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**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2008



TAMPA PORT AUTHORITY

HILLSBOROUGH COUNTY PORT DISTRICT, FLORIDA

Hillsborough County Port District, Florida

Comprehensive Annual Financial Report

For Fiscal Year Ended September 30, 2008



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, 2008

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TAMPA PORT AUTHORITY



TAMPA PORT AUTHORITY

March 11, 2009

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, 2008 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

Strategically located along the western coast line of Central Florida, the Port of Tampa is the gateway for the relatively strong local and regional economy, generating more than 96,000 jobs and approximately \$8 billion of economic impact. Specifically, 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), and the



Tampa Bay Lightning (NHL). The Tampa Bay Rays, Major League Baseball's 2008 American league champions, play at nearby Tropicana Field in St. Petersburg, Florida.

Hillsborough County, as with other parts of the country, experienced a decline in economic growth due to the downturn in the economy. However, the cost of living index in the county was once again below the national average as it has been for the past 15 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 a growth in population in 2008 increasing to 1,227,271, a 1.8 % increase over 2007. Hillsborough County's favorable wage scales and low cost of living continue to draw new residents and businesses to the area. Hillsborough County experienced an increase in unemployment to 6.8% in 2008, which mirrored the State of Florida's unemployment rate of 6.8%. 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.

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, along with fees collected from tenants leasing port property, 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 3,400 vessels pass through the port carrying approximately 43 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. Container trade routes are constantly being pursued in support of this effort. 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 768,000 cruise passengers in fiscal year 2008. Current cruise activity at the Port of Tampa is as follows:

- 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". The "Inspiration" offers a 5-5-4 day sailing rotation and the "Legend" 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 an additional 40-year option.

During 2008 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 Port Authority has entered into a contract to expand the current Channelside parking garage by 722 spaces bringing the capacity to just over 2,700 spaces.

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, Halcrow, HCP & Associates, the World Trade Center and a number of other small businesses.

Capital improvement plan - Over the next five years, the Port Authority's capital improvement plan includes capital projects totaling over \$330 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 2008, 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 FY2008 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. This includes the cruise industry, an increasingly important part of the Port's operating revenue stream. As discussed earlier, associated with the increase in the cruise business and retail operations in the Channelside area is an expansion of the Port's parking operations which has become a major component of the Port's business. 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, 2007. This was the eighth 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 seven years, the accomplishment of the Certificate of Achievement for the eighth 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

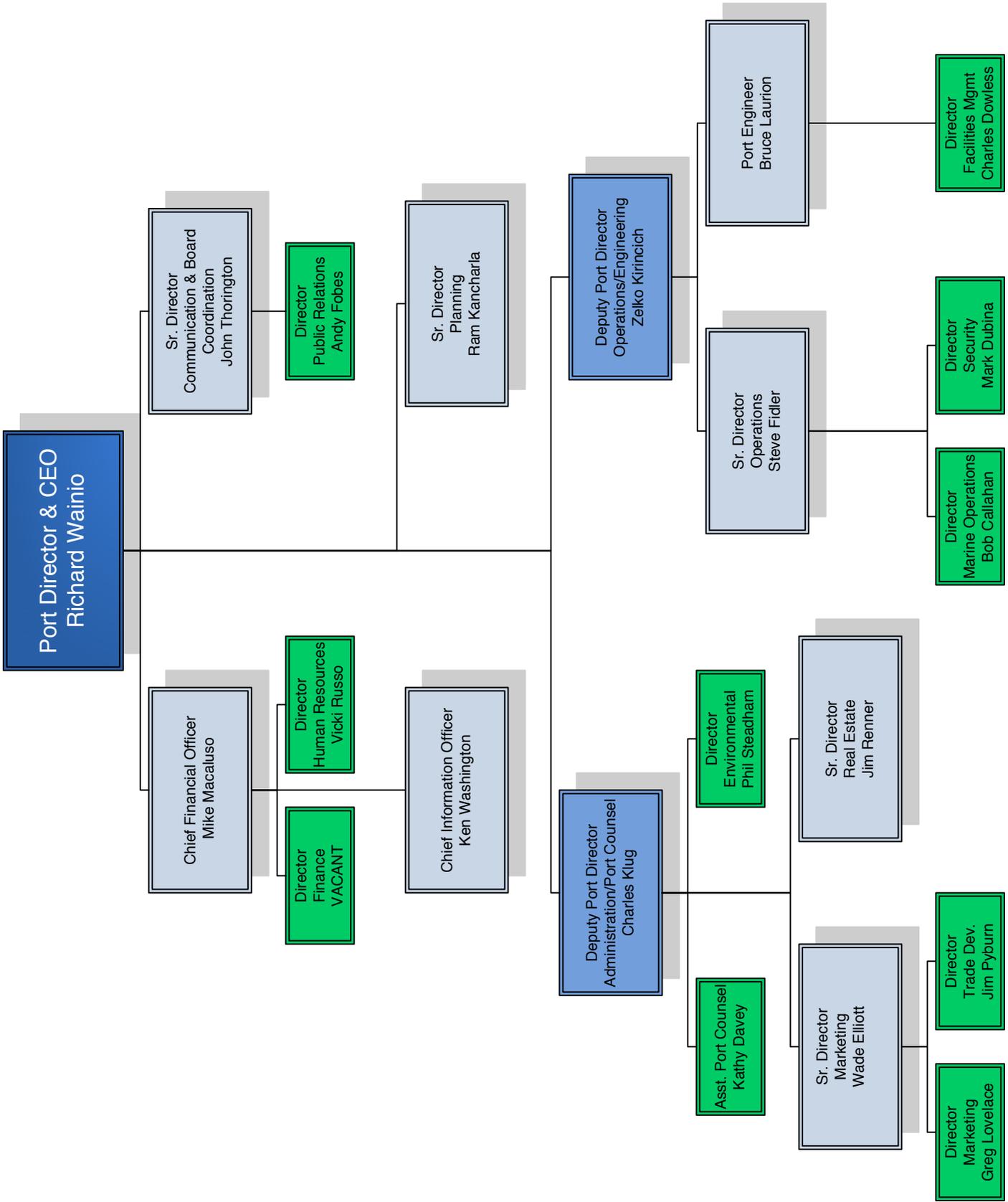
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2007

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



President

Executive Director



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
Stephen Swindal	Commissioner
Honorable Rose Ferlita Hillsborough County Commission	Commissioner
William A. "Hoe" Brown	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 - Operations & Engineering
Charles E. Klug, Esquire	Deputy Port Director - Administration & Port Counsel
Michael J. Macaluso	Chief Financial Officer





TAMPA PORT AUTHORITY

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

A handwritten signature in cursive script that reads "Buco, Gardner & Company, P.A." The signature is written in black ink and is positioned above the typed address and date.

Tampa, Florida
January 20, 2009



Tampa Port Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2008

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 to and understanding of the financial statements of the Port Authority for the fiscal year ended September 30, 2008, with selected comparisons to the prior fiscal year ended September 30, 2007. 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 FY2008 millage rate was .1982 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 in certain instances also receives certain guaranteed revenue streams.

The following MD&A of Port Authority activities and financial performance provides an introduction to the financial statements of the Port Authority for the fiscal year ended September 30, 2008, with selected comparative information to the fiscal year ended September 30, 2007. 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, 2008

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, 2008 and 2007 is as follows:



Tampa Port Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

September 30, 2008

STATEMENTS OF NET ASSETS

	<u>FY2008</u>	<u>FY2007</u>
(in thousands)		
ASSETS		
Current assets	\$ 108,111	\$ 103,457
Noncurrent assets		
Capital related, net	442,085	438,290
Noncapital	<u>12,220</u>	<u>14,324</u>
Total assets	<u>\$ 562,416</u>	<u>\$ 556,071</u>
LIABILITIES		
Current liabilities	\$ 12,411	\$ 14,242
Noncurrent liabilities	<u>150,120</u>	<u>155,204</u>
Total liabilities	<u>162,531</u>	<u>169,446</u>
NET ASSETS		
Invested in capital assets, net of related debt	324,479	319,218
Restricted assets	36,655	36,971
Unrestricted net assets	<u>38,751</u>	<u>30,436</u>
Total net assets	<u>399,885</u>	<u>386,625</u>
Total liabilities and net assets	<u>\$ 562,416</u>	<u>\$ 556,071</u>

At September 30, 2008, the Port Authority's assets exceeded liabilities by \$400 million, a \$13.3 million increase over September 30, 2007. For the fiscal year ended September 30, 2008, 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, 2008

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

	<u>FY 2008</u>	<u>FY 2007</u>
(in thousands)		
Operating revenues		
Port usage fees	\$ 28,334	\$ 27,256
Land and building leases	9,442	8,125
Other operating revenue	<u>1,471</u>	<u>1,534</u>
Total operating revenue	<u>39,247</u>	<u>36,915</u>
Operating expenses	<u>22,543</u>	<u>21,436</u>
Operating income before depreciation	16,704	15,479
Depreciation and amortization expense	<u>16,536</u>	<u>14,451</u>
Operating income after depreciation	<u>168</u>	<u>1,028</u>
Non-operating revenues (expenses)		
Ad valorem taxes	16,807	16,681
Interest income	3,281	5,253
Other non-operating revenues	1,529	953
Interest expense	(7,891)	(8,163)
Amortization of bond issue costs	(218)	(220)
Amortization of bond premiums	244	240
Other non-operating expenses	(2,559)	(2,897)
Loss on swap termination	<u>(1,705)</u>	<u>-</u>
	<u>9,488</u>	<u>11,847</u>
Income before capital contributions	9,656	12,875
Capital grants	<u>3,604</u>	<u>13,991</u>
Increase in net assets	13,260	26,866
Net assets at beginning of year	<u>386,625</u>	<u>359,759</u>
Net assets at end of year	<u>\$ 399,885</u>	<u>\$ 386,625</u>



Tampa Port Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

September 30, 2008

Financial Operations Highlights

Listed below are the highlights of changes in the fiscal years ended September 30, 2008 and 2007, as shown in the Statements of Revenues, Expenses and Changes in Fund Net Assets above:

- Operating revenues increased by 6.3% from \$36.9 million to \$39.2 million due to an increase in lease revenue. In FY 2008, the Port Authority entered into new leases generating an additional \$1.3 million in lease revenue. In addition to the revenue generated by new leases, the restructure of leases with current tenants created an additional \$1 million in port usage fees.
- Operating expenses increased by 5.2% from \$21.4 million to \$22.5 million. Contracted services for port-wide security enhancements in FY 2008 were a contributing factor to the increase.
- Depreciation and amortization increased \$2.1 million from \$14.4 million to \$16.5 million. The increase is related to the additional capital assets associated with the Port's on-going navigational dredging improvement program and significant improvements at Spoil Island 2D.
- Non-operating revenues, net of non-operating expenses, decreased by \$2.4 million, or 24.8%. Interest income decreased by \$2 million due to a significant decline in interest rates. Other non-operating expenses decreased by \$338,000. In FY 2008, the Port Authority incurred costs of \$1.7 million associated with the refunding of its Series 1998 bonds.
- Capital grants decreased from \$14 million to \$3.6 million, or a \$10.4 million decrease. During 2007, the Port Authority received grant funding of \$12 million from the Florida Department of Transportation for dredging improvements to Sparkman Channel and Spoil Island 2D. The majority of these improvements were made in 2007. No funding was received in 2008 for dredging improvements.

Capital Assets

The Port Authority's non-current assets as of September 30, 2008 amounted to \$454.3 million, of which capital assets were \$442.1 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 2008 was 1%, or \$3.8 million due to the reasons stated below.

During 2008, completed major projects totaling \$13.9 million were closed from construction-in-progress to their respective capital accounts. Major completed projects included the completion of Berth 213 expansion, railroad improvements at Pendola Point, enhancements at the Port Sutton security checkpoint, dredging at various Port Authority berths and improvements at the Spoil Islands.



Tampa Port Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

September 30, 2008

Construction-in-progress projects total \$12.5 million as of September 30, 2008 and include the following projects:

- Tampa Harbor Dredging improvements
- Channelside Parking Garage Expansion
- Parking Garage Automated Revenue Control System
- Small Craft Intrusion Barriers
- East Port development

The Port Authority's capital program is funded through a combination of 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 \$150.9 million as of September 30, 2008. Of this amount, \$6.72 million is current and will mature by June 1, 2009.

The Port Authority issued a \$27 million revenue note to retire the Port Authority's series 1998 revenue bonds during the year ended September 30, 2008. 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 2008 and 2007 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.



Tampa Port Authority
COMBINED STATEMENT OF NET ASSETS

September 30, 2008
(With comparative total for 2007)

	Primary Government	Component Unit Tampa Bay International Terminals, Inc.	Total 2008	Total 2007
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (note C)	\$ 94,807,345	\$ 21,320	\$ 94,828,665	\$ 90,205,191
Investments (note C)	3,409,979	938,500	4,348,479	4,202,688
Accounts receivable, net of allowance for doubtful accounts	4,189,885	-	4,189,885	4,864,888
Due from other governments	3,632,689	-	3,632,689	1,312,829
Notes receivable (note D)	441,167	-	441,167	704,070
Note receivable from component unit (note D)	831,667	-	831,667	796,667
Interest receivable	32,224	-	32,224	1,536,786
Prepaid expenses and other current assets	765,729	1,013,648	1,779,377	1,976,162
Total current assets	<u>108,110,685</u>	<u>1,973,468</u>	<u>110,084,153</u>	<u>105,599,281</u>
NONCURRENT ASSETS				
Capital assets, net of depreciation (note G)	442,084,949	-	442,084,949	438,291,198
Notes receivable (note D)	5,854,763	-	5,854,763	6,295,930
Note receivable from component unit (note D)	1,464,999	-	1,464,999	2,296,667
Lease acquisition costs, net of amortization (note E)	1,780,635	-	1,780,635	2,128,602
Bond issuance costs, net of amortization	2,358,447	-	2,358,447	2,630,731
Leasehold rights, net of amortization	485,217	-	485,217	557,364
Other intangible assets (note F)	275,969	724,880	1,000,849	1,139,249
Total net assets	<u>454,304,979</u>	<u>724,880</u>	<u>455,029,859</u>	<u>453,339,741</u>
TOTAL ASSETS	<u>\$ 562,415,664</u>	<u>\$ 2,698,348</u>	<u>\$ 565,114,012</u>	<u>\$ 558,939,022</u>

See notes to the Financial Statements.



Tampa Port Authority
COMBINED STATEMENT OF NET ASSETS

September 30, 2008
 (With comparative total for 2007)

	Primary Government	Component Unit Tampa Bay International Terminals, Inc.	Total 2008	Total 2007
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 2,087,111	\$ 8,048	\$ 2,095,159	\$ 3,928,264
Construction contracts payable	430,052	-	430,052	340,448
Accrued liabilities	984,882	-	984,882	920,582
Accrued bond interest	1,888,818	-	1,888,818	2,394,273
Long-term debt due within one year (note J)	6,725,000	-	6,725,000	6,375,000
Note payable to primary government (note J)	-	831,667	831,667	796,667
Deferred revenue	295,182	-	295,182	293,595
Total current liabilities	12,411,045	839,715	13,250,760	15,048,829
NONCURRENT LIABILITIES				
Bonds, notes and loans payable, net (note J)	144,153,448	-	144,153,448	148,709,287
Note payable to primary government (note J)	-	1,464,999	1,464,999	2,296,667
Deferred revenue	2,423,884	-	2,423,884	4,060,355
Investment held for component unit	938,500	-	938,500	938,500
Deposits	1,436,214	-	1,436,214	327,931
Other obligation (note L)	1,167,885	-	1,167,885	1,167,885
Total noncurrent liabilities	150,119,931	1,464,999	151,584,930	157,500,625
Total liabilities	162,530,976	2,304,714	164,835,690	172,549,454
NET ASSETS (DEFICIT)				
Invested in capital assets, net of related debt	324,478,600	724,880	325,203,480	319,943,030
Restricted				
Bond debt service	9,214,552	938,500	10,153,052	10,469,656
Capital projects	27,440,222	-	27,440,222	27,440,222
Unrestricted	38,751,314	(1,269,746)	37,481,568	28,536,660
Total net assets	399,884,688	393,634	400,278,322	386,389,568
TOTAL LIABILITIES AND NET ASSETS	\$ 562,415,664	\$ 2,698,348	\$ 565,114,012	\$ 558,939,022

See notes to the Financial Statements.



Tampa Port Authority

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

For the year ended September 30, 2008
(With comparative total for 2007)

	Primary Government	Component Unit Tampa Bay International Terminals, Inc.	Total 2008	Total 2007
Operating revenues				
Port usage fees	\$ 28,334,102	\$ -	\$ 28,334,102	\$ 27,256,113
Land and building leases	9,442,093	-	9,442,093	8,124,514
Other operating revenues	1,470,945	999,600	2,470,545	2,498,320
Total operating revenues	<u>39,247,140</u>	<u>999,600</u>	<u>40,246,740</u>	<u>37,878,947</u>
Operating expenses				
Personnel	9,407,024	10,489	9,417,513	9,015,187
Promotional	286,722	2,894	289,616	333,498
Administrative	12,848,783	83,537	12,932,320	12,250,070
Depreciation and amortization	16,536,022	-	16,536,022	14,450,066
Total operating expenses	<u>39,078,551</u>	<u>96,920</u>	<u>39,175,471</u>	<u>36,048,821</u>
Total operating income	<u>168,589</u>	<u>902,680</u>	<u>1,071,269</u>	<u>1,830,126</u>
Non-operating revenues (expenses)				
Ad valorem taxes	16,806,833	-	16,806,833	16,681,013
Interest income	3,281,414	53,917	3,335,331	5,306,793
Other non-operating revenues	1,529,087	-	1,529,087	952,962
Interest expense	(7,890,796)	(153,358)	(8,044,154)	(8,351,878)
Amortization of bond issue costs	(218,234)	-	(218,234)	(219,782)
Amortization of bond premiums	244,469	-	244,469	240,465
Other non-operating expenses	(2,560,300)	(172,883)	(2,733,183)	(3,069,980)
Loss on swap termination (note J)	(1,704,878)	-	(1,704,878)	-
Total non-operating revenues (expenses)	<u>9,487,595</u>	<u>(272,324)</u>	<u>9,215,271</u>	<u>11,539,593</u>
Income before capital contributions	9,656,184	630,356	10,286,540	13,369,719
Capital grants and contributions	3,602,214	-	3,602,214	13,991,352
Increase in net assets	13,258,398	630,356	13,888,754	27,361,071
Net assets at beginning of year	<u>386,626,290</u>	<u>(236,722)</u>	<u>386,389,568</u>	<u>359,028,497</u>
Net assets at end of year	<u>\$ 399,884,688</u>	<u>\$ 393,634</u>	<u>\$ 400,278,322</u>	<u>\$ 386,389,568</u>

See notes to the Financial Statements.



Tampa Port Authority
 STATEMENT OF CASH FLOWS
 For the year ended September 30, 2008
 (With comparative total for 2007)

	Primary Government <u>Tampa Port Authority - 2008</u>	Primary Government <u>Tampa Port Authority - 2007</u>
Cash flows from operating activities		
Received from customers	\$ 39,922,143	\$ 37,238,524
Payments to suppliers for goods and services	(14,952,756)	(13,576,139)
Payments to employees for services	(9,331,718)	(8,884,519)
Related to non-operating revenues	2,404,106	3,035,161
Related to non-operating expenses	<u>(805,836)</u>	<u>(777,972)</u>
Net cash provided by operating activities	<u>17,235,939</u>	<u>17,035,055</u>
Cash flows from non-capital financing activities		
Payment of ad valorem taxes	<u>(640,442)</u>	<u>(1,089,267)</u>
Net cash used by non-capital financing activities	<u>(640,442)</u>	<u>(1,089,267)</u>
Cash flows from capital and related financing activities		
Capital grants and contributions received	1,282,430	14,979,490
Use of refundable capital grant advance	-	(1,350,000)
Ad valorem taxes received, net of fees paid	16,006,434	15,919,863
Acquisition and construction of capital assets	(19,744,866)	(30,067,665)
Proceeds from sale of capital assets	158,524	411,248
Principal payments on debt	(31,375,000)	(6,045,000)
Interest payments on debt	(8,197,148)	(7,528,141)
Proceeds from note payable	27,000,000	-
Note payable issue costs	(136,933)	-
Swap termination payment	<u>(3,110,000)</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(18,116,559)</u>	<u>(13,680,205)</u>
Cash flows provided by investing activities		
Purchase of investments	(3,409,979)	(3,264,188)
Proceeds from the sale of investments	3,264,188	3,304,117
Proceeds from repayment of notes receivable	1,500,738	761,666
Payments on issuance of notes receivable	-	(241,966)
Interest and dividends received	<u>4,785,976</u>	<u>4,778,579</u>
Net cash provided by investing activities	<u>6,140,923</u>	<u>5,338,208</u>
Net increase in cash and cash equivalents	4,619,861	7,603,791
Cash and cash equivalents at beginning of year	<u>90,187,484</u>	<u>82,583,693</u>
Cash and cash equivalents at end of year	<u>\$ 94,807,345</u>	<u>\$ 90,187,484</u>

See notes to the Financial Statements.



Tampa Port Authority
STATEMENT OF CASH FLOWS - CONTINUED

For the year ended September 30, 2008
(With comparative total for 2007)

	<u>Primary Government Tampa Port Authority - 2008</u>	<u>Primary Government Tampa Port Authority - 2007</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 168,589	\$ 1,028,594
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	16,536,022	14,450,066
(Increase) decrease in		
Accounts receivable	675,003	331,923
Prepaid expenses and deposits	23,902	(709,271)
Increase (decrease) in		
Accounts payable	(1,841,153)	(342,694)
Accrued liabilities	75,306	27,506
Deferred revenue	(137,951)	2,082,199
Deposits	1,108,283	(8,259)
Total adjustments	<u>16,439,412</u>	<u>15,831,470</u>
Non-operating revenues	<u>627,938</u>	<u>174,991</u>
Net cash provided by operating activities	<u>\$ 17,235,939</u>	<u>\$ 17,035,055</u>

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Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2008

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, 2008

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, 2008

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, 2008 are shown net of allowances for doubtful accounts. The primary government has set their allowance for doubtful accounts at approximately \$61,000. The component unit had no accounts receivable as of September 30, 2008 and therefore the allowance for doubtful accounts has been set to zero.



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2008

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

The amounts reserved for debt service and capital projects are legally restricted by bond indentures.



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2008

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 0.1982 mill (\$0.1982 per \$1,000 value) ad valorem property tax during fiscal year 2008.

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 2008 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, 2008

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. Additionally, the Port Authority has entered into a interest rate swap 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

Governmental Accounting Standards Board (GASB) Statement No. 43 "*Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*" establishes financial reporting standards for Other Post Employment Benefit (OPEB) plans of state and local governments, effective for periods beginning after December 15, 2005 for phase 1 governments for the purpose of implementation of GASB Statement 34. Currently, the Port Authority is not required to implement this standard as it does not administer any OPEB plan as a qualifying trust, nor does it include an OPEB plan in these financial statements.

GASB Statement 45, "*Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*" becomes effective for periods beginning after December 15, 2006 for phase 1 governments for the purpose of implementation of GASB Statement 34. This new guideline is required for all governmental employers who provide Other Post Employment Benefits for which the employer pays all or a part of the cost of the benefits. Statement 45 will improve financial reporting and disclosure by matching the cost of post employment health benefits with the periods when the related services are received by the employer, by providing information about accrued actuarial liabilities for promised benefits related to past services and the extent that those liabilities have been funded and by providing valuable information about demands on future employer cash flows. GASB 45 will be effective for the Port Authority for the year ending September 30, 2009.

18. Operating Revenues and Economic Dependency

Total operating revenues of the Port Authority for the year ended September 30, 2008 amounted to approximately \$39.2 million, comprised of port usage fees of approximately \$28.3 million (of which dockage and wharfage are approximately \$22.9 million) and rental income of approximately \$9.4 million. Port usage fees and rental income totaled approximately \$37.8 million and made up approximately 96.2% of the primary government's operating revenues in 2008.



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2008

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

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

20. Capitalized Interest

Interest costs on funds borrowed to finance the construction of property and equipment during the period of construction, net of interest income, are capitalized. There were no interest costs capitalized for the year ended September 30, 2008.

21. Reclassifications

Certain accounts in the 2007 financial statements have been reclassified for comparative purposes to conform to the presentation in the 2008 financial statements.

NOTE C - CASH AND INVESTMENTS

1. Deposits

The bank balance of the Port Authority's (primary government) deposits (unrestricted and restricted) was \$95,619,541 at September 30, 2008 and the book balance was \$94,362,550. For the component unit, the bank balance of deposits and the book balances were \$21,320 and \$21,230, respectively. The difference between the book and bank amounts is due to outstanding checks and transfers, and deposits in transit in its demand accounts.



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2008

NOTE C - CASH AND INVESTMENTS – Continued

Of the September 30, 2008 Port Authority's bank balance, \$250,000 was covered by Federal Depository Insurance Corporation (FDIC) and \$95,369,541 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 \$250,000 for all accounts at each financial institution.

The Port Authority had cash on hand in its petty cash funds totaling \$24,400. The component unit had no cash on hand at the end of the fiscal year.

3. Investments

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

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



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2008

NOTE C - CASH AND INVESTMENTS – Continued

- 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, 2008, consisted of the following:

The Port Authority invests funds throughout the year with the Local Government Surplus Funds Trust Fund Investment Pool (the "LPIG") and the Fund B Surplus Funds Trust Fund (the "Fund B"), which are investment pools administered by the Florida State Board of Administration ("FSBA"), under the regulatory oversight of the State of Florida.

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, 2008. Therefore, the investment was valued at share value, which approximates fair value. The total invested at September 30, 2008 through the LPIG and Fund B was \$96,829 and \$74,168, respectively, and is included in cash and cash equivalents. The LPIG is rated by standards and pools which is AAAM, and Fund B is not rated by any nationally recognized statistical rating agency. The weighted day to maturity of the LGIP at September 30, 2008 was 8.5 days and the weighted average life of the Fund B at September 30, 2008 was 9.36 years.

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	\$ 1,272,242	\$ 938,500	0.16	highest possible
Commercial paper	2,137,737	-	0.16	A1
	<u>\$ 3,409,979</u>	<u>\$ 938,500</u>		



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2008

NOTE C - CASH AND INVESTMENTS – Continued

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 0.16 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, 2008:

Note receivable balance due from Tampa Bay Shipbuilding Company as of September 30, 2007; principal and interest payable monthly, beginning December 1, 2006 and ending on December 1, 2018	\$ 6,295,930
Note receivable from TBIT (component unit), with a varying interest rate of 3.8% to 5.0%; principal and interest payable monthly, beginning September 1997, through May 2011 (see note J)	<u>2,296,666</u>
Total	8,592,596
Less: due within one year	<u>(1,272,834)</u>
Non-current portion notes receivable	<u><u>\$ 7,319,762</u></u>

NOTE E - LEASE ACQUISITION COSTS

Lease acquisition costs represent funds expended by the Port Authority to perpetuate the opportunity to lease facilities within the Port District and consist of the following changes during fiscal year 2008:

Cost of lease acquisitions	\$ 4,333,257
Accumulated amortization, fiscal year 2008	<u>(2,552,622)</u>
Balance, September 30, 2008	<u><u>\$ 1,780,635</u></u>



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2008

NOTE F - INTANGIBLE ASSETS

Primary Government - Intangible assets of the primary government consist of the following at September 30, 2008:

Cost of TBIT loan forgiveness	\$ 2,075,108
Accumulated amortization, fiscal year 2008	<u>(1,799,139)</u>
Balance, September 30, 2008	<u><u>\$ 275,969</u></u>

Component Unit - Intangible assets of the component unit consist of the following at September 30, 2008:

Cost in excess of net assets acquired (goodwill)	\$ 2,000,000
Accumulated amortization, fiscal year 2008	<u>(1,275,120)</u>
Balance, September 30, 2008	<u><u>\$ 724,880</u></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, 2008.

NOTE G - CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Primary Government	September 30, 2007	Additions	Transfers	Deletions	September 30, 2008
<u>Owned assets</u>					
Capital assets not being depreciated					
Land	\$ 113,890,102	\$ -	\$ 64,152	\$ (63,211)	\$ 113,891,043
Construction in progress	6,632,544	19,834,471	(13,925,145)	-	12,541,870
Total capital assets not depreciated	<u>120,522,646</u>	<u>19,834,471</u>	<u>(13,860,993)</u>	<u>(63,211)</u>	<u>126,432,913</u>
Capital assets being depreciated					
Buildings	145,726,308	-	264,128	-	145,990,436
Infrastructure	220,368,588	-	9,487,466	-	229,856,054
Dredging	54,162,875	-	4,520,895	-	58,683,770
Equipment and furnishing	6,607,880	-	(411,496)	(223,217)	5,973,167
Total capital assets depreciated	<u>426,865,651</u>	<u>-</u>	<u>13,860,993</u>	<u>(223,217)</u>	<u>440,503,427</u>



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2008

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, 2008 was \$984,882 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, 2007	Additions	Deductions	September 30, 2008	Due within one year
Revenue bonds	\$ 155,084,287	\$ 28,327,655	\$ 32,533,494	\$ 150,878,448	\$ 6,725,000
Deferred revenue	4,353,950	-	1,634,885	2,719,065	295,182
Investment held for component unit	938,500	-	-	938,500	-
Deposits	327,931	786,109	64,020	1,050,020	-
Other obligation	1,167,885	-	-	1,167,885	-
Total	\$ 161,872,553	\$ 29,113,764	\$ 34,232,399	\$ 156,753,918	\$ 7,020,182

Revenue Bonds/Revenue note

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	\$ 2,570,000
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	13,455,000
5.25% term bonds, maturing 2025	6,340,000
5.375% term bonds, maturing 2027	3,745,000
2002B revenue bonds, collateralized by a pledge and lien on gross revenues of the Port Authority	
6.25% to 6.75% serial bonds, maturing 2013	1,585,000
6.5% term bonds, maturing 2017	1,640,000
6.875% term bonds, maturing 2022	2,680,000
6.875% term bonds, maturing 2027	3,580,000



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2008

NOTE J - BONDS, NOTES AND LOANS PAYABLE - Continued

2003 revenue refunding bonds, collateralized by a pledge and lien on gross revenues of the Port Authority 3.91% to 5.22% serial bonds, maturing in 2013	14,434,151
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	55,815,000
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	3,435,000
5% term bonds, maturing 2026	4,380,000
4.75% term bonds maturing 2031	4,745,000
5% term bonds, maturing 2036	6,015,000
2008 revenue note, collateralized by a pledge and lien on gross revenues of the Port Authority 65% of LIBOR rate plus 87 basis points, maturing 2023	<u>27,000,000</u>
Total outstanding balance	151,419,151
Unamortized (discount)/premium - net	2,263,096
Less unamortized losses on defeasance	<u>(2,803,799)</u>
Carrying amount	150,878,448
Less current maturities	<u>(6,725,000)</u>
Bonds, notes and loans payable - noncurrent	<u><u>\$ 144,153,448</u></u>

Debt maturities and related interest payments at September 30, 2008 consist of the following:

Year ending September 30,	Principal	Interest	Total
2009	\$ 6,725,000	\$ 6,346,267	\$ 13,071,267
2010	6,855,000	6,185,580	13,040,580
2011	7,040,000	6,000,390	13,040,390
2012	7,235,000	5,806,926	13,041,926
2013	8,454,151	5,589,931	14,044,082
2014 - 2018	50,455,000	22,438,809	72,893,809
2019 - 2023	41,510,000	10,471,767	51,981,767
2024 - 2028	14,155,000	4,322,051	18,477,051
2029 - 2033	5,205,000	1,736,388	6,941,388
2034 - 2038	<u>3,785,000</u>	<u>384,750</u>	<u>4,169,750</u>
Total	<u><u>\$ 151,419,151</u></u>	<u><u>\$ 69,282,859</u></u>	<u><u>\$ 220,702,010</u></u>



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2008

NOTE J - BONDS, NOTES AND LOANS PAYABLE – Continued

The Port Authority entered into a revenue note with a bank in June 2008 for \$27,000,000 at an interest rate of 65% of the 1 month LIBOR, plus 87 basis points. The revenue note was used to retire the 1998 bonds and to terminate the existing synthetic forward refunding.

As a result of this debt, a deferred refunding loss of \$669,353 was recorded as a component of the debt liability and is deducted from long-term bonds payable. This deferred loss is being amortized through 2023. The unamortized loss balance at September 30, 2008 was \$654,479. In conjunction with the 2008 revenue note, the Port Authority entered into an agreement whereby the Port Authority swaps the interest on the variable rate debt for a fixed interest rate of 3.86% (see further discussion of the interest rate swap agreement on page 34). The estimated net present value of this transaction was \$545,350.

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, 2008 was \$2,149,320. 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, 2008 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.

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. Also, 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 in 2007, and with final maturities ending through 2027. Bond proceeds are being



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2008

NOTE J – BONDS, NOTES AND LOANS PAYABLE – Continued

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 Port Authority refunded the series 1998 bond with the 2008 revenue note during the year ended September 30, 2008.

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, 2008, of its fixed rate debt portfolio. Under the agreement, the Port Authority has received an upfront option premium of \$1,002,000 for entering into the knock-in swaption.

The Port Authority will continue to pay interest on its outstanding debt at the fixed interest rate provided by the bonds. However, the Port Authority will effectively pay a variable rate on the debt, if the Port Authority is knocked into the swap agreement. The debt service requirements to maturity of the bonds are based on the fixed rate. Only if and when the Bond Market Association ("BMA") Municipal Swap Index exceeds 6% for a period of 180 consecutive days after December 1, 2004, will the swaption provider have the option to require the Port Authority to pay interest at a variable rate. If the option is exercised, the swaption provider will pay the Port Authority a fixed rate of 5.0532%, and the Port Authority



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2008

NOTE J - BONDS, NOTES AND LOANS PAYABLE - Continued

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 September 30, 2008, a termination fee of \$729,078 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.

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



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2008

NOTE J - BONDS, NOTES AND LOANS PAYABLE – Continued

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.

During the year ended September 30, 2008 the Port authority terminated the synthetic forward refunding on the 1998 bonds. Terminating this agreement involves making a net termination payment of \$1.7 million which involves a termination payment of \$3.1 million less \$1.4 million received upfront in December 2006.

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 agreement on September 30, 2008, a termination fee of \$1,576,692 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.

Interest Rate Swap

During the year ended September 30, 2008 entered into a revenue note payable of \$27,000,000 which bears interest equal to 65% of one month LIBOR plus 87 basis points, and matures in 2023. At the closing of the loan, the Port Authority entered into an interest rate swap agreement whereby the Authority swap their variable rate debt for a fixed interest rate of 3.86%. The swap will cover the entire principal amount of 2008 revenue note and the term of the swap is equal to the term of the 2008 revenue note. Had the Port Authority elected to terminate the swap agreement on September 30, 2008, a termination fee of \$344,934 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

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.



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2008

NOTE J - BONDS, NOTES AND LOANS PAYABLE - Continued

The principal balance due on bond issues defeased is as follows as of September 30, 2008:

Revenue Bonds, Series 1973A Term Bonds	\$ 3,865,000
Special Refunding Revenue Bonds, Series 1976A Term Bonds	525,000
Refunding Revenue Bonds, Series 1977 Term Bonds	16,200,000
Revenue Bonds, Series 1990 Term Bonds	615,000
Refunding Revenue Bonds, Series 1995B	4,850,000
Revenue Bonds, Series 1998 Term Bonds	<u>25,000,000</u>
	<u><u>\$ 51,055,000</u></u>

2. Component Unit

Notes payable of the component unit consist of the following at September 30, 2008:

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	\$ 2,296,666
Less current portion	<u>(831,667)</u>
Long-term portion	<u><u>\$ 1,464,999</u></u>

Debt maturities consisted of the following at September 30,:

Year ending September 30,

2009	\$ 831,667
2010	868,333
2011	<u>596,666</u>
	<u><u>\$ 2,296,666</u></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, 2008. TBIT's interest expense on the above notes was \$153,358 for the year ended September 30, 2008.



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2008

NOTE K - LINE OF CREDIT

Effective May 15, 2007, the Port Authority has a revolving line of credit in which the principal amount at any one time outstanding cannot exceed \$25,000,000. The Port Authority shall be permitted to make one or more advances against the loan, each of which shall constitute a separate borrowing evidenced by separate notes. The proceeds of each draw secured by a note under this agreement shall be used to finance capital projects for the Port Authority on an interim basis. No advance request shall be honored on or after three years from the date of this agreement. Each note shall be assigned up to an initial two year interest only period, with the entire principal amount of the note being due and payable at the end of such interest only period.

Either upon issuance or prior to the conclusion of the two year interest only period, the Port Authority may elect to amortize the outstanding principal due on the note for an additional term not to exceed ten years, upon mutual agreement of the bank to such term, and may elect to convert the note to bear interest at a fixed rate to be determined by mutual agreement in writing by the bank and the Port Authority. During the interest only period, the Port Authority may elect a "non-bank" qualified rate, in which case the note rate shall be a variable interest rate equal to 77% of one month London Interbank Offered Rate ("LIBOR") as evidenced in the Wall Street Journal plus 56 basis points (.56%), or the Port Authority may elect a "taxable rate," in which case the note rate shall be a variable rate equal to one month LIBOR rate plus 73 basis points (.73%). Interest shall be payable on a monthly basis. 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, 2008.

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, 2008. 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, 2008.



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2008

NOTE M - EMPLOYEE RETIREMENT PLANS

1. Defined Benefit Plan

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

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

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

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.



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2008

NOTE M - EMPLOYEE RETIREMENT PLANS - Continued

3. Contributions to Florida Retirement System

For the System's fiscal year commencing July 1, 2007, 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, 2008, 2007 and 2006 were \$705,980, \$697,799 and \$595,700, respectively, equal to the actuarially determined contribution requirements for each year.

NOTE N - RELATIONSHIP BETWEEN PRIMARY GOVERNMENT AND COMPONENT UNIT

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

Effective May 30, 2006, the Port Authority entered into an agreement with 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.



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2008

NOTE O - FLORIDA PORTS FINANCING COMMISSION – Continued

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

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

The Port Authority has been allocated approximately \$61.7 million from Ports Commission bond proceeds, which amounts were deposited into interest earning escrow accounts for certain projects, specifically, cargo and cruise berth and terminal improvements; intermodal road, rail and other infrastructure improvements; cargo-handling equipment; and dredge material disposal site development. The Port Authority, like all participants in the program, has agreed to provide moneys (from sources other than proceeds borrowed under the loan agreement with the Ports Commission) to fund a portion of the cost of such projects. These moneys will be utilized by the Port Authority to pay the costs of such projects on a matching basis with moneys received by the Port Authority pursuant to its loan agreement with the Ports Commission. The Port Authority has drawn down approximately \$61.7 million from its escrow account to fund such projects at September 30, 2008.

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.



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2008

NOTE Q - COMMITMENTS AND CONTINGENCIES – Continued

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, 2008.

3. Knock-in Swaption

See note J.

4. Commitments

The Tampa Port Authority had contractual commitments for various projects that amounted to approximately \$23.3 million as of September 30, 2008.

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.



Tampa Port Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2008

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

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.

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. The outstanding principal balance due on the bonds and loan agreement is \$2,296,666 as of September 30, 2008.

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SUPPLEMENTAL INFORMATION

Tampa Port Authority

STATEMENT OF CASH FLOWS - DISCRETELY PRESENTED COMPONENT UNIT

For the year ended September 30, 2008

	<u>Component Unit</u> <u>Tampa Bay</u> <u>International</u> <u>Terminals, Inc.</u>
Cash flows from operating activities	
Received from customers	\$ 999,600
Payments to suppliers for goods and services	(89,389)
Payments to employees for services	(10,489)
	<u>899,722</u>
Net cash provided by operating activities	
Cash flows from capital and related financing activities	
Principal payments on debt	(796,668)
Interest payments on debt	(153,358)
	<u>(950,026)</u>
Net cash used by capital and related financing activities	
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 increase in cash and cash equivalents	3,613
Cash and cash equivalents at beginning of year	<u>17,707</u>
Cash and cash equivalents at end of year	<u>\$ 21,320</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	<u>\$ 902,680</u>
Adjustments to reconcile operating income to net cash provided by operating activities	
Decrease in accounts payable accrued liabilities	<u>(2,958)</u>
Total adjustments	<u>(2,958)</u>
Net cash provided by operating activities	<u>\$ 899,722</u>





TAMPA PORT AUTHORITY



TAMPA PORT AUTHORITY
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2008

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, 2008

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 Seven Years
(Unaudited)
(amounts in thousands)

	2002	2003	2004	2005	2006	2007	2008
Net Assets at Year-End							
Invested in capital assets, net of related debt	\$184,900	\$209,425	\$233,241	\$269,457	\$296,454	\$319,218	\$324,479
Restricted	98,145	117,961	63,053	23,484	36,720	36,971	36,655
Unrestricted	145	(28,872)	23,258	45,003	26,585	30,437	38,751
Total Net Assets	\$283,190	\$298,514	\$319,552	\$337,944	\$359,759	\$386,626	\$399,885

*Total of 7 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 Seven Years
(Unaudited)
(amounts in thousands)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Operating Revenue							
Port Usage Fees Revenue	\$ 18,345	\$ 21,684	\$ 22,899	\$ 25,375	\$ 29,352	\$ 27,256	\$ 28,334
Land & Building Leases	6,389	6,213	7,340	8,309	8,419	8,125	9,442
Tenant Utilities	522	648	627	530	624	629	552
Other Port Operating Revenue	<u>408</u>	<u>552</u>	<u>723</u>	<u>735</u>	<u>913</u>	<u>905</u>	<u>919</u>
Total Operating Revenue	25,664	29,097	31,589	34,949	39,308	36,915	39,247
Non-Operating Revenue							
Operating Assistance Grants	0	\$1,651	\$1,166	\$1,268	\$340	\$0	\$0
Grants	14,270	5,416	8,493	4,070	4,845	13,991	3,602
Interest Income	3,372	3,691	3,555	3,497	4,207	5,253	3,281
Ad Valorem Tax Receipts	11,962	12,907	14,117	14,039	16,205	16,681	16,807
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>	<u>1,773</u>
Total Non-Operating Revenue	30,863	25,031	28,471	26,726	27,263	37,154	25,463
Total Revenues	56,527	54,128	60,060	61,675	66,571	74,069	64,710
Operating Expenses							
Personnel Salaries & Benefits	6,372	6,735	7,315	7,756	8,441	8,912	9,407
Promotional	493	590	450	433	439	329	287
Administrative	6,809	8,572	9,508	10,340	11,033	12,195	12,849
Deprecation & Amortization Expense	<u>7,996</u>	<u>9,242</u>	<u>10,165</u>	<u>11,102</u>	<u>12,527</u>	<u>14,450</u>	<u>16,536</u>
Total Operating Expenses	21,670	25,139	27,438	29,631	32,440	35,886	39,079
Non-Operating Expenses							
Interest Expense	9,058	9,834	9,094	8,254	7,623	7,978	7,891
Bond Related Cost	328	328	395	2,563	1,073	463	218
Tax Collector/Property Appraiser	980	1,028	1,083	1,266	1,470	1,850	1,354
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>	<u>2,910</u>
Total Non-Operating Expenses	11,763	13,666	11,584	13,652	12,316	11,316	12,373
Total Expenses	33,433	38,805	39,022	43,283	44,756	47,202	51,452
Change in net assets	\$ 23,094	\$ 15,323	\$ 21,038	\$ 18,392	\$ 21,815	\$ 26,867	\$ 13,258



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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Dockage	\$5,216	\$4,934	\$5,138	\$5,413	\$5,613	\$5,897	\$6,130	\$6,901	\$6,236	\$5,888
Wharfage	5,900	5,257	6,104	6,809	7,364	7,756	9,391	9,824	9,569	9,001
Wharfage - Cruise Passengers	1,962	2,189	2,456	2,917	4,495	4,385	4,310	5,119	4,449	4,463
Land & Building Rentals/Leases	4,442	4,992	5,978	6,389	6,213	7,340	8,309	8,419	8,125	9,442
Other Operating Revenue	2,106	2,573	2,625	4,102	5,412	6,211	6,809	9,045	8,536	10,453
Total Operating Revenue	<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>	<u>39,247</u>
Cargo Tonnage (to nearest thousand) (a)	12,142	11,730	13,642	13,372	14,043	15,049	16,477	16,738	15,578	14,377
Average Wharfage Revenue per Cargo Ton (whole \$)	<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>	<u>\$0.63</u>
Cruise Passengers (to nearest thousand)	414	460	517	587	810	792	772	911	781	768
Average Wharfage Revenue per Passenger (whole \$)	<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>	<u>\$5.81</u>
Berth linear feet	7,225	7,225	7,225	8,225	9,175	10,375	10,375	11,855	11,855	11,855
Average Dockage Revenue per Berth Linear Feet	<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>	<u>\$496.67</u>
Leased Acreage (actual in hundreds)	1,223	1,239	1,259	1,273	1,298	1,298	1,325	1,300	1,290	1,290
Average per Acreage (whole \$)	<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>	<u>\$7,319</u>

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



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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Port Usage Fees Revenues:							
Dockage	\$ 5,413	\$ 5,613	\$ 5,897	\$ 6,130	\$ 6,901	\$ 6,236	\$ 5,888
Wharfage	9,197	11,286	11,653	12,736	13,834	13,242	13,464
Terminal Parking	2,658	3,455	3,810	4,322	5,748	5,645	5,175
Wharfage Shortfall	529	573	488	965	1,109	776	2,246
Scale Use	132	177	65	72	67	72	152
Other Terminal Operations	<u>416</u>	<u>580</u>	<u>986</u>	<u>1,150</u>	<u>1,693</u>	<u>1,285</u>	<u>1,409</u>
Total Port Usage Fees	18,345	21,684	22,899	25,375	29,352	27,256	28,334
Percentage of Total Revenue	32.45%	40.06%	38.13%	41.14%	44.09%	36.80%	43.79%
Land & Building Leases							
Land & Building Rentals/Leases	6,377	6,177	7,292	8,239	8,349	8,102	9,432
Cruise Terminal Rental	12	36	40	55	45	22	5
Port Property Access Fees	<u>0</u>	<u>0</u>	<u>8</u>	<u>15</u>	<u>25</u>	<u>0</u>	<u>5</u>
Total Land & Building Leases	6,389	6,213	7,340	8,309	8,419	8,124	9,442
Percentage of Total Revenue	11.30%	11.48%	12.22%	13.47%	12.65%	10.97%	14.59%
Tenants Utilities							
Tenant Water	44	37	28	21	20	25	23
Dockside Water	476	609	566	501	593	551	528
Electricity	<u>2</u>	<u>2</u>	<u>33</u>	<u>8</u>	<u>11</u>	<u>6</u>	<u>2</u>
Total Tenants Utilities	522	648	627	530	624	582	553
Percentage of Total Revenue	0.92%	1.20%	1.04%	0.86%	0.94%	0.79%	0.85%
Other Port Operating Revenue							
Work Permits	36	52	52	50	45	48	32
Fingerprinting/Badging	316	432	581	610	798	841	810
Security Training Fees	0	0	30	11	2	0	0
License Fees	<u>56</u>	<u>68</u>	<u>60</u>	<u>64</u>	<u>68</u>	<u>64</u>	<u>76</u>
Total Other Port Operating Revenue	408	552	723	735	913	953	918
Total Operating Revenue	25,664	29,097	31,589	34,949	39,308	36,915	39,247
Percentage of Total Revenue	45.40%	53.76%	52.60%	56.67%	59.05%	49.84%	60.65%
Non-Operating Revenue							
Operating Grants	0	1,651	1,166	1,268	340	0	0
Grant Funding	14,270	5,416	8,493	4,070	4,845	13,991	3,602
Ad Valorem Tax Receipts	11,962	12,907	14,117	14,039	16,205	16,681	16,807
Interest, Unrestricted	2,649	3,093	3,020	3,057	3,877	4,544	2,634
Interest, Construction Funds	9	11	45	54	54	54	54
Dredge & Fill	0	298	29	43	17	57	79
TBIT & TBSB Interest	714	587	490	386	276	656	593
TBIT & TBSB Principle	261	294	298	304	263	175	175
Gain/Loss Sale of Inv	0	0	(165)	905	564	100	0
Gain/Loss on Disposal Fixed Asset	223	(3)	271	211	(1,020)	(269)	95
Harbormaster Fees	530	596	572	732	738	696	978
Conference Donations	96	80	74	229	770	105	102
Amortization Premiums	0	0	0	157	273	276	244
Other Miscellaneous Revenue	<u>149</u>	<u>101</u>	<u>61</u>	<u>1,271</u>	<u>61</u>	<u>88</u>	<u>100</u>
Total Non-Operating Revenue	30,863	25,031	28,471	26,726	27,263	37,154	25,463
Percentage of Total Revenue	54.60%	46.24%	47.40%	43.33%	40.95%	50.16%	39.35%
Total Revenue	\$ 56,527	\$ 54,128	\$ 60,060	\$ 61,675	\$ 66,571	\$ 74,069	\$ 64,710

*Total of 7 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 (2008) and Nine Years prior (1999)
Ten Largest Customers

	FY 2008		FY 1999		
Customer	Revenue	Percentage of Total Wharfage	Customer	Revenue	Percentage of Total Wharfage
Carnival Cruise Lines	3,761,610	27.94%	Carnival Cruise Lines	1,961,720	24.95%
Kinder Morgan	2,079,064	15.44%	Kinder Morgan	1,006,290	12.80%
Zim Shipping Services	873,505	6.49%	C F Industries	534,812	6.80%
Vulcan Materials	857,522	6.37%	Martin Operating Partnership	419,674	5.34%
Trademark Metals	708,254	5.26%	Transmontaigne	362,719	4.61%
Royal Caribbean Cruise Lines	688,674	5.11%	Sulphuric Acid Trading Co	292,375	3.72%
Ports America	631,453	4.69%	Cargill Inc	211,480	2.69%
Transmontaigne	591,641	4.39%	Harborside	192,323	2.45%
Murphy Oil	536,950	3.99%	Holcim(US) Inc	188,839	2.40%
C F Industries	<u>426,022</u>	<u>3.16%</u>	Vulcan Materials	<u>186,017</u>	<u>2.37%</u>
Total 2008	11,154,695	82.84%	Total 1999	5,356,249	68.13%
Total Wharfage Revenue	13,464,000	100%	Total Wharfage Revenue	7,862,000	100%

Tampa Port Authority
Dockage Revenue
Current (2008) and Nine Years prior (1999)
Ten Largest Customers

	FY 2008		FY 1999		
Customer	Revenue	Percentage of Total Dockage	Customer	Revenue	Percentage of Total Dockage
Kinder Morgan	1,026,074	17.43%	Carnival Cruise Lines	585,816	11.23%
Ports America	635,706	10.80%	C F Industries	449,034	8.61%
Carnival Cruise Lines	553,178	9.40%	Cargill Inc	433,960	8.32%
Transmontaigne	398,654	6.77%	Kinder Morgan	330,506	6.34%
C F Industries	346,912	5.89%	Harborside	269,702	5.17%
Murphy Oil	310,397	5.27%	Martin Operating Partnership	190,290	3.65%
Vulcan Materials	210,711	3.58%	Sulphuric Acid Trading Co	133,766	2.56%
Royal Caribbean Cruise Lines	201,813	3.43%	Transmontaigne	89,772	1.72%
Martin Marietta	180,797	3.07%	Pasco Terminals	77,526	1.49%
Trademark Metals	<u>160,203</u>	<u>2.72%</u>	Holcim(US) Inc	<u>59,912</u>	<u>1.15%</u>
Total 2008	4,024,445	68.36%	Total 1999	2,620,284	50.24%
Total Dockage Revenue	5,888,000	100%	Total Dockage Revenue	5,216,000	100%



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

	<u>2008</u>	<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>
Dockage Rates (LOA) (per ft)										
Vessels, Barges & Tug Boats										
0-199 ft	2.25	2.12	2.06	2.00	1.90	1.90	1.85	1.75	1.68	1.60
200-299	2.96	2.66	2.46	2.26	2.15	2.15	2.10	1.90	1.83	1.74
300-349	2.96	2.73	2.58	2.43	2.31	2.31	2.25	2.25	2.16	2.16
350-399	2.96	2.81	2.76	2.71	2.58	2.58	2.52	2.52	2.42	2.42
400-449	4.03	3.81	3.72	3.63	3.46	3.46	3.38	3.38	3.19	3.19
450-499	4.03	3.81	3.72	3.63	3.46	3.46	3.38	3.38	3.30	3.30
500-549	5.41	5.15	5.06	4.97	4.73	4.73	4.61	4.61	4.38	4.38
550-599	5.41	5.15	5.06	4.97	4.73	4.73	4.61	4.61	4.48	4.48
600-649	6.28	5.98	5.87	5.76	5.49	5.49	5.36	5.36	5.10	5.10
650-699	6.28	5.98	5.87	5.76	5.49	5.49	5.36	5.36	5.20	5.20
700-799	7.97	7.63	7.53	7.43	7.08	7.08	6.91	6.91	6.64	6.64
800-899	9.60	9.20	9.07	8.94	8.51	8.51	8.30	8.30	7.98	7.98
900 ft +	11.49	10.99	10.83	10.67	10.16	10.16	9.91	9.91	9.53	9.53
Passenger Vessels										
Under 550 ft	4.49	4.49	4.49	4.49	4.36	4.36	4.36	3.63	3.63	3.63
*FY 2001 Rates increased 04/01/01								4.36		
551-600	6.32	6.32	6.32	6.32	6.14	6.14	6.14	5.12	5.12	5.12
601-650	6.53	6.53	6.53	6.53	6.34	6.34	6.34	6.14		
651-700	6.80	6.80	6.80	6.80	6.60	6.60	6.60	5.28	5.28	5.28
701-725	7.21	7.21	7.21	7.21	7.00	7.00	7.00	6.34	5.50	5.50
726-750	7.48	7.48	7.48	7.48	7.26	7.26	7.26	6.60	6.60	6.60
751 ft +	8.16	8.16	8.16	8.16	7.92	7.92	7.92	7.00	5.83	5.83
								7.26	6.05	6.05
								6.60	6.60	6.60
								7.92		



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

	<u>2008</u>	<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>
Wharfage Rates (per ton)										
All articles (not provided for below)	2.36	2.36	2.36	2.25	2.12	2.12	2.06	2.06	2.00	1.94
Automobiles (New) each	4.10	4.10	4.10	-	-	-	-	-	-	-
Automobiles (used) each	7.10	5.60	5.60	3.98	3.75	3.75	3.35	3.35	3.25	2.66
Bananas & Plantains										
Livestock	4.20	4.20	4.20	4.00	3.77	3.77	3.66	3.66	3.55	3.45
Citrus & Citrus Products	1.96	1.96	1.96	1.87	1.76	1.76	1.71	1.71	1.66	1.61
Containers (loaded)	1.97	1.97	1.97	1.97	1.86	1.86	1.81	1.81	1.76	1.71
USDA Bagged Goods (Public Law 480)	0.22	0.22	0.22	0.21	0.20	0.35	0.34	0.34	0.33	0.32
Citrus Concentrate (Drums or Tank)	1.54	1.54	1.54	1.54	1.45	1.45	1.41	1.41	1.37	1.33
Cordage	1.67	1.67	1.67	1.59	1.50	1.50	1.46	1.46	1.42	1.38
Fertilizer (in bags)	1.74	1.74	1.74	1.66	1.57	1.57	1.52	1.52	1.48	1.44
Flour or Rice (in bags)	1.32	1.32	1.32	1.26	1.19	1.19	1.16	1.16	1.13	1.10
Forest Products	1.59	1.59	1.59	1.59	1.50	1.50	-	-	-	-
Lumber & Logs (per MBF)	1.43	1.43	1.43	1.43	1.35	1.35	1.35	1.35	1.31	1.27
Frozen Meat and/or Poultry	2.29	2.29	2.29	2.18	2.06	2.06	2.00	2.00	1.94	1.88
Fruits and Vegetables (fresh)	2.02	2.02	2.00	1.92	1.81	1.81	1.76	1.76	1.71	1.66
Iron & Steel Articles	1.92	1.92	1.92	1.92	1.81	1.81	1.76	1.76	1.71	1.66
Iron & Steel Coils and Reinforcing Rods	1.70	1.70	1.70	1.70	-	-	-	-	-	-
Mobile & Modular Homes (under 10,000 lbs)each	21.82	21.82	21.82	20.78	19.60	19.60	19.03	19.03	18.48	17.94
Mobile & Modular Homes (over 10,000 lbs) net ton	2.94	2.94	2.94	2.80	2.64	2.64	2.56	2.56	2.49	2.42
Paper Waste (in bales Domestic moves only)	1.28	1.28	1.28	1.22	1.15	1.15	1.12	1.12	1.09	1.06
Project Cargo (W/M)	2.39	2.36	2.36	2.25	-	-	-	-	-	-
Scrap Metal	2.39	2.39	2.36	2.39	2.25	2.25	2.11	2.11	2.08	2.02
U.S.D.A. Public Law 480 (bagged goods)	0.41	0.41	0.41	0.39	0.37	0.37	0.36	0.36	0.35	0.34
U.S.D.A. Products (chilled & frozen)	1.68	1.68	1.68	1.60	1.51	1.51	1.47	1.47	1.43	1.39
Vehicles (trucks, buses tractors, etc.) NET TON	2.21	2.21	2.21	2.10	1.98	1.98	1.92	1.92	1.86	1.81
Yachts & Boats (less than 25' LOA) (a)	1.05	1.05	1.05	1.00	10.56	10.56	10.25	10.25	9.95	9.66
Yachts & Boats (greater than 25' LOA) (a)	1.58	1.58	1.58	1.50	33.76	33.76	32.70	32.70	31.83	30.90
Passengers Embarking (per passenger)	6.00	6.00	6.00	6.00	5.75	5.25	5.25	5.25	5.25	5.25
Passengers Disembarking (per passenger)	6.00	6.00	6.00	6.00	5.75	5.25	5.25	5.25	5.25	5.25



Tampa Port Authority
Revenue Rates
Last Ten Fiscal Years

	<u>2008</u>	<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>
Passengers in transit (per passenger)	6.00	6.00	6.00	6.00	5.75	5.25	5.25	5.25	5.25	5.25
Aggregate (including pumice & slag)	0.76	0.76	0.76	0.76	0.76	0.72	0.72	0.70	0.70	0.68
Anhydrous Ammonia	0.375	0.375	0.375	0.375	0.375	0.355	0.355	0.355	0.355	0.34
Bulk, Dry N.O.S.	1.18	1.18	1.18	1.12	1.12	1.06	1.06	1.03	1.03	1.00
Bulk, Liquid N.O.S.	1.18	1.18	1.18	1.12	1.12	1.06	1.06	1.03	1.03	1.00
Caustic Soda	0.42	0.42	0.42	0.40	0.40	0.38	0.38	0.37	0.37	0.36
Cement	0.84	0.84	0.84	0.84	0.84	0.79	0.79	0.77	0.77	0.75
Citrus Concentrate, (via pipeline)	1.07	1.07	1.07	1.07	1.07	1.01	1.01	0.98	0.98	0.95
Citrus Pellets	0.40	0.40	0.40	0.385	0.385	0.365	0.365	0.355	0.355	0.345
Coal	0.66	0.66	0.66	0.63	0.63	0.59	0.59	0.57	0.57	0.55
Fertilizer, N.O.S.	0.245	0.245	0.245	0.245	0.25	0.23	0.23	0.23	0.23	0.22
Fly Ash	0.88	0.88	0.88	0.84	0.84	0.79	0.79	0.77	0.77	0.75
Grain, N.O.S.	0.42	0.42	0.42	0.40	0.40	0.375	0.375	0.365	0.365	0.355
Gypsum	0.59	0.59	0.59	0.565	0.565	0.535	0.535	0.52	0.52	0.50
Petroleum and Petroleum Products (per barrel)	0.08	0.08	0.08	0.073	0.073	0.069	0.069	0.067	0.067	0.065
Petroleum (Bunkering) (per barrel)	0.09	0.09	0.09	0.085	0.085	0.08	0.08	0.078	0.078	0.076
Petroleum Coke	0.66	0.66	0.66	0.63	0.63	0.59	0.59	0.57	0.57	0.55
Phosphate Products (other than crude rock)	0.25	0.25	0.25	0.25	0.25	0.235	0.235	0.235	0.235	0.22
Phosphate Rock, (Wet or Dry)	0.25	0.25	0.25	0.25	0.25	0.235	0.235	0.235	0.235	0.22
Phosphoric Acid	0.40	0.40	0.40	0.40	0.40	0.375	0.375	0.365	0.365	0.36
Pomace	0.68	0.68	0.68	0.65	0.65	0.61	0.61	0.59	0.59	0.57
Potash	0.28	0.28	0.28	0.265	0.265	0.25	0.25	0.24	0.24	0.23
Salt	0.53	0.53	0.53	0.50	0.50	0.47	0.47	0.46	0.46	0.45
Sand	0.75	0.75	0.75	0.71	0.71	0.67	0.67	0.65	0.65	0.63
Seawater	0.26	0.26	0.26	0.25	0.25	0.235	0.235	0.23	0.23	0.22
Sulphur	0.40	0.40	0.40	0.40	0.40	0.375	0.375	0.365	0.365	0.36
Sulphuric Acid	0.42	0.42	0.42	0.40	0.40	0.375	0.375	0.365	0.365	0.36
Tallow	0.60	0.60	0.60	0.57	0.57	0.535	0.535	0.52	0.52	0.50

(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 (2008) and Nine Years Ago (1999)

Table 7

<u>2008</u>			
<u>Customer</u>	<u>Type of Business</u>	<u>Revenue</u>	<u>% of Total Operating Revenue</u>
Carnival Cruise Lines	Cruise Industry	7,237,183	18.44%
Kinder Morgan	Transports misc liquid bulk commodities	3,451,859	8.80%
Ports America	Terminal Operator for general cargo	2,268,756	5.78%
Vulcan Materials	Transports bulk cargo, limestone	2,047,183	5.22%
Trinity Materials	Transports cement	1,485,139	3.78%
Royal Caribbean Cruise Lines	Cruise Industry	1,394,499	3.55%
Transmontaigne Terminals	Transports petroleum products	1,342,295	3.42%
Murphy Oil	Transports petroleum products	1,062,947	2.71%
Trademark Metals	Scrap metal processing facility	1,035,386	2.64%
Cemex Industries	Transports cement	1,018,554	<u>2.60%</u>
			56.94%

<u>1999</u>			
<u>Customer</u>	<u>Type of Business</u>	<u>Revenue</u>	<u>% of Total Operating Revenue</u>
Carnival Cruise Lines	Cruise Industry	3,648,531	18.59%
Kinder Morgan	Transports misc liquid bulk commodities	1,492,796	7.61%
C F Industries	Transports anhydrous ammonia, grains	1,050,182	5.35%
Harborside Refrigerated	Transports refrigerated cargo	1,002,025	5.11%
Tampa Bay Shipbuilding	Ship repair operations	1,000,000	5.10%
Martin Operating Partnership	Transports misc liquid bulk commodities	694,444	3.54%
Cargill Inc	Transports misc dry bulk commodities	654,065	3.33%
Sulphuric Acid Trading Company	Transports liquid sulphur	464,185	2.37%
Transmontaigne Terminals	Transports petroleum products	459,691	2.34%
International Ship Repair	Ship repair operations	349,861	<u>1.78%</u>
			55.12%



Table 8

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

Fiscal Year	Second Lien Revenue Bonds	Special Revenue & Refunding Revenue Bonds	Revenue Bonds/Notes	Refunding Revenue Bonds	Total	Percentage of Personal Income (1)	Per Capita (1)
1999	8,663,562	75,715,000	25,000,000	53,660,000	163,038,562	0.66%	\$174
2000	9,191,166	73,790,000	25,000,000	49,455,000	157,436,166	0.59%	\$165
2001	9,750,908	71,770,000	25,000,000	44,810,000	151,330,908	0.53%	\$151
2002	10,344,738	69,650,000	60,000,000	39,950,000	179,944,738	0.60%	\$175
2003	10,974,740	67,390,000	60,000,000	34,865,000	173,229,740	0.56%	\$164
2004	0	64,985,000	60,000,000	41,509,220	166,494,220	0.52%	\$154
2005	0	0	60,000,000	92,982,947	152,982,947	0.44%	\$137
2006	0	0	86,825,000	73,727,571	160,552,571	0.43%	\$140
2007	0	0	81,860,000	73,275,849	155,135,849	0.38%	\$132
2008	0	0	78,600,000	72,819,151	151,419,151	0.37%	\$126

(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	
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
2008	\$43,625	\$22,542	\$21,083	\$5,468	\$7,674	\$13,142	1.60
	(a)	(b)				(c)	(d)

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



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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Operating Revenue										
Port Usage Fees Revenue	\$ 14,686	\$ 14,441	\$ 15,745	\$ 18,345	\$ 21,684	\$ 22,899	\$ 25,375	\$ 29,352	\$ 27,256	\$ 28,334
Land & Building Leases	4,442	4,992	5,978	6,389	6,213	7,340	8,309	8,419	8,125	9,442
Tenant Utilities	407	418	478	522	648	627	530	624	629	552
Other Port Operating Revenue	91	94	100	408	552	723	735	913	905	919
Total Operating Revenue	19,626	19,945	22,301	25,664	29,097	31,589	34,949	39,308	36,915	39,247
Non-Operating Revenue										
Grants (a)				14,270	5,416	8,493	4,071	4,845	13,991	3,602
Interest Income	4,579	5,380	4,969	3,372	3,691	3,555	3,497	4,207	5,253	3,281
Other Non-Operating Income	815	1,395	1,101	1,259	3,017	2,306	5,119	2,006	1,229	1,773
Total Non-Operating Revenue	5,394	6,775	6,070	18,901	12,124	14,354	12,687	11,058	20,473	8,656
Total Revenues	25,020	26,720	28,371	44,565	41,221	45,943	47,636	50,366	57,388	47,903
Operating Expenses (b)										
Personnel Salaries & Benefits	4,897	4,855	5,517	6,372	6,735	7,315	7,756	8,441	8,912	9,407
Promotional	443	454	471	493	590	450	433	439	329	287
Administrative	3,065	3,350	3,809	6,809	8,572	9,508	10,340	11,033	12,195	12,849
Total Operating Expenses	8,405	8,659	9,797	13,674	15,897	17,273	18,529	19,913	21,436	22,545
Net Revenue available for payment of senior debt service	16,615	18,061	18,574	30,891	25,324	28,670	29,107	30,453	35,952	25,360
Less: Annual debt service requirement (c)	13,962	14,406	14,648	15,526	16,730	17,184	15,093	12,732	14,134	13,142
Surplus Port Revenues (d)	\$ 2,653	\$ 3,655	\$ 3,926	\$ 15,365	\$ 8,594	\$ 11,486	\$ 14,014	\$ 17,721	\$ 21,818	\$ 12,218

(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, FLORIDA
Demographic and Economic Statistics
Last Ten Years**

Year	Personal Income		Personal Income Per Capita	Median Age	Public High School		Total Public School Enrollment	Unemployment Rate
	Population	(in thousands)			Graduation Rates	Enrollment		
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	4.2	
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	5.1	
2004	1,115,960	34,848,801	31,671	36	79.3	197,500	4.3	
2005	1,142,850	37,379,401	33,034	36	79.5	193,669	3.6	
2006	1,172,970	40,757,703	35,079	36	77.3	201,000	3.3	
2007	1,204,750	**	**	36	79.1	200,000	4.0	
	(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 2007 was not available.



HILLSBOROUGH COUNTY, FLORIDA

**Principal Employers
Latest Fiscal Year Compared to the Fiscal Year Nine Years Earlier**

Employer	Type of Operation	2008			1999		
		Employees	%	Rank	Employees	%	Rank
Hillsborough County School Board	Public education	24,692	4.2	1	26,047	4.7	1
Hillsborough County Government	Government	10,442	1.8	2	9,162	1.6	3
Tampa International Airport	International airport	7,500	1.3	3	6,588	1.2	5
Verizon Communications Inc.	Telecommunications and data processing	7,000	1.2	4	11,000	2.0	2
MacDill Air Force Base	Military base	6,656	1.1	5	5,163	0.9	6
University of South Florida	Education services	6,000	1.0	6	7,965	1.4	4
Tampa General Hospital	Medical facilities	5,842	1.0	7	3,300	0.6	12
Publix Food Centers	Supermarkets	4,984	0.8	8	4,776	0.9	7
Veterans Administration Hospital	Medical facilities	4,529	0.8	9	-	-	-
City of Tampa	Government	4,502	0.8	10	4,254	0.8	10
St. Joseph Hospital	Medical facilities	4,273	0.7	11	4,500	0.8	8
H. Lee Moffitt Cancer Center	Medical facilities	3,725	0.6	12	-	-	-
Bank of America	Banks	3,679	0.6	13	4,317	0.8	9
U.S. Postal Service	Postal services	3,456	0.6	14	4,000	0.7	11
Hillsborough County Sheriff's Office	Public Safety	3,450	0.6	15	-	-	-
Tampa Electric Company	Electric utility	3,370	0.6	16	3,266	0.6	13
Busch Entertainment Corporation	Tourist attraction	3,367	0.6	17	3,000	0.5	16
University Community Hospital	Medical facilities	2,929	0.5	18	3,055	0.5	15
Hillsborough Community College	Education services	2,182	0.4	19	-	-	-
SweetBay Supermarkets	Supermarket	2,010	0.3	20	3,059	0.5	14
Brandon Regional Hospital	Medical facilities	1,585	0.3	21	1,321	0.2	23
USF Health Science Center	Medical facilities	1,395	0.2	22	-	-	-
Fla. Dept. of Children & Families	Family services	1,180	0.2	23	-	-	-
Tribune Company	Newspaper publishing	-	-	-	1,820	0.3	19
IBM Corporation	Marketing and info network	-	-	-	2,000	0.4	18
Chase Manhattan Bank	Financial services	-	-	-	2,200	0.4	17
Citigroup (formerly Citicorp)	Travelers checks and finance	-	-	-	1,800	0.3	20
Time Customer Services Inc.	Magazine subscription	-	-	-	1,700	0.3	21
Metropolitan Life Insurance Co.	Computer services	-	-	-	1,350	0.2	22
Total		118,748	20.2		115,643	20.7	

(a) Percentages shown represent the number of employees as a percent of total Hillsborough County employment. Total Hillsborough County employment for 2008 was not available so the 2007 figure of 586,639 was used instead. Total Hillsborough County employment for 1999 was 558,662.

(b) GTE Communication Services were shown separately in 1999, but were shown as Verizon Communications Inc. in 2008.

(c) Nations Bank was shown separately in 1999, but was shown as a part of Bank of America in 2008.

(d) Kash 'N' Karry was shown separately in 1999, but was shown as SweetBay Supermarkets in 2008.

(e) Columbia Hospital - Brandon was shown separately in 1999, but was shown as Brandon Regional Hospital in 2008.

Source: Hillsborough County City-County Planning Commission, 2008



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)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Countywide:										
BOCC (b) - General Revenue	7.750	7.597	7.533	7.435	7.198	7.188	7.176	6.9257	6.520	5.7446
Tampa Port Authority	0.310	0.310	0.295	0.290	0.290	0.290	0.260	.260	.2200	.1982
Voted Debt Service	--	--	--	--	--	--				
Environmentally Sensitive Lands (c)	0.157	0.185	0.149	0.127	0.114	0.105	0.096	0.084	.0667	.0604
Southwest Florida Water Management District	0.422	0.422	0.422	0.422	0.422	0.422	0.422	.4220	.422	.3866
School Board	9.531	9.071	8.715	8.586	8.595	8.480	8.361	7.937	7.823	7.5230
Children's Board	0.417	0.417	0.417	0.417	0.500	0.500	0.500	0.500	0.500	.4634
Total	18.587	18.002	17.531	17.277	17.119	16.984	16.815	16.129	15.552	14.3762
Non-Countywide:										
BOCC - Free Library Service	0.642	0.642	0.642	0.642	0.642	.0642	.0642	.692	.6923	.6083
BOCC - Municipal Service Taxing Unit (d)	5.062	5.062	5.062	5.062	5.062	5.062	5.062	5.162	4.995	4.3755
Parks and Recreation (unincorporated) (e)	0.081	0.073	0.068	0.058	0.500	0.046	0.040	0.040	.0286	.0259
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	.2163
Hillsborough River Basin	0.285	0.285	0.285	0.285	0.285	0.285	0.285	0.285	0.285	.2547
NW Hillsborough Basin	0.268	0.268	0.268	0.268	0.268	0.268	0.268	0.268	0.268	.2421
Transit Authority	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	.4495
Tampa Palms Comm. Development	2.600	2.600	2.600	2.600	2.600	2.600	2.600	2.600	2.600	0.0000
Municipalities:										
Tampa	6.539	6.540	6.539	6.539	6.539	6.539	6.539	6.539	6.408	5.7326
Temple Terrace	4.410	4.910	4.910	4.910	4.910	4.910	4.910	4.910	4.910	4.1653
Plant City	4.700	4.700	4.700	4.700	4.700	4.700	4.700	4.700	4.700	4.5692

- (a) Since the 2008 property tax rolls were not levied and opened for collection until November 1, 2008, final data for the 2008 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, 2008
(Unaudited)
(amounts in thousands)

Taxpayer	Type of Business	2007 Taxes Levied	% of Total Taxes Levied
1. Tampa Electric Company	Electrical services	\$ 36,664	1.88 %
2. Verizon	Telecommunications	19,477	1.00
3. Hillsborough County Aviation Authority	County government	11,286	0.58
4. Mosaic Phosphates Company	Fertilizer	7,955	0.41
5. Camden Property Trust	Housing/Real Estate	5,834	0.30
6. Wal-Mart	Retail	4,865	0.25
7. Liberty Property	Property Management	4,777	0.25
8. Post Apartment Homes LP	Property Management	4,585	0.24
9. Tampa Port Authority	Cargo/Cruise/Real Estate	3,763	0.19
10. Teachers Insurance & Annuity Assoc	Insurance	3,189	0.16
		\$ 102,395	5.26 %

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

Source: Tax Collector of Hillsborough County, Florida.



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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Cargo - Ships	\$10,467	\$11,175	\$12,980	\$13,842	\$12,854	\$12,150
Cargo - Tugs	98	90	102	123	141	148
Cargo - Barges	874	844	956	1,080	1,181	923
Non-Cargo (Idle)	716	797	698	695	837	889
Cruise Ships	<u>5,317</u>	<u>5,132</u>	<u>5,095</u>	<u>6,104</u>	<u>5,241</u>	<u>5,242</u>
Total Ship Related Dockage & Wharfage Revenue:	17,472	18,038	19,831	21,844	20,254	19,352
Land & Building Rentals/Leases	6,213	7,340	8,309	8,419	8,125	9,442
Other Operating Revenue	<u>5,412</u>	<u>6,211</u>	<u>6,809</u>	<u>9,045</u>	<u>8,536</u>	<u>10,453</u>
Total Non-Ship Related Revenue:	11,625	13,551	15,118	17,464	16,661	19,895
 Total Operating Revenue	 <u>\$29,097</u>	 <u>\$31,589</u>	 <u>\$34,949</u>	 <u>\$39,308</u>	 <u>\$36,915</u>	 <u>\$39,247</u>

Note (A): Only 6 years of data was available in detail

TAMPA PORT AUTHORITY

Annual Cargo Tonnage
Last Ten Years
(in thousands)



Table 16

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
DRY BULK CARGO										
CEMENT, BULK	250	290	403	381	439	427	790	998	666	345
CITRUS PELLETS	436	491	337	300	189	313	102	125	138	138
COAL	0	46	44	131	136	188	220	168	216	0
GRANITE ROCK, BULK	519	499	456	612	901	751	653	588	604	977
LIMESTONE	474	660	1,049	1,103	1,285	1,478	1,728	1,708	1,676	1,136
PHOSPHATIC CHEMICAL, BULK	1,162	917	961	948	789	1,175	1,161	1,253	1,103	1,109
OTHER DRY BULK	268	382	482	535	368	424	216	341	157	146
TOTAL DRY BULK CARGO:	3,109	3,287	3,732	4,010	4,106	4,755	4,871	5,181	4,560	3,851
LIQUID BULK CARGO										
AMMONIA, ANHYDROUS	894	786	658	675	662	692	671	477	402	434
CONCENTRATE, CITRUS BULK	69	50	77	79	81	45	49	57	65	77
PETROLEUM PRODUCTS	4,799	5,093	6,110	6,083	6,400	6,958	7,753	7,609	7,720	7,143
SULPHUR, LIQUID	1,573	1,316	1,671	1,355	1,617	1,394	1,802	2,025	1,329	1,321
SULPHURIC ACID	904	357	485	336	138	167	201	111	108	219
OTHER LIQUID BULK	52	59	65	60	60	62	69	73	82	97
TOTAL LIQUID BULK CARGO:	8,292	7,661	9,065	8,588	8,957	9,318	10,545	10,352	9,706	9,291
TOTAL BULK CARGO:	11,400	10,947	12,797	12,598	13,064	14,073	15,416	15,533	14,266	13,142
GENERAL CARGO										
CONTAINERIZED	43	33	33	23	38	108	131	149	297	364
FOREST PRODUCTS	53	23	46	39	53	20	50	62	3	8
GENERAL CARGO	37	12	28	42	20	6	11	7	19	34
REFUR CARGO	114	144	62	64	53	40	42	39	17	35
SCRAP METAL	113	80	207	195	420	439	393	419	577	594
STEEL PRODUCTS	362	457	404	338	342	322	380	463	338	154
VEHICLES (in tons)	21	33	65	72	54	41	55	66	61	46
TOTAL GENERAL CARGO:	742	783	845	774	979	975	1,062	1,205	1,312	1,235
TOTAL BULK AND GENERAL:	12,143	11,730	13,642	13,372	14,043	15,049	16,477	16,738	15,578	14,377
TOTAL CRUISE PASSENGERS	414	460	517	587	810	792	772	911	781	768

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



TAMPA PORT AUTHORITY

Capital Assets
Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
CHANNEL WIDTH (feet)										
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 Suttton 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 Suttton 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 Suttton 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	41	41	41	41	41	41
Port Suttton 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)	7225	7225	7225	8,225	9,175	10,375	10,375	11,855	11,855	11,855
Number of Berths	56	56	56	57	57	58	59	59	59	59
TOTAL LAND (acres)										
Port Owned/Usable - Estimated	2,427	2,427	2,432	2,432	2,502	2,512	2,551	2,551	2,454	2,454
Port Owned/Spoil Islands - Estimated	1,450	1,450	1,455	1,455	1,525	1,535	1,574	1,574	1,477	1,477
Leased - Estimated	977	977	977	977	977	977	977	977	977	977
	1,223	1,239	1,259	1,273	1,298	1,298	1,325	1,300	1,290	1,290
HARD SURFACED OPEN STORAGE (acres) (b)										
				83	83	83	83	83	83	83
COVERED STORAGE (sq. ft.)	471,000	471,000	471,000	471,000	471,000	471,000	471,000	506,000*	506,000*	506,000*
REFRIGERATED STORAGE (sq. ft.)	114,000	114,000	114,000	114,000	114,000	114,000	114,000	114,000	118,267	118,267
CRUISE TERMINAL SPACE (sq ft.)	126,000	126,000	126,000	126,000	236,000	236,000	236,000	201,000*	201,000*	201,000*
RAILROAD TRACK (miles)(Port Owned)	2	2	2	7	7	7	7	7	7	7

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

(b) Information prior to this year not available

* Cruise terminal 7 was converted to warehouse space in 2006



Table 18

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

	FY 1999 Staffing	FY 2000 Staffing	FY 2001 Staffing	FY 2002 Staffing	FY 2003 Staffing	FY 2004 Staffing	FY 2005 Staffing	FY 2006 Staffing	FY 2007 Staffing	FY 2008 Staffing
EXECUTIVE/LEGAL DIVISION:										
Chief Executive Officer/Chief Operating Officer	3	3	3	3	3	2	2	3	3	3
DEPUTY PORT DIRECTOR OPERATIONS/ENGINEERING DIVISION:										
Deputy Port Director Operations	1	1	1	1	1	1	1	1	1	1
Facilities Management	13	16	16	16	18	17	17	15	17	17
Security (a)	0	0	0	21	23	26	28	28	28	30
Engineering	13	13	15	14	14	13	13	14	15	16
Operations	23	20	25	10	12	14	13	14	13	17
Cruise Operations	0	3	3	3	5	3	2	2	2	2
Operations/Engineering Division Subtotal	50	53	60	65	73	74	74	74	76	83
DEPUTY PORT DIRECTOR ADMINISTRATION/PORT COUNSEL DIVISION:										
Port Counsel	3	3	2	3	4	4	3	4	4	4
Real Estate Senior Director	3	3	2	2	3	3	4	4	5	5
Environmental Affairs	4	4	4	3	4	4	4	4	2	4
Senior Director, Marketing Services	2	2	2	1	2	2	2	2	2	2
Cargo Marketing	4	4	3	3	3	3	3	3	3	3
Trade Development	1	0	0	0	1	1	1	1	1	1
Cruise Marketing	1	1	1	1	1	1	0	0	0	0
Administration/Port Counsel Division Subtotal	18	17	14	13	18	18	17	18	17	19
61										
CHIEF FINANCIAL OFFICER DIVISION:										
Chief Financial Officer	2	2	2	2	2	5	5	5	3	2
Human Resources	5	4	6	6	7	6	5	5	5	4
Finance	8	8	8	9	10	8	8	8	8	7
Chief Information Officer	1	2	2	2	3	3	3	3	3	3
Chief Financial Officer Division Subtotal	16	16	18	19	22	22	21	21	19	16
COMMUNICATIONS/BOARD COORDINATION DIVISION										
Sr. Director Communications & Board Coordination	1	1	2	2	2	2	3	3	2	2
Public Relations	2	3	4	2	4	2	3	2	1	1
Communications/Board Coordination Div Subtotal	3	4	6	4	6	4	6	5	3	3
PLANNING & ECONOMIC DEVELOPMENT DIVISION										
	1	1	1	1	1	1	1	1	1	1
TAMPA PORT AUTHORITY -Total Positions	91	94	102	105	123	121	121	122	119	125

(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
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%
2008	767,760	\$8,671,081	\$11.29	\$39,247,140	22.09%

- (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

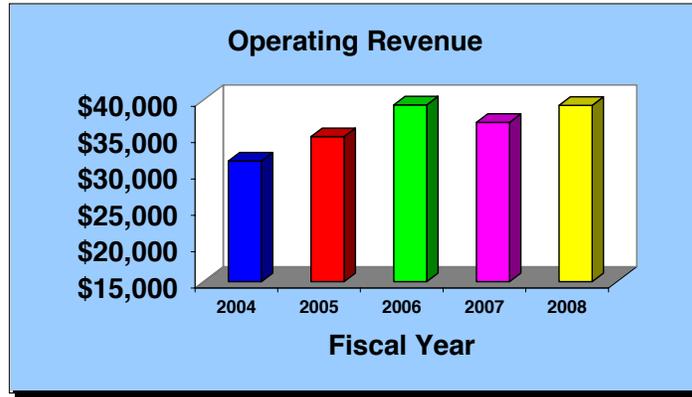
**Tampa Port Authority
Insurance Coverage
as of September 30, 2008
(Unaudited)**

		<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>	\$ 4,000,000
	<i>Personal Injury (PIP)</i>	Statutory
	<i>Garagekeepers Legal Liability</i>	\$ 1,500,000
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>Funds Transfer Fraud</i>	\$ 1,000,000
	<i>Theft of Money & Securities</i>	\$ 100,000
5.	Fire & Allied Property	
	<i>Total Buildings and Allied</i>	\$ 176,822,355
	<u>Sublimits:</u>	<u>Amount</u>
	<i>Buildings</i>	\$ 161,983,581
	<i>Personal Property</i>	\$ 14,838,774
	<i>Contractor's Equipment</i>	\$ 6,590,037
	<i>Inland Marine (Scheduled Equipment)</i>	\$ 356,594
	<i>Business Income</i>	\$ 1,000,000
	<i>Computer Related & Video/Radio Equipment</i>	\$ 1,061,855
	<i>Valuable Papers & Other</i>	\$ 500,000
6.	National Flood	
	<i>Buildings</i>	\$ 6,924,200
	<i>Contents</i>	\$ 942,900
7.	Watercraft	
	<i>Protection & Indemnity</i>	\$ 1,000,000
	<i>Hull (Roll On-Roll Off Barge and Small Boats)</i>	\$ 85,276
8.	Boiler & Machine	\$ 50,000,000
9.	Gasoline Storage Tank Liability	\$ 1,000,000
10.	Corporate Foreign Travel/Accident, Etc.	\$ 1,000,000

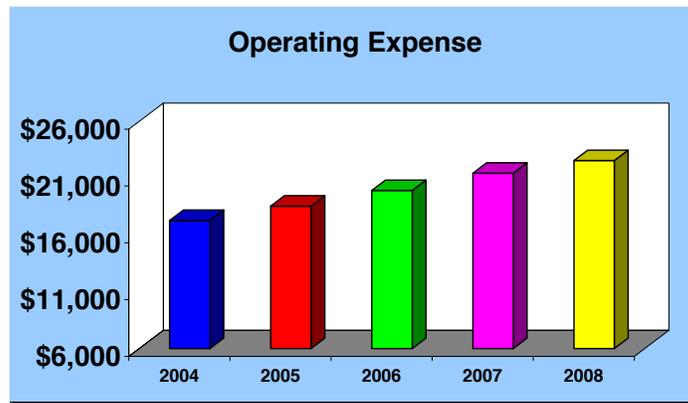


TAMPA PORT AUTHORITY
Financial Highlights
(Unaudited)
(amounts in thousands)

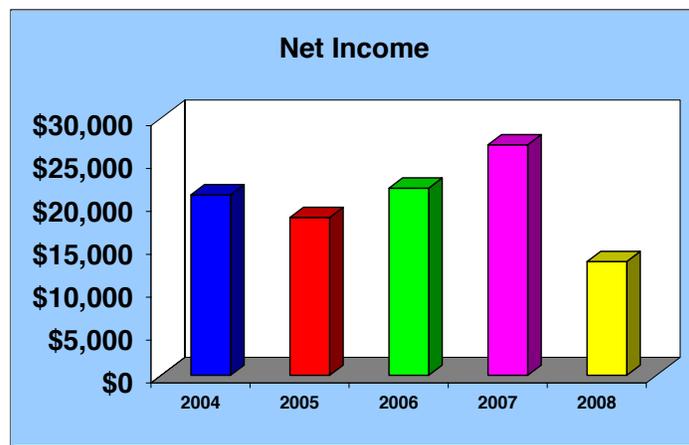
OPERATING REVENUE



OPERATING EXPENSE



NET INCOME





TAMPA PORT AUTHORITY



D
F

GULF MARINE

HIGH VOLTAGE



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)

Fiscal Year	<u>Phosphate</u>	<u>Petroleum</u>	<u>Coal</u>	<u>Sulphur</u>	<u>All Other</u>	<u>Total</u>
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
2008	8,445	18,008	3,971	3,356	8,833	42,613

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
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
2008	5,888	15,710	5,175	1,561	28,334

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



TAMPA PORT AUTHORITY
Summary of Leases of Principal Tenants
as of September 30, 2008
(Unaudited)

Tenant	Initial Date of Lease	Initial Term	No. of Renewal Options	Option Term	2008	2008
					Minimum Annual Revenue	Total Revenue Received
Carnival Cruise Lines (c)	Apr-02	10	0	0	\$ 4,049,556	\$ 7,237,183
Kinder Morgan (GATX) (b)	Oct-98	5	3	5	\$ 963,609	\$ 3,256,637
Ports America (Break Bulk) (b)	May-06	10	1	10	\$ 1,425,000	\$ 2,133,807
Trinity Materials	Jan-07	30	2	10	\$ 1,485,139	\$ 1,485,139
Transmontaigne (TPSI)	Sep-07	20	2	10	\$ 352,000	\$ 1,342,295
Murphy Oil USA, Inc. (a)	Sep-67	18	2	(1) 10-year; (1) 12-year	\$ 529,200	\$ 1,062,947
Trademark Metals	Dec-99	10	2	5	\$ 318,534	\$ 1,035,385
Tarmac America LLC (Titan)	Jan-02	20	3	10	\$ 1,013,530	\$ 1,013,530
Vulcan (Marigold) (b)	Oct-00	10	4	5	\$ 500,000	\$ 1,000,000
Zim Integrated Shipping (c)	Oct-06	3	0	0	\$ 538,700	\$ 911,452
Gaetano Cacciatore	Dec-05	25	8	5	\$ 840,694	\$ 840,694
Martin Marietta Aggregates	Jan-04	5	2	5	\$ 456,492	\$ 751,241
Cemex (RMC) (b)	Dec-01	5	4	5	\$ 724,800	\$ 724,800
Vulcan/ICA Distribution Co. (b)	Jul-91	1	7	(4) 1-year; (3) 5-year	\$ 384,456	\$ 721,147
Tampa Bay Shipbuilding & Repair Co.	Mar-97	15	2	15	\$ 646,508	\$ 646,508
Gulf Marine Repair, Inc.	May-06	10	3	10	\$ 500,000	\$ 500,000
Sea - 3 of Florida, Inc.	Jan-99	22	3	10	\$ 275,398	\$ 493,058
Channelside Bay Mall	Apr-97	40	8	5	\$ 483,000	\$ 483,000
Martin Operating Partners (a)	Dec-96	10	0	0	\$ 220,000	\$ 477,324
C F Industries Inc (fertilizer facility) (b)	Jun-72	10	4	10	\$ 85,626	\$ 472,714
One Steel (Smorgon)	Oct-99	10	1	5	\$ 284,022	\$ 470,456
Gulfstream Natural Gas	Sep-07	11 months	0	0	\$ 438,024	\$ 438,024
Cargill, Inc. (salt facility) (b)	Jul-99	20	2	10	\$ 339,015	\$ 397,053
Holcim (US), Inc.	Jul-05	5	2	5	\$ 345,127	\$ 381,616
C F Industries, Inc. (ammonia facility) (b)	Jul-76	20	3	10	\$ 83,240	\$ 370,492
Vulcan/Florida Rock Industries, Inc. (b)	Nov-06	5	3	5	\$ 326,036	\$ 326,036
Cemex, Inc. (b)	Jun-84	10	4	5	\$ 293,754	\$ 293,754
Gulf Sulphur Services	Jan-00	5	2	5	\$ 174,103	\$ 288,300
Andino Cements	Nov-07	40	4	10	\$ 270,168	\$ 270,168
Sulphuric Acid Trading Company	Nov-79	25	2	(1) 15-year; (1) 5-year	\$ 249,190	\$ 249,190
Amalie Oil Company	Jul-97	25	1	10	\$ 178,629	\$ 246,910
International Ship Repair (Metroport) (a)	Feb-06	20 Months	0	0	\$ 226,616	\$ 226,616
Namasco Acquisition Corporation	Jul-01	5	1	5	\$ 215,124	\$ 215,124
Pasco Terminals	Nov-00	10	2	5	\$ 148,938	\$ 196,782
Seabulk Towing	May-98	15	0	0	\$ 65,270	\$ 171,601
Rinker Materials	Nov-07	40	2	20	\$ 165,000	\$ 165,000
Cargill Financial Center (grain facility) (b)	May-73	20	3	20	\$ 33,000	\$ 142,385
Lehigh Portland Cement Co.	Sep-00	10	2	5	\$ 140,595	\$ 140,595
Tropical Shipping Company	Oct-94	5	3	5	\$ 135,502	\$ 135,502
Ports America (Container) (b)	May-06	40	0	0	\$ 127,095	\$ 134,949
Intermodal Shipping (a)	Oct-07	6 months	1	2 months	\$ 120,000	\$ 120,000
Kinder Morgan (Central Fla Pipeline) (b)	Mar-95	20	2	10	\$ 44,900	\$ 111,884
River Consulting	Aug-06	3	1	3	\$ 107,750	\$ 107,750
World Trade Center	Mar-03	3	3	1	\$ 106,024	\$ 106,024
Tampa Juice Service, Inc.	Apr-95	20	2	10	\$ 50,243	\$ 99,677



TAMPA PORT AUTHORITY
Summary of Leases of Principal Tenants
as of September 30, 2008
(Unaudited)

<u>Tenant</u>	<u>Initial Date</u> <u>of Lease</u>	<u>Initial</u> <u>Term</u>	<u>No. of</u> <u>Renewal</u> <u>Options</u>	<u>Option</u> <u>Term</u>	<u>2008</u> <u>Minimum</u> <u>Annual</u> <u>Revenue</u>	<u>2008</u> <u>Total</u> <u>Revenue</u> <u>Received</u>
Gladiator LLP	Oct-06	20	4	5	\$ 97,600	\$ 97,600
Yara (Formerly Hydro Agri)	Oct-07	20	2	10	\$ 94,120	\$ 94,120
Kinder Morgan Port Sutton (b)	Dec-02	20	4	10	\$ 83,338	\$ 83,338
Starship Cruise Line, Inc.	Jan-06	10	2	10	\$ 77,500	\$ 77,500
WCI Communities	May-05	5	7	5	\$ 74,488	\$ 74,488
C F Industries, Inc. (bareland) (b)	Jan-90	6.5	3	10	\$ 72,798	\$ 72,798
International Ship Repair (B200)	Feb-06	10	0	0	\$ 65,500	\$ 65,500
Diversified Marine	Jul-05	5	1	5	\$ 57,718	\$ 57,718
Carolco	Jan-08	4	3	1	\$ 48,000	\$ 48,000
University of South Florida Education	Jun-08	1	0	0	\$ 47,312	\$ 47,312
Maritrans Operating Partners	Jan-80	25	3	10	\$ 46,493	\$ 46,493
Ecoventure.	May-05	5	4	5	\$ 46,284	\$ 46,284
Americold Corporation	Sep-78	20	2	5	\$ 35,750	\$ 35,750
Superior Seafoods, Inc. (a)	Jan-93	5	1	5	\$ 33,721	\$ 33,721
Ecoventure.	Nov-05	5	4	5	\$ 32,988	\$ 32,988
Carotam (a)	Jan-04	1	0	0	\$ 32,300	\$ 32,300
University of South Florida SBC	Jun-08	3	2	1	\$ 23,133	\$ 23,133
Marine Towing	Jan-06	10	3	5	\$ 22,520	\$ 22,520
PEL Laboratories	May-03	5	2	5	\$ 20,929	\$ 20,929
Diversified Marine (Port Seafood)	Jul-04	5	0	0	\$ 16,826	\$ 16,826
Standard Marine	May-04	1	2	2	\$ 13,800	\$ 13,800
Anova	Mar-08	3	2	1	\$ 12,750	\$ 12,750
Bronco Transportation	Dec-06	3	2	1	\$ 12,640	\$ 12,640
American Victory	Apr-00	4	4	4	\$ 12,000	\$ 12,000
Bronco Transportation (Month to Month)	May-07	1	0	0	\$ 10,350	\$ 10,350
Yara	May-05	10	0	0	\$ 8,138	\$ 8,138
Total Minimum and Actual Revenue					<u>\$ 21,558,603</u>	<u>\$ 33,493,745</u>

- (a) Leases are in a holdover status at 9/30/08 - contract negotiations in progress
- (b) 2008 Revenues reported on Table 7 of this Comprehensive Financial Report are inclusive of multiple leases for these customers
- (c) These customers have financial agreements with an annual minimum revenue guarantee

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

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.

Bucio, Gordinier & Company, P.A.

Tampa, Florida
January 20, 2009

Internal Control over Compliance

The management of the Port Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal awards programs and 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 federal award program or 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and 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 federal program or 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 federal program or 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 federal program or 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, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Tampa, Florida
January 20, 2009



Table 25

Tampa Port Authority

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the year ended September 30, 2008

Grantor and Program Title	Federal CFDA / State CSFA Number	Grant Number	Program or Award Amount	Accrued Revenue September 30, 2007	Receipts	Expenditures	Accrued Revenue September 30, 2008
Federal Agency							
U.S. Department of Homeland Security Port Security Grant Program	97.056	2005-GB-T5-0119	\$ 1,673,660	\$ 312,830	\$ -	\$ 786,850	\$ 1,099,680
Port Security Grant Program	97.056	HSTS04-04-G-GPS640	\$ 1,488,145	-	-	1,282,430	1,282,430
U.S. Department of Transportation Pass-through Florida Department of Transportation Highway Planning and Construction	20.205	412747-1-94-01	\$ 225,000	-	200,443	224,928	24,485
Total federal awards				312,830	200,443	2,294,208	2,406,595
State Agency							
Florida Department of Transportation Seaport Grants							
Capacity improvements	55.005	41979119401	\$ 5,625,000	227,042	-	-	227,042
Capital/operating	55.005	40833719401	\$ 6,050,000	198,792	198,792	-	-
Capital	55.005	41979219401	\$ 6,750,000	360,628	733,118	681,006	308,516
Total Seaport Grants				786,462	931,910	681,006	535,558
Pass-through Hillsborough County County Incentive Grant Program	55.008	420285	\$ 477,000	-	-	477,000	477,000
Florida Department of Transportation Intermodal Development Program Infrastructure improvements	55.014	41274619401	\$ 7,232,370	207,091	-	-	207,091
Total state financial assistance				993,553	931,910	1,158,006	1,219,649
Total federal awards and state financial assistance				\$ 1,306,383	\$ 1,132,353	\$ 3,452,214	\$ 3,626,244



Tampa Port Authority

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

September 30, 2008

NOTE A - BASIS OF PRESENTATION

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

NOTE B - CONTINGENCIES

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

NOTE C - SUBRECIPIENTS

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



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

For the year ended September 30, 2008

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 Federal Programs / 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 federal programs and state projects Unqualified

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

Identification of major programs:

	<u>CFDA Number</u>	<u>Name of Federal Programs</u>
Federal:	97.056	Port Security Grant Program
	<u>CSFA Number</u>	<u>Name of State Projects</u>
State:	55.005	Seaport Grants
	55.008	County Incentive Grant Program

Dollar threshold used to distinguish between type A
 and type B federal programs \$ 300,000

Dollar threshold used to distinguish between type A
 and type B state projects \$ 300,000

Auditee qualified as low-risk auditee under the provisions
 of OMB Circular A-133, Section 530? yes X no



Tampa Port Authority

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

For the year ended September 30, 2008

Section II - Financial Statement Findings

No matters were reported

**Section III - Federal Award and State Financial Assistance
Findings and Questioned Costs**

No matters were reported

Section IV - Other Issues

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

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 on 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.

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

As required by the *Rules of the Auditor General* (Section 10.554(1)(i)7.a), a statement must be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, regarding financial emergencies. In connection with our audit, we determined that the Port Authority is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes.

As required by the *Rules of the Auditor General* (Sections 10.554(1)(i)7.b.), we determined that the annual financial report for the Port Authority for the fiscal year ended September 30, 2008, filed with the Department of Banking Finance pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2008.

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

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other these specified parties.



Tampa, Florida
January 20, 2009



TAMPA PORT AUTHORITY