from the Renewal and Replacement, General Purpose, Northwest Landfill long-term maintenance, Closed Landfill Maintenance, Capital Improvement, and the Rate Stabilization accounts were deposited in the General Revenue Account, as required by the bond resolution.

**Components of restricted net position:**

(A) Restricted net position	
Bond covenants	\$ 10,358
Debt service	1,381
<b>Total restricted net position</b>	<b>11,739</b>
(B) Reserved by BOCC policy	79,665
Invested in capital assets	1,070
<b>Balance, September 30, 2015</b>	<b>\$ 92,474</b>

**HILLSBOROUGH COUNTY, FLORIDA  
SOLID WASTE ENTERPRISE FUND  
PUBLIC WORKS DEPARTMENT  
STATISTICAL SECTION  
SECTION CONTENTS**

**Financial Trends Information:**

These schedules present comparative financial data over ten fiscal years, providing information to financial statement users concerning the Fund's financial management and performance.

**Schedules:**

- Components of Net Position
- Current Ratio
- Return on Capital Assets
- Accounts Receivable Turnover
- Statement of Activities
- Components of Charges for Services
- Other Nonoperating Revenue Components

**Debt Capacity Information:**

These schedules present the Fund's comparative outstanding debt and debt service requirements to net position, charges for services, and rate covenant test requirements.

**Schedules:**

- Outstanding Debt Compared to Net Position
- Rate Covenant Tests

**General Operating Statistics:**

- Number of Full-time Employees
- Tonnage buried in the landfill
- Tonnage incinerated
- Yard and Wood-Waste tonnage processed

**HILLSBOROUGH COUNTY, FLORIDA**  
**SOILD WASTE ENTERPRISE FUND**  
**PUBLIC WORKS DEPARTMENT**  
(Amounts in Thousands)

**Financial Trend Schedules:**

**Components of Net Position**  
**Fiscal Years - 2006 Through 2015**  
(amounts in thousands)

This schedule shows the Fund's increase in comparative net value (total assets less total liabilities = net position).

	<b>2015</b>	<b>2014**</b>	<b>Restated 2013</b>	<b>Restated 2012</b>	<b>Restated 2011</b>	<b>2010*</b>	<b>2009*</b>	<b>Restated 2008*</b>	<b>2007*</b>	<b>2006*</b>
Net investment in capital assets	\$ 63,181	71,035	77,672	80,355	88,636	100,229	98,510	94,407	86,388	79,715
Restricted net position	11,739	11,644	13,869	16,176	15,938	24,747	18,155	23,828	19,708	15,484
Unrestricted net position	83,782	77,031	61,505	60,330	54,340	38,092	45,436	37,052	27,958	29,759
<b>Total net position</b>	<b>\$ 158,702</b>	<b>159,710</b>	<b>153,046</b>	<b>156,861</b>	<b>158,914</b>	<b>163,068</b>	<b>162,101</b>	<b>155,287</b>	<b>134,054</b>	<b>124,958</b>

\*not restated for GASB 65

\*\*not restated for GASB 68

**Current Ratio**  
**Fiscal Years - 2006 through 2015**  
(amounts in thousands)

This schedule shows the Fund's ability to pay its current liabilities such as accounts payable, payroll, and short-term borrowing costs. The generally accepted current ratio standard is 2:1, whereby current assets exceed current liabilities.

	<b>2015</b>	<b>Restated 2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>Restated 2008</b>	<b>2007</b>	<b>2006</b>
Current assets	\$ 160,368	156,318	169,371	148,299	148,284	145,706	149,939	187,428	235,966	100,062
Current liabilities	30,104	31,449	42,302	27,288	29,991	34,179	40,565	43,193	37,140	29,973
<b>Ratio</b>	<b>5.3:1</b>	<b>5.0:1</b>	<b>4.0:1</b>	<b>5.4:1</b>	<b>4.9:1</b>	<b>4.3:1</b>	<b>3.7:1</b>	<b>4.3:1</b>	<b>6.4:1</b>	<b>3.3:1</b>

**HILLSBOROUGH COUNTY, FLORIDA**  
**SOLID WASTE ENTERPRISE FUND**  
**PUBLIC WORKS DEPARTMENT**  
(Amounts in Thousands)

**Financial Trend Schedules (Continued):**

**Return on Capital Assets**  
**Fiscal Years - 2006 Through 2015**  
(amounts in thousands)

Return on capital assets provides a means for evaluating management's effectiveness at generating an operating profit from the amounts invested in capital assets.

	<b>2015</b>	<b>2014**</b>	<b>Restated 2013*</b>	<b>Restated 2012</b>	<b>Restated 2011</b>	<b>2010*</b>	<b>2009*</b>	<b>Restated 2008*</b>	<b>2007*</b>	<b>2006*</b>
Change in net position	\$ 3,664	6,664	(3,815)	(72)	(4,154)	967	6,814	21,233	9,096	8,663
Average total capital assets	228,823	231,179	223,863	221,681	230,123	235,187	214,870	162,650	112,272	94,605
<b>Return on Capital Assets</b>	<b>1.6%</b>	<b>2.9%</b>	<b>-1.7%</b>	<b>0.0%</b>	<b>-1.8%</b>	<b>0.4%</b>	<b>3.2%</b>	<b>13.1%</b>	<b>8.1%</b>	<b>9.2%</b>

\*not restated for GASB 65

\*\*not restated for GASB 68

**Accounts Receivable Turnover on a 365 collection day basis**  
**Fiscal Years - 2006 through 2015**  
(amounts in thousands)

This schedule shows the average number of days required to collect charges for services billed to customers.

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>Restated 2008</b>	<b>2007</b>	<b>2006</b>
Charges for services	\$ 100,948	103,728	100,744	101,515	98,613	97,793	94,840	91,966	84,138	81,651
Average accounts receivable	3,829	3,420	3,918	3,890	3,021	3,397	3,715	3,847	3,800	3,364
<b>Accounts Receivable Turnover Days</b>	<b>13.8</b>	<b>12.0</b>	<b>14.2</b>	<b>14.0</b>	<b>11.2</b>	<b>12.7</b>	<b>14.3</b>	<b>15.3</b>	<b>16.5</b>	<b>15.0</b>

**HILLSBOROUGH COUNTY, FLORIDA**  
**SOLID WASTE ENTERPRISE FUND**  
**PUBLIC WORKS DEPARTMENT**  
(Amounts in Thousands)

**Financial Trend Schedules (Continued):**

**Statement of Activities**

**Fiscal Years - 2006 Through 2015**

**(amounts in thousands)**

This schedule presents annual operating data to assist the financial statement user evaluate the Fund's annual financial performance

	2015	2014**	Restated 2013	Restated 2012	Restated 2011	2010*	2009*	Restated 2008*	2007*	2006*
<b>Operating revenues:</b>										
Charges for services	\$ 100,948	103,728	100,744	101,515	98,613	97,793	94,840	91,966	84,138	81,651
<b>Operating expenses:</b>										
Employee services	9,177	9,102	8,330	8,421	9,134	7,710	9,377	9,173	9,218	8,620
Contractual services	62,690	60,364	72,878	70,079	67,978	64,750	63,487	56,418	53,560	49,944
Fleet services	1,443	1,551	2,001	1,717	1,917	1,728	1,712	2,379	2,365	2,613
Repairs and maintenance	468	313	439	407	393	442	484	607	398	354
Utilities	1,437	1,233	1,390	1,389	1,436	1,473	1,574	1,473	1,419	1,466
Supplies	14	12	21	32	67	136	158	182	126	134
Landfill closure and post closure care	763	1,651	1,352	(1,322)	2,123	1,862	1,114	(7,278)	2,388	3,008
Depreciation	15,529	14,346	10,373	14,561	14,510	14,251	10,710	10,862	10,321	10,069
General	1,208	2,386	1,907	1,537	1,004	915	814	957	1,028	856
Pension expense (benefit)	(243)	-	-	-	-	-	-	-	-	-
<b>Total operating expenses</b>	<b>92,486</b>	<b>90,958</b>	<b>98,691</b>	<b>96,821</b>	<b>98,562</b>	<b>93,267</b>	<b>89,430</b>	<b>74,773</b>	<b>80,823</b>	<b>77,064</b>
<b>Operating income</b>	<b>8,462</b>	<b>12,770</b>	<b>2,053</b>	<b>4,694</b>	<b>51</b>	<b>4,526</b>	<b>5,410</b>	<b>17,193</b>	<b>3,315</b>	<b>4,587</b>
<b>No operating revenues (expenses):</b>										
Investment earnings	1,263	518	653	1,330	1,531	2,854	5,633	8,604	11,005	4,863
Interest expense	(6,864)	(6,966)	(6,825)	(6,655)	(6,726)	(6,434)	(4,603)	(4,833)	(5,557)	(1,118)
Gain on asset disposals	234	149	143	610	952	22	218	398	181	163
Other revenues	569	193	213	98	187	150	310	27	192	284
Other expenses	-	-	(52)	-	(2,279)	(151)	(154)	(156)	(120)	(116)
<b>Total nonoperating (expenses) revenues</b>	<b>(4,798)</b>	<b>(6,106)</b>	<b>(5,868)</b>	<b>(4,617)</b>	<b>(6,335)</b>	<b>(3,559)</b>	<b>1,404</b>	<b>4,040</b>	<b>5,701</b>	<b>4,076</b>
<b>Income before contributions and transfers</b>	<b>3,664</b>	<b>6,664</b>	<b>(3,815)</b>	<b>77</b>	<b>(6,284)</b>	<b>967</b>	<b>6,814</b>	<b>21,233</b>	<b>9,016</b>	<b>8,663</b>
Capital contributions	-	-	-	-	-	-	-	-	80	-
<b>Change in net position</b>	<b>3,664</b>	<b>6,664</b>	<b>(3,815)</b>	<b>77</b>	<b>(6,284)</b>	<b>967</b>	<b>6,814</b>	<b>21,233</b>	<b>9,096</b>	<b>8,663</b>
<b>Net position, beginning of year</b>	<b>159,710</b>	<b>153,046</b>	<b>156,861</b>	<b>156,784</b>	<b>163,068</b>	<b>162,101</b>	<b>155,287</b>	<b>134,054</b>	<b>124,958</b>	<b>116,295</b>
<b>Restatement for GASB 68 implementation</b>	<b>(4,672)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net position, beginning of year, as restated</b>	<b>155,038</b>	<b>153,046</b>	<b>156,861</b>	<b>156,784</b>	<b>163,068</b>	<b>162,101</b>	<b>155,287</b>	<b>134,054</b>	<b>124,958</b>	<b>116,295</b>
<b>Net position, end of year</b>	<b>\$ 158,702</b>	<b>159,710</b>	<b>153,046</b>	<b>156,861</b>	<b>156,784</b>	<b>163,068</b>	<b>162,101</b>	<b>155,287</b>	<b>134,054</b>	<b>124,958</b>

\*not restated for GASB 65

\*\*not restated for GASB 68

**HILLSBOROUGH COUNTY, FLORIDA**  
**SOLID WASTE ENTERPRISE FUND**  
**PUBLIC WORKS DEPARTMENT**  
(Amounts in Thousands)

**Financial Trend Schedules (Continued):**

**Charges for Services - Components**  
**Fiscal Years - 2006 Through 2015**  
(amounts in thousands)

This schedule identifies the principal components of charges for services.

	2015	PCT	2014	PCT	2013	PCT	2012	PCT	2011	PCT	2010	PCT	Restated		2008	PCT	2007	PCT	2006	PCT
													2009	PCT						
Residential disposal assessments	\$ 24,619	24.4	24,394	23.5	26,960	26.8	25,271	24.9	24,844	25.2	23,858	24.4	22,665	23.9	22,035	24.0	20,381	24.2	19,458	23.8
Residential collection assessments	34,316	34.0	34,162	32.9	35,016	34.8	34,268	33.8	32,949	33.4	30,782	31.5	28,065	29.6	24,040	26.1	19,737	23.5	19,060	23.3
Franchise haulers	18,099	17.9	17,702	17.1	16,239	16.1	16,876	16.6	16,351	16.6	15,566	15.9	16,905	17.8	18,373	20.0	17,678	21.0	16,817	20.6
Electricity generation revenues	17,223	17.0	15,953	15.4	16,948	16.8	16,566	16.3	16,037	16.3	18,726	19.1	18,984	20.0	17,129	18.6	16,542	19.7	15,812	19.4
Municipal disposal fees	1,903	1.9	1,946	1.9	1,824	1.8	2,687	2.6	4,834	4.9	4,519	4.6	4,785	5.0	5,656	6.2	5,267	6.3	6,140	7.5
Commercial disposal fees	2,585	2.6	4,255	4.1	2,665	2.6	3,432	3.4	3,017	3.1	3,251	3.3	3,026	3.2	4,056	4.4	3,935	4.7	3,579	4.4
Recycle revenues	1,945	1.9	3,657	3.5	991	1.0	2,325	2.3	482	0.5	333	0.4	321	0.4	612	0.6	553	0.5	714	0.9
General operating revenues	258	0.3	1,659	1.6	101	0.1	90	0.1	99	0.1	758	0.8	89	0.1	65	0.1	45	0.1	71	0.1
<b>Charges for services</b>	<b>\$ 100,948</b>	<b>100.0</b>	<b>103,728</b>	<b>100.0</b>	<b>100,744</b>	<b>100.0</b>	<b>101,515</b>	<b>100.0</b>	<b>98,613</b>	<b>100.0</b>	<b>97,793</b>	<b>100.0</b>	<b>94,840</b>	<b>100.0</b>	<b>91,966</b>	<b>100.0</b>	<b>84,138</b>	<b>100.0</b>	<b>81,651</b>	<b>100.0</b>

**Other Non-Operating Revenues**  
**Fiscal Years - 2006 through 2015**  
(amounts in thousands)

This schedule identifies the principal components of other nonoperating revenues.

	2015	PCT	2014	PCT	2013	PCT	2012	PCT	2011	PCT	2010	PCT	Restated		2008	PCT	2007	PCT	2006	PCT
													2009	PCT						
Investment earnings	\$ 1,263	68.9%	518	60.2%	653	64.7%	1,330	65.3%	1,531	57.3%	2,854	94.3%	5,633	91.4%	8,604	95.3%	11,005	96.0%	4,863	91.6%
General revenues	569	31.1%	342	39.8%	356	35.3%	708	34.7%	1,139	42.7%	172	5.7%	528	8.6%	425	4.7%	373	3.3%	447	8.4%
Capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	80	0.7%	-	-
<b>Total other non-operating revenues</b>	<b>\$ 1,832</b>	<b>100.0%</b>	<b>860</b>	<b>100.0%</b>	<b>1,009</b>	<b>100.0%</b>	<b>2,038</b>	<b>100.0%</b>	<b>2,670</b>	<b>100.0%</b>	<b>3,026</b>	<b>100.0%</b>	<b>6,161</b>	<b>100.0%</b>	<b>9,029</b>	<b>100.0%</b>	<b>11,458</b>	<b>100.0%</b>	<b>5,310</b>	<b>100.0%</b>

**HILLSBOROUGH COUNTY, FLORIDA**  
**SOLID WASTE ENTERPRISE FUND**  
**PUBLIC WORKS DEPARTMENT**  
(Amounts in Thousands)

**Debt Capacity Information**  
**Outstanding Debt Compared to Net Position**  
**Fiscal Years - 2006 Through 2015**  
(amounts in thousands)

This schedule shows the outstanding debt as a percentage of net position.

	2015	2014**	Restated 2013	Restated 2012	Restated 2011	2010*	2009*	Restated 2008*	2007*	2006*
Bonds outstanding	\$ 158,709	165,425	170,770	147,680	148,625	148,625	150,540	155,065	157,350	14,365
Net position	158,702	159,710	153,046	158,842	158,914	163,068	162,101	155,287	134,054	124,958
Percent	100.0%	103.6%	111.6%	93.0%	93.5%	91.1%	92.9%	99.9%	117.4%	11.5%

\*not restated for GASB 65

\*\*not restated for GASB 68

**Rate Covenant Tests**  
**Fiscal Years - 2006 Through 2015**  
(amounts in thousands)

This schedule shows excess funds available after meeting the bond ordinance rate covenant test.

	2015	2014	2013	2012	2011	2010	2009	Restated 2008	2007	2006
<b>Gross Covenant Revenues</b>	<b>\$ 106,903</b>	<b>106,093</b>	<b>106,538</b>	<b>101,976</b>	<b>100,456</b>	<b>99,167</b>	<b>97,217</b>	<b>94,817</b>	<b>93,624</b>	<b>84,716</b>
Operating expenses	76,706	76,480	88,196	82,076	83,767	79,016	78,720	63,911	70,502	66,995
Net debt service	13,853	12,689	9,224	7,961	7,014	8,971	11,691	9,560	588	12,053
10% of net debt service	1,385	1,269	922	796	701	897	1,169	956	59	1,205
Total debt service	15,238	13,958	10,146	8,757	7,715	9,868	12,860	10,516	647	13,258
Other requirements	-	-	-	-	824	2,390	846	1,343	1,684	1,624
<b>Total requirements</b>	<b>91,944</b>	<b>90,438</b>	<b>98,342</b>	<b>90,833</b>	<b>92,306</b>	<b>91,274</b>	<b>92,426</b>	<b>75,770</b>	<b>72,833</b>	<b>81,877</b>
<b>Excess funds available</b>	<b>\$ 14,959</b>	<b>15,655</b>	<b>8,196</b>	<b>11,143</b>	<b>8,150</b>	<b>7,893</b>	<b>4,791</b>	<b>19,047</b>	<b>20,791</b>	<b>2,839</b>
Test 1 (Required ratio = 1.00)	1.163	1.173	1.083	1.123	1.088	1.086	1.052	1.251	1.285	1.035
Test 2 (Required ratio = 1.00)	1.180	1.190	1.094	1.133	1.107	1.127	1.075	1.291	1.317	1.072

Test 1 = Gross revenues divided by total requirements.

Test 2 = Gross revenues divided by the sum of operating expenses plus net debt service.

Fiscal year 2007 debt service is net of \$5,886 in capitalized interest.

**HILLSBOROUGH COUNTY, FLORIDA  
SOLID WASTE ENTERPRISE FUND  
PUBLIC WORKS DEPARTMENT**

**General Operating Statistics:  
(amounts are actual)  
Fiscal Years - 2006 Through 2015**

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010 (a)</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Number of full-time employees	109	109	105	111	99	141	142	140	142	139
Solid Waste tonnage buried in the landfill	214,711	223,285	213,210	230,263	256,121	258,815	393,653	517,024	573,296	506,269
Solid Waste tonnage incinerated	574,644	594,619	586,393	564,161	538,848	545,389	405,708	347,355	351,665	360,259
Yard and Wood Waste tonnage processed	118,401	116,196	119,522	120,786	129,622	138,083	152,720	172,397	198,867	200,924

**(a) Increase in incinerated tonnage and decline in buried tonnage relates to the Resource Recovery Facility expansion in September 2009.**

**Sources:**

Solid Waste Enterprise Fund Annual Financial Reports for Fiscal Years 2006 through 2015.  
BOCC financial records

