

COMMON CENT\$

Citizens' Guide to County Finances

for the Fiscal Year Ended September 30, 2022



Nikki Alvarez-Sowles, Esq.
Pasco County Clerk & Comptroller

#ServeAndConnect

MESSAGE FROM CLERK ALVAREZ-SOWLES

Dear Neighbors,

It is my honor and privilege to serve as your Clerk & Comptroller. The right to know how the government collects, manages, and spends *your* money is fundamental. Honesty and transparency in government forms the bedrock of our nation.

As your elected Clerk & Comptroller, I strive to provide clear, concise, and accessible information about how all of your tax dollars are spent in Pasco County. Common Cent\$ is an easy to read, easy to digest assessment of our County's financial and economic wellbeing. The combination of increasing inflation, labor costs, and population are challenges facing Pasco County.

Among the highlights captured in this year's publication for the fiscal year ending September 30, 2022 (October 1, 2021 to September 30, 2022), are:

- The value of new construction (Page 8) accounted for a significant portion of the property tax revenue increase of 26.0%, to \$323.3M (Page 11), allowing Pasco County to address initiatives in its Strategic Plan (Page 7).
- On April 5, 2022, the Pasco County Board of County Commissioners approved Ordinance 22-15, increasing the tourist development tax rate for Pasco County from 4% to 5%. Pasco County had over 1.5M visitors in 2022, which in combination with the increased tax rate led to an increase in revenues by \$1.98M (Page 15).
- Increased investment income earned through the Clerk & Comptroller's management of investments in 2022 grew the County's investment portfolio by \$76 million, or 4.9% (Page 23).
- The County's net worth grew by \$385.4M (14.52%) from 2021 to a total net position of \$3.04B (Page 25).

Thank you for your interest in Common Cent\$. I hope it helps you learn more about Pasco County's fiscal and economic conditions, as well as current and future opportunities.

Sincerely,



Nikki Alvarez-Sowles, Esq.



Nikki Alvarez-Sowles, Esq.

Clerk of the Circuit Court

County Comptroller

Clerk of the Board of County Commissioners

County Recorder

County Auditor and Treasurer

Clerk of the Value Adjustment Board

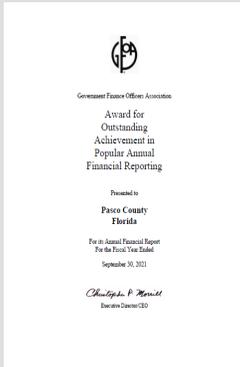
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About This Guide

Common Cent\$: *Citizens' Guide to County Finances* provides an overview of the finances and areas of responsibility of Pasco County's primary government, which includes the Board of County Commissioners (BCC), Clerk & Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. Because this is an overview of the finances of Pasco County, it does not conform with GAAP and reporting requirements for governmental entities. In addition, the activities of discretely presented component units of Pasco County are not included in this report.

This guide has been recognized for excellence by the Government Finance Officers Association (GFOA) for eight years. The Award for Outstanding Achievement in Popular Annual Financial Reporting recognizes conformance with the highest standards for preparation of state and local government financial reports.

The Annual Comprehensive Financial Report ([ACFR](#)), the primary support document for this guide, has received GFOA's Certificate of Achievement for Excellence in Financial Reporting over 39 consecutive years. Visit www.pascoclerk.com to learn more about these award-winning reports.



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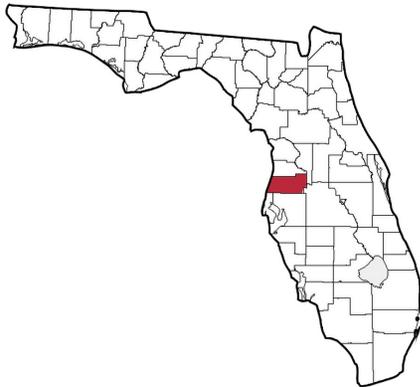
26 Glossary

ABOUT PASCO COUNTY

Pasco County was created by the Florida State Legislature on June 2, 1887, when Hernando County was divided into three parts, separating Citrus County to the north and Pasco County to the south.

Pasco County is centrally located on Florida's West Coast, about 30 miles north of downtown Tampa and 50 miles west of Orlando. This unique location places Pasco County within both a nine-county region, referred to as the Nature Coast, as well as the four-county Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area. The County contains a total area of 868 square miles, of which approximately 747 square miles are land; the balance is water.

Pasco County's 592,001 permanent residents make it the 11th most populous county in Florida, with a 2022 population density of 793 residents per square land mile.



Pasco County's six incorporated municipalities comprise a total 2022 estimated population of 50,591. Zephyrhills is the largest city, with a population of 18,631. Dade City, the County seat, is the third largest city, with a population of 7,779. The remaining four municipalities include New Port Richey, Port Richey, San Antonio, and St. Leo. Approximately 541,410 residents live within unincorporated Pasco County. For comparison, this total would make unincorporated Pasco County the second largest city in the State of Florida.

Source: Bureau of Economic and Business Research

ABOUT THE CLERK & COMPTROLLER

The Florida Constitution, which has governed Florida for more than 180 years, established the Clerk & Comptroller as an elected public trustee in 1838, establishing at the county level a system of checks and balances that has served the public well. The functions and duties of the Clerk & Comptroller vary from state to state. In Pasco, the Clerk is not only the Clerk of the Circuit Court, but also the chief financial officer, auditor, and county recorder, as well as the ex officio Clerk to the Board of County Commissioners.

Pasco County Clerk & Comptroller

Mission

We serve and connect our community to our government partners and the justice system by delivering exceptional services.

Vision

Trusted service for a better community.

Values

Integrity
Compassion
Teamwork
Continuous Improvement



Clerk of the Circuit Court: The Clerk guarantees the integrity of all court-related documents in Pasco County. The Clerk processes and files all case documents and evidence, making them available to the public. The Clerk is also responsible for managing the Court's jury system and providing citizens, who wish to represent themselves in court, with informational packets and court forms.



County Comptroller & Auditor: As Chief Financial Officer (CFO) the Clerk oversees BCC spending by performing a preaudit of invoices before payment, recording revenues, and processing payments on behalf of the BCC. The CFO invests available county funds to earn interest income and ensures taxpayer funds are used lawfully. In addition, the Clerk performs independent, risk-based financial audits.



County Recorder: The Clerk preserves and ensures the integrity of the Official Record Books of Pasco County. Documents such as mortgages, deeds, liens, judgments, and marriage licenses are recorded, indexed, and preserved for public record dating back to the formation of the County in 1887.



Ex Officio Clerk to the Board of County Commissioners: The Clerk prepares and maintains the records of county commission and other government meetings for the public. The Clerk also administers the Value Adjustment Board, to allow citizens to contest their property's assessed value.

GOVERNMENT IN PASCO COUNTY



PASCO

Constitutional Officers



Nikki Alvarez-Sowles
Clerk & Comptroller

- Clerk of Circuit Court
- County Comptroller
- Clerk to the BCC
- County Recorder
- County Auditor & Treasurer
- Clerk of the Value Adjustment Board



Brian Corley
Elections Supervisor

- Oversees the election process



Mike Wells
Property Appraiser

- Assesses your property's taxable value



Chris Nocco
Sheriff

- Protects our community



Mike Fasano
Tax Collector

- Collects your taxes

Per Florida Statute, voters elect five independent, constitutional officers who represent the entire county and are separate and apart from the BCC. Constitutional officers are elected countywide every four years, on a partisan ballot, with no term limits. Each of the five constitutional officers administers his or her office, although each must obtain budgets and facilities from the BCC.

GOVERNMENT IN PASCO COUNTY



Board of County Commissioners



Ron Oakley
District 1
Vice Chairman



Seth Weightman
District 2



Kathryn Starkey
District 3



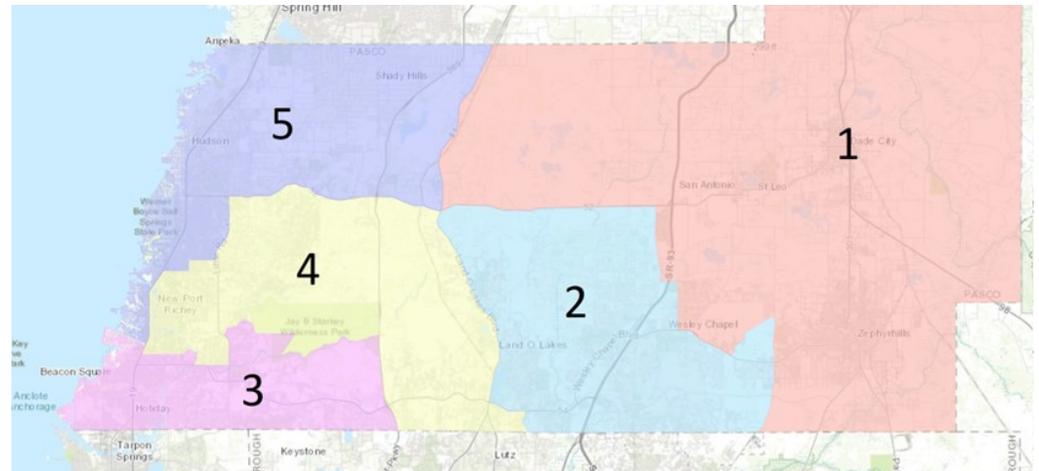
Gary Bradford
District 4



Jack Mariano
District 5
Chairman

Elected countywide, Pasco County Commissioners represent individual districts, serving staggered four-year terms.

The Board acts as the local legislative and executive body, setting public policy, levying taxes, and funding public projects and programs.



MAJOR INITIATIVES

In 2022, the BCC adopted its four-year Strategic Plan. The plan outlined four areas, with targeted initiatives, to help the County achieve the vision of becoming “Florida’s Premier County.” These focus areas are outlined below and help drive major budgetary and funding decisions by the BCC.



Create a Thriving Community

- Abate flood impacts on life and property
- Maintain a safe, resilient, and efficient multimodal transportation system
- Maintain and expand utilities systems
- Incorporate sustainable practices into new and existing communities.



Enhance Quality of Life

- Improve public safety response
- Deliver services that that create impactful change
- Provide cultural, educational, and recreational opportunities
- Protect, conserve, and restore the County’s natural resources



Stimulate Economic Growth

- Maintain financially stable and transparent government
- Attract, retain, and grow businesses
- Streamline process to facilitate commercial growth
- Foster and promote relationships through a collaborative environment



Improve Organizational Performance

- Deliver services to exceed customer expectations
- Foster a safe organizational culture
- Optimize processes
- Foster a transformation culture that promotes innovation

PASCO COUNTY FINANCIAL STATISTICS

Largest Taxpayers

| Principal Taxpayers | Taxable Assessed Value |
|--|------------------------|
| Duke Energy Florida | \$513,542,957 |
| Withlacoochee River Electric Cooperative | 331,408,023 |
| HCA Health Services of Florida | 137,205,998 |
| Frontier Florida, LLC | 106,849,444 |
| Pasco Ranch, Inc. | 102,491,493 |
| Tampa Electric Company | 91,989,232 |
| Tampa Premium Outlets LLC | 90,751,345 |
| Spectrum Sunshine State LLC | 84,629,799 |
| Lantower Seneca Tampa LP | 81,120,530 |
| Publix Super Markets, Inc. | 75,010,276 |

Source: Pasco County Property Appraiser

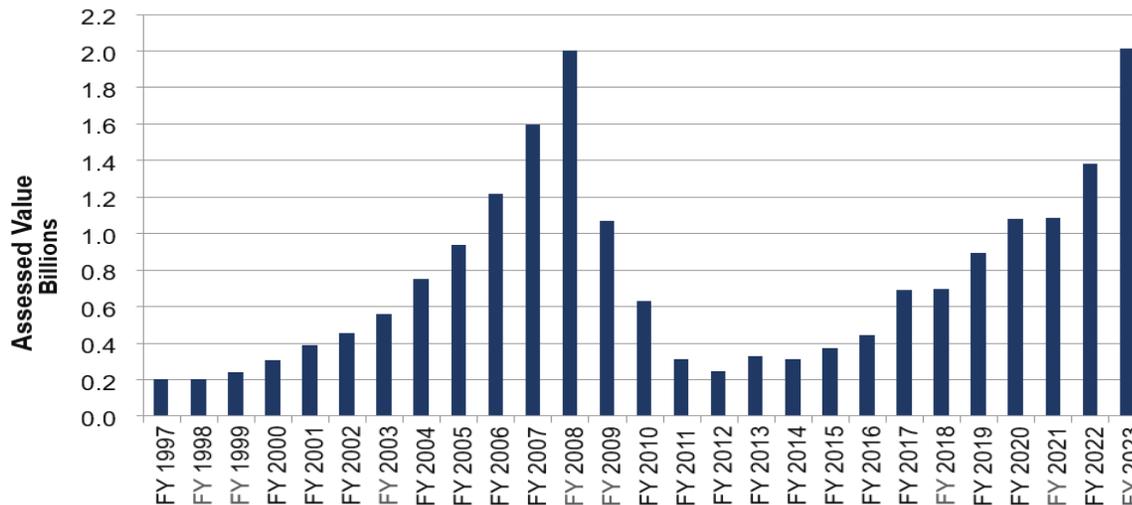
Cost of Living Index

| | |
|---------------------|---------------|
| Pasco County | 97.56 |
| Florida | 101.23 |

The cost-of-living index compares expenses an average person can expect to incur acquiring food, shelter, transportation, energy, clothing, education, healthcare, childcare, and entertainment. The set base number is 100, so cost of living can be evaluated across cities and regions nationwide.

Source: The 2022 Florida Price Level Index; Jim Dewey, Director of Economic Analysis, Florida Polytechnic University

Net Taxable Value of New Construction



Total taxable assessed values (TTAV) have increased each year since 2014, following five years of decline.

In fact, TTAV has increased by approximately 57%, with the value of new construction accounting for a significant portion of that increase.

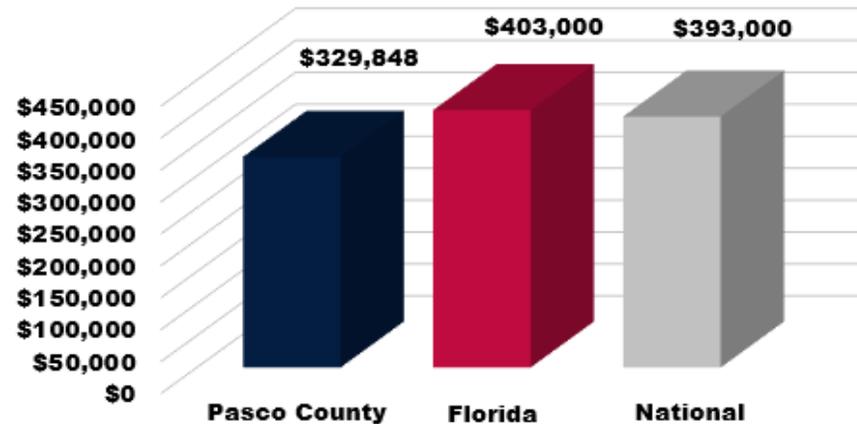
PASCO COUNTY HOUSING MARKET

Median Single-Family Sales Price

Pasco County continues to see an increase in the median single-family sales price.

Despite the marked increase in home prices, records show that recording of deeds have increased while the number of mortgages have decreased. This suggests that residential housing is being purchased for cash.

In comparison to 2021 data, there were more mortgages recorded than deeds, suggesting that residents were engaging in home equity lines of credit.



Source: PinellasRealtor.org and statista.com

| Median Single-Family Sales Price | 2020 | 2021 | 2022 | % Change since 2020 |
|----------------------------------|---------|-----------|-----------|---------------------|
| Pasco County | 255,000 | \$325,745 | \$329,848 | 29.4% |
| Florida | 262,000 | \$369,000 | \$403,000 | 53.8% |
| National | 260,000 | \$360,000 | \$393,000 | 51.2% |

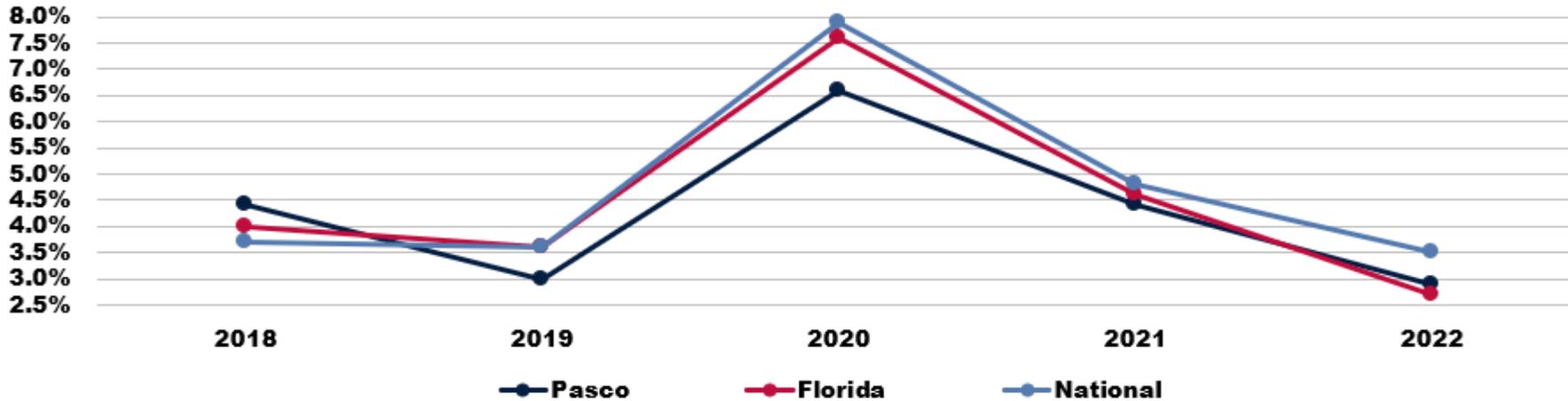
Mortgages, Deeds, Foreclosures, and New Residential Permits

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|----------------------------------|--------|--------|--------|--------|--------|
| Mortgages Recorded | 21,669 | 16,356 | 28,854 | 39,055 | 34,157 |
| Deeds Recorded | 30,090 | 18,638 | 30,443 | 36,842 | 38,218 |
| Foreclosure Filings | 1,470 | 1,453 | 972 | 522 | 808 |
| New Residential Building Permits | 3,894 | 4,516 | 5,373 | 9,525 | 7,814 |

Source: Pasco County Clerk & Comptroller and Pasco County BCC

PASCO COUNTY LABOR MARKET

Unemployment Rate



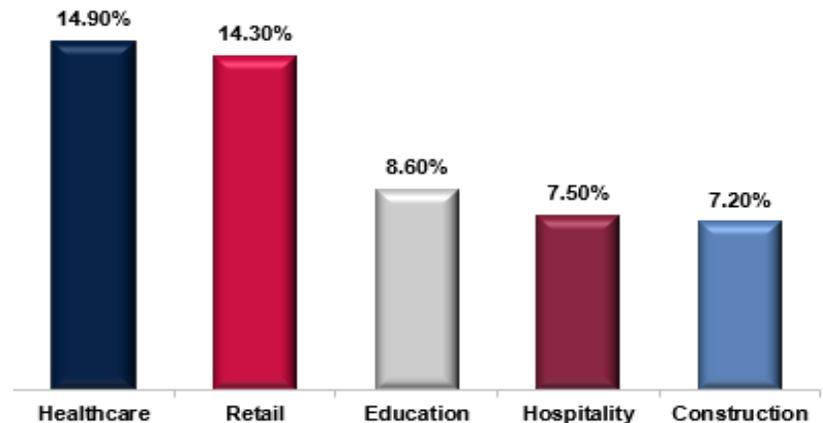
Source: U.S. Bureau of Labor Statistics

Top Employers

| Top 10 Pasco County Employers | Number of Employees |
|---------------------------------|---------------------|
| Pasco County School District | 11,818 |
| Pasco County Government | 3,175 |
| HCA Healthcare (five locations) | 3,084 |
| State of Florida | 1,708 |
| Advent Health Wesley Chapel | 1,410 |
| Pasco County Sheriff | 1,343 |
| Saint Leo University | 1,272 |
| Federal Government | 899 |
| Florida Medical Clinic | 654 |
| Gulfside Healthcare Services | 410 |

Source: Pasco County EDC and Pasco County H.R. Dept.

Five Largest Industries



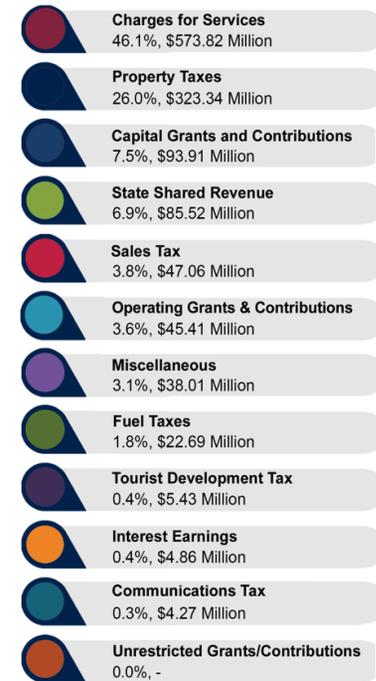
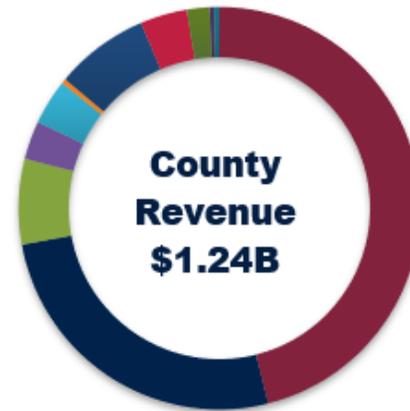
Source: U.S. Statistical Atlas

REVENUE: WHERE THE MONEY COMES FROM

Total County revenues in governmental and business-type activities increased over fiscal year 2021 by approximately \$75.4M, or 6.4%. The increase is attributed to capital grants & contributions (\$45.0M), and property taxes (\$33.5M).

The increase in capital grants & contributions is attributed to the American Rescue Plan Act (ARPA). In fiscal year 2022 the County recognized \$24.0M in ARPA funds to align with approved expenditures.

As anticipated, property taxes continue to experience a year-over-year increase due to new construction and rising property values.



County Revenues by Fiscal Year

| | 2020 | 2021 | 2022 | % Change FY21 to FY22 |
|---------------------------------------|-----------------------|-------------------------|-------------------------|-----------------------|
| Charges for Services | \$ 375,526,426 | \$ 595,306,439 | \$ 573,823,968 | -3.6% |
| Property Taxes | \$ 266,656,291 | \$ 289,826,011 | \$ 323,348,771 | 11.6% |
| Capital Grants & Contributions | \$ 23,821,401 | \$ 48,822,026 | \$ 93,916,746 | 92.4% |
| State Shared Revenue | \$ 49,724,003 | \$ 69,394,686 | \$ 85,521,686 | 23.2% |
| Sales Tax | \$ 32,550,819 | \$ 36,530,330 | \$ 47,060,241 | 28.8% |
| Operating Grants & Contributions | \$ 160,915,454 | \$ 71,955,434 | \$ 45,411,586 | -36.9% |
| Miscellaneous | \$ 20,281,542 | \$ 25,088,440 | \$ 38,019,879 | 51.5% |
| Fuel Taxes | \$ 26,598,903 | \$ 21,807,280 | \$ 22,693,209 | 4.1% |
| Tourist Development Tax | \$ 2,622,135 | \$ 3,479,805 | \$ 5,431,200 | 56.1% |
| Interest Earnings | \$ 29,507,865 | \$ 2,704,566 | \$ 4,863,789 | 79.8% |
| Communications Tax | \$ 4,182,160 | \$ 4,076,264 | \$ 4,276,071 | 4.9% |
| Grants & Contributions not restricted | \$ - | \$ - | \$ - | 0.0% |
| Total | \$ 992,386,999 | \$ 1,168,991,281 | \$ 1,244,367,146 | 6.4% |

REVENUE: PROPERTY TAXES

The BCC and other taxing entities set a property tax rate, called a millage rate, and it is used to calculate overall property taxes. A mill is equal to \$1 of tax for every \$1,000 of assessed property value. Pasco County has maintained an operating millage of 7.6076 millage rate since 2016, while being able to maintain or improve services. The amount paid in taxes each year is based on this formula:

$$\begin{aligned} \text{Assessed Property Value} - \text{Exemption(s)} &= \text{Taxable Value} \\ \text{Taxable Value}/1,000 \times \text{Total Millage Rates} &= \text{Total Property Tax} \end{aligned}$$

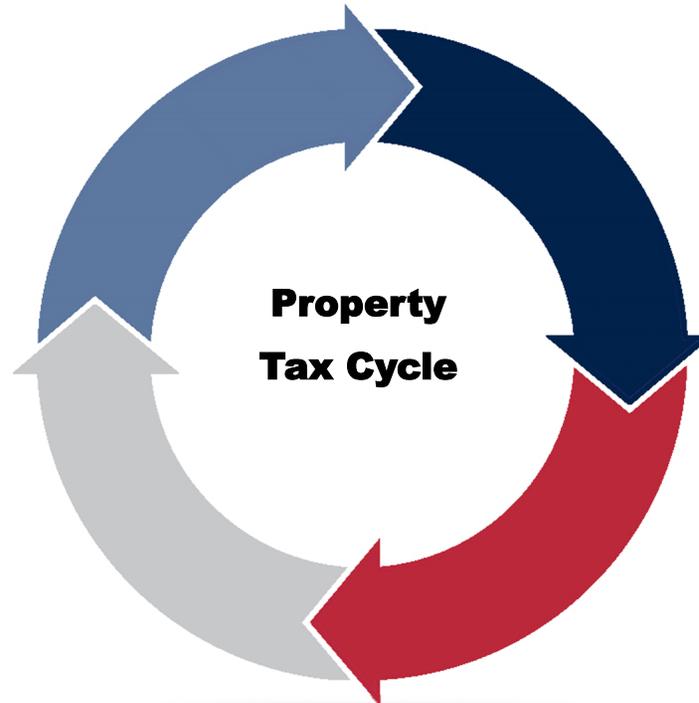
The county-level system of checks and balances, put in place by the Florida Legislature, is represented in the annual property tax cycle graphic below. The Property Appraiser, Tax Collector, Clerk & Comptroller, and taxing agencies, such as the BCC, have separate and distinct roles in the process. The cycle ends when the Tax Collector receives payment and turns the funds over to the Clerk & Comptroller. In the role as the Chief Financial Officer to the BCC, the Clerk & Comptroller uses the funds to pay the County's bills.

November: Property Tax Bill

Tax bills are mailed and payments are collected by the *Tax Collector*. Collected payments are remitted to the *Clerk & Comptroller* for proper accounting.

August: Property Tax Notice

The Notice of Proposed Taxes, also called the Truth in Millage (TRIM) Notice, is mailed by the *Property Appraiser*. Taxpayers may challenge the assessment by petitioning the Value Adjustment Board through the *Clerk & Comptroller*.



January: Property Value Assessed

Market value and exemption eligibility are determined by the *Property Appraiser*.

July: Tax Millage Rate

The *BCC and other taxing entities* set millage rates based on the amount of money needed to cover expenses.

REVENUE: PROPERTY TAXES

When property owners in unincorporated Pasco County pay their taxes, 60.36% of the revenue goes to the Board of County Commissioners (BCC). The remaining 39.64% is received by other County taxing authorities.

How Your Property Taxes Are Allocated



| | | | |
|--------------------------------|--------|---|--|
| Pasco County Government | 7.6076 | Pasco County Operating | Total 9.6210 Mills (60.36%) |
| | 1.8036 | County Municipal Fire | |
| | 0.2098 | General Obligation | |
| Pasco County Schools | 4.3100 | County School Operating | Total 5.8100 Mills (36.45%) |
| | 1.5000 | County School Outlay | |
| District Agencies | 0.2535 | Southwest Florida Water Management District | Total 0.2535 Mills (1.59%) |
| Mosquito Control | 0.2545 | Mosquito Control | Total 0.2545 Mills (1.60%) |

Property Tax Calculation Example

Property taxes are calculated on the assessed value of a home, after exemptions. Primary residences in Florida are eligible to receive up to \$50,000 in homestead exemptions. The example below assumes the owner's primary residence is assessed at \$200,000.

Of the \$2,536.11 total annual tax bill for this home, \$1,443.15 is collected on behalf of the BCC to fund the Sheriff, 911 emergency communications, fire, EMS, parks, libraries, and other general government services.

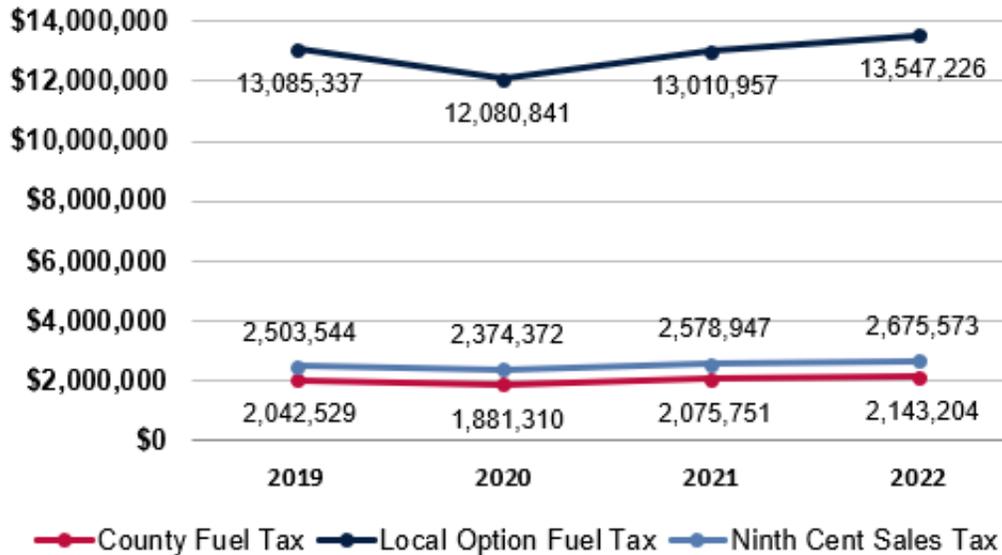
| | | |
|--|----|---------|
| Assessed Value of Primary Residence | \$ | 200,000 |
| Homestead Exemption for School Taxes | | 25,000 |
| Homestead Exemption for Non-School Taxes | | 50,000 |

| | Pasco County Government | Pasco County Schools | District Agencies | Mosquito Control |
|--------------------------------|--------------------------------|-----------------------------|--------------------------|-------------------------|
| Assessed Value | \$ 200,000 | \$ 200,000 | \$ 200,000 | \$ 200,000 |
| - Exemptions | 50,000 | 25,000 | 50,000 | 50,000 |
| Taxable Value | \$ 150,000 | \$ 175,000 | \$ 150,000 | \$ 150,000 |
| / 1,000 | 150 | 175 | 150 | 150 |
| x Total Millage | 9.621 | 5.8100 | 0.2535 | 0.2545 |
| Total Property Tax | \$ 1,443.15 | \$ 1,016.75 | \$ 38.03 | \$ 38.18 |
| Total Property Tax Bill | | | | \$ 2,536.11 |

For illustrative purposes only. Does not include non-ad valorem assessments. Totals include rounding.

REVENUE: OTHER TAXES

Fuel Taxes



Source: Pasco County 2022 Annual Comprehensive Financial Report

Fuel Taxes

County governments are authorized to levy up to 12 cents on each gallon of gas in the form of three separate levies. The Florida Legislature requires counties to levy the first seven cents, through two separate levies, to fund transportation expenditures, even if county government did not impose the tax (county fuel tax and ninth-cent sales tax). Additionally, Pasco County levies the last optional five-cent tax to fund the Transportation Capital Improvement Plan (local option fuel tax).

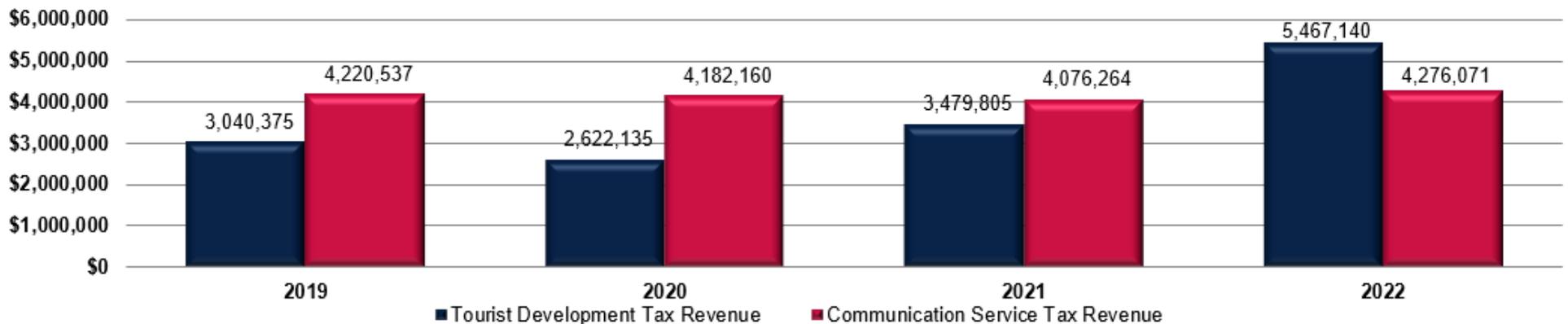
Tourist Development Tax

Pasco County levies a 5% tax on short-term lodging to fund the promotion and expansion of Pasco tourism.

Communication Service Tax

A tax of 2.44% is imposed on each sale of communications services in Pasco, such as telephone service and cable TV, to fund County operations.

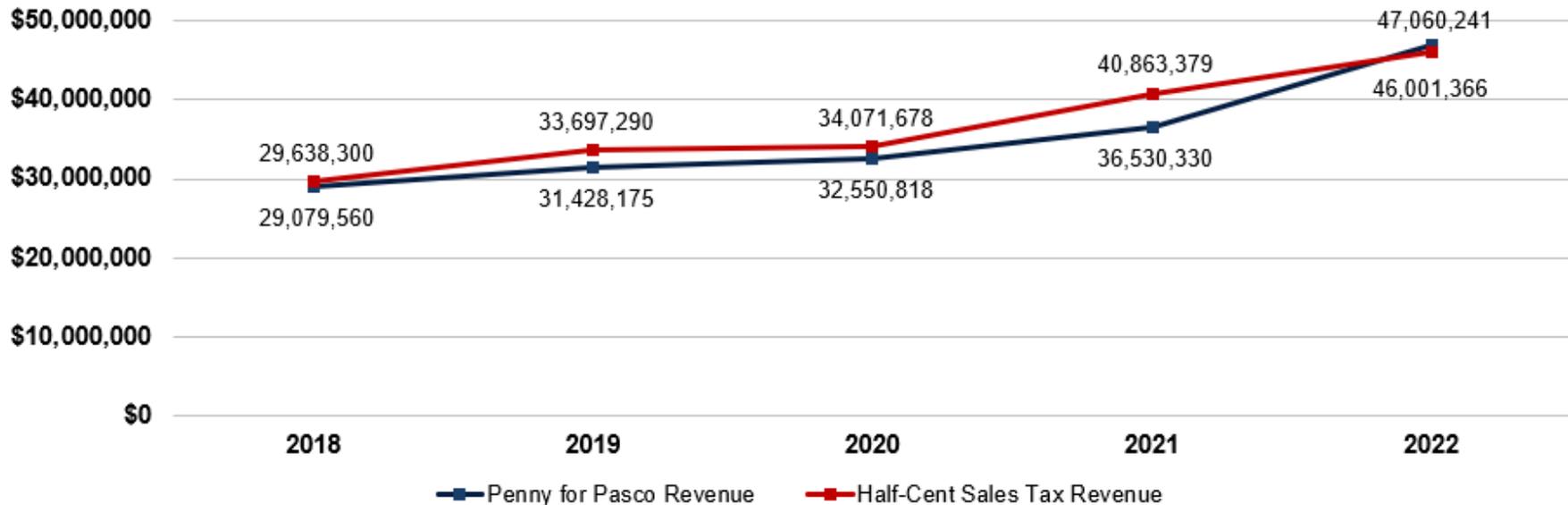
Other Taxes



Source: Pasco County 2022 Annual Comprehensive Financial Report

REVENUE: SALES TAX

Sales Tax Revenue

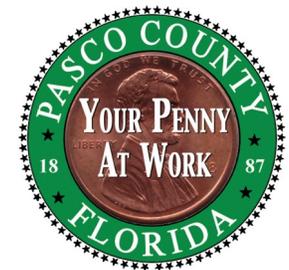


Half-Cent Sales Tax

Among state-shared revenue authorized by the Legislature, the Half-Cent Sales Tax generates the largest amount of revenue for local governments. Based on population, the share of this revenue grows as the county population grows. Funds from this revenue source are used to fund county operations and various capital improvements.

Penny for Pasco

The Penny for Pasco is a Local Government Infrastructure Surtax — that is, a type of sales tax. On November 8, 2022 this referendum was approved by citizens for a third time. At a rate of one cent per dollar per qualifying sale, this provides funds designated for economic development, public safety vehicles and equipment, conservation of land and natural resources, transportation infrastructure improvements, and enhancements for educational facilities. Penny for Pasco revenue is used to enhance the quality of life for citizens through the completion of capital projects for the County, cities, and School Board.



REVENUE: USER FEES FOR BUSINESS-TYPE ACTIVITIES

Business-type activities are those activities for which a fee is charged to external users for goods or services.

Pasco County provides services based on user fees for two utilities:

Water & Sewer



Water service rates are based on the real costs of treating and delivering water to customers. To determine rates, a study is conducted to identify the costs the County has incurred for system

Save H₂O

improvements, maintenance, operations, administration, and financing. Once the study is

complete, a public hearing notice is published and, at the appointed time, the meeting is held. Subsequently, rates are adopted by resolution and put into effect.

Solid Waste



The Solid Waste Department provides an integrated and comprehensive solid waste management system for the citizens of Pasco County, including recycling, resource recovery, and hazardous waste

Garbage

programs. An annual assessment of \$86 is billed to Pasco County homeowners; additional tipping fees

are charged to residential and commercial customers at the landfill or waste-to-energy facilities. Similar to water service rates, solid waste rates are based on the real costs of providing the service to customers.

| 2022 Revenue From User Fees | Total |
|-----------------------------|-------|
|-----------------------------|-------|

| | |
|-------------------------------|---------------|
| Water & Sewer | \$169,737,877 |
| Solid Waste/Resource Recovery | 71,001,328 |

Water & Sewer Bill Example

Example assumes use of 17,000 gallons of water per month.

| | Rates | Totals |
|---------------------------------|--|-----------------|
| Water Base Charge | \$10.14 | \$ 10.14 |
| 1,000 to 5,000 gallons | \$ 2.01 per 1,000 gallons | \$ 10.05 |
| 5,001 to 10,000 gallons | \$ 3.19 per 1,000 gallons | \$ 15.95 |
| 10,001 to 15,000 gallons | \$ 6.39 per 1,000 gallons | \$ 31.95 |
| 15,001 and over | \$ 8.63 per 1,000 gallons | \$ 17.26 |
| Water Subtotal | | \$ 85.35 |
| Sewer Base Charge | \$20.36 | \$ 20.36 |
| Sewage Rate | \$ 6.26 per 1,000 gallons (max 10,000 gallons) | \$ 62.60 |
| Sewage Subtotal | | \$ 82.96 |
| Total Monthly Bill | | \$168.31 |

BUDGET OVERVIEW

By law, the BCC must create and approve a balanced budget in which revenues equal expenses. The budget outlines operations, services, and projects the County plans to fund for the upcoming fiscal year. In addition to funding the departments under the BCC, commissioners are required to fund portions of the County constitutional officers' budgets for County-based services.

The adopted operating budget for FY 2022 totaled \$1.9B, an increase of 28% from the previous fiscal year. A majority of this increase is to account for the use of \$107.43M in funds the County received for the American Rescue Plan Act.



General Fund (1)

Basic operating fund for the County. May be used for any purpose.

Debt Service Funds (19)

Used to accumulate long-term debt and pay principal and interest on same.

Enterprise Funds (2)

Revenue sources from services substantially supported by user fees such as utility services.

Special Revenue Funds (44)

Revenue earmarked or restricted for a certain purpose, such as fire service or grants.

Capital Projects Funds (46)

Used to account for construction or acquisition of assets such as facilities, equipment, and roads.

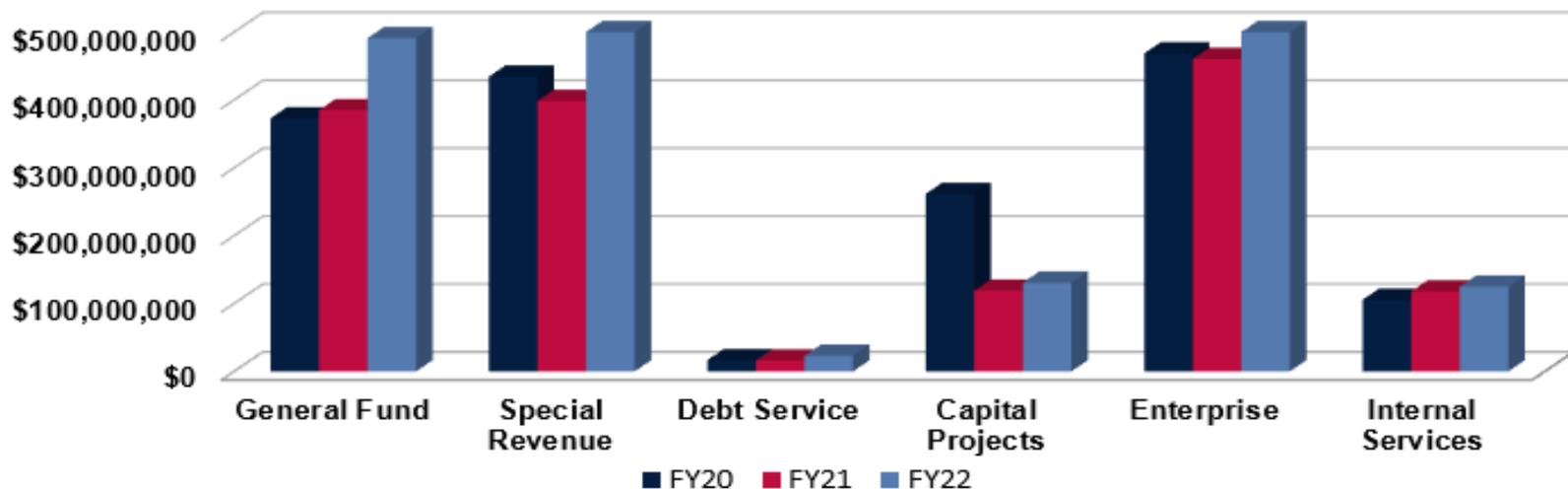
Internal Services Funds (3)

Used for services provided to other funds within the County, such as fleet services, employee health insurance, and property insurance.

BUDGET COMPARISON

Budget by Fiscal Year

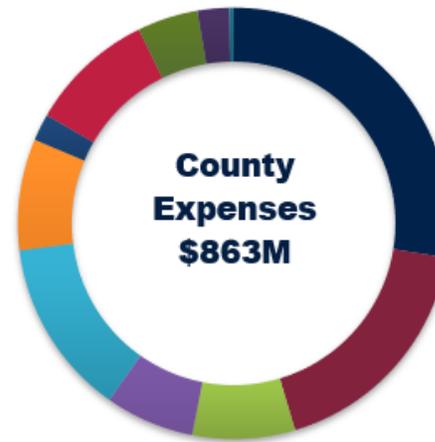
| Fund Type | 2020 | 2021 | 2022 | % Change FY21 to FY22 |
|-------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| General Fund | \$ 372,965,962 | \$ 384,993,786 | \$ 491,123,697 | 28% |
| Special Revenue | \$ 434,395,666 | \$ 398,606,823 | \$ 529,179,722 | 33% |
| Debt Service | \$ 16,660,192 | \$ 16,303,600 | \$ 23,115,848 | 42% |
| Capital Projects | \$ 261,608,730 | \$ 119,054,587 | \$ 130,816,162 | 10% |
| Enterprise | \$ 468,581,488 | \$ 460,337,877 | \$ 621,873,700 | 35% |
| Internal Services | \$ 105,641,919 | \$ 117,985,668 | \$ 125,110,196 | 6% |
| Total | \$ 1,659,853,957 | \$ 1,497,282,341 | \$ 1,921,219,325 | 28% |



EXPENSES: WHERE THE MONEY GOES

County expenses for governmental and business-type activities totaled \$863.9M, a 3.5% decrease over the previous fiscal year. The largest decrease was in public safety (\$71.4M less than prior year or - 23%). However, public safety remains the largest portion of County expenses.

The largest dollar and percentage increase in 2022 compared to prior-year funding was for General Government: \$41.8M (or 58%). This is mostly attributed to the increase in expenditures associated with the BCC approved spending plan for American Rescue Plan Act funding.



Source: Pasco County 2022 Annual Comprehensive Financial Report

County Expenses by Fiscal Year

| | 2020 | 2021 | 2022 | % Change FY21 to FY22 |
|------------------------------------|-----------------------|-----------------------|-----------------------|--------------------------|
| Public Safety | \$ 317,023,787 | \$ 309,561,585 | \$ 238,180,122 | -23.1% |
| Water and Sewer | \$ 130,448,221 | \$ 134,605,215 | \$ 154,372,847 | 14.7% |
| General Government | \$ 112,870,324 | \$ 72,690,737 | \$ 114,516,845 | 57.5% |
| Physical Environment | \$ 14,555,528 | \$ 39,627,468 | \$ 81,351,615 | 105.3% |
| Culture and Recreation | \$ 40,405,770 | \$ 60,542,348 | \$ 72,097,292 | 19.1% |
| Interest and Debt Services Charges | \$ 15,589,593 | \$ 85,107,671 | \$ 66,584,259 | -21.8% |
| Solid Waste Disposal and Recovery | \$ 36,029,086 | \$ 37,364,274 | \$ 39,382,905 | 5.4% |
| Transportation | \$ 78,383,294 | \$ 76,926,093 | \$ 57,715,992 | -25.0% |
| Human Services | \$ 22,328,331 | \$ 27,337,837 | \$ 20,487,618 | -25.1% |
| Economic Environment | \$ 16,865,211 | \$ 51,611,145 | \$ 17,423,424 | -66.2% |
| Court-Related | \$ 17,169,836 | \$ 387,262 | \$ 1,875,144 | 384.2% |
| Total | \$ 801,668,981 | \$ 895,761,635 | \$ 863,988,063 | -3.5% |

Source: Pasco County 2021 Annual Comprehensive Financial Report

EXPENSES: MAJOR CAPITAL PROJECTS

As part of the annual budget process, the County allocates funding for capital improvements such as land, facilities, roadway systems, drainage systems, and other infrastructure improvements in the capital projects and enterprise funds.

In Fiscal Year 2022, the budget for capital projects and enterprise funds increased 10% and 35%, respectively (Page 18).

Some of the major capital projects worked on in 2022 are captured here.

| Major Capital Projects | |
|--|---------------|
| CR54 (SR54/56 INT-Magnolia) | \$ 19,147,673 |
| Water & Wastewater Maintenance Facility West | 10,000,000 |
| Water & Wastewater Maintenance Facility East | 8,000,000 |
| Water & Wastewater Waste-to-Energy Expansion | 8,000,000 |
| Elamp Land Acquisition | 7,089,791 |
| Ridge Road Extension Phase 2A (4-Laning) | 6,372,975 |
| Central Facilities Office | 5,000,000 |
| Environmental Lab Facility Upgrade | 5,000,000 |
| Roads Program Maintenance | 4,926,355 |
| Wastewater Collection Improvements | 4,523,533 |
| Land O Lakes WWTP Expansion | 4,500,000 |



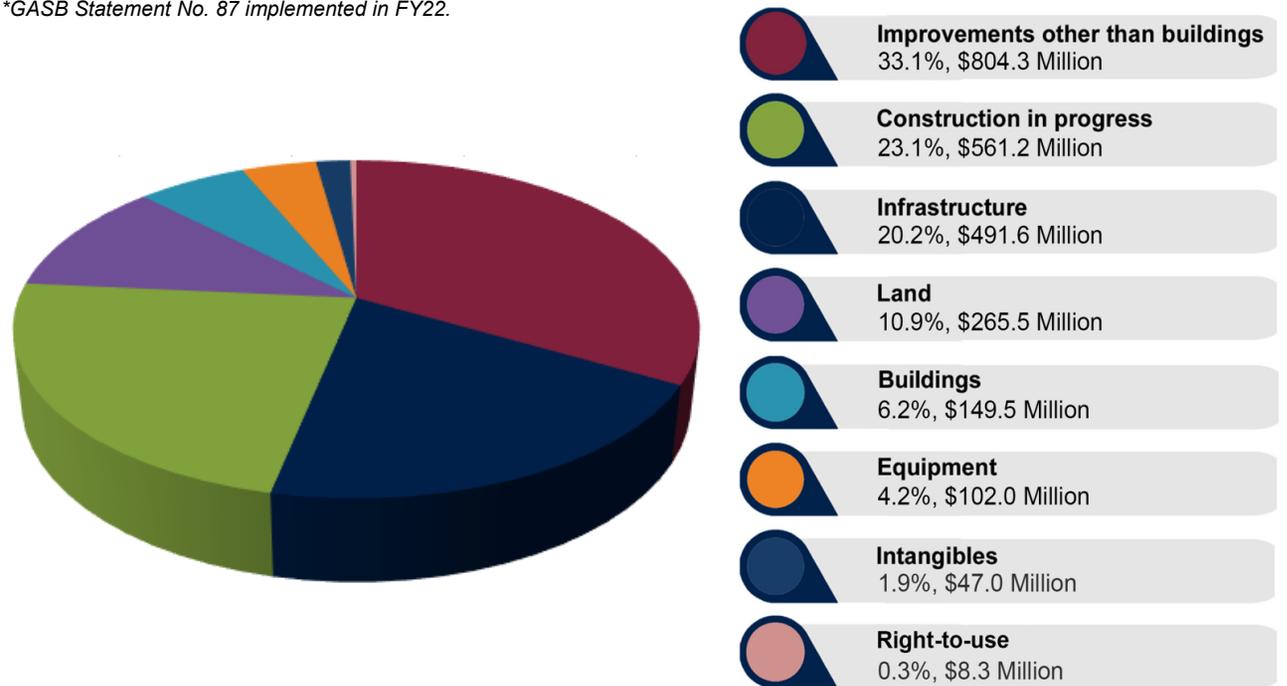
YOUR TAX DOLLARS AT WORK: CAPITAL ASSETS

The County's capital assets for total primary governmental activities as of September 30, 2022, reached \$2.43B, net of accumulated depreciation. This represents an increase of \$242.5M from Fiscal Year 2021. Improvements, other than buildings, represent the largest capital asset category, at \$804.3M. These assets are defined as permanent improvements that add value to land, but do not have a definitive useful life (e.g., restoration of existing utility systems and library renovations)

Increases in capital assets are expected to continue into future years to meet the needs of Pasco's growing population.

| Capital Assets, Net of Accumulated Depreciation | | | |
|---|------------------------|------------------------|------------------------|
| Total Primary Government | | | |
| Category | 2020 | 2021 | 2022* |
| Improvements other than buildings | \$ 611,079,382 | \$ 665,893,448 | \$ 804,323,423 |
| Construction in progress | 361,473,788 | 477,957,343 | 561,232,968 |
| Infrastructure | 489,840,718 | 498,169,537 | 491,697,334 |
| Land | 242,645,512 | 251,552,236 | 265,557,037 |
| Buildings | 159,494,914 | 162,558,540 | 149,590,438 |
| Equipment | 88,310,221 | 93,006,985 | 102,075,418 |
| Intangibles | 29,435,595 | 38,202,950 | 47,005,558 |
| Right-to-use | - | - | 8,328,308 |
| Totals | \$1,982,280,130 | \$2,187,341,039 | \$2,429,810,485 |

*GASB Statement No. 87 implemented in FY22.



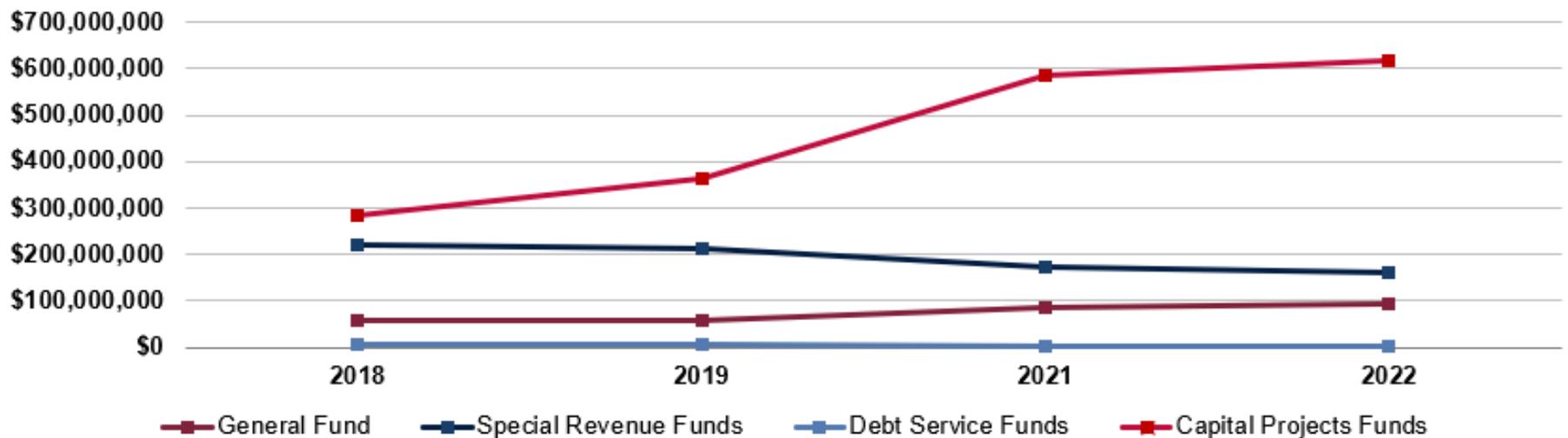
YOUR TAX DOLLARS AT WORK: FUND BALANCE

Fund balance represents the balance of funds resulting from prior-year funds carried forward and added to current-year revenues, less current-year expenses. Spendable fund balance is categorized as restricted, committed, assigned, or unassigned. Collectively, the first three categories have their use restricted by an external resource provider (such as grantors or creditors), commission designation, state statute, or local ordinance, all of which stipulate how funds may be spent. Any residual spendable funds not classified for a specific purpose are deemed unassigned fund balance.

Fund balances remaining at the end of a fiscal year may be used to budget “rainy day” reserves the following fiscal year. Pasco County has a goal to increase budgeted reserves in all operating funds to 16.7% (two months) of operating expenses, for emergencies.

Fund Balances as of Fiscal Year End

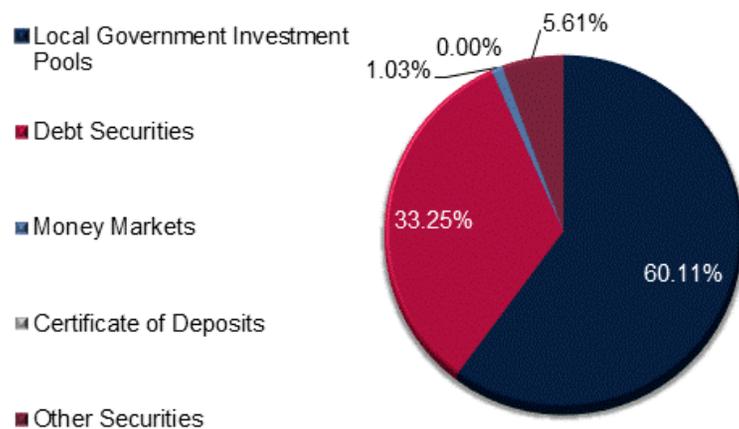
| | 2019 | 2020 | 2021 | 2022 | Value Change FY21 to FY22 | % Change FY21 to FY22 |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------------|--------------------------|
| General Fund | \$ 57,021,144 | \$ 68,091,640 | \$ 84,002,861 | \$ 95,453,961 | \$ 11,451,100 | 13.63% |
| Special Revenue Funds | \$ 211,178,953 | \$ 216,324,175 | \$ 172,830,455 | \$ 160,536,682 | \$ (12,293,773) | -7.11% |
| Debt Service Funds | \$ 6,776,127 | \$ 7,057,059 | \$ 3,728,644 | \$ 3,716,407 | \$ (12,237) | -0.33% |
| Capital Projects Funds | \$ 361,970,336 | \$ 409,976,766 | \$ 587,080,622 | \$ 615,393,603 | \$ 28,312,981 | 4.82% |
| Total Allocation | \$ 636,946,560 | \$ 701,449,640 | \$ 847,642,582 | \$ 875,055,978 | \$ 27,458,071 | 3.24% |



YOUR TAX DOLLARS AT WORK: INVESTMENTS

As custodian of BCC funds, the Clerk & Comptroller invests surplus public funds until they are needed to pay County expenses. The Clerk & Comptroller invests the portfolio in high-quality securities, money markets, and certificates of deposit, producing the best and safest returns, ultimately reducing taxpayer burden. Investments are made in compliance with Section 218.415, Florida Statutes, which requires investment policies to place the highest priority on safety of principal and liquidity of funds. Optimizing return on investment is secondary to these two requirements. In FY 2022, the majority of the portfolio was invested in local government investment pools (53.89%). The remainder was invested in debt securities (38.44%), other securities (6.49%), and money market deposits (1.18%).

| Investment Portfolio as of Fiscal Year End | | | |
|--|------------------|------------------|------------------|
| 2019 | 2020 | 2021 | 2022 |
| \$ 1,124,707,669 | \$ 1,230,907,141 | \$ 1,542,913,909 | \$ 1,619,197,167 |



Local Government Investment Pools (60.11%)

| | |
|----------------------------------|----------------|
| Florida Trust | \$ 358,523,718 |
| State Board of Admin. - FL Prime | \$ 319,691,797 |
| Florida Palm | \$ 218,455,332 |
| Florida Class | \$ 73,388,117 |
| Florida Fixed Income Trust | \$ 3,266,993 |

Debt Securities (33.25%)

| | |
|-----------------------------|----------------|
| United States Treasury | \$ 273,940,813 |
| Corporate Issues | \$ 125,294,103 |
| Asset-Backed | \$ 63,999,819 |
| Federal Home Loan Bank | \$ 60,081,858 |
| Supra-National Agency Bonds | \$ 14,568,880 |
| Municipal Bond | \$ 494,718 |

As was indicated in 2021, the long-term impact of the pandemic carried over into 2022. Aggressive rate hikes by the Federal Reserve led to strengthening of short-term financial markets, resulting in an increase in interest income earned in FY22.

| Investment Interest Income Earned by Fiscal Year | | | |
|--|---------------|--------------|--------------|
| 2019 | 2020 | 2021 | 2022 |
| \$ 33,644,246 | \$ 27,437,839 | \$ 6,262,384 | \$ 8,791,593 |

YOUR TAX DOLLARS AT WORK: COUNTY DEBT

Pasco County borrows money or issues bonds to fund projects and purchases. This practice allows the County to spread repayments over time and share costs among current and future taxpayers. During 2022:

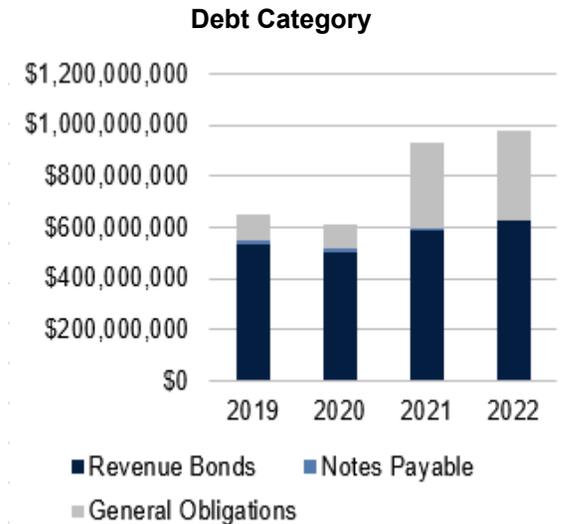
- Governmental debt increased to 65% to finance the costs of capital improvements related to the design, construction, renovation, and expansion of county jail facilities
- The County took advantage of lowering interest rates by refunding (similar to refinancing) some of the current outstanding bond debt saving taxpayers \$1.6M dollars over the life of the bonds
- Business-type activities debt reduced to 35% making regularly scheduled debt service payments and no additional issuances.

Debt Category

| | 2019 | 2020 | 2021 | 2022 |
|--------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenue Bonds | \$ 533,717,420 | \$ 501,325,896 | \$ 586,515,067 | \$ 624,761,300 |
| Notes Payable | \$ 19,230,971 | \$ 16,231,494 | \$ 13,228,182 | \$ 6,277,452 |
| General Obligation Bonds | \$ 96,848,323 | \$ 94,924,300 | \$ 330,017,851 | \$ 344,450,842 |
| Total Debt | \$ 649,796,714 | \$ 612,481,690 | \$ 612,481,690 | \$ 975,489,594 |

Debt by Activity Type

| | 2021 | 2022 | 2021% | 2022% |
|--------------------------|-----------------------|-----------------------|-------------|-------------|
| Governmental | \$ 570,511,072 | \$ 636,052,369 | 61% | 65% |
| Business-Type Activities | \$ 359,250,028 | \$ 339,437,225 | 39% | 35% |
| Total Debt | \$ 929,761,100 | \$ 975,489,594 | 100% | 100% |



YOUR TAX DOLLARS AT WORK: NET WORTH

A Statement of Net Position — or Net Worth — presents information on all County assets, deferred outflow of resources, liabilities, and deferred inflows of resources.

It can be used to determine the overall health of the County's financial position.

With a total Net Position increase of 14.52%, Pasco County continues to see an increase in overall net position and continues to be in a prime economic position to meet financial obligations and service commitments. The growth in net position can be traced back to the increase in the property taxes and charge for services revenue collected during the course of the fiscal year.

| | 2020 | Total All Activities 2021 | 2022 | % Change FY21 to FY22 |
|-------------------------------------|-------------------------|------------------------------|-------------------------|--------------------------|
| Assets/Deferred Outflows | | | | |
| Current and Other Assets | \$ 1,534,987,716 | \$ 1,833,667,812 | \$ 1,956,438,398 | 6.70% |
| Capital Assets | 1,982,280,130 | 2,187,341,039 | 2,429,810,485 | 11.09% |
| Total Assets | 3,517,267,846 | 4,021,008,851 | 4,386,248,883 | 9.08% |
| Deferred Outflows | 200,878,507 | 141,674,300 | 167,639,356 | 18.33% |
| Liabilities/Deferred Inflows | | | | |
| Current | \$ 142,857,829 | \$ 145,299,112 | \$ 170,662,976 | 17.46% |
| Non-Current Liabilities | 1,151,817,596 | 1,062,667,194 | 1,287,720,586 | 21.18% |
| Total Liabilities | 1,294,675,425 | 1,207,966,306 | 1,458,383,562 | 20.73% |
| Deferred Inflows | 35,662,106 | 299,804,313 | 55,144,006 | -81.61% |
| Net Position | | | | |
| Net Investment in Capital Assets | \$ 1,371,133,459 | \$ 1,472,908,076 | \$ 1,949,439,831 | 32.35% |
| Restricted | 677,332,721 | 1,077,695,325 | 1,020,391,994 | -5.32% |
| Unrestricted | 339,342,642 | 104,309,131 | 70,528,846 | -32.38% |
| Total Net Position | \$ 2,387,808,822 | \$ 2,654,912,532 | \$ 3,040,360,671 | 14.52% |

GLOSSARY



Assets: What is owned by the County. Includes items such as pooled cash and investments, receivables, internal balances, inventories, deposits with others, prepaid items, and deferred charges.

Business-Type Activities: Activities supported by user charges. The County maintains five business-type funds used to account for activities for which a fee is charged to users for goods or services. The two external business-type funds are water and sewer and solid waste. These can also be referred to as proprietary funds.

Capital Assets: Property with a useful life over a year and not intended for sale. Includes items such as County land, construction-in-process, equipment, infrastructure, and buildings and improvements net of depreciation.

Deferred Inflows of Resources: An acquisition of net position that applies to future period(s); not recognized as revenue until then.

Deferred Outflows of Resources: A consumption of net position that applies to future period(s); not recognized as an expense until then.

Fund Balance: The difference between assets and liabilities reported in the balance sheet of a governmental fund.

General Government Services: Services provided to citizens and funded by general revenues.

General Obligation Bonds: Municipal bonds backed by the credit and taxing power of the County, rather than revenue from a given project.

General Revenues: All revenues not required to be reported as program revenues in the government-wide statement of activities. General revenues include property taxes, sales and use taxes, state-shared revenues, other County-levied taxes, investment income, rents and concessions, and the sale of surplus property.

Governmental Activities: Nonbusiness-type activities supported mainly by taxes and general, program, and miscellaneous revenues.

Net Investment in Capital Assets: Amounts invested in capital assets less accumulated depreciation and any outstanding debt used to acquire these assets.

Liabilities: What the County owes.

Net Position: The difference between the total of assets plus deferred outflows of resources and liabilities plus deferred inflow of resources reported in the statement of net position; the net worth of the County.

Notes Payable: Short-term municipal bonds used to fund a specific project.

Restricted: Funds set aside for a specific purpose.

Revenue Bond: A municipal bond supported by revenue generated by the specific project being financed by the bond.

Unrestricted: Funds available for any purpose.



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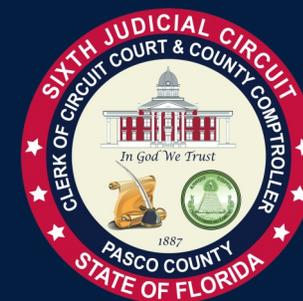
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