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HILLSBOROUGH COUNTY 2022 CITIZENS REPORT

YOUR ACCESS TO COUNTY FINANCES

Demographics • Trends • Public Finances
Financial Summary Report
Fiscal Year Ended September 30, 2021



A MESSAGE FROM **CINDY STUART** CLERK OF COURT & COMPTROLLER

Dear Hillsborough County Residents,

I am pleased to share the *Hillsborough County, Florida Financial Summary Report for the Fiscal Year, which ended on SEPTEMBER 30, 2021*. For your convenience, we are making the report available in print and online as a digital edition.

The *Financial Summary Report* was derived from the *Hillsborough County, Florida Annual Comprehensive Financial Report (ACFR)*. The ACFR consists of over 260 pages of detailed financial statements, notes, schedules, and reports.

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

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

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

Sincerely,

Cindy Stuart

Cindy Stuart

PRINCIPAL OFFICIALS

BOARD OF COUNTY COMMISSIONERS

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

- ✓ Pat Kemp, Chair
- ✓ Kimberly Overman, Vice-Chair
- ✓ Stacy White, Board Chaplain
- ✓ Harry Cohen
- ✓ Ken Hagan
- ✓ Gwen Myers
- ✓ Mariella Smith

CONSTITUTIONAL OFFICERS

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

- ✓ Cindy Stuart
Clerk of Circuit Court
- ✓ Chad Chronister
Sheriff
- ✓ Bob Henriquez
Property Appraiser
- ✓ Craig Latimer
Supervisor of Elections
- ✓ Nancy C. Millan
Tax Collector



**Hillsborough
County Florida**

www.hcflgov.net

APPOINTED OFFICIALS

- ✓ Bonnie M. Wise
County Administrator
- ✓ Christine M. Beck
County Attorney

REVENUES

Total revenues increased \$390 million or 15.3% from the previous year.

Amounts in Millions	Fiscal Yr 2021	Fiscal Yr 2020	Increase (Decrease)	Change
Governmental Activities:				
Property Taxes	\$ 973	895	78	9%
Sales Taxes and State Shared Revenues	569	564	5	1%
Other Taxes	58	50	8	16%
Investment Earnings	4	51	(47)	-92%
Charges for Services	327	267	60	22%
Grants and Contributions	446	219	227	104%
Other Revenues	24	26	(2)	-8%
Total Governmental Activities	2,401	2,072	329	16%
Business-Type Activities:				
Water	397	356	41	12%
Solid Waste	136	116	20	17%
Total Business-Type Activities	533	472	61	13%
Total Revenues	\$ 2,934	2,544	390	15%

Governmental activities are activities supported primarily by taxes, state-shared revenues, charges for service, or federal and state grants. Governmental activities consist of all activities not included in the business-type activities category.

Business-type activities are activities supported by fees and user charges set to recover the cost of services provided. Business-type activities consist of the Water and the Solid Waste utilities.

Property Taxes increased by \$78.3 million due to a \$9.3 billion or 8.2% increase in the assessed value of the taxable real estate in Hillsborough County during the fiscal year 2020. This increase was primarily the result of real estate market values rising \$11.3 billion, offset by property tax exemptions rising only \$2.0 billion.

Sales Taxes consist of discretionary sales surtaxes such as the Community Investment Tax and the Health Care Sales Surtax. State-shared revenues consist of revenues received from the state of Florida such as the Local Government Half-Cent Sales Tax, state revenue sharing proceeds, the Constitutional Fuel Tax, and County Fuel Tax. The \$27.3 million increase in state-shared revenues and the \$1.6 million increase in Fuel Taxes due to a rebound in the state's economy was partly offset by a decrease in discretionary sales tax after the Florida Supreme Court ruled the County's Transportation Improvement Sales Surtax unconstitutional.

Investment Earnings decreased by \$(47.0) million due to a lower rate of return on the County's investment portfolio.

Charges for Services increased by \$59.8 million primarily due to increased activity in virtually all facets of government as the threat of the COVID-19 waned and business started to return to normal.

Grants and Contributions as a whole increased by \$228.2 million from the previous year due to increases in CARES Act funding and Transportation grant funding partly offset by the end of Hurricane Irma disaster relief and decreased public safety grant funding.

Other Revenues decreased by \$(2.3) million primarily due to increases in gains on the sale of capital assets offset by decreases in inventories.

Water Utility Revenues increased by \$41.1 million primarily due to an increase in charges for services of \$19.0 million and an increase of \$33.8 million in capital contributions from developers, partially offset by a decrease of \$(4.6) million in transfers and a decrease in investment earnings of \$(7.1) million.

Solid Waste Revenues increased by \$19.5 million due to a \$23.8 million increase in operating fees offset by decreases in nonoperating revenues of \$(4.3) million.

EXPENSES

Total expenses increased \$60 million or 2.6% from the previous year.

Amounts in Millions	Fiscal Yr 2021	Fiscal Yr 2020	Increase (Decrease)	Change
Governmental Activities:				
General Government	\$ 442	434	8	2
Public Safety	944	817	127	16%
Physical Environment	59	55	4	7%
Transportation	95	126	(31)	-25%
Economic Environment	66	92	(26)	-28%
Human Services	219	268	(49)	-18%
Culture and Recreation	82	93	(11)	-12%
Interest on Long-Term Debt	24	23	1	4%
Total Governmental Activities	1,931	1,908	23	1%
Business-Type Activities:				
Water	318	305	13	4%
Solid Waste	135	111	24	22%
Total Business-Type Activities	453	416	37	9%
Total Expenses	\$ 2,384	2,324	60	3%

General government expenses include categories such as administrative, financial, court-related, budgeting and accounting, property assessments and tax collection, master planning, and zoning. General government expenses increased by \$8.4 million due to a variety of reasons. There was an increase of \$66.0 million related to the distribution of impact fees to the School Board in fiscal year 2021 for the construction of schools, a \$2.5 million decrease in Sheriff operating expenses, a \$2.5 million decrease in worker's compensation and a decrease in the general government function of \$53 million.

Public Safety Expenses protect people and property. This category includes costs of the Sheriff, Fire Rescue, the Medical Examiner, Consumer Affairs, building inspections, and emergency and disaster relief services. Expenses increased by \$126.5 million primarily due to a \$190.4 million increase in disaster relief expenditures related to COVID-19. There was also an increase in insurance expenses of \$7.4 million, claims of \$5.3 million, contracts of \$5.4 million, and wages and benefits of \$22.8 million. These increases were offset by a decrease in the pension expense allocated to public safety of \$101.5 million.

Physical Environment Expenses are associated with conserving and managing natural resources such as air, water, soil, and wildlife, as well as controlling pollution. Expenses increased by \$4.2 million which was attributable to an increase of \$3.8 million in infrastructure preservation expenses and various increases and decreases in expenditures that net to an increase of \$0.4 million.

Transportation Expenses are related to maintaining county roads, bridges, street lighting, other infrastructure, and highway safety projects. Expenses decreased by \$31.3 million mainly due to a decrease in infrastructure preservation expenses of \$14 million and infrastructure disposals of \$4.5 million, a \$9.7 million reduction in the allocation of pension expenses* for transportation, as well as a prior year grant expenditure reduction of \$3 million for road construction work in progress.

Economic Environment Expenses are related to new business promotion and development; housing assistance and rehabilitation programs; and disadvantaged minority, women-owned, and small business enterprise programs. Expenses decreased by \$25.6 million due to a decrease in the pension expense* allocation to the economic environment of \$9.8 million, a decrease in payments to the Tampa Sports Authority of \$19.9 million, and an increase in distribution to the city of Tampa of \$4.7 million.

Human Services Expenses include providing services such as health care for the poor, public assistance, care for the elderly, social services, as well as animal and mosquito control. Expenses decreased by \$48.7 million primarily due to a decrease in pension expense* allocation to human services for \$30.2 million, a decrease in grants and aids of \$12.4 million, and a decrease in professional services expenses of \$5.5 million.

Culture and Recreation Expenses are associated with libraries, parks, and recreational facilities. Expenses decreased by \$11.8 million primarily due to decreased pension expense allocation*.

*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.



BALANCE SHEET

September 30, 2021

Amounts in Millions	Governmental Activities	Business-Type Activities	Total	Prior Yr.
ASSETS				
Cash and Investments	\$ 2,390	906	3,296	2,830
Due from State/Federal Governments	115	3	118	128
Receivables/Other Current Assets	69	58	127	90
Capital Assets, Net of Depreciation	8,143	1,493	9,636	9,335
Notes Receivable/Noncurrent Assets	--	121	121	178
Total Assets	10,717	2,581	13,292	12,561
DEFERRED OUTFLOWS OF RESOURCES				
Bond Refunding Losses	3	3	6	7
Pensions	226	12	238	375
Postemployment Benefits (OPEB)	55	1	56	35
Purchase Price in Excess of Book Value	--	5	5	6
Total Deferred Outflows	284	21	305	423
LIABILITIES				
Accounts Payable	315	47	362	405
Accrued Payroll Liabilities, etc.	41	4	45	41
Unearned Revenues (Taxes or Other Revenues Received but Not Yet Earned)	182	24	206	237
Deposits Payable	9	18	27	18
Long-Term Liabilities	1,346	665	2,011	2,528
Total Liabilities	1,893	758	2,651	3,229
DEFERRED INFLOWS OF RESOURCES				
Pensions	640	35	675	32
Post Employment Benefits (OPEB)	7	--	7	6
FEMA Reimbursement	1	--	1	--
Total Deferred Inflows	648	35	683	38
NET POSITION (Equity)				
Net Invested in Capital Assets	7,312	1,069	8,381	8,186
Restricted	1,803	123	1,926	1,170
Unrestricted	(665)	617	(38)	361
Total Net Position	\$ 8,460	1,809	10,269	9,717

The balance sheet shows the financial position of the County at the end of the fiscal year compared to the prior year. The balance sheet and other statements in this report were summarized from the Hillsborough County, *Florida 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 (\$655 million) and \$617 million, for governmental and business-type activities, respectively.

The increase in Total Net Position from \$9,717 million to \$10,269 million indicates the County’s financial position increased by 5.7% from the previous year.

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 2021 of 1.08%, compared to the benchmark rate of 0.04%. On September 30, 2021, the County investment portfolio was invested as shown below:

	Amounts in Millions	Percentage of Total
U.S. Treasury and Govt. Sponsored Agency Securities	\$ 2,382	69.2%
Bank Accounts	214	6.2%
Government-Only Money Market Mutual Funds	79	2.3%
State Board of Administration’s Florida PRIME Investment Pool	708	20.6%
Corporate Notes and Commercial Paper	28	0.8%
Municipal Bonds	33	0.9%
Total Cash and Investments	3,444	100%
Less Amounts Held in Trust for Non-County Entities	(148)	
County’s Total Cash and Investments	\$ 3,296	

LONG-TERM LIABILITIES

As of September 30, 2021, the County had 23 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 on September 30, 2021, were as follows:

Amounts in Millions	2021	2020	Change
General Obligation Bonds	\$ 109	112	(3)
Revenue Bonds	1,297	982	315
Total Bonded Debt	1,406	1,094	312
Notes Payable	57	73	(16)
Direct Borrowings and Placements	63	56	7
Compensated Absences Payable	63	61	2
Net Pension Liability	298	1,267	(869)
Insurance Claims Payable	42	35	7
Net OPEB Liability	140	117	23
Other Long-Term Debt	45	44	1
Total Long-Term Liabilities	\$ 2,214	2,747	(533)

On September 30, 2021, 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 2.0 times greater than the amount needed for debt service on the County's governmental revenue bonds during fiscal year 2021.





Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**Hillsborough County
Florida**

For its Annual Financial Report
for the Fiscal Year Ended

September 30, 2020

Christopher P. Morill
Executive Director/CEO

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, 2020*. 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.

Clerk of Court & Comptroller's Strategic Priorities

Dedicated to serving the public by providing excellent customer service and safeguarding your records and the public's financial assets and dollars with equity, transparency and independence.

PEOPLE AND TRAINING:

Secure and retain highly effective teams and leaders through smart recruitment, relevant and applicable training and development, and pathways to internal success strategies

BRAND & COMMUNICATION:

Ensure our brand represents and identifies with the strategic priorities while educating constituents on the values of the Office

DIVERSITY, EQUITY AND INCLUSION (DEI):

Foster a culture that embraces diversity, equity and inclusion so that we may serve our constituents "where they are" and develop a workforce that mirrors the diversity of the communities we serve

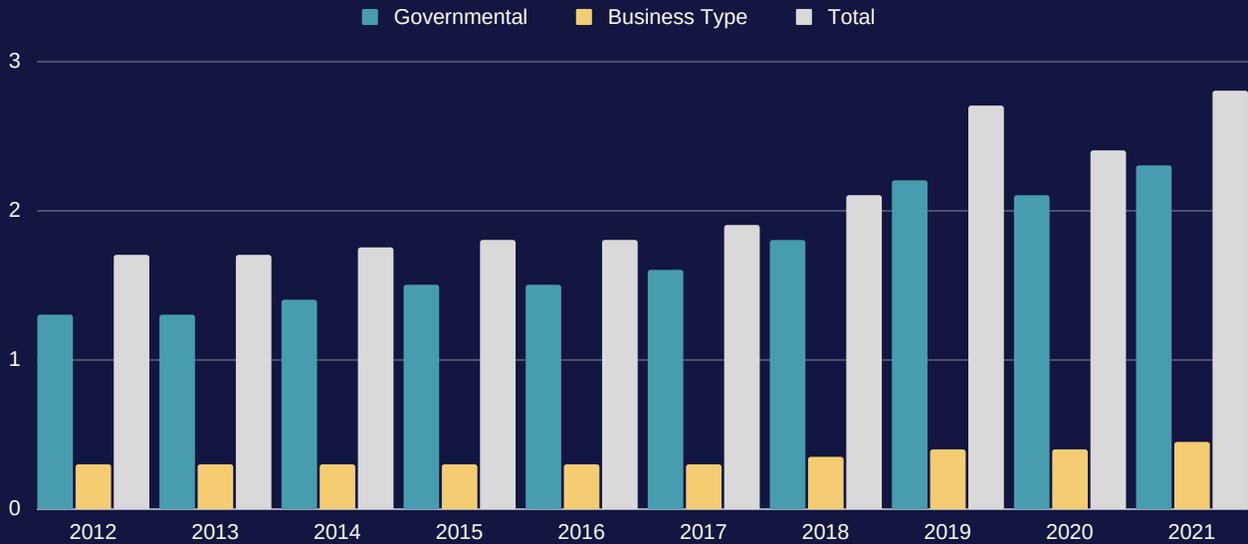
GOVERNMENT RELATIONS & COMMUNITY PARTNERSHIPS:

Build and leverage effective relationships to advocate for the needs of the Clerk's Office as well as the community we serve

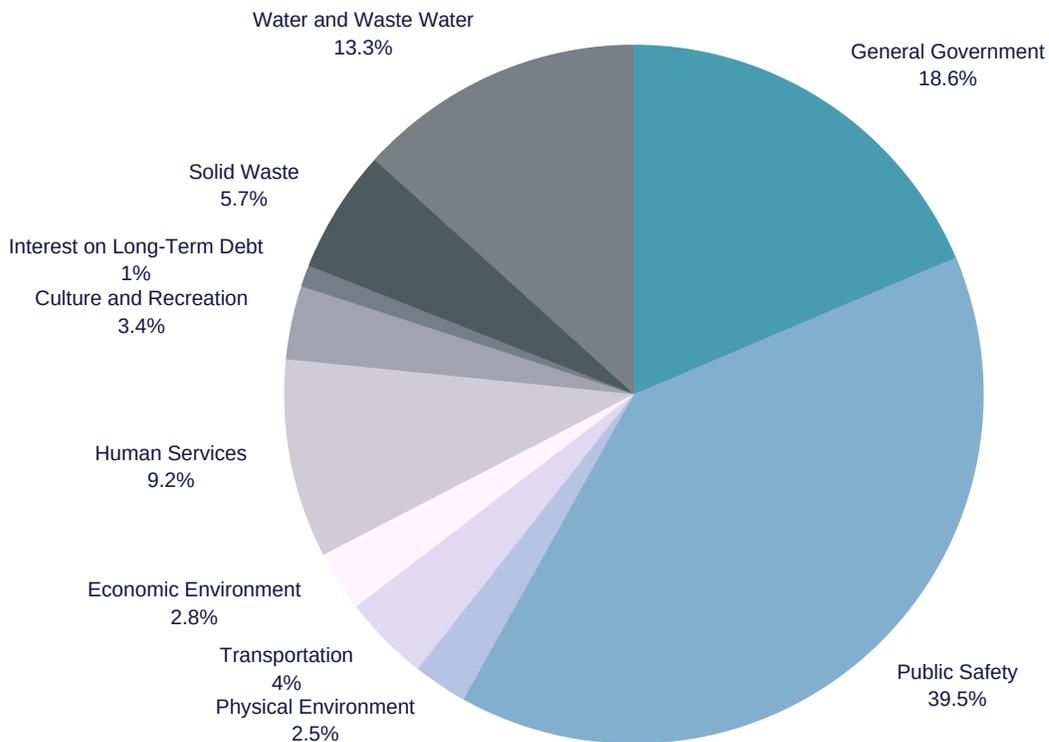
To learn more about Clerk of Court & Comptroller functions and services, visit www.hillsclerk.com. To learn more about Hillsborough County functions and services, visit www.hcflgov.net.

REVENUE TRENDS

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



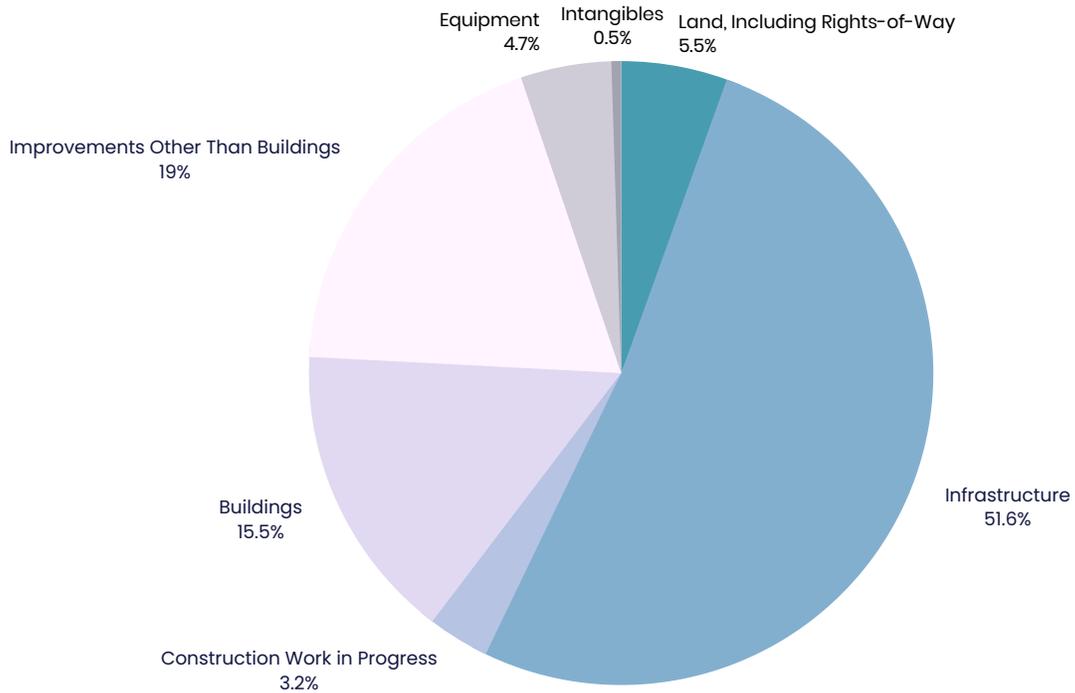
COUNTY EXPENSES FOR FISCAL YEAR 2021



This chart shows Hillsborough County Governmental and Business-Type Revenues by Function for fiscal year 2021.

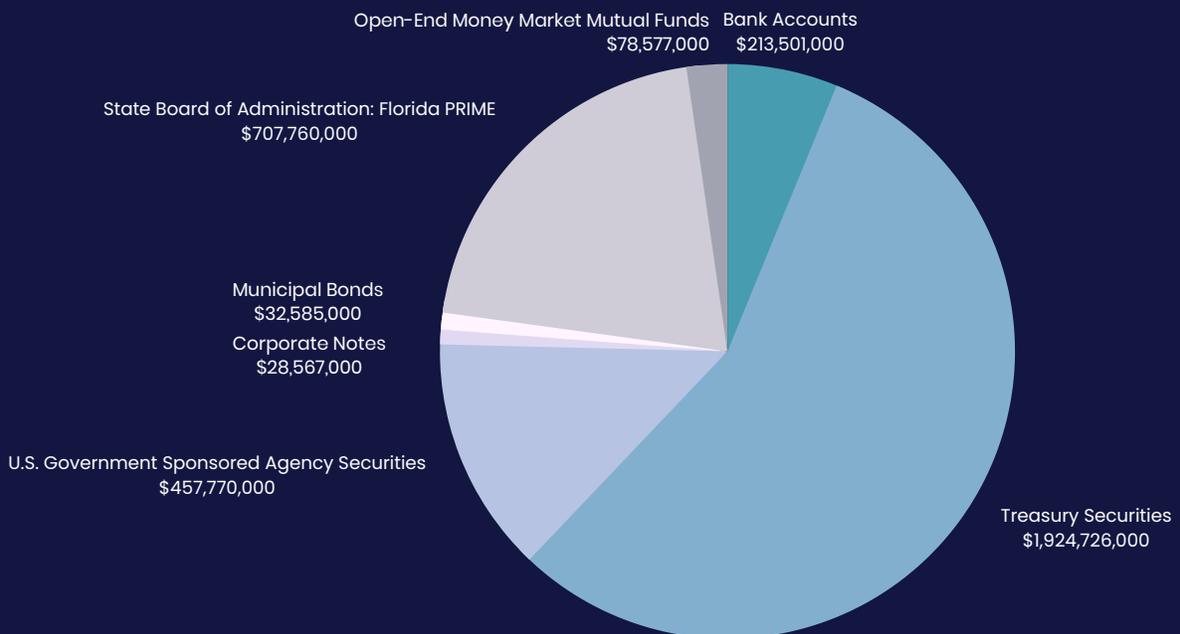
CAPITAL ASSETS

This chart shows Hillsborough County's total Primary Government Capital Assets by Asset Type at September 30, 2021



CASH AND INVESTMENTS

This chart depicts Hillsborough County's Cash and Investments Portfolio by Type of Investment at September 30, 2021



ACTUAL AND ASSESSED REAL ESTATE VALUES

This chart depicts the estimated actual value of real property versus the assessed value of that property in billions for the last five years. The difference between the estimated actual and assessed values is attributable to homestead and other exemptions. Real estate valuations have been on the rise for the past five years. Please refer to the ACFR for more information.



HILLSBOROUGH COUNTY UNEMPLOYMENT RATE

The County's unemployment rate improved from 2017 through 2019, but the effects of COVID-19 reversed that trend. In 2021, a downward trend resumed.



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