



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR FISCAL YEAR ENDED SEPTEMBER 30, 2007**



TAMPA PORT AUTHORITY

**HILLSBOROUGH COUNTY PORT DISTRICT, FLORIDA**

# Hillsborough County Port District, Florida

## Comprehensive Annual Financial Report

For Fiscal Year Ended September 30, 2007



TAMPA PORT AUTHORITY

Prepared by: Finance Department

Michael J. Macaluso, Chief Financial Officer





**TAMPA PORT AUTHORITY**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2007**

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March 17, 2008

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

Dear Commissioners:

The Comprehensive Annual Financial Report (CAFR) of the Tampa Port Authority (Port Authority) for the fiscal year ended September 30, 2007 is hereby submitted for your review. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with the Tampa Port Authority. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Port Authority. All disclosures necessary to enable the reader to gain an understanding of the Port Authority's financial activities and operations have been included.

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

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

Governmental accounting and auditing principles require that management provide 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 independent auditor's report 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.

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

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



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

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

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

### **Local Economy**

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

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





Economic growth in Hillsborough County continued to be strong in 2007 with the cost of living index in the county consistently below the national average for the past 14 years. The Economic Development Department of Hillsborough County, along with other agencies, is working hard to attract major corporations that will bring more jobs to the County and further strengthen local economy.

Hillsborough County enjoyed strong population growth in 2007 increasing to 1,192,861, a 1.3 % increase over 2006. Hillsborough County's favorable wage scales and low cost of living continue to draw new residents and businesses to the area. Overall unemployment for Hillsborough County was 4.1% in 2007, which was below the State of Florida's unemployment rate of 4.3% and the national unemployment rate of 4.7%. According to the Florida Agency for Workforce Innovation, *Professional and Business Services, Trade, Transportation, and Utilities, Education and Health Services, Leisure and Hospitality and Financial Activities* are the top five industry sectors dominating Hillsborough County employment.

The Tampa Port Authority is a major player in the local economy's economic growth. The Port of Tampa is the largest of the fourteen deepwater ports in the State of Florida and ranks in the top twenty of all U.S. ports in terms of tons of cargo handled. The total cargo handled on Port of Tampa property (port owned & private) is approximately 37% of the tonnage of the other thirteen deepwater Florida ports combined.

### **Major Initiatives**

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

**Security initiatives** - The Port has a number of grants in place which provides resources for security planning and projects to improve port security. For additional information related to grants funding, refer to the Compliance Section of the MD&A.

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

**Legislative initiatives** – The Tampa Port Authority is very proactive at the state and federal level in its pursuit of funding for initiatives which will benefit the entire Port of Tampa and the surrounding community. These initiatives include seeking funding for dredging projects which are vital to support growing container and aggregate business, industries crucial to the future expansion of the Port.

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



**Cargo growth and diversification** - The Port Authority is absolutely committed to diversification of its revenue base. The moneys it collects from both the vessels using the berths and the cargo passing over the berths each year finance all of the Port Authority's operations and debt. To that end, the Port Authority is constantly looking for ways to improve its operations and increase traffic and cargo volumes through the port. Each year, approximately 3,600 vessels pass through the port carrying approximately 45 million tons of cargo. Products are diverse with imported products including: petroleum and related products, coal, liquid sulfur, steel, anhydrous ammonia, citrus concentrate, containerized cargo, aggregates (limestone and granite), and cement. The port exports products such as phosphates, scrap metal, citrus pellets, vehicles, and containerized cargo. The Port Authority has a very active Marketing Division that nurtures these product lines and travels extensively in pursuit of other entities, which might be interested in doing business in the Port of Tampa.

Port Authority representatives actively participate in numerous trade initiatives internationally. Two of the priority areas in which Port Authority staff is devoting their efforts are in Latin America and Asia, with the intent of increasing trade with these parts of the world.

The Tampa Port Authority has made one of its primary objectives the development of its container business. The Port Authority and its terminal operator, Ports America, Inc., have forged a partnership whereby the two entities contribute equally to future container terminal development. In addition, Tampa was added as the first North American stop for the Asia –Gulf Express (AGX) trade route. Additional routes are being pursued to add to this line. Additionally, the Port Authority is focusing on its efforts to attract major distribution centers to the West Central Florida area as part of its container outreach program.

**Cruise industry** - The Port of Tampa is currently the fourth largest cruise port among Florida ports. The Port of Tampa has become an established passenger cruise port with three modern cruise terminals attracting approximately 781k cruise passengers in fiscal year 2007. Current cruise activity at the Port of Tampa includes:

- Royal Caribbean Cruise Lines' "Grandeur of the Seas" originates sailings out of Tampa to ports including Belize and Cozumel on a 5-5-4 day sailing rotation.
- Carnival Cruise Lines currently has two vessels which homeport in Tampa, the "Inspiration" and the "Legend". Carnival has two itineraries: the "Inspiration" which offers a 5-5-4 day sailing rotation and the "Legend" which offers a 7-day sailing rotation.
- Holland America's "Veendam" also homeports in Tampa. The vessel takes passengers on seven and fourteen-day cruises to the Western and Southern Caribbean.

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





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

During 2007 the Port Authority continued to market and/or develop prime waterfront real estate it owns near downtown Tampa called Channelside. All of the cruise ships calling at the Port of Tampa dock in this area.

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

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

Environmental initiatives - Once again in fiscal year 2007, the Port Authority demonstrated its commitment to the environment of Tampa Bay and Hillsborough County through funding of the sovereign lands management program. Projects under this program include environment restoration, protection of native species, public education, and enhanced awareness efforts.

### **Internal Controls**

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

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

As a result of the FY2007 independent financial audit, Rivero, Gordimer & Co. noted no matters involving the internal control over the Port Authority's financial reporting and operations that was considered to be material weaknesses. Additionally, the results of the tests of compliance performed by Rivero, Gordimer & Co. during the audit disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



## **Financial Overview**

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

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

## **Budget**

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

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

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

## **Debt Administration**

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





## **Cash Management**

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

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

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

## **Risk Management**

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

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

The Port Authority requires all parties doing business with the Port including tenants, customers, contractors, subcontractors and consultants to maintain comprehensive insurance coverage and to provide proof of such coverage to the Port Authority. The Port Authority's risk management program also includes the constant review of the Port Authority's safety practices and provides recommendations to ensure a safe and productive work environment. Finally, the Port Authority monitors and maintains a Comprehensive Emergency Response Plan designed to ensure effective and efficient reaction on the part of Port Authority employees and tenants to any unforeseen or unexpected emergency.



### **Independent Audit**

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

### **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, 2006. This was the seventh 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 six years, the accomplishment of the Certificate of Achievement for the seventh consecutive fiscal year was primarily due to the tireless efforts of the Port Authority's Finance Department staff.

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

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

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

Respectfully Submitted,

Richard A. Wainio  
Port Director and CEO

Michael J. Macaluso  
Chief Financial Officer



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Tampa Port Authority,  
Hillsborough County Port District  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2006

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



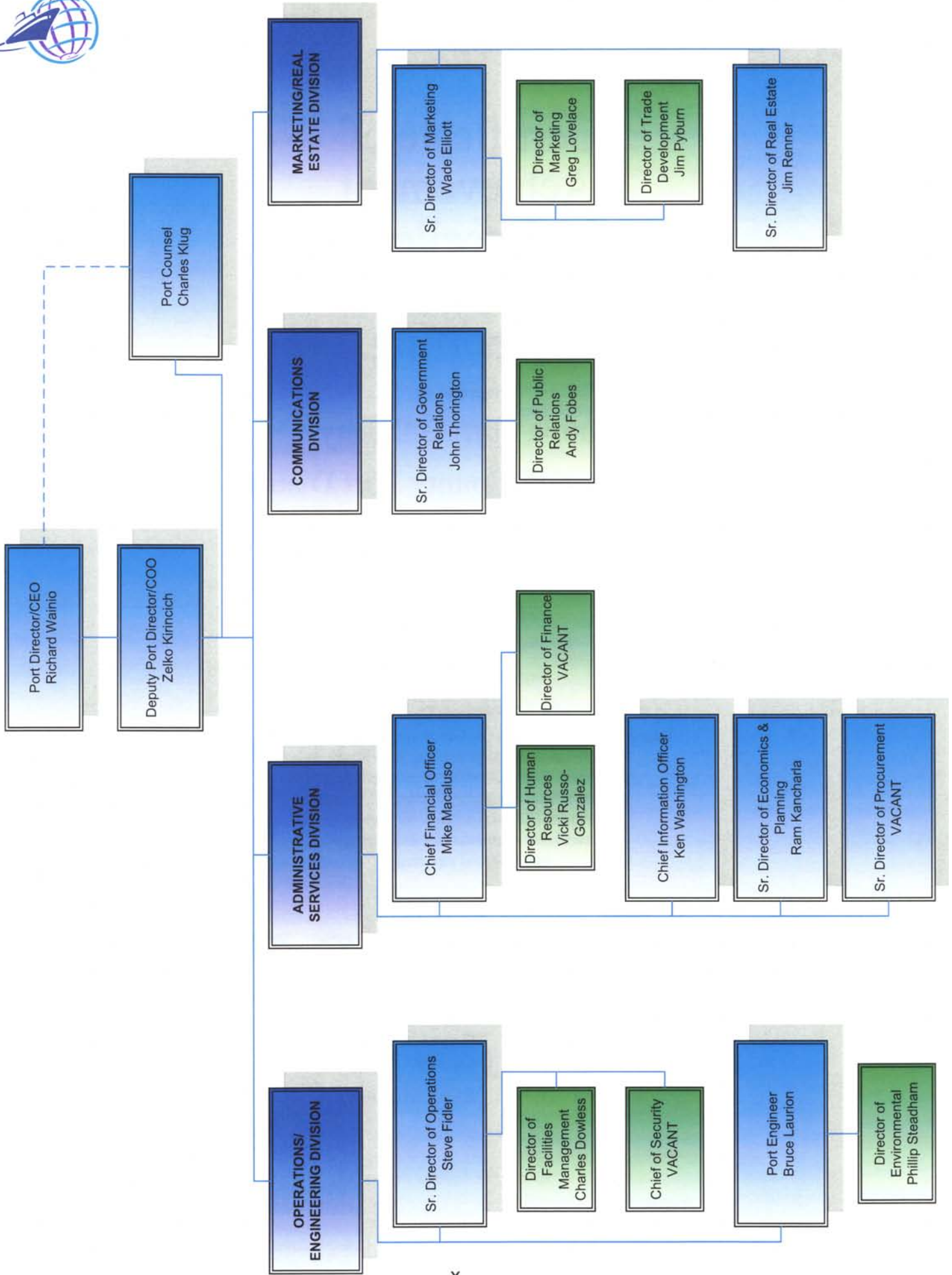
*Chloe S. Cox*

President

*Jeffrey R. Emer*

Executive Director









## **Tampa Port Authority**

### **List of Officials**

#### **Board of Commissioners**

Lawrence R. Shipp, Jr.	Chairman of the Board
Brian Dolan	Vice Chairman
Carl Lindell, Jr.	Secretary/Treasurer
Lance Ringhaver	Commissioner
Honorable Brian Blair Hillsborough County Commission	Commissioner
Walter J. Hartley, Jr.	Commissioner
Honorable Pam Iorio Mayor, City of Tampa	Commissioner

#### **Senior Executive Staff**

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



TAMPA PORT AUTHORITY





TAMPA PORT AUTHORITY





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

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

Cesar J. Rivero	Sam A. Lazzara
Richard Gordimer	Stephen G. Douglas
Herman V. Lazzara	Michael E. Helton
Marc D. Sasser	

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
Tampa Port Authority

We have audited the accompanying combined statement of net assets of the Tampa Port Authority (the "Port Authority") as of September 30, 2007, and the related combined statements of revenues, expenses and changes in fund net assets, and cash flows for the year then ended, listed as basic financial statements in the table of contents. These combined financial statements are the responsibility of the Port Authority's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Port Authority as of September 30, 2007 and the results of its operations, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2008 on our consideration of the Port Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis information is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and we express no opinion on it.



The information presented in the introductory section and the statistical section is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements of the Port Authority taken as a whole. The accompanying Schedule of Expenditures of State Financial Assistance is presented for the purpose of additional analysis as required by Chapter 10.550, Rules of the Auditor General of the State of Florida. This supplementary information and schedules are the responsibility of the Port Authority's management. Such schedules have been subjected to auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, when considered in relation to the basic financial statements taken as a whole.

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

Tampa, Florida  
January 15, 2008



## Tampa Port Authority

### MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2007

The following management's discussion and analysis ("MD&A") of the financial performance and activity of the Tampa Port Authority ("Port Authority") is to provide an introduction and understanding of the financial statements of the Port Authority for the fiscal year ended September 30, 2007, with selected comparisons to the prior fiscal year ended September 30, 2006. The information represented should be read in conjunction with the financial statements, notes and supplemental schedules found in this report.

#### Introduction

The Port Authority is a body politic and corporate pursuant to the provisions of Chapter 95-488, Laws of Florida, Acts of 1945 ("Enabling Act"). The Enabling Act provides that the Port Authority will have exclusive jurisdiction, control, supervision and management over all publicly-owned docks and wharves in Hillsborough County, Florida. The Port Authority is governed by seven board members, five of whom are residents of Hillsborough County, which are 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 and debt service requirements. Capital projects are funded by issuing bonds and short-term financings, awards of federal and state grants, ad valorem tax revenue, and surplus operating funds above those needed to cover operating expenses and debt service. While the Port Authority has the ability to levy up to .50 mills in ad valorem taxes each year, the Port Authority's FY2007 millage rate was .22 mills.

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

The following MD&A of Port Authority activities and financial performance provides an introduction to the financial statements of the Port Authority for the fiscal year ended September 30, 2007, with selected comparative information to the fiscal year ended September 30, 2006. The information contained in this MD&A has been prepared by management and should be considered in conjunction with the financial statements and the notes thereto, which follow this section.





## Tampa Port Authority

### MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

September 30, 2007

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

#### Overview of the Financial Statements

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

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

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

#### Financial Position Summary

The Statement of Net Assets presents the financial position of the Port Authority at the end of the fiscal year. The statements include all assets and liabilities of the Port Authority. Net assets, the difference between total assets and total liabilities, are an indicator of the current fiscal health of the organization and the Port Authority's financial position over time. A summarized comparison of the Port Authority's assets, liabilities, and net assets at September 30, 2007 and 2006 is as follows:



Tampa Port Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

September 30, 2007

STATEMENTS OF NET ASSETS

(in thousands)	<u>FY2007</u>	<u>FY2006</u>
ASSETS		
Current assets	\$ 103,457	\$ 95,582
Noncurrent assets		
Capital related, net	438,290	423,702
Noncapital	<u>14,324</u>	<u>16,069</u>
Total assets	<u>\$ 556,071</u>	<u>\$ 535,353</u>
LIABILITIES		
Current liabilities	\$ 14,242	\$ 15,311
Noncurrent liabilities	<u>155,204</u>	<u>160,283</u>
Total liabilities	<u>169,446</u>	<u>175,594</u>
NET ASSETS		
Invested in capital assets, net of related debt	319,218	296,454
Restricted assets	36,971	36,720
Unrestricted net assets	<u>30,436</u>	<u>26,585</u>
Total net assets	<u>386,625</u>	<u>359,759</u>
Total liabilities and net assets	<u>\$ 556,071</u>	<u>\$ 535,353</u>

At September 30, 2007, the Port Authority's assets exceeded liabilities by \$387 million, a \$26.9 million increase over September 30, 2006. For the fiscal year ended September 30, 2007, the largest portion of the Port Authority's net assets represents its investment in capital assets, less the related debt outstanding used to acquire those capital assets. The Port Authority uses these capital assets to provide services to the passengers, visitors, customers, and tenants of the Port of Tampa. The resources required to repay the Port Authority's debt must be provided annually from Port Authority operations.

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





Tampa Port Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

September 30, 2007

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

(in thousands)	<u>FY 2007</u>	<u>FY 2006</u>
Operating revenues		
Port usage fees	\$ 27,256	\$ 29,352
Land and building leases	8,125	8,419
Other operating revenue	1,534	1,537
Total operating revenue	<u>36,915</u>	<u>39,308</u>
Operating expenses	<u>21,436</u>	<u>19,913</u>
Operating income before depreciation	15,479	19,395
Depreciation and amortization expense	<u>14,451</u>	<u>12,527</u>
Operating income after depreciation	<u>1,028</u>	<u>6,868</u>
Non-operating revenues (expenses)		
Operating assistance grants	-	340
Ad valorem taxes	16,681	16,205
Interest income	5,253	4,207
Other non-operating revenues	953	1,392
Interest expense	(8,163)	(8,387)
Amortization of bond issue costs	(220)	(235)
Amortization of bond premiums	240	224
Other non-operating expenses	(2,897)	(3,644)
	<u>11,847</u>	<u>10,102</u>
Income before capital contributions	12,875	16,970
Capital grants	<u>13,991</u>	<u>4,845</u>
Increase in net assets	26,866	21,815
Net assets at beginning of year	<u>359,759</u>	<u>337,944</u>
Net assets at end of year	<u>\$ 386,625</u>	<u>\$ 359,759</u>

Financial Operations Highlights

Listed below are the highlights of changes in the fiscal years ended September 30, 2007 and 2006, as shown in the Statements of Revenues, Expenses and Changes in Fund Net Assets above:



## Tampa Port Authority

### MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

September 30, 2007

- Operating revenues decreased by 6.09% from \$39.3 million to \$36.9 million due to a decrease in the Port Authority's cruise revenue. During 2006, the Grandeur of the Seas relocated to Tampa from New Orleans due to Hurricane Katrina, which generated \$1.6 million in port usage fees. The Grandeur of the Seas returned to New Orleans during 2007. In addition, the decline in residential and commercial construction impacted a number of construction-related commodities, primarily cement and steel.
- Operating expenses increased by 7.5% from \$19.9 million to \$21.4 million. The Port Authority's property insurance premiums increased by approximately \$1.3 million during 2007.
- Depreciation and amortization increased \$1.9 million from \$12.5 million to \$14.4 million. The increase is related to the Port Authority's on-going capital improvement program, in particular, significant dredging additions have been made to the Port's Spoil Island and Sparkman Channel during 2007.
- Non-operating revenues, net of non-operating expenses, increased by \$1.7 million, or 17.3%. Interest income increased by \$1 million as a result of investment activity associated with bond proceeds received in FY 2006. Other non-operating expenses decreased by \$747,000. In FY 2006, the Port Authority incurred costs of \$580,000 associated with the defeasance of its Series 1995B bonds.
- Capital grants increased from \$4.8 million to \$14 million, or a \$9.2 million increase. During 2006, the Port Authority received a \$6.7 million Florida Department of Transportation grant which was expended during 2007 for Spoil Island improvements. The Port Authority also had higher capital grant expenditures related to Sparkman Channel dredging during 2007.

#### Capital Assets

The Port Authority's non-current assets as of September 30, 2007 amounted to \$452.6 million, of which capital assets were \$438.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, facility and infrastructure improvements and enhancements, equipment, furniture and fixtures, and construction work in progress. Capital asset acquisitions are capitalized at cost and depreciated over estimated useful lives using the straight-line method. (Refer to note B6 Capital Assets for a more complete description.) The total increase in the Port Authority's investment in capital assets after accumulated depreciation for 2007 was 3%, or \$14.6 million due to the reasons stated below.

During 2007, completed major projects totaling \$48.7 million were closed from construction-in-progress to their respective capital accounts. Major completed projects included the completion of the construction of Hooker's Point Transit Shed, development of Berth 202 Auto Yard, Trammel Crow Port Ybor, Berth 26 and Berth 3, dredging of the south end of Hooker's Point, Spoil Island improvements, Hooker's Point paving and Grant Street road improvement.





## Tampa Port Authority

### MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

September 30, 2007

Construction-in-progress projects total of \$6.6 million include the following projects:

- Tampa harbor dredging improvements
- Hooker's Point Phase II paving
- Port Redwing development
- Port Sutton security gate
- East Port development

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

#### Debt Administration

The Port Authority had outstanding revenues bonds and notes of \$155.1 million as of September 30, 2007. Of this amount, \$6.38 million is current and will mature by June 1, 2008.

The Port Authority issued no new long-term debt in 2007. Details regarding the current outstanding long-term debt transactions can be found in note J of the accompanying notes to the financial statements.

The Port Authority's bonds remained at the following ratings, as provided by the major rating agencies: "A" by Fitch, "A2" by Moody's, and "A" by Standard & Poor's, all with stable outlooks.

The Port Authority's bond covenants require that revenues available to pay debt service, as defined in the bond resolutions, exceed 120% of the annual debt service amount. The debt service coverage test for fiscal years 2007 and 2006 was met and exceeded for both years.

#### Request for Information

This financial report is designed to provide a general overview of the Port Authority finances and to demonstrate the Port Authority's accountability for the funds it receives and expends. Questions concerning this report or requests for additional information should be addressed to Kathy Burkart, Senior 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).

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TAMPA PORT AUTHORITY





Tampa Port Authority  
COMBINED STATEMENT OF NET ASSETS

September 30, 2007  
(With comparative total for 2006)

	Primary Government	Component Unit		
	Tampa Port Authority	Tampa Bay International Terminals, Inc.	Total 2007	Total 2006
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (note C)	\$ 90,187,484	\$ 17,707	\$ 90,205,191	\$ 82,688,155
Investments (note C)	3,264,188	938,500	4,202,688	4,242,617
Accounts receivable, net of allowance for doubtful accounts	4,864,888	-	4,864,888	5,196,812
Due from other governments	1,312,829	-	1,312,829	2,300,967
Notes receivable (note D)	704,070	-	704,070	291,620
Note receivable from component unit (note D)	796,667	-	796,667	761,667
Interest receivable	1,536,786	-	1,536,786	1,062,489
Prepaid expenses and other current assets	789,631	1,186,531	1,976,162	1,439,774
Total current assets	103,456,543	2,142,738	105,599,281	97,984,101
NONCURRENT ASSETS				
Capital assets, net of depreciation (note G)	438,291,198	-	438,291,198	423,702,035
Notes receivable (note D)	6,295,930	-	6,295,930	6,466,414
Note receivable from component unit (note D)	2,296,667	-	2,296,667	3,093,333
Lease acquisition costs, net of amortization (note E)	2,128,602	-	2,128,602	2,476,568
Bond issuance costs, net of amortization	2,630,731	-	2,630,731	2,850,513
Leasehold rights, net of amortization	557,364	-	557,364	629,511
Other intangible assets (note F)	414,369	724,880	1,139,249	1,277,649
Total noncurrent assets	452,614,861	724,880	453,339,741	440,496,023
TOTAL ASSETS	\$ 556,071,404	\$ 2,867,618	\$ 558,939,022	\$ 538,480,124



Tampa Port Authority

COMBINED STATEMENT OF NET ASSETS CONTINUED

September 30, 2007  
(With comparative total for 2006)

	Primary Government	Component Unit		
	Tampa Port Authority	Tampa Bay International Terminals, Inc.	Total 2007	Total 2006
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 3,928,264	\$ -	\$ 3,928,264	\$ 4,270,958
Construction contracts payable	340,448	-	340,448	1,247,439
Accrued liabilities	909,576	11,006	920,582	884,702
Accrued bond interest	2,394,273	-	2,394,273	2,571,955
Long-term debt due within one year (note J)	6,375,000	-	6,375,000	6,045,000
Note payable to primary government (note J)	-	796,667	796,667	761,667
Deferred revenue	293,595	-	293,595	293,144
Total current liabilities	14,241,156	807,673	15,048,829	16,074,865
NONCURRENT LIABILITIES				
Bonds, notes and loans payable, net (note J)	148,709,287	-	148,709,287	154,512,247
Note payable to primary government (note J)	-	2,296,667	2,296,667	3,093,333
Deferred revenue	4,060,355	-	4,060,355	1,978,607
Investment held for component unit	938,500	-	938,500	938,500
Deposits	327,931	-	327,931	336,190
Refundable grant advance	-	-	-	1,350,000
Other obligation (note L)	1,167,885	-	1,167,885	1,167,885
Total noncurrent liabilities	155,203,958	2,296,667	157,500,625	163,376,762
Total liabilities	169,445,114	3,104,340	172,549,454	179,451,627
NET ASSETS (DEFICIT)				
Invested in capital assets, net of related debt	319,218,150	-	319,218,150	296,454,240
Restricted				
Bond debt service	9,531,156	938,500	10,469,656	10,273,372
Capital projects	27,440,222	-	27,440,222	27,384,863
Unrestricted	30,436,762	(1,175,222)	29,261,540	24,916,022
Total net assets (deficit)	386,626,290	(236,722)	386,389,568	359,028,497
TOTAL LIABILITIES AND NET ASSETS	\$ 556,071,404	\$ 2,867,618	\$ 558,939,022	\$ 538,480,124





Tampa Port Authority

COMBINED STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS

For the year ended September 30, 2007  
(With comparative total for 2006)

	Primary Government	Component Unit		
	Tampa Port Authority	Tampa Bay International Terminals, Inc.	Total 2007	Total 2006
Operating revenues				
Port usage fees	\$ 27,256,113	\$ -	\$ 27,256,113	\$ 29,351,922
Land and building leases	8,124,514	-	8,124,514	8,418,676
Other operating revenues	1,534,232	964,088	2,498,320	2,447,934
Total operating revenues	36,914,859	964,088	37,878,947	40,218,532
Operating expenses				
Personnel	8,912,025	103,162	9,015,187	8,520,639
Promotional	329,454	4,044	333,498	441,812
Administrative	12,194,720	55,350	12,250,070	11,055,780
Depreciation and amortization	14,450,066	-	14,450,066	12,527,343
Total operating expenses	35,886,265	162,556	36,048,821	32,545,574
Total operating income	1,028,594	801,532	1,830,126	7,672,958
Non-operating revenues (expenses)				
Operating assistance grants	-	-	-	340,249
Ad valorem taxes	16,681,013	-	16,681,013	16,205,151
Interest income	5,252,876	53,917	5,306,793	4,261,197
Other non-operating revenues	952,962	-	952,962	1,395,684
Interest expense	(8,162,966)	(188,912)	(8,351,878)	(8,609,796)
Amortization of bond issue costs	(219,782)	-	(219,782)	(235,346)
Amortization of bond premiums	240,465	-	240,465	224,467
Other non-operating expenses	(2,897,097)	(172,883)	(3,069,980)	(3,817,547)
Total non-operating revenues (expenses)	11,847,471	(307,878)	11,539,593	9,764,059
Income before capital contributions	12,876,065	493,654	13,369,719	17,437,017
Capital grants and contributions	13,991,352	-	13,991,352	4,844,963
Increase in net assets	26,867,417	493,654	27,361,071	22,281,980
Net assets at beginning of year	359,758,873	(730,376)	359,028,497	336,746,517
Net assets at end of year	\$ 386,626,290	\$ (236,722)	\$ 386,389,568	\$ 359,028,497



TAMPA PORT AUTHORITY





Tampa Port Authority  
**STATEMENT OF CASH FLOWS**  
 For the year ended September 30, 2007  
 (With comparative total for 2006)

	Primary Government Tampa Port Authority - 2007	Primary Government Tampa Port Authority - 2006
Cash flows from operating activities		
Received from customers	\$ 37,238,524	\$ 37,347,183
Payments to suppliers for goods and services	(13,576,139)	(11,647,727)
Payments to employees for services	(8,884,519)	(8,415,458)
Related to non-operating revenues	3,035,161	1,392,330
Related to non-operating expenses	(777,972)	(1,154,840)
Net cash provided by operating activities	<u>17,035,055</u>	<u>17,521,488</u>
Cash flows from non-capital financing activities		
Operating grants received	-	534,575
Payment of ad valorem taxes	(1,089,267)	(812,967)
Net cash used by non-capital financing activities	<u>(1,089,267)</u>	<u>(278,392)</u>
Cash flows from capital and related financing activities		
Capital grants and contributions received	14,979,490	3,277,052
(Use) proceeds of refundable capital grant advance	(1,350,000)	1,350,000
Ad valorem taxes received, net of fees paid	15,919,863	15,548,095
Acquisition and construction of capital assets	(30,067,665)	(27,551,962)
Proceeds from sale of capital assets	411,248	3,979,232
Principal payments on debt	(6,045,000)	(19,855,000)
Interest payments on debt	(7,528,141)	(7,476,317)
Payments on issuance of bonds	-	(738,792)
Proceeds from bond issues	-	27,424,624
Bond premium	-	173,515
Net cash used by capital and related financing activities	<u>(13,680,205)</u>	<u>(3,869,553)</u>
Cash flows provided by investing activities		
Purchase of investments	(3,264,188)	(3,304,117)
Proceeds from the sale of investments	3,304,117	10,191,983
Proceeds from repayment of notes receivable	761,666	1,946,664
Payments on issuance of notes receivable	(241,966)	(683,914)
Interest and dividends received	4,778,579	3,899,480
Net cash provided by investing activities	<u>5,338,208</u>	<u>12,050,096</u>
Net increase in cash and cash equivalents	7,603,791	25,423,639
Cash and cash equivalents at beginning of year	<u>82,583,693</u>	<u>57,160,054</u>
Cash and cash equivalents at end of year	<u>\$ 90,187,484</u>	<u>\$ 82,583,693</u>



Tampa Port Authority

STATEMENT OF CASH FLOWS - CONTINUED

For the year ended September 30, 2007  
(With comparative total for 2006)

	Primary Government Tampa Port Authority - 2007	Primary Government Tampa Port Authority - 2006
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 1,028,594	\$ 6,867,436
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	14,450,066	12,527,343
(Increase) decrease in		
Accounts receivable	331,923	(1,888,515)
Prepaid expenses and deposits	(709,271)	43,739
Increase (decrease) in		
Accounts payable	(342,694)	(220,101)
Accrued liabilities	27,506	25,919
Deferred revenue	2,082,199	(226,994)
Deposits	(8,259)	155,171
Total adjustments	15,831,470	10,416,562
Non-operating revenues	174,991	237,490
Net cash provided by operating activities	\$ 17,035,055	\$ 17,521,488
Noncash capital and financing activities		
Capitalized interest	\$ -	\$ 85,142

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Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE A - ORGANIZATION AND REPORTING ENTITY

1. Financial Reporting Entity, Organization and Operations

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

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

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

2. Discretely Presented Component Unit

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

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



## Tampa Port Authority

### NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

#### NOTE A - 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. 14 are presented in a separate component unit column in the combined financial statements in order to clearly distinguish the balances and transactions of the component unit from those of the primary government. TBIT is the Port Authority's only component unit and it is presented discretely and is identified as a component unit throughout this report. Complete financial statements for TBIT may be obtained at the component unit's administrative offices, located at 1101 Channelside Drive, Tampa, Florida 33602. Also see notes C, D, F, I, J2, N, and R.

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### 1. Basis of Accounting

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

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

##### 2. Fund Accounting and Basis of Accounting

The operations of the Port Authority are recorded in a proprietary fund. Proprietary funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is on the determination of net income and capital maintenance. All Port Authority financial transactions are grouped in one major fund type, the Enterprise Fund. Enterprise funds are used to account for operations that are financed primarily through user charges, or where the governing body has concluded that the determination of net income is appropriate.





Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of the fund are included on the statement of net assets. Fund equity is segregated into its net assets components. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

3. Cash and Cash Equivalents

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

The Port Authority deposits cash in qualified public depositories. The deposits are fully insured by the Federal Deposit Insurance Corporation ("FDIC") and/or secured by the multiple financial institutions collateral pool established under Chapter 280, Florida Statutes. In accordance with these statutes, qualified public depositories are required to pledge eligible collateral in varying percentages. Any losses to public depositors are covered by applicable deposit insurance by the sale of pledged securities and, if necessary, by assessments against other qualified public depositories.

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

4. Investments

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

5. Accounts Receivable

The Port Authority records accounts receivable at estimated net realizable value. Accordingly, accounts receivable at September 30, 2007 are shown net of allowances for doubtful accounts. The primary government has set their allowance for doubtful accounts at approximately \$221,000. The component unit had no accounts receivable as of September 30, 2007 and therefore the allowance for doubtful accounts has been set to zero.





Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

6. Capital Assets

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

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

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

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

7. Lease Acquisition Costs

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

8. Intangible Assets

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

9. Amortization

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

10. Reserves for Restricted Assets

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



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

11. Ad Valorem Taxes

In accordance with Florida Statutes, the Port Authority has the right to levy up to a millage rate of one-half mill (\$0.50 per \$1,000 value) ad valorem property tax. The Port Authority levied a millage rate of 0.22 mill (\$0.22 per \$1,000 value) ad valorem property tax during fiscal year 2007.

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 2007 is included in the accompanying financial statements since such taxes are collected to finance expenditures of the subsequent period.

12. Compensated Absences

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

13. Use of Estimates

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

14. Pension Disclosure

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

15. Interest Rate Risk Management

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





Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

16. Deferred Losses on Refunding of Debt

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

17. Accounting Pronouncements

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

18. Operating Revenues and Economic Dependency

Total operating revenues of the Port Authority for the year ended September 30, 2007 amounted to approximately \$36.9 million, comprised of port usage fees of approximately \$27.3 million (of which dockage and wharfage are approximately \$21.5 million) and rental income of approximately \$8.1 million. Port usage fees and rental income totaled approximately \$35.4 million and made up approximately 95.8% of the primary government's operating revenues in 2007.

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

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





Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE B - 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 of Tampa in order to attract new businesses. Administrative expenses include all other expenses necessary to effectively operate the Port Authority on a day-to-day basis.

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

20. Capitalized Interest

Interest costs on funds borrowed to finance the construction of property and equipment during the period of construction, net of interest income, are capitalized. There were no interest costs capitalized for the year ended September 30, 2007.

NOTE C - CASH AND INVESTMENTS

1. Deposits

The bank balance of the Port Authority's (primary government) deposits (unrestricted and restricted) was \$15,876,393 at September 30, 2007 and the book balance was \$15,514,095. For the component unit, the bank balance of deposits and the book balances were \$20,275 and \$17,707, respectively. The difference between the book and bank amounts is due to outstanding checks and transfers, and deposits in transit in its demand accounts.

Of the September 30, 2007 Port Authority's bank balance, \$100,000 was covered by Federal Depository Insurance Corporation (FDIC) and \$15,776,393 was collateralized by the State of Florida collateral pool. The State of Florida collateral pool is a multiple financial institution pool with the ability to assess its members for collateral shortfalls if any of its member institutions fail. Required collateral is defined under Chapter 280, Florida Statutes, *Security for Public Deposits*.

2. Cash on Hand

For the component unit, deposits are maintained with a commercial bank, which is organized under the laws of the United States, and are insured by the FDIC up to \$100,000 for all accounts at each financial institution.

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



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE C - CASH AND INVESTMENTS – Continued

3. Investments

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

- a. The Local Government Surplus Funds Trust Fund, an investment pool, under the sponsorship of the Florida State Board of Administration.
- b. Negotiable direct obligations of, or obligations of which the principal and interest are unconditionally guaranteed by, the United States ("U.S.") Government.
- c. Interest bearing time deposits or savings accounts in qualified public depositories as defined in fs.280.02.
- d. Obligations of the Federal Farm Credit Banks, Federal Home Loan Mortgage Corporation, or Federal Home Loan Bank or its district banks, including Federal Home Loan Mortgage Corporation participation certificates, or obligations guaranteed by the Government National Mortgage Association.
- e. Securities of, or other interest in open-end or closed-end management type investment company or investment trust registered under the U.S. Investment Company Act of 1940, 15 U.S. C. ss.80a-1 et seq, as amended from time to time, provided the portfolio of such investment company or trust fund is limited to obligations of the U.S. government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such U.S. government obligations, and provided such an entity takes delivery of such collateral either directly or through an authorized custodian.
- f. Prime commercial paper with the highest credit quality rating from a nationally recognized agency.
- g. Tax exempt obligations rated "AA" or higher and issued by state and local governments.
- h. Investment Agreements as defined herein, subject to collateralization requirements of Chapter 280, Florida Statutes and funds pledge to bonds, such other criteria acceptable to the bond insurer(s).

There were no violations to this policy during the current fiscal year. The Port Authority's investments at September 30, 2007, consisted of the following:

The Port Authority invests funds throughout the year with the Local Government Surplus Funds Trust Fund Investment Pool, an investment pool administered by the Florida State Board of Administration ("FSBA"), under the regulatory oversight of the State of Florida. Throughout the year and as of September 30, 2007, the FSBA pool contained certain floating and adjustable rate securities which were indexed based on prime rate and/or one and three month London Inter Bank Offering Rate ("LIBOR") rates.

There is a risk of loss of interest on the investments if there are changes in the underlying indexed base. The FSBA met the criteria to be a "2a-7Like" pool as defined in GASB No. 31 at September 30, 2007. Therefore the investment was valued at share value, which approximates fair value. The total invested through the Local Government Surplus Trust Funds Trust Fund Investment Pool is \$74,069,772 at September 30, 2007, which is included in cash and cash equivalents. See Note S – Subsequent Events.





Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE C - CASH AND INVESTMENTS – Continued

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

Investments

	Fair Value		Weighted Avg. Maturity (yrs)	Credit Rating
	Primary Government	Component Units		
U.S. treasury securities	\$ 1,095,545	\$ 938,500	0.16	highest possible
Commercial paper	2,168,643	-	0.19	A1
	<u>\$ 3,264,188</u>	<u>\$ 938,500</u>		

The weighted average maturity method expresses investment time horizons, the time when investments become due and payable, in years or months weighted to reflect the dollar size of individual investments within an investment type. In this illustration, the weighted average maturity is computed for each investment type. The weighted average maturity for the primary government, as a whole at year end was 0.18 years.

NOTE D - NOTES RECEIVABLE

Notes receivable consist of the following notes due from a tenant and by the component unit of the Port Authority as of September 30, 2007:

Note receivable balance due from Tampa Bay Shipbuilding Company as of September 30, 2007; principal and interest payable monthly beginning December 1, 2006 and will end on December 1, 2018	\$ 7,000,000
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Note receivable from TBIT (component unit), with a varying interest rate of 3.8% to 5.0%; principal and interest payable monthly beginning September 1997 through May 2011 (see note J)	3,093,334
Total	<u>10,093,334</u>
Less: due within one year	<u>(1,500,737)</u>
Non-current portion notes receivable	<u>\$ 8,592,597</u>





Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE E - LEASE ACQUISITION COSTS

Lease acquisition costs represent funds expended by the Port Authority to perpetuate the opportunity to lease facilities within the Port District and consist of the following changes during fiscal year 2007:

Cost of lease acquisitions	\$ 4,333,257
Accumulated amortization, fiscal year 2007	<u>(2,204,655)</u>
Balance, September 30, 2007	<u>\$ 2,128,602</u>

NOTE F - INTANGIBLE ASSETS

Primary Government - Intangible assets of the primary government consist of the following at September 30, 2007:

Cost of TBIT loan forgiveness	\$ 2,075,109
Accumulated amortization, fiscal year 2007	<u>(1,660,740)</u>
Balance, September 30, 2007	<u>\$ 414,369</u>

Component Unit - Intangible assets of the component unit consist of the following at September 30, 2007:

Cost in excess of net assets acquired (goodwill)	\$ 2,000,000
Accumulated amortization, fiscal year 2007	<u>(1,275,120)</u>
Balance, September 30, 2007	<u>\$ 724,880</u>

The cost in excess of net assets acquired (known as "goodwill") is related to the acquisition of three terminal operating companies that were purchased by TBIT between July, 1989 and October, 1990. Long-lived assets to be held (such as goodwill) and used by TBIT are to be reviewed for impairment whenever changes in circumstances indicated that the carrying amount of the assets may not be recoverable. In performing the review for recoverability, TBIT would estimate the future cash flows expected to result from the use of the asset and its eventual disposition. If the sum of the expected future net cash flows is less than the carrying amount of the asset, an impairment loss would be measured and recognized. Otherwise, an impairment loss would not be recognized. Goodwill is not impaired as of September 30, 2007.



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE G - CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Primary Government	September 30, 2006	Additions	Transfers	Deletions	September 30, 2007
<u>Owned assets</u>					
Capital assets not being depreciated					
Land	\$ 107,072,341	\$ -	\$ 6,817,761	\$ -	\$ 113,890,102
Construction in progress	33,261,452	28,894,250	(55,523,158)	-	6,632,544
Total capital assets not depreciated	140,333,793	28,894,250	(48,705,397)	-	120,522,646
Capital assets being depreciated					
Buildings	137,790,730	-	7,935,578	-	145,726,308
Infrastructure	200,181,911	-	20,236,853	(50,176)	220,368,588
Dredging	33,911,909	-	20,250,966	-	54,162,875
Equipment and furnishing	7,565,576	357,576	282,000	(1,597,272)	6,607,880
Total capital assets depreciated	379,450,126	357,576	48,705,397	(1,647,448)	426,865,651
Less accumulated depreciation					
Buildings	23,323,189	3,705,340	-	-	27,028,529
Infrastructure	53,388,721	5,712,011	-	-	59,100,732
Dredging	14,415,769	4,023,337	-	-	18,439,106
Equipment and furnishing	4,974,460	450,864	-	(896,592)	4,528,732
Total accumulated depreciation	96,102,139	13,891,552	-	(896,592)	109,097,099
Total depreciable capital assets, net	283,347,987	(13,533,976)	48,705,397	(750,856)	317,768,552
Owned capital assets, net	423,681,780	15,360,274	-	(750,856)	438,291,198
<u>Assets under lease</u>					
Capital assets being depreciated					
Vessel	181,487	-	-	(181,487)	-
Less accumulated depreciation	(161,232)	-	-	161,232	-
Capital assets under lease, net	20,255	-	-	(20,255)	-
Total capital assets	\$ 423,702,035	\$ 15,360,274	\$ -	\$ (771,111)	\$ 438,291,198

Depreciation expense for the Tampa Port Authority (primary government) for the year ended September 30, 2007 was \$13,891,552 for owned assets. The Port Authority's construction in progress of \$6,632,544 at September 30, 2007 primarily relates to capital improvements, development and new construction of berths and warehouse facilities, and interest costs capitalized on debt issued to finance long-term construction projects throughout the Port District.



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE H - CURRENT LEASE AGREEMENTS WITH TENANTS

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

Year ending September 30,		Year ending September 30,	
2008	\$ 7,160,210	2038 to 2042	\$ 24,222,850
2009	6,897,008	2043 to 2047	19,411,746
2010	7,411,095	2048 to 2052	17,957,276
2011	7,829,261	2053 to 2057	16,422,320
2012	7,578,489	2058 to 2062	15,166,884
2013 to 2017	36,642,667	2063 to 2067	15,194,827
2018 to 2022	33,355,249	2068 to 2072	14,981,482
2023 to 2027	31,713,657	2073 to 2077	12,539,114
2028 to 2032	28,655,962	2078 to 2082	9,380,000
2033 to 2037	26,581,902	2083 to 2087	7,504,000
			<u>\$ 346,605,999</u>

NOTE I - ACCUMULATED UNPAID EMPLOYEE BENEFITS

Port Authority employees generally earn one day of vacation and one day of sick leave each month. Vacation and sick leave accumulate on a monthly basis and are fully vested when earned. Accumulated vacation and sick leave for the primary government and component unit at September 30, 2007 was \$909,576 and \$-0- respectively, and are included in accrued liabilities.

NOTE J - BONDS, NOTES AND LOANS PAYABLE

1. Primary Government

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

	September 30, 2006	Additions	Deductions	September 30, 2007	Due within one year
Revenue bonds	\$ 160,557,247	\$ -	\$ 5,472,960	\$ 155,084,287	\$ 6,375,000
Deferred revenue	2,271,751	2,311,135	228,936	4,353,950	293,595
Investment held for component unit	938,500	-	-	938,500	-
Deposits	336,190	231,899	240,158	327,931	-
Refundable grant advance	1,350,000	-	1,350,000	-	-
Other obligation	1,167,885	-	-	1,167,885	-
Total	<u>\$ 166,621,573</u>	<u>\$ 2,543,034</u>	<u>\$ 7,292,054</u>	<u>\$ 161,872,553</u>	<u>\$ 6,668,595</u>





Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE J - BONDS, NOTES AND LOANS PAYABLE - Continued

Revenue Bonds

1997 refunding revenue bonds (TBIT Project), collateralized by a pledge and lien on gross revenues of the Port Authority 3.8% to 5%, serial bonds, maturing through 2011	\$ 3,355,000
1998 revenue bonds, collateralized by a pledge and lien on gross revenues of the Port Authority 5% term bonds, maturing 2018 5% term bonds, maturing 2023	3,235,000 21,765,000
2002A revenue bonds, collateralized by a pledge and lien on gross revenues of the Port Authority 4.125% to 5.75% serial bonds, maturing 2021 5.25% term bonds, maturing 2025 5.375% term bonds, maturing 2027	14,200,000 6,340,000 3,745,000
2002B revenue bonds, collateralized by a pledge and lien on gross revenues of the Port Authority 6.25% to 6.75% serial bonds, maturing 2013 6.5% term bonds, maturing 2017 6.875% term bonds, maturing 2022 6.875% term bonds, maturing 2027	1,850,000 1,640,000 2,680,000 3,580,000
2003 revenue refunding bonds, collateralized by a pledge and lien on gross revenues of the Port Authority 3.91% to 5.22% serial bonds, maturing in 2013	13,775,849
2005A revenue refunding bonds, collateralized by a pledge and lien on gross revenues of the Port Authority 3% to 5% serial bonds, maturing through 2020	56,145,000
2006 revenue bonds, collateralized by a pledge and lien on gross revenues of the Port Authority 4% to 4.125% serial bonds, maturing through 2013 5% term bonds, maturing 2026 4.75% term bonds maturing 2031 5% term bonds, maturing 2036	7,685,000 4,380,000 4,745,000 6,015,000
Total outstanding bond balance	155,135,849
Unamortized (discount)/premium - net	2,281,986
Less unamortized loss on defeasance	(2,333,548)
Carrying amount	155,084,287
Less current maturities	(6,375,000)
Bonds, notes and loans payable - noncurrent	<u>\$ 148,709,287</u>



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE J - BONDS, NOTES AND LOANS PAYABLE - Continued

Debt maturities and related interest payments at September 30, 2007 consist of the following:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 6,375,000	\$ 7,182,818	\$ 13,557,818
2009	6,064,576	7,476,877	13,541,453
2010	6,045,467	7,467,819	13,513,286
2011	6,099,497	7,416,119	13,515,616
2012	6,163,633	7,354,196	13,517,829
2013 - 2017	41,872,676	29,453,778	71,326,454
2018 - 2022	49,190,000	16,327,169	65,517,169
2023 - 2027	23,430,000	5,584,770	29,014,770
2028 - 2032	4,970,000	1,975,188	6,945,188
2033 - 2037	4,925,000	631,000	5,556,000
Total	<u>\$ 155,135,849</u>	<u>\$ 90,869,734</u>	<u>\$ 246,005,583</u>

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

In March 2005, the Port Authority issued \$56,475,000 in revenue refunding bonds Series 2005A, with interest rates ranging from 3% to 5%, and with final maturities ending through 2020. The Series 2005A bonds were issued to currently refund Series 1995 Special Revenue & Revenue bonds. As a result of this debt, a deferred refunding loss of \$2,801,793 was recorded as a component of the debt liability and is deducted from long-term bonds payable. This deferred loss is being amortized through 2020. The unamortized loss balance at September 30, 2007 was \$2,333,548. The net present value of the interest savings over the term of the bond results in an economic gain of approximately \$1,493,000. Additionally, the debt service savings approximated \$4,024,000.

In November 2003, the Port Authority issued \$11,520,790 of Revenue Refunding Bonds (Tampa Port Authority Project), Series 2003, with interest ranging from 3.91% to 5.22%, and with final maturities ending through December 1, 2013. Bond proceeds were used to fund the payment of the Hillsborough County Port District Second Lien Revenue Bonds (Tampa Port Authority Project) Series 1994 bonds on December 1, 2003 which were called to purchase a debt service reserve fund surety bond, and to pay bond issuance costs of the 2003 bonds. The principal balance of the Revenue Refunding Bonds at September 30, 2007 includes accreted interest of \$2,255,083. The net present value of the interest savings over the term of the bond results in an economic gain of approximately \$617,000. Additionally, the debt service savings approximated \$890,000.





Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE J - BONDS, NOTES AND LOANS PAYABLE - Continued

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

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

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

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

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

Knock-in Swaption - In July 2002, the Port Authority entered into a knock-in swap option agreement ("swaption") for a notional amount that would not exceed \$32,420,000, fair value as of September 30, 2007, of its fixed rate debt portfolio. Under the agreement, the Port Authority has received an upfront option premium of \$1,002,000 for entering into the knock-in swaption.





Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE J - BONDS, NOTES AND LOANS PAYABLE - Continued

The Port Authority will continue to pay interest on its outstanding debt at the fixed interest rate provided by the bonds. However, the Port Authority will effectively pay a variable rate on the debt, if the Port Authority is knocked into the swap agreement. The debt service requirements to maturity of the bonds are based on the fixed rate. Only if and when the Bond Market Association ("BMA") Municipal Swap Index exceeds 6% for a period of 180 consecutive days after December 1, 2004, will the swaption provider have the option to require the Port Authority to pay interest at a variable rate. If the option is exercised, the swaption provider will pay the Port Authority a fixed rate of 5.0532%, and the Port Authority will pay the swaption provider a variable rate of BMA Municipal Swap Index plus 25 basis points (also refer to note P3). The notional amount under the agreement matches the final maturity of a portion of the Port Authority's outstanding long-term debt and will amortize with the amortization of these bonds.

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

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

The Port Authority has an optional right of termination at any time, with a termination payment payable by or to the Port Authority based on the current market conditions at the time of termination. If the swaption provider defaults under the agreement, the Port Authority would not be exposed to interest rate changes and would have no obligation to make a termination payment. Had the Port Authority elected to terminate the swaption on 9/30/07, a termination fee of \$595,111 would have been payable by the Port, based on the current market conditions at that time. Since the fair value of this financial instrument is not significant to the presentation of these financial statements, it is not presented in the balance sheet.



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE J - BONDS, NOTES AND LOANS PAYABLE - Continued

Synthetic Forward Refunding

On October 21, 1998, the Port Authority issued \$25 million of revenue bonds (the "1998 bonds"). On April 4, 2002, the Port Authority issued \$25 million of revenue bonds (the "2002A bonds") (collectively, the "Bonds"). During the year ended September 30, 2007 the long-term interest rate environment would economically benefit the Port Authority if the Bonds could be refunded and reissued at lower rates. However, the 1998 bonds cannot be redeemed or called until June 1, 2008 and the 2002A bonds cannot be redeemed or called until June 1, 2012. Additionally, the bonds are subject to the Alternative Minimum Tax provision of current tax law and therefore could not be advance refunded.

During the year ended September 30, 2007, the Port Authority's Board of Commissioners authorized a synthetic forward refunding on the 1998 and 2002A bonds which closed December 19, 2006. The transaction allowed the Port Authority the option of taking the expected savings upfront at the time transaction is executed, or to spread the savings over the life of the bonds. The Port Authority elected to take the upfront cash proceeds of \$2,311,135. Between December 19, 2006 and June 1, 2008 (for the 1998 bonds) and June 1, 2012 (for the 2002A bonds) the Port Authority will make a decision to terminate the agreement or to let the counterparty exercise their option to require the Port Authority to issue variable rate debt which would then be swapped for fixed rate payments.

The Port Authority has an optional right of termination at any time, with a termination payment payable by or to the Port Authority based on the current market conditions at the time of termination. If the provider defaults, the Port Authority would not be exposed to interest rate changes and would have no obligation to make a termination payment. Had the Port Authority elected to terminate the agreements on 9/30/07, a termination fee of \$1,675,000 would have been payable by the Port, based on the current market conditions at that time. Since the fair value of these financial instruments are not significant to the presentation of these financial statements, it is not presented in the balance sheet.

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

The principal balance due on bond issues defeased is as follows as of September 30, 2007:

Revenue Bonds, Series 1973A Term Bonds	\$ 4,525,000
Special Refunding Revenue Bonds, Series 1976A Term Bonds	835,000
Refunding Revenue Bonds, Series 1977 Term Bonds	16,200,000
Revenue Bonds, Series 1990 Term Bonds	4,240,000
Refunding Revenue Bonds, Series 1995B	9,230,000
	<hr/>
	\$ 35,030,000





Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE J - BONDS, NOTES AND LOANS PAYABLE - Continued

2. Component Unit

Notes payable of the component unit consist of the following at September 30, 2007:

Note payable to the Port Authority with a varying interest rate of 3.8% to 5.0%; principal and interest payable monthly, beginning September 1997 through May 2011; collateralized by a pledge of TBIT's gross revenues	\$ 3,093,334
Less current portion	<u>(796,667)</u>
Long-term portion	<u>\$ 2,296,667</u>

Debt maturities consisted of the following at September 30,:

2008	\$ 796,667
2009	831,666
2010	868,333
2011	<u>596,668</u>
Total	<u>\$ 3,093,334</u>

On August 1, 1997, the Port Authority executed a loan agreement with TBIT (the component unit) whereby a loan payable was recorded to the Port Authority equal to the 1997 bond issuance maturity value of \$9,385,000. Additionally, the Port Authority is to maintain a debt service reserve of \$938,500, which will apply to the loan's final principal payments. TBIT receives interest earnings on the debt service reserve. Interest earned by TBIT on debt service and bond reserve funds was \$53,917 for the year ended September 30, 2007. TBIT's interest expense on the above notes was \$188,912 for the year ended September 30, 2007.

NOTE K - LINE OF CREDIT

Effective May 15, 2006, the Port Authority has a revolving line of credit in which the principal amount at any one time outstanding cannot exceed \$25,000,000. The Port Authority shall be permitted to make one or more advances against the loan, each of which shall constitute a separate borrowing evidenced by separate notes. The proceeds of each draw secured by a note under this agreement shall be used to finance capital projects for the Port Authority on an interim basis. No advance request shall be honored on or after three years from the date of this agreement. Each note shall be assigned up to an initial two year interest only period, with the entire principal amount of the note being due and payable at the end of such interest only period.





Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE K - LINE OF CREDIT-Continued

Either upon issuance or prior to the conclusion of the two year interest only period, the Port Authority may elect to amortize the outstanding principal due on the note for an additional term not to exceed ten years, upon mutual agreement of the bank to such term, and may elect to convert the note to bear interest at a fixed rate to be determined by mutual agreement in writing by the bank and the Port Authority. During the interest only period, the Port Authority may elect a "non-bank" qualified rate, in which case the note rate shall be a variable interest rate equal to 77% of one month London Interbank Offered Rate ("LIBOR") as evidenced in the Wall Street Journal plus 56 basis points (.56%), or the Port Authority may elect a "taxable rate," in which case the note rate shall be a variable rate equal to one month LIBOR rate plus 73 basis points (.73%). Interest shall be payable on a monthly basis. The Port Authority irrevocably pledges a junior and subordinate lien on (until repayment) of the designated revenues as security for the repayment of each note. There was no balance outstanding on the line of credit at September 30, 2007.

NOTE L - OTHER OBLIGATION

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

The Project Cooperation Agreement committed Federal Government funding of 75% towards project costs and required the Port Authority, a non-Federal Sponsor, to fund 25% of the project costs, which were paid by the Port Authority as of September 30, 2007. In addition to the 25% matching funding by the Port Authority, the agreement also required that the Port Authority be responsible for an additional 10% of total project costs. Repayment of this amount (\$1,167,885) to the Corps of Engineers may be spread over a period of up to thirty years. The repayment terms of this agreement have not been settled as of September 30, 2007.

NOTE M - EMPLOYEE RETIREMENT PLANS

1. Defined Benefit Plan

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

The System provides for vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age.



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE M - EMPLOYEE RETIREMENT PLANS - Continued

Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings. Employees are not required to contribute to this retirement system.

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

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

2. Defined Contribution Plan

Beginning December 1, 2002, the System offered a second retirement plan option, the FRS Investment Plan. Under this plan, the employer pays all contributions which are a percentage of salary based on the System's Membership Class. The employer contributes to an account in the employee's name. The employee makes investment elections with the investment funds chosen by the Florida State Board of Administration. The retirement benefit is based on the account balance, and the benefit is vested after one year of service. If an employee leaves the job, he or she can keep the benefit in the System, or transfer his or her account to another retirement plan.

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

3. Contributions to Florida Retirement System

For the System's fiscal year commencing July 1, 2006, the participating employer contributions are based upon statewide rates established by the State of Florida. The contributions by participating employers are the same for the defined benefit plan and the defined contribution plan. These rates are applied to employee salaries as follows for regular employees at 9.85%, senior management at 13.12%, and Deferred Retirement Option Program (DROP) at 10.91%. The Port Authority's contributions made during the years ended September 30, 2007, 2006 and 2005 were \$697,799, \$595,700 and \$508,896, respectively, equal to the actuarially determined contribution requirements for each year.





Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE N - RELATIONSHIP BETWEEN PRIMARY GOVERNMENT AND COMPONENT UNIT

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

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

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

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

NOTE O - FLORIDA PORTS FINANCING COMMISSION

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

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.





Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE O - FLORIDA PORTS FINANCING COMMISSION - Continued

The Port Authority has been allocated approximately \$61.7 million from Ports Commission bond proceeds, which amounts were deposited into interest earning escrow accounts for certain projects, specifically, cargo and cruise berth and terminal improvements; intermodal road, rail and other infrastructure improvements; cargo-handling equipment; and dredge material disposal site development. The Port Authority, like all participants in the program, has agreed to provide moneys (from sources other than proceeds borrowed under the loan agreement with the Ports Commission) to fund a portion of the cost of such projects. These moneys will be utilized by the Port Authority to pay the costs of such projects on a matching basis with moneys received by the Port Authority pursuant to its loan agreement with the Ports Commission. At September 30, 2007, the Port Authority has drawn down approximately \$61.7 million from its escrow account to fund such projects.

NOTE P - RISK MANAGEMENT

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

NOTE Q - COMMITMENTS AND CONTINGENCIES

1. Litigation

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

2. Special Purpose Revenue Bonds

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

Upon termination or expiration of the leases, the Port Authority retains its ownership interest in said property and the right to possession reverts to the Port Authority. There are no remaining special purpose revenue bonds as of September 30, 2007.



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE Q - COMMITMENTS AND CONTINGENCIES - Continued

3. Knock-in Swaption

See note J.

4. Commitments

The Tampa Port Authority had contractual commitments for various projects that amounted to approximately \$39.9 million as of September 30, 2007.

5. Component Unit

See note R below.

6. Synthetic Forward Refunding

See note J.

NOTE R - RELATIONSHIP AMONG THE PORT AUTHORITY, TBIT AND PAI

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

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

On May 31, 2006, SSA left the Port Authority's premises, and a final agreement to terminate the relationship between the Port Authority and SSA was reached on September 8, 2006.

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





Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE R - RELATIONSHIP AMONG THE PORT AUTHORITY, TBIT AND PAI – Continued

Under the agreement and in exchange for the use of the Port Authority facilities, PAI pays the Port Authority 20% of gross revenues as defined, generated each contract year by PAI from the terminal operations conducted by PAI for revenues up to \$7,000,000. For annual gross revenues which exceed \$7,000,000, PAI agrees to pay 10% to the Port Authority. PAI guarantees that the minimum annual payment will be no less than \$1,425,000. In addition, PAI provides all terminal operations equipment necessary to handle the Port Authority's terminal operations for general cargo and container cargo and is responsible for the maintenance of said equipment at its own expense.

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

TBIT shall continue to make all payments to the Port Authority under the loan agreement regarding retirement of the 1997 Special Purpose Revenue Bonds, as referenced in note J2 of these financial statements. As of September 30, 2007, the outstanding principal balance due on the bonds and loan agreement is \$3,093,334.

NOTE S - SUBSEQUENT EVENTS

As discussed in note C, the Port Authority had \$74,069,772 invested in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool (Pool) at September 30, 2007. On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A consisted of all money market appropriate assets, which was approximately \$12 billion or 86% of Pool assets.

Pool B consisted of assets that defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2007

NOTE S - SUBSEQUENT EVENTS - Continued

Currently, Pool A participants may withdraw 15% of their balance or \$2 million, whichever is greater, without penalty. Withdrawals from Pool A in excess of the above limit are subject to a 2% redemption fee. New investments in Pool A are not subject to the redemption fee or withdrawal restrictions. Future withdrawals provisions from Pool A will be subject to further evaluation based on the maturities of existing investments and the liquidity requirements of the Pool. On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAM" principal stability fund rating to Pool A.

Currently, Pool B participants are prohibited from withdrawing any amount from the Pool and a formal withdrawal policy has not yet been developed. Market valuations of the assets held in Pool B are not readily available. In addition, full realization of the principal value of Pool B assets is not readily determinable.

As of January 15, 2008, the Port Authority has \$0 and \$237,130 invested in Pool A and B, respectively. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration. The Port Authority has withdrawn \$73,832,642 from the Pool since September 30, 2007.

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## SUPPLEMENTAL INFORMATION

Tampa Port Authority

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

For the year ended September 30, 2007

	<u>Component Unit</u> <u>Tampa Bay</u> <u>International</u> <u>Terminals, Inc.</u>
Cash flows from operating activities	
Received from customers	\$ 964,088
Payments to suppliers for goods and services	(51,020)
Payments to employees for services	<u>(103,162)</u>
Net cash provided by operating activities	<u>809,906</u>
Cash flows from capital and related financing activities	
Principal payments on debt	(761,666)
Interest payments on debt	<u>(188,912)</u>
Net cash used by capital and related financing activities	<u>(950,578)</u>
Cash flows provided by investing activities	
Interest and other income received	<u>53,917</u>
Net cash provided by investing activities	<u>53,917</u>
Net decrease in cash and cash equivalents	(86,755)
Cash and cash equivalents at beginning of year	<u>104,462</u>
Cash and cash equivalents at end of year	<u><u>\$ 17,707</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	<u>\$ 801,532</u>
Adjustments to reconcile operating income to net cash provided by operating activities	
Increase in accrued liabilities	<u>8,374</u>
Total adjustments	<u>8,374</u>
Net cash provided by operating activities	<u><u>\$ 809,906</u></u>



TAMPA PORT AUTHORITY









**TAMPA PORT AUTHORITY**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2007**

**STATISTICAL SECTION**

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

**Contents**

**Financial Trends Information:**

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

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

**Revenue Capacity Information:**

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

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

**Debt Capacity Information:**

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

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

**Demographics and Economic Information:**

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

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





**TAMPA PORT AUTHORITY**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2007**

**STATISTICAL SECTION – Continued**

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

**Operating Information:**

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

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

**Other Information:**

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



Table 1

**TAMPA PORT AUTHORITY**  
**Net Asset by Component**  
**Last Six Years**  
**(Unaudited)**  
**(amounts in thousands)**

Net Assets at Year-End	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Invested in capital assets, net of related debt	\$184,900	\$209,425	\$233,241	\$269,457	\$296,454	\$319,218
Restricted	98,145	117,961	63,053	23,484	36,720	36,971
Unrestricted	145	(28,872)	23,258	45,003	26,585	30,437
<b>Total Net Assets</b>	<b>\$283,190</b>	<b>\$298,514</b>	<b>\$319,552</b>	<b>\$337,944</b>	<b>\$359,759</b>	<b>\$386,626</b>

\*Total of 6 years of information available; the Port Authority adherence to GASB 34 was fully reflected in the 2003 financial statements.  
2002 data is available because it was presented in the 2003 MD&A



Table 2

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Operating Revenue</b>						
Port Usage Fees Revenue	\$ 18,345	\$ 21,684	\$ 22,899	\$ 25,375	\$ 29,352	\$ 27,256
Land & Building Leases	6,389	6,213	7,340	8,309	8,419	8,125
Tenant Utilities	522	648	627	530	624	629
Other Port Operating Revenue	<u>408</u>	<u>552</u>	<u>723</u>	<u>735</u>	<u>913</u>	<u>905</u>
Total Operating Revenue	25,664	29,097	31,589	34,949	39,308	36,915
<b>Non-Operating Revenue</b>						
Operating Assistance Grants	0	\$1,651	\$1,166	\$1,268	\$340	\$0
Grants	14,270	5,416	8,493	4,070	4,845	13,991
Interest Income	3,372	3,691	3,555	3,497	4,207	5,253
Ad Valorem Tax Receipts	11,962	12,907	14,117	14,039	16,205	16,681
Other Non-Operating Income	<u>1,259</u>	<u>3,017</u>	<u>2,306</u>	<u>5,120</u>	<u>2,006</u>	<u>1,229</u>
Total Non-Operating Revenue	30,863	25,031	28,471	26,726	27,263	37,154
Total Revenues	56,527	54,128	60,060	61,675	66,571	74,069
<b>Operating Expenses</b>						
Personnel Salaries & Benefits	6,372	6,735	7,315	7,756	8,441	8,912
Promotional	493	590	450	433	439	329
Administrative	6,809	8,572	9,508	10,340	11,033	12,195
Deprecation & Amortization Expense	<u>7,996</u>	9,242	<u>10,165</u>	<u>11,102</u>	<u>12,527</u>	<u>14,450</u>
Total Operating Expenses	21,670	25,139	27,438	29,631	32,440	35,886
<b>Non-Operating Expenses</b>						
Interest Expense	9,058	9,834	9,094	8,254	7,623	7,978
Bond Related Cost	328	328	395	2,563	1,073	463
Tax Collector/Property Appraiser	980	1,028	1,083	1,266	1,470	1,850
Other non-operating expense	<u>1,397</u>	<u>2,476</u>	<u>1,012</u>	<u>1,569</u>	<u>2,150</u>	<u>1,025</u>
Total Non-Operating Expenses	11,763	13,666	11,584	13,652	12,316	11,316
Total Expenses	33,433	38,805	39,022	43,283	44,756	47,202
<b>Change in net assets</b>	\$ 23,094	\$ 15,323	\$ 21,038	\$ 18,392	\$ 21,815	\$ 26,867



Table 3



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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Dockage	\$4,648	\$5,216	\$4,934	\$5,138	\$5,413	\$5,613	\$5,897	\$6,130	\$6,901	\$6,236
Wharfage	5,195	5,900	5,257	6,104	6,809	7,364	7,756	9,391	9,824	9,569
Wharfage - Cruise Passengers	1,176	1,962	2,189	2,456	2,917	4,495	4,385	4,310	5,119	4,449
Land & Building Rentals/Leases	4,316	4,442	4,992	5,978	6,389	6,213	7,340	8,309	8,419	8,125
Other Operating Revenue	2,363	2,106	2,573	2,625	4,102	5,412	6,211	6,809	9,045	8,536
Total Operating Revenue	<u>17,698</u>	<u>19,626</u>	<u>19,945</u>	<u>22,301</u>	<u>25,630</u>	<u>29,097</u>	<u>31,589</u>	<u>34,949</u>	<u>39,308</u>	<u>36,915</u>
Cargo Tonnage (to nearest thousand) (a)	11,639	12,142	11,730	13,642	13,372	14,043	15,049	16,477	16,738	15,578
Average Wharfage Revenue per Cargo Ton (whole \$)	<u>\$0.45</u>	<u>\$0.49</u>	<u>\$0.45</u>	<u>\$0.45</u>	<u>\$0.51</u>	<u>\$0.52</u>	<u>\$0.52</u>	<u>\$0.57</u>	<u>\$0.59</u>	<u>\$0.61</u>
Cruise Passengers (to nearest thousand)	245	414	460	517	587	810	792	772	911	781
Average Wharfage Revenue per Passenger (whole \$)	<u>\$4.80</u>	<u>\$4.74</u>	<u>\$4.76</u>	<u>\$4.75</u>	<u>\$4.97</u>	<u>\$5.55</u>	<u>\$5.54</u>	<u>\$5.58</u>	<u>\$5.62</u>	<u>\$5.70</u>
Berth linear feet	6,475	7,225	7,225	7,225	8,225	9,175	10,375	10,375	11,855	11,855
Average Dockage Revenue per Berth Linear Feet	<u>\$717.84</u>	<u>\$721.94</u>	<u>\$682.91</u>	<u>\$711.14</u>	<u>\$658.12</u>	<u>\$611.77</u>	<u>\$568.39</u>	<u>\$590.84</u>	<u>\$582.12</u>	<u>\$526.02</u>
Leased Acreage (actual in hundreds)	1,213	1,223	1,239	1,259	1,273	1,298	1,298	1,325	1,300	1,290
Average per Acreage (whole \$)	<u>\$3,558</u>	<u>\$3,632</u>	<u>\$4,029</u>	<u>\$4,748</u>	<u>\$5,019</u>	<u>\$4,787</u>	<u>\$5,655</u>	<u>\$6,271</u>	<u>\$6,476</u>	<u>\$6,298</u>

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



Table 4

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Port Usage Fees Revenues:</b>						
Dockage	\$ 5,413	\$ 5,613	\$ 5,897	\$ 6,130	\$ 6,901	\$ 6,236
Wharfage	9,197	11,286	11,653	12,736	13,834	13,242
Terminal Parking	2,658	3,455	3,810	4,322	5,748	5,645
Wharfage Shortfall	529	573	488	965	1,109	776
Scale Use	132	177	65	72	67	72
Other Terminal Operations	<u>416</u>	<u>580</u>	<u>986</u>	<u>1,150</u>	<u>1,693</u>	<u>1,285</u>
<b>Total Port Usage Fees</b>	<b>18,345</b>	<b>21,684</b>	<b>22,899</b>	<b>25,375</b>	<b>29,352</b>	<b>27,256</b>
Percentage of Total Revenue	32.45%	40.06%	38.13%	41.14%	44.09%	36.80%
<b>Land &amp; Building Leases</b>						
Land & Building Rentals/Leases	6,377	6,177	7,292	8,239	8,349	8,102
Cruise Terminal Rental	12	36	40	55	45	22
Port Property Access Fees	<u>0</u>	<u>0</u>	<u>8</u>	<u>15</u>	<u>25</u>	<u>0</u>
<b>Total Land &amp; Building Leases</b>	<b>6,389</b>	<b>6,213</b>	<b>7,340</b>	<b>8,309</b>	<b>8,419</b>	<b>8,124</b>
Percentage of Total Revenue	11.30%	11.48%	12.22%	13.47%	12.65%	10.97%
<b>Tenants Utilities</b>						
Tenant Water	44	37	28	21	20	25
Dockside Water	476	609	566	501	593	551
Electricity	<u>2</u>	<u>2</u>	<u>33</u>	<u>8</u>	<u>11</u>	<u>6</u>
<b>Total Tenants Utilities</b>	<b>522</b>	<b>648</b>	<b>627</b>	<b>530</b>	<b>624</b>	<b>582</b>
Percentage of Total Revenue	0.92%	1.20%	1.04%	0.86%	0.94%	0.79%
<b>Other Port Operating Revenue</b>						
Work Permits	36	52	52	50	45	48
Fingerprinting/Badging	316	432	581	610	798	841
Security Training Fees	0	0	30	11	2	0
License Fees	<u>56</u>	<u>68</u>	<u>60</u>	<u>64</u>	<u>68</u>	<u>64</u>
<b>Total Other Port Operating Revenue</b>	<b>408</b>	<b>552</b>	<b>723</b>	<b>735</b>	<b>913</b>	<b>953</b>
<b>Total Operating Revenue</b>	<b>25,664</b>	<b>29,097</b>	<b>31,589</b>	<b>34,949</b>	<b>39,308</b>	<b>36,915</b>
Percentage of Total Revenue	45.40%	53.76%	52.60%	56.67%	59.05%	49.84%
<b>Non-Operating Revenue</b>						
Operating Grants	0	1,651	1,166	1,268	340	0
Grant Funding	14,270	5,416	8,493	4,070	4,845	13,991
Ad Valorem Tax Receipts	11,962	12,907	14,117	14,039	16,205	16,681
Interest, Unrestricted	2,649	3,093	3,020	3,057	3,877	4,544
Interest, Construction Funds	9	11	45	54	54	54
Dredge & Fill	0	298	29	43	17	57
TBIT & TBSB Interest	714	587	490	386	276	656
TBIT & TBSB Principle	261	294	298	304	263	175
Gain/Loss Sale of Inv	0	0	(165)	905	564	100
Gain/Loss on Disposal Fixed Asset	223	(3)	271	211	(1,020)	(269)
Harbormaster Fees	530	596	572	732	738	696
Conference Donations	96	80	74	229	770	105
Amortization Premiums	0	0	0	157	273	276
Other Miscellaneous Revenue	<u>149</u>	<u>101</u>	<u>61</u>	<u>1,271</u>	<u>61</u>	<u>88</u>
<b>Total Non-Operating Revenue</b>	<b>30,863</b>	<b>25,031</b>	<b>28,471</b>	<b>26,726</b>	<b>27,263</b>	<b>37,154</b>
Percentage of Total Revenue	54.60%	46.24%	47.40%	43.33%	40.95%	50.16%
<b>Total Revenue</b>	<b>\$ 56,527</b>	<b>\$ 54,128</b>	<b>\$ 60,060</b>	<b>\$ 61,675</b>	<b>\$ 66,571</b>	<b>\$ 74,069</b>

\*Total of 6 years of information available; the Port Authority adherence to GASB 34 was fully reflected in the 2003 financial statements.  
2002 data is available because it was presented in the 2003 MD&A.



Table 5

Tampa Port Authority  
Wharfage Revenue  
Current (2007) and Nine Years prior (1998)  
Ten Largest Customers

FY 2007			FY 1998		
Customer	Revenue	Percentage of Total Wharfage	Customer	Revenue	Percentage of Total Wharfage
Carnival Cruise Lines	3,613,553	26.00%	Carnival Cruise Lines	1,175,620	18.00%
Kinder Morgan	1,963,656	14.00%	Kinder Morgan	949,107	15.00%
Ports America	1,034,590	7.00%	Transmontaigne	397,835	6.00%
Transmontaigne	760,652	5.00%	Martin Operating Partners	376,344	6.00%
Trademark Metals	745,676	5.00%	Vulcan	319,375	5.00%
Zim Shipping Services	611,961	4.00%	Cargill Industries	221,542	3.00%
Royal Caribbean Cruise Lines	575,587	4.00%	C F Industries	196,325	3.00%
Vulcan Materials	552,797	4.00%	Sulphuric Acid	165,207	3.00%
Martin Operating Partners	441,577	3.00%	Gulf Sulphur Services	138,782	2.00%
C F Industries	438,818	3.00%	Harborside	138,561	2.00%
Total 2007	10,738,867	75%	Total 1998	4,078,698	63%
Total Wharfage Revenue	14,018,000	100%	Total Wharfage Revenue	6,371,000	100%

Tampa Port Authority  
Dockage Revenue  
Current (2007) and Nine Years prior (1998)  
Ten Largest Customers

FY 2007			FY 1998		
Customer	Revenue	Percentage of Total Dockage	Customer	Revenue	Percentage of Total Dockage
Kinder Morgan	1,039,437	17.00%	Kinder Morgan	600,368	13.00%
Ports America	791,008	13.00%	Carnival Cruise Lines	378,527	8.00%
Carnival Cruise Lines	543,912	9.00%	Cargill Industries	355,841	8.00%
Transmontaigne	415,043	7.00%	C F Industries	202,358	4.00%
Tarmac America	249,475	4.00%	Martin Operating Partners	180,404	4.00%
C F Industries	234,333	4.00%	International Ship Repair	170,072	4.00%
Martin Operating Partners	222,830	4.00%	Harborside	157,741	3.00%
Martin Marietta	201,527	3.00%	Pasco Terminals	123,933	3.00%
Trademark Metals	176,993	3.00%	Transmontaigne	120,501	3.00%
Total 2007	3,874,558	64%	Total 1998	2,289,745	50%
Total Dockage Revenue	6,236,000	100%	Total Dockage Revenue	4,648,000	100%





Table 6

Tampa Port Authority  
Revenue Rates  
Last Ten Fiscal Years

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>Dockage Rates (LOA) (per ft)</b>										
Vessels, Barges & Tug Boats										
0-199 ft	\$ 2.12	\$ 2.06	\$ 2.00	\$ 1.90	\$ 1.90	\$ 1.85	\$ 1.75	\$ 1.68	\$ 1.60	\$ 1.52
200-299	2.66	2.46	2.26	2.15	2.15	2.10	1.90	1.83	1.74	1.66
300-349	2.73	2.58	2.43	2.31	2.31	2.25	2.25	2.16	2.16	2.10
350-399	2.81	2.76	2.71	2.58	2.58	2.52	2.52	2.42	2.42	2.35
400-449	3.81	3.72	3.63	3.46	3.46	3.38	3.38	3.19	3.19	3.10
450-499	3.81	3.72	3.63	3.46	3.46	3.38	3.38	3.30	3.30	3.20
500-549	5.15	5.06	4.97	4.73	4.73	4.61	4.61	4.38	4.38	4.25
550-599	5.15	5.06	4.97	4.73	4.73	4.61	4.61	4.48	4.48	4.35
600-649	5.98	5.87	5.76	5.49	5.49	5.36	5.36	5.10	5.10	4.95
650-699	5.98	5.87	5.76	5.49	5.49	5.36	5.36	5.20	5.20	5.05
700-799	7.63	7.53	7.43	7.08	7.08	6.91	6.91	6.64	6.64	6.45
800-899	9.20	9.07	8.94	8.51	8.51	8.30	8.30	7.98	7.98	7.75
900 ft +	10.99	10.83	10.67	10.16	10.16	9.91	9.91	9.53	9.53	9.25
Passenger Vessels										
Under 550 ft	4.49	4.49	4.49	4.36	4.36	4.36	3.63	3.63	3.63	3.30
*FY 2001 Rates increased 04/01/01							4.36			
551-600	6.32	6.32	6.32	6.14	6.14	6.14	5.12	5.12	5.12	4.65
601-650	6.53	6.53	6.53	6.34	6.34	6.34	6.14	5.28	5.28	4.80
651-700	6.80	6.80	6.80	6.60	6.60	6.60	6.34	5.50	5.50	5.00
701-725	7.21	7.21	7.21	7.00	7.00	7.00	6.60	5.83	5.83	5.30
726-750	7.48	7.48	7.48	7.26	7.26	7.26	7.00	6.05	6.05	5.50
751 ft +	8.16	8.16	8.16	7.92	7.92	7.92	7.26	6.60	6.60	6.00
							7.92			



Table 6

**Tampa Port Authority  
Revenue Rates  
Last Ten Fiscal Years**

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
<b>Wharfage Rates (per ton)</b>										
All articles (not provided for below)	2.36	2.36	2.25	2.12	2.12	2.06	2.06	2.00	1.94	1.94
Automobiles (New) each	4.10	4.10	-	-	-	-	-	-	-	-
Automobiles (used) each	5.60	5.60	3.98	3.75	3.75	3.35	3.35	3.25	2.66	2.66
Bananas & Plantains									0.66	0.66
Livestock	4.20	4.20	4.00	3.77	3.77	3.66	3.66	3.55	3.45	3.45
Citrus & Citrus Products	1.96	1.96	1.87	1.76	1.76	1.71	1.71	1.66	1.61	1.61
Containers (loaded)	1.97	1.97	1.97	1.86	1.86	1.81	1.81	1.76	1.71	1.71
USDA Bagged Goods (Public Law 480)	0.22	0.22	0.21	0.20	0.35	0.34	0.34	0.33	0.32	0.32
Citrus Concentrate (Drums or Tank)	1.54	1.54	1.54	1.45	1.45	1.41	1.41	1.37	1.33	1.33
Cordage	1.67	1.67	1.59	1.50	1.50	1.46	1.46	1.42	1.38	1.38
Fertilizer (in bags)	1.74	1.74	1.66	1.57	1.57	1.52	1.52	1.48	1.44	1.44
Flour or Rice (in bags)	1.32	1.32	1.26	1.19	1.19	1.16	1.16	1.13	1.10	1.10
Forest Products	1.59	1.59	1.59	1.50	1.50	-	-	-	-	-
Lumber & Logs (per MBF)	1.43	1.43	1.43	1.35	1.35	1.35	1.35	1.31	1.27	1.27
Frozen Meat and/or Poultry	2.29	2.29	2.18	2.06	2.06	2.00	2.00	1.94	1.88	1.88
Fruits and Vegetables (fresh)	2.02	2.00	1.92	1.81	1.81	1.76	1.76	1.71	1.66	1.66
Iron & Steel Articles	1.92	1.92	1.92	1.81	1.81	1.76	1.76	1.71	1.66	1.66
Iron & Steel Coils and Reinforcing Rods	1.70	1.70	1.70	-	-	-	-	-	-	-
Mobile & Modular Homes (under 10,000 lbs) each	21.82	21.82	20.78	19.60	19.60	19.03	19.03	18.48	17.94	17.94
Mobile & Modular Homes (over 10,000 lbs) net ton	2.94	2.94	2.80	2.64	2.64	2.56	2.56	2.49	2.42	2.42
Paper Waste (in bales Domestic moves only)	1.28	1.28	1.22	1.15	1.15	1.12	1.12	1.09	1.06	1.06
Project Cargo (W/M)	2.36	2.36	2.25	-	-	-	-	-	-	-
Scrap Metal	2.39	2.36	2.39	2.25	2.25	2.11	2.11	2.08	2.02	2.02
U.S.D.A. Public Law 480 (bagged goods)	0.41	0.41	0.39	0.37	0.37	0.36	0.36	0.35	0.34	0.34
U.S.D.A. Products (chilled & frozen)	1.68	1.68	1.60	1.51	1.51	1.47	1.47	1.43	1.39	1.39
Vehicles (trucks, buses tractors, etc.) NET TON	2.21	2.21	2.10	1.98	1.98	1.92	1.92	1.86	1.81	1.81
Yachts & Boats (less than 25' LOA) (a)	1.05	1.05	1.00	10.56	10.56	10.25	10.25	9.95	9.66	9.66
Yachts & Boats (greater than 25' LOA) (a)	1.58	1.58	1.50	33.76	33.76	32.70	32.70	31.83	30.90	30.90
Passengers Embarking (per passenger)	6.00	6.00	6.00	5.75	5.25	5.25	5.25	5.25	5.25	4.75
Passengers Disembarking (per passenger)	6.00	6.00	6.00	5.75	5.25	5.25	5.25	5.25	5.25	4.75



Table 6

Tampa Port Authority  
Revenue Rates  
Last Ten Fiscal Years

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Aggregate (including pumice & slag)	0.76	0.76	0.76	0.76	0.72	0.72	0.70	0.70	0.68	0.66
Anhydrous Ammonia	0.375	0.375	0.375	0.375	0.355	0.355	0.355	0.355	0.34	0.34
Bulk, Dry N.O.S.	1.18	1.18	1.12	1.12	1.06	1.06	1.03	1.03	1.00	0.97
Bulk, Liquid N.O.S.	1.18	1.18	1.12	1.12	1.06	1.06	1.03	1.03	1.00	0.97
Caustic Soda	0.42	0.42	0.40	0.40	0.38	0.38	0.37	0.37	0.36	0.35
Cement	0.84	0.84	0.84	0.84	0.79	0.79	0.77	0.77	0.75	0.73
Citrus Concentrate, (via pipeline)	1.07	1.07	1.07	1.07	1.01	1.01	0.98	0.98	0.95	0.92
Citrus Pellets	0.40	0.40	0.385	0.385	0.365	0.365	0.355	0.355	0.345	0.335
Coal	0.66	0.66	0.63	0.63	0.59	0.59	0.57	0.57	0.55	0.53
Fertilizer, N.O.S.	0.245	0.245	0.245	0.25	0.23	0.23	0.23	0.23	0.22	0.22
Fly Ash	0.88	0.88	0.84	0.84	0.79	0.79	0.77	0.77	0.75	0.73
Grain, N.O.S.	0.42	0.42	0.40	0.40	0.375	0.375	0.365	0.365	0.355	0.345
Gypsum	0.59	0.59	0.565	0.565	0.535	0.535	0.52	0.52	0.50	0.49
Petroleum and Petroleum Products (per barrel)	0.08	0.08	0.073	0.073	0.069	0.069	0.067	0.067	0.065	0.63
Petroleum (Bunkering) (per barrel)	0.09	0.09	0.085	0.085	0.08	0.08	0.078	0.078	0.076	0.074
Petroleum Coke	0.66	0.66	0.63	0.63	0.59	0.59	0.57	0.57	0.55	0.53
Phosphate Products (other than crude rock)	0.25	0.25	0.25	0.25	0.235	0.235	0.235	0.235	0.22	0.22
Phosphate Rock, (Wet or Dry)	0.25	0.25	0.25	0.25	0.235	0.235	0.235	0.235	0.22	0.22
Phosphoric Acid	0.40	0.40	0.40	0.40	0.375	0.375	0.365	0.365	0.36	0.35
Pomace	0.68	0.68	0.65	0.65	0.61	0.61	0.59	0.59	0.57	0.55
Potash	0.28	0.28	0.265	0.265	0.25	0.25	0.24	0.24	0.23	0.22
Salt	0.53	0.53	0.50	0.50	0.47	0.47	0.46	0.46	0.45	0.44
Sand	0.75	0.75	0.71	0.71	0.67	0.67	0.65	0.65	0.63	0.61
Seawater	0.26	0.26	0.25	0.25	0.235	0.235	0.23	0.23	0.22	0.21
Sulphur	0.40	0.40	0.40	0.40	0.375	0.375	0.365	0.365	0.36	0.35
Sulphuric Acid	0.42	0.42	0.40	0.40	0.375	0.375	0.365	0.365	0.36	0.35
Tallow	0.60	0.60	0.57	0.57	0.535	0.535	0.52	0.52	0.50	0.49

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





**TAMPA PORT AUTHORITY**  
**Top Ten Customers**  
Current Year (2007) and Nine Years Ago (1998)

Table 7

<u>2007</u>			
<u>Customer</u>	<u>Type of Business</u>	<u>Revenue</u>	<u>% of Total Operating Revenue</u>
Carnival Cruise Lines	Cruise Industry	6,808,319	18.44%
Kinder Morgan	Transports misc liquid bulk commodities	3,288,400	8.91%
Ports America	Terminal Operator for general cargo	3,174,843	8.60%
Transmontaigne Terminals	Transports petroleum products	1,182,895	3.20%
Trademark Metals	Scrap metal processing facility	1,086,252	2.94%
Royal Caribbean Cruise Lines	Cruise Industry	1,082,812	2.93%
C F Industries	Transports Anhydrous Ammonia, Grains	967,297	2.62%
Tampa Bay Shipbuilding	Ship repair operations	913,910	2.48%
Vulcan Materials	Transports bulk cargo, limestone	824,900	2.23%
Martin Operating Partners	Transports misc liquid bulk commodities	781,807	<u>2.12%</u>
			54.47%

<u>1998</u>			
<u>Customer</u>	<u>Type of Business</u>	<u>Revenue</u>	<u>% of Total Operating Revenue</u>
Carnival Cruise Lines	Cruise Industry	1,939,633	10.96%
Kinder Morgan	Transports misc liquid bulk commodities	1,702,344	9.62%
Tampa Bay Shipbuilding	Ship repair operations	1,500,000	8.48%
Harborside Refrigerated	Transports refrigerated cargo	848,944	4.80%
Martin Operating Partners	Transports misc liquid bulk commodities	641,228	3.62%
Cargill Inc	Transports misc dry bulk commodities	586,008	3.31%
International Ship Repair	Ship repair operations	571,231	3.23%
Transmontaigne Terminals	Transports petroleum products	525,536	2.97%
Vulcan Materials	Transports bulk cargo, limestone	481,094	2.72%
C F Industries	Transports Anhydrous Ammonia, Grains	418,063	2.36%
Gulf Marine Repair	Ship repair operations	331,238	<u>1.87%</u>
			53.94%



Table 8

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

<u>Fiscal Year</u>	<u>Second Lien Revenue Bonds</u>	<u>Special Revenue &amp; Refunding Revenue Bonds</u>	<u>Revenue Bonds</u>	<u>Refunding Revenue Bonds</u>	<u>Total</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
1998	8,166,238	77,550,000	0	57,365,000	143,081,238	0.67%	\$158
1999	8,663,562	75,715,000	25,000,000	53,660,000	163,038,562	0.77%	\$180
2000	9,191,166	73,790,000	25,000,000	49,455,000	157,436,166	0.74%	\$174
2001	9,750,908	71,770,000	25,000,000	44,810,000	151,330,908	0.71%	\$167
2002	10,344,738	69,650,000	60,000,000	39,950,000	179,944,738	0.85%	\$198
2003	10,974,740	67,390,000	60,000,000	34,865,000	173,229,740	0.81%	\$191
2004	0	64,985,000	60,000,000	41,509,220	166,494,220	0.78%	\$184
2005	0	0	60,000,000	92,982,947	152,982,947	0.72%	\$169
2006	0	0	60,000,000	100,552,571	160,552,571	0.75%	\$177
2007	0	0	59,035,000	96,100,849	155,135,849	0.73%	\$171

(1) Refer to page 54 for detail of population and per capita information



Table 9

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

Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service (e)			Coverage Ratio
				Principal	Interest	Total	
1998	\$22,473	\$7,842	\$14,631	\$5,098	\$6,587	\$11,685	1.25
1999	\$25,924	\$8,405	\$17,519	\$5,737	\$8,225	\$13,962	1.25
2000	\$27,818	\$8,659	\$19,159	\$6,308	\$8,098	\$14,406	1.33
2001	\$29,872	\$9,797	\$20,075	\$6,770	\$7,878	\$14,648	1.37
2002	\$31,728	\$13,674	\$18,054	\$7,102	\$8,424	\$15,526	1.16
2003	\$35,780	\$15,694	\$20,086	\$7,475	\$9,255	\$16,730	1.20
2004	\$37,938	\$17,273	\$20,665	\$7,870	\$9,314	\$17,184	1.20
2005	\$41,372	\$18,529	\$22,843	\$6,945	\$8,148	\$15,093	1.51
2006	\$45,748	\$19,913	\$25,835	\$5,023	\$7,708	\$12,731	2.03
2007	\$43,179	\$21,436	\$21,743	\$6,155	\$7,979	\$14,134	1.54
	( a )	( b )				( c )	( d )

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



Table 10



**TAMPA PORT AUTHORITY**  
**Summary of Historical Operating Data**  
**Last Ten Years**  
(amounts in thousands)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Operating Revenue</b>										
Port Usage Fees Revenue	\$ 12,939	\$ 14,686	\$ 14,441	\$ 15,745	\$ 18,345	\$ 21,684	\$ 22,899	\$ 25,375	\$ 29,352	\$ 27,256
Land & Building Leases	4,316	4,442	4,992	5,978	6,389	6,213	7,340	8,309	8,419	8,125
Tenant Utilities	352	407	418	478	522	648	627	530	624	629
Other Port Operating Revenue	91	91	94	100	408	552	723	735	913	905
<b>Total Operating Revenue</b>	<b>17,698</b>	<b>19,626</b>	<b>19,945</b>	<b>22,301</b>	<b>25,664</b>	<b>29,097</b>	<b>31,589</b>	<b>34,949</b>	<b>39,308</b>	<b>36,915</b>
<b>Non-Operating Revenue</b>										
Grants (a)					14,270	5,416	8,493	4,071	4,845	13,991
Interest Income	4,351	4,579	5,380	4,969	3,372	3,691	3,555	3,497	4,207	5,253
Other Non-Operating Income	459	815	1,395	1,101	1,259	3,017	2,306	5,119	2,006	1,229
<b>Total Non-Operating Revenue</b>	<b>4,810</b>	<b>5,394</b>	<b>6,775</b>	<b>6,070</b>	<b>18,901</b>	<b>12,124</b>	<b>14,354</b>	<b>12,687</b>	<b>11,058</b>	<b>20,473</b>
<b>Total Revenues</b>	<b>22,508</b>	<b>25,020</b>	<b>26,720</b>	<b>28,371</b>	<b>44,565</b>	<b>41,221</b>	<b>45,943</b>	<b>47,636</b>	<b>50,366</b>	<b>57,388</b>
<b>Operating Expenses (b)</b>										
Personnel Salaries & Benefits	4,648	4,897	4,855	5,517	6,372	6,735	7,315	7,756	8,441	8,912
Promotional	382	443	454	471	493	590	450	433	439	329
Administrative	2,812	3,065	3,350	3,809	6,809	8,572	9,508	10,340	11,033	12,195
<b>Total Operating Expenses</b>	<b>7,842</b>	<b>8,405</b>	<b>8,659</b>	<b>9,797</b>	<b>13,674</b>	<b>15,897</b>	<b>17,273</b>	<b>18,529</b>	<b>19,913</b>	<b>21,436</b>
<b>Net Revenue available for payment of senior debt service</b>	<b>14,666</b>	<b>16,615</b>	<b>18,061</b>	<b>18,574</b>	<b>30,891</b>	<b>25,324</b>	<b>28,670</b>	<b>29,107</b>	<b>30,453</b>	<b>35,952</b>
<b>Less: Annual debt service requirement (c)</b>	<b>11,685</b>	<b>13,962</b>	<b>14,406</b>	<b>14,648</b>	<b>15,526</b>	<b>16,730</b>	<b>17,184</b>	<b>15,093</b>	<b>12,732</b>	<b>0</b>
<b>Surplus Port Revenues (d)</b>	<b>\$ 2,981</b>	<b>\$ 2,653</b>	<b>\$ 3,655</b>	<b>\$ 3,926</b>	<b>\$ 15,365</b>	<b>\$ 8,594</b>	<b>\$ 11,486</b>	<b>\$ 14,014</b>	<b>\$ 17,721</b>	<b>\$ 35,952</b>

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

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

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

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

(d) Surplus Port revenues represent excess Port revenues.



Table 11

**TAMPA PORT AUTHORITY**  
**Hillsborough County, FL**  
**Demographic and Economic Statistics**  
**Last Ten Years**

Year	Population	Personal Income (in thousands)	Personal Income Per Capita	Median Age	Public High School Graduation Rates	Total Public School Enrollment	Unemployment Rate
1997	915,900	\$ 22,730,424	24,081	33	74.0	163,317	3.5
1998	939,070	24,754,135	25,648	36	72.9	165,796	2.9
1999	953,500	26,483,397	26,889	36	69.5	168,360	2.7
2000	998,948	28,645,545	28,558	35	71.4	173,953	3.3
2001	1,027,436	29,828,798	29,055	35	74.4	179,362	4.1
2002	1,055,807	31,150,902	29,602	36	77.5	184,483	5.3
2003	1,083,520	31,932,807	29,748	35	75.8	191,186	5.0
2004	1,115,960	34,848,801	31,671	36	79.3	197,500	4.4
2005	1,142,850	37,379,401	33,034	36	79.5	193,669	3.5
2006	1,177,060	**	**	36	77.3	201,000	3.1
	(a)	(b)	(b)	(c)	(d)	(e)	(f)

Sources: (a) Hillsborough County City-County Planning Commission  
 (b) U.S. Department of Commerce Bureau of Economic Analysis  
 (c) U.S. Census Bureau  
 (d) Florida Department of Education  
 (e) Hillsborough County School Board  
 (f) Florida Agency for Workforce Innovation, Labor Market Statistics Center, Local Area Unemployment Statistics Program, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.  
 \*\* Personal income data for fiscal year 2006 was not available.

## Principal Employers

Latest Fiscal Year Compared to the Fiscal Year Nine Years Earlier



Employer	Type of Operation	2007			1998		
		Employees	%	Rank	Employees	%	Rank (a)
Hillsborough County School Board	Public education	25,220	4.3	1	23,884	4.8	1
Hillsborough County Government	Government	11,169	1.9	2	9,866	2.0	2
Verizon Communications Inc.	Telecommunications	7,456	1.3	3	9,500	1.9	3 (b)
	and data processing						
Tampa International Airport	International airport	7,300	1.3	4	4,362	0.9	6 (d)
University of South Florida	Education services	6,280	1.1	5	7,107	1.4	4
MacDill Air Force Base	Military base	5,432	0.9	6	6,541	1.3	5
Tampa General Hospital	Medical facilities	5,000	0.9	7	2,800	0.6	10
Publix Food Centers	Supermarkets	4,832	0.8	8	4,326	0.9	7
City of Tampa	Government	4,700	0.8	9	3,000	0.6	9
St. Joseph Hospital	Medical facilities	4,111	0.7	10	4,362	0.9	6 (d)
Veterans Administration Hospital	Medical facilities	4,087	0.7	11	2,700 *	0.5	11
Bank of America	Banks	3,679	0.6	12	2,108	0.4	14 (c)
U.S. Postal Service	Postal services	3,645	0.6	13	4,000	0.8	8
Busch Entertainment Corporation	Tourist attraction	3,245	0.6	14	2,500	0.5	13
Tampa Electric Company	Electric utility	3,211	0.6	15	2,513	0.5	12 (e)
University Community Hospital	Medical facilities	3,134	0.5	16	2,513	0.5	12 (e)
Kash 'N' Karry Food Stores	Supermarket	2,210	0.4	17	2,057	0.4	15
Hillsborough Community College	Education services	2,181	0.4	18	-	-	-
H. Lee Moffitt Cancer Center	Medical facilities	2,142	0.4	19	-	-	-
Brandon Regional Hospital	Medical facilities	1,573	0.3	20	-	-	-
USF Health Science Center	Medical facilities	1,388	0.2	21	-	-	-
Tribune Company	Newspaper publishing	1,024	0.2	22	1,800	0.4	16
Hyatt Corporation	Hotel chain	995	0.2	23	-	-	-
V.F. Corporation (formerly Nutmeg)	Garment Manufacturing	900	0.2	24	-	-	-
South Florida Baptist Hospital	Medical facilities	757	0.1	25	-	-	-
USAA Insurance Company	Insurance services	-	-	-	1,550	0.3	17
Citicorp Global Cash Mgmt Services	Travelers checks	-	-	-	1,500	0.3	18
Time Customer Services Inc.	Magazine subscription	-	-	-	1,400	0.3	19
Metropolitan Life Insurance Co.	Computer services	-	-	-	1,300	0.3	20
Total		115,671	19.8		101,689	20.5	

(a) Percentages shown represent the number of employees as a percent of total Hillsborough County employment. Total Hillsborough County employment for 2007 was not available so the 2006 figure of 582,784 was used instead. Total Hillsborough County employment of 1998 was 494,954

(b) GTE Data Services were shown separately in 1998, but were shown as Verizon Communications Inc. in 2007.

(c) Nations Bank was shown separately in 1998, but was shown as a part of Bank of America in 2007.

(d) Tampa International Airport, and St Joseph Hospital had the same number of employees in 1998, so they have the same 1998 rank.

(e) Tampa Electric Company, and University Community Hospital had the same number of employees in 1998, so they have the same 1998 rank.

\* Approximated by using 1997 figure. Source Hillsborough County City-County Planning Commission 2007





Table 13

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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Countywide:</b>										
BOCC ( b ) - General Revenue	7.807	7.750	7.597	7.533	7.435	7.198	7.188	7.176	6.9257	6.520
<b>Tampa Port Authority</b>	<b>0.310</b>	<b>0.310</b>	<b>0.310</b>	<b>0.295</b>	<b>0.290</b>	<b>0.290</b>	<b>0.290</b>	<b>0.260</b>	<b>.260</b>	<b>.2200</b>
Voted Debt Service	--	--	--	--	--	--	--			
Environmentally										
Sensitive Lands ( c )	0.188	0.157	0.185	0.149	0.127	0.114	0.105	0.096	0.084	.0667
Southwest Florida Water										
Management District	0.422	0.422	0.422	0.422	0.422	0.422	0.422	0.422	.4220	.422
School Board	9.588	9.531	9.071	8.715	8.586	8.595	8.480	8.361	7.937	7.823
Children's Board	0.417	0.417	0.417	0.417	0.417	0.500	0.500	0.500	0.500	0.500
<b>Total</b>	<b>18.732</b>	<b>18.587</b>	<b>18.002</b>	<b>17.531</b>	<b>17.277</b>	<b>17.119</b>	<b>16.984</b>	<b>16.815</b>	<b>16.129</b>	<b>15.552</b>
<b>Non-Countywide:</b>										
BOCC - Free Library Service	0.642	0.642	0.642	0.642	0.642	0.642	.0642	.0642	.692	.6923
BOCC - Municipal Service										
Taxing Unit ( d )	5.062	5.062	5.062	5.062	5.062	5.062	5.062	5.062	5.162	4.995
Parks and Recreation										
(unincorporated) ( e )	0.089	0.081	0.073	0.068	0.058	0.500	0.046	0.040	0.040	.0286
Southwest Florida Water										
Management District ( f):										
Alafia River Basin	0.240	0.240	0.240	0.240	0.240	0.240	0.240	0.240	0.240	0.240
Hillsborough River Basin	0.285	0.285	0.285	0.285	0.285	0.285	0.285	0.285	0.285	0.285
NW Hillsborough Basin	0.268	0.268	0.268	0.268	0.268	0.268	0.268	0.268	0.268	0.268
Transit Authority	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Tampa Palms Comm. Development	2.600	2.600	2.600	2.600	2.600	2.600	2.600	2.600	2.600	2.600
<b>Municipalities:</b>										
Tampa	6.539	6.539	6.540	6.539	6.539	6.539	6.539	6.539	6.539	6.408
Temple Terrace	4.700	4.410	4.910	4.910	4.910	4.910	4.910	4.910	4.910	4.910
Plant City	4.410	4.700	4.700	4.700	4.700	4.700	4.700	4.700	4.700	4.700

- ( a ) Since the 2007 property tax rolls were not levied and opened for collection until November 1, 2007, final data for the 2007 property tax levy is not included.
- ( b ) BOCC: Board of County Commissioners
- ( c ) Effective 1992, through referendum, this millage rate was dedicated to payment of Environmental Lands Acquisition and Protection Program (ELAPP) bonds.
- ( d ) Levied in the unincorporated area.
- ( e ) Levied in the unincorporated area beginning in 1993.
- ( f ) Dependent on its location, property within Tampa may be either the Alafia, the Hillsborough River, or the NW Hillsborough Watershed Basin. Plant City may be in either the Alafia or the Hillsborough River Basin.

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



Table 14

**TAMPA PORT AUTHORITY**  
**Principal Taxpayers of**  
**Hillsborough County, Florida**  
**September 30, 2007**  
**(Unaudited)**  
**(amounts in thousands)**

Taxpayer	Type of Business	% of Total	
		2006 Taxes Levied	Taxes Levied
1. Tampa Electric Company	Electrical services	\$ 40,472	2.13 %
2. Verizon	Telecommunications	23,031	1.21
3. Hillsborough County Aviation Authority	County government	12,035	0.63
4. Mosaic Phosphates Company	Fertilizer	7,677	0.40
5. Camden Property Trust	Housing/Real Estate	6,128	0.32
6. Wal-Mart	Retail	4,802	0.25
7. Post Apartment Homes	Housing/Real Estate	4,692	0.25
8. Glimcher LTD Partnership	Retail/Real Estate	4,652	0.25
9. Tampa Port Authority	Cargo/Cruise/Real Estate	4,439	0.23
10. Teachers Insurance & Annuity Assoc	Insurance	3,302	0.17
		<u>\$ 111,230</u>	<u>5.84 %</u>

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

Source: Tax Collector of Hillsborough County, Florida.



Table 15

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Cargo - Ships	\$10,467	\$11,175	\$12,980	\$13,842	\$12,854
Cargo - Tugs	98	90	102	123	141
Cargo - Barges	874	844	956	1,080	1,181
Non-Cargo (Idle)	716	797	698	695	837
Cruise Ships	<u>5,317</u>	<u>5,132</u>	<u>5,095</u>	<u>6,104</u>	<u>5,241</u>
Total Ship Related Dockage & Wharfage Revenue:	17,472	18,038	19,831	21,844	20,254
Land & Building Rentals/Leases	6,213	7,340	8,309	8,419	8,125
Other Operating Revenue	<u>5,412</u>	<u>6,211</u>	<u>6,809</u>	<u>9,045</u>	<u>8,536</u>
Total Non-Ship Related Revenue:	11,625	13,551	15,118	17,464	16,661
Total Operating Revenue	<u>\$29,097</u>	<u>\$31,589</u>	<u>\$34,949</u>	<u>\$39,308</u>	<u>\$36,915</u>

Note (A): Only 5 years of data was available in detail



# TAMPA PORT AUTHORITY

Annual Cargo Tonnage  
Last Ten Years  
(in thousands)

Table 16



	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>DRY BULK CARGO</b>										
CEMENT, BULK	244	250	290	403	381	439	427	790	998	666
CITRUS PELLETS	555	436	491	337	300	189	313	102	125	138
COAL	43	0	46	44	131	136	188	220	168	216
GRANITE ROCK, BULK	267	519	499	456	612	901	751	653	588	604
LIMESTONE	665	474	660	1,049	1,103	1,285	1,478	1,728	1,708	1,676
PHOSPHATIC CHEMICAL, BULK	974	1,162	917	961	948	789	1,175	1,161	1,253	1,103
OTHER DRY BULK	267	268	382	482	535	368	424	216	341	157
<b>TOTAL DRY BULK CARGO:</b>	<b>3,014</b>	<b>3,109</b>	<b>3,287</b>	<b>3,732</b>	<b>4,010</b>	<b>4,106</b>	<b>4,755</b>	<b>4,871</b>	<b>5,181</b>	<b>4,560</b>
<b>LIQUID BULK CARGO</b>										
AMMONIA, ANHYDROUS	971	894	786	658	675	662	692	671	477	402
CONCENTRATE, CITRUS BULK	56	69	50	77	79	81	45	49	57	65
PETROLEUM PRODUCTS	4,745	4,799	5,093	6,110	6,083	6,400	6,958	7,753	7,609	7,720
SULPHUR, LIQUID	1,614	1,573	1,316	1,671	1,355	1,617	1,394	1,802	2,025	1,329
SULPHURIC ACID	554	904	357	485	336	138	167	201	111	108
OTHER LIQUID BULK	77	52	59	65	60	60	62	69	73	82
<b>TOTAL LIQUID BULK CARGO:</b>	<b>8,017</b>	<b>8,292</b>	<b>7,661</b>	<b>9,065</b>	<b>8,588</b>	<b>8,957</b>	<b>9,318</b>	<b>10,545</b>	<b>10,352</b>	<b>9,706</b>
<b>TOTAL BULK CARGO:</b>	<b>11,031</b>	<b>11,400</b>	<b>10,947</b>	<b>12,797</b>	<b>12,598</b>	<b>13,064</b>	<b>14,073</b>	<b>15,416</b>	<b>15,533</b>	<b>14,266</b>
<b>GENERAL CARGO</b>										
CONTAINERIZED	35	43	33	33	23	38	108	131	149	297
FOREST PRODUCTS	31	53	23	46	39	53	20	50	62	3
GENERAL CARGO	28	37	12	28	42	20	6	11	7	19
REFFER CARGO	79	114	144	62	64	53	40	42	39	17
SCRAP METAL	94	113	80	207	195	420	439	393	419	577
STEEL PRODUCTS	323	362	457	404	338	342	322	380	463	338
VEHICLES (in tons)	18	21	33	65	72	54	41	55	66	61
<b>TOTAL GENERAL CARGO:</b>	<b>609</b>	<b>742</b>	<b>783</b>	<b>845</b>	<b>774</b>	<b>979</b>	<b>975</b>	<b>1,062</b>	<b>1,205</b>	<b>1,312</b>
<b>TOTAL BULK AND GENERAL:</b>	<b>11,639</b>	<b>12,143</b>	<b>11,730</b>	<b>13,642</b>	<b>13,372</b>	<b>14,043</b>	<b>15,049</b>	<b>16,477</b>	<b>16,738</b>	<b>15,578</b>
<b>TOTAL CRUISE PASSENGERS</b>	<b>245</b>	<b>414</b>	<b>460</b>	<b>517</b>	<b>587</b>	<b>810</b>	<b>792</b>	<b>772</b>	<b>911</b>	<b>781</b>

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

# TAMPA PORT AUTHORITY

## Capital Assets

### Last Ten Fiscal Years

Table 17



#### CHANNEL WIDTH (feet)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Sparkman Channel	400	400	400	400	400	400	400	400	400	400
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

#### CHANNEL DEPTH (feet)

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	43	43	43	43	43	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

#### BERTHING SPACE

Wharf (linear feet)	6475	7225	7225	7225	8,225	9,175	10,375	10,375	11,855	11,855
Number of Berths	55	56	56	56	57	57	58	59	59	59

#### TOTAL LAND (acres)

Port Owned/Usable - Estimated	2,427	2,427	2,427	2,432	2,432	2,502	2,512	2,551	2,551	2,454
Port Owned/Spoil Islands - Estimated	1,450	1,450	1,450	1,455	1,455	1,525	1,535	1,574	1,574	1,477
Leased - Estimated	977	977	977	977	977	977	977	977	977	977
	1,213	1,223	1,239	1,259	1,273	1,298	1,298	1,325	1,300	1,290

#### HARD SURFACED OPEN STORAGE (acres) (b)

					83	83	83	83	83	83
COVERED STORAGE (sq. ft.)	471,000	471,000	471,000	471,000	471,000	471,000	471,000	471,000	506,000*	506,000*
REFRIGERATED STORAGE (sq. ft.)	114,000	114,000	114,000	114,000	114,000	114,000	114,000	114,000	114,000	118,267
CRUISE TERMINAL SPACE (sq. ft.)	126,000	126,000	126,000	126,000	126,000	236,000	236,000	236,000	201,000*	201,000*

#### RAILROAD TRACK (miles)(Port Owned)

	2	2	2	2	7	7	7	7	7	7
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(a) Normal channel depth is listed first followed by turning basin depth

(b) Information prior to this year not available

\* Cruise terminal 7 was converted to warehouse space in 2002



Table 18

**TAMPA PORT AUTHORITY  
STAFFING BY DIVISION/DEPARTMENT**

	FY 1999 Staffing	FY 2000 Staffing	FY 2001 Staffing	FY 2002 Staffing	FY 2003 Staffing	FY 2004 Staffing	FY 2005 Staffing	FY 2006 Staffing	FY 2007 Staffing
<b>EXECUTIVE/LEGAL DIVISION:</b>									
Chief Executive Officer/Chief Operating Officer	4	4	4	4	4	3	3	4	4
<b>LEGAL DIVISION:</b>	3	3	2	3	4	4	3	4	4
	7	7	6	7	8	7	6	8	8
<b>OPERATIONS/ENGINEERING DIVISION:</b>									
Facilities Management	13	16	16	16	18	17	17	15	17
Security (a)	0	0	0	21	23	26	28	28	28
Environmental Affairs	4	4	4	3	4	4	4	4	2
Engineering	13	13	15	14	14	13	13	14	15
Operations	23	20	25	10	12	14	13	14	13
Cruise Operations	0	3	3	3	5	3	2	2	2
Operations Division Subtotal	53	56	63	67	76	77	77	77	77
<b>ADMINISTRATIVE SERVICES DIVISION:</b>									
Chief Information Officer	1	2	2	2	3	3	3	3	3
Planning & Economic Development Director	1	1	1	1	1	1	1	1	1
Chief Financial Officer	2	2	2	2	2	5	5	5	3
Human Resources	5	4	6	6	7	6	5	5	5
Finance	8	8	8	9	10	8	8	8	8
Administrative Services Division Subtotal	17	17	19	20	23	23	22	22	20
<b>COMMUNICATIONS/BOARD COORDINATION DIV</b>									
Sr. Director Communications & Board Coordination	1	1	2	2	2	2	3	3	2
Public Relations	2	3	4	2	4	2	3	2	1
Communications/Board Coordination Div Subtotal	3	4	6	4	6	4	6	5	3
<b>MARKETING/REAL ESTATE DIVISION:</b>									
Senior Director, Marketing Services	2	2	2	1	2	2	2	2	2
Cargo Marketing	4	4	3	3	3	3	3	3	3
Trade Development	1	0	0	0	1	1	1	1	1
Cruise Marketing	1	1	1	1	1	1	0	0	0
Real Estate Senior Director	3	3	2	2	3	3	4	4	5
Marketing/Real Estate Division Subtotal	11	10	8	7	10	10	10	10	11
<b>TAMPA PORT AUTHORITY - Total Positions</b>	<u>91</u>	<u>94</u>	<u>102</u>	<u>105</u>	<u>123</u>	<u>121</u>	<u>121</u>	<u>122</u>	<u>119</u>

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





Table 19

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

Fiscal Year Ended	Passenger Count ( 1 )	Cruise Operating Revenue ( 2 )	Average Revenue per Passenger	Total Operating Revenue	Percent of Cruise Operating to Total Operating
1998	244,968	\$2,113,949	\$8.63	\$17,697,555	11.94%
1999	413,618	\$3,648,531	\$8.82	\$19,625,682	18.59%
2000	459,803	\$4,122,069	\$8.96	\$19,945,071	20.67%
2001	517,235	\$4,660,147	\$9.01	\$22,301,242	20.90%
2002	587,470	\$5,696,730	\$9.70	\$25,629,438	22.23%
2003	810,114	\$8,175,083	\$10.09	\$29,096,585	28.10%
2004	791,772	\$7,887,694	\$9.96	\$31,588,942	24.97%
2005	771,550	\$7,929,272	\$10.28	\$34,948,669	22.69%
2006	910,633	\$9,980,839	\$10.96	\$39,307,522	25.39%
2007	780,882	\$8,885,627	\$11.38	\$36,914,859	24.07%

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

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

Source: Port Authority statistics



Table 20

**Tampa Port Authority  
Insurance Coverage  
as of September 30, 2007  
(Unaudited)**

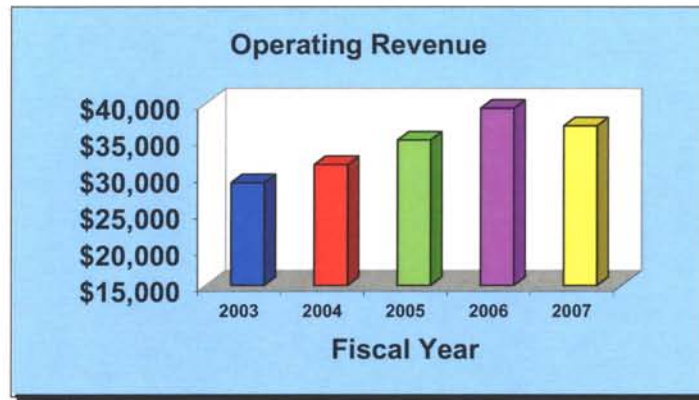
		<u>Limits of Coverage</u>
1.	Workers' Compensation & Employers' Liability	
	<i>Workers' Compensation Limit</i>	Statutory
	<i>Employers' Liability Level Limit</i>	\$ 1,000,000
2.	General Liability	
	<i>Primary Liability including Employment Practices</i>	\$ 1,000,000
	<i>Public Officials</i>	\$ 5,000,000
	<i>Umbrella Liability</i>	\$ 50,000,000
3.	Automobile & Garagekeepers	
	<i>Liability</i>	\$ 1,500,000
	<i>Personal Injury (PIP)</i>	Statutory
	<i>Garagekeepers Legal Liability</i>	\$ 4,000,000
4.	Employee Crime	
	<i>Public Employees Dishonesty</i>	\$ 1,000,000
	<i>Forgery or Alteration</i>	\$ 1,000,000
	<i>Computer Fraud</i>	\$ 1,000,000
	<i>Theft of Money &amp; Securities</i>	\$ 100,000
5.	Fire & Allied Property	
	<i>Total Buildings and Allied</i>	\$ 176,986,820
	<u>Sublimits:</u>	<u>Amount</u>
	<i>Buildings</i>	\$ 152,538,690
	<i>Personal Property</i>	\$ 14,838,774
	<i>Inland Marine (Scheduled Equipment)</i>	\$ 683,696
	<i>Computer Related &amp; Video/Radio Equipment</i>	\$ 752,450
	<i>Valuable Papers &amp; Other</i>	\$ 500,000
6.	National Flood	
	<i>Buildings</i>	\$ 6,924,200
	<i>Contents</i>	\$ 872,800
7.	Watercraft	
	<i>Protection &amp; Indemnity</i>	\$ 841,004
	<i>Hull (Roll On-Roll Off Barge and Small Boats)</i>	\$ 792,000
8.	Boiler & Machine	\$ 50,000,000
9.	Gasoline Storage Tank Liability	\$ 1,000,000
10.	Corporate Foreign Travel/Accident, Etc.	\$ 1,000,000



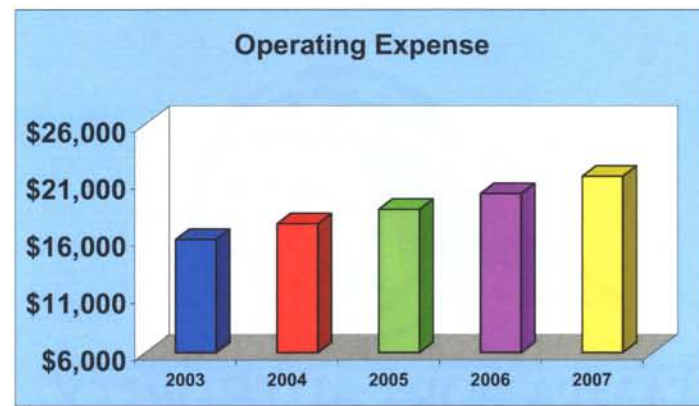
Table 21

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

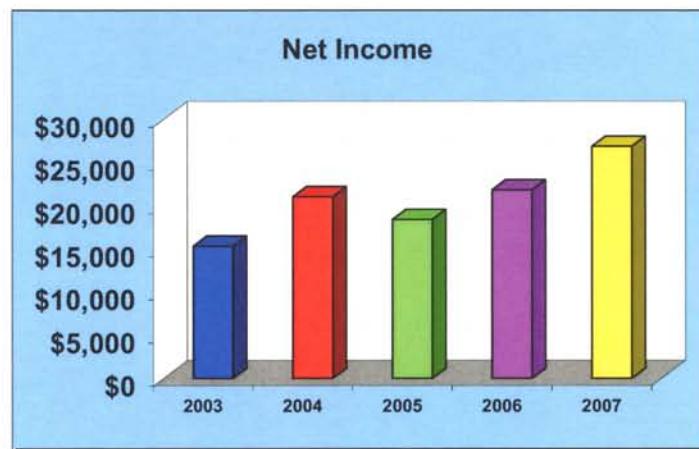
OPERATING REVENUE



OPERATING EXPENSE



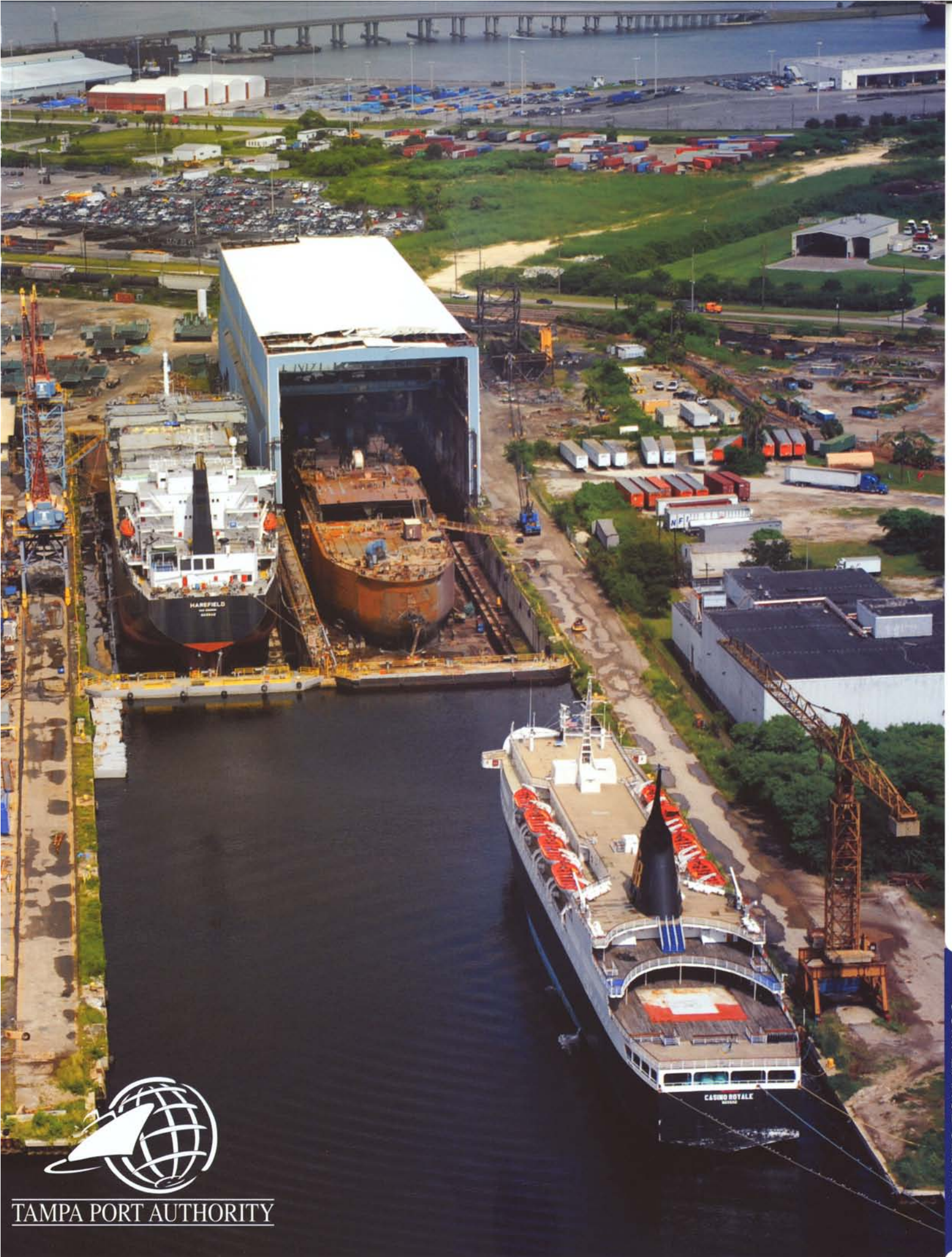
NET INCOME







TAMPA PORT AUTHORITY



TAMPA PORT AUTHORITY





## Compliance Section

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

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





Table 22

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

<b>Fiscal Year</b>	<b><u>Phosphate</u></b>	<b><u>Petroleum</u></b>	<b><u>Coal</u></b>	<b><u>Sulphur</u></b>	<b><u>All Other</u></b>	<b><u>Total</u></b>
1998	16,413	15,061	7,204	4,404	7,715	50,797
1999	16,933	15,912	6,892	4,266	8,240	52,243
2000	13,115	16,384	7,397	4,081	8,265	49,242
2001	10,315	17,484	6,870	3,854	8,569	47,092
2002	12,910	17,669	6,572	3,694	8,868	49,713
2003	12,310	17,134	6,043	4,019	9,042	48,548
2004	12,684	18,156	4,766	3,866	9,226	48,698
2005	12,251	19,269	4,812	3,856	10,028	50,216
2006	9,610	19,742	4,922	3,659	10,256	48,189
2007	8,415	19,473	4,659	3,256	9,491	45,294

Reported in short tons.

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

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



Table 23

**TAMPA PORT AUTHORITY**

**Port Usage Fees**

**Last Ten Years**

**(Unaudited)**

(amounts in thousands)

Year	Dockage	Wharfage	Passenger Terminal Income	Other Port Usage Fees	Total
1998	4,648	6,371	422	1,498	12,939
1999	5,216	7,862	906	702	14,686
2000	4,934	7,800	1,076	631	14,441
2001	5,138	8,560	1,746	301	15,745
2002	5,413	9,691	2,659	548	18,311
2003	5,613	11,864	3,456	751	21,684
2004	5,897	12,141	3,810	1,051	22,899
2005	6,130	13,698	4,170	1,377	25,375
2006	6,901	14,943	5,748	1,760	29,352
2007	6,236	14,018	5,645	1,357	27,256

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



Table 24

**TAMPA PORT AUTHORITY**  
**Summary of Leases of Principal Tenants**  
**as of September 30, 2007**  
**(Unaudited)**

<u>Tenant</u>	<u>Initial Date of Lease</u>	<u>Initial Term</u>	<u>No. of Renewal Options</u>	<u>Option Term</u>	<u>2007 Minimum Annual Revenue</u>	<u>2007 Total Revenue Received</u>
Kinder Morgan (GATX) (b)	Oct-98	5	3	5	\$ 945,000	\$ 3,112,415
Ports America (Break Bulk) (b)	May-06	10	1	10	\$ 1,225,000	\$ 3,054,843
Transmontaigne Product Services, Inc.	Sep-67	12	3	(2) 10-year; (1) 8-year	\$ 7,200	\$ 1,182,895
Trademark Metals	Dec-99	10	2	5	\$ 303,083	\$ 1,086,252
Tampa Bay Shipbuilding & Repair Co.	Mar-97	15	2	15	\$ 587,500	\$ 913,910
Vulcan/ICA Distribution Co.	Jul-91	1	7	(4) 1-year; (3) 5-year	\$ 372,232	\$ 824,900
Martin Operating Partners	Dec-96	10	0	0	\$ 220,545	\$ 781,807
Martin Marietta Aggregates	Jan-04	5	2	5	\$ 439,751	\$ 759,452
Tarmac America LLC (Titan)	Jan-02	20	3	10	\$ 154,959	\$ 587,525
Marigold Land Co.	Oct-00	10	4	5	\$ 500,000	\$ 557,536
C F Industries Inc (fertilizer facility) (b)	Jun-72	10	4	10	\$ 85,626	\$ 544,095
Gulf Marine Repair, Inc.	May-06	10	3	10	\$ 500,000	\$ 500,000
Sea - 3 of Florida, Inc.	Jan-99	22	3	10	\$ 289,000	\$ 455,822
Cargill, Inc. (salt facility)	Jul-99	20	2	10	\$ 336,660	\$ 388,323
C F Industries, Inc. (ammonia facility) (b)	Jul-76	20	3	10	\$ 83,240	\$ 350,404
Cemex, Inc.	Jun-84	10	4	5	\$ 293,754	\$ 317,323
Holcim (US), Inc.	Jul-05	5	2	5	\$ 216,612	\$ 304,307
University of South Florida	Aug-99	10	0	0	\$ 298,285	\$ 298,285
Gulf Sulphur Services (Freeport)	Jan-00	5	2	5	\$ 170,085	\$ 267,730
Sulphuric Acid Trading Company	Nov-79	25	2	(1) 15-year; (1) 5-year	\$ 240,000	\$ 240,000
Channelside Bay Mall	Apr-97	40	8	5	\$ 231,000	\$ 231,000
International Ship Repair (Metroport)	Feb-06	20 Months	0	0	\$ 226,388	\$ 226,388
Pasco Terminals	Nov-00	10	2	5	\$ 131,903	\$ 224,660
World Trade Center	Mar-03	3	3	1	\$ 221,216	\$ 221,216
Amalie Oil Company	Jul-97	25	1	10	\$ 166,709	\$ 217,229
Namasco Acquisition Corporation	Jul-01	5	1	5	\$ 210,905	\$ 210,905
RMC - South Florida, Inc.	Dec-01	5	4	5	\$ 201,654	\$ 201,654
Cargill Financial Center (grain facility)	May-73	20	3	20	\$ 33,000	\$ 183,873
Seabulk Towing	May-98	15	0	0	\$ 65,270	\$ 171,025
Lehigh Portland Cement Co.	Sep-00	10	2	5	\$ 139,815	\$ 157,912
Smorgon Steel (FKA Steelport)	Oct-99	10	1	5	\$ 146,429	\$ 146,429
Trinity Materials	Jan-07	30	2	10	\$ 142,500	\$ 142,500
Gaetano Cacciatore	Jun-05	25	8	5	\$ 120,000	\$ 120,000
Ports America (Container) (b)	May-06	40	0	0	\$ 120,000	\$ 120,000
Tropical Shipping Company	Oct-94	5	3	5	\$ 86,827	\$ 117,815
River Consulting	Aug-06	3	1	3	\$ 117,049	\$ 117,049
Florida Rock Industries, Inc.	Nov-06	5	3	5	\$ 113,907	\$ 113,907
Intermodal Shipping	Oct-04	1	2	1	\$ 112,096	\$ 112,096
Murphy Oil USA, Inc.	Sep-67	18	2	(1) 10-year; (1) 12-year	\$ 34,730	\$ 105,115
Kinder Morgan (Central Fla Pipeline) (b)	Mar-95	20	2	10	\$ 44,900	\$ 100,578
Batson Cook	Jun-05	1	1	1	\$ 85,253	\$ 85,253
Yara (Formerly Hydro Agri )	Oct-97	10	2	5	\$ 32,885	\$ 81,334
Tampa Juice Service, Inc.	Apr-95	20	2	10	\$ 50,243	\$ 80,941
Starship Cruise Line, Inc.	Jan-06	10	2	10	\$ 77,600	\$ 77,600





Table 24

**TAMPA PORT AUTHORITY**  
**Summary of Leases of Principal Tenants**  
**as of September 30, 2007**  
**(Unaudited)**

<b>Tenant</b>	<b>Initial Date of Lease</b>	<b>Initial Term</b>	<b>No. of Renewal Options</b>	<b>Option Term</b>	<b>2007 Minimum Annual Revenue</b>	<b>2007 Total Revenue Received</b>
Kinder Morgan (PAC Tank) (b)	Dec-02	20	4	10	\$ 75,407	\$ 75,407
C F Industries, Inc. (bareland) (b)	Jan-90	6.5	3	10	\$ 72,798	\$ 72,798
Gladiator LLP	Oct-06	20	4	5	\$ 70,200	\$ 70,200
International Ship Repair (B200)	Feb-06	10	0	0	\$ 70,131	\$ 70,131
Carolco (Month to Month)	Jan-06	0	0	0	\$ 68,000	\$ 68,000
Diversified Marine	Jul-05	5	1	5	\$ 56,037	\$ 56,037
Carotam (a)	Jan-04	1	0	0	\$ 52,800	\$ 52,800
Maritrans Operating Partners	Jan-80	25	3	10	\$ 44,049	\$ 44,049
Americold Corporation	Sep-78	20	2	5	\$ 39,000	\$ 39,000
PEL Laboratories	May-03	5	2	5	\$ 33,351	\$ 33,351
Superior Seafoods, Inc. (a)	Jan-93	5	1	5	\$ 32,735	\$ 32,735
Yara	May-05	10	0	0	\$ 24,948	\$ 24,948
Marine Towing	Jan-06	10	3	5	\$ 21,794	\$ 21,794
Diversified Marine (Port Seafood)	Jul-04	5	0	0	\$ 15,991	\$ 15,991
Bronco Transportation (Month to Month)	Dec-06	0	0	0	\$ 15,537	\$ 15,537
Standard Marine	May-04	1	2	2	\$ 12,750	\$ 12,750
American Victory	Apr-00	4	4	4	\$ 12,000	\$ 12,000
Eller & Company	Dec-05	1	1	2	\$ 8,060	\$ 8,060
Anova (Month to Month)	Mar-06	0	0	0	\$ 6,286	\$ 6,286
Sawyer Marine	Dec-05	1	1	2	\$ 3,792	\$ 3,792
<b>Total Minimum and Actual Revenue</b>					<b>\$ 10,916,477</b>	<b>\$ 20,829,969</b>

(a) Leases are in a holdover status at 9/30/07 - contract negotiations in progress

(b) 2007 Revenues reported on Table 7 of this Comprehensive Financial Report are inclusive of multiple leases for these customers

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



TAMPA PORT AUTHORITY



**RIVERO, GORDIMER & COMPANY**

**Certified Public Accountants**

Member:

American Institute of Certified Public Accountants  
Florida Institute of Certified Public Accountants

Cesar J. Rivero  
Richard Gordimer  
Herman V. Lazzara  
Marc D. Sasser

Sam A. Lazzara  
Stephen G. Douglas  
Michael E. Helton

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
Tampa Port Authority

We have audited the financial statements of the Tampa Port Authority (the "Port Authority") as of and for the year ended September 30, 2007, and have issued our report thereon, dated January 15, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Port Authority's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Port Authority's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Port Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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

Tampa, Florida  
January 15, 2008



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

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

Cesar J. Rivero	Sam A. Lazzara
Richard Gordimer	Stephen G. Douglas
Herman V. Lazzara	Michael E. Helton
Marc D. Sasser	

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO  
EACH MAJOR STATE PROJECT

Board of Commissioners  
Tampa Port Authority

Compliance

We have audited the compliance of the Tampa Port Authority (the "Port Authority") with the types of compliance requirements described in the Executive Office of the Governor's State Projects Compliance Supplement that are applicable to each of its major state projects for the year ended September 30, 2007. The Port Authority's major state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state projects is the responsibility of the Port Authority's management. Our responsibility is to express an opinion on the Port Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and Chapter 10.550, Rules of the Auditor General. Those standards, 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 state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Port Authority's compliance with those requirements.

In our opinion, the Port Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major state financial assistance projects for the year ended September 30, 2007.

Internal Control over Compliance

The management of the Port Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state projects. In planning and performing our audit, we considered the Port Authority's internal control over compliance with requirements that could have a direct and material effect on a major state project to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, 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 *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a state project on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a state financial assistance project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state financial assistance project that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state project will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

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

Tampa, Florida  
January 15, 2008





Table 25

Tampa Port Authority

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For the year ended September 30, 2007

Grantor and Program Title	State CSFA Number	Grant Number	Program or Award Amount	Accrued Revenue September 30, 2006	Receipts	Expenditures	Accrued Revenue September 30, 2007
<b>State Agency</b>							
<b>Florida Department of Transportation</b>							
<b>Seaport Grants</b>							
Capacity improvements	55.005	41979119401	\$ 5,625,000	\$ 581,522	\$ 3,975,848	\$ 3,621,368	\$ 227,042
Capital/operating	55.005	40833719401	\$ 6,050,000	1,029,170	4,950,538	4,120,160	198,792
Capital	55.005	41979219401	\$ 6,750,000	-	5,708,366	6,068,994	360,628
<b>Total Seaport Grants</b>				<u>1,610,692</u>	<u>14,634,752</u>	<u>13,810,522</u>	<u>786,462</u>
<b>Intermodal Development Program</b>							
Infrastructure improvements	55.014	41274619401	\$ 7,232,370	207,091	-	-	207,091
<b>Total intermodal development program</b>				<u>207,091</u>	<u>-</u>	<u>-</u>	<u>207,091</u>
<b>Total state financial assistance</b>				<u>\$ 1,817,783</u>	<u>\$ 14,634,752</u>	<u>\$13,810,522</u>	<u>\$ 993,553</u>



Tampa Port Authority

NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

September 30, 2007

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of State Financial Assistance includes the 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 Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE B - CONTINGENCIES

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

NOTE C - SUBRECIPIENTS

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



## Tampa Port Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS –  
STATE FINANCIAL ASSISTANCE PROJECTS

For the year ended September 30, 2007

**Section I - Summary of Auditors' Results****Financial Statements**

Type of auditors' report issued Unqualified

Internal control over financial reporting  
Material weakness(es) identified?        yes   X   no  
Significant deficiency(ies) identified that are not  
considered to be material weakness(es)?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

**Major State Projects**

Internal control over major programs/projects  
Material weakness(es) identified?        yes   X   no  
Significant deficiency(ies) identified that are not  
considered to be material weakness(es)?        yes   X   none reported

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

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

Identification of major programs:

State:	CFSA Number	Name of State Projects
	55.005	Seaport Grants

Dollar threshold used to distinguish between type A  
and type B state projects \$ 414,316

**Section II - Financial Statement Findings**

No matters were reported under the rules of the Auditor General





Tampa Port Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS –  
STATE FINANCIAL ASSISTANCE PROJECTS - CONTINUED

For the year ended September 30, 2007

**Section III - State Financial Assistance**

Findings and Questioned Costs

No matters were reported under the rules of the Auditor General

**Section IV - Other Issues**

A summary Schedule of Prior Audit Findings is not required because there were no prior audit findings related to State Projects.



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

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

Cesar J. Rivero	Sam A. Lazzara
Richard Gordimer	Stephen G. Douglas
Herman V. Lazzara	Michael E. Helton
Marc D. Sasser	

MANAGEMENT LETTER BASED ON RULE 10.554 OF THE  
AUDITOR GENERAL OF THE STATE OF FLORIDA

Board of Commissioners  
Tampa Port Authority

We have audited the financial statements of the Tampa Port Authority (the "Port Authority") whose headquarters is located in Tampa, Florida, as of and for the fiscal year ended September 30, 2007, and have issued our report thereon, dated January 15, 2008.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors' Report on Compliance and on Internal Control over Compliance Applicable to Each Major State Project, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated January 15, 2008, should be considered in conjunction with this Management Letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which govern the conduct of local government entity audits performed in the State of Florida and, unless otherwise required to be reported in the report on compliance and internal controls or schedule of findings and questioned costs, this letter is required to include the following information.

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 significant findings and recommendations made in the preceding annual financial audit report. There are no significant findings and recommendations disclosed in the preceding audit report.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Port Authority complied with Section 218.415, Florida Statutes.

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

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., *Rules of the Auditor General*, requires, based on professional judgment, the reporting of the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred, and would have an immaterial effect on the financial statements; (2) improper expenditures or illegal acts that would have an immaterial effect of the financial statements; and (3) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by , or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings

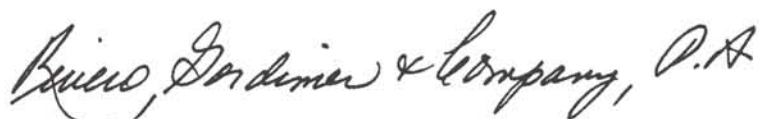
Section 10.554(1)(i)6., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The required information is disclosed in the Notes of Financial Statements (see note A – Organization and Reporting Entity).

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

Section 10.554(1)(i)7.b., *Rules of the Auditor General*, requires that we determine whether the annual financial report for the Port Authority for the fiscal year ended September 30, 2007, 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, 2007. In connection with our audit, we determined that these two reports were in agreement.

Section 10.554(1)(i)7.c., and 10.556(7), *Rules of the Auditor General*, require that we apply financial condition assessment procedures. In connection with our audit, we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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



Tampa, Florida  
January 15, 2008





TAMPA PORT AUTHORITY