

2023

HILLSBOROUGH COUNTY

CITIZENS' REPORT



FINANCIAL SUMMARY REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2022

PREPARED BY CINDY STUART, CLERK OF COURT & COMPTROLLER



A MESSAGE FROM



Dear Hillsborough County Residents,

I am pleased to provide you with the *Hillsborough County, Florida Financial Summary Report* for the Fiscal Year Ended September 30, 2022. For your convenience, we are making the report available in print and online as a digital version.

The Financial Summary Report was derived from the *Hillsborough County, Florida Annual Comprehensive Financial Report (ACFR)*. The ACFR consists of over 270 pages of detailed financial statements, notes, schedules, and reports.

The ACFR is posted at hillsclerk.com (select “Records and Reports” at the top of the page, then “County Financial Reports”). It is also available at the County Finance Department, County Center 12th Floor, 601 E. Kennedy Blvd, Tampa, FL 33602, or by calling (813) 307-7026. The *Financial Summary Report* presents the financial information of all County government operations, including those of the Board of County Commissioners, Clerk of Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector, but excludes discretely presented component units. Since the *Financial Summary Report* contains simplified information, it does not conform to Generally Accepted Accounting Principles (GAAP) for governmental entities.

As the Chief Financial Officer of Hillsborough County, I am fully responsible for the accuracy of these financial reports.

My office looks forward to continuing to serve Hillsborough County with equity, transparency, and independence.

Sincerely,

Cindy Stuart, Clerk of Court & Comptroller

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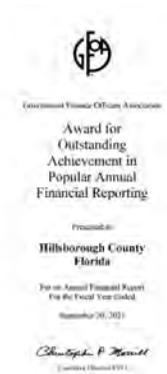
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FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Hillsborough County, Florida for its Financial Summary Report for the Fiscal Year Ended September 30, 2021. This prestigious national award recognizes conformance with the highest standards for the preparation of state and local government popular reports. To receive this award a government must publish a Popular Annual Financial Report whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for only one year. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements and we are submitting it to the Government Finance Officers Association for review.



ABOUT OUR OFFICE

CLERK OF THE CIRCUIT COURT & COMPTROLLER

The Florida Constitution established the Clerk of the Circuit Court & Comptroller as a public trustee, independently elected to safeguard your public records and public funds. Nearly every payment, court document, and public record in Hillsborough County passes through our office. The Hillsborough Clerk of Court & Comptroller serves many roles including Chief Financial Officer, Treasurer and Accountant for the Board of County Commissioners, Clerk of the Court, County Recorder, and County Auditor.

CHIEF FINANCIAL OFFICER, TREASURER, BOARD OF COUNTY COMMISSIONERS



- Prepare County financial reports for state and federal governments, bondholders, and the public
- Pre-audit all County expenditures and pay all County bills
- Manage the County's investments to earn investment income on taxpayer funds
- Document and maintain minutes, records, and activities of County government meetings

CLERK OF THE COURT



- Process and file all civil and criminal court documents for Circuit and County courts
- Protect evidence
- Provide the public with access to court records on paper and online
- Manage the County's jury system

COUNTY AUDITOR



- Assist management in achieving efficient and effective administration of their areas of responsibility
- Make recommendations to management to improve internal controls and mitigate risks
- Monitor management's corrective action plans
- Offer training to County staff on internal controls and fraud prevention

COUNTY RECORDER



- Maintain official County records
- Record documents such as mortgages, deeds, liens, judgments, and marriage licenses

COUNTY GOVERNMENT

BOARD OF COUNTY COMMISSIONERS

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

Chair | Kimberly Overman

Vice-Chair | Mariella Smith

Chaplain | Stacy R. White

District 1 | Harry Cohen

District 2 | Ken Hagan

District 3 | Gwen Myers

District 6 | Pat Kemp

APPOINTED OFFICIALS

County Administrator | Bonnie M. Wise

County Attorney | Christine M. Beck



**Hillsborough
County Florida**
hcflgov.net

CONSTITUTIONAL OFFICERS

Constitutional Officers are elected officials responsible for functions of the County government specified in the Florida Constitution. Constitutional Officers at fiscal year-end were:

**CLERK OF THE
CIRCUIT COURT &
COMPTROLLER**



Cindy Stuart

**PROPERTY
APPRAISER**



Bob Henriquez

SHERIFF



Chad Chronister

**SUPERVISOR OF
ELECTIONS**



Craig Latimer

TAX COLLECTOR



Nancy C. Millan

HILLSBOROUGH COUNTY

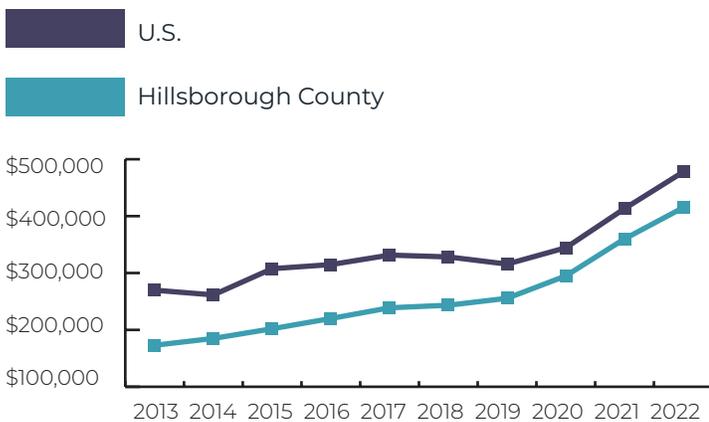
POPULATION

Hillsborough County's population has increased by 244,119 or 19% in the last ten years from 1,276,410 in 2013 to 1,520,529 in 2022.

Year	Hillsborough County Population
2013	1,276,410
2014	1,301,887
2015	1,325,563
2016	1,352,797
2017	1,379,302
2018	1,408,864
2019	1,444,870
2020	1,478,759
2021	1,490,374
2022	1,520,529

Source: Florida Office of Economic Demographics & Research database

MEDIAN SINGLE FAMILY HOME SALES PRICE



Year	Hillsborough County	US
2013	173,000	269,800
2014	185,000	261,500
2015	202,000	307,600
2016	220,000	314,800
2017	238,845	331,500
2018	243,373	328,300
2019	255,500	315,700
2020	294,900	344,400
2021	360,000	413,200
2022	415,000	477,700

Source: Greater Tampa Realtors, Fed Prime Rate

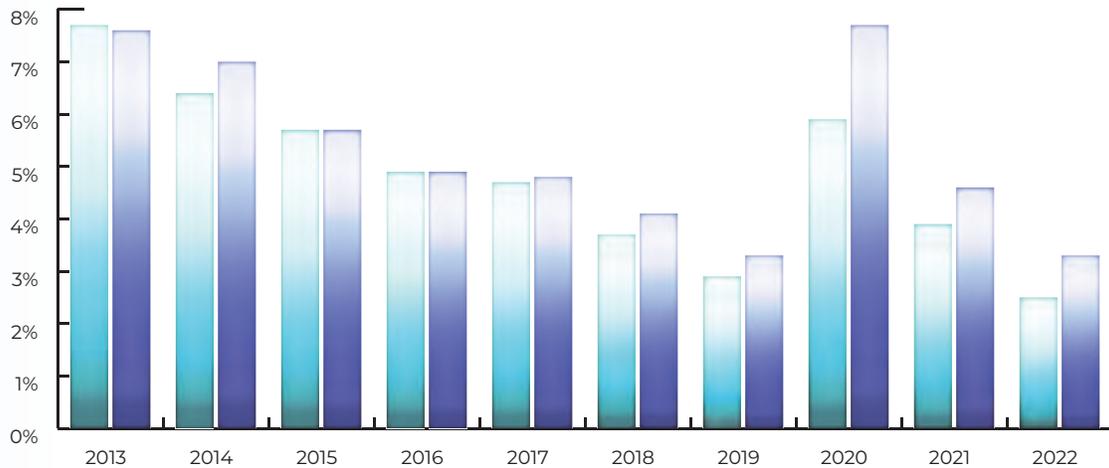
LOCAL ECONOMY

UNEMPLOYMENT RATE

By September 2022, Hillsborough County's unemployment rate decreased to 2.5%, compared to a U.S. rate of 3.3% and a prior year County unemployment rate of 3.9%

 U.S.

 Hillsborough County



TOP 5 PROPERTY TAXPAYERS FOR 2022

Tampa Electric Company	\$52.95 M
Hillsborough County Aviation Authority	\$19.43 M
Highwoods / Florida Holding LP	\$9.12 M
Post Apartment Homes LP	\$7.07 M
Mosaic Company	\$6.93 M

Source: Tax Collector of Hillsborough County



TOP 6 HILLSBOROUGH COUNTY EMPLOYERS

MacDill Air Force Base	3.9%
Hillsborough County School Board	3.1%
University of South Florida	2.0%
Hillsborough County Government	1.4%
Publix	1.2%
Baycare Health System	1.1%

Source: Business Development Board of Hillsborough County

REVENUES

Total revenues increased by \$57.6 million or 2.0% from the previous year.

Amounts in Millions	FY 2022	FY 2021	Increase (Decrease)	Percent Change
Governmental Activities:				
Property Taxes	\$ 1,056	973	83	9%
Sales Taxes and State Shared Revenues	655	569	86	15%
Other Taxes	79	58	21	36%
Investment Earnings	(43)	4	(47)	-1175%
Charges for Services	341	327	14	4%
Grants and Contributions	341	447	(106)	-24%
Other Revenues	59	24	35	146%
Total Governmental Activities	2,488	2,402	86	4%
Business-Type Activities:				
Water	345	397	(52)	-13%
Solid Waste	160	136	24	18%
Total Business-Type Activities	505	533	(28)	-5%
Total Revenues	\$ 2,993	2,935	58	2%

Charges for services increased \$14.6 million or 4.5% primarily due to the following: The County's charges for impact/mobility fees increased \$19.4 million which was attributed to increases in permitting for new construction and an increase in ambulance fees of \$3.0 million, which was partially offset by a reduction in code enforcement fees of \$1.5 million and a reduction in public safety fees charged by the Sheriff of \$6.4 million.

Operating grants and contributions decreased \$118.2 million or 33.8%. This decrease was primarily due to a \$135.4 million decrease in CARES and ARPA funding and a decrease in Affordable Housing funding of \$4.3 million. These decreases were partially offset by increases in public safety grant funding of \$8.6 million, human services grant funding of \$10.5 million, and physical environment grant funding of \$2.5 million.

Capital grants and contributions increased \$11.1 million or 11.4%. The increase is primarily due to the award of a U.S. Department of Transportation Build grant of \$25.0 million which was partially offset by reductions in developer contributions to infrastructure of \$10.0 million, a \$3.3 million reduction in private contributions for transportation projects and a reduction in other federal transportation grant funding of \$0.7 million.

Property tax revenues increased \$82.9 million or 8.5% due to a \$17.80 billion or 15.8% increase in the taxable assessed value of real property in Hillsborough County for 2021. The change in assessed values of real estate in fiscal year 2021 affected property tax revenues in fiscal year 2022

because there is a lag from the time of assessment to the time taxes are due. This increase in assessed values for fiscal year 2021 was the result of real property market values rising \$20.13 billion, offset by property tax exemptions rising only \$2.34 billion (since market values less exemptions equal assessed values).

Sales tax revenues and state shared revenues, as a combined category, increased \$86.1 million or 15.1% from the prior year primarily due an increase in discretionary sales tax for transportation of \$44.2 million, a \$1.1 million increase in fuel tax and a \$40.6 million increase in state shared revenues.

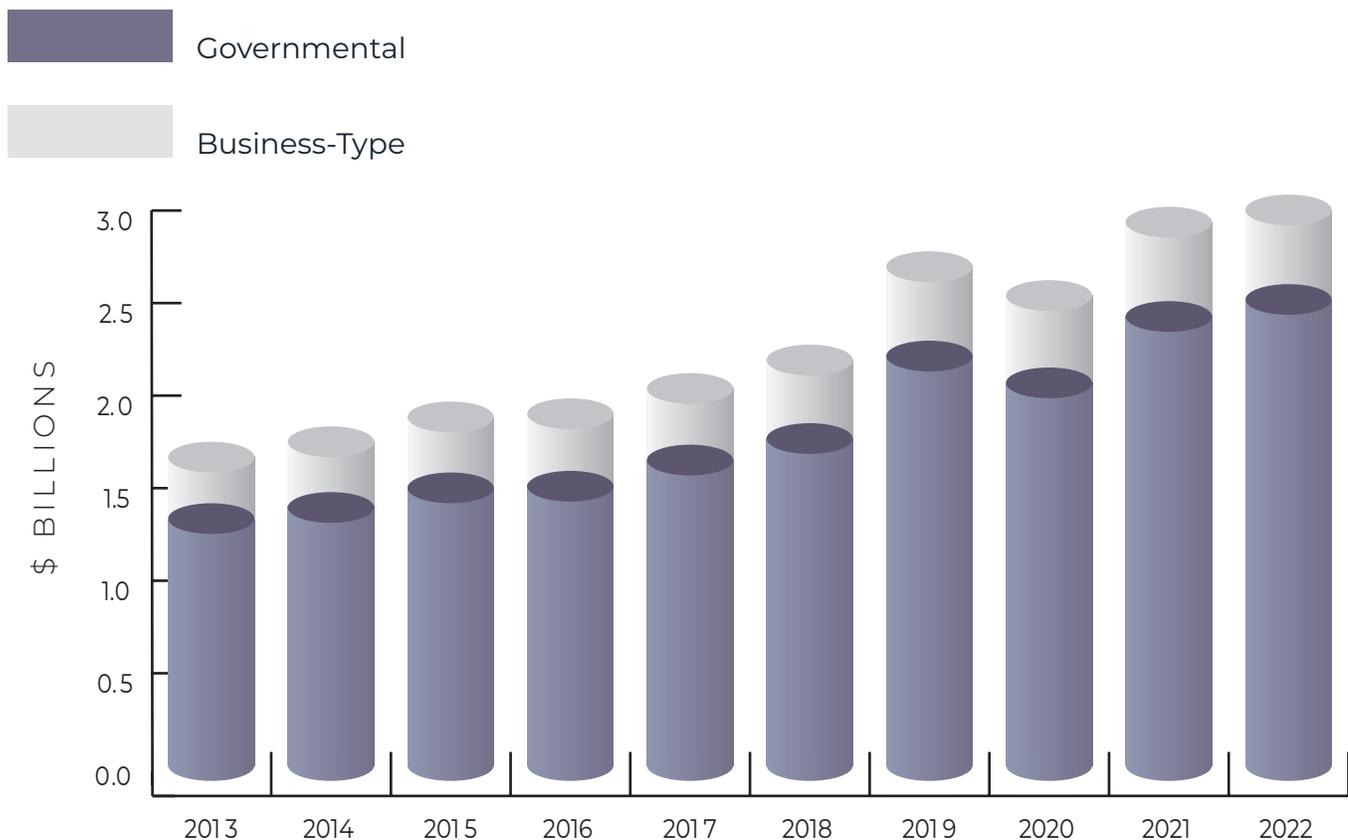
Other taxes increased \$20.2 million or 34.6%, primarily due to a \$20.4 million increase in tourist development taxes from an increase in use of hotels during the year. This increase was partly offset by a \$0.2 million decrease in Communications Services Tax revenues.

Investment earnings, which is the sum of actual interest and changes in the fair value of the investment portfolio, rose \$10.3 million or 288.2% from the previous year. The fiscal year 2022 investment earnings do not include the fair market value change as it has in previous years. The fair market value change has been reported separately in fiscal year 2022 aiding in the large increase from the prior year. The fair market value change for the current year lowers investment earnings by \$56.4 million. This was due to the dramatic increase in interest rates spurred by Federal Reserve action to counter high inflation. The effect was to lower the market value of the existing holdings purchased in the low-rate environment.

Other revenues rose \$26.8 million or 137.6%, primarily due to a \$13.4 million increase in Affordable Housing program income related to sales of affordable housing complexes and an increase of \$2.0 million combined increase in prior year expenditure refunds and prior year revenue adjustments.

REVENUE TRENDS

This chart depicts Governmental and Business-Type Revenue trends for the last ten fiscal years.



EXPENSES

Total expenses increased \$230.8 million or 9.68% from the previous year.

Amounts in Millions	FY 2022	FY 2021	Increase (Decrease)	Percent Change
Governmental Activities:				
General Government	\$ 680	442	238	54%
Public Safety	849	944	(95)	-10%
Physical Environment	61	59	2	3%
Transportation	109	95	14	15%
Economic Environment	86	66	20	30%
Human Services	237	219	18	8%
Culture and Recreation	95	82	13	16%
Interest on Long-term Debt	25	24	1	4%
Total Governmental Activities	2,142	1,931	211	11%
Business-Type Activities				
Water	140	135	5	4%
Solid Waste	333	318	15	5%
Total Business-Type Activities	473	453	20	4%
Total Expenses	\$ 2,615	2,384	231	10%

General government expenses increased \$237.7 million or 53.7%, primarily due to the following: There was an increase of \$195.4 million related to the refunding of the Transportation Surtax revenues to the Florida Department of Revenue after it was deemed unconstitutional by the Florida Supreme Court. In addition, there was a \$23.4 million increase in the pension expense attributable to the general government function, a \$5.1 million increase in OPEB expense attributed to the general government function, a \$5.04 million increase in personnel expenditures, and a \$5.3 million increase in computer software maintenance agreements.

Public safety expenses decreased \$94.4 million or 10.0%, primarily due to the decrease of disaster relief expenditures related to COVID-19 expended in the prior year. The decrease was partially offset by increases in the pension expense allocated to public safety of \$44.9 million and \$17.0 million increase for personnel expenses.

Physical environment expenses increased \$2.2 million or 3.7%, primarily due to an increase of \$2.1 million in the pension expense allocated to physical environment.

Transportation expenses increased \$14.2 million or 14.9% due to items such as the following: an

increase in the allocation of pension expense for transportation of \$3.8 million, an increase of \$2.9 million in utility services, a \$1.8 million increase in maintenance expenses, a \$0.5 million increase in infrastructure preservation costs, and a \$0.8 million increase in other professional services. These increases were partially offset due to a \$3.7 million disposal of infrastructure in the prior year that did not occur in the current year.

Economic environment expenses increased \$20.3 million or 30.8%. The increase is attributable to the following: an increase of \$3.3 million in the pension expense allocated to physical environment, an increase of \$3.3 million in aid to the Tampa Sports Authority for improvements to the Amalie Arena, a \$2.0 million increase in grants and aids spending due to increased tourist development tax collections, an increase of \$3.8 million in aid for affordable housing and homelessness prevention, a \$2.5 million increase in prior year expense adjustments, and a \$4.1 million increase in grants and aids for non-profit organizations. The remaining \$1.3 million stems from various increases and decreases in a variety of expense categories.

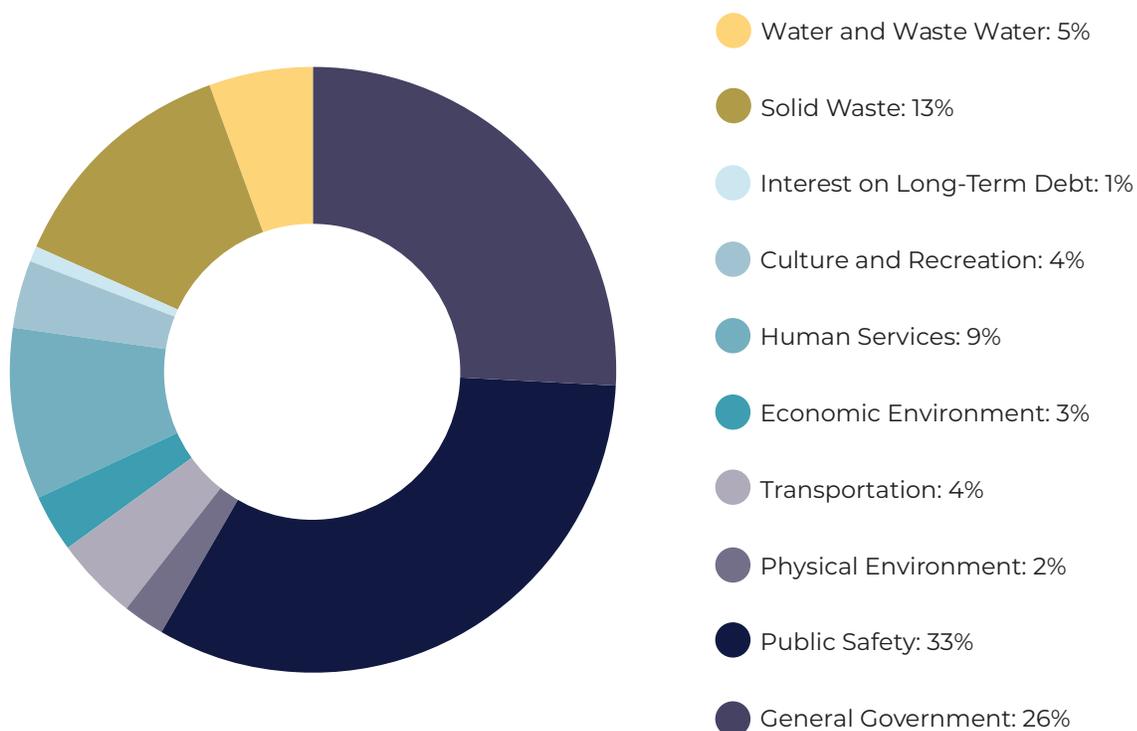
Human services expenses increased \$17.9 million or 8.2% primarily due to an increase in pension expense allocation to human services in the amount of \$11.0 million, an increase in grants and aids of \$10.1 million, and a decrease in indigent care related expenses of \$3.9 million.

Culture and recreation expenses increased \$12.3 million or 15.0% due to an increase in the allocation of pension expenses to culture and recreation* of \$4.6 million, a \$1.1 million increase in personnel expenses, an increase in maintenance expenses of \$2.7 million, an increase in grants and aids of \$1.2 million, an increase in contractual services of \$1.1 million, and various increases and decreases that net to a \$1.6 million increase.

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

COUNTY EXPENSES FOR FISCAL YEAR 2022

This chart shows Hillsborough County Governmental and Business-Type Revenues by Department for fiscal year 2022.



BALANCE SHEET

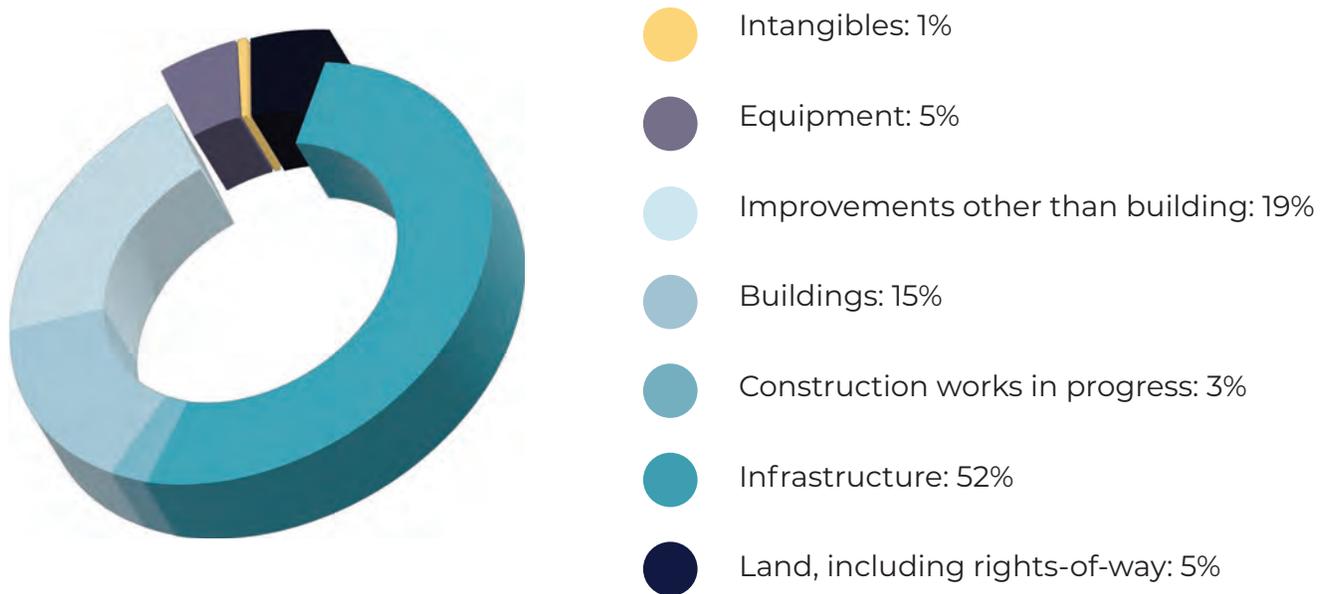
SEPTEMBER 30, 2022

Amounts in Millions	Governmental 2022 Activities	Business-Type 2022 Activities	Total	Prior Year
ASSETS				
Cash and investments	\$ 2,614	980	3,594	3,296
Due from state/federal governments	149	3	152	117
Receivables/other current assets	53	58	111	128
Capital assets, net of depreciation	8,336	1,480	9,816	9,636
Notes receivable/noncurrent assets	--	106	106	121
Total assets	11,152	2,627	13,779	13,298
DEFERRED OUTFLOW OF RESOURCES				
Bond refunding losses	2	3	5	6
Pensions	261	13	274	238
Postemployment benefits (OPEB)	66	1	67	56
Purchase price in excess of book value	--	5	5	5
Total deferred outflows	329	22	351	305
LIABILITIES				
Accounts payable	344	74	418	362
Accrued payroll liabilities, etc.	32	2	34	45
Unearned revenues	269	29	298	206
Deposits payable	16	19	35	27
Long-term liabilities	1,912	679	2,591	2,012
Total liabilities	2,573	803	3,376	2,652
DEFERRED INFLOWS OF RESOURCES				
Pensions	79	4	83	675
Postemployment benefits (OPEB)	23	1	24	8
Lease revenue	0	1	1	1
Total deferred inflows	102	6	108	684
NET POSITION (EQUITY)				
Net invested in Capital Assets	7,530	983	8,513	8,374
Restricted	1,065	80	1,145	1,150
Unrestricted	211	777	988	744
Total net position	\$ 8,806	1,840	10,646	10,268

The balance sheet shows the financial position at the end of the fiscal year compared to the prior year. The balance sheet and other statements in this report were summarized from the *Hillsborough County, Florida Annual Comprehensive Financial Report*. To simplify the presentation, the statements in this Financial Summary Report are not in GAAP format. “Deferred Outflows of Resources” are consumptions of resources, like prepaid expenses, which will be recognized as expenses in the future. “Deferred Inflows of Resources” are acquisitions of resources that will be recognized as revenues in the future. The restricted net position represents equity that may be used only as specified by debt covenants, grantors, laws or regulations, other governments, or other external restrictions. The County had an unrestricted net position of \$210,796,000 and \$776,937,000 for governmental and business-type activities, respectively.

The increase in Total Net Position from \$10,267,593,000 to \$10,646,250,000 indicates the County’s financial position increased by 3.7% from the previous year.

CAPITAL ASSETS



BUSINESS-TYPE ACTIVITIES

The **Water Enterprise** provides potable water as well as the collection, treatment, and environmentally safe disposal of wastewater for the County’s unincorporated area residents. The Water Enterprise’s principal assets consist of four water and seven wastewater treatment plants. Water program revenues increased \$21.5 million or 6.8% from the previous year primarily due to these factors: Water, wastewater and reclaimed water charges increased \$24.1 million, nonoperating revenues decreased \$2.5 million primarily due to a small decrease in interest earnings and asset disposal gains of \$58,000 decreased to zero as there was a disposal loss of \$0.7 million recorded. Water program expenses increased by \$30.9 million primarily due to the following: \$2.8 million increase in employee services; \$2.6 million increase in repairs and maintenance; \$1.2 million increase in utilities; a \$4.1 million increase in pension expense and a \$1.6 million increase in depreciation expense.

The **Solid Waste Enterprise** primarily provides solid waste collection and disposal services to the County’s unincorporated area residents and businesses. The Solid Waste System’s principal assets include a waste-to-energy plant, a 1,500-acre sanitary landfill, and neighborhood refuse collection sites. The Solid Waste Enterprise’s program revenues increased \$26.5 million or 19.5% compared to the prior year due to an increase in residential disposal and collection assessments, recycling revenues, and commercial of \$26.3 million while electric generation, recycling, and electric sales to the Public Utilities department decreased by \$0.6 million. Solid Waste program expenses increased \$10.6 million primarily due to an increase in contractual services of \$16.6 million partially offset by a \$11.9 million decrease in landfill closure and post-closure care costs.

LONG-TERM LIABILITIES

At September 30, 2022, the County had 20 bonded debt issues outstanding for a variety of purposes including the construction or acquisition of parks and recreation facilities, court facilities, environmentally sensitive land, solid waste facilities, and water/wastewater treatment systems. Bonded debt outstanding and other long-term liabilities, which include amounts due within one year, at September 30, 2022, were as follows:

Amounts in Millions		2022	2021	Increase / (Decrease)
General obligation bonds	\$	105	109	(4)
Revenue bonds		1,231	1,297	(66)
Total bonded debt		1,336	1,406	(70)
Notes payable		46	57	(11)
Direct borrowings and placements		63	63	0
Compensated absences payable		64	63	1
Insurance claims payable		41	42	(1)
Net pension liability		1,041	398	643
Total OPEB liability		141	140	1
Other long-term debt		36	45	(9)
Total long-term liabilities	\$	2,768	2,214	554

On September 30, 2022, the County's general obligation debt was rated AAA by Moody's Investors Service, AAA by Standard & Poor's, and AAA by Fitch Ratings. These are the highest attainable credit ratings.

DEBT SERVICE COVERAGE OF GOVERNMENTAL REVENUE BONDS

This chart shows that pledged revenues were 5.45 times greater than the amount needed for debt service on the County's governmental revenue bonds during fiscal year 2022.

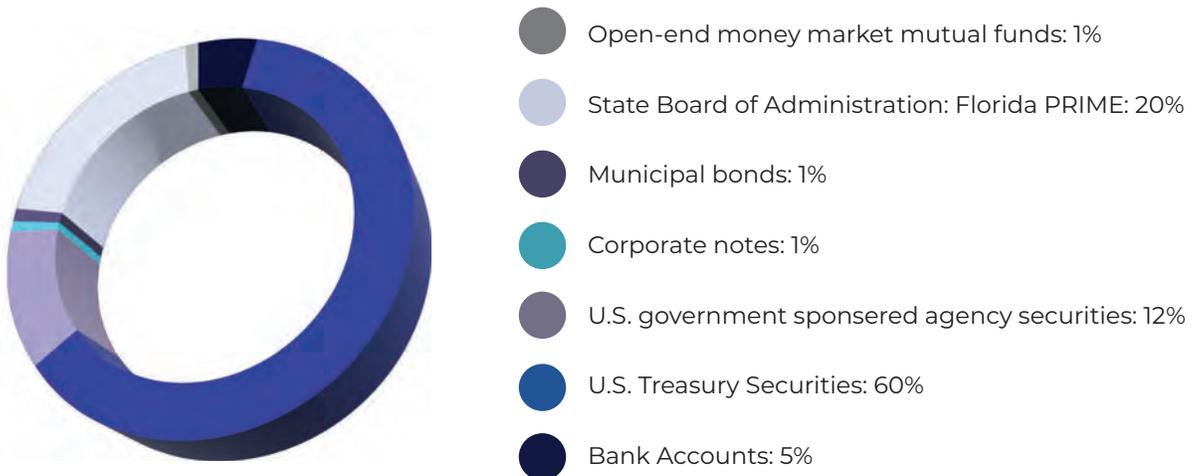


CASH & INVESTMENTS

The County manages its investment portfolio with the primary objectives of safeguarding principal, ensuring liquidity to meet daily cash needs, and maximizing investment earnings within statutory and fiduciary requirements. The Board of County Commissioners Investment Pool has Standard & Poor's highest rating of AAAf. It also had an overall annual rate of return for the fiscal year of 2022 of 0.76% compared to the benchmark rate of 0.08%. On September 30, 2022, the County investment portfolio was invested as shown below:

Cash & Investments	Amounts in Millions	Percentage of Total
Bank accounts	\$ 185	5%
U.S. Treasury securities	2,213	60%
U.S. government sponsored agency securities	422	12%
Corporate notes	43	1%
Municipal bonds	22	1%
State Board of Administration: Florida PRIME	742	20%
Mutual funds	7	--
Open-end money market mutual funds	35	1%
Total cash and investments	3,669	100%
Less: Amounts held in trust for non-County entities	(75)	
Total Primary Government Cash and Investments	\$ 3,594	

This chart depicts Hillsborough County's Cash and Investments Portfolio by Type of Investment at September 30, 2022.





Scan to view the Annual Comprehensive Financial Report

Visit us online at:

hillsclerk.com