Hillsborough County, Florida
Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2012

Grant-Funded Programs at Hillsborough County, Florida

Federal, state and other grants represent a significant source of funding for services provided by Hillsborough County. Intergovernmental grant revenues were $121 million or 9% of total County governmental fund revenues. Listed below are some of the grants received by the County that had activity during fiscal year 2012:

- Head Start
- Early Head Start
- RNC Law Enforcement
- Community Services Block Grant
- Sunshine Line
- National School Lunch Program
- Neighborhood Stabilization Program
- Emergency Shelter Care
- Community Care for the Elderly
- Hillsborough County Energy Efficiency and Conservation
- Community Development Block Grant
- State Aid to Libraries
- State Housing Initiatives Partnership (SHIP) Program
- JAG Drug Court Expansion
- JAG Medical Examiner
- Home Investment Partnership Program
- Child Care - School Readiness
- Plant City Courthouse
- Aging Services – Congregate and Home Delivered Meals
- Ryan White HIV/AIDS
- State Homeland Security grant
- Anti-Gang Expansion
- Child Protection Investigation
- Federal Highway Administration
- Low Income Home Energy Assistance
- County Clean Air Program
- USF Area Duck Pond Drainage Improvement

Cover photos provided courtesy of the Communications Department.
Descriptions of cover photos, counterclockwise from upper left, are as follow:

Built in 1926, the **Columbus Drive Bridge** is one of two remaining bobtail swing bridges in the state of Florida. It was completely rehabilitated and upgraded to current standards in 2012. The major repairs included reconditioning/replacing the mechanical bridge elements, replacing the electrical bridge control system and bridge roadway deck grating, repairing the concrete and steel structure, painting the bridge, and reconstructing the tender house. Federal Highway grant funds provided $3.4 million or about 32% of project costs.

Also built in 1926, the **Platt Street Bridge** in downtown Tampa serves as a vital link between South Tampa and the downtown business district. The Platt Street Bridge was designed by the same company that designed the Golden Gate Bridge and was granted a historic designation in 2006. The bridge was completely rehabilitated and upgraded to current standards, very similar to Columbus Drive Bridge. Federal Highway grant funds provided $5.7 million or about 46% of project costs.

The widening of **Bruce B. Downs Boulevard** consists of four project segments in three construction phases. Construction has started for Segments B and C (Phase I, 3.5 miles) from south of Palm Springs Blvd. to south of Pebble Creek Drive. This project will change Bruce B. Downs Blvd. from a four-lane to an eight-lane divided road. It will also include some landscaped medians, a five foot sidewalk on the west side of the road, a ten-foot asphalt path on the east side of the road, and bus bays where appropriate. Total expenditures for this project through fiscal year 2012 were $68.8 million, with $28.7 million from Federal Highway grant funds and $2.9 million from the Florida Department of Transportation.

See the four divider pages of this document for more information and photos on grant programs at Hillsborough County.

Hillsborough County, Florida

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2012

Prepared by: County Finance Department
Pat Frank, Clerk of Circuit Court

HILLSBOROUGH COUNTY, FLORIDA
List of Principal Officials
In Office on September 30, 2012

Board of County Commissioners

Ken Hagan, *Chair*
Sandra L. Murman, *Vice-Chair*
Kevin Beckner
Victor D. Crist
Al Higginbotham
Lesley "Les" Miller, Jr.
Mark Sharpe

Constitutional Officers

Pat Frank, *Clerk of Circuit Court*
Doug Belden, *Tax Collector*
David Gee, *Sheriff*
Earl Lennard, *Supervisor of Elections*
Rob Turner, *Property Appraiser*

Appointed Officials

Michael S. Merrill, *County Administrator*
Donald R. Odom, Interim *County Attorney*

HILLSBOROUGH COUNTY, FLORIDA
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2012

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Cover and divider photographs provided by the Hillsborough County Communications Department.

Introductory Section

Sunshine Line is a service of the Hillsborough County Board of County Commissioners, funded by the County, state and federal grants, and user fees. Their mission is to provide safe, cost-effective transportation to those who, because of disability, age, or income, are unable to obtain their own transportation.

Door-to-door service is provided by County staff in County-owned vehicles. Vehicles are wheel-chair-lift equipped and meet Americans with Disabilities Act standards. Bus passes are issued to those who are able to ride Hillsborough Area Regional Transit (HART) buses. HART is an independent mass transit agency not affiliated with Hillsborough County. Transportation is provided primarily to medical appointments and the County's Aging Services Department day care and nutrition sites, but nonmedical trips are provided if space is available.

Photos courtesy of the Communications Department

PAT FRANK

Clerk of the Circuit Court
13th Judicial Circuit

March 15, 2013

To the Residents of Hillsborough County, Florida:

The *Hillsborough County, Florida, Comprehensive Annual Financial Report* (CAFR) *for the fiscal year ended September 30, 2012*, is a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited by independent certified public accountants in accordance with auditing standards generally accepted in the United States.

Legal Requirements The CAFR was prepared by the County Finance Department of the Clerk of Circuit Court in accordance with Sections 218.32 and 218.39, Florida Statutes. The Clerk of Circuit Court, as chief financial officer of Hillsborough County, assumes full responsibility for the completeness and reliability of the information presented in this report. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Internal Control Hillsborough County has established a comprehensive internal control framework designed to ensure that the County's assets are protected from loss, theft, or misuse, and that sufficient reliable accounting information is compiled to allow for financial statement preparation in conformity with GAAP. Since the cost of internal controls should not outweigh their benefits, the County's internal controls have been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement.

Independent Audits The Hillsborough County financial statements were audited by Cherry Bekaert LLP, an independent certified public accounting firm, in accordance with Sections 11.45 and 125.01, Florida Statutes. The goal of the independent audit was to provide reasonable assurance that the financial statements of Hillsborough County for the fiscal year ended September 30, 2012, were free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based on their audit, the independent auditors concluded that there was a reasonable basis for rendering an unqualified opinion that the Hillsborough County financial statements for the fiscal year ended September 30, 2012, were fairly presented in conformity with GAAP.

As a recipient of federal and state financial assistance, the County is responsible for maintaining an adequate internal control framework to ensure compliance with applicable laws and regulations related to these programs. This internal control framework is reviewed

by the County's independent auditors when they conduct the annual federal and state Single Audits, which cover major federal grant programs and state grant projects, respectively. The federal and state Single Audits were designed to meet the requirements of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations;* as well as Section 215.97, Florida Statutes, respectively. The independent auditors' Single Audit reports, including any findings and recommendations, the Schedule of Expenditures of Federal Awards, and the Schedule of Expenditures of State Financial Assistance are available in a separately issued *Single Audit Report*.

Management's Discussion and Analysis (MD&A) The MD&A is a significant part of the CAFR. The MD&A is a narrative introduction, overview, and analysis of the financial statements and should be read in conjunction with this letter of transmittal. The MD&A also provides a brief overview of the CAFR's contents.

County Profile Hillsborough County, created in 1834 as Florida's 19th county, is located along the west coast of Florida. The County covers 1,266 square miles, of which 215 square miles cover water areas. Hillsborough County's 2011 population of 1,238,890 exceeded the population of each of the following states: Alaska, Delaware, Montana, North Dakota, Rhode Island, South Dakota, Vermont, and Wyoming. Hillsborough County is empowered to levy property taxes on certain real and personal property located in the county as well as to levy certain sales, fuel, and communications taxes. The County also receives revenues from other sources such as state and federal grants, state revenue sharing, special assessments, licenses and permits, fines and forfeitures, investment earnings, and miscellaneous revenues. During fiscal year 2012, the County's revenues from all sources were approximately $1.7 billion.

Hillsborough County operates under a home-rule charter enacted by the voters on September 20, 1983. Charter powers address self-government and cannot conflict with general law or special law approved by the voters. The established legislative body of the County is the Board of County Commissioners (BOCC), a seven-member body elected by County voters. Specifically designated governmental functions are performed by separately elected constitutional officers who are elected at-large. These separately elected officers are the Clerk of Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector.

Services Provided The Hillsborough County reporting entity provides a full range of services including law enforcement, construction and maintenance of roads and bridges, animal services, social service programs, children's services, aging services, comprehensive planning and growth management, environmental protection, property assessment and tax collection, official records, a variety of court-related support functions, fire protection and emergency rescue, water, wastewater and solid waste disposal services, stormwater management, indigent health care, parks and recreational facilities, libraries and cultural events, emergency disaster planning and response, economic development, and agricultural cooperative extension services.

Financial Reporting Entity The separately elected members of the BOCC and the Constitutional Officers together are the officials who are accountable to the residents of Hillsborough County. The officials holding these offices on September 30, 2012, are

identified on the page before the table of contents. The organizations of the BOCC and the Constitutional Officers together comprise the Hillsborough County primary government.

This report covers the Hillsborough County reporting entity, which includes the primary government as well as the component units. Component units are legally separate entities for which the primary government is financially accountable. Component units are classified as either blended or discretely presented component units depending on the nature of the entity's relationship with the primary government. Even though blended component units are legally separate entities, they are included as a part of the primary government because they are in substance a part of the primary government's operations. The Hillsborough County Civil Service Board is the County's only blended component unit. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize their legal separation from the primary government. The Neighborhood Dependent Special Districts, the Housing Finance Authority of Hillsborough County, the Law Library Board, and the Hillsborough County City-County Planning Commission are reported as discretely presented component units.

The Tampa Sports Authority, Hillsborough Transit Authority, Hillsborough County Hospital Authority, Arts Council of Hillsborough County, Hillsborough County Aviation Authority, Tampa Port Authority, Hillsborough County School District, Children's Board of Hillsborough County, Tampa-Hillsborough County Expressway Authority, Hillsborough County Public Transportation Commission, and other independent special districts are not a part of the Hillsborough County reporting entity, so they are excluded from this report. More information on the financial reporting entity may be obtained in Note 1.A. of the Notes to the Financial Statements.

Budgetary Controls The County maintains extensive budgetary controls. The objective of these controls is to ensure compliance with the legal, legislative, and contractual provisions affecting the County, which are incorporated into the annually appropriated budget. Budgetary control for the BOCC is maintained at the character level within each department and fund. Characters are broad categories of expenditures: personal services, operating expenditures, capital outlay, debt service, and grants and aids. This level of control is greater than that required by Florida Statutes. Budgetary control includes a comparison of encumbrances, pre-encumbrances, and actual expenditures to appropriations before issuing purchase orders or payments. This control is performed by automated edit checks in the accounting system. Expenditures that exceed appropriations require the BOCC to approve a budget amendment before processing, unless immediate payment is needed for statutory or emergency operational requirements and total expenditures do not exceed the fund's budgetary total. These emergency expenditures are subsequently authorized by a budget amendment. Encumbrances are canceled at year-end and, if necessary, are reestablished in the new fiscal year subject to available appropriations. Expenditures by the Constitutional Officers are controlled by appropriations at the fund level in accordance with Florida Statutes.

The BOCC prepares a biennial budget for annually appropriated governmental and proprietary funds using the modified accrual basis of accounting. The BOCC maintains a five to six-year capital improvement program, which is updated and approved annually.

Cash and Investments At September 30, 2012, the Hillsborough County Primary Government had total cash and investments of $1.842 billion. Most of this amount, $1.679 billion, was in the Hillsborough County Investment Pool (Investment Pool) managed by the Clerk of Circuit Court. The objectives of the Investment Pool are safety of principal, liquidity, and return on investment, in that order. To meet these objectives, the Investment Pool is conservatively invested in high-quality investments such as: treasury securities, 33%; US government sponsored agency securities, 40%; the state of Florida's Local Government Investment Pool, 14%; corporate notes, 4%; commercial paper notes, 3%; municipal bonds, 2%; and cash in demand deposits and money market accounts, 4% in total. At September 30, 2012, the Investment Pool's weighted average maturity was a low 1.2 years.

In 2008 the Investment Pool was rated for the first time and was assigned the highest rating of AAAf by Standard & Poor's Ratings Services. This rating continued each year until 2011, when it was reduced one level to AA+f due to the downgrade of the United States long-term credit rating from AAA to AA+. However, short-term securities of the US government and government sponsored agency securities still carry the highest rating of A-1+ on the rating scale for short-term securities. The overall effective rate of return of the Investment Pool for fiscal year 2012 was 0.58% compared to the benchmark rate of 0.56% (Bank of America Merrill Lynch 1-3 Year US Treasury Index). The Investment Pool's rate of return for fiscal year 2011 was .82%.

Property Tax Amendment to Florida Constitution In January 2008, the voters approved a property tax amendment to the Florida Constitution. Effective October 2008, this amendment increased the homestead exemption other than for school district taxes from $25,000 to $50,000 for most properties, resulting in an annual savings of about $240 per homeowner. This amendment also allowed property owners to transfer, i.e. make portable, up to $500,000 of their homestead benefits when they move. Although an earlier "Save Our Homes" constitutional amendment capped the annual increase in assessed value for homestead property to 3% or the percentage change in the Consumer Price Index, whichever is less, it did not cap increases in non-homestead property. Effective January 2009, the amendment approved in January 2008 capped the annual increase in assessed value for non-homestead property such as businesses, industrial property, rental property, and second homes, to 10%, except for school district taxes. This amendment also provided a $25,000 exemption for tangible personal property. In fiscal year 2012, the County's property tax revenues fell $14.8 million or 2.6% due to a 2.4% reduction in the taxable assessed value of real property in Hillsborough County. This decline was the net result of lower market values for real property combined with the fact that the proportion of a property's value covered by a homestead or other exemption rises as the market value of a property falls. See Statistical section for more information on property taxes, assessed values, and exemptions.

Federal Government's Effect on Hillsborough County Similar to other state and local governments, the US government has a significant impact on Hillsborough County. At September 30, 2012, the County had $98.2 million in expenditures funded by US government grants--either directly from federal agencies or passed through state and local governmental entities. Federal grant expenditures represent 7% of the County's governmental revenues. The US government also has an indirect effect on other County revenues. For example, 40% of the County's total revenues from governmental activities came from ad valorem property taxes, which are related to the value of real estate in the County. Real estate values tend to be

correlated with the availability and affordability of mortgages. The US government has created a variety of programs that assist banks that make mortgages loans, the US government sponsored agencies that buy, securitize and sell mortgages-backed securities, and taxpayers who purchase homes. The success of these programs may affect mortgage lending and real estate values, which in turn affect the ad valorem property tax revenues of Hillsborough County in the future.

At September 30, 2012, the Hillsborough County Primary Government held 67% of its investment portfolio in US government or related investments. A total of $1,229 million was invested in a combination of US treasury securities, US government sponsored agency securities which are supported by the US government, and government-only mutual funds. At September 30, 2012, the Hillsborough County Primary Government also held $181 million, or 10% of its investment portfolio, in bank deposits secured primarily by the FDIC and partly by the state of Florida's multiple financial institution collateral pool established under Chapter 280, Florida Statutes. The US government affects the state of Florida's multiple financial collateral pool because securities issued by the US treasury and government sponsored agencies are used as collateral by banks participating in the Qualified Public Depository program. See Note 3 of the Notes to the Financial Statements for more details.

The US government also has a significant impact on the local economy. Of the top 19 employers in Hillsborough County, MacDill Air Force Base, the Veterans Administration Hospital, and US Postal Service together represent 22,527 employees or 18% of the employees at the top 19 employers. See Principal Employers in the Statistical Section of the CAFR for more details. In addition, the residents of Hillsborough County pay significant amounts of income and excise taxes to the US government and also receive significant benefits from the US government including Social Security, Medicare, and unemployment compensation. The reason for highlighting these interactions with the US government is that current trends in the US government's fiscal condition could lead to changes in amounts paid to or received from the US government, which in turn could have a significant financial impact on Hillsborough County.

Awards The Government Finance Officers Association of the United States and Canada (GFOA) awarded Hillsborough County a *Certificate of Achievement for Excellence in Financial Reporting* for its CAFR for the fiscal year ended September 30, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. The CAFR must satisfy both GAAP and applicable legal requirements. Hillsborough County has received a Certificate of Achievement for the last thirty consecutive years.

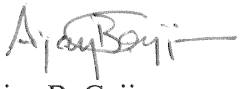
The County also received the GFOA's *Award for Outstanding Achievement in Popular Annual Financial Reporting* for its separately issued *Financial Summary Report for the Fiscal Year Ended September 30, 2011*. The *Financial Summary Report* is a simplified popular annual financial report specially designed for the general public. The receipt of this national award recognized the County's conformance with the highest standards for preparation of state and local government popular reports. Hillsborough County has received this award for the last twelve consecutive years.

Both of these awards are valid for a period of one year. We believe that the County's fiscal year 2012 CAFR and Financial Summary Report continue to conform to award program requirements and are submitting both of them to the GFOA for evaluation.

Acknowledgments We would like to express our appreciation for the support provided by the Clerk of Circuit Court, each of the other Constitutional Officers, the County Administrator, the Board of County Commissioners, and their respective staffs, for their contributions to the preparation of this report. We also appreciate their efforts in ensuring the highest standards of professionalism in the financial and operational management of Hillsborough County.

Sincerely,

Timothy Simon, CPA, CFA
Finance Director



Ajay B. Gajjar, CPA, CMA, CFM, CTP, CIA, CGFO
Assistant Finance Director

BOARD OF COUNTY COMMISSIONERS
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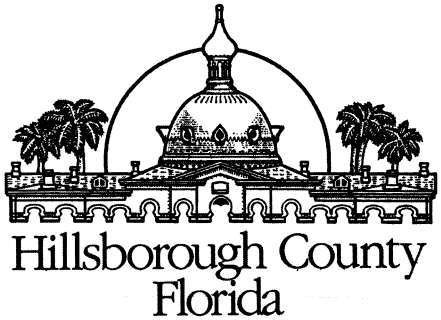
Victor D. Crist
Ken Hagan
Al Higginbotham
Lesley "Les" Miller, Jr.
Sandra L. Murman
Mark Sharpe



Hillsborough County
Florida

Office of the County Administrator
Michael S. Merrill

CHIEF ADMINISTRATIVE OFFICER
Helene Marks

CHIEF FINANCIAL ADMINISTRATOR
Bonnie M. Wise

DEPUTY COUNTY ADMINISTRATORS
Lucia E. Garsys
Sharon D. Subadan

March 15, 2013

To the Residents of Hillsborough County:

As County Administrator, it is my privilege to transmit to you the Hillsborough County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2012. While fiscal year 2012 was another challenging year for County government, the County's financial position remains excellent at a time many other governments have seen their financial positions weakened as a result of our nation's prolonged economic downturn. Ad valorem tax revenues declined for the fifth straight year, but slight improvements were seen in other major revenues areas, including half-cent sales tax collections and tourist development tax revenues.

Financial Performance – Hillsborough County's general obligation credit rating is "AAA" as determined by the three national credit rating agencies. This credit rating is the highest attainable rating – a recognition reserved for the best managed and financially sound governments and corporations. In the years since the start of the global financial crisis, many governments at both the local and national level have seen their credit ratings decline, in some cases dramatically so, making the County's achievement even more significant.

Local Economy - While 2012 was the third consecutive year of a slowdown in an already weak economic recovery, the year ended much stronger compared with 2011. Although US and world growth remains constrained by concerns over the European sovereign debt/Euro crisis, slower growth in China and uncertainty surrounding US fiscal policy, job and housing markets are improving and consumer spending is higher than a year ago. The national forecasting firm *Economy.com* is predicting economic growth in 2013 of 2.1% provided Congress resolves "Fiscal Cliff" issues. Analysts expect growth to accelerate in 2014 as constraints lessen.

Tampa Metropolitan Area job growth improved in late 2012 after a summer lull, and twelve-month job gains totaled 21,000 through December. Professional and business services, education and health services, and leisure and hospitality led job growth, while manufacturing and construction jobs remained weak. Metro Tampa's 21,000 job gains topped all other Florida metropolitan areas and accounted for 32% of all statewide job gains of 65,400. Hillsborough County's December 2012 unemployment rate was 7.6%, compared to 9.5% in December 2011. This improvement has occurred even as the labor force has increased.

Florida and Hillsborough consumer spending is reflecting gains in jobs. Taxable sales in Hillsborough County have risen on a year-over-year basis since April 2010. Taxable sales occurring in November 2012 were 5.5% above November 2011. Reflecting this improvement, 12-month Hillsborough County Sales Surtax revenues have exceeded year-over-year results since November 2010. FY 12 revenue increased 4.6%; but was still about $11 million below the FY 06 peak.

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Housing markets in 2012 turned positive in terms of sales gains and rising prices:

- "Months of inventory" dropped to 3.3 months in December 2012 compared to the mid to high teens during 2007 and 2008.
- Greater Tampa Association of Realtors reports 2012 sales rose 4.1% over 2011 and were at their highest level since 2006 and 2012 average sales price rose 11.3%.
- Metrostudy reported new home starts in Metro Tampa rose 28.1% in 2012.
- The November 2012 Metro Tampa S&P Case/Shiller Index is up 6.8%. April through November was the first increases in this index since December 2006. The Case/Shiller Index is a broader price measure and more likely indicative of broad market performance.

Home prices in 2012 have turned upward but remain under the uncertainty of rising foreclosures. Hillsborough County foreclosures rose 40.4% over 2011, but were half of 2009's level. December 2012 foreclosures were actually 15.3% below a year ago; nevertheless, renewed downward price pressure is possible. The extent of further declines, if any, will depend on the severity of resumed foreclosure activity.

Home price declines during 2006 to 2011, combined with tax reform measures, were a major contributor to the 29.3% decline in taxable property values. Total Hillsborough County property tax revenue declined from $813 million in FY 07 to $547 million for FY 13. Recovering housing markets should return growth in property taxes for FY 14 and FY 15 and job gains will support those housing markets as well as consumer spending and related sales tax revenues.

Long-Term Financial Planning – Consistent with a policy adopted in 1995, the Board of County Commissioners ("Board") prepares a budget spanning two fiscal years. The process of developing this biennial budget enables the Board and management to look beyond the immediate budget year and review priorities and needs for the second year of the budget. In keeping with Florida Statutes, each year of the budget is adopted separately. The second year planned budget is modified during the second year adoption phase if circumstances affecting departmental and agency planned budgets so warrant. To complement this biennial budget process, the six-year Capital Improvement Program includes operating costs of capital projects that will be coming online during the two-year budget cycle. The Capital Improvement Program also recognizes the longer planning horizon needed for capital projects which may be funded and constructed over a period of several years. In 2012 the County received the Government Finance Officers Association's Distinguished Budget Presentation Award for the ninth time for its biennial budget documents.

Another tool used for long-term financial planning is a five-year pro forma projection of revenues and expenditures for major operating funds. This tool is used to put current budget and financial decisions into a longer-term context. Prepared in accordance with Board policy, the pro forma document is particularly useful in showing how capital projects funded in the biennial budget or planned over the next several years will impact future operating budgets in terms of maintenance, utility costs and staffing costs. The pro forma is generally prepared in January as a tool to evaluate the impacts of the adopted budget prior to developing or updating the next year's budget. In connection with the Fiscal Year 14 and 15 biennial budget update process, the pro forma will assess the impact of modestly growing revenues amid a slow economic recovery.

Prudent debt management is an important part of the County's long-term financial strategy. Hillsborough County's debt is planned and managed within a framework of Board-approved policies, including financial performance guidelines and targets which measure the County's fiscal health and credit-worthiness. During FY 12, the County refinanced three bond issuances to take advantage of historically

low borrowing rates, and achieved debt service savings in excess of $12 million on a net present value basis. The specific debt refinanced includes: $32,860,000 of the Series 2001A Community Investment Tax Revenue Bonds, $9,840,000 of the Series 2001B Community Investment Tax Revenue Bonds, and $54,630,000 of the Series 2004 Community Investment Tax Revenue Bonds. During FY 12, the County also issued the Series 2012 Capital Improvement Program Revenue Bonds (par value of $67,445,000) in order to provide funding for future capital improvement projects, and to refinance $30 million of outstanding commercial paper notes previously issued for capital improvement projects. In addition to providing funds for future projects, this transaction allowed the County to replace some of its variable rate debt with fixed rate debt at a very low interest rate of approximately 2.50%. At fiscal year end, approximately 9% of the County's outstanding debt was variable rate debt and the remaining 91% was fixed rate debt. This represents a conservative portfolio that is well-insulated from interest rate risk.

I look forward to many opportunities ahead as I work with the Board, elected officials, other partner agencies, and the community to sustainably grow our diverse local economy. The County has made significant progress in streamlining operations to achieve greater effectiveness and efficiency while also becoming more customer-focused in delivering services. Improvements continue to be made. Together with my employees who work every day to make this county a better place for all of our residents, I pledge to provide continued high-quality, cost effective service to the residents and businesses of Hillsborough County.

Sincerely,

Michael S. Merrill
County Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Hillsborough County Florida

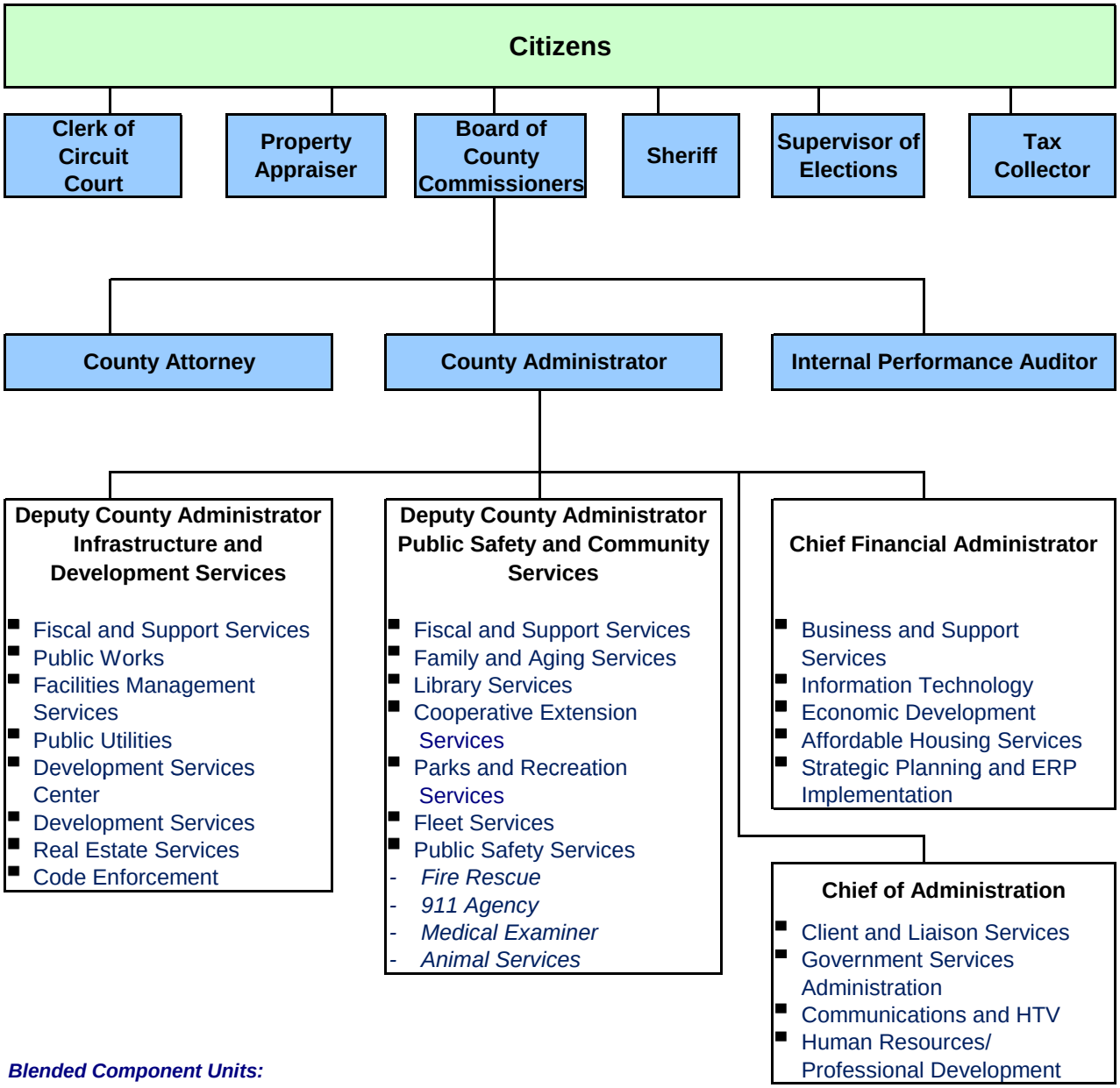
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

Hillsborough County, Florida
Organization Chart



Blended Component Units:
Civil Service Board

Discretely Presented Component Units:
Neighborhood Dependent Districts
Housing Finance Authority of Hillsborough County
Law Library Board
Hillsborough County City-County Planning Commission

Note: Board of County Commissioners includes the Environmental Protection Commission since the County Commissioners also serve as the members of the Environmental Protection Commission.

Financial Section

The County operates seven **electric car charging stations** at six County facilities. This effort serves to develop infrastructure for increased electric vehicle use by consumers seeking cleaner and cheaper energy alternatives. In June 2011 the Hillsborough County Board of County Commissioners approved participation in a U.S. Department of Energy grant for ChargePoint car charging stations. Each charging station is connected to an online network that allows drivers to use their computer or smart phone to locate stations nationwide, see which are in use, and the service fee for use. The County covered the cost of installation and is covering the cost of electric usage at the charging stations through the end of the two-year grant period ending in 2014. Electric vehicle drivers are only be required to pay the existing parking rate where applicable at the locations. At the end of the grant period, Commissioners can decide if they will keep the existing units and pay for their maintenance and upkeep, and for connection to the nationwide charging station network.

The electric car charging station locations are listed below:

- Bloomingdale Regional Public Library, 1906 Bloomingdale Avenue, Valrico
- County Center Public Parking Garage (aka Pierce Street Garage) at 319 N. Pierce Street, Tampa (two charging stations)
- Environmental Protection Commission of Hillsborough County, 3629 Queen Palm Drive, Tampa
- Jimmie B. Keel Regional Library, 2902 W. Bearss Avenue, Tampa
- Jan Kaminis Platt Regional Library, 3910 S. Manhattan Avenue, Tampa
- Plant City Courthouse, 301 North Michigan Avenue, Plant City

Photo courtesy of the Communications Department

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditors

To the Board of County Commissioners of
Hillsborough County, Florida:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of Hillsborough County, Florida (the "County"), as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions 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 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the County as of September 30, 2012, and the respective changes in financial position, and where applicable, cash flows, thereof and the respective budgetary comparison information for the General, Countywide Special Purpose, Sales Tax Revenue, and County Transportation Funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2013 on our consideration of the County's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Infrastructure Condition and Maintenance Data, and Schedule of Funding Progress for Postemployment Benefits Other Than Pensions, as listed in the table of contents, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have 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 them.

Cherry Bekaert LLP

Tampa, Florida
March 15, 2013

Management's Discussion and Analysis

Our discussion and analysis provides an overview of the financial activities of Hillsborough County, Florida (the County) for the fiscal year ended September 30, 2012 using the reporting model required by Governmental Accounting Standards Board (GASB) Statement No. 34. The reporting model is described in the following narrative as well as in the *Notes to the Financial Statements*. We encourage reading this narrative with the *transmittal letters* starting on the first page of this document.

Financial Highlights

- At September 30, 2012, the County's assets exceeded its liabilities by approximately $8.696 billion (net assets). Of this amount, $7.106 billion were invested in capital assets, net of related debt, and $468 million were restricted by law, grant agreements, debt covenants, or for capital projects. As a result, $1.122 billion of unrestricted net assets were available at year-end to meet the County's ongoing obligations to residents, creditors, and enterprise fund customers. This amount represents a $56 million increase from the prior year's unrestricted net assets of $1.065 billion.

- During the year, the County's net assets increased $84.2 million. Of this amount, governmental activities were responsible for an increase in net assets of approximately $49.7 million, and business-type activities were responsible for an increase in net assets of approximately $34.5 million. A total of $0.7 million of the increase in net assets was reflected in an increase in net assets invested in capital assets, net of related debt.

- At September 30, 2012, the General Fund's fund balance was $248.9 million, representing a decrease of $1.3 million or -0.5% from the previous year. The County's governmental funds in total, reported a combined fund balance at year-end of $927.2 million, an increase of $34.7 million or 3.8% from the previous year.

- The County's Water Enterprise Fund had an increase in net assets of $35.2 million over the previous year primarily due to: operating income of $13.3 million, capital contributions of $15.3 million; net interest revenues of $5.3 million, losses on asset disposals of $2.4 million and other nonoperating revenues (expenses) totaling $3.7 million, offset by other nonoperating expenses of $0.5 million. The County's Solid Waste Enterprise Fund had a decrease in net assets of $0.07 million from the previous year primarily due to operating income of $4.7 million, net interest expenses of $5.3 million, partly offset by a gain on disposal of capital assets of $0.6 million.

- The County's total liabilities decreased by $39.1 million to $1.395 billion at September 30, 2012. This change was primarily due to the following: new bond issues for $178.0 million, offset by net note maturities of $38.0 million, regular principal payments of $140.1 million and $39.0 million of various other increases or decreases including changes in short-term liabilities.

More information on these financial highlights is found in the narrative that follows.

Overview of the Financial Statements

This comprehensive annual financial report consists of the Basic Financial Statements, which are high-level summary statements, as well as other statements and schedules with more detailed information. The tables and narratives that follow below provide an overview of the Basic Financial Statements and how they relate to other parts of this report.

Management's Discussion & Analysis

Basic Financial Statement

a. Government-wide Financial Statements and Fund Financial Statements
b. Notes to the Financial Statements

Required Supplementary Information

a. Infrastructure Condition and Maintenance Data
b. Funding Progress for Postemployment Benefits Other Than Pensions (OPEB)

Description of Government-wide and Fund Financial Statements

	Government-wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County except for Fiduciary Funds	Activities that are not Proprietary or Fiduciary	Activities operated similar to private businesses	Assets held on behalf of other entities
Financial Statements	▪ Statement of Net Assets ▪ Statement of Activities	▪ Balance Sheet ▪ Statement of Revenues, Expenditures, and Changes in Fund Balances ▪ Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	▪ Balance Sheet ▪ Statement of Revenues, Expenses, and Changes in Fund Net Assets ▪ Statement of Cash Flows	▪ Statement of Fiduciary Assets and Liabilities – Agency Funds
Basis of Accounting Timing of when revenues and expenses or expenditures are recognized	Accrual accounting *Revenues are recorded when earned. Expenses are recorded when the liabilities are incurred.*	Modified accrual accounting *Revenues recorded when measurable and available. Expenditures recognized when incurred with certain exceptions.*	Accrual accounting *Revenues are recorded when earned. Expenses are recorded when the liabilities are incurred.*	Accrual accounting *Increases or decreases in assets and liabilities are recorded when incurred.*
Measurement Focus Types of resources being measured	Economic resources: *All assets less all liabilities*	Financial resources: *Current assets less current liabilities*	Economic resources: *All assets less all liabilities*	*Not applicable*

Government-wide financial statements The government-wide financial statements provide an overview of the County's financial position using the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. The Statement of Net Assets presents information

on the assets and liabilities of the County as a whole. The difference between assets and liabilities is reported as net assets. Changes in net assets may serve as an indicator of whether the financial position of the County is improving or deteriorating. The Statement of Activities presents information showing how the County's net assets changed during the fiscal year. Changes in net assets are reported as soon as the underlying economic transactions occur, regardless of when cash is received or paid. Therefore, some of the revenues or expenses reported in the statement of activities will have cash flows in future fiscal periods. For example, certain sales taxes are shown as revenues although cash receipts will be received in the following fiscal year. An increase in unused vacation leave is recorded as an expense even though related cash outflows will occur in the future.

The government-wide financial statements show a distinction between *governmental activities*–activities that are supported primarily by taxes and intergovernmental revenues versus *business-type activities*–activities that are supported by the recovery of all or most of their costs through user fees and charges. The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation functions. The business-type activities of the County are the Water Enterprise and Solid Waste Enterprise operations.

The government-wide financial statements include not only the County (known as the *primary government*), but also the legally separate entities for which the County is financially accountable (known as *component units*). The discretely presented component units of the County are the Neighborhood Dependent Special Districts, the Housing Finance Authority of Hillsborough County, the Law Library Board, and the Hillsborough County City-County Planning Commission (see *Basic Financial Statements*). The financial activities of these component units are reported separately from the financial information of the primary government. To obtain the separately issued financial statements of the discretely presented component units, see Note 1.A., *Financial Reporting Entity*, in the *Notes to the Financial Statements*. The Hillsborough County Civil Service Board, although also legally separate, is included as a part of the primary government because it is fiscally dependent on the County and it provides services almost entirely to the primary government.

Fund financial statements A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to demonstrate and ensure compliance with legal, legislative, contractual, and other finance-related provisions. All of the County's funds may be divided into three categories: governmental, proprietary, and fiduciary funds.

Governmental funds Most of the County's basic services are reported in governmental funds, which focus on how money or other spendable resources flow into and out of those funds and the level of balances remaining at year-end that are available for expenditure. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund financial statements provide a detailed short-term view of the County's general governmental operations. Governmental fund information helps determine the extent to which financial resources are available for expenditure on County programs. Reconciliations of the differences between the government-wide and fund financial statements are provided immediately after the *Balance Sheet - Governmental Funds* and *Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds*, respectively, in the *Basic Financial Statements*.

Funds that are significant in terms of revenues, expenditures, assets or liabilities are identified as *major* funds in the Basic Financial Statements. Budget and actual comparison statements are also presented in the Basic Financial Statements for the General Fund and each major special revenue fund with a legally adopted annual budget. The County's nonmajor funds, and budget and actual comparison schedules for any nonmajor governmental funds with annually appropriated budgets, are presented in the *Combining and Individual Fund Statements and Schedules* section.

Proprietary funds The County uses *Enterprise* and *Internal Service* proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Water Enterprise and Solid Waste Enterprise operations. Both of these operations are considered to be major proprietary funds of the County. Internal service funds are used to accumulate and allocate costs internally among the County's other functions. The County uses internal service funds to account for self-insurance, fleet management, and the Sheriff's risk management programs. These programs are included within governmental activities in the government-wide financial statements because they predominantly benefit governmental rather than business-type functions. The three internal service funds are combined into a single presentation in the proprietary fund financial statements. Information on individual internal service funds is provided in the Combining and Individual Fund Statements and Schedules section of this report. The proprietary fund financial statements may be found in the Basic Financial Statements.

Fiduciary funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Agency funds are the only type of fiduciary fund used by the County. The amounts in these agency funds are not included in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. However, the *Statement of Fiduciary Assets and Liabilities–Agency Funds* in the *Basic Financial Statements* is provided for information on the agency funds. In addition, the individual agency funds are presented in the *Combining and Individual Fund Statements and Schedules* section.

Notes to the financial statements The notes provide additional information for a more complete understanding of the information in the government-wide and fund financial statements.

Other information In addition to the Basic Financial Statements and accompanying notes, this report also presents *Infrastructure Condition and Maintenance Data* and *Funding Progress for Postemployment Benefits Other Than Pensions (OPEB)* located immediately after the *Notes to the Financial Statements,* and the *Statistical Section* located at the end of this report. The combining statements for the nonmajor funds, internal service funds, and agency funds, as well as individual fund budget and actual comparison schedules are found in the *Combining and Individual Fund Statements and Schedules* section of this report.

Government-wide Financial Analysis

Net assets over time, may serve as the most useful indicator of a government's financial position. At September 30, 2012, the County's total net assets, i.e. total assets less liabilities, were $8.696 billion. As shown on the chart on this page, the County reported positive balances at September 30, 2012, in all three categories of net assets for governmental activities, business-type activities, and the County as a whole.

Hillsborough County, Florida
Net Assets

in thousands	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Current assets and other assets	$ 1,423,213	1,413,229	693,858	672,792	2,117,071	2,086,021
Capital assets	6,907,724	6,888,532	1,067,012	1,072,133	7,974,736	7,960,665
Total assets	8,330,937	8,301,761	1,760,870	1,744,925	10,091,807	10,046,686
Current liabilities	405,944	465,925	79,999	83,489	485,943	549,414
Long-term liabilities	558,873	519,381	350,593	365,677	909,466	885,058
Total liabilities	964,817	985,306	430,592	449,166	1,395,409	1,434,472
Net assets:						
Invested in capital assets, net of related debt	6,287,766	6,260,660	818,656	845,037	7,106,422	7,105,697
Restricted	381,756	346,463	86,487	94,647	468,243	441,110
Unrestricted	696,598	709,332	425,135	356,075	1,121,733	1,065,407
Total net assets	$ 7,366,120	7,316,455	1,330,278	1,295,759	8,696,398	8,612,214

A significant portion, 82%, of the County's net assets, is identified as invested in capital assets (such as land, buildings, equipment, and infrastructure), less related debt outstanding that was used to acquire or construct those assets. Since the County uses capital assets to provide services to its residents, the net assets identified as "invested in capital assets, net of related debt" are not available for future spending. In fact the payment of maintenance and debt service costs on those capital assets will themselves require governmental resources. Another portion of the County's net assets is restricted net assets, which are assets subject to external constraints such as debt covenants, grantors, laws or regulations, or assets subject to restrictions through enabling legislation. Unrestricted net assets are net assets that are available to meet the County's ongoing obligations to residents, creditors, and enterprise fund customers. Significant changes between years are described later.

Governmental activities Although governmental revenues declined and expenses rose compared to the prior year, there was still a $49.7 million increase in the County's net assets. The growth in net assets from governmental activities represented 59% of the County's total growth in net assets of $84.2 million. The chart on the following page describes changes in net assets during the current versus the prior fiscal year. Key net asset changes during fiscal year 2012 are described below. Expense variance explanations are provided on the next few pages.

Governmental Activities

- **Charges for services** increased $5.2 million or 3.1% due to reasons including the following: Impact fee revenues such as for schools, transportation and culture and recreation purposes rose $6.9 million, while building permits fell $3.1 million. Revenues from fines rose $0.8 million due to a new ordinance requiring property in the process of foreclosure to be registered with the County's Code Enforcement Department. Charges for services revenues also rose by $0.6 million because the operating income of the Self-Insurance Internal Service Fund that was eliminated in fiscal year 2012 was lower than the operating income eliminated in fiscal year 2011.

- **Operating grants and contributions** decreased $21.1 million or 19.0% primarily due to the following: There were several significant changes in economic environment related grants. The largest change was an $18.2 million reduction caused by an agreement made by the BOCC to transfer the US Department of Housing and Urban Development's (HUD) Section 8 Housing Choice Vouchers program to the Tampa Housing Authority at the end of fiscal year 2011. County residents will continue to be served by this program, but it will be through the Tampa Housing Authority. There were several significant changes in human services related grants due to reduced funding from the US Department of Health and Human Services (HHS). Revenue from Head Start grants fell $8.9 million, revenue from Ryan White HIV/AIDS grants fell $3.3 million, and revenue from the Low Income Home Energy Assistance Program and Emergency Home Energy Assistance Program together fell $2.6 million. There was a new state shared revenue of $1.6 million for the County's share of the 3% distribution to local governments of sales taxed collected by the Seminole Indian Tribe under a gaming compact with the state of Florida in accordance with Section 285.710, Florida Statutes. There were also several increases in funding from HUD including a $4.2 million increase in the Community Development Block Grant, a $2.5 million increase in the Neighborhood Stabilization Program for rehabilitating foreclosed residential properties, and a $2.5 million increase in the Home Investment Partnership Program. These increases were partly offset by a $0.7 million reduction in HUD's Homeless Prevention and Rapid Re-housing grant. There was a $3.8 million increase in grants to the Sheriff for providing security in Hillsborough County during the Republican National Convention. In addition, there was a $0.7 million reduction in the state of Florida's State Housing Initiatives Partnership (SHIP) project, as well as a variety of smaller increases and decreases in federal and state grant programs and projects.

- **Capital grants and contributions** increased $3.2 million or 7.2% primarily due to the following: There was a $7.6 million increase in capital grants and a $1.0 million increase in Constitutional Officer contributions other than the Clerk of Circuit Court. These increases were offset by a $2.9 million reduction in infrastructure contributions, net, from real estate developers, a $2.0 million comparative decrease in capital contributions due to the software contributed by the Clerk of Circuit Court during fiscal year 2011 for the new computer system for courts, traffic, and financial operations.

- **Property tax revenues** decreased $14.8 million or 2.6% due to a $1.59 billion or 2.9% reduction in the taxable assessed value of property in Hillsborough County. This decline was the result of real property market values falling $1.8 billion, offset by property tax exemptions falling only $0.21 billion (since market values less exemptions equal assessed values).

Hillsborough County, Florida Changes in Net Assets

in thousands	Governmental Activities 2012	Governmental Activities 2011	Business-Type Activities 2012	Business-Type Activities 2011	Total Primary Government 2012	Total Primary Government 2011
Revenues:						
Program revenues:						
Charges for services	$ 174,192	169,007	303,713	295,125	477,905	464,132
Operating grants and contributions	89,908	110,996	–	–	89,908	110,996
Capital grants and contributions	47,924	44,705	15,330	9,770	63,254	54,475
Restricted investment earnings	–	–	10,401	10,542	10,401	10,542
General revenues:						
Property taxes	546,263	561,081	–	–	546,263	561,081
Sales taxes, state shared revenues	388,433	375,502	–	–	388,433	375,502
Other taxes	48,662	47,159	–	–	48,662	47,159
Investment earnings	11,045	11,317	–	–	11,045	11,317
Gain (loss) - sales of capital assets	2,208	3,029	(1,759)	1,013	449	4,042
Other revenues	44,476	49,649	2,254	1,317	46,730	50,966
Total revenues	1,353,111	1,372,445	329,939	317,767	1,683,050	1,690,212
Expenses:						
General government	294,159	274,082	–	–	294,159	274,082
Public safety	522,532	510,743	–	–	522,532	510,743
Physical environment	26,221	29,862	–	–	26,221	29,862
Transportation	100,029	73,344	–	–	100,029	73,344
Economic environment	52,580	71,282	–	–	52,580	71,282
Human services	211,136	226,941	–	–	211,136	226,941
Culture and recreation	71,169	80,580	–	–	71,169	80,580
Interest on long-term debt	25,495	25,638	–	–	25,495	25,638
Water Resource Services System	–	–	192,311	196,836	192,311	196,836
Solid Waste Resource Recovery	–	–	103,234	104,865	103,234	104,865
Total expenses	1,303,321	1,292,472	295,545	301,701	1,598,866	1,594,173
Change in net assets before transfers	49,790	79,973	34,394	16,066	84,184	96,039
Transfers	(125)	(190)	125	190	--	–
Change in net assets	49,665	79,783	34,519	16,256	84,184	96,039
Net assets, beginning of year	7,316,455	7,236,672	1,295,759	1,279,503	8,612,214	8,516,175
Net assets, end of year	$ 7,366,120	7,316,455	1,330,278	1,295,759	8,696,398	8,612,214

- **Sales tax revenues and state shared revenues**, as a combined category, increased $12.9 million or 3.4% from the prior year. Most of these revenues increased due to higher retail sales caused by improving economic conditions. The discretionary sales surtax for the healthcare of low-income residents increased by $4.3 million. The Community Investment Tax, a discretionary sales surtax for infrastructure capital projects, increased by $4.2 million. The local government half-cent sales tax, a state shared revenue, increased by $3.6 million. State revenue sharing proceeds increased by $1.5 million. However, state shared revenues for the State Housing Initiatives Partnership program fell $0.7 million because funding was discontinued by the state of Florida during fiscal year 2012.

- **Other Taxes** increased $1.5 million or 3.2% primarily due to the following: There was a $2.2 million or 11.6% increase in Tourist Development Tax revenues due to greater use of hotels during the Republican National Convention in Tampa as well as due to improved tourism. This was partly offset by a $0.4 million or 1.6% decrease in Communication Services Tax revenues due to slightly lower use of telephone services and a $0.4 million or 15.3% decrease in local business tax revenues, for the licensing of businesses, professions, and occupations due to continuing economic weakness.

- Total **investment earnings**, which is the sum of actual interest and changes in the fair value of the investment portfolio, declined $0.3 million or 2.4% from the previous year. As short-term market interest rates declined further during the year, there was a decrease in actual interest earned from 0.82% for fiscal year 2011 to 0.58% for fiscal year 2012, but it was partly offset by an increase in the value of the County's investment portfolio, which was also the result of declining market interest rates.

- **Other revenues** decreased $5.2 million or 10.4% primarily due to the following: There was a $3.7 million reduction in Medicaid-related reimbursements because Medicaid-eligible clients of the Hillsborough Healthcare Plan for low-income residents were moved to Medicaid sooner, so expenditures and associated reimbursements were lower. There was a $2.1 million increase in the County Transportation Fund because more street construction related contributions were received from real estate developers compared to the prior year. These increases were partly offset by a $0.4 million decrease in the County Transportation Fund due to an impact fee relief program which had activity in fiscal year 2011 that was not continued into fiscal year 2012. Other revenues were also lower by $3.2 million as a result of a lower level of Internal Service Fund revenues eliminated. When Internal Service Fund revenues are eliminated, they increase "other revenues" on the statement of activities. As a result of lower employee deductions for health insurance and refunds of excess OPEB assessments by the Internal Service Fund to benefiting funds during the fiscal year, other revenues were lower as well.

- **General government** expenses increased $20.1 million or 7.3% primarily due to the following: There was an $18.0 million increase in the Countywide Special Revenue Fund as a result of a payment to the Hillsborough County School Board for the construction of an elementary school at Shell Point in Ruskin, Florida. This payment was made using impact fee revenues. There was a $2.7 million increase in the Countywide portion of the General Fund due to higher personnel services such as from the creation of the Fiscal and Support Services Department from other departments. There was a $1.1 million increase in the Tax Collector portion of the General Fund because the state of Florida shifted drivers license and

motor vehicle work to local Tax Collectors and the Tax Collector had to set up a new office and hire new employees to do the additional work. There was a $0.8 million reduction in the Sheriff portion of the General Fund when a change to a more conventional actuarial assumption led to reductions in workers' compensation self-insurance assessments. There was a $1.8 million increase in the Supervisor of Elections portion of the General Fund due to the presidential elections (primary and general elections). There was a $1.3 million increase in the Sales Tax Revenue Fund due to higher distributions of sales taxes and state shared revenues to other local governments because more revenues were received. There were $0.8 million and $0.9 million increases in the Infrastructure Surtax Special Revenue Fund and Nonmajor Debt Service Funds, respectively, due to bond issuance cost associated with bonds issued in fiscal year 2012. There was a $1.1 million increase in the Countywide Special Purpose Fund due to an increase in information technology services payments for the new Enterprise Resource Planning (ERP) system being developed. There was a $1.2 million increase due to the contribution of capital assets to the Water Enterprise Fund. These costs were partially offset by a $2.1 million decrease in the Clerk of Circuit Court portion of the General Fund due to unfilled employee vacancies as well as a comparative reduction of $1.2 million due to salary adjustments given to Clerk's employees in fiscal year 2011 which were not repeated in fiscal year 2012. There was a $4.1 million decrease in depreciation expenses allocated to general government expenses.

- **Public safety** expenses increased $11.8 million or 2.3% primarily due to the following: There was a $2.1 million increase due to a reduction in the sick and vacation accrual liabilities as total employment fell during the fiscal year. There was a $14.8 increase in depreciation expenses allocated to public safety expenses. These increases were partly offset by items such as the following: There was an overall $2.2 million decrease in the Sheriff's Jail Inmate Canteen Fund expenditures due to lower revenues in this fund. There was a net decrease of $2.5 million in the Unincorporated Area portion of the General Fund due to a reduction in personnel services partly offset by an increase in operating expenditures. There was a decrease of $0.8 million in the Sheriff portion of the General Fund due to the adoption of a more commonly used actuarial assumptions which reduced the actuarial liability for the Sheriff's workers' compensation self-insurance program.

- **Physical environment** expenses decreased $3.6 million or 12.2% primarily due to the following: There was a $1.5 million reduction in the Infrastructure Surtax Trust Fund because a refund from the Florida Department of Transportation was recorded during fiscal year 2012 as a reduction in capital project costs that were originally incurred in prior years. There was a $1.2 million reduction due to the elimination of the operating income earned by the BOCC Self-Insurance Fund in its transactions with the Water and Solid Waste Enterprise Funds. There was a $0.2 million reduction due to the complete liquidation of the County's pollution remediation obligations during the fiscal year. There was a $0.5 million decrease in depreciation expenses allocated to physical environment expenses. There was a $0.3 million decrease in the General Fund due to reduced employment, which combined with lower Florida Retirement System assessments, led to a reduction in personnel costs. These personnel reductions combined with lower professional services and business promotional activities were partly offset by increase in the cost allocation plan.

- **Transportation** expenses increased $26.7 million or 36.4% due to items such as the following: There was a $26.7 million increase in expenses due to an increase in infrastructure

disposals compared to the prior year. There was a $2.5 million increase because road resurfacing costs are expensed on the Statement of Activities (under the modified approach for recording infrastructure assets). There was a $2.9 million decline due to a decline in personnel costs, which in turn was the result of a steep 47% decline in Florida Retirement System contributions.

- **Economic environment** expenses decreased $18.7 million or 26.2% primarily due to the following: There was a $16.3 million decrease in the Intergovernmental Grants Fund due to a $14.0 million decrease in grants and aids for residential construction projects as well as various other economic environment grant expenditures. There was also a $1.9 million decrease in the Local Housing Assistance Fund due to a decrease in housing-related grant expenditures because the state of Florida discontinued funding for the State Housing Initiatives Partnership (SHIP) Program after fiscal year 2011. There was a $2.0 million decrease in the Countywide Capital Projects Fund mostly due to $1.8 million expended for a Bioscience Research and Development Grant to the University of South Florida Research Foundation for the benefit of the Charles Stark Draper Laboratory, Inc. during fiscal year 2011 that was not repeated in fiscal year 2012. There was a $0.6 million decrease in depreciation expenses allocated to economic environment expenses. These decreases were partially offset by the following: A $1.6 million increase in the General Fund primarily due to an increase in grants and aid to private organizations for economic environment-related activities. There was a $1.3 million increase in the Countywide Special Purpose Fund due to a new job creation program approved by the BOCC where businesses that maintain a new employee for three or more months qualify for reimbursement of 50% of the employee's hourly wages up to a maximum of $3,900 per employee.

- **Human services** expenses declined $15.8 million or 7.0% primarily due to the following: There was a $9.8 million decrease in the General Fund due to the following: personnel costs were $6.3 million lower due to lower employment and lower Florida Retirement System (FRS) assessments; operating costs were $1.0 million lower due to lower professional services, lower travel and per diem as well as a variety of other accounts; and operating costs were down $2.4 million due to reductions in grants and aids to private youth-related, community, and cultural organizations as well as other governmental agencies due to general costs reduction. There was a $0.7 million increase in the Countywide Special Purpose Trust Fund due to increases of $1.1 million in the Hillsborough Healthcare Plan for low-income County residents partly offset by $0.4 million in various reductions in operating expenditures. There was a $4.0 reduction in the Intergovernmental Grants Fund due to reductions in grant expenditures for the Aging Services, Emergency and Low Income Home Energy Assistance Program, Head Start, and Child Support Enforcement of Service of Process, partly offset by increases in grant expenditures for Child Care Licensing and Child Protection Investigations and the Ryan White HIV/AIDS programs. There was a $3.6 million decrease in depreciation expenses allocated to human services expenses. There was a $0.6 million increase due to a reduction in the sick and vacation accrual liabilities as total employment fell during the fiscal year.

- **Culture and recreation** expenses decreased $9.4 million or 11.7% primarily due to the following: There was a $5.4 million decrease in the General Fund due to the following: personnel costs were $6.5 million lower due to lower employment and lower FRS assessments; operating costs were $1.1 million lower due to lower travel and per diem, lower

repair and maintenance, lower grants and aids to private organizations and a variety of other accounts partly offset by increases in other contractual services and charges from the indirect cost allocation plan. There was a $2.9 million decrease in the Library Special Revenue Fund due to the following: personnel costs were $2.4 million lower due to lower employment and lower FRS assessments; operating expenditures were $0.5 million lower due to reductions in operating supplies, repair and maintenance, charges from the indirect cost allocation plan, and grants and aids to other governments, partly offset by an increase in books and subscriptions and other contractual services. There was a $0.8 million increase in repair and maintenance expenditures in the Countywide Capital Projects Fund partly offset by a $0.5 million decrease in repair and maintenance expenditures in the Unincorporated Area Special Revenue Fund. There was a $1.3 million decrease in depreciation expenses allocated to culture and recreation expenses.

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 eight wastewater treatment plants. Water program revenues increased $11.3 million or 5.3% from the previous year primarily due to a $5.6 million increase in capital contributions from developers as well as a $5.7 million increase in charges for services as a result of increased consumption from new rules allowing a return to twice-weekly lawn sprinkling, automatic rate increases based on an index factor published by the Florida Public Service Commission, and the "purchased water pass through consumption charge" rising 14% to $2.77 per thousand gallons for fiscal year 2012. Water program expenses fell $4.5 million due to: a $1.8 million reduction in personnel services due to the retirement of some long-term employees; a $1.7 million reduction in depreciation and amortization; a $0.8 million reduction in contractual services; and a $1.0 million reduction in utilities; offset by a $0.4 million increase in fleet services and a $0.4 million increase in various other nonoperating revenues and expenses.

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 were up $2.7 million due to a $2.9 million increase in charges for services primarily brought about by an uptick in the number of customers, an increase in electricity generation revenue, and a prior year-related revenue adjustment. The Solid Waste program expenses were down $1.6 million primarily due to a $3.4 million comparative reduction in landfill closure and postclosure care, a $0.7 million decrease in personnel costs, offset by a $2.1 million increase in contractual services and a $0.5 million increase in other operating expenses.

Fund Financial Analysis

The County uses fund accounting to demonstrate and ensure compliance with legal, legislative, contractual, and other finance-related provisions.

Governmental funds The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in determining the County's financial resources. Unreserved fund balance at year-end is a good measure of a government's net resources available for expenditure.

At September 30, 2012, the County's governmental funds reported combined ending fund balances of $927.2 million, an increase of $34.7 million from the previous year. This increase was the result of a combination of changes in fund balances such as the following:

The fund balance of the Infrastructure Surtax Trust Fund increased $31.5 million due to the net result of refunding bonds issued, partly offset by principal payments on refunded bonds, plus the effect of lower capital outlays for construction and new transfers out to the County Transportation Fund. The fund balance in the Sales Tax Revenue Fund rose $24.2 million as sales tax and state shared revenues increased and transfers out to other funds declined. The fund balance of the Unincorporated Area Special Revenue Fund increased $8.9 million as a result of the net effect of the Communications Services Tax revenues being assigned to this fund rather than the General Fund and higher transfers out to other funds. The fund balances of the debt service funds rose by $5.5 million due to greater transfers in to the Commercial Paper (M2Gen) Debt Service Fund, a new Communications Services Tax Debt Service Fund. The fund balance of the Countywide Special Purpose Fund rose $1.8 million due to a $5.6 million increase due to significantly higher transfers in from other funds and a $3.7 million decline in the fund balance of the County's health insurance program for low-income residents. The fund balance of the Sheriff's Jail Inmate Canteen Fund rose $1.3 million as inventories were eliminated and operating expenditures were reduced much more than the drop off of sales to inmates. The fund balance of the Library Special Revenue Fund rose $1.3 million due to reduced capital outlays for new books and capital equipment. The fund balances in the County Transportation Fund fell $16.2 million due to a $19.9 million increase in expenditures for transportation-related capital projects. The fund balances in the Countywide and Unincorporated Area Capital Projects Funds, fell $10.4 million and $7.9 million, respectively, due to the continued spending down of amounts set aside for capital projects in prior years as well as additional transfers out to the General Fund and Countywide Special Purpose Fund, respectively. The fund balance of the Environmentally Sensitive Lands Acquisition Capital Projects Fund decreased $2.6 million due to the continued spending down of bond proceeds for the acquisition of environmentally sensitive land.

About $247.2 million or 26.7% of ending combined fund balances, consisted of unassigned fund balances, which are available for spending at the government's discretion. The remainder of the funding is categorized as nonspendable, restricted, or committed in accordance with the GASB Statement No. 54. See Note 13 for more information.

Proprietary funds The proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Water Enterprise Fund's charges for services revenues were $202.2 million. This was a $5.7 million or 2.9% increase from fiscal year 2011. The increase was primarily due to automatic index-based rate increases. At September 30, 2012, unrestricted net assets of the Water Enterprise Fund were $361.6 million, an increase of $48.3 million over the prior year.

The Solid Waste Enterprise Fund's charges for services revenues were $101.5 million. This was a $2.9 million or 2.9% revenue increase from fiscal year 2011. The revenue increase was primarily due to more customers, higher electricity generation revenue and a prior year-related revenue adjustment. At September 30, 2012, unrestricted net assets of the Solid Waste Enterprise Fund were $62.3 million, an increase of $21.3 million over the prior year. See previous section on *business-type activities* for more information.

General Fund Budgetary Highlights

Budget and actual comparison statements are provided in the *Basic Financial Statements* for the General Fund and all major special revenue funds with legally adopted annually appropriated budgets. Budget and actual comparison schedules are also provided in the *Combining and Individual Fund Statements and Schedules* section for all nonmajor funds with legally adopted annually appropriated budgets. The budget and actual comparison statements and schedules show the original adopted budget, the final revised budget, and actual results.

Since the Constitutional Officers are considered a part of the Hillsborough County Primary Government, the General Fund includes the general operating funds of the Sheriff, Tax Collector, Property Appraiser, Supervisor of Elections, and Clerk of Circuit Court. During fiscal year 2012, total General Fund expenditures were $59.0 million lower than the final budget shown in the budgetary basis budget and actual financial statement due to a variety of cost reduction measures put in place to compensate for lower property and other tax revenues.

After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, corrections of errors, new bond or loan proceeds, or new grant awards. During fiscal year 2012, supplemental appropriations to the Board of County Commissioners' budget, excluding component units, were approximately $260.7 million or 9.0% of the original legally adopted budget. During fiscal year 2012, supplemental appropriations to the General Fund budget were approximately $2.7 million on the budgetary basis. These supplemental appropriations were primarily for an increase in public safety, capital outlay expenditures and transfers out.

Capital Assets and Debt Administration

Capital assets At the end of fiscal year 2012, the County's governmental activities had $6.908 billion invested in a broad range of capital assets, including land, equipment, buildings, construction work in progress, and infrastructure. Infrastructure consists of roads, streets, bridges, sidewalks, stormwater systems, and related assets. See the following table for more information.

Hillsborough County, Florida
Capital Assets Net of Accumulated Depreciation at Year-End

in thousands	Governmental Activities		Business-Type Activities		Total Primary Government	
Primary Government:	2012	2011	2012	2011	2012	2011
Land	$ 527,012	522,490	42,199	42,186	569,211	564,676
Buildings	405,279	420,359	209,899	218,863	615,178	639,222
Building improvements	105,079	112,379	702,952	724,849	808,031	837,228
Equipment	76,430	84,965	7,604	9,607	84,034	94,572
Intangibles	8,515	3,749	8,001	8,318	16,516	12,067
Infrastructure	5,760,811	5,722,057	–	–	5,760,811	5,722,057
Construction in progress	24,598	22,533	96,357	68,310	120,955	90,843
Totals	$ 6,907,724	6,888,532	1,067,012	1,072,133	7,974,736	7,960,665

Infrastructure is not depreciated since the County has an asset management system in place and has made a commitment to incur the maintenance expenses necessary to preserve (a) infrastructure assets at or above a condition of fair, on a scale from failed, poor, fair and good, to excellent, and (b) to preserve its paved roadway lane miles at or above a condition of 55 or more on the American Society for Testing and Materials (ASTM) pavement condition index from 0 to the highest level of 100. Both of these target condition levels were achieved with actual infrastructure condition at *fair or above* and paved roadway miles at *75.1*. The actual fiscal year 2012 maintenance expenditures for the preservation of infrastructure were $70.0 million versus $72.2 million estimated. Actual fiscal year 2012 maintenance expenditures were 0.9% higher than actual fiscal year 2011 expenditures. The County continued to meet infrastructure preservation goals for infrastructure including paved roadway lane miles. See the *Infrastructure Condition and Maintenance Data* section in Required Supplementary Information after the *Notes* for more information. The $19.2 million increase in net capital assets of governmental activities during fiscal year 2012 was attributed to the following:

- Land, rights-of-way, and infrastructure asset contributions received from real estate developers and others, as well as equipment donated to the County were responsible for $13.6 million of the increase in capital assets.

- A total of $109.4 million of the increase was due to capital outlay expenditures such as: county transportation construction projects, $52.7 million; General Fund (Sheriff Law Enforcement) capital projects, $10.4 million; infrastructure capital projects, $9.4 million; intergovernmental grants, $11.2 million; countywide capital projects, $5.3 million; construction library, $4.5 million; Unincorporated Area capital projects, $4.2 million; countywide special purpose projects, $3.0 million; other General Fund capital projects, $2.7 million; unincorporated area special revenue projects, $1.8 million; Clerk's public records modernization projects, $1.2 million; and remaining funds, $3.0 million.

- Infrastructure preservation costs and library book purchases were included in the $109.4 million of capital outlays mentioned above, but were not capitalized like other capital outlays. Infrastructure preservation costs, which totaled $10.8 million, were not capitalized under the modified approach for accounting for infrastructure assets. Library book purchases that did not meet the $1,000 capitalization threshold, totaling $3.3 million, were also not capitalized. Both infrastructure preservation costs and library book purchases were treated as expenses in the Statement of Activities and represent offsets against capital outlays.

- Depreciation expense accounted for $71.8 million of the reduction in capital assets. Infrastructure disposals accounted for $29.4 million of the reduction. Contributions to capital assets to the Public Utilities Enterprise Funds accounted for $1.4 million of the reduction. Non-infrastructure disposals and other write offs of capital assets during the year accounted for an additional $0.9 million of the reduction.

- Capital asset acquisitions by the internal service fund accounted for $11.5 million of the increase.

The $5.1 million decrease in net capital assets of business-type activities during fiscal year 2012 was primarily attributed to additions of $67.7 million consisting of capital outlays of $56.7 million, capitalized interest cost of $2.9 million, and contributions of $8.2 million; offset by a combined total for depreciation expense and disposals $72.9 million. See Note 6, *Capital Assets*, in the *Notes to the Financial Statements* for more information.

Long-term liabilities At September 30, 2012, the County had 22 bonded debt issues outstanding. These issues included $70.3 million in general obligation bonds, $489.9 million in non-ad valorem revenue bonds, and $328.5 million in Enterprise Fund revenue bonds. The County's short-term commercial paper note program is supported by a third-party letter of credit. At September 30, 2012, all $98.4 million of these notes payable were classified as general government notes payable. There were no notes payable in the Enterprise Funds. See the following chart of long-term liabilities outstanding at year-end.

Hillsborough County, Florida
Outstanding Long-Term Liabilities, at Year-End

in thousands	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
General obligation bonds, net *	$ 70,323	72,346	–	–	70,323	72,346
Revenue bonds*	489,904	431,028	328,548	347,497	818,452	778,525
Notes payable	98,380	136,379	–	–	98,380	136,379
Compensated absences payable	61,019	63,860	3,968	4,159	64,987	68,019
Insurance claims payable**	36,662	37,559	–	–	36,662	37,559
Net OPEB obligation	11,679	8,921	–	–	11,679	8,921
Other long-term debt	1,149	2,163	34,990	36,769	36,139	38,932
Totals	$ 769,116	752,256	367,506	388,425	1,136,622	1,140,681

* Bonds are presented net of deferred losses on bond refundings, and unamortized bond discounts and premiums.

** The Hillsborough County Health care program for low-income residents had an "insurance claims payable, current" liability reported for claims incurred but not reported and reported but not paid, which is shown in the Statement of Net assets and Balance Sheet -- Governmental Funds. That liability of $3,390,000 is not included in the chart above because it is not a long-term liability.

The County follows GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement requires public sector employers to expense the cost of other (i.e. non-pension) postemployment benefits (OPEB) over the active service lives of their employees rather than using a "pay-as-you-go" basis. The net OPEB obligation is the net amount for which the County would be obligated. The net OPEB obligation is equivalent to the annual OPEB cost, which is the OPEB expense for the year on the accrual basis of accounting, less estimated retiree claims paid by the County. The County's net OPEB obligation at September 30, 2012, was $11.679 million.

The County has been assigned the highest possible credit ratings on its general creditworthiness by the three credit rating agencies. The County's high credit ratings are a notable achievement since they generally lead to lower interest costs on debt issuances. The County's debt obligations are issued and administered in a manner that helps achieve the highest possible credit rating while sustaining the long-term financial integrity of the County.

Credit ratings assigned to the County's debt at September 30, 2012 by Moody's Investors Service (Moody's), Standard and Poor's Ratings Services (S&P), and Fitch Ratings were as follows.

Hillsborough County, Florida, Credit Ratings at September 30, 2012

Type of Debt Issue	Moody's	S&P	Fitch Ratings
General obligation bonds (i.e. general credit ratings)	Aaa	AAA	AAA
Revenue bonds supported by the County's share of the Community Investment Tax (CIT)	A1	AA	AA
Revenue bonds supported by a covenant to budget and appropriate legally available non-ad valorem revenue	Aa2	AA+	AA+
Revenue bonds supported by County's share of the Half-Cent Sales Tax from state of Florida	Aa2	AA	AA+
Revenue bonds supported by Water and Wastewater System Enterprise System revenue	Aa2	AA+	AAA
Revenue bonds supported by Solid Waste Resource System Enterprise Fund	A1	A	A
Revenue bonds supported by the County's 4th Cent Tourist Development Tax	A2	A+	AA-
Revenue bonds supported by the County's 5th Cent Tourist Development Tax	A3	A	AA-
Revenue bonds supported by the County's Court Surcharge Revenue	A1	AA+	A+
Commercial paper notes (rating includes letter of credit enhancement)	P-1	A-1+	F1+

Long-term credit ratings from highest to lowest investment grade:
Aaa, Aa1, Aa2, Aa3, A1, A2, A3, Baa1, Baa2, Baa3 (Moody's)
AAA, AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB- (S&P and Fitch)

Short-term credit ratings from highest to lowest investment grade:
P-1, P-2, P-3 (Moody's); A-1+, A-1, A-2, A-3 (S&P); F1+, F1, F2, F3 (Fitch)

For more information on long-term liabilities see Note 7, *Long-Term Liabilities*, in the *Notes to the Financial Statements*.

Economic Factors

Local, national, and international economic factors influence the County's revenues in a variety of ways. Positive economic growth is correlated with increased revenues from property taxes, sales taxes, fuel taxes, charges for services, and state revenue sharing, as well as state and federal grants. Economic growth may be measured by a variety of indicators such as employment growth, employment diversity, the unemployment rate, new construction and assessed values, diversity of the property tax base, and Enterprise Fund revenue and net asset growth.

- Ad valorem property taxes represented 40% of total revenues from governmental activities for fiscal year 2012. These revenues are based on assessed values (market value less

exemptions). After reaching an all-time high of $80.05 billion in fiscal year 2007, the assessed value of real estate in the County fell to $53.57 billion in 2012 or a decline of 33% from its peak. These declines in assessed values were due to a combination of lower market values and higher exemptions set by state law.

- The fact that the ten largest property taxpayers in the County represent only 6.4% of the total ad valorem property tax levy indicates that the County has a diversified tax base. Hillsborough County's diversified property tax base should continue to provide a stabilizing effect on property tax revenues in the future.

- Sales-related taxes such as fuel taxes, discretionary sales surtaxes, communications services taxes, and state shared revenues represented 32% of total revenues from governmental activities for fiscal year 2012. Sales-related taxes and state shared revenues are linked to employment within the County. Hillsborough County's annual average unemployment rate in 2011 was 10.5%, compared to 11.8% in the prior year. The County's 2011 unemployment rate was the same as the state of Florida, but was 1.6 percentage points above the nation's overall rate of 8.9%.

- Hillsborough County also has a diversified employment base. The top 18 employers in the County employ only 20.9% of the total employees within the County. In addition, employment within the County is spread among a wide variety of categories including education, health, restaurants and entertainment, professional and business services, government, finance/insurance/real estate, construction, transportation, communications, wholesale/retail trade, and manufacturing. The County's diversified employment base provides a stabilizing effect on the County's sales-related revenues.

The economic factors described above show that the County's general (i.e. non-program) revenue, is well proportioned between property tax revenues (52%) and sales-related revenues (32%). In addition, there is wide variety in the principal property tax taxpayers and employers in Hillsborough County both of which tend to stabilize County's revenues. More information on economic factors is provided in the *Statistical Section*.

To Obtain Further Information

This financial report was designed to provide an overview of the County's finances. If you have any questions concerning budgets, long-term financial planning, future debt issuances, or the management of County operations, please contact the county administrator. If you have any questions concerning the Basic Financial Statements or other accounting information in this report, please contact the finance director or assistant finance director. Contact information is shown below:

Office of the County Administrator
County Center, 26th Floor
PO Box 1110
Tampa, Florida 33601-1110

County Finance Department
County Center, 12th Floor
PO Box 1110
Tampa, Florida 33601-1110

BASIC FINANCIAL STATEMENTS

HILLSBOROUGH COUNTY, FLORIDA
Statement of Net Assets
September 30, 2012
(amounts in thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	$ 94,188	70,363	164,551	7,488
Investments	722,138	288,518	1,010,656	1,687
Accounts receivable, net	6,284	25,357	31,641	99
Interest receivable	2,250	918	3,168	57
Ad valorem taxes receivable	9	--	9	--
Delinquent ad valorem taxes receivable	1,014	--	1,014	--
Due from other governmental units	37,752	36	37,788	862
Internal balances--due from (to)	(2,388)	732	-- *	--
Inventories	1,804	1,781	3,585	--
Deposits	--	--	--	3
Prepaid charges	4,897	--	4,897	20
Notes and loans receivable	1,389	--	1,389	--
Other assets	--	1,013	1,013	--
Total unrestricted current assets	869,337	388,718	1,258,055	10,216
Restricted current assets:				
Cash and cash equivalents	232,831	37,153	269,984	1,298
Investments	175,669	154,929	330,598	14,230
Accounts receivable, net	1,648	4,836	6,484	--
Interest receivable	565	474	1,039	--
Delinquent property taxes receivable	61	--	61	--
Due from other governmental units	43,237	41	43,278	--
Internal balances--due from (to)	1,656	--	-- *	--
Inventories	5,070	--	5,070	--
Total restricted current assets	460,737	197,433	658,170	--
Total current assets	1,330,074	586,151	1,916,225	25,744
Noncurrent assets:				
Restricted noncurrent assets:				
Accounts receivable	251	--	251	--
Notes and loans receivable	86,331	--	86,331	1,115
Other assets	1,516	--	1,516	--
Total restricted noncurrent assets	88,098	--	88,098	1,115
Capital assets (net of accumulated depreciation):				
Land	527,012	42,199	569,211	--
Buildings	405,279	209,899	615,178	--
Building improvements	105,079	702,952	808,031	18
Equipment	76,430	7,604	84,034	12
Intangibles	8,515	8,001	16,516	--
Infrastructure	5,760,811	--	5,760,811	1,965
Construction in progress	24,598	96,357	120,955	--
Total capital assets, net	6,907,724	1,067,012	7,974,736	1,995
Accounts receivable, long-term	--	103,461	103,461	--
Unamortized bond issuance costs	5,041	4,246	9,287	207
Total noncurrent assets	6,912,765	1,174,719	8,087,484	2,202
Total assets	$ 8,330,937	1,760,870	10,091,807	29,061

* Although the two "internal balances--due from (to)" accounts shown above net to zero in total, each individual line does not crossfoot due to GASB Statement No. 34's requirement that internal balances be eliminated in the primary government total column.

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	$ 21,119	12,123	33,242	223
Accrued liabilities	18,750	783	19,533	67
Accrued interest payable	8,803	--	8,803	334
Due to other governmental units	7,549	--	7,549	--
Deferred revenue	5,401	19,428	24,829	--
Deposits held	11	--	11	100
Insurance claims payable, current	27,427	--	27,427	--
Notes payable, current	98,380	--	98,380	--
Compensated absences, current	54,362	3,190	57,552	673
Bonds payable, current	25,935	13,460	39,395	130
Net OPEB obligation, current	3,510	--	3,510	--
Other long-term debt, current	629	263	892	--
Total unrestricted current liabilities	271,876	49,247	321,123	1,527
Current liabilities payable from restricted assets:				
Accounts and contracts payable	35,029	16,003	51,032	--
Accrued liabilities	1,705	--	1,705	--
Accrued interest payable	--	2,475	2,475	--
Deposits	--	12,207	12,207	--
Due to other governmental units	1,673	--	1,673	--
Deferred revenue	92,335	67	92,402	--
Insurance claims payable, current	3,326	--	3,326	--
Total current liabilities payable				--
from restricted assets	134,068	30,752	164,820	--
Total current liabilities	405,944	79,999	485,943	1,527
Noncurrent liabilities:				
Insurance claims payable	9,235	--	9,235	--
Compensated absences payable	6,657	778	7,435	--
Bonds payable, net	534,292	315,088	849,380	12,824
Net OPEB obligation	8,169	--	8,169	--
Other long-term debt, net	520	34,727	35,247	--
Total noncurrent liabilities	558,873	350,593	909,466	12,824
Total liabilities	964,817	430,592	1,395,409	14,351
NET ASSETS				
Invested in capital assets, net of related debt	6,287,766	818,656	7,106,422	1,995
Restricted for:				
Renewal and replacement	--	63,658	63,658	4,858
Debt service	34,221	22,829	57,050	--
Grants and similar projects	4,232	--	4,232	--
Statute/ordinance enabled projects	290,158	--	290,158	--
Capital projects	46,791	--	46,791	--
Other purposes	6,354	--	6,354	--
Unrestricted	696,598	425,135	1,121,733	7,857
Total net assets	$ 7,366,120	1,330,278	8,696,398	14,710

The accompanying notes are an integral part of these financial statements.

HILLSBOROUGH COUNTY, FLORIDA
Statement of Activities
For the fiscal year ended September 30, 2012

(amounts in thousands) Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants, Contributions and Restricted Interest: Grants/Contributions	Program Revenues: Capital Grants, Contributions and Restricted Interest: Interest	Net (Expenses) Revenues and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Primary government:									
Governmental activities:									
General government	$ 294,159	35,198	2,422	1,137	--	(255,402)	--	(255,402)	--
Public safety	522,532	90,251	16,901	2,219	--	(413,161)	--	(413,161)	--
Physical environment	26,221	4,558	3,252	3,897	--	(14,514)	--	(14,514)	--
Transportation	100,029	12,329	2,091	30,600	--	(55,009)	--	(55,009)	--
Economic environment	52,580	2,840	9,675	9,878	--	(30,187)	--	(30,187)	--
Human services	211,136	21,990	54,606	--	--	(134,540)	--	(134,540)	--
Culture and recreation	71,169	7,026	961	193	--	(62,989)	--	(62,989)	--
Interest on long-term debt	25,495	--	--	--	--	(25,495)	--	(25,495)	--
Total governmental activities	1,303,321	174,192	89,908	47,924	--	(991,297)	--	(991,297)	--
Business-type activities:									
Water Resource Services System	192,311	202,198	--	15,330	9,071	--	34,288	34,288	--
Solid Waste Resource Recovery	103,234	101,515	--	--	1,330	--	(389)	(389)	--
Total business-type activities	295,545	303,713	--	15,330	10,401	--	33,899	33,899	--
Total primary government	$ 1,598,866	477,905	89,908	63,254	10,401	(991,297)	33,899	(957,398)	--
Component units:									
Neighborhood dependent districts	$ 2,007	2,017	11	--	--	--	--	--	21
Housing Finance Authority	2,004	819	--	--	1,763	--	--	--	578
Law Library Board	472	455	2	--	--	--	--	--	(15)
Planning Commission	3,943	322	3,681	--	--	--	--	--	60
Total component units	$ 8,426	3,613	3,694	--	1,763	--	--	--	644
General revenues:									
Ad valorem property taxes						546,263	--	546,263	--
Fuel taxes						30,710	--	30,710	--
Discretionary sales surtaxes						191,926	--	191,926	--
Other taxes						48,662	--	48,662	--
Intergovernmental--state shared revenues, unrestricted						165,797	--	165,797	--
Investment earnings						11,045	--	11,045	42
Gain (loss) on sales of capital assets						2,208	(1,759)	449	--
Miscellaneous						44,476	2,254	46,730	--
Transfers						(125)	125	--	--
Total general revenues						1,040,962	620	1,041,582	42
Change in net assets						49,665	34,519	84,184	686
Net assets - beginning of year, as previously reported						7,316,455	1,295,759	8,612,214	14,054
Restatement for neighborhood dependent districts included in the prior year but not in the current year financial statements						--	--	--	(30)
Net assets - beginning of year, as restated						7,316,455	1,295,759	8,612,214	14,024
Net assets - end of year						$ 7,366,120	1,330,278	8,696,398	14,710

The accompanying notes are an integral part of these financial statements.

DESCRIPTIONS OF MAJOR FUNDS - GOVERNMENTAL ACTIVITIES

BOARD OF COUNTY COMMISSIONERS:

General Fund – To account for all financial resources of the general government except those required to be accounted for in other funds. The General Fund is subdivided into the following categories: Countywide, Unincorporated Area, Sheriff, Tax Collector, Property Appraiser, Supervisor of Elections, and Clerk of Circuit Court.

Countywide Special Purpose Revenue Fund – To account for special purpose revenues used to provide services for residents throughout the County. Examples include state revenue sharing, the discretionary sales surtax for indigent health care, the 911 emergency telephone system, pollution settlement and recovery, and state contraband forfeitures.

Sales Tax Revenue Fund – To account for the local government infrastructure discretionary sales surtax known as the Community Investment Tax, the local government half-cent sales tax distributed by the state of Florida which is transferred to other funds for various program expenditures; the 5% tourist development tax designated to promote tourism in the County; and the professional sports franchise sales tax revenues.

Intergovernmental Grants Fund – To account for federal, state, local government, or other grants for programs including aging services, children's services, social services, transportation, public assistance, housing, public safety, physical environment, and capital projects.

County Transportation Fund – To account for motor fuel taxes, state revenue sharing, and various grant funds designated to finance road and street construction, maintenance, and other transportation projects.

Local Housing Assistance Program Fund – To account for State Housing Initiatives Partnership (SHIP) program moneys received from the state of Florida and related program income. This program makes loans to low and moderate-income persons, first-time homebuyers, builders and others for funding home purchases, new home construction, existing home rehabilitation, and for the payment of matching funds needed to obtain grants.

Infrastructure Surtax Projects Fund – To account for use of the County's share of the voter-approved local government infrastructure discretionary sales surtax levied per Section 212.055, Florida Statutes. This sales tax, commonly known as the Community Investment Tax, may be used to purchase or construct equipment or infrastructure related to jails, criminal justice computer systems, fire stations, roads and traffic intersections, stormwater systems, parks, and libraries. This tax is shared with the Hillsborough County School Board, the Tampa Sports Authority, and the three municipalities located in the County.

BUSINESS-TYPE ACTIVITIES

BOARD OF COUNTY COMMISSIONERS:

Water Enterprise Fund – To account for the operations of the Water Enterprise Fund, a division of the Public Utilities Department, which provides water and wastewater-related services in the unincorporated areas of the County. Water and wastewater fees are determined annually by rate studies and are set at levels to recover operating expenses, including debt service, in a manner similar to private business enterprises. Activities necessary to provide water and wastewater service are accounted for in this fund, including customer service, engineering, operations, and maintenance.

Solid Waste Enterprise Fund – To account for the operations of the Solid Waste Enterprise Fund, a division of the Public Utilities Department, which provides solid waste disposal services on a countywide basis. Refuse generated in the unincorporated areas of the County is collected by franchised and non-franchised collectors serving residential and commercial customers and by private companies serving their own customers. Refuse dumping fees are reviewed annually and are set at levels sufficient to recover operating and debt service expenses, and to also account for landfills owned and operated by the Solid Waste Fund as well as monitoring closed landfills.

HILLSBOROUGH COUNTY, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2012
(amounts in thousands)

	MAJOR FUNDS			
	General	**Countywide Special Purpose**	**Sales Tax Revenue**	**Inter-Governmental Grants**
ASSETS				
Current assets:				
Cash and cash equivalents	$ 119,164	33,024	9,605	--
Investments	165,800	136,556	40,054	--
Accounts receivable, net	5,815	2	--	227
Interest receivable	519	428	126	--
Ad valorem taxes receivable	--	--	--	--
Delinquent ad valorem taxes receivable	991	--	--	--
Due from other funds	56,955	1,533	1,938	--
Due from other governmental units	969	9,415	15,826	12,687
Inventories	1,373	--	--	--
Prepaid charges	--	708	--	--
Notes and loans receivable	--	--	--	36,527
Other assets	--	--	--	1,516
Total assets	351,586	181,666	67,549	50,957
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	12,433	12,219	5,831	7,277
Accrued liabilities	18,632	155	3	497
Due to other funds	59,761	400	4,466	1,037
Due to other governmental units	6,876	--	860	--
Deferred revenue	5,273	239	--	40,240
Deposits held	11	--	--	--
Insurance claims payable, current	--	3,326	--	--
Total liabilities	102,986	16,339	11,160	49,051
FUND BALANCES				
Nonspendable:				
Inventories and prepaid items	1,373	708	--	--
Restricted for:				
Debt service	--	--	--	--
Grant programs and projects	--	--	--	1,906
Federal and state law	--	53,651	10,107	--
Impact fees	--	20,545	--	--
Hillsborough Healthcare	--	48,059	--	--
Other purposes	--	214	--	--
Committed to:				
BOCC ordinance/other purposes	--	--	--	--
Assigned to:				
Capital projects	--	--	--	--
Major maintenance & repair projects	--	27,340	--	--
BOCC resolution/other purposes	--	14,810	46,282	--
Unassigned	247,227	--	--	--
Total fund balances	248,600	165,327	56,389	1,906
Total liabilities and fund balance	$ 351,586	181,666	67,549	50,957

Residental properties/land to be redeveloped and sold using funding from the federal Neighborhood Stabilization Program grant are reported as other assets in the Intergovernmental Grants Fund.

MAJOR FUNDS				
County Transportation	Local Housing Assistance	Infrastructure Surtax Projects	Other Governmental Funds	Total Governmental Funds
25,139	305	12,790	64,418	264,445
104,837	1,271	32,153	206,002	686,673
347	--	--	1,065	7,456
329	4	101	646	2,153
--	--	--	9	9
19	--	--	65	1,075
513	--	4,451	859	66,249
11,192	--	--	1,969	52,058
4,807	--	--	263	6,443
--	--	--	--	708
--	51,193	--	--	87,720
--	--	--	--	1,516
147,183	52,773	49,495	275,296	1,176,505
7,925	1	2,599	4,277	52,562
416	--	--	686	20,389
402	--	--	915	66,981
--	--	--	813	8,549
80	51,194	--	452	97,478
--	--	--	--	11
--	--	--	--	3,326
8,823	51,195	2,599	7,143	249,296
4,807	--	--	263	7,151
--	--	24,900	32,961	57,861
--	1,578	--	160	3,644
38,074	--	21,996	76,358	200,186
45,691	--	--	13,724	79,960
--	--	--	--	48,059
--	--	--	2,950	3,164
2,291	--	--	49,248	51,539
47,497	--	--	79,285	126,782
--	--	--	7,091	34,431
--	--	--	6,113	67,205
--	--	--	--	247,227
138,360	1,578	46,896	268,153	927,209
147,183	52,773	49,495	275,296	1,176,505

The accompanying notes are an integral part of these financial statements.

HILLSBOROUGH COUNTY, FLORIDA
Reconciliation of the Balance Sheet--Governmental Funds
to the Statement of Net Assets--Governmental Activities
September 30, 2012
(amounts in thousands)

Fund balances reported on the Balance Sheet--Governmental Funds		$ 927,209
Differences between the amounts reported on the Balance Sheet--Governmental Funds and the governmental activities reported on the Statement of Net Assets were as follows:		
☐ Capital assets used in governmental activities were not financial resources and, therefore, were not reported in the governmental funds:		
Total capital assets, see Note 6	6,907,724	
Less: Internal Service Fund capital assets	(22,439)	6,885,285
☐ Other assets or liabilities shown in governmental activities were not financial resources and, therefore, were not reported in the governmental funds:		
☐ Accounts receivable from local revenue sources including discretionary sales surtaxes, non-grant intergovernmental revenues, tourist development and fuel taxes.		29,182
☐ Elimination of the operating income earned by the Internal Service Funds through transactions with business-type activities.		(1,182)
☐ Internal service funds were used to charge self-insurance and fleet management costs to individual funds. The assets and liabilities of the internal service funds were included in the governmental activities portion of the Statement of Net Assets.		250,663
☐ Compensated absences of the Planning Commission and Law Library component units were offset by amounts "due from other governmental units," which corresponded to amounts "due to other governmental units" on the governmental activities portion of the Statement of Net Assets.		(673)
☐ Long-term liabilities, including bonds payable, were not due and payable in the current period and therefore were not reported in the governmental funds.		
☐ Unamortized bond issuance costs	5,041	
Total long-term liabilities, see Note 7	(769,116)	
Add: interest payable due to interest accruals	(8,803)	
Less: Internal Service Fund insurance claims payable	36,662	
Less: Internal Service Fund compensated absences	173	
Less: Internal Service Fund OPEB liability, see Note 9	11,679	
		(724,364)
Net assets reported for governmental activities on the Statement of Net Assets		$ 7,366,120

The accompanying notes are an integral part of these financial statements.

HILLSBOROUGH COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended September 30, 2012
(amounts in thousands)

	MAJOR FUNDS			
	General	**Countywide Special Purpose**	**Sales Tax Revenue**	**Inter-Governmental Grants**
Revenues:				
Taxes--ad valorem property taxes	$ 509,226	--	--	--
Taxes--fuel taxes	--	--	--	--
Taxes--discretionary sales surtaxes	--	95,774	95,775	--
Taxes--other	1,447	--	21,032	16
Licenses, permits, special assessments	620	14,859	--	--
Intergovernmental--state shared revenues	22,641	14,939	82,163	--
Intergovernmental--grants	8,156	7	--	89,924
Charges for services	102,376	7,408	--	1,028
Fines and forfeitures	4,383	1,002	--	--
Interest	4,078	1,144	330	98
Miscellaneous	6,401	6,215	1,088	2,796
Total revenues	659,328	141,348	200,388	93,862
Expenditures:				
Current:				
General government	160,159	29,367	49,606	3,471
Public safety	437,761	11,947	--	5,285
Physical environment	19,701	1,538	--	3,997
Transportation	154	--	--	--
Economic environment	15,974	1,324	14,287	14,302
Human services	32,215	105,179	--	63,734
Culture and recreation	33,194	594	--	136
Capital outlay	13,062	3,013	--	11,165
Debt service:				
Principal	--	--	--	--
Interest and fiscal charges	--	--	--	--
Total expenditures	712,220	152,962	63,893	102,090
Excess (deficiency) of revenues over (under) expenditures	(52,892)	(11,614)	136,495	(8,228)
Other financing sources (uses):				
Transfers in	554,914	26,837	1	9,102
Transfers out	(504,430)	(13,392)	(112,272)	(384)
Face amount of long-term debt issued	--	--	--	--
Premiums on long-term debt issued	--	--	--	--
Payment to refunded bond escrow agent	--	--	--	--
Sales of capital assets	1,342	--	--	--
Total other financing sources (uses)	51,826	13,445	(112,271)	8,718
Net change in fund balances	(1,066)	1,831	24,224	490
Fund balances, beginning of year	249,938	163,496	32,165	1,416
Increase (decrease) in nonspendable fund balances	(272)	--	--	--
Fund balances, end of year	$ 248,600	165,327	56,389	1,906

MAJOR FUNDS				
County Transportation	Local Housing Assistance	Infrastructure Surtax Projects	Other Governmental Funds	Total Governmental Funds
--	--	--	37,037	546,263
31,104	--	--	--	31,104
--	--	--	--	191,549
--	--	--	25,492	47,987
10,552	--	--	13,394	39,425
16,202	--	--	29,685	165,630
16,967	--	--	6,684	121,738
2,573	--	--	14,631	128,016
--	--	--	2,548	7,933
1,122	17	213	1,425	8,427
3,019	1,551	--	986	22,056
81,539	1,568	213	131,882	1,310,128
3,554	--	808	35,364	282,329
--	--	--	24,905	479,898
--	--	(1,403)	2,524	26,357
53,382	--	3,509	--	57,045
--	3,683	--	579	50,149
--	--	5	230	201,363
--	--	233	30,526	64,683
52,671	--	9,403	20,045	109,359
--	--	50,000	24,789	74,789
--	--	1,939	24,314	26,253
109,607	3,683	64,494	163,276	1,372,225
(28,068)	(2,115)	(64,281)	(31,394)	(62,097)
13,702	--	46,167	77,011	727,734
(1,897)	--	(45,407)	(49,805)	(727,587)
--	--	82,445	89,755	172,200
--	--	12,551	13,224	25,775
--	--	--	(102,450)	(102,450)
--	--	--	30	1,372
11,805	--	95,756	27,765	97,044
(16,263)	(2,115)	31,475	(3,629)	34,947
154,602	3,693	15,421	271,732	892,463
21	--	--	50	(201)
138,360	1,578	46,896	268,153	927,209

The accompanying notes are an integral part of these financial statements.

HILLSBOROUGH COUNTY, FLORIDA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the fiscal year ended September 30, 2012
(amounts in thousands)

Net change in fund balances reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances--Governmental Funds	$ 34,947
Differences between amounts reported on Statement of Revenues, Expenditures, and Changes in Fund Balances--Governmental Funds and governmental activities reported on the Statement of Activities were as follows:	
Capital assets-related items	
○ Capital outlay expenditures represented an increase to capital assets on the Statement of Activities.	109,359
○ Depreciation expense was a reduction of net assets on the Statement of Activities.	(63,488)
○ Infrastructure preservation costs were not capitalized, but decreased net assets under the modified approach. Library books were under the capitalization threshold, so they also decreased net assets.	(14,157)
○ Contributions of infrastructure assets received increased net assets on the Statement of Activities.	13,633
○ Contributions of capital assets received from the Constitutional Officers, Planning Commission, Law Library and others increased net assets.	2,410
○ Loss on sale of capital assets was not reported in the fund financial statements, but was reported in the Statement of Activities. The book value of assets disposed was a reduction of net assets.	(851)
○ Loss on disposal of infrastructure, which was reported as an expense represented a reduction of net assets.	(29,380)
○ Transfer of capital assets to the Fleet Management Internal Service Fund was a reduction of net assets.	(51)
○ Transfer of capital assets to the Public Utilities Department was a reduction of net assets.	(1,387)
Long-term liability-related items	
○ The reduction of the arbitrage rebate liability during the year increased interest earnings, which increased net assets on the Statement of Activities.	442
○ Proceeds from the issuance of new long-term debt were in "other financing sources" on the fund financial statements but did not increase net assets on the Statement of Activities.	(197,975)
○ Repayments of long-term liabilities represented expenditures on the fund financial statements, but did not decrease net assets on the Statement of Activities.	177,239
○ Bond issuance costs were amortized over the life of the bond issue, decreasing net assets on the Statement of Activities.	(432)
○ The decrease in compensated absences decreased net assets on the Statement of Activities.	2,740
○ The reduction in interest accruals and other interest related entries increased net assets on the Statement of Activities.	1,190
○ The unamortized premium on bonds refunded during 2012 increased net assets on the Statement of Activities.	82
○ The removal of unamortized bond issue cost of bonds refunded in 2012 reduced net assets on the Statement of Activities.	(81)
○ Issuance expenditures incurred due to issuance of 2012 A&B CIT bonds and 2012 CIP bonds were not expensed, but were amortized over the life of the new debt or old debt, whichever was shorter. This in turn increased net assets on the Statement on Activities.	1,718
Eliminations of inter-organizational items	
○ The operating profit earned on transactions with business-type activities was eliminated.	622
Revenues and receivables-related items	
○ Sales tax and state shared revenues accrued at year-end less the reversal of the prior year's revenue accruals increased net assets on the Statement of Activities.	715
○ Net revenues of the Self-Insurance and Fleet Internal Service Funds increased net assets since they were reported in the governmental activities section of the Statement of Activities.	11,769
Other reconciling items	
○ The decrease in reserves on the fund financial statements decreased net assets on the Statement of Activities.	(201)
○ The liquidation of the pollution remediation obligation increased net assets on the Statement of Activities.	230
○ The reduction of the Voluntary Separation Incentive Program (VSIP) liability increased net assets on the Statement of Net Assets.	572
Change in net assets reported on the governmental portion of the Statement of Activities	$ 49,665

The accompanying notes are an integral part of these financial statements.

HILLSBOROUGH COUNTY, FLORIDA
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund (Budgetary Basis)
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes--ad valorem property taxes	$ 525,914	525,914	509,226	(16,688)
Taxes--other	1,535	1,535	1,447	(88)
Licenses, permits, special assessments	724	724	620	(104)
Intergovernmental--state shared revenues	21,551	21,551	22,641	1,090
Intergovernmental--grants	1,699	1,699	1,210	(489)
Charges for services	101,796	102,676	99,280	(3,396)
Fines and forfeitures	3,238	3,238	4,383	1,145
Interest	3,845	3,845	4,078	233
Miscellaneous	9,899	9,899	6,892	(3,007)
Total revenues	670,201	671,081	649,777	(21,304)
Expenditures:				
Current:				
General government	170,160	170,000	157,965	12,035
Public safety	460,888	462,133	430,079	32,054
Physical environment	20,788	20,796	19,701	1,095
Transportation	186	186	154	32
Economic environment	17,242	17,617	15,974	1,643
Human services	38,652	38,596	32,215	6,381
Culture and recreation	35,149	34,686	33,194	1,492
Capital outlay	12,751	13,303	9,002	4,301
Total expenditures	755,816	757,317	698,284	59,033
Excess (deficiency) of revenues over (under) expenditures	(85,615)	(86,236)	(48,507)	37,729
Other financing sources (uses):				
Transfers in	528,330	530,114	552,214	22,100
Transfers out	(468,977)	(470,031)	(504,421)	(34,390)
Sales of capital assets	152	152	851	699
Budgetary reserves	(177,245)	(177,501)	--	177,501
Budget allowance	(33,677)	(33,677)	--	33,677
Distribution of excess fees	(1,232)	(1,085)	(1,203)	(118)
Total other financing sources (uses)	(152,649)	(152,028)	47,441	199,469
Net change in fund balances	(238,264)	(238,264)	(1,066)	237,198
Fund balances, beginning of year	238,264	238,264	249,938	11,674
Increase (decrease) in nonspendable fund balances	--	--	(272)	(272)
Fund balances, end of year--budgetary basis	$ --	--	248,600	248,600
To convert to GAAP basis:				
Reduce distribution of excess fees			1,203	
Add intergovernmental grants			6,946	
Add contract-related charges for services			3,096	
Decrease miscellaneous revenue			(491)	
Add proceeds from the sale of capital assets			491	
Increase public safety and general government expenditures			(9,876)	
Decrease capital outlay			(4,060)	
Add transfers in for Sheriff's vehicles			2,700	
Decrease transfers out for Sheriff's office			(9)	
Fund balances, end of year--GAAP basis			$ 248,600	

The accompanying notes are an integral part of these financial statements.

HILLSBOROUGH COUNTY, FLORIDA
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Countywide Special Purpose Fund (Budgetary Basis)
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes--discretionary sales surtaxes	$ 96,192	96,192	95,774	(418)
Licenses, permits, special assessments	6,302	6,302	14,859	8,557
Intergovernmental--state shared revenues	14,057	14,057	14,676	619
Intergovernmental--grants	68	68	7	(61)
Charges for services	7,319	7,319	7,408	89
Fines and forfeitures	1,314	1,314	1,002	(312)
Interest	902	902	1,169	267
Miscellaneous	7,438	7,443	5,561	(1,882)
Total revenues	133,592	133,597	140,456	6,859
Expenditures:				
Current:				
General government	16,892	34,634	26,727	7,907
Public safety	14,185	14,185	11,856	2,329
Physical environment	1,346	1,519	1,379	140
Economic environment	3,417	4,366	1,325	3,041
Human services	117,795	117,800	105,095	12,705
Culture and recreation	82	82	5	77
Capital outlay	2,594	2,926	1,267	1,659
Total expenditures	156,311	175,512	147,654	27,858
Excess (deficiency) of revenues over (under) expenditures	(22,719)	(41,915)	(7,198)	34,717
Other financing sources (uses):				
Transfers in	24,298	24,451	23,439	(1,012)
Transfers out	(11,992)	(13,524)	(13,499)	25
Budgetary reserves	(110,132)	(89,557)	--	89,557
Budget allowance	(6,364)	(6,364)	--	6,364
Total other financing sources (uses)	(104,190)	(84,994)	9,940	94,934
Net change in fund balances	(126,909)	(126,909)	2,742	129,651
Fund balances, beginning of year	126,909	126,909	127,302	393
Fund balances, end of year--budgetary basis	$ --	--	130,044	130,044
Add end of year fund balances from non-annually appropriated projects			35,283	
Fund balances, end of year--GAAP basis			$ 165,327	

The accompanying notes are an integral part of these financial statements.

HILLSBOROUGH COUNTY, FLORIDA
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Sales Tax Revenue Fund
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes--discretionary sales surtaxes	$ 96,192	96,192	95,775	(417)
Taxes--other	20,150	20,150	21,032	882
Intergovernmental--state shared revenues	81,603	81,603	82,163	560
Interest	242	242	330	88
Miscellaneous	--	--	1,088	1,088
Total revenues	198,187	198,187	200,388	2,201
Expenditures:				
Current:				
General government	48,173	49,766	49,606	160
Economic environment	13,361	14,361	14,287	74
Total expenditures	61,534	64,127	63,893	234
Excess (deficiency) of revenues over (under) expenditures	136,653	134,060	136,495	2,435
Other financing sources (uses):				
Transfers in	1	1	1	--
Transfers out	(109,309)	(112,467)	(112,272)	195
Budgetary reserves	(48,371)	(47,737)	--	47,737
Budget allowance	(9,809)	(5,063)	--	5,063
Total other financing sources (uses)	(167,488)	(165,266)	(112,271)	52,995
Net change in fund balances	(30,835)	(31,206)	24,224	55,430
Fund balances, beginning of year	30,835	31,206	32,165	959
Fund balances, end of year	$ --	--	56,389	56,389

The accompanying notes are an integral part of these financial statements.

HILLSBOROUGH COUNTY, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
County Transportation Fund (Budgetary Basis)
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes--fuel taxes	$ 6,929	6,929	6,526	(403)
Intergovernmental--state shared revenues	5,278	5,278	5,302	24
Charges for services	2,190	2,190	2,573	383
Special assessments	7,818	7,818	7,854	36
Interest	237	237	182	(55)
Miscellaneous	6	6	39	33
Total revenues	22,458	22,458	22,476	18
Expenditures:				
Current:				
General government	3,688	3,688	3,091	597
Transportation	56,239	56,239	53,285	2,954
Total expenditures	59,927	59,927	56,376	3,551
Excess (deficiency) of revenues over (under) expenditures	(37,469)	(37,469)	(33,900)	3,569
Other financing sources (uses):				
Transfers in	41,034	41,034	41,021	(13)
Transfers out	(10,922)	(11,822)	(11,755)	67
Budgetary reserves	(7,494)	(6,594)	--	6,594
Budget allowance	(1,105)	(1,105)	--	1,105
Total other financing sources	21,513	21,513	29,266	7,753
Net change in fund balances	(15,956)	(15,956)	(4,634)	11,322
Fund balances, beginning of year	15,956	15,956	22,347	6,391
Increase (decrease) in nonspendable fund balances	--	--	21	21
Fund balances, end of year--budgetary basis	$ --	--	17,734	17,734
Add end of year fund balances from non-annually appropriated projects			120,626	
Fund balances, end of year--GAAP basis			$ 138,360	

The accompanying notes are an integral part of these financial statements.

HILLSBOROUGH COUNTY, FLORIDA
Statement of Net Assets
Proprietary Funds
September 30, 2012
(amounts in thousands)

	Business-Type Activities--Enterprise Funds			Governmental Activities--Internal Service Funds
	Water	Solid Waste	Totals	
ASSETS				
Current assets:				
Cash and cash equivalents	$ 47,372	21,809	69,181	63,756
Investments	197,566	90,952	288,518	211,134
Accounts receivable, net	20,670	4,687	25,357	476
Interest receivable	633	285	918	662
Due from other funds	53	875	928	822
Due from other governmental units	36	--	36	--
Inventories	1,781	--	1,781	431
Prepaid charges	--	--	--	4,189
Other assets	763	250	1,013	--
Total unrestricted current assets	268,874	118,858	387,732	281,470
Restricted current assets:				
Cash and cash equivalents	31,473	5,680	37,153	--
Investments	131,243	23,686	154,929	--
Accounts receivable, net	4,836	--	4,836	--
Interest receivable	399	75	474	--
Due from other governmental units	41	--	41	--
Total restricted current assets	167,992	29,441	197,433	--
Total current assets	436,866	148,299	585,165	281,470
Noncurrent assets:				
Capital assets (net of accumulated depreciation):				
Land	28,572	13,627	42,199	--
Buildings	175,873	34,026	209,899	--
Building improvements	544,633	158,319	702,952	--
Equipment	3,149	4,455	7,604	22,405
Intangibles	8,001	--	8,001	22
Construction in progress	88,368	7,989	96,357	12
Total capital assets, net	848,596	218,416	1,067,012	22,439
Accounts receivable, noncurrent	103,461	--	103,461	--
Unamortized bond issuance costs	2,265	1,981	4,246	--
Total noncurrent assets	954,322	220,397	1,174,719	22,439
Total assets	$ 1,391,188	368,696	1,759,884	303,909

(continued)

The accompanying notes are an integral part of these financial statements.

	Business-Type Activities--Enterprise Funds			Governmental Activities--Internal Service Funds
	Water	Solid Waste	Totals	
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	$ 4,906	7,217	12,123	3,586
Accrued liabilities	650	133	783	66
Due to other funds	13	183	196	822
Deferred revenue	3,988	15,440	19,428	258
Insurance claims payable, current	--	--	--	27,427
Compensated absences, current	2,600	590	3,190	173
Bonds payable, current	11,390	2,070	13,460	--
Net OPEB obligation, current	--	--	--	3,510
Other long-term debt, current	36	227	263	--
Total unrestricted current liabilities	23,583	25,860	49,443	35,842
Current liabilities payable from restricted assets:				
Accounts and contracts payable	15,528	475	16,003	--
Accrued interest payable	1,889	586	2,475	--
Deposits	11,840	367	12,207	--
Deferred revenue	67	--	67	--
Total current liabilities payable from restricted assets	29,324	1,428	30,752	--
Total current liabilities	52,907	27,288	80,195	35,842
Noncurrent liabilities:				
Insurance claims payable	--	--	--	9,235
Compensated absences payable	736	42	778	--
Bonds payable, net	167,262	147,826	315,088	--
Net OPEB obligation	--	--	--	8,169
Other long-term debt, net	29	34,698	34,727	--
Total noncurrent liabilities	168,027	182,566	350,593	17,404
Total liabilities	220,934	209,854	430,788	53,246
NET ASSETS				
Invested in capital assets, net of related debt	738,301	80,355	818,656	22,439
Restricted for:				
Renewal and replacement	49,458	15,188	64,646	--
Debt service	20,853	988	21,841	--
Unrestricted	361,642	62,311	423,953	228,224
Total net assets	1,170,254	158,842	1,329,096	250,663
Total liabilities and net assets	$ 1,391,188	368,696		303,909
Adjustment to reflect the cumulative effect of the elimination of Internal Service Fund transactions related to Enterprise Funds			1,182	
Net assets of business-type activities on the Statement of Net Assets			$ 1,330,278	

The accompanying notes are an integral part of these financial statements.

HILLSBOROUGH COUNTY, FLORIDA
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Business-type Activities--Enterprise Funds			Governmental Activities--Internal Service Funds
	Water	Solid Waste	Totals	
Operating revenues:				
Charges for services	$ 202,198	101,515	303,713	151,017
Total operating revenues	202,198	101,515	303,713	151,017
Operating expenses:				
Personnel services	39,257	8,421	47,678	4,337
Contractual services	69,450	70,084	139,534	5,382
Fleet services	2,513	1,717	4,230	--
Repairs and maintenance	8,117	407	8,524	260
Utilities	11,505	1,389	12,894	163
Rentals and leases	--	--	--	14
Supplies	325	32	357	4
Landfill closure and postclosure care	--	(1,322)	(1,322)	--
Depreciation and amortization	55,650	14,561	70,211	8,297
Costs of services provided	--	--	--	110,423
Other operating expenses	2,047	1,537	3,584	9,157
Annual OPEB expense	--	--	--	2,758
Total operating expenses	188,864	96,826	285,690	140,795
Operating income	13,334	4,689	18,023	10,222
Nonoperating revenues (expenses):				
State shared revenue	--	--	--	110
Interest revenue	9,071	1,330	10,401	2,176
Interest expense	(3,764)	(6,655)	(10,419)	--
Gain (loss) on disposal of capital assets	(2,369)	610	(1,759)	836
Other revenues	3,960	98	4,058	21
Other expenses	(469)	(149)	(618)	(1,375)
Total nonoperating revenues (expenses)	6,429	(4,766)	1,663	1,768
Income (loss) before contributions	19,763	(77)	19,686	11,990
Capital contributions	15,330	--	15,330	51
Transfers in	120	5	125	7,738
Transfers out	--	--	--	(8,010)
Change in net assets	35,213	(72)	35,141	11,769
Net assets, beginning of year	1,135,041	158,914	--	238,894
Net assets, end of year	$ 1,170,254	158,842		250,663
Adjustments to reflect the elimination of Internal Service Fund transactions related to Enterprise Funds:				
Reversal of prior year adjustment				
Reversal of prior year adjustment			(1,804)	
Current year adjustment			1,182	
Change in net assets of business-type activities			$ 34,519	

The accompanying notes are an integral part of these financial statements.

HILLSBOROUGH COUNTY, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Business-type Activities--Enterprise Funds			Governmental Actvities--Internal Service Funds
	Water	Solid Waste	Totals	
Cash flows from operating activities:				
Receipts from customers	$ 198,901	99,248	298,149	151,207
Payments to suppliers	(85,606)	(79,064)	(164,670)	(92,436)
Payments to employees	(39,426)	(8,484)	(47,910)	(4,911)
Cash paid for claims	--	--	--	(34,304)
Cash from other sources	3,975	93	4,068	366
Net cash provided by operating activities	77,844	11,793	89,637	19,922
Cash flows from noncapital financing activities:				
State shared revenues	--	--	--	110
Transfers in from other funds	120	5	125	7,738
Transfers out to other funds	--	--	--	(8,010)
Net cash used for noncapital financing activities	120	5	125	(162)
Cash flows from capital and related financing activities:				
Contributed capital	7,695	--	7,695	--
Acquisition and construction of capital assets	(49,687)	(7,017)	(56,704)	(11,486)
Principal paid on capital debt	(18,040)	(945)	(18,985)	--
Interest paid on capital debt	(7,079)	(7,035)	(14,114)	--
Proceeds from sale of capital assets	89	794	883	972
Net cash used for capital and related financing activities	(67,022)	(14,203)	(81,225)	(10,514)
Cash flows from investing activities:				
Proceeds from sales and maturities of investments	269,341	100,238	369,579	370,171
Purchase of investment securities	(304,424)	(106,548)	(410,972)	(390,819)
Interest and dividends received	7,402	962	8,364	1,569
Net cash used for investing activities	(27,681)	(5,348)	(33,029)	(19,079)
Net change in cash and cash equivalents	(16,739)	(7,753)	(24,492)	(9,833)
Cash and cash equivalents, beginning of year	95,584	35,242	130,826	73,589
Cash and cash equivalents, end of year	78,845	27,489	106,334	63,756
Classified as:				
Current assets	47,372	21,809	69,181	63,756
Restricted assets	31,473	5,680	37,153	--
Total cash and cash equivalents, end of year	$ 78,845	27,489	106,334	63,756

	Business-type Activities--Enterprise Funds			Governmenta Actvities--Internal Service Funds
	Water	Solid Waste	Totals	
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 13,335	4,689	18,024	10,222
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	55,650	14,561	70,211	8,297
Miscellaneous non-operating revenues	3,975	93	4,068	19
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(2,534)	(1,595)	(4,129)	163
(Increase) decrease in due from other governments	85	591	676	--
(Increase) decrease in inventories	392	--	392	(104)
(Increase) decrease in other current assets	(94)	(81)	(175)	--
(Increase) decrease in due from other funds	--	--	--	9
Increase (decrease) in accounts and contracts payable	8,053	(3,408)	4,645	(1,242)
Increase (decrease) in accrued and other liabilities	(1,489)	(2,950)	(4,439)	(20)
Increase (decrease) in due to other funds/governments	--	2	2	811
Increase (decrease) in compensated absences payable	(182)	(54)	(236)	(82)
Increase (decrease) in insurance claims payable	--	--	--	(909)
Increase (decrease) in net OPEB obligation	--	--	--	2,758
Increase (decrease) in deposits	653	(55)	598	--
Total adjustments	64,509	7,104	71,613	9,700
Net cash provided by operating activities	$ 77,844	11,793	89,637	19,922
Noncash investing, capital, and financing activities:				
Contributed capital assets	$ 7,180	986	8,166	50
Change in fair value of investments	983	392	1,375	628
Interest expense capitalized to construction work-in-progress	2,650	214	2,864	--
Special assessment impact fee contributions	5,486	--	5,486	--
Transfer of capital assets to Sheriff Law Enforcement portion of the General Fund	--	--	--	(36)

The accompanying notes are an integral part of these financial statements.

HILLSBOROUGH COUNTY, FLORIDA
Statement of Fiduciary Assets and Liabilities--Agency Funds
September 30, 2012
(amounts in thousands)

		Total Agency Funds
ASSETS		
Current assets:		
Cash and cash equivalents	$	56,504
Investments		9,507
Accounts receivable, net		201
Interest receivable		30
Due from other governmental units		8
Total assets		66,250
LIABILITIES		
Current liabilities:		
Accounts and contracts payable		1,759
Accrued liabilities		6,270
Due to other governmental units		17,536
Deposits held		40,685
Total liabilities	$	66,250

The accompanying notes are an integral part of these financial statements.

COMPONENT UNITS

Neighborhood Dependent Special Districts – To account for neighborhood dependent special districts created for levying special assessments against property in the district for the purpose of constructing and maintaining public improvements.

Housing Finance Authority of Hillsborough County – To account for the general fund of the Housing Finance Authority of Hillsborough County (Authority). The purpose of this Authority is to encourage the investment of private capital in, and the construction of, residential housing for low and moderate income families through public financing. Bonds issued by the Authority are special obligations of the Authority payable solely from revenues, receipts and resources of the Authority pledged under a related trust indenture. These bonds do not constitute a debt, liability, general or moral obligation or pledge of the faith or credit of the Authority, Hillsborough County, the state of Florida or any of its political subdivisions. Accordingly, the Authority has determined that the obligations of its bond programs should not be presented in the Authority's financial statements. To also account for the Single Family Bond Program of the Housing Finance Authority of Hillsborough County.

Law Library Board Fund – To account for the revenues and expenditures of the Law Library Board which maintains a legal reference library.

Hillsborough County City-County Planning Commission Fund – To account for the revenues and expenditures of the Hillsborough County City-County Planning Commission. The Planning Commission performs long-range comprehensive planning and makes recommendations to the County and city governments concerning the orderly growth and development of Hillsborough County.

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HILLSBOROUGH COUNTY, FLORIDA
Statement of Net Assets
Component Units
September 30, 2012
(amounts in thousands)

	Neighborhood Dependent Districts	Housing Finance Authority	Law Library Board	Planning Commission	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 1,730	5,758	--	--	7,488
Investments	66	1,621	--	--	1,687
Accounts receivable, net	6	93	--	--	99
Interest receivable	--	57	--	--	57
Due from other governmental units	--	--	139	723	862
Deposits	3	--	--	--	3
Prepaid charges	1	19	--	--	20
Restricted current assets:					
Cash and cash equivalents	--	1,298	--	--	1,298
Investments	--	14,230	--	--	14,230
Total current assets	1,806	23,076	139	723	25,744
Noncurrent assets:					
Restricted noncurrent assets:					
Notes and loans receivable	--	1,115	--	--	1,115
Total restricted noncurrent assets	--	1,115	--	--	1,115
Capital assets (net of accumulated depreciation):					
Building improvements	18	--	--	--	18
Equipment	12	--	--	--	12
Infrastructure	1,965	--	--	--	1,965
Total capital assets, net	1,995	--	--	--	1,995
Unamortized bond issuance costs	--	207	--	--	207
Total noncurrent assets	--	207	--	--	2,202
Total assets	3,801	24,398	139	723	29,061
LIABILITIES					
Current liabilities:					
Accounts and contracts payable	70	30	103	20	223
Accrued liabilities	--	--	5	62	67
Accrued interest payable	--	334	--	--	334
Deposits held	--	100	--	--	100
Compensated absences, current	--	--	32	641	673
Bonds payable, current	--	130	--	--	130
Total current liabilities	70	594	140	723	1,527
Noncurrent liabilities:					
Bonds payable, net	--	12,824	--	--	12,824
Total noncurrent liabilities	--	12,824	--	--	12,824
Total liabilities	70	13,418	140	723	14,351
NET ASSETS					
Invested in capital assets, net of related	1,995	--	--	--	1,995
Restricted for:					
Renewal and replacement	--	4,858	--	--	4,858
Unrestricted	1,736	6,122	(1)	--	7,857
Total net assets	$ 3,731	10,980	(1)	--	14,710

The accompanying notes are an integral part of these financial statements.

HILLSBOROUGH COUNTY, FLORIDA
Statement of Activities
Component Units
For the fiscal year ended September 30, 2012
(amounts in thousands)

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Charges for Services	Operating Grants and Contributions	Restricted Interest	Neighborhood Dependent Districts	Housing Finance Authority	Law Library Board	Planning Commission	Totals
Neighborhood Dependent Districts									
General government	$ 671	--	--	--	(671)	--	--	--	(671)
Physical environment	1,336	2,017	11	--	692	--	--	--	692
Total neighborhood districts	2,007	2,017	11	--	21	--	--	--	21
Housing Finance Authority									
General government	13	--	--	--	--	(13)	--	--	(13)
Economic environment	1,991	819	--	1,763	--	591	--	--	591
Total Housing Finance Authority	2,004	819	--	1,763	--	578	--	--	578
Law Library Board									
General government	472	455	2	--	--	--	(15)	--	(15)
Total Law Library Board	472	455	2	--	--	--	(15)	--	(15)
Planning Commission									
General government	3,943	322	3,681	--	--	--	--	60	60
Total Planning Commission	3,943	322	3,681	--	--	--	--	60	60
		--	--						
Total component units	$ 8,426	3,613	3,694	1,763	21	578	(15)	60	644
General revenues:									
Investment earnings					1	40	1	--	42
Total general revenues					1	40	1	--	42
Change in net assets					22	618	(14)	60	686
Net assets, beginning of year, previously reported					3,739	10,362	13	(60)	14,054
Restatement for neighborhood dependent districts included in prior year but not in current year financial statements					(30)	--	--	--	(30)
Net assets, beginning of year, as restated					3,709	10,362	13	(60)	14,024
Net assets, end of year					$ 3,731	10,980	(1)	--	14,710

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

Code Enforcement Anti-Graffiti Unit

The $103,000 anti-graffiti truck was purchased through a state Justice Assistance Grant, with no county tax dollars being spent. The anti-graffiti truck is equipped with six hydraulic-driven paint systems, which allow precise paint color matching for graffiti removal. The anti-graffiti truck also carries a 50-gallon drum vacuum system, high pressure water blasters, a 30-gallon hydraulic reservoir and a generator. The new logo design on the truck shows the Comprehensive Anti-Gang Initiative (CAGI) partnership and provides a number for citizens to call and report gang graffiti.

Photos courtesy of the Communications Department

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Hillsborough County, Florida reporting entity (County) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) 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. The County's more significant accounting policies are described below.

A. Financial Reporting Entity

Hillsborough County is a political subdivision of the state of Florida. It is guided by an elected Board of County Commissioners (BOCC), which is governed by Florida Statutes and a home-rule charter enacted by the voters. In addition, there are five elected Constitutional Officers: the Clerk of Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The BOCC and the Constitutional Officers together comprise the *Hillsborough County primary government.*

As required by GAAP, these financial statements cover the *Hillsborough County reporting entity*, which includes the Hillsborough County primary government as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. In accordance with GASB Statement No. 14, *The Financial Reporting Entity*, component units are either classified as blended component units or discretely presented component units, depending on the nature of the entity's relationship with the primary government. GASB Statement No. 14 provides the following criteria for determining whether or not an entity is a component unit of the reporting entity:

> The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of the separate organization's governing body *and* either is able to impose its will on that organization or there is the potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.
>
> A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, activities of, or the level of services performed or provided by the organization. A financial benefit or burden relationship exists if the primary government is entitled to the organization's resources; is legally obligated or has otherwise assumed the obligations to finance the deficits of, or provide financial support to, the organization; or is obligated in some manner for the debt of the organization.
>
> Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its own budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government. In addition, any entity for which the primary government is not financially accountable, but for which exclusion would cause the primary government's financial statements to be misleading, should be included as a component unit.

In accordance with GASB Statement 39, *Determining Whether Certain Organizations Are Component Units: an Amendment of GASB Statement No. 14,* a government must include certain legally separate, tax-exempt entities in the government's financial reporting entity as discretely presented component units if they meet all three of the following conditions: (a) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (b) the primary government or its component units, are entitled to or have the ability to otherwise access a majority of the economic resources received or held by the separate organization; and (c) the economic resources received or held by an individual organization that the specific primary government is entitled to, or has the ability to otherwise access, are significant to that primary government. Based on the criteria specified above, the Hillsborough County reporting entity includes both blended and discretely presented component units.

Blended Component Units

Component units that meet the criteria for blended presentation in accordance with GASB Statement Numbers 14 and 39 are reported in a manner similar to that of the primary government itself. Accordingly, the data of blended component units is presented as a part of the primary government throughout this report.

The financial statements of the board discussed below are included in the financial reporting entity as a blended component unit because, despite being legally separate from the primary government, it is so intertwined with the primary government that it is in substance, the same as the primary government. This entity, and the nature of its relationship with the County, is described in the following paragraph.

The Hillsborough County Civil Service Board (CSB), a blended component unit, is housed in the County's administrative offices and is accounted for as a nonmajor Special Revenue Fund of the Hillsborough County primary government. Separate financial statements are not required for it. The CSB administers a uniform classified merit employment system. CSB responsibilities include developing personnel rules, records, and reports related to employees and positions; handling recruitment functions; coordinating an employee performance management system; and conducting other programs to ensure compliance with the Civil Service Act and other statutory requirements. Although the CSB is legally separate, it is fiscally dependent on the primary government and provides services almost entirely to the primary government.

Discretely Presented Component Units

Component units that meet the criteria for discrete presentation in accordance with GASB Statement Numbers 14 and 39 are presented in a separate component units column in the government-wide financial statements in order to clearly distinguish the balances and transactions of these component

units from those of the primary government. The component units listed below are discretely presented and are identified as *component units* throughout this report. The Component Units are presented as governmental fund types.

Housing Finance Authority of Hillsborough County

The purpose of the Housing Finance Authority of Hillsborough County (HFA) is to use public financing to encourage private investment in, and construction of, residential housing for low and moderate income families. The members of the governing body of the HFA are appointed by the BOCC. The County Ordinance which created the HFA provides that the BOCC may remove members of the HFA's governing body without cause, and may change the structure, organization, or activities of the HFA, including terminating the HFA. The HFA is neither financially accountable to nor fiscally dependent on the BOCC. Bonds issued by the HFA are special obligations of the HFA payable solely from revenues, receipts and resources of the HFA pledged under related trust indentures. These bonds do not constitute a debt, liability, general or moral obligation or pledge of the faith or credit of the HFA, Hillsborough County, the state of Florida or any of its political subdivisions. Accordingly, the HFA has determined that the obligations of its bond programs should not be presented in the HFA's basic financial statements.

Neighborhood Dependent Special Districts

The Neighborhood Dependent Special Districts (NDs) shown below were created by County Ordinances at the request of property owners in order to levy special assessments against property in residential subdivisions. The purpose of the assessments is to construct and maintain public improvements in these special districts. Although the NDs are legally separate, they are fiscally dependent on the primary government since the NDs must obtain BOCC approval to set or modify district budgets, or to incur debt. Since each Neighborhood District by itself is immaterial, the individual Neighborhood Districts were combined into one unit to facilitate presentation.

Arlington Special Tax District
Bay Crest Special Tax District
Beacon Meadows Special Tax District
Bloomingdale Oaks Special Tax District
Bloomingdale Special Tax District
Boyette Springs Special Tax District
Brandon Groves North Special Tax District
Brandon Hills Special Tax District
Buckhorn Estates Special Tax District
Buckhorn Oaks Special Tax District
Lake Heather Special Tax District
Lake Magdalene Estates West Special Tax District
Lake Magdalene Special Dependent District
Lake Strawberry Special Tax District
Logan Gate Special Tax District
North Lakes Special Maintenance District
North Pointe Special Tax District
Northdale Special Maintenance District
Pine Meadows Special Dependent District
Pine Hollow Special Tax District

Country Place Special Maintenance District
Country Run Special Maintenance District
Country Village Special Tax District
East Lake Park Special Dependent District
Hammock Woods Special Dependent District
Hickory Hill Special Tax District
Hunters Lake Special Tax District
Indian Hills - Hickory Ridge II Special Tax District
Keystone Groves Lakes Special Dependent District
Lago Vista Special Maintenance District
Lake Brant Special Dependent District
South Pointe Special Tax District
Sugarwood Grove Special Tax District
Tampa Shores Dependent Special District
Tarawood Special Tax District
The Cove at Bay Port Colony Special Tax District
Valrico Manor Special Tax District
Village Estates West Special Tax District
Waterford Special Tax District
Westchester Special Dependent District
Windemere Special Tax District

Each of the neighborhood dependent special districts listed above has been included in this annual financial report.

Law Library Board

The Law Library Board (LLB) maintains the James J. Lunsford Law Library for legal research conducted by attorneys, judges, and the public. The LLB is legally separate. Although the governing body is appointed by the primary government from members selected from the Hillsborough County Bar Association, it cannot impose its will on the LLB. The primary government cannot set fees, modify the budget or appoint or dismiss the management of the LLB. The LLB is a component unit of the primary government because the primary government provides a significant portion of the financial support for the LLB including providing the office space occupied by the Law Library, and providing accounting, purchasing, and other support services. The LLB is reported as a discretely presented component unit because it provides services to the general public rather than entirely or almost entirely to the County.

Hillsborough County City-County Planning Commission

The Hillsborough County City-County Planning Commission (CCPC) performs long-range comprehensive planning and makes recommendations to the County and city governments concerning the orderly growth and development of Hillsborough County. The CCPC is legally separate. The primary government appoints only four of the ten members of the CCPC's governing body, which does not represent a voting majority. However, the CCPC is a component unit of the primary government because the CCPC is fiscally dependent on the primary government for almost all of its funding and because it would be misleading to exclude the CCPC from the Hillsborough County financial reporting entity's financial statements. The CCPC is reported as a discretely presented component unit because it provides services to the cities of Tampa, Temple Terrace, and Plant City, in addition to the primary government.

Restatement of Beginning Net Assets, Discretely Presented Component Units

Beginning net assets on the County and Component Units Statements of Activities were restated because all neighborhood dependent districts were included in the prior year's financial statements, but three neighborhood dependent districts were not included in the fiscal year 2012 financial statements.

Additional Information on Discretely Presented Component Units

Separate financial statements are not prepared for the LLB or CCPC, but financial data including budget and actual comparisons may be obtained from:

County Finance Department, County Center, 12th Floor,
P.O. Box 1110, Tampa, Florida 33601-1110

Financial statements of the discretely presented Housing Finance Authority of Hillsborough County and the individual Neighborhood Dependent Special Districts, including budget and actual comparisons, may be obtained directly from these entities. For a nominal photocopying charge, copies of these financial statements may also be obtained from:

Board of County Commissioners Records, County Center, 12th Floor
601 East Kennedy Boulevard, Tampa, Florida 33602

Related Organizations

The BOCC appoints a voting majority of the governing bodies of certain entities for which the County is not financially accountable. These entities are classified as related organizations. In accordance with governmental accounting standards, related organizations are excluded from the financial reporting entity, but their relationships with the County are disclosed.

Arts Council of Hillsborough County (AC) - The BOCC appoints a voting majority of the AC's governing body, but each appointment may be made only from a list of candidates nominated by the existing governing body of the AC. The BOCC does not have the ability to impose its will on the AC. The AC has the autonomous authority to set fees and issue its own debt. The outstanding debt of the AC is not an obligation of the County.

Hillsborough County Educational Facilities Authority, and Hillsborough County Industrial Development Authority - The BOCC appoints the members of the governing bodies of each of these entities but the BOCC has generally not imposed its will on them, or significantly influenced operational or fiscal matters. The governing bodies of these entities are neither financially accountable to nor fiscally dependent on the BOCC.

Hillsborough County Hospital Authority (HCHA) - Although the BOCC appoints a voting majority of the HCHA's governing body, the BOCC does not have the ability to impose its will on the HCHA. The

HCHA has the autonomous authority to establish its own budget, set rates for medical services, and issue its own revenue bonds. The outstanding debt of the HCHA is not an obligation of the County.

Tampa Bay Water Joint Venture

On May 1, 1998, the member governments of the West Coast Regional Water Supply Authority (WCRWSA) reorganized the WCRWSA in accordance with Section 30, Chapter 97-160, Laws of Florida, and Chapter 373, Florida Statutes. The purpose of the reorganization was to meet the region's current and future water supply requirements. The reorganization also resulted in a new forty-year master regional water supply contract and interlocal governance agreement. The WCRWSA was dissolved and a new organization named Tampa Bay Water (TBW) was created. The new regional water supply agreement became effective on September 29, 1998 to coincide with TBW's issuance of Series 1998A and 1998B Utility System Revenue Bonds.

A joint venture is a legal entity resulting from a contractual arrangement that is governed by two or more participants in which the participants retain either an ongoing financial interest or an ongoing financial responsibility. The County is one of six participants governing Tampa Bay Water and has an ongoing contractual responsibility to purchase water solely from TBW.

TBW sets water rates to produce sufficient revenue from the participants to meet its operating costs and debt service requirements. TBW's audited financial statements for the fiscal year ended September 30, 2012 may be obtained from:

Finance Director
Tampa Bay Water
2575 Enterprise Road
Clearwater, Florida 33763-1102

B. Basic Financial Statements

The County's Basic Financial Statements contain three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-wide financial statements The government-wide financial statements provide an overview of the County's financial position using the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. The government-wide financial statements include not only the County itself (the primary government), but also its component units, the legally separate entities for which the County is financially accountable. The Statement of Net Assets presents information on all of the assets and liabilities of the County as a whole. The difference between assets and liabilities is reported as net assets. Changes in net assets may serve as an indicator of whether the financial position of the County is improving or deteriorating. The Statement of Activities presents information showing how the County's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying economic transactions occur, regardless of when cash is received or paid. Therefore, some of the revenues or expenses reported in

the statement of activities will have cash flows in future fiscal periods. For example, uncollected taxes are shown as revenues although cash receipts will occur in the future. Unused vacation leave is recorded as an expense even though related cash outflows will occur in the future.

The government-wide financial statements show a distinction between activities that are supported primarily by taxes and intergovernmental revenues (governmental activities) and activities that are intended to recover all or most of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation functions. The business-type activities of the County include Water Enterprise and the Solid Waste Enterprise operations.

Program revenues include charges for services, operating grants and contributions, capital grants and contributions, and restricted interest earnings. The charges for services category encompasses revenues from licenses and permits, fines and forfeitures, and special assessments, as well as charges for services transactions. Restricted interest is interest related to specific programs within business-type activities.

To minimize the "grossing up" effect on revenues and expenses in the government-wide financial statements, transactions between the internal service funds and other funds were eliminated. Therefore, risk management, employee healthcare, and fleet management assessments were eliminated as well as the corresponding charges for services revenues received by the internal services activities. As a result, the government-wide financial statements are presented as if the internal service activities took place in the benefiting funds rather than in the internal service funds. Any revenues and expenditures remaining after eliminations, as well as any assets and liabilities, are presented in the governmental activities columns of the government-wide financial statements.

Administrative overhead charges are allocated in BOCC accounting records using a "cost allocation plan." For example, the costs of Business and Support Services (procurement and budget), Facilities Management, Human Resources, Administrative Services, County Attorney, and other "indirect" activities are allocated to benefiting functions. Such administrative overhead charges are included with other direct expenses categorized by function on the Statement of Activities.

Fund financial statements A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with legal, legislative, contractual, and other finance-related provisions. All of the County's funds may be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds Most of the County's basic services are reported in governmental funds, which focus on how money or other spendable financial resources flow into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides. The measurement focus is based upon determination of changes in financial position. Governmental fund information

helps determine whether financial resources that can be spent in the near future to finance the County's programs have increased or decreased. The Balance Sheet – Governmental Funds is followed by a reconciliation to the Statement of Net Assets and the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds is followed by a reconciliation to the Statement of Activities. The following is a description of the County's major governmental funds:

The **General Fund** is the County's primary operating fund. It is used to account for all financial resources of the general government except those required to be accounted for in other funds. The General Fund is subdivided into the following categories: Countywide, Unincorporated Area, Sheriff, Tax Collector, Property Appraiser, Supervisor of Elections, and Clerk of Circuit Court.

The **Countywide Special Purpose Revenue Fund** is used to account for special purpose revenues used to provide services for residents throughout the County, and a discretionary sales surtax for a healthcare program for low-income residents. The expenditures of this health care program are also accounted for in this fund.

The **Sales Tax Revenue Fund** is used to account for the 5% tourist development tax designated for the promotion of tourism in the County, the local government half-cent sales tax, the discretionary sales surtax for infrastructure (Community Investment Tax), and state shared revenues, which are transferred to other funds for various program expenditures.

The **Intergovernmental Grants Fund** is used to account for federal, state, local governmental or non-governmental grants and state shared revenues for programs including aging services, children's services, social services, transportation, public assistance, housing, and capital projects.

The **County Transportation Fund** is used to account for motor fuel taxes, state revenue sharing, and various grant funds designated to finance road and street construction, maintenance, and other transportation projects.

The **Local Housing Assistance Program Fund** is used to account for State Housing Initiatives Partnership (SHIP) program moneys received from the state of Florida. This program makes loans to low and moderate income persons, first time home buyers, builders and others for funding home purchases, new home construction, existing home renovation, and for the payment of matching funds needed to obtain grants.

The **Infrastructure Surtax Projects Fund** is used to account for the County's share of the voter-approved local government infrastructure discretionary sales surtax levied per Section 212.055, Florida Statutes. This sales tax, which is commonly known as the Community Investment Tax, is authorized to purchase equipment, or purchase or construct infrastructure related to jails, criminal justice computer systems, fire stations, roads and traffic intersections, stormwater systems, parks, and libraries. This tax is shared with the Hillsborough County School Board, the Tampa Sports Authority, and the three municipalities located in Hillsborough County.

"Other Governmental Funds" is a summarization of all nonmajor governmental funds, which are shown separately in the "Combining and Individual Fund Statements and Schedules" Section.

The County maintains two different types of **Proprietary Funds**. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Water Enterprise Fund and Solid Waste Enterprise Fund operations. Both of these operations are considered to be major proprietary funds of the County. *Internal service funds* are used to accumulate and allocate costs internally among the County's other functions. The County uses internal service funds to account for Self-Insurance, Fleet Management, and Risk Management programs. These programs are included within governmental activities in the government-wide financial statements because they predominantly benefit governmental rather than business-type functions. The three internal service funds are combined into a single column on the proprietary fund financial statements. In proprietary funds, operating revenues and expenses are distinguished from nonoperating revenues and expenses. Operating revenues and expenses are those transactions related to a proprietary fund's principal ongoing operations. Operating revenues consist of charges for services. Operating expenses include such items as personnel and contractual services, costs of services provided, and depreciation on capital assets. Nonoperating revenues and expenses are those transactions that are not directly related to a proprietary fund's principal activities. Nonoperating revenues and expenses include operating grants, investment earnings, and interest expense. The County's two major proprietary funds are described below:

The **Water Enterprise Fund** is used to account for the operations of the water and wastewater system in the unincorporated areas of the County. Water and wastewater fees are determined annually by rate studies and are set at levels to recover the expenses of operations, including debt service, in a manner similar to private business enterprises. Activities necessary to provide water and wastewater service are accounted for in this fund, including customer service, engineering, operations, and maintenance.

The **Solid Waste Enterprise Fund** is used to account for countywide solid waste management operations. Refuse generated in the unincorporated areas of the County is collected by franchised and non-franchised collectors serving residential and commercial customers and by private companies serving their own customers. Refuse tipping fees are reviewed annually and are set at levels sufficient to recover operating and debt service expenses. The Solid Waste Fund also owns and operates landfills and monitors closed landfills.

Fiduciary funds are used to account for resources held for the benefit of parties outside the primary government. Fiduciary funds are specifically used for purposes such as: holding bond proceeds and related bonds payable liabilities of the reclaimed water improvement units and capacity assessment units which are not obligations of Hillsborough County; payroll deductions payable, performance bonds, the Clerk of Circuit Court's tax accounts; forfeited bond accounts, fines and forfeiture accounts; and various other agency accounts. Agency funds are fiduciary funds used to account for assets that the County holds on behalf of others as their agent. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support County programs.

Reconciling Government-wide Financial Statements to Fund Financial Statements

The differences between the government-wide financial statements and the fund financial statements are identified in the following sections of the Basic Financial Statements: Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets – Governmental Activities; Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities; the reconciliation at the bottom of the Balance Sheet, Proprietary Funds; and the reconciliation at the bottom of the Statement of Revenues, Expenses, and Changes in Fund Net Assets, Proprietary Funds.

C. Measurement Focus and Basis of Accounting

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the types of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets less all liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. For example, under the accrual basis of accounting, transactions are recognized when the transactions take place, whereas on the cash basis of accounting, transactions are recognized when cash is received or paid.

The proprietary fund financial statements and the government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The governmental fund financial statements are presented using the current financial resources measurement focus and modified accrual basis of accounting. The agency fund financial statements are presented using the accrual basis of accounting. Since agency funds do not show revenues or expenditures, a measurement focus is not applicable for agency funds.

With the economic resources measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. With the accrual method of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Government-wide financial statements and proprietary fund financial statements show increases (revenues) and decreases (expenses) in net assets.

Governmental fund financial statements are presented using the current financial resources and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds show increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, that is, when they become both measurable and available to pay liabilities of the current period. Revenues not considered available are recorded as deferred revenues. Expenditures are recorded when a liability is incurred except for (a) unmatured interest on general long-term debt, which is recorded when due, and (b) the noncurrent portion of accrued compensated absences, which is recorded in long-term debt on the government-wide financial statements.

In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, money must be expended for specific purposes or projects before any intergovernmental revenues will be received by the County; therefore, revenues are recognized based on the timing of expenditures incurred. In the other, intergovernmental revenues are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The availability period used for revenue recognition under the modified accrual basis of accounting is as follows: Property taxes are recognized as revenue in the fiscal year for which taxes are levied, provided they are collected within thirty days after fiscal year-end. Special assessments are recorded as revenue in the year the payments are due. Investment earnings such as interest revenues are recorded as earned. Fire Rescue billings are recognized as revenue if expected to be collected within 120 days. Intergovernmental grant revenues are recognized when eligibility requirements are met and related amounts are available from grantors. Certain other revenues such as sales taxes and state shared revenues are recognized as revenues if expected to be received within 60 days. Certain other miscellaneous revenues are recorded as revenues when received because they are generally not measurable until actually received.

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 purposes of financial statement presentation, cash equivalents are highly liquid investments with maturities of three months or less from date of purchase.

The County deposits cash in qualified public depositories. The deposits are fully insured by the Federal Deposit Insurance Corporation and/or secured by the multiple financial institution collateral pool established under Chapter 280, Florida Statutes. In accordance with these statutes, qualified public depositories are required to pledge eligible collateral in varying percentages. Any losses to public depositors are covered by applicable deposit insurance, by the 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 the County to invest in obligations of the US government, its agencies and instrumentalities, and certain other investments. Investments are stated at fair value. More information is provided in Note 3, *Deposits and Investments*.

E. Unbilled Utility Service Receivables

Billings to water and wastewater customers are generally based on metered consumption, which is determined at various dates each month. At fiscal year-end, unbilled receivables are recorded and revenue is recognized in the Water Enterprise Fund based on estimated water consumption since the last billing cycle.

F. Inventories and Prepaid Charges

Inventories are valued at the lower of cost (using the first-in, first-out or average cost methods), or market value. The cost of inventory or prepaid charges in proprietary funds is recorded as an expense at the time individual inventory or prepaid charges are consumed (consumption method). In governmental funds, the cost of inventory or prepaid charges is recorded as an expenditure at the time it is acquired (purchase method). The Countywide Special Purpose Fund, however, uses the consumption method for prepaid charges. Inventories on hand in governmental funds at fiscal year-end are reported as assets on the balance sheet. The amount held in inventory, and prepaid charges if applicable, is shown as nonspendable fund balance in the fund financial statements because the amount held in inventory may not be spendable during the current period.

G. Capital Assets

Property, plant, and equipment, and infrastructure assets (such as roads, sidewalks, bridges, and drainage systems), are reported in the applicable governmental or business-type activities columns of the government-wide Statement of Net Assets. Except for intangible assets described later in this note, capital assets are defined as those assets with an initial, individual cost of over $1,000. Capital contributions are recorded at their estimated fair value after the receipt of the asset and formal acceptance by the BOCC. Depreciation is calculated using the straight-line method over estimated useful lives ranging from 5 to 50 years for buildings, 10 to 35 years for building improvements, and 2 to 10 years for equipment. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Infrastructure assets are not depreciated since the County has an asset management system in place and has made a commitment to preserve infrastructure assets at or above the condition levels set by the BOCC. See Infrastructure Condition and Maintenance Data section (required supplementary information after the Notes to the Financial Statements) for more information.

All capital assets, including buildings and building improvements, associated with Solid Waste and Water Funds are recorded and depreciated within these two enterprise funds. However, only equipment is recorded and depreciated within the Self-Insurance and Fleet Internal Service Funds. Therefore, the internal service funds are set up to recover the costs of operations, except for costs associated with the depreciation of buildings and building improvements.

The County follows GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets.* Intangible assets are assets that lack physical substance, are non-financial in nature, and have initial useful lives of over one year. Intangible assets under GASB Statement No. 51 include easements and internally or externally generated software, but exclude investments, capital leases, or goodwill. Intangible assets are capitalized and treated like capital assets for accounting purposes, but are amortized rather than depreciated. The County uses a capitalization threshold of $5,000 for intangible assets.

There are three stages involved in internally generated software. (a) The *preliminary project* stage includes conceptual formulation, surveying the existence of needed technology, evaluation of alternatives, and final selection of alternatives for the development of the software. (b) The

application development stage includes designing the software, including configuration and interfaces, coding, installation to hardware, and testing, including the parallel processing phase. (c) The *post-implementation/operation* stage includes training and software maintenance. Only application development stage costs are capitalized as intangible assets. Preliminary project stage costs and post-implementation stage costs are expensed. Data conversion is considered a part of the application development stage only to the extent it is necessary to make the software operational, that is, in condition for use. Otherwise, data conversion is considered a post-implementation/operation stage activity. Purchased software is handled like internally generated software.

GASB Statement No. 51 was implemented prospectively, so only intangible assets acquired or generated on or after October 1, 2009 are capitalized. During fiscal year 2012, the County capitalized $7,184,000 of software.

In the governmental fund financial statements, the costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures. Capital assets are not shown on the governmental fund balance sheets. In the proprietary fund financial statements, the costs associated with the acquisition or construction of capital assets are recorded as increases in capital assets. See Note 6, *Capital Assets*, for more information.

H. Compensated Absences

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the County accrues a liability for compensated absences, as well as certain other salary-related costs associated with the payment of compensated absences. The County's compensated absences liability at September 30, 2012 consisted of accruals for both vacation and sick leave. Vacation leave is accrued as a liability as the benefits are earned by employees. Sick leave is also accrued as a liability as the benefits are earned by employees, but only to the extent that it is probable that the County will compensate employees for the benefits through cash payments at retirement or other termination.

Hillsborough County Civil Service Rules state that sick leave termination payments are to be made under two conditions. Compensation for employees in "Plan A" includes a sick leave payment at termination for all hours of sick time accrued up to 480 hours and half of the sick time accrued over 960 hours. A liability is recorded for each employee in Plan A based on the employee's hourly pay rate. Compensation for employees in "Plan B" includes a sick leave payment at termination for only the employee's unused sick leave hours accrued at February 2, 1997, with payment only for each hour of sick time accrued up to 480 hours and half of the sick time accrued over 960 hours. A liability is recorded for each employee who has a termination payment under Plan B. Employees in Plan B hired after February 2, 1997, will not receive a sick leave payment at termination, so no sick leave liability is recorded for these employees.

The compensated absences liability also includes other salary-related costs incrementally associated with the payment of compensated absences such as the County's share of Social Security and Medicare taxes as well as the County's required pension contributions to the Florida Retirement

System. The entire compensated absences liability, both short-term and long-term portions, is recorded in the government-wide financial statements and the separate proprietary fund financial statements.

I. Conduit Debt Obligations

The County's conduit debt obligations are certain limited-obligation revenue bonds or similar debt instruments issued for the specific purpose of providing capital financing for a specific third party that is not a part of the County's financial reporting entity. Although conduit debt obligations bear the name of a component unit of the County, neither the County nor the component unit has an obligation for such debt. See Note 7.J., *Non-Commitment Conduit Debt Obligations*, for more information.

J. Landfill Closure and Postclosure Care Costs

In accordance with governmental accounting standards, the County, as a municipal solid waste landfill owner, records a current expense and the related long-term liability for certain future landfill closure and postclosure care costs for landfills accepting solid waste. The portion of these future costs currently recognized is based on the amount of landfill capacity consumed as of each balance sheet date. The County also records the current estimated liability for remediation and monitoring costs for landfills that closed on or before October 9, 1991. More information on these expenses and related long-term liabilities is disclosed in Note 15, *Accounting for Municipal Solid Waste Landfill Costs*.

K. Bond Issuance Costs, Deferred Losses on Debt Refundings, and Original Issue Discounts and Premiums

In the government-wide financial statements and proprietary fund financial statements, there are several situations where amounts are amortized to interest expense. Bond issuance costs are deferred and reported as assets on the Statement of Net Assets and Balance Sheet for proprietary funds. The County records bond refunding loss transactions as follows: When losses are incurred from issuing new debt to refund outstanding debt, they are deducted from the principal balance of the new long-term bonds payable. Original issue discounts are reported as deductions from the principal balance of long-term bonds. Conversely, original issue premiums are reported as additions to the principal balance of long-term bonds.

Deferred refunding losses, original issue premiums and discounts are amortized using the effective interest method and reported as a component of interest expense on the Statement of Activities or Statement of Revenues, Expenses, and Changes in Fund Net Assets, Proprietary Funds. The amortization period is the remaining life of either the old debt or the new debt, whichever is shorter. In addition during fiscal year 2012, bond issuance costs, deferred refunding losses, and original issue discounts and premiums amortized were, in total, a reduction of $2,007,000 for governmental activities and an increase of $36,000 for business-type activities as shown in the following chart.

(Amounts in Thousands)	Deferred Refunding Loss	Original Issue Discount	Original Issue Premium	Total Amortized to Interest	Bond Issuance Costs
Governmental activities	$ 540	181	(2,728)	(2,007)	1,349
Business-type activities	528	36	(528)	36	341
Totals	$ 1,068	217	(3,256)	(1,971)	1,690

L. Self-Insurance

The County has self-insurance internal service funds maintained by the BOCC and Sheriff. These self-insurance funds include both *risk management* and *employee group health insurance* activities.

Risk management deals with risks related to workers' compensation, and general and automotive liability. The County is substantially self-insured for workers' compensation claims as permitted by Florida law. The BOCC is self-insured for workers' compensation claims up to a maximum of $350,000 per occurrence with unlimited excess coverage above the self-insurance cap. The Sheriff is self-insured for workers' compensation claims up to a maximum of $500,000 per occurrence with unlimited excess coverage above the self-insurance cap. The County is also self-insured against general liability and automotive claims with limited liability per Section 768.28, Florida Statutes, of $100,000 per person and $200,000 per occurrence. Negligence claims in excess of the statutory limits can only be recovered through federal lawsuits or acts of the Florida Legislature.

The County also provides a group health insurance plan for its employees and their eligible dependents. The County has an employee group health self-insurance plan in order to account for and finance its uninsured risks of loss. Under this plan, the County is self-insured for up to $400,000 per person annually. Stop-loss insurance was purchased to cover an unlimited lifetime amount per person above the $400,000 per person deductible.

Based on actuarial estimates, liabilities have been established in the self-insurance fund for claims reported but not paid, and incurred but not reported. In addition, premiums charged to customer departments are recorded as revenues in the self-insurance fund and as insurance assessment expenditures in the customer departments. See Note 14 for more information on the Self-Insurance Fund and the actuarially determined claims liabilities.

M. Financial Reporting for Business-type Activities and Enterprise Funds

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the County elected not to apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989 for its business-type activities and enterprise funds.

N. Pension Disclosure

The County follows GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, for the measurement, recognition, and display of pension expenditures or expenses. See Note 8, *Defined Benefit and Defined Contribution Pension Plan*, for more information.

O. Use of Restricted Versus Unrestricted Net Assets

When both restricted and unrestricted net assets are available, it is the County's policy that restricted resources are used first if appropriate.

P. Interfund Transfers In and Out

In the Statement of Activities, interfund activity, such as transfers in and out as well as transfers within the Internal Service Funds and within the Governmental Activities category, is eliminated. Interfund activity between Governmental and Business-type activities is not eliminated. Interfund services provided and used between functions are not eliminated because removing interfund services used would distort the functional expenses presented in the Statement of Activities. Except for intrafund activity between the BOCC and Constitutional Officers within the General Fund, intrafund activity in the fund financial statements was eliminated. Intrafund activity between the Constitutional Officers and the BOCC was significant and necessary for effective presentation. See Note 11, *Interfund Transfers In and Out*, for details.

Q. Goodwill

Under the County's election to follow all applicable GASB pronouncements and those applicable FASB pronouncements issued before December 1, 1989, the Water Enterprise Fund recorded goodwill of $10,155,000 during fiscal year 2004. This amount represents the excess paid to purchase four independent water and wastewater franchise providers over the fair value of the tangible capital assets acquired. Through these transactions, the Water Enterprise Fund added over 4,700 customers. The goodwill is scheduled for straight-line amortization over thirty years. For fiscal year 2012, goodwill of $330,000 was amortized to operating expense and included in "depreciation and amortization" in the proprietary fund financial statements. GASB Statement 51, *Accounting and Financial Reporting for Intangible Assets*, does not have an impact on goodwill accounting in the government-wide financial statements. Goodwill and accumulated depreciation for goodwill are presented as a part of capital assets rather than as a part of other long-term assets on the Proprietary Funds Statement of Net Assets as well as in Note 6, *Capital Assets*.

R. Sales and Pledges of Receivables

The County follows GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. Governments sometimes exchange an

interest in their expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments—generally in a lump sum. This statement sets criteria to determine whether the proceeds received should be reported as revenue or as a collateralized borrowing resulting in a liability. If a government retains control or continues to be involved with the receivables or future revenues, then the transaction is more likely to be considered a collateralized borrowing. If transactions involving receivables are to be recognized as a sale, a gain or loss is reported in the period of the sale. If transactions involving future revenues are to be recognized as a sale, the revenue should be deferred and amortized in most cases. The County has certain revenues pledged for debt service. See Note 7, *Long-Term Liabilities*, for more information.

S. Pollution Remediation Obligations

The County follows GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This GASB standard requires the recognition of a liability when any of the following events occur: (a) The government is compelled to take remediation action because of imminent danger to public health, welfare, or the environment. (b) The government is in violation of a pollution-prevention-related permit or license under state or federal law. (c) The government is named, or evidence indicates that it will be named, by a regulator as a responsible party or potentially responsible party for remediation. (d) The government is named, or evidence indicates that it will be named, in a lawsuit to compel the government to participate in remediation, or (e) The government commences, or legally obligates itself to commence, cleanup activities or monitoring or operation and maintenance of the remediation effort.

T. Derivative Instruments

The County is committed to following GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and GASB Statement No. 64, *Derivative Terminations*, if derivative contracts are used by the County in the future. During fiscal year 2012, the County had no derivatives requiring recognition, measurement, or disclosure.

U. Fund Balance Reporting and Governmental Fund-Type Definitions

The County follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which clarifies governmental fund balance classifications and fund-type definitions. Fund balances are reported in classifications based on whether the amounts are nonspendable or spendable. Spendable amounts are further classified based on the extent to which there are external and/or internal constraints in how fund balance amounts may be spent. See Note 13, *Governmental Fund Balances*, for more information.

V. Voluntary Separation Incentive Program for BOCC Employees

In May 2011 the BOCC approved the "Voluntary Separation Incentive Program" (VSIP) for BOCC employees who were eligible for normal retirement under the Florida Retirement System (FRS) at June 30, 2011 or current FRS Deferred Retirement Option Plan (DROP) participants who were scheduled to terminate January 1, 2012 or later. A total of 165 employees took this separation incentive, from a total of approximately 660 eligible employees. The incentive program offered (a) three consecutive years of single employee premium payments for the Coverage First Group Health Plan or a one-time cash payment of $10,000 and (b) twelve weeks of salary up to a maximum of $25,000. To participate in the VSIP, eligible employees had to terminate no later than June 30, 2011. Ninety-five employees chose to receive three consecutive years of single employee health insurance coverage. The other seventy employees chose the $10,000 one-time cash payment in lieu of the health coverage. The VSIP liability is based on a 10% escalation rate for health care costs in both fiscal years 2013 and 2014. Future estimated payments considered in determining the VSIP liability were not discounted because the effect of discounting would have been immaterial. The County had a remaining VSIP liability of $1,149,000 at September 30, 2012.

W. Subsequent Events

In accordance with GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, the County has, while preparing this annual financial report, evaluated events occurring after the balance sheet date through March 15, 2013, which is the date this report was available to be issued. See Note 18, *Subsequent Events: Debt Issued for Governmental Activities*, for more information.

X. Reclassification of Prior Year Balances

Certain prior year balances have been reclassified to conform to the current year presentation.

Note 2 - Budgetary Accounting

Chapter 129, Florida Statutes, requires each county to prepare, approve, adopt, and execute an annual budget, for such funds as required by law, sound financial practice, or GAAP. The budget controls the levy of taxes and the expenditures of money for County purposes. Most County funds have annually appropriated budgets, meaning that their budgets are established annually. Certain funds have project-length budgets rather than annually appropriated budgets. Project-length budgets are budgets established at the start of capital projects or grants since they generally involve more than one fiscal year. Project-length budgets allow for more effective control over expenditures since costs may be controlled from the inception-to-date perspective rather than each year being controlled separately. The Intergovernmental Grants Fund, Local Housing Assistance Fund, Infrastructure Surtax Projects Fund, Supervisor Grants Fund, and all Capital Projects Funds have project-length budgets. Certain funds have a mixture of annually appropriated and project-length budgets. The General Fund, Countywide Special Purpose Fund, Unincorporated Area Special Purpose Fund, County Transportation Fund, and Library Fund have a mixture of annually appropriated and project-length

budgets. The Sheriff's Child Protection Investigations, Jail Inmate Canteen Fund, Communications 911, and Drug Enforcement Task Force Special Revenue Funds, are completely unbudgeted. With the exceptions noted above, the rest of Hillsborough County's governmental and proprietary funds have annually appropriated budgets.

Chapter 129, Florida Statutes, requires that budgetary controls be established at the fund level, and provides that it is unlawful to expend more than is budgeted in a fund, and in no instance may expenditures exceed total appropriations. The Constitutional Officers and component units exercise budgetary control at a legal level of control, which is at the fund level. The legal level of control is that level of detail at which the governing body must approve expenditures or transfers which exceed appropriated amounts. The BOCC exercises budgetary control at a legal level of control, which is at the fund, department, and character level. A character is a category such as personnel services, operating expenditures, capital outlay, debt service, or grants and aids. A separate *Supplemental Budget Versus Actual Expenditures Report for the Fiscal Year Ended September 30, 2012* has been prepared to present the data of the BOCC at its legal level of control for funds with annually appropriated budgets as well as the annually appropriated portions of funds with a mixture of annually appropriated and project-length budgets.

During a fiscal year the BOCC may amend its adopted budget. These amendments provide supplemental appropriations in a fund and department to meet operational requirements resulting from: unanticipated circumstances; error corrections; or the need to expend new funds received from grant awards, contributions, insurance recoveries or bond/loan proceeds. During fiscal year 2012, supplemental appropriations to the BOCC budget, excluding Component Units, were approximately $260,746,000 or 9.0% of the originally adopted budget. These supplemental appropriations were largely due to: the adjustment of estimated fund balances to actual fund balances where advisable; grant awards received after October 1, 2011; and debt transactions.

At the end of the fiscal year, the appropriations of annually adopted budgets lapse, but the appropriations of project-length budgets continue until the end of the capital project or grant. Budget amendments may be used to reduce appropriations in cases where actual revenues are anticipated to fall short of original estimates. The intent of the County is to establish a revised budget that provides for the use of available funds where permitted by law.

The County uses encumbrance accounting in governmental funds. Encumbrances represent commitments for future expenditures, based on purchase orders or contracts issued, where the goods or services have been ordered but have not been received. Encumbrances are used to help ensure that the sum of actual expenditures and commitments for future expenditures do not exceed the total level of appropriations authorized. Encumbrances do not constitute expenditures or liabilities because no resources are expended until the goods or services are received.

County budgets are prepared on a basis of accounting consistent with GAAP except for the budgets of the General Fund, Countywide Special Purpose Fund, and County Transportation Fund, which are prepared on a basis of accounting that differs from GAAP. With the Sheriff portion of the General Fund, there are differences between the budgetary basis of accounting and GAAP in the treatment of grants and contract revenues and related expenditures. On a budgetary basis, cost-reimbursement type grant revenues, contract-related charges for services, and associated expenditures are netted. On

a GAAP basis, revenues and expenditures from these grants and contracts are presented at gross amounts in the financial statements.

With the Property Appraiser and Tax Collector portions of the General Fund, there are differences between the budgetary basis of accounting and GAAP in the treatment of excess fee distributions to entities outside of the County's reporting entity. On a budgetary basis, distributions of excess fees through these two funds are reported as other financing uses. On a GAAP basis, these distributions are reported as expenditures because there is a reduction in the net financial resources of the County.

The actual results of operations of the Sheriff, Property Appraiser, and Tax Collector portions of the General Fund are presented on a GAAP basis in the Statement or Schedules of Revenues, Expenditures and Changes in Fund Balances. These funds, however, are presented on a budgetary basis on the Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual. The Sheriff's Child Protection Investigations Fund, Jail Inmate Canteen Fund, Communication 911 Fund, Drug Enforcement Task Force, and Supervisor's Grant Fund did not have legally adopted budgets. Therefore, these funds are not included in the Nonmajor Special Revenue Funds or Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.

In addition, on the budgetary basis, only the financial activity of funds with annually appropriated budgets are included in the Statements or Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual. On the GAAP basis, all financial activity is presented on the Statements or Schedules of Revenues, Expenditures and Changes in Fund Balances, whether budgeted annually or in project-length budgets. Reconciliations of the fund balance as reported on the budgetary basis to the fund balance reported on the GAAP basis are presented on the face of the applicable statements or schedules on the budgetary basis.

Note 3 - Deposits and Investments

A. Deposits

At September 30, 2012, the total of the carrying amounts of the County's deposits (unrestricted and restricted) was $184,688,000 and the total of the bank balances was $195,606,000. The County's deposits consisted of demand deposits, and money market accounts. The bank balances are fully insured by federal deposit insurance and/or secured by the multiple financial institution collateral pool established under the "Florida Security for Public Deposits Act," Chapter 280, Florida Statutes. Cash in excess of the operating requirements of each fund are pooled and invested by the County in a variety of deposits and investments with the objectives of optimizing safety, liquidity, and yield, in that order. Earnings from pooled investments are allocated to each of the funds based on the average daily cash equity balance of each fund or as prescribed by BOCC resolution. Amounts that may not be commingled in accordance with certain bond resolutions or other agreements are invested outside the investment pool. For the component units, which are included in the County reporting entity figures shown above, the carrying amounts and bank balances were both $3,721,000.

B. Investments

In accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are carried and reported at fair value, except for investments in 2a-7-like pools, which are reported at amortized cost as described later in this note. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or 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. Investments made by the County (unrestricted and restricted) are summarized in the following table. The investments are classified by investment category and show fair value, modified duration in years, and credit rating. All investment income, including changes in the fair value of investments, is reported as a part of interest revenue in the financial statements.

Investments

	Fair Value		Modified	
(Amounts in Thousands)	Primary Government	Component Units	Duration in Years	Credit Rating
U.S. treasury securities	$ 546,042	274	1.3, 9.9[b]	AA+/A-1+[a]
U.S. government agency securities	--	8,382	19.6	AA+/A-1+[a]
U.S. government sponsored agency securities	670,874	5,429	3.4, 23.8[b]	AA+/A-1+[a]
Commercial paper notes	49,587	--	0.2	A-1, A-1+
Corporate notes	74,947	--	0.5	AAA
Municipal bonds	42,731	--	0.4	AA
Subtotal	1,384,181	14,085		
State Board of Administration (SBA):				
Florida PRIME (formerly known as the Local Government Investment Pool)	248,204	212	0.1[c]	AAAm
Fund B Surplus Funds Trust Fund	16,167	94	4.8	unrated
Certificates of deposit	--	979	< 1.5	unrated[d]
Open-end money market mutual funds	12,281	5,612	0.1	AAA
Total investments	$ 1,660,833	20,982	1.2	

[a] Credit rating is AA+ if security's maturity exceeds a year; and is A-1+ if security's maturity is a year or less.

[b] First figure is modified duration for the primary government; second figure is modified duration for the Component Units (which is only the Housing Finance Authority in these two instances).

[c] Weighted average maturity of (38 days)/(365 days) = 0.1 was used to approximate modified duration.

[d] The Component Units' certificates of deposit were held primarily by the Housing Finance Authority and were bought in smaller units to ensure FDIC coverage for the entire amount invested.

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 investment portfolio of the primary government, as a whole at year-end, was approximately 1.2 years. The duration of callable securities was calculated using the call date as the maturity date.

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 counterparties fail to fulfill their obligations. All of the investments of the County are insured or registered, or held by the County or its agent in the County's name. Excluding the investment pools managed by the State Board of Administration, securities issued by the US government, its agencies or instrumentalities, and mutual funds investing in such securities, no one issuer represents 5% or more of the total investments of the County.

C. SBA's Florida PRIME and Fund B Surplus Funds Trust Fund

The SBA manages Florida PRIME, a 2a-7-like pool, carried at amortized cost. A 2a-7-like pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has a policy that it 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 and the County's position in Florida PRIME is considered to be equivalent to its fair value.

Regulatory oversight of the SBA is provided by three state of Florida elected officials designated as trustees: the Governor serves as Chairman of the SBA; the Chief Financial Officer serves as Treasurer of the SBA; and the Attorney General serves as Secretary of the SBA. External oversight of the State Board of Administration is provided by the Investment Advisory Council, which reviews investment performance, strategy and decision-making, and provides insight, advice and counsel on these and other matters when appropriate. A six-member participant Local Government Advisory Council was created to review the administration of the fund and make recommendations to the trustees. Audit oversight is also provided by the state of Florida Auditor General.

Due to financial market turmoil and concerns about the Florida Local Government Investment Pool's credit quality, the SBA split the Investment Pool into two funds in December 2007: 86% was allocated to Florida PRIME designated to hold high-quality money-market appropriate securities and 14% was allocated to the Fund B Surplus Funds Trust Fund (Fund B), a fluctuating net asset value (NAV) pool, designated to hold higher-risk securities such as those in default, having payment extensions or having significant changes in credit risk. Of the Hillsborough County Primary Government's $130.8 million originally placed in Fund B, 87% was collected and moved to Florida PRIME by September 30, 2012. As a result, the County's Fund B balance at year-end at "amortized cost" was $17.0 million compared to the net asset value (fair value) at year-end of $16.2 million, which is recorded in the financial statements. The difference between these two amounts was the County's unrealized loss in Fund B at year-end of $0.8 million. Interest income shown in the financial statements is presented net of all fair value changes through year-end. As a result, any change in the unrealized loss associated with Fund B during the fiscal year is already included as a part of interest income reported in the financial statements.

The SBA took a variety of actions to stabilize and strengthen Florida PRIME. Since December 2007, the SBA has obtained ratings for Florida PRIME from Standard & Poor's. Florida PRIME has received ratings of AAAm each year, which is the highest rating category for a government investment pool fund.

D. Investment Policy

The County's investment policy manages interest rate risk, credit risk, and concentration of credit risk by following Section 218.415, Florida Statutes, and County Ordinance No. 08-6. Section 218.415, Florida Statutes, authorizes the County to invest surplus funds in the following:

a. The state of Florida's Local Government Investment Pool.

b. Direct obligations of the US government.

c. Obligations of US government agencies such as the Government National Mortgage Association.

d. Obligations of US government sponsored agencies (instrumentalities) such as the Federal Farm Credit System Banks, Freddie Mac (Federal Home Loan Mortgage Corporation), the Federal Home Loan Banks, or Fannie Mae (Federal National Mortgage Association).

e. Interest-bearing time deposits or savings accounts in qualified public depositories as defined in Section 280.02, Florida Statutes.

f. US Securities and Exchange Commission registered 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 companies or investment trusts registered under the Investment Company Act of 1940 as amended, provided the portfolio is limited to obligations of the US government or its agencies and instrumentalities, and to repurchase agreements fully collateralized by such investments, provided the investment company or investment trust takes delivery of the collateral either directly or through an authorized custodian.

h. Other investments authorized for the County by law, county ordinance, or resolution.

In addition to the above, County Ordinance 08-6 restricts the County's investments as follows:

a. The entire portfolio may be invested in US Treasury securities with a maximum maturity length of 10 years, but investments in Treasury strips are limited to 25% of the portfolio.

b. A maximum of 50% of the portfolio may be invested in the state of Florida's Local Government Investment Pool, which was later split into Florida PRIME and Fund B Surplus Funds Trust Fund.

c. A maximum of 50% of the portfolio may be invested in US government agency securities, with no more than 10% of the portfolio in any individual US government agency.

d. A maximum of 60% of the portfolio may be invested in obligations of US government instrumentalities

with a maturity length of 10 years, provided that no more than 30% of the portfolio is invested in any one issuer and no more than 25% of the portfolio is invested in callable securities.

e. A maximum of 20% of the portfolio may be invested in repurchase agreements excluding one-business day agreements and overnight sweep agreements, with no more than 10% of the portfolio in the repurchase agreements of a single institution.

f. A maximum of 20% of the portfolio may be invested in nonnegotiable interest-bearing time certificates of deposit of an institution with deposits secured by the Florida Security for Public Deposits Act, provided that the maximum maturity on any certificate is no greater than one year and no more than 10% of the portfolio is deposited with any one issuer.

g. A maximum of 20% of the portfolio may be invested in prime commercial paper (i.e. rated Prime-1 by

Moody's, A-1 by Standard & Poor's, or AA by two nationally recognized rating agencies if backed by a letter of credit), with no more than 5% of the portfolio in the commercial paper of a single issuer. The maximum length to maturity shall be 270 days from the date of purchase.

h. A maximum of 50% 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 or AAAm-G or better by Standard & Poor's or the equivalent by another nationally recognized rating agency. No more than 25% of the portfolio may be invested in any one money market fund.

i. A maximum of 15% of the portfolio may be invested in high quality corporate notes (rated Aa by Moody's and AA by Standard & Poor's), with no more than 5% of the portfolio in the notes of a single issuer.

j. A maximum of 20% of the portfolio may be invested in intergovernmental investment pools, provided that the total investment does not exceed 25% of the intergovernmental pool.

k. A maximum of 25% of the total portfolio may be invested in state or local government taxable and/or tax exempt general obligation and/or revenue bonds (rated at least Aa by Moody's and AA by Standard and Poor's) or short-term debt (rated at least MIG-2 by Moody's and SP-2 by Standard & Poor's).

l. A maximum of 20% of the total portfolio may be invested in bankers' acceptances issued by a domestic bank or federally chartered domestic office of a foreign bank (rated at least P-1 by Moody's Investors Service and A-1 by Standard & Poor's), with a maximum of 5% of available funds with any one issuer. The maximum length to maturity shall be 180 days from purchase.

m. Reverse repurchase agreements and securities lending transactions are not permitted.

n. The maximum maturities shown above may be exceeded if investments are purchased to fulfill long-term debt service reserve requirements, in which case investments are permitted to have maturity dates up through the life of the debt service reserves.

E. Other

At year-end, the County had $36,886,000, in callable securities of US government sponsored agencies. These securities were purchased because the advantage gained from their higher interest rates more

than offset the reinvestment risk–the risk that securities could be called and the proceeds reinvested at lower interest rates.

For the Hillsborough County reporting entity, deposits of $184,688,000 plus investments of $1,681,815,000 shown in the notes to the financial statements equal: the total of restricted and unrestricted cash and cash equivalents and investments of $1,800,492,000 presented on the Statement of Net Assets; plus the cash and cash equivalents and investments of $66,011,000 shown on the Statement of Fiduciary Assets and Liabilities - Agency Funds; since the cash and cash equivalents and investments of Fiduciary Funds are included in the notes to the financial statements, but not in the Statement of Net Assets.

Note 4 - Property Taxes

Property taxes based on assessed values at January 1 are payable on November 1 of each year. A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percentage point each month thereafter. Taxes become delinquent on April 1 of the following year and tax certificates for the full amount of any unpaid taxes and assessments are auctioned beginning June 1 of that year. Property tax revenue is recorded when it becomes available. Available means when due and collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. No accrual for the property tax levy becoming due in November of 2012 is included in the accompanying financial statements since such taxes are collected to finance expenditures of the subsequent period. Section 200.071, Florida Statutes, limits aggregate ad valorem tax millage against property of the County to 10 mills each for countywide and unincorporated area services unless increased by voter referendum.

Note 5 - Accounts Receivable, Amounts Due From Other Governments, and Mortgages Receivable

Accounts receivable at September 30, 2012, for the County's individual major funds and nonmajor funds in total, including applicable allowances for doubtful accounts, were as follows:

(Amounts in Thousands)	Accounts Receivable, Gross	Allowance for Doubtful Accounts	Accounts Receivable, Net
General Fund	$ 20,047	(14,232)	5,815
Countywide Special Purpose Fund	2	--	2
Intergovernmental Grants Fund	227	--	227
County Transportation Fund	347	--	347
Nonmajor governmental funds	4,150	(3,085)	1,065
Internal service funds	476	--	476
Water Resource Services Enterprise Fund	129,443	(476)	128,967
Solid Waste Resource Recovery Enterprise Fund	4,821	(134)	4,687
Amounts reported only under accrual basis of accounting (i.e. not reported in funds)	251	--	251
Total for primary government	159,764	(17,927)	141,837
Component units	99	--	99
Total for Hillsborough County reporting entity	$ 159,863	(17,927)	141,936

On the following chart of amounts due from other governments at September 30, 2012, "due from grantors" refers to amounts receivable from federal, state, or other grantors. "Due from state of Florida" refers to amounts receivable such as sales taxes, state shared revenues or other non-grant receivables from the state of Florida. Most accounts receivable, net, and amounts due from other governments are expected to be collected within one year.

	Due From Other Governments			
(Amounts in Thousands)	State/Federal Grants	State of Florida	Other	Totals
General Fund	$ 596	255	118	969
Countywide Special Purpose Fund	--	9,415	--	9,415
Sales Tax Revenue Fund	--	15,826	--	15,826
Intergovernmental Grants Fund	12,687	--	--	12,687
County Transportation Fund	7,079	4,113	--	11,192
Nonmajor governmental funds	--	1,966	3	1,969
Water Enterprise Fund	77	--	--	77
Amounts reported only under accrual basis of accounting (i.e. not reported in funds)	--	27,406	1,525	28,931
Total for primary government	20,439	58,981	1,646	81,066
Component units	--	--	862	862
Total for Hillsborough County reporting entity	$ 20,439	58,981	2,508	81,928

The County has a multi-family, single-family, construction and rehabilitation loan program to allow real estate developers with approved construction or rehabilitation projects to receive low interest mortgage loans where interest may be deferred until the end of the loan period under certain conditions. Most of the funding for this affordable housing program comes from the state of Florida's State Housing Initiative Partnership (SHIP) program and the federal government's HOME Investment Partnerships and Community Development Block Grant (CDBG) programs.

The County has two other programs to help provide affordable housing to County residents. (a) The First Time Home Buyers Down Payment Assistance program provides qualified first-time home buyers with a mortgage loan for down payment assistance which is payable upon sale of the house, but will be forgiven if the borrower remains in the house for an agreed upon period of up to 30 years. (b) The owner-occupied rehabilitation loan program allows qualified residents to apply for a mortgage loan for rehabilitation purposes. In certain cases a third-party administrator manages loan repayments. Both of these programs are funded by SHIP, CDBG, and HOME Investment Partnership grant programs.

The County also receives grant funding from the federal government's Neighborhood Stabilization Program (NSP). Under this program, the County uses NSP funding primarily to provide mortgages to nonprofit organizations to buy foreclosed and abandoned residential properties, renovate them, and sell them to members of the public to repeat the process.

Liens have been recorded in official records for the properties acquired for each of the loan programs described above. Mortgages receivable for these programs at September 30, 2012, for the County's individual major funds in total, including applicable allowances for doubtful accounts, were as follows:

(Amounts in Thousands)	Mortgages Receivable, Gross	Allowance for Doubtful Accounts	Mortgages Receivable, Net
Intergovernmental Grants Fund	$ 42,150	(5,623)	36,527
Local Housing Assistance Fund	56,834	(5,641)	51,193
Total for primary government	98,984	(11,264)	87,720
Component units	1,245	(130)	1,115
Total for Hillsborough County reporting entity	$ 100,229	(11,394)	88,835

In addition, there are code enforcement fines assessed by the Code Enforcement Board and Special Magistrate. Code enforcement fines are generally reduced or cancelled if the property is brought into compliance within specified time limits. The majority of code enforcement fines due the County are comprised of non-compliant properties on which the County has placed liens or locks on the contractors licensed. Code enforcement fines are recorded as they are collected because the length of time for the majority of fines paid is generally beyond the 60-day current status specified for revenue recognition. As a result there are no code enforcement receivables recorded in the fund financial statements for September 30, 2012.

Note 6 - Capital Assets

Changes in capital assets of governmental and business-type activities for the year ended September 30, 2012 are as follows:

Governmental Activities: *Amounts in Thousands*	**Beginning Balance**	**Increases**	**Decreases**	**Ending Balance**
Land, including rights-of-way	$ 522,490	4,522	--	527,012
Infrastructure	5,722,057	68,134	29,380	5,760,811
Construction in progress	22,533	9,672	7,607	24,598
Total non-depreciable assets	6,267,080	82,328	36,987	6,312,421
Buildings	747,682	5,248	1,541	751,389
Building improvements	202,165	5,323	32	207,456
Equipment	336,688	30,275	22,334	344,629
Intangibles*	4,281	7,184	--	11,465
Total depreciable assets	1,290,816	48,030	23,907	1,314,939
Less accumulated depreciation for:				
Buildings	(327,323)	(18,787)	--	(346,110)
Building improvements	(89,786)	(12,625)	(34)	(102,377)
Equipment	(251,723)	(37,955)	(21,479)	(268,199)
Intangibles	(532)	(2,418)	--	(2,950)
Total accumulated depreciation	(669,364)	(71,785)	(21,513)	(719,636)
Total capital assets, being depreciated, net	621,452	(23,755)	2,394	595,303
Total govenmental capital assets, net	$ 6,888,532	58,573	39,381	6,907,724

*Intangible assets include easements and software.

Business-type Activities *(Amounts in Thousands)*	**Beginning Balance**	**Increases**	**Decreases**	**Ending Balance**
Land, including rights-of-way	$ 42,186	13	--	42,199
Construction in progress	68,310	52,092	24,045	96,357
Total non-depreciable assets	110,496	52,105	24,045	138,556
Buildings	534,336	5,428	1,194	538,570
Building improvements	1,301,829	32,740	7,715	1,326,854
Equipment	34,346	1,361	2,583	33,124
Intangibles*	10,980	88	--	11,068
Total depreciable assets	1,881,491	39,617	11,492	1,909,616
Less accumulated depreciation for:				
Buildings	(315,473)	(14,296)	(1,098)	(328,671)
Building improvements	(576,980)	(52,249)	(5,327)	(623,902)
Equipment	(24,739)	(3,261)	(2,480)	(25,520)
Intangibles	(2,662)	(405)	--	(3,067)
Total accumulated depreciation and amortization	(919,854)	(70,211)	(8,905)	(981,160)
Total capital assets, being depreciated, net	961,637	(30,594)	2,587	928,456
Total business-type capital assets, net	$ 1,072,133	21,511	26,632	1,067,012

*Intangible assets include easements, software, and goodwill.

During fiscal year 2012, interest costs of $2,864,000 were capitalized to construction work-in-progress on the Balance Sheet - Proprietary Funds and deducted from interest expense on the Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Funds. The interest expense capitalized represents the net amount after deducting the bond proceeds' investment income from the related tax-exempt debt interest cost. Total business-type interest costs incurred during fiscal year 2012 were $13,283,000.

Depreciation and/or amortization expense was charged for fiscal year 2012 to functions of the primary government as shown below:

(Amounts in Thousands)	Depreciation and Amortization
Governmental activities:	
General government	$ 9,057
Public safety	38,517
Physical environment	1,046
Transportation	2,265
Economic environment	1,991
Human services	8,010
Culture and recreation	2,602
Internal service funds	8,297
Total depreciation expense - governmental activities	$ 71,785
Business-type activities:	
Water Resource Services	$ 55,650
Solid Waste Resource Recovery	14,561
Total depreciation/amortization expense - business-type activities	$ 70,211

Construction or capital improvement commitments outstanding as measured by purchase orders and contracts outstanding of the primary government at September 30, 2012 were as follows:

(Amounts in Thousands)	Construction Commitments Outstanding
Countywide Special Purpose Fund	$ 1,372
Intergovernmental Grants	23,505
County Transportation Fund	16,932
Local Housing Assistance Fund	171
Infrastructure Surtax Projects Fund	64,326
Nonmajor special revenue funds	2,080
Nonmajor capital projects funds	10,107
Water Enterprise Fund	94,378
Solid Waste Enterprise Fund	1,546
Total construction commitments outstanding	$ 214,417

The Capital Improvement Program is a financial plan of proposed capital projects covering a five or six-year period. Project costs can include project development, site acquisition, design, construction, renovation, initial fixtures and equipment, and administration. Major categories of projects include fire services, government facilities, libraries, parks programs, solid waste, stormwater, transportation,

and water and wastewater. The Capital Improvement Program does not identify all project costs. It only identifies what will probably be appropriated during the period. Total capital costs will be greater. The Capital Improvement Program for fiscal years 2013 through 2017 incorporates projects with a total cost of $560,475,000.

Note 7 - Long-Term Liabilities

A. Changes in Long-Term Liabilities

The following is a summary of changes in non-current liabilities for the year ended September 30, 2012, for both governmental activities and business-type activities:

Governmental Activities: *(Amounts in Thousands)*	**Beginning Balance**	**Additions**	**Reductions**	**Ending Balance**
General obligation bonds	$ 72,065	--	1,935	70,130
Deferred bond refunding losses	(388)	--	(55)	(333)
Unamortized bond issue premiums	669	--	143	526
Revenue bonds	426,475	157,200	117,185	466,490
Deferred bond refunding losses	(2,965)	(4,995)	(485)	(7,475)
Unamortized bond issue premiums	7,700	25,775	2,585	30,890
Unamortized bond issue discounts	(182)	--	(181)	(1)
Notes Payable	136,379	15,000	52,999	98,380
Compensated absences payable*	63,860	52,870	55,711	61,019
Net OPEB obligation**	8,921	6,268	3,510	11,679
Insurance claims payable***	37,577	101,474	102,389	36,662
Other long-term liabilities (see Note 7.D.)	2,163	--	1,014	1,149
Governmental activity long-term liabilities-primary government	752,274	353,592	336,750	769,116
Component units	36,534	--	23,580	12,954
Governmental activities long-term liabilities-reporting entity	$ 788,808	353,592	360,330	782,070

*Compensated absences payable are liquidated as sick and vacation leave expenditures are recorded for employees in the General Fund, Countywide Special Purpose Fund, Sales Tax Revenue Fund, Intergovernmental Grants Fund, County Transportation Fund, Local Housing Assistance Fund, Infrastructure Surtax Fund, Water Enterprise Fund, Solid Waste Enterprise Fund, and various nonmajor funds with personnel expenditures.

**The net OPEB obligation is liquidated as the medical claims of retirees covered by Hillsborough County are paid through the Self-Insurance Internal Service Fund.

***At September 30, 2012, the Hillsborough County health care program for low-income residents had an "insurance claims payable, current" liability of $3,326,000 reported for claims incurred but not reported and reported but not paid, which was shown in the Statement of Net Assets and the Balance Sheet – Governmental Funds. That liability was not included in the chart above because it was a current liability.

Business-type Activities: *(Amounts in Thousands)*	**Beginning Balance**	**Additions**	**Reductions**	**Ending Balance**
Revenue bonds	$ 345,775	--	18,985	326,790
Deferred bond refunding losses	(1,196)	--	(528)	(668)
Unamortized bond issue premiums	3,541	--	528	3,013
Unamortized bond issue discounts	(623)	--	(36)	(587)
Compensated absences payable	4,159	3,030	3,221	3,968
Other long-term liabilities (see Note 7.D.)	36,769	129	1,908	34,990
Business-type activity, long-term liabilities	$ 388,425	3,159	24,078	367,506

See Note 19 Exhibit A "Schedule of Changes in Long-Term Debt" at the end of the Notes to the Financial Statements for more information on the long-term debt of governmental and business-type activities, including the current portion of long-term debt. Deferred refunding losses and unamortized bond issuance discounts are recorded as reductions of bonds payable on the statement of net assets. Unamortized bond issuance premiums are recorded as additions to bonds payable on the Statement of Net Assets.

B. Bonds Payable

Bonds payable, including current maturities, at September 30, 2012 were as follows:

(Amounts in Thousands)	**Long-term Debt, Governmental**
General Obligation Bonds:	
$18,540 August 28, 2002, General Obligation Refunding Bonds (Unincorporated Area Parks and Recreation Program), Series 2002, due in annual installments through 2025; interest cost at 4.20%. (Note 19 - Exhibit B)	$ 11,885
Deferred bond refunding loss	(333)
Unamortized bond issue premium	119
$11,305 December 29, 2009, General Obligation Bonds (Environmental Land Acquisition and Protection Program), Series 2009A, due in annual installments through 2019; interest cost at 3.87%. (Note 19 - Exhibit C)	10,120
Unamortized bond issue premium	407
$48,125 December 29, 2009, General Obligation Bonds (Environmental Land Acquisition and Protection Program), Series 2009B (Federally Taxable Build America Bonds Direct Subsidy), due in annual installments through 2039; interest cost at 4.00%. (Note 19 - Exhibit D)	48,125
Net general obligation bonds, governmental activities	$ 70,323

Revenue Bonds:	**Long-term Debt, Governmental**
$49,725 October 30, 2001, Community Investment Tax Revenue Bonds (Jail Projects), Series 2001A, due in annual installments through 2026; interest cost at 4.66%. (Note 19 - Exhibit E)	$ 1,930
Unamortized bond issue discount	(1)
$14,490 October 30, 2001, Community Investment Tax Revenue Bonds (Stormwater Projects), Series 2001B, due in annual installments through 2026; interest cost at 4.66%. (Note 19 - Exhibit F)	550
$90,000 August 12, 2004, Community Investment Tax Revenue Bonds, Series 2004, due in annual installments through 2025; interest cost at 4.31%. (Note 19 – Exhibit G)	10,690
Unamortized bond issuance premium	17
$17,920 June 8, 2005, Tampa Bay Arena Refunding Revenue Bonds, Series 2005, due in annual installments through 2026: interest cost at 4.12%. (Note 19 – Exhibit H)	14,110
Deferred bond refunding loss	(273)
Unamortized bond issuance premium	146
$38,305 August 23, 2005, Court Facilities Refunding Revenue Bonds, Series 2005, due in annual installments through 2029; interest cost at 4.28%. (Note 19 – Exhibit I)	31,860
Deferred bond refunding loss	(1,374)
Unamortized bond issuance premium	24
$40,285 May 3, 2006, Capital Improvement Program Refunding Revenue Bonds, Series 2006, due in annual installments through 2024; interest cost at 4.16%. (Note 19 - Exhibit J)	30,050
Deferred bond refunding loss	(507)
Unamortized bond issue premium	90
$18,270 December 6, 2006, Fourth Cent Tourist Development Tax Bonds, Series 2006, due in annual installments through 2035; interest cost at 4.14%. (Note 19 – Exhibit K)	16,140
Unamortized bond issuance premium	41
$27,125 December 6, 2006, Fifth Cent Tourist Development Tax Bonds, Series 2006A, due in annual installments through 2035; interest cost at 4.27%. (Note 19 – Exhibit L)	26,495
Deferred bond refunding loss	(105)
Unamortized bond issuance premium	100
$191,800 October 31, 2007, Community Investment Tax Revenue Bonds, Series 2007, due in annual installments through 2026; interest cost at 4.5%. (Note 19-Exhibit M)	161,065
Unamortized bond issuance premium	5,510
$19,195 May 7, 2008, Capital Improvement Non-Ad Valorem Refunding Revenue Bonds (Warehouse and Sheriff's Facilities Projects), Series 2008, due in annual installments through 2028; interest cost at 4.2%. (Note 19 – Exhibit N)	16,400
Deferred bond refunding loss	(394)
Unamortized bond issuance premium	$ 24

Revenue Bonds, continued:	Long-term Debt, Governmental
$38,130 May 23, 2012, Community Investment Tax Refunding Revenue Bonds, Series 2012A, due in annual installments through 2025; interest cost at 2.42%. (Note 19 – Exhibit O)	$ 38,130
Deferred bond refunding loss	(1,032)
Unamortized bond issuance premium	5,304
$51,625 May 23, 2012, Community Investment Tax Refunding Revenue Bonds, Series 2012B, due in annual installments through 2025; interest cost at 2.42%. (Note 19 – Exhibit P)	51,625
Deferred bond refunding loss	(3,790)
Unamortized bond issuance premium	7,452
$67,445 June 21, 2012, Capital Improvement Program Revenue Bonds, Series 2012, due in annual installments through 2026; interest cost at 2.16%. (Note 19 – Exhibit Q)	67,445
Unamortized bond issuance premium	12,182
Net revenue bonds, governmental activities	489,904
Total of net general obligation bonds, and net revenue bonds, for governmental activities	$ 560,227

Revenue Bonds:	Long-term Debt, Business-type
$186,105 May 17, 2001, Junior Lien Refunding Utility Revenue Bonds, Series 2001, due in annual installments through 2016; interest cost at 5.06%. (Note 19 - Exhibit R)	$ 29,110
Deferred bond refunding loss	(668)
Unamortized bond issue premium	239
$116,990 November 14, 2006, Solid Waste and Resource Recovery Revenue Bonds, Series 2006A, due in annual installments through 2034; interest cost at 4.81%. (Note 19 – Exhibit S)	107,320
Unamortized bond issue premium	1,914
$40,360 November 14, 2006, Solid Waste and Resource Recovery Revenue Bonds, Series 2006B, due in annual installments through 2030; interest cost at 4.07%. (Note 19 – Exhibit T)	40,360
Unamortized bond issue premium	302
$18,035 November 16, 2010, Utility Recovery Revenue Bonds, Series 2010A (tax exempt), due in annual installments through 2019; interest cost at 2.05%. (Note 19 – Exhibit U)	18,035
Unamortized bond issue premium	558
$110,265 November 16, 2010, Utility Recovery Revenue Bonds, Series 2010B (Build America Bonds, which are taxable, but provide a direct 35% interest subsidy to the local government), final maturity in 2037; interest cost at 3.43%. (Note 19 – Exhibit V)	110,265
Unamortized bond issue discount	$ (587)

Revenue Bonds, continued:	**Long-term Debt, Business-type**
$21,700 November 16, 2010, Utility Recovery Revenue Bonds, Series 2010C (Recovery Zone Economic Development Bonds, which are taxable, but provide a direct 45% interest subsidy to the local government), final maturity in 2040; interest cost at 3.22%. (Note 19 – Exhibit W)	$ 21,700
Net revenue bonds, business-type activities	$ 328,548

Note 19, Exhibits B through W, show future debt service requirements, including sinking fund purchases for each issue. Annual debt service requirements to maturity for long-term governmental bonded debt are as follows:

Long-Term Bonded Debt, Governmental Activities
(Amounts in Thousands)

	General Obligation Bonds			**Revenue Bonds**		
Year Ending September 30	**Principal**	**Interest**	**Less Subsidy**	**Principal**	**Interest**	**Total**
2013	$ 2,085	3,791	(1,004)	23,850	20,808	49,530
2014	2,145	3,736	(1,004)	24,420	20,104	49,401
2015	2,240	3,636	(1,004)	25,495	19,036	49,403
2016	2,315	3,568	(1,004)	26,390	17,814	49,083
2017	2,405	3,475	(1,004)	27,650	16,544	49,070
2018-2022	13,600	15,727	(4,932)	159,200	61,306	244,901
2023-2027	12,290	12,280	(4,219)	151,875	20,983	193,209
2028-2032	11,885	8,962	(3,137)	18,230	3,659	39,599
2033-2037	14,500	4,946	(1,729)	9,380	834	27,931
2038-2040	6,665	639	(224)	--	--	7,080
Total	$ 70,130	60,760	(19,261)	466,490	181,088	759,207

Annual debt service requirements to maturity for business-type bonded debt are as follows:

Long-term Debt, Business-type Activities
(Amounts in Thousands)

Year Ending September 30	Revenue Bonds Principal	Interest	Less Subsidy	Total
2013	$ 13,460	16,029	(2,544)	26,945
2014	15,025	15,379	(2,544)	27,860
2015	17,355	14,631	(2,544)	29,442
2016	7,145	13,768	(2,544)	18,369
2017	7,435	13,480	(2,544)	18,371
2018-2022	47,765	61,946	(12,526)	97,185
2023-2027	62,335	49,284	(10,869)	100,750
2028-2032	76,215	32,880	(8,330)	100,765
2033-2037	58,355	14,146	(5,090)	67,411
2038-2041	21,700	2,578	(1,161)	23,117
Total	$ 326,790	234,121	(50,696)	510,215

C. Notes Payable

On April 5, 2000, the BOCC adopted a resolution for the issuance of Capital Improvement Program Commercial Paper Notes, Series A (Non Alternative Minimum Tax), Series B (Alternative Minimum Tax), and Series C (Taxable) not to exceed $200,000,000. Commercial paper notes were issued as part of a long-term financing program where notes are issued, rolled over as needed, and ultimately refinanced with long-term debt when more favorable longer-term rates become available in the financial markets. The BOCC has currently authorized notes payable issuances of up to $300,000,000. The commercial paper notes are issued at face values of $100,000 or more. The notes are payable in full plus accrued interest on maturity which is not greater than 270 days from the issue date. To facilitate an efficient and effective use of available cash, the County will periodically issue new money notes and reissue maturing notes at current market interest rates to fund its cash needs. During fiscal year 2012, market interest rates ranged from 0.19% to 0.22%. The County intends to redeem a portion of outstanding notes with program revenues and to refinance the remaining notes with future long-term financing. Payment of the maturing commercial paper notes payable is secured by an irrevocable direct pay letter of credit in the amount of $300,000,000. Interest on the notes is payable at the time each note matures.

On March 19, 2008, the BOCC approved a resolution to fund the expansion of parts of US Highway 301 from two lanes to six lanes with the issuance of 2008 Taxable Transportation Revenue Notes A, B, and C as interim financing. Notes A and B cannot exceed $26.5 million in total and Notes C cannot exceed $8.0 million. At September 30, 2008, only Notes A and B were issued, with liabilities of $4,019,000 and $5,291,000, respectively. Security for payment of maturing notes is provided by direct pay letters of credit or cash on deposit from third-party providers and by impact fee reserves and future revenues in associated transportation impact fee zones. Interest is paid semi-annually on October 1 and April 1.

At September 30, 2012, total notes payable outstanding were $98,380,000 as shown below.

Governmental activities: *(Amounts in Thousands)*	**Issue Date**	**Maturity Date**	**Interest Rate**	**Face Amount**
Commercial paper notes:	7-12-12	10-11-12	0.19%	$ 25,110
	7-19-12	10-11-12	0.19	2,000
	7-19-12	10-11-12	0.19	28,000
	8-30-12	11-15-12	0.20	15,000
	9-20-12	10-25-12	0.19	16,400
	9-20-12	10-25-12	0.19	6,740
Total				93,250
Taxable notes:	4-29-08	4-01-13	5.56	3,307
	4-29-08	4-01-13	5.56	1,823
Total				5,130
Total notes payable				$ 98,380

On the Statement of Net Assets, all notes payable are presented as current liabilities.

D. Other Long-Term Liabilities

Other long-term liabilities, including current maturities, reported in the Governmental Activities column of the Statement of Net Assets at September 30, 2012 consisted of only a liability for the Voluntary Separation Incentive Program. The County had no arbitrage rebate liabilities at September 30, 2012. See Note 7.F., *Arbitrage Rebate Liability*, for information on the arbitrage rebate liability by bond issue and see Note 1.V. for more information on the Voluntary Separation Incentive Program liability. Note 11, *Transfers In and Out*, provides information on the funds that provided financial resources to individual debt service funds during fiscal year 2012.

Other long-term liabilities, including current maturities, for the Enterprise Funds at September 30, 2012, were as follows:

(Amounts in Thousands)	**Other Long-Term Liabilities Business-Type**
Open landfill closure and postclosure costs	$ 30,007
Closed landfill remediation/monitoring	4,892
Voluntary Separation Incentive Program liability	91
Total other long term liabilities, business-type activities	$ 34,990

The other long-term liabilities for governmental and business-type activities shown above will be liquidated as presented on the following chart:

(Amounts in Thousands) Year Ending Sept. 30	Other Long-Term Liabilities Governmental Amount	Business-Type Amount
2013	$ 629	263
2014	520	254
2015	--	213
2016	--	213
2017	--	213
2018-2022	--	1,065
2023-2027	--	1,065
2028-2032	--	1,065
2033-2037	--	632
2038-2042	--	16,015
2043-2047	--	4,975
2048-2052	--	4,975
2053-2057	--	2,893
2058-2062	--	--
2063-2067	--	--
2068-2072	--	1,149
Total principal	$ 1,149	34,990

There is no interest on the other long-term liabilities in the governmental and business-type activities.

E. Advance Refunding of Long-Term Debt

On May 23, 2012, the County issued Community Investment Tax Refunding Revenue Bonds, Series 2012A in the par amount of $38,130,000 and Series 2012B in the par amount of $51,625,000 to advance refund portions of outstanding Community Investment Tax (CIT) supported bonds. Series 2012A bond proceeds, after payment of bond issuance costs, were combined with a $5.7 million bond issuance premium plus other County moneys and deposited in an irrevocable trust account to redeem $43.5 million of outstanding CIT Revenue Bonds, Series 2001A and 2001B, including accrued interest and redemption premium on July 2, 2012. Series 2012B bond proceeds, after payment of bond issuance costs, were combined with a $7.9 million bond market issuance premium plus other County moneys and deposited in an irrevocable trust account to redeem $59 million of outstanding CIT Revenue Bonds, Series 2004, including accrued interest and redemption premium on November 1, 2013. The remaining CIT Series 2001A, 2001B, and 2004 Bonds are scheduled for payment in annual installments through fiscal year 2015. Through the advance refunding, the County achieved a $7.6 million reduction in total outstanding CIT bonded debt as well as a $1 million reduction in annual CIT funded debt service payments.

The CIT Series 2001A/2001B and CIT Series 2004 transactions resulted in deferred refunding losses of $1.1 million and $3.9 million, respectively. Although these transactions resulted in an accounting loss, the County received a combined economic gain of $12 million, representing the present value difference between the refunded bonds and new bonds debt service payments. As of September 30,

2012, the CIT refunded bonds were removed from Noncurrent Liabilities on the Statement of Net Assets. See Note 19 Exhibit A "Schedule of Changes in Long-term Debt" for more information.

F. Arbitrage Rebate Liability

Certain long-term debt obligations of the County are subject to Section 148 of the Internal Revenue Code which requires that interest earned on proceeds from tax-exempt debt be rebated to the federal government to the extent that those earnings exceed the interest cost on the related tax-exempt debt. The County had no arbitrage rebate liability at September 30, 2012.

G. Debt Compliance

Various bond indentures contain covenants which specify certain limitations and restrictions for the County regarding annual debt service requirements, the use of certain restricted accounts, minimum sinking fund balances, and minimum revenue bond coverage. Management believes that the County has complied with these covenants.

H. Defeased Debt

Defeased debt is unredeemed debt that is not reported on the financial statements because the cash and investments necessary for repayment have been irrevocably placed with an independent escrow agent, who will make debt service payments until the call date. Once defeased debt is called, it is no longer considered defeased because the liability for the bonds has been totally extinguished. The principal balances on bond issues defeased at September 30, 2012, are listed on the following page:

	(Amounts in Thousands)
Governmental activities:	
1999 Court Facility Bonds	$ 3,110
2003 Junior Lien Capital Improvement Program Refunding Revenue Bonds	35,450
2004 Community Investment Tax (CIT) Revenue Bonds	54,630
2006 Capital Improvement Non-Ad Valorem Revenue Bonds	40,665
Business-type activities:	
2001 Refunding Utility Revenue Bonds (partial defeasance)	10,000
2003 Refunding Utility Revenue Bonds	3,700

I. Non-Commitment Special Assessment Debt

On December 8, 2000, the County issued $4.9 million in Reclaimed Water Special Assessment Revenue Bonds, Series 2000 and $29.6 million in Capacity Assessment Special Assessment Revenue Bonds, Series 2000. These bonds have interest rates that vary from 4.30% to 5.00%, respectively, with interest and principal payable semiannually. Payment of debt service is secured and payable solely from capacity assessment unit and reclaimed water improvement unit special assessment revenues.

These obligations were not recorded by the County since the County is not obligated in any manner for the repayment of these debt obligations. At September 30, 2012, the unpaid principal balances of the Capacity Assessment Unit and the Reclaimed Water Improvement Unit bonds were $13,585,000, and $1,820,000, respectively.

On May 3, 2006, the County issued $101.1 million in Capacity Assessment Special Assessment Revenue Bonds, Series 2006. These bonds have interest rates from 3.55% to 5.00% with interest payable semiannually and principal payable annually. The County irrevocably pledged its long-term capacity assessment accounts receivable and related annual special assessment collections of approximately $10 million to secure repayment of the bonds. In exchange, the Water Enterprise Fund received net proceeds of $93.8 million for capital expansion. These obligations were not recorded by the County since the County is not obligated in any manner for the repayment of these debt obligations. On September 30, 2012, the outstanding balance on the Capacity Assessment Special Assessment Revenue Bonds, Series 2006, was $74,245,000.

J. Non-Commitment Conduit Debt Obligations

In accordance with GASB Interpretation No. 2, *Disclosure of Conduit Debt Obligations, an Interpretation of NCGA Statement 1*, the County discloses conduit debt obligations. Conduit debt obligations are certain limited-obligation revenue bonds or similar debt instruments issued for the purpose of providing capital financing for a specific third party that is not a part of the County's financial reporting entity. Although conduit debt obligations bear the name of a component unit of the County, neither the County nor the component unit has an obligation for such debt.

The BOCC created the Housing Finance Authority of Hillsborough County (HFA) in fiscal year 1986 for the purpose of alleviating a shortage of affordable residential housing facilities for persons and families of low and moderate income within Hillsborough County. At September 30, 2012, the HFA had $12,954,000 in Single Family Mortgage Revenue and Refunding Bonds outstanding and $176,742,000 of Multi-Family Housing Revenue and Refunding Bonds outstanding. Both of these two types of bonds are payable solely from revenues, receipts, and resources of the HFA pledged under related trust indentures. The HFA, the County, the State, or any political subdivisions of the State, are not obligated in any manner for the repayment of these notes or bonds. However, the HFA routinely makes financial contributions to the single family bond programs and receives fees and other income from the single family bond programs. In addition any residual funds remaining in any single family bond program after the bonds are retired are released to the HFA. As a result of the HFA's financial relationship to the single family bond issues, all transactions related to the Single Family bond programs are included in the financial statements of the HFA, which as a whole is reported as a discretely presented component unit.

The HFA's Multi-Family Housing Revenue and Refunding Bonds, however, are considered conduit debt obligations. The County has conduit debt obligations related to the bonds issued in the name of the Housing Finance Authority of Hillsborough County. As of September 30, 2012, there were 20 HFA multi-family housing revenue and refunding bond issues outstanding. The total principal amount outstanding on these conduit debt obligations was $176,742,000. These bonds are not reported as liabilities in the accompanying financial statements.

K. Non-Commitment Debt Service Contributions

The Tampa Sports Authority (TSA), an independent special district, issued the following revenue bonds to finance the construction of a community stadium:

- $148,945,000 Local Option Sales Tax Revenue Bonds, Series 1997. These bonds were issued for stadium construction and are secured by a share of the half-cent Community Investment Tax approved by voter referendum. In the referendum that initiated the Community Investment Tax, a half-cent sales tax was to be levied pursuant to Section 212.055, Florida Statutes, with the requirement that specified amounts would be spent for infrastructure related projects of the Hillsborough County School District, the TSA's stadium, and infrastructure in the three cities located within the County as well as in the unincorporated areas of the County. To help the TSA with the issuance of its revenue bonds, the County entered into an interlocal agreement with the TSA to confirm the County's commitment to provide a certain amount of the Community Investment Tax to the TSA as legally established by the voters' approval of the Community Investment Tax. On November 16, 2005, the TSA issued $114,865,000 in Refunding Revenue Bonds, Series 2005, to refund all outstanding series 1997 bonds.

- $30,010,000 Florida Sales Tax Revenue Bonds, Series 1997. These bonds were issued for stadium construction and are secured by the state of Florida's commitment to provide sales tax revenues of $2 million per year for 30 years for the construction of facilities for a professional sports franchise pursuant to Sections 288.1162 and 212.20(6)(g)5a, Florida Statutes. On November 16, 2005, the TSA issued $27,015,000 in Florida Sales Tax Payment Refunding Revenue Bonds, Series 2005, to refund all outstanding series 1997 bonds.

The trust indentures for each of these bonds state that these bonds "shall not constitute a debt, liability, general or moral obligation or a pledge of the faith or loan of credit of the County, the City, the State or any political subdivision of the State." The revenue bonds payable liabilities are recorded in the financial records of the TSA. The trust indentures for each of these bonds states that the bonds "are limited obligations payable solely and only from the pledged revenues." If pledged tax revenues are insufficient, the County has no obligation to provide additional funding to the TSA for debt service. For these reasons, neither the bonds issued by the TSA nor the pledged revenues are recorded as liabilities of the County.

L. Pledged Revenues for Debt Service

The chart on the following page shows information on revenues pledged or used for debt service.

Percentage of Pledged Revenues Used for Debt Service -- Governmental Revenue Bonds

Revenue Bonds for Governmental Activities (a)	Revenues Pledged Used for Fiscal Year 2012 Debt Service Payments						Debt Service Payments Until Final Bond Maturity
Amounts in Thousands	CIT (b)	Fuel Tax	Fourth Cent TDT(c)	Fifth Cent TDT (c)	Court Revenues (d)	Non-Ad Valorem (e)	
1998 Fuel Tax Refunding Revenue Bonds, for roads	$ --	386	--	--	--	--	$ --
2001A Community Investment Tax (CIT) Revenue Bonds, for jail	3,507	--	--	--	--	--	1,990
2001B Community Investment Tax Revenue Bonds, for stormwater projects	1,018	--	--	--	--	--	561
2004 Community Investment Tax Revenue Bonds, infrastructure	6,410	--	--	--	--	--	11,390
2005 Tampa Bay Arena Refunding Revenue Bonds, for arena (f)	--	--	--	1,310	--	--	19,523
2005 Court Facilities Refunding Revenue Bonds, for court facilities	--	--	--	--	2,530	--	45,578
2006 Capital Improvement Program Refunding Revenue Bonds, for facilities	--	--	--	--	--	3,248	38,925
2006 Fourth Cent Tourist Development Tax Bonds, for facilities	--	--	1,155	--	--	--	24,667
2006A Fifth Cent Tourist Development Tax Bonds, for facilities	--	--	--	1,780	--	--	42,351
2007 Community Investment Tax Revenue Bonds, for facilities	16,270	--	--	--	--	--	221,553
2008 Capital Improvement Non-Ad Valorem Refunding Revenue Bonds, for warehouse and Sheriff facilities	--	--	--	--	--	1,438	23,017
2012A Community Investment Tax Refunding Revenue Bonds for jail and stormwater	--	--	--	--	--	--	51,440
2012B Community Investment Tax Refunding Revenue Bonds for infrastructure	--	--	--	--	--	--	71,679
2012 Capital Improvement Program Revenue Bonds for facilities	--	--	--	--	--	350	94,904
Total debt service on bonds							$ 647,578
Total pledged revenues available for fiscal year 2012 debt service	$27,205	386	1,155	3,090	2,530	5,036	39,052
Total pledged revenues available for fiscal year 2012 debt service (g)	$46,168	4,718	4,206	4,206	2,753	90,186	152,237
FY 2012 pledged revenues used as a percentage of revenues available	58.9%	8.2%	27.5%	73.5%	91.9%	5.6%	25.7%

(a) See Note 7. B. for maturity dates and other information on these revenue bonds.
(b) A discretionary sales surtax known as the Community Investment Tax (CIT).
(c) A local option tourist development tax (TDT).
(d) Court revenues consist of noncriminal traffic infraction revenues.
(e) Non-Ad Valorem revenues consist primarily of $80,163,000 from the Half Cent Sales Tax, $6,752,000 from Guaranteed Entitlement Revenues, $1,872,000 from Local Business Taxes, $425,000 from mobile home license fees, $416,000 from alcoholic beverage licenses, $211,000 from the annual license payment for George M. Steinbrenner Field baseball stadium by the New York Yankees, and $347,000 from arena special events fees from the Tampa Bay Lightning.

(f) Although non-ad valorem revenues were pledged for debt service on the 2005 Tampa Bay Arena Refunding Revenue Bonds, the Fifth Cent Tourist Development Tax was used exclusively for fiscal year 2012 debt service on these bonds.
(g) Although specific revenues are pledged for specific revenue bonds for governmental activities shown on the chart above, non-ad valorem revenues are also available for debt service on these revenue bonds if specific revenues are insufficient.

Note 8 - Defined Benefit and Defined Contribution Pension Plan

Plan Description. 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 FRS offers members both a defined benefit plan (Pension Plan) and/or a defined contribution plan (Investment Plan) to provide retirement, disability, and death benefits for active members, retirees, surviving beneficiaries, and Deferred Retirement Option Program (DROP) participants.

DROP is a program that provides for payment of retirement benefits for FRS members for up to five years. Under this program, an employee may retire and have his benefits accumulate in the FRS Trust Fund, earning interest, while continuing to work for a system employer. When the DROP period ends, employment terminates, the employee receives payment of the accumulated DROP benefits, and monthly Pension Plan and/or Investment Plan retirement benefits begin.

Benefits are established by Chapter 121, Florida Statutes, and Chapter 22B, Florida Administrative Code. Effective July 1, 2011, the Florida Legislature passed Senate Bill 2100 making changes to the FRS. Benefits are computed on the basis of age, average final compensation, and service credit.

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 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.

Plan members hired on or after July 1, 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.

There is no Pension Plan Cost of Living Adjustment (COLA) on FRS service earned on or after July 1, 2011. A reduced COLA is calculated if a member's retirement or DROP participation date is effective on or after August 1, 2011. The reduced COLA will be calculated by taking the total years of service earned prior to July 1, 2011 and dividing it by the total years of service at retirement, then multiplying it by 3%.

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, P.O. Box 9000, Tallahassee, Florida 32315-9000. That report may also be viewed on the Florida Retirement System's web site located at: www.dms.myflorida.com/ human_resource_support/retirement/publications/system_information/annual_reports.

Funded Status. The FRS Annual Report July 1, 2011 – June 30, 2012 available as mentioned above, stated that the FRS pension plan was 86.38% funded at July 1, 2012 since the actuarial value of assets was $127.89 billion compared to the actuarial accrued liability of $148.05 billion.

Funding Progress. Since July 1, 2011 all plan members, except those in DROP, make a 3% employee contribution on a pretax basis. Governmental employers are required to make contributions to the FRS based on actuarially determined statewide contribution rates. The FRS establishes contribution rates annually. The contribution rates by job class at September 30, 2012 were as follows for both the defined benefit and defined contribution pension plans: regular 5.18%; special risk (e.g. law enforcement personnel) 14.90%; special risk administrative support 5.91%; county elected officials 10.23%; and senior management 6.30%. During the fiscal year ended September 30, 2012, the County contributed to the plan an amount equal to 8.41% of total covered payroll. The County contributions to the FRS for the fiscal years ended September 30, 2010 through 2012 were $75,095,000, $68,529,000, and $42,016,000 respectively, which were equal to the required actuarially determined contributions for each fiscal year. The component units' contributions to the plan, which were included in the County reporting entity figures above, were $150,000 or 5.04% of total covered payroll. The County's FRS covered payroll of $494,426,000 represents 2.0% of statewide FRS covered payroll of $24.491 billion.

Actuarial Methods and Assumptions. In the July 1, 2012 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included (a) a 7.75% investment rate of return and (b) projected salary increases of 5.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include postemployment benefit increases. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility over a five-year smoothing period.

The County's pension expenditures/expenses and associated pension liabilities payables which are included in accrued liabilities at year-end, are reported in compliance with GASB Technical Bulletin 2004-2, *Recognition of Pension and Other Postemployment Benefit Expenditures/ Expenses and Liabilities by Cost-Sharing Employers*. This technical bulletin requires recognition of pension expenditures/expenses in the period in which payments relate even if the payments are not due until the next fiscal period.

Note 9 - Other Postemployment Benefits (OPEB)

In accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension*, the County expenses the cost of post-employment benefits over the active service lives of its employees rather than using a "pay-as-you-go" basis. Expensing the cost of a future benefit over the active work-lives of employees is a fiscally sound approach because employees actually earn the future benefits over their working careers.

OPEB Plan Description. The County provides the following health-related benefits to retirees and certain former employees: (a) The County is required by Florida Statute 112.0801 to allow retirees and certain former employees to buy healthcare coverage at the same "group insurance rates" that current employees are charged. Although retirees pay for healthcare at group rates, they are receiving a valuable benefit because they can buy insurance at costs that are lower than the costs associated with the experience rating for their age bracket. The availability of this lower cost health insurance represents an "implicit subsidy" for retirees. (b) The County offers a monthly stipend of $5 for each year of service up to a maximum benefit of $150 per month. The stipend is payable to regular retired employees from ages 62 to 65 and to special risk retired employees from ages 55 to 65. The stipend is to be used to offset the cost of health insurance. Although the implicit subsidy is required by state law when healthcare is offered as an employee benefit, the stipend may be cancelled at any time. This OPEB plan is a single-employer plan and does not issue a stand-alone financial report. The plan's financial activity is included in the financial activity of the County.

Annual OPEB cost and net OPEB Obligation. The actuary's estimate of the County's *accrued OPEB liability*, also known as the *actuarial accrued liability*, which approximates the present value of all future expected postemployment medical premiums, associated administrative costs and stipend payments (which are attributable to the past service of active and retired employees) was $62.507 million at September 30, 2012. The County's annual OPEB cost, which is defined as annual OPEB expenses on an accrual basis, was $6.269 million at September 30, 2012. The annual OPEB cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost (current and future benefits earned) each year and to amortize any unfunded actuarial liabilities over a period of time not to exceed thirty years. The County's estimated ARC for fiscal year 2012 was $6.209 million. The *net OPEB obligation, at the end of the year*, is the net amount the County was obligated for at year-end and is equivalent to the annual OPEB cost for the fiscal year, plus the net OPEB obligation at the start of the fiscal year less contributions such as retiree claims and stipends paid by the County during the fiscal year. The inter-relationships between the ARC, annual OPEB cost, and net OPEB obligation are presented below:

	Fiscal Year 2012
Annual required contribution (ARC)	$ 6,209,000
Interest on the Net OPEB obligation for fiscal year	399,000
Less amortization of Net OPEB obligation for fiscal yr.	(340,000)
Annual OPEB Cost for fiscal year	6,269,000
Net OPEB Obligation, beginning of year	8,921,000
Less contributions (claims paid etc.) for fiscal year	(3,510,000)
Net OPEB obligation, end of year	$ 11,679,000

The County's net OPEB obligation at September 30, 2012 was $11.679 million. The net OPEB obligation increased from the prior year primarily due to increased health care costs for retirees as well as interest imputed on the net OPEB obligation since the County did not "fund" its OPEB liabilities (see next paragraph).

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	$ 5,544,000	81 %	$ 7,154,000
2011	5,973,000	70 %	8,921,000
2012	6,269,000	56 %	11,679,000

Funding Policy, Status and Progress. In order for OPEB obligations to be considered funded under GASB Statement No. 45 an irrevocable trust fund must be used. Since that would be considered very restrictive, the County did not "fund" the net OPEB obligation, but instead chose to appropriate and set aside an amount approximating the net OPEB obligation in the Self-Insurance Internal Service Fund. Each fund was assessed its share of OPEB costs based on an allocation using the number of employees in the fund divided by the total number of County employees. Assessments were then placed in the Self-Insurance Internal Service Fund. Even though money was set aside to almost offset the net OPEB obligation, the County is not considered to have funded any of the obligation since an irrevocable trust fund was not used. It is the County's intent for future years to set aside an amount equivalent to the annual OPEB cost. The County, however, has no legal or contractual obligation to do so. The status of the plan as of September 30, 2012, was as follows:

Actuarial valuation date	September 30, 2012
Actuarial value of plan assets	$ -- *
Actuarial accrued liability (AAL)	62,507,000
Unfunded actuarial accrued liability (UAAL)	62,507,000
Actuarial value of plan assets/AAL (funded ratio)	0 % *
Covered payroll (active plan members)	499,426,000
UAAL as a percentage of covered payroll	12.5 % *

* Although $11.806 million has been set aside in the Self-Insurance Internal Service Fund to more than offset the County's net OPEB obligation of $11.679 million at September 30, 2012, the amount considered to be funded was zero since an irrevocable trust fund was not established.

The calculation of these actuarial estimates is based on a number of estimates and assumptions, including interest rates on investments, the healthcare cost trend, future employment and average retirement age, life expectancy, and healthcare costs per employee, many of which factors are subject to future economic and demographic variations. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present multi-year trend information on whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and

include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The entry age actuarial cost method was used in the September 30, 2012 update of the September 30, 2011 actuarial valuation. Other actuarial assumptions included a 4.5% investment rate of return, a 4.5% discount rate, a 2.5% inflation rate, an initial pre-Medicare annual healthcare cost trend rate of 9.5% grading to an ultimate rate of 5.5% for fiscal year 2018, and an initial post-Medicare annual healthcare cost trend rate of 7.0% grading to an ultimate rate of 5.5% for fiscal year 2015. In the September 30, 2011 actuarial report, the approximate average age of employees was reported to be 47, with 13 years of service completed and 12 years of additional service estimated. The actuarial value of the County's assets was determined using the fair value of cash and investments at September 30, 2012. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period used by the County at September 30, 2012, was 30 years.

Note 10 - Interfund Receivable and Payable Balances

Interfund receivable and payable balances at September 30, 2012 are on the following page.

Interfund Receivable Fund	Interfund Payable Fund	Amounts in Thousands
Major Governmental Funds:		
General (BOCC)	General (Sheriff*)	$ 34,298
	General (Tax Collector*)	15,046
	General (Property Appraiser*)	253
	General (Clerk of Circuit Court*)	4,534
	Intergovernmental Grants	1,036
		55,167
General (Sheriff)	General (BOCC)	215
	Countywide Special Purpose	399
	Solid Waste Enterprise	180
		794
General (Supervisor of Elections)	General (BOCC) +	904
General (Tax Collector)	General (BOCC)	33
	Sales Tax Revenue	15
	Library	1
	Solid Waste Enterprise	3
		$ 52

Interfund Receivable Fund	Interfund Payable Fund	Amounts in Thousands
General (Clerk of Circuit Court)	General (BOCC)	$ 19
	Countywide Special Purpose	1
	County Transportation	2
	Intergovernmental Grants	1
	Unincorporated Area Special Purpose	1
	Solid Enterprise	1
	Water Enterprise	13
		38
	Total General Fund	56,955
Countywide Special Purpose	Sheriff Special Use*	913
	General (Clerk of Circuit Court*)	593
	General (Sheriff*)	10
	General (Tax Collector*)	17
		1,533
Sales Tax Revenue	General (Tax Collector*)	1,938
County Transportation	General (BOCC)	400
	General (Tax Collector*)	113
		513
Infrastructure Surtax Fixed Project	Sales Tax Revenue**	4,451
Nonmajor Special Revenue Funds:		
Unincorporated Area Special Purpose	General (Tax Collector*)	88
Library	General (Tax Collector*)	494
	General (Property Appraiser*)	7
		501
Supervisor of Elections Grants	General (BOCC)	191
Nonmajor Debt Service Funds:		
2009 Environmentally Sensitive Lands Debt Service	General (Tax Collector*)	61
2002 Parks and Recreation Debt Service	General (Tax Collector*)	18
Total Nonmajor Funds		$ 859

Interfund Receivable Fund	Interfund Payable Fund	Amounts in Thousands
Internal Service Funds:		
Self-Insurance Internal Service	Sheriff Risk Management*	$ 822
Major Enterprise Funds:		
Water Enterprise	General (Tax Collector*)	53
Solid Waste Enterprise	General (Tax Collector*)	875
Total interfund payable and receivable balances		$ 67,999

* These balances represent residual and/or excess fees payable by Constitutional Officers to the Board of County Commissioners at year-end in accordance with Florida Statutes.

** This balance represents the Community Investment Tax receipts payable by the Sales Tax Revenue Fund (where funds are received) to the Infrastructure Surtax Fixed Project Fund (where such funds are spent).

\+ This interfund receivable and payable was recorded in exchange for the BOCC holding the Supervisor of Elections cash, cash equivalents, and investments balances.

Note 11 - Transfers In and Out

Interfund transfers in and out during fiscal year 2012 were as follows:

Transfers In	Transfers Out	Amounts in Thousands
Major Governmental Funds:		
General (BOCC)	General (BOCC)	$ 311
	Sales Tax Revenue**	47,697
	Countywide Special Purpose	5,002
	Intergovernmental Grants	384
	Unincorporated Area Special Purpose	10,816
	Unincorporated Capital Projects	8,818
	Fleet Management Internal Service	4,310
	County Self-Insurance Internal Service	1,991
	General (Sheriff*)	34,117
	General (Tax Collector*)	10,285
	General (Property Appraiser*)	253
	General (Supervisor of Elections*)	1,632
	General (Clerk of Circuit Court*)	4,125
		129,741
General (Sheriff)	General (BOCC)	361,518
	Infrastructure Surtax Project	2,700
		$ 364,218

Transfers In	Transfers Out	Amounts in Thousands
General (Tax Collector)	General (BOCC)++	$ 19,865
	Unincorporated Area Special Purpose++	118
	Sales Tax Revenue++	157
	County Transportation++	152
	Library++	636
	Parks and Recreation Debt Service++	29
	Environmentally Sensitive Lands Acquisition Debt Service++	82
		21,039
General (Property Appraiser)	General (BOCC)++	9,801
	Library++	278
	Environmentally Sensitive Lands Acquisition Debt Service++	32
	Parks and Recreation Debt Service++	8
		10,119
General (Supervisor of Elections)	General (BOCC)	10,852
General (Clerk of Circuit Court)	General (BOCC)	18,945
	Total General Fund	554,914
Countywide Special Purpose	General (BOCC)	15,181
	Unincorporated Area Special Purpose	1,700
	County Transportation	1,300
	Countywide Capital Projects	7,115
	Fleet Management Internal Service	8
	Self-Insurance Internal Service	96
	Sheriff Special Use*	1,348
	Clerk of Circuit Court Technology	89
		26,837
Sales Tax Revenue	County Self-Insurance	1
Intergovernmental Grants	General (BOCC)	5,726
	Infrastructure Surtax Project	2,213
	Unincorporated Area Special Purpose	1,080
	Fleet Management Internal Service	2
	Environmentally Sensitive Lands Capital Project	81
		$ 102

Transfers In	Transfers Out	Amounts in Thousands
County Transportation	Infrastructure Surtax Project	$ 13,345
	Fleet Management Internal Service	1
	Self-Insurance Internal Service	305
	General (Tax Collector*)	51
		13,702
Infrastructure Surtax Projects	Sales Tax Revenue+	46,167
Nonmajor Special Revenue Funds:		
Unincorporated Special Purpose	General (BOCC)	1,939
	Countywide Special Purpose	111
	County Transportation	28
	Unincorporated Capital Projects	4,467
	Fleet Management Internal Service	84
	Self-Insurance Internal Service	93
	General (Tax Collector*)	40
		6,762
Library	Fleet Management Internal Service	13
	County Self-Insurance	190
	General (Tax Collector*)	214
	General (Property Appraiser*)	7
		424
Civil Service Board	General (BOCC)	2,157
	Self-Insurance Internal Service	20
		2,177
Sheriff Special Use	Countywide Special Purpose	2,910
Nonmajor Debt Service Funds:		
1998 Fuel Tax Refunding Revenue	County Transportation	107
2001 Community Investment Tax	Infrastructure Surtax Project	3,809
Parks and Recreation Debt Service	General (BOCC)	394
	General (Tax Collector*)	10
		404
2004 Community Investment Tax	Infrastructure Surtax Project	5,502
2005 Court Facilities Improvement	Countywide Special Purpose	2,502
2005 TSA Revenue Bonds	Sales Tax Revenue	992
2006 Capital Improvement Program Refunding Revenue	Countywide Special Purpose	1,118
	Sales Tax Revenue	1,872
		$ 2,990

Transfers In	Transfers Out	Amounts in Thousands
4th Cent Tourist Development Tax	Sales Tax Revenue	$ 1,177
5th Cent Tourist Development Tax	Sales Tax Revenue	1,789
2007 Community Investment Tax	Infrastructure Surtax Project	16,298
2008 Capital Improvement Non-Ad Valorem Revenue	Sales Tax Revenue	1,300
US 301 Taxable Notes	County Transportation	310
Environmentally Sensitive Lands Acquisition	General (BOCC)	41
	Environmentally Sensitive Lands Capital Project	1,004
	General (Property Appraiser*)	1
	General (Tax Collector*)	27
		1,073
2012 Community Investment Tax Refunding Bonds	Infrastructure Surtax Project	1,528
	2001 A/B Community Investment Tax	165
	2004 Revenue Bonds Debt Svc Fund	222
		1,915
2012 Capital Improvement Program Revenue Bonds	Infrastructure Surtax Project	350
Commercial Paper Program	Countywide Special Purpose	1,751
	Sales Tax Revenue	6,118
	Commercial Paper Commercial Projects	275
		8,144
Communications Services Tax	Unincorporated Area Special Purpose	1,900
Nonmajor Capital Project Funds:		
Countywide Capital Projects	Sales Tax Revenue	4,500
Unincorporated Capital Projects	Unincorporated Area Special Purpose	9,176
	Sales Tax Revenue	500
		9,676
	Total Nonmajor Funds	77,011
Major Enterprise Funds:		
Solid Waste Enterprise	General (Sheriff)	5
Water Enterprise	Unincorporated Area Special Purpose	119
	Fleet Management Internal Service	1
		$ 120

Transfers In	Transfers Out	Amounts in Thousands
Internal Service Funds:		
Self-Insurance Internal Service	General (BOCC)	$ 6,400
	Sheriff Risk Management*	822
		7,222
Fleet Management Internal Service	Self-Insurance Internal Service	38
Sheriff Risk Management	General (Sheriff)	478
Total interfund transfers in and out		$ 735,597

* These amounts represent residual and/or excess fees paid by Constitutional Officers to the Board of County Commissioners during fiscal year 2012.
** These amounts represent transfers of Local Government Half-Cent Sales Tax revenues or other revenues from the Sales Tax Revenue Fund to the General Fund for general governmental purposes.
\+ This amount represents transfers of Community Investment Tax revenues to the Infrastructure Surtax Projects Fund.
\+ + These amounts represent statutory commissions paid to the Tax Collector for collecting taxes and the Property Appraiser for valuing property.
\# These amounts represent transfers from the General Fund for purchasing capital assets in capital projects.

During the fiscal year ended September 30, 2012, significant transactions between the Hillsborough County, Florida primary government and the discretely presented component units were as follows: (a) the discretely presented Law Library Board Fund, sent $2,000 to the County Self-Insurance Fund; and (b) the General Fund and the County Self-Insurance Fund sent $3,648,000 and $34,000, respectively, to the discretely presented Hillsborough County City-County Planning Commission Fund. These amounts are classified as miscellaneous revenues and general governmental expenditures, respectively, in the fund financial statements and in a similar manner in the Statement of Activities.

Note 12 - Restricted Net Assets

The County follows GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation, an amendment of GASB Statement No. 34*. This Statement clarified the meaning of restricted net assets and expanded the presentation of net assets in the Statement of Net Assets. Under this Statement, restricted net assets are either: (a) restricted externally, having constraints imposed externally by creditors, such as for debt service or through debt covenant, by grantors, or by law; or (b) restricted by enabling legislation, such as legislation authorizing capital projects, grants and other restricted purposes. The restricted net assets shown on the government-wide Statement of Net Assets are categorized on the following page:

Restricted Net Assets
September 30, 2012

(Amounts in Thousands)	Governmental Activities	Business-Type Activities	Total Primary Government	Component Units
Restricted for:				
Renewal and replacement	$ --	63,658	63,658	4,858
Debt service	34,221	18,229	52,450	--
Grants and similar projects	4,232	--	4,232	--
Statute/ordinance enabled projects	290,158	--	290,158	--
Capital projects	46,791	--	46,791	--
Other purposes	6,354	--	6,354	--
Total restricted net assets	$ 381,756	81,887	463,643	4,858

The County uses restricted amounts first when both restricted and unrestricted fund balances are available unless there are legal documents/contracts prohibiting this, such as grant agreements requiring dollar for dollar spending of restricted and unrestricted amounts.

Note 13 - Governmental Fund Balances

The County follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as nonspendable or as spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

Nonspendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. At the County, inventories and prepaid items fall in this category.

Spendable fund balances are classified based on a hierarchy of the County's ability to control the spending of these fund balances.

> *Restricted* fund balances are fund balances constrained for specific purposes which are externally imposed by either creditors, grantors, contributors, or laws or regulations, or imposed by law through constitutional provisions or enabling legislation. Examples include debt service, grant programs and projects, federal and state law, impact fees, Hillsborough Healthcare, and other purposes.
>
> *Committed* fund balances are fund balances constrained for specific purposes imposed by the government's own governing bodies, which consist of the Board of County Commissioners and the five Constitutional Officers. Committed fund balances are formally established, modified, or rescinded by County ordinances enacted by the Board of County Commissioners.

Assigned fund balances are fund balances intended to be used for specific purposes, but are neither restricted nor committed. The BOCC has not delegated its authority to other parties. However, when the BOCC adopts resolutions, associated fund balances are shown as assigned because resolutions are at a level of authority lower than County Ordinances. The County had assigned fund balances because the BOCC adopted resolutions for capital project budgets, major maintenance or repair project budgets, and other purposes.

Unassigned fund balance is the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

The fund balance categories of the governmental funds are shown on the face of the Balance Sheet - Governmental Funds in the Fund Financial Statements and are summarized as follows:

Governmental Fund Balances by Category
September 30, 2012

(Amounts in Thousands)	**Total Governmental Funds**
Nonspendable	$ 7,151
Spendable:	
Restricted	392,874
Committed	51,539
Assigned	228,418
Unassigned	247,227
Total fund balances	$ 927,209

The County uses restricted amounts first when both restricted and unrestricted fund balances are available unless there are legal documents/contracts prohibiting this, such as grant agreements requiring dollar for dollar spending. In addition, the County uses committed prior to assigned fund balances and assigned fund balances prior to unassigned fund balances.

Note 14 - Accounting and Financial Reporting for Risk Financing and Related Insurance Issues

The County engages in self-insurance in the form of internal service funds maintained by both the BOCC and Sheriff. The self-insurance funds of both the BOCC and Sheriff encompass two major sections--*risk management* and *employee group health insurance*. This note provides the disclosures required by GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*.

Risk Management

The County is exposed to various risks of loss related to injuries to employees; torts; thefts of, damage to, and destruction of assets; errors and omissions; and natural disasters. As permitted by Florida law, the County is substantially self-insured for workers' compensation claims. The BOCC is self-insured for workers' compensation claims up to a maximum of $350,000 per occurrence with unlimited excess coverage above the self-insurance cap. The BOCC has authorized a commercial third-party administrator to administer the County's automobile, general liability, and workers' compensation claims payments. The Sheriff is self-insured for workers' compensation claims up to a maximum of $500,000 per occurrence with unlimited excess coverage above the self-insurance cap.

The County is also self-insured against automotive and general liability claims with limited liability per Section 768.28, Florida Statutes, of $200,000 per person and $300,000 per occurrence. Negligence claims in excess of the statutory limits can only be recovered through federal lawsuits or acts of the Florida Legislature. While a majority of the County's automotive and general liability exposures are self-insured, the County has commercial insurance contracts to cover the risk of claims determined by the Florida Legislature or federal courts. Commercial insurance for excess automotive and general liability claims above the limits set by Section 768.28, Florida Statutes, has a limit of $2,000,000 per occurrence with a general aggregate limit of $5,000,000. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

With the exception of the Sheriff, all County funds including the BOCC and Constitutional Officers participate in the risk management portion of the Self-Insurance Fund. The Sheriff has a separate self-insurance fund for risk management and is not a participant in the BOCC workers' compensation and automotive and general liability programs. The Arts Council of Hillsborough County also participates in the BOCC workers' compensation program. The County, however, is the predominant participant in the Self-Insurance Fund.

Payments to the risk management portion of the self-insurance fund are assessed based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a "reserve" (i.e. net assets or equity) for catastrophic losses. That reserve was $91,679,000 at September 30, 2012. If reserves for workers' compensation and automotive and general liability are included, the total reserve for risk management was $145,713,000 at September 30, 2012. See the chart of net assets at the end of this note for a description of the unrestricted net assets of the Self-Insurance Fund by category.

The claims liability reported in the BOCC self-insurance fund at September 30, 2012, for risk management was $17,493,000. The claims liability reported in the Sheriff Self-Insurance Fund at September 30, 2012, for risk management discounted at a rate of 2%, was $8,647,000. The Sheriff's undiscounted claims liability was $9,304,000 at September 30, 2012. The BOCC claims liability was presented undiscounted. These amounts are actuarially determined based on the requirements of GASB Statement No. 10, which specifies that a liability for claims should be reported if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Claims are reevaluated periodically to consider effects of inflation, recent settlement trends, incremental and other claim adjustment expenses regardless of whether allocated to specific claims. The liability is shown net of estimated salvage and subrogation recoveries on unsettled claims. During fiscal years 2011 and 2012, changes recorded to the claims liability for BOCC risk management were as follows:

Fiscal Year	Claims Liability, Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Liability, End of Fiscal Year
2011	$ 20,821,000	7,815,000	(8,705,000)	19,931,000
2012	19,931,000	5,820,000	(8,258,000)	17,493,000

During fiscal years 2011 and 2012, changes recorded to the claims liability for Sheriff risk management were as follows:

Fiscal Year	Claims Liability, Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Liability, End of Fiscal Year
2011	$ 7,897,000	7,451,000	(4,482,000)	10,866,000
2012	10,866,000	1,297,000	(3,516,000)	8,647,000

Employee Group Health Insurance

The County provides group health insurance for its employees and their eligible dependents. The County purchased insurance for this risk through September 30, 1993. On October 1, 1993, the County established an employee group health self-insurance plan to account for and finance its uninsured risks of loss. The County entered into an administrative services agreement with a commercial insurance carrier to provide administrative support for this self-insurance plan. The County is self-insured for up to $500,000 per person annually. Stop-loss insurance was purchased to cover an unlimited lifetime amount per person above the $500,000 per person deductible.

All County employees may participate in the County's employee group health insurance program except for those of the Tax Collector and Sheriff. Employees of the Children's Board, Tampa Port Authority, Tampa Sports Authority, Tampa-Hillsborough County Expressway Authority, and Arts Council may also participate in the County's employee group health insurance program. The County, however, is the predominant participant in the plan. Payments to the employee group health insurance plan are assessed based on actuarial estimates of the amounts needed to pay current year claims and to establish a "reserve" (i.e. net assets or equity) for catastrophic losses. The employee group health insurance plan equity was $34,102,000 at September 30, 2012. The County's plan also

holds $7,275,000 of equity from the Sheriff's employee group health insurance plan.
At September 30, 2012, the claims liability reported for the BOCC employee group health insurance plan was $6,679,000 and the claims liability reported for the Sheriff employee group health insurance plan was $3,843,000. These amounts were actuarially determined based on the requirements of GASB Statement No. 10, which specifies that a liability for claims should be reported if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Claims are reevaluated periodically to consider effects of inflation, recent settlement trends, incremental and other claim adjustment expenses regardless of whether allocated to specific claims. During fiscal years 2011 and 2012, changes recorded to the claims liability for the BOCC employee group health insurance plan were as follows:

Fiscal Year	Claims Liability, Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Liability, End of Fiscal Year
2011	$ 6,052,000	61,046,000	(60,318,000)	6,780,000
2012	6,780,000	59,510,000	(59,611,000)	6,679,000

During fiscal year 2012, changes recorded to the claims liability for the Sheriff's employee group health insurance plan were as follows:

Fiscal Year	Claims Liability, Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Liability, End of Fiscal Year
2012	$ --	34,847,000	(31,004,000)	3,843,000

Net Assets of the Self-Insurance Fund

The BOCC Self-Insurance Fund had $187,217,000 in net assets at September 30, 2012 as follows:

BOCC Self-Insurance Fund Net Assets	
Unrestricted, designated for risk management (catastrophic losses)	$ 91,679,000
Unrestricted, designated for risk management (workers' compensation and auto/general liabilities)	54,034,000
Unrestricted, designated for employee group health insurance (BOCC)	34,102,000
Unrestricted, designated for employee group health insurance (Sheriff)	7,275,000
Unrestricted, designated for other postemployment benefits (OPEB)	127,000
Total net assets	$ 187,217,000

Net assets of $7,275,000 are being held by the BOCC for the Sheriff's employee group health insurance plan to meet two distinct requirements of Florida Statutes. By holding Sheriff employee health plan dollars in the BOCC Self-Insurance Fund, the Sheriff meets the state of Florida's reserve requirements and also follows state law requiring the return of Sheriff residual funds to the BOCC at the end of each fiscal year. Net assets designated for OPEB represent the net assets for the entire Hillsborough County primary government including employees participating in the BOCC, Tax Collector and Sheriff plans.

Note 15 - Accounting for Municipal Solid Waste Landfill Costs

A. Open Landfill

GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, 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 Statement No. 18 is based on a US Environmental Protection Agency rule, *Solid Waste Disposal Facility Criteria*, and has two components. The first component establishes closure requirements for landfills receiving solid waste after October 9, 1991. The second component establishes thirty-year postclosure care requirements for landfills receiving solid waste after October 9, 1993. In addition, the Florida Department of Environmental Protection, through rule 62-701.630, Florida Administrative Code (FAC), establishes certain financial accountability standards related to landfill closure and postclosure care. The County, as an owner and operator of one open landfill, must accumulate financial resources to close the landfill after it stops accepting solid waste and to perform certain postclosure maintenance and monitoring functions at the landfill site for thirty years.

GASB Statement No. 18 requires the County to record a portion of these future closure and postclosure care costs as a current period operating expense and as a long-term liability based on the cumulative amount of landfill capacity consumed as of each balance sheet date. Based on an independent engineer's cost projection at September 30, 2012, County management estimated that the total future closure and postclosure care costs will be $59,439,000. The County decreased its GASB Statement No. 18 liability from the prior year by $1,322,000 or 4.2%. The actual costs for future landfill closure and postclosure care costs may differ from projections due to changes in price levels, technology, and environmental law.

Of the total cost projection of $59,439,000, a life-to-date liability of $30,007,000 was recorded at September 30, 2012 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 32% or 14,848,000 cubic yards of the estimated 46,463,000 cubic yards landfill capacity had been consumed at September 30, 2012. Although only 32% of the overall landfill capacity was consumed, a total of 50.6% 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 $45,869,000 of which 62.9% was consumed. Section Two has total projected closure and postclosure care costs of $13,570,000 of which only 8.5% was consumed. The County will record the balance of the projected future closure and postclosure care costs of $29,432,000, as adjusted by future estimated cost revisions, as the remaining landfill capacity is consumed. The County anticipates closing Section One of the landfill in 36 years (fiscal year 2048) and Section Two of the landfill in 60 years (fiscal year 2072). At September 30, 2012, the County had reserved assets of $30,913,000 to meet future landfill closure and postclosure care obligations.

B. Closed Landfills

The County conducts monitoring and maintenance programs at a number of closed solid waste disposal sites to detect any potential incidents of environmental contamination. If any contamination is detected, the County will submit a plan to the Florida Department of Environmental Protection to remedy the problems discovered. In addition, the County annually reviews the estimates for future remediation and monitoring costs of landfills closed prior to October 9, 1991. At September 30, 2012, the liability for future remediation and monitoring costs of these closed landfill sites was $4,892,000. The County does not believe that any additional liabilities arising from closed landfill remedial actions would materially affect the County's financial condition.

C. Fiscal Responsibility for Future Landfill Closure Costs

As required by Subpart H of 40 Code of Federal Regulations, Part 264, as adopted by reference in rule 62-701.630 of the Florida Administrative Code (FAC), the County must annually certify that sufficient financial resources are available to pay future landfill closure and postclosure care costs. The County chose an annual financial test to comply with this requirement. This financial test requires a government to demonstrate that its tangible net worth is at least six times greater than the combined total estimated amount of closure and postclosure care costs as of the balance sheet date. At September 30, 2012, the Hillsborough County BOCC's tangible net worth met the requirements of the annual responsibility test and the County complied with all rule requirements.

D. Sinkhole at Solid Waste Landfill

After a sinkhole developed at the Southeast County Landfill on December 14, 2010, the County coordinated with engineering consultants and the Florida Department of Environmental Protection (FDEP) to develop and implement a five-stage remediation plan. Stage 1, the initial injection of grout to stabilize the sinkhole area, was completed on April 1, 2011. Stage 2, which was the cut, fill, and relocation of waste from the sinkhole area, was completed on September 19, 2011. This provided a safe working environment for tests to determine if additional grouting is necessary. Stage 3, the geophysical and geotechnical investigation, was completed in December 2011, with a report of test results forwarded to the DEP in April 2012. Stage 4, the final grout/remediation plan was also submitted along with the Stage 3 report to the FDEP in April 2012. The procurement process for the Stage 4 grouting work was still in progress at September 30, 2012. The current estimated completion date for the entire remediation project with report submittal to the FDEP is planned for November 2013.

Note 16 - Commitments

A. Operating Leases

The County has entered into numerous operating leases. The County's operating lease and rent expenditures as a lessee totaled $5,471,000 for leased facilities and equipment for the fiscal year

ended September 30, 2012. This total included no expenditures by the component units. A majority of these operating leases were for a one-year period. To present the commitment associated with the County's largest operating leases, lease commitments on all operating leases with annual payments during fiscal year 2012 in excess of $240,000 per year are summarized below.

Year Ending September 30	Governmental Activities
2013	$ 2,223,000
2014	1,784,000
2015	1,224,000
2016	1,220,000
2017	1,098,000
2018-2022	1,103,000
2023-2027	344,000
2028	46,000
Total payments	$ 9,042,000

Commitments for future noncancellable minimum operating lease receipts were insignificant.

B. Debt-Related Guarantees and Interlocal Agreements

Tampa Sports Authority (TSA). The County and the TSA have entered into a number of interlocal agreements over a period of many years. The city of Tampa and the County have agreed to pay one-third and two-thirds, respectively, of any operation and maintenance cash shortfall as reflected in the TSA's current annual budget, for as long as any TSA project bonds are outstanding. At September 30, 2012, the County is not obligated on the project bonds issued by the TSA, but makes non-commitment debt service contributions as described in Note 7.K., "Non-Commitment Debt Service Contributions." See Note 7.K. for more information including project bonds issued by the TSA.

Note 17 - Contingent Liabilities

Impact Fee Offsets

Impact fees were established by the BOCC to fund infrastructure for transportation, rights-of-way, parks, schools, and fire/rescue. These fees are intended to compensate governments such as the County for a portion of the additional costs of providing infrastructure for new real estate developments in the County, rather than assessing existing taxpayers. Florida's concurrency laws in effect through June 2009 required that developers have infrastructure in place before developing their parcels. Sometimes developers agree to donate additional infrastructure needed by the County in exchange for a credit against impact fees that may be imposed on future development. When the County accepts a donation of infrastructure from a developer, County maintenance of the assets relieves the developer of that responsibility. The County does not report the impact fee offsets as liabilities because they are viewed as reductions of future revenues, which are not yet earned. Impact fees are not due until a certificate of occupancy is issued. Infrastructure contributions are recorded by the County when received.

Other Contingent Liabilities

Contingent liabilities may arise from any of the following conditions. From the normal course of operations, the County is a defendant or plaintiff in various lawsuits. In the opinion of legal counsel, the resolution of these lawsuits is not likely to have a materially adverse affect on the County's financial condition. Grant funds received or receivable by the County are subject to audit by federal and state grantor agencies and independent auditors. Such audits may result in requests for repayments due to disallowed expenditures. The liability for the remediation and monitoring of closed landfills may increase. See Note 15.B. The County believes that contingent liabilities arising from lawsuits, disallowed costs on grants, and landfill remediation/monitoring costs, if any, would be immaterial.

Note 18 - Subsequent Events

Commercial Paper Notes Reissued

At September 30, 2012, the County's governmental activities had short-term commercial paper (CP) notes and taxable loans outstanding with a face amount of $98.4 million, consisting of $93.3 in short-term CP notes and $5.1 million in taxable loans. Subsequent to September 30, 2012, the County redeemed $3.3 million of outstanding taxable loans on November 7, 2012, and $5.0 million of outstanding CP notes on February 14, 2013, both from available pledged revenues. With respect to the remaining $88.3 million in short-term CP notes, the County has reissued these notes on certain dates at the maturing face amount through March 15, 2013. The County has not issued any new money CP notes or taxable loans subsequent to September 30, 2012. The CP notes and taxable loans outstanding at face amount was $90.1 million on March 15, 2013.

A Contingent Obligation to Return Funds to Tampa Sports Authority

Under the Community Investment Tax Agreement (CITA) dated July 17, 1996, the County along with other agreement participants disbursed $12 million from Community Investment Tax revenues to the Tampa Sports Authority (TSA) for the purpose of purchasing or constructing a professional football practice facility for the Tampa Bay Buccaneers. Approximately sixteen years later, on June 28, 2012, the BOCC voted to have its proportional share of the unexpended practice facility money returned to the County.

In accordance with Interlocal Agreement Number 12-1252 dated October 1, 2012, between the County and the TSA, the County received $8.4 million from the TSA on February 28, 2013. Under this agreement, an affirmative vote of two-thirds of the TSA Board is needed to request the return of the $8.4 million paid to the County at any time. This contingent obligation shall remain in effect until the TSA advises the County in writing that the obligation to return the $8.4 million is satisfied or this agreement is terminated. The County will record this transaction as other long-term debt on the Statement of Net Assets.

Sequestration

As mandated by the American Taxpayer Relief Act of 2012, the President cancelled billions of dollars from the federal budget in March 2013. These across-the-board spending cuts, known as sequestration, will reduce federal spending for the remainder of the fiscal year ending September 30, 2013. As a result of sequestration, the County may receive reduced funding on federal grants as well as the Build America Bonds subsidy.

Note 19 - Changes in Long-Term Debt and Future Debt Service Requirements

Exhibit A is a schedule of changes in long-term debt. Exhibits B through U show future debt service requirements, including sinking fund purchases, for each debt issue described in Note 7, *Long-Term Liabilities*.

EXHIBIT A
HILLSBOROUGH COUNTY, FLORIDA
Schedule of Changes in Long-Term Debt
For the fiscal year ended September 30, 2012
(amounts in thousands)

GOVERNMENTAL ACTIVITIES **Board of County Commissioners**	**Beginning Balance**	**Additions**	**Reductions**	**Ending Balance**	**Due Within One Year**
Bonds payable:					
1998 Fuel Tax Refunding Revenue Bonds	$ 375	--	375	--	--
2001A Community Investment Tax					
Bonds (Jail Projects)	36,635	--	34,705	1,930	1,930
Unamortized bond issue discount	(142)	--	(141)	(1)	*
2001B Community Investment Tax					
Bonds (Stormwater Projects)	10,920	--	10,370	550	550
Unamortized bond issue discount	(40)	--	(40)	--	*
2002 Parks and Recreation Refunding Bonds	12,635	--	750	11,885	780
Deferred bond refunding losses	(388)	--	(55)	(333)	*
Unamortized bond issue premium	139	--	20	119	*
2004 Community Investment Tax (CIT) Bonds	68,615	--	57,925	10,690	3,425
Unamortized bond issue premium	943	--	926	17	*
2005 Tampa Bay Arena Refunding Rev Bonds	14,795	--	685	14,110	705
Deferred bond refunding losses	(311)	--	(38)	(273)	*
Unamortized bond issue premium	166	--	20	146	*
2005 Court Facilities Refunding Rev Bonds	33,025	--	1,165	31,860	1,215
Deferred bond refunding losses	(1,509)	--	(135)	(1,374)	*
Unamortized bond issue premium	26	--	2	24	*
2006 CIP Refunding Rev Bonds	31,945	--	1,895	30,050	1,970
Deferred bond refunding losses	(591)	--	(84)	(507)	*
Unamortized bond issue premium	105	--	15	90	*
2006 Fourth Cent Tourist Dev. Tax Bonds	16,600	--	460	16,140	475
Unamortized bond issue premium	45	--	4	41	*
2006A Fifth Cent Tourist Dev. Tax Bonds	27,125	--	630	26,495	655
Deferred bond refunding losses	(112)	--	(7)	(105)	*
Unamortized bond issue premium	108	--	8	100	*
2007 CIT Revenue Bonds	169,305	--	8,240	161,065	8,540
Unamortized bond issue premium	6,280	--	770	5,510	*
2008 CIP Non Ad-Valorem Refunding Revenue	17,135	--	735	16,400	760
Deferred bond refunding losses	(442)	--	(48)	(394)	*
Unamortized bond issue premium	27	--	3	24	*
2009A ELAPP Bonds	11,305	--	1,185	10,120	1,305
Unamortized bond issue premium	530	--	123	407	*
2009B ELAPP Bonds	48,125	--	--	48,125	--
2012A Community Investment Tax (CIT)					
Refunding Revenue Bonds	--	38,130	--	38,130	--
Deferred bond refunding losses	--	(1,073)	(41)	(1,032)	*
Unamortized bond issue premium	--	5,513	209	5,304	*
2012B Community Investment Tax (CIT)					
Refunding Revenue Bonds	--	51,625	--	51,625	
Deferred bond refunding losses	--	(3,922)	(132)	(3,790)	*
Unamortized bond issue premium	--	7,711	259	7,452	*
2012B Capital Improvement Program					
Revenue Bonds	--	67,445	--	67,445	3,625
Unamortized bond issue premium	--	12,551	369	12,182	*
Total bonds payable	$ 503,374	177,980	121,127	560,227	25,935

*not applicable

(Continued)

EXHIBIT A, Continued
HILLSBOROUGH COUNTY, FLORIDA
Schedule of Changes in Long-Term Debt (Continued)
For the fiscal year ended September 30, 2012
(amounts in thousands)

GOVERNMENTAL ACTIVITIES, Continued	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	$ 136,379	15,000	52,999	98,380	98,380
Compensated absences payable	27,169	18,467	20,303	25,333	20,191
Net OPEB obligation	8,921	6,268	3,510	11,679	3,510
Insurance claims payable	26,711	65,330	67,869	24,172	14,937
Other long-term debt	2,163	--	1,014	1,149	629
Total Board of County Commissioners	704,717	283,045	266,822	720,940	163,582
Clerk of Circuit Court					
Compensated absences payable	3,264	1,976	2,231	3,009	2,231
Property Appraiser					
Compensated absences payable	1,160	478	540	1,098	540
Sheriff					
Compensated absences payable	30,464	30,525	31,112	29,877	29,877
Insurance claims payable	10,866	36,144	34,520	12,490	12,490
	41,330	66,669	65,632	42,367	42,367
Supervisor of Elections					
Compensated absences payable	214	108	162	160	160
Tax Collector					
Compensated absences payable	1,589	1,316	1,363	1,542	1,363
Total long-term debt, governmental	$ 752,274	353,592	336,750	769,116	210,243

BUSINESS-TYPE ACTIVITIES	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Board of County Commissioners					
Bonds payable:					
2001 Refunding Utility Revenue Bonds	$ 47,150	--	18,040	29,110	9,035
Deferred bond refunding losses	(1,196)	--	(528)	(668)	*
Unamortized bond issue premiums	429	--	190	239	*
2006 A & B Solid Waste Revenue Bonds	148,625	--	945	147,680	2,070
Unamortized bond issue premium	2,383	--	167	2,216	*
2010 A, B, & C Utility Revenue Bonds	150,000	--	--	150,000	2,355
Unamortized bond issue premium	729	--	171	558	*
Unamortized bond issue discount	(623)	--	(36)	(587)	*
Total bonds payable	347,497	--	18,949	328,548	13,460
Compensated absences payable	4,159	3,030	3,221	3,968	3,190
Other long-term debt	36,769	129	1,908	34,990	263
Total long-term debt, business-type	$ 388,425	3,159	24,078	367,506	16,913

*not applicable

Note: This schedule presents the long-term debt of the Hillsborough County primary government. Business-type activities represent activities reported in the Enterprise Funds adjusted for the elimination of certain Internal Service Service Fund transactions. Governmental activities represent all other activity, i.e. all funds other than Enterprise Funds as adjusted to convert the activity from the modified accrual basis of accounting and financial resources measurement focus to the accrual basis of accounting and economic resources measurement focus.

EXHIBIT B
HILLSBOROUGH COUNTY, FLORIDA
General Obligation Refunding Bonds
(Unincorporated Area Parks and Recreation Program)
Series 2002
Issued August 28, 2002
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2013	$ 780	552	1,332
2014	810	523	1,333
2015	840	490	1,330
2016	880	457	1,337
2017	915	421	1,336
2018	955	382	1,337
2019	995	341	1,336
2020	1,045	293	1,338
2021	1,095	239	1,334
2022	1,155	185	1,340
2023	1,215	127	1,342
2024	585	63	648
2025	615	32	647
	$ 11,885	4,105	15,990

EXHIBIT C
HILLSBOROUGH COUNTY, FLORIDA
General Obligation Bonds
(Environmentally Sensitive Lands Acquisition and Protection Program)
Series 2009A
Issued December 29, 2009
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2013	$ 1,305	371	1,676
2014	1,335	345	1,680
2015	1,400	278	1,678
2016	1,435	243	1,678
2017	1,490	186	1,676
2018	1,550	126	1,676
2019	1,605	72	1,677
	$ 10,120	1,621	11,741

EXHIBIT D
HILLSBOROUGH COUNTY, FLORIDA
Taxable General Obligation/Build America Bonds
(Environmentally Sensitive Lands Acquisition and Protection Program)
Series 2009B
Issued December 29, 2009
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Less 35% Subsidy	Total Requirement
2013	$ -	2,868	1,004	1,864
2014	-	2,868	1,004	1,864
2015	-	2,868	1,004	1,864
2016	-	2,868	1,004	1,864
2017	-	2,868	1,004	1,864
2018	-	2,868	1,004	1,864
2019	-	2,868	1,004	1,864
2020	1,680	2,868	1,004	3,544
2021	1,730	2,786	975	3,541
2022	1,790	2,699	945	3,544
2023	1,845	2,608	913	3,540
2024	1,910	2,515	880	3,545
2025	1,970	2,419	847	3,542
2026	2,035	2,319	812	3,542
2027	2,115	2,197	769	3,543
2028	2,195	2,070	725	3,540
2029	2,280	1,938	678	3,540
2030	2,370	1,802	631	3,541
2031	2,470	1,654	579	3,545
2032	2,570	1,499	525	3,544
2033	2,670	1,339	469	3,540
2034	2,780	1,172	410	3,542
2035	2,895	998	349	3,544
2036	3,015	814	285	3,544
2037	3,140	623	218	3,545
2038	3,265	423	148	3,540
2039	3,400	216	76	3,540
	$ 48,125	55,035	19,266	83,894

EXHIBIT E
HILLSBOROUGH COUNTY, FLORIDA
Community Investment Tax Revenue Bonds
(Jail Projects)
Series 2001A
Issued October 30, 2001
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2013	$ 1,930	60	1,990
	$ 1,930	60	1,990

EXHIBIT F
HILLSBOROUGH COUNTY, FLORIDA
Community Investment Tax Revenue Bonds
(Stormwater Projects)
Series 2001B
Issued October 30, 2001
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2013	$ 550	11	561
	$ 550	11	561

EXHIBIT G
HILLSBOROUGH COUNTY, FLORIDA
Community Investment Tax Revenue Bonds
Series 2004
Issued August 12, 2004
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2013	$ 3,425	356	3,781
2014	3,560	237	3,797
2015	3,705	108	3,813
	$ 10,690	701	11,391

EXHIBIT H
HILLSBOROUGH COUNTY, FLORIDA
Tampa Bay Arena Refunding Revenue Bonds
Series 2005
Issued June 8, 2005
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2013	$ 705	603	1,308
2014	730	579	1,309
2015	755	553	1,308
2016	780	526	1,306
2017	810	496	1,306
2018	835	464	1,299
2019	870	430	1,300
2020	905	395	1,300
2021	940	353	1,293
2022	995	305	1,300
2023	1,045	253	1,298
2024	1,095	200	1,295
2025	1,155	144	1,299
2026	1,210	85	1,295
2027	1,280	27	1,307
	$ 14,110	5,413	19,523

EXHIBIT I
HILLSBOROUGH COUNTY, FLORIDA
Court Facility Refunding Revenue Bonds
Series 2005
Issued August 23, 2005
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2013	$ 1,215	1,316	2,531
2014	1,270	1,263	2,533
2015	1,325	1,208	2,533
2016	1,380	1,151	2,531
2017	1,440	1,094	2,534
2018	1,495	1,036	2,531
2019	1,560	974	2,534
2020	1,620	911	2,531
2021	1,690	844	2,534
2022	1,760	773	2,533
2023	1,835	699	2,534
2024	1,910	621	2,531
2025	1,995	538	2,533
2026	2,080	452	2,532
2027	2,170	360	2,530
2028	2,270	263	2,533
2029	2,370	161	2,531
2030	2,475	54	2,529
	$ 31,860	13,718	45,578

EXHIBIT J
HILLSBOROUGH COUNTY, FLORIDA
Capital Improvement Program Refunding Revenue Bonds
Series 2006
Issued May 3, 2006
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2013	$ 1,970	1,278	3,248
2014	2,045	1,199	3,244
2015	2,150	1,097	3,247
2016	2,250	994	3,244
2017	2,340	904	3,244
2018	2,430	811	3,241
2019	2,530	714	3,244
2020	2,635	609	3,244
2021	2,745	497	3,242
2022	2,860	381	3,241
2023	2,985	259	3,244
2024	3,110	132	3,242
	$ 30,050	8,875	38,925

EXHIBIT K
HILLSBOROUGH COUNTY, FLORIDA
Fourth Cent Tourist Development Tax
Refunding and Improvement Revenue Bonds
Series 2006
Issued December 6, 2006
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2013	$ 475	676	1,151
2014	520	645	1,165
2015	550	629	1,179
2016	570	602	1,172
2017	595	574	1,169
2018	620	546	1,166
2019	635	518	1,153
2020	660	491	1,151
2021	685	464	1,149
2022	715	436	1,151
2023	745	407	1,152
2024	775	376	1,151
2025	805	344	1,149
2026	835	310	1,145
2027	855	275	1,130
2028	570	246	816
2029	595	221	816
2030	620	196	816
2031	645	169	814
2032	675	141	816
2033	700	112	812
2034	735	82	817
2035	765	50	815
2036	795	17	812
	$ 16,140	8,527	24,667

EXHIBIT L
HILLSBOROUGH COUNTY, FLORIDA
Fifth Cent Tourist Development Tax
Refunding and Improvement Revenue Bonds
Series 2006A
Issued December 6, 2006
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2013	$ 655	1,122	1,777
2014	685	1,091	1,776
2015	720	1,059	1,779
2016	750	1,027	1,777
2017	785	992	1,777
2018	820	956	1,776
2019	855	920	1,775
2020	890	886	1,776
2021	925	849	1,774
2022	960	811	1,771
2023	1,000	772	1,772
2024	1,040	731	1,771
2025	1,085	687	1,772
2026	1,130	641	1,771
2027	1,175	594	1,769
2028	1,220	543	1,763
2029	1,270	488	1,758
2030	1,325	431	1,756
2031	1,380	373	1,753
2032	1,440	310	1,750
2033	1,500	247	1,747
2034	1,560	179	1,739
2035	1,630	110	1,740
2036	1,695	37	1,732
	$ 26,495	15,856	42,351

EXHIBIT M
HILLSBOROUGH COUNTY, FLORIDA
Community Investment Tax Revenue Bonds
Series 2007
Issued October 31, 2007
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2013	$ 8,540	7,695	16,235
2014	8,860	7,302	16,162
2015	9,290	6,849	16,139
2016	9,740	6,373	16,113
2017	10,200	5,874	16,074
2018	10,690	5,352	16,042
2019	11,240	4,804	16,044
2020	11,810	4,228	16,038
2021	12,395	3,622	16,017
2022	13,020	2,987	16,007
2023	13,665	2,371	16,036
2024	14,240	1,725	15,965
2025	14,935	995	15,930
2026	12,440	311	12,751
	$ 161,065	60,488	221,553

EXHIBIT N
HILLSBOROUGH COUNTY, FLORIDA
Capital Improvement Non-Ad Valorem Refunding Revenue Bonds
(Warehouse and Sheriff's Facilities Project)
Series 2008
Issued May 7, 2008
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2013	$ 760	679	1,439
2014	785	653	1,438
2015	810	625	1,435
2016	845	597	1,442
2017	875	566	1,441
2018	905	533	1,438
2019	945	496	1,441
2020	980	459	1,439
2021	1,020	419	1,439
2022	1,060	377	1,437
2023	1,105	332	1,437
2024	1,155	284	1,439
2025	1,205	233	1,438
2026	1,260	179	1,439
2027	1,315	122	1,437
2028	1,375	63	1,438
	$ 16,400	6,617	23,017

EXHIBIT O
HILLSBOROUGH COUNTY, FLORIDA
Community Investment Tax Refunding Revenue Bonds
Series 2012A
Issued May 23, 2012
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2013	$ -	1,653	1,653
2014	2,265	1,704	3,969
2015	2,380	1,588	3,968
2016	2,500	1,466	3,966
2017	2,625	1,351	3,976
2018	2,740	1,230	3,970
2019	2,875	1,089	3,964
2020	3,030	942	3,972
2021	3,180	786	3,966
2022	3,345	623	3,968
2023	3,505	452	3,957
2024	3,695	272	3,967
2025	3,840	122	3,962
2026	2,150	32	2,182
	$ 38,130	13,310	51,440

EXHIBIT P
HILLSBOROUGH COUNTY, FLORIDA
Community Investment Tax Refunding Revenue Bonds
Series 2012B
Issued May 23, 2012
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2013	$ -	2,208	2,208
2014	-	2,352	2,352
2015	-	2,352	2,352
2016	3,610	2,262	5,872
2017	3,820	2,076	5,896
2018	4,025	1,878	5,903
2019	4,210	1,674	5,884
2020	4,420	1,458	5,878
2021	4,645	1,231	5,876
2022	4,880	993	5,873
2023	5,130	743	5,873
2024	5,410	480	5,890
2025	5,640	260	5,900
2026	5,835	87	5,922
	$ 51,625	20,054	71,679

EXHIBIT Q
HILLSBOROUGH COUNTY, FLORIDA
Capital Improvement Program Revenue Bonds
Series 2012
Issued June 21, 2012
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2013	$ 3,625	3,151	6,776
2014	3,700	3,079	6,779
2015	3,810	2,968	6,778
2016	3,965	2,816	6,781
2017	4,160	2,617	6,777
2018	4,370	2,409	6,779
2019	4,590	2,191	6,781
2020	4,820	1,961	6,781
2021	5,060	1,720	6,780
2022	5,310	1,467	6,777
2023	5,575	1,202	6,777
2024	5,855	923	6,778
2025	6,150	630	6,780
2026	6,455	323	6,778
	$ 67,445	27,457	94,902

EXHIBIT R
HILLSBOROUGH COUNTY, FLORIDA
Junior Lien Refunding Utility Revenue Bonds
Series 2001
Issued May 17, 2001
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2013	$ 9,035	1,592	10,627
2014	9,575	1,095	10,670
2015	10,500	570	11,070
	$ 29,110	3,257	32,367

EXHIBIT S
HILLSBOROUGH COUNTY, FLORIDA
Solid Waste Resource Recovery Enterprise Fund
Solid Waste Resource Recovery Bonds
Series 2006A
Issued November 14, 2006
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2013	$ -	5,156	5,156
2014	3,025	5,156	8,181
2015	-	5,005	5,005
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
	$ 107,320	69,198	176,518

EXHIBIT T
HILLSBOROUGH COUNTY, FLORIDA
Solid Waste Resource Recovery Enterprise Fund
Solid Waste Resource Recovery Bonds
Series 2006B
Issued November 14, 2006
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2013	$ 2,070	1,841	3,911
2014	-	1,758	1,758
2015	4,355	1,758	6,113
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
	$ 40,360	24,420	64,780

EXHIBIT U
HILLSBOROUGH COUNTY, FLORIDA
Utility Revenue Bonds
Series 2010A
(Tax Exempt)
Issued November 16, 2010
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2013	$ 2,355	534	2,889
2014	2,425	464	2,889
2015	2,500	391	2,891
2016	2,575	316	2,891
2017	2,635	258	2,893
2018	2,740	153	2,893
2019	2,805	84	2,889
	$ 18,035	2,200	20,235

EXHIBIT V
HILLSBOROUGH COUNTY, FLORIDA
Utility Revenue Bonds
Series 2010B
(Federally Taxable-Build America Bonds Direct Payment)
Issued November 16, 2010
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Less 35% Subsidy	Total Requirement
2013	$ -	5,637	1,973	3,664
2014	-	5,637	1,973	3,664
2015	-	5,637	1,973	3,664
2016	-	5,637	1,973	3,664
2017	-	5,637	1,973	3,664
2018	-	5,637	1,973	3,664
2019	-	5,637	1,973	3,664
2020	4,675	5,637	1,973	8,339
2021	4,790	5,457	1,910	8,337
2022	4,920	5,263	1,842	8,341
2023	5,050	5,056	1,770	8,336
2024	5,195	4,837	1,693	8,339
2025	5,350	4,598	1,609	8,339
2026	5,515	4,341	1,519	8,337
2027	5,695	4,065	1,423	8,337
2028	5,885	3,775	1,321	8,339
2029	6,085	3,469	1,214	8,340
2030	6,295	3,146	1,101	8,340
2031	6,515	2,806	982	8,339
2032	6,750	2,448	857	8,341
2033	6,990	2,077	727	8,340
2034	7,240	1,692	592	8,340
2035	7,495	1,294	453	8,336
2036	7,770	878	307	8,341
2037	8,050	445	156	8,339
	$ 110,265	100,743	35,260	175,748

EXHIBIT W
HILLSBOROUGH COUNTY, FLORIDA
Utility Revenue Bonds
Series 2010C
(Federally Taxable-Recovery Zone Economic-Development Bonds Direct Payment)
Issued November 16, 2010
Debt Service Schedule
(amounts in thousands)

Fiscal Year	Principal	Interest	Less 45% Subsidy	Total Requirement
2013	$ -	1,269	571	698
2014	-	1,269	571	698
2015	-	1,269	571	698
2016	-	1,269	571	698
2017	-	1,269	571	698
2018	-	1,269	571	698
2019	-	1,269	571	698
2020	-	1,269	571	698
2021	-	1,269	571	698
2022	-	1,269	571	698
2023	-	1,269	571	698
2024	-	1,269	571	698
2025	-	1,269	571	698
2026	-	1,269	571	698
2027	-	1,269	571	698
2028	-	1,269	571	698
2029	-	1,269	571	698
2030	-	1,269	571	698
2031	-	1,269	571	698
2032	-	1,269	571	698
2033	-	1,269	571	698
2034	-	1,269	571	698
2035	-	1,269	571	698
2036	-	1,269	571	698
2037	-	1,269	571	698
2038	7,005	1,269	571	7,703
2039	7,230	860	387	7,703
2040	7,465	449	203	7,711
	$ 21,700	34,303	15,436	40,567

HILLSBOROUGH COUNTY, FLORIDA
Infrastructure Condition and Maintenance Data
For the Fiscal Year Ended September 30, 2012
(Required Supplementary Information)

Hillsborough County maintains a comprehensive network of transportation-related infrastructure assets. At September 30, 2012 these infrastructure assets included:

- 6,999 traffic lane-miles
- 3,014 miles of curbs
- 3,486 miles of road shoulders
- 4,078 miles of markings
- 16,953 pavement legends
- 214 miles of dividers
- 30 miles of guard railing
- 185 railroad crossings
- 1,977 pedestrian crossings
- 2,780 speed humps
- 16,943 intersections
- 2,452 miles of sidewalks
- 15 miles of sidewalk handrails
- 22,126 sidewalk ramps for the disabled
- Approximately 113,000 signs
- 799 pedestrian poles
- 254 bridges
- 520 box culverts
- 6.43 million linear feet of culverts
- 26,739 curb inlets
- 7,342 ditch bottom inlets
- 1,751 grate top inlets
- 7,258 stormwater manholes
- 2,618 control structures
- 360 junction boxes
- 79 sea walls
- 33 stormwater lift stations
- 87,273 end treatments including head walls

To maximize the life of its infrastructure assets with the least overall cost, the County developed the Hillsborough County Asset Management System to record the quantity, location, and condition of each infrastructure asset managed by the Public Works Department using a highly accurate Geographic Information System map of the County. The County developed comprehensive asset condition data and entered the data into a centralized database system housed on a countywide computer system. With its various software modules, the system is used to plan multi-decade preventive maintenance and to prioritize replacement schedules based on customized asset-deterioration models, which enable the County to cost-effectively extend the useful lives of infrastructure assets.

During fiscal year 2001, the County implemented Governmental Accounting Standards Board Statement No. 34 *Basic Financial Statements–and Management's Discussion and Analysis–for State and Local Governments*, with *retroactive* reporting of all major general government infrastructure assets. To reflect the County's commitment to preserve and maintain infrastructure assets, the County selected the *modified approach* for the accounting of those assets. Under the modified approach, the County recorded infrastructure assets at estimated original cost, but did not record accumulated depreciation against these assets. Instead of recording depreciation, the County is committed to incur the maintenance expenses necessary to (a) preserve infrastructure at a condition of *fair* or higher on a scale from *failed, poor, fair,* and *good* to *excellent* and (b) preserve its paved roadway lane miles at an overall average of 55 or more on the American Society for Testing and Materials (ASTM) pavement condition index. This index has a scale of 0 to 100, with 100 as the highest level. A *failed* infrastructure asset is one whose condition is deemed unsafe and should be repaired or replaced immediately. An *excellent* infrastructure asset is one that is newly constructed and functioning as intended. Improvements that lengthen the lives of infrastructure assets are not recorded unless they increase capacity or service potential, in which case they are recorded as additions to infrastructure at original cost. Therefore, resurfacing done to existing streets is not capitalized, but is treated as a maintenance expenditure under the modified approach.

The County conducts periodic physical condition assessments and theoretical deterioration modeling covering all assets once every three years to determine whether infrastructure assets are being maintained at the levels required. The condition of the County's infrastructure including its paved roadway subset is provided in the chart below.

Hillsborough County, Florida
Infrastructure Condition Assessment Results

	September 30, 2012	September 30, 2011	September 30, 2010
Infrastructure	at or above fair	at or above fair	at or above fair
Paved roadway subset	75.1	75.1	78.9

Prior to 2008, the County established a commitment to maintain and preserve its paved roadway lane miles at an overall average of 6 to 7 based on an Overall Condition Index of 0 to 10. On September 17, 2008, the Hillsborough County BOCC adopted the standard to preserve its paved roadway lane miles at an overall average ASTM International Standard Practice for Pavement Condition Index Surveys, D-6433-03 condition index of 55 or more. The condition index of 55 on the new 100-point scale is considered to be equivalent to 6 to 7 on the previous scale, so the change in condition index is not expected to change estimated maintenance/preservation costs. The County spends the amount necessary to maintain its infrastructure assets at or above its condition levels of fair and 55. As a measure of County's maintenance efforts, the following chart shows estimated and actual infrastructure maintenance expenditures. These infrastructure maintenance costs consist of: all personnel and operating costs within the physical environment function used for flood control by the Public Works Department; all personnel and operating costs within the transportation function used for road and street facilities by the Public Works Department; as well as road resurfacing and roadway landscaping costs.

Hillsborough County, Florida
Estimated Versus Actual Infrastructure Maintenance and Preservation Costs
(amounts in millions)

	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008
Estimate	$ 72.2	$ 77.1	$ 85.7	$ 84.8	$ 86.7
Actual	$ 70.0	$ 69.4	$ 81.2	$ 83.9	$ 78.3

By using the modified approach, the County's accounting practices for infrastructure assets are in harmony with the County's plans for maintaining its infrastructure at the least overall cost over individual asset life cycles.

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Funding Progress for
Postemployment Benefits Other Than Pensions (OPEB)
(Required Supplementary Information)

Amounts in thousands			
Actuarial valuation date	9/30/10	9/30/11	9/30/12
Actuarial value of plan assets [a]	$ --	--	--
Actuarial accrued liability (AAL) – entry age method [b]	63,944	62,197	62,507
Unfunded actuarial accrued liability (UAAL) [b-a]	63,944	62,197	62,507
Actuarial value of plan assets/AAL (funded ratio) [a/b]	0 %	0 %	0 %
Annual covered payroll (active plan members) [c]	$ 520,719	$ 501,910	$ 499,426
UAAL as a percentage of covered payroll [(b-a)/c]	12.3 %	12.4 %	12.5 %

The County provides the following health-related benefits to retirees and certain other employees: (a) The County is required by Florida Statute 112.0801 to allow retirees and certain other former employees to buy healthcare coverage at the same "group insurance rates" that current employees are charged. Although retirees pay for healthcare at group rates, they are receiving a valuable benefit because they can buy insurance at costs that are lower than the costs associated with the experience rating for their age bracket. The availability of this lower cost health insurance represents an "implicit subsidy" for retirees. (b) The County offers a monthly stipend of $5 for each year of service up to a maximum benefit of $150 per month. The stipend is payable to regular retired employees from ages 62 to 65 and to special risk retired employees from ages 55 to 65. The stipend is to be used to offset the cost of health insurance. Although the implicit subsidy is required by state law when healthcare is offered as an employee benefit, the stipend may be cancelled at any time.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The entry age actuarial cost method was used in the September 30, 2012 update of the September 30, 2011 actuarial valuation. Other actuarial assumptions included a 4.5% investment rate of return, a 4.5% discount rate, a 2.5% inflation rate, an initial pre-Medicare annual healthcare cost trend rate of 9.5% grading to an ultimate rate of 5.5% for fiscal year 2018, and an initial post-Medicare annual healthcare cost trend rate of 7.0% grading to an ultimte rate of 5.5% for fiscal year 2015. In the September 30, 2011 actuarial report, the approximate average age of employees was reported to be 47, with 13 years of service completed and 12 years of additional service estimated. The actuarial value of the County's assets was determined using the fair value of cash and investments at September 30, 2012. The County's unfunded actuarial accrued liability is being amortized as a level percentage of

projected payroll on a closed basis. The amortization period used by the County at September 30, 2012, was 30 years

Although $11.806 million were set aside for OPEB in an internal service fund, which exceeded the net OPEB obligation for September 30, 2012, by $127,000, the amount considered to be "funded" was zero since an irrevocable trust fund was not established.

If the amounts of cash, investments, and receivables set aside in the Self-Insurance Internal Service Fund were considered "funded," the actuarial value of plan assets at September 30, 2012 would have been $11.806 million, which would have led to an unfunded actuarial accrued liability of $50.701 million, a funded ratio of 18.9%, and an unfunded actuarial accrued liability as a percentage of covered payroll of 10.2%. Although the net OPEB liability was not funded at September 30, 2012, if the resources set aside had been funded in an irrevocable trust fund, it would have shown that the County had more than offset its net OPEB obligation and was making progress in offsetting its unfunded actuarial accrued liability.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND BY CATEGORY

The seven categories shown below together represent the General Fund, the primary operating fund of the County.

General Fund–Countywide – To account for the revenues and expenditures of the Countywide portion of the General Fund–which are activities that benefit all County residents. Countywide activities include Administration, Business Support Services, Animal Services, Consumer Protection, County Attorney, Economic Development, Emergency Management, Family and Aging Services, Parks, Recreation and Conservation, Public Works, the Environmental Protection Commission, and certain payments to the court system, Constitutional Officers, and nonprofit agencies.

General Fund–Unincorporated Area – To account for the revenues and expenditures of the Unincorporated Area portion of the General Fund–which are activities that benefit County residents who do not live in the three municipalities (Tampa, Plant City or Temple Terrace). Unincorporated Area activities include Affordable Housing, Code Enforcement, Fire Rescue, Planning and Growth Management, Parks and Recreation, Public Works, and certain payments to Constitutional Officers.

General Fund–Sheriff – To account for the revenues and expenditures necessary to carry out the duties and obligations of the Sheriff as specified in Section 30.15, Florida Statutes. The funds for the Sheriff's operation are received from the BOCC pursuant to Section 30.49, Florida Statutes.

General Fund–Tax Collector – To account for revenues and expenditures of the Tax Collector pursuant to Section 197, Florida Statutes.

General Fund–Property Appraiser – To account for revenues and expenditures of the Property Appraiser in the performance of Constitutional responsibilities. These responsibilities include determining the taxable value of all real and tangible property within the County, maintaining associated financial and property records, and providing the Tax Collector with the certified value of real and tangible property and tax millages levied by the respective taxing authorities.

General Fund–Supervisor of Elections – To account for revenues and expenditures of the Supervisor of Elections in the performance of Constitutional responsibilities pursuant to Chapters 100, 101, and 102, Florida Statutes. The funds for the Supervisor of Elections' operation are received from the BOCC pursuant to Section 129.202, Florida Statutes.

General Fund–Clerk of Circuit Court – To account for revenues and expenditures of the Clerk of Circuit Court whose responsibilities include: County recorder for official records of Hillsborough County; accountant for the BOCC, custodian of all County funds, County auditor, and keeping BOCC records and meeting minutes as ex-officio Clerk to the Board of County Commissioners; as well as court-related activities that are not accounted for in the "Clerk of Circuit Court - Court Operations and Public Records Fund."

HILLSBOROUGH COUNTY, FLORIDA
General Fund by Category
Combining Balance Sheet
September 30, 2012
(amounts in thousands)

	Countywide	Unincorporated Area	Sheriff	Tax Collector
ASSETS				
Current assets:				
Cash and cash equivalents	$ 20,653	18,653	51,246	20,793
Investments	87,210	77,788	82	45
Accounts receivable, net	5	5,783	14	13
Interest receivable	275	244	--	--
Delinquent ad valorem taxes receivable	737	254	--	--
Due from other funds	44,589	10,578	794	52
Due from other governmental units	168	60	367	58
Inventories	738	635	--	--
Total assets	154,375	113,995	52,503	20,961
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	5,212	2,172	3,325	117
Accrued liabilities	1,357	3,274	11,494	583
Due to other funds	1,283	78	34,313	18,698
Due to other governmental units	1,523	--	3,371	1,150
Deferred revenue	3,370	1,490	--	413
Deposits held	11	--	--	--
Total liabilities	12,756	7,014	52,503	20,961
FUND BALANCES				
Nonspendable:				
Inventories and prepaid items	738	635	--	--
Unassigned	140,881	106,346	--	--
Total fund balances	141,619	106,981	--	--
Total liabilities and fund balance	$ 154,375	113,995	52,503	20,961

Property Appraiser	Supervisor of Elections	Clerk of Circuit Court	Total
589	--	7,230	119,164
22	--	653	165,800
--	--	--	5,815
--	--	--	519
--	--	--	991
--	904	38	56,955
--	--	316	969
--	--	--	1,373
611	904	8,237	351,586
--	852	755	12,433
296	52	1,576	18,632
261	--	5,128	59,761
54	--	778	6,876
--	--	--	5,273
--	--	--	11
611	904	8,237	102,986
--	--	--	1,373
--	--	--	247,227
--	--	--	248,600
611	904	8,237	351,586

HILLSBOROUGH COUNTY, FLORIDA
General Fund by Category
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
September 30, 2012
(amounts in thousands)

	Countywide	Unincorporated Area	Sheriff	Tax Collector
Revenues:				
Taxes--ad valorem property taxes	$ 346,732	162,494	--	--
Taxes--other	1,447	--	--	--
Licenses, permits, special assessments	555	65	--	--
Intergovernmental--state shared revenues	7,393	15,248	--	--
Intergovernmental--grants	60	--	6,946	--
Charges for services	57,658	18,594	3,190	14,522
Fines and forfeitures	41	4,342	--	--
Interest	2,319	1,363	150	51
Miscellaneous	4,825	862	382	231
Total revenues	421,030	202,968	10,668	14,804
Expenditures:				
Current:				
General government	66,309	13,228	13,430	24,840
Public safety	6,815	113,963	316,983	--
Physical environment	10,956	8,745	--	--
Transportation	154	--	--	--
Economic environment	14,458	1,516	--	--
Human services	32,226	(11)	--	--
Culture and recreation	10,068	23,126	--	--
Capital outlay	1,002	7	10,362	376
Total expenditures	141,988	160,574	340,775	25,216
Excess (deficiency) of revenues over (under) expenditures	279,042	42,394	(330,107)	(10,412)
Other financing sources (uses):				
Transfers in	69,913	59,828	364,218	21,039
Transfers out	(341,837)	(111,257)	(34,602)	(10,627)
Sales of capital assets	841	10	491	--
Total other financing sources (uses)	(271,083)	(51,419)	330,107	10,412
Net change in fund balances	7,959	(9,025)	--	--
Fund balances, beginning of year	133,597	116,341	--	--
Increase (decrease) in nonspendable fund balances	63	(335)	--	--
Fund balances, end of year	$ 141,619	106,981	--	--

Property Appraiser	Supervisor of Elections	Clerk of Circuit Court	Total
--	--	--	509,226
--	--	--	1,447
--	--	--	620
--	--	--	22,641
--	--	1,150	8,156
2,110	--	6,302	102,376
--	--	--	4,383
6	--	189	4,078
101	--	--	6,401
2,217	--	7,641	659,328
11,962	9,073	21,317	160,159
--	--	--	437,761
--	--	--	19,701
--	--	--	154
--	--	--	15,974
--	--	--	32,215
--	--	--	33,194
113	147	1,055	13,062
12,075	9,220	22,372	712,220
(9,858)	(9,220)	(14,731)	(52,892)
10,119	10,852	18,945	554,914
(261)	(1,632)	(4,214)	(504,430)
--	--	--	1,342
9,858	9,220	14,731	51,826
--	--	--	(1,066)
--	--	--	249,938
--	--	--	(272)
--	--	--	248,600

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund - Countywide
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues:				
Taxes--ad valorem property taxes	$ 358,203	358,203	346,732	(11,471)
Taxes--other	1,535	1,535	1,447	(88)
Licenses, permits, special assessments	683	683	555	(128)
Intergovernmental--state shared revenues	7,695	7,695	7,393	(302)
Intergovernmental--grants	76	76	60	(16)
Charges for services	63,111	63,111	57,658	(5,453)
Fines and forfeitures	37	37	41	4
Interest	1,902	1,902	2,319	417
Miscellaneous	5,429	5,429	4,825	(604)
Total revenues	438,671	438,671	421,030	(17,641)
Expenditures:				
Current:				
General government	71,916	71,828	66,309	5,519
Public safety	7,060	7,063	6,815	248
Physical environment	11,671	11,679	10,956	723
Transportation	186	186	154	32
Economic environment	15,419	15,794	14,458	1,336
Human services	38,652	38,585	32,226	6,359
Culture and recreation	11,034	10,659	10,068	591
Capital outlay	1,185	1,262	1,002	260
Total expenditures	157,123	157,056	141,988	15,068
Excess (deficiency) of revenues over (under) expenditures	281,548	281,615	279,042	(2,573)
Other financing sources (uses):				
Transfers in	52,153	52,537	69,913	17,376
Transfers out	(346,848)	(347,032)	(341,837)	5,195
Sales of capital assets	152	152	841	689
Budgetary reserves	(91,401)	(91,668)	--	91,668
Budget allowance	(21,663)	(21,663)	--	21,663
Total other financing sources (uses)	(407,607)	(407,674)	(271,083)	136,591
Net change in fund balances	(126,059)	(126,059)	7,959	134,018
Fund balances, beginning of year	126,059	126,059	133,597	7,538
Increase (decrease) in nonspendable fund balances	--	--	63	63
Fund balances, end of year--budgetary basis	$ --	--	141,619	141,619

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund - Unincorporated Area
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues:				
Taxes--ad valorem property taxes	$ 167,711	167,711	162,494	(5,217)
Licenses, permits, special assessments	41	41	65	24
Intergovernmental--state shared revenues	13,856	13,856	15,248	1,392
Charges for services	19,434	19,434	18,594	(840)
Fines and forfeitures	3,201	3,201	4,342	1,141
Interest	1,378	1,378	1,363	(15)
Miscellaneous	4,274	4,274	862	(3,412)
Total revenues	209,895	209,895	202,968	(6,927)
Expenditures:				
Current:				
General government	14,631	14,631	13,228	1,403
Public safety	114,530	114,530	113,963	567
Physical environment	9,117	9,117	8,745	372
Economic environment	1,823	1,823	1,516	307
Human services	--	11	(11)	22
Culture and recreation	24,115	24,027	23,126	901
Capital outlay	72	160	7	153
Total expenditures	164,288	164,299	160,574	3,725
Excess (deficiency) of revenues over (under) expenditures	45,607	45,596	42,394	(3,202)
Other financing sources (uses):				
Transfers in	51,663	51,663	59,828	8,165
Transfers out	(111,617)	(111,617)	(111,257)	360
Sales of capital assets	--	--	10	10
Budgetary reserves	(85,844)	(85,833)	--	85,833
Budget allowance	(12,014)	(12,014)	--	12,014
Total other financing sources (uses)	(157,812)	(157,801)	(51,419)	106,382
Net change in fund balances	(112,205)	(112,205)	(9,025)	103,180
Fund balances, beginning of year	112,205	112,205	116,341	4,136
Increase (decrease) in nonspendable fund balances	--	--	(335)	(335)
Fund balances, end of year--budgetary basis	$ --	--	106,981	106,981

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund - Sheriff (Budgetary Basis)
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Charges for services	$ --	--	1,085	1,085
Interest	--	--	150	150
Miscellaneous	--	--	873	873
Total revenues	--	--	2,108	2,108
Expenditures:				
Current:				
General government	13,950	14,200	13,430	770
Public safety	339,298	340,540	309,301	31,239
Capital outlay	9,780	9,688	6,302	3,386
Total expenditures	363,028	364,428	329,033	35,395
Excess (deficiency) of revenues over (under) expenditures	(363,028)	(364,428)	(326,925)	37,503
Other financing sources (uses):				
Transfers in	363,028	364,428	361,518	(2,910)
Transfers out	--	--	(34,593)	(34,593)
Total other financing sources (uses)	363,028	364,428	326,925	(37,503)
Net change in fund balances	--	--	--	--
Fund balances, beginning of year	--	--	--	--
Fund balances, end of year--budgetary basis	$ --	--	--	--
Add intergovernmental grants			6,946	
Add contract-related charges for services			2,104	
Decrease miscellaneous revenue			(491)	
Add proceeds from the sale of capital assets			491	
Increase public safety and general government expenditures			(7,691)	
Decrease capital outlay			(4,059)	
Add transfers in for Sheriff's vehicles			2,700	
Fund balances, end of year--GAAP basis			$ --	

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund - Tax Collector (Budgetary Basis)
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues:				
Charges for services	$ 13,460	13,460	14,522	1,062
Interest	30	30	51	21
Miscellaneous	196	196	231	35
Total revenues	13,686	13,686	14,804	1,118
Expenditures:				
Current:				
General government	23,571	24,600	23,691	909
Capital outlay	39	395	376	19
Total expenditures	23,610	24,995	24,067	928
Excess (deficiency) of revenues over (under) expenditures	(9,924)	(11,309)	(9,263)	2,046
Other financing sources (uses):				
Transfers in	21,570	21,570	21,039	(531)
Transfers out	(10,414)	(9,176)	(10,627)	(1,451)
Distribution of excess fees	(1,232)	(1,085)	(1,149)	(64)
Total other financing sources (uses)	9,924	11,309	9,263	(2,046)
Net change in fund balances	--	--	--	--
Fund balances, beginning of year	--	--	--	--
Fund balances, end of year--budgetary basis	$ --	--	--	--
Reduce distribution of excess fees			1,149	
Increase general government expenditures			(1,149)	
Fund balances, end of year--GAAP basis			$ --	

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund - Property Appraiser (Budgetary Basis)
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Charges for services	$ 911	912	1,119	207
Interest	--	--	6	6
Miscellaneous	--	--	101	101
Total revenues	911	912	1,226	314
Expenditures:				
Current:				
General government	11,030	10,918	10,917	1
Capital outlay	--	113	113	--
Total expenditures	11,030	11,031	11,030	1
Excess (deficiency) of revenues over (under) expenditures	(10,119)	(10,119)	(9,804)	315
Other financing sources (uses):				
Transfers in	10,119	10,119	10,119	--
Transfers out	--	--	(261)	(261)
Distribution of excess fees	--	--	(54)	(54)
Total other financing sources (uses)	10,119	10,119	9,804	(315)
Net change in fund balances	--	--	--	--
Fund balances, beginning of year	--	--	--	--
Fund balances, end of year--budgetary basis	$ --	--	--	--
To convert of GAAP basis:				
Reduce distribution of excess fees			54	
Increase general government expenditures			(54)	
Revenues from certain governments not budgeted			991	
Expenditures from certain governments not budgeted			(991)	
Fund balances, end of year--GAAP basis			$ --	

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund - Supervisor of Elections
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
Expenditures:				
Current:				
General government	$ 10,517	9,073	9,073	--
Capital outlay	335	147	147	--
Total expenditures	10,852	9,220	9,220	--
Excess (deficiency) of revenues over (under) expenditures	(10,852)	(9,220)	(9,220)	--
Other financing sources (uses):				
Transfers in	10,852	10,852	10,852	--
Transfers out	--	(1,632)	(1,632)	--
Total other financing sources (uses)	10,852	9,220	9,220	--
Net change in fund balances	--	--	--	--
Fund balances, beginning of year	--	--	--	--
Fund balances, end of year	$ --	--	--	--

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund - Clerk of Circuit Court
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues:				
Intergovernmental--grants	$ 1,623	1,623	1,150	(473)
Charges for services	4,880	5,759	6,302	543
Interest	535	535	189	(346)
Total revenues	7,038	7,917	7,641	(276)
Expenditures:				
Current:				
General government	24,545	24,750	21,317	3,433
Capital outlay	1,340	1,538	1,055	483
Total expenditures	25,885	26,288	22,372	3,916
Excess (deficiency) of revenues over (under) expenditures	(18,847)	(18,371)	(14,731)	3,640
Other financing sources (uses):				
Transfers in	18,945	18,945	18,945	--
Transfers out	(98)	(574)	(4,214)	(3,640)
Total other financing sources (uses)	18,847	18,371	14,731	(3,640)
Net change in fund balances	--	--	--	--
Fund balances, beginning of year	--	--	--	--
Fund balances, end of year--budgetary basis	$ --	--	--	--

HILLSBOROUGH COUNTY, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2012
(amounts in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Current assets:				
Cash and cash equivalents	$ 36,768	6,352	21,298	64,418
Investments	90,696	26,487	88,819	206,002
Accounts receivable, net	1,059	6	--	1,065
Interest receivable	284	84	278	646
Ad valorem taxes receivable	--	9	--	9
Delinquent ad valorem taxes receivable	63	2	--	65
Due from other funds	780	79	--	859
Due from other governmental units	1,969	--	--	1,969
Inventories	263	--	--	263
Total assets	131,882	33,019	110,395	275,296
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	1,931	9	2,337	4,277
Accrued liabilities	686	--	--	686
Due to other funds	915	--	--	915
Due to other governmental units	813	--	--	813
Deferred revenue	403	49	--	452
Total liabilities	4,748	58	2,337	7,143
FUND BALANCES				
Nonspendable:				
Inventories	263	--	--	263
Restricted for:				
Debt service	--	32,961	--	32,961
Grant programs and projects	160	--	--	160
Federal and state law	76,358	--	--	76,358
Impact fees	13,724	--	--	13,724
Other purposes	2,950	--	--	2,950
Committed to:				
BOCC ordinance/other purposes	20,475	--	28,773	49,248
Assigned to:	--	--	--	
Capital projects	--	--	79,285	79,285
Major maintenance & repair projects	7,091	--	--	7,091
BOCC resolution/other purposes	6,113	--	--	6,113
Total fund balances	127,134	32,961	108,058	268,153
Total liabilities and fund balance	$ 131,882	33,019	110,395	275,296

HILLSBOROUGH COUNTY, FLORIDA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes--ad valorem property taxes	$ 32,412	4,625	--	37,037
Taxes--other	25,492	--	--	25,492
Licenses, permits, special assessments	13,394	--	--	13,394
Intergovernmental--state shared revenues	29,685	--	--	29,685
Intergovernmental--grants	5,680	--	1,004	6,684
Charges for services	14,173	458	--	14,631
Fines and forfeitures	2,548	--	--	2,548
Interest	927	205	293	1,425
Miscellaneous	355	293	338	986
Total revenues	124,666	5,581	1,635	131,882
Expenditures:				
Current:				
General government	33,116	932	1,316	35,364
Public safety	24,848	--	57	24,905
Physical environment	2,104	--	420	2,524
Economic environment	17	562	--	579
Human services	--	--	230	230
Culture and recreation	29,438	--	1,088	30,526
Capital outlay	7,910	--	12,135	20,045
Debt service:				
Principal	--	24,789	--	24,789
Interest and fiscal charges	--	24,314	--	24,314
Total expenditures	97,433	50,597	15,246	163,276
Excess (deficiency) of revenues over (under) expenditures	27,233	(45,016)	(13,611)	(31,394)
Other financing sources (uses):				
Transfers in	12,273	50,562	14,176	77,011
Transfers out	(27,508)	(538)	(21,759)	(49,805)
Face amount of long-term debt issued	--	89,755	--	89,755
Premiums on long-term debt issued	--	13,224	--	13,224
Payment to refunded bond escrow agent	--	(102,450)	--	(102,450)
Sales of capital assets	30	--	--	30
Total other financing sources (uses)	(15,205)	50,553	(7,583)	27,765
Net change in fund balances	12,028	5,537	(21,194)	(3,629)
Fund balances, beginning of year	115,056	27,424	129,252	271,732
Decrease in nonspendable fund balances	50	--	--	50
Fund balances, end of year	$ 127,134	32,961	108,058	268,153

NONMAJOR SPECIAL REVENUE FUNDS

BOARD OF COUNTY COMMISSIONERS:

Unincorporated Area Special Purpose Revenue Fund – To account for special purpose revenues used to provide services for residents of the unincorporated areas of the County.

Library Fund – To account for ad valorem taxes and state grant funds designated to operate and maintain the countywide Tampa-Hillsborough County Public Library System.

Hillsborough County Civil Service Board Fund – To account for the revenues and expenditures of the Hillsborough County Civil Service Board, which administers a uniform classified merit employment system. The Civil Service Board's responsibilities include: developing personnel rules, records, and reports related to employees and positions; handling recruitment functions; coordinating an employee performance management system; and conducting other programs to ensure compliance with the Civil Service Act and other statutory requirements.

SHERIFF:

Child Protection Investigations Fund – To account for revenues and expenditures for child protection investigations.

Special Use Fund – To account for specific revenue sources designated for law enforcement within the unincorporated areas of the County.

Jail Inmate Canteen Fund – To account for the revenues and expenditures related to sales to inmates of merchandise such as toiletries, cigarettes, and snacks, as well as inmate phone calls, to fund inmate programs.

Communications 911 Fund – To account for the revenues and expenditures related to the Sheriff's 911 operations.

Drug Enforcement Task Force Fund – To account for the revenues and expenditures related to the Sheriff's Drug Enforcement Task Force and associated funding from the Florida Department of Law Enforcement.

SUPERVISOR OF ELECTIONS:

Grants Fund – To account for federal, state, or other grants received by the Supervisor of Elections for programs including voter education and equipment as well as the recruiting and training of pollworkers.

CLERK OF CIRCUIT COURT:

Court Operations and Public Records Fund – To account for the Clerk of Circuit Court's court operations as an officer of the court including clerical and administrative functions of the courts, keeping records, maintaining dockets, providing courtroom clerks for the judiciary, and collecting and disbursing fines, forfeitures and other court costs, and keeping custody of court funds. The Clerk of Circuit Court also conducts sales of property by order of the court, as well as running the depository for collecting and disbursing court-ordered child support and alimony payments.

To account for the following: Public Records Modernization Trust Fund for equipment, maintenance, personnel training, and technical assistance for modernizing the public records pursuant to Florida Statute 28.24(12)(d); Public Records Court Technology Trust Fund to operate and support an integrated computer system for judicial agencies and to support the operations of the state court system pursuant to Florida Statute 28.24(12)(e)(1); Foreclosure Public Education Fund to educate the public about their rights under foreclosure proceedings pursuant to Florida Statute 45.035(2)(a), and Public Records Court Operations Trust Fund for Clerk court-related operational needs and program enhancements pursuant to Florida Statute 28.37(2).

HILLSBOROUGH COUNTY, FLORIDA
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2012
(amounts in thousands)

	BOARD OF COUNTY COMMISSIONERS		
	Unincorporated Area Special Purpose	Library	Civil Service Board
ASSETS			
Current assets:			
Cash and cash equivalents	$ 11,173	10,555	10
Investments	46,606	44,020	44
Accounts receivable, net	1	169	--
Interest receivable	146	138	--
Delinquent ad valorem taxes receivable	4	59	--
Due from other funds	88	501	--
Due from other governmental units	1,966	--	--
Inventories	--	263	--
Total assets	59,984	55,705	54
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	405	1,092	16
Accrued liabilities	143	273	38
Due to other funds	1	1	--
Due to other governmental units	--	--	--
Deferred revenue	52	351	--
Total liabilities	601	1,717	54
FUND BALANCES			
Nonspendable:			
Inventories	--	263	--
Restricted for:			
Grant programs and projects	--	--	--
Federal and state law	11,980	53,725	--
Impact fees	13,724	--	--
Other purposes	--	--	--
Committed to:			
BOCC ordinance/other purposes	20,475	--	--
Assigned to:			
Major maintenance & repair projects	7,091	--	--
BOCC resolution/other purposes	6,113	--	--
Total fund balances	59,383	53,988	--
Total liabilities and fund balance	$ 59,984	55,705	54

SHERIFF				
Child Protection Investigations	Special Use	Jail Inmate Canteen	Communications 911	Drug Enforcement Task Force
1,698	912	1,799	76	407
--	--	26	--	--
11	--	878	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	3	--	--	--
--	--	--	--	--
1,709	915	2,703	76	407
50	2	160	21	--
--	--	--	--	--
--	913	--	--	--
812	--	--	1	--
--	--	--	--	--
862	915	160	22	--
--	--	--	--	--
--	--	--	--	--
847	--	--	54	--
--	--	--	--	--
--	--	2,543	--	407
--	--	--	--	--
				--
--	--	--	--	--
--	--	--	--	--
847	--	2,543	54	407
1,709	915	2,703	76	407

(continued)

HILLSBOROUGH COUNTY, FLORIDA
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2012
(amounts in thousands)

	SUPERVISOR	CLERK	
	Supervisor of Elections Grants	Court Operations & Public Records	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ --	10,138	36,768
Investments	--	--	90,696
Accounts receivable, net	--	--	1,059
Interest receivable	--	--	284
Delinquent ad valorem taxes receivable	--	--	63
Due from other funds	191	--	780
Due from other governmental units	--	--	1,969
Inventories	--	--	263
Total assets	191	10,138	131,882
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	31	154	1,931
Accrued liabilities	--	232	686
Due to other funds	--	--	915
Due to other governmental units	--	--	813
Deferred revenue	--	--	403
Total liabilities	31	386	4,748
FUND BALANCES			
Nonspendable:			
Inventories	--	--	263
Restricted for:			
Grant programs and projects	160	--	160
Federal and state law	--	9,752	76,358
Impact fees	--	--	13,724
Other purposes	--	--	2,950
Committed to:			
BOCC ordinance/other purposes	--	--	20,475
Assigned to:			
Major maintenance & repair projects	--	--	7,091
BOCC resolution/other purposes	--	--	6,113
Total fund balances	160	9,752	127,134
Total liabilities and fund balance	$ 191	10,138	131,882

HILLSBOROUGH COUNTY, FLORIDA
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended September 30, 2012
(amounts in thousands)

	BOARD OF COUNTY COMMISSIONERS		
	Unincorporated Area Special Purpose	Library	Civil Service Board
Revenues:			
Taxes--ad valorem property taxes	$ --	32,412	--
Taxes--other	25,492	--	--
Licenses, permits, special assessments	13,394	--	--
Intergovernmental--state shared revenues	1,172	--	--
Intergovernmental--grants	--	945	--
Charges for services	1,163	262	181
Fines and forfeitures	324	470	--
Interest	372	526	--
Miscellaneous	158	85	--
Total revenues	42,075	34,700	181
Expenditures:			
Current:			
General government	826	--	2,356
Public safety	8,979	--	--
Physical environment	2,104	--	--
Economic environment	17	--	--
Culture and recreation	954	28,484	--
Capital outlay	1,814	4,460	2
Total expenditures	14,694	32,944	2,358
Excess (deficiency) of revenues over (under) expenditures	27,381	1,756	(2,177)
Other financing sources (uses):			
Transfers in	6,762	424	2,177
Transfers out	(25,248)	(914)	--
Sales of capital assets	--	--	--
Total other financing sources (uses)	(18,486)	(490)	2,177
Net change in fund balances	8,895	1,266	--
Fund balances, beginning of year	50,488	52,672	--
Increase (decrease) in nonspendable fund balances	--	50	--
Fund balances, end of year	$ 59,383	53,988	--

(continued)

HILLSBOROUGH COUNTY, FLORIDA
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended September 30, 2012
(amounts in thousands)

	SHERIFF			
	Child Protection Investigations	**Special Use**	**Jail Inmate Canteen**	**Communication 911**
Revenues:				
Taxes--ad valorem property taxes	$ --	--	--	--
Taxes--other	--	--	--	--
Licenses, permits, special assessments	--	--	--	--
Intergovernmental--state shared revenues	--	--	--	--
Intergovernmental--grants	4,131	--	--	517
Charges for services	7,341	47	3,033	--
Fines and forfeitures	--	310	--	--
Interest	5	--	10	--
Miscellaneous	41	49	22	--
Total revenues	11,518	406	3,065	517
Expenditures:				
Current:				
General government	--	--	--	--
Public safety	11,745	1,785	1,744	528
Physical environment	--	--	--	--
Economic environment	--	--	--	--
Culture and recreation	--	--	--	--
Capital outlay	103	215	1	22
Total expenditures	11,848	2,000	1,745	550
Excess (deficiency) of revenues over (under) expenditures	(330)	(1,594)	1,320	(33)
Other financing sources (uses):				
Transfers in	--	2,910	--	--
Transfers out	--	(1,346)	--	--
Sales of capital assets	--	30	--	--
Total other financing sources (uses)	--	1,594	--	--
Net change in fund balances	(330)	--	1,320	(33)
Fund balances, beginning of year	1,177	--	1,223	87
Increase (decrease) in nonspendable fund balances	--	--	--	--
Fund balances, end of year	$ 847	--	2,543	54

Drug Enforcement Task Force	SUPERVISOR Supervisor of Elections Grants	CLERK Court Operations & Public Records	Total
--	--	--	32,412
--	--	--	25,492
--	--	--	13,394
--	--	28,513	29,685
--	87	--	5,680
--	--	2,146	14,173
--	--	1,444	2,548
--	2	12	927
--	--	--	355
--	89	32,115	124,666
--	314	29,620	33,116
67	--	--	24,848
--	--	--	2,104
--	--	--	17
--	--	--	29,438
--	74	1,219	7,910
67	388	30,839	97,433
(67)	(299)	1,276	27,233
--	--	--	12,273
--	--	--	(27,508)
--	--	--	30
--	--	--	(15,205)
(67)	(299)	1,276	12,028
474	459	8,476	115,056
--	--	--	50
407	160	9,752	127,134

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Unincorporated Area Special Purpose Fund (Budgetary Basis)
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues:				
Taxes--other	$ 26,224	26,224	25,492	(732)
Licenses, permits, special assessments	4,481	4,481	6,158	1,677
Intergovernmental--state shared revenues	900	900	1,173	273
Charges for services	1,147	1,147	935	(212)
Fines and forfeitures	463	463	324	(139)
Interest	73	73	92	19
Miscellaneous	180	180	242	62
Total revenues	33,468	33,468	34,416	948
Expenditures:				
Current:				
General government	712	712	663	49
Public safety	9,215	9,440	8,664	776
Physical environment	2,237	2,237	1,891	346
Economic environment	1,765	1,765	17	1,748
Culture and recreation	85	85	75	10
Capital outlay	--	51	44	7
Total expenditures	14,014	14,290	11,354	2,936
Excess (deficiency) of revenues over (under) expenditures	19,454	19,178	23,062	3,884
Other financing sources (uses):				
Transfers in	7,546	7,546	7,325	(221)
Transfers out	(22,012)	(23,712)	(23,712)	--
Budgetary reserves	(14,489)	(12,513)	(1)	12,512
Budget allowance	(1,673)	(1,673)	--	1,673
Total other financing sources (uses)	(30,628)	(30,352)	(16,388)	13,964
Net change in fund balances	(11,174)	(11,174)	6,674	17,848
Fund balances, beginning of year	11,174	11,174	12,028	854
Fund balances, end of year--budgetary basis	$ --	--	18,702	18,702
Add end of year fund balances from non-annually appropriated projects			40,681	
Fund balances, end of year--GAAP basis			$ 59,383	

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Library Fund (Budgetary Basis)
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues:				
Taxes--ad valorem property taxes	$ 33,463	33,463	32,412	(1,051)
Charges for services	284	284	262	(22)
Fines and forfeitures	477	477	470	(7)
Interest	265	265	524	259
Miscellaneous	44	44	98	54
Total revenues	34,533	34,533	33,766	(767)
Expenditures:				
Current:				
Culture and recreation	28,922	28,922	27,811	1,111
Capital outlay	3,474	3,474	2,965	509
Total expenditures	32,396	32,396	30,776	1,620
Excess (deficiency) of revenues over (under) expenditures	2,137	2,137	2,990	853
Other financing sources (uses):				
Transfers in	501	501	411	(90)
Transfers out	(8,453)	(8,453)	(8,335)	118
Budgetary reserves	(36,604)	(36,604)	(45)	36,559
Budget allowance	(1,727)	(1,727)	--	1,727
Total other financing sources (uses)	(46,283)	(46,283)	(7,969)	38,314
Net change in fund balances	(44,146)	(44,146)	(4,979)	39,167
Fund balances, beginning of year	44,146	44,146	34,437	(9,709)
Increase (decrease) in nonspendable fund balances	--	--	50	50
Fund balances, end of year--budgetary basis	$ --	--	29,508	29,508
Add end of year fund balances from non-annually appropriated projects			24,480	
Fund balances, end of year--GAAP basis			$ 53,988	

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Hillsborough County Civil Service Board Fund
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues:				
Charges for services	$ 249	249	181	(68)
Total revenues	249	249	181	(68)
Expenditures:				
Current:				
General government	3,254	3,254	2,356	898
Capital outlay	20	20	2	18
Total expenditures	3,274	3,274	2,358	916
Excess (deficiency) of revenues over (under) expenditures	(3,025)	(3,025)	(2,177)	848
Other financing sources:				
Transfers in	3,038	3,038	2,177	(861)
Total other financing sources	3,038	3,038	2,177	(861)
Net change in fund balances	13	13	--	(13)
Fund balances, beginning of year	(13)	(13)	--	13
Fund balances, end of year	$ --	--	--	--

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Sheriff Special Use Fund
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues:				
Charges for services	$ --	--	47	47
Fines and forfeitures	--	--	310	310
Miscellaneous	--	--	49	49
Total revenues	--	--	406	406
Expenditures:				
Current:				
Public safety	1,321	2,563	1,785	778
Capital outlay	189	347	215	132
Total expenditures	1,510	2,910	2,000	910
Excess (deficiency) of revenues over (under) expenditures	(1,510)	(2,910)	(1,594)	1,316
Other financing sources (uses):				
Transfers in	1,510	2,910	2,910	--
Transfers out	--	--	(1,346)	(1,346)
Sales of capital assets	--	--	30	30
Total other financing sources (uses)	1,510	2,910	1,594	(1,316)
Net change in fund balances	--	--	--	--
Fund balances, beginning of year	--	--	--	--
Fund balances, end of year	$ --	--	--	--

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Clerk Court Operations and Public Records Fund
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues:				
Intergovernmental--state shared revenues	$ 28,801	28,513	28,513	--
Charges for services	1,884	1,884	2,146	262
Fines and forfeitures	1,379	1,379	1,444	65
Interest	26	26	12	(14)
Total revenues	32,090	31,802	32,115	313
Expenditures:				
Current:				
General government	30,036	30,280	29,620	660
Capital outlay	6,327	6,575	1,219	5,356
Total expenditures	36,363	36,855	30,839	6,016
Excess (deficiency) of revenues over (under) expenditures	(4,273)	(5,053)	1,276	6,329
Other financing sources (uses):				
Budgetary reserves	4,273	5,053	--	(5,053)
Total other financing sources (uses)	4,273	5,053	--	(5,053)
Net change in fund balances	--	--	1,276	1,276
Fund balances, beginning of year	8,476	8,476	8,476	--
Fund balances, end of year	$ 8,476	8,476	9,752	1,276

NONMAJOR DEBT SERVICE FUNDS

BOARD OF COUNTY COMMISSIONERS:

1998 Fuel Tax Refunding Revenue Fund – To account for the annual debt service requirements of the Fuel Tax Refunding Revenue Bonds, Series 1998. Interest and principal payments are due through final maturity in December 2011. Payment of debt service is secured equally and ratably by a pledge of the County Fuel Tax and Local Option Fuel Tax revenues.

2001 Community Investment Tax Revenue Fund – To account for the annual debt service requirements on the Community Investment Tax Revenue Bonds (Jail Project), Series 2001A, and the Community Investment Tax Revenue Bonds (Stormwater Project), Series 2001B. Interest and principal payments are due through final maturity in November 2025. Payment of debt service is secured by an irrevocable lien upon the County's Community Investment Tax revenues and all related investment earnings.

2002 Parks and Recreation Fund – To account for the annual debt service requirements of the Unincorporated Area Parks and Recreation Program General Obligation Refunding Bonds, Series 2002. Interest and principal payments are due through final maturity in July 2025. Payment of debt service is secured by ad valorem taxes levied on the assessed value of taxable real property in the County's unincorporated area.

2004 Community Investment Tax Revenue Fund – To account for the annual debt service requirements on the Community Investment Tax Revenue Bonds, Series 2004. Interest and principal payments are due through final maturity in November 2025. Payment of debt is secured by the County's Community Investment Tax revenues and all related investment earnings.

2005 Court Facilities Improvement Fund – To account for the annual debt service requirements of the Court Facilities Revenue Bonds, Series 2005. Interest and principal payments are due through final maturity in November 2029. Payment of debt service is secured by a pledge of court surcharge and Community Investment Tax revenues (until the earlier of December 1, 2026 or the date such tax is released pursuant to section 33 of the Bond Resolution).

2005 Tampa Sports Authority Refunding Revenue Bonds Fund – To account for the annual debt service requirements on the Tampa Bay Arena Refunding Revenue Bonds, Series 2005. Interest and principal payments are due through final maturity in October 2026. Payment of debt service is secured by a pledge on legally available non-ad valorem revenues. Non-ad valorem revenues include Guaranteed Entitlement Revenues, Mobile Home License Fees, Alcoholic Beverage License Taxes, Local Business Taxes, and Local Government Half-Cent Sales Tax revenues.

2006 Capital Improvement Program Refunding Revenue Bond Fund – To account for the annual debt service requirements on the Capital Improvement Program Refunding Revenue Bonds, Series 2006, which were legally defeased in February 2010.

2006 Fourth Cent Tourist Development Tax Refunding and Improvement Revenue Bonds Fund – To account for the annual debt service requirements on the Fourth Cent Tourist Development Tax Refunding and Improvement Revenue Bonds, Series 2006. Interest and principal payments are due through final maturity in October 2035. Payment of debt service is secured by a pledge limited to Fourth Cent Tourist Development Tax revenues.

2006 A Fifth Cent Tourist Development Tax Refunding Revenue Bonds Fund – To account for the annual debt service requirements on the Fifth Cent Tourist Development Tax Refunding Revenue Bonds, Series 2006A. Interest and principal payments are due through final maturity in October 2035. Payment of debt service is secured by a pledge limited to Fifth Cent Tourist Development Tax revenues.

2007 Community Investment Tax Revenue Bonds Fund – To account for the annual debt service requirements on the Community Tax Revenue Bonds, Series 2007. Interest and principal payments are due through final maturity in November 2025. Payment of debt is secured by the County's Community Investment Tax revenues and all related investment earnings.

2008 Capital Improvement Non-Ad Valorem Refunding Revenue Bonds Fund – To account for the sinking fund requirements of the Capital Improvement Non-Ad Valorem Refunding Revenue Bonds, Series 2008. Interest and principal payments are due through final maturity in July 2028. Payment of this debt is secured by a pledge on legally available non-ad valorem revenues, which include Guaranteed Entitlement Revenues, Mobile Home License Fees, Alcoholic Beverage License Taxes, Local Business Taxes, and Local Government Half-Cent Sales Tax revenues.

2008 A & B Hillsborough County, Florida Taxable Transportation Revenue Notes (US Highway 301) – To account for the sinking fund requirements of Taxable Transportation Revenue Notes issued to finance and to fund the expansion and improvement of US Highway 301. Interest and principal payments are due through final maturity in April 2013. Payment of debt service is secured by letters of credit, Tier I and Tier II Developer's contributions, and impact fee reserves.

2009 Environmentally Sensitive Lands Acquisition and Protection Program (ELAPP) Fund – To account for the annual debt service requirements of the General Obligation Bonds, Series 2009A and 2009B. Interest and principal payments are due through final maturities in 2019 and 2039, respectively. Payment of debt service is secured by a pledge on all taxable property in the County's unincorporated area. The Series 1998 and 2003 Bonds were also accounted for in this fund in prior years.

2012 Community Investment Tax Refunding Revenue Bonds Fund – To account for the annual debt service requirements on the Community Investment Tax Refunding Revenue Bonds, Series 2012A and 2012B. Interest and principal payments are due through final maturity in November 2025. Debt service is secured by a pledge of the Community Investment Tax revenues and related investment earnings.

2012 Capital Improvement Program Revenue Bonds Fund – To account for the annual debt service requirements on the Capital Improvement Program Revenue Bonds, Series 2012. Interest and principal payments are due through final maturity in November 2025. Debt service is payable solely from a pledge of the local government half-cent sales tax revenues.

Commercial Paper Program (M2Gen) – To account for the sinking fund requirements of commercial paper issued for the H. Lee Moffitt Cancer Center & Research Institute / Merck (M2Gen) project. Although the commercial paper notes are expected to be rolled over as needed, there is also a plan to "amortize" this liability over the 30 year life of the project.

Communication Services Tax Revenue Bonds – To accumulate funds to pay debt service on the County's pending issuance of Communication Services Tax Revenue Bonds in fiscal year 2013.

HILLSBOROUGH COUNTY, FLORIDA
Nonmajor Debt Service Funds
Combining Balance Sheet
September 30, 2012
(amounts in thousands)

	2001 CIT	2002 Parks and Recreation	2004 CIT	2005 Court Facilities
ASSETS				
Current assets:				
Cash and cash equivalents	$ 249	25	306	317
Investments	1,037	105	1,275	1,318
Accounts receivable, net	--	--	--	--
Interest receivable	3	1	4	4
Ad valorem taxes receivable	--	--	--	--
Delinquent ad valorem taxes receivable	--	2	--	--
Due from other funds	--	18	--	--
Total assets	1,289	151	1,585	1,639
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	--	--	--	--
Deferred revenue	--	10	--	--
Total liabilities	--	10	--	--
FUND BALANCES				
Restricted for:				
Debt service	1,289	141	1,585	1,639
Total fund balances	1,289	141	1,585	1,639
Total liabilities and fund balance	$ 1,289	151	1,585	1,639

2005 TSA Refunding	2006 Capital Improvement Program	2006 4th Cent Tourist Development Tax	2006 5th Cent Tourist Development Tax	2007 CIT	2008 Capital Improvement Program
253	755	165	237	2,148	69
1,056	3,145	687	989	8,960	290
--	--	--	--	--	6
3	10	2	3	28	1
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
1,312	3,910	854	1,229	11,136	366
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
1,312	3,910	854	1,229	11,136	366
1,312	3,910	854	1,229	11,136	366
1,312	3,910	854	1,229	11,136	366

(continued)

HILLSBOROUGH COUNTY, FLORIDA
Nonmajor Debt Service Funds
Combining Balance Sheet
September 30, 2012
(amounts in thousands)

	2007 CIT	2008 Capital Improvement Program	2008 US Hwy. 301 Taxable Notes	2009 ELAPP
ASSETS				
Current assets:				
Cash and cash equivalents	$ 2,148	69	27	78
Investments	8,960	290	114	323
Accounts receivable, net	--	6	--	--
Interest receivable	28	1	1	1
Ad valorem taxes receivable	--	--	--	9
Delinquent ad valorem taxes receivable	--	--	--	--
Due from other funds	--	--	--	61
Total assets	11,136	366	142	472
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	--	--	--	--
Deferred revenue	--	--	--	39
Total liabilities	--	--	--	39
FUND BALANCES				
Restricted for:				
Debt service	11,136	366	142	433
Total fund balances	11,136	366	142	433
Total liabilities and fund balance	$ 11,136	366	142	472

2012 CIT	Commercial Paper (M2Gen)	Communications Services Tax	Total
297	1,058	368	6,352
1,241	4,414	1,533	26,487
--	--	--	6
4	14	5	84
--	--	--	9
--	--	--	2
--	--	--	79
1,542	5,486	1,906	33,019
9	--	--	9
--	--	--	49
9	--	--	58
1,533	5,486	1,906	32,961
1,533	5,486	1,906	32,961
1,542	5,486	1,906	33,019

HILLSBOROUGH COUNTY, FLORIDA
Nonmajor Debt Service Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended September 30, 2012
(amounts in thousands)

	1998 Fuel Tax Refunding	2001 CIT	2002 Parks and Recreation	2004 CIT
Revenues:				
Taxes--ad valorem property taxes	$ --	--	962	--
Charges for services	--	--	--	--
Interest	--	9	3	18
Miscellaneous	--	--	--	--
Total revenues	--	9	965	18
Expenditures:				
Current:				
General government	--	--	3	--
Economic environment	--	--	--	--
Debt service:				
Principal	375	2,375	750	3,295
Interest and fiscal charges	11	2,150	579	3,115
Total expenditures	386	4,525	1,332	6,410
Excess (deficiency) of revenues over (under) expenditures	(386)	(4,516)	(367)	(6,392)
Other financing sources (uses):				
Transfers in	107	3,809	404	5,502
Transfers out	--	(165)	(37)	(222)
Face amount of long-term debt issued	--	--	--	--
Premiums on long-term debt issued	--	--	--	--
Payment to refunded bond escrow agent	--	--	--	--
Total other financing sources (uses)	107	3,644	367	5,280
Net change in fund balances	(279)	(872)	--	(1,112)
Fund balances, beginning of year	279	2,161	141	2,697
Fund balances, end of year	$ --	1,289	141	1,585

2005 Court Facilities	2005 TSA Refunding	2006 Capital Improvement Program	2006 4th Cent Tourist Development Tax	2006 5th Cent Tourist Development Tax
--	--	--	--	--
--	347	111	--	--
6	6	39	5	6
--	--	100	--	--
6	353	250	5	6
--	--	2	1	--
--	--	--	562	--
1,165	685	1,895	460	630
1,365	625	1,353	695	1,150
2,530	1,310	3,250	1,718	1,780
(2,524)	(957)	(3,000)	(1,713)	(1,774)
2,502	992	2,990	1,177	1,789
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
2,502	992	2,990	1,177	1,789
(22)	35	(10)	(536)	15
1,661	1,277	3,920	1,390	1,214
1,639	1,312	3,910	854	1,229

(continued)

HILLSBOROUGH COUNTY, FLORIDA
Nonmajor Debt Service Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended September 30, 2012
(amounts in thousands)

	2007 CIT	2008 Capital Improvement Program	2008 US Hwy. 301 Taxable Notes	2009 ELAPP
Revenues:				
Taxes--ad valorem property taxes	$ --	--	--	3,663
Charges for services	--	--	--	--
Interest	59	4	--	17
Miscellaneous	--	68	--	125
Total revenues	59	72	--	3,805
Expenditures:				
Current:				
General government	--	--	--	4
Economic environment	--	--	--	--
Debt service:				
Principal	8,240	735	--	1,185
Interest and fiscal charges	8,030	703	290	3,263
Total expenditures	16,270	1,438	290	4,452
Excess (deficiency) of revenues over (under) expenditures	(16,211)	(1,366)	(290)	(647)
Other financing sources (uses):				
Transfers in	16,298	1,300	310	1,073
Transfers out	--	--	--	(114)
Face amount of long-term debt issued	--	--	--	--
Premiums on long-term debt issued	--	--	--	--
Payment to refunded bond escrow agent	--	--	--	--
Total other financing sources (uses)	16,298	1,300	310	959
Net change in fund balances	87	(66)	20	312
Fund balances, beginning of year	11,049	432	122	121
Fund balances, end of year	$ 11,136	366	142	433

2012 CIT	2012 Capital Improvement Program	Commercial Paper (M2Gen)	Communications Services Tax	Total
--	--	--	--	4,625
--	--	--	--	458
5	--	22	6	205
--	--	--	--	293
5	--	22	6	5,581
916	--	6	--	932
--	--	--	--	562
--	--	2,999	--	24,789
--	350	635	--	24,314
916	350	3,640	--	50,597
(911)	(350)	(3,618)	6	(45,016)
1,915	350	8,144	1,900	50,562
--	--	--	--	(538)
89,755	--	--	--	89,755
13,224	--	--	--	13,224
(102,450)	--	--	--	(102,450)
2,444	350	8,144	1,900	50,553
1,533	--	4,526	1,906	5,537
--	--	960	--	27,424
1,533	--	5,486	1,906	32,961

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
1998 Fuel Tax Refunding Revenue Debt Service Fund
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues:				
Interest	$ 4	4	--	(4)
Total revenues	4	4	--	(4)
Expenditures:				
Current:				
General government	14	14	--	14
Debt service:				
Principal	375	375	375	--
Interest and fiscal charges	11	11	11	--
Total expenditures	400	400	386	14
Excess (deficiency) of revenues over (under) expenditures	(396)	(396)	(386)	10
Other financing sources (uses):				
Transfers in	115	115	107	(8)
Total other financing sources (uses)	115	115	107	(8)
Net change in fund balances	(281)	(281)	(279)	2
Fund balances, beginning of year	281	281	279	(2)
Fund balances, end of year	$ --	--	--	--

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
2001 Community Investment Tax Revenue Bonds Debt Service Fund
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues:				
Interest	$ 12	5	9	4
Total revenues	12	5	9	4
Expenditures:				
Current:				
Debt service:				
Principal	2,375	2,375	2,375	--
Interest and fiscal charges	2,150	2,150	2,150	--
Total expenditures	4,525	4,525	4,525	--
Excess (deficiency) of revenues over (under) expenditures	(4,513)	(4,520)	(4,516)	4
Other financing sources (uses):				
Transfers in	4,515	3,809	3,809	--
Transfers out	--	(165)	(165)	--
Budgetary reserves	(2,160)	(1,285)	--	1,285
Total other financing sources (uses)	2,355	2,359	3,644	1,285
Net change in fund balances	(2,158)	(2,161)	(872)	1,289
Fund balances, beginning of year	2,158	2,161	2,161	--
Fund balances, end of year	$ --	--	1,289	1,289

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
2002 Parks and Recreation Debt Service Fund
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues:				
Taxes--ad valorem property taxes	$ 992	992	962	(30)
Interest	1	1	3	2
Total revenues	993	993	965	(28)
Expenditures:				
Current:				
General government	--	--	3	(3)
Debt service:				
Principal	750	750	750	--
Interest and fiscal charges	579	579	579	--
Total expenditures	1,329	1,329	1,332	(3)
Excess (deficiency) of revenues over (under) expenditures	(336)	(336)	(367)	(31)
Other financing sources (uses):				
Transfers in	407	407	404	(3)
Transfers out	(44)	(44)	(37)	7
Budgetary reserves	(101)	(101)	--	101
Budget allowance	(37)	(50)	--	50
Total other financing sources (uses)	225	212	367	155
Net change in fund balances	(111)	(124)	--	124
Fund balances, beginning of year	111	124	141	17
Fund balances, end of year	$ --	--	141	141

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
2004 Community Investment Tax Revenue Bonds Debt Service Fund
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues:				
Interest	$ 15	13	18	5
Total revenues	15	13	18	5
Expenditures:				
Current:				
Debt service:				
Principal	3,295	3,295	3,295	--
Interest and fiscal charges	3,115	3,115	3,115	--
Total expenditures	6,410	6,410	6,410	--
Excess (deficiency) of revenues over (under) expenditures	(6,395)	(6,397)	(6,392)	5
Other financing sources (uses):				
Transfers in	6,398	5,502	5,502	--
Transfers out	--	(222)	(222)	--
Budgetary reserves	(2,694)	(1,580)	--	1,580
Total other financing sources (uses)	3,704	3,700	5,280	1,580
Net change in fund balances	(2,691)	(2,697)	(1,112)	1,585
Fund balances, beginning of year	2,691	2,697	2,697	--
Fund balances, end of year	$ --	--	1,585	1,585

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
2005 Court Facilities Revenue Bonds Debt Service Fund
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues:				
Interest	$ 9	9	6	(3)
Total revenues	9	9	6	(3)
Expenditures:				
Current:				
General government	5	5	--	5
Debt service:				
Principal	1,165	1,165	1,165	--
Interest and fiscal charges	1,365	1,365	1,365	--
Total expenditures	2,535	2,535	2,530	5
Excess (deficiency) of revenues over (under) expenditures	(2,526)	(2,526)	(2,524)	2
Other financing sources (uses):				
Transfers in	2,502	2,502	2,502	--
Budgetary reserves	(1,629)	(1,629)	--	1,629
Total other financing sources (uses)	873	873	2,502	1,629
Net change in fund balances	(1,653)	(1,653)	(22)	1,631
Fund balances, beginning of year	1,653	1,653	1,661	8
Fund balances, end of year	$ --	--	1,639	1,639

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
2005 Tampa Sports Arena Refunding Non-Ad Valorem Revenue Debt Service Fund
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues:				
Charges for services	$ 250	250	347	97
Interest	3	3	6	3
Total revenues	253	253	353	100
Expenditures:				
Current:				
General government	8	8	--	8
Debt service:				
Principal	685	685	685	--
Interest and fiscal charges	625	625	625	--
Total expenditures	1,318	1,318	1,310	8
Excess (deficiency) of revenues over (under) expenditures	(1,065)	(1,065)	(957)	108
Other financing sources (uses):				
Transfers in	992	992	992	--
Budgetary reserves	(1,012)	(1,012)	--	1,012
Budget allowance	(54)	(13)	--	13
Total other financing sources (uses)	(74)	(33)	992	1,025
Net change in fund balances	(1,139)	(1,098)	35	1,133
Fund balances, beginning of year	1,139	1,098	1,277	179
Fund balances, end of year	$ --	--	1,312	1,312

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
2006 Capital Improvement Program (CIP) Refunding Revenue Debt Service Fund
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	$ 75	75	111	36
Interest	47	47	39	(8)
Miscellaneous	100	100	100	--
Total revenues	222	222	250	28
Expenditures:				
Current:				
General government	3	3	2	1
Debt service:				
Principal	1,895	1,895	1,895	--
Interest and fiscal charges	1,353	1,353	1,353	--
Total expenditures	3,251	3,251	3,250	1
Excess (deficiency) of revenues over (under) expenditures	(3,029)	(3,029)	(3,000)	29
Other financing sources (uses):				
Transfers in	2,990	2,990	2,990	--
Budgetary reserves	(3,790)	(3,790)	--	3,790
Total other financing sources (uses)	(800)	(800)	2,990	3,790
Net change in fund balances	(3,829)	(3,829)	(10)	3,819
Fund balances, beginning of year	3,829	3,829	3,920	91
Fund balances, end of year	$ --	--	3,910	3,910

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
4th Cent Tourist Development Tax Debt Service Fund
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:				
Interest	$ 8	8	5	(3)
Total revenues	8	8	5	(3)
Expenditures:				
Current:				
General government	5	5	1	4
Economic environment	--	562	562	--
Debt service:				
Principal	460	460	460	--
Interest and fiscal charges	725	725	695	30
Total expenditures	1,190	1,752	1,718	34
Excess (deficiency) of revenues over (under) expenditures	(1,182)	(1,744)	(1,713)	31
Other financing sources (uses):				
Transfers in	1,177	1,177	1,177	--
Budgetary reserves	(1,380)	(818)	--	818
Total other financing sources (uses)	(203)	359	1,177	818
Net change in fund balances	(1,385)	(1,385)	(536)	849
Fund balances, beginning of year	1,385	1,385	1,390	5
Fund balances, end of year	$ --	--	854	854

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
5th Cent Tourist Development Tax Debt Service Fund
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Interest	$ 4	4	6	2
Total revenues	4	4	6	2
Expenditures:				
Current:				
General government	3	3	--	3
Debt service:				
Principal	630	630	630	--
Interest and fiscal charges	1,150	1,150	1,150	--
Total expenditures	1,783	1,783	1,780	3
Excess (deficiency) of revenues over (under) expenditures	(1,779)	(1,779)	(1,774)	5
Other financing sources (uses):				
Transfers in	1,789	1,789	1,789	--
Budgetary reserves	(1,223)	(1,223)	--	1,223
Total other financing sources (uses)	566	566	1,789	1,223
Net change in fund balances	(1,213)	(1,213)	15	1,228
Fund balances, beginning of year	1,213	1,213	1,214	1
Fund balances, end of year	$ --	--	1,229	1,229

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
2007 Community Investment Tax Revenue Bonds Debt Service Fund
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues:				
Interest	$ 52	52	59	7
Total revenues	52	52	59	7
Expenditures:				
Current:				
Debt service:				
Principal	8,240	8,240	8,240	--
Interest and fiscal charges	8,030	8,030	8,030	--
Total expenditures	16,270	16,270	16,270	--
Excess (deficiency) of revenues over (under) expenditures	(16,218)	(16,218)	(16,211)	7
Other financing sources (uses):				
Transfers in	16,298	16,298	16,298	--
Budgetary reserves	(11,106)	(11,106)	--	11,106
Budget allowance	(551)	(3)	--	3
Total other financing sources (uses)	4,641	5,189	16,298	11,109
Net change in fund balances	(11,577)	(11,029)	87	11,116
Fund balances, beginning of year	11,577	11,029	11,049	20
Fund balances, end of year	$ --	--	11,136	11,136

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
2008 Warehouse and Sheriff's Capital Improvement Non-Ad Valorem Revenue Debt Service Fund
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:				
Interest	$ 7	7	4	(3)
Miscellaneous	69	69	68	(1)
Total revenues	76	76	72	(4)
Expenditures:				
Current:				
General government	3	3	--	3
Debt service:				
Principal	735	735	735	--
Interest and fiscal charges	703	703	703	--
Total expenditures	1,441	1,441	1,438	3
Excess (deficiency) of revenues over (under) expenditures	(1,365)	(1,365)	(1,366)	(1)
Other financing sources (uses):				
Transfers in	1,300	1,300	1,300	--
Budgetary reserves	(360)	(360)	--	360
Total other financing sources (uses)	940	940	1,300	360
Net change in fund balances	(425)	(425)	(66)	359
Fund balances, beginning of year	425	425	432	7
Fund balances, end of year	$ --	--	366	366

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
US Highway 301 Expansion Taxable Note Debt Service Fund
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures:				
Current:				
Debt service:				
Interest and fiscal charges	$ 310	310	290	20
Total expenditures	310	310	290	20
Excess (deficiency) of revenues over (under) expenditures	(310)	(310)	(290)	20
Other financing sources (uses):				
Transfers in	310	310	310	--
Budgetary reserves	(122)	(122)	--	122
Total other financing sources (uses)	188	188	310	122
Net change in fund balances	(122)	(122)	20	142
Fund balances, beginning of year	122	122	122	--
Fund balances, end of year	$ --	--	142	142

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Environmentally Sensitive Lands Acquisition and Protection Program Debt Service Fund
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues:				
Taxes--ad valorem property taxes	$ 3,780	3,780	3,663	(117)
Interest	25	25	17	(8)
Miscellaneous	155	155	125	(30)
Total revenues	3,960	3,960	3,805	(155)
Expenditures:				
Current:				
General government	7	7	4	3
Debt service:				
Principal	1,185	1,185	1,185	--
Interest and fiscal charges	3,263	3,263	3,263	--
Total expenditures	4,455	4,455	4,452	3
Excess (deficiency) of revenues over (under) expenditures	(495)	(495)	(647)	(152)
Other financing sources (uses):				
Transfers in	1,045	1,045	1,073	28
Transfers out	(136)	(136)	(114)	22
Budgetary reserves	(283)	(283)	--	283
Budget allowance	(197)	(198)	--	198
Total other financing sources (uses)	429	428	959	531
Net change in fund balances	(66)	(67)	312	379
Fund balances, beginning of year	66	67	121	54
Fund balances, end of year	$ --	--	433	433

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
2012 Community Investment Tax Revenue Bonds Debt Service Fund
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Interest	$ --	--	5	5
Total revenues	--	--	5	5
Expenditures:				
Current:				
General government	--	916	916	--
Debt service:				
Principal	--	102,450	--	102,450
Total expenditures	--	103,366	916	102,450
Excess (deficiency) of revenues over (under) expenditures	--	(103,366)	(911)	102,455
Other financing sources (uses):				
Transfers in	--	1,915	1,915	--
Face amount of long-term debt issued	--	89,755	89,755	--
Premiums on long-term debt issued	--	13,224	13,224	--
Payment to refunded bond escrow agent	--		(102,450)	(102,450)
Budgetary reserves	--	(1,528)	--	1,528
Total other financing sources (uses)	--	103,366	2,444	(100,922)
Net change in fund balances	--	--	1,533	1,533
Fund balances, beginning of year	--	--	--	--
Fund balances, end of year	$ --	--	1,533	1,533

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
2012 Capital Improvement Non-Ad Valorem Revenue Debt Service Fund
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures:				
Current:				
Debt service:				
Interest and fiscal charges	$ --	350	350	--
Total expenditures	--	350	350	--
Excess (deficiency) of revenues over (under) expenditures	--	(350)	(350)	--
Other financing sources (uses):				
Transfers in	--	350	350	--
Total other financing sources (uses)	--	350	350	--
Net change in fund balances	--	--	--	--
Fund balances, beginning of year	--	--	--	--
Fund balances, end of year	$ --	--	--	--

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Capital Improvement Commercial Paper Program (M2Gen) Debt Service Fund
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Interest	$ 5	5	22	17
Total revenues	5	5	22	17
Expenditures:				
Current:				
General government	247	247	6	241
Debt service:				
Principal	6,971	6,971	2,999	3,972
Interest and fiscal charges	1,228	1,228	635	593
Total expenditures	8,446	8,446	3,640	4,806
Excess (deficiency) of revenues over (under) expenditures	(8,441)	(8,441)	(3,618)	4,823
Other financing sources (uses):				
Transfers in	8,384	8,384	8,144	(240)
Budgetary reserves	(150)	(150)	--	150
Total other financing sources (uses)	8,234	8,234	8,144	(90)
Net change in fund balances	(207)	(207)	4,526	4,733
Fund balances, beginning of year	207	207	960	753
Fund balances, end of year	$ --	--	5,486	5,486

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Communication Services Tax Debt Service Fund
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Interest	$ --	--	6	6
Total revenues	--	--	6	6
Expenditures:				
Current:				
Debt service:				
Principal	$ 1,900	1,900	--	1,900
Total expenditures	1,900	1,900	--	1,900
Excess (deficiency) of revenues over (under) expenditures	(1,900)	(1,900)	6	1,906
Other financing sources (uses):				
Transfers in	1,900	1,900	1,900	--
Total other financing sources (uses)	1,900	1,900	1,900	--
Net change in fund balances	--	--	1,906	1,906
Fund balances, beginning of year	--	--	--	--
Fund balances, end of year	$ --	--	1,906	1,906

NONMAJOR CAPITAL PROJECTS FUNDS

BOARD OF COUNTY COMMISSIONERS:

Environmentally Sensitive Lands Acquisition Fund – To account for capital projects for the acquisition and restoration of environmentally sensitive land.

Court Facilities Improvement (Non–Bond) Fund – To account for court system contributions to acquire, construct, equip, and renovate the County's court system facilities.

Capital Improvement Program Non-CIT Commercial Paper Fund – To account for the proceeds and debt service of the 2000 Capital Improvement Program Commercial Paper Notes, Series A, Series B (Alternative Minimum Tax), and Series C (Taxable) that are related to non-CIT backed general governmental purposes. These proceeds are used for purposes such as Moffitt/Merck's M2Gen project, and arena improvements. Interest and principal payments are due at the time each note matures.

Countywide Capital Projects Fund – To account for capital projects, that are not included in any other capital project fund, that benefit residents throughout the County.

Unincorporated Area Capital Projects Fund – To account for capital projects, that are not included in any other capital project fund, that benefit residents of the unincorporated area of the County.

HILLSBOROUGH COUNTY, FLORIDA
Nonmajor Capital Projects Fund
Combining Balance Sheet
September 30, 2012
(amounts in thousands)

	Environmentally Sensitive Lands Acquisition	Court Facilities Non-Bond	Commercial Paper Non-CIT	Countywide
ASSETS				
Current assets:				
Cash and cash equivalents	$ 5,566	625	415	10,237
Investments	23,211	2,606	1,729	42,693
Interest receivable	73	8	5	134
Total assets	28,850	3,239	2,149	53,064
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	77	--	--	1,069
Total liabilities	77	--	--	1,069
FUND BALANCES				
Committed to:				
BOCC ordinance/other purposes	28,773	--	--	--
Assigned to:				
Capital projects	--	3,239	2,149	51,995
Total fund balances	28,773	3,239	2,149	51,995
Total liabilities and fund balance	$ 28,850	3,239	2,149	53,064

Unincorporated Area	Total
4,455	21,298
18,580	88,819
58	278
23,093	110,395
1,191	2,337
1,191	2,337
--	28,773
21,902	79,285
21,902	108,058
23,093	110,395

HILLSBOROUGH COUNTY, FLORIDA
Nonmajor Capital Projects Fund
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Environmentally Sensitive Lands Acquisition	Court Facilities Non-Bond	Commercial Paper Non-CIT	Countywide
Revenues:				
Intergovernmental--grants	$ 1,004	--	--	--
Interest	247	27	19	--
Miscellaneous	230	--	--	33
Total revenues	1,481	27	19	33
Expenditures:				
Current:				
General government	--	--	2	1,314
Public safety	--	--	--	5
Physical environment	389	--	--	31
Human services	--	--	--	230
Culture and recreation	--	--	--	914
Capital outlay	2,645	--	--	5,303
Total expenditures	3,034	--	2	7,797
Excess (deficiency) of revenues over (under) expenditures	(1,553)	27	17	(7,764)
Other financing sources (uses):				
Transfers in	--	--	--	4,500
Transfers out	(1,085)	--	(275)	(7,115)
Total other financing sources (uses)	(1,085)	--	(275)	(2,615)
Net change in fund balances	(2,638)	27	(258)	(10,379)
Fund balances, beginning of year	31,411	3,212	2,407	62,374
Fund balances, end of year	$ 28,773	3,239	2,149	51,995

Unincorporated	Total
--	1,004
--	293
75	338
75	1,635
--	1,316
52	57
--	420
--	230
174	1,088
4,187	12,135
4,413	15,246
(4,338)	(13,611)
9,676	14,176
(13,284)	(21,759)
(3,608)	(7,583)
(7,946)	(21,194)
29,848	129,252
21,902	108,058

INTERNAL SERVICE FUNDS

BOARD OF COUNTY COMMISSIONERS:

Self-Insurance Fund – To account for the revenues and expenses of the County's risk management, employee group health insurance, and Other Postemployment Benefits (OPEB) programs. Risk management includes workers' compensation, automotive and general liability, and catastrophic disaster recovery programs. Employee group health insurance is a self-insurance program funded by employee payroll deductions and employer contributions. The OPEB program consists of collecting assessments from County departments to set aside funds for the actuarial liability associated with the implicit subsidy resulting from providing insurance to retirees and certain other former employees, as well as the a limited stipend program for regular retired employees from ages 62 to 65 and special risk retired employees from ages 55 to 65.

Fleet Management Fund – To account for the revenues and expenses of handling vehicle and equipment repairs and maintenance, short-term vehicle rentals and fuel sales to departments, and other fleet management services.

SHERIFF:

Workers' Compensation and General Liability Self-Insurance Fund – To account for the revenues and expenses of the Sheriff's workers' compensation and general liability self-insured risk management programs. It is funded by employer contributions. This fund is also used to account for the Sheriff's flexible spending program for participating employees.

HILLSBOROUGH COUNTY, FLORIDA
Internal Service Funds
Combining Statement of Net Assets
September 30, 2012
(amounts in thousands)

	BOCC		Sheriff	
	Self-Insurance	Fleet Management	Risk Management	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 42,433	8,195	13,128	63,756
Investments	176,958	34,176	--	211,134
Accounts receivable, net	276	10	190	476
Interest receivable	555	107	--	662
Due from other funds	822	--	--	822
Inventories	--	431	--	431
Prepaid charges	4,189	--	--	4,189
Total unrestricted current assets	225,233	42,919	13,318	281,470
Noncurrent assets:				
Capital assets (net of accumulated depreciation):				
Equipment	--	22,405	--	22,405
Intangibles	--	22	--	22
Construction in progress	--	12	--	12
Total capital assets, net	--	22,439	--	22,439
Total noncurrent assets	--	22,439	--	22,439
Total assets	225,233	65,358	13,318	303,909
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	1,834	1,746	6	3,586
Accrued liabilities	19	47	--	66
Due to other funds	--	--	822	822
Deferred revenue	258	--	--	258
Insurance claims payable, current	14,937	--	12,490	27,427
Compensated absences, current	54	119	--	173
Net OPEB obligation, current	3,510	--	--	3,510
Total unrestricted current liabilities	20,612	1,912	13,318	35,842
Noncurrent liabilities:				
Insurance claims payable	9,235	--	--	9,235
Net OPEB obligation	8,169	--	--	8,169
Total noncurrent liabilities	17,404	--	--	17,404
Total liabilities	38,016	1,912	13,318	53,246
NET ASSETS				
Invested in capital assets	--	22,439	--	22,439
Unrestricted	187,217	41,007	--	228,224
Total net assets	187,217	63,446	--	250,663
Total liabilities and net assets	$ 225,233	65,358	13,318	303,909

HILLSBOROUGH COUNTY, FLORIDA
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the fiscal year ended September 30, 2012
(amounts in thousands)

	BOCC		SHERIFF	
	Self-Insurance	Fleet Management	Risk Management	Total
Operating revenues:				
Charges for services	$ 82,680	28,078	40,259	151,017
Total operating revenues	82,680	28,078	40,259	151,017
Operating expenses:				
Personnel services	1,244	3,093	--	4,337
Contractual services	3,480	1,902	--	5,382
Repairs and maintenance	55	205	--	260
Utilities	3	160	--	163
Rentals and leases	--	14	--	14
Supplies	4	--	--	4
Depreciation and amortization	1	8,287	9	8,297
Costs of services provided	59,998	10,551	39,874	110,423
Other operating expenses	8,944	213	--	9,157
Annual OPEB expense	2,758	--	--	2,758
Total operating expenses	76,487	24,425	39,883	140,795
Operating income	6,193	3,653	376	10,222
Nonoperating revenues (expenses):				
State shared revenue	110	--	--	110
Interest revenue	1,822	350	4	2,176
Gain on disposal of capital assets	--	872	(36)	836
Other revenues	1	20	--	21
Other expenses	(1,373)	(2)	--	(1,375)
Total nonoperating revenues	560	1,240	(32)	1,768
Income before contributions	6,753	4,893	344	11,990
Capital contributions	--	51	--	51
Transfers in	7,222	38	478	7,738
Transfers out	(2,770)	(4,418)	(822)	(8,010)
Change in net assets	11,205	564	--	11,769
			--	
Net assets, beginning of year	176,012	62,882	--	238,894
Net assets, end of year	$ 187,217	63,446	--	250,663

HILLSBOROUGH COUNTY, FLORIDA
Internal Service Funds
Combining Statement of Cash Flows
For the fiscal year ended September 30, 2012
(amounts in thousands)

	BOCC		SHERIFF	
	Self-Insurance	Fleet Management	Risk Management	Totals
Cash flows from operating activities:				
Receipts from customers	$ 82,899	28,078	40,230	151,207
Payments to suppliers	(75,626)	(13,755)	(3,055)	(92,436)
Payments to employees	(1,279)	(3,160)	(472)	(4,911)
Cash paid for claims	--	--	(34,304)	(34,304)
Cash from (to) other sources	1	18	347	366
Net cash provided by operating activities	5,995	11,181	2,746	19,922
Cash flows from noncapital financing activities:				
State shared revenues	110	--	--	110
Transfers in from other funds	7,222	38	478	7,738
Transfers out to other funds	(2,770)	(4,418)	(822)	(8,010)
Net cash provided by (used for) noncapital financing	4,562	(4,380)	(344)	(162)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	--	(11,486)	--	(11,486)
Proceeds from sale of capital assets	--	972	--	972
Net cash used for capital and related financing acitivities	--	(10,514)	--	(10,514)
Cash flows from investing activities:				
Proceeds from sales and maturities of investments	310,252	59,919	--	370,171
Purchase of investment securities	(331,293)	(59,526)	--	(390,819)
Interest and dividends received	1,303	262	4	1,569
Net cash provided by (used for) investing activities	(19,738)	655	4	(19,079)
Net change in cash and cash equivalents	(9,181)	(3,058)	2,406	(9,833)
Cash and cash equivalents, beginning of year	51,614	11,253	10,722	73,589
Cash and cash equivalents, end of year	$ 42,433	8,195	13,128	63,756

	BOCC		SHERIFF	
	Self-Insurance	Fleet Management	Risk Management	Totals
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 6,193	3,653	376	10,222
Adjustments to reconcile operating income to net cash provided by (used for) operating activities				
Depreciation and amortization expense	1	8,287	9	8,297
Miscellaneous non-operating revenues	1	18	--	19
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	219	--	(56)	163
(Increase) decrease in inventories	--	(104)	--	(104)
(Increase) decrease in due from other funds	--	--	9	9
Increase (decrease) in accounts and contracts payable	(603)	(606)	(33)	(1,242)
Increase (decrease) in accrued and other liabilities	(3)	(17)	--	(20)
Increase (decrease) in due to other funds/governments	--	--	811	811
Increase (decrease) in compensated absences payable	(32)	(50)	--	(82)
Increase (decrease) in insurance claims payable	(2,539)	--	1,630	(909)
Increase (decrease) in net OPEB obligation	2,758	--	--	2,758
Total adjustments	(198)	7,528	2,370	9,700
Net cash provided by operating activities	$ 5,995	11,181	2,746	19,922
Noncash investing, capital, and financing activities:				
Contributed capital assets	$ --	50	--	50
Change in fair value of investments	525	103	--	628
Transfer of capital assets to Sheriff Law Enforcement portion of the General Fund	--	--	(36)	(36)

AGENCY FUNDS

BOARD OF COUNTY COMMISSIONERS:

General Agency Fund – To account for various funds placed in escrow. These amounts are being held by the County as agent for various individuals and entities. Items recorded in this fund include employee payroll deductions, the employer's payroll deduction match, and stale-dated checks.

SHERIFF:

General Agency Fund – To account for cash bonds and other funds held by the Sheriff as a trustee and for such non-budgeted receipts as civil process fees, held by the Sheriff until remitted to the BOCC.

TAX COLLECTOR:

Motor Vehicle Fund – To account for the collection of motor vehicle registration receipts, and the subsequent remittance of those receipts to the state of Florida.

Tax and License Fund – To account for the collection and distribution of local property taxes and funds generated from the sale of miscellaneous licenses for the state of Florida.

CLERK OF CIRCUIT COURT:

General Agency Fund – To account for the collection and disbursement of trust accounts including tax accounts, escheated bond accounts, fines and forfeitures accounts, and other trust accounts.

Registry of the Court Fund – To account for the collection and disbursement of funds required to be deposited into and disbursed from the Registry Account by court orders.

Support Collections Fund – To account for the collection and disbursement of court-ordered child support and/or alimony.

Jury and Witness Fund – To account for the collection and disbursement of funds advanced to the Clerk of Circuit Court by the state of Florida for the purpose of compensating jurors and certain witnesses. In addition, it is used to account for the collection and disbursement of County funds for the payment of witnesses summoned on behalf of the state of Florida in circuit and county courts.

HILLSBOROUGH COUNTY, FLORIDA
Combining Statement of Fiduciary Assets and Liabilities -- Agency Funds
September 30, 2012
(amounts in thousands)

	BOCC	SHERIFF	TAX COLLECTOR	
	General Agency	General Agency	Motor Vehicle	Tax and License
ASSETS				
Current assets:				
Cash and cash equivalents	$ 2,279	3,466	2,237	8,764
Investments	9,506	--	1	--
Accounts receivable, net	1	62	49	1
Interest receivable	30	--	--	--
Due from other governmental units	--	7	--	1
Total assets	11,816	3,535	2,287	8,766
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	278	--	19	1,222
Accrued liabilities	6,270	--	--	--
Due to other governmental units	--	--	2,163	7,544
Deposits held	5,268	3,535	105	--
Total liabilities	$ 11,816	3,535	2,287	8,766

CLERK OF CIRCUIT COURT				
General Agency	Registry of the Court	Support Collections	Jury and Witness	Totals
13,113	26,451	62	132	56,504
--	--	--	--	9,507
81	--	7	--	201
--	--	--	--	30
--	--	--	--	8
13,194	26,451	69	132	66,250
1	239	--	--	1,759
--	--	--	--	6,270
7,713	--	--	116	17,536
5,480	26,212	69	16	40,685
13,194	26,451	69	132	66,250

HILLSBOROUGH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Balance October 1, 2011	Increases	Decreases	Balance September 30, 2012
BOCC General Agency Fund:				
Assets:				
Cash and cash equivalents	$ 4,282	38,891	40,894	2,279
Investments	13,113	162,212	165,819	9,506
Accounts receivable, net	--	1	--	1
Interest receivable	46	403	419	30
Total assets	17,441	201,507	207,132	11,816
Liabilities:				
Accounts and contracts payable	940	16,437	17,099	278
Accrued liabilities	9,532	168,249	171,511	6,270
Deposits held	6,969	31,751	33,452	5,268
Total liabilities	17,441	216,437	222,062	11,816
Sheriff General Agency:				
Assets:				
Cash and cash equivalents	2,951	35,338	34,823	3,466
Accounts receivable, net	15	3,804	3,757	62
Due from other governmental units	1	7	1	7
Total assets	2,967	39,149	38,581	3,535
Liabilities:				
Accounts and contracts payable	--	703	703	--
Due to other funds	--	18,875	18,875	--
Due to other governmental units	--	52	52	--
Deposits held	2,967	13,161	12,593	3,535
Total liabilities	$ 2,967	32,791	32,223	3,535

	Balance October 1, 2011	Increases	Decreases	Balance September 30, 2012
Tax Collector Motor Vehicle:				
Assets:				
Cash and cash equivalents	$ 2,204	225,131	225,098	2,237
Investments	1	--	--	1
Accounts receivable, net	84	365	400	49
Total assets	2,289	225,496	225,498	2,287
Liabilities:				
Accounts and contracts payable	15	7,030	7,026	19
Due to other governmental units	2,145	133,713	133,695	2,163
Deposits held	129	1,866	1,890	105
Total liabilities	2,289	142,609	142,611	2,287
Tax Collector Tax and License:				
Assets:				
Cash and cash equivalents	17,253	2,639,487	2,647,976	8,764
Accounts receivable, net	1	1,992	1,992	1
Due from other governmental units	--	11	10	1
Total assets	17,254	2,641,490	2,649,978	8,766
Liabilities:				
Accounts and contracts payable	2,301	87,400	88,479	1,222
Due to other governmental units	14,953	2,014,094	2,021,503	7,544
Total liabilities	$ 17,254	2,101,494	2,109,982	8,766

(continued)

HILLSBOROUGH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Balance October 1, 2011	Increases	Decreases	Balance September 30, 2012
Clerk General Agency:				
Assets:				
Cash and cash equivalents	$ 11,277	169,876	168,040	13,113
Accounts receivable, net	66	8,735	8,720	81
Total assets	11,343	178,611	176,760	13,194
Liabilities:				
Accounts and contracts payable	--	6,924	6,923	1
Due to other governmental units	6,900	152,319	151,506	7,713
Deposits held	4,443	8,824	7,787	5,480
Total liabilities	11,343	168,067	166,216	13,194
Clerk Registry of the Court:				
Assets:				
Cash and cash equivalents	17,364	121,289	112,202	26,451
Total assets	17,364	121,289	112,202	26,451
Liabilities:				
Accounts and contracts payable	338	106,456	106,555	239
Deposits held	17,026	121,350	112,164	26,212
Total liabilities	$ 17,364	227,806	218,719	26,451

	Balance October 1, 2011	Increases	Decreases	Balance September 30, 2012
Clerk Support Collections:				
Assets:				
Cash and cash equivalents	$ 91	11,331	11,360	62
Accounts receivable, net	3	466	462	7
Total assets	94	11,797	11,822	69
Liabilities:				
Accounts and contracts payable	--	807	807	--
Deposits held	94	10,034	10,059	69
Total liabilities	94	10,841	10,866	69
Clerk Jury and Witness:				
Assets:				
Cash and cash equivalents	123	522	513	132
Total assets	123	522	513	132
Liabilities:				
Accounts and contracts payable	--	23	23	--
Due to other governmental units	108	497	489	116
Deposits	15	14	13	16
Total liabilities	$ 123	534	525	132

(continued)

HILLSBOROUGH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the fiscal year ended September 30, 2012
(amounts in thousands)

	Balance October 1, 2011	Increases	Decreases	Balance September 30, 2012
Total All Agency Funds:				
Assets:				
Cash and cash equivalents	$ 55,545	3,241,865	3,240,906	56,504
Investments	13,114	162,212	165,819	9,507
Accounts receivable, net	169	15,363	15,331	201
Interest receivable	46	403	419	30
Due from other governmental units	1	18	11	8
Total assets	68,875	3,419,861	3,422,486	66,250
Liabilities:				
Accounts and contracts payable	3,594	225,780	227,615	1,759
Accrued liabilities	9,532	168,249	171,511	6,270
Due to other governmental units	24,106	2,300,675	2,307,245	17,536
Deposits held	31,643	187,000	177,958	40,685
Total liabilities	$ 68,875	2,881,704	2,884,329	66,250

Statistical Section

Hillsborough County Criminal Justice

Bully Busters Anti-Bullying Program, a joint effort of Crime Stoppers of Tampa Bay and of Hillsborough County's Criminal Justice Liaison, Children's Services, and Sheriff's Office, is a comprehensive public awareness campaign to bring attention to the problem of bullying, educate the public, encourage reporting bullying behavior, and promote a zero tolerance attitude toward bullying in Hillsborough County.

Crime Stoppers of Tampa Bay: Encourages the community to assist law enforcement agencies in the fight against crime through community awareness, voluntary information reporting, and the use of cash rewards.

1-800-873-TIPS
Hotline

WebTips
Submit a Tip Online

Text-a-Tip
Text "CSTB plus your tip" to 274637

The **Edward Byrne Memorial Justice Assistance Grant (JAG) Program**, administered by the Bureau of Justice Assistance, is the leading source of federal justice funding to state and local jurisdictions. The JAG Program provides state and local governments with critical funding necessary to support a range of program areas including law enforcement, prosecution and courts, crime prevention and education, corrections and community corrections, drug treatment and enforcement, planning, evaluation, technology improvement, and crime victim and witness initiatives.

Prescription Drug Strike Force: The creation of the Regional Drug Strike Force assisted local law enforcement agencies by providing intelligence, analytical, and investigative support to address "pill mill" operations throughout the region. The Regional Drug Strike Force's goal is to eliminate the abuse of prescription drugs, which presents a clear and immediate threat to the health and safety of residents throughout the United States.

Photos courtesy of the Criminal Justice Department

HILLSBOROUGH COUNTY, FLORIDA
Overview of Statistical Section Contents

Financial Trends Information

These schedules show trend information to help the reader understand how the County's financial condition and performance changed over time.

Revenue Capacity Information

These schedules provide information to help the reader assess the County's most significant local revenue source, property taxes.

Debt Capacity Information

These schedules present information to help the reader assess the County's current debt load and its ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County operates.

Operating Information

These schedules provide service and infrastructure data related to County services and activities in order to help the reader better understand the information presented in the financial statements.

Miscellaneous Information

These items provide supplemental data and statistics of interest to readers of the financial statements.

HILLSBOROUGH COUNTY, FLORIDA
Net Assets by Category
Last Ten Fiscal Years
(accrual basis of accounting, amounts in thousands)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities										
Invested in capital assets, net of related debt	$ 6,284,616	6,260,660	6,156,071	5,998,004	5,980,845	5,882,780	5,717,299	5,526,044	5,312,264	5,192,117
Restricted	381,756	346,463	391,546	602,376	693,380	526,257	482,338	424,072	375,450	273,047
Unrestricted	699,748	709,332	689,055	561,108	424,029	487,610	378,476	290,271	228,883	262,291
Total governmental activities net assets	7,366,120	7,316,455	7,236,672	7,161,488	7,098,254	6,896,647	6,578,113	6,240,387	5,916,597	5,727,455
Business-type activities										
Invested in capital assets, net of related debt	818,656	845,037	886,677	917,333	820,188	617,091	547,359	502,022	500,106	479,280
Restricted	86,487	94,647	69,850	50,841	72,064	154,917	172,824	75,258	175,412	175,774
Unrestricted	425,135	356,075	322,976	302,044	331,199	383,294	345,520	383,835	215,113	163,819
Total business-type activities net assets	1,330,278	1,295,759	1,279,503	1,270,218	1,223,451	1,155,302	1,065,703	961,115	890,631	818,873
Primary government										
Invested in capital assets, net of related debt	7,103,272	7,105,697	7,042,748	6,915,337	6,801,033	6,499,871	6,264,658	6,028,066	5,812,370	5,671,397
Restricted	468,243	441,110	461,396	653,217	765,444	681,174	655,162	499,330	550,862	448,821
Unrestricted	1,124,883	1,065,407	1,012,031	863,152	755,228	870,904	723,996	674,106	443,996	426,110
Total primary government net assets	$ 8,696,398	8,612,214	8,516,175	8,431,706	8,321,705	8,051,949	7,643,816	7,201,502	6,807,228	6,546,328

HILLSBOROUGH COUNTY, FLORIDA
Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting, amounts in thousands)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses										
Governmental activities:										
General government	$ 294,159	274,082	287,687	339,355	346,789	364,827	337,932	309,072	290,608	254,990
Public safety	522,532	510,743	518,781	508,057	507,077	487,314	462,143	434,901	388,481	338,448
Physical environment	26,221	29,862	35,814	35,513	37,198	42,287	49,009	39,781	43,935	37,211
Transportation	100,029	73,344	74,223	106,577	146,348	99,930	75,975	73,268	72,510	69,881
Economic environment	52,580	71,282	79,857	84,919	78,566	88,005	66,001	57,360	49,950	52,940
Human services	211,136	226,941	244,703	252,993	240,989	214,925	205,302	216,167	205,919	194,963
Culture and recreation	71,169	80,580	90,026	110,591	115,802	109,891	97,209	94,356	84,852	77,601
Interest on long-term debt	25,495	25,638	25,899	29,898	25,394	29,040	23,888	23,216	21,792	37,330
Total governmental activities expenses	1,303,321	1,292,472	1,356,990	1,467,903	1,498,163	1,436,219	1,317,459	1,248,121	1,158,047	1,063,364
Business-type activities										
Water Enterprise	192,311	196,836	190,042	206,430	209,244	196,818	181,808	175,707	161,880	148,688
Solid Waste Enterprise	103,234	104,865	99,140	93,590	79,455	85,854	77,643	74,308	71,539	72,019
Total business-type activities expenses	295,545	301,701	289,182	300,020	288,699	282,672	259,451	250,015	233,419	220,707
Total primary government expenses	1,598,866	1,594,173	1,646,172	1,767,923	1,786,862	1,718,891	1,576,910	1,498,136	1,391,466	1,284,071
Program revenues										
Governmental activities:										
Charges for services:										
General government	35,198	30,763	50,504	79,840	90,857	92,164	101,734	88,254	69,946	58,389
Public safety	90,251	90,249	58,057	59,148	57,280	54,238	52,690	50,849	39,754	35,223
Physical environment	4,558	4,511	7,693	5,522	5,687	5,941	5,838	5,862	6,157	10,279
Transportation	12,329	11,264	11,899	13,168	12,555	12,355	11,222	12,130	9,137	9,007
Economic environment	2,840	2,470	5,032	4,872	4,876	5,210	8,149	6,320	4,795	7,103
Human services	21,990	21,216	25,486	24,594	21,196	26,475	28,943	26,909	32,055	30,370
Culture and recreation	7,026	8,534	14,164	11,905	11,258	11,311	11,574	12,965	11,199	10,843
Operating grants and contributions	89,908	110,996	111,736	98,644	90,045	87,802	83,538	87,282	80,712	80,187
Capital grants and contributions	47,924	44,705	32,445	31,976	72,083	90,130	102,142	172,935	116,636	15,012
Total governmental activities program revenues	$ 312,024	324,708	317,016	329,669	365,837	385,626	405,830	463,506	370,391	256,413

(continued)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Business-type activities										
Charges for services:										
Water Enterprise	$ 202,198	196,512	177,315	175,692	180,715	188,386	188,120	173,094	163,016	149,488
Solid Waste Enterprise	101,515	98,613	97,793	94,840	91,966	84,138	81,651	77,562	73,595	69,570
Operating grants and contributions	--	--	--	--	--	--	--	--	119	164
Capital grants and contributions	15,330	9,770	7,847	56,007	55,063	58,713	58,141	46,509	71,163	56,721
Restricted interest	10,401	10,542	12,828	17,724	26,168	39,302	29,791	16,126	12,131	14,941
Total business-type activities program revenues	329,444	315,437	295,783	344,263	353,912	370,539	357,703	313,291	320,024	290,884
Total primary government program revenues	641,468	640,145	612,799	673,932	719,749	756,165	763,533	776,797	690,415	547,297
Net (expenses) revenues										
Governmental activities	(991,297)	(967,764)	(1,039,974)	(1,138,234)	(1,132,326)	(1,050,593)	(911,629)	(784,615)	(787,656)	(806,951)
Business-type activities	33,899	13,736	6,601	44,243	65,213	87,867	98,252	63,276	86,605	70,177
Total primary government net expense	$ (957,398)	(954,028)	(1,033,373)	(1,093,991)	(1,067,113)	(962,726)	(813,377)	(721,339)	(701,051)	(736,774)
General revenues & other changes in net assets										
Governmental activities										
Taxes										
Ad valorem property taxes	$ 546,263	561,081	631,103	724,210	771,688	783,043	674,094	591,069	531,946	485,299
Fuel taxes	30,710	31,081	31,566	31,395	31,546	32,537	32,541	32,351	30,672	29,772
Discretionary sales surtaxes	191,926	183,326	176,232	177,663	195,484	208,752	214,409	200,171	172,380	166,619
Other taxes	48,662	47,159	44,558	47,089	51,044	49,042	44,477	43,050	34,976	26,215
Intergovernmental--state shared revenues	165,797	161,095	156,514	143,207	146,748	148,285	157,081	148,596	140,010	129,334
Investment earnings	11,045	11,317	24,796	31,622	49,596	70,540	49,569	22,046	12,522	18,651
Gain (loss) on disposal of capital assets	2,208	3,029	3,141	1,222	--	1,111	1,298	863	--	--
Miscellaneous	44,476	49,649	55,778	45,373	87,827	75,817	75,936	72,862	54,397	57,625
Transfers	(125)	(190)	(467)	--	--	--	(50)	(2,603)	(105)	(141)
Special item - cash defeasance	--	--	(8,063)	--	--	--	--	--	--	--
Total governmental activities	1,040,962	1,047,547	1,115,158	1,201,781	1,333,933	1,369,127	1,249,355	1,108,405	976,798	913,374
Business-type activities										
Gain (loss) on disposal of capital assets	(1,759)	1,013	649	218	551	889	1,428	--	--	125
Miscellaneous	2,254	1,317	1,568	2,512	2,385	1,733	2,200	6,243	9,501	7,512
Transfers	125	190	467	--	--	--	50	2,603	105	141
Total business-type activities	620	2,520	2,684	2,730	2,936	2,622	3,678	8,846	9,606	7,778
Total primary government	1,041,582	1,050,067	1,117,842	1,204,511	1,336,869	1,371,749	1,253,033	1,117,251	986,404	921,152
Change in net assets										
Governmental activities	49,665	79,783	75,184	63,547	201,607	318,534	337,726	323,790	189,142	106,423
Business-type activities	34,519	16,256	9,285	46,973	68,149	90,489	101,930	72,122	96,211	77,955
Total primary government	$ 84,184	96,039	84,469	110,520	269,756	409,023	439,656	395,912	285,353	184,378

(continued)

HILLSBOROUGH COUNTY, FLORIDA
Changes in Net Assets (Continued)
Last Ten Fiscal Years
(accrual basis of accounting, amounts in thousands)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Reconciliation of change in net assets of total primary government										
Net assets, beginning of year, as previously reported	$ 8,612,214	8,516,175	8,431,706	8,321,705	8,051,949	7,643,816	7,201,502	6,807,228	6,546,328	6,385,664
Adjustments to net assets, beginning of year:										
Effect of eliminating liability for non-commitment debt related to the Tampa Sports Authority	--	--	--	--	--	--	--	--	--	--
Effect of restating land for contributions of environmentally sensitive lands	--	--	--	--	--	--	--	--	--	(23,714)
Restatement for (over) under recorded contributions in prior years	--	--	--	--	--	--	2,658	--	(24,453)	--
Restatement for disposal of capital assets in prior year	--	--	--	--	--	--	--	(1,638)	--	--
Restatement for implementation of GASB Statement 48	--	--	--	--	--	(890)	--	--	--	--
Restatement for implementation of GASB Statement 49	--	--	--	(519)	--	--	--	--	--	--
Net assets, beginning of year, as restated	8,612,214	8,516,175	8,431,706	8,321,186	8,051,949	7,642,926	7,204,160	6,805,590	6,521,875	6,361,950
Change in net assets during the fiscal year	84,184	96,039	84,469	110,520	269,756	409,023	439,656	395,912	285,353	184,378
Net assets, end of year	$ 8,696,398	8,612,214	8,516,175	8,431,706	8,321,705	8,051,949	7,643,816	7,201,502	6,807,228	6,546,328

HILLSBOROUGH COUNTY, FLORIDA
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting, amounts in thousands)

Pre-GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions"

	2009	2008	2007	2006	2005	2004	2003
General Fund							
Reserved	$ 3,763	4,175	6,709	9,136	9,332	9,359	7,970
Unreserved	203,713	225,446	223,698	168,194	121,516	118,858	98,445
Total general fund	207,476	229,621	230,407	177,330	130,848	128,217	106,415
Other governmental funds							
Reserved	154,312	159,274	112,200	142,874	97,076	98,592	90,915
Unreserved reported in:							
Special revenue funds	279,178	542,192	261,713	359,797	353,363	276,108	272,675
Capital projects funds	342,846	142,788	283,507	83,193	69,782	52,155	30,650
Total other governmental funds	$ 776,336	844,254	657,420	585,864	520,221	426,855	394,240

Post-GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions"

	2012	2011	2010
General Fund			
Nonspendable	$ 1,373	1,645	1,316
Unassigned	247,227	248,293	217,061
Total general fund	248,600	249,938	218,377
Other governmental funds			
Nonspendable	5,778	5,018	5,808
Restricted	392,874	381,752	392,420
Committed	51,539	255,755	308,417
Assigned	228,418	--	--
Total other governmental funds	$ 678,609	642,525	706,645

HILLSBOROUGH COUNTY, FLORIDA
General Government State Shared Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting, amounts in thousands)

Fiscal Year	Local Government Half-Cent Sales Tax	State Revenue Sharing Proceeds	Constitutional Fuel Tax	County Fuel Tax	Other State Shared Revenues	Total
2003	$ 76,436	23,463	10,459	4,598	12,957	127,913
2004	82,259	25,750	11,052	4,848	15,964	139,873
2005	88,529	26,946	11,652	5,004	16,081	148,212
2006	94,754	29,047	11,292	5,039	16,643	156,775
2007	90,714	28,388	11,463	5,005	12,456	148,026
2008	83,997	26,581	10,992	4,794	21,098	147,462
2009	75,275	23,818	10,863	4,705	28,411	143,072
2010	73,553	23,678	10,752	4,693	43,130	155,806
2011	76,523	24,461	10,772	4,703	44,098	160,557
2012	80,163	25,964	10,899	4,718	43,886	165,630

This chart shows state shared revenue by source as presented in the fund financial statements. State shared revenues are a part of intergovernmental revenues. Other components of intergovernmental revenues are federal, state, and local government grants. "Other state shared revenues" are revenues collected by the state and shared with the County such as those associated pari-mutuel distributions replacement, alcoholic beverage licenses, mobile home licenses, and insurance agent County licenses.

HILLSBOROUGH COUNTY, FLORIDA
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

(amounts in thousands)	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Taxes--ad valorem property	$ 546,263	561,081	631,103	724,210	771,688	783,043	674,094	591,069	531,946	485,299
Taxes--fuel	31,104	30,933	31,511	31,384	31,535	32,626	32,666	32,122	30,660	29,683
Taxes--discretionary sales surtaxes	191,549	183,060	176,148	178,057	196,732	209,795	214,184	198,650	171,158	165,245
Taxes--other	47,987	47,187	44,338	47,405	49,043	49,140	44,325	42,922	34,900	26,055
Licenses and permits	39,425	35,537	34,515	27,203	15,925	15,015	19,708	22,545	18,561	17,196
Intergovernmental--state shared revenues	165,630	160,557	155,806	143,072	147,462	148,026	156,775	148,212	139,873	127,913
Intergovernmental--grants	121,738	135,252	139,281	108,750	104,469	108,375	104,467	103,883	91,209	90,041
Charges for services	128,016	128,095	132,100	150,295	159,700	164,822	170,756	157,664	137,036	129,160
Fines and forfeitures	7,933	7,179	8,614	15,873	15,747	16,331	19,029	12,858	6,523	4,688
Special assessments	--	--	--	7,715	13,291	12,837	12,470	12,030	11,569	10,851
Interest	8,427	8,576	20,045	25,891	43,427	61,016	43,338	18,938	10,009	15,249
Miscellaneous	22,057	23,986	31,273	31,530	63,878	51,406	58,981	54,807	34,434	44,772
Total revenues	1,310,129	1,321,443	1,404,734	1,491,385	1,612,897	1,652,432	1,550,793	1,395,700	1,217,878	1,146,152
Expenditures										
Current:										
General government	282,329	258,817	268,637	323,251	334,184	319,683	314,747	292,152	273,260	249,372
Public safety	479,898	484,637	488,070	479,636	476,544	459,650	430,164	404,541	349,973	316,590
Physical environment	26,357	28,208	34,057	33,486	34,873	39,947	44,484	36,770	35,032	28,291
Transportation	57,045	58,908	42,406	67,570	122,266	75,731	64,070	62,579	61,279	59,207
Economic environment	50,149	67,335	75,261	80,624	74,068	83,326	63,344	54,723	48,847	52,030
Human services	201,363	214,373	230,600	240,201	227,237	203,458	197,023	206,230	201,324	191,818
Culture and recreation	64,683	72,387	80,823	98,931	105,260	98,741	89,032	85,954	78,998	69,266
Capital outlay	109,359	150,462	173,325	176,878	240,092	239,635	171,857	142,973	128,709	164,692
Debt service:										
Principal	74,789	259,788	228,001	212,223	113,720	107,301	66,195	77,415	186,493	86,775
Interest/fiscal charges	26,253	26,529	30,255	31,191	27,093	21,870	20,010	21,119	20,956	31,758
Total expenditures	1,372,225	1,621,444	1,651,435	1,743,991	1,755,337	1,649,342	1,460,926	1,384,456	1,384,871	1,249,799
Other financing sources (uses):										
Transfers in	727,734	743,812	813,419	1,004,568	1,086,476	968,021	925,927	934,258	815,622	727,631
Transfers out	(727,587)	(739,121)	(778,585)	(1,004,568)	(1,116,705)	(981,093)	(932,514)	(922,309)	(815,727)	(735,238)
Face amount of long-term debt issued	172,200	261,330	253,760	162,679	329,005	133,170	131,730	118,290	219,492	224,819
Payment to refunded bond escrow agent	(102,450)	--	(103,106)	--	--	--	(105,325)	(45,590)	--	(116,500)
Premiums on long-term debt issued	25,775	--	772	--	9,776	248	2,203	361	1,912	--
Discounts on long-term debt issued	--	--	(3)	--	--	--	--	--	--	--
Face amount of refunding bonds issued	--	--	--	--	19,195	--	--	--	--	--
Sales of capital assets	1,372	1,809	904	--	--	--	--	--	--	--
Total other financing sources	97,044	267,830	187,161	162,679	327,747	120,346	22,021	85,010	221,299	100,712
Net change in fund balances	$ 34,948	(32,171)	(59,540)	(89,927)	185,307	123,436	111,888	96,254	54,306	(2,935)
Debt service as a percentage of noncapital expenditures*	8.0%	19.5%	17.5%	15.5%	9.3%	9.2%	6.7%	7.9%	16.5%	10.9%

* This ratio tends to be higher in years with higher principal payments.

HILLSBOROUGH COUNTY, FLORIDA
Taxable Assessed Value and Actual Value of Property
Last Ten Fiscal Years
(dollar amounts in millions)

	Estimated Actual Value (b)			Exemptions (c)			Assessed Value (d)			Total	Total
Fiscal Year	Real Property	Tangible Personal Property (e)	Centrally Assessed Property (f)	Real Property	Tangible Personal Property (e)	Centrally Assessed Property (f)	Real Property	Tangible Personal Property (e)	Centrally Assessed Property (f)	Taxable Assessed Value	Direct Tax Rate (g)
2003	$ 57,521	7,479	112	13,761	1,146	--	43,760	6,333	112	50,205	13.047
2004	63,183	8,011	112	14,398	1,281	--	48,785	6,730	112	55,627	13.017
2005	73,192	8,643	70	15,972	1,549	--	57,220	7,094	70	64,384	12.900
2006	88,280	8,774	76	17,445	1,455	--	70,835	7,319	76	78,230	12.303
2007	97,915	8,988	77	17,866	1,432	--	80,049	7,556	77	87,682	10.815
2008	100,896	9,120	75	24,489	1,905	2	76,407	7,215	73	83,695	10.763
2009	88,961	9,195	75	23,168	1,899	2	65,793	7,296	73	73,162	10.761
2010	79,075	9,227	70	21,393	2,106	2	57,682	7,121	68	64,871	10.760
2011	75,837	8,925	93	20,676	2,077	2	55,161	6,848	91	62,100	10.758
2012	74,037	9,073	94	20,466	2,153	2	53,571	6,920	92	60,583	10.756

(a) Assessed values shown for fiscal year 2011 on the chart above will be the basis of property taxes collected during fiscal year 2012, starting in November 2011.

(b) Section 192.001, Florida Statutes, defines assessed value of property as "an annual determination of the just or fair market value of an item or property." Therefore, gross assessed value is defined as Estimated Actual Value.

(c) Exemptions allowed include those for governmental as well as qualified, religious, or other non-profit properties. In addition, there are also additional exemptions if a property owner is a widow, widower, disabled, or 65 or older. A new expanded homestead exemption and the existing 3% and new 10% homestead cap differentials are not included in this chart. Note that the new homestead exemption does not apply to property taxes for the School Board.

(d) Assessed value is the estimated actual value less exemptions.

(e) Tangible personal property represents business property such as furniture, computers, machinery and equipment, as well as mobile homes that are not permanently affixed to land. With the passing of Amendment 1 on January 29, 2008 an exemption of $25,000 for tangible property is included in the chart above.

(f) Centrally assessed property is primarily railroad that is assessed by the state of Florida rather than by the Property Appraiser since the property is located in more than one county.

(g) Total Direct Tax Rate shows Hillsborough County tax rates applicable to residents of the unincorporated areas of the county. See "Property Tax Millage Rates for Direct and Overlapping Governmental Entities" for more information.

Source: Hillsborough County Property Appraiser

HILLSBOROUGH COUNTY, FLORIDA
Property Tax Millage Rates for Direct and Overlapping Governments
Last Ten Fiscal Years
(millage rates rounded to nearest thousandth)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Countywide (BOCC):										
BOCC General Revenue	5.737	5.739	5.741	5.742	5.744	5.745	6.520	6.926	7.176	7.188
BOCC Library Service	0.558	0.558	0.558	0.558	0.558	0.608	0.692	0.692	0.642	0.642
Environmentally sensitive lands (voted)	0.060	0.060	0.060	0.060	0.060	0.060	0.067	0.084	0.097	0.105
Total millage	6.355	6.357	6.359	6.360	6.362	6.413	7.279	7.702	7.915	7.935
Maximum millage per statute (a)	10.060	10.060	10.060	10.060	10.060	10.060	10.067	10.084	10.097	10.105
Unincorporated Area (BOCC):										
BOCC Municipal Service Taxing Unit	4.375	4.375	4.375	4.375	4.375	4.376	4.995	5.162	5.062	5.062
Parks and Recreation (voted)	0.026	0.026	0.026	0.026	0.026	0.026	0.029	0.036	0.040	0.050
Total millage	4.401	4.401	4.401	4.401	4.401	4.402	5.024	5.198	5.102	5.112
Maximum millage per statute (a)	10.026	10.026	10.026	10.026	10.026	10.026	10.029	10.036	10.040	10.050
Countywide (Other):										
Tampa Port Authority	0.185	0.190	0.190	0.193	0.195	0.198	0.220	0.260	0.260	0.290
Southwest Florida Water Management District	0.393	0.393	0.377	0.387	0.387	0.387	0.422	0.422	0.422	0.422
School Board	7.877	7.913	7.592	7.692	7.777	7.523	7.823	7.937	8.361	8.480
Children's Board	0.500	0.500	0.500	0.500	0.500	0.463	0.500	0.500	0.500	0.500
Unincorporated Area (Other)										
Southwest Florida Water Management District (b):										
Alafia River Basin	--	0.216	0.216	0.216	0.216	0.216	0.240	0.240	0.240	0.240
Hillsborough River Basin	--	0.230	0.230	0.242	0.255	0.255	0.285	0.285	0.285	0.285
NW Hillsborough Basin	--	--	--	--	0.242	0.242	0.268	0.268	0.268	0.268
Transit Authority	0.500	0.500	0.468	0.468	0.468	0.450	0.500	0.500	0.500	0.500
Municipalities:										
Tampa	5.733	5.733	5.733	5.733	5.733	5.733	6.408	6.539	6.539	6.539
Temple Terrace	6.430	6.150	5.950	5.283	4.569	4.569	4.700	4.910	4.910	4.910
Plant City	4.716	4.716	4.716	4.716	4.165	4.165	4.910	4.700	4.700	4.700
Total millage for unincorporated area within the Alafia River Basin excluding any special district assessments (for analysis only)	20.211	20.254	20.103	20.217	20.306	20.052	22.008	22.759	23.300	23.479

(a) Section 200.071, Florida Statutes, states that the maximum ad valorem tax millage for either the countywide or unincorporated area (municipal services taxing unit) of the BOCC is set at 10 mills plus any voted levies.

(b) Dependent on its location, property within Tampa may either be in the Alafia, the Hillsborough River, or the NW Hillsborough Watershed Basin. Plant City property may be in either the Alafia or the Hillsborough River Basin.

During fiscal year 2009, the NW Hillsborough Basin was merged into the Hillsborough River Basin.

HILLSBOROUGH COUNTY, FLORIDA
Principal Taxpayers
Latest Fiscal Year Compared to the Fiscal Year Nine Years Earlier

		2011			2002		
Taxpayer	**Type of Business**	**Taxes Levied** in thousands	**Rank**	**Percentage of Total Taxes Levied**	**Taxes Levied** in thousands	**Rank**	**Percentage of Total Taxes Levied**
Tampa Electric Company	Electric utility	$ 37,592	1	2.5%	$ 30,394	1	2.5%
Verizon Communications Inc.	Telecommunications	15,858	2	1.1	26,675	2	2.2
Hillsborough County Aviation Authority	Airport	9,510	3	0.6	9,208	3	0.8
Camden Operating LP	Real estate	5,972	4	0.4	4,524	7	0.4
Mosaic Company	Mining/fertilizer minerals	5,770	5	0.4	7,187	6	0.6
Westfield	Shopping malls	4,708	6	0.3	--		--
Post Apartment Homes LP	Real estate	4,604	7	0.3	4,220	8	0.4
Liberty Property	Property management	4,312	8	0.3	--		--
Highwoods/Florida Holding LP	Real estate management	4,248	9	0.3	7,266	5	0.6
Wal-Mart	Retail stores	4,196	10	0.3	3,122	9	0.3
Tampa Sports Authority	Sports facilities	--		--	7,314	4	0.7
		$ 96,770		6.4%	$ 99,910		8.3%

This chart shows the total taxes levied against the ten largest ad valorem property taxpayers in the most recent year as well as nine years earlier. Property located within the geographic boundaries of Hillsborough County is subject to tax levies by Hillsborough County as well as several other taxing authorities. The Hillsborough County Tax Collector collects taxes for all of these taxing authorities. Taxing authorities such as the city of Tampa and the School Board are not a part of the Hillsborough County financial reporting entity. Their tax levies, however, are included in the chart above in order to show the total taxes due from each of the ten largest taxpayers. The total taxes levied by all of these taxing authorities against property located within the geographic boundaries of Hillsborough County was $1,502,726,377 for 2011 and $1,199,269,746 for 2002.

Since 2012 property tax rolls were not opened for collections until November 1, 2012, final data for the 2012 property tax levy is not available. Taxes levied during a fiscal year are collected in the following fiscal year. Therefore, the amounts shown as levied in fiscal year 2011 were actually received in fiscal year 2012.

Source: Hillsborough County Tax Collector

HILLSBOROUGH COUNTY, FLORIDA
Property Tax Levied and Collected
Last Ten Fiscal Years (a)
(in thousands of dollars)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Taxes Collected	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	$ 508,616	500,980	98.5	644	501,624	98.6
2004	553,131	547,054	98.9	1,227	548,281	99.1
2005	614,133	608,746	99.1	2,232	610,978	99.5
2006	701,730	696,591	99.3	802	697,393	99.4
2007	814,609	808,864	99.3	618	809,482	99.4
2008	801,724	795,084	99.2	1,321	796,405	99.3
2009	757,541	745,239	98.4	1,483	746,722	98.6
2010	660,228	648,894	98.3	1,529	650,423	98.5
2011	588,376	576,072	97.9	3,048	579,120	98.4
2012	562,933	557,341	99.0	1,306	558,647	99.2
	(b)	(c)		(d)		

(a) Since 2012 property tax rolls were not opened for collections until November 1, 2012, final data for the 2012 property tax levy is not available. Taxes levied during a fiscal year are collected in the following fiscal year. Therefore, the amounts shown as levied in fiscal year 2011 were actually received in fiscal year 2012.

(b) The tax levy is the entire property tax due to Hillsborough County before any tax reductions are determined by the Value Adjustment Board and before any tax amounts are determined to be uncollectible due to insolvencies. The tax levy represents only the taxes due to the Hillsborough County financial reporting entity and therefore, excludes taxes due to the School Board, the city of Tampa, and certain other governmental entities.

(c) There is a four percent early payment discount available to taxpayers who pay their property taxes in November, with the discount declining one percentage point each month thereafter. To accurately compare taxes collected to the taxes levied, discounts taken were added into the amounts collected, making them directly comparable.

(d) Includes all delinquent tax collections received during the year regardless of the year in which the taxes were originally levied.

Source: Hillsborough County Tax Collector

HILLSBOROUGH COUNTY, FLORIDA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts in thousands, except per capita)

	Governmental Activities					Business-type Activities				
Fiscal Year	General Obligation Bonds	Limited Ad Valorem Bonds	Revenue Bonds	Notes Payable	Other Long-term Debt	Revenue Bonds	Notes Payable	Total Primary Government	Ratio of Personal Income to Debt	Debt per Capita
2003	$ 17,233	34,746	342,371	70,856	28,675	262,319	2,542	758,742	41.4	723
2004	16,689	30,998	420,330	31,685	28,070	224,332	2,585	754,689	44.3	700
2005	16,134	27,085	412,443	41,905	27,435	198,904	2,640	726,546	49.8	655
2006	15,556	23,002	401,695	27,075	26,775	172,267	2,700	669,070	58.7	587
2007	14,967	18,750	433,608	52,589	--	302,067	1,343	823,324	51.8	702
2008	14,356	14,314	611,795	122,537	--	282,035	--	1,045,037	42.5	867
2009	13,728	9,714	581,479	107,473	--	231,978	--	944,372	48.1	771
2010	73,166	4,952	451,032	109,802	--	214,202	--	853,154	51.1	691
2011	72,346	--	431,028	136,379	--	347,497	--	987,250	48.0	803
2012	70,323	--	489,904	98,380	--	328,548	--	987,155	50.3	797
	(a)				(b)	(a) (c)			(d)	

(a) Bonds are shown net of related deferred losses on bond refundings and net of related unamortized bond issue premiums or discounts.

(b) "Other Long-term debt" under "governmental activities" for fiscal years 2002 through 2006 represent other long-term debt related to the County's commitments for debt service payments under interlocal agreements with the Tampa Sports Authority. During fiscal year 2007, the County also issued its $27,125,000 Fifth Cent Tourist Development Tax Refunding Revenue Bonds, Series 2006A, in order to refund $26,775,000 of the Tampa Sports Authority's 1998 County Interlocal Payments Refunding Revenue Bonds. As a result, in governmental activities the total revenue bonds shown on this chart increased while other long-term debt decreased by a similar amount.

The "other long-term debt" column of this chart excludes non-debt liabilities such as arbitrage, accreted interest, open landfill closure and postclosure costs, closed landfill remediation/monitoring, interest rate swap options, and pollution remediation liabilities.

(c) During fiscal year 2007, the County issued $157,350,000 in Solid Waste Resource Recovery Revenue Bonds, Series 2006A, which were used to refund the 2004 Solid Waste Refunding Revenue Bonds and to pay for construction. As a result there was an increase in revenue bonds in business-type activities.

(d) "Personal income" is earned income, dividends, interest, and rent, as well as transfer receipts received such as Social Security payments. Due to a time lag in receiving personal income figures, ratios were calculated using personal income figures for the prior fiscal year. See "Demographic and Economic Statistics" for actual personal income figures used above. Source: U.S. Department of Commerce Bureau of Economic Analysis.

HILLSBOROUGH COUNTY, FLORIDA
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts in thousands, except per capita)

Fiscal Year	General Obligation Bonds	Limited Ad Valorem Bonds	Less: Amount Available in Debt Service Funds	Total Net General Bonded Debt	Ratio of Debt to Assessed Property Values	General Bonded Debt per Capita
2003	$ 17,233	34,746	(1,362)	50,617	0.10	49
2004	16,689	30,998	(1,191)	46,496	0.08	44
2005	16,134	27,085	(1,155)	42,064	0.07	39
2006	15,556	23,002	(1,324)	37,234	0.05	33
2007	14,967	18,750	(1,358)	32,359	0.04	27
2008	14,356	14,314	(1,425)	27,245	0.03	23
2009	13,728	9,714	(1,025)	22,417	0.03	18
2010	73,166	4,952	(967)	77,151	0.12	62
2011	72,346	--	(262)	72,084	0.12	59
2012	70,323 (a)	--	(574)	69,749	0.12	56

(a) Bonds are shown net of related unamortized losses on bond refundings and bond issue premiums and discounts.

HILLSBOROUGH COUNTY, FLORIDA
Direct and Overlapping Governmental Activities Debt
September 30, 2012
(amounts in thousands)

Governmental Unit	Outstanding Debt	Percentage Applicable	Direct and Overlapping Debt
Direct debt of Hillsborough County:			
General obligation bonds	$ 70,323	100%	70,323
Total direct and overlapping debt			70,323

The Hillsborough County School Board, Tampa Port Authority, Children's Board, and Southwest Florida Water Management District do not have any general obligation bonds, therefore their bonds are not presented in this chart.

Sources: Hillsborough County School Board, Tampa Port Authority, and Southwest Florida Water Management District

HILLSBOROUGH COUNTY, FLORIDA
Debt Service Coverage of Governmental Revenue Bonds
Last Ten Fiscal Years
(amounts in thousands)

Fiscal Year	Principal	Interest	Total Debt Service	Available Pledged Revenue	Debt Service Coverage
2003	$ 7,115	28,661	35,776	209,884	5.87
2004	13,535	17,390	30,925	213,693	6.91
2005	21,095	18,380	39,475	240,409	6.09
2006	12,940	16,942	29,882	301,980	10.11
2007	20,460	19,051	39,511	309,048	7.82
2008	22,095	24,392	46,487	282,504	6.08
2009	29,230	28,070	57,300	268,480	4.69
2010	20,560	20,879	41,439	252,294	6.09
2011	19,295	20,102	39,397	254,360	6.46
2012	19,855	19,547	39,402	238,258	6.05
			(a)	(b)	

(a) Total debt service represents debt service on all governmental revenue bonds outstanding at the end of the fiscal year. See Note 7 for more information on governmental revenue bonds.

(b) Available pledged revenues are not limited to those revenues specifically pledged for governmental revenue bonds, but represent all pledged revenues that may support these governmental revenue bonds. Available pledged revenues include the Local Government Half-Cent Sales Tax, Community Investment Tax (a discretionary sales surtax), Guaranteed Entitlement Revenues, Mobile Home License Fees, Alcoholic Beverage License Taxes, Local Business Taxes, Fuel Tax, Local Option Fuel Tax, and certain court surcharge revenues. It excludes ad valorem and other taxes and intergovernmental revenues.

HILLSBOROUGH COUNTY, FLORIDA
Debt Service Coverage of Business-type Revenue Bonds
Last Ten Fiscal Years
(amounts in thousands)

Fiscal Year	Gross Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Debt Service Coverage
				Principal	Interest	Total	
2003	$ 242,375	146,767	95,608	28,581	18,115	46,696	2.05
2004	255,361	158,882	96,479	31,355	12,222	43,577	2.21
2005	276,147	178,265	97,882	34,163	11,773	45,936	2.13
2006	304,998	188,891	116,107	32,410	10,604	43,014	2.70
2007	316,526	206,036	110,490	23,038	15,032	38,070	2.90
2008	303,096	211,631	91,465	22,100	15,004	37,104	2.47
2009	291,940	219,493	72,447	20,085	12,811	32,896	2.20
2010	292,657	210,027	82,630	18,185	11,316	29,501	2.80
2011	310,581	218,832	91,749	17,105	17,066	34,171	2.68
2012	318,907	218,466	100,441	18,985	14,937	33,922	2.96
	(a)	(b)			(c)		(d)

(a) Operating revenues plus other income excluding any extraordinary gains.

(b) Total expenses excluding depreciation, bond interest, amortization, and extraordinary losses.

(c) Bond interest requirements before capitalization of interest expense to construction-in-progress, interest paid to defease serial bonds, amortization of deferred refunding losses, amortization of bond market issue premiums or discounts, and capitalized interest deduction.

(d) Net revenue available for debt service divided by total debt service requirements. Since capacity fees and meter installation fees are recorded as capital contributions, these amounts are excluded from the figure presented above for net revenue available for debt service. For rate covenant test purposes, capacity fees and meter installation fees are eligible to be treated as net revenue available for debt service.

HILLSBOROUGH COUNTY, FLORIDA
Demographic and Economic Statistics
Last Ten Years

Year	Population	Personal Income *(in thousands)*	Personal Income Per Capita	Median Age	Public High School Graduation Rates	Total Public School Enrollment	Unemployment Rate
2002	1,049,740 (a)	$ 31,442,458	$ 29,953	36	77.5	184,483	5.3
2003	1,078,600 (a)	33,449,790	31,012	35	75.8	191,186	5.1
2004	1,109,680 (a)	36,197,043	32,619	36	79.3	197,500	4.3
2005	1,139,510 (a)	39,259,887	34,453	36	79.5	193,669	3.7
2006	1,172,970 (a)	42,674,390	36,381	36	77.3	193,480	3.3
2007	1,204,750 (a)	44,394,128	36,849	36	79.1	193,180	4.0
2008	1,224,520 (a)	45,385,156	37,064	36	80.0	191,965	6.3
2009	1,234,010 (a)	43,600,982	35,333	36	84.6	192,260	10.7
2010	1,229,226 (b)	47,339,654	38,512	36	86.0	193,244	11.8
2011	1,238,890 (b)	49,671,035	40,093	36	86.4	200,074	10.5
		(c)	(c)	(a)	(d)	(d)	(a)

Source: (a) Hillsborough County City-County Planning Commission
(b) US Census Bureau 2010
(c) U.S. Department of Commerce Bureau of Economic Analysis
(d) Tampa Bay Partnership

HILLSBOROUGH COUNTY, FLORIDA
Principal Employers
Latest Fiscal Year Compared to the Fiscal Year Nine Years Earlier

		2012			2003		
Employer	**Type of Operation**	**Employees**	**%**	**Rank** (a)	**Employees**	**%**	**Rank** (a)
Hillsborough County School Board	Public education	24,463	4.1	1	28,243	4.7	1
MacDill Air Force Base	Military base	15,485	2.6	2	5,645	0.9	6
Verizon Communications Inc.	Telecommunications and data processing	9,957	1.7	3	13,254	2.2	2
University of South Florida	Education services	9,464	1.6	4	11,950	2.0	3
Hillsborough County Government	Government	8,953	1.5	5	9,774	1.6	4
Tampa International Airport	International airport	7,500	1.3	6	7,764	1.3	5
Tampa General Hospital	Medical facilities	6,515	1.1	7	3,250	0.5	12
Publix Super Markets, Inc.	Supermarkets	5,714	1.0	8	4,245	0.7	9
Florida Hospital	Medical facilities	5,179	0.9	9	--	--	--
James A. Haley - VA Hospital	Medical facilities	4,700	0.8	10	2,765	0.5	14
City of Tampa	Government	4,477	0.8	11	4,600	0.8	8
H. Lee Moffit Cancer Center	Medical facilities	4,187	0.7	12	--	--	--
Busch Entertainment Corporation	Tourist attraction	3,737	0.6	13	2,642	0.4	16
St. Joseph Hospital	Medical facilities	3,133	0.5	14	5,289	0.9	7
Hillsborough Community College	Education services	2,569	0.4	15	--	--	--
SweetBay Supermarkets	Supermarket	2,532	0.4	16	2,432	0.4	18
Tampa Electric Company	Electric utility	2,507	0.4	17	3,965	0.7	10
U.S. Postal Service	Postal services	2,342	0.4	18	3,834	0.6	11
Bank of America	Banking services	--	--	--	3,200	0.5	13
Chase Manhattan Mortgage Corp	Financial services	--	--	--	2,753	0.5	15
Citibank (Citicorp - Parent Company)	Financial services	--	--	--	2,621	0.4	17
The Tampa Tribune Company	Newspaper publisher	--	--	--	1,438	0.2	19
Price Waterhouse	Accounting services	--	--	--	1,320	0.2	20
Time Customer Services, Inc	Magazine subscription service	--	--	--	1,320	0.2	21
USAA Insurance Company	Insurance/financial services	--	--	--	1,220	0.2	22
Metropolitan Life Insurance	Insurance services	--	--	--	920	0.2	23
Total		123,414	20.9		124,444	20.8	

(a) Percentages shown represent the number of employees as a percent of total Hillsborough County employment. Total Hillsborough County employment for 2012 was 590,779. Total Hillsborough County employment for 2003 was 597,328.

Source: Hillsborough County City-County Planning Commission
Florida Agency for Workforce Innovation, Labor Statistics
City of Tampa
Tampa Bay Partnership

HILLSBOROUGH COUNTY, FLORIDA
Full-Time Equivalent County Government Employees by Function
Last Ten Fiscal Years

	Full-Time Equivalent Employees At Fiscal Year-End									
Function	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**
General government	1,990	1,973	2,079	2,265	2,544	2,434	2,469	2,493	2,601	2,562
Public safety	4,015	4,316	4,458	4,449	4,504	4,454	4,543	4,264	3,933	3,811
Physical environment	250	270	267	312	346	410	398	402	390	367
Transportation	348	331	355	392	410	476	456	484	467	473
Economic environment	60	58	73	66	79	68	71	65	69	93
Human services	783	854	989	1,030	1,010	966	957	962	1,014	1,074
Culture and recreation	714	749	901	893	746	829	826	828	871	932
Water Resource Services	682	678	667	645	663	574	570	574	563	521
Solid Waste	111	99	141	142	140	142	139	142	143	132
Total	8,953	9,328	9,930	10,194	10,442	10,353	10,429	10,214	10,051	9,965

Sources: Hillsborough County Clerk of Circuit Court Payroll Department
Hillsborough County Civil Service Board

HILLSBOROUGH COUNTY, FLORIDA
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year: 2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Public safety										
Calls to Fire Rescue Department	80,100	80,076	80,573	81,704	80,100	78,217	72,636	71,678	63,664	62,728
Number of 9-1-1 calls	831,565	838,054	864,880	888,613	933,056	937,440	919,059	884,852	862,037	885,709
Physical environment										
Compliance inspections conducted per year, air management	1,614	1,475	1,820	1,805	1,703	1,844	1,975	1,900	1,800	1,727
Water stations monitored per month	213	213	144	139	142	140	131	97	94	94
Transportation										
Number of Capital Improvement Program (CIP) projects managed	452	452	440	353	238	240	259	398	317	365
New traffic signs per year	11,000	14,566	11,000	12,477	13,976	14,742	12,691	13,474	11,143	8,992
Economic environment										
Number of targeted business or industry growth leads	100	164	98	128	143	135	100	141	117	20
Number of corporate projects/contacts	40	39	43	39	54	48	49	46	42	31
Human services										
Elderly clients served - in home care	1,429	1,638	1,615	2,398	2,073	1,881	1,379	1,271	1,278	1,302
Head Start-funded enrollment	3,474	3,474	3,071	3,071	3,071	3,017	2,956	2,956	2,956	2,946
Culture and recreation										
Registered library borrowers	570,382	575,651	552,646	864,935	834,417	767,154	698,191	674,014	716,620	732,458
Number regional park visits	2,106,838	2,291,338	4,441,011	4,100,000	3,950,000	3,800,501	3,412,563	2,991,286	2,988,394	3,321,683
Water Enterprise										
Annual water consumption (thousands of gallons)	17,566	16,461	16,379	17,014	18,137	17,971	15,633	15,262	13,159	13,885
Water accounts at year-end	144,317	141,988	141,615	141,690	141,355	139,609	135,033	128,080	121,521	111,296
Annual wastewater flow (thousands of gallons)	13,007	12,508	12,641	12,434	12,303	12,473	11,873	11,277	10,244	10,127
Wastewater accounts at year-end	133,979	134,904	131,588	131,890	132,420	130,821	126,308	119,483	113,072	103,711
Reclaimed water accounts at year-end	15,376	15,302	15,115	14,774	14,804	13,733	13,245	12,822	12,228	10,037
Solid Waste Enterprise										
Total tons collected (residential)	296,033	326,015	325,426	365,686	357,885	355,045	375,611	344,913	394,042	363,973
Number or residents receiving collection service	254,891	252,068	255,826	251,298	233,563	234,189	225,546	216,570	201,641	195,016
Revenue from Resource Recovery plant's electric production	$ 16,566,286	15,965,489	18,726,396	18,822,720	17,129,464	16,542,004	14,920,700	13,871,234	13,416,459	11,664,197

Sources: Hillsborough County Business Support Services Department - Adopted Budget for FY11.
Hillsborough County Annual Financial Report Water Resource Division Enterprise Fund for Fiscal Years Ended September 30, 2010 and 2009.

HILLSBOROUGH COUNTY, FLORIDA
Capital Asset Statistics by Function
Last Nine Fiscal Years

Function	Fiscal Year: 2012	2011	2010	2009	2008	2007	2006	2005	2004
Public safety									
Number of fire and rescue stations (a)	42	43	43	43	43	43	42	41	43
Sheriff's marked and unmarked patrol vehicles (b)	1,406	1,256	766	771	827	839	941	818	874
Transportation									
Traffic lane-miles (c)	6,999	7,006	6,994	6,993	6,920	6,863	6,785	6,271	6,438
Traffic signs (c)	113,000	113,000	101,323	101,281	119,247	118,935	118,564	96,808	90,749
Human services									
Number of Sunshine Line buses (d)	60	68	67	68	70	70	70	68	64
Culture and recreation									
Number of libraries (e)	27	25	25	25	25	25	25	25	25
Number of building square feet maintained, excluding picnic shelters, estimated (f)	976,702	744,201	740,723	745,000	738,500	583,200	550,200	495,813	389,442
Water Enterprise									
Transmission lines (estimated miles) (g)	2,399	2,391	2,336	2,255	2,227	2,187	2,050	2,010	1,970
Number of pumping or lift stations (g)	709	703	699	690	682	674	641	620	600
Number of major water treatment plants (g)	4	4	4	4	3	3	3	3	3
Number of major wastewater treatment plants (g)	7	7	7	7	7	7	7	7	7
Solid Waste Enterprise									
Solid Waste tonnage buried in the landfill (h)	230,263	256,122	258,815	393,653	517,024	573,296	506,269	568,452	515,840
Yard and wood waste tonnage processed (h)	120,786	129,622	138,083	152,720	172,397	198,867	200,924	212,805	173,186

Note: Capital asset statistics by function were not available for fiscal year 2003 in the format needed.

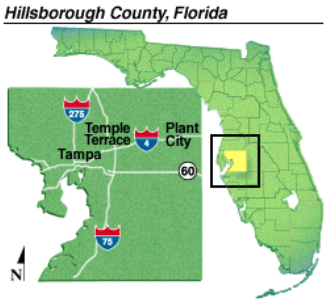
Source:
(a) Hillsborough County Fire Rescue Department
(b) Hillsborough County Sheriff's Office
(c) Hillsborough County Public Works Department
(d) Hillsborough County Clerk of Circuit Court - County Finance Department
(e) Hillsborough County Library Services Department - www.hcplc.org/hcplc/locations
(f) Hillsborough County Business and Support Services - Adopted Biennial Budget for FY12 and FY13
(g) Hillsborough County Water Enterprise Fund Annual Report for Fiscal Years Ended September 30, 2012 and 2011
(h) Solid Waste Enterprise Fund Annual Financial Report for Fiscal Years Ended September 30, 2012 and 2011

HILLSBOROUGH COUNTY, FLORIDA
Miscellaneous Data and Statistics
September 30, 2012

GENERAL INFORMATION

Hillsborough County was established on January 25, 1834. The county takes it name from Will Hills (1718-1793), a viscount of Hillsborough, who became secretary of state for the colonies in 1768. Hillsborough County's boundaries of 1834 included the present-day counties of Pasco, Charlotte, Desoto, Hardee, Pinellas, Sarasota, Manatee and Polk.

The County is located on central Florida's western coast, nestled between Tampa Bay on the West and Polk County on the East. The County is bounded to the north by Pasco County and to the south by Manatee County. In area, it is the seventh largest county in the state of Florida. Hillsborough County covers a total area of 1,266 square miles, of which 215 square miles is water area. The County is part of a four-county Metropolitan Statistical Area (MSA) referred to as Tampa, St. Petersburg-Clearwater MSA.



Tampa, Plant City and Temple Terrace are the three incorporated cities in the County. Tampa, the largest of the three incorporated cities in the County is the county seat and also a center of international, national, and intrastate commerce. The Tampa International Airport and the Port of Tampa connect Hillsborough County to other major cities in the nation and major markets throughout the world.

Sources: The Hillsborough County City-County Planning Commission
US Census Bureau

GOVERNMENT

Hillsborough County operates under a home-rule charter enacted by the voters on September 20, 1983. Under the charter, the Board of County Commissioners (BOCC) consists of seven Commissioners; three elected county-wide and four elected from single member districts. As a result of this charter, each voter has a chance to influence the election of a majority of board members. The BOCC is restricted to performing the legislative functions of government and developing policy for the management of Hillsborough County. The County Administrator, appointed by the BOCC, together with his staff is responsible for implementing these policies throughout the County.

In addition to the members of the BOCC, there are five elected Constitutional Officers: the Clerk of Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector.

The County provides a variety of services characteristic of local multi-purpose governments including law enforcement, maintenance of roads and bridges, animal services, social services programs, planning and growth management, environmental protection, fire protection and emergency rescue, consumer protection, parks and recreation programs, mosquito control, employment services, emergency disaster preparedness, traffic control, water/wastewater utilities, solid waste disposal, medical examiner services, agricultural cooperative extension services, children's services, indigent health care, public assistance programs, aging services programs, emergency medical services, and library services.

HILLSBOROUGH COUNTY, FLORIDA
Miscellaneous Data and Statistics

In addition to their legislative duties, members of the BOCC serve as the County's Environmental Protection Commission. Individual members of the BOCC also take turns serving on various boards, authorities, commissions, and private non-profits such as the Children's Board, Tampa Bay Regional Planning Council, Metropolitan Planning Organization, Hillsborough County Tourist Development Council, Tampa Bay Water, Tampa Port Authority, Hillsborough County Aviation Authority, Hillsborough Transit Authority, Hillsborough County Public Transportation Commission, Tampa-Hillsborough County Expressway Authority, Tampa Sports Authority, Arts Council of Hillsborough County, Value Adjustment Board, Hillsborough County Hospital Authority, Council of Governments, and the Tampa Hillsborough Economic Development Corporation.

POPULATION

Hillsborough County is the fourth most populous county in the state of Florida. The County's population in 2011 was estimated to be 1,238,890, an increase of 0.8 percent from 2010. A majority of the County's 2011 population (841,170) resides in the unincorporated part of the county. Population in unincorporated Hillsborough County grew 23.1 percent between years 2000 and 2010. Communities in southern unincorporated Hillsborough County saw the biggest increases in population growth. The median age for Hillsborough County in 2011 was 36 years.

	Population	Increase (Decrease)
1950 (a)	249,894	-
1960 (a)	397,788	59.2%
1970 (a)	490,265	23.2
1980 (a)	646,960	32.0
1990 (a)	834,054	28.9
2000 (a)	998,948	19.8
2010 (a)	1,229,226	23.1
2001 (b)	1,021,720	2.3
2002 (b)	1,049,740	2.7
2003 (b)	1,078,600	2.7
2004 (b)	1,109,680	2.9
2005 (b)	1,139,510	2.7
2006 (b)	1,172,970	2.9
2007 (b)	1,204,750	2.7
2008 (b)	1,224,520	1.6
2009 (b)	1,234,010	0.8
2010 (a)	1,229,226	(0.4)
2011 (b)	1,238,890	0.8

Source: (a) US Census Bureau
(b) Hillsborough County City-County Planning Commission, estimate

HILLSBOROUGH COUNTY, FLORIDA
Miscellaneous Data and Statistics

EMPLOYEES

Hillsborough County employees provide a variety of services to a population of over 1 million residents. As of September 2012, there were approximately 8,953 employees of Hillsborough County, Florida. County organizations and their employees were as follows: Sheriff - 2,917 Tax Collector - 243, Property Appraiser - 116, Clerk of Circuit Court - 766, Supervisor of Elections - 35, and Board of County Commissioners - 4,876. Several categories of employees are represented by labor unions.

Source: Hillsborough County Civil Service Board
Payroll Department, Hillsborough County Clerk of Circuit Court

EMPLOYMENT INDICATORS

Hillsborough County has a diversified economic base, including large service, manufacturing and retail trade sectors. Hillsborough County's largest industrial sectors include the Administration/ Support/ Waste Management and Remediation Services, Retail Trade, and the Health Care and Social Assistance sectors. The principal employers serving the county are the Hillsborough County School Board and the Hillsborough County Government. The vast majority of the county's labor force was employed in non-agricultural jobs in 2012.

Employment by Industry	Employees
Agriculture, forestry, fishing and hunting	10,498
Mining and oil and gas extraction	259
Construction	26,189
Manufacturing	22,875
Wholesale and retail trade	88,235
Transportation and warehousing	18,375
Information and public administration	42,419
Management of companies	8,260
Administrative and waste services	47,488
Finance and insurance	43,350
Real estate and leasing	10,585
Professional and technical services	47,605
Public administration	25,827
Educational services	46,460
Health care and social assistance	72,875
Arts and entertainment	13,572
Accomodations and other services	65,907
Total	590,779

Source: The Hillsborough County City-County Planning Commission

HILLSBOROUGH COUNTY, FLORIDA
Miscellaneous Data and Statistics

The following table shows the average civilian (non-military) labor force, the average number of individuals employed and related unemployment statistics for the County:

	Hillsborough County					
Calendar Year	Labor Force	Number Employed	Number Unemployed	Unemployment Rate	Florida Unemployment Rate	National Unemployment Rate
2002	543,421	514,371	29,050	5.3%	5.7%	5.8%
2003	549,815	521,920	27,895	5.1	5.3	6.0
2004	565,184	540,761	24,423	4.3	4.7	5.5
2005	569,988	549,059	20,929	3.7	3.8	5.1
2006	583,881	564,724	19,157	3.3	3.4	4.6
2007	596,723	572,796	23,927	4.0	4.1	4.6
2008	605,536	567,648	37,888	6.3	6.2	5.8
2009	599,501	535,399	64,102	10.7	10.5	9.3
2010	600,967	530,189	70,778	11.8	11.5	9.6
2011	611,769	547,463	64,306	10.5	10.5	8.9

Source: Florida Agency for Workforce Innovation, Labor Market Statistics
Hillsborough County City-County Planning Commission

BANKING AND FINANCE

A total of 313 commercial and savings bank offices were located in Hillsborough County as of June 30, 2012. The following table presents commercial bank and savings institutions deposit each year since 2003:

Calendar Year	Commercial Bank Deposits	Savings Bank Deposits	Total Deposits
2003	$ 12,578,000,000	515,000,000	13,093,000,000
2004	15,090,000,000	577,000,000	15,667,000,000
2005	16,163,000,000	715,000,000	16,878,000,000
2006	17,282,000,000	843,000,000	18,125,000,000
2007	16,326,000,000	1,074,000,000	17,400,000,000
2008	19,319,000,000	885,000,000	20,204,000,000
2009	20,319,000,000	884,000,000	21,203,000,000
2010	20,351,000,000	1,093,000,000	21,443,000,000
2011	22,531,000,000	556,000,000	23,087,000,000
2012	23,079,000,000	433,000,000	23,512,000,000

Source: Federal Deposit Insurance Corporation
Hillsborough County City-County Planning Commission

HILLSBOROUGH COUNTY, FLORIDA
Miscellaneous Data and Statistics

EDUCATION

Hillsborough County Public Schools is the eighth largest district in the nation and third largest in Florida. A total of 260 elementary, middle, senior high, and adult schools accommodate students, both day and evening. Total student membership from pre-kindergarten through senior high as of November 2012 was 200,074. All Hillsborough County Public Schools fully meet the standards established by the Florida Department of Education. In addition, all high schools are duly accredited by the Southern Association of Colleges and Schools (SACS). All elementary and middle schools meet or exceed SACS standards.

Hillsborough County also has several universities and colleges. The University of South Florida serves more than 47,646 students (including campuses outside of Hillsborough County) and is the fourth largest university in the southeast and the tenth largest in the nation. The University of Tampa is a private university located on approximately 100 acres of prime riverfront land in the heart of downtown Tampa. Hillsborough Community College has five primary campus locations, three satellite locations, a very active distant learning program (eCampus), and a comprehensive corporate training center. Some other colleges in the area include Florida College, Stetson University of College Law, and Keller Graduate School of Management.

Source:	Tampa Bay Partnership	www.tampabay.org
	Hillsborough County School Board	www.sdhc.k12.fl.us/
	Hillsborough Community College	www.hccfl.edu
	The University of Tampa	www.ut.edu
	University of South Florida	www.usf.edu

MEDICAL FACILITIES

There are thirteen general, specialty, and military hospitals in Hillsborough County with approximately 3,699 hospital beds, 3,168 acute care beds, 531 specialty beds, and 3,831 nursing home beds. The County's medical resources include more than 3,177 physicians, with specialists in all types of medicine and surgery, and 609 dentists.

Source: Florida Department of Health
Florida Agency for Health Care Administration

COMMUNICATION

Eight television stations, along with twenty-eight radio stations serve the County. Daily newspapers include The Tampa Tribune, Tampa Bay Times, and tbt*. There are also three other weekly newspapers. Verizon and Brighthouse Networks are the primary providers for telecommunications and cable services, respectively. There are 38 Post Offices in Hillsborough County and 14 internet access or DSL providers.

Source: Florida Smart – News and Media Directory

HILLSBOROUGH COUNTY, FLORIDA
Miscellaneous Data and Statistics

TRANSPORTATION

Tampa International Airport (TIA) is a major airport for the west central region of Florida serving primarily Hillsborough, Pinellas (which includes the cities of St. Petersburg and Clearwater), Pasco, Manatee, Polk, and Hernando Counties.

TIA, is one of four FAA-coded large hub airports in the state of Florida, TIA occupies approximately 3,400 acres and is primarily an origination-destination airport with a total of 59 gates. It is located five miles from downtown Tampa, and is served by most major airlines which provide non-stop daily service to more than 68 national and international destinations, including London, Toronto, Halifax, Ottawa, San Juan, and Grand Cayman. Passenger enplanements at TIA for the fiscal year ended September 30, 2012, totaled 8,462,645, an increase of .98% from the prior fiscal year. For fiscal year 2012, the top three airlines, in terms of market share were: Southwest with 30%, Delta with 16.8%, and US Airways with 10.5%.

Three general aviation airports serve as reliever airports, primarily to accommodate light and medium weight aircraft in the general aviation category. These include Peter O. Knight Airport, a 139-acre facility located six miles southeast of TIA; Plant City Airport, a 199-acre facility located 22 miles east of TIA; and Tampa Executive Airport (formerly Vandenberg Airport), a 407-acre facility located 12 miles east of TIA. In addition, there are two full service general aviation executive terminals located at the Airport.

AMTRAK provides passenger rail service to major cities throughout the United States. This rail service is provided by the Palmetto and Silver Service Trains (the Silver Meteor and the Silver Star) which offer service between Florida, Georgia, and New York City. The restored Tampa Union Station has seven northbound and seven southbound departures on AMTRAK weekly.

Freight rail service is provided to the County by CSX Transportation Systems. CSX rail units possess some of the world's most technologically advanced terminal equipment and operate on regular schedules throughout the network. Major transports include coal, wood products, phosphate, chemicals, construction materials, semi-tractor trailers, automobiles, and automobile products.

The Hillsborough Transit Authority (HART) is Hillsborough County's public transportation system. HART offers local and express routes for residents and visitors alike. Local service seven days a week provides access to area shopping malls, businesses, government buildings, attractions and recreational facilities. An estimated eleven million riders use the system annually.

The County is also served by numerous intrastate and interstate motor common carriers, moving goods between Tampa, other points in Florida, and markets throughout the United States. Tampa is the transportation hub of the west coast of Florida with major trucking firms maintaining terminals serving Florida and major southern cities.

Three interstates and seven other major highways serve the County. All parts of Florida and bordering states to the north and west can be reached within one day of travel by truck or automobile.

Source: Hillsborough County Aviation Authority
Amtrak, www.amtrak.com
Tampa Bay Partnership

HILLSBOROUGH COUNTY, FLORIDA
Miscellaneous Data and Statistics

LOCAL INDUSTRIES

Service, retail, finance, insurance, and real estate sectors lead regional and county industry. Bioscience and other high-tech industries are expanding, thanks in part to research at university and college campuses throughout the area. Manufacturing in Hillsborough County is also participating in the high-tech trend as the county is home to companies in the microelectronics, medical devices, software, and defense systems industries.

Business and Information Services

Tampa Bay has been called "Wall Street South" for the size and scope of its financial services industry. Worldwide organizations which have a major presence in Hillsborough County include JPMorgan Chase, Citigroup, Depository Trust and Clearing Corp, MetLife, Progressive Insurance and USAA Insurance. Hillsborough County is also a major player in a new industry segment called the Shared Accounting Services industry where national and international companies such as Coca Cola Enterprises create additional value by co-locating their accounting and financial services for multiple businesses in one location.

Biomedical / Life Sciences Technologies/Health Care

Tampa Bay is a center of excellence for hospital, research and medical-related firms – and the gateway to the Florida High Tech Corridor, a 23-county area that is home to more than 3,000 high-tech companies. Biomedical and life science centers of excellence in Hillsborough County include University of South Florida, H. Lee Moffitt Cancer Center and Research Institute, and Johnnie B. Byrd, Sr. Alzheimer's Center and Research Institute. In March 2012, USF Health opened its $38 million Center for Advanced Medical Learning and Simulation (CAMLS) in downtown Tampa. CAMLS combines cutting-edge simulation with research and innovation to move the latest advances in healthcare into practice. Hillsborough County is also home to major health care plan developers and providers such as Wellcare.

Port / Maritime

With three seaports, Tampa Bay is a major entry point for domestic and international shipping. The Port of Tampa comprises nearly half of all sea borne commerce in the state, is the state's largest seaport, and is a major cruise port.

Manufacturing (Microelectronics, Medical Devices, Software, and Defense Systems)

High tech manufacturing companies in Hillsborough County include CAE (flight and military simulation systems), B&M Precision (implants and components for brain probes and liposuction), and systems software development companies CIBERsites (application development), Computer Associates (internet security) and Quadrant Software (electronic document distribution).

Source: Hillsborough County Economic Development Department
Tampa Bay Partnership

HILLSBOROUGH COUNTY, FLORIDA
Miscellaneous Data and Statistics

AGRICULTURE

Hillsborough County has 2,843 farms, the 2nd largest number of farms of any county in the state of Florida and 28th highest in the country. Diversity is one of the keys to the success of Hillsborough County agriculture. In addition to major commodities, a variety of specialty crops contributed to sale of $832 million of products in 2011. Hillsborough County ranks as the 4th largest producer of agricultural products in the state (out of 67 counties) and 59th in the United States (out of 3,076 counties). Hillsborough County is in the top 2% of agricultural counties in the country. In 2011, an estimated 255,532 acres were utilized for agriculture production; this represents approximately 39% of the county's land area.

Annual commodity sales and acreage are estimated as follows:

Commodity	2011 Acreage	2011 Annual Sales
Aquaculture	876	$ 23,546,112
Beef cattle/pasture	91,904	18,934,207
Bees/honey production	45	598,767
Blueberries	591	5,500,000
Citrus	10,750	18,893,572
Dairy	1,500	6,433,206
Forestry	108,634	1,000,000
Goats	518	154,177
Hay	6,035	2,374,195
Ornamental plants	3,977	139,232,407
Poultry	22	18,701,100
Sod	2,286	7,438,855
Strawberries	11,625	388,125,702
Vegetables	13,092	150,000,000
Miscellaneous	3,677	51,478,000
Total	255,532	$ 832,410,300

Local agriculture generates additional local economic impact by supporting related businesses such as banking, real estate, legal services, transportation, packaging, equipment, seed, agricultural suppliers and services, and marketing firms. Most agriculture goods produced in Hillsborough County are sold outside of county. According to a study completed in 2005, for every dollar of agriculture goods sold outside of the county, an estimated $1.86 is added to the local economy as a result of indirect and induced benefits. This study also calculated that agriculturalists contribute four times more in revenue (taxes, fees, transfer payments, etc.) to local government than they require in government services, effectively subsidizing government services for the urban residential population.

Source: Hillsborough County Cooperative Extension Service
Hillsborough County Economic Development Department

HILLSBOROUGH COUNTY, FLORIDA
Miscellaneous Data and Statistics

PORT FACILITIES

The Port of Tampa is Florida's largest and most diverse seaport, handling 34 million tons of cargo and 875,611 cruise passengers during FY 2011. The Port of Tampa has an economic impact of eight billion and 100,000 jobs on the Tampa Bay economy. The development of a new container terminal with three gantry cranes, along with substantial room for expansion, has made the deepwater Port of Tampa well-positioned as a gateway for the growing markets of Florida and the Southeast U.S. The port offers CSX rail service and over one million square-feet of warehouse/cold storage space. The Port also contains one of the premiere ship repair facilities in the Southeast U.S.

Seventy-five percent of Port cargo is inbound, and with its location on the west end of Florida's Interstate 4 corridor, the Port is ideally located to supply in-state demands for construction materials, commodities, and consumer products.

Port officials have worked closely with the community to develop a dynamic downtown waterfront. In 2001, the Port completed "Channelside," an entertainment complex opened on the waterfront just a short walk from the Port of Tampa's cruise facilities. Channelside has lots of entertainment, shopping, restaurants, and residential areas, all in a comfortable seaside atmosphere.

Source: Tampa Port Authority, www.tampaport.com
Tampa Bay Partnership, www.tampabay.org

MILITARY FACILITIES

MacDill Air Force Base is located eight miles south of downtown Tampa on the Southwestern tip of the Interbay Peninsula on the west coast of Florida. The host organization is the 6th Air Mobility Fueling Wing, which uses KC-135R Stratotankers and a C-37A Gulfstream aircraft to conduct its air mobility mission. It is headquarters for two non-aviation units: the United States Central Command and the United States Special Operations Command. It is also home to the National Oceanic and Atmospheric Administration.

Source: MacDill Air Force Base

HILLSBOROUGH COUNTY WEB SITE

The Hillsborough County internet web site is located at **http://hillsboroughcounty.org**. This site provides a convenient directory of government services and other useful information.

HILLSBOROUGH COUNTY, FLORIDA
Miscellaneous Data and Statistics

RECREATIONAL FACILITIES

A variety of entertainment activities may be found in Hillsborough County including numerous parks, beaches, restaurants with international flair, excellent golf courses, racquetball courts, saltwater fishing, tennis and shopping. Recreational facilities that appeal to both County residents and visitors are either located within the County or are only a short drive away. Walt Disney World including Hollywood Studios Theme Park, Universal Studios, and Sea World are all just over an hour's drive to the east. Two-thirds of the state's major attractions lie within a 100-mile radius of Tampa. Busch Gardens, located in Tampa, is a family adventure park offering an array of fascinating attractions based on exotic encounters with the African continent. It offers an appealing blend of thrilling rides, one of the country's premier zoos featuring more than 3,000 animals, live shows, restaurants, shops and games. Adventure Island, which is located next to Busch Gardens, features a beach volleyball complex and 15 water play areas situated on 30 acres.

Hillsborough County is home to the Tampa Bay Buccaneers of the National Football League (NFL), who were the Superbowl XXXVII Champions in 2003. The Tampa Bay Buccaneers and University of South Florida Bulls football teams play their home games at Raymond James Stadium in Tampa. Raymond James Stadium is a combination of modern stadium design and its own innovations. Raymond James Stadium has a seating capacity of 65,890, expandable to 75,000, 12,000 club seats, 195 luxury suites, and 600 points of sale for food, beverages and merchandise. Raymond James Stadium has hosted special events such as Super Bowl XXXV in January 2001, and Super Bowl XLIII in February 2009.

In the heart of downtown Tampa's Channelside District, located between the Tampa Convention Center and the Florida Aquarium, lies the Tampa Bay Times Forum, one of the premier entertainment venues in the Southeast and home of the National Hockey League's Tampa Bay Lightning, who were the 2004 Stanley Cup Champions. The Tampa Bay Times Forum also hosts many concerts, family shows and sporting events each year. In addition, the New York Yankees Major League Baseball franchise has spring training at the County's George M. Steinbrenner Field baseball stadium. The newly renovated University of South Florida Sun Dome is a multipurpose 10,411-seat arena located on the campus of the University of South Florida (USF) and is home to the National Collegiate Athletic Association's USF Men's and Women's basketball teams as well as other University events. Thoroughbred horse racing is also seasonally available in the County.

Source:	Busch Gardens, Tampa	www.buschgardens.com
	Adventure Island	www.adventureisland.com
	City of Tampa	www.tampagov.net
	Raymond James Stadium	www.raymondjames.com/stadium/
	Tampa Bay Buccaneers	www.buccaneers.com
	Tampa Sports Authority	www.tampasportsauthority.com
	USF Sun Dome	http://usfweb2.usf.edu/Sundome/

HILLSBOROUGH COUNTY, FLORIDA
Miscellaneous Data and Statistics

CULTURAL FACILITIES

Hillsborough County offers a variety of cultural facilities to residents and visitors. Lowry Park Zoo was ranked the number-one family-friendly zoo in the United States in 2009 by *Parents* magazine and in 2004 by *Child* magazine and recognized by the State of Florida as a center for Florida wildlife conservation and biodiversity. Natural outdoor exhibits covering 60 acres for more than 1,700 animals from Florida and similar habitats include a Native Florida Wildlife Center and manatee hospital, Asian Gardens, Primate World, Free-Flight Aviaries, Wallaroo Station children's zoo, and Safari Africa. The Zoo also features rides, shows and hands-on interactive exhibits. The Florida Environmental Education Center (Zoo School) serves more than 203,000 children annually. Programs offered are summer and holiday camps, daycare, preschool, and kindergarten. The 205,000 sq-ft Florida Aquarium is among the top aquariums in the world and has more than 20,000 aquatic plants and animals from Florida and around the world.

The Straz Center for the Performing Arts is located on a nine-acre site along the east bank of the Hillsborough River. As the second largest performing arts complex in the southeast behind the Arsht Center, the 335,000 square-foot Center provides an environment for a wide variety of world-class events. It boasts one of the nation's leading Broadway series and is nationally respected for producing grand opera, as well as presenting a wide variety of concerts, performances and events. The Tampa Convention Center, located directly on the waterfront in the heart of downtown Tampa, hosts a variety of conventions, tradeshows, and other special events year-round. In August 2012, the Tampa Convention Center hosted the Republican National Convention. The 600,000 square foot building offers 200,000 square feet of exhibit space, a 36,000 square foot ballroom, and 36 breakout rooms which total over 42,000 square feet of additional meeting space. Add to that, over 84,000 square feet of flexible space and you have the best venue for any meeting, convention or special event. After a busy day of lectures, seminars or classes, attendees are welcome to visit Ybor City or Channelside (movie theaters, restaurants, shops and nightclubs) located just a few steps away.

Museums in the area include the Museum of Science and Industry (MOSI), a science and technology center encompassing over 400,000 square-feet on a 74-acre campus of exhibits and hands-on displays. MOSI is now the largest science center in the southeast and 5th largest in the United States. Features include a hurricane simulator, a planetarium, and an IMAX Dome theater. The new 60,000 square-foot Tampa Bay History Center Museum located in the Channelside district had its grand opening celebration in January 2009. Other museums in the area are the Tampa Museum of Art, the historic H. B. Plant Museum at the University of Tampa, the Contemporary Art Museum at the University of South Florida, the Scarfone Gallery at the University of Tampa, the Veteran's Memorial Museum and Park, the Ybor City State Museum, Glazer Children's Museum, and the Florida Museum of Photographic Arts.

Graphicstudio at the University of South Florida is one of the world's premiere experimental printmaking facilities, hosting renowned artists on a regular basis to test new theories and methods of producing art. In addition, over 20 other visual art galleries showcase work from local, regional, and national artists.

Source:	Straz Center for the Performing Arts	www.strazcenter.org
	City of Tampa	www.tampagov.net
	Museum of Science and Industry	www.MOSI.org
	Arts Council of Hillsborough County	www.tampaarts.com
	Lowry Park Zoo	www.lowryparkzoo.com
	Florida Aquarium	www.flaquarium.org
	Tampa Bay History Center	www.tampabayhistorycenter.org

Hillsborough County, Florida

Schedules and Audit Reports as Required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General

Fiscal Year Ended September 30, 2012

Prepared by: County Finance Department
Pat Frank, Clerk of Circuit Court

HILLSBOROUGH COUNTY, FLORIDA
Schedules and Audit Reports as Required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, for the Fiscal Year Ended September 30, 2012

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Section II

Hillsborough County, Florida, Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2012

PAT FRANK

Clerk of the Circuit Court
13th Judicial Circuit

March 15, 2013

To recipients of the Single Audit document:

The Hillsborough County, Florida Single Audit document was prepared by the County Finance Department of the Hillsborough County, Florida, Clerk of Circuit Court and audited by Cherry Bekaert LLP. The Clerk of Circuit Court is the chief financial officer of Hillsborough County.

Organization of Content

Section I consists of the independent auditor's Single Audit reports, schedules of expenditures of federal awards and state financial assistance, notes to the schedules, the schedule of findings and questioned costs, the summary schedule of prior year audit findings and corrective action plan, the report of independent auditor on internal control over financial reporting and on compliance and other matters, and the independent auditor's management letter. See Table of Contents for more information.

Section II consists of the *Hillsborough County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2012* (CAFR). See page 13 for the independent auditor's opinion. The CAFR is also posted on the Clerk of Circuit Court's web site at: **www.hillsclerk.com/publicweb/CountyFinancialReports.aspx**.

Distribution

Single Audit documents are being forwarded to the Federal Audit Clearinghouse (see EIN number **596000661**), the cognizant agency (US Department of Health and Social Services), and the Florida Auditor General (as a part of the *All Inclusive Annual Financial Report*). If you have any questions about this document, please contact Ajay Gajjar at telephone number (813)307-7026, or Matt Wilbur at (813)307-7094.

Sincerely,

Timothy Simon, CPA, CFA
Finance Director

Ajay B. Gajjar, CPA, CMA, CFM, CTP, CIA, CGFO
Assistant Finance Director

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Federal Awards Program and State Financial Assistance Project and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Financial Assistance

To the Board of County Commissioners of
Hillsborough County, Florida:

Compliance

We have audited Hillsborough County, Florida (the "County") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement*, and the requirements described in the State of Florida Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on each of its major federal awards programs and state financial assistance projects for the year ended September 30, 2012. The County's major federal awards programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal awards programs and state financial assistance projects is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations;* and Chapter 10.550, Rules of the Auditor General of the State of Florida. Those standards, OMB Circular A-133 and Chapter 10.550, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal awards program or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal awards programs and state financial assistance projects for the year ended September 30, 2012.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal awards programs and state financial assistance projects. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal awards program or state financial assistance project to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

A *deficiency in internal control* over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state financial assistance project on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal awards program or state financial assistance project will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Financial Assistance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the County as of and for the year ended September 30, 2012, and have issued our report thereon dated March 15, 2013. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented for the purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, Rules of the Auditor General, and are not a required part of the basic financial statements. Such 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. The 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, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Cherry Bekaert LLP

Tampa, Florida
March 15, 2013

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
For the fiscal year ended September 30, 2012

Federal Grantor, Pass-Through Grantor Program Name, Project Title	CFDA Number	Grantor/Contract Number	Expenditures
DEPARTMENT OF AGRICULTURE			
Passed through Florida Department of Education:			
National School Lunch Program	10.553	01-327	**$ 29,673**
National School Lunch Program		01-327	**3,862**
National School Lunch Program	10.555	01-327	**44,817**
National School Lunch Program		01-327	**4,388**
Summer Food Service Program for Children	10.559	04-0882 FY 11	**15,461**
Summer Food Service Program for Children		04-0882 FY 12	**690,645**
Total Child Nutrition Cluster			**788,846**
Passed through Florida Department of Health:	10.558		
Child and Adult Care Food Program		03-812 FY 11	**49,427**
Child and Adult Care Food Program		03-812 FY 12	**1,095,454**
Total Program			**1,144,881**
Total Department of Agriculture			**1,933,727**
DEPARTMENT OF COMMERCE			
Habitat Conservation:	11.463	Reference # 509	**7,874**
Total Department of Commerce			**7,874**
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grants:	14.218		
Community Development Block Grant		B05-UC-12-0002	**(19,967)**
Community Development Block Grant		B06-UC-12-0002	**101,831**
Community Development Block Grant		B07-UC-12-0002	**598,190**
Community Development Block Grant		B08-UC-12-0002	**172,373**
Neighborhood Stabilization Program Year 1		B08-UN 12-0006	**212,067**
Neighborhood Stabilization Program Year 3		B11-UN 12-0006	**1,176,771**
Community Development Block Grant		B09-UC-12-0002	**708,251**
Community Development Block Grant		B10-UC-12-0002	**570,469**
Community Development Block Grant		B05-UC-12-0002	**2,225,930**
Community Development Block Grant-Recovery ARRA Entitlement Grants	14.253	B 09 UY 12-002	**1,309,604**
Total CDBG Entitlement Grants Cluster			**7,055,519**
Emergency Shelter Grants Program	14.231		
Emergency Shelter Care		S11-UC-12-0014	**262,566**
HOME Investment Partnerships Program	14.239		
Home Investment Partnerships Program		M07-UC-12-0208	**51,358**
Home Investment Partnerships Program		M08-UC-12-0208	**695,998**
Home Investment Partnerships Program		M09-UC-12-0208	**813,543**
Home Investment Partnerships Program		M10-UC-12-0208	**1,533,159**
Home Investment Partnerships Program		M11-UC-12-0208	**626,755**
Total Program			**$ 3,720,813**

See accompanying notes to schedule

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
For the fiscal year ended September 30, 2012

Federal Grantor, Pass-Through Grantor Program Name, Project Title	CFDA Number	Grantor/Contract Number	Expenditures
Housing Opportunities for Persons With AIDS			
Passed through Florida Department of Health:	14.241		
Housing Opportunities for Persons With AIDS		COD DE	**$ 413,334**
Homelessness Prevention and Rapid Re-Housing			
Program (Recovery Act Funded):	14.257		
ARRA Homelessness Prevention		S 09 UY 12-0014	**258,880**
Fair Housing Assistance Program-State and Local:	14.401		
Fair Housing Program		FF 204 K 11 4016	**148,191**
Section 8 Housing Choice Vouchers:	14.871		
Section 8 Housing Assistance		A-2993E FY 11	**63,341**
Section 8 Self Sufficiency		2009 FSSA FL 089-5088	**39,654**
Section 8 Self Sufficiency		2010 FSSA FL 089-5026	**5,008**
Family Reunification Program	14.880	FL 089 V 00110	**3,799**
Total Housing Voucher Cluster			**111,802**
Total Department of Housing and Urban Development			**11,971,105**
DEPARTMENT OF THE INTERIOR			
Partners for Fish and Wildlife:	15.631		
Balm-Boyette Scrub Preserve		40181 AJ 085	**5,760**
Total Department of the Interior			**5,760**
DEPARTMENT OF JUSTICE			
Prisoner Reentry Initiative Demonstration	16.202		
2nd Chance Prisoner Abuse		2010 RN BX 0013	**144,306**
Missing Children's Assistance			
Passed through National Children's Alliance:	16.543		
Children's Justice Center		Tampa_FL PS 11	**1,828**
Children's Justice Center		Tampa_FL PS 12	**4,266**
Total Program			**6,094**
Crime Victim Assistance	16.575		
Passed through the Office of the Attorney General:			
Forensic Interview		V 11295	**30,255**
Edward Byrne Memorial State and Local Law Enforcement			
Assistance Discretionary Grants Program:	16.580		
Passed through the City of Tampa Police Department			
Republican National Convention Detention Services		2012 NV BX 3070	**1,355,879**
Republican National Convention Law Enforcement		2012 NV BX 3070	**2,718,734**
Total Program			**$ 4,074,613**

See accompanying notes to schedule

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
For the fiscal year ended September 30, 2012

Federal Grantor, Pass-Through Grantor Program Name, Project Title	CFDA Number	Grantor/Contract Number	Expenditures
State Criminal Alien Assistance Program:	16.606	See Note # 7	**$ 515,777**
Public Safety Partnership and Community Policing:	16.710		
COPS Anti Meth Grant		2009 CK WX 0368	**47,674**
COPS Anti Meth Grant		2010 CK WX 0445	**40,887**
Total Program			**88,561**
Edward Byrne Memorial Justice Assistance Grant:	16.738		
Federal JAG		2009 DJ BX 1198	**306,280**
Federal JAG		2010 DJ BX 1530	**54,757**
Federal JAG		2011 DJ BX 2515	**198,233**
Passed through Florida Department of Law Enforcement, Office of Criminal Justice:			
State JAG Victim Assistance		11 JAGC HILL 3 B2-160	**189**
State JAG Belly Busters		11 JAGC HILL 1 B2-265	**675**
State JAG Code Enforcement		11 JAGC HILL 4 B2-236	**69,865**
State JAG Management Coordination Units		12 JAGC HILL 2 C4-099	**44,610**
State JAG Looking Ahead		12 JAGC HILL 5 C4-041	**54,599**
State JAG HCSO Targetry System		12 JAGC HILL 3 C4-055	**231,764**
State JAG Medical Examiner		12 JAGC HILL 4 C4-131	**123,065**
Total Program			**1,084,037**
Recovery Act-Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	16.803		
Passed through Florida Department of Law Enforcement, Office of Criminal Justice:			
ARRA Regional Strike Force		11 ARRC 1 W7-357	**42,253**
Recovery Act-Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to Units of Local Government:	16.804		
Federal JAG		2009 SB B9 2687	**504,956**
Passed through Florida Department of Law Enforcement, Office of Criminal Justice:			
State JAG Code Enforcement		10 ARRC HILL 05 W7 202	**123,915**
State JAG Administration Units		10 ARRC HILL 02 W7 186	**16,828**
Passed through the Office of State Courts Administrator:			
State JAG Drug Court Expansion		Grant-in-Aid Agreement-11	**11**
State JAG Drug Court Expansion		Grant-in-Aid Agreement-12	**734,134**
Total Program			**1,379,844**
Total Justice Assistance Grant (JAG) Cluster			**2,506,134**
Paul Coverdell Forensic Sciences Improvement Grant Programs:	16.742		
Desktop Centrifuge		2010 CD BX 0006	**5,500**
Spectrophotometer		2011 CD BX 0026	**7,650**
Total Program			**$ 13,150**

See accompanying notes to schedule

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
For the fiscal year ended September 30, 2012

Federal Grantor, Pass-Through Grantor Program Name, Project Title	CFDA Number	Grantor/Contract Number	Expenditures
Recovery Act-Edward Byrne Memorial Competitive Grant Program:			
Anti-Gang Expansion/Enhancement	16.808	2009 SB B9 0068	**$ 564,574**
Total Department of Justice			**7,943,464**
DEPARTMENT OF LABOR			
Employee Benefits Security Administration:	17.151		
Consolidated Omnibus Budget Reconciliation Act (COBRA) ARRA		Hillsborough County	**(2,637)**
Homeless Veterans Reintegration Project:	17.805	HV 19094 09-60 5-12	**(21,497)**
Homeless Veterans Reintegration Project:		HV 19094 09-60 6-12	**173,672**
Homeless Veterans Reintegration Project		HV 23281 12 60 5-12	**50,779**
Total Program			**202,954**
Total Department of Labor			**200,317**
DEPARTMENT OF TRANSPORTATION			
Highway Planning and Construction			
Passed through Florida Department of Transportation:	20.205		
Bruce B Downs (Palm Springs to Pebble Creek)		ANJ 09	**8,598,679**
Columbus Drive Bridge		AP 552	**1,651,489**
Platt Street Bridge		AP 553	**(177,777)**
Mulrennan Safe Routes		AQ 752	**(972)**
Alexander Elementary School		AQ C 96	**6,476**
Fletcher Avenue Project		AQ N 09	**30,547**
Federal Highway Administration PL 112		A-5207-14	**1,157,413**
Federal Highway Administration PL 112		A-5207-15	**243,440**
Highway Planning and Construction Cluster			**11,509,295**
Federal Transit-Metropolitan Planning Grants	20.505		
Passed through Florida Department of Transportation:			
Long Range Transportation & Data Collection		APR 83	**346,675**
Long Range Transportation & Data Collection		AQF 41	**211,599**
Federal Transit Administration Section 5303		AQ 637	**60,421**
Federal Transit Administration Section 5303		AQ 179	**128,333**
Total Program			**747,028**
Job-Access-Reverse Commute, Passed through Pinellas County Metropolitan Planning Organization:	20.516	HC # 09-0797	**120,447**
Transit Services Program Cluster			**$ 120,447**

See accompanying notes to schedule

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
For the fiscal year ended September 30, 2012

Federal Grantor, Pass-Through Grantor Program Name, Project Title	CFDA Number	Grantor/Contract Number	Expenditures
State and Community Highway Safety:	20.600		
Bike Pedestrian Safety		PS 08 12 04	**$ 83,973**
Lives Before Property, Traffic		SC 12-13-02	**83,496**
Motorcycle Safety Program		MC 12-10-04	**49,653**
Total Highway Safety Cluster			**217,122**
Pedestrian Safety Program	20.614	BD Q 08	**10,016**
Total Department of Transportation			**12,603,908**
VETERANS AFFAIRS			
Vocational Rehabilitation for Disabled Veterans	64.116		
Passed through the United States Olympic Committee:			
Paralympics Sports Program		Agreement	**500**
Total Department of Veterans Affairs			**500**
ENVIRONMENTAL PROTECTION AGENCY			
Air Pollution Control Program Support:	66.001		
County Clean Air Program		A-004023-10-01	**6,557**
County Clean Air Program		A-004023-10-02	**464,185**
Total Program			**470,742**
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to Clean Air Act:	66.034		
PM2.5 Air Monitoring Network		PM 96496008-4	**70,887**
PM2.5 Air Monitoring Network		PM 96496008-5	**55,463**
National Air Toxics Trends Station		XA 95403308-3	**75,775**
National Air Toxics Trends Station		XA 95403308-4	**16,943**
Total Program			**219,068**
Passed through Florida Department of Environmental Protection:			
Nonpoint Source Implementation Grants	66.460	G 0263	**338,628**
Regional Wetland Program Development Grants	66.461	CD 95488011-0	**21,962**
Brownfields Assessment and Cleanup Cooperative Agreements:	66.818		
Brownfields Revolving Loan Fund		BL 97 412500-0	**11,342**
Brownfields Revolving Loan Fund		BF 97 48703-4	**(5,090)**
Total Program			**6,252**
Total Environmental Protection Agency			**$ 1,056,652**

See accompanying notes to schedule

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
For the fiscal year ended September 30, 2012

Federal Grantor, Pass-Through Grantor Program Name, Project Title	CFDA Number	Grantor/Contract Number	Expenditures
DEPARTMENT OF ENERGY			
Energy Efficiency and Conservation Block Grant Program (EECBG):	81.128		
Hillsborough County Energy Projects		DE-EE 0000785	**$ 2,530,754**
Total Department of Energy			**2,530,754**
ELECTION ASSISTANCE COMMISSION			
Help America Vote Act Requirements Payments	90.401		
Passed through the Florida Department of State:			
Poll Worker Recruitment 06		Memo of acceptance	**123,922**
Optical Scan Equipment 07		Memo of acceptance	**73,209**
Federal Election Activities 08		Memo of acceptance	**8,526**
Federal Election Activities 09		Memo of acceptance	**28,673**
Federal Election Activities 10		Memo of acceptance	**101,278**
Federal Election Activities 11		Memo of acceptance	**50,128**
Total Election Assistance Commission			**385,736**
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Aging Cluster			
Passed through Florida Department of Elder Affairs, then passed through West Central Florida Area Agency on Aging:			
Special Programs for the Aging - Title III Part B - Grants for Supportive Services and Senior Centers:	93.044		
Title III-B Support Services		OAA 2011-HILL	**190,570**
Title III-B Support Services		OAA 2012-HILL	**358,211**
Total Program			**548,781**
Special Programs for the Aging - Title III Part C Nutrition Services:	93.045		
SCNAP Congregate Meals		OAA 2011-HILL	**320,017**
SCNAP Home Delivered Meals		OAA 2012-HILL	**378,916**
SCNAP Congregate Meals		OAA 2011-HILL	**510,967**
SCNAP Home Delivered Meals		OAA 2012-HILL	**552,565**
Total Program			**1,762,465**
Nutrition Services Incentive Program:	93.053		
NSIP Congregate Meals		NSIP 10-11 HILL	**46,263**
NSIP Home Delivered Meals		NSIP 10-11 HILL	**45,257**
NSIP Congregate Meals		NSIP 11-12 HILL	**115,901**
NSIP Home Delivered Meals		NSIP 11-12 HILL	**157,980**
Total Program			**365,401**
Total Aging Cluster			**$ 2,676,647**

See accompanying notes to schedule

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
For the fiscal year ended September 30, 2012

Federal Grantor, Pass-Through Grantor Program Name, Project Title	CFDA Number	Grantor/Contract Number	Expenditures
National Family Caregiver Support	93.052		
Passed through Florida Department of Elder Affairs, then passed through West Central Florida Area Agency on Aging:			
Caregiver Services Title IIIE		OAA 2011-HILL	**$ 183,685**
Caregiver Services Title IIIE		OAA 2012-HILL	**77,301**
Total Program			**260,986**
Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse:	93.087		
Child Reunification Collaborative		90 CU 0043 04	**(92)**
Child Reunification Collaborative		90 CU 0043 05	**474,594**
Total Program			**474,502**
Substance Abuse and Mental Health Services Projects of Regional and National Significance:	93.243		
SAMHSA Court Administration		1 H79 TI 021551-02	**(2,602)**
SAMHSA Court Administration		1 H79 TI 021551-03	**251,647**
Total Program			**249,045**
Temporary Assistance for Needy Families	93.558		
Passed through Florida Department of Children and Families:			
Child Protection Investigation		QJ Z 05 11-12	**1,688,759**
Child Protection Investigation		QJ Z 05 11-13	**690,308**
Total TANF Cluster			**2,379,067**
Child Support Enforcement:	93.563		
Passed through the Florida Department of Revenue:			
Child Support Depository Reimbursement		CD 329 2012	**1,150,211**
Child Support Enforcement Service of Process		CS P29 2012	**70,415**
Total Program			**1,220,626**
Low-Income Home Energy Assistance:	93.568		
Passed through Florida Department of Elder Affairs, then passed through West Central Florida Area Agency on Aging:			
Emergency Home Energy Assistance for the Elderly		EH 11-12 HILL	**166,766**
Emergency Home Energy Assistance for the Elderly		EH 11-13 HILL	**121,048**
Passed through Florida Department of Community Affairs:			
Low Income Home Energy Assistance		11 EA 8U 083901-012	**2,148,661**
Low Income Home Energy Assistance		12 EA 8U 083901-012	**2,559,720**
Total Program			**4,996,195**
Community Services Block Grant:	93.569		
Passed through the Florida Department of Community Affairs:			
Community Services Block Grant		11 SB 8G 083901-010	**38,183**
Community Services Block Grant		12 SB 9Y 083901-010	**1,568,747**
Total CSBG Cluster			**$ 1,606,930**

See accompanying notes to schedule

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
For the fiscal year ended September 30, 2012

Federal Grantor, Pass-Through Grantor Program Name, Project Title	CFDA Number	Grantor/Contract Number	Expenditures
Child Care and Development Block Grant	93.575		
Passed through Florida Department of Children and Families:			
Child Care Licensing, 59.63%		QC O2 R 2011	**$ 120,355**
Child Care Licensing, 59.63%		QC O2 R 2012	**36,298**
Passed through Agency for Workforce Innovation-Office of Early Learning and then passed through Early Learning Coalition of Hillsborough County:			
CCL School Readiness		CCL 11-12	**635,934**
CCL School Readiness		CCL 12-13	**221,956**
Total CCDF Cluster			**1,014,543**
Refugee and Entrant Assistance-Discretionary Grants	93.576		
Passed through Florida Department of Children and Families:			
Refugee Crime Victimization--Cuban Grant		LK 126	**111,000**
Head Start:	93.600		
Head Start		04 CH 3035/45	**1,172,232**
Early Head Start Program		04 CH 3035/45	**5,847**
Head Start		04 CH 3035/46	**20,311,675**
Early Head Start Program		04 CH 3035/46	**1,433,516**
Innovation and Improvement Project		90 YD 0249 03	**35,075**
Healthy Marriage Initiative		90 YD 0218 04	**57,383**
Healthy Marriage Initiative		90 YD 0218 05	**175,992**
Head Start:			
Supplemental		04 CH 3035/46	**1,077,815**
Early Head Start:			
Supplemental Early Head Start Expansion		04 SH 3035 02	**2,990,143**
Total Program			**27,259,678**
ARRA Head Start Expansion	93.708	04 SH 3035-01	**45,574**
ARRA Early Head Start Expansion	93.709	04 SH 3035-01	**17,058**
Total Head Start Cluster			**27,322,310**
Child Support Enforcement Demonstrations and Special Projects	93.601		
Passed through the University of South Florida:			
Supervised Outcomes		90 F 10107-01	**(1,026)**
Passed through Florida State University:			
Supervised Visits		90 F 10107-02	**25,383**
Total Program			**24,357**
Voting Access for Individuals With Disabilities:	93.617		
Voting Machines for the Disabled		See Note 10	**$ 125,522**

See accompanying notes to schedule

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
For the fiscal year ended September 30, 2012

Federal Grantor, Pass-Through Grantor Program Name, Project Title	CFDA Number	Grantor/Contract Number	Expenditures
Social Services Block Grant:	93.667		
Passed through Florida Department of Children and Families, and then passed through Hillsborough Kids Incorporated:			
Emergency Shelter Care		HKI J-114	**$ 558,322**
Passed through Florida Department of Children and Families, and then passed through Eckerd Community Alternatives:			
Emergency Shelter Care		ECAH RES HCO-13	**136,189**
Direct Funding:			
Child Care Licensing, 25.62%		QC02R FY 2011	**51,452**
Child Care Licensing, 25.62%		QC02R FY 2012	**15,517**
Child Protection Investigation		QJ Z 05 11-12	**1,756,636**
Child Protection Investigation		QJ Z 05 11-12	**652,167**
Total Program			**3,170,283**
HIV Emergency Relief Project Grant:	93.914		
Ryan White Part A		H 89HA 0024 19	**4,981,557**
Ryan White Part A		H 89HA 0024 20	**3,646,428**
Total Program			**8,627,985**
HIV Care Formula Grants Passed through Florida Department of Health:	93.917		
Ryan White Part B		COD B X	**2,026,281**
Total Department of Health and Human Services			**56,286,279**
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Retired and Senior Volunteer Program:	94.002		
Retired and Senior Volunteer Program:		10 SRS FL 002	**82,446**
Retired and Senior Volunteer Program:		10 SRS FL 002	**17,946**
Total Corporation for National and Community Service			**100,392**
Executive Office of the President			
Passed through the Drug Enforcement Agency:	95.001		
HIDTA West Region 2011		G 11 CF 0009-A	**13,588**
HIDTA West Region 2012		G 12 CF 0009-A	**45,379**
HIDTA Paceros Wire Tap		Seminole County	**13,925**
Total Executive Office of the President			**$ 72,892**

See accompanying notes to schedule

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
For the fiscal year ended September 30, 2012

Federal Grantor, Pass-Through Grantor Program Name, Project Title	CFDA Number	Grantor/Contract Number	Expenditures
DEPARTMENT OF HOMELAND SECURITY			
State Domestic Preparedness Equipment Support Passed through Florida Department of Financial Services:	97.004		
USAR/MARC/Hazmat Sustainment		09 DS 57 130016-409	**$ 452,664**
USAR/MARC/Hazmat Sustainment		10 DS 39 130016-414	**110,185**
Total Program			**562,849**
Homeland Security Grant Program:	97.067	See Note 06	**0**
Flex Sustainment		08 LETP-HILL 6-S3-044	**313,313**
Passed through Florida Department of Emergency Management:			
Issue 7		11 DS 20 083901-193	**40,056**
Issue 10		11 DS 9Z 083901-323	**18,500**
Issues 08-11-13 and 17		12 DS 9Z 083901-323	**18,575**
Republican National Convention #3 Equipment		12 DS 20 083901-496	**75,570**
State Homeland Security Grant		10 DS 39 083901-405	**22,246**
State Homeland Security Grant		12 DS 9Z 083901-235	**353,914**
State Homeland Security Grant		12 DS 9Z 083901-435	**29,719**
Total Program			**558,580**
Passed through Florida Department of Community Affairs:			
Citizen Corps Council		10 CC 43 083901-404	**1,048**
Citizen Corps Council		11 CC A6 083901-397	**1,484**
Total Program			**2,532**
Total Homeland Security Cluster			**1,437,274**
Emergency Food and Shelter National Board Program Passed through United Way	97.024		
Emergency Food & Shelter:		LRO 163800-020	**58,139**
Total Emergency Food and Shelter Program Cluster			**58,139**
Disaster Grants - Public Assistance (Presidentially Declared Disasters): Passed through Florida Department of Emergency Management:	97.036		
Tropical Storm Fay		08 FA C2 083900-522	**(5,346)**
Hazard Mitigation Grant Passed through Florida Department of Emergency Management:	97.039	11 HM 2Y 083901-015	**237,774**
Emergency Management Performance Grant Passed through Florida Department of Emergency Management:	97.042		
Emergency Management Planning Grant		12 FG R3 083901-096	**136,206**
Republican National Convention # 1		12 FG 20 083901-478	**70,402**
Republican National Convention # 2		12 FG 71 083901-479	**23,269**
Total Program			**$ 229,877**

See accompanying notes to schedule

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
For the fiscal year ended September 30, 2012

Federal Grantor, Pass-Through Grantor Program Name, Project Title	CFDA Number	Grantor/Contract Number	Expenditures
Port Security Grant Program	97.056		
Passed through Manatee County:		2010 PU to K 044	**$ 374,860**
Passed through Tampa Port Authority:		2009 K-033	**44,100**
Total Program			**418,960**
Buffer Zone Protection Program (BZPP)	97.078		
Passed through Florida Department of Law Enforcement:			
2008 BZPP EOD Equipment		11 BZPP-HILL-1-C2-001	**132,508**
2008 BZPP EOD Equipment		11 BZPP-HILL-2-C2-002	**188,392**
Total Program			**320,900**
Homeland Security Biowatch Program:	97.091		
Federal Bio-Watch Program		2006 ST 091-000008-6	**228,949**
Federal Bio-Watch Program		2006 ST 091-000008-7	**77,638**
Total Program			**306,587**
Severe Repetitive Flood Loss Program:	97.110		
801 South Lagoon Street		09 SR 47 083902-330	**55,867**
Total Department of Homeland Security			**3,060,032**
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 98,159,392**

See accompanying notes to schedule

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Expenditures of State Financial Assistance
For the fiscal year ended September 30, 2012

State Grantor, Pass-Through Grantor Program Name, Project Title	CSFA Number	Grantor Number	Expenditures	Amount to Subrecipients
STATE COURT SYSTEM				
Small County Courthouse Facilities:	22.004			
Plant City Courthouse:		Grant-in-Aid	$ 390,967	
Courthouse Facility Improvement		letter only	331,609	
Total Program			722,576	
Florida Network of Children Advocacy Centers	22.016			
CAC Family Assessment		HC Doc 02-0498	845	
Total State Court System			723,421	
FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION				
Water Management Districts - Land Acquisition	37.022	--	31,809	
Total Program			31,809	
Local Government Cleanup Contracting:	37.024			
Local Government Petroleum Site Management		S 0483 Task3	551,778	
Local Government Petroleum Site Management		S 0483 Task 4	114,005	
Total Program			665,783	
Statewide Surface Water Restoration and Wastewater:	37.039			
Duck Pond Drainage Improvements		LP 6022	2,663,053	
University Community Area Projects		LP-6040	653,898	
East Morgan and Parsons Drainage Improvements		LP 8928	29,831	
Total Program			3,346,782	
Ambient Air Quality Monitoring		S 0498-1	73,870	
Total Program			73,870	
Delegated Title V Air Pollution Control activities	37.043			
Air Pollution Control Title V		S 0528 11-12	446,865	
Air Pollution Control Title V		S 0528 12-13	95,513	
Total Program			542,378	
Total Department of Environmental Protectio			4,660,622	
FLORIDA DEPARTMENT OF LEGAL AFFAIRS				
Crime Stoppers of West Central Florida	41.002	HC 13-11	193,174	193,174
Crime Stoppers of West Central Florida	41.002	HC 13-12	51,154	51,154
Total Department of Legal Affair			244,328	$ 244,328
FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES				
Mosquito Control	42.003	FDACS 016051	2,108	
Mosquito Control	42.003	FDACS 017227	15,000	
Total Department of Agriculture & Consumer Affair			$ 17,108	

See accompanying notes to schedule

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Expenditures of State Financial Assistance
For the fiscal year ended September 30, 2012

State Grantor, Pass-Through Grantor Program Name, Project Title	CSFA Number	Grantor Number	Expenditures	Amount to Subrecipients
FLORIDA DEPARTMENT OF STATE				
State Aid to Libraries	45.030	12 ST 20	**$ 944,985**	**$ 151,741**
Total Department of Stat			**944,985**	**151,741**
FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS				
Emergency Management Programs:	52.008			
Emergency Management Preparedness		12 BG 05 083901-029	**84,620**	
Emergency Management Projects:	52.023			
Hazardous Materials Planning		11 CP 02 083901-249	**14,932**	
Hazardous Materials Planning		12 CP 03 083901-194	**18,945**	
Total Program			**33,877**	
Total Department of Community Affair			**118,497**	
FLORIDA HOUSING FINANCE CORPORATION				
State Housing Initiative Partnership (SHIP) Program	52.901			
State Housing Initiative Program Year 16		None	**1,825,395**	**2,400**
First Time Homebuyers Tax Credit (SHIP)		None	**208,777**	
State Housing Initiative Program Year 18		None	**763,246**	
State Housing Initiative Program Year 19		None	**644,274**	
Total Florida Housing Finance Corporatio			**3,441,692**	**2,400**
FLORIDA DEPARTMENT OF TRANSPORTATION				
Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program:	55.001			
Specialized Transportation (Sunshine Line)		AQ 009	**91,751**	
Specialized Transportation (Sunshine Line)		AQ C 40	**1,196,017**	
Specialized Transportation (Sunshine Line)		AQ O20	**103,636**	
Total Program			**1,391,404**	
Commission for the Transportation Disadvantaged (CTD) Planning Grant Program:	55.002			
Transportation Disadvantaged		AG C 12	**29,155**	
Transportation Disadvantaged		AQ O 46	**10,898**	
Total Program			**40,053**	
County Incentive Grant Program	55.008			
Advanced Traffic Management System		AQ A 28	**133,057**	
Total Department of Transportatio			**$ 1,564,514**	
FLORIDA DEPARTMENT OF HEALTH				
County Grant Awards	64.005			
Emergency Medical Services		C 0029	**174,777**	**105,045**
Total Department of Healtl			**$ 174,777**	**$ 105,045**

See accompanying notes to schedule

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Expenditures of State Financial Assistance
For the fiscal year ended September 30, 2012

State Grantor, Pass-Through Grantor Program Name, Project Title	CSFA Number	Grantor Number	Expenditures	Amount to Subrecipients
FLORIDA DEPARTMENT OF ELDER AFFAIRS				
Passed through West Central Florida Area Agency on Aging:				
Home Care for the Elderly	65.001	HCE-11-12-HILL	$ 42,143	
Home Care for the Elderly		HCE-12-13-HILL	7,599	
Total Program			49,742	
Passed through West Central Florida Area Agency on Aging: Alzheimer Model Day Care and Memory Disorder Clinics and Alzheimer Special Projects:	65.002			
Alzheimer's Disease Initiative Day Care		ADI-11-12-HILL	100,849	
Alzheimer's Disease Initiative Day Care		ADI-12-13-HILL	9,284	
Total Program			110,133	
Alzheimer's Respite Services	65.004			
Alzheimer's Disease Initiative Respite		ADI-11-12-HILL	244,604	
Alzheimer's Disease Initiative Respite		ADI-12-13-HILL	38,629	
Total Program			283,233	
Local Services Program	65.009	LSP-11-12-HILL	108,472	
Local Services Program		LSP-12-13-HILL	9,101	
Total Program			117,573	
Community Care for the Elderly	65.010	CCE-11-12-HILL	1,830,697	
Community Care for the Elderly		CCE-12-13-HILL	343,031	
Total Program			2,173,728	
Total Department of Elder Affair			2,734,409	
FLORIDA DEPARTMENT OF LAW ENFORCEMENT				
Statewide Drug Enforcement Strike Force Initiative	71.008			
Tampa Bay Regional Drug		None	66,907	
Total Department of Law Enforcemer			66,907	
FLORIDA DEPARTMENT OF REVENUE				
Direct Program :				
Facilities for New Professional Sports, Retained Franchise Professional Sports, or Retained Spring Training Franchise	73.016	See Note 8	2,000,004	
Total Department of Revenu			$ 2,000,004	

See accompanying notes to schedule

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Expenditures of State Financial Assistance
For the fiscal year ended September 30, 2012

State Grantor, Pass-Through Grantor Program Name, Project Title	CSFA Number	Grantor Number	Expenditures	Amount to Subrecipients
FLORIDA DEPARTMENT OF JUVENILE JUSTICE				
Children and Families in Need of Services	80.005			
Passed thru Florida Network of Youth and Family Services				
Child/Family Counsel for Runaway Youth		None	**$ 884,342**	
Child/Family Counsel for Runaway Youth		None	**242,600**	
Total Department of Juvenile Justic			**1,126,942**	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			**$ 17,818,206**	**$ 1,191,713**

See accompanying notes to schedule

HILLSBOROUGH COUNTY, FLORIDA
Notes to the Schedules of Expenditures of
Federal Awards and State Financial Assistance
For the fiscal year ended September 30, 2012

Note 1 - Financial Reporting Entity

The Hillsborough County ("County") reporting entity is defined in Note 1 of the County's Basic Financial Statements. These notes provide additional information on the accompanying Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Financial Assistance. The first schedule presents expenditures related to federal awards that were provided directly by federal agencies as well as federal awards that were passed through other government agencies. The second schedule presents expenditures related to state awards that were provided directly by state agencies as well as state awards that were passed through other governmental agencies.

Note 2 - Basis of Accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented in accordance with accounting principles generally accepted in the United States, as described in Note 1.C. of the County's Basic Financial Statements.

Note 3 - Major State of Florida Projects

Major projects as defined by Section 215.97, Florida Statutes, are state of Florida grant projects audited by Hillsborough County's independent auditors. Major projects for the year ended September 30, 2012 are listed by Catalog of State Financial Assistance (CSFA) number in the Summary of Auditor Results section of the Schedule of Findings and Questioned Costs, which is prepared by the County's independent auditor.

Note 4 - Major Federal Programs

Major programs as defined by the US Office of Management and Budget's (OMB) Circular A-133, are federal grant programs audited by the County's independent auditor. Major programs for the year ended September 30, 2012 are listed by Catalog of Federal Domestic Assistance (CFDA) Number in the Summary of Auditors' Results section of the Schedule of Findings and Questioned Costs, which is prepared by the County's independent auditor.

Note 5 - Negative Figures on the Schedules of Expenditures

Negative expenditures reported in the Schedules of Expenditures of Federal Awards and State Financial Assistance may be the result of a correction of an expenditure which was originally posted in a prior fiscal year, such as the recording of a refund for goods or services not received. Although the current expenditures on a grant may be negative, the total of all expenditures on the grant is expected to be positive over its entire period of performance.

Note 6 - Equipment Received From Florida Department of Community Affairs

Grants from the US Department of Homeland Security (CFDA 97.067) which were passed through the Florida Department of Community Affairs, provided no equipment during fiscal year 2012.

Note 7 - State Criminal Alien Assistance Program

The County receives funds from the US Department of Justice (CFDA 16.606) to reimburse some of the costs of incarcerating undocumented criminal aliens who have committed serious crimes in the United States. The expenditure is recorded on the Single Audit schedule in the year the funds are received.

Note 8 - Sales Tax Rebate for Professional Sports Franchise Facilities

The County receives a sales tax rebate from the state of Florida under Sections 212.20 and 288.1162, Florida Statutes, for a professional sports franchise facility. The County serves as a conduit passing the entire amount on through to the Tampa Sports Authority for debt service on their stadium bonds. Starting with fiscal year 2002, these rebates were designated by the state of Florida to be financial assistance subject to the state Single Audit (CSFA Number 73.016).

Note 9 - Relationship to Grant Reports

Amounts reported in the accompanying schedules are consistent with the amounts reported in separately issued final grant reports to federal, federal pass-through, state, and state pass-through grantors as of September 30, 2012.

Note 10 – The Department of Health and Human Services Reimbursement

During fiscal year 2012, the County received a reimbursement of expenditures made in prior fiscal years for the Voting Access for Individuals with Disabilities (VOTE) program (CFDA Number 93.617). The expenditure associated with this reimbursement was recorded in the Schedule of Expenditures of Federal Awards in the year the reimbursement was received.

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Findings and Questioned Costs –
Federal Awards Programs and State Financial Assistance Projects
For the fiscal year ended September 30, 2012

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	Unqualified			
Internal control over financial reporting:				
Material weakness(es) identified?	x	yes		no
Significant deficiency(ies) identified not considered to be material weakness(es)?	x	yes		none reported
Noncompliance material to financial statements noted		yes	x	no

Federal Awards and State Financial Assistance Section

Internal control over major programs:				
Material weakness(es) identified?		yes	x	no
Significant deficiency(ies) identified not considered to be material weakness(es)?		yes	x	none reported
Type of auditor's report on compliance for major programs:	Unqualified			
Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of OMB Circular A-133 or Chapter 10.550?		yes	x	no

Part I – Summary of Auditor's Results (continued)

Identification of the Major Federal Programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.218, 14.253	Community Development Block Grant Entitlement Grants Cluster
14.239	HOME Investment Partnerships Program
14.241	Housing Opportunities for Persons With AIDS
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program
16.738, 16.803, 16.804	Justice Assistance Grant Cluster
16.808	Recovery Act - Edward Byrne Memorial Competitive Grant Program
81.128	Energy Efficiency and Conservation Block Grant Program (EECBG)
93.568	Low-Income Home Energy Assistance
93.600, 93.708, 93.709	Head Start Cluster
93.667	Social Services Block Grant
93.914	HIV Emergency Relief Project Grant

Identification of the Major State Projects:

CSFA Number(s)	Name of State Project
37.024	Local Government Cleanup Contracting
37.039	Statewide Surface Water Restoration and Wastewater
45.030	State Aid to Libraries
52.901	State Housing Initiative Partnership (SHIP) Program
65.004	Alzheimer's Respite Services
65.010	Community Care for the Elderly

Dollar threshold used to distinguish type A and type B programs

Federal	$ 2,944,781
State	$ 534,546

Auditee qualified as low-risk auditee _____ yes ___x___ no

Part II – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Finding 12-01 Intergovernmental Grants Fund (10-012) and Governmental Activities Affordable Housing Services (AHS) – Neighborhood Stabilization Program Land and Buildings Held Available-for-Sale; Mortgage Receivables (Material Weakness)

Criteria: Accounting principles generally accepted in the United States of America require the County to recognize land and buildings held available-for-sale that exist at year end; and to record receivables that are measurable, collectible, legal rights of the County, and existing at year-end. The County will convey properties to the housing partners and recognize mortgages as receivables on the balance sheet when closing transactions occur.

Condition: Auditor selected a sample of eleven items from the AHS's NSP Receivable schedule to determine whether land and buildings held available-for-sale were still owned by the County; and to ensure mortgages receivable were measurable, collectible, and existing at September 30, 2012.

- We noted nine instances in land and buildings held available-for-sale where the partner mortgage had been initiated and finalized during the period, and was properly supported; however the conveyed property was not removed from the County's general ledger.
- Upon further examination we noted an additional sixteen instances where the amount recorded on the subsidiary schedule differed from the actual amount of the gross mortgage receivable.

Effect: The errors in the subsidiary schedule ultimately caused land and buildings held available-for-sale to reflect a net overstatement of approximately $1,850,000; and the gross mortgages receivable to reflect an understatement of approximately $4,400,000.

Cause: There was no process in place to notify the County Finance Department that the property had been conveyed and should be removed from the County's records and that the receivable should be recorded to the County's records.

Recommendation: We recommend that AHS implement a procedure that occurs upon conveyance of a property to notify the County Finance Department of the transaction and prompt the proper recording on the County's books and records.

Management's Response (Planned Corrective Action): The Affordable Housing Department concurs with the finding and recommendations. Staff will review and modify policies and procedures to ensure properties are recorded in the capital asset-related financial records of the BOCC.

Additionally, the NSP receivables were being reported as if they were real estate inventory items with the acquisition costs and any rehabilitation costs being captured. An in-depth analysis was conducted, the results of which determined the actual NSP Receivables should have been recorded from the actual mortgage notes issued to the third party non-profit entities when the properties were conveyed to them. A procedure has been established to notify the Finance section of Affordable Housing Services whenever a mortgage note is recorded or modified so that it may be properly reported to and recorded by the County Finance section.

Finding 12-02 Solid Waste Enterprise Fund (40-032) Capital Improvements Other than Land Recording of Capital Assets (Significant Deficiency)

Criteria: Accounting principles generally accepted in the United States of America require (1) assets to be recorded at their fair market value at the time ownership is transferred between parties, and (2) depreciation to be recorded on constructed assets once the asset is substantially complete and placed in service.

Condition: The County executed a purchase order with a contractor to construct certain capital equipment as an additional element (or enhancement) of an existing bonded capital expansion. During our audit it was determined that the asset should have been capitalized in 2009 in exchange for a non-interest bearing note and certain pledged revenues produced specifically by this asset.

Effect: At September 30, 2012, the effect of this misstatement was an understatement of assets of approximately $931,000, which is net of accumulated depreciation of approximately $55,000.

Cause: The asset in question was acquired via a non-cash exchange transaction between the County and a contractor, and thus was not identified and recorded on the County's books in a timely manner.

Recommendation: We recommend that the department overseeing this activity implement a formal process to capture capital assets acquired or disposed of through non-cash and non-securitized financing methods.

Management's Response (Planned Corrective Action): The Public Utilities Department will request and coordinate with the Clerk's office and all necessary parties to revise the fiscal close-out form to include a section where project managers can answer whether or not additional assets have been built, contributed, or transferred to the utility.

Finding 12-03 Water Resource Services (40-040) and Business Type Activities & Governmental Type Activities Non Capitalized Construction in Progress (Significant Deficiency)

Criteria: Accounting principles generally accepted in the United States of America require that constructed assets substantially completed and placed in service are to be depreciated at that time.

Condition: Auditor selected all Construction in Progress (CIP) projects in both the Water Enterprise Fund and Governmental Activities that had accumulated costs in excess of $1 million as of September 30, 2012 resulting in a selection of 19 items for the Water Enterprise Fund and 6 items in from Governmental Activities. Selected projects were investigated to ascertain whether or not the project was substantially complete and should have been placed in service during the current year. Of the 19 Water Enterprise Fund projects selected, 8 projects were substantially complete and should have been placed in service and depreciated during the current year. Of the 6 Governmental Activities projects selected, 1 project was substantially complete and should have been placed in service and depreciated during the current year.

Effect: The error resulted in depreciation expense being understated by approximately $423,000 in the Water Enterprise Fund and $44,000 in Governmental Activities.

Cause: The misstatement is attributed to a lapse in controls that were currently in place to annually assess CIP projects.

Recommendation: We recommend management ensure that CIP is reviewed and that completed projects are transferred to in service capital assets in a timely manner in accordance with the policies and procedures that are currently in place at the County.

Management's Response (Planned Corrective Action): The Public Utilities Department will coordinate internally to institute a date certain for submission of completed project forms for every quarter, follow up e-mails will be sent if dates are missed and direct supervisors will be copied to assist in timely submissions. To support this effort, Master Projects are now tracked within Primavera annually by sub-projects that are identified and expected to be completed during the current year and capitalized.

The Business & Support Services Department will continue to produce a quarterly substantial completion report using data from Primavera. Currently, every CIP project that delivers a capital asset must be coded by Departments in Primavera with the appropriate Substantial Completion milestone code. Projects that deliver multiple major assets should have multiple substantial completion dates and milestones. Reporting will be improved as the Public Utilities Department has identified that sub-project substantial completion dates are now coded within Primavera.

Finding 12-04 Water Resource Services (40-040) and Business Type Activities Interest Payable on Customer Deposits (Significant Deficiency)

Criteria: It is the County's policy to invest customer deposits in interest-bearing accounts. As such, interest earned constitutes a liability to the customer. Accounting principles generally accepted in the United States of America require a liability to be accrued equal to the amount owed.

Condition: The Finance Department utilized a flat rate to calculate the interest payable on customer deposits. The rate used to accrue the liability by the Finance Department was in excess of the interest earned on the deposits.

Effect: The use of a flat rate in excess of the rate of return resulted in an overstatement of interest payable on customer deposits of approximately $949,000.

Cause: The over accrual occurred due to an absence of controls that would ensure the rate used to calculate the accrual of interest payable was equal to the rate the County earned on the deposits, and thus was required to pay to customers.

Recommendation: We recommend the County maintain customer deposits in a non-interest bearing account. Or if maintained in an interest bearing account, we recommend that the County calculate the liability on the customer deposits based on the rate of return earned by the County.

Management's Response (Planned Corrective Action): The Public Utilities Department will request the customer deposits be moved to a non-interest bearing account. If this is not feasible, then the Utility will coordinate annually to reestablish the interest to be paid based on the actual interest being earned on the funds.

Part III – Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major federal programs, as required to be reported by Section 510(a) of OMB Circular A-133.

There were no findings required to be reported by Section 510(a) of OMB Circular A-133.

Part IV – State Project Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major state projects, as required to be reported by Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*.

There were no findings required to be reported by Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*.

HILLSBOROUGH COUNTY, FLORIDA
Summary Schedule of Prior Audit Findings and Corrective Action Plan
Federal Awards Programs and State Financial Assistance Projects
For the fiscal year ended September 30, 2012

Prior Year Audit Findings

Finding 11-01 Intergovernmental Grants Fund (10-012) and Governmental Activities Affordable Housing Receivables (Material Weakness)

Finding: During fiscal year 2011, the County had misstated the Neighborhood Stabilization Program (NSP) receivable related to home loans due to clerical errors causing redundancies in the subsidiary schedule that caused the total receivable to be overstated by approximately $4.3 million.

Status: Management of the program implemented a quarterly review of the supporting schedule. The misstatement was no longer recurring in fiscal year 12.

Corrective Action: No further corrective action is needed.

Finding 11-02 Intergovernmental Grants Fund (10-012) and Governmental Activities Land and Buildings Held for Resale (Material Weakness)

Finding: The County's Affordable Housing Department's First Time Home Buyer Program had not recorded certain properties causing the County's land and building held for resale assets to be understated by approximately $3.4 million. The error was caused when the County failed to reinstate properties that had gone into default.

Status: The program implemented a procedure to conduct an inventory of these assets annually during May; however this action was ineffective for activity occurring between that time and the end of the fiscal year.

Corrective Action: See current year finding 12-01.

Current Year Corrective Action Plan

Current year corrective action plans are identified in the Schedule of Findings and Questioned Costs.

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of County Commissioners of
Hillsborough County, Florida:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of Hillsborough County, Florida (the "County") as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 15, 2013. 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.

Internal Control over Financial Reporting

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as 12-1 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs as 12-2, 12-3, and 12-4 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we have reported to management of Hillsborough County in a separate management letter dated March 15, 2013.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

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

Cherry Bekaert LLP

Tampa, Florida
March 15, 2013

Cherry Bekaert LLP
CPAs & Advisors

Independent Auditor's Management Letter

To the Board of County Commissioners of
Hillsborough County, Florida:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of Hillsborough County, Florida (the "County") as of and for the year ended September 30, 2012, and have issued our report thereon dated March 15, 2013.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations;* and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Report of Independent Auditor on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Federal Awards Program and State Financial Assistance Project and on Internal Control over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Florida Auditor General, Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Financial Assistance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 15, 2013, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports or schedule.

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective action has been taken to address the recommendation made in the prior year with respect to the Board of County Commissioners (the "Board"), except as noted below under the heading Prior Year Findings and Recommendations. Reference to whether corrective actions have been taken is provided in separate management letters for the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector (collectively the "County agencies").

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit of the financial statements of the County, nothing came to our attention that would cause us to believe that the County was in noncompliance with Section 218.415 regarding the investment of public funds.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, that have occurred, or are likely to have occurred, that have an effect in the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. In connection with our audit of the County, we noted the following control deficiency meeting this criteria. We did not audit the County's response and, accordingly we express no opinion on it.

> AG12-1:
> Finding: A journal entry for Affordable Housing receivables was posted to the general ledger by the Finance Department based on an incorrect supporting schedule provided by the Affordable Housing Department.
>
> Recommendation: We recommend that the County Finance Department communicate with the Affordable Housing Department to ensure supporting schedules are correct before posting entries to the general ledger.
>
> Management's response and corrective action: The County Finance and Affordable Housing Departments will mutually agree on the receivables balance to be posted to the general ledger and the Affordable Housing Department will revise supporting schedules if necessary.

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. As required by Rules of the Auditor General, this management letter includes the name or official title and legal authority for the primary government and each component unit of the reporting entity. Hillsborough County, Florida was established by the Constitution of the State of Florida, Article VIII, Sections 1 and 6. Additional legal authority was provided by Chapter 125, *Florida Statutes,* and County Ordinance 83-09, a home rule charter. The legal authority for each of the component units of Hillsborough County, Florida is listed below:

Entity	**Legal Authority**
Blended Component Units	
Hillsborough County Civil Service Board	Section 125.88, *Florida Statutes*, and Chapter 85-424 and 2000-445, Laws of Florida
Discretely Presented Component Units	
Neighborhood Dependent Special Districts:	
Arlington Special Tax District	County Ordinances 91-21, 98-5, and 09-5
Bay Crest Special Tax District	County Ordinances 85-37, 98-3, and 09-6

Entity	Legal Authority
Beacon Meadows Special Tax District	County Ordinances 87-53, 98-4, and 09-7
Bloomingdale Oaks Special Tax District	County Ordinances 88-38, 98-6, and 09-09
Bloomingdale Special Tax District	County Ordinances 85-38, 90-34, 93-18, 95-22, 98-39, and 09-08
Boyette Springs Special Tax District	County Ordinances 93-27, 95-6, 97-19, 98-7, and 09-10
Brandon Groves Special Tax District	County Ordinances 88-39, 98-8, and 09-11
Brandon Hills Special Tax District	County Ordinance 02-21 and 09-42
Buckhorn Estates Special Tax District	County Ordinances 95-21, 98-37, and 09-12
Buckhorn Oaks Special Tax District	County Ordinances 97-13, 98-38, and 09-13
Carrollwood Meadows Special Tax District	County Ordinances 92-35, 98-36, and 09-14
Carrollwood North Special Tax District	County Ordinances 87-51, 91-5, 92-38, 98-9, and 09-15
Carrollwood South Special Tax District	County Ordinances 87-46, 91-6, 98-10, and 09-16
Country Lakes Special Tax District	County Ordinances 87-52, 88-20, 98-35 and 09-17
Country Place Special Maintenance District	County Ordinances 86-38, 98-34, and 09-18
Country Village Special Tax District	County Ordinance 00-41 and 09-43
Country Run Special Maintenance District	County Ordinances 87-20, 98-33, and 09-19
Cove at Bayport Special Tax District	County Ordinances 88-45, 98-11, and 09-20
East Lake Park Special Tax District	County Ordinance 98-53 and 09-44
Hammock Woods Special Tax District	County Ordinances 88-40, 98-12, and 09-21
Hickory Hill Special Tax District	County Ordinances 88-41, 89-21E, and 98-32
Hunters Lake Special Tax District	County Ordinances 87-49, 90-20, 98-31 and 09-23
Indian Hills-Hickory Ridge II Special Tax District	County Ordinances 87-47, 89-24, 98-30, and 09-24
Keystone Grove Lakes Special Tax District	County Ordinance 03-08 and 09-45
Lago Vista Special Tax District	County Ordinances 86-39, 88-26, 94-14, 98-29, and 09-25
Lake Brant Special Tax District	County Ordinances 93-28, 98-28, and 09-26
Lake Heather Special Tax District	County Ordinances 87-54, 91-8, 98-13, and 09-27
Lake Magdalene Estates Special Tax District	County Ordinances 88-42, 89-22, 95-20, 98-14, and 09-28
Lake Magdalene Special Tax District	County Ordinance 04-7 and 09-46
Lake Strawberry Special Tax District	County Ordinance 02-20 and 09-47
Logan Gate Special Tax District	County Ordinances 87-50, 91-7, 98-15, and 09-29
North Lakes Special Maintenance District	County Ordinances 79-24, 80-15, 85-39, 98-26, and 09-31
North Pointe Special Tax District	County Ordinances 88-43, 89-23E, 98-16, and 09-32
Northdale Special Maintenance District	County Ordinances 79-25, 80-14, 92-36, 98-27, 98-52, and 09-30
Pine Hollow Special Tax District	County Ordinance 90-39, 98-17, and 09-33
Pine Meadows Special Tax District	County Ordinance 98-55 and 09-48

Entity	Legal Authority
South Pointe Special Tax District	County Ordinances 88-44, 98-18, and 09-34
Sugarwood Grove Special Tax District	County Ordinances 92-37, 98-19, and 09-35
Tampa Shores Special Tax District	County Ordinance 99-27 and 09-49
Tarawood Special Tax District	County Ordinance 89-40, 98-20, and 09-36
Valrico Manor Special Tax District	County Ordinances 87-48, 98-25, and 09-37
Village Estates West Special Tax District	County Ordinances 89-39, 98-21, and 09-38
Waterford Special Tax District	County Ordinances 95-7, 98-24, and 09-39
Westchester Special Tax District	County Ordinance 05-3 and 09-50
Westwood Special Tax District	County Ordinances 91-29, 98-22,and 09-40
Windemere Special Tax District	County Ordinances 86-37, 88-27, 98-23, and 09-41
Hillsborough County City-County Planning Commission	Chapter 75-390, Laws of Florida
Housing Finance Authority of Hillsborough County	Section 159.604, *Florida Statutes*, and County Ordinance 85-33
Law Library Board	Chapter 24009, Laws of Florida (1947); Chapters 65-832, 71-29, 75-400, and 79-479, Laws of Florida, and County Ordinance 01-16

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit of the financial statements of the County, the results of our tests did not indicate the County met any of the specified conditions of a financial emergency contained in Section 218.503(1). However, our audit does not provide a legal determination on the County's compliance with this requirement.

Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the County for the fiscal year ended September 30, 2012, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2012. Our comparison of the financial report filed with the Florida Department of Financial Services to the County's 2012 audited financial statements resulted in no material differences.

Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures as of September 30, 2012. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Prior Year Findings and Recommendations:

AG-11-1:
Finding: It was noted that the supporting calculations for the estimated post closure liability for the landfills in the Solid waste fund had not been updated in several years.

Status: The post closure liability for the landfills in the Solid Waste fund was properly supported and updated at September 30, 2012. This matter has been addressed.

AG-11-2:
Finding: During the prior year audit we noted several errors in the Affordable Housing department's mortgage receivable subsidiary ledger.

Status: Management of the program implemented a quarterly review of the supporting schedule. However, additional clerical errors were noted in the current year. See finding 12-01 and management's response and corrective action in the Schedule of Findings and Questioned Costs.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Cherry Bekaert LLP

Tampa, Florida
March 15, 2013