



PORT TAMPA BAY™



Tampa Port Authority  
**Comprehensive Annual  
Financial Report for Fiscal Year  
ended September 30, 2016**

Hillsborough County  
Port District, Florida



# Hillsborough County Port District, Florida

## Comprehensive Annual Financial Report

For Fiscal Year Ended September 30, 2016



Prepared by: Finance Department

Michael J. Macaluso, Chief Financial Officer



PORT  
TAMPA BAY™

**TAMPA PORT AUTHORITY**  
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PORT  
TAMPA BAY™



PORT TAMPA BAY  
INTRODUCTORY SECTION





March 31, 2017

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 d/b/a Port Tampa Bay (Port Authority) for the fiscal year ended September 30, 2016 is hereby submitted for your review. Responsibility for both the accuracy of the data and the completeness, reliability and fairness of presentation, including all disclosures, rests with the 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.

The management of the Port Authority is responsible for establishing and maintaining an effective internal control structure to safeguard its assets, assure the reliability of its accounting records, and promote operational efficiencies. Based upon a comprehensive internal control framework that it has established for this purpose and recognizing that the cost of such controls should not outweigh their benefits, the Port Authority's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free of any material misstatements.

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).

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Website: [www.porttb.com](http://www.porttb.com) \* E-Mail: [info@tampaport.com](mailto:info@tampaport.com)

Certain demographic information and required GASB 44 statistical reporting included in the CAFR were not obtained from the financial records of the Port 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, the CAFR meets the continuing disclosure requirements of SEC Rule 15c2-12.

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

### **Profile of the Port**

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"). Among other provisions more fully described in the MD&A, 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.

The Enabling Act also provides that the Port Authority shall have the specific responsibility for planning and implementing plans for the long range development of the facilities and the movement of cargo through the Port District. Prior to purchase, ownership, control or operation of any facility, the Port Authority must hold a public hearing at which public comments are received and considered. The Port Authority has broad powers to acquire, construct, operate and lease facilities. Please refer further to the MD&A for more specific information regarding the Port Authority's Enabling Act and its impact on how the Port Authority operates.

The Port Authority's Enabling Act prescribes that it maintain budgeting and accounting systems and prepare an annual budget in accordance with Florida law. Cash and other assets, related liabilities, and residual equity are segregated into individual self-balancing account groupings. Special accounts are maintained in accordance with revenue bond debt covenants. A full discussion of the Port Authority's accounting practices is included in the Notes to the Financial Statements included in the Financial Section of this CAFR.

Pursuant to Section 11.45 of the Florida Statutes and Section 11 of the Port Authority's Enabling Act, an audit of the financial statements has been completed by the Port Authority's independent certified public accountants, Cherry Bekaert LLP. Their opinion is also included in the Financial Section of this CAFR.

The Port Authority closely monitors its cash requirements and invests its portfolio, maximizing investment returns in accordance with its written investment policy. Additionally, it utilizes and relies on the advice of its independent financial advisors and its bond counsel when making decisions regarding treasury management and external financing requirements.

## **Factors Affecting Port Authority's Financial Condition**

In fiscal year 2016, the Tampa Port Authority was able to build on its solid financial performance in fiscal year 2015. The details behind the Port Authority's fiscal year 2016 financial performance are discussed in the MD&A included in the Financial Section of the CAFR. The Port Authority's current and future financial condition is also dependent upon a number of key factors and initiatives. A discussion of those key factors and initiatives follows.

### **Local Economy**

The Port of Tampa is geographically located within the boundaries of Hillsborough County, Florida. Principal employers in Hillsborough County include: the Hillsborough County School Board, University of South Florida, Hillsborough County Government, Tampa International Airport and MacDill Air Force Base. Several Fortune 1,000 companies are headquartered in the Tampa Bay region, including Bloomin' Brands, Inc., WellCare Health Plans, Inc., Publix Supermarkets, Tech Data Corp., Jabil Circuit, Inc., and Raymond James Financial. Other large regional employers include Verizon Communications, Tampa General Hospital, JP Morgan Chase, TECO Energy, Walter Industries, and Mosaic. Institutions of higher learning located in the Tampa Bay area include the University of South Florida, the University of Tampa, Hillsborough Community College, and the Stetson University College of Law.

The Port of Tampa is a major player in the local economy's growth, supporting nearly 85,000 jobs and generating more than \$17 billion in annual economic impact. The Port ranks first in the State of Florida in terms of cargo tonnage handling nearly half of all of the seaborne commerce that passes through the state including a variety of bulk, break bulk, container and roll-on/roll-off cargoes. In addition to being a major shipbuilding and repair center, the Port of Tampa ranks as a top ten U.S. cruise port. The Port is the most diversified in the state and is one of the nation's largest in land area.

### **Financial Policies and Strategies**

While the Port Authority's financial success can be attributed to a number of factors, two (2) important strategies implemented a number of years ago continue to pay dividends in FY2016. First, the Port Authority continues to deliberately pursue a strategy of business diversification which enables us to withstand downturns in particular lines of business or commodities and maintain a constant or increasing revenue stream.

Second, the Port Authority has included built-in incentives in many of its leases to reward the tenants for increased volumes of cargo through the Port. Port Authority staff utilizes these cargo incentives as well as other incentives such as allowing lower rents during development and construction periods and other construction allowances to attract new tenants. In exchange for these incentives, the Port Authority includes long-term financial commitments, such as minimum financial and tonnage guarantees. These commitments, coupled with the diversification strategy discussed above, ensure a steady stream of revenue even during periods of economic downturn. Additionally, there is continuous dialog between Port Authority staff and existing tenants which allows the Port Authority to work with the tenant to meet their changing needs.

## **Long-Term Financial Planning**

The Port Authority's Executive Steering Committee, comprised of senior management, meets on a regular basis to ascertain how to best use the Port's existing resources, to determine whether the use of those resources is consistent with the Port's Strategic and Master Plan and to determine when additional funding is needed and whether that additional funding is supportable. All of the major initiatives and projects discussed in the Major Initiatives section below were thoroughly vetted through the Executive Steering Committee and presented to the Port Authority's Board of Commissioners for approval.

In addition, the Port Authority regularly updates its Strategic and Master Plan in order to ensure that these documents include the most up-to-date economic forecasts and conditions. The Port Authority recently released its revised Master Plan, known as Vision 2030. It is a market driven plan that aligns with State, County, City and regional economic development priorities and emphasizes the Port's strengths while addressing its challenges and focusing on growth. Vision 2030 sets investment priorities for the Port and establishes a financial strategy to support these priorities.

## **Major Initiatives**

The list below includes some of the major ongoing initiatives undertaken by the Port Authority in fiscal year 2016 as well as some new initiatives implemented during the fiscal year. These initiatives all support the business diversification strategy discussed above, have had a significant impact on the Port Authority's financial results in fiscal year 2016 and are expected to have a positive impact on the Port Authority's financial results in the short and long term

- Arrival, installation and operation of two (2) new Container Gantry Cranes: In fiscal year 2015, a contract was finalized with Zhenhua Heavy Industries Co., LTD (ZPMC) for the fabrication and delivery of two (2) new container gantry cranes. In the summer of 2016 these post-Panamax gantry cranes went into service at the Port's container berths, dramatically increasing the potential capacity for the Port's containerized business. These cranes represent an infrastructure investment that will allow it to double the size of ships it can handle. These cranes were funded through a \$12 million State of Florida grant and a \$12 million loan from the Florida Department of Transportation (FDOT) State Infrastructure Bank (SIB) program.
- Hookers Point Development: The Port Authority began work to construct the transportation infrastructure associated with the Hookers Point Container Yard Development. The transportation infrastructure, which includes the construction of roadways, railroad tracks and utility relocations will be used as an intermodal container transfer for the Hookers Point Container Facility. The Port Authority also commenced preliminary work on a new refrigerated warehouse on Hookers Point.
- Port Redwing Development: The Port Authority continued the Port Redwing Development which will improve roadways, railroads, utilities and security systems on a 150 acre site in southern Hillsborough County. In fiscal year 2014 and fiscal year 2015, the Port Authority's Board of Commissioners approved funding for the construction of a new roadway connecting U.S. Highway 41 to the Port

Redwing peninsula as well as funding for the construction of a double-track railroad extending from the west end of the Port Redwing peninsula. In fiscal year 2016 the Port Authority finalized leases with two (2) tenants for property on Port Redwing.

- Eastport Development: In fiscal year 2014, the Port Authority's Board of Commissioners approved funding for the design and construction of a new berth (Berth 150), a 20 acre cargo yard and roadway relocations to improve uplands access at the Eastport site. Work on this site was substantially completed in fiscal year 2016.

### **Awards and Acknowledgements**

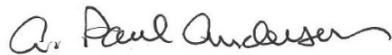
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Tampa Port Authority for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2015. This was the sixteenth (16<sup>th</sup>) consecutive 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 fifteen (15) years, the accomplishment of the Certificate of Achievement for the sixteenth 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, the many Port Authority departments who provided key information to this report and the accounting firm of Cherry Bekaert LLP. We gratefully acknowledge their contributions.

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,



A. Paul Anderson  
President and CEO



Michael J. Macaluso  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

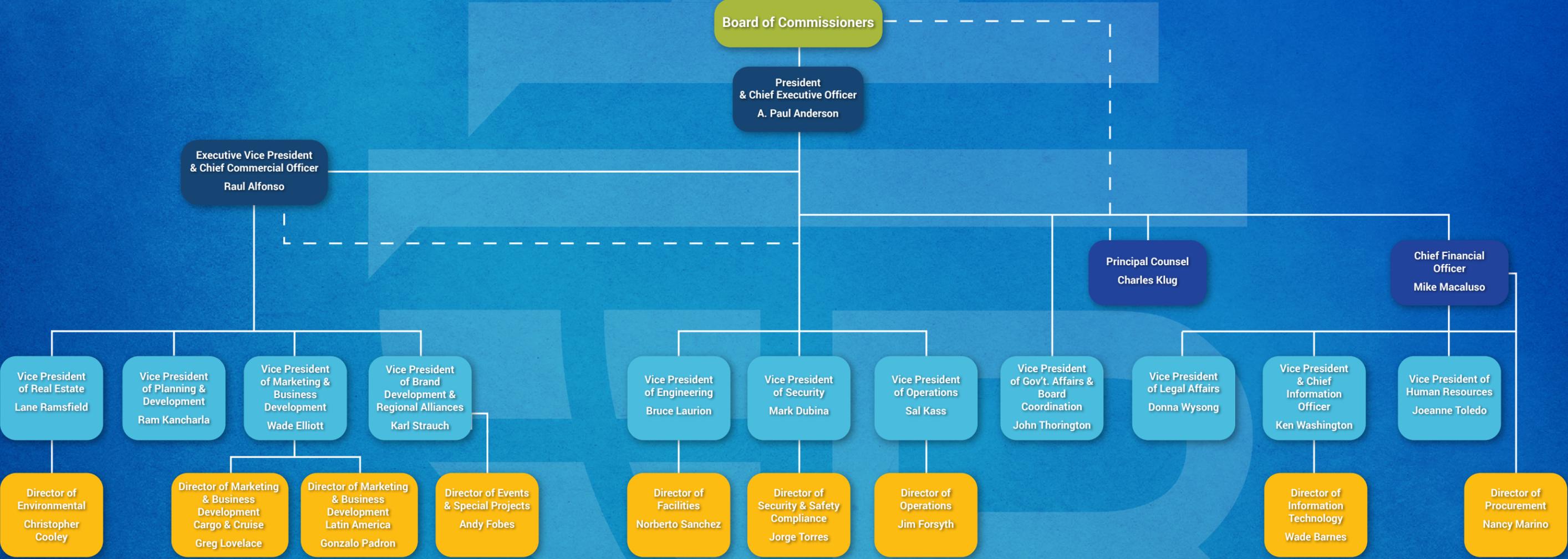
**Tampa Port Authority**  
**Hillsborough County Port District**  
**Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2015**

Executive Director/CEO

# PORT TAMPA BAY MANAGEMENT TEAM



**LEGEND**

- Executive Management Team
- Senior Management Team
- Management Team





**List of Officials**

**Board of Commissioners**

Stephen W. Swindal	Chairman
Carl Lindell, Jr.	Vice Chairman
Patrick H. Allman	Secretary/Treasurer
Honorable Sandra Murman Hillsborough County Commission	Commissioner
Honorable Bob Buckhorn Mayor, City of Tampa	Commissioner
John B. Grandoff, III	Commissioner
Gregory Celestan	Commissioner

**Senior Executive Staff**

A. Paul Anderson	President and Chief Executive Officer
Raul Alfonso	Executive Vice President and Chief Commercial Officer
Charles E. Klug, Esquire	Principal Counsel
Michael J. Macaluso	Chief Financial Officer



PORT TAMPA BAY.

FINANCIAL SECTION





**TPF Berth 222**



## Report of Independent Auditor

Board of Commissioners of  
Tampa Port Authority  
Tampa, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Tampa Port Authority (the "Port Authority") as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Port Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit of the Port Authority, as of September 30, 2016, and the respective changes in its financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Prior Year Information*

We have previously audited the Port Authority's 2015 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the business-type activities and discretely presented component unit in our report dated May 27, 2016. In our opinion, the summarized information presented herein as of and for the year ended September 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed on pages 4 through 10 and 53 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Port Authority's basic financial statements. The introductory section and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance project is presented for purposes of additional analysis as required by Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* ("Uniform Guidance"), and Chapter 10.550, *Rules of the Auditor General*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards and state financial assistance project is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2017, on our consideration of the Port Authority's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Port Authority's internal control over financial reporting and compliance.

*Cherry Bekant* LLP

Tampa, Florida  
March 29, 2017

Tampa Port Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2016

The following management's discussion and analysis ("MD&A") of the financial performance and activity of the Tampa Port Authority ("Port Authority") is intended to provide an introduction to and an understanding of the financial statements of the Port Authority for the fiscal year ("FY") ended September 30, 2016, with selected comparisons to the prior fiscal year ended September 30, 2015. 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 a body 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. The Port Authority is governed by seven board members, five of whom are residents of Hillsborough County and appointed by the Governor of the State of Florida to either two-year or 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. Of the Board members appointed by the Governor, two members must have maritime industry background in accordance with a modification made to the Enabling Act by the State of Florida legislature in June 2005.

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, debt service requirements and a portion of its capital projects. Capital projects are also funded by external financing including the issuance of municipal bonds and bank 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 FY2016 millage rate was \$.1550 mills.

The Port Authority publishes a uniform tariff which contains standardized rates for conducting various port activities on port-owned facilities including wharfage, dockage, transit, storage, warehousing and handling of cargo to and from vessels. In addition to the revenue generated from these activities, the Port Authority leases its properties to various maritime and other businesses for which it collects rents and negotiated commodity rates, and in many instances 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, 2016.

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 statistical information regarding capital assets and long-term debt activity conducted during the fiscal year, including commitments made for capital expenditures.

Tampa Port Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2016

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 2 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 statistical 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 four parts: MD&A, the basic financial statements, the notes to the financial statements, and the required supplementary information. The report includes the following three basic financial statements: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. It should be noted that the summary financial statements for FY 2016 with comparisons to FY 2015 in the MD&A do not include financial information for TBIT. Financial information for TBIT is included in the financial statements which follow the MD&A.

Financial Position Summary

The Statement of Net Position presents the financial position of the Port Authority at the end of the fiscal year. The statements include all assets, deferred outflows and inflows of resources and the liabilities of the Port Authority. Net Position, the difference between total assets, deferred outflow of resources, total liabilities and deferred inflow of resources, is 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, deferred outflow of resources, liabilities, deferred inflow of resources, and net position at September 30, 2016 and 2015 is as follows:

Tampa Port Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2016

STATEMENT OF NET POSITION

	<u>FY2016</u>	<u>FY2015</u>
<b>(in thousands)</b>		
<b>ASSETS</b>		
Current assets	\$ 77,644	\$ 88,778
Noncurrent assets		
Capital related, net	624,555	577,048
Noncapital	<u>1,020</u>	<u>1,928</u>
Total assets	<u>\$ 703,219</u>	<u>\$ 667,754</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	<u>\$ 12,634</u>	<u>\$ 10,519</u>
<b>LIABILITIES</b>		
Current liabilities	\$ 26,806	\$ 23,295
Noncurrent liabilities	<u>107,082</u>	<u>105,092</u>
Total liabilities	<u>\$ 133,888</u>	<u>\$ 128,387</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	<u>\$ 124</u>	<u>\$ 1,157</u>
<b>NET POSITION</b>		
Net investment in capital assets	\$ 532,160	\$ 480,769
Restricted	7,079	7,001
Unrestricted	<u>42,602</u>	<u>60,958</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 581,841</u></u>	<u><u>\$ 548,729</u></u>

Tampa Port Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2016

At September 30, 2016, the Port Authority's assets were \$703.2 million, an increase of \$35.5 million over September 30, 2015. The reasons for this increase are explained below. Deferred outflow of resources increased from \$10.5 million on September 30, 2015 to \$12.6 million on September 30, 2016 due to increases in deferred amounts related to pensions. This is a result of the implementation of GASB 68 in Fiscal Year 2015. Deferred inflow of resources decreased from \$1.2 million to \$.1 million, also. (Refer to Note 10 Employee Retirement Plans of the accompanying notes to the financial statements for more information.) The Port Authority's Net Position on September 30, 2016 was \$581.8 million, a \$33.1 million increase over September 30, 2015. For the fiscal year ended September 30, 2016, the largest portion of the Port Authority's net position 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 funding required to repay the Port Authority's debt must be provided annually from Port Authority operations.

The Port Authority's non-current assets as of September 30, 2016 amounted to \$625.6 million, of which capital assets were \$624.6 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 5 Capital Assets of the accompanying notes to the financial statements for a more complete description.) The total increase in the Port Authority's investment in capital assets after accumulated depreciation for FY2016 was 8.2%, or \$47.5 million due to the reasons stated below.

The completion of the following major projects comprised the majority of the increase in the Port Authority's capital assets:

- Marine Public Safety complex
- Road improvements at Port Redwing, Eastport & Hooker's Point
- Ongoing maintenance dredging
- Eastport Cargo Yard and associated berths
- Purchase of new parking garage management and revenue control system
- Purchase of two (2) new gantry cranes

The Port Authority's FY2016 capital program was funded through a combination of ad valorem taxes, federal and state grants, surplus operating funds, and a loan from the Florida Department of Transportation State Infrastructure Bank. Additional information on the Port Authority's capital assets can be found in Notes 2 and 5 in the accompanying notes to the financial statements.

Tampa Port Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2016

The Statement of Revenues, Expenses and Change in Net Position 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 Net Position:

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

(in thousands)	<u>2016</u>	<u>2015</u>
<b>Operating Revenues:</b>		
Port usage fees	\$ 36,793	\$ 38,975
Land and buildings leases	\$ 11,752	\$ 11,551
Other operating revenues	\$ 663	\$ 743
<b>Total Operating Revenues</b>	<b><u>\$ 49,208</u></b>	<b><u>\$ 51,269</u></b>
<b>Operating Expenses</b>	<b>\$ 28,968</b>	<b>\$ 28,317</b>
<b>Depreciation</b>	<b>\$ 24,063</b>	<b>\$ 23,677</b>
<b>Operating loss after depreciation</b>	<b><u>\$ (3,823)</u></b>	<b><u>\$ (725)</u></b>
<b>Non-operating Revenues (Expenses)</b>		
Ad valorem taxes	\$ 11,065	\$ 10,945
Interest income	\$ 259	\$ 69
Other non-operating revenues	\$ 1,447	\$ 2,298
Interest expense	\$ (2,999)	\$ (4,217)
Amortization of bond premiums & discounts	\$ 119	\$ 655
Other non-operating expenses	\$ (2,266)	\$ (2,480)
<b>Total Non-operating Revenues (Expenses)</b>	<b><u>\$ 7,625</u></b>	<b><u>\$ 7,860</u></b>
<b>Income before capital contributions</b>	<b>\$ 3,802</b>	<b>\$ 7,135</b>
<b>Capital and operating grants and contributions</b>	<b>\$ 29,310</b>	<b>\$ 17,098</b>
<b>Increase in net position</b>	<b>\$ 33,112</b>	<b>\$ 24,233</b>
<b>Total net position, beginning of year</b>	<b><u>\$ 548,729</u></b>	<b><u>\$ 524,496</u></b>
<b>Total net position, end of year</b>	<b><u><u>\$ 581,841</u></u></b>	<b><u><u>\$ 548,729</u></u></b>

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2016

Financial Operations Highlights

Listed below are the highlights of changes between the fiscal years ended September 30, 2016 and 2015, as shown in the Statements of Revenues, Expenses and Changes in Net Position above:

- Operating revenues decreased by 4.0% from \$51.3 million in FY2015 to \$49.2 million in FY2016 primarily due to temporary repositioning of a cruise ship in FY2016. Lease revenue was slightly higher than in FY2015 as a result of a number of new leases and scheduled rent increases on existing leases.
- Operating expenses (not including depreciation) increased by 2.1% from \$28.3 million in FY2015 to \$28.9 million in FY2016. This was the result of increased personnel costs offset by declines in promotional and administrative costs, primarily due to deferred spending.
- Depreciation and amortization increased \$.4 million from \$23.7 million to \$24.1 million as a result of the new assets added during the fiscal year.
- Non-operating revenues, net of non-operating expenses, decreased by \$.2 million. The primary reason was a reduction in the revenue realized from the sale of Tax Credit Certificates awarded to the Port from FY2015 to FY2016. Ad valorem tax payments paid by the Port Authority in FY2016 were lower than FY2015 due to more Port Authority property being exempted from ad valorem taxes in FY2016. Interest Income was higher in FY2016 and despite a reduced millage rate, ad valorem tax revenues were slightly higher in FY2016 due to higher collection rates.
- Capital grants increased in FY2016 by \$12.2 million from FY2015. Grant revenues are recognized as the grant funds are expended on the project to which the funds are allocated. In FY2016, construction activity for which grant funds were allocated increased as compared to FY2015, particularly as they relate to expenditures on the new gantry cranes, the berths and cargo yard currently under construction at Eastport and continued development at Port Redwing.

Tampa Port Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2016

Debt Administration

The Port Authority had outstanding bank notes of \$93.9 million as of September 30, 2016. All bond debt has been retired or refunded as of the end of Fiscal Year 2016.

In FY2016, the Port Authority entered into loan agreements with SunTrust Bank and the Florida Department of Transportation (FDOT) State Infrastructure Bank (SIB), respectively. The purpose of the SunTrust Bank loan was to refund the Port Authority's Series 2006 Revenue Refunding Bonds. The purpose of the SIB loan was to partially fund the new gantry cranes. Details regarding the current outstanding long-term debt transactions can be found in Note 8 of the accompanying notes to the financial statements.

The Port Authority's debt has earned the following ratings, as provided by the major rating agencies: "A" by Fitch with a positive outlook, "A2" by Moody's with a stable outlook, and "A-" by Standard & Poor's with a stable outlook.

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 2016 and 2015 was met and exceeded for both fiscal 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's accountability for the funds it receives and expends. Questions concerning this report or requests for additional information should be addressed to Lisa Bristol, Accounting Manager, 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).

**TAMPA PORT AUTHORITY**  
**STATEMENT OF NET POSITION**

SEPTEMBER 30, 2016 (WITH SUMMARIZED FINANCIAL INFORMATION TOTAL FOR 2015)

	Primary	Component	Total Reporting Entity	
	Government	Unit		
	Tampa Port	Tampa Bay	2016	2015
	Authority	International		
		Terminals, Inc.		
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 60,094,258	\$ 1,379,262	\$ 61,473,520	\$ 68,177,810
Investments	306,386	-	306,386	304,730
Accounts receivable	3,982,729	-	3,982,729	3,267,619
Due from other governments	3,588,287	-	3,588,287	7,794,875
Notes receivable	755,901	-	755,901	706,696
Net investment in lease	152,387	-	152,387	655,510
Interest and other receivables	140,662	-	140,662	926,835
Prepaid expenses and other current assets	1,544,625	2,800	1,547,425	1,330,909
Restricted assets:				
Cash and cash equivalents	7,078,773	-	7,078,773	7,001,355
Total Current Assets	77,644,008	1,382,062	79,026,070	90,166,339
Noncurrent Assets:				
Capital assets, net of depreciation	624,555,597	-	624,555,597	577,047,737
Notes receivable	1,019,797	-	1,019,797	1,775,699
Net investment in lease	-	-	-	152,387
Total Noncurrent Assets	625,575,394	-	625,575,394	578,975,823
<b>Total Assets</b>	<b>703,219,402</b>	<b>1,382,062</b>	<b>704,601,464</b>	<b>669,142,162</b>

(Continued)

The accompanying notes are an integral part of this statement.

**TAMPA PORT AUTHORITY**  
**STATEMENT OF NET POSITION (CONTINUED)**

SEPTEMBER 30, 2016 (WITH SUMMARIZED FINANCIAL INFORMATION TOTAL FOR 2015)

	Primary	Component	Total Reporting Entity	
	Government	Unit	2016	2015
	Tampa Port	Tampa Bay		
	Authority	International		
		Terminals, Inc.		
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Interest rate swap	5,451,305	-	5,451,305	5,905,589
Deferred loss on refunding of debt	1,456,199	-	1,456,199	1,731,624
Deferred amounts related to pensions	5,726,109	-	5,726,109	2,881,814
<b>Total Deferred Outflow of Resources</b>	<b>12,633,613</b>	<b>-</b>	<b>12,633,613</b>	<b>10,519,027</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	4,121,823	1,012	4,122,835	1,009,353
Construction contracts and retainages payable	3,908,249	-	3,908,249	2,885,248
Accrued liabilities	2,494,251	-	2,494,251	2,748,292
Accrued bond interest	453,207	-	453,207	578,261
Long-term debt due within one year	11,238,766	-	11,238,766	10,803,625
Unearned revenue	4,589,621	-	4,589,621	5,270,059
<b>Total Current Liabilities</b>	<b>26,805,917</b>	<b>1,012</b>	<b>26,806,929</b>	<b>23,294,838</b>

(Continued)

The accompanying notes are an integral part of this statement.

**TAMPA PORT AUTHORITY**  
**STATEMENT OF NET POSITION (CONTINUED)**

SEPTEMBER 30, 2016 (WITH SUMMARIZED FINANCIAL INFORMATION TOTAL FOR 2015)

	Primary Government	Component Unit	Total Reporting Entity	
	Tampa Port Authority	Tampa Bay International Terminals, Inc.	2016	2015
Noncurrent Liabilities:				
Bonds, notes and loans payable, net	82,613,115	-	82,613,115	87,206,857
Unearned revenue	955,960	-	955,960	1,022,269
Deposits	4,351,012	-	4,351,012	2,062,414
Derivative instruments - interest rate swap liability	5,451,305	-	5,451,305	5,905,589
Other obligation	1,167,885	-	1,167,885	1,167,885
Net pension liability	12,543,006		12,543,006	7,727,435
Total Noncurrent Liabilities	107,082,283	-	107,082,283	105,092,449
<b>Total Liabilities</b>	133,888,200	1,012	133,889,212	128,387,287
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred amounts related to pensions	123,744	-	123,744	1,157,337
<b>Total Deferred Inflow of Resources</b>	123,744	-	123,744	1,157,337
<b>NET POSITION</b>				
Net investment in capital assets	532,159,915	-	532,159,915	480,768,879
Restricted:				
Bond debt service	6,919,258	-	6,919,258	7,001,355
Capital Projects	159,515	-	159,515	-
Unrestricted	42,602,383	1,381,050	43,983,433	62,346,331
Total Net Position	\$ 581,841,071	\$ 1,381,050	\$ 583,222,121	\$ 550,116,565

The accompanying notes are an integral part of this statement.

# TAMPA PORT AUTHORITY

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED SEPTEMBER 30, 2016 (WITH SUMMARIZED FINANCIAL INFORMATION TOTAL FOR 2015)

	Primary	Component	Total Reporting Entity	
	Government	Unit		
	Tampa Port	Tampa Bay	2016	2015
	Authority	International		
		Terminals, Inc.		
Operating Revenues:				
Port usage fees	\$ 36,793,314	\$ -	\$ 36,793,314	\$ 38,975,288
Land and buildings leases	11,751,959	-	11,751,959	11,551,020
Other operating revenues	662,881	52,564	715,445	797,924
Total Operating Revenues	49,208,154	52,564	49,260,718	51,324,232
Operating Expenses:				
Personnel	14,738,380	-	14,738,380	13,476,511
Promotional	1,049,182	3,337	1,052,519	1,310,258
Administrative	13,180,729	56,238	13,236,967	13,583,503
Depreciation	24,063,231	-	24,063,231	23,676,974
Total Operating Expenses	53,031,522	59,575	53,091,097	52,047,246
Total Operating (Loss)	(3,823,368)	(7,011)	(3,830,379)	(723,014)
Non-operating Revenues (Expenses):				
Ad valorem taxes	11,064,672	-	11,064,672	10,944,745
Interest income	259,100	-	259,100	659,054
Other non-operating revenues	1,358,493	-	1,358,493	1,540,319
Tax credit certificate revenues	89,192	-	89,192	758,088
Interest expense	(2,999,046)	-	(2,999,046)	(4,217,488)
Amortization of bond premiums and discounts	119,202	-	119,202	655,430
Other non-operating expenses	(2,266,121)	-	(2,266,121)	(2,480,165)
Total Non-operating Revenues (Expenses)	7,625,492	-	7,625,492	7,859,983
Income before capital contributions	3,802,124	(7,011)	3,795,113	7,136,969
Capital and operating grants and contributions	29,310,443	-	29,310,443	17,097,810
Increase in net position	33,112,567	(7,011)	33,105,556	24,234,779
Total net position, beginning of year	548,728,504	1,388,061	550,116,565	525,881,786
Total net position, end of year	\$ 581,841,071	\$ 1,381,050	\$ 583,222,121	\$ 550,116,565

The accompanying notes are an integral part of this statement.

**TAMPA PORT AUTHORITY**  
**STATEMENT OF CASH FLOWS**

YEAR ENDED SEPTEMBER 30, 2016 (WITH SUMMARIZED FINANCIAL INFORMATION TOTAL FOR 2015)

	<b>Primary Government</b>	<b>Component Unit</b>	<b>Total Reporting Entity</b>	
	<b>Tampa Port Authority</b>	<b>Tampa Bay International Terminals, Inc.</b>	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities:</b>				
Received from customers	\$ 50,926,043	\$ 52,564	\$ 50,978,607	\$ 57,552,924
Payments to suppliers for goods and services	(11,331,873)	(60,647)	(11,392,520)	(14,256,146)
Payments to employees for services	(14,054,738)	-	(14,054,738)	(13,460,489)
Net cash provided by (used in) operating activities	<u>25,539,432</u>	<u>(8,083)</u>	<u>25,531,349</u>	<u>29,836,289</u>
<b>Cash flows from non-capital financing activities:</b>				
Ad valorem taxes received, net of fees paid	11,064,672	-	11,064,672	10,944,745
Payment of ad valorem taxes	(470,777)	-	(470,777)	(641,086)
Other non-capital financing activities	(347,659)	-	(347,659)	(261,246)
Net cash provided by non-capital financing activities	<u>10,246,236</u>	<u>-</u>	<u>10,246,236</u>	<u>10,042,413</u>
<b>Cash flows from capital and related financing activities:</b>				
Capital grants and contributions received	33,517,031	-	33,517,031	15,308,339
Acquisition and construction of capital assets	(69,645,241)	-	(69,645,241)	(39,171,870)
Principal payments on debt	(25,943,625)	-	(25,943,625)	(46,549,105)
Proceeds from issuance of debt	21,904,226	-	21,904,226	37,975,000
Proceeds from sale of capital assets	-	-	-	4,226
Interest payments on debt	(3,751,524)	-	(3,751,524)	(4,398,819)
Net cash used in capital and related financing activities	<u>(43,919,133)</u>	<u>-</u>	<u>(43,919,133)</u>	<u>(36,832,229)</u>

(Continued)

The accompanying notes are an integral part of this statement.

**TAMPA PORT AUTHORITY**  
**STATEMENT OF CASH FLOWS (CONTINUED)**

YEAR ENDED SEPTEMBER 30, 2016 (WITH SUMMARIZED FINANCIAL INFORMATION TOTAL FOR 2015)

	<b>Primary Government</b>	<b>Component Unit</b>	<b>Total Reporting Entity</b>	
	<b>Tampa Port Authority</b>	<b>Tampa Bay International Terminals, Inc.</b>	<b>2016</b>	<b>2015</b>
<b>Cash flows provided by investing activities:</b>				
Proceeds from (loss on) the sale of investments	-	-	-	2,595,633
Proceeds from repayment of notes receivable	706,697	-	706,697	660,693
Proceeds from repayment of capital lease receivable	655,510	-	655,510	655,510
Interest and dividends received	152,469	-	152,469	623,667
Net cash provided by investing activities	<u>1,514,676</u>	<u>-</u>	<u>1,514,676</u>	<u>4,535,503</u>
Net increase (decrease) in cash and cash equivalents	(6,618,789)	(8,083)	(6,626,872)	7,581,976
Cash and cash equivalents at beginning of year	<u>73,791,820</u>	<u>1,387,345</u>	<u>75,179,165</u>	<u>67,597,189</u>
Cash and cash equivalents at end of year	<u>\$ 67,173,031</u>	<u>\$ 1,379,262</u>	<u>\$ 68,552,293</u>	<u>\$ 75,179,165</u>
Cash and cash equivalents	\$ 60,094,258	\$ 1,379,262	\$ 61,473,520	\$ 68,177,810
Restricted cash and cash equivalents	<u>7,078,773</u>	<u>-</u>	<u>7,078,773</u>	<u>7,001,355</u>
	<u>\$ 67,173,031</u>	<u>\$ 1,379,262</u>	<u>\$ 68,552,293</u>	<u>\$ 75,179,165</u>

(Continued)

The accompanying notes are an integral part of this statement.

**TAMPA PORT AUTHORITY**  
**STATEMENT OF CASH FLOWS (CONTINUED)**

YEAR ENDED SEPTEMBER 30, 2016 (WITH SUMMARIZED FINANCIAL INFORMATION TOTAL FOR 2015)

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Total Reporting Entity</u>	
	<u>Tampa Port Authority</u>	<u>Tampa Bay International Terminals, Inc.</u>	<u>2016</u>	<u>2015</u>
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>				
Operating loss	\$ (3,823,368)	\$ (7,011)	\$ (3,830,379)	\$ (723,014)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	24,063,231	-	24,063,231	23,676,974
Net pension liability	937,683	-	937,683	(18,264)
(Increase) decrease in:				
Accounts receivable	176,038	-	176,038	1,066,472
Prepaid expenses and deposits	(214,627)	(1,889)	(216,516)	199,214
Increase (decrease) in:				
Accounts payable	3,112,665	817	3,113,482	438,401
Accrued liabilities	(254,041)	-	(254,041)	34,286
Unearned revenue	(746,747)	-	(746,747)	5,112,018
Deposits	2,288,598	-	2,288,598	50,202
Total adjustments	29,362,800	(1,072)	29,361,728	30,559,303
Net cash provided by operating activities	<u>\$ 25,539,432</u>	<u>\$ (8,083)</u>	<u>\$ 25,531,349</u>	<u>\$ 29,836,289</u>
<b>Supplemental schedule of noncash financing and investing activities:</b>				
Construction contracts and retainages payable	\$ (1,023,001)	\$ -	\$ (1,023,001)	\$ 1,604,359
Amortization of bond premiums and discounts	119,202	-	119,202	655,430
Gain (Loss) on disposal of capital asset	-	-	-	(37,514)
Amortization of deferred loss on refunding	275,425	-	275,425	275,426

The accompanying notes are an integral part of this statement.

# TAMPA PORT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

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### Note 1—Organization and reporting entity

*Financial Reporting Entity, Organization and Operations* - The Tampa Port Authority (the "Port Authority") and the Hillsborough Port District (the "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.

*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 Governmental Accounting Standards Board ("GASB") Statement No. 61, *The Financial Reporting Entity: Omnibus – an Amendment of GASB Statement No. 14 and No. 34*, 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; 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. 61, 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.

# TAMPA PORT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

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### **Note 1—Organization and reporting entity (continued)**

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. 61 are presented in a separate component unit column in the 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. Further information for TBIT may be obtained at the component unit's administrative offices, located at 1101 Channelside Drive, Tampa, Florida 33602.

### **Note 2—Summary of significant accounting policies**

*Basis of Presentation* - The basic financial statements include certain prior-year summarized information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles.

*Measurement Focus and Basis of Accounting* - The Port Authority's financial statements are presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). 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, deferred outflow of resources and liabilities associated with the operation of the fund are included on the Statement of Net Position. Fund equity is segregated into its net position components. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

*Cash and Cash Equivalents* - Cash consists of checking accounts, collectively designated as demand deposits. The Port Authority considers all highly liquid investments 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 FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

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### Note 2—Summary of significant accounting policies (continued)

*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. 72, *Fair Value Measurement and Applications* and investments are recorded at fair value or amortized cost.

*Accounts Receivable* - The Port Authority records accounts receivable at estimated net realizable value. Accordingly, accounts receivable are shown net of allowances for doubtful accounts. The Port Authority believes all receivables are fully collectible and as such, an allowance for doubtful accounts was not considered necessary at September 30, 2016.

*Capital Assets* - Capital assets include land, buildings, dredging, equipment and furnishings, 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 acquisition 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, 3 to 15 years for dredging, and 3 to 25 years for equipment and furnishings.

Additionally, assets/improvements abandoned by a lessee are recorded in capital assets at adjusted book value at the date of abandonment, with a corresponding adjustment to other nonoperating revenues.

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.

*Amortization* - Bond premiums and dredging are being amortized on a straight-line basis over the term of the related debt or period of benefit in the case of dredging.

*Restricted Assets* - The amounts reserved for bond debt service are legally restricted by bond indentures. The amount reserved for capital projects is legally restricted by a third party. When both restricted and unrestricted resources are available for use, it is the Port Authority's policy to use restricted resources first and then unrestricted resources when they are needed.

# TAMPA PORT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

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### Note 2—Summary of significant accounting policies (continued)

*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 .1650 mill (\$.1650 per \$1,000 value) ad valorem property tax during fiscal year 2016.

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 2016 is included in the accompanying financial statements since such taxes are collected to finance expenditures of the subsequent period.

*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.

*Use of Estimates* - The preparation of financial statements in accordance 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 revenues and expenses during the reporting period. Actual results could differ from those estimated.

*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 deferred outflow of resources in the accompanying statement of net position. The amount amortized, using the straight-line 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.

*Operating Revenues* - Total operating revenues of the Port Authority for the year ended September 30, 2016 amounted to approximately \$49 million, approximately 99% of which is made up of port usage fees and rental income comprised of port usage fees of approximately \$37 million (of which dockage, wharfage, and terminal operations are approximately \$33 million) and rental income of approximately \$12 million.

*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.

# TAMPA PORT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

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### **Note 2—Summary of significant accounting policies (continued)**

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 Authority 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 premiums, ad valorem tax payments and associated fees related to the collection of ad valorem tax receipts.

*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 \$902,849 were capitalized for the year ended September 30, 2016.

*Deferred Outflows/Inflows of Resources* - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense until that time. The Port Authority has three items that meet this criterion, an interest rate swap, deferred loss on refunding of debt, and pensions.

In addition to liabilities, the statement of financial net position and a separate section for deferred inflow of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Port Authority has one item that qualifies for reporting in this category, which are related to pensions.

*Pensions* - In the statement of net position, pension liabilities are recognized for the Port Authority's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS's and the HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, benefit payments (including refunds of employee contributions are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

# TAMPA PORT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

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### Note 3—Cash, cash equivalents, and investments

*Deposits* - The bank balance of the Port Authority's (primary government) deposits (unrestricted and restricted) was \$68,198,901 at September 30, 2016 and the book balance was \$67,000,837. For the component unit, the bank balance was \$1,374,487 at September 30, 2016 and the book balance of deposits was \$1,379,262. The difference between the book and bank amounts is due to outstanding checks and transfers, and deposits in transit in its demand accounts.

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.

Of the September 30, 2016 Port Authority's bank balance, \$250,000 was covered by the FDIC and \$67,948,901 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*.

For the component unit, deposits are maintained with a commercial bank, which is organized under the laws of the United States, and is insured by the FDIC up to \$250,000 for all accounts at each financial institution. At September 30, 2016, the component unit had cash and cash equivalent balances of \$1,124,487 in excess of these insured limits.

*Cash on Hand and Cash Equivalents* - The Port Authority had cash on hand in its petty cash funds totaling approximately \$13,000 at September 30, 2016. The component unit had \$0 cash on hand at September 30, 2016. The Port Authority had \$159,515 in a money market account at September 30, 2016.

*Investments* – Investments are reported at fair value or amortized cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 U.S. Government.
- c. Interest bearing time deposits or savings accounts in qualified public depositories, as defined in Florida Statute 280.02.

# TAMPA PORT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

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### Note 3—Cash, cash equivalents, and investments (continued)

- 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.
- 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).

The Port Authority’s investments at September 30, 2016 consisted of the following:

The Port Authority invests funds throughout the year with the Florida Prime Fund Investment Pool which is an investment pools administered by the Florida State Board of Administration (“FSBA”), under the regulatory oversight of the State of Florida.

Florida PRIME is a 2a7-like pool, which is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940, governing money market funds. Thus, this pool operates essentially as a money market fund. Florida PRIME has a Standard & Poor’s rating of AAAM at September 30, 2016 and is recorded at amortized cost. As of September 30, 2016, the Port Authority had a balance of \$306,386 in the Florida PRIME. The weighted days to maturity of the Florida PRIME at September 30, 2016 is 50 days. 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 Port Authority’s investment policy does not address the means of managing its exposure to changing interest rates and the effect on the fair value of its investments.

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

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**Note 3—Cash, cash equivalents, and investments (continued)**

All investment income, including changes in the fair value of investments, is reported as a part of interest income in the financial statements.

**Note 4—Notes receivable**

Notes receivable consist of the following at September 30, 2016:

Note receivable balance due from Tampa Bay Shipbuilding Company as of September 30, 2016; principal and interest payable monthly, beginning December 1, 2006 and ending on December 1, 2018

\$ 1,775,698

Less: due within one year

(755,901)

Non-current portion notes receivable

\$ 1,019,797

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

**Note 5—Capital assets**

A summary of changes in capital assets is as follows:

<u>Primary Government</u>	<u>October 1, 2015</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>September 30, 2016</u>
Capital assets not being depreciated					
Land	\$ 128,835,725	\$ -	\$ -	\$ -	\$ 128,835,725
Construction in progress	38,329,590	70,286,997	(50,995,645)		57,620,942
Total capital assets not depreciated	<u>167,165,315</u>	<u>70,286,997</u>	<u>(50,995,645)</u>	<u>-</u>	<u>186,456,667</u>
Capital assets being depreciated					
Buildings	169,061,839	-	2,401,967	-	171,463,806
Infrastructure	403,193,484	-	15,389,935	-	418,583,419
Dredging	84,466,760	-	7,153,385	-	91,620,145
Equipment and furnishings	17,265,502	1,284,094	26,050,358	(64,791)	44,535,163
Total capital assets depreciated	<u>673,987,585</u>	<u>1,284,094</u>	<u>50,995,645</u>	<u>(64,791)</u>	<u>726,202,533</u>
Less accumulated depreciation					
Buildings	57,267,489	4,794,937	-	-	62,062,426
Infrastructure	130,914,761	13,556,006	-	-	144,470,767
Dredging	63,693,732	3,997,626	-	-	67,691,358
Equipment and furnishings	12,229,181	1,714,662	-	(64,791)	13,879,052
Total accumulated depreciation	<u>264,105,163</u>	<u>24,063,231</u>	<u>-</u>	<u>(64,791)</u>	<u>288,103,603</u>
Total depreciable capital assets, net	<u>409,882,422</u>	<u>(22,779,137)</u>	<u>50,995,645</u>	<u>-</u>	<u>438,098,930</u>
Capital assets, net	<u>\$ 577,047,737</u>	<u>\$ 47,507,860</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 624,555,597</u>

Depreciation expense for the Tampa Port Authority (primary government) for the year ended September 30, 2016 was \$24,063,231. The Port Authority's construction in progress at September 30, 2016 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.

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

**Note 6—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 80 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 September 30,</u>	
2017	\$ 11,731,452
2018	11,562,527
2019	11,461,363
2020	11,405,181
2021	11,183,097
2022 to 2026	53,287,751
2027 to 2031	44,484,608
2032 to 2036	42,131,021
2037 to 2041	38,652,579
2042 to 2046	30,918,709
2047 to 2051	21,882,496
2052 to 2056	14,964,973
2057 to 2061	15,020,356
2062 to 2066	15,007,189
2067 to 2071	14,779,590
2072 to 2076	12,166,491
2077 to 2081	7,172,037
2082 to 2086	6,647,331
2087 to 2091	2,726,189
2092 to 2095	1,195,600
	<u>\$ 378,380,540</u>

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

**Note 7—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 at September 30, 2016 was \$1,091,072 and are included in accrued liabilities on the statement of net position. There was no accumulated vacation and sick leave for the component unit at September 30, 2016.

**Note 8—Bonds, notes and loans payable**

The following is long-term debt activity for the year ended September 30, 2016:

	<b>October 1, 2015</b>	<b>Additions</b>	<b>Deductions</b>	<b>September 30, 2016</b>	<b>Due Within One Year</b>
Revenue bonds, notes and loans	\$ 97,891,280	\$ 21,904,226	\$ 25,943,625	\$ 93,851,881	\$ 11,238,766
Premium	119,202	-	119,202	-	-
	<u>98,010,482</u>	<u>21,904,226</u>	<u>26,062,827</u>	<u>93,851,881</u>	<u>11,238,766</u>
Unearned revenue	6,292,328	5,720,059	6,466,806	5,545,581	4,589,621
Deposits	2,062,414	2,289,160	562	4,351,012	-
Derivative instrument liability	5,905,589	-	454,284	5,451,305	-
Other obligation	1,167,885	-	-	1,167,885	-
Net pension liability	7,727,435	4,815,571	-	12,543,006	-
Total	<u>\$ 121,166,133</u>	<u>\$ 34,729,016</u>	<u>\$ 32,984,479</u>	<u>\$ 122,910,670</u>	<u>\$ 15,828,387</u>

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

**Note 8—Bonds, notes and loans payable (continued)**

Debt maturities and related interest payments at September 30, 2016 consist of the following:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 11,238,766	\$ 3,075,377	\$ 14,314,143
2018	11,608,523	2,771,462	14,379,985
2019	12,000,168	2,437,295	14,437,463
2020	12,410,275	2,096,717	14,506,992
2021	5,367,646	1,785,977	7,153,623
2022-2026	26,301,680	5,472,286	31,773,966
2027-2031	9,305,047	1,819,916	11,124,963
2032-2035	5,619,776	523,999	6,143,775
Total	<u>\$ 93,851,881</u>	<u>\$ 19,983,029</u>	<u>\$ 113,834,910</u>

In 2001 the US Army Corps of Engineers (Corps) completed the dredge widening of the Ybor Turning Basin which allows a 1,200-foot turning circle for cruise ships to turn around near Cruise Terminals 2 and 3. The total cost of the project was \$11,678,849. As the local sponsor of this Federal project, the Port Authority was responsible for 25% of the project costs to be paid upon project close-out, plus 10% of the total cost to be paid over the next thirty (30) years. The amount outstanding under this Joint Participation Agreement with the Corps at September 30, 2016 is \$1,167,885.

The Port Authority entered into a revenue note with a bank in June 2008 for \$27,000,000 at an interest rate of 65% of the 1 month LIBOR, plus 87 basis points. The revenue note was used to retire the 1998 bonds and to terminate the existing synthetic forward refunding and is collateralized by a pledge and lien on gross revenues of the Port Authority. As a result of this debt, a deferred refunding loss of \$669,353 was recorded as a deferred outflow of resources on the statement of net position. This deferred loss is being amortized through 2023. The unamortized loss balance at September 30, 2016 was \$297,490. In conjunction with the 2008 revenue note, the Port Authority entered into an agreement whereby the Port Authority swaps the interest on the variable rate debt for a fixed interest rate of 3.86% (see further discussion of the interest rate swap agreement in Note 10). The amount outstanding at September 30, 2016 is \$18,500,000.

# TAMPA PORT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

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### Note 8—Bonds, notes and loans payable (continued)

In December 2011, the Port Authority entered into a revenue note, collateralized by a pledge and lien on gross revenues of the Port Authority, with a bank in the amount of \$8,857,100 at an interest rate of 3.11%, maturing in June 2027. The revenue note was used to retire the 2002B Revenue Bonds, which included bond principal of \$8,590,000 and a call premium of \$82,550. As a result of this debt, a deferred refunding loss of \$362,932 was recorded as a deferred outflow of resources on the statement of net position. This deferred loss is being amortized through 2027. The unamortized loss balance at September 30, 2016 was \$255,323. The amount outstanding at September 30, 2016 is \$6,497,655.

In April 2012, the Port Authority entered into a revenue note, collateralized by a pledge and lien on gross revenues of the Port Authority, with a bank in the amount of \$19,675,000 at an interest rate of 72% of the 1 month LIBOR, plus 88 basis points. The revenue note was used to retire the 2002A Revenue Bonds. As a result of this debt, a deferred refunding loss of \$335,674 was recorded as a deferred outflow of resources on the statement of net position. This deferred loss is being amortized through 2027. The unamortized loss balance at September 30, 2016 was \$227,855. In conjunction with the 2012 revenue note, the Port Authority entered into an agreement whereby the Port Authority swaps the interest on the variable rate debt for a fixed interest rate of 5.05% (see further discussion of the interest rate swap agreement in Note 10). The amount outstanding at September 30, 2016 is \$15,705,000.

In October 2014, the Port Authority obtained a loan through the State Infrastructure Bank loan program with the State of Florida Department of Transportation, as lender, in a principal amount of up to \$12,000,000, collateralized by a pledge and lien on gross revenues of the Port Authority, with interest accruing at 2.68%, and with final maturities ending through October 1, 2029. The Port Authority borrowed an additional \$6,487,880 under this loan during the year ended September 30, 2016. The amount outstanding on this loan at September 30, 2016 is \$7,712,880.

In March 2015, the Port Authority issued \$36,750,000 in revenue refunding note Series 2015, collateralized by a pledge and lien on gross revenues of the Port Authority, with an interest rate of 2.10%, and with final maturities ending through 2020. The Series 2015 note was issued to currently refund Series 2005A bonds. As a result of this debt, a deferred refunding loss of \$2,801,793 was recorded as a deferred outflow of resources on the statement of net position. This deferred loss is being amortized through 2020. The unamortized loss balance at September 30, 2016 was \$675,501. The net present value of the interest savings over the term of the bond results in an economic gain of approximately \$2,874,000. Additionally, the debt service savings approximated \$3,990,000. The amount outstanding at September 30, 2016 is \$30,020,000.

In March 2016, the Port Authority issued \$15,416,346 in revenue refunding note Series 2016, collateralized by a pledge and lien on all rents fees and charges or other income (excluding ad valorem tax) of the Port Authority, with an interest rate of 3.41%, and with final maturities ending through 2036. The Series 2016 note was issued to currently refund Series 2006 bonds. The net present value of the interest savings over the term of the bond results in an economic gain of approximately \$2,171,713. Additionally, the debt service savings approximated \$3,014,171. The amount outstanding at September 30, 2016 is \$15,416,346.

# TAMPA PORT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

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### Note 8—Bonds, notes and loans payable (continued)

*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.

*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 Position.

The principal balance due on bond issues defeased is as follows as of September 30, 2016:

Revenue Bonds, Series 1998 Term Bonds	\$	23,180,000
Revenue Bonds, Series 2002A Term Bonds		16,300,000
Revenue Bonds, Series 2002B Term Bonds		6,705,000
		<hr/>
	\$	46,185,000

### Note 9—Derivative instruments

During the year ended September 30, 2008, the Port Authority entered into a revenue note payable of \$27,000,000 which bears interest equal to 65% of one month LIBOR plus 87 basis points, and matures in 2023. At the closing of the loan, the Port Authority entered into an interest rate swap agreement whereby the Port Authority swaps their variable rate debt for a fixed interest rate of 3.86%. The swap will cover the entire principal amount of the 2008 revenue note and the term of the swap is equal to the term of the 2008 revenue note. The estimated negative fair value of the swap at September 30, 2016 is \$1,672,023.

During the year ended September 30, 2012, the Port Authority entered into a revenue note payable of \$19,675,000 which bears interest equal to 72% of one month LIBOR plus 88 basis points, and matures in 2027. At the closing of the loan, the Port Authority entered into an interest rate swap agreement whereby the Port Authority swaps their variable rate debt for a fixed interest rate of 5.05%. The swap will cover the entire principal amount of the 2012 revenue note and the term of the swap is equal to the term of the 2012 revenue note. The estimated negative fair value of the swap at September 30, 2016 is \$3,779,282.

# TAMPA PORT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

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### Note 9—Derivative instruments (continued)

*Fair Value* - Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value determinations, other than those measured using the Net Asset Value (“NAV”) as a practical expedient, are made based upon a hierarchy that prioritizes the inputs to valuation techniques. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Level 1 - Inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the Port Authority has the ability to access.

Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability, and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk

Because interest rates have continued to decline since the Port Authority entered into the swap agreements, the swap agreements have a negative fair value as of September 30, 2016, and as such, are presented as noncurrent liabilities in the accompanying statement of net position. The reported fair values are calculated using the marked-to-market method by an independent third party taking into account current interest rates and the credit worthiness of the counterparties and is therefore considered a level 3 investment.

*Credit Risk* - Because the swaps have a negative fair value, the Port Authority is exposed to the credit risk of the counterparties in the amount of the swap’s fair value. The 2008 swap counterparty has ratings of Baa3 (long-term) and P-2 (short-term) by Moody’s Investors Services and BBB+ (long-term) and A-2 (short-term) by Standard & Poor’s at September 2016. The 2012 swap counterparty has ratings of Aa2 (long-term) and P-1 (short-term) by Moody’s Investors Services and A (long-term) and A-1 (short-term) by Standard & Poor’s at September 2016.

*Basis Risk* - The Port Authority is exposed to basis risk because the variable rate payments payable to it are calculated on the basis of a percentage of LIBOR (a taxable rate index) and the Port Authority’s variable rate interest obligations on the bonds is determined in the tax-exempt market. Should the relationship between LIBOR and the tax-exempt market change and move to converge, or should the bonds trade at levels worse (higher in rate) in relation to the tax-exempt market, the Port Authority’s all in-costs would increase.

*Termination Risk* - The swaps do not contain any out of the ordinary termination events that would expose the Port Authority to significant termination risk.

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

*SEPTEMBER 30, 2016*

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**Note 9—Derivative instruments (continued)**

The following is a schedule of expected future interest payments required under the swap agreements as of September 30, 2016:

<b>Year Ending September 30,</b>	
2017	\$ 1,471,610
2018	1,315,863
2019	1,157,448
2020	999,112
2021	828,963
2021 to 2026	1,801,853
2027	<u>53,233</u>
	<u>\$ 7,628,082</u>

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

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**Note 10—Employee retirement plans**

*Florida Retirement System*

*General Information* - All of the Port Authority's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA").

As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the following:

State of Florida Division of Retirement  
Department of Management Services  
P.O. Box 9000  
Tallahassee, FL 32315-9000,  
Website: [www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications)

*Plan Description* - The FRS Pension Plan ("Pension Plan") is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees.

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

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**Note 10—Employee retirement plans (continued)**

*Benefits Provided* - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit.

For Pension Plan members enrolled before July 1, 2011:

1. **Regular** class members and retire at or after age 62 with at least six years of credited service (or 30 years of service regardless of age) are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits.
2. **Special Risk Administrative Support** class members and retire at or after age 55 with at least six years of credited service (or 25 years of service regardless of age) are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service.
3. **Special Risk** class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service (or with 25 years of service regardless of age) are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service.
4. **Senior Management Service** class members who retire at or after age 62 with at least six years of credited service (or 30 years of service regardless of age) are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service.
5. **Elected Officers'** class members who retire at or after age 62 with at least six years of credited service (or 30 years of service regardless of age) are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Pension Plan members enrolled after July 1, 2011 received the same as the above with the following differences.

1. The vesting requirement is extended from six years to eight years of credited service and increasing normal retirement to age 62 to 65 (or from 30 years to 33 years of service regardless of age) for Regular, Senior Management Service, and Elected Officers' class members.
2. The minimum years of credited service increased from 55 to 60 (or from 25 to 30 years of service regardless of age) for Special Risk and Special Risk Administrative Support class members.
3. Also, the final average compensation for all these members has increased from the five to eight years of highest salaries.

As provided in Section 121.101, Florida Statutes:

For members initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of- living adjustment is three percent per year.

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

**Note 10—Employee retirement plans (continued)**

If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent.

Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

*Contributions* - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year.

The employer contribution rates by job class for the periods from October 1, 2015 through June 30, 2016 and from July 1, 2016 through September 30, 2016, respectively, were as follows:

<b>Job Class</b>	<b>10/1/15- 6/30/16</b>	<b>7/1/16- 9/30/16</b>
Regular	7.26%	7.52%
Special Risk Administrative Support	32.95%	28.06%
Special Risk	22.04%	22.57%
Senior Management Service	21.43%	21.77%
Elected Officers	42.27%	42.47%
DROP participants	12.88%	12.99%

These employer contribution rates include 1.66% and 1.66% HIS Plan subsidy for the periods October 1, 2015 through June 30, 2016 and from July 1, 2016 through September 30, 2016, respectively.

The Port Authority's contributions to the Pension Plan totaled \$856,963 the fiscal year ended September 30, 2016.

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

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**Note 10—Employee retirement plans (continued)**

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* - At September 30, 2016, the Port Authority reported a liability of \$8,434,086 for its proportionate share of the net pension liability as of September 30, 2016. The net pension liability for each fiscal year was measured as of June 30, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation in each year as of July 1. The Port Authority's proportionate share of the net pension liability was based on the Port Authority's contributions relative to the same fiscal year contributions of all participating members of the Board. The Port Authority's proportionate share is indicated below.

	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>Decrease</u>
Port Authority's proportionate share	0.033402%	0.033569%	-0.000167%

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

**Note 10—Employee retirement plans (continued)**

For the fiscal year ended September 30, 2016, the Port Authority recognized pension expense of \$709,636. In addition, the Port Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 645,779	\$ 78,527
Change of assumptions	510,237	-
Net difference between projected and actual earnings on Pension Plan investments	2,180,109	-
Changes in proportion and differences between Port Authority FRS contributions and proportionate share of contributions	1,059,144	19,772
Port Authority FRS contributions subsequent to the measurement date	254,061	-
Total	<u>\$ 4,649,330</u>	<u>\$ 98,299</u>

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

**Note 10—Employee retirement plans (continued)**

The deferred outflows of resources related to the Pension Plan, totaling \$254,061 resulting from the Port Authority's contributions to the Pension Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2017	\$ 591,886
2018	591,886
2019	1,713,011
2020	1,172,372
2021	172,441
Thereafter	55,376

*Actuarial Assumptions.* The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases, average, including inflation	3.25%
Investment rate of return, net of pension plan investment expense, including inflation	7.60%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

**Note 10—Employee retirement plans (continued)**

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation (1)</b>	<b>Annual Arithmetic Return</b>	<b>Compound Annual (Geometric) Return</b>	<b>Standard Deviation</b>
Cash	1.0%	3.0%	3.0%	1.7%
Fixed income	18.0%	4.7%	4.6%	4.6%
Global equity	53.0%	8.1%	6.8%	17.2%
Real estate (property)	10.0%	6.4%	5.8%	12.0%
Private equity	6.0%	11.5%	7.8%	30.0%
Strategic investments	12.0%	6.1%	5.6%	11.1%
Total	100.0%			
Assumed inflation - Mean		2.6%		1.9%

Note: (1) As outlined in the Plan's investment policy

*Discount Rate* - The discount rate used to measure the total pension liability was 7.60%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

**Note 10—Employee retirement plans (continued)**

*Sensitivity of the Port Authority's Proportionate Share of the Net Position Liability to Changes in the Discount Rate* - The following presents the Port Authority's proportionate share of the net pension liability calculated using the discount rate of 7.60 percent, as well as what the Port Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.60 percent) or 1-percentage-point higher (8.60 percent) than the current rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(6.60%)</b>	<b>Discount Rate</b>	<b>(8.60%)</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Port Authority's proportionate share of the net pension liability	\$ 15,527,727	\$ 8,434,086	\$ 2,529,570

*Pension Plan Fiduciary Net Position* - Detailed information about the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

*Payables to the Pension Plan* - At September 30, 2016, the Port Authority reported no payables for the outstanding amount of contributions to the Pension Plan required for the fiscal year ended September 30, 2016.

*HIS Pension Plan*

*Plan Description* - The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

*Benefits Provided* - For the fiscal year ended September 30, 2016, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

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**Note 10—Employee retirement plans (continued)**

*Contributions* - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2016, the HIS contribution for the period October 1, 2015 through June 30, 2016 and from July 1, 2016 through September 30, 2016 was 1.66% and 1.66%, respectively. The System contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Port Authority's contributions to the HIS Plan totaled \$189,107 for the fiscal year ended September 30, 2016.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* - At September 30, 2016, the Port Authority reported a net pension liability of \$4,108,920 for its proportionate share of the HIS Plan's net pension liability. The net pension liability for each fiscal year was measured as of June 30, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation in each year as of July 1. The Port Authority's proportionate share of the net pension liability was based on the Port Authority's contributions relative to the same fiscal year contributions of all participating members of the Board. At September 30, 2016, the Port Authority's proportionate share was is indicated below:

	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>Increase</u>
Port Authority's proportionate share	0.035256%	0.033256%	0.002000%

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

**Note 10—Employee retirement plans (continued)**

For the fiscal year ended September 30, 2016, the Port Authority recognized pension expense of \$228,050. In addition, the Port Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Reserouces</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 9,359
Change of assumptions	644,794	-
Net difference between projected and actual earnings on HIS pension plan investments	2,078	-
Changes in proportion and differences between Port Authority HIS contributions and proportionate share of contributions	381,742	16,086
Port Authority HIS contributions subsequent to the measurement date	48,165	-
Total	<u>\$ 1,076,779</u>	<u>\$ 25,445</u>

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

**Note 10—Employee retirement plans (continued)**

The deferred outflows of resources related to the HIS Plan resulting from System contributions to the HIS Plan subsequent to the measurement date, totaling \$48,165, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

<u>Fiscal Year Ending</u> <u>September 30</u>	<u>Amount</u>
2017	\$ 179,633
2018	179,633
2019	179,011
2020	178,712
2021	154,613
Thereafter	131,567

*Actuarial Assumptions* - The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases, average, including inflation	3.25%
Municipal Bond Rate	
investment expense, including inflation	2.85%

Mortality rates were based on the Generational RP-2000 with Projected Scale BB tables.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

*Discount Rate* - The discount rate used to measure the total pension liability was 2.85%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

**Note 10—Employee retirement plans (continued)**

*Sensitivity of the Port Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* - The following presents the Port Authority's proportionate share of the net pension liability calculated using the discount rate of 2.85 percent, as well as what the Port Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.85 percent) or 1-percentage-point higher (3.85 percent) than the current rate:

	<u>1% Decrease</u> <u>(1.85%)</u>	<u>Current</u> <u>Discount</u> <u>Rate (2.85%)</u>	<u>1% Increase</u> <u>(3.85%)</u>
Port Authority's proportionate share of the net pension liability (asset)	\$4,713,864	\$ 4,108,920	\$ 3,606,848

*Pension Plan Fiduciary Net Position* - Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

*Payables to the Pension Plan* - At September 30, 2016, the Port Authority reported no payables for the outstanding amount of contributions to the HIS Plan.

*Investment Plan*

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Port Authority employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2015-16 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows:

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

**Note 10—Employee retirement plans (continued)**

<b>Job Class</b>	<b>10/1/15- 9/30/16</b>
Regular	6.30%
Special Risk Administrative Support	7.95%
Special Risk	14.00%
Senior Management Service	7.67%
County Elected Officers	11.34%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2016, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Port Authority.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Port Authority's Investment Plan pension expense totaled \$297,228 for the fiscal year ended September 30, 2016.

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

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**Note 11—Other Postemployment Benefits (OPEB)**

The Port Authority participates in the postemployment benefit plan administered by Hillsborough County, Florida (the “County”). Information related to the County OPEB plan follows:

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

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

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

**Note 11—Other Postemployment Benefits (OPEB) (continued)**

*Annual OPEB cost and net OPEB Obligation* - The actuary's estimate of the County's accrued OPEB liability, also known as the actuarial accrued liability, which approximates the present value of all future expected postemployment medical premiums, associated administrative costs and stipend payments (which are attributable to the past service of active and retired employees) was \$84.002 million at September 30, 2016. The County's annual OPEB cost, which is defined as annual OPEB expenses on an accrual basis, was \$6.141 million at September 30, 2016. The annual OPEB cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost (current and future benefits earned) each year and to amortize any unfunded actuarial liabilities over a period of time not to exceed thirty years. The County's estimated ARC for fiscal year 2016 was \$6.061 million. The net OPEB obligation, at the end of the year, is the net amount the County was obligated for at year-end and is equivalent to the annual OPEB cost for the fiscal year, plus the net OPEB obligation at the start of the fiscal year less contributions such as retiree claims and stipends paid by the County during the fiscal year. The inter-relationships between the ARC, annual OPEB cost, and net OPEB obligation are presented below:

	<u>Fiscal Year 2016</u>
Annual required contribution (ARC)	\$ 6,061,000
Interest on the NET OPEB obligation for fiscal year	563,000
Less amortization of Net OPEB obligation for fiscal year	(483,000)
Annual OPEB cost for fiscal year	<u>6,141,000</u>
Net OPEB obligation, beginning of year	13,333,000
Less contributions (claims paid, etc.) for fiscal year	<u>(5,930,000)</u>
Net OPEB obligation, end of year	<u>\$ 13,544,000</u>

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

**Note 11—Other Postemployment Benefits (OPEB) (continued)**

The County’s net OPEB obligation at September 30, 2016 was \$13.544 million. The net OPEB obligation increased from the prior year primarily due to higher health care costs expected for retirees as well as interest imputed on the net OPEB obligation since the County did not “fund” its OPEB liabilities (see next paragraph).

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 6,268,000	93%	\$ 12,915,000
2015	5,920,000	93%	13,333,000
2016	6,141,000	97%	13,544,000

*Funding Policy, Status and Progress* - In order for OPEB obligations to be considered funded under GASB Statement No. 45 an irrevocable trust fund must be used. Since that would be considered very restrictive, the County did not “fund” the net OPEB obligation, but instead chose to appropriate and set aside an amount approximating the net OPEB obligation in the Self-Insurance Internal Service Fund. Each fund was assessed its share of OPEB costs based on an allocation using the number of employees in the fund divided by the total number of County employees. Assessments were then placed in the Self-Insurance Internal Service Fund. Even though money set aside exceeded the net OPEB obligation, the County is not considered to have funded any of the obligation since an irrevocable trust fund was not used. It is the County’s intent to continue setting aside an amount equivalent to the annual OPEB cost in future years. The County, however, has no legal or contractual obligation to do so. The status of the plan as of September 30, 2016, was as follows:

	September 30, 2016
<b>Actuarial valuation date</b>	
Actuarial value of plan assets	\$ -
Actuarial accrued liability (AAL)	84,002,000
Unfunded actuarial accrued liability (UAAL)	84,002,000
Actuarial value of plan assets/AAL (funded ratio)	0%
Covered payroll (active plan members)	553,735,000
UAAL as percentage of covered payroll	15.2%

\* Although \$24.299 million were set aside in the County’s Self-Insurance Internal Service Fund to more than offset the County’s net OPEB obligation of \$13.544 million at September 30, 2016, the amount considered to be funded was zero since an irrevocable trust fund was not established.

# TAMPA PORT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

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### **Note 11—Other Postemployment Benefits (OPEB) (continued)**

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

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

The entry age normal actuarial cost method was used in the September 30, 2016 actuarial valuation. Other actuarial assumptions included a 4.0% discount rate, a 3.5% salary increase assumption, and an initial annual healthcare cost trend rate of 6.0% (5.0% post-Medicare) grading down 1% per year to an ultimate rate of 4.5%. The actuarial value of the County's assets was determined using the fair value of cash and investments at September 30, 2016. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period used by the County at September 30, 2016, was 30 years.

The Port Authority's share of the other post-employment benefits liability for the year ended September 30, 2016 is \$0.

### **Note 12—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 FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

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### **Note 12—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. The Port Authority has drawn down approximately \$61.7 million from its escrow account to fund such projects as of September 30, 2016.

### **Note 13—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 supplementary 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.

### **Note 14—Commitments and contingencies**

*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.

*Commitments* - The Tampa Port Authority had contractual commitments for various projects that amounted to approximately \$3.5 million as of September 30, 2016.

**TAMPA PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

*SEPTEMBER 30, 2016*

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**Note 15—General cargo terminal services**

In August 2012, the Port Authority and Ports America agreed to terminate the then-existing month to month agreement for general cargo terminal services and enter into a new two year agreement with a one year option. The business terms of this agreement were approved by the Port Authority Board of Commissioners and, since that time, both parties have been abiding by those terms until a final agreement is executed. These terms call for Ports America to provide all terminal equipment and operational related costs for the break bulk operations directly within the defined Concession Area including line handling, loading and unloading of cargo as well as other break bulk terminal operations customarily performed in comparable seaports. Ports America also agreed to reimburse Port Authority 12% of the gross revenues generated by Ports America on the first 250,000 tons of cargo and 10% of the gross revenues thereafter. Ports America reimbursed the Port Authority approximately \$448,000 under this agreement for the year ended September 30, 2016.

**Note 16—Subsequent events**

Subsequent events were evaluated through March 29, 2017, which is the date the financial statements were available to be issued. There are no subsequent events to disclose.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TAMPA PORT AUTHORITY****SCHEDULE OF SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY – FLORIDA RETIREMENT SYSTEM  
PENSION PLAN***YEAR ENDED SEPTEMBER 30, 2016*

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	<u>2016</u>	<u>2015</u>	<u>2014</u>
The Port Authority's proportion of the net pension liability	0.0334%	0.0336%	0.0334%
The Port Authority's proportionate share of the net pension liability	\$ 8,434,086	\$ 4,335,833	\$ 2,036,755
The Port Authority's covered-employee payroll	\$ 11,391,970	\$ 10,281,940	\$ 10,077,646
The Port Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	74%	42%	20%
FRS Plan fiduciary net position as a percentage of the total pension liability	85%	92%	96%

*Note: Data was unavailable prior to 2014.*

**TAMPA PORT AUTHORITY**  
**SCHEDULE OF CONTRIBUTIONS – FLORIDA RETIRMENT SYSTEM**

*YEAR ENDED SEPTEMBER 30, 2016*

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	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 856,963	\$ 1,041,840	\$ 984,116
Contributions in relation to the contractually required contribution	<u>856,963</u>	<u>1,041,840</u>	<u>984,116</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The Port Authority's covered-employee payroll	\$ 11,391,970	\$ 10,281,940	\$ 10,077,646
Contributions as a percentage of covered-employee payroll	8%	10%	10%

*Note: Data was unavailable prior to 2014.*

**TAMPA PORT AUTHORITY****SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY – HEALTH INSURANCE SUBSIDY PENSION PLAN***YEAR ENDED SEPTEMBER 30, 2016*

---

	<u>2016</u>	<u>2015</u>	<u>2014</u>
The Port Authority's proportion of the net pension liability	0.0353%	0.0333%	0.0335%
The Port Authority's proportionate share of the net pension liability	\$ 4,108,920	\$ 3,391,602	\$ 313,636
The Port Authority's covered-employee payroll	\$ 11,391,970	\$ 10,281,940	\$ 10,077,646
The Port Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	36%	33%	31%
HIS Plan fiduciary net position as a percentage of the total pension liability	7%	7%	7%

*Note: Data was unavailable prior to 2014.*

**TAMPA PORT AUTHORITY****SCHEDULE OF CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PENSION PLAN***YEAR ENDED SEPTEMBER 30, 2016*

---

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 189,107	\$ 170,680	\$ 167,289
Contributions in relation to the contractually required contribution	<u>189,107</u>	<u>170,680</u>	<u>170,680</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,391)</u>
The Port Authority's covered-employee payroll	\$ 11,391,970	\$ 10,281,940	\$ 10,077,646
Contributions as a percentage of covered-employee payroll	2%	2%	2%

*Note: Data was unavailable prior to 2014.*



PORT  
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PORT TAMPA BAY

STATISTICAL SECTION





## STATISTICAL SECTION

This part of the Tampa Port Authority comprehensive annual financial report presents detail 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 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 past few years.

1. Net Position by Component – Table 1
2. Changes in Fund Net Position – 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. Operating Revenue by Type and Related Averages – Table 3
2. Principal Revenue Sources and Revenue per Categories – Table 4
3. Wharfage Revenue and Dockage Revenue – Ten Largest 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 future debt.

1. Ratios of Outstanding Debt by Type – Table 8
2. Revenue Bond Coverage – Table 9
3. Summary of Surplus Port Revenues after Debt and Operating Costs – Table 10

## **STATISTICAL SECTION – Continued**

### **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 Demographic and Economic Statistics – Table 11
2. Hillsborough County, FL Principal Employers – Table 12
3. Hillsborough County, FL Property Tax Millage Rates – Table 13
4. Hillsborough County, FL Property Tax Payers – 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 Revenue by Activity – Table 15
2. Annual Cargo Tonnages and Passenger Count – Table 16
3. Capital Assets – Table 17
4. Staffing by Division/Department – Table 18

### **Other Port Financial Information:**

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

### **SEC Rule 15c2-12 Reporting:**

1. Port of Tampa Tonnage Distribution – Table 22
2. Port Usage Fees – Table 23
3. Summary of Leases of Principal Tenants – Table 24

**TAMPA PORT AUTHORITY**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Unaudited)**  
**(amounts in thousands)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Net Position at Year-End</b>										
Net investment in										
capital assets	\$ 319,218	\$ 324,479	\$ 353,335	\$ 377,444	\$ 381,604	\$ 401,589	\$ 431,713	\$ 457,966	\$ 480,769	\$ 532,160
Restricted	36,971	36,655	31,787	21,752	15,435	8,250	9,421	9,004	7,001	\$ 7,079
Unrestricted	<u>30,437</u>	<u>38,751</u>	<u>44,988</u>	<u>52,688</u>	<u>59,937</u>	<u>74,488</u>	<u>67,910</u>	<u>63,547</u>	<u>60,959</u>	<u>\$ 42,602</u>
<b>Total Net Position</b>	<b>\$ 386,626</b>	<b>\$ 399,885</b>	<b>\$ 430,110</b>	<b>\$ 451,884</b>	<b>\$ 456,976</b>	<b>\$ 484,327</b>	<b>\$ 509,044</b>	<b>\$ 530,517</b>	<b>\$ 548,729</b>	<b>\$ 581,841</b>

Note 1: Years 2007-2011 were not restated per GASB 65, see Note 17 fiscal year 2014 audited financial statement.

Note 2: Years prior to 2015 were not restated per GASB 68 and 71, see Note 17 fiscal year 2015 audited financial statement.

Table 2

**TAMPA PORT AUTHORITY**  
**Changes in Fund Net Position**  
**Last Ten Fiscal Years**  
**(Unaudited)**  
**(amounts in thousands)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Operating Revenue</b>										
Port Usage Fees	\$ 27,256	\$ 28,334	\$ 28,947	\$ 29,909	\$ 31,394	\$ 32,835	\$ 31,539	\$ 36,429	\$ 38,975	\$ 36,793
Land & Building Leases	8,125	9,442	9,662	9,504	9,595	9,934	11,725	11,226	11,551	11,752
Tenant Utilities	629	552	519	531	591	545	476	531	536	382
Other Port Operating Revenue	905	919	719	683	514	348	349	244	207	281
<b>Total Operating Revenue</b>	<b>\$ 36,915</b>	<b>\$ 39,247</b>	<b>\$ 39,847</b>	<b>\$ 40,627</b>	<b>\$ 42,094</b>	<b>\$ 43,662</b>	<b>\$ 44,089</b>	<b>\$ 48,430</b>	<b>\$ 51,269</b>	<b>\$ 49,208</b>
<b>Non-Operating Revenue</b>										
Operating Assistance Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3
Grants	13,991	3,604	20,062	10,523	4,041	21,438	17,941	14,057	17,098	29,307
Interest Income	5,253	3,281	1,730	1,472	1,032	2,058	2,398	498	659	259
Ad Valorem Tax Receipts	16,681	16,807	15,700	13,490	11,838	11,512	10,926	10,830	10,945	11,065
Other Non-Operating Income	1,229	1,773	3,558	6,732	1,827	1,336	1,757	4,414	2,953	1,567
<b>Total Non-Operating Revenue</b>	<b>\$ 37,154</b>	<b>\$ 25,465</b>	<b>\$ 41,050</b>	<b>\$ 32,217</b>	<b>\$ 18,738</b>	<b>\$ 36,344</b>	<b>\$ 33,022</b>	<b>\$ 29,799</b>	<b>\$ 31,655</b>	<b>\$ 42,201</b>
<b>Total Revenues</b>	<b>\$ 74,069</b>	<b>\$ 64,712</b>	<b>\$ 80,897</b>	<b>\$ 72,844</b>	<b>\$ 60,832</b>	<b>\$ 80,006</b>	<b>\$ 77,111</b>	<b>\$ 78,229</b>	<b>\$ 82,924</b>	<b>\$ 91,409</b>
<b>Operating Expenses</b>										
Personnel	\$ 8,912	\$ 9,407	\$ 10,089	\$ 10,580	\$ 10,378	\$ 10,512	\$ 10,690	\$ 12,880	\$ 13,477	\$ 14,738
Promotional	329	287	218	266	302	328	701	970	1,307	1,049
Administrative	12,195	12,849	12,560	11,895	13,063	12,792	12,868	14,257	13,534	13,181
Depreciation & Amortization Expense	14,450	16,536	17,714	19,047	20,296	21,327	21,049	20,619	23,677	24,063
<b>Total Operating Expenses</b>	<b>\$ 35,886</b>	<b>\$ 39,079</b>	<b>\$ 40,581</b>	<b>\$ 41,788</b>	<b>\$ 44,039</b>	<b>\$ 44,959</b>	<b>\$ 45,308</b>	<b>\$ 48,726</b>	<b>\$ 51,995</b>	<b>\$ 53,031</b>
<b>Non-Operating Expenses</b>										
Interest Expense	\$ 7,978	\$ 7,891	\$ 7,457	\$ 6,944	\$ 6,684	\$ 5,457	\$ 5,041	\$ 4,133	\$ 4,217	\$ 2,999
Bond Related Costs	463	218	215	214	205	-	-	-	-	-
Tax Collector/Property Appraiser	1,850	1,441	1,431	1,307	998	796	910	954	1,566	1,066
Other non-operating expense	1,025	2,823	987	817	763	1,444	1,135	981	914	1,200
<b>Total Non-Operating Expenses</b>	<b>\$ 11,316</b>	<b>\$ 12,373</b>	<b>\$ 10,090</b>	<b>\$ 9,282</b>	<b>\$ 8,650</b>	<b>\$ 7,697</b>	<b>\$ 7,086</b>	<b>\$ 6,068</b>	<b>\$ 6,697</b>	<b>\$ 5,265</b>
<b>Special Item</b>										
Settlement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,962	\$ -	\$ -
Effect of GASB 65	-	-	-	-	3,050	-	-	-	-	-
Total Special Items	\$ -	\$ -	\$ -	\$ -	\$ 3,050	\$ -	\$ -	\$ 1,962	\$ -	\$ -
<b>Total Expenses</b>	<b>\$ 47,202</b>	<b>\$ 51,452</b>	<b>\$ 50,671</b>	<b>\$ 51,070</b>	<b>\$ 55,739</b>	<b>\$ 52,656</b>	<b>\$ 52,394</b>	<b>\$ 56,756</b>	<b>\$ 58,692</b>	<b>\$ 58,296</b>
<b>Change in Fund Net Position</b>	<b>\$ 26,867</b>	<b>\$ 13,260</b>	<b>\$ 30,226</b>	<b>\$ 21,774</b>	<b>\$ 5,093</b>	<b>\$ 27,350</b>	<b>\$ 24,717</b>	<b>\$ 21,473</b>	<b>\$ 24,232</b>	<b>\$ 33,113</b>

Note: Years prior to 2015 were not restated per GASB 68 and 71, see Note 17 fiscal year 2015 audited financial statement.

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Operating Revenue:</b>										
Dockage										
Dockage - Cargo	\$ 4,771	\$ 4,449	\$ 4,112	\$ 4,313	\$ 4,413	\$ 4,451	\$ 5,051	\$ 4,887	\$ 5,599	\$ 5,813
Dockage - Cruise	792	780	808	784	908	1,057	954	997	1,092	1,032
Dockage - Other	673	658	660	967	571	645	488	592	901	659
Subtotal - Dockage	<u>\$ 6,236</u>	<u>\$ 5,887</u>	<u>\$ 5,580</u>	<u>\$ 6,064</u>	<u>\$ 5,892</u>	<u>\$ 6,153</u>	<u>\$ 6,493</u>	<u>\$ 6,476</u>	<u>\$ 7,592</u>	<u>\$ 7,504</u>
Wharfage										
Wharfage - Cargo	\$ 8,695	\$ 8,660	\$ 8,269	\$ 8,372	\$ 8,388	\$ 8,410	\$ 11,918	\$ 8,639	\$ 9,811	\$ 9,791
Wharfage - Cruise	4,449	4,463	4,669	4,690	5,105	5,698	5,271	6,650	6,614	6,371
Wharfage - Other (a)	874	2,587	2,891	5,140	4,648	4,154	2,285	9,125	9,772	8,706
Subtotal - Wharfage	<u>\$ 14,018</u>	<u>\$ 15,710</u>	<u>\$ 15,829</u>	<u>\$ 18,202</u>	<u>\$ 18,141</u>	<u>\$ 18,262</u>	<u>\$ 19,474</u>	<u>\$ 24,414</u>	<u>\$ 26,197</u>	<u>\$ 24,868</u>
<b>Land &amp; Building Leases</b>	\$ 8,125	\$ 9,442	\$ 9,662	\$ 9,504	\$ 9,595	\$ 9,934	\$ 11,725	\$ 11,226	\$ 11,551	\$ 11,752
<b>Other Operating Revenue</b>	<u>\$ 8,536</u>	<u>\$ 6,208</u>	<u>\$ 8,776</u>	<u>\$ 6,857</u>	<u>\$ 8,466</u>	<u>\$ 9,313</u>	<u>\$ 6,397</u>	<u>\$ 6,314</u>	<u>\$ 5,929</u>	<u>\$ 5,084</u>
<b>Total Operating Revenue</b>	<u>\$ 36,915</u>	<u>\$ 39,247</u>	<u>\$ 39,847</u>	<u>\$ 40,627</u>	<u>\$ 42,094</u>	<u>\$ 43,662</u>	<u>\$ 44,089</u>	<u>\$ 48,430</u>	<u>\$ 51,269</u>	<u>\$ 49,208</u>
<b>Cargo Tonnage (to nearest thousand) (b)</b>	15,578	14,377	13,211	14,567	13,701	13,356	13,349	13,172	14,547	14,213
<b>Average Wharfage Revenue per Cargo Ton (whole \$)</b>	<u>\$ 0.56</u>	<u>\$ 0.60</u>	<u>\$ 0.63</u>	<u>\$ 0.57</u>	<u>\$ 0.61</u>	<u>\$ 0.63</u>	<u>\$ 0.89</u>	<u>\$ 0.66</u>	<u>\$ 0.67</u>	<u>\$ 0.69</u>
<b>Cruise Passengers (to nearest thousand)</b>	781	768	803	807	876	974	854	888	867	814
<b>Average Wharfage Revenue per Passenger (whole \$)</b>	<u>\$ 5.70</u>	<u>\$ 5.81</u>	<u>\$ 5.81</u>	<u>\$ 5.81</u>	<u>\$ 5.83</u>	<u>\$ 5.85</u>	<u>\$ 6.17</u>	<u>\$ 7.49</u>	<u>\$ 7.63</u>	<u>\$ 7.83</u>
<b>Berth linear feet</b>	11,855	11,855	12,855	16,655	17,235	17,235	18,435	18,435	18,435	19,435
<b>Average Dockage Revenue per Berth Linear Feet</b>	<u>\$ 526.02</u>	<u>\$ 496.58</u>	<u>\$ 434.07</u>	<u>\$ 364.09</u>	<u>\$ 341.86</u>	<u>\$ 357.01</u>	<u>\$ 352.21</u>	<u>\$ 351.29</u>	<u>\$ 411.83</u>	<u>\$ 386.11</u>
<b>Leased Acreage (actual in hundreds)</b>	1,290	1,290	1,285	1,270	1,260	1,310	1,287	1,287	1,305	1,305
<b>Average per Acre (whole \$)</b>	<u>\$ 6,298</u>	<u>\$ 7,319</u>	<u>\$ 7,519</u>	<u>\$ 7,483</u>	<u>\$ 7,615</u>	<u>\$ 7,583</u>	<u>\$ 9,110</u>	<u>\$ 8,723</u>	<u>\$ 8,851</u>	<u>\$ 9,005</u>

(a) Includes amounts collected in lieu of wharfage and product into and out of leased facilities by rail, truck, and pipeline.

(b) Includes tonnage handled through Tampa Port Authority-owned facilities only; private facility tonnage is excluded.

Table 4

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Port Usage Fees Revenues:</b>										
Dockage	\$ 6,236	\$ 5,887	\$ 5,580	\$ 6,064	\$ 5,892	\$ 6,154	\$ 6,493	\$ 6,476	\$ 7,592	\$ 7,504
Wharfage	13,144	13,123	12,938	13,357	13,508	14,135	13,939	15,326	16,468	16,212
Wharfage (in lieu of wharfage) (a)	874	2,587	2,891	3,723	4,633	4,127	5,535	9,088	9,729	8,657
Parking and related	5,431	4,976	5,892	5,208	5,659	5,896	4,935	4,901	4,297	3,693
Terminal Operations	1,288	1,409	1,361	1,357	1,490	1,744	411	405	607	448
Other Usage Fees	283	352	285	200	212	779	226	233	283	279
<b>Total Port Usage Fees</b>	<b>\$ 27,256</b>	<b>\$ 28,334</b>	<b>\$ 28,947</b>	<b>\$ 29,909</b>	<b>\$ 31,394</b>	<b>\$ 32,835</b>	<b>\$ 31,539</b>	<b>\$ 36,429</b>	<b>\$ 38,976</b>	<b>\$ 36,793</b>
<b>Percentage of Total Revenue</b>	<b>36.8%</b>	<b>43.8%</b>	<b>35.8%</b>	<b>41.1%</b>	<b>51.6%</b>	<b>41.0%</b>	<b>40.9%</b>	<b>46.6%</b>	<b>47.0%</b>	<b>40.3%</b>
<b>Land &amp; Building Leases:</b>										
Land & Building Leases	\$ 8,102	\$ 9,432	\$ 9,552	\$ 9,476	\$ 9,583	\$ 9,897	\$ 11,722	\$ 11,225	\$ 11,546	\$ 11,743
Cruise Terminal Rentals	23	5	110	13	12	37	3	1	5	9
Port Property Access Fees	-	5	-	15	-	-	-	-	-	-
<b>Total Land &amp; Building Leases</b>	<b>\$ 8,125</b>	<b>\$ 9,442</b>	<b>\$ 9,662</b>	<b>\$ 9,504</b>	<b>\$ 9,595</b>	<b>\$ 9,934</b>	<b>\$ 11,725</b>	<b>\$ 11,226</b>	<b>\$ 11,551</b>	<b>\$ 11,752</b>
<b>Percentage of Total Revenue</b>	<b>11.0%</b>	<b>14.6%</b>	<b>11.9%</b>	<b>13.0%</b>	<b>15.8%</b>	<b>12.4%</b>	<b>15.2%</b>	<b>14.4%</b>	<b>13.9%</b>	<b>12.9%</b>
<b>Tenant Utilities:</b>										
Tenant Water	\$ 25	\$ 23	\$ 17	\$ 16	\$ 17	\$ 17	\$ 19	\$ 35	\$ 19	37
Dockside Water	598	527	501	514	573	526	456	496	516	345
Electricity	6	2	1	2	1	2	1	-	-	-
<b>Total Tenant Utilities</b>	<b>\$ 629</b>	<b>\$ 552</b>	<b>\$ 519</b>	<b>\$ 532</b>	<b>\$ 591</b>	<b>\$ 545</b>	<b>\$ 476</b>	<b>\$ 531</b>	<b>\$ 535</b>	<b>\$ 382</b>
<b>Percentage of Total Revenue</b>	<b>0.8%</b>	<b>0.9%</b>	<b>0.6%</b>	<b>0.7%</b>	<b>1.0%</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.3%</b>
<b>Other Port Operating Revenue:</b>										
Work Permits	\$ 48	\$ 32	\$ 29	\$ 11	\$ 8	\$ 9	\$ 2	\$ 7	\$ 7	\$ 12
Fingerprinting/Badging	793	810	624	606	430	276	277	182	160	182
License Fees	64	77	66	65	76	63	70	55	40	47
Miscellaneous Revenue	-	-	-	-	-	-	-	-	-	40
<b>Total Other Port Operating Revenue</b>	<b>\$ 905</b>	<b>\$ 919</b>	<b>\$ 719</b>	<b>\$ 682</b>	<b>\$ 514</b>	<b>\$ 348</b>	<b>\$ 349</b>	<b>\$ 244</b>	<b>\$ 207</b>	<b>\$ 281</b>
<b>Percentage of Total Revenue</b>	<b>1.2%</b>	<b>1.4%</b>	<b>0.9%</b>	<b>0.9%</b>	<b>0.8%</b>	<b>0.4%</b>	<b>0.5%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.3%</b>
<b>Total Operating Revenue</b>	<b>\$ 36,915</b>	<b>\$ 39,247</b>	<b>\$ 39,847</b>	<b>\$ 40,627</b>	<b>\$ 42,094</b>	<b>\$ 43,662</b>	<b>\$ 44,089</b>	<b>\$ 48,430</b>	<b>\$ 51,269</b>	<b>\$ 49,208</b>
<b>Percentage of Total Revenue</b>	<b>49.8%</b>	<b>60.6%</b>	<b>49.3%</b>	<b>55.8%</b>	<b>69.2%</b>	<b>54.6%</b>	<b>57.2%</b>	<b>61.9%</b>	<b>61.8%</b>	<b>53.8%</b>

Continued

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Non-Operating Revenue:</b>										
Operating Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3
Capital Grants	13,991	3,604	20,062	10,523	4,041	21,438	17,941	14,057	17,098	29,308
Ad Valorem Tax Receipts	16,681	16,807	15,700	13,490	11,838	11,512	10,926	10,830	10,945	11,065
Interest, Unrestricted	4,544	2,634	1,073	1,030	533	746	2,040	201	426	94
Interest, Restricted	53	54	52	39	-	906	-	-	-	-
Interest, PAI Crane	-	-	76	140	121	92	83	62	41	19
Interest, TBIT & TBSB Notes	656	593	525	454	378	314	275	235	192	146
Other, TBIT & TBSB Notes	175	175	177	184	124	-	-	-	-	-
Dredge and Fill Income	57	79	1,362	247	475	-	179	2,958	517	201
Gain/Loss on Sale of Investment	100	-	-	-	-	-	-	-	-	-
Gain/Loss on Disposal of Capital Assets	(269)	95	19	(422)	-	8	12	43	(38)	10
Harbormaster Fees	696	978	891	864	822	845	820	895	913	888
Conference Donations	105	102	70	55	54	43	43	79	60	82
Amortization Premiums	276	275	274	270	264	266	234	270	655	119
Corporate Tax Credit						-	-	133	758	89
Other Miscellaneous Revenue	89	69	769	5,343	88	174	469	36	88	177
<b>Total Non-Operating Revenue</b>	<b>\$ 37,154</b>	<b>\$ 25,465</b>	<b>\$ 41,050</b>	<b>\$ 32,217</b>	<b>\$ 18,738</b>	<b>\$ 36,344</b>	<b>\$ 33,022</b>	<b>\$ 29,799</b>	<b>\$ 31,655</b>	<b>\$ 42,201</b>
<b>Percentage of Total Revenue</b>	<b>50.2%</b>	<b>39.4%</b>	<b>50.7%</b>	<b>44.2%</b>	<b>30.8%</b>	<b>45.4%</b>	<b>42.8%</b>	<b>38.1%</b>	<b>38.2%</b>	<b>46.2%</b>
<b>Total Revenue</b>	<b>\$ 74,069</b>	<b>\$ 64,712</b>	<b>\$ 80,897</b>	<b>\$ 72,844</b>	<b>\$ 60,832</b>	<b>\$ 80,006</b>	<b>\$ 77,111</b>	<b>\$ 78,229</b>	<b>\$ 82,924</b>	<b>\$ 91,409</b>

(a) Includes amounts collected in lieu of wharfage and product into and out of leased facilities by rail, truck, and pipeline

Table 5

**Tampa Port Authority  
Ten Largest Customers  
Current Fiscal Year and Nine Fiscal Years Prior  
(Unaudited)**

FY2016			FY2007		
Customer	Revenue	Percentage of Total Wharfage	Customer	Revenue	Percentage of Total Wharfage
Carnival Cruise Lines	\$ 3,682,953	14.8%	Carnival Cruise Lines	\$ 3,613,553	25.8%
Central Florida Pipeline	3,674,376	14.8%	Kinder Morgan	1,963,656	14.0%
Cemex Construction Materials Florida	2,004,993	8.1%	Ports America	1,034,590	7.4%
Transflo Terminal Services	1,693,865	6.8%	Transmontaigne, Inc.	760,652	5.4%
Royal Caribbean	1,580,556	6.4%	Trademark Metals	745,676	5.3%
Transmontaigne, Inc.	1,263,956	5.1%	Zimm Shipping Services	611,961	4.4%
Tarmac America	1,154,549	4.6%	Royal Caribbean	575,587	4.1%
Norwegian Cruise Line	1,107,936	4.5%	Vulcan Materials Company	552,797	3.9%
Vulcan Materials Company	923,656	3.7%	Martin Operating Partners	441,577	3.2%
Zim Israeli Navigation Company	884,297	3.6%	CF Industries	438,818	3.1%
Ten largest customers	17,971,137	72.4%	Ten largest customers	10,738,867	76.6%
Other	6,897,168	27.6%	Other	3,279,133	23.4%
Total Wharfage Revenue	<u>24,868,305</u>	<u>100.0%</u>	Total Wharfage Revenue	<u>14,018,000</u>	<u>100.0%</u>

FY2016			FY2007		
Customer	Revenue	Percentage of Total Dockage	Customer	Revenue	Percentage of Total Dockage
Central Florida Pipeline	\$ 1,730,044	23.1%	Kinder Morgan	\$ 1,039,437	16.7%
Ports America	526,455	7.0%	Ports America	791,008	12.7%
Royal Caribbean	455,712	6.1%	Carnival Cruise Lines	543,912	8.7%
Transmontaigne, Inc.	427,560	5.7%	Transmontaigne, Inc.	415,043	6.7%
Titan Florida	358,251	4.8%	Tarmac America	249,475	4.0%
Mosaic Crop Nutrition	356,360	4.7%	CF Industries	234,333	3.8%
Carnival Cruise Lines	328,138	4.4%	Martin Operating Partners	222,830	3.6%
Norwegian Cruise Line	248,102	3.3%	Martin Marietta	201,527	3.2%
Martin Marietta Aggregates	224,368	3.0%	Trademark Metals	176,993	2.8%
Gulf Coast Bulk Equipment	223,885	3.0%	Unavailable	-	0.0%
Ten largest customers	4,878,873	65.0%	Ten largest customers	3,874,558	62.2%
Other	2,625,592	35.0%	Other	2,361,442	37.8%
Total Dockage Revenue	<u>7,504,465</u>	<u>100.0%</u>	Total Dockage Revenue	<u>6,236,000</u>	<u>100.0%</u>

**TAMPA PORT AUTHORITY**  
**Revenue Rates**  
**Last Ten Fiscal Years**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>DOCKAGE RATES:</b>										
<b>Vessels, Barges &amp; Tug Boats:</b>										
0-199 ft	\$ 2.12	\$ 2.25	\$ 2.32	\$ 2.32	\$ 2.46	\$ 2.46	\$ 2.54	\$ 2.61	\$ 2.69	\$ 2.77
200-299	2.66	2.96	3.05	3.05	3.23	3.23	3.33	3.43	3.53	3.64
300-349	2.73	2.96	4.15	3.05	3.23	3.23	3.33	3.43	3.53	3.64
350-399	2.81	2.96	4.15	3.05	3.23	3.23	3.33	3.43	3.53	3.64
400-449	3.81	4.03	4.15	4.15	4.40	4.40	4.53	4.67	4.81	4.95
450-499	3.81	4.03	4.15	4.15	4.40	4.40	4.53	4.67	4.81	4.95
500-549	5.15	5.41	5.57	5.57	5.91	5.91	6.09	6.27	6.46	6.65
550-599	5.15	5.41	5.57	5.57	5.91	5.91	6.09	6.27	6.46	6.65
600-649	5.98	6.28	6.47	6.47	6.86	6.86	7.07	7.28	7.50	7.72
650-699	5.98	6.28	6.47	6.47	6.86	6.86	7.07	7.28	7.50	7.72
700-799	7.63	7.97	8.21	8.21	8.71	8.71	8.98	9.24	9.52	9.80
800-899	9.20	9.60	9.89	9.89	10.50	10.50	10.81	11.13	11.46	11.81
900 ft +	10.99	11.49	11.83	11.83	12.55	12.55	12.92	13.31	13.71	14.12
<b>Passenger Vessels:</b>										
0- 550 ft	4.49	4.49	4.49	4.49	4.49	4.49	4.49	4.49	4.71	4.85
551-600	6.32	6.32	6.32	6.32	6.32	6.32	6.32	6.32	6.64	6.84
601-650	6.53	6.53	6.53	6.53	6.53	6.53	6.53	6.53	6.86	7.07
651-700	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80	7.14	7.35
701-725	7.21	7.21	7.21	7.21	7.21	7.21	7.21	7.21	7.57	7.80
726-750	7.48	7.48	7.48	7.48	7.48	7.48	7.48	7.48	7.85	8.09
751 ft +	8.16	8.16	8.16	8.16	8.16	8.16	8.16	8.16	8.57	8.83

Continued

**TAMPA PORT AUTHORITY**  
**Revenue Rates**  
**Last Ten Fiscal Years**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>WHARFAGE RATES:</b>										
<b><u>General Cargo/Breakbulk:</u></b>										
All articles (not provided for below)	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.43	2.43
Automobiles (new)/each	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.22	4.22
Automobiles (used)/each	5.60	7.10	7.10	7.10	7.10	7.10	7.10	7.10	7.31	7.31
Livestock	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.33	4.33
Citrus & Citrus Products	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96	2.02	2.02
Containers (loaded)	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	2.03	2.03
USDA Bagged Goods (Public Law 480)	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.23	0.23
Citrus Concentrate (drums or tanks)	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.59	1.59
Cordage	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.72	1.72
Fertilizer (in bags)	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.79	1.79
Flour or Rice (in bags)	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.36	1.36
Forest Products	1.59	1.59	1.59	-	1.59	1.59	1.59	1.59	1.64	1.64
Lumber & Logs (per thousand board feet))	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.43	1.47	1.47
Frozen Meat and/or Poultry	2.29	2.29	2.29	2.29	2.29	2.29	2.29	2.29	2.36	2.36
Fruits and Vegetables (fresh)	2.02	2.02	2.02	2.02	2.02	2.02	2.02	2.02	2.08	2.08
Iron & Steel Articles	1.92	1.92	1.92	1.92	1.92	1.92	1.92	1.92	1.98	1.98
Iron & Steel Wire Coils and Reinforcing Rods	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.75	1.75
Mobile & Modular Homes (< 10,000 lbs) each	21.82	21.82	21.82	21.82	21.82	21.82	21.82	21.82	22.47	22.47
Mobile & Modular Homes (> 10,000 lbs) net ton	2.94	2.94	2.94	2.94	2.94	2.94	2.94	2.94	3.03	3.03
Paper Waste (in bales domestic moves only)	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.32	1.32
Project Cargo (weight or measurement)	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.43	2.43
Scrap Metal	2.39	2.39	2.39	2.39	2.39	2.39	2.39	2.39	2.46	2.46
USDA Public Law 480 (bagged goods)	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.42	0.42
USDA Products (chilled & frozen)	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.73	1.73
Vehicles (trucks, buses, tractors, etc.) net ton	2.21	2.21	2.21	2.21	2.21	2.21	2.21	2.21	2.28	2.28
Yachts & Boats (less than 25' LOA) (a)	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.08	1.08
Yachts & Boats (greater than 25' LOA) (a)	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.63	1.63

Continued

**TAMPA PORT AUTHORITY**  
**Revenue Rates**  
**Last Ten Fiscal Years**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b><u>Cruise Wharfage Rates (per passenger):</u></b>										
Passengers Embarking	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.75	7.00
Passengers Disembarking	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.75	7.00
Passengers in transit	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.75	7.00
<b><u>Bulk Cargo Wharfage Rates:</u></b>										
Aggregate (including pumice & slag)	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.78	0.78
Anhydrous Ammonia	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.386	0.386
Bulk, Dry N.O.S.	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.22	1.22
Bulk, Liquid N.O.S.	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.22	1.22
Caustic Soda	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.43	0.43
Cement	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.87	0.87
Citrus Concentrate, (via pipeline)	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.10	1.10
Citrus Pellets	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.41	0.41
Coal	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.68	0.68
Fertilizer, N.O.S.	0.245	0.245	0.245	0.245	0.245	0.245	0.245	0.245	0.252	0.252
Fly Ash	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.91	0.91
Grain, N.O.S.	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.43	0.43
Gypsum	0.59	0.59	0.59	0.59	0.59	0.59	0.59	0.59	0.61	0.61
Petroleum and Petroleum Products (per barrel)	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08
Petroleum (Bunkering) (per barrel)	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
Petroleum Coke	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.68	0.68
Phosphate Products (other than crude rock)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Phosphate Rock, (wet or dry)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Phosphoric Acid	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.41	0.41
Pomace	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.70	0.70
Potash	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.29	0.29
Salt	0.53	0.53	0.53	0.53	-	-	-	-	-	-
Sand	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.77	0.77
Seawater	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.27	0.27
Sulphur	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.41	0.41
Sulphuric Acid	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.43	0.43
Tallow	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.62	0.62

**TAMPA PORT AUTHORITY**  
**Top Ten Customers**  
**Current Fiscal Year and Nine Years Prior**  
**(Unaudited)**

2016				2007			
Customer	Type of Business	Revenue	Percent of Total Operating Revenue	Customer	Type of Business	Revenue	Percent of Total Operating Revenue
Central Florida Pipeline	Petroleum	\$ 5,678,670	11.5%	Carnival Cruise Lines	Cruise industry	\$ 6,808,319	18.4%
Carnival Cruise Lines	Cruise industry	5,304,403	10.8%	Kinder Morgan	Misc liquid bulk commodities	3,288,400	8.9%
Cemex Construction Materials	Cementitious and aggregate	2,945,484	6.0%	Ports America	Terminal operator for general cargo	3,174,843	8.6%
Royal Caribbean	Cruise industry	2,808,696	5.7%	Transmontaigne	Transports petroleum products	1,182,895	3.2%
Transmontaigne	Petroleum	2,101,405	4.3%	Trademark Metals	Scrap metal processing facility	1,086,252	2.9%
Transflo Terminal Services	Petroleum	2,026,913	4.1%	Royal Caribbean	Cruise industry	1,082,812	2.9%
Titan Florida	Cementitious and aggregate	1,818,148	3.7%	CF Industries	Anhydrous Ammonia, Grains	967,297	2.6%
Norwegian Cruise Line	Cruise industry	1,766,691	3.6%	Tampa Bay Shipbuilding	Ship repair operations	913,910	2.5%
Vulcan Materials	Limestone	1,539,383	3.1%	Vulcan Materials	Transport bulk cargo, limestone	824,900	2.2%
Ports America	Terminal operator for general cargo	1,382,374	2.8%	Martin Operating Partners	Misc liquid bulk commodities	781,807	2.1%
	Total top ten customers	27,372,167	55.6%		Total top ten customers	20,111,435	54.3%
	Others	21,835,987	44.4%		Others	16,810,605	45.7%
	Total Operating Revenue - FY2016	<u>\$ 49,208,154</u>	<u>100.0%</u>		Total Operating Revenue - FY2007	<u>\$ 36,922,040</u>	<u>100.0%</u>

Table 8

**TAMPA PORT AUTHORITY**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Revenue Bond/Notes	Refunding Revenue Bonds	Total	Percentage of Personal Income (1)	Per Capita (1)
2007	\$ 81,860,000	\$ 73,275,849	\$ 155,135,849	0.35%	\$ 134
2008	\$ 78,600,000	\$ 72,819,151	\$ 151,419,151	0.33%	\$ 128
2009	\$ 76,345,000	\$ 68,956,534	\$ 145,301,534	0.33%	\$ 121
2010	\$ 74,590,000	\$ 64,321,016	\$ 138,911,016	0.29%	\$ 114
2011	\$ 72,765,000	\$ 59,512,282	\$ 132,277,282	0.27%	\$ 107
2012	\$ 70,494,815	\$ 54,435,122	\$ 124,929,937	0.24%	\$ 99
2013	\$ 67,057,531	\$ 49,120,000	\$ 116,177,531	0.23%	\$ 91
2014	\$ 63,935,385	\$ 42,530,000	\$ 106,465,385	0.20%	\$ 84
2015	\$ 97,891,280	-	\$ 97,891,280	0.18%	\$ 77
2016	\$ 93,851,881	-	\$ 93,851,881	0.16%	\$ 72

(1) Refer to Table 11 for detail of population and per capita information.

Table 9

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

Fiscal Year	(a)	(b)	Net Revenue			(c)			(d)	(e)
	Gross Revenues	Operating Expenses	Available for Debt Service	Principal	Interest	Total	Coverage Ratio			
2007	\$ 43,178	\$ 21,436	\$ 21,742	\$ 6,155	\$ 7,979	\$ 14,134	1.54			
2008	\$ 43,626	\$ 22,543	\$ 21,083	\$ 5,468	\$ 7,674	\$ 13,142	1.60			
2009	\$ 44,018	\$ 22,867	\$ 21,151	\$ 6,725	\$ 7,276	\$ 14,001	1.51			
2010	\$ 43,233	\$ 22,741	\$ 20,492	\$ 6,424	\$ 6,993	\$ 13,417	1.53			
2011	\$ 43,829	\$ 23,743	\$ 20,086	\$ 6,723	\$ 6,691	\$ 13,414	1.50			
2012	\$ 44,895	\$ 23,632	\$ 21,263	\$ 6,422	\$ 6,141	\$ 12,563	1.69			
2013	\$ 46,875	\$ 24,259	\$ 22,616	\$ 8,837	\$ 5,780	\$ 14,617	1.55			
2014	\$ 52,148	\$ 28,107	\$ 24,041	\$ 9,116	\$ 5,202	\$ 14,318	1.68			
2015	\$ 53,288	\$ 28,318	\$ 24,970	\$ 8,574	\$ 4,760	\$ 13,334	1.87			
2016	\$ 49,923	\$ 28,968	\$ 20,955	\$ 4,039	\$ 3,626	\$ 7,665	2.73			

- (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 exclude depreciation, bond interest, amortization, and extraordinary losses. No adjustment has been made for payments made to other governments.
- (c) In FY2015, Tampa Port Authority Board approved the Master Junior Lien Resolution and an amendment to the 2014 State Infrastructure Bank Loan authorizing its move to a junior and subordinate lien position.
- (d) Debt service requirement does not include capitalization of interest, debt service on defeased bonds, nor amortized bond issue costs and discounts.
- (e) Net revenue available for debt service divided by total debt service requirements.

**TAMPA PORT AUTHORITY**  
**Summary of Surplus Port Revenues after Debt and Operating Costs**  
**Available for Capital Program**  
**Last Ten Fiscal Years**  
**(Unaudited)**  
**(amounts in thousands)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Operating Revenue</b>										
Port Usage Fees	\$ 27,256	\$ 28,334	\$ 28,947	\$ 29,909	\$ 31,394	\$ 32,835	\$ 31,539	\$ 36,429	\$ 38,975	\$ 36,793
Land & Building Leases	8,125	9,442	9,662	9,504	9,595	9,934	11,725	11,226	11,551	11,752
Tenant Utilities	629	552	519	531	591	545	476	531	536	\$ 382
Other Port Operating Revenue	905	919	719	683	514	348	349	244	207	281
<b>Total Operating Revenue</b>	<b>\$ 36,915</b>	<b>\$ 39,247</b>	<b>\$ 39,847</b>	<b>\$ 40,627</b>	<b>\$ 42,094</b>	<b>\$ 43,662</b>	<b>\$ 44,089</b>	<b>\$ 48,430</b>	<b>\$ 51,269</b>	<b>\$ 49,208</b>
<b>Non-Operating Revenue</b>										
Grants, Operating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3
Interest Income, Unrestricted	5,200	3,227	1,674	1,624	684	1,152	2,123	498	659	259
Other Non-Operating Income	1,063	1,152	2,497	982	1,051	81	663	3,220	1,360	453
<b>Total Non-Operating Revenue</b>	<b>\$ 6,263</b>	<b>\$ 4,379</b>	<b>\$ 4,171</b>	<b>\$ 2,606</b>	<b>\$ 1,735</b>	<b>\$ 1,233</b>	<b>\$ 2,786</b>	<b>\$ 3,718</b>	<b>\$ 2,019</b>	<b>\$ 715</b>
<b>Gross Revenue Available for Debt (a)</b>	<b>\$ 43,178</b>	<b>\$ 43,626</b>	<b>\$ 44,018</b>	<b>\$ 43,233</b>	<b>\$ 43,829</b>	<b>\$ 44,895</b>	<b>\$ 46,875</b>	<b>\$ 52,148</b>	<b>\$ 53,288</b>	<b>\$ 49,923</b>
<b>Less: Annual debt service requirement (b)</b>	<b>\$ 14,134</b>	<b>\$ 13,142</b>	<b>\$ 14,001</b>	<b>\$ 13,417</b>	<b>\$ 13,414</b>	<b>\$ 12,563</b>	<b>\$ 14,617</b>	<b>\$ 14,318</b>	<b>\$ 13,334</b>	<b>\$ 7,665</b>
<b>Net Revenue Available for payment of Operating Expenses:</b>	<b>\$ 29,044</b>	<b>\$ 30,484</b>	<b>\$ 30,017</b>	<b>\$ 29,816</b>	<b>\$ 30,415</b>	<b>\$ 32,332</b>	<b>\$ 32,258</b>	<b>\$ 38,714</b>	<b>\$ 39,954</b>	<b>\$ 42,258</b>
<b>Operating Expenses (c)</b>										
Personnel	\$ 8,912	\$ 9,407	\$ 10,089	\$ 10,580	\$ 10,378	\$ 10,512	\$ 10,690	\$ 12,880	\$ 13,477	\$ 14,738
Promotional	329	287	218	266	302	328	701	970	1,307	1,049
Administrative	12,195	12,849	12,560	11,895	13,063	12,792	12,868	14,257	13,534	13,181
<b>Total Operating Expenses</b>	<b>\$ 21,436</b>	<b>\$ 22,543</b>	<b>\$ 22,867</b>	<b>\$ 22,741</b>	<b>\$ 23,743</b>	<b>\$ 23,632</b>	<b>\$ 24,259</b>	<b>\$ 28,107</b>	<b>\$ 28,318</b>	<b>\$ 28,968</b>
<b>Surplus Port Revenues (d)</b>	<b>\$ 7,608</b>	<b>\$ 7,941</b>	<b>\$ 7,150</b>	<b>\$ 7,075</b>	<b>\$ 6,672</b>	<b>\$ 8,700</b>	<b>\$ 7,999</b>	<b>\$ 10,607</b>	<b>\$ 11,636</b>	<b>\$ 13,290</b>

(a) Gross revenue as defined in the Senior Lien Bond Resolution available to pay debt; excludes capital grants, ad valorem taxes, other revenue which is restricted to the Port's Capital Program.

(b) Debt service requirement excludes capitalization of interest, debt service on defeased bonds, nor amortized bond issue costs and discounts.

(c) Operating expenses exclude depreciation, bond interest, amortization, and extraordinary losses. No adjustment has been made to operating expense for payments to other governments.

(d) Surplus Port revenues represents excess Port revenues after debt service and operating expenses.

Note 1: Years 2007-2011 were not restated per GASB 65, see Note 17 fiscal year 2014 audited financial statement.

Table 11

**HILLSBOROUGH COUNTY, FLORIDA**  
**Demographic and Economic Statistics**  
**Last Ten Years**

<b>Year</b>	<b>Population</b>	<b>Personal Income</b> <i>(in thousands)</i>	<b>Personal Income Per Capita</b>	<b>Median Age</b>	<b>Public High School Graduation Rates</b>	<b>Total Public School Enrollment</b>	<b>Unemployment Rate</b>
2007	1,184,686	44,394,128	37,473	36	79.1%	193,062	4.0%
2008	1,196,773	45,385,156	37,923	36	80.0%	191,965	6.3%
2009	1,214,050	43,600,982	35,914	36	84.6%	193,239	10.7%
2010	1,233,373	47,339,654	38,382	35	84.4%	194,353	11.4%
2011	1,267,775	49,671,035	39,180	35	86.4%	200,074	10.5%
2012	1,247,440	51,109,828	40,972	36	86.4%	202,000	8.5%
2013	1,263,050	52,541,062	41,599	37	87.4%	202,885	7.0%
2014	1,279,560	55,155,924	43,105	36	73.5%	206,474	5.8%
2015	1,295,659	58,596,262	45,225	36	76.0%	209,840	5.1%
	(a) (c)	(a)	(a)	(c)	(b)	(c)	(c)

Sources: (a) U.S. Census Bureau, U.S. Department of Commerce Bureau of Economic Analysis  
(b) Hillsborough County, Florida Detailed Profile (<http://www.city-data.com/county/HillsboroughCounty-FL.html>)  
(c) Hillsborough County City-County Planning Commission ([HTTP://WWW.PLANHILLSBOROUGH.ORG](http://WWW.PLANHILLSBOROUGH.ORG))

Table 12

**HILLSBOROUGH COUNTY, FLORIDA**  
**Principal Employers**  
**Current Year and Nine Years Prior**

Employer	Type of Operation	2016			2007		
		Employees	%	Rank	Employees	%	Rank
Hillsborough County School Board	Public education	25,915	4.0%	1	25,220	4.3%	1
MacDill Air Force Base	Military base	18,853	2.9%	2	5,432	0.9%	6
Hillsborough County Government	Government	9,846	1.5%	3	11,169	1.9%	2
University of South Florida	Education services	8,968	1.4%	4	6,280	1.1%	5
Tampa General Hospital	Medical facilities	7,819	1.2%	5	5,000	0.9%	7
Tampa International Airport	International airport	7,000	1.1%	6	7,300	1.3%	4
Publix Super Markets, Inc.	Supermarkets	6,969	1.1%	7	4,832	0.8%	8
St. Joseph Hospital	Medical facilities	5,869	0.9%	8	4,111	0.7%	10
James A. Haley VA Hospital	Medical facilities	4,204	0.6%	9	4,087	0.7%	11
H. Lee Moffit Cancer Center	Medical facilities	4,200	0.6%	10	2,142	0.4%	19
HCA West Florida	Medical facilities	4,171	0.6%	11	-	0.0%	-
City of Tampa	Government	4,101	0.6%	12	4,700	0.8%	9
US Postal Service	Postal services	3,154	0.5%	13	3,645	0.6%	13
Tampa Electric Company	Electric utility	2,443	0.4%	14	3,211	0.6%	15
Total Principal Employers		113,512	17.4%		89,701	15.0%	
Other employers		538,907	82.6%		472,877	85.0%	
Total Hillsborough County employment		652,419	100.0%		582,784	100.0%	

Sources: Hillsborough County City-County Planning Commission  
 Florida Agency for Workforce Innovation, Labor Statistics  
 City of Tampa  
 Tampa Bay Partnership

Table 13

**TAMPA PORT AUTHORITY**  
**HILLSBOROUGH COUNTY, FLORIDA**  
**Property Tax Millage Rates for Direct and Overlapping Governments**  
**Last Ten Years**  
*(Millage Rates Rounded to Nearest Thousandth)*

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Countywide (BOCC):</b>										
BOCC General Revenue	5.745	5.744	5.742	5.741	5.739	5.737	5.736	5.734	5.732	5.732
BOCC Library Service	0.608	0.558	0.558	0.558	0.558	0.558	0.588	0.558	0.558	0.558
Environmentally sensitive lands (voted)	<u>0.060</u>									
Total millage	<u>6.413</u>	<u>6.362</u>	<u>6.360</u>	<u>6.359</u>	<u>6.358</u>	<u>6.355</u>	<u>6.384</u>	<u>6.352</u>	<u>6.350</u>	<u>6.351</u>
Maximum millage per statute (a)	<u>10.060</u>									
<b>Unincorporated Area (BOCC):</b>										
BOCC Municipal Service Taxing Unit	4.376	4.375	4.375	4.375	4.375	4.375	4.375	4.375	4.375	4.375
Parks and Recreation (voted)	<u>0.026</u>									
Total millage	<u>4.402</u>	<u>4.401</u>								
Maximum millage per statute (a)	<u>10.026</u>									
<b>Countywide (Other):</b>										
Tampa Port Authority	0.198	0.195	0.193	0.190	0.190	0.185	0.175	0.165	0.155	0.145
Southwest Florida Water Management District	0.387	0.387	0.387	0.377	0.393	0.393	0.382	0.366	0.349	0.332
School Board	7.523	7.777	7.692	7.592	7.913	7.877	7.690	7.353	7.247	6.906
Children's Board	0.463	0.500	0.500	0.500	0.500	0.500	0.483	0.459	0.459	0.459
<b>Unincorporated Area (Other)</b>										
Southwest Florida Water Management District (b):										
Alafia River Basin	0.216	0.216	0.216	0.216	0.216	0.000	0.000	0.000	0.000	0.000
Hillsborough River Basin	0.255	0.255	0.242	0.242	0.230	0.000	0.000	0.000	0.000	0.000
NW Hillsborough Basin	0.242	0.242	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Transit Authority	0.450	0.468	0.468	0.468	0.500	0.500	0.500	0.500	0.500	0.500
<b>Municipalities:</b>										
Tampa	5.733	5.733	5.733	5.733	5.733	5.733	5.733	5.733	5.733	5.733
Temple Terrace	4.569	4.569	5.283	5.283	6.150	6.430	6.430	6.305	6.995	7.205
Plant City	4.165	4.165	4.716	4.716	4.716	4.716	4.716	4.716	4.716	4.716
Total millage for unincorporated area within the Alafia River Basin excluding any special district assessments (for analysis only)	20.052	20.306	20.217	20.103	20.471	20.211	20.015	19.596	19.461	19.093

(a) Section 200.071, Florida Statutes, states that the maximum ad valorem tax millage for either the countywide or unincorporated area (municipal services taxing unit) of the BOCC is set at 10 mills plus any voted levies.

(b) Dependent on its location, property within Tampa may either be in the Alafia, the Hillsborough River, or the NW Hillsborough Watershed. Plant City property may be in either the Alafia or the Hillsborough River Basin.

During fiscal year 2009, the NW Hillsborough Basin was merged into the Hillsborough River Basin.

Source: Hillsborough County Tax Collector, [www.hillstax.org/tax/proptaxinfo.asp](http://www.hillstax.org/tax/proptaxinfo.asp)

Table 14

**HILLSBOROUGH COUNTY, FLORIDA**  
**Principal Property Taxpayers**  
**Current year and Nine Years Prior**  
*(amounts in thousands)*

Taxpayer	Type of Business	2016			2007		
		Taxes Levied	Rank	Percentage of Total Taxes Levied	Taxes Levied	Rank	Percentage of Total Taxes Levied
Tampa Electric Company	Electric utility	\$ 42,019	1	2.43%	\$ 40,472	1	2.13%
Verizon Communications Inc.	Telecommunications	14,253	2	0.82%	23,031	2	1.21%
Hillsborough County Aviation Authority	Airport	11,025	3	0.64%	12,035	3	0.63%
Post Apartment Homes LP	Real estate management	6,011	4	0.35%	4,692	7	0.25%
Mosaic Company	Mining, fertilizer minerals	5,501	5	0.32%	7,677	4	0.40%
Westfield	Shopping malls	5,434	6	0.31%	-	-	-
Liberty Property	Property management	4,791	7	0.28%	-	-	-
Highwoods/Florida Holding LP	Real estate management	4,700	8	0.27%	-	-	-
Wal-Mart	Retail stores	4,472	9	0.26%	4,802	6	0.25%
Camden Operating LP	Real estate	4,299	10	0.25%	6,127	5	0.32%
Glimcher LTD Partnership	Shopping malls	-	-	-	4,651	8	0.25%
Tampa Port Authority	Cargo/Cruise/Real Estate	-	-	-	4,438	9	0.23%
Teachers Insurance and Annuity Assoc.	Insurance	-	-	-	3,301	10	0.17%
		<u>\$ 102,505</u>		<u>5.93%</u>	<u>\$ 111,226</u>		<u>5.84%</u>

Source: Hillsborough County Tax Collector

Table 15

**TAMPA PORT AUTHORITY**  
**Schedule of Revenue by Activity**  
**Last Ten Fiscal Years**  
**(Unaudited)**  
**(amounts in thousands)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>PORT USAGE FEES, MAJOR CARGO CATEGORIES</b>										
<b>Bulk Cargo:</b>										
Dockage	\$ 3,699	\$ 3,686	\$ 3,470	\$ 3,754	\$ 3,800	\$ 3,705	\$ 4,282	\$ 4,048	\$ 4,740	\$ 5,086
Wharfage	6,165	6,079	5,632	6,423	6,157	5,968	6,341	6,261	7,272	7,414
<b>Subtotal, Bulk Cargo</b>	<b>\$ 9,864</b>	<b>\$ 9,765</b>	<b>\$ 9,102</b>	<b>\$ 10,177</b>	<b>\$ 9,957</b>	<b>\$ 9,673</b>	<b>\$ 10,623</b>	<b>\$ 10,309</b>	<b>\$ 12,012</b>	<b>\$ 12,500</b>
<b>Bulk Cargo Tonnage</b>	<b>14,266</b>	<b>13,144</b>	<b>12,116</b>	<b>13,706</b>	<b>12,722</b>	<b>12,194</b>	<b>12,318</b>	<b>12,142</b>	<b>13,517</b>	<b>13,180</b>
<b>Average Dockage &amp; Wharfage per Ton</b>	<b>\$ 0.69</b>	<b>\$ 0.74</b>	<b>\$ 0.75</b>	<b>\$ 0.74</b>	<b>\$ 0.78</b>	<b>\$ 0.79</b>	<b>\$ 0.86</b>	<b>\$ 0.85</b>	<b>\$ 0.89</b>	<b>\$ 0.95</b>
<b>General Cargo:</b>										
Dockage	\$ 1,072	\$ 763	\$ 642	\$ 559	\$ 613	\$ 746	\$ 769	\$ 839	\$ 859	\$ 727
Wharfage	2,530	2,581	2,637	1,949	2,232	2,442	2,327	2,378	2,538	2,378
<b>Subtotal, General Cargo</b>	<b>\$ 3,602</b>	<b>\$ 3,344</b>	<b>\$ 3,279</b>	<b>\$ 2,508</b>	<b>\$ 2,845</b>	<b>\$ 3,188</b>	<b>\$ 3,096</b>	<b>\$ 3,217</b>	<b>\$ 3,397</b>	<b>\$ 3,105</b>
<b>General Cargo Tonnage</b>	<b>1,312</b>	<b>1,235</b>	<b>1,095</b>	<b>863</b>	<b>968</b>	<b>1,162</b>	<b>1,068</b>	<b>1,030</b>	<b>1,030</b>	<b>1,033</b>
<b>Average Dockage &amp; Wharfage per Ton</b>	<b>\$ 2.75</b>	<b>\$ 2.71</b>	<b>\$ 2.99</b>	<b>\$ 2.91</b>	<b>\$ 2.94</b>	<b>\$ 2.74</b>	<b>\$ 2.90</b>	<b>\$ 3.12</b>	<b>\$ 3.30</b>	<b>\$ 3.01</b>
<b>Cruise:</b>										
Dockage	\$ 792	\$ 780	\$ 808	\$ 784	\$ 900	\$ 1,057	\$ 954	\$ 997	\$ 1,092	\$ 1,032
Wharfage	4,449	4,463	4,669	4,690	5,105	5,698	5,271	6,650	6,614	6,371
<b>Subtotal, Cruise / Passengers</b>	<b>\$ 5,241</b>	<b>\$ 5,243</b>	<b>\$ 5,477</b>	<b>\$ 5,474</b>	<b>\$ 6,005</b>	<b>\$ 6,755</b>	<b>\$ 6,225</b>	<b>\$ 7,647</b>	<b>\$ 7,706</b>	<b>\$ 7,403</b>
<b>Passenger Count (a)</b>	<b>781</b>	<b>768</b>	<b>803</b>	<b>807</b>	<b>876</b>	<b>974</b>	<b>854</b>	<b>888</b>	<b>867</b>	<b>814</b>
<b>Average Dockage &amp; Wharfage per Passenger</b>	<b>\$ 6.71</b>	<b>\$ 6.83</b>	<b>\$ 6.82</b>	<b>\$ 6.78</b>	<b>\$ 6.86</b>	<b>\$ 6.94</b>	<b>\$ 7.29</b>	<b>\$ 8.61</b>	<b>\$ 8.89</b>	<b>\$ 9.09</b>
<b>Combined Dockage &amp; Wharfage Major Cargo Category:</b>										
Bulk Cargo	\$ 9,864	\$ 9,765	\$ 9,102	\$ 10,177	\$ 9,957	\$ 9,673	\$ 10,623	\$ 10,309	\$ 12,012	\$ 12,500
General Cargo	3,602	3,344	3,279	2,508	2,845	3,188	3,096	3,217	3,397	3,105
Cruise	5,241	5,243	5,477	5,474	6,005	6,755	6,225	7,647	7,706	7,403
<b>Total Combined Dockage &amp; Wharfage Major Cargo</b>	<b>\$ 18,707</b>	<b>\$ 18,352</b>	<b>\$ 17,858</b>	<b>\$ 18,159</b>	<b>\$ 18,807</b>	<b>\$ 19,616</b>	<b>\$ 19,944</b>	<b>\$ 21,173</b>	<b>\$ 23,115</b>	<b>\$ 23,008</b>

Continued

Table 15

**TAMPA PORT AUTHORITY**  
**Schedule of Revenue by Activity**  
**Last Ten Fiscal Years**  
**(Unaudited)**  
**(amounts in thousands)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>OTHER PORT USAGE FEES:</b>										
Dockage/wharfage, non-cargo related	\$ 673	\$ 658	\$ 660	\$ 967	\$ 579	\$ 645	\$ 488	\$ 629	\$ 945	\$ 708
In lieu of Wharfage, (shortfalls, product via rail, truck)	859	2,587	2,891	3,723	4,647	4,147	5,535	9,088	9,729	8,657
Parking and related	5,431	4,976	5,892	5,208	5,659	5,896	4,935	4,901	4,297	3,693
Terminal Operations	1,288	1,409	1,361	1,357	1,490	2,268	411	405	607	448
Other Usage Fees	283	352	285	495	212	263	226	233	283	279
<b>Total Other Port Usage Fees:</b>	<u>\$ 8,534</u>	<u>\$ 9,982</u>	<u>\$ 11,089</u>	<u>\$ 11,750</u>	<u>\$ 12,587</u>	<u>\$ 13,219</u>	<u>\$ 11,595</u>	<u>\$ 15,256</u>	<u>\$ 15,861</u>	<u>\$ 13,785</u>
<b>PORT USAGE FEES, TOTAL</b>	<u>\$ 27,241</u>	<u>\$ 28,334</u>	<u>\$ 28,947</u>	<u>\$ 29,909</u>	<u>\$ 31,394</u>	<u>\$ 32,835</u>	<u>\$ 31,539</u>	<u>\$ 36,429</u>	<u>\$ 38,976</u>	<u>\$ 36,793</u>
<b>LAND &amp; BUILDING LEASES</b>	<u>\$ 8,125</u>	<u>\$ 9,442</u>	<u>\$ 9,662</u>	<u>\$ 9,504</u>	<u>\$ 9,595</u>	<u>\$ 9,934</u>	<u>\$ 11,725</u>	<u>\$ 11,226</u>	<u>\$ 11,551</u>	<u>\$ 11,752</u>
<b>OTHER OPERATING:</b>										
Tenant Utilities	\$ 582	\$ 553	\$ 520	\$ 532	\$ 591	\$ 545	\$ 476	\$ 531	\$ 535	\$ 382
Fingerprinting/Badging	841	810	624	606	430	275	277	182	160	182
Other Port Operating	112	108	94	76	84	73	72	62	47	99
<b>Total Other Operating Revenue</b>	<u>\$ 1,535</u>	<u>\$ 1,471</u>	<u>\$ 1,238</u>	<u>\$ 1,214</u>	<u>\$ 1,105</u>	<u>\$ 893</u>	<u>\$ 825</u>	<u>\$ 775</u>	<u>\$ 742</u>	<u>\$ 663</u>
<b>TOTAL OPERATING REVENUE</b>	<u>\$ 36,901</u>	<u>\$ 39,247</u>	<u>\$ 39,847</u>	<u>\$ 40,627</u>	<u>\$ 42,094</u>	<u>\$ 43,662</u>	<u>\$ 44,089</u>	<u>\$ 48,430</u>	<u>\$ 51,269</u>	<u>\$ 49,208</u>

(a) Source: Tampa Port Authority statistics

Table 16

<b>TAMPA PORT AUTHORITY</b>										
<b>Annual Cargo Tonnages and Passenger Count</b>										
<b>Last Ten Fiscal Years</b>										
<b>(amounts in thousands)</b>										
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>DRY BULK CARGO</b>										
Cement, Bulk	666	345	115	99	87	85	182	99	181	362
Citrus Pellets	138	138	103	94	96	71	86	43	35	9
Coal	216	0	0	0	0	0	0	0	0	0
Granite Rock, Bulk	604	977	1,204	968	1,014	854	734	653	584	602
Limestone	1,676	1,136	542	816	575	887	1,415	1,838	2,201	2,122
Phosphatic Chemical, Bulk	1,103	1,108	1,349	1,230	1,280	1,375	1,227	1,318	1,318	901
Other Dry Bulk	157	147	198	243	221	160	119	194	245	516
<b>TOTAL DRY BULK CARGO:</b>	<b>4,560</b>	<b>3,851</b>	<b>3,511</b>	<b>3,450</b>	<b>3,273</b>	<b>3,432</b>	<b>3,763</b>	<b>4,145</b>	<b>4,564</b>	<b>4,512</b>
<b>LIQUID BULK CARGO</b>										
Ammonia, Anhydrous	402	434	410	502	589	444	551	441	445	390
Concentrate & Citrus, Bulk	65	77	52	67	47	85	179	88	103	83
Petroleum Products	7,720	7,145	6,959	8,093	7,649	7,150	6,794	6,496	7,031	7,173
Sulphur, Liquid	1,329	1,321	922	1,244	1,008	929	888	885	1,145	771
Sulphuric Acid	108	219	179	271	96	88	53	12	65	63
Other Liquid Bulk	82	97	83	79	60	66	90	75	164	188
<b>TOTAL LIQUID BULK CARGO:</b>	<b>9,706</b>	<b>9,293</b>	<b>8,605</b>	<b>10,256</b>	<b>9,449</b>	<b>8,762</b>	<b>8,555</b>	<b>7,997</b>	<b>8,953</b>	<b>8,668</b>
<b>TOTAL BULK CARGO:</b>	<b>14,266</b>	<b>13,144</b>	<b>12,116</b>	<b>13,706</b>	<b>12,722</b>	<b>12,194</b>	<b>12,318</b>	<b>12,142</b>	<b>13,517</b>	<b>13,180</b>
<b>GENERAL CARGO</b>										
Containerized	297	364	397	304	311	342	363	415	487	440
Forest Products	3	8	1	0	0	0	0	0	0	0
General Cargo	19	34	24	10	3	18	16	12	6	14
Reefer Cargo	17	35	32	0	0	0	0	0	0	0
Scrap Metal	577	594	535	495	562	642	476	353	177	331
Steel Products	338	154	85	37	80	151	204	245	356	247
Vehicles (in tons)	61	46	21	17	12	9	9	5	4	1
<b>TOTAL GENERAL CARGO:</b>	<b>1,312</b>	<b>1,235</b>	<b>1,095</b>	<b>863</b>	<b>968</b>	<b>1,162</b>	<b>1,068</b>	<b>1,030</b>	<b>1,030</b>	<b>1,033</b>
<b>TOTAL BULK AND GENERAL:</b>	<b>15,578</b>	<b>14,379</b>	<b>13,211</b>	<b>14,569</b>	<b>13,690</b>	<b>13,356</b>	<b>13,386</b>	<b>13,172</b>	<b>14,547</b>	<b>14,213</b>
<b>TOTAL TEUs (actual, includes empties)</b>	<b>39,435</b>	<b>43,892</b>	<b>48,788</b>	<b>44,000</b>	<b>39,632</b>	<b>39,882</b>	<b>42,198</b>	<b>47,265</b>	<b>56,742</b>	<b>49,714</b>
<b>TOTAL CRUISE PASSENGERS</b>	<b>781</b>	<b>768</b>	<b>803</b>	<b>807</b>	<b>876</b>	<b>974</b>	<b>854</b>	<b>888</b>	<b>867</b>	<b>814</b>
<b>TOTAL # OF SAILINGS (Actual)</b>	<b>193</b>	<b>178</b>	<b>185</b>	<b>187</b>	<b>199</b>	<b>213</b>	<b>187</b>	<b>198</b>	<b>206</b>	<b>180</b>

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

Source: Tampa Port Authority statistics

Table 17

**TAMPA PORT AUTHORITY**  
**Capital Assets**  
**Last Ten Fiscal Years**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>CHANNEL WIDTH (feet)</b>										
East Bay Channel	400	400	400	400	400	400	400	400	400	400
Ybor Channel	400	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)	34/41	34/41	34/41	34/41	34/41	34/41	34/41	34/41	34/41	34/41
Eastbay Channel (a)	34/41	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	41	41	41	41	41	41	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)	34	34	34	34	34	34	34	34	34	34
<b>BERTHING SPACE</b>										
Wharf (linear feet)	11,855	11,855	12,855	16,655	17,235	17,235	18,435	18,435	18,435	19,435
Number of Berths	59	59	60	64	67	67	72	72	72	73
<b>TOTAL LAND (acres)</b>										
Port Owned/Usable - Estimated	2,454	2,454	2,454	2,485	2,485	2,595	2,595	2,620	2,620	2,640
Port Owned/Spoil Islands - Estimated	1,477	1,477	1,477	1,508	1,508	1,618	1,618	1,618	1,618	1,638
Leased - Estimated	977	977	977	977	977	977	1,002	1,002	1,002	1,002
	1,290	1,290	1,285	1,285	1,285	1,310	1,287	1,305	1,305	1,305
<b>HARD SURFACED OPEN STORAGE (acres)</b>										
	83	83	83	83	83	83	83	83	83	83
<b>COVERED STORAGE (sq. ft.)</b>										
	506,000	506,000	506,000	506,000	506,000	506,000	506,000	506,000	506,000	506,000
<b>REFRIGERATED STORAGE (sq. ft.)</b>										
	118,267	118,267	0	0	0	0	0	0	0	0
<b>CRUISE TERMINAL SPACE (sq ft.)</b>										
	201,000	201,000	201,000	201,000	232,500	232,500	232,500	232,500	232,500	232,500
<b>RAILROAD TRACK (miles)(Port Owned)</b>										
	7	7	7	7	2.5	2.5	4.5	4.5	4.5	7.8

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

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

Source: Tampa Port Authority Engineering Department

Table 18

**TAMPA PORT AUTHORITY**  
**Staffing By Division/Department\***  
**Last Ten Years**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b><u>EXECUTIVE</u></b>										
Chief Executive Officer	3	3	3	3	3	3	4	4	5	5
Communications & Board Coordination	2	2	2	2	2	2	2	2	2	2
Public Affairs	<u>2</u>	<u>1</u>								
	<u>7</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>7</u>	<u>8</u>	<u>8</u>
<b><u>CHIEF COMMERCIAL OFFICER</u></b>										
Chief Commercial Officer	0	0	0	0	0	0	2	2	2	2
Real Estate	5	5	5	5	5	5	6	6	5	5
Environmental Affairs	2	4	3	3	3	3	3	3	3	3
Parking Operations	0	0	0	0	0	0	2	2	0	0
Planning & Economic Development	1	1	1	1	1	1	1	2	2	2
Marketing & Business Development	2	2	3	3	3	3	4	4	4	4
Cargo & Cruise Marketing	3	3	1	1	1	1	1	1	1	1
Trade Development	1	1	1	1	1	1	1	1	1	1
Branding & Regional Alliance	0	0	0	0	0	0	2	2	2	2
Operations	14	18	17	16	17	16	16	15	17	16
Cruise Operations	2	2	2	2	3	3	3	3	3	3
Engineering	15	16	16	16	17	17	16	17	18	19
Facilities Management	17	17	18	17	18	19	18	17	18	18
Security	<u>28</u>	<u>30</u>	<u>28</u>	<u>29</u>	<u>28</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>29</u>	<u>31</u>
	<u>90</u>	<u>99</u>	<u>95</u>	<u>94</u>	<u>97</u>	<u>95</u>	<u>101</u>	<u>101</u>	<u>105</u>	<u>107</u>
<b><u>PRINCIPAL COUNSEL</u></b>										
	0	0	0	0	0	0	0	0	0	2
<b><u>CHIEF FINANCIAL OFFICER</u></b>										
Chief Financial Officer	3	2	2	2	2	2	2	3	3	3
Finance	8	7	7	7	8	10	9	9	10	10
Chief Information Officer	3	3	2	2	3	3	5	5	5	6
Legal	4	4	5	4	4	4	4	4	5	3
Human Resources	5	4	4	4	3	3	4	4	3	3
Procurement	0	0	0	2	2	3	3	2	2	2
	<u>23</u>	<u>20</u>	<u>20</u>	<u>21</u>	<u>22</u>	<u>25</u>	<u>27</u>	<u>27</u>	<u>28</u>	<u>27</u>
<b>Total Positions</b>	<u>120</u>	<u>125</u>	<u>121</u>	<u>121</u>	<u>125</u>	<u>126</u>	<u>135</u>	<u>135</u>	<u>141</u>	<u>142</u>

\* Historical data has been reclassified to reflect current organizational structure and titles for comparative purposes

Source: Tampa Port Authority Human Resources Department

Table 19

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

Fiscal Year	Passenger Count ( a )	Cruise Operating Revenue ( b )	Average Revenue per Passenger	Total Operating Revenue	Percent of Cruise Operating to Total Operating
2007	781,861	\$ 8,898,562	\$ 11.38	\$ 36,914,859	24.1%
2008	767,760	\$ 8,671,080	\$ 11.29	\$ 39,247,140	22.1%
2009	802,937	\$ 9,397,927	\$ 11.70	\$ 39,846,811	23.6%
2010	807,082	\$ 9,422,843	\$ 11.68	\$ 40,627,597	23.2%
2011	875,611	\$ 9,943,952	\$ 11.36	\$ 42,093,061	23.6%
2012	974,259	\$ 10,895,959	\$ 11.18	\$ 43,661,747	25.0%
2013	854,260	\$ 9,519,536	\$ 11.14	\$ 44,089,762	21.6%
2014	888,343	\$ 11,534,517	\$ 12.98	\$ 48,430,293	23.8%
2015	867,114	\$ 10,886,791	\$ 12.56	\$ 51,269,248	21.2%
2016	813,800	\$ 9,879,538	\$ 12.14	\$ 49,208,152	20.1%

( a ) Passenger count includes passengers disembarking, embarking, and in transit from cruise ships.

( b ) Cruise revenue includes dockage, wharfage, water, parking, and miscellaneous terminal revenue.

Source: Tampa Port Authority statistics

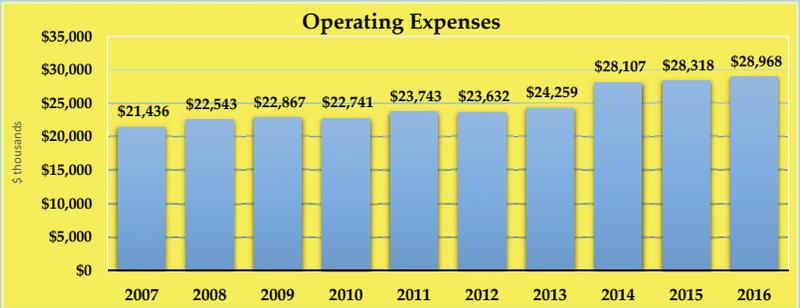
Table 20

**TAMPA PORT AUTHORITY**  
**Insurance Coverage**  
**as of September 30, 2016**  
**(Unaudited)**

Workers' Compensation & Employers' Liability		
<i>Workers' Compensation Limit</i>		Statutory
<i>Employers' Liability Level Limit</i>	\$	1,000,000
General Liability		
<i>Primary Liability including Protection &amp; Indemnity</i>	\$	5,000,000
<i>Garage keepers</i>	\$	1,000,000
<i>Maritime Employers Liability</i>	\$	1,000,000
<i>Public Officials including Employment Practices</i>	\$	5,000,000
<i>Umbrella Liability (over Primary Liability &amp; Primary Auto)</i>	\$	45,000,000
Primary Automobile		
<i>Liability</i>	\$	1,000,000
<i>Personal Injury (PIP)</i>		Statutory
Employee Crime		
<i>Public Employees Dishonesty/Faithful Performance</i>	\$	1,000,000
<i>Forgery or Alteration</i>	\$	1,000,000
<i>Computer Fraud</i>	\$	1,000,000
<i>Funds Transfer Fraud</i>	\$	1,000,000
<i>Theft of Money &amp; Securities</i>	\$	500,000
Fire & Allied Property		
<i>Total Buildings and Allied</i>	\$	258,766,439
	<u>Sublimits:</u>	<u>Amount</u>
<i>Buildings</i>	\$	168,276,739
<i>Berths</i>	\$	90,489,700
<i>Inland Marine (Scheduled Equipment)</i>	\$	777,131
<i>Business Income</i>	\$	10,000,000
<i>Computer Related &amp; Video/Radio Equipment</i>	\$	2,791,490
National Flood		
<i>Buildings</i>	\$	6,500,000
<i>Contents</i>	\$	934,500
Gasoline Storage Tank Liability	\$	2,000,000
Corporate Foreign Travel/Accident, Etc.	\$	1,000,000
Site Pollution Policy (Ethanol Facility)	\$	10,000,000
Site Pollution Policy (Petroleum Facility)	\$	10,000,000
Cyber Liability	\$	10,000,000
Hull/Machinery (Small boats)	\$	1,000,000
Vessel Owners Water Pollution	\$	1,000,000

Source: Tampa Port Authority Finance Department

TAMPA PORT AUTHORITY  
 Financial Highlights  
 Last Ten Years  
 (Unaudited)  
 (amounts in thousands)



Note 1: Years 2007-2011 were not restated per GASB 65, see Note 17 fiscal year 2014 audited financial statement.

**Tampa Port Authority**  
**Port of Tampa Tonnage Distribution**  
**Last Ten Fiscal Years**  
**(Unaudited)**  
**(amounts in thousands)**

<b>Fiscal Year</b>	<b>Phosphate</b>	<b>Petroleum</b>	<b>Coal</b>	<b>Sulphur</b>	<b>All Other</b>	<b>Total</b>
2007	8,415	19,473	4,659	3,256	9,491	45,294
2008	8,445	18,008	3,971	3,356	8,833	42,613
2009	7,812	16,766	4,310	2,547	6,375	37,810
2010	8,437	16,220	2,693	3,072	6,534	36,956
2011	6,637	15,438	2,391	3,282	6,515	34,263
2012	6,801	15,536	2,113	3,097	6,361	33,908
2013	7,225	15,547	2,237	3,002	6,899	34,910
2014	6,508	15,528	2,725	2,994	8,463	36,218
2015	7,156	16,405	2,500	3,035	8,275	37,371
2016	6,393	17,652	1,561	3,342	9,391	38,339

Reported in short tons.

Represents total cargo handled at the Port of Tampa which includes TPA - owned and privately - owned terminals.

This information is provided to meet Continuing Disclosure' as required under SEC Fuel 15c2-12.

Source: Port Authority statistics

**Tampa Port Authority  
Port Usage Fees  
Last Ten Fiscal Years  
(Unaudited)  
(amounts in thousands)**

<b>Fiscal Year</b>	<b>Dockage</b>	<b>Wharfage (a)</b>	<b>Passenger Terminal Income</b>	<b>Other Port Usage Fees</b>	<b>Total</b>
2007	\$ 6,236	\$ 14,018	\$ 5,431	\$ 1,571	\$ 27,256
2008	\$ 5,887	\$ 15,710	\$ 4,976	\$ 1,761	\$ 28,334
2009	\$ 5,580	\$ 15,829	\$ 5,892	\$ 1,646	\$ 28,947
2010	\$ 6,064	\$ 17,080	\$ 5,208	\$ 1,557	\$ 29,909
2011	\$ 5,892	\$ 18,141	\$ 5,659	\$ 1,702	\$ 31,394
2012	\$ 6,154	\$ 18,262	\$ 5,896	\$ 2,523	\$ 32,835
2013	\$ 6,493	\$ 19,474	\$ 4,935	\$ 637	\$ 31,539
2014	\$ 6,476	\$ 24,414	\$ 4,901	\$ 638	\$ 36,429
2015	\$ 7,592	\$ 26,197	\$ 4,297	\$ 890	\$ 38,976
2016	\$ 7,504	\$ 24,869	\$ 3,693	\$ 727	\$ 36,793

(a) Includes wharfage, amounts in lieu of wharfage, and product through facilities via truck, rail, and pipeline.

This information is provided to meet 'Continuing Disclosure' as required under SEC Rule 15c2-12.

Source: Port Authority statistics

Table 24

**TAMPA PORT AUTHORITY**  
**Summary of Leases of Principal Tenants**  
**as of September 30, 2016**  
**(Unaudited)**

Tenant	Initial Date of Lease	Initial term	No. of Renewal Options	Option Term	Minimum Annual Revenue	Total Revenue Received (a)
Amalie Oil Company	04/01/2011	40	2	10	\$ 246,357	\$ 357,667
AMEC Foster Wheeler Environment & Infrastructure, Inc	05/01/2015	5	2	3	275,092	275,092
American Victory Ship Memorial Museum	04/18/2000	4	4	4	12,000	12,000
Anova Food LLC	03/18/2008	3	2	1	14,420	14,420
Batson-Cook Co	08/01/2012	5.5	1	5	83,534	83,534
Bronco Transport, Inc.	12/01/2015	5	0	0	42,620	42,620
Buckeye Terminals, LLC (c )	04/01/2014	25	1	25	6,000	923,795
Cargill Grain (c )	05/01/1973	20	3	20	112,800	148,078
Cargill, Inc. (salt facility) (c )	07/01/1999	20	2	10	437,312	528,511
Carnival Cruise Lines (c )	06/18/2013	2.5	2	1	3,590,133	5,304,403
Carolco Industries Services	01/01/2015	2	3	1	65,906	68,234
Cashman Dredging	11/01/2015	10 mos	0	0	24,000	24,000
Cemex Construction Materials (Cement) (b), (c )	11/01/2007	40	2	20	2,327,738	2,945,484
Cemex Construction Materials (Aggregate) (b), (c )	07/01/2005	5	2	5	307,021	404,654
Central Florida Pipeline (b)	03/28/1995	20	2	10	51,055	51,055
Central Florida Pipeline (b) (c )	10/01/1998	5	3	5	1,981,989	5,678,670
CBP Development LLC (fka Channelside Bay Mall LLC)	04/23/1997	39.7	8	5	923,220	923,220
Diversified Marine	07/01/2009	11	1	5	160,723	160,723
Ecoventure New Port Marina #1	05/19/2005	5	4	5	54,664	54,664
Ecoventure New Port Marina #2	11/01/2005	5	4	5	39,536	39,536
Gaetano Cacciatore, Inc. (c )	12/01/2005	25	8	5	1,060,788	1,060,788
Gulf Coast Bulk Equipment, Inc (b), (c )	03/01/2015	6	0	0	136,004	524,861
Gulf Marine Repair (berth 250/253) (b)	09/01/2006	10	3	10	913,859	913,859
Gulf Marine Repair (berth 251/252) (b)	11/01/2008	4	3	5	394,603	394,603
Gulf Sulphur Services (c )	01/01/2000	15	3	3	343,627	419,677
HCP Associates, Inc.	11/01/2008	5.3	1	3	40,697	40,697
International Ship Repair (berth 200/206)	02/01/2006	10	0	0	98,993	98,993
International Ship Repair (Metroport)	10/01/2009	5	5	5	280,281	280,281
Kinder Morgan Bulk Terminals	12/23/2002	20	4	10	91,733	91,733
Kloeckner Metal Corp	08/01/2011	8	1	6	241,614	241,614
Lands End Marina	04/01/2012	10	0	0	14,452	14,452
Lehigh Portland Cement (c )	09/01/2000	10	2	5	240,824	240,824
Marine Towing of Tampa	01/01/2006	10	3	5	25,654	25,654
Maritrans Operating Company, LP	01/01/1980	25	3	10	80,000	80,000
Martin Marietta Materials, Inc. (c )	06/01/2010	20	4	5	1,019,450	1,321,678
Martin Operating (c )	12/16/2006	10	2	5	429,132	437,114
Mosaic Crop Nutrition LLC (fka CF Industries) (b ), (c )	06/01/1972	10	4	10	89,886	606,836
Murphy Oil USA, Inc. (c )	09/01/2007	20	2	10	571,507	856,124
Nexlube Tampa, LLC, (c )	06/06/2012	20	2	5	524,238	524,238
Online Transport Intel, LLC	02/01/2012	2	3	1	62,667	62,667
Pasco Terminals (c )	11/01/2000	10	2	5	150,884	182,698
Peninsula Property Holdings VIII, LLC	12/16/2010	5	4	5	12,923	12,923
Ports America (c )	05/30/2016	40	0	0	859,517	1,382,374
Riverside Golf Community LLC	03/01/2015	5	5	5	10,409	10,409

Table 24

**TAMPA PORT AUTHORITY**  
**Summary of Leases of Principal Tenants**  
**as of September 30, 2016**  
**(Unaudited)**

Tenant	Initial Date of Lease	Initial term	No. of Renewal Options	Option Term	Minimum Annual Revenue	Total Revenue Received (a)
Sea-3 of Florida, Inc. (c)	01/01/1999	22	3	10	512,000	602,873
Seabulk Towing, Inc.	05/01/1998	15	0	0	71,221	71,221
Starship Cruise Lines (c)	01/01/2006	10	2	10	76,914	80,256
Sulphuric Acid Trading (SATCO) (c)	11/01/1979	25	3	3/12/5	286,016	328,361
Superior Seafoods, Inc.	01/01/1993	5	1	5	35,552	35,552
Tampa Bay International Terminals	12/01/2011	4	0	0	36,000	36,000
Tampa Juice Service	04/05/1995	20	2	10	61,983	113,063
Tampa Port Services (fka CF Industries) (b), (c)	04/01/1993	3.3	3	10	87,581	426,048
Tampa Ship LLC	03/01/2007	5	2	15	1,032,188	1,032,188
Titan Metal Service, Inc (c)	10/01/2006	20	4	5	128,386	128,386
TC Port Ybor LLC	04/09/2004	40	4	10	94,395	94,395
Tarmac America (c)	01/01/2002	20	3	10	1,729,552	1,818,148
Trademark Metals (c)	05/15/2007	10	2	10	511,600	1,230,707
Transflo Terminal Services, Inc.	11/01/2012	5	3	5	333,047	2,026,913
Transmontaigne (c)	09/01/2007	20	2	10	933,454	2,101,405
TTI Holdings, Inc (b),(c)	04/01/2015	20	3	20	122,600	186,605
University of South Florida	06/01/2010	5	5	1	111,393	111,393
Vastec, Inc.	10/01/2011	7	2	2	226,766	226,766
Verizon Wireless Personal Communications	01/10/2014	5	3	5	17,140	17,140
Versaggi Shrimp Company	10/01/2012	3	0	0	17,776	17,776
Vulcan Materials (c)	10/01/2011	20	4	5	1,528,084	1,539,383
WCI Communities, Inc.	05/03/2005	5	7	5	87,290	87,290
Yara North America (L100)	10/01/2007	20	2	10	25,340	25,340
Yara North America (L258) (c)	05/01/2015	9	0	0	123,080	146,022
					<u>\$ 26,639,223</u>	<u>\$ 40,348,691</u>

(a) This table excludes tenants with lease revenue less than \$10,000 per year

(b) 2016 Revenues reported on Table 7 of this Comprehensive Annual Financial Report are inclusive of multiple leases for these customers

(c) These customers' leases/agreements include minimum annual revenue guarantees.

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



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COMPLIANCE SECTION







## **Compliance Section**

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

**Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Commissioners  
Tampa Port Authority  
Tampa, Florida

We have audited, in accordance with the 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, the financial statements of the business-type activities and the discretely presented component unit of the Tampa Port Authority (the "Port Authority"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Port Authority's basic financial statements, and have issued our report thereon dated March 29, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Port Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Port Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Port Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Port Authority's financial statements are free from 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*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bekant LLP". The signature is written in a cursive, flowing style.

Tampa, Florida  
March 29, 2017

**Report of Independent Auditor on Compliance for Each Major Federal Program and State Financial Assistance Project and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General**

Board of Commissioners of  
Tampa Port Authority  
Tampa, Florida

**Report on Compliance for Each Major Federal Program and State Financial Assistance Project**

We have audited the Tampa Port Authority's (the "Port Authority") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* and the requirements described in the Florida Department of Financial Services, *State Projects Compliance Supplement* that could have a direct and material effect on each of the Port Authority's major federal programs and state financial assistance projects for the year ended September 30, 2016. The Port Authority's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state financial assistance projects.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Port Authority's major federal programs and state financial assistance projects based on our audit of the types of compliance requirements referred to above. 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance 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 projects 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 on compliance for each major federal program and state financial assistance project. However, our audit does not provide a legal determination of the Port Authority's compliance.

### ***Opinion on Each Major Federal Program and State Financial Assistance Project***

In our opinion, the Port Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal award programs and state financial assistance projects for the year ended September 30, 2016.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2016-001. Our opinion on each major federal program is not modified with respect to this matter.

The Port Authority's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Port Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

### **Report on Internal Control over Compliance**

Management of the Port Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Port Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state financial assistance project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Port Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state financial assistance project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state financial assistance project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-001 that we consider to be a significant deficiency.

The Port Authority's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Port Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

*Cherry Bekant LLP*

Tampa, Florida  
March 29, 2017

# TAMPA PORT AUTHORITY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Grantor and Program Title	CFDA/CFSA Number	Grant Number	Award Amount	Due From Other Governments October 1, 2015	Receipts	Expenditures	Increase (Decrease) in Unearned Revenue	Due From Other Governments September 30, 2016
Federal Agency:								
Department of Homeland Security								
Port Security Grant Program	97.056	EMW-2014-PU-00362-S01	\$ 1,688,475	\$ 148,858	\$ 1,096,456	\$ 947,559	\$ -	\$ -
		EMW-2015-PU-00292-S01	1,609,440	-	209,556	760,860	-	551,304
Total Federal expenditures			3,297,915	148,858	1,306,012	1,708,419	-	551,304
State Agency:								
Florida Department of Transportation								
Seaport Grants	55.005							
Infrastructure Improvements		42282629401	16,125,000	1,134,170	2,739,991	2,711,421	-	1,105,600
Infrastructure Improvements		43513019401	4,200,000	567,568	1,489,946	1,657,902	-	735,524
Total Seaport Grants			20,325,000	1,701,738	4,229,938	4,369,323	-	1,841,124
County Incentive Grants	55.008							
Railroad Crossing Improvements		43358315801	750,000			163,469		163,469
Portwide Access Improvements		43536015801	750,000	-	609,123	686,020	-	76,897
Total County Incentive Grants			1,500,000	-	609,123	849,489	-	240,366
Intermodal Development Program	55.014							
Infrastructure Improvements		41274619401	22,561,713	147,811	999,768	851,957	-	-
Infrastructure Improvements		42250019401	12,030,326	251,611	3,853,555	3,601,943	-	-
Infrastructure Improvements		43332019401	2,516,669	1,120,802	2,142,637	1,021,835	-	-
Infrastructure Improvements		43488419401	750,000	124,479	488,119	379,232	-	15,592
Infrastructure Improvements		43488429401	679,925	65,869	679,925	614,056	-	-
Infrastructure Improvements		43501019401	1,045,656	-	20,532	160,423	-	139,891
Infrastructure Improvements		43600519401	12,000,000	-	6,422,325	6,422,325	-	-
Total Intermodal Development Program			51,584,289	1,710,572	14,606,860	13,051,771	-	155,483
State Infrastructure Bank	55.020	ARK67	12,000,000	-	6,487,880	11,588,318	-	-
Seaport Investment Program Bond Fund	55.034							
Transportation Systems Development		43332119401	13,225,992	406,732	7,202,355	3,918,512	3,674,346	797,235
Transportation Systems Development		43338719401	3,459,945	887,777	1,024,815	1,867,010	(1,729,972)	-
Transportation Systems Development		43338819401	6,000,000	2,934,685	3,734,082	3,399,699	(2,600,301)	-
Total Seaport Investment Program Bond Fund			22,685,937	4,229,194	11,961,252	9,185,221	(655,927)	797,235
Total state financial assistance			108,095,226	7,641,504	37,895,053	39,044,121	(655,927)	3,034,207
Total Federal expenditures and state financial assistance			\$ 111,393,141	\$ 7,790,362	\$ 39,201,065	\$ 40,752,540	\$ (655,927)	\$ 3,585,511

See notes to schedule of expenditures of federal awards and state financial assistance.

## TAMPA PORT AUTHORITY

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

FOR THE YEAR ENDED SEPTEMBER 30, 2016

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#### **Note 1—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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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 2—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 3—Loans outstanding**

The Port Authority had a State Infrastructure Bank loan (CSFA #55.020) in the amount of \$7,712,880 outstanding at September 30, 2016. This loan balance outstanding is included in the state expenditures presented in the schedule.

#### **Note 4—Indirect cost rate**

The Port Authority did not utilize the de minimis indirect cost rates for reimbursement of grant expenditures for the fiscal year ended September 30, 2016.

**TAMPA PORT AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED SEPTEMBER 30, 2016

**Part I—Summary of Auditor's Results**

**Financial Statement Section**

Type of auditor's report issued:

Internal control over financial reporting:

Material weakness(es) identified?

Significant deficiency(ies) identified not

considered to be material weakness(es)?

Noncompliance material to financial statements noted?

**Federal Awards and State Financial Assistance Section**

Internal control over major programs:

Material weakness(es) identified?

Significant deficiency(ies) identified not

considered to be material weakness(es)?

Noncompliance material to federal awards or state projects noted?

Type of auditor's report issued on compliance for major programs:

Any audit findings disclosed that are required to be reported  
in accordance with 2 CFR 200.516(a) or  
Chapter 10.550?

Identification of the Major Federal Programs:

CFDA Number

97.056

Identification of the Major State Projects:

CSFA Number

55.014

55.020

Dollar threshold used to distinguish between type A and type B programs

Federal

State

Auditee qualified as low-risk auditee

	<u>Unmodified</u>
<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
<input checked="" type="checkbox"/> yes	<input type="checkbox"/> none reported
<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
	<u>Unmodified</u>
<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
	<u>Name of Federal Program</u>
	Port Security Grant Program
	<u>Name of State Project</u>
	Intermodal Development Program State Infrastructure Bank
	\$ 750,000
	\$1,171,323
<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

**TAMPA PORT AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

*FOR THE YEAR ENDED SEPTEMBER 30, 2016*

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**Part II—Schedule of Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no findings required to be reported in accordance with *Government Auditing Standards*.

**Part III—Federal Award Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major federal programs, as required to be reported by 2CFR 200.516(a).

**2016-001 - Significant Deficiency in Internal Control over Compliance and Nonmaterial Noncompliance (Reporting)**

**Department of Homeland Security**  
**Port Security Grant Program – CFDA No. 97.056**

**Criteria:** Management of the Port Authority is responsible for following the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and grant award agreements related to grant reporting. This requires the Port Authority to submit timely reports to Federal awarding agencies. The Port Security Grant Program requires the Port Authority submitted updated performance reports using the SF-PPR on a semi-annual basis. The SF-PPR is due within 30 days after the end of the reporting period (July for the reporting period of January 1 through June 30; and January 30 for the report period of July 1 through December 31).

**Condition/Context:** During our audit both of the SF-PPR reports were selected for testing and it was noted that the Port Authority did not maintain adequate controls over compliance with grant reporting. For both of the reports tested, the Port Authority failed to submit the required reports timely to the grantors.

**Cause:** The control did not operating effectively to allow the required reports were not submitted within the required timeframe.

**Effect:** The Port Authority did not comply with the provision of timely reported in accordance with the Uniform Guidance and the grant agreements.

**Questioned Cost:** There are no specific questioned costs associated with late filing of reports.

**TAMPA PORT AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

*FOR THE YEAR ENDED SEPTEMBER 30, 2016*

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**Recommendations:** We recommend that the Port Authority enhance its internal controls over the grant reporting process to ensure that all reports are submitted on time.

**Management's Response:** Tampa Port Authority is fully cognizant of the importance of compliance with all facets of its grants, including the timely filing of required reports. Historically, various departments have been responsible for the reporting functions related to grants utilized by their respective areas. This has made oversight of the reporting function difficult.

**Management's Planned Corrective Action:** In the future, management plans to consolidate all grant reporting responsibilities under the supervision of one department, allowing for increased control and oversight. Grant status information will continue to be provided by the individual departments, but all reporting responsibilities associated with those grants will now reside in the Planning Department.

**Part IV—State Project Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major state projects, as required to be reported by Chapter 10.550, *Rules of the Auditor General*.

There are no findings required to be reported by Chapter 10.550, *Rules of the Auditor General*.

**TAMPA PORT AUTHORITY**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

*FOR THE YEAR ENDED SEPTEMBER 30, 2016*

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**Finding 2015-001 Material Weakness in Internal Control over Financial Reporting Process**

Finding: During fiscal year 2015, the Port Authority did not maintain adequate controls over Preparation of the Schedule of Expenditures of Federal Awards and State Financial Assistance (“SEFA”).

Status/Corrective Action: The Port Authority enhanced its internal controls over financial reporting by implementing additional processes, including management review.

## Independent Auditor's Management Letter

Board of Commissioners of  
Tampa Port Authority  
Tampa, Florida

### Report on the Financial Statements

We have audited the financial statements of the Tampa Port Authority (the "Port Authority"), as of and for the year ended September 30, 2016, and have issued our report thereon, dated March 29, 2017.

### Auditor's Responsibility

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; Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General*.

### Other Reports and Schedule

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Report of Independent Auditor on Compliance for Each Major Federal Program and State Finance Assistance Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*; Schedule of Findings and Questioned Costs; and Report of Independent Accountant on Compliance with Local Government Investment Policies. Disclosures in those reports and schedule, which are dated March 29, 2017, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Such disclosure is included in the notes to the financial statements.

### **Financial Condition**

Section 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, requires that we report the results of our determination as to whether or not the Port Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit we determined that the Port Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the Port Authority'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.

### **Annual Financial Report**

Section 10.554(1)(i)5.b. and 10.556(7), *Rules of the Auditor General*, requires that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the Port Authority for the fiscal year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2016. In connection with our audit, we determined that these two reports were in agreement.

### **Other Matters**

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Purpose of this Letter**

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, *Rules of the Auditor General*. Accordingly, this management letter is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bekant LLP". The signature is written in a cursive, flowing style.

Tampa, Florida  
March 29, 2017

**Report of Independent Accountant on Compliance with Local  
Government Investment Policies**

Board of Commissioners of  
Tampa Port Authority  
Tampa, Florida

**Report on Compliance**

We have examined the Tampa Port Authority's (the "Port Authority's") compliance with the local government investment policy requirements of Section 218.415, *Florida Statutes*, during the year ended September 30, 2016. Management is responsible for the Port Authority's compliance with those requirements. Our responsibility is to express an opinion on the Port Authority's compliance based on our examination.

**Scope**

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Port Authority's compliance with specified requirements.

**Opinion**

In our opinion, the Port Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.



Tampa, Florida  
March 29, 2017



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