



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2006**



**TAMPA PORT AUTHORITY**

**HILLSBOROUGH COUNTY PORT DISTRICT, FLORIDA**

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# Hillsborough County Port District, Florida

## Comprehensive Annual Financial Report

For Fiscal Year Ended September 30, 2006



TAMPA PORT AUTHORITY

Prepared by: Finance Department

Michael J. Macaluso, Chief Financial Officer



**TAMPA PORT AUTHORITY**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2006**

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NO SMOKING





## TAMPA PORT AUTHORITY

March 12, 2007

Board of Commissioners  
Tampa Port Authority  
1101 Channelside Drive  
Tampa, Florida 33602

Dear Commissioners:

The Comprehensive Annual Financial Report (CAFR) of the Tampa Port Authority (Port Authority) for the fiscal year ended September 30, 2006 is hereby submitted for your review. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with the Tampa Port Authority. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Port Authority. All disclosures necessary to enable the reader to gain an understanding of the Port Authority's financial activities and operations have been included.

Certain demographic information and required GASB 44 statistical reporting included in the CAFR were not obtained from the financial records of the Authority but are presented for the CAFR user's information and understanding of the Port Authority and the environment in which the Port Authority operates. Additionally, in the Compliance Section of this CAFR is required reporting under SEC Rule 15c2-12.

The enclosed CAFR has been prepared in accordance with guidelines recommended by the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

Governmental accounting and auditing principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Port Authority's MD&A can be found immediately following the independent auditor's report in the Financial Section of the CAFR.

### **Overview of the Tampa Port Authority**

The Tampa Port Authority was created by action of the Florida Legislature through Chapter 95-488, Laws of Florida (also known as the "Enabling Act"). The Port Authority has jurisdiction over all of the land in and shipping operations in the Hillsborough County, Florida Port District although the Port Authority does not own the facilities in the Port District other than the facilities so designated as the Port Authority facilities.



Among other provisions, the Enabling Act gives the Port Authority the right to acquire property through the power of eminent domain, purchase, gift, grant, franchise, lease or contract. The Port Authority is also empowered to fix uniform rates and charges for wharfage, dockage and handling to and from vessels, where such facilities are owned by the Port Authority or otherwise insofar as it may be permissible under the Constitution of Florida and the Constitution and Laws of the United States of America. All general cargo terminals within the Port District operate subject to the uniform tariff governing use of the facilities and services and established rates, charges, rules and regulations as published by the Port Authority.

The Enabling Act provides that the Port Authority shall have the specific responsibility for planning and carrying out plans for the long range development of the facilities and traffic through the Port District. Prior to purchase, ownership, control or operation of any facility, the Port Authority must hold a public hearing at which the public view is heard. The Port Authority has broad powers to acquire construct, operate and lease facilities.

The Enabling Act authorizes the Hillsborough County Board of County Commissioners to appropriate a sum not to exceed ½ mil (50 cents per \$ 1,000 in taxable valuation) annually in ad valorem taxes on all taxable property in the Port District to pay for any lawful purpose including operating expenses of the Port Authority. The Port Authority annually prepares and submits to the Board of County Commissioners a detailed estimate of the Port Authority's financial requirements, including its administrative and operating expenses for the ensuing year. The Board of County Commissioners has the right, before the Port Authority's Board approves its budget for administrative expenses, to revise or amend, raise, lower, or alter the Port Authority's estimate of such administrative expenses.

### **Local Economy**

Hillsborough County, the operating jurisdiction of the Tampa Port Authority, has a diversified economic base including a large service sector, a large manufacturing sector, and a thriving retail trade sector. The County is host to a number of large employers in both the public and private sector. The University of South Florida is one of the twenty largest universities in the nation and is one of the largest public sector employers. A wide variety of companies including Verizon Communications, JP Morgan Chase, Publix Super Markets, Bank of America, Outback Steakhouse, and TECO Energy are among the area's largest private sector employers.

Tourism is another major component of the economy. The number of tourists visiting Florida is expected to continue to grow and Hillsborough County is expected to be on the leading edge of that growth. Busch Gardens of Tampa is one of the leading tourist attractions in the nation. There are numerous other tourist attractions in Hillsborough County including the Florida Aquarium, Adventure Island, the Museum of Science and Industry, the Lowry Park Zoo, Centro Ybor, the Channelside Shops, Tampa Bay Performing Arts Center, and, of course, the beautiful gulf beaches, resorts, and golf courses. Hillsborough County has numerous athletic facilities that play host to a number of professional sports teams, including the Tampa Bay Buccaneers and the Tampa Bay Lightning. The Tampa Bay Devil Rays play at nearby Tropicana Field in St. Petersburg, Florida.



Economic growth in Hillsborough County continued to be strong in 2006 with the cost of living index in the county consistently below the national average for the past 12 years. The Economic Development Department of Hillsborough County, along with other agencies, is working hard to attract major corporations that will bring more jobs to the County and further strengthen local economy.

Hillsborough County enjoyed strong population growth in 2006 increasing to 1,177,060, a 2.6 % increase over 2005. Hillsborough County's favorable wage scales and low cost of living continue to draw new residents and businesses to the area. Overall unemployment for Hillsborough County was only 3.1% in 2006, which was below the State of Florida's unemployment rate of 3.4% and the national unemployment rate of 4.6%. According to the Florida Agency for Workforce Innovation, *Professional and Business Services, Trade, Transportation, and Utilities, Education and Health Services, Leisure and Hospitality* and *Financial Activities* are the top five industry sectors dominating Hillsborough County employment.

The Tampa Port Authority is a major player in the local economy's economic growth. The Port of Tampa is the largest of the fourteen deepwater ports in the State of Florida and ranks in the top twenty of all U.S. ports in terms of tons of cargo handled. The total cargo handled on Port of Tampa property (port owned & private) is approximately 40% of the tonnage of the other thirteen deepwater Florida ports combined.

### **Major Initiatives**

The Port Authority each year focuses on several initiatives, a general description of each initiative is provided below. These initiatives provide the Port Authority with a guideline for maximizing its financial, operational, legislative and environmental goals. Specific accomplishments in each of these initiatives are discussed in the MD&A contained in the Financial Section of this report.

**Security initiatives** - The Port Security Grant Program provides resources for security planning and projects to improve dockside and perimeter security, which is vital to securing the Port. For additional information related to grants funding, refer to the Compliance Section of the MD&A.

The Port Authority remains committed to identifying and implementing safeguards designed to increase security and promote public safety. As a vital economic engine for the region, the Port Authority must carefully balance the impact of the added security measures against the continued flow of commerce into and out of the Port of Tampa.

**Legislative initiatives** – The Tampa Port Authority is very proactive at the state and federal level in its pursuit of funding for initiatives which will benefit the entire Port of Tampa and the surrounding community.

Other legislative action that the Port Authority supports is seeking additional Florida Seaports Transportation and Economic Development (FSTED) funding. This funding is specifically dedicated to infrastructure enhancement for Florida's seaports.

**Cargo growth and diversification** - The Port Authority is absolutely committed to diversification of its revenue base. The moneys it collects from both the vessels using



the berths and the cargo passing over the berths each year finance all of the Port Authority's operations and debt. To that end, the Port Authority is constantly looking for ways to improve its operations and increase traffic and cargo volumes through the port. Each year, approximately 3,800 vessels pass through the port carrying approximately 50 million tons of cargo. Products are diverse with imported products including: petroleum and related products, coal, liquid sulfur, steel, anhydrous ammonia, citrus concentrate, containerized cargo, aggregates (limestone and granite), and cement. The port exports products such as phosphates, scrap metal, citrus pellets, vehicles, and containerized cargo. The Port Authority has a very active Marketing Division that nurtures these product lines and travels extensively in pursuit of other entities, which might be interested in doing business in the Port of Tampa.

Port Authority representatives actively participate in numerous trade initiatives between the United States and Mexico and have increased the number of visits to Central and Latin America, all with the intent of increasing trade with this part of the world.

The Tampa Port Authority has made one of its primary objectives the attraction of new container liners to the Port of Tampa. In July, 2006, Tampa was added as the first North American stop for the Asia –Gulf Express (AGX) trade route. Additional routes are being pursued to add to this line.

**Cruise industry** - The Port of Tampa is currently the fourth largest cruise port among Florida ports. Revenue generated from cruise ships during fiscal year 2006 was at an all-time high, partly because of the relocation of the "Grandeur of the Seas" from New Orleans due to Hurricane Katrina. The Port of Tampa has become an established passenger cruise port with three modern cruise terminals attracting approximately 910k cruise passengers in fiscal year 2006. Current cruise activity at the Port of Tampa includes:

- Royal Caribbean Cruise Lines' "Legend of the Seas" originates seven-day sailings out of Tampa to ports including Belize and Cozumel.
- Carnival Cruise Lines currently has two Fantasy Class vessels which homeport in Tampa, the "Inspiration" and the "Miracle". Carnival has two itineraries: the "Inspiration" which offers a 5-5-4 day sailing rotation and the "Miracle" which offers a 7-day sailing rotation.
- Celebrity Cruises' "Zenith" also homeports in Tampa. The vessel takes passengers on ten and eleven-day cruises to the Western and Eastern Caribbean.
- Holland America currently has two vessels which homeport in Tampa, the "Veendam" and the "Ryndam". The "Veendam" offers 7, 8, 12 and 14-day itineraries to the Western and Southern Caribbean, while the "Ryndam" offers 14 day itineraries to the Southern Caribbean.

**Real Estate** - One of the Tampa Port Authority's major attributes is the availability of land for future development. The Port Authority owns nearly 2,600 acres: approximately 1,300 of the acres are leased, 977 are spoil islands, and the remaining 323 acres are available for future development and/or leasing. These properties are leased to various



port terminal operators and related businesses for periods of up to 40 years, and in some cases, with up to a 40-year option.

During 2006 the Port Authority continued to market and/or develop prime waterfront real estate it owns near downtown Tampa called Channelside. All of the cruise ships calling at the Port of Tampa dock in this area.

The Channelside District is anchored by the Florida Aquarium, three cruise terminals, an urban entertainment and dining district, as well as the Tampa Port Authority International Headquarters. In addition to housing the administrative staff of the Port Authority, the Tampa Port Authority Headquarters is also occupied by the University of South Florida, River Consulting, and the World Trade Center.

**Capital improvement plan** - Over the next five years, the Port Authority's capital improvement plan includes capital projects totaling over \$350 million. Funding for these projects will be provided from a number of sources, primarily, bond issuances, ad valorem tax receipts, grant funding, and the Port Authority's own revenues.

**Environmental initiatives** - Once again in fiscal year 2006, the Port Authority demonstrated its commitment to the environment of Tampa Bay and Hillsborough County through funding of the sovereign lands management program. Projects under this program include environment restoration, protection of native species, public education, and enhanced awareness efforts.

### **Internal Controls**

The management of the Tampa Port Authority is responsible for establishing and maintaining internal controls over its operations. The Port Authority's internal controls are designed to provide management with reasonable, though not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that financial transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that the costs of a control should not exceed the benefits likely to be derived therefrom and that the evaluation of the costs and benefits requires certain estimates and judgments by management.

All internal control evaluations occur within the above framework. Port Authority management strongly believes that the inherent financial accounting controls coupled with ongoing independent financial audits performed by the Port Authority's independent financial auditors, Rivero, Gordimer & Company, P.A., as well as numerous other audit functions performed by several governmental entities, adequately safeguard assets and provide reasonable assurance of properly recorded financial transactions.

As a result of the FY2006 independent financial audit, Rivero, Gordimer & Co. noted no matters involving the internal control over the Port Authority's financial reporting and operations that was considered to be material weaknesses. Additionally, the results of the tests of compliance performed by Rivero, Gordimer & Co. during the audit disclosed



no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Financial Overview**

The Tampa Port Authority has one fund to which all accounts are organized and accounted for as a single reporting entity, known as an Enterprise Fund. Enterprise Funds are used to account for proprietary operations that are financed and operated in a manner similar to private business operations where the intent of the governing body is that all operating costs, i.e. expenses exclusive of depreciation, are funded primarily through user charges. The Port Authority's primary source of funding for its operations is through rates and charges it assesses against vessels for berthing at Port Authority wharves and piers and on cargo passing or conveyed over, onto or under wharves. Additionally, the Port Authority leases its property and assesses lease charges against the tenants of that property.

The MD&A, the Basic Financial Statements, and the Statistical Section, all of which are included in this CAFR, are designed to provide the reader with a thorough understanding of the Port Authority's financial activities.

## **Budget**

Port Authority staff prepares an annual budget that is based on expected revenues and expenses for the upcoming fiscal year. State of Florida statutes require that the Tampa Port Authority hold two public hearings for the purpose of soliciting public input and comments on the annual budget. The annual budget is then submitted to the Tampa Port Authority Board of Commissioners for approval. Approval of the annual budget by the Board of Commissioners constitutes the authority of the Board to incur liabilities and authorizes projected expenditures from the respective budget categories.

Monthly departmental budget reports are prepared and distributed to each department head. These reports compare actual revenues and expenses by department and by account, for both the current month and year to date, to comparable budget figures for the same periods. While minimal variances within a particular department are permitted, the Chief Executive Officer/Port Director or, in the Port Director's absence, the Chief Operating Officer/Deputy Port Director must approve any increases to a department's budget.

Any increases to the overall Tampa Port Authority budget must be brought to the Port Authority Board of Commissioners for approval.

## **Debt Administration**

All of the Port Authority's long-term debt represents revenue bonds and are considered to have senior lien status. Senior lien, when used in this context, simply means that bondholders have first right to gross revenue of the Port Authority, while junior lien bondholder rights are subordinate. For more details relating to the Port Authority's debt



administration, please refer to Note J in Notes to Financial Statements included with this CAFR.

### **Cash Management**

Florida Statutes 218.345 and 218.415 and the applicable debt and authorizing resolutions provide the Tampa Port Authority with the legal basis and authority for the investment of funds. As such, the Port Authority developed an Investment Policy to provide guidance to Port Authority personnel for the safe and efficient investment of these funds. The investment objectives of this policy are, first and foremost, safety of principal and assurance that capital losses are avoided by establishing limits on the Port Authority's investment portfolio regarding issues, issuers and maturities.

Unrestricted cash and investments can be used by the Port Authority for any valid business purpose at the discretion of the Board of Commissioners and Port Authority management and within the parameters established by the Port Authority's Enabling Act.

Restricted cash and investments are those amounts which are set aside pursuant to various bond covenants to fund the Port Authority's debt service and reserves. Restricted cash and investments include bond proceeds, the use of which is limited to specific construction projects. For more details relating to the Port Authority's cash management, please refer to Note C in Notes to Financial Statements included with this CAFR.

### **Risk Management**

The Tampa Port Authority maintains a comprehensive risk management program, the purpose of which is the maximum protection of the assets, customers and employees of the Port Authority, and the reduction of the cost of risk through an innovative and professional risk management program. It is the intent of the Port Authority that it be protected against accidental loss or losses that would significantly affect Port Authority personnel, property or the ability of the organization to continue to fulfill its responsibilities.

Administration of the Port Authority risk management program is done primarily through the efforts of in-house personnel. An outside insurance consultant thoroughly familiar with general and marine insurance and with the State of Florida insurance laws is also utilized. The Port Authority's risk management process includes a systematic and continuous identification of loss exposures, analysis of these exposures in terms of frequency and severity, application of sound risk control procedures, effective claims administration and financing of risk consistent with the Port Authority's financial resources.

The Port Authority requires all parties doing business with the Port including tenants, customers, contractors, subcontractors and consultants to maintain comprehensive insurance coverage and to provide proof of such coverage to the Port Authority. The Port Authority's risk management program also includes the constant review of the Port Authority's safety practices and provides recommendations to ensure a safe and



productive work environment. Finally, the Port Authority monitors and maintains a Comprehensive Emergency Response Plan designed to ensure effective and efficient reaction on the part of Port Authority employees and tenants to any unforeseen or unexpected emergency.

### **Independent Audit**

Pursuant to Section 11.45 of the Florida Statutes and Section 11 of the Tampa Port Authority's Enabling Act, an audit of the financial statements has been completed by the Authority's independent certified public accountants, Rivero, Gordimer & Company, P.A. Their opinion is included in the Financial Section of this report.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Tampa Port Authority for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2005. This was the sixth consecutive year that the Port Authority has received this prestigious award. In order to be awarded a Certificate of Achievement, the Port Authority had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements. As was the case for the prior five years, the accomplishment of the Certificate of Achievement for the sixth consecutive fiscal year was primarily due to the tireless efforts of the Port Authority's Finance Department staff.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report, as always, represents the combined effort of the entire staff of the Finance Department of the Tampa Port Authority, other Port Authority departments who provided key information to this report and the accounting firm of Rivero, Gordimer & Company, P.A.

Finally, we express our deepest appreciation to the members of the Tampa Port Authority Board of Commissioners for their continued guidance and leadership towards ensuring the fiscal integrity of the Tampa Port Authority.

Respectfully Submitted,

Richard A. Wainio  
Port Director and CEO

Michael J. Macaluso  
Chief Financial Officer



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Tampa Port Authority  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2005

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.

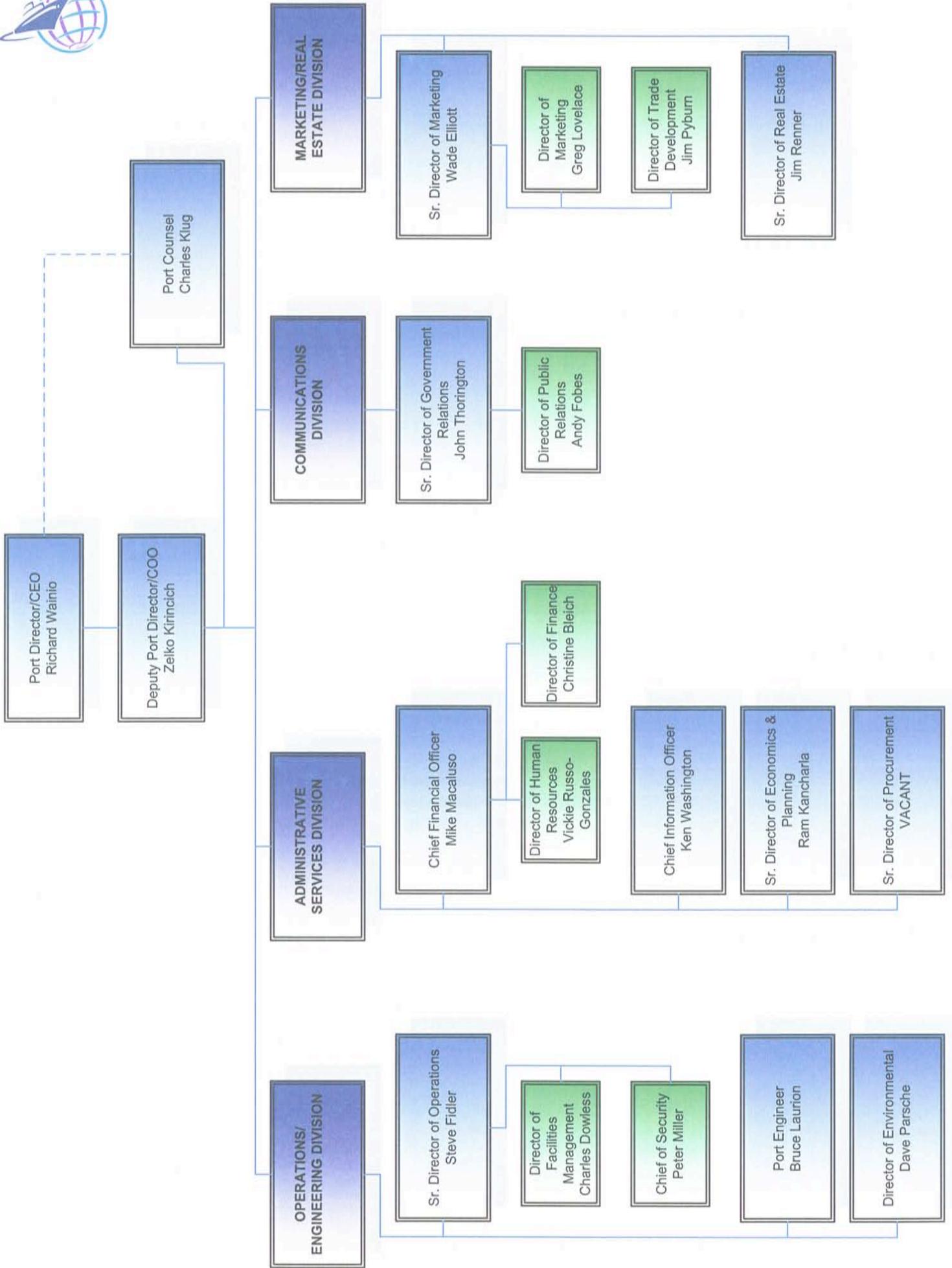


President

Executive Director



# Board of Commissioners





## Tampa Port Authority List of Officials

### Board of Commissioners

Dr. Joseph F. Diaz	Chairman of the Board
Walter J. Hartley, Jr.	Vice Chairman
Lawrence Shipp	Secretary/Treasurer
Lance Ringhaver	Commissioner
Ronda Storms	Commissioner
Honorable Pam Iorio Mayor, City of Tampa	Commissioner

### Senior Executive Staff

Richard A. Wainio	Port Director & Chief Executive Officer
Zelko N. Kirincich	Deputy Port Director & Chief Operating Officer
Michael J. Macaluso	Chief Financial Officer
Charles E. Klug, Esquire	Port Counsel



TAMPA PORT AUTHORITY





**RIVERO, GORDIMER & COMPANY, P.A.**  
**Certified Public Accountants**

Member:  
 American Institute of Certified Public Accountants  
 Florida Institute of Certified Public Accountants

Cesar J. Rivero	Marc D. Sasser
Richard Gordimer	Lionel D. Martinez
Herman V. Lazzara	Sam A. Lazzara

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
 Tampa Port Authority

We have audited the accompanying combined statement of net assets of the Tampa Port Authority (the "Port Authority") as of September 30, 2006, and the related combined statements of revenues, expenses and changes in fund net assets, and cash flows for the year then ended, listed as basic financial statements in the table of contents. These combined financial statements are the responsibility of the Port Authority's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Port Authority as of September 30, 2006 and the results of its operations, and its cash flows 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 December 21, 2006 on our consideration of the Port Authority'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.

The Management's Discussion and Analysis information is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board.



**RIVERO, GORDIMER & COMPANY, P.A.**  
**Certified Public Accountants**

Member:  
American Institute of Certified Public Accountants  
Florida Institute of Certified Public Accountants

Cesar J. Rivero  
Richard Gordimer  
Herman V. Lazzara

Marc D. Sasser  
Lionel D. Martinez  
Sam A. Lazzara

We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and we express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements of the Port Authority taken as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, and Chapter 10.550, Rules of the Auditor General of the State of Florida. This supplementary information and schedules are the responsibility of the Port Authority's management. Such schedules have been subjected to auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, when considered in relation to the basic financial statements taken as a whole.

*Rivero, Gordimer & Company, P.A.*

Tampa, Florida  
December 21, 2006



Tampa Port Authority  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2006

The following management's discussion and analysis ("MD&A") of the financial performance and activity of the Tampa Port Authority ("Port Authority") is to provide an introduction and understanding of the financial statements of the Port Authority for the fiscal year ended September 30, 2006, with selected comparisons to the prior fiscal year ended September 30, 2005. The information represented should be read in conjunction with the financial statements, notes and supplemental schedules found in this report.

Introduction

The Port Authority is a body politic and corporate pursuant to the provisions of Chapter 95-488, Laws of Florida, Acts of 1945 ("Enabling Act"). The Enabling Act provides that the Port Authority will have exclusive jurisdiction, control, supervision and management over all publicly-owned docks and wharves in Hillsborough County, Florida. In Fiscal Year 2005, the Port Authority was governed by five board members, three of whom are residents of Hillsborough County, which are appointed by the Governor of the State of Florida to four-year terms. In addition, the Mayor of the City of Tampa, ex-officio; and a Commissioner of the Board of County Commissioners of Hillsborough County, ex-officio, serve on the Port Authority's Board.

On June 10, 2005, the Port Authority's Enabling Act (Chapter 95-488, Laws of Florida) was modified to increase the Port Authority's Board of Commissioners to seven members, five of whom are residents of Hillsborough County. On February 21, 2006, the two additional members were sworn onto the Port Authority's Board of Commissioners.

The Port Authority consists of approximately 2,600 acres and is primarily a landlord port serving the greater Tampa Bay area. The Port Authority is a self-supporting organization and generates revenues from port users to fund all operating expenses and debt service requirements. Capital projects are funded by issuing bonds and short-term financings, awards of federal and state grants, ad valorem tax revenue, and surplus operating funds above those needed to cover operating expenses and debt service. While the Port Authority has the ability to levy up to .50 mills in ad valorem taxes each year, the Port Authority's FY2006 millage rate was .26 mills.

The Port Authority publishes a uniform tariff which contains standardized rates for various port usage fees. In addition to these published rates, the Port Authority leases its properties to various maritime and other businesses for which it collects rents and negotiated commodity rates, and also receives certain guaranteed revenue streams.

The following MD&A of Port Authority activities and financial performance provides an introduction to the financial statements of the Port Authority for the fiscal year ended September 30, 2006, with selected comparative information to the fiscal year ended September



Tampa Port Authority  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2006

30, 2005. The information contained in this MD&A has been prepared by management and should be considered in conjunction with the financial statements and the notes thereto, which follow this section.

The notes to the financial statements are essential to a full understanding of the data contained in the financial statements. This report also presents certain required supplementary information regarding capital assets and long-term debt activity during the year, including commitments made for capital expenditures.

#### Overview of the Financial Statements

Governmental accounting policy, practice and procedures fall under the auspices of the Government Accounting Standards Board ("GASB"). The Port Authority's financial transactions and subsequent statements are prepared according to the GASB Statement 34 reporting model, as mandated by the GASB. The purpose of the GASB 34 reporting model is to consolidate two basic forms of governmental accounting, governmental (such as municipalities) and proprietary (those entities which generate their own revenues and therefore are similar to a private business such as the Port Authority) operations, into statements that give the reader a clearer picture of the financial position of the government as a whole. The Port Authority is considered a proprietary form of government and its financial transactions are recorded in a single Enterprise Fund.

As stated above, the Port Authority operates as a single Enterprise Fund with one component unit, Tampa Bay International Terminals, Inc. ("TBIT"). The financial statements are prepared on the accrual basis of accounting, therefore revenues are recognized when earned and expenses are recognized when incurred. Capital assets, except land, are capitalized and depreciated over their useful life. Please refer to note B in the accompanying financial statements for a summary of the Port Authority's significant accounting policies. Following this MD&A are the basic financial statements and supplemental schedules of the Port Authority. These statements and schedules, along with the MD&A are designed to provide readers with a complete understanding of the Port Authority's finances.

The financial section of this annual report consists of three parts: MD&A, the basic financial statements, and the notes to the financial statements. The report includes the following three basic financial statements: the statement of net assets, the statement of revenues, expenses, and changes in net assets, and the statement of cash flows.



Tampa Port Authority  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
September 30, 2006

Financial Position Summary

The Statement of Net Assets presents the financial position of the Port Authority at the end of the fiscal year. The statements include all assets and liabilities of the Port Authority. Net assets, the difference between total assets and total liabilities, are an indicator of the current fiscal health of the organization and the Port Authority's financial position over time. A summarized comparison of the Port Authority's assets, liabilities, and net assets at September 30, 2006 and 2005 is as follows:

STATEMENTS OF NET ASSETS

(in thousands)	<u>FY2006</u>	<u>FY2005</u>
<b>ASSETS</b>		
Current assets	\$ 95,582	\$ 74,413
Noncurrent assets		
Capital related, net	423,702	411,351
Noncapital	<u>16,069</u>	<u>16,874</u>
Total assets	<u>\$ 535,353</u>	<u>\$ 502,638</u>
<b>LIABILITIES</b>		
Current liabilities	\$ 15,311	\$ 15,118
Noncurrent liabilities	<u>160,283</u>	<u>149,576</u>
Total liabilities	<u>175,594</u>	<u>164,694</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	296,454	269,456
Restricted assets	36,720	23,485
Unrestricted net assets	<u>26,585</u>	<u>45,003</u>
Total net assets	<u>359,759</u>	<u>337,944</u>
Total liabilities and net assets	<u>\$ 535,353</u>	<u>\$ 502,638</u>



Tampa Port Authority  
 MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
 September 30, 2006

At September 30, 2006, the Port Authority's assets exceeded liabilities by \$360 million, a \$21.8 million increase over September 30, 2005. For the fiscal year ended September 30, 2006, the largest portion of the Port Authority's net assets represents its investment in capital assets, less the related debt outstanding used to acquire those capital assets. The Port Authority uses these capital assets to provide services to the passengers, visitors, customers, and tenants of the Port Authority. The resources required to repay the Port Authority's debt must be provided annually from Port Authority operations.

The Statement of Revenues, Expenses and Change in Fund Net Assets is an indicator of whether the overall fiscal condition of the Port Authority has improved or worsened during the year. Following is a summary of the Statements of Revenues, Expenses, and Changes in Fund Net Assets:

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

(in thousands)	FY 2006	FY 2005
Operating revenues		
Port usage fees	\$ 29,352	\$ 25,375
Land and building leases	8,419	8,309
Other operating revenue	1,537	1,264
Total operating revenue	39,308	34,948
Operating expenses	19,913	18,529
Operating income before depreciation	19,395	16,419
Depreciation and amortization expense	12,527	11,102
Operating income after depreciation	6,868	5,317
Nonoperating revenue (expense), net	10,102	9,004
Income before capital contributions	16,970	14,321
Capital grants and contributions	4,845	4,071
Increase in net assets	21,815	18,392
Net assets - beginning of year	337,944	319,552
Net assets - end of year	\$ 359,759	\$ 337,944



Tampa Port Authority  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
September 30, 2006

Financial Operations Highlights

Listed below are the highlights of changes in the fiscal years ended September 30, 2006 and 2005, in the Statement of Revenues, Expenses and Changes in Fund Net Assets above:

- Operating revenues increased by 12.47% from \$34.9 million to \$39.3 million due to increases in the Port Authority's cargo and cruise operations. Cruise revenue was up by 25.87%; due to a one time additional cruise ship. General cargo revenue reflected increases in scrap, vehicles, and steel, offset by decreases in refrigerated containers, lumber and containerized cargo. The overall increase in general cargo revenue was 8.80%. Bulk cargo revenue showed decreases in grains and liquid, while revenue from petroleum, phosphate/fertilizer and dry bulk cargoes remained strong, with a fraction of an increase on aggregates; ending the year with an overall increase of 5.40%. Port Usage Fees increased 15.67% due to cruise revenue, dry bulk, petroleum, scrap, vehicles and steel.
- Operating expenses increased by 7.50% or \$1.38 million, primarily due to increased security requirements in background checks, direct personnel and outside security contracts. Utilities costs increased by 17.35%, and the Management Parking Facility contract also increased by 22.34%, associated with the increase in FY 2006's additional cruise revenue. The Port Authority also had a decrease in professional fees by (36.12%).
- Non-operating revenue decreased by 1.90% or \$430 thousand. Security grant income is one of the largest contributing factors decreasing from FY 2005 by 73.18% or \$928 thousand, because no additional security grants were awarded in FY 2006. Grants for security in FY 2006 represented the balance of prior fiscal year awards. Other contributing items were a settlement from a lawsuit in FY 2002, which was awarded in FY 2005 in the amount of \$1.2 million, a decrease in sales of inventory by 37.68% or \$341 thousand from FY 2006 and FY 2005, and a loss on disposal of fixed assets sold in FY 2006 by 582.74% or \$1 million. Partially offsetting this decrease was unrestricted interest income which increased by 26.84% or \$820 thousand due to additional investments held in FY 2006. Ad Valorem Tax receipts increased by 15.43% or \$2.2 million from FY 2005 to FY 2006, due to an increase in property values in Hillsborough County.
- Non-operating expenses decreased by 9.79% or \$1.4 million. This is due to decreases in interest expense, termination expense, and defeasance expenses, all related to the 1995 bond swap termination by 78.41% or \$3.9 million. The Port Authority had an increase in interest expense related to the 2005A refunding bond of 85.57% or \$1.3 million, and the issuance of the new 2006 revenue bond.



Tampa Port Authority  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
September 30, 2006

- Capital Grant funding increased by 19.02% or \$774 thousand, this is a result of additional funding related to three new HUD grants and expended additional funds related to FDOT Seaport grants in FY2006.
- Overall increase in net assets for FY 2006 was \$21.8 million compared to \$18.4 million in FY 2005. The increase in net assets was due largely to the increase in FY 2006 operating revenue.

### Capital Assets

The Port Authority's non-current assets as of September 30, 2006 amounted to \$439.7 million, of which capital assets were \$423.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, facility and infrastructure improvements and enhancements, equipment, furniture and fixtures, and construction work in progress. Capital asset acquisitions are capitalized at cost and depreciated over estimated useful lives using the straight-line method. (Refer to note B6 Capital Assets for a more complete description.) The total increase in the Port Authority's investment in capital assets after accumulated depreciation for 2006 was 3%, or \$12.3 million due to the reasons stated below.

During 2006, completed major projects totaling \$38.7 million were closed from construction-in-progress to their respective capital accounts. Major completed projects included the completion of the construction of Votorantim Terminal, development of Berth 213 and Phase II backlands, dredging of Sparkman Channel, and temporary storage shed at Berth 201.

Other significant construction-in-progress projects of \$33.2 million also include:

- Development of Berth 3, Berth 26, Berth 227, and Berth 202 Auto Yard
- Hooker's Point Transit Shed
- Hooker's Point paving
- Development of Trammell Crow Port Ybor
- Grant Street road improvements

The Port Authority's capital program is funded through ad valorem taxes, port usage fees including passenger facility charges, federal and state grants, net revenues, and revenue bond issues. Additional information on the Port Authority's capital assets can be found in note G in the accompanying notes to the financial statements.



Tampa Port Authority  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
September 30, 2006

Debt Administration

As of September 30, 2006, the Port Authority had outstanding revenues bonds and notes of \$160.6 million. Of this amount, \$6 million is current and will mature by June 1, 2007.

In February 2006, Series 1995B bonds were defeased with unrestricted cash. Additionally, the Port Authority issued \$26,825,000 in revenue bonds Series 2006, with interest rates ranging from 4% to 5%, and with final maturities ending through 2036. The Series 2006 bonds will be used to finance all or a portion of the costs of acquiring, constructing and improving facilities of the Port. Details regarding these transactions can be found in note J of the accompanying notes to the financial statements.

The Port Authority's bonds remained at "A" by Fitch, "A2" by Moody's, and "A" by Standard & Poor's, all with stable outlooks.

The Port Authority's bond covenants require that revenues available to pay debt service, as defined in the bond resolutions, exceed 120% of the annual debt service amount. The debt service coverage test for fiscal years 2006 and 2005 was met and exceeded for both years.

Request for Information

This financial report is designed to provide a general overview of the Port Authority finances and to demonstrate the Port Authority accountability for the funds it receives and expends. Questions concerning this report or requests for additional information should be addressed to Christine Bleich, Director of Finance, Tampa Port Authority, 1101 Channelside Drive, Tampa, FL 33602. Information may also be obtained on the Port Authority's website at [www.tampaport.com](http://www.tampaport.com).

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TAMPA PORT AUTHORITY



Tampa Port Authority  
 COMBINED STATEMENT OF NET ASSETS  
 September 30, 2006  
 (With comparative total for 2005)

	Primary Government	Component Unit	Total 2006	Total 2005
	Tampa Port Authority	Tampa Bay International Terminals, Inc.		
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (note C)	\$ 82,583,693	\$ 104,462	\$ 82,688,155	\$ 57,371,597
Investments (note C)	3,304,117	938,500	4,242,617	11,130,483
Accounts receivable, net of allowance for doubtful accounts	5,196,812	-	5,196,812	3,308,297
Due from other governments	2,300,967	-	2,300,967	927,382
Notes receivable (note D)	291,620	-	291,620	1,216,672
Note receivable from component unit (note D)	761,667	-	761,667	730,000
Interest receivable	1,062,489	-	1,062,489	754,688
Prepaid expenses and other current assets	80,360	1,359,414	1,439,774	1,656,395
Total current assets	<u>95,581,725</u>	<u>2,402,376</u>	<u>97,984,101</u>	<u>77,095,514</u>
NONCURRENT ASSETS				
Capital assets, net of depreciation (note G)	423,702,035	-	423,702,035	411,351,383
Notes receivable (note D)	6,466,414	-	6,466,414	6,074,112
Note receivable from component unit (note D)	3,093,333	-	3,093,333	3,855,000
Lease acquisition costs, net of amortization (note E)	2,476,568	-	2,476,568	2,824,535
Bond issuance costs, net of amortization	2,850,513	-	2,850,513	2,715,996
Leasehold rights, net of amortization	629,511	-	629,511	712,678
Other intangible assets (note F)	552,769	724,880	1,277,649	1,416,049
Total noncurrent assets	<u>439,771,143</u>	<u>724,880</u>	<u>440,496,023</u>	<u>428,949,753</u>
TOTAL ASSETS	<u>\$ 535,352,868</u>	<u>\$ 3,127,256</u>	<u>\$ 538,480,124</u>	<u>\$ 506,045,267</u>



Tampa Port Authority  
 COMBINED STATEMENT OF NET ASSETS CONTINUED  
 September 30, 2006  
 (With comparative total for 2005)

	Primary Government	Component Unit		
	Tampa Port Authority	Tampa Bay International Terminals, Inc.	Total 2006	Total 2005
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 4,270,958	\$ -	\$ 4,270,958	\$ 4,491,059
Construction contracts payable	1,247,439	-	1,247,439	574,649
Accrued liabilities	882,070	2,632	884,702	876,095
Accrued bond interest	2,571,955	-	2,571,955	2,425,275
Long-term debt due within one year (note J)	6,045,000	-	6,045,000	6,480,000
Note payable to primary government (note J)	-	761,667	761,667	730,000
Deferred revenue	293,144	-	293,144	290,870
Total current liabilities	<u>15,310,566</u>	<u>764,299</u>	<u>16,074,865</u>	<u>15,867,948</u>
<b>NONCURRENT LIABILITIES</b>				
Bonds, notes and loans payable, net (note J)	154,512,247	-	154,512,247	146,248,407
Note payable to primary government (note J)	-	3,093,333	3,093,333	3,855,000
Deferred revenue	1,978,607	-	1,978,607	2,207,875
Investment held for component unit	938,500	-	938,500	938,500
Deposits	336,190	-	336,190	181,020
Refundable grant advance	1,350,000	-	1,350,000	-
Other obligation (note L)	1,167,885	-	1,167,885	-
Total noncurrent liabilities	<u>160,283,429</u>	<u>3,093,333</u>	<u>163,376,762</u>	<u>153,430,802</u>
Total liabilities	<u>175,593,995</u>	<u>3,857,632</u>	<u>179,451,627</u>	<u>169,298,750</u>
<b>NET ASSETS (DEFICIT)</b>				
Invested in capital assets, net of related debt	296,454,240	-	296,454,240	269,456,544
Restricted				
Bond debt service	9,334,872	938,500	10,273,372	18,486,402
Capital projects	27,384,863	-	27,384,863	5,937,047
Unrestricted	26,584,898	(1,668,876)	24,916,022	42,866,524
Total net assets (deficit)	<u>359,758,873</u>	<u>(730,376)</u>	<u>359,028,497</u>	<u>336,746,517</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 535,352,868</u>	<u>\$ 3,127,256</u>	<u>\$ 538,480,124</u>	<u>\$ 506,045,267</u>



Tampa Port Authority  
 COMBINED STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET ASSETS  
 For the year ended September 30, 2006  
 (With comparative total for 2005)

	Primary Government	Component Unit Tampa Bay	Total 2006	Total 2005
	Tampa Port Authority	International Terminals, Inc.		
Operating revenues				
Port usage fees	\$ 29,351,922	\$ -	\$ 29,351,922	\$ 25,375,052
Land and building leases	8,418,676	-	8,418,676	8,309,309
Other operating revenues	1,536,924	911,010	2,447,934	2,165,162
Total operating revenues	<u>39,307,522</u>	<u>911,010</u>	<u>40,218,532</u>	<u>35,849,523</u>
Operating expenses				
Personnel	8,441,377	79,262	8,520,639	7,920,448
Promotional	439,026	2,786	441,812	435,545
Administrative	11,032,340	23,440	11,055,780	10,378,101
Depreciation and amortization	12,527,343	-	12,527,343	11,102,182
Total operating expenses	<u>32,440,086</u>	<u>105,488</u>	<u>32,545,574</u>	<u>29,836,276</u>
Total operating income	<u>6,867,436</u>	<u>805,522</u>	<u>7,672,958</u>	<u>6,013,247</u>
Non-operating revenues (expenses)				
Operating assistance grants	340,249	-	340,249	1,268,469
Ad valorem taxes	16,205,151	-	16,205,151	14,039,222
interest income	4,207,281	53,916	4,261,197	3,550,857
Other non-operating revenues	1,392,330	3,354	1,395,684	3,773,115
Interest expense	(8,387,236)	(222,560)	(8,609,796)	(8,608,483)
Amortization of bond issue costs	(235,346)	-	(235,346)	(266,252)
Amortization of bond premiums	224,467	-	224,467	64,184
Other non-operating expenses	(3,644,664)	(172,883)	(3,817,547)	(3,033,700)
Loss on swap termination	-	-	-	(2,075,193)
Total non-operating revenues (expenses)	<u>10,102,232</u>	<u>(338,173)</u>	<u>9,764,059</u>	<u>8,712,219</u>
Income before capital contributions	16,969,668	467,349	17,437,017	14,725,466
Capital grants and contributions	4,844,963	-	4,844,963	4,070,771
Increase in net assets	21,814,631	467,349	22,281,980	18,796,237
Net assets at beginning of year	<u>337,944,242</u>	<u>(1,197,725)</u>	<u>336,746,517</u>	<u>317,950,280</u>
Net assets at end of year	<u>\$ 359,758,873</u>	<u>\$ (730,376)</u>	<u>\$ 359,028,497</u>	<u>\$ 336,746,517</u>



TAMPA PORT AUTHORITY



Tampa Port Authority  
 STATEMENT OF CASH FLOWS  
 For the year ended September 30, 2006  
 (With comparative total for 2005)

	<u>Primary Government Tampa Port Authority - 2006</u>	<u>Primary Government Tampa Port Authority - 2005</u>
Cash flows from operating activities		
Received from customers	\$ 37,347,183	\$ 33,909,997
Payments to suppliers for goods and services	(11,647,727)	(12,409,720)
Payments to employees for services	(8,415,458)	(7,764,287)
Related to non-operating revenues	1,392,330	3,482,435
Related to non-operating expenses	(1,154,840)	(1,597,171)
Net cash provided by operating activities	<u>17,521,488</u>	<u>15,621,254</u>
Cash flows from non-capital financing activities		
Operating grants received	534,575	1,399,328
Payment of ad valorem taxes	(812,967)	(684,284)
Net cash (used) provided by non-capital financing activities	<u>(278,392)</u>	<u>715,044</u>
Cash flows from capital and related financing activities		
Capital grants and contributions received	3,277,052	9,534,373
Refundable capital grant advance	1,350,000	-
Ad valorem taxes received, net of fees paid	15,548,095	13,457,159
Acquisition and construction of capital assets	(27,551,962)	(45,050,655)
Proceeds from sale of capital assets	3,979,232	378,160
Principal payments on debt	(19,855,000)	(70,560,000)
Interest payments on debt	(7,476,317)	(9,045,211)
Payments on issuance of bonds	(738,792)	(2,724,600)
Proceeds from bond issues	27,424,624	57,048,727
Bond premium	173,515	3,155,792
Swap termination payment	-	(2,916,000)
Net cash used by capital and related financing activities	<u>(3,869,553)</u>	<u>(46,722,255)</u>
Cash flows provided by investing activities		
Purchase of investments	(3,304,117)	(10,191,983)
Proceeds from the sale of investments	10,191,983	27,555,345
Proceeds from repayment of notes receivable	1,946,664	2,474,996
Payments on issuance of notes receivable	(683,914)	(2,847,500)
Interest and dividends received	3,899,480	3,297,873
Net cash provided by investing activities	<u>12,050,096</u>	<u>20,288,731</u>
Net increase (decrease) in cash and cash equivalents	25,423,639	(10,097,226)
Cash and cash equivalents at beginning of year	<u>57,160,054</u>	<u>67,257,280</u>
Cash and cash equivalents at end of year	<u>\$ 82,583,693</u>	<u>\$ 57,160,054</u>



Tampa Port Authority  
 STATEMENT OF CASH FLOWS - CONTINUED  
 For the year ended September 30, 2006  
 (With comparative total for 2005)

	<u>Primary Government Tampa Port Authority - 2006</u>	<u>Primary Government Tampa Port Authority - 2005</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 6,867,436	\$ 5,317,644
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	12,527,343	11,102,182
(Increase) decrease in		
Accounts receivable	(1,888,515)	(279,378)
Prepaid expenses and deposits	43,739	(41,850)
Increase (decrease) in		
Accounts payable	(220,101)	(1,595,348)
Accrued liabilities	25,919	(7,966)
Deferred revenue	(226,994)	(224,966)
Deposits	155,171	(534,328)
Total adjustments	<u>10,416,562</u>	<u>8,418,346</u>
Non-operating revenues	<u>237,490</u>	<u>1,885,264</u>
Net cash provided by operating activities	<u>\$ 17,521,488</u>	<u>\$ 15,621,254</u>
 Noncash capital and financing activities		
Capitalized interest	<u>\$ 85,142</u>	<u>\$ 254,293</u>

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Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE A - ORGANIZATION AND REPORTING ENTITY

1. Financial Reporting Entity, Organization and Operations

The Tampa Port Authority (the "Port Authority") and the Hillsborough Port District exist pursuant to the provisions of Chapter 95-488, Laws of Florida (the "Special Act"). The Port Authority is the governing body of the Port District and consists of seven members, five members appointed by the Governor of the State of Florida, the Mayor of the City of Tampa and a member of the Hillsborough County Board of County Commissioners. The Port District encompasses all of Hillsborough County, including the City of Tampa and portions of Tampa Bay within Hillsborough County.

Among other provisions, the Special Act gives the Port Authority the right to acquire property through the power of eminent domain, purchase, gift, grant, franchise, lease or contract. The Port Authority is also empowered to fix uniform rates and charges for wharfage, dockage and handling to and from vessels, where such facilities are owned by the Port Authority or otherwise, insofar as it may be permissible under the Constitution of Florida and the Constitution and Laws of the United States of America. All general cargo terminals within the Port District operate subject to the uniform tariff governing use of the facilities and services and established rates, charges, rules and regulations as published by the Port Authority.

The Special Act provides that the Port Authority has the specific responsibility for planning and carrying out plans for the long range development of the facilities of and traffic through the Port District. Prior to ownership, control or operation of any facility, the Port Authority must hold a public hearing. The Port Authority has broad powers to acquire, construct, operate and lease facilities.

2. Discretely Presented Component Unit

As required by accounting principles generally accepted in the United States of America ("GAAP"), these financial statements cover the Port Authority as primary government, as well as its component unit, Tampa Bay International Terminals, Inc. ("TBIT"). According to the Governmental Accounting Standards Board of the Financial Accounting Foundation ("GASB") Statement No. 14, *The Financial Reporting Entity*, a component unit is a legally separate entity for which the primary government is financially accountable. A legally separate entity should be included as a component unit if one of the following criteria are met: the primary government appoints a voting majority of the organization's governing body and is either able to impose its will on the organization or there is the potential financial benefit or burden to the primary government;



Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE A - ORGANIZATION AND REPORTING ENTITY - Continued

or the nature and significance of the relationship between the primary government and the organization is such that exclusions would cause the reporting entity's financial statements to be misleading or incomplete.

TBIT is included as a component unit, in accordance with GASB Statement No. 14, due to the following: the Port Authority can appoint the voting majority of the organization's governing body and impose its will on TBIT, and TBIT is fiscally dependent on the Port Authority for its operations and capital funding.

A component unit may be classified as either a blended component unit or a discretely presented component unit, depending on the nature of the entity's relationship with the primary government. Component units that meet the criteria for discrete presentation in accordance with GASB Statement No. 14 are presented in a separate component unit column in the combined financial statements in order to clearly distinguish the balances and transactions of the component unit from those of the primary government. TBIT is the Port Authority's only component unit and it is presented discretely and is identified as a component unit throughout this report. Complete financial statements for TBIT may be obtained at the component unit's administrative offices, located at 1101 Channelside Drive, Tampa, Florida 33602. Also see notes C, D, F, I, J2, N, and R.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Port Authority's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Basis of Accounting

The Port Authority prepares its financial statements in conformity with GAAP as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles followed in the United States of America. Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Port Authority applies all applicable GASB pronouncements as well as Statements and Interpretations to the Financial Accounting Standards Board ("FASB"), and earlier pronouncements from the Accounting Principles Board, ("APB Opinions"), and the Accounting Research Bulletins ("ARB") issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. In accordance with GASB Statement No. 20, Paragraph 7, the Port Authority has elected to not apply FASB statements and interpretations issued after November 30, 1989.



Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Port Authority is considered to be a self-supporting enterprise similar to a commercial entity organized for profit. Accordingly, these financial statements are prepared on the accrual basis of accounting similar to that prescribed for proprietary operations of state and local governments. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned and measurable, and expenses are recognized in the period in which the related liability is incurred.

2. Fund Accounting and Basis of Accounting

The operations of the Port Authority are recorded in a proprietary fund. Proprietary funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is on the determination of net income and capital maintenance. All Port Authority financial transactions are grouped in one major fund type, the Enterprise Fund. Enterprise funds are used to account for operations that are financed primarily through user charges, or where the governing body has concluded that the determination of net income is appropriate. Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of the fund are included on the statement of net assets. Fund equity is segregated into its net assets components. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

3. Cash and Cash Equivalents

Cash consists of checking accounts, collectively designated as demand deposits.

The Port Authority deposits cash in qualified public depositories. The deposits are fully insured by the Federal Deposit Insurance Corporation ("FDIC") and/or secured by the multiple financial institutions 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.

The Port Authority considers all highly liquid debt instruments (including restricted assets) with original maturities of three months or less to be cash equivalents for purposes of the statement of cash flows. Cash equivalents are recorded at amortized cost, which approximates market value.



Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Investments

The Port Authority invests in short to medium term repurchase agreements and guaranteed investment contracts. The Port Authority follows the guidelines of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Investments that mature within one year of acquisition are stated at cost or amortized cost. Investments with the remaining maturity of more than one year at the time of purchase are carried at fair value. The fair value of investments has been determined through the depositories' pricing service as established by general industry practices. Any realized gains and losses in fair value are reported in the operations of the current period.

5. Accounts Receivable

The Port Authority records accounts receivable at estimated net realizable value. Accordingly, accounts receivable at September 30, 2006 are shown net of allowances for doubtful accounts. The primary government has set their allowance for doubtful accounts at approximately \$89,000. The component unit had no accounts receivable as of September 30, 2006 and therefore the allowance for doubtful accounts has been set to zero.

6. Capital Assets

Capital assets include land, buildings, furniture, equipment, infrastructure (e.g., roads, sidewalks and similar items), and construction work in progress.

Capital assets used by the Port Authority are recorded at cost or estimated historical cost. Contributed capital assets are recorded at estimated fair market value at the time received. Net interest costs are capitalized on projects during the construction period. Depreciation is calculated using the straight-line method over estimated useful lives ranging from 5 to 40 years for buildings, 10 to 50 years for infrastructure depreciation, 10 to 15 years for dredging, and 3 to 25 years for equipment and furniture.

While the Port Authority's capitalization threshold is \$5,000, tangible personal property items with a cost below \$5,000 are recorded and inventoried in accordance with Section 274.002, Florida Statutes, and Rule 10.400 of the Auditor General of the State of Florida, *Local Government-Owned Tangible Personal Property*.

No valuation has been placed on the Port Authority's title to or rights in submerged lands, bay lands and oyster shell, which lie within the boundaries of the Port District.



Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. Lease Acquisition Costs

Lease acquisition costs represent funds expended by the Port Authority to perpetuate the opportunity to continually lease certain facilities within the Port District. These costs are capitalized by the Port Authority and amortized over the initial term of the lease agreement.

8. Intangible Assets

Intangible assets consist of costs in excess of net assets acquired and financing costs, which are stated at cost. Amortization is determined using the straight-line method over the period of estimated future benefit of the assets. Financing costs are amortized over the term of the related indebtedness. Costs in excess of net assets (known as "goodwill") acquired is not amortized, but should be tested for impairment at least annually. Accordingly, the Port Authority is no longer amortizing its goodwill (see note F).

9. Amortization

Bond issue costs, bond discounts, leasehold rights, dredging and lease acquisition costs are generally being amortized on a straight-line basis over the term of the related debt or period of benefit in the case of leasehold rights, dredging and lease acquisition costs.

10. Reserves for Restricted Assets

In accordance with the provisions of the restricted bond covenants, reserves representing the excess of amounts provided for certain restricted asset accounts over the liabilities payable therefore are established by a reduction of net assets.

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Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

11. Ad Valorem Taxes

In accordance with Florida Statutes, the Port Authority has the right to levy up to a millage rate of one-half mill (\$0.50 per \$1,000 value) ad valorem property tax. The Port Authority levied a millage rate of 0.26 mill (\$0.26 per \$1,000 value) ad valorem property tax during fiscal year 2006.

Ad valorem taxes are based on assessed values at January 1 and are levied 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 percent each month thereafter. Taxes become delinquent on April 1 of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1 of each year. Ad valorem tax revenue is recorded when it becomes available.

Revenue is available when it is due and collectible within the current period or soon enough thereafter to pay the liabilities of the current period. No accrual for the ad valorem tax levy becoming due in November 2006 is included in the accompanying financial statements since such taxes are collected to finance expenditures of the subsequent period.

12. Compensated Absences

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the Port Authority accrues a liability for compensated absences, as well as certain other salary-related costs associated with the payment of compensated absences. Vacation and sick leave are accrued as a liability as the employees earn the benefits.

13. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of contributions and expenses during the reporting period. Actual results could differ from those estimated.

14. Pension Disclosure

The Port Authority utilizes GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, for the measurement, recognition, and display of pension expenses.



Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

15. Interest Rate Risk Management

In certain instances and after careful analysis, the Port Authority uses interest rate derivatives contracts to reduce its debt service costs. After a thorough review of the Port Authority's debt portfolio, the Port Authority elected to enter into a knock-in swap option agreement ("swaption") to reduce interest costs. Under this agreement, the Port Authority will pay a variable interest rate only if certain events occur.

The knock-in swaption, if exercised, would include a notional amount of approximately 19% of the Port Authority's outstanding revenue bond portfolio, with the term of the transaction matching the maturity of the Port Authority's bond portfolio. The option payments and premiums received from entering into the interest rate derivative instrument are amortized over the life of the exercise period as a net to interest expense. Other than the deferral of the option premium received on the knock-in swaption, no amounts are recorded in the financial statements.

16. Deferred Losses on Refunding of Debt

In accordance with GAAP, losses incurred on proprietary fund debt refunding are deferred and amortized. The amount deferred is reported as a component of the debt liability and is deducted from long-term bonds payable. The amount amortized, using the effective interest method, is reported as a component of interest expense. The amortization period of deferred refunding losses, is the remaining life of the old debt or the life of the new debt, whichever is shorter.

17. Accounting Pronouncements

In June 1999, GASB issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. GASB followed with Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments: Omnibus, an Amendment of GASB Statements No. 21 and No. 34*; and Statement No. 38, *Certain Financial Statement Note Disclosures*. These statements eliminate the concept of fund equity and introduce the concept of net assets. The Port Authority fully adopted these statements effective with its 2003 financial statements.

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Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

18. Operating Revenues and Economic Dependency

Total operating revenues of the Port Authority for the year ended September 30, 2006 amounted to approximately \$39.3 million, comprised of port usage fees of approximately \$29.4 million (of which dockage and wharfage are approximately \$23.5 million) and rental income of approximately \$8.4 million. Port usage fees and rental income totaled approximately \$37.8 million and made up approximately 96.1% of the primary government's operating revenues in 2006.

19. Determination of Operating vs. Non-Operating Revenues and Expenses

The Port Authority derives the largest portion of its operating revenues from vessel traffic and cargo moving through the port and across its docks. Additionally, the Port Authority is considered a landlord port in that it leases out its properties to various cargo operations and commercial property for varying terms of up to 40 years (with additional options) in return for rental payments and financial guarantees from those operators.

The expense associated with operating revenue generation is recorded in three major categories: personnel, promotional, and administrative expenses. Personnel expenses include all payments made by the Port Authority directly to the employee or on the employee's behalf. Promotional expenses are those incurred in the business of promoting and marketing the Port of Tampa in order to attract new businesses. Administrative expenses include all other expenses necessary to effectively operate the Port Authority on a day-to-day basis.

The Port Authority receives certain other revenue such as ad valorem tax receipts, interest income, and grant revenue that it categorizes as non-operating revenues. These types of revenue are not a direct result of vessel traffic or cargo movement. Additionally, non-operating expenses include, among others, the interest portion of debt service payments, amortization of bond issue costs and bond discounts, ad valorem tax payments and associated fees related to the collection of ad valorem tax receipts.

20. Capitalized Interest

Interest costs on funds borrowed to finance the construction of property and equipment during the period of construction, net of interest income, are capitalized. Interest costs of \$85,142 were capitalized for the year ended September 30, 2006.



Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE C - CASH AND INVESTMENTS

1. Deposits

At September 30, 2006, the bank balance of the Port Authority's (primary government) deposits (unrestricted and restricted) was \$16,571,810 and the book balance was \$16,204,233. For the component unit, the bank balance of deposits and the book balances were \$107,044 and \$104,462, respectively. The difference between the book and bank amounts is due to outstanding checks and transfers, and deposits in transit in its demand accounts.

Of the September 30, 2006 Port Authority's bank balance, \$100,000 was covered by Federal Depository Insurance Corporation (FDIC) and \$16,471,810 was collateralized by the State of Florida collateral pool. The State of Florida collateral pool is a multiple financial institution pool with the ability to assess its members for collateral shortfalls if any of its member institutions fail. Required collateral is defined under Chapter 280, Florida Statutes, *Security for Public Deposits*.

2. Cash on Hand

For the component unit, deposits are maintained with a commercial bank, which is organized under the laws of the United States, and are insured by the FDIC up to \$100,000 for all accounts at each financial institution. At September 30, 2006, TBIT's uninsured cash balances totaled \$4,462.

The Port Authority had cash on hand in its petty cash funds totaling \$19,000. The component unit had no cash on hand at the end of the fiscal year.

3. Investments

Section 218.415, Florida Statutes, and the Port Authority's investment policy authorize the Port Authority to invest surplus funds in the following:

- a. The Local Government Surplus Funds Trust Fund, an investment pool, under the sponsorship of the Florida State Board of Administration.
- b. Negotiable direct obligations of, or obligations of which the principal and interest are unconditionally guaranteed by, the United States ("U.S.") Government.
- c. Interest bearing time deposits or savings accounts in qualified public depositories as defined in fs.280.02.
- d. Obligations of the Federal Farm Credit Banks, Federal Home Loan Mortgage Corporation, or Federal Home Loan Bank or its district banks, including Federal Home Loan Mortgage Corporation participation certificates, or obligations guaranteed by the Government National Mortgage Association.



Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE C - CASH AND INVESTMENTS - Continued

- e. Securities of, or other interest in open-end or closed-end management type investment company or investment trust registered under the U.S. Investment Company Act of 1940, 15 U.S. C. ss.80a-1 et seq, as amended from time to time, provided the portfolio of such investment company or trust fund is limited to obligations of the U.S. government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such U.S. government obligations, and provided such an entity takes delivery of such collateral either directly or through an authorized custodian.
- f. Prime commercial paper with the highest credit quality rating from a nationally recognized agency.
- g. Tax exempt obligations rated "AA" or higher and issued by state and local governments.
- h. Investment Agreements as defined herein, subject to collateralization requirements of Chapter 280, Florida Statutes and funds pledge to bonds, such other criteria acceptable to the bond insurer(s).

There were no violations to this policy during the current fiscal year. The Port Authority's investments at September 30, 2006, consisted of the following:

The Port Authority invests funds throughout the year with the Local Government Surplus Trust Funds Trust Fund Investment Pool, an investment pool administered by the Florida State Board of Administration ("FSBA"), under the regulatory oversight of the State of Florida. Throughout the year and as of September 30, 2006, the FSBA pool contained certain floating and adjustable rate securities which were indexed based on prime rate and/or one and three month London Inter Bank Offering Rate ("LIBOR") rates.

There is a risk of loss of interest on the investments if there are changes in the underlying indexed base. The FSBA met the criteria to be a "2a-7Like" pool as defined in GASB No. 31 at September 30, 2006. Therefore the investment was valued at share value, which approximates fair value at September 30, 2006. The total invested through the Local Government Surplus Trust Funds Trust Fund Investment Pool is \$65,772,283 at September 30, 2006, which is included in cash and cash equivalents.

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Tampa Port Authority  
 NOTES TO COMBINED FINANCIAL STATEMENTS  
 September 30, 2006

NOTE C - CASH AND INVESTMENTS - Continued

Investments in securities made by the Port Authority and its component unit (unrestricted and restricted) are summarized below. The investments are classified by category of investment and show the fair value, the weighted average maturity in years, and the credit rating. Since U.S. treasury securities are considered to have no credit risk, they have, by definition, the highest possible credit rating. All investment income, including changes in the fair value of investments, is reported as a part of interest income in the financial statements.

Investments

	Fair Value		Weighted Avg. Maturity (yrs)	Credit Rating
	Primary Government	Component Units		
U.S. treasury securities	\$ 937,638	\$ 938,500	0.16	highest possible
Florida Local Government Surplus Funds Trust Fund (investment held by SunTrust Bank)	37,978	-	0.15	unrated
Commercial paper	2,328,501	-	0.24	A1
	<u>\$ 3,304,117</u>	<u>\$ 938,500</u>		

The weighted average maturity method expresses investment time horizons, the time when investments become due and payable, in years or months weighted to reflect the dollar size of individual investments within an investment type. In this illustration, the weighted average maturity is computed for each investment type. The weighted average maturity for the primary government, as a whole at year end was 0.22 years.

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Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE D - NOTES RECEIVABLE

Notes receivable consist of the following notes due from a tenant and by the component unit of the Port Authority as of September 30, 2006:

Note receivable balance due from Tampa Bay Shipbuilding Company as of September 30, 2006; repayment will begin on December 1, 2006 and will end on December 1, 2018	\$ 6,758,034
Note receivable from TBIT (component unit), with a varying interest rate of 3.8% to 5.0%; principal and interest payable monthly beginning September 1997 through May 2011 (see note J)	<u>3,855,000</u>
Total	10,613,034
Less: due within one year	<u>(1,053,287)</u>
Non-current portion notes receivable	<u>\$ 9,559,747</u>

NOTE E - LEASE ACQUISITION COSTS

Lease acquisition costs represent funds expended by the Port Authority to perpetuate the opportunity to lease facilities within the Port District and consist of the following changes during fiscal year 2006:

Cost of lease acquisitions	\$ 4,333,257
Accumulated amortization, fiscal year 2006	<u>(1,856,689)</u>
Balance, September 30, 2006	<u>\$ 2,476,568</u>

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Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE F - INTANGIBLE ASSETS

Primary Government - Intangible assets of the primary government consist of the following at September 30, 2006:

Cost of TBIT loan forgiveness	\$ 2,075,109
Accumulated amortization, fiscal year 2006	<u>(1,522,340)</u>
Balance, September 30, 2006	<u>\$ 552,769</u>

Component Unit - Intangible assets of the component unit consist of the following at September 30, 2006:

Cost in excess of net assets acquired (goodwill)	\$ 2,000,000
Accumulated amortization, fiscal year 2006	<u>(1,275,120)</u>
Balance, September 30, 2006	<u>\$ 724,880</u>

The cost in excess of net assets acquired (known as "goodwill") is related to the acquisition of three terminal operating companies that were purchased by TBIT between July, 1989 and October, 1990. Long-lived assets to be held (such as goodwill) and used by TBIT are to be reviewed for impairment whenever changes in circumstances indicated that the carrying amount of the assets may not be recoverable. In performing the review for recoverability, TBIT would estimate the future cash flows expected to result from the use of the asset and its eventual disposition. If the sum of the expected future net cash flows is less than the carrying amount of the asset, an impairment loss would be measured and recognized. Otherwise, an impairment loss would not be recognized. As of September 30, 2006, goodwill is not impaired.

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Tampa Port Authority  
 NOTES TO COMBINED FINANCIAL STATEMENTS  
 September 30, 2006

NOTE G - CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Primary Government	September 30, 2005	Additions	Transfers	Deletions	September 30, 2006
<u>Ow ned assets</u>					
Capital assets not being depreciated					
Land	\$ 107,037,628	\$ -	\$ 34,713	\$ -	\$ 107,072,341
Construction in progress	44,091,518	27,912,847	(38,742,913)	-	33,261,452
Total capital assets not depreciated	151,129,146	27,912,847	(38,708,200)	-	140,333,793
Capital assets being depreciated					
Buildings	137,085,498	-	742,632	(37,400)	137,790,730
Infrastructure	178,077,951	-	22,103,960	-	200,181,911
Dredging	23,099,862	1,167,885	9,644,162	-	33,911,909
Equipment and furnishing	8,047,387	226,765	6,217,446	(6,926,022)	7,565,576
Total capital assets depreciated	346,310,698	1,394,650	38,708,200	(6,963,422)	379,450,126
Less accumulated depreciation					
Buildings	19,827,569	3,513,770	-	(18,150)	23,323,189
Infrastructure	48,064,181	5,324,540	-	-	53,388,721
Dredging	11,884,940	2,530,829	-	-	14,415,769
Equipment and furnishing	6,372,334	548,365	-	(1,946,239)	4,974,460
Total accumulated depreciation	86,149,024	11,917,504	-	(1,964,389)	96,102,139
Total depreciable capital assets, net	260,161,674	(10,522,854)	38,708,200	(4,999,033)	283,347,987
Ow ned capital assets, net	411,290,820	17,389,993	-	(4,999,033)	423,681,780
<u>Assets under lease</u>					
Capital assets being depreciated					
Vessel	181,487	-	-	-	181,487
Less accumulated depreciation	(120,924)	(40,308)	-	-	(161,232)
Capital assets under lease, net	60,563	(40,308)	-	-	20,255
Total capital assets	\$ 411,351,383	\$ 17,349,685	\$ -	\$ (4,999,033)	\$ 423,702,035

Depreciation expense for the Tampa Port Authority (primary government) for the year ended September 30, 2006 was \$11,917,504 for owned assets and \$40,308 for assets under lease. The Port Authority's construction in progress of \$33,261,452 at September 30, 2006 primarily relates to capital improvements, development and new construction of berths and warehouse facilities, and interest costs capitalized on debt issued to finance long-term construction projects throughout the Port District.



Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE H - CURRENT LEASE AGREEMENTS WITH TENANTS

Substantially all of the Port Authority's property and equipment are leased to various port operations for periods of up to 40 years. These leases are classified as operating. Future minimum rentals, including renewal options, to be received under non-cancelable operating leases are as follows:

<u>Year ending</u> <u>September 30,</u>		<u>Year ending</u> <u>September 30,</u>	
2007	\$ 5,459,861	2032 to 2036	13,729,349
2008	5,167,708	2037 to 2041	12,433,230
2009	4,952,439	2042 to 2046	7,666,371
2010	4,730,105	2047 to 2051	5,899,900
2011	4,794,259	2052 to 2056	4,609,163
2012 to 2016	21,968,270	2057 to 2061	4,529,125
2017 to 2021	18,843,040	2062 to 2066	4,135,119
2022 to 2026	16,145,070	2067 to 2071	3,723,592
2027 to 2031	14,920,919	2072 to 2076	<u>2,475,000</u>
			<u>\$ 156,182,520</u>

NOTE I - ACCUMULATED UNPAID EMPLOYEE BENEFITS

Port Authority employees generally earn one day of vacation and one day of sick leave each month. Vacation and sick leave accumulate on a monthly basis and are fully vested when earned. Accumulated vacation and sick leave for the primary government and component unit at September 30, 2006 was \$882,070 and \$-0- respectively, and are included in accrued liabilities.

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Tampa Port Authority  
 NOTES TO COMBINED FINANCIAL STATEMENTS  
 September 30, 2006

NOTE J - BONDS, NOTES AND LOANS PAYABLE

1. Primary Government

The following is long-term debt activity for the year ended September 30,:

	September 30, 2005	Additions	Deductions	September 30, 2006	Due within one year
Revenue bonds	\$ 152,728,407	\$ 27,598,139	\$ 19,769,299	\$ 160,557,247	\$ 6,045,000
Deferred revenue	2,498,745	-	226,994	2,271,751	293,144
Investment held for component unit	938,500	-	-	938,500	-
Deposits	181,020	257,710	102,540	336,190	-
Refundable grant advance	-	1,350,000	-	1,350,000	-
Other obligation	-	1,167,885	-	1,167,885	-
<b>Total</b>	<b>\$ 156,346,672</b>	<b>\$ 30,373,734</b>	<b>\$ 20,098,833</b>	<b>\$ 166,621,573</b>	<b>\$ 6,338,144</b>

Revenue Bonds

1997 refunding revenue bonds (TBIT Project), collateralized by a pledge and lien on gross revenues of the Port Authority 3.8% to 5%, maturing through 2011 \$ 4,105,000

1998 revenue bonds, collateralized by a pledge and lien on gross revenues of the Port Authority  
 5% term bonds, maturing 2018 3,235,000  
 5% term bonds, maturing 2023 21,765,000

2002A revenue bonds, collateralized by a pledge and lien on gross revenues of the Port Authority  
 4.125% to 5.75% term bonds, maturing 2021 14,915,000  
 5.25% term bonds, maturing 2025 6,340,000  
 5.375% term bonds, maturing 2027 3,745,000

2002B revenue bonds, collateralized by a pledge and lien on gross revenues of the Port Authority  
 6.25% to 6.75% term bonds, maturing 2013 2,100,000  
 6.5% term bonds, maturing 2017 1,640,000  
 6.875% term bonds, maturing 2022 2,680,000  
 6.875% term bonds, maturing 2027 3,580,000



Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE J - BONDS, NOTES AND LOANS PAYABLE - continued

Revenue Bonds - continued

2003 revenue refunding bonds, collateralized by a pledge and lien on gross revenues of the Port Authority 3.91% to 5.22% serial bonds, maturing in 2013	13,147,571
2005A revenue refunding bonds, collateralized by a pledge and lien on gross revenues of the Port Authority 3% to 5% serial bonds, maturing through 2020	56,475,000
2006 revenue bonds, collateralized by a pledge and lien on gross revenues of the Port Authority 4% to 4.125% serial bonds, maturing through 2013	11,685,000
5% term bonds, maturing 2026	4,380,000
4.75% term bonds, maturing 2031	4,745,000
5% term bonds, maturing 2036	<u>6,015,000</u>
Total outstanding bond balance	160,552,571
Unamortized (discount)/premium-net	2,522,451
Less unamortized loss on defeasance	<u>(2,517,775)</u>
Carrying amount	160,557,247
Less current maturities	<u>(6,045,000)</u>
Bonds, note and loans payable – noncurrent	<u>\$ 154,512,247</u>

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Tampa Port Authority  
 NOTES TO COMBINED FINANCIAL STATEMENTS  
 September 30, 2006

NOTE J - BONDS, NOTES AND LOANS PAYABLE - Continued

Debt maturities and related interest payments at September 30, 2006 consist of the following:

Year ending September 30,	Principal	Interest	Total
2007	\$ 6,045,000	\$ 7,528,142	\$ 13,573,142
2008	6,375,000	7,182,818	13,557,818
2009	6,064,576	7,476,877	13,541,453
2010	6,045,467	7,467,819	13,513,286
2011	6,099,497	7,416,119	13,515,616
2012 - 2016	38,283,031	32,044,156	70,327,187
2017 - 2021	48,635,000	18,844,306	67,479,306
2022 - 2026	29,520,000	7,146,822	36,666,822
2027 - 2031	7,470,000	2,359,043	9,829,043
2032 - 2036	6,015,000	931,750	6,946,750
Total	<u>\$ 160,552,571</u>	<u>\$ 98,397,852</u>	<u>\$ 258,950,423</u>

In May 2006, the Port Authority issued \$26,825,000 in revenue bonds Series 2006, with interest rates ranging from 4% to 5%, and with final maturities ending through 2036. The Series 2006 bonds will be used to finance all or a portion of the costs acquiring, constructing and improving facilities of the Port.

In March 2005, the Port Authority issued \$56,475,000 in revenue refunding bonds Series 2005A, with interest rates ranging from 3% to 5%, and with final maturities ending through 2020. The Series 2005A bonds were issued to currently refund Series 1995 Special Revenue & Revenue bonds. As a result of this debt, a deferred refunding loss of \$2,801,793 was recorded as a component of the debt liability and is deducted from long-term bonds payable. This deferred loss is being amortized through 2020. The unamortized loss balance at September 30, 2006 was \$2,517,775. The net present value of the interest savings over the term of the bond results in an economic gain of approximately \$1,493,000. Additionally, the debt service savings approximated \$4,024,000.

In November 2003, the Port Authority issued \$11,520,790 of Revenue Refunding Bonds (Tampa Port Authority Project), Series 2003, with interest ranging from 3.91% to 5.22%, and with final maturities ending through December 1, 2013. Bond proceeds were used to fund the payment of the Hillsborough County Port District Second Lien Revenue Bonds (Tampa Port Authority Project) Series 1994 bonds on December 1, 2003 which were called to purchase a debt service reserve fund surety bond, and to pay bond issuance costs of the 2003 Bonds.



Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE J - BONDS, NOTES AND LOANS PAYABLE - Continued

The principal balance of the Revenue Refunding Bonds at September 30, 2006 includes accreted interest of \$1,626,781. The net present value of the interest savings over the term of the bond results in an economic gain of approximately \$617,000. Additionally, the debt service savings approximated \$890,000.

In April 2002, the Port Authority issued \$25,000,000 of revenue bonds, (Tampa Port Authority Project), Series 2002A, with interest ranging from 4.125% to 5.75%, with principal payments beginning 2007, and with final maturities ending through 2027. In addition, in April 2002, the Port Authority issued \$10,000,000 of revenue bonds, (Tampa Port Authority Project), Series 2002B (taxable), with interest ranging from 6.25% to 6.875%, with principal payments beginning 2007, and with final maturities ending through 2027. Bond proceeds are being expended and are being used to finance the cost of acquiring, constructing and improving the facilities of the Port Authority.

In October 1998, the Port Authority issued \$25,000,000 in Revenue Bonds, Series 1998, to provide funds to finance the construction of various projects within the Port District. Bond proceeds of approximately \$682,000 were used to pay bond discounts and costs associated with the issuance of the bonds. The bonds are payable from and secured by a pledge of and lien upon the revenues from the operation of the port facilities on parity with the 1995A, 1995B, 1997 refunding revenue bonds (Tampa International Terminals, Inc. Project) and 1997B refunding revenue bonds (Tampa Bay Shipbuilding Project). The bonds have an interest rate of 5% and mature through June 1, 2023.

In August 1997, the Port Authority issued \$9,385,000 of refunding revenue bonds, Series 1997, with interest ranging from 3.8% to 5%, and with final maturities ending through 2011. Bond proceeds of approximately \$340,000 were used to pay bond discounts and costs associated with the issuance of the bonds. After making certain accrued interest payments and payments to reserve accounts, the remaining bond proceeds were used to advance refund the 1990 Special Purpose Revenue Bonds, (Tampa Bay International Terminals, Inc.) to take advantage of lower interest rates. The 1997 bonds are on parity with the other Port Authority bond issues. In conjunction with the issuance of these bonds, the Port Authority and TBIT entered into a Loan Agreement dated August 1, 1997 whereby TBIT pays the Port Authority an amount equal to the principal and interest due on the 1997 Bonds in accordance with an installment schedule attached to the above referenced loan agreement.



Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE J - BONDS, NOTES AND LOANS PAYABLE - Continued

In May 1995, the Port Authority issued \$42,010,000 of Refunding Revenue Bonds, Series 1995A and B, with interest rates ranging from 4.35% to 5.7%, and with final maturities ending through 2013. Bond proceeds of approximately \$1.4 million were used to pay bond discounts and costs related to the issuance of the bonds. After making certain accrued interest payments and payments to reserve accounts, the remaining bond proceeds were used to advance refund the Refunding Revenue Bonds, Series 1977, and Revenue Bonds, Series 1978, Series 1984A, Series 1990. Series 1995A were paid off during the year ended September 30, 2005, and Series 1995B were defeased with unrestricted cash in February 2006 without the use of Series 2006 bond proceeds. As a result, an expenditure of \$580,011 is included in the combined statement of revenues, expenses, and changes in fund net assets.

Legal Debt Limit - The Port Authority has no legal debt limit as set forth in the Constitution of the State of Florida and the Florida Statutes. However, the Master Bond resolution dated April 6, 1995 establishes certain maximum debt service requirements, which are more restrictive and are based on net revenue generated by the Port Authority.

Restrictive Bond Covenants - The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of funds through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum bond coverage. The Port Authority has complied with all significant covenants.

Knock-in Swaption - In July 2002, the Port Authority entered into a knock-in swap option agreement ("swaption") for a notional amount that would not exceed \$32,420,000, fair value as of September 30, 2006, of its fixed rate debt portfolio. Under the agreement, the Port Authority has received an upfront option premium of \$1,002,000 for entering into the knock-in swaption. The Port Authority will continue to pay interest on its outstanding debt at the fixed interest rate provided by the bonds. However, the Port Authority will effectively pay a variable rate on the debt, if the Port Authority is knocked into the swap agreement. The debt service requirements to maturity of the bonds are based on the fixed rate. Only if and when the Bond Market Association ("BMA") Municipal Swap Index exceeds 6% for a period of 180 consecutive days after December 1, 2004, will the swaption provider have the option to require the Port Authority to pay interest at a variable rate. If the option is exercised, the swaption provider will pay the Port Authority a fixed rate of 5.0532%, and the Port Authority will pay the swaption provider a variable rate of BMA Municipal Swap Index plus 25 basis points (also refer to note P3). The notional amount under the agreement matches the final maturity of a portion of the Port Authority's outstanding long-term debt and will amortize with the amortization of these bonds.



Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE J - BONDS, NOTES AND LOANS PAYABLE - Continued

The notional amount of the contract diminishes with the maturity of the Port Authority's bonds as follows:

<u>Start Date</u>	<u>Maturity Date</u>	<u>Notional Amount</u>
June 1, 2004	June 1, 2009	\$ 32,420,000
June 1, 2009	June 1, 2010	30,295,000
June 1, 2010	June 1, 2011	28,625,000
June 1, 2011	June 1, 2012	26,870,000
June 1, 2012	June 1, 2013	25,960,000
June 1, 2013	June 1, 2014	25,000,000
June 1, 2014	June 1, 2015	25,000,000
June 1, 2015	June 1, 2016	24,050,000
June 1, 2016	June 1, 2017	23,180,000
June 1, 2017	June 1, 2018	22,415,000
June 1, 2018	June 1, 2019	21,765,000
June 1, 2019	June 1, 2020	21,245,000
June 1, 2020	June 1, 2021	20,865,000
June 1, 2021	June 1, 2022	14,245,000
June 1, 2022	June 1, 2023	7,295,000

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Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE J - BONDS, NOTES AND LOANS PAYABLE - Continued

The Port Authority has an optional right of termination at any time, with a termination payment payable by or to the Port Authority based on the current market conditions. If the Swaption Provider defaults under the agreement, the Port Authority would not be exposed to interest rate changes and the Port Authority would have no obligation to make a termination payment.

Defeased Debt - Pursuant to the GASB Statement No. 7, *Advance Refunding Resulting in Defeasance of Debt*, the Tampa Port Authority does not report defeased/refunded bond funds on its statement of net assets.

The principal balance due on bond issues defeased is as follows as of September 30, 2006:

Revenue Bonds, Series 1967 Term Bonds	\$ 190,000
Revenue Bonds, Series 1973A Term Bonds	4,710,000
Special Refunding Revenue Bonds, Series 1976A Term Bonds	1,200,000
Refunding Revenue Bonds, Series 1977 Term Bonds	16,200,000
Revenue Bonds, Series 1978 Term Bonds	745,000
Revenue Bonds, Series 1990 Term Bonds	7,580,000
Refunding Revenue Bonds, Series 1995B	13,375,000
	<u>\$ 44,000,000</u>

2. Component Unit

Notes payable of the component unit consist of the following at September 30, 2006:

Note payable to the Port Authority with a varying interest rate of 3.8% to 5.0%; principal and interest payable monthly, beginning September 1997 through May 2011; collateralized by a pledge of TBIT's gross revenues	\$ 3,855,000
Less current portion	<u>(761,667)</u>
Long-term portion	<u>\$ 3,093,333</u>



Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE J - BONDS, NOTES AND LOANS PAYABLE - Continued

Debt maturities consist of the following at September 30:

2007	\$ 761,667
2008	796,667
2009	831,666
2010	868,333
2011	<u>596,667</u>
Total	<u>\$ 3,855,000</u>

On August 1, 1997, the Port Authority executed a loan agreement with TBIT (the component unit) whereby a loan payable was recorded to the Port Authority equal to the 1997 bond issuance maturity value of \$9,385,000. Additionally, the Port Authority is to maintain a debt service reserve of \$938,500, which will apply to the loan's final principal payments. TBIT receives interest earnings on the debt service reserve. Interest earned by TBIT on debt service and bond reserve funds was \$53,916 for the year ended September 30, 2006. TBIT's interest expense on the above notes was \$222,560 for the year ended September 30, 2006.

NOTE K - LINE OF CREDIT

Effective May 15, 2006, the Port Authority has a revolving line of credit in which the principal amount at any one time outstanding cannot exceed \$25,000,000. The Port Authority shall be permitted to make one or more advances against the loan, each of which shall constitute a separate borrowing evidenced by separate notes. The proceeds of each draw secured by a note under this agreement shall be used to finance capital projects for the Port Authority on an interim basis. No advance request shall be honored on or after three years from the date of this agreement. Each note shall be assigned up to an initial two year interest only period, with the entire principal amount of the note being due and payable at the end of such interest only period. Either upon issuance or prior to the conclusion of the two year interest only period, the Port Authority may elect to amortize the outstanding principal due on the note for an additional term not to exceed ten years, upon mutual agreement of the bank to such term, and may elect to convert the note to bear interest at a fixed rate to be determined by mutual agreement in writing by the bank and the Port Authority. During the interest only period, the Port Authority may elect a "non-bank" qualified rate, in which case the note rate shall be a variable interest rate equal to 77% of one month London Interbank Offered Rate ("LIBOR") as evidenced in the Wall Street Journal plus 56 basis points (.56%), or the Port Authority may elect a "taxable rate," in which case the note rate shall be a variable rate equal to one month LIBOR rate plus 73 basis points (.73%). Interest shall be payable on a monthly basis.



Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE K - LINE OF CREDIT – Continued

The Port Authority irrevocably pledges a junior and subordinate lien on (until repayment) of the designated revenues as security for the repayment of each note. There was no balance outstanding on the line of credit at September 30, 2006.

NOTE L - OTHER OBLIGATION

The Port Authority entered into a Project Cooperation Agreement with the Department of the Army - Corps of Engineers to dredge a portion of the main ship channel in the Hillsborough County Port District in April 2000. The Project is referred to as the Ybor Channel Turning Basin Project and is complete.

The Project Cooperation Agreement committed Federal Government funding of 75% towards project costs and required the Port Authority, a non-Federal Sponsor, to fund 25% of the project costs, which were paid by the Port Authority as of September 30, 2006. In addition to the 25% matching funding by the Port Authority, the agreement also required that the Port Authority be responsible for an additional 10% of total project costs, which was \$1,167,885. Repayment of this amount by the Port Authority to the Corps of Engineers may be spread over a period of up to thirty years. The repayment terms of this agreement have not been settled as of September 30, 2006.

NOTE M - EMPLOYEE RETIREMENT PLANS

1. Defined Benefit Plan

Substantially all full-time employees of the Port Authority are participants in the Florida Retirement System (the "System"), a multiple-employer, cost-sharing public retirement system. The System, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement, covers approximately 646,000 full-time employees of the State of Florida and various governmental units within the state.

The System provides for vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings. Employees are not required to contribute to this retirement system.



Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE M - EMPLOYEE RETIREMENT PLANS - Continued

The Port Authority has no responsibility to the System other than to make the periodic payments required by State Statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Florida Division of Retirement, 2639 Monroe Street, Building C, Tallahassee, Florida 32399-1560.

Effective July 1, 1998, the Florida Legislature established a Deferred Retirement Option Program ("DROP"). This program allows eligible employees to defer receipt of monthly retirement benefit payments while continuing employment with a System employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the Florida Retirement System Trust Fund and accrue interest.

2. Defined Contribution Plan

Beginning December 1, 2002, the System offered a second retirement plan option, the FRS Investment Plan. Under this plan, the employer pays all contributions which are a percentage of salary based on the System's Membership Class. The employer contributes to an account in the employee's name. The employee makes investment elections with the investment funds chosen by the Florida State Board of Administration.

The retirement benefit is based on the account balance, and the benefit is vested after one year of service. If an employee leaves the job, he or she can keep the benefit in the System, or transfer his or her account to another retirement plan.

The employee can also elect to cash out the benefit when leaving but is subject to tax penalties for taking early withdrawal. An employee in this plan is not eligible for DROP. All employees in the System defined benefit pension plan were given a choice of switching to the FRS Investment Plan within a designated time period.

3. Contributions to Florida Retirement System

For the System's fiscal year commencing July 1, 2006, the participating employer contributions are based upon statewide rates established by the State of Florida. The contributions by participating employers are the same for the defined benefit plan and the defined contribution plan. These rates are applied to employee salaries as follows for regular employees at 9.85%, senior management at 13.12%, and Deferred Retirement Option Program (DROP) at 10.91%.



Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE M - EMPLOYEE RETIREMENT PLANS - Continued

The Port Authority's contributions made during the years ended September 30, 2006, 2005 and 2004 were \$595,700, \$508,896 and \$433,770, respectively, equal to the actuarially determined contribution requirements for each year.

NOTE N - RELATIONSHIP BETWEEN PRIMARY GOVERNMENT AND COMPONENT UNIT

The Port Authority entered in an Operating Agreement with its component unit, TBIT, dated January 9, 1990 and amended effective October 1, 1995 with an expiration date of December 31, 2009. The terms of the Amended Operating Agreement provided for TBIT to collect on behalf of and remit to the Port Authority certain wharfage fees derived by the Port Authority on an annual basis.

Effective May 30, 2006, the Port Authority entered into an agreement with P&O Ports Florida, Inc., ("P&O") (the Concession Agreement) to provide terminal operations on its behalf and in the place of TBIT. The role of TBIT changed from that of terminal operator to one of P&O contract administrator for the Port. Its legal status did not change, and it remains a component unit of the Port Authority. See further discussion at note R.

In addition to the above agreement, the Port Director of the Port Authority, one individual appointed by the Port Authority's Board of Commissioners, and a member of the Port Authority's Board of Commissioners are members of the Board of Directors of TBIT.

The contract entered into between the Port Authority and TBIT effective May 30, 2006 suspends the original agreements shown above.

NOTE O - FLORIDA PORTS FINANCING COMMISSION

The Port Authority is a participant in a program of the Florida Ports Financing Commission (the "Ports Commission") whereby the Ports Commission lends certain bonds proceeds to finance, refinance or reimburse the cost of acquiring and constructing capital projects for certain participating ports within the State of Florida. The Ports Commission has received and provided funding to various Florida ports through two different bond issuances: The \$222,320,000 Revenue Bonds (State Transportation Trust Fund), Series 1996, and \$153,115,000 Revenue Bonds, (State Transportation Trust Fund - Intermodal Program), Series 1999.



Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE O - FLORIDA PORTS FINANCING COMMISSION - Continued

Subsequently, the Port Authority entered into a loan agreement with the Ports Commission to make semi-annual payments of principal and interest on bond proceeds borrowed by the Port Authority (the "Basic Payments"). Pursuant to its loan agreement, the Port Authority has assigned all of its rights, title and interest in moneys due to the Port Authority from the State Transportation Trust Fund pursuant to Sections 320.20(3) and 320.20(4), Florida Statutes, to repay its loan.

In effect, the Basic Payments required to be paid by the Port Authority pursuant to its loan agreement with the Ports Commission are payable solely from moneys due to the Port Authority from the State Transportation Trust Fund pursuant to Sections 320.20(3) and 320.20(4), Florida Statutes, which provides that \$15,000,000 and \$10,000,000, respectively, in certain revenues derived from the registration of motor vehicles in Florida be deposited annually in the State Transportation Trust Fund for funding certain Port projects.

The Port Authority has been allocated approximately \$61.7 million from Ports Commission bond proceeds, which amounts were deposited into interest earning escrow accounts for certain projects, specifically, cargo and cruise berth and terminal improvements; intermodal road, rail and other infrastructure improvements; cargo-handling equipment; and dredge material disposal site development. The Port Authority, like all participants in the program, has agreed to provide moneys (from sources other than proceeds borrowed under the loan agreement with the Ports Commission) to fund a portion of the cost of such projects. These moneys will be utilized by the Port Authority to pay the costs of such projects on a matching basis with moneys received by the Port Authority pursuant to its loan agreement with the Ports Commission. At September 30, 2006, the Port Authority has drawn down approximately \$61.6 million from its escrow account to fund such projects.

NOTE P - RISK MANAGEMENT

The Port Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Port Authority manages the exposure to these risks through the purchase of commercial insurance with high limits of coverage. Specific details regarding deductibles and coverage can be found in the supplemental schedules of the Comprehensive Annual Financial Report of the Port Authority. The Port Authority has not significantly reduced insurance coverage from the prior year nor did the amount of settlement exceed the insurance coverage for each of the past three fiscal years.



Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE Q - COMMITMENTS AND CONTINGENCIES

1. Litigation

There are several matters pending claims and lawsuits in which the Port Authority is involved. In the opinion of the Port Authority's management, the ultimate resolution of these claims would not be material to the financial position of the Port Authority.

2. Special Purpose Revenue Bonds

From time to time, the Port Authority participates with its tenants in the issuance of special purpose revenue bonds, which provide funds to finance construction of capital improvements within the Port District. The Port Authority receives a security interest in the specific, project revenues to secure payment of rents and the performance of tenant obligations. The Port Authority has determined that, in general, these bonds do not represent obligations of the Port Authority, although the Port Authority does retain a lessor's interest in said capital improvements.

Upon termination or expiration of the leases, the Port Authority retains its ownership interest in said property and the right to possession reverts to the Port Authority. There are no remaining special purpose revenue bonds as of September 30, 2006.

3. Knock-in Swaption

In July 2002, the Port Authority entered into a knock-in swap option agreement ("swaption") in order to generate additional funding to reduce interest payments (refer to note J). Under the agreement, the Port Authority received an upfront option premium of \$1,002,000 for entering into the knock-in swaption.

Under the agreement, the swaption provider has the option to put the Port Authority into a fixed-to-floating interest rate swap on the following terms: (a) the notional amount is not to exceed \$32,420,000; (b) the interest rate swap agreement expires on June 1, 2023; (c) if the option is exercised by the swaption provider, it will pay the Port Authority a fixed rate of 5.0532%, and the Port Authority will pay the swaption provider a variable rate of BMA Municipal Swap Index plus 25 basis points; (d) the swaption provider could not exercise the option until June 1, 2004; (e) the swaption provider will have no right to exercise its option unless the BMA Municipal Swap Index has averaged above 6% for any period of 180 consecutive days after December 1, 2004; (f) the Port Authority has an optional right of termination at any time, with a termination payment payable by or to the Port Authority based on the current market conditions.



Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE Q - COMMITMENTS AND CONTINGENCIES - Continued

Under the agreement, the exercise period for the option commenced on June 1, 2004, meaning that the swaption provider could not exercise the option regardless of the level of BMA Municipal Swap Index prior to the date of June 1, 2004.

4. Commitments

The Tampa Port Authority had contractual commitments for various projects that amounted to approximately \$49 million as of September 30, 2006.

5. Component Unit

See note R below.

NOTE R - RELATIONSHIP AMONG THE PORT AUTHORITY, TBIT AND P&O

The Port Authority is the owner of certain public berths, wharves, yards and other improvements, which are currently used as terminal facilities for the handling of general cargo in the Port of Tampa. On January 9, 1990, the Port Authority granted use of these facilities to TBIT under an Operating Agreement of that date and amended on October 1, 1995 to perform terminal operations.

During fiscal year 2003 in order to continue its business diversification strategy and to address changing logistics, procurement patterns, and shipping trends, the Port Authority sought and received proposals from interested parties to grow the Port Authority's general cargo business and to develop the Port Authority's container operations. On January 31, 2004, the Port Authority reached an agreement with Stevedoring Services of America ("SSA") to provide said services. On May 31, 2006, SSA left the Port Authority's premises, and a final agreement to terminate the relationship between the Port Authority and SSA was reached on September 8, 2006.

On May 30, 2006, the Port Authority and P&O entered into a new agreement to provide terminal services at the Port of Tampa. The agreement shall continue for 10 years, ending May 29, 2016. P&O has the option of extending the terms of the agreement for an additional 10 years.

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Tampa Port Authority  
NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 2006

NOTE R - RELATIONSHIP AMONG THE PORT AUTHORITY, TBIT AND P&O - Continued

Under the agreement and in exchange for the use of the Port Authority facilities, P&O pays the Port Authority 20% of gross revenues as defined, generated each contract year by P&O from the terminal operations conducted by P&O for revenues up to \$7,000,000. For annual gross revenues which exceed \$7,000,000, P&O agrees to pay 10% to the Port Authority. P&O guarantees that the minimum annual payment will be no less than \$1,225,000. In addition, P&O provides all terminal operations equipment necessary to handle the Port Authority's terminal operations for general cargo and container cargo and is responsible for the maintenance of said equipment at its own expense.

Generally, TBIT shall account for and pay over to the Port Authority all payments required by Article III of the Amended Operating Agreement. In addition, the Port Authority and TBIT agree that the reasonable net cash flow from TBIT's current book of business generated from its existing terminal operations is \$900,000 per year, with minor adjustments from year to year. The Port Authority and TBIT estimate that, based on the historical performance of terminal operations by TBIT, the reasonable life of this current book of business is eight years. The Port Authority is delivering TBIT's current book of business to P&O for performance of all future terminal operation services. The Port Authority agreed to pay TBIT annually for the next eight years the reasonable cash flow of TBIT's book of business in the amount of \$900,000 per year.

TBIT shall continue to make all payments to the Port Authority under the loan agreement regarding retirement of the 1997 Special Purpose Revenue Bonds, as referenced in note J2 of these financial statements. As of September 30, 2006, the outstanding principal balance due on the bonds and loan agreement is \$3,855,000.

NOTE S - SUBSEQUENT EVENTS

The Port Authority's Board of Commissioners has authorized a synthetic forward refunding on the 1998 and 2002A bonds. The Port Authority's present value saving on the synthetic forward refundings should be approximately 4.954% or \$1,238,000 million on the 1998 bonds and 4.709% or \$953,360 on the 2002A bonds. The transaction allows the Port Authority the option of taking the expected savings upfront at the time the transaction is executed, or to spread the savings over the life of the bonds. The upfront savings plus the expected cost of issuance for which the Port will be reimbursed are expected to be approximately \$1,561,000 for the Series 1998 bonds and \$1,023,000 on the 2002A bonds. The Port Authority's management plans to take the upfront savings and reinvest the proceeds, thereby achieving additional economic benefit.



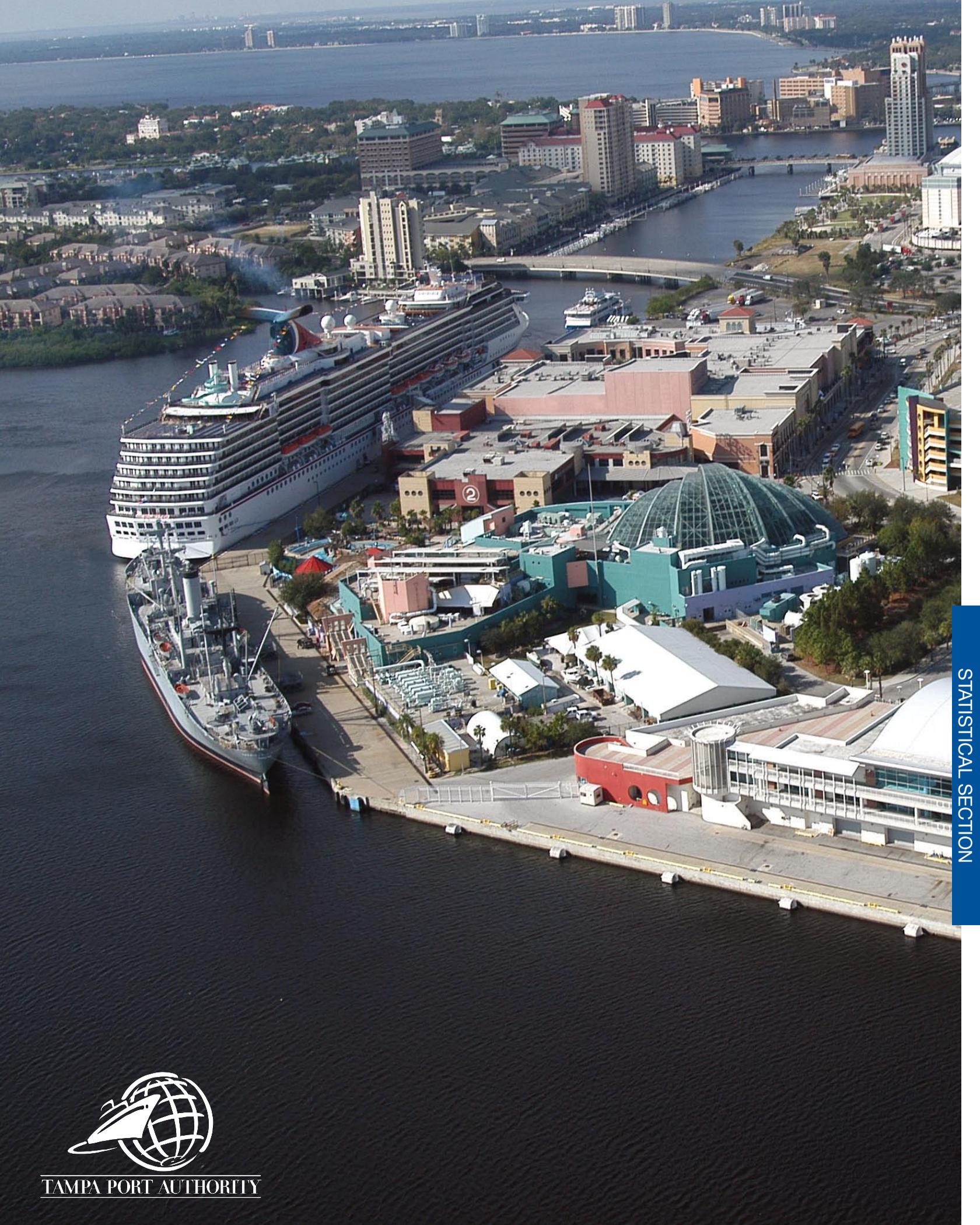
## SUPPLEMENTAL INFORMATION

Tampa Port Authority

### STATEMENT OF CASH FLOWS - DISCRETELY PRESENTED COMPONENT UNIT

For the year ended September 30, 2006

	<u>Component Unit</u> <u>Tampa Bay</u> <u>International</u> <u>Terminals, Inc.</u>
Cash flows from operating activities	
Received from customers	\$ 911,010
Payments to suppliers for goods and services	(23,596)
Payments to employees for services	(99,206)
	<hr/>
Net cash provided by operating activities	788,208
	<hr/>
Cash flows from capital and related financing activities	
Principal payments on debt	(730,000)
Interest payments on debt	(222,560)
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Net cash used by capital and related financing activities	(952,560)
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Cash flows provided by investing activities	
Interest and other income received	57,271
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Net cash provided by investing activities	57,271
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Net decrease in cash and cash equivalents	(107,081)
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Cash and cash equivalents at beginning of year	211,543
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Cash and cash equivalents at end of year	\$ 104,462
	<hr/>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 805,522
Adjustments to reconcile operating income to net cash provided by operating activities	
Decrease in accrued liabilities	(17,314)
Total adjustments	(17,314)
	<hr/>
Net cash provided by operating activities	\$ 788,208
	<hr/>





**TAMPA PORT AUTHORITY**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2006**

**STATISTICAL SECTION**

This part of the Tampa Port Authority comprehensive annual financial report presents detailed information which provides further clarification to the information contained in the financial statements, note disclosures, and all required supplementary information. The information contained in this section includes important indicators about the Tampa Port Authority's overall financial well being. Reports in this section have been prepared according to GASB 44 guidelines.

**Contents**

**Financial Trends Information:**

The following schedules contain trend information to help the reader understand how the Tampa Port Authority's financial performance and condition has changed over the pasted few years.

- 1) Net Assets by Component – Table 1
- 2) Changes in Net Assets – Table 2

**Revenue Capacity Information:**

The following schedules contain information to help the reader assess the Tampa Port Authority's most significant sources of revenue.

- 1) Revenue by Type and Related Averages – Table 3
- 2) Principal Revenue Sources and Revenue per Categories – Table 4
- 3) Major Revenues and Related Customers – Table 5
- 4) Revenue Rates – Table 6
- 5) Top Ten Customers – Table 7

**Debt Capacity Information:**

The following schedules contain information to help the reader assess the Tampa Port Authority's capability of meeting its current level of debt service and its ability to issue debt in the future.

- 1) Ratios of Outstanding Debt by Type – Table 8
- 2) Schedule of Pledged Revenue Coverage – Table 9
- 3) Summary of Historical Operating Data – Table 10

**Demographics and Economic Information:**

The following schedules contain information to help the reader understand demographics and economic indicators related to the Port Authority's financial activities in their current environment.

- 1) Hillsborough County, FL Demographics and Economic Statistics – Table 11
- 2) Principal Employers of Hillsborough County – Table 12



**TAMPA PORT AUTHORITY**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2006**

**STATISTICAL SECTION – Continued**

- 3) Hillsborough County, FL Property Tax Millage Rates - Table 13
- 4) Hillsborough County, FL Principal Taxpayers - Table 14

**Operating Information:**

The following schedules contain information directly related to the operating indicators, the capital assets, and the number of personnel employed by the Port Authority.

- 1) Schedule of Comparative Revenue by Activity – Table 15
- 2) Annual Cargo Tonnage by Category – Table 16
- 3) Capital Assets – Table 17
- 4) Employee by Department – Table 18

**Other Information:**

- 1) Cruise Statistics – Table 19
- 2) Insurance Coverage – Table 20
- 3) Financial Highlights – Table 21



Table 1

TAMPA PORT AUTHORITY

Net Asset by Component  
Last Five Years  
(Unaudited)  
(amounts in thousands)

Net Assets at Year-End	2002	2003	2004	2005	2006
Invested in capital assets, net of related debt	\$184,900	\$209,425	\$233,241	\$269,457	\$296,454
Restricted	98,145	117,961	63,053	23,484	36,720
Unrestricted	145	(28,872)	23,258	45,003	26,585
<b>Total Net Assets</b>	<b>\$283,190</b>	<b>\$298,514</b>	<b>\$319,552</b>	<b>\$337,944</b>	<b>\$359,759</b>

\*Total of 5 years of information available; the Port Authority adherence to GASB 34 was fully reflected in the 2003 financial statements. 2002 data is available because it was presented in the 2003 MD&A.



Table 2

**TAMPA PORT AUTHORITY**  
**Changes in Net Assets**  
**Last Five Years**  
**(Unaudited)**  
**(amounts in thousands)**

	<u>2002</u>		<u>2003</u>		<u>2004</u>		<u>2005</u>		<u>2006</u>
<b>Operating Revenue</b>									
Port Usage Fees Revenue	\$ 18,345	\$	21,684	\$	22,899	\$	25,375	\$	29,352
Land & Building Leases	6,389		6,213		7,340		8,309		8,419
Tenant Utilities	522		648		627		530		624
Other Port Operating Revenue	<u>408</u>		<u>552</u>		<u>723</u>		<u>735</u>		<u>913</u>
Total Operating Revenue	25,664		29,097		31,589		34,949		39,308
<b>Non-Operating Revenue</b>									
Operating Assistance Grants	0		\$1,651		\$1,166		\$1,268		\$340
Grants	14,270		5,416		8,493		4,070		4,845
Interest Income	3,372		3,691		3,555		3,497		4,207
Ad Valorem Tax Receipts	11,962		12,907		14,117		14,039		16,205
Other Non-Operating Income	<u>1,259</u>		<u>3,017</u>		<u>2,306</u>		<u>5,120</u>		<u>2,006</u>
Total Non-Operating Revenue	30,863		25,031		28,471		26,726		27,263
Total Revenues	56,527		54,128		60,060		61,675		66,571
<b>Operating Expenses</b>									
Personnel Salaries & Benefits	6,372		6,735		7,315		7,756		8,441
Promotional	493		590		450		433		439
Administrative	6,809		8,572		9,508		10,340		11,033
Deprecation & Amortization Expense	<u>7,996</u>		9,242		<u>10,165</u>		<u>11,102</u>		<u>12,527</u>
Total Operating Expenses	21,670		25,139		27,438		29,631		32,440
<b>Non-Operating Expenses</b>									
Interest Expense	9,058		9,834		9,094		8,254		7,623
Bond Related Cost	328		328		395		2,563		1,073
Tax Collector/Property Appraiser	980		1,028		1,083		1,266		1,470
Other non-operating expense	<u>1,397</u>		<u>2,476</u>		<u>1,012</u>		<u>1,569</u>		<u>2,150</u>
Total Non-Operating Expenses	11,763		13,666		11,584		13,652		12,316
Total Expenses	33,433		38,805		39,022		43,283		44,756
Change in net assets	\$ 23,094	\$	15,323	\$	21,038	\$	18,392	\$	21,815



**TAMPA PORT AUTHORITY**  
**Revenue by Type and Related Averages**  
 Last Ten Years  
 (Unaudited)  
 (revenue amounts in thousands)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Dockage	\$4,737	\$4,648	\$5,216	\$4,934	\$5,138	\$5,413	\$5,613	\$5,897	\$6,130	\$6,901
Wharfage	5,271	5,195	5,900	5,257	6,104	6,809	7,364	7,756	9,391	9,824
Wharfage - Cruise Passengers	892	1,176	1,962	2,189	2,456	2,917	4,495	4,385	4,310	5,119
Land & Building Rentals/Leases	4,134	4,316	4,442	4,992	5,978	6,389	6,213	7,340	8,309	8,419
Other Operating Revenue	1,662	2,363	2,106	2,573	2,625	4,102	5,412	6,211	6,809	9,045
Total Operating Revenue	<u>16,696</u>	<u>17,698</u>	<u>19,626</u>	<u>19,945</u>	<u>22,301</u>	<u>25,630</u>	<u>29,097</u>	<u>31,589</u>	<u>34,949</u>	<u>39,308</u>
Cargo Tonnage (to nearest thousand) (a)	11,560	11,639	12,142	11,730	13,642	13,372	14,043	15,049	16,477	16,738
Average Wharfage Revenue per Cargo Ton (whole \$)	<u>\$0.46</u>	<u>\$0.45</u>	<u>\$0.49</u>	<u>\$0.45</u>	<u>\$0.45</u>	<u>\$0.51</u>	<u>\$0.52</u>	<u>\$0.52</u>	<u>\$0.57</u>	<u>\$0.59</u>
Cruise Passengers (to nearest thousand)	188	245	414	460	517	587	810	792	772	911
Average Wharfage Revenue per Passenger (whole \$)	<u>\$4.74</u>	<u>\$4.80</u>	<u>\$4.74</u>	<u>\$4.76</u>	<u>\$4.75</u>	<u>\$4.97</u>	<u>\$5.55</u>	<u>\$5.54</u>	<u>\$5.58</u>	<u>\$5.62</u>
Berth linear feet	6,475	6,475	7,225	7,225	7,225	8,225	9,175	10,375	10,375	11,855
Average Dockage Revenue per Berth Linear Feet	<u>\$731.58</u>	<u>\$717.84</u>	<u>\$721.94</u>	<u>\$682.91</u>	<u>\$711.14</u>	<u>\$658.12</u>	<u>\$611.77</u>	<u>\$568.39</u>	<u>\$590.84</u>	<u>\$582.12</u>
Leased Acreage (actual in hundreds)	1,213	1,213	1,223	1,239	1,259	1,273	1,298	1,298	1,325	1,300
Average per Acreage (whole \$)	<u>\$3,408</u>	<u>\$3,558</u>	<u>\$3,632</u>	<u>\$4,029</u>	<u>\$4,748</u>	<u>\$5,019</u>	<u>\$4,787</u>	<u>\$5,655</u>	<u>\$6,271</u>	<u>\$6,476</u>

(a): Represents tonnage handled through Tampa Port Authority facilities, private facility tonnage is excluded.



Table 4

**TAMPA PORT AUTHORITY**  
**Principal Revenue Sources and Revenue per Categories**  
**Last Five Years (Unaudited)**  
**(amounts in thousands)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Port Usage Fees Revenues:</b>					
Dockage	\$ 5,413	\$ 5,613	\$ 5,897	\$ 6,130	\$ 6,901
Wharfage	9,197	11,286	11,653	12,736	13,834
Terminal Parking	2,658	3,455	3,810	4,322	5,748
Wharfage Shortfall	529	573	488	965	1,109
Scale Use	132	177	65	72	67
Other Terminal Operations	<u>416</u>	<u>580</u>	<u>986</u>	<u>1,150</u>	<u>1,693</u>
<b>Total Port Usage Fees</b>	<b>18,345</b>	<b>21,684</b>	<b>22,899</b>	<b>25,375</b>	<b>29,352</b>
Percentage of Total Revenue	32.45%	40.06%	38.13%	41.14%	44.09%
<b>Land &amp; Building Leases</b>					
Land & Building Rentals/Leases	6,377	6,177	7,292	8,239	8,349
Cruise Terminal Rental	12	36	40	55	45
Port Property Access Fees	<u>0</u>	<u>0</u>	<u>8</u>	<u>15</u>	<u>25</u>
<b>Total Land &amp; Building Leases</b>	<b>6,389</b>	<b>6,213</b>	<b>7,340</b>	<b>8,309</b>	<b>8,419</b>
Percentage of Total Revenue	11.30%	11.48%	12.22%	13.47%	12.65%
<b>Tenants Utilities</b>					
Tenant Water	44	37	28	21	20
Dockside Water	476	609	566	501	593
Electricity	<u>2</u>	<u>2</u>	<u>33</u>	<u>8</u>	<u>11</u>
<b>Total Tenants Utilities</b>	<b>522</b>	<b>648</b>	<b>627</b>	<b>530</b>	<b>624</b>
Percentage of Total Revenue	0.92%	1.20%	1.04%	0.86%	0.94%
<b>Other Port Operating Revenue</b>					
Work Permits	36	52	52	50	45
Fingerprinting/Badging	316	432	581	610	798
Security Training Fees	0	0	30	11	2
License Fees	<u>56</u>	<u>68</u>	<u>60</u>	<u>64</u>	<u>68</u>
<b>Total Other Port Operating Revenue</b>	<b>408</b>	<b>552</b>	<b>723</b>	<b>735</b>	<b>913</b>
<b>Total Non-Operating Revenue</b>	<b>25,664</b>	<b>29,097</b>	<b>31,589</b>	<b>34,949</b>	<b>39,308</b>
Percentage of Total Revenue	45.40%	53.76%	52.60%	56.67%	59.05%
<b>Non-Operating Revenue</b>					
Operating Grants	0	1,651	1,166	1,268	340
Grant Funding	14,270	5,416	8,493	4,070	4,845
Ad Valorem Tax Receipts	11,962	12,907	14,117	14,039	16,205
Interest, Unrestricted	2,649	3,093	3,020	3,057	3,877
Interest, Construction Funds	9	11	45	54	54
Dredge & Fill	0	298	29	43	17
TBIT & TBSB Interest	714	587	490	386	276
TBIT & TBSB Principle	261	294	298	304	263
Gain/Loss Sale of Inv	0	0	(165)	905	564
Gain/Loss on Disposal Fixed Asset	223	(3)	271	211	(1,020)
Harbormaster Fees	530	596	572	732	738
Conference Donations	96	80	74	229	770
Amortization Premiums	0	0	0	157	273
Other Miscellaneous Revenue	<u>149</u>	<u>101</u>	<u>61</u>	<u>1,271</u>	<u>61</u>
<b>Total Non-Operating Revenue</b>	<b>30,863</b>	<b>25,031</b>	<b>28,471</b>	<b>26,726</b>	<b>27,263</b>
Percentage of Total Revenue	54.60%	46.24%	47.40%	43.33%	40.95%
<b>Total Revenue</b>	<b>\$ 56,527</b>	<b>\$ 54,128</b>	<b>\$ 60,060</b>	<b>\$ 61,675</b>	<b>\$ 66,571</b>

\*Total of 5 years of information available; the Port Authority adherence to GASB 34 was fully reflected in the 2003 financial statements. 2002 data is available because it was presented in the 2003 MD&A



Table 5

Tampa Port Authority  
Wharfage Revenue  
Current (2006) and Nine Years prior (1997)  
Ten Largest Customers

Customer	FY 2006		FY 1997		Percentage of Total Wharfage
	Revenue	Percentage of Total Wharfage	Revenue	Percentage of Total Wharfage	
Central Florida Pipeline	1,831,658	12.00%	875,847	14.00%	
Carnival Cruise Lines	3,734,320	25.00%	879,591	14.00%	
Royal Caribbean Cruise	1,384,872	9.00%	526,336	9.00%	
Transmontaigne	801,483	5.00%	339,084	6.00%	
Vulcan Materials	580,290	4.00%	325,932	5.00%	
Trademark Metals	558,362	4.00%	302,135	5.00%	
SSA Gulf Inc	546,368	4.00%	273,106	4.00%	
CF Industries	489,052	3.00%	265,967	4.00%	
Martin Gas	444,918	3.00%	207,950	3.00%	
RMC	433,492	3.00%			
Total 2006	<u>10,804,820</u>	72%	<u>3,995,948</u>	64%	
Total Wharfage Revenue	<u>14,943,000</u>	100%	<u>6,163,000</u>	100%	

Tampa Port Authority  
Dockage Revenue  
Current (2006) and Nine Years prior (1997)  
Ten Largest Customers

Customer	FY 2006		FY 1997		Percentage of Total Dockage
	Revenue	Percentage of Total Dockage	Revenue	Percentage of Total Dockage	
Central Florida Pipeline	997,732	14.00%	703,098	15.00%	
Transmontaigne	744,400	11.00%	807,320	17.00%	
Carnival Cruise Lines	550,264	8.00%	448,087	9.00%	
CF Industries	444,689	6.00%	359,002	8.00%	
Royal Caribbean	416,258	6.00%	175,970	4.00%	
International Ship Repair	265,486	4.00%	157,741	3.00%	
Tarmac America	259,475	4.00%			
Martin Gas	222,830	3.00%	<u>145,911</u>	3.00%	
Martin Marietta	<u>200,939</u>	3.00%			
Total 2006	<u>4,102,073</u>	59%	<u>2,797,129</u>	59%	
Total Dockage Revenue	<u>6,901,000</u>	100%	<u>4,737,000</u>	100%	



Tampa Port Authority  
Revenue Rates  
Last Ten Fiscal Years

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>Dockage Rates (LOA) (per ft)</b>										
Vessels, Barges & Tug Boats										
0-199 ft	\$ 2.06	\$ 2.00	\$ 1.90	\$ 1.90	\$ 1.85	\$ 1.75	\$ 1.68	\$ 1.60	\$ 1.52	\$ 1.45
200-299	2.46	2.26	2.15	2.15	2.10	1.90	1.83	1.74	1.66	1.58
300-349	2.58	2.43	2.31	2.31	2.25	2.25	2.16	2.16	2.10	2.10
350-399	2.76	2.71	2.58	2.58	2.52	2.52	2.42	2.42	2.35	2.28
400-449	3.72	3.63	3.46	3.46	3.38	3.38	3.19	3.19	3.10	3.10
450-499	3.72	3.63	3.46	3.46	3.38	3.38	3.30	3.30	3.20	3.20
500-549	5.06	4.97	4.73	4.73	4.61	4.61	4.38	4.38	4.25	4.25
550-599	5.06	4.97	4.73	4.73	4.61	4.61	4.48	4.48	4.35	4.35
600-649	5.87	5.76	5.49	5.49	5.36	5.36	5.10	5.10	4.95	4.95
650-699	5.87	5.76	5.49	5.49	5.36	5.36	5.20	5.20	5.05	5.05
700-799	7.53	7.43	7.08	7.08	6.91	6.91	6.64	6.64	6.45	6.45
800-899	9.07	8.94	8.51	8.51	8.30	8.30	7.98	7.98	7.75	7.75
900 ft +	10.83	10.67	10.16	10.16	9.91	9.91	9.53	9.53	9.25	9.25
Passenger Vessels										
Under 550 ft	4.49	4.49	4.36	4.36	4.36	3.63	3.63	3.63	3.30	3.30
551-600	6.32	6.32	6.14	6.14	6.14	4.36	5.12	5.12	4.65	4.65
601-650	6.53	6.53	6.34	6.34	6.34	6.14	5.28	5.28	4.80	4.80
651-700	6.80	6.80	6.60	6.60	6.60	6.34	5.50	5.50	5.00	5.00
701-725	7.21	7.21	7.00	7.00	7.00	6.60	5.83	5.83	5.30	5.30
726-750	7.48	7.48	7.26	7.26	7.26	7.00	6.05	6.05	5.50	5.50
751 ft +	8.16	8.16	7.92	7.92	7.92	7.26	6.60	6.60	6.00	6.00
						7.92				

\*FY 2001 Rates increased 04/01/01



Table 6

Tampa Port Authority  
Revenue Rates  
Last Ten Fiscal Years

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>Wharfage Rates (per ton)</b>										
All articles (not provided for below)	2.36	2.25	2.12	2.12	2.06	2.06	2.00	1.94	1.94	1.88
Automobiles (New) each	4.10	-	-	-	-	-	-	-	-	-
Automobiles (used) each	5.60	3.98	3.75	3.75	3.35	3.35	3.25	2.66	2.66	2.58
Bananas & Plantains									0.66	0.64
Livestock	4.20	4.00	3.77	3.77	3.66	3.66	3.55	3.45	3.45	3.35
Citrus & Citrus Products	1.96	1.87	1.76	1.76	1.71	1.71	1.66	1.61	1.61	1.61
Containers (loaded)	1.97	1.97	1.86	1.86	1.81	1.81	1.76	1.71	1.71	1.66
USDA Bagged Goods (Public Law 480)	0.22	0.21	0.20	0.35	0.34	0.34	0.33	0.32	0.32	0.31
Citrus Concentrate (Drums or Tank)	1.54	1.54	1.45	1.45	1.41	1.41	1.37	1.33	1.33	1.29
Cordage	1.67	1.59	1.50	1.50	1.46	1.46	1.42	1.38	1.38	1.34
Fertilizer (in bags)	1.74	1.66	1.57	1.57	1.52	1.52	1.48	1.44	1.44	1.40
Flour or Rice (in bags)	1.32	1.26	1.19	1.19	1.16	1.16	1.13	1.10	1.10	1.07
Forest Products	1.59	1.59	1.50	1.50	-	-	-	-	-	-
Lumber & Logs (per MBF)	1.43	1.43	1.35	1.35	1.35	1.35	1.31	1.27	1.27	1.23
Frozen Meat and/or Poultry	2.29	2.18	2.06	2.06	2.00	2.00	1.94	1.88	1.88	-
Fruits and Vegetables (fresh)	2.00	1.92	1.81	1.81	1.76	1.76	1.71	1.66	1.66	1.66
Iron & Steel Articles	1.92	1.92	1.81	1.81	1.76	1.76	1.71	1.66	1.66	1.61
Iron & Steel Coils and Reinforcing Rods	1.70	1.70	-	-	-	-	-	-	-	-
Mobile & Modular Homes (under 10,000 lbs)each	21.82	20.78	19.60	19.60	19.03	19.03	18.48	17.94	17.94	17.42
Mobile & Modular Homes (over 10,000 lbs) net ton	2.94	2.80	2.64	2.64	2.56	2.56	2.49	2.42	2.42	2.35
Paper Waste (in bales Domestic moves only)	1.28	1.22	1.15	1.15	1.12	1.12	1.09	1.06	1.06	1.03
Project Cargo (W/M)	2.36	2.25	-	-	-	-	-	-	-	-
Scrap Metal	2.36	2.39	2.25	2.25	2.11	2.11	2.08	2.02	2.02	1.96
U.S.D.A. Public Law 480 (bagged goods)	0.41	0.39	0.37	0.37	0.36	0.36	0.35	0.34	0.34	0.33
U.S.D.A. Products (chilled & frozen)	1.68	1.60	1.51	1.51	1.47	1.47	1.43	1.39	1.39	1.35
Vehicles (trucks, buses tractors, etc.) NET TON	2.21	2.10	1.98	1.98	1.92	1.92	1.86	1.81	1.81	1.76
Yachts & Boats (less than 25' LOA) (a)	1.05	1.00	10.56	10.56	10.25	10.25	9.95	9.66	9.66	9.38
Yachts & Boats (greater than 25' LOA) (a)	1.58	1.50	33.76	33.76	32.70	32.70	31.83	30.90	30.90	30.00



Tampa Port Authority  
Revenue Rates  
Last Ten Fiscal Years

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Passengers Embarking (per passenger)	6.00	6.00	5.75	5.25	5.25	5.25	5.25	5.25	4.75	
Passengers Disembarking (per passenger)	6.00	6.00	5.75	5.25	5.25	5.25	5.25	5.25	4.75	
Passengers in transit (per passenger)	6.00	6.00	5.75	5.25	5.25	5.25	5.25	5.25	4.75	
Aggregate (including pumice & slag)	0.76	0.76	0.76	0.72	0.72	0.70	0.70	0.68	0.66	0.66
Anhydrous Ammonia	0.375	0.375	0.375	0.355	0.355	0.355	0.355	0.34	0.34	0.34
Bulk, Dry N.O.S.	1.18	1.12	1.12	1.06	1.06	1.03	1.03	1.00	0.97	0.97
Bulk, Liquid N.O.S.	1.18	1.12	1.12	1.06	1.06	1.03	1.03	1.00	0.97	0.97
Caustic Soda	0.42	0.40	0.40	0.38	0.38	0.37	0.37	0.36	0.35	0.35
Cement	0.84	0.84	0.84	0.79	0.79	0.77	0.77	0.75	0.73	0.73
Citrus Concentrate, (via pipeline)	1.07	1.07	1.07	1.01	1.01	0.98	0.98	0.95	0.92	0.92
Citrus Pellets	0.40	0.385	0.385	0.365	0.365	0.355	0.355	0.345	0.335	0.335
Coal	0.66	0.63	0.63	0.59	0.59	0.57	0.57	0.55	0.53	0.53
Fertilizer, N.O.S.	0.245	0.245	0.25	0.23	0.23	0.23	0.23	0.22	0.22	0.22
Fly Ash	0.88	0.84	0.84	0.79	0.79	0.77	0.77	0.75	0.73	0.73
Grain, N.O.S.	0.42	0.40	0.40	0.375	0.375	0.365	0.365	0.355	0.345	0.345
Gypsum	0.59	0.565	0.565	0.535	0.535	0.52	0.52	0.50	0.49	0.49
Petroleum and Petroleum Products (per barrel)	0.08	0.073	0.073	0.069	0.069	0.067	0.067	0.065	0.63	0.63
Petroleum (Bunkering) (per barrel)	0.09	0.085	0.085	0.08	0.08	0.078	0.078	0.076	0.074	0.074
Petroleum Coke	0.66	0.63	0.63	0.59	0.59	0.57	0.57	0.55	0.53	0.53
Phosphate Products (other than crude rock)	0.25	0.25	0.25	0.235	0.235	0.235	0.235	0.22	0.22	0.22
Phosphate Rock, (Wet or Dry)	0.25	0.25	0.25	0.235	0.235	0.235	0.235	0.22	0.22	0.22
Phosphoric Acid	0.40	0.40	0.40	0.375	0.375	0.365	0.365	0.36	0.35	0.35
Pomace	0.68	0.65	0.65	0.61	0.61	0.59	0.59	0.57	0.55	0.55
Potash	0.28	0.265	0.265	0.25	0.25	0.24	0.24	0.23	0.22	0.22
Salt	0.53	0.50	0.50	0.47	0.47	0.46	0.46	0.45	0.44	0.44
Sand	0.75	0.71	0.71	0.67	0.67	0.65	0.65	0.63	0.61	0.61
Seawater	0.26	0.25	0.25	0.235	0.235	0.23	0.23	0.22	0.21	0.21
Sulphur	0.40	0.40	0.40	0.375	0.375	0.365	0.365	0.36	0.35	0.35
Sulphuric Acid	0.42	0.40	0.40	0.375	0.375	0.365	0.365	0.36	0.35	0.35
Tallow	0.60	0.57	0.57	0.535	0.535	0.52	0.52	0.50	0.49	0.49

(a) Prior to 2005, rates were based on a per vessel charge. Starting in 2005, the rate is calculated by LOA.



**TAMPA PORT AUTHORITY**  
**Top Ten Customers**  
Current Year (2006) and Nine Years Ago (1997)

Table 7

<u>2006</u>			
<u>Customer</u>	<u>Type of Business</u>	<u>Revenue</u>	<u>% of Total Operating Revenue</u>
Carnival Cruise Lines	Cruise Industry	6,161,276	15.67%
Kinder Morgan	Transports misc liquid bulk commodities	3,016,686	7.67%
Royal Caribbean Cruise Line	Cruise Industry	2,551,568	6.49%
SSA Gulf Inc (a)	Terminal Operator for general cargo	1,741,704	4.43%
Transmontaigne Terminals	Transports petroleum products	1,607,813	4.09%
C F Industries	Transports Anhydrous Ammonia, Grains	1,088,614	2.77%
Trademark Metals	Scrap metal processing facility	989,462	2.52%
Martin Gas Sales	Transports misc liquid bulk commodities	980,393	2.49%
P & O Ports	Terminal Operator for general cargo	922,672	2.35%
Vulcan Materials	Transports bulk cargo, limestone	828,862	<u>2.11%</u>
			50.59%

<u>1997</u>			
<u>Customer</u>	<u>Type of Business</u>	<u>Revenue</u>	<u>% of Total Operating Revenue</u>
GATX Terminals	Transports petroleum products	1,710,822	10.25%
Carnival Cruise Lines	Cruise Industry	1,686,911	10.10%
C F Industries	Transports Anhydrous Ammonia, Grains	1,111,869	6.66%
Harborside Refrigerated	Transports refrigerated cargo	813,221	4.87%
Cargill Inc	Transports misc dry bulk commodities	586,008	3.51%
Martin Gas Sales	Transports misc liquid bulk commodities	487,111	2.92%
Transmontaigne Terminals	Transports petroleum products	424,620	2.54%
Vulcan Materials	Transports bulk cargo, limestone	422,418	2.53%
International Ship Repair	Ship repair operations	371,159	2.22%
Gulf Marine Repair	Ship repair operations	366,417	<u>2.19%</u>
			47.79%

(a) Agreement terminated May 30, 2006



Table 8

Tampa Port Authority  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Second Lien Revenue Bonds	Special Revenue & Refunding Revenue		Revenue Bonds	Refunding Revenue Bonds	Total	Percentage of Personal Income (1)	Per Capita (1)
		Special Revenue Bonds	Refunding Revenue Bonds					
1997	\$7,697,463	\$79,300,000	\$0	\$47,940,000	\$134,937,463	0.63%	\$149	
1998	8,166,238	77,550,000	\$0	57,365,000	143,081,238	0.67%	\$158	
1999	8,663,562	75,715,000	25,000,000	53,660,000	163,038,562	0.77%	\$180	
2000	9,191,166	73,790,000	25,000,000	49,455,000	157,436,166	0.74%	\$174	
2001	9,750,908	71,770,000	25,000,000	44,810,000	151,330,908	0.71%	\$167	
2002	10,344,738	69,650,000	60,000,000	39,950,000	179,944,738	0.85%	\$198	
2003	10,974,740	67,390,000	60,000,000	34,865,000	173,229,740	0.81%	\$191	
2004	\$0	64,985,000	60,000,000	41,509,220	166,494,220	0.78%	\$184	
2005	\$0	\$0	60,000,000	92,982,947	152,982,947	0.72%	\$169	
2006	\$0	\$0	60,000,000	100,552,571	160,552,571	0.75%	\$177	

(1) Refer to page 60 for detail of population and per capita information



Table 9

**TAMPA PORT AUTHORITY**  
**Revenue Bond Coverage**  
**Last Ten Years**  
**(Unaudited)**  
**(amounts in thousands)**

Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service (e)			Coverage Ratio
				Principal	Interest	Total	
1997	\$19,516	\$8,632	\$10,884	\$2,965	\$6,781	\$9,746	1.12
1998	\$22,473	\$7,842	\$14,631	\$5,098	\$6,587	\$11,685	1.25
1999	\$25,924	\$8,405	\$17,519	\$5,737	\$8,225	\$13,962	1.25
2000	\$27,818	\$8,659	\$19,159	\$6,308	\$8,098	\$14,406	1.33
2001	\$29,872	\$9,797	\$20,075	\$6,770	\$7,878	\$14,648	1.37
2002	\$31,728	\$13,674	\$18,054	\$7,102	\$8,424	\$15,526	1.16
2003	\$35,780	\$15,694	\$20,086	\$7,475	\$9,255	\$16,730	1.20
2004	\$37,938	\$17,273	\$20,665	\$7,870	\$9,314	\$17,184	1.20
2005	\$41,372	\$18,529	\$22,843	\$6,945	\$8,148	\$15,093	1.51
2006	\$45,847	\$19,913	\$25,934	\$5,257	\$7,475	\$12,732	2.04
	( a )	( b )				( c )	( d )

- ( a ) Gross Revenues means rents, fees, charges and other income derived from the operation of port facilities and certain income derived from investments.
- ( b ) Operating expenses excluding depreciation, bond interest, amortization, and extraordinary losses. No adjustment has been made to operating expense for payments made to other governments.
- ( c ) Debt service requirement does not include capitalization of interest, debt service on defeased bonds, nor amortized bond issue costs and discounts.
- ( d ) Net revenue available for debt service divided by total debt service requirements.
- ( e ) Up until 2004, TPA had both Senior & Junior debt. The coverage ratio requirement was 1.00-1.25. After 2004, TPA has only Senior debt and the coverage ratio requirement is 1.25.



**TAMPA PORT AUTHORITY**  
**Summary of Historical Operating Data**

Last Ten Years  
(amounts in thousands)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Operating Revenue</b>										
Port Usage Fees Revenue	\$ 12,144	\$ 12,939	\$ 14,686	\$ 14,441	\$ 15,745	\$ 18,345	\$ 21,684	\$ 22,899	\$ 25,375	\$ 29,352
Land & Building Leases	4,134	4,316	4,442	4,992	5,978	6,389	6,213	7,340	8,309	8,419
Tenant Utilities	333	352	407	418	478	522	648	627	530	624
Other Port Operating Revenue	85	91	91	94	100	408	552	723	735	913
<b>Total Operating Revenue</b>	<b>16,696</b>	<b>17,698</b>	<b>19,626</b>	<b>19,945</b>	<b>22,301</b>	<b>25,664</b>	<b>29,097</b>	<b>31,589</b>	<b>34,949</b>	<b>39,308</b>
<b>Non-Operating Revenue</b>										
Grants (a)						14,270	5,416	8,493	4,071	4,845
Interest Income	3,215	4,351	4,579	5,380	4,969	3,372	3,691	3,555	3,497	4,207
Other Non-Operating Income	461	459	815	1,395	1,101	1,259	3,017	2,306	5,119	2,006
<b>Total Non-Operating Revenue</b>	<b>3,676</b>	<b>4,810</b>	<b>5,394</b>	<b>6,775</b>	<b>6,070</b>	<b>18,901</b>	<b>12,124</b>	<b>14,354</b>	<b>12,687</b>	<b>11,058</b>
<b>Total Revenues</b>	<b>20,372</b>	<b>22,508</b>	<b>25,020</b>	<b>26,720</b>	<b>28,371</b>	<b>44,565</b>	<b>41,221</b>	<b>45,943</b>	<b>47,636</b>	<b>50,366</b>
<b>Operating Expenses (b)</b>										
Personnel Salaries & Benefits	4,718	4,648	4,897	4,855	5,517	6,372	6,735	7,315	7,756	8,441
Promotional	407	382	443	454	471	493	590	450	433	439
Administrative	3,507	2,812	3,065	3,350	3,809	6,809	8,572	9,508	10,340	11,033
<b>Total Operating Expenses</b>	<b>8,632</b>	<b>7,842</b>	<b>8,405</b>	<b>8,659</b>	<b>9,797</b>	<b>13,674</b>	<b>15,897</b>	<b>17,273</b>	<b>18,529</b>	<b>19,913</b>
<b>Net Revenue available for payment of senior debt service</b>	<b>11,740</b>	<b>14,666</b>	<b>16,615</b>	<b>18,061</b>	<b>18,574</b>	<b>30,891</b>	<b>25,324</b>	<b>28,670</b>	<b>29,107</b>	<b>30,453</b>
<b>Less: Annual debt service requirement (c)</b>	<b>9,746</b>	<b>11,685</b>	<b>13,962</b>	<b>14,406</b>	<b>14,648</b>	<b>15,526</b>	<b>16,730</b>	<b>17,184</b>	<b>15,093</b>	<b>12,732</b>
<b>Surplus Port Revenues (d)</b>	<b>\$ 1,994</b>	<b>\$ 2,981</b>	<b>\$ 2,653</b>	<b>\$ 3,655</b>	<b>\$ 3,926</b>	<b>\$ 15,365</b>	<b>\$ 8,594</b>	<b>\$ 11,486</b>	<b>\$ 14,014</b>	<b>\$ 17,721</b>

(a) Capital grants were treated as contributed capital on the balance sheet up through FY2001.

(b) Operating expenses excluding depreciation, bond interest, amortization, and extraordinary losses.

No adjustment has been made to operating expense for payments made to other governments.

(c) Debt service requirement does not include capitalization of interest, debt service on defeased bonds, nor amortized bond issue costs and discounts.

(d) Surplus Port revenues represent excess Port revenues.



Table 11

TAMPA PORT AUTHORITY

Hillsborough County, FL

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
1996	906,530	\$ 21,267,796	23,062	33	76.7	160,590	3.9
1997	915,900	22,730,424	24,081	33	74.0	163,317	3.5
1998	939,070	24,754,135	25,648	36	72.9	165,796	2.9
1999	953,500	26,483,397	26,889	36	69.5	168,360	2.7
2000	998,948	28,645,545	28,558	35	71.4	173,953	3.3
2001	1,027,436	29,828,798	29,055	35	74.4	179,362	4.1
2002	1,055,807	31,150,902	29,602	36	77.5	184,483	5.3
2003	1,083,520	31,932,807	29,748	35	75.8	191,186	5.0
2004	1,115,960	34,848,801	31,671	36	79.3	197,500	4.4
2005	1,142,850	**	**	36	79.5	193,669	3.5
	(a)	(b)	(b)	(c)	(d)	(e)	(a)

Sources:

- (a) Hillsborough County City-County Planning Commission
- (b) U.S. Department of Commerce Bureau of Economic Analysis
- (c) U.S. Census Bureau
- (d) Florida Department of Education
- (e) Hillsborough County School Board

\*\* Personal income data for fiscal year 2005 & 2006 was not available.



Table 12

**TAMPA PORT AUTHORITY**  
Principal Employers of Hillsborough County  
Latest Fiscal Year Compared to the Fiscal Year Nine Years Earlier

Employer	Type of Operation	2006			1997		
		Employees	%	Rank	Employees	%	Rank
Hillsborough County School Board	Public education	24,969	4.4	1	21,800	4.2	1
Hillsborough County Government	Government	11,290	2.0	2	8,860	1.7	3
University of South Florida	Education services	8,743	1.6	3	5,020	1.0	6
Verizon Communications Inc.	Telecommunications	7,652	1.4	4	12,300	2.4	2 (b)
	and data processing						
Tampa International Airport	International airport	6,500	1.2	5	6,040	1.2	4
MacDill Air Force Base	Military base	5,812	1.0	6	5,200	1.0	5
Tampa General Hospital	Medical facilities	4,920	0.9	7	3,800	0.7	9
Publix Food Centers	Supermarkets	4,702	0.8	8	4,060	0.8	8
City of Tampa	Government	4,700	0.8	9	4,600	0.9	7
St. Joseph Hospital	Medical facilities	4,407	0.8	10	3,220	0.6	11
Veterans Administration Hospital	Medical facilities	4,300	0.8	11	2,700	0.5	14
U.S. Postal Service	Postal services	3,951	0.7	12	3,100	0.6	12
Bank of America	Financial Services	3,679	0.7	13	2,000	0.4	16 (c) (d)
University Community Hospital	Medical facilities	3,059	0.5	14	--	--	--
H. Lee Moffitt Cancer Center	Medical facilities	3,002	0.5	15	--	--	--
Busch Entertainment Corporation	Tourist attraction	2,920	0.5	16	2,000	0.4	16 (d)
Tampa Electric Company	Electric utility	2,405	0.4	17	3,000	0.6	13
USF Health Science Center	Medical facilities	2,287	0.4	18	--	--	--
Hillsborough Community College	Education services	2,278	0.4	19	--	--	--
Kash 'N' Karry Food Stores	Supermarket	2,210	0.4	20	3,290	0.6	10
Brandon Regional Hospital	Medical facilities	1,753	0.3	21	1,580	0.3	17
Price Waterhouse Coopers	Financial Services	1,484	0.3	22	--	--	--
Chase Manhattan	Bank	--	--	--	2,100	0.4	15 (e)
Tribune Company	Newspaper publishing	1,206	0.2	--	2,100	0.4	15 (e)
IBM/Advantis	Computer services	--	--	--	2,000	0.4	16 (d)
<b>Total</b>		<b>118,229</b>	<b>21.0</b>		<b>98,770</b>	<b>19.1</b>	

(a) Percentages shown represent the number of employees as a percent of total Hillsborough County employment. Total Hillsborough County employment for 2006 was not available. Therefore, the 2005 figure of 562,578 was used. Total Hillsborough County employment for 1997 was 517,970.

(b) GTE Communications Corporation and GTE Data Services were shown separately in 1997.

(c) Barnett Bank was shown separately in 1997, they are shown as a part of Bank of America in 2006.

(d) Bank of America, Busch Entertainment Corporation, and IBM/Advantis had the same number of employees in 1997, so they have the same 1997 rank.

(e) Chase Manhattan and Tampa Tribune had the same amount of employees in 1997, so they have the same 1997 rank.

Source: Hillsborough County City-County Planning Commission surveys done in 2006 and 1997



Table 13

**TAMPA PORT AUTHORITY**  
**Property Tax Millage Rates**  
**Per \$1,000 of Assessed Value**  
**Hillsborough County, Florida**  
**Direct & Overlapping Governments**  
**Last Ten Years (a)**  
**(Unaudited)**

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>Countywide:</b>										
BOCC ( b) - General Revenue	7.916	7.807	7.750	7.597	7.533	7.435	7.198	7.188	7.176	6.9257
<b>Tampa Port Authority</b>	<b>0.310</b>	<b>0.310</b>	<b>0.310</b>	<b>0.310</b>	<b>0.295</b>	<b>0.290</b>	<b>0.290</b>	<b>0.290</b>	<b>0.260</b>	<b>.260</b>
Voted Debt Service	0.051	--	--	--	--	--	--	--		
<b>Environmentally</b>										
Sensitive Lands ( c)	0.188	0.188	0.157	0.185	0.149	0.127	0.114	0.105	0.096	0.084
<b>Southwest Florida Water</b>										
Management District	0.422	0.422	0.422	0.422	0.422	0.422	0.422	0.422	0.422	.4220
School Board	9.954	9.588	9.531	9.071	8.715	8.586	8.595	8.480	8.361	7.937
Children's Board	0.417	0.417	0.417	0.417	0.417	0.417	0.500	0.500	0.500	0.500
<b>Total</b>	<b>19.258</b>	<b>18.732</b>	<b>18.587</b>	<b>18.002</b>	<b>17.531</b>	<b>17.277</b>	<b>17.119</b>	<b>16.984</b>	<b>16.815</b>	<b>16.129</b>
<b>Non-Countywide:</b>										
BOCC - Free Library Service	0.642	0.642	0.642	0.642	0.642	0.642	0.642	.0642	.0642	.692
BOCC - Municipal Service										
Taxing Unit ( d)	5.062	5.062	5.062	5.062	5.062	5.062	5.062	5.062	5.062	5.162
Parks and Recreation										
(unincorporated) ( e)	0.046	0.089	0.081	0.073	0.068	0.058	0.500	0.046	0.040	0.040
<b>Southwest Florida Water</b>										
Management District ( f):										
Alafia River Basin	0.247	0.240	0.240	0.240	0.240	0.240	0.240	0.240	0.240	0.240
Hillsborough River Basin	0.285	0.285	0.285	0.285	0.285	0.285	0.285	0.285	0.285	0.285
NW Hillsborough Basin	0.268	0.268	0.268	0.268	0.268	0.268	0.268	0.268	0.268	0.268
Transit Authority	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Tampa Palms Comm. Development	2.600	2.600	2.600	2.600	2.600	2.600	2.600	2.600	2.600	2.600
<b>Municipalities:</b>										
Tampa	6.539	6.539	6.539	6.540	6.539	6.539	6.539	6.539	6.539	6.539
Temple Terrace	4.410	4.700	4.410	4.910	4.910	4.910	4.910	4.910	4.910	4.910
Plant City	4.700	4.410	4.700	4.700	4.700	4.700	4.700	4.700	4.700	4.700

- ( a) Since the 2006 property tax rolls were not levied and opened for collection until November 1, 2006, final data for the 2006 property tax levy is not included.
- ( b) BOCC: Board of County Commissioners
- ( c) Effective 1992, through referendum, this millage rate was dedicated to payment of Environmental Lands Acquisition and Protection Program (ELAPP) bonds.
- ( d) Levied in the unincorporated area.
- ( e) Levied in the unincorporated area beginning in 1993.
- ( f) Dependent on its location, property within Tampa may be either the Alafia, the Hillsborough River, or the NW Hillsborough Watershed Basin. Plant City may be in either the Alafia or the Hillsborough River Basin.

Source: Tax Collector of Hillsborough County, Florida and Hillsborough County, Florida Comprehensive Annual Financial Report.



Table 14

**TAMPA PORT AUTHORITY**  
**Principal Taxpayers of**  
**Hillsborough County, Florida**  
**September 30, 2006**  
**(Unaudited)**  
**(amounts in thousands)**

Taxpayer	Type of Business	2005 Taxes Levied	% of Total Taxes Levied
1. Tampa Electric Company	Electrical services	\$ 40,917	2.54 %
2. Verizon	Telecommunications	22,011	1.36
3. Hillsborough County Aviation Authority	County government	11,161	0.69
4. Mosaic Phosphates Company	Fertilizer	6,876	0.43
5. Camden Property Trust	Housing/Real Estate	5,060	0.31
6. Wal-Mart	Retail	4,657	0.29
7. Post Apartment Homes	Housing/Real Estate	4,597	0.28
8. Glimcher LTD Partnership	Retail/Real Estate	4,279	0.26
9. Busch Entertainment	Entertainment	2,901	0.18
10. Teachers Insurance & Annuity Assoc	Insurance	2,788	0.17
		<u>\$ 105,247</u>	<u>6.51 %</u>

This chart shows the total tax levied against the ten largest taxpayers in Hillsborough County, Florida. Property located in the geographic boundaries of the County is subject to tax levies by Tampa Port Authority as well as several other taxing agencies. The Hillsborough County Tax Collector collects taxes for all taxing authorities. The tax levies shown above reflect taxes due to all taxing authorities, not just Tampa Port Authority. This total is used to show total taxes due from each of the ten largest taxpayers.

Source: Tax Collector of Hillsborough County, Florida.



TAMPA PORT AUTHORITY  
Schedule of Revenue by Activity  
Last Four Years (A)  
(Unaudited)  
(revenue amounts in thousands)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Cargo - Ships	\$10,467	\$11,175	\$12,980	\$13,842
Cargo - Tugs	98	90	102	123
Cargo - Barges	874	844	956	1,080
Non-Cargo (Idle)	716	797	698	695
Cruise Ships	<u>5,317</u>	<u>5,132</u>	<u>5,095</u>	<u>6,104</u>
Total Ship Related Dockage & Wharfage Revenue:	17,472	18,038	19,831	21,844
Land & Building Rentals/Leases	6,213	7,340	8,309	8,419
Other Operating Revenue	<u>5,412</u>	<u>6,211</u>	<u>6,809</u>	<u>9,045</u>
Total Non-Ship Related Revenue:	11,625	13,551	15,118	17,464
Total Operating Revenue	<u>\$29,097</u>	<u>\$31,589</u>	<u>\$34,949</u>	<u>\$39,308</u>

Note (A): Only 4 years of data was available in detail



## TAMPA PORT AUTHORITY

## Annual Cargo Tonnage

Last Ten Years  
(in thousands)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>DRY BULK CARGO</b>	3,047	3,014	3,109	3,287	3,732	4,010	4,106	4,755	4,871	5,181
CEMENT, BULK	207	244	250	290	403	381	439	427	790	998
CITRUS PELLETS	550	555	436	491	337	300	189	313	102	125
COAL	0	43	0	46	44	131	136	188	220	168
GRANITE ROCK, BULK	276	267	519	499	456	612	901	751	653	588
LIMESTONE	812	665	474	660	1,049	1,103	1,285	1,478	1,728	1,708
PHOSPHATIC CHEMICAL, BULK	988	974	1,162	917	961	948	789	1,175	1,161	1,253
OTHER DRY BULK	214	267	268	382	482	535	368	424	216	341
<b>TOTAL DRY BULK CARGO:</b>	<b>3,047</b>	<b>3,014</b>	<b>3,109</b>	<b>3,287</b>	<b>3,732</b>	<b>4,010</b>	<b>4,106</b>	<b>4,755</b>	<b>4,871</b>	<b>5,181</b>
<b>LIQUID BULK CARGO</b>										
AMMONIA, ANHYDROUS	966	971	894	786	658	675	662	692	671	477
CONCENTRATE, CITRUS BULK	52	56	69	50	77	79	81	45	49	57
PETROLEUM PRODUCTS	4,533	4,745	4,799	5,093	6,110	6,083	6,400	6,958	7,753	7,609
SULPHUR, LIQUID	1,650	1,614	1,573	1,316	1,671	1,355	1,617	1,394	1,802	2,025
SULPHURIC ACID	415	554	904	357	485	336	138	167	201	111
OTHER LIQUID BULK	80	77	52	59	65	60	60	62	69	73
<b>TOTAL LIQUID BULK CARGO:</b>	<b>7,696</b>	<b>8,017</b>	<b>8,292</b>	<b>7,661</b>	<b>9,065</b>	<b>8,588</b>	<b>8,957</b>	<b>9,318</b>	<b>10,545</b>	<b>10,351</b>
<b>TOTAL BULK CARGO:</b>	<b>10,743</b>	<b>11,031</b>	<b>11,400</b>	<b>10,947</b>	<b>12,797</b>	<b>12,598</b>	<b>13,064</b>	<b>14,073</b>	<b>15,416</b>	<b>15,533</b>
<b>GENERAL CARGO</b>										
CONTAINERIZED	26	35	43	33	33	23	38	108	131	149
FOREST PRODUCTS	33	31	53	23	46	39	53	20	50	62
GENERAL CARGO	40	28	37	12	28	42	20	6	11	7
REFFER CARGO	165	79	114	144	62	64	53	40	42	39
SCRAP METAL	296	94	113	80	207	195	420	439	393	419
STEEL PRODUCTS	251	323	362	457	404	338	342	322	380	463
VEHICLES (in tons)	6	18	21	33	65	72	54	41	55	66
<b>TOTAL GENERAL CARGO:</b>	<b>817</b>	<b>609</b>	<b>742</b>	<b>783</b>	<b>845</b>	<b>774</b>	<b>979</b>	<b>975</b>	<b>1,062</b>	<b>1,205</b>
<b>TOTAL BULK AND GENERAL:</b>	<b>11,560</b>	<b>11,639</b>	<b>12,143</b>	<b>11,730</b>	<b>13,642</b>	<b>13,372</b>	<b>14,043</b>	<b>15,049</b>	<b>16,477</b>	<b>16,738</b>
<b>TOTAL CRUISE PASSENGERS</b>	188	245	414	460	517	587	810	792	772	911

Represents tonnage handled through Tampa Port Authority facilities, private facility tonnage is excluded.

Table 17



## TAMPA PORT AUTHORITY

## Capital Assets

## Last Ten Fiscal Years

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>CHANNEL WIDTH (feet)</b>										
Sparkman Channel	400	400	400	400	400	400	400	400	400	400
East Bay Channel	300	400	400	400	400	400	400	400	400	400
Ybor Channel	300	400	400	400	400	400	400	400	400	400
Port Sutton Channel	200	200	200	200	200	200	200	200	200	200
Garrison Channel	300	300	300	300	300	300	300	300	300	300
Seddon Channel	200	200	200	200	200	200	200	200	200	200
Hillsborough Bay Channel Cut D	400	400	400	400	400	400	400	400	400	400
Port Sutton Entrance Channel	200	200	200	200	200	200	200	200	200	200
Big Bend Channel E/W (Port Redwing)	200	200	200	200	200	200	200	200	200	200
<b>CHANNEL DEPTH (feet)</b>										
Sparkman Channel (a)	41	34/41	34/41	34/41	34/41	34/41	34/41	34/41	34/41	34/41
Eastbay Channel (a)	41	34/41	34/41	34/41	34/41	34/41	34/41	34/41	34/41	34/41
Ybor Channel	34	34	34	34	34	34	34	34	34	34
Port Sutton Channel	34	34	34	34	34	34	34	34	34	34
Garrison Channel (not maintained)	<34	<34	<34	<34	<34	<34	<34	<34	<34	<34
Seddon Channel (not maintained)	<34	<34	<34	<34	<34	<34	<34	<34	<34	<34
Hillsborough Bay Channel Cut D	43	43	43	43	43	43	41	41	41	41
Port Sutton Entrance Channel	43	43	43	43	43	43	43	43	43	43
Big Bend Channel E/W (Port Redwing)	43	34	34	34	34	34	34	34	34	34
<b>BERTHING SPACE</b>										
Wharf (linear feet)	6475	6475	7225	7225	7225	8,225	9,175	10,375	10,375	11,855
Number of Berths	55	55	56	56	56	57	57	58	59	59
<b>TOTAL LAND (acres)</b>										
Port Owned/Usable - Estimated	2427	2427	2427	2427	2432	2432	2502	2512	2551	2551
Port Owned/Spoil Islands - Estimated	1450	1450	1450	1450	1455	1455	1525	1535	1574	1574
Leased - Estimated	1200	1213	1223	1239	1259	1273	1298	1298	1325	1300
<b>HARD SURFACED OPEN STORAGE (acres) (b)</b>										
Covered Storage (sq. ft.)	471,000	471,000	471,000	471,000	471,000	471,000	471,000	471,000	471,000	506,000*
Refrigerated Storage (sq. ft.)	114,000	114,000	114,000	114,000	114,000	114,000	114,000	114,000	114,000	114,000
Cruise Terminal Space (sq ft.)	126,000	126,000	126,000	126,000	126,000	126,000	236,000	236,000	236,000	201,000*
<b>RAILROAD TRACK (miles)(Port Owned)</b>	2	2	2	2	2	7	7	7	7	7

(a) Normal channel depth is listed first followed by turning basin depth

(b) Information prior to this year not available

\* Cruise terminal 7 was converted to warehouse space in 2006



Table 18

TAMPA PORT AUTHORITY  
STAFFING BY DIVISION/DEPARTMENT

	FY 1999 Staffing	FY 2000 Staffing	FY 2001 Staffing	FY 2002 Staffing	FY 2003 Staffing	FY 2004 Staffing	FY 2005 Staffing	FY 2006 Staffing
<b>EXECUTIVE/LEGAL DIVISION:</b>								
Chief Executive Officer/Chief Operating Officer	4	4	4	4	4	3	3	4
<b>LEGAL DIVISION:</b>								
	3	3	2	3	4	4	3	4
	7	7	6	7	8	7	5	8
<b>OPERATIONS/ENGINEERING DIVISION:</b>								
Facilities Management	13	16	16	16	18	17	17	15
Security (a)	0	0	0	21	23	26	28	28
Environmental Affairs	4	4	4	3	4	4	4	4
Engineering	13	13	15	14	14	13	13	14
Operations	23	20	25	10	12	14	13	14
Cruise Operations	0	3	3	3	5	3	2	2
Operations Division Subtotal	53	56	63	67	76	77	77	77
<b>ADMINISTRATIVE SERVICES DIVISION:</b>								
Chief Information Officer	1	2	2	2	3	3	3	3
Planning & Economic Development Director	1	1	1	1	1	1	1	1
Chief Financial Officer	2	2	2	2	2	5	5	5
Human Resources	5	4	6	6	7	6	5	5
Finance	8	8	8	9	10	8	8	8
Administrative Services Division Subtotal	17	17	19	20	23	23	22	22
<b>COMMUNICATIONS/BOARD COORDINATION DIV</b>								
Sr. Director Communications & Board Coordination	1	1	2	2	2	2	3	3
Public Relations	2	3	4	2	4	2	3	2
Communications/Board Coordination Div Subtotal	3	4	6	4	6	4	6	5
<b>MARKETING/REAL ESTATE DIVISION:</b>								
Senior Director, Marketing Services	2	2	2	1	2	2	2	2
Cargo Marketing	4	4	3	3	3	3	3	3
Trade Development	1	0	0	0	1	1	1	1
Cruise Marketing	1	1	1	1	1	1	0	0
Real Estate Senior Director	3	3	2	2	3	3	4	4
Marketing/Real Estate Division Subtotal	11	10	8	7	10	10	10	10
<b>TAMPA PORT AUTHORITY - Total Positions</b>	<u>91</u>	<u>94</u>	<u>102</u>	<u>105</u>	<u>123</u>	<u>121</u>	<u>121</u>	<u>122</u>

(e) Security personnel were included in operations prior to 2002



Table 19

**TAMPA PORT AUTHORITY**  
**Cruise Statistics**  
**Last Ten Years**  
**(Unaudited)**

<b>Fiscal Year Ended</b>	<b>Passenger Count ( 1 )</b>	<b>Cruise Operating Revenue ( 2 )</b>	<b>Average Revenue per Passenger</b>	<b>Total Operating Revenue</b>	<b>Percent of Cruise Operating to Total Operating</b>
1997	187,851	\$1,590,888	\$8.47	\$16,695,488	9.53%
1998	244,968	\$2,113,949	\$8.63	\$17,697,555	11.94%
1999	413,618	\$3,648,531	\$8.82	\$19,625,682	18.59%
2000	459,803	\$4,122,069	\$8.96	\$19,945,071	20.67%
2001	517,235	\$4,660,147	\$9.01	\$22,301,242	20.90%
2002	587,470	\$5,696,730	\$9.70	\$25,629,438	22.23%
2003	810,114	\$8,175,083	\$10.09	\$29,096,585	28.10%
2004	791,772	\$7,887,694	\$9.96	\$31,588,942	24.97%
2005	771,550	\$7,929,272	\$10.28	\$34,948,669	22.69%
2006	910,633	\$9,980,839	\$10.96	\$39,307,522	25.39%

- ( 1 ) Passenger count includes passengers disembarking, embarking, and in transit from cruise ships.  
 ( 2 ) Cruise revenue includes dockage, wharfage, water, parking, and miscellaneous terminal revenue.

Source: Port Authority statistics



Table 20

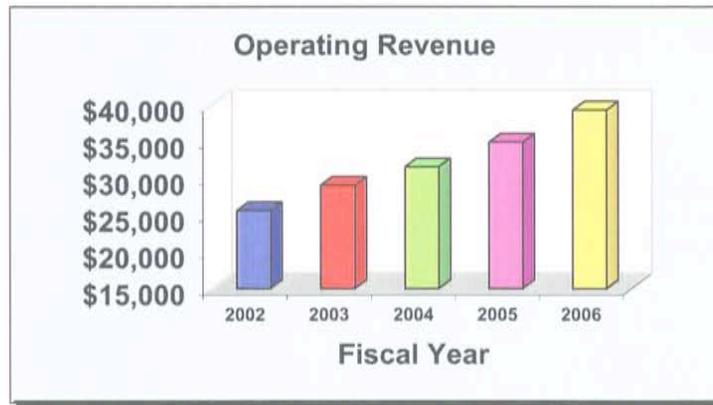
**Tampa Port Authority  
Insurance Coverage  
as of September 30, 2006  
(Unaudited)**

		<u>Limits of Coverage</u>
1.	Workers' Compensation & Employers' Liability	
	<i>Workers' Compensation Limit</i>	Statutory
	<i>Employers' Liability Level Limit</i>	\$ 1,000,000
2.	General Liability	
	<i>Primary Liability including Employment Practices</i>	\$ 1,000,000
	<i>Public Officials</i>	\$ 5,000,000
	<i>Umbrella Liability</i>	\$ 50,000,000
3.	Automobile & Garagekeepers	
	<i>Liability</i>	\$ 1,000,000
	<i>Personal Injury (PIP)</i>	Statutory
	<i>Garagekeepers Legal Liability</i>	\$ 4,000,000
4.	Employee Crime	
	<i>Public Employees Dishonesty</i>	\$ 1,000,000
	<i>Forgery or Alteration</i>	\$ 1,000,000
	<i>Computer Fraud</i>	\$ 1,000,000
	<i>Theft of Money &amp; Securities</i>	\$ 100,000
5.	Fire & Allied Property	
	<i>Total Buildings and Allied</i>	\$ 146,665,781
	<u>Sublimits:</u>	<u>Amount</u>
	<i>Buildings</i>	\$ 128,784,623
	<i>Personal Property</i>	\$ 14,268,052
	<i>Inland Marine (Scheduled Equipment)</i>	\$ 760,656
	<i>Computer Related &amp; Video/Radio Equipment</i>	\$ 752,450
	<i>Valuable Papers &amp; Other</i>	\$ 1,000,000
6.	National Flood	
	<i>Buildings</i>	\$ 6,885,600
	<i>Contents</i>	\$ 862,000
7.	Watercraft	
	<i>Protection &amp; Indemnity</i>	\$ 1,000,000
	<i>Hull (Roll On-Roll Off Barge and Small Boats)</i>	\$ 942,562
8.	Boiler & Machine	\$ 50,000,000
9.	Gasoline Storage Tank Liability	\$ 1,000,000
10.	Corporate Foreign Travel/Accident, Etc.	\$ 1,000,000

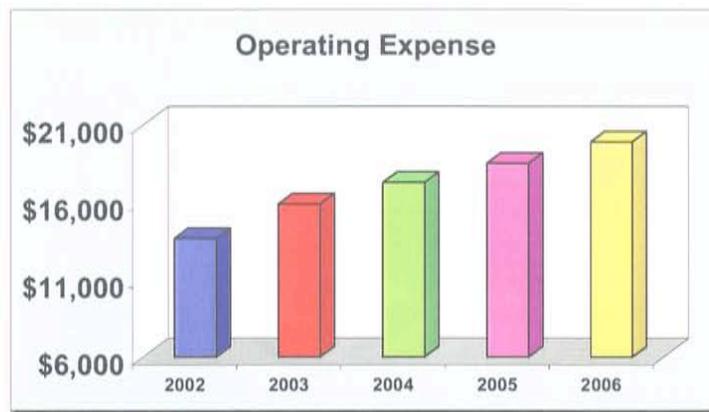


TAMPA PORT AUTHORITY  
Financial Highlights  
(Unaudited)  
(amounts in thousands)

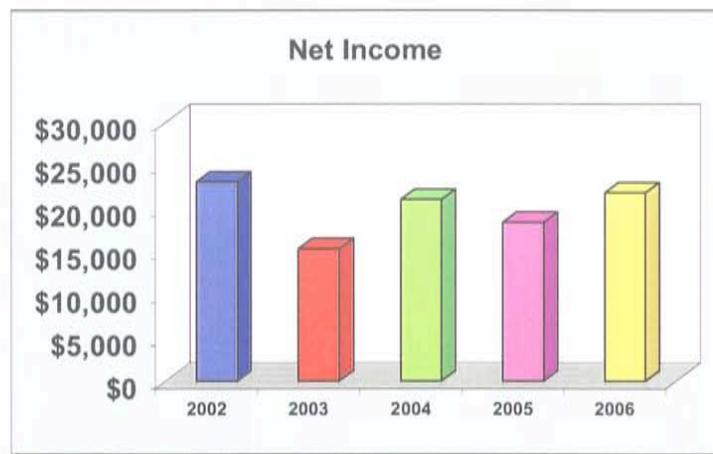
OPERATING REVENUE



OPERATING EXPENSE



NET INCOME





TAMPA PORT AUTHORITY



TAMPA PORT AUTHORITY



## Compliance Section

Included in the following section is information furnished in compliance with the disclosure requirements pursuant to Securities & Exchange Commission's Rule 15c2-12. This rule requires issuers of municipal securities to provide annual updates of selected financial information to a nationally recognized municipal securities information repository. This report will be filed with the State of Florida's Municipal Advisory Council in conformance with that requirement.

This section also includes compliance reports and the Schedule of Expenditures of Federal and State Financial Assistance.



Table 22

**TAMPA PORT AUTHORITY**  
**Port of Tampa Tonnage Distribution**  
**Last Ten Years**  
**(Unaudited)**  
**(in thousands)**

<u>Fiscal Year</u>	<u>Phosphate</u>	<u>Petroleum</u>	<u>Coal</u>	<u>Sulphur</u>	<u>All Other</u>	<u>Total</u>
1997	16,822	14,515	7,187	4,470	7,600	50,594
1998	16,413	15,061	7,204	4,404	7,715	50,797
1999	16,933	15,912	6,892	4,266	8,240	52,243
2000	13,115	16,384	7,397	4,081	8,265	49,242
2001	10,315	17,484	6,870	3,854	8,569	47,092
2002	12,910	17,669	6,572	3,694	8,868	49,713
2003	12,310	17,134	6,043	4,019	9,042	48,548
2004	12,684	18,156	4,766	3,866	9,226	48,698
2005	12,251	19,269	4,812	3,856	10,028	50,216
2006	9,610	19,742	4,922	3,659	10,256	48,189

Reported in short tons.

Represents total cargo handled on Tampa Port Authority property (port owned & private)

This information is provided to meet 'Continuing Disclosure' as required under SEC Rule 15c2-12 in accordance with Tampa Port Authority Revenue Bond issues.



Table 23

**TAMPA PORT AUTHORITY**  
**Port Usage Fees**  
**Last Ten Years**  
**(Unaudited)**  
**(amounts in thousands)**

Year	Dockage	Wharfage	Passenger Terminal Income	Other Port Usage Fees	Total
1997	4,737	6,163	289	955	12,144
1998	4,648	6,371	422	1,498	12,939
1999	5,216	7,862	906	702	14,686
2000	4,934	7,800	1,076	631	14,441
2001	5,138	8,560	1,746	301	15,745
2002	5,413	9,691	2,659	548	18,311
2003	5,613	11,864	3,456	751	21,684
2004	5,897	12,141	3,810	1,051	22,899
2005	6,130	13,698	4,170	1,377	25,375
2006	6,901	14,943	5,748	1,760	29,352

This information is provided to meet 'Continuing Disclosure' as required under SEC Rule 15c2-12 in accordance with Tampa Port Authority Revenue Bond issues.



Table 24

**TAMPA PORT AUTHORITY**  
**Summary of Leases of Principal Customers**  
**as of September 30, 2006**  
**(Unaudited)**

<u>Tenant</u>	<u>Initial Date of Lease</u>	<u>Initial Term</u>	<u>No. of Renewal Options</u>	<u>Option Term</u>	2006	2006
					<u>Minimum Annual Revenue</u>	<u>Total Revenue Received</u>
Kinder Morgan (GATX) (b)	Oct-98	5	3	5	\$ 867,000	\$ 2,941,794
Transmontaigne Product Services, Inc.	Sep-67	12	3	(2) 10-year; (1) 8-year	\$ 7,200	\$ 1,607,813
Trademark Metals	Dec-99	10	2	5	\$ 311,294	\$ 989,462
Martin Gas Sales, Inc. (a)	Dec-96	10	0	0	\$ 220,545	\$ 980,393
P & O Ports (Break Bulk) (b)	May-06	10	1	10	\$ 408,333	\$ 882,672
Vulcan/ICA Distribution Co.	Jul-91	1	7	(4) 1-year; (3) 5-year	\$ 314,262	\$ 828,862
PCL Constructors (a)	Dec-02	2	2	6 month	\$ 807,502	\$ 807,502
Martin Marietta Aggregates	Jan-04	5	2	5	\$ 437,206	\$ 762,891
Gulf Marine Repair, Inc.	May-96	10	1	5 month	\$ 127,500	\$ 674,269
International Ship Repair	Feb-97	2	1	17	\$ 102,557	\$ 630,909
<b>Subtotal - Top Ten Revenue-Producing</b>					<b>\$ 3,603,399</b>	<b>\$ 11,106,567</b>
C F Industries Inc (fertilizer facility) (b)	Jun-72	10	4	10	\$ 85,626	\$ 585,130
Tarmac America LLC (Titan)	Jan-02	20	3	10	\$ 187,959	\$ 549,530
Marigold Land Co. (Drummond Coal Co.)	Oct-00	10	4	5	\$ 500,000	\$ 500,000
Tampa Bay Shipbuilding & Repair Co.	Mar-97	15	2	15	\$ 500,000	\$ 500,000
Channelside Bay Mall	Apr-97	40	8	5	\$ 483,000	\$ 483,000
Cemex, Inc.	Jun-84	10	4	5	\$ 293,754	\$ 455,743
C F Industries, Inc. (ammonia facility) (b)	Jul-76	20	3	10	\$ 83,240	\$ 430,686
Holcim (US), Inc.	Jul-05	5	2	5	\$ 233,985	\$ 430,542
RMC - South Florida, Inc.	Dec-01	5	4	5	\$ 403,309	\$ 403,309
Cargill, Inc. (salt facility)	Jul-99	20	2	10	\$ 334,380	\$ 371,421
Smorgon Steel (fka Steelport)	Oct-99	10	1	5	\$ 157,160	\$ 362,382
Sea - 3 of Florida, Inc.	Jan-99	22	3	10	\$ 296,700	\$ 352,613
Gulf Sulphur Services (Freeport)	Jan-00	5	2	5	\$ 259,228	\$ 305,302
University of South Florida	Aug-99	10	0	0	\$ 298,285	\$ 298,285
Seabulk Towing	May-98	15	0	0	\$ 65,271	\$ 285,302
Pasco Terminals	Nov-00	10	2	5	\$ 147,106	\$ 219,231
Sulphuric Acid Trading Company	Nov-79	25	2	(1) 15-year; (1) 5-year	\$ 210,000	\$ 210,000
World Trade Center	Mar-03	3	3	1	\$ 208,485	\$ 208,485
Lehigh Portland Cement Co.	Sep-00	10	2	5	\$ 139,815	\$ 208,071
Namasco Acquisition Corporation	Jul-01	5	1	5	\$ 206,582	\$ 206,582
Amalie Oil Company	Jul-97	25	1	10	\$ 154,882	\$ 190,593
Cargill Financial Center (grain facility)	May-73	20	3	20	\$ 33,000	\$ 179,052
Intermodal Shipping	Oct-04	1	2	1	\$ 154,419	\$ 154,419
Murphy Oil USA, Inc.	Sep-67	18	2	(1) 10-year; (1) 12-year	\$ 34,730	\$ 152,795
Cimento Tupi	Dec-04	40	4	10	\$ 149,775	\$ 149,775
Tropical Shipping Company	Oct-94	5	3	5	\$ 89,077	\$ 136,472
Florida Rock Industries, Inc.	Mar-01	3	3	3	\$ 135,590	\$ 135,590
Gaetano Cacciatore	Jun-05	25	8	5	\$ 109,366	\$ 109,366
Central Fla. Pipeline Corp. (pipeline)	Mar-95	20	2	10	\$ 44,900	\$ 98,022
Tampa Juice Service, Inc.	Apr-95	20	2	10	\$ 50,243	\$ 91,708
Export Metals (Month to Month Lease)	Oct-02	N/A	0	0	\$ 90,000	\$ 90,000
Batson Cook	Jun-05	1	1	1	\$ 84,000	\$ 84,000



Table 24

**TAMPA PORT AUTHORITY**  
**Summary of Leases of Principal Customers**  
**as of September 30, 2006**  
**(Unaudited)**

<u>Tenant</u>	<u>Initial Date of Lease</u>	<u>Initial Term</u>	<u>No. of Renewal Options</u>	<u>Option Term</u>	<u>2006 Minimum Annual Revenue</u>	<u>2006 Total Revenue Received</u>
Kinder Morgan (PAC Tank) (b)	Dec-02	20	4	10	\$ 74,892	\$ 74,892
Starship Cruise Line, Inc.	Jan-06	10	2	10	\$ 74,193	\$ 74,193
C F Industries, Inc. (bareland) (b)	Jan-90	6.5	3	10	\$ 72,798	\$ 72,798
Yara (Formerly Hydro Agri )	Oct-97	10	2	5	\$ 32,604	\$ 67,467
Diversified Marine	Jul-05	5	1	5	\$ 54,457	\$ 54,457
Carotam	Jan-04	1	0	0	\$ 52,800	\$ 52,800
Maritrans Operating Partners	Jan-80	25	3	10	\$ 43,115	\$ 43,115
P & O Ports (Container) (b)	May-06	40	0	0	\$ 40,000	\$ 40,000
Americold Corporation	Sep-78	20	2	5	\$ 39,000	\$ 39,000
PEL Laboratories	May-03	5	2	5	\$ 33,352	\$ 33,352
Superior Seafoods, Inc. (a)	Jan-93	5	1	5	\$ 32,183	\$ 32,183
Yara	May-05	10	0	0	\$ 24,316	\$ 24,316
Marine Towing	Jan-06	10	3	5	\$ 16,346	\$ 16,346
Diversified Marine (Port Seafood)	Jul-04	5	0	0	\$ 15,466	\$ 15,466
Federal Marine (Month to Month Lease)	Nov-03	N/A	0	0	\$ 14,400	\$ 14,400
American Victory	Apr-00	4	4	4	\$ 12,000	\$ 12,000
Standard Marine	May-04	1	2	2	\$ 12,000	\$ 12,000
Kimmins Corp (Month to Month Lease)	Jul-96	N/A	0	0	\$ 9,000	\$ 9,000
Eller & Company	Dec-05	1	1	2	\$ 7,724	\$ 7,724
WSI	Nov-97	5	1	5	\$ 6,420	\$ 6,420
Sawyer Marine	Dec-05	1	1	2	\$ 3,294	\$ 3,294
<b>Total Minimum and Actual Revenue</b>					<b>\$ 10,497,626</b>	<b>\$ 20,749,196</b>

(1) As of September 30, 2006.

Source: Tampa Port Authority

(a) Leases are in a holdover status at 9/30/06 - contract negotiations in progress

(b) 2006 Revenues reported on Table 7 of this Comprehensive Financial Report are inclusive of multiple leases for these customers

This information is provided to meet 'Continuing Disclosure' as required under SEC Rule 15c2-12 in accordance with Tampa Port Authority Revenue bond resolution.



TAMPA PORT AUTHORITY



**RIVERO, GORDIMER & COMPANY, P.A.**  
**Certified Public Accountants**

Member:  
 American Institute of Certified Public Accountants  
 Florida Institute of Certified Public Accountants

Cesar J. Rivero	Marc D. Sasser
Richard Gordimer	Lionel D. Martinez
Herman V. Lazzara	Sam A. Lazzara

INDEPENDENT AUDITORS' REPORT 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

Board of Commissioners  
 Tampa Port Authority

We have audited the financial statements of the Tampa Port Authority (the "Port Authority") as of and for the year ended September 30, 2006, and have issued our report thereon, dated December 21, 2006. 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 of America.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Port Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Port Authority'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 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*.

This report is intended solely for the information and use of the Board of Commissioners of the Tampa Port Authority, management, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Tampa, Florida  
 December 21, 2006





RIVERO, GORDIMER & COMPANY, P.A.  
Certified Public Accountants

Member:  
American Institute of Certified Public Accountants  
Florida Institute of Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL  
PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECT AND  
ON INTERNAL CONTROL OVER COMPLIANCE

Board of Commissioners  
Tampa Port Authority

Compliance

We have audited the compliance of Tampa Port Authority (the "Port Authority") 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 *Executive Office of the Governor's State Projects Compliance Supplement*, that are applicable to each of its major federal programs and state financial assistance projects for the year ended September 30, 2006. The Port Authority's major federal programs and state financial assistance projects are identified in the summary of auditors' 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 the major federal programs and state financial assistance projects is the responsibility of the Port Authority's management. Our responsibility is to express an opinion on the Port Authority'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 of America; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, Rules of the Auditor General, 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 program or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the Port Authority'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 on the Port Authority's compliance with those requirements.

In our opinion, the Port Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state financial assistance projects for the year ended September 30, 2006.

Internal Control over Compliance

The management of the Port Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and state financial assistance projects. In planning and performing our audit, we considered the Port Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state financial assistance project to determine our 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, Rules of the Auditor General of the State of Florida.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program or state financial assistance project being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Commissioners of the Tampa Port Authority, management, federal and state awarding agencies, and pass-through funding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*Bucio, Gordinier & Company, P.A.*

Tampa, Florida  
December 21, 2006



## Tampa Port Authority

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE

For the year ended September 30, 2006

Grantor and Program Title	Federal CFDA/ State CSFA Number	Grant Number	Program or Award Amount	Accrued Revenue September 30, 2005	Receipts	Expenditures	Accrued Revenue September 30, 2006
<b>Federal Agency</b>							
Department of Homeland Security Port Security Grant Program	97.056	2005-GB-T5-0119	\$ 1,673,660	\$ -	\$ -	\$ 282,000	\$ 282,000
Pass-through Florida Department of Community Affairs							
Disaster Grants - Public Assistance (Presidentially declared disasters)	97.036	05-PA-G-08-39-20-812	\$ 496,052	470,534	496,052	25,518	-
				470,534	496,052	307,518	282,000
Department of Housing and Urban Development							
Community Development Block Grants/Brownsfield	14.246	B-01-SP-FL-0149	\$ 99,780	-	99,780	99,780	-
Economic Development Initiative Community Development Block Grants/Brownsfield	14.246	B-01-SP-FL-0150	\$ 50,000	-	50,000	50,000	-
Economic Development Initiative Community Development Block Grants/Brownsfield	14.246	B-01-SP-FL-0147	\$ 201,184	-	-	201,184	201,184
				-	149,780	350,964	201,184
<b>Total federal awards</b>				470,534	645,832	658,482	483,184



Tampa Port Authority

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE - CONTINUED

For the year ended September 30, 2006

Grantor and Program Title	Federal CFDA/ State CSFA Number	Grant Number	Program or Award Amount	Accrued Revenue September 30, 2005	Receipts	Expenditures	Accrued Revenue September 30, 2006
<b>State Agency</b>							
Florida Department of Transportation Seaport Grants							
Capacity Improvements	55.005	41979119401	\$ 5,625,000	-	1,422,111	2,003,633	581,522
Capital / Operating	55.005	40833719401	\$ 16,600,000	298,409	1,435,270	2,166,031	1,029,170
Total seaport grants				298,409	2,857,381	4,169,664	1,610,692
Intermodal Development Program							
Port Security Improvements	55.014	40313919401	\$ 3,335,901	158,439	158,439	-	-
Infrastructure Improvements	55.014	41274619401	\$ 3,409,737	-	-	207,091	207,091
Total intermodal development program				158,439	158,439	207,091	207,091
Total state financial assistance				456,848	3,015,820	4,376,755	1,817,783
Total federal awards and state financial assistance				\$ 927,382	\$ 3,661,652	\$ 5,035,237	\$ 2,300,967



NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE

September 30, 2006

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state grant activity of the Port Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*, and Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE B - CONTINGENCIES

These federal and state programs are subject to financial and compliance audits by grantor agencies, which, if instances of material noncompliance are found, may result in disallowed expenditures, and affect the Port Authority's continued participation in specific programs. The amount of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Port Authority expects such amounts, if any, to be immaterial.

NOTE C - SUBRECIPIENTS

The Port Authority did not provide federal awards or state financial assistance to subrecipients.



Tampa Port Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

For the year ended September 30, 2006

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued Unqualified

Internal control over financial reporting

Material weakness(es) identified?      yes   X   no

Reportable condition(s) identified that are not considered to be material weakness(es)?      yes   X   none reported

Noncompliance material to financial statements noted?      yes   X   no

Major Federal Programs / State Projects

Internal control over major programs/projects

Material weakness(es) identified?      yes   X   no

Reportable condition(s) identified that are not considered to be material weakness(es)?      yes   X   none reported

Type of auditors' report issued on compliance for major federal programs and state projects Unqualified

Any audit findings disclosed that are to be reported in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General?      yes   X   no

Identification of major programs:

Federal:	<u>CFDA Number</u>	<u>Name of Federal Program</u>
	14.246	Community Development Block Grants/Brownfields Economic Development Initiative
State:	<u>CFSA Number</u>	<u>Name of State Projects</u>
	55.005	Seaport Grants



## Tampa Port Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS  
AND STATE FINANCIAL ASSISTANCE PROJECTS - CONTINUED

For the year ended September 30, 2006

Dollar threshold used to distinguish between type A and type B federal programs	<u>\$ 300,000</u>
Dollar threshold used to distinguish between type A and type B state projects	<u>\$ 300,000</u>
Auditee qualified as low-risk auditee under the provisions of OMB Circular A-133, Section 530?	<u>X</u> yes <u>    </u> no

**Section II - Financial Statement Findings**

No matters were reported

**Section III - Federal Awards and State Financial Assistance**Findings and Questioned Costs  
No matters were reported**Section IV - Other Issues**A summary Schedule of Prior Audit Findings is required because there were prior  
audit findings related to Federal Programs.



TAMPA PORT AUTHORITY



RIVERO, GORDIMER & COMPANY, P.A.  
Certified Public Accountants

Member:  
American Institute of Certified Public Accountants  
Florida Institute of Certified Public Accountants

Cesar J. Rivero	Marc D. Sasser
Richard Gordimer	Lionel D. Martinez
Herman V. Lazzara	Sam A. Lazzara

MANAGEMENT LETTER BASED ON RULE 10.554(1)(h) OF THE  
AUDITOR GENERAL OF THE STATE OF FLORIDA

Board of Commissioners  
Tampa Port Authority

We have audited the financial statements of the Tampa Port Authority (the "Port Authority") whose headquarters is located in Tampa, Florida, as of and for the fiscal year ended September 30, 2006, and have issued our report thereon, dated December 21, 2006.

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 of America and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditors' Report 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*, Independent Auditors' Report on Compliance and on Internal Control over Compliance Applicable to Each Major Federal Program and State Project, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated December 21, 2006, 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 govern the conduct of local government entity audits performed in the State of Florida and require that certain items be addressed in this letter. Those rules (Section 10.554(1)(h)1) require that we address in the Management Letter, if not already addressed in the auditors' reports on compliance and internal controls or schedule of findings and questioned costs, whether or not inaccuracies, shortages, defalcations, fraud and/or violations of laws, rules, regulations and contractual provisions reported in the preceding annual financial audit report have been corrected. There are no inaccuracies, irregularities, shortages, defalcations, and/or violations of laws, rules, regulations and contractual provisions disclosed in the preceding annual report.

The Rules of the Auditor General (Section 10.554(1)(h)1) require that we address in the Management Letter, if not already addressed in the auditors' reports on compliance and internal controls or schedule of findings and questioned costs, whether or not recommendations made in the preceding annual financial audit report have been followed. The Port Authority had no recommendations made in the preceding annual financial audit.

As required by the Rules of the Auditor General (Section 10.554(1)(h)6.a.), a statement must be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, regarding financial emergencies. In connection with our audit, we determined that the Port Authority is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes.

As required by the Rules of the Auditor General (Sections 10.554(1)(h)6.b.), we determined that the annual financial report for the Authority for the fiscal year ended September 30, 2006, filed with the Department of Banking Finance 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, 2006.

As required by the Rules of the Auditor General (Section 10.554(1)(h)2.) the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Port Authority complied with Section 218.415, Florida Statutes.

The Rules of the Auditor General (Section 10.554(1)(h)3.) require that we address in the management letter any findings and recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any such findings.

The Rules of the Auditor General (Section 10.554(1)(h)4.), require disclosure in the management letter of the following matters if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and questioned costs and are not clearly in consequential: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (4) failures to properly record financial transactions; and (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of the auditor. Our audit disclosed no matters required to be disclosed.

The Rules of the Auditor General (Section 10.554 (1)(h)5.) also require 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. The required information is disclosed in the Notes to Financial Statements (see note A - Organization and Reporting Entity).

As required by the Rules of the Auditor General (Sections 10.554(h)(6)c, and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity'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.

This Management Letter is intended solely for the information of the Board of Commissioners of the Tampa Port Authority, management, the Auditor General of the State of Florida, and applicable state agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*Bucio, Gordinier & Company, P.A.*

Tampa, Florida  
December 21, 2006



### *“Fantasy Island”*

The Tampa Port Authority and The Florida Aquarium have partnered since 2001, to restore and rejuvenate a small spoil island, owned by the port, known as Fantasy Island. The project focuses on educational outreach and includes an environmental field station pavilion, ADA-compliant boat docking facility and ramp, and educational signs and kiosks along the island trails that tell the story of the project, ecology of the bay, importance of the disposal islands and associated wildlife, and about the cooperative work possible between organizations.



**TAMPA PORT AUTHORITY**



TAMPA PORT AUTHORITY