

TAMPA PORT AUTHORITY

POPULAR ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDING

SEPTEMBER 30, 2021

HILLSBOROUGH COUNTY PORT DISTRICT, FLORIDA

Keeping the public informed about how Port Tampa Bay
generates and expends its revenues





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FOR MORE IN-DEPTH INFORMATION, THE ANNUAL REPORT IS AVAILABLE ONLINE AT WWW.PORTTB.COM/FINANCE. THE PAFR IS AVAILABLE ONLINE AT THE SAME LOCATION.



BOARD OF COMMISSIONERS

CHAD W. HARROD
Chairman

VACANT
Vice Chairman

PATRICK H. ALLMAN
Secretary/Treasurer

**COUNTY COMMISSIONER
HARRY COHEN**
Commissioner

MAYOR JANE CASTOR
Commissioner

HUNG T. MAI
Commissioner

TED CONNER
Commissioner

Board of Commissioners as of September 30, 2021

— PORT TAMPA BAY — OVERVIEW

This Popular Annual Financial Report (PAFR) is a summary of the financial activities of the Tampa Port Authority (Port Authority) d/b/a Port Tampa Bay as reported in the fiscal year 2021 Annual Comprehensive Financial Report (Annual Report). The Annual Report is an audited document prepared in accordance with generally accepted accounting principles (GAAP). To conform to GAAP, the Annual Report must include Port Tampa Bay's component unit and fully disclose all material events, both financial and non-financial.

Unlike the Annual Report, the PAFR is not an audited document. While the information contained in this PAFR is derived from the Annual Report, the PAFR does not include the Port's component unit, nor does it include all the disclosures required in the Annual Report. Therefore, the PAFR does not conform to GAAP and is not intended to present a complete financial picture of Port Tampa Bay. This report is a reflection of our effort to keep the public informed about how Port Tampa Bay generates and expends its revenues in a simple, non-technical format. Port Tampa Bay encourages all interested users to refer to the Annual Report for additional financial and operational information about the Port.

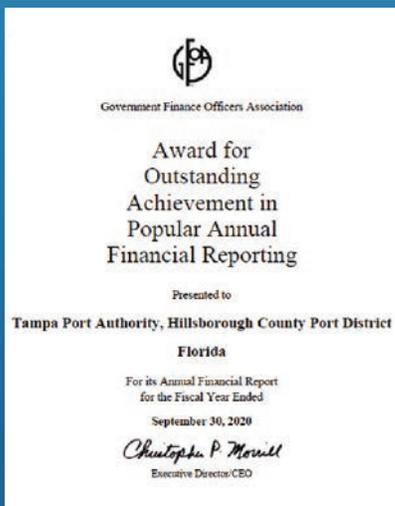
For more in-depth information, the Annual Report is available at www.porttb.com under the Finance Department tab. The PAFR is available at the same location.

The website also includes information about various port departments, port news and events, cargo and cruise information and statistics, employment opportunities, as well as current and upcoming projects.

Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Tampa Port Authority for its Popular Annual Financial Report for the fiscal year ended September 30, 2020. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. Tampa Port Authority received a Popular Award for the last three consecutive years (fiscal years ended 9/30/2018 - 9/30/2020). We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.



— PORT TAMPA BAY — HISTORY

The Tampa Port Authority was created in 1945 by the Florida Legislature. Chapter 95-488, Laws of Florida, also known as the “Enabling Act”, gives the Port Authority the right to acquire property through eminent domain, purchase, gift, grant, franchise, lease or contract. It is empowered to fix uniform rates and charges for wharfage and dockage and has responsibility for planning and implementing plans for the long-range development of the facilities and the movement of cargo through the Port. In 2013, the Port Authority rebranded itself as Port Tampa Bay.

Port Tampa Bay’s governing body consists of seven commissioners. The governor appoints five commissioners, two of whom must have a maritime background. The Mayor of the City of Tampa and one Hillsborough County Commissioner round out the Tampa Port Authority Board of Commissioners.

Port Tampa Bay is geographically located within the boundaries of Hillsborough County, Florida. It 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 one third of all the seaborne commerce that passes through the state. It is also a major shipbuilding and repair center and a top ten U.S. cruise port.



DID YOU KNOW?

- | | |
|-------------------------------------------|---------------------------------------------------|
| 01. Total Area of the Port
5,000 ACRES | 02. Port-Owned Acreage
2,793 ACRES |
| 03. FY2021 Vessel Calls
2,723 | 04. FY2021 Portwide Cargo Tonnage
33.4 MILLION |
| 05. FY2021 Cruise Sailings
0 | 06. Tampa Harbor Project Depth
43 FEET |
| 07. Number of Berths
72 | 08. Linear Feet of Wharf
52,147 |
| 09. Miles of Railroad Track
10.9 | 10. Total Employees
149 |

— PORT TAMPA BAY — **MARKET**

Florida has overtaken New York as the third most populous state in the nation and welcomed 118 million tourist visitors in 2021. Situated in central Florida along the I-4 corridor, Tampa Bay is part of the fastest growing region in the state.

Port Tampa Bay is central Florida's hub for gasoline, diesel, jet fuel, ethanol and lube oil and opened a state of the art petroleum facility in 2015. Port Tampa Bay is also a major fertilizer port.

Port Tampa Bay is one of the largest shipyard hubs in the Southeast with four major shipyards located in the port. These facilities perform refit, repair, maintenance and new ship construction.



FINANCIAL POLICIES & STRATEGIES

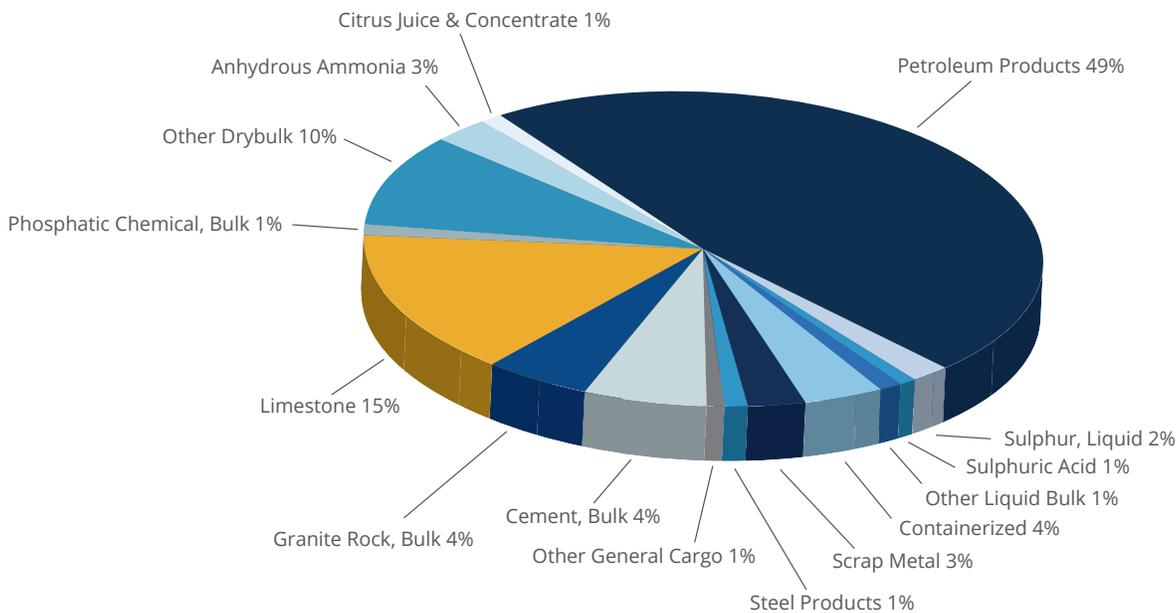
Port Tampa Bay operates as a single Enterprise Fund with one component unit, Tampa Bay International Terminals, Inc. (TBIT). TBIT is a legally separate entity for which Port Tampa Bay is financially accountable. TBIT serves as the liaison between Port Tampa Bay and its terminal operator Ports America. TBIT's financial activities are reported separately in the Tampa Port Authority Annual Report. Please refer to the Annual Report for additional information.

Port Tampa Bay undergoes an independent external audit each year. Its fiscal year runs from October 1 through September 30.

Port Tampa Bay continues to pursue a deliberate strategy of business diversification that enables it to withstand downturns in particular lines of business or commodities and still maintain a constant or increasing revenue stream.

Another strategy implemented a number of years ago which continues to pay dividends is Port Tampa Bay's policy of including built-in incentives in many of its leases to encourage tenants to increase cargo volumes. Port staff utilizes these cargo incentives and others such as allowing reduced rents during development and construction periods to attract new tenants. In exchange for these incentives, Port Tampa Bay includes long-term financial commitments such as minimum financial and tonnage guarantees in many of its agreements. These commitments, coupled with the revenue diversification strategy discussed above ensure a steady stream of revenue.

FY2021 CARGO DIVERSIFICATION



FINANCIAL

ECONOMIC FACTORS & NEXT YEAR'S BUDGET

Port Tampa Bay was not immune to the economic impacts brought about by COVID-19. Cruise revenue was impacted most severely when all cruise lines calling at the port canceled sailings in March 2020 and the industry remained shut down for all of FY21. Petroleum revenue was also affected by the lockdown period but began to quickly recover as businesses began to reopen. Port Tampa Bay administrative staff has now moved to a hybrid work environment with most employees combining remote work with one to three days per week in the office. Operations, Security and Maintenance staff remain on-site to ensure continuity of port operations and security. Travel resumed in FY21 on a greatly reduced scale as many events were still conducted virtually. Other cost-cutting measures implemented in FY20 including deferred hiring and close review of non-essential spending continued in FY21. Cost savings related to marketing and security were realized of the suspension of cruises.

Thanks to Port Tampa Bay's diverse revenue stream and its long-standing practice of including minimum tonnage and financial guarantees in many of its agreements with tenants and customers, combined with the cost reductions discussed above, Port Tampa Bay continues to meet all financial obligations including maintaining its debt service coverage ratio. Fitch Rating Services affirmed Port Tampa Bay's "A" rating and Stable outlook in October, 2021. Looking forward Port Tampa Bay has acknowledged continuing disruptions to the cruise business as well as lesser impacts to other lines of business for the coming fiscal year and has taken the appropriate budgetary actions to ensure the continued financial success of the port in fiscal year 2022 and beyond. Port Tampa Bay continues to closely monitor and evaluate revenues and expenditures to enable it to proactively manage and guide the port through these challenging times.



ENVIRONMENTAL STEWARDSHIP

Located on Tampa Bay, an estuary of national significance, Port Tampa Bay and its partners, including the Tampa Bay Estuary Program, demonstrate daily that nature and industry can co-exist.

Unique to any port in the country, Port Tampa Bay owns and manages over two hundred thousand acres of Sovereign Submerged Lands in Hillsborough County, which are held in trust for the public. Its submerged Lands Management Program and multiple restoration projects have added to the ongoing recovery of Tampa Bay's habitat and water quality. As one of the first ports with a dedicated environmental program, Port Tampa Bay's commitment to a healthy bay runs deep.

Using dredge material removed from shipping channels, Port Tampa Bay created two islands in Hillsborough Bay that have become home to globally significant

populations of nesting birds including the American Oystercatcher and Least Tern, some of the state's rarest species. Other innovative and beneficial uses for dredge materials have included the filling of an oxygen-poor hole in McKay Bay, beach nourishment projects, and the creation of tidal wetlands and mangrove forests.

Port Tampa Bay is proud of its role in the restoration, improvement and protection of the environmental health of Tampa Bay. Port Tampa Bay participates in coastal clean-ups through its partnership with Keep Tampa Bay Beautiful and has adopted a "water goat" in McKay Bay, preventing thousands of pounds of floatable trash from entering Tampa Bay's watershed.



PORT TAMPA BAY

GIVING BACK TO THE COMMUNITY

Port Tampa Bay sponsors three major annual fundraisers to support Tampa Bay area charities. The Port Tampa Bay Golf Tournament, Port Tampa Bay Anchor Ball, and the Port Tampa BAYSLAM Fishing tournament have raised funds for Tampa Port Ministries and Tampa Bay Maritime Scholarship Foundation.

Collaborating with the Florida Aquarium, Port Tampa Bay offers free educational harbor tours to the public twice per week aboard the Aquarium's Bay Spirit II. These ninety-minute tours show the workings of one of America's largest ports from the water offering a unique perspective and narration.



FINANCIAL

STATEMENTS OF NET POSITION

The Statements of Net Position present the Ports assets and deferred outflow of resources as well as its liabilities and deferred inflow of resources. The difference is shown as net position. Deferred outflows and inflows of resources represent expenses and revenues that will be recognized in a future period. The statement is an indicator of the current fiscal health of the organization and its financial position over time. The Port continues to invest in capital assets as it expands and modernizes its facilities to optimize future growth opportunities. The statements show a steady increase in Port Tampa Bay's net position demonstrating its strong financial base.

IN THOUSANDS (excludes component unit)		FY 2021	FY 2020	FY 2019
ASSETS				
	Current assets	\$106,258	\$92,633	\$99,024
	Noncurrent assets			
	Capital related, net	703,693	711,207	713,968
	Noncapital	425	125	-
	TOTAL ASSETS	810,376	803,965	812,992
DEFERRED OUTFLOW OF RESOURCES		6,143	8,638	8,457
LIABILITIES				
	Current liabilities	18,921	19,862	19,756
	Noncurrent liabilities	128,506	146,775	158,630
	TOTAL LIABILITIES	147,427	166,637	178,386
DEFERRED INFLOW OF RESOURCES		10,269	380	1,159
NET POSITION				
	Net Investment in Capital Assets	613,586	623,421	611,045
	Restricted Position	5,931	7,550	8,101
	Unrestricted Position	39,306	14,615	22,758
	TOTAL NET POSITION	\$658,823	\$645,586	\$641,904

FINANCIAL

STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET POSITION

The Statement of Revenues, Expenses and Changes in Net Position is the income statement of the government unit and serves as an indicator of whether the overall fiscal condition of Port Tampa Bay has improved or deteriorated during the year. Despite a decline in revenue due to the pandemic, Port Tampa Bay continues to increase its net position by pursuing a strategy of revenue diversification and enacting prudent cost control measures.

IN THOUSANDS (excludes component unit)	FY 2021	FY 2020	FY 2019
OPERATING REVENUES			
Port usage fees	\$35,037	\$37,480	\$46,206
Land and building leases	20,563	18,090	18,040
Other Operating revenue	708	706	916
TOTAL OPERATING REVENUES	56,308	56,276	65,162
OPERATING EXPENSES			
	30,668	34,631	36,485
OPERATING INCOME BEFORE DEPRECIATION	25,640	21,645	28,677
DEPRECIATION AND AMORTIZATION EXPENSE	35,249	35,015	35,712
OPERATING LOSS AFTER DEPRECIATION	(9,609)	(13,370)	(7,035)
NON-OPERATING REVENUES (EXPENSES)			
Ad valorem taxes	10,782	10,505	10,558
Coronavirus fiscal state and local recovery funds	12,119	-	-
Interest income	53	955	1,681
Other non-operating revenues	1,431	1,916	2,441
Interest expense	(4,443)	(4,848)	(5,192)
Bond issuance costs	(54)	-	-
Other non-operating expenses	(2,044)	(1,961)	(2,838)
TOTAL NON-OPERATING REVENUES (EXPENSES)	17,844	6,567	6,650
INCOME BEFORE CAPITAL CONTRIBUTIONS	8,235	(6,803)	(385)
CAPITAL AND OPERATING GRANTS AND CONTRIBUTIONS	5,002	10,485	31,165
INCREASE IN NET POSITION	13,237	3,682	30,780
TOTAL NET POSITION AT BEGINNING OF YEAR	\$645,586	\$641,904	\$611,124
TOTAL NET POSITION AT END OF YEAR	\$658,823	\$645,586	\$641,904

Tampa Port Authority's Annual Comprehensive Financial Report for the years ended 2019, 2020 and 2021, from which the information on pages 12 and 13 has been drawn, were awarded the Certificate of Achievement for Excellence in Financial Reporting by Government Finance Officers Association of the United States and Canada (GFOA) in 2019 and 2020. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such an Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements.

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



REVENUES

WHERE DOES THE MONEY COME FROM?

- 01.** Port usage fees comprise the majority of the Port's revenue. These fees include dockage and wharfage for vessels loading and unloading cargo at Port Tampa Bay berths, passenger fees paid by cruise ships calling at Port Tampa Bay, cruise parking fees, and throughput fees for cargo moving through the Port by truck, rail and pipeline. In Fiscal Year 2021 port usage fees were \$35.0 million.
- 02.** Port Tampa Bay is a landlord port, leasing approximately 800 acres to various businesses. Fiscal Year 2021 lease revenue accounted for \$20.5 million of the Port's \$56.3 million in operating revenue.
- 03.** Other operating revenue such as charges for water, electric and security fees were approximately \$.7 million in Fiscal Year 2021.
- 04.** Certain revenues are not a direct result of vessel traffic or cargo movement and are classified as non-operating revenues. These include ad valorem tax receipts, interest income, and grant revenue. These items combined for a total of \$29.4 million in non-operating revenue in Fiscal Year 2021.

EXPENSES

WHERE DOES THE MONEY GO?

- 01.** Personnel expenses comprised the largest portion of Port Tampa Bay's operating expenses in Fiscal Year 2021 at \$15.3 million. This includes all payments made directly to employees or on the employee's behalf such as salary, pension, taxes and insurance. Port Tampa Bay employs 149 full time employees.
- 02.** Promotional expenses are those incurred in promoting and marketing the port in order to attract new business. These expenses totaled \$1 million in Fiscal Year 2021.
- 03.** Administrative expenses include all other expenses needed to effectively operate the Port on a day-to-day basis and can include everything from utilities to office supplies. In Fiscal Year 2021 these expenses were \$14.8 million.
- 04.** Just as Port Tampa Bay recognizes non-operating revenues, it also incurs non-operating expenses. These include the interest portion of the debt service payments, ad valorem tax payments and the associated fees related to the collection of ad valorem receipts. These expenses were \$6.5 million in Fiscal Year 2021.

CAPITAL IMPROVEMENT PROGRAM

Port Tampa Bay's capital improvement program funds the purchase, construction, expansion, modernization and rehabilitation of navigational, landside and marine improvements and infrastructure. It is driven by our Strategic Plan, Master Plan, market demand, customer needs, regulatory compliance and capacity expansion.

Key to all considerations are the Seven Anchors of Port Tampa Bay's Business Development Strategy:

- 01.** Expand and diversify the business base through executing a supply chain sales strategy.
- 02.** Fulfill central Florida's long-term energy requirements.
- 03.** Optimize Tampa Bay's vessel access to successfully pursue emerging trade opportunities generated by the Panama Canal expansion.
- 04.** Expand and diversify the region's industrial economy and cargo base.
- 05.** Implement the Channelside Master Plan, optimizing cruise capability.
- 06.** Partner with the City and County to maximize the future growth and development of the region.
- 07.** Develop and implement a landside transportation access strategy.

Capital projects are funded with port revenues, federal and state grants, ad valorem tax revenues, and debt in the form of bank loans and/or bond issues. Florida Statute authorizes Port Tampa Bay to levy up to .5 mills (\$.50 per \$1,000 value) in ad valorem property tax. In fiscal year 2021, the Port levied .0990 mills, continuing a long-standing trend of reducing its millage rate each year. Ad valorem tax revenue is used only for the construction, maintenance and repair of port infrastructure at the direction of the Port's Board of Commissioners.

The following major projects comprised the majority of the increase in Port Tampa Bay's capital assets in Fiscal Year 2021:

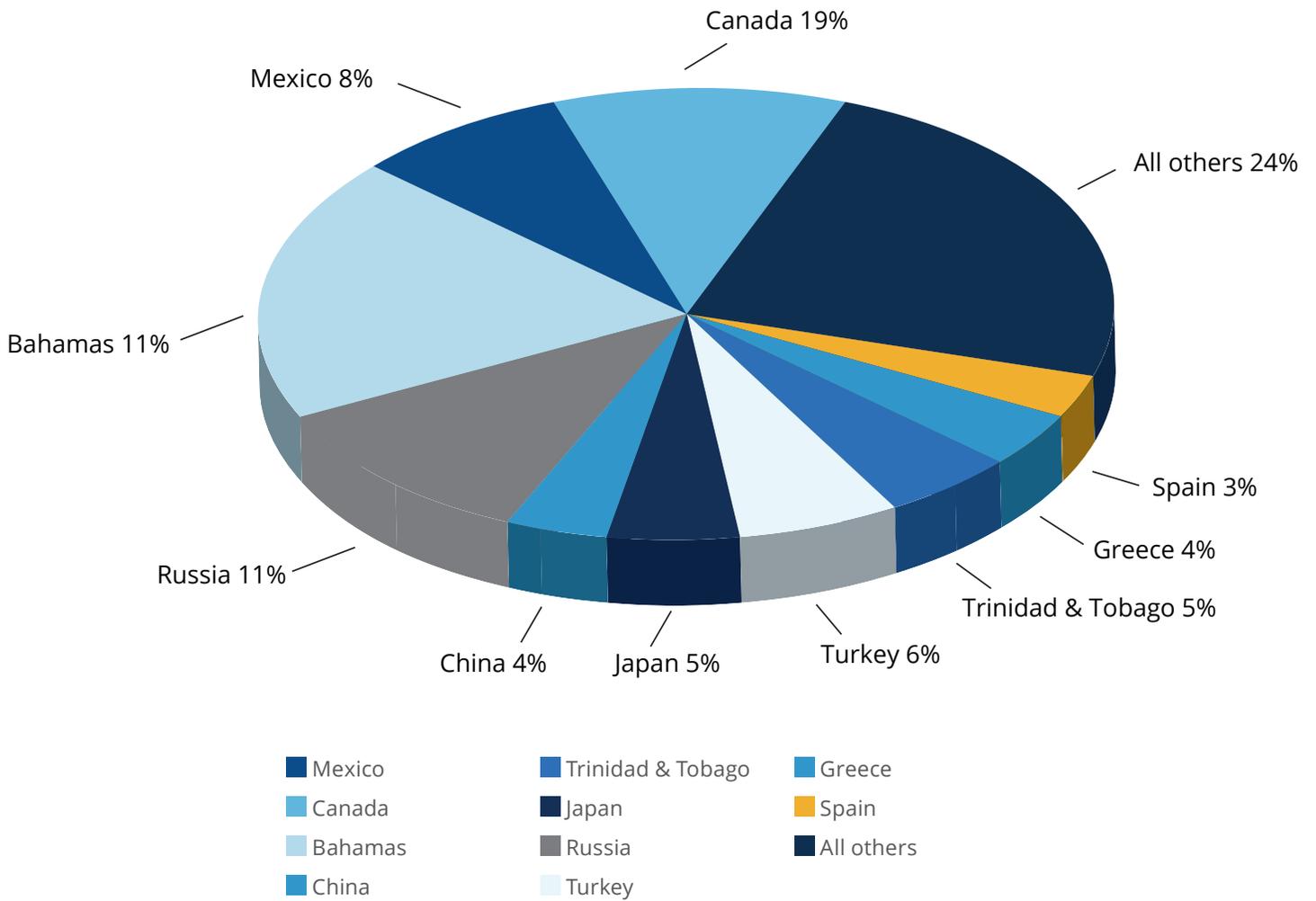
- 01.** Port Redwing railway improvements
- 02.** Berth 214 improvements
- 03.** Hookers Point emergency access road
- 04.** Phase 1 cruise terminal improvements

MORE INFORMATION CAN BE FOUND AT WWW.PORTTB.COM



FISCAL YEAR 2021 TOP TRADING PARTNERS

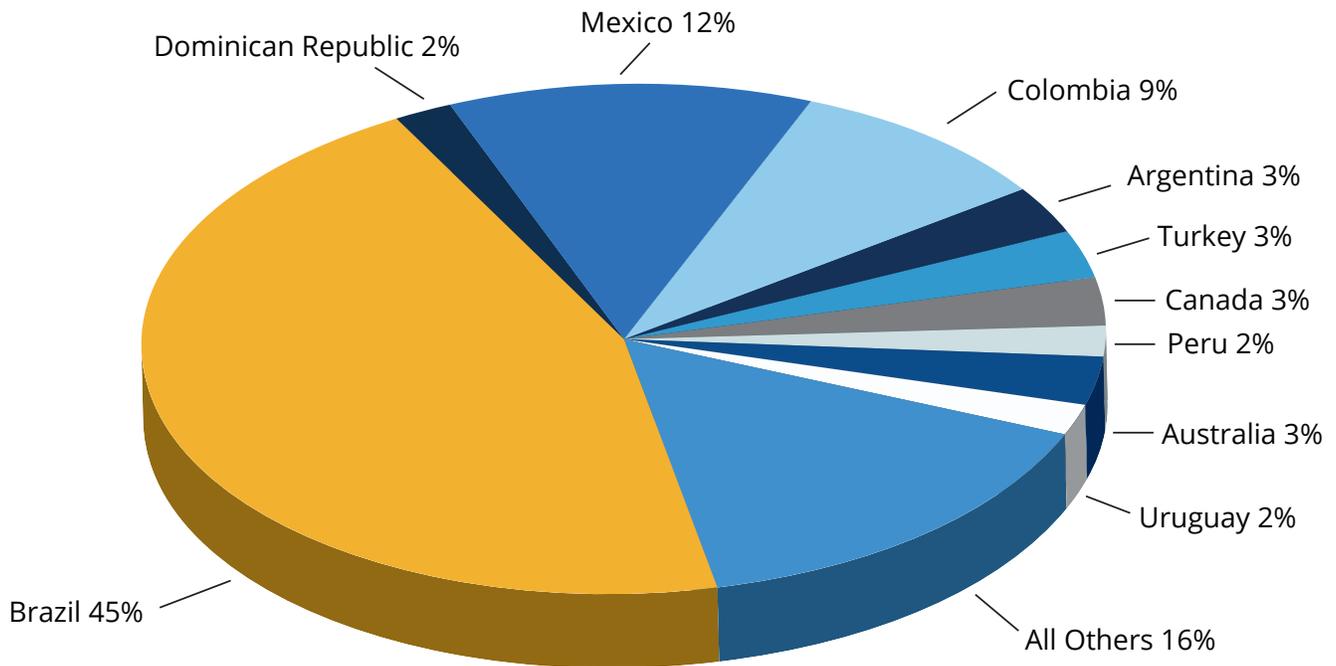
FY2021 IMPORTED TONS



FISCAL YEAR 2021

TOP TRADING PARTNERS

FY2021 EXPORTED TONS



PORT TAMPA BAY

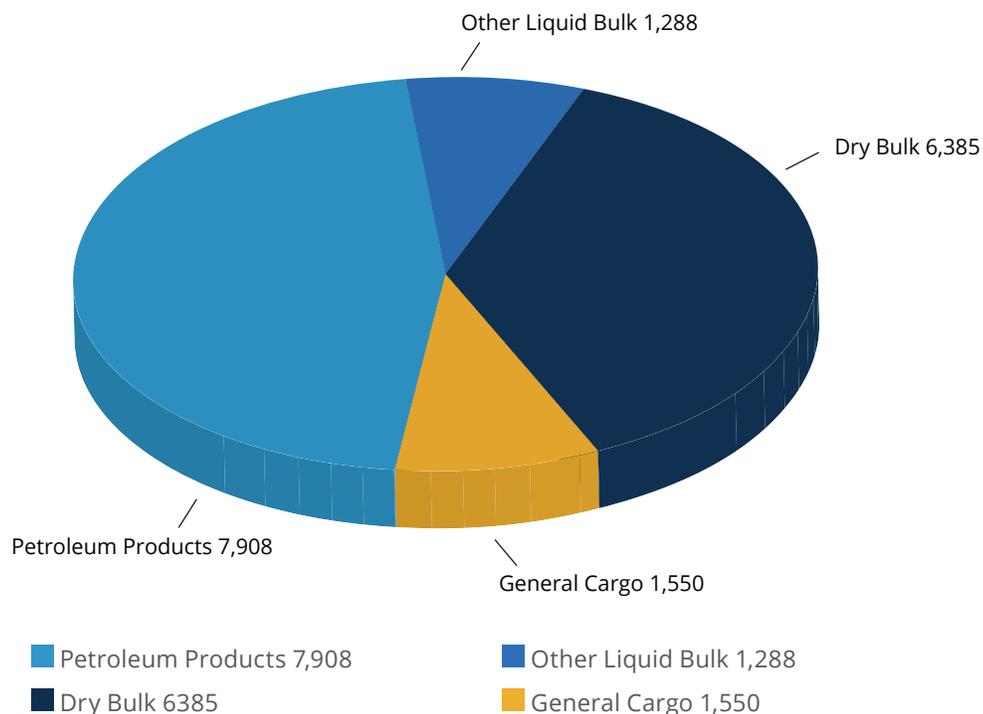
COMMODITIES

As previously discussed, Port Tampa Bay handles a wide variety of commodities as part of its diversification strategy. As the phosphate market has declined, other dry bulk commodities have increased to continue to grow that business sector. In FY2021 limestone was once again the leading dry bulk commodity in tonnage, followed by cement, granite and phosphate.

Port Tampa Bay is the petroleum hub for west central Florida and handles gasoline, diesel, jet fuel, ethanol and other petroleum products. This accounted for 7.9 million tons of cargo coming through the port in FY2021. Other liquid bulk commodities include liquid sulphur, sulphuric acid, anhydrous ammonia and citrus concentrate.

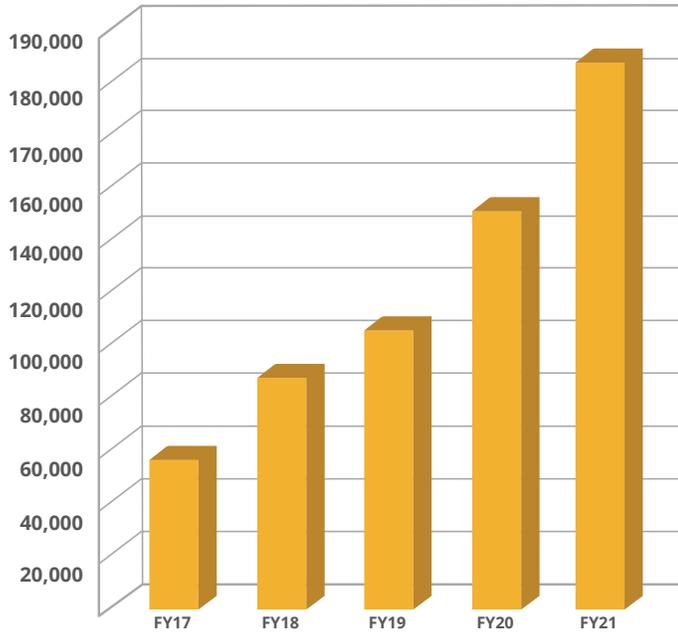
General Cargo includes containerized cargo as well as scrap metal, steel, and other commodities.

COMMODITY TYPE BY TONS - FY2021 (IN THOUSANDS)

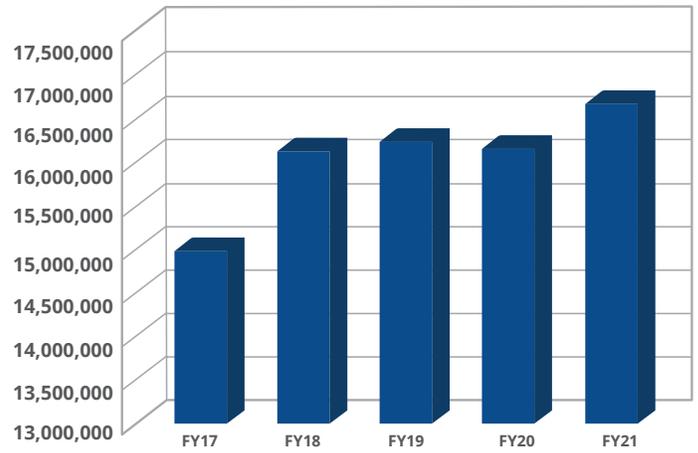


DETAILED HISTORICAL INFORMATION ON CARGO TONNAGES CAN BE FOUND IN THE CARGO STATISTICS SECTION OF THE PORT TAMPA BAY WEBSITE.

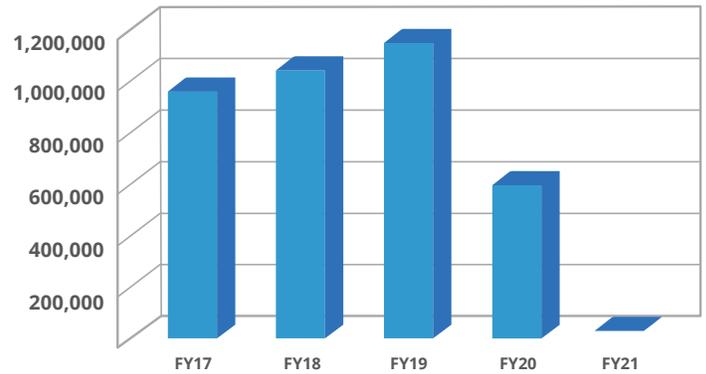
TWENTY-FOOT EQUIVALENT UNITS



CARGO TONNAGE: PUBLIC BERTHS



CRUISE PASSENGERS

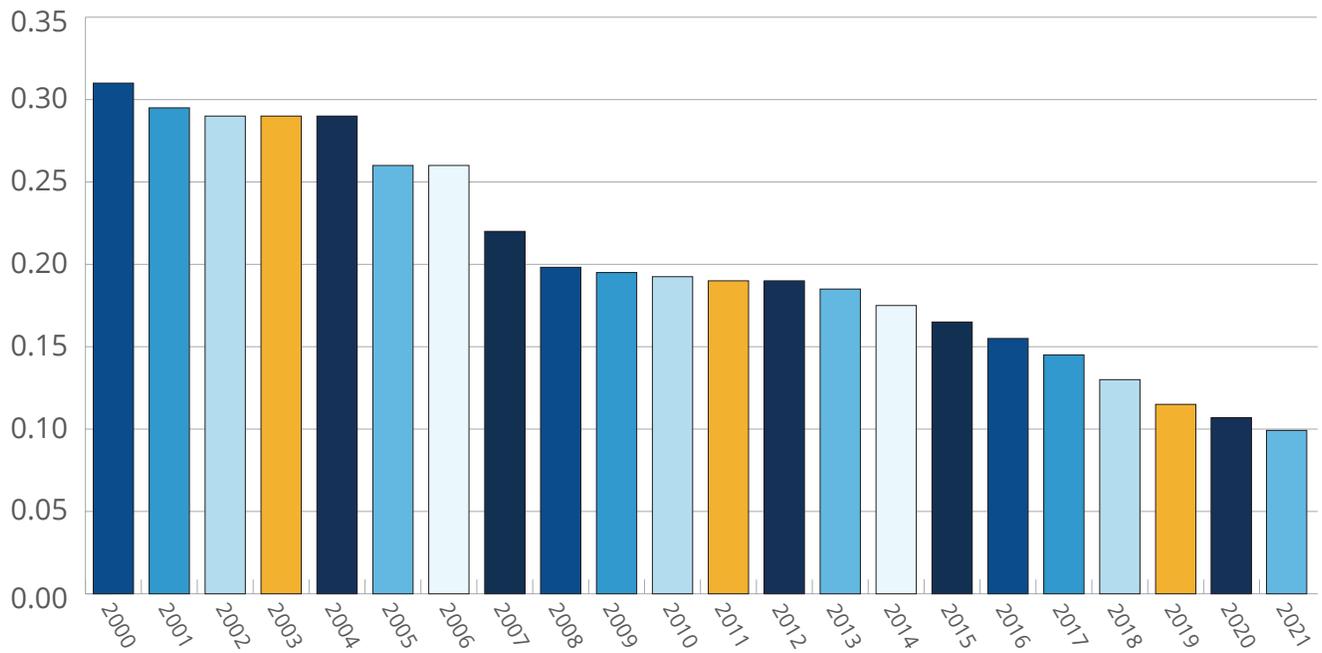


TAX REVENUES

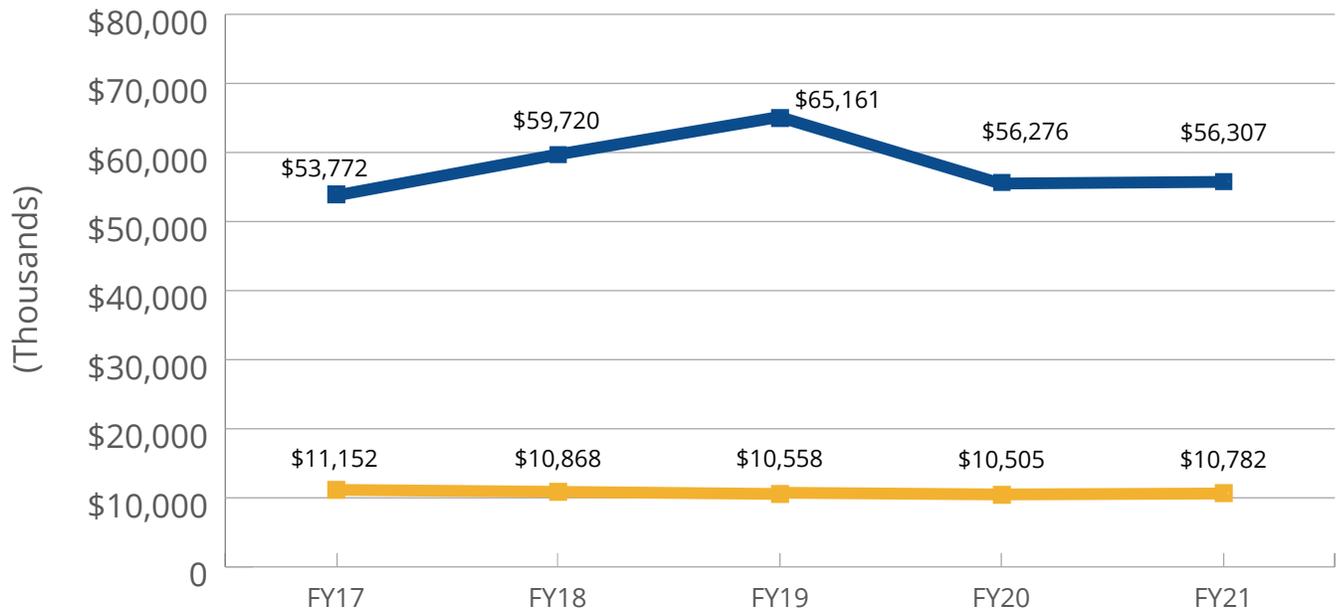
REDUCING OUR DEPENDENCE

Since 1994 Port Tampa Bay has reduced or kept its millage rate the same. Every year since 2006 the rate has been reduced to below the roll-back rate, resulting in a true tax decrease for the citizens of Hillsborough County.

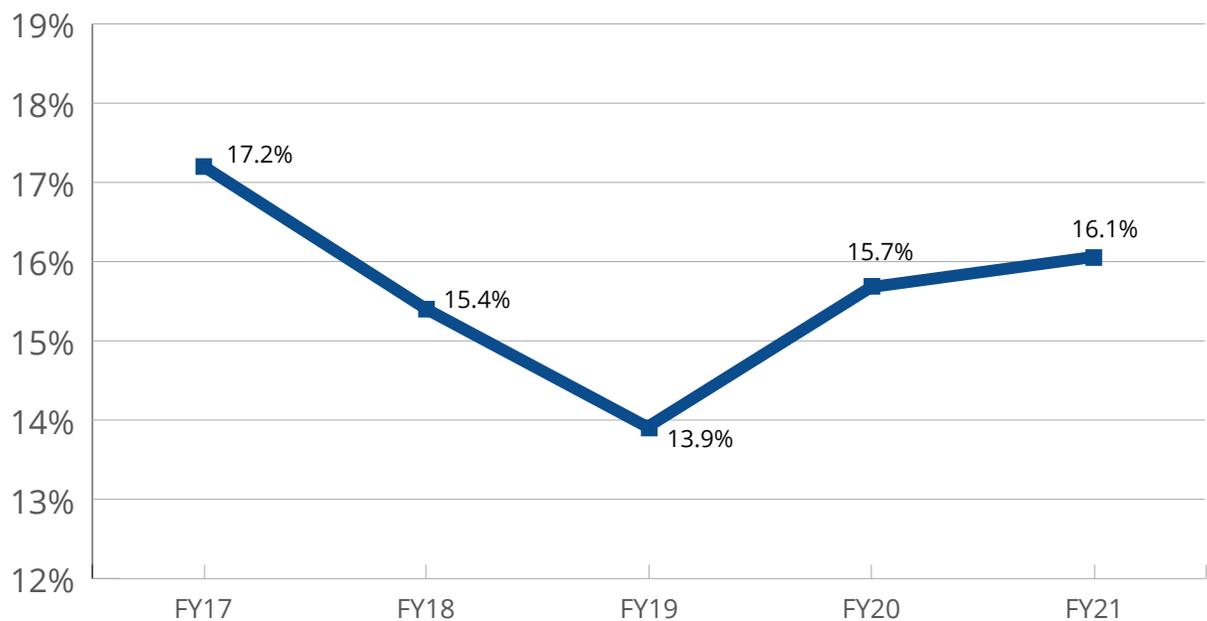
PORT TAMPA BAY'S DECLINING MILLAGE RATE



OPERATING REVENUE VS AD VALOREM TAX REVENUE



AD VALOREM TAX REVENUE AS A PERCENTAGE OF OPERATING REVENUE



PORT TAMPA BAY

CASH & INVESTMENTS

The primary objective of Port Tampa Bay's cash and investment strategy is the protection and preservation of principal. Port Tampa Bay's bank balance (unrestricted and restricted) was \$46.3 million at September 30, 2021. The Port deposits cash in qualified public depositories (QPDs). These 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.

Section 218.415, Florida Statutes, and Port Tampa Bay's investment policy authorize the Port Authority to invest surplus funds. At September 30, 2021, Port Tampa Bay had a balance of approximately \$328,000 invested with the Florida PRIME Investment Pool which is an investment pool 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 with a Standard & Poor's rating of AAAM at September 30, 2021.

Port Tampa Bay also had \$51.3 million in the Local Government Investment Pool (LGIP) of the Florida Public Assets for Liquidity Management fund (FL PALM) at September 30, 2021. Intergovernmental investment pool funds are held with FL PALM and are valued using NAV of \$1.00 per share based on amortized cost. This fund has no unfunded commitments and allows unlimited daily redemptions and investments with a one-day minimum holding period. All underlying securities in the fund have a credit rating of A or better by Standard & Poor's. The credit rating of the FL PALM fund is AAAM by Standard & Poor's.

PLEASE REFER TO "NOTE C - CASH AND INVESTMENTS" OF THE NOTES TO COMBINED FINANCIAL STATEMENTS IN THE ANNUAL REPORT FOR ADDITIONAL INFORMATION.



PORT TAMPA BAY

VIEW FROM THE TOP



"Port Tampa Bay has shown fiscal strength, and resiliency in our workforce even in the midst of a global pandemic, as our many lines of business helped us weather the challenges of COVID-19. We have even seen significant growth in some sectors of our business, including container."

PAUL ANDERSON, PRESIDENT & CEO



"Port Tampa Bay's diversity is key to the overwhelming success of the local Tampa and surrounding local economies."

DAVID DELAC, CHIEF FINANCIAL OFFICER

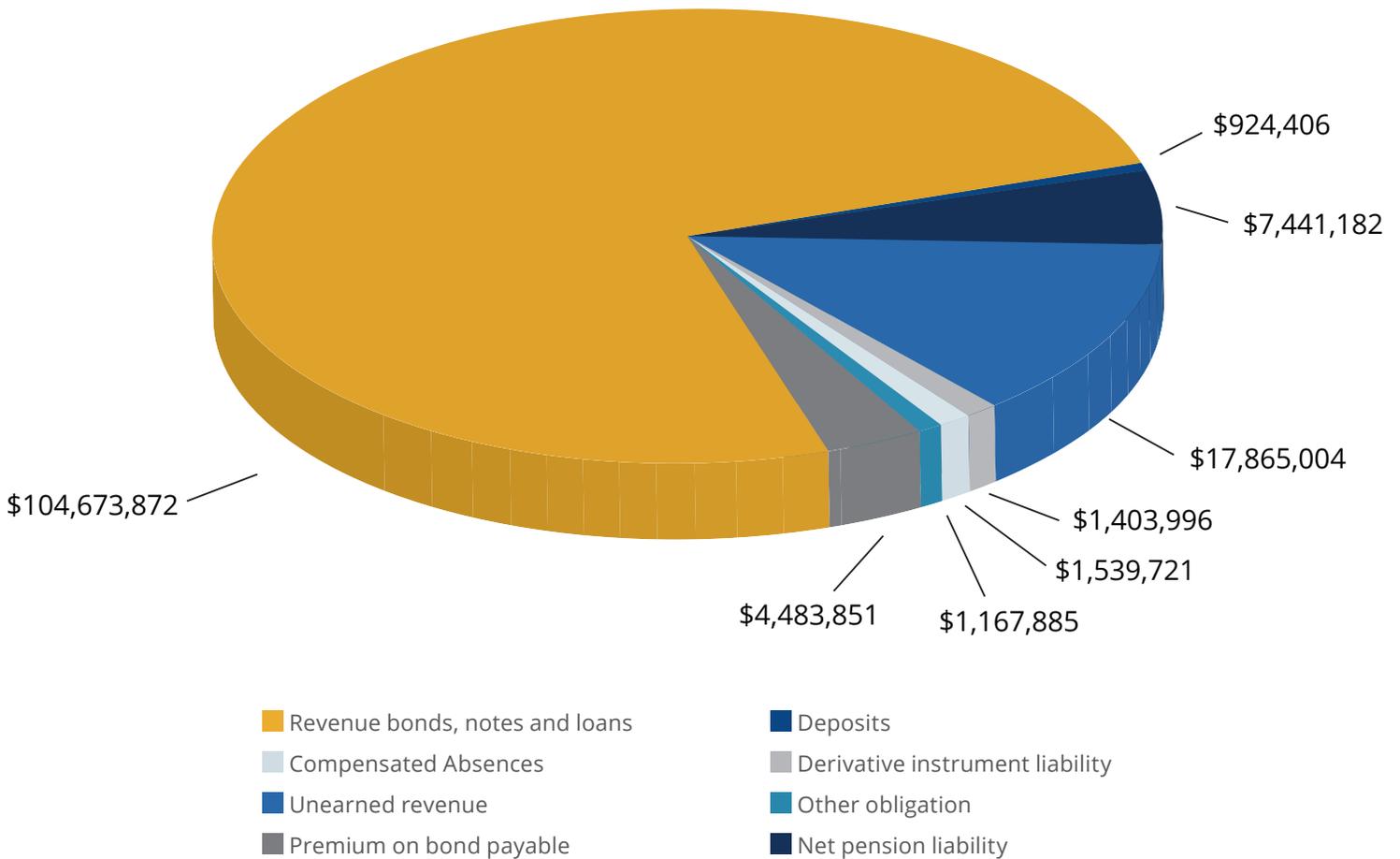


LONG TERM LIABILITIES

Port Tampa Bay has no legal debt limit as set forth in the Constitution of the State of Florida and the Florida Statutes. However, the port’s Amended and Restated Master Bond resolution dated August 21, 2018 establishes certain maximum debt service requirements which are more restrictive and are based on net revenue generated by the Port.

The various bond indentures contain 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. Port Tampa Bay has complied with all significant covenants.

LONG-TERM LIABILITIES





PORT TAMPA BAY™

REROUTE YOUR THINKING™

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