Comprehensive Annual Financial Report

Commitment to Progress

City of Tampa, Florida

For the fiscal year ended September 30, 2009

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Comprehensive Annual Financial Report

For the fiscal year ended September 30, 2009

Pam Iorio

Mayor

Bonnie M. Wise

Director of Finance

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Introductory Section

CITY OF TAMPA

February 4, 2010

To the Honorable Mayor, Members of City Council, and Citizens of the City of Tampa:

State law requires that all general-purpose local governments publish each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Tampa for the fiscal year ended September 30, 2009.

This report consists of management's representations concerning the finances of the City of Tampa. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Tampa has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Tampa's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Tampa's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Tampa's basic financial statements have been audited by Ernst & Young LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Tampa for the fiscal year ended September 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unqualified opinion that the City of Tampa's financial statements for the fiscal year ended September 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Tampa was part of a broader, mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are included in the Single Audit section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Tampa's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Tampa, initially incorporated in 1855 with a second incorporation in 1887, is the largest city in Hillsborough County, is the county seat, and is the third most populous city in Florida. It is located on the west coast of Florida, approximately 200 miles northwest of Miami, 180 miles southwest of Jacksonville, and 20 miles northeast of St. Petersburg. The City of Tampa currently occupies 116 square miles and serves a population of 339,365. The City of Tampa is empowered to levy a property tax on real property located within its boundaries. It is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the city council.

The City of Tampa has operated under a mayor-council form of government since 1945. Legislative authority is vested in an elected city council consisting of seven members. The city council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and approving the hiring of department head nominees submitted by the mayor. The mayor is responsible for carrying out the policies and ordinances of the city council, for overseeing the day-to-day operations of the city, for drafting the budget and submitting it to city council for approval, and for nominating department heads for hiring approval by the city council. The mayor and all seven city council members are elected every four years with a term limit of two terms. The mayor and three city council members are elected at large and four city council members are elected from individual districts within the city.

The City of Tampa provides a full range of services, including police and fire protection; the construction of streets, and other infrastructure; recreation and park facilities; convention facilities; and water, wastewater, solid waste, and parking operations. The City of Tampa is also financially responsible for the legally separate The Florida Aquarium, Inc. and Tampa Historic Streetcar, Inc., which are reported separately in the City of Tampa's basic financial statements. The city is also financially responsible for the Community Redevelopment Agency whose operations are considered part of the city's, so their data is combined with data of the city. More information on these entities can be found in Note I.A. in the notes to the financial statements.

The annual budget serves as the foundation for the City of Tampa's financial planning and control. All departments of the City of Tampa are required to submit requests for appropriation to the mayor. The mayor uses these requests as the starting point for developing the proposed budget. The mayor then presents this proposed budget to the city council for review prior to August 15. The city council is required to hold two public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City of Tampa's fiscal year. The appropriated budget is prepared by fund and department (e.g., police). Department heads may make operating transfers within a department. Reappropriation of funds between capital and operating accounts and between departments, however, require the approval of the city council according to the city charter. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, utility tax special revenue fund, and the Community Redevelopment Agency special revenue fund, this comparison is presented on pages 28-31 as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, utility tax special revenue fund, and the Community Redevelopment Agency special revenue fund, with appropriated annual budgets, this comparison is presented in the governmental funds subsection of this report, which starts on page 78.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Tampa operates.

Local economy. The City of Tampa typically enjoys a stable economic environment but recent increases in unemployment and home foreclosures that have affected much of the nation have presented economic challenges to the City of Tampa as well. The region has a diverse economic base that includes tourism, agriculture, construction, finance, health care, technology, and the Port of Tampa. Major industries with headquarters or divisions located within the city's boundaries or in close proximity include telephone and electric service companies, computer hardware and electrical controls manufacturers, tourist

attractions, fertilizer manufacturers, MacDill Air Force Base, and the Port of Tampa. Institutions of higher learning located in the city include the University of South Florida, the University of Tampa, Hillsborough Community College, and the Stetson University College of Law.

Property tax revenue decreases from the previous year and for the second straight year were accompanied by decreases in sales tax revenues along with an increase in utilities tax revenues. Declines in tax revenues are projected in fiscal year 2010 and beyond as a result of the continuing economic recession and housing slump. For the first time in years, both the water and wastewater enterprise utilities experienced a drop in customers. At fiscal year end the area's unemployment rate was 11.7%, which is higher than the rate of 4% of a year ago, above the state's average unemployment of 11.2% and above the national average rate of 9.8%.

Long-term financial planning. During May of 2009 the city borrowed additional commercial paper through the Florida Association of Counties – Florida Local Government Finance Commission Pooled Commercial Paper Loan Program. The program is a pool arrangement available to Florida government entities in order to take advantage of economies of scale to reduce the costs associated with normal commercial paper issuances. The interest rate is variable based on the overall rate of the pool and payable monthly. During 2009, $18,200,000 of issuances occurred under this program. Of the proceeds, $13,653,000 will be used for water capital projects and $4,547,000 will be used for stormwater capital projects.

Cash management policies and practices. Cash temporarily idle during the year was invested in certificates of deposit and obligations of the U.S. Treasury. Investments of the two pension funds consisted of corporate equity and debt securities, money market funds, and real estate. The maturity of pooled cash investments ranges from 46 days to 4.8 years with a weighted average maturity of 3.0 years. Certificate of deposit maturities range from 1 to 268 days. The average yield on investments was 3.05% for pooled cash, 2.95% for the General Employees Retirement Fund, and negative 4.3% for the Firefighters and Police Officers Pension Fund. The pension fund results are largely due to the performance of the equity markets during the past year. Investment income includes changes in the fair value of investments. Increases and decreases in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the government intends to hold to maturity.

Risk management. Commercial insurance is carried for damage to buildings with a deductible that varies with the cause of loss. The city is self-insured for workers compensation, vehicular damage and property damage claims. Additional information regarding the City of Tampa's risk management activity can be found in Note V.A. of the notes to the financial statements.

Pension and other postemployment benefits. The city sponsors two single-employer defined benefit pension plans for its employees, the Police Officers and Firefighters Pension Fund for police officers and firefighters, and the General Employees Retirement Fund for all other full-time employees. Each year an actuary engaged by each pension plan calculates the amount of the annual contribution that the City of Tampa must make to the pension plans to ensure that the plans will be able to fully meet their obligations to retired employees on a timely basis. The City of Tampa fully funds each year's annual required contribution to the pension plans as determined by the actuaries. As a result, the city has succeeded as of September 30, 2009, in funding 98% for the General Employees Retirement Fund and 99.4% for the Police Officers and Firefighters Pension Fund of the present value of the projected benefits earned by employees in each plan.

The City of Tampa also provides postretirement healthcare benefits in the form of an implied rate subsidy for group health insurance for retirees and their dependents. As of the end of the current fiscal year there were 988 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. The Governmental Accounting Standards Board (GASB) statement number 45 requires governments to report a liability in the financial statements in connection with the obligation to provide these benefits. The liability reported by the City of Tampa at September 30, 2009 for these benefits is $11,864,000.

Additional information on the City of Tampa's pension arrangements and postemployment benefits can be found in Notes V.C-D in the notes to the financial statements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tampa for its comprehensive annual financial report for the fiscal year ended September 30, 2008. This was the twenty-first consecutive year that the City of Tampa has received this prestigious award. In order to be awarded a Certificate of Achievement, the city published an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report 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.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual budget for the fiscal year beginning October 1, 2008. In order to qualify for the Distinguished Budget Presentation Award, the city's budget document was judged to be proficient in several categories including as a policy document, a financial plan, an operations guide, and a communications device.

Preparation of this report would not have been possible without the dedicated and efficient service of the entire staff of the Revenue and Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the mayor and city council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Tampa's finances.

Respectfully submitted,

Bonnie M. Wise
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Tampa Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2008

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.

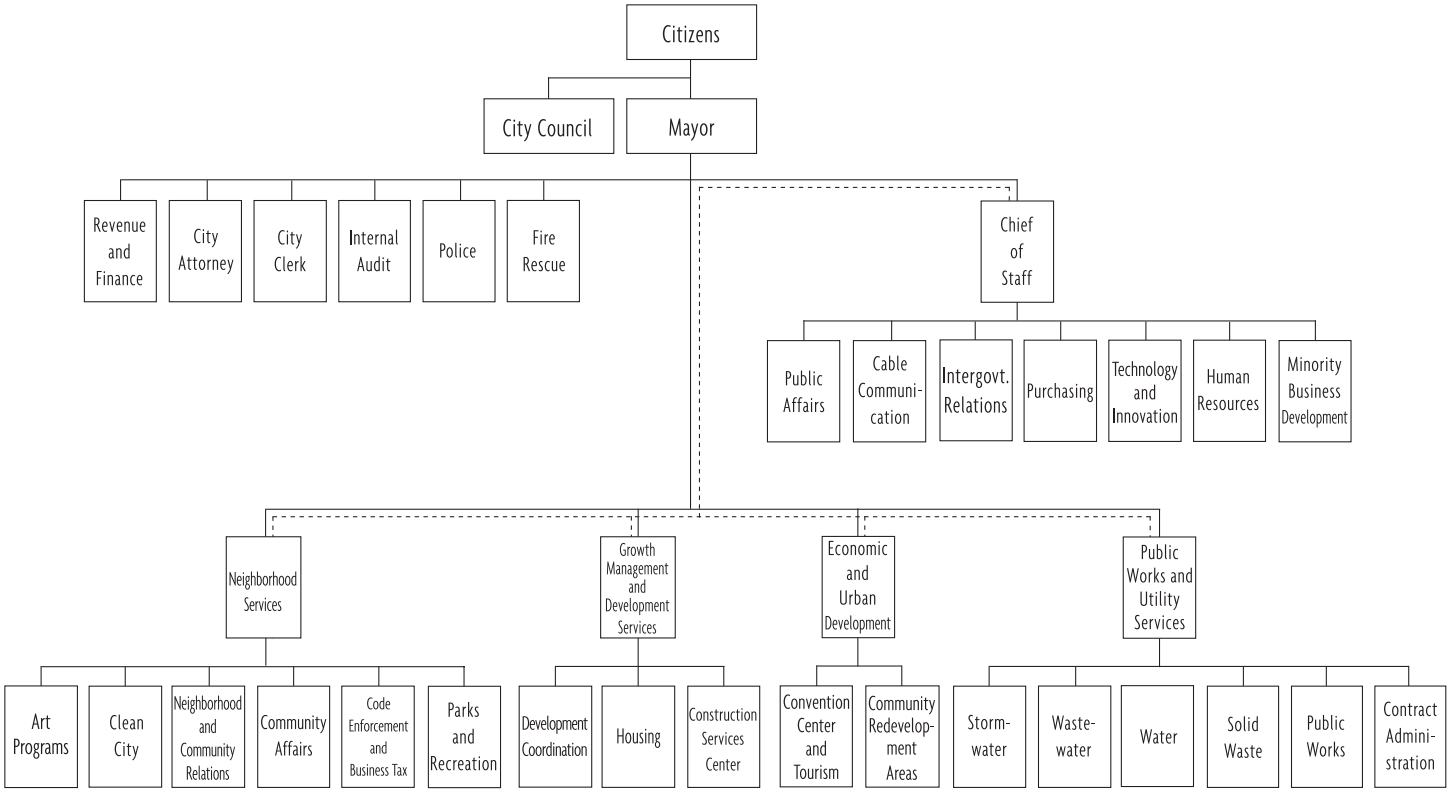
President

Executive Director

City of Tampa, Florida

MAYOR PAM IORIO

Organization Chart



Tampa City Council

Districts One, Two and Three are at large districts, as they represent all of the City of Tampa. Districts Four, Five, Six and Seven are represented individually.

GWEN MILLER
District 1 at Large
Chairman Pro-Tem

MARY MULHERN
District 2 at Large

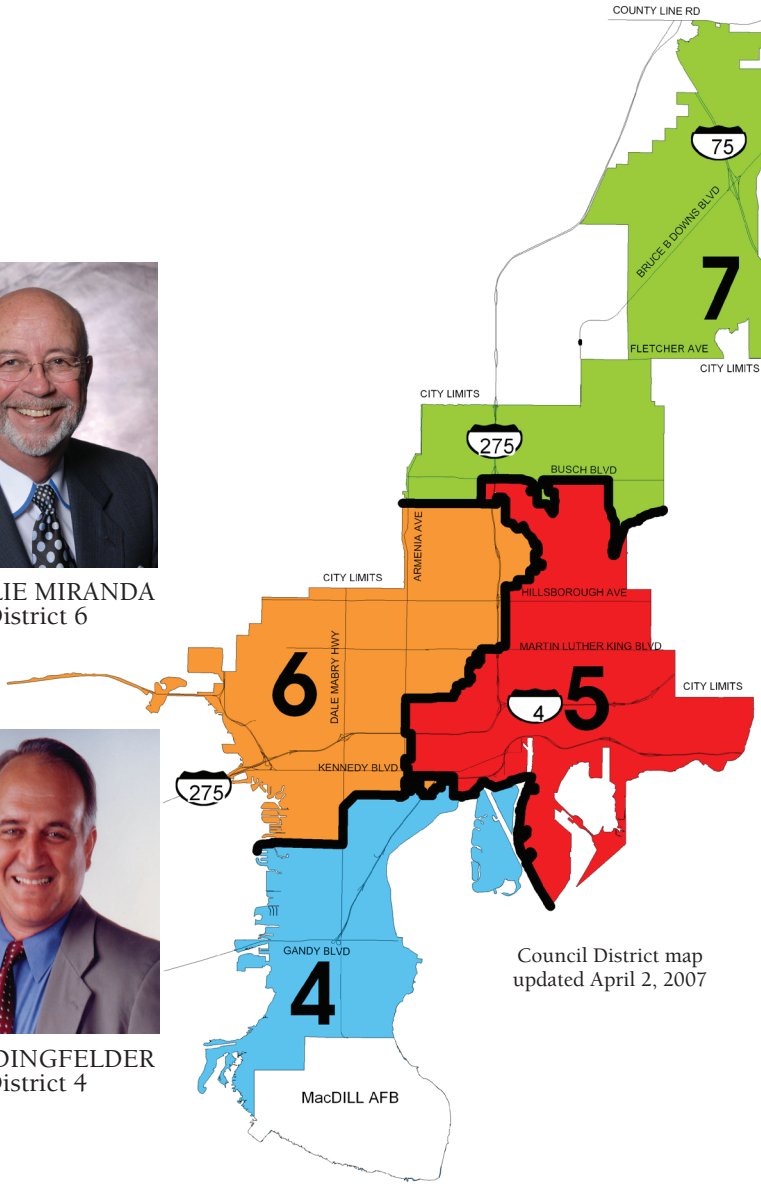
LINDA SAUL-SENA
District 3 at Large

CHARLIE MIRANDA
District 6

JOSEPH CAETANO
District 7

JOHN DINGFELDER
District 4

THOMAS SCOTT
District 5
Chairman



Council District map
updated April 2, 2007

TAB
Financial Section

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Report of Independent Certified Public Accountants

The Honorable Mayor and Members of City Council
City of Tampa, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Tampa, Florida (the City), as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of The Florida Aquarium, which represents one of the two aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for The Florida Aquarium are based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the City's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit, and the report of other auditors, provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison information for the General, Utility Tax, and Community Redevelopment Agency funds for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2010 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and the schedules of funding progress and employer contributions on pages 11 through 19 and 74 through 75, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 215.97, *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General*, and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules, and the schedules of expenditures of federal awards and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Ernst & Young LLP

January 19, 2010

Management's Discussion and Analysis

As management of the City of Tampa, we offer readers of the City of Tampa's basic financial statements this narrative overview and analysis of the financial activities of the City of Tampa for the fiscal year ended September 30, 2009. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages 1-4 of this report. **All amounts, unless otherwise indicated, are expressed in thousands of dollars.**

During the fiscal year, the economic condition of the country continued to worsen with unemployment continuing to rise and housing activity eroding further, but the stock market seemingly leveled out about mid-year. The housing and financial market freefall that led the nation into recession appeared to stabilize somewhat, though the implications of any rebound are yet to be felt by the city. Already faced with declining property tax receipts due to the 2007 Legislative session which required a rollback of the millage rate, and the 2008 impact of the voter approved Amendment 1 that generally doubled the size of the homestead exemption, along with lower sales tax receipts due to the economic declines in the state, the city continued to struggle with both declining property values, a trend that is expected to continue into the near future, and other declining revenue streams. Responding to these crises, the city reorganized departments, trimmed staff, maintained its hiring freeze, deferred some capital purchases, and implemented various other cost saving techniques. Therefore, despite these economic constraints, the city was able to post positive results for fiscal year 2009. Another hazard impacting the city in 2009 was a severe drought that resulted in unprecedented restrictions on water use, causing a significant drop in water and wastewater enterprise receipts. While the severity of the drought conditions have subsided somewhat, water use restrictions remain in place and the operating results have yet to rebound.

Financial Highlights

- The assets of the City of Tampa exceeded its liabilities at the close of the most recent fiscal year by $1,850,532 (net assets), an increase of $65,324 (3.7%) compared to the prior year balance. Of this amount, $273,819 (unrestricted net assets) may be used to meet the city's ongoing obligations to citizens, creditors and other agencies (e.g., the Community Redevelopment Agency), a $17,434 (6.8%) increase over the prior year balance.
- The city net assets increased $65,324, as the governmental net assets increased $73,537 and the business-type net assets declined $8,213 during the year. In governmental activities, revenues significantly outpaced expenditures as spending was curbed and the decrease in net assets in the water and wastewater enterprise funds accounted for the majority of the decrease in net assets in the business-type activities.
- As of the close of the current fiscal year, the City of Tampa's governmental funds reported combined ending fund balances of $344,971, a decrease of $1,529 in comparison with the prior year. Approximately 84% of this amount, $290,936, is in unreserved fund balance, and all but $111,745 has been designated for various items (e.g., emergencies, claims and capital outlays).
- At the end of the current fiscal year, unreserved undesignated fund balance for the general fund was $88,163 or 26.5% of total general fund expenditures. This reflects a $15,197 (21%) increase over the prior year balance.
- The City of Tampa's total debt decreased by $25,954 during the current fiscal year, as the scheduled repayment of existing debt was less than the amount of new debt issued, i.e., a commercial paper issuance totaling $18,200.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Tampa's basic financial statements. The City of Tampa's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Tampa's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City of Tampa's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Tampa is improving or deteriorating.

The *statement of activities* presents information showing how the city's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Tampa that are principally supported by taxes and

intergovernmental revenues (*governmental activities*), from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Tampa include general government, public safety, public works, economic environment, and culture and recreation. The business-type activities of the City of Tampa include the water utility, wastewater utility, solid waste system, parking facilities, marina, and golf courses.

The government-wide financial statements include not only the City of Tampa itself (known as the *primary government*), but also the legally separate entities, The Florida Aquarium, Inc. and The Tampa Historic Streetcar, Inc. for which the City of Tampa is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The Community Redevelopment Agency, although legally separate, functions for all practical purposes as a department of the City of Tampa, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 22-23 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Tampa, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Tampa can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the city's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Tampa maintains twenty-five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the utility tax and Community Redevelopment Agency special revenue funds, which are considered to be major funds. Data for the other twenty-two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is presented in the form of *combining statements* elsewhere in this report.

The City of Tampa adopts an annual appropriated budget for its general fund and utility tax and Community Redevelopment Agency special revenue funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 24-31 of this report.

Proprietary funds. The City of Tampa maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Tampa uses enterprise funds to account for its water utility, wastewater utility, solid waste system, parking facilities, marina, and golf courses. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Tampa's various functions. The City of Tampa uses internal service funds to account for its fleet maintenance, administrative services, and utility accounting functions. Because these services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide statements, only in more detail. The proprietary fund financial statements provide information for the three major enterprise funds. The three nonmajor funds are combined into a single aggregated presentation in the proprietary fund financial statements, as are the three internal service funds. Individual fund data for the nonmajor enterprise funds and the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The proprietary fund financial statements can be found on pages 32-37 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Tampa's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund aggregate financial statements can be found on pages 38-39 of this report. Individual fund data is provided in the form of *combining statements* elsewhere in this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 40-72 of this report.

Other information. In addition to the basic financial statements and the accompanying notes, this report also presents certain *required supplementary information*, concerning the City of Tampa's progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found on pages 74-75 of this report.

The combining statements referred to earlier in connection with nonmajor governmental, nonmajor enterprise, internal service and fiduciary funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 78-104 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Tampa, assets exceeded liabilities by $1,850,532 at the close of the most recent fiscal year.

By far the largest portion of the City of Tampa's assets (76%) reflects its investment in capital assets (e.g., land, buildings, furniture, and equipment), less any related debt used to acquire those assets, that is still outstanding. The City of Tampa uses those capital assets to provide services to citizens, consequently these assets are *not* available for future spending. Although the City of Tampa's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Tampa's Net Assets

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	$ 424,712	$ 416,282	$ 261,750	$ 314,080	$ 686,462	$ 730,362
Capital assets	1,007,687	931,811	1,220,808	1,175,406	2,228,495	2,107,217
Total assets	1,432,399	1,348,093	1,482,558	1,489,486	2,914,957	2,837,579
Long-term liabilities outstanding	491,353	489,581	435,695	447,236	927,048	936,817
Other liabilities	70,719	61,722	66,658	53,832	137,377	115,554
Total liabilities	562,072	551,303	502,353	501,068	1,064,425	1,052,371
Net assets:						
Invested in capital assets, net of related debt	666,602	595,132	820,656	802,140	1,487,258	1,397,272
Restricted	49,656	52,689	39,799	78,862	89,455	131,551
Unrestricted	154,069	148,969	119,750	107,416	273,819	256,385
Total net assets	$ 870,327	$ 796,790	$ 980,205	$ 988,418	$ 1,850,532	$ 1,785,208

An additional portion (4.9%) of the City of Tampa's net assets, *restricted net assets* at $89,455, represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (at $273,819) are used to meet the city's ongoing obligations to citizens, creditors and other agencies (e.g., the CRA). At the end of the current fiscal year, the City of Tampa is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was a decrease in restricted net assets reported in connection with total governmental and business-type activities of $42,096. A major component included a decrease of $42,449, related to enterprise fund operating reserves which were moved from restricted to unrestricted. For governmental activities, there was a decrease in restricted net assets reported of $3,033. The primary factor was a

decrease of $3,611 in net assets restricted for debt service related to guaranteed entitlement bonds, of which a large portion had previously matured.

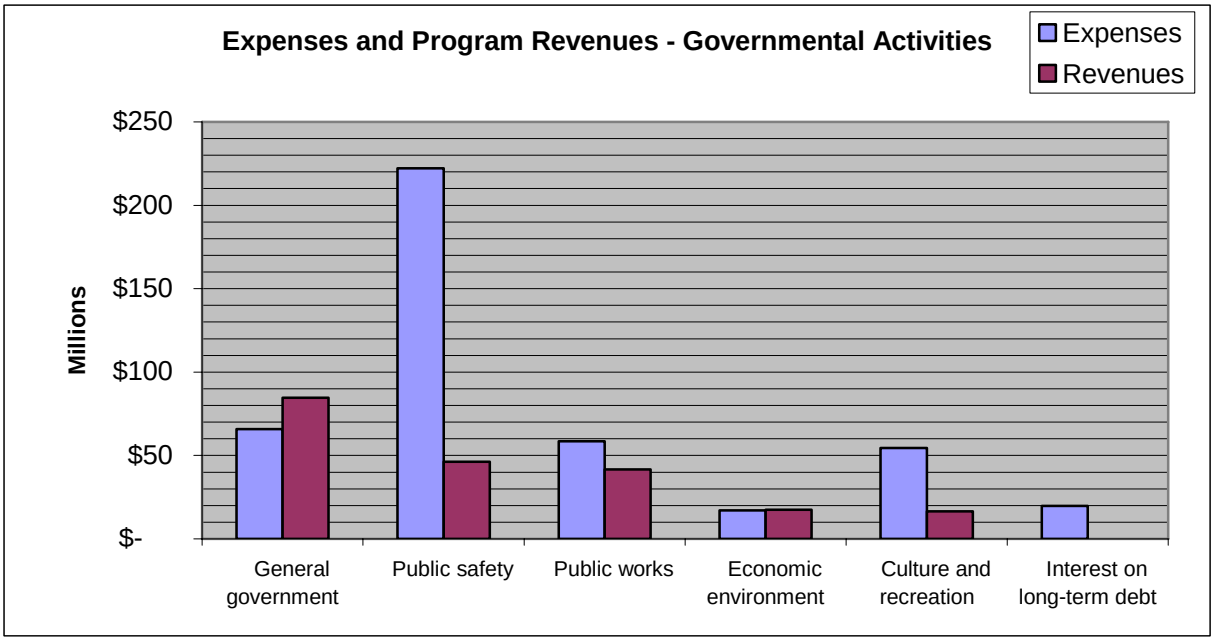
The city's net assets increased $65,324 during the current fiscal year. Of this amount, a decline of $8,213 was attributable to business-type activities and an increase of $73,537 resulted from governmental activities.

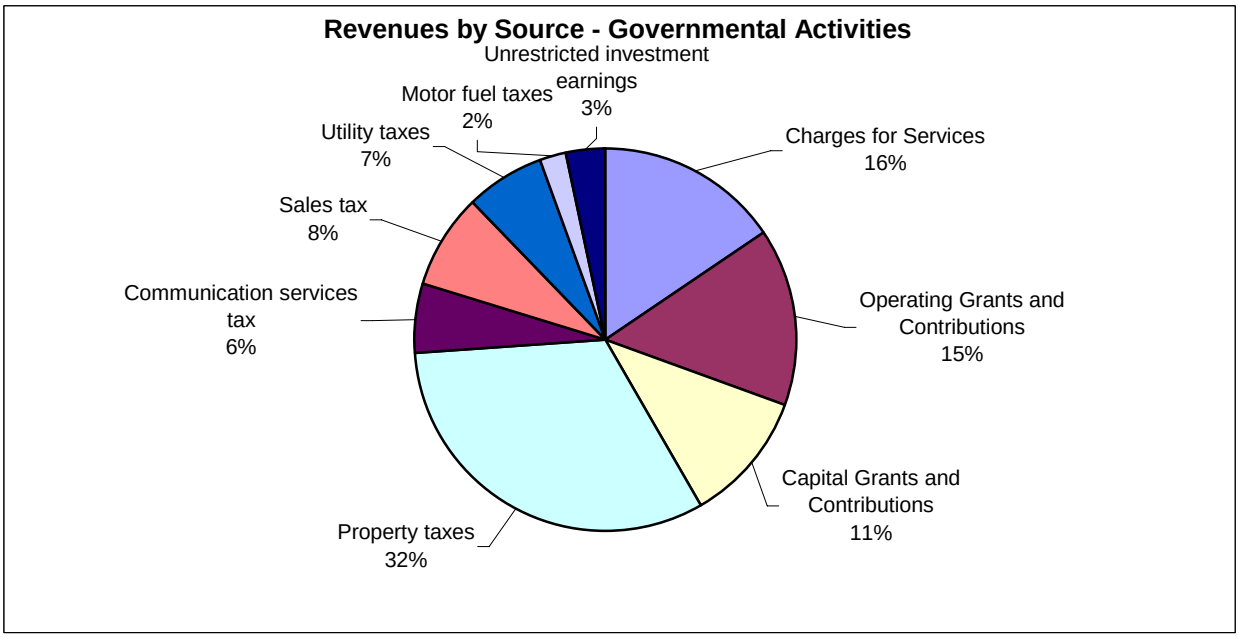
City of Tampa's Changes in Net Assets

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	$ 77,068	$ 77,142	$ 237,009	$ 242,270	$ 314,077	$ 319,412
Operating grants and contributions	74,429	75,880	108	100	74,537	75,980
Capital grants and contributions	54,785	38,237	13,027	18,857	67,812	57,094
General revenues:						
Property taxes	159,987	163,637	-	-	159,987	163,637
Other taxes	114,204	114,768	-	-	114,204	114,768
Investment earnings	16,118	17,821	10,779	14,076	26,897	31,897
Other	-	-	181	128	181	128
Total revenues	496,591	487,485	261,104	275,431	757,695	762,916
Expenses:						
General government	68,237	61,259	-	-	68,237	61,259
Public safety	222,204	213,648	-	-	222,204	213,648
Public works	58,587	59,278	-	-	58,587	59,278
Economic environment	17,067	19,932	-	-	17,067	19,932
Culture and recreation	54,445	56,336	-	-	54,445	56,336
Interest on long-term debt	19,704	20,800	-	-	19,704	20,800
Water utility	-	-	82,856	70,657	82,856	70,657
Wastewater utility	-	-	82,968	83,866	82,968	83,866
Solid waste system	-	-	66,870	67,081	66,870	67,081
Parking facilities	-	-	14,288	15,302	14,288	15,302
Marina	-	-	572	615	572	615
Golf courses	-	-	4,573	4,871	4,573	4,871
Total expenses	440,244	431,253	252,127	242,392	692,371	673,645
Increase in net assets before transfers	56,347	56,232	8,977	33,039	65,324	89,271
Transfers	17,190	17,926	(17,190)	(17,926)	-	-
Increase in net assets	73,537	74,158	(8,213)	15,113	65,324	89,271
Net assets - 10/01/08	796,790	722,632	988,418	973,305	1,785,208	1,695,937
Transfer of assets	-	-	-	-	-	-
Net assets - 9/30/09	$ 870,327	$ 796,790	$ 980,205	$ 988,418	$ 1,850,532	$ 1,785,208

Governmental activities. Governmental activities increased the City of Tampa's net assets by $56,347 (before transfers). Key elements of this change are as follows:

• All comparative revenue categories illustrated above reflect a decline, except capital grants and contributions.
• Property taxes decreased by $3,650 (2.2%) during the year. This decline is the result of the voter approved Amendment 1, declining property values and lower collection rates. Taxable values declined $440 million, from $29.62 billion in 2008, to $29.18 billion 2009. The city's millage rate of 5.7326 was the same as the rate adopted the previous year, and is well below the 10-mill rate limit established by the state.
•Capital grants and contributions increased in governmental activities $16,548 (43.3%) in 2009 due to more use of federal and state transportation and public safety awards; specifically, a marked increase in Justice Assistance Grants, Homeland Security grants and higher grant contributions to the Riverwalk project.
•Governmental expenditures for several categories illustrated above declined compared to last year, however, general government and public safety expenditures increased $6,978 and $8,556 respectively over the prior year.



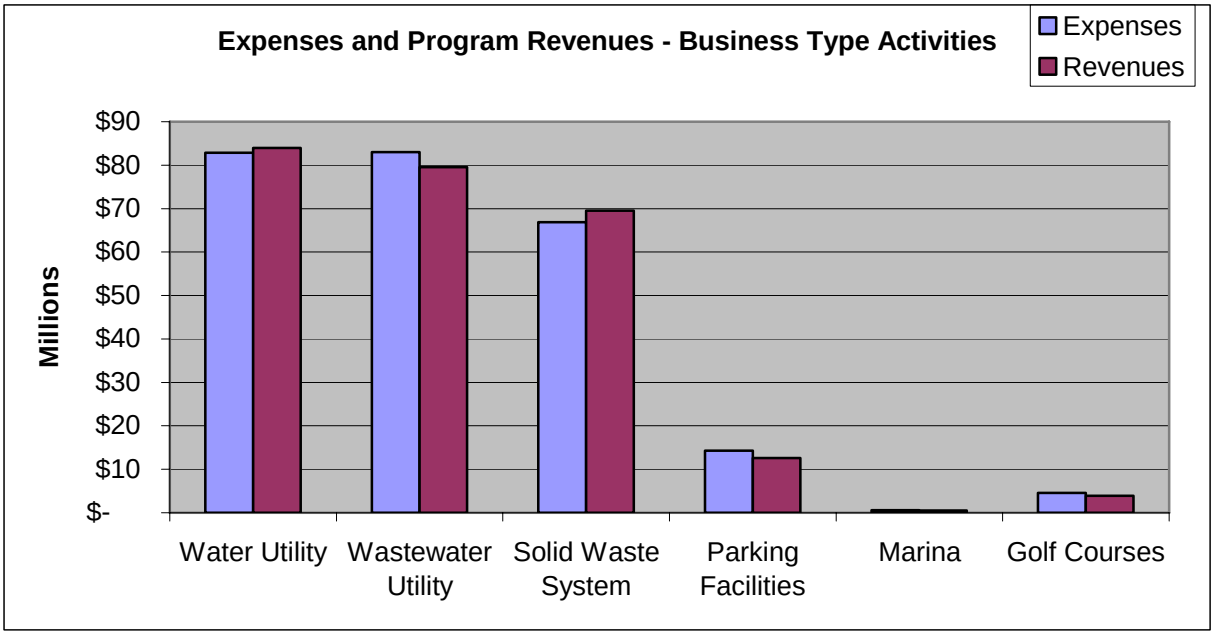


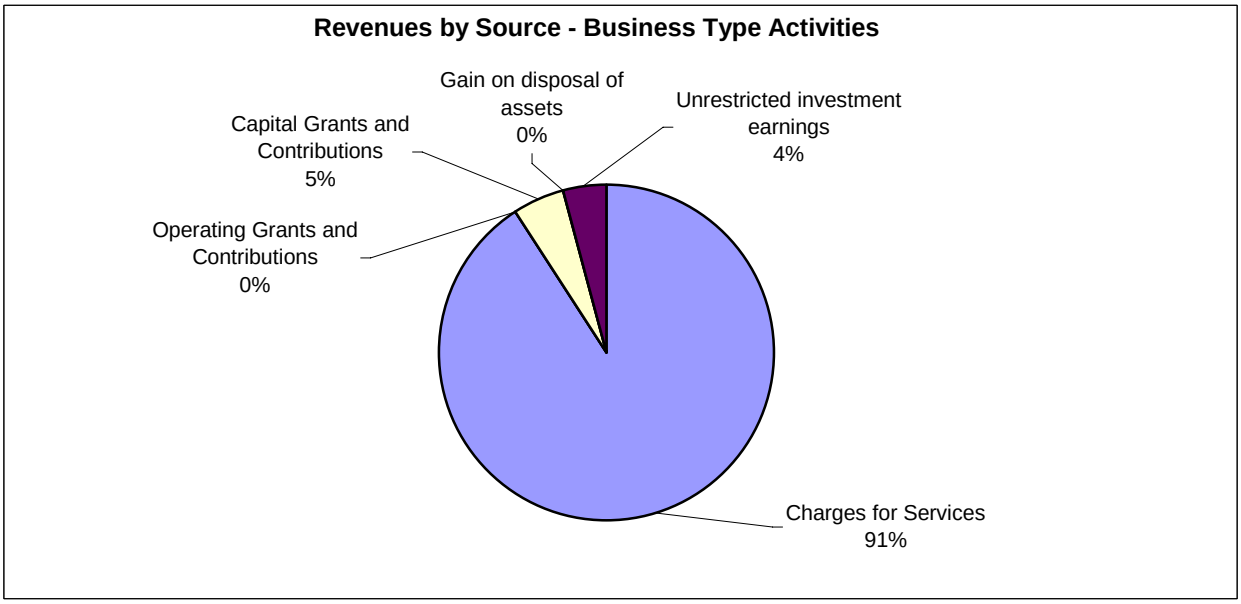
Business-type activities. Business-type activities increased the City of Tampa's net assets by $8,977 (before transfers).

•The change in net assets before contributions and transfers in the water utility fund was ($3,771), a decline of $11,830 compared to the prior year. Operating revenues increased $1,313 due to a rate increase implemented during the year, despite a drop in customers. Operating expenses increased $9,706 due to increased water purchases caused by severe drought conditions, limiting the water supply. Capital contributions by developers decreased $3,823.

•In the wastewater utility fund the change in net assets before contributions and transfers was ($3,498), a decline of $4,881 compared to the prior year. Operating revenues decreased $3,314 due to declines in consumption. Operating expenses increased $927, with higher depreciation and electrical usage.

•In the solid waste system fund the change in net assets before contributions and transfers increased $5,927, while the operating revenues decreased $1,751 due to declines in commercial activity.





As noted earlier, the City of Tampa uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. The focus of the City of Tampa's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Tampa's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources at the end of the fiscal year.

As of the end of the current fiscal year, the City of Tampa's governmental funds reported combined ending fund balances of $344,971, a decrease of $1,529 in comparison with the prior fiscal year. Approximately 84% of this total amount ($290,936) constitutes *unreserved fund balance.* Subtracting $19,436 designated for claims and judgments and $7,656 for emergencies, leaves $263,844, of which $152,163 is designated for capital outlays. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it is already committed 1) to liquidate contracts and purchase orders of the prior period ($51,324), 2) to pay debt service ($1,832), or 3) for a variety of other restricted purposes ($879).

The general fund is the chief operating fund of the City of Tampa. At the end of the current fiscal year, unreserved and undesignated fund balance of the general fund was $88,163, while total fund balance increased to $121,605. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved and undesignated fund balance represents 26.5% of total general fund expenditures, while total fund balance represents 36% of that same amount. The city's target unreserved and undesignated fund balance is 20%.

The fund balance of the City of Tampa's general fund increased by $11,043 during the current fiscal year, $6,625 of which is the result of moving the cable communications special revenue fund net assets into the general fund. Other key factors affect fund balance are as follows:

- Actual revenues were short of budgeted revenues by $2,330. Revenues declined $6,440 (2.2%) compared to 2008 due to decreases in several categories. Property tax revenues were down $3,650 due to lower property values, state legislative restrictions and low collections; investment earnings were down $1,918 due to lower interest rates; state revenues declined $252 due to a decline in the general economy and other effects.
- Actual expenditures were $20,963 less than budgeted expenditures, though expenditures increased $9,499 (2.9%) compared to 2008. The bulk of the increase came from a $8,782 (4.4%) increase in public safety for salary increases and a $3,036 increase in general government expenditures for higher payments to the CRA and The Tampa Sports Authority. The other expenditure categories declined compared to 2008 as a variety of cost cutting efforts were undertaken.

The fund balance of the utility tax special revenue major fund increased by $1,737 in 2009, with an ending fund balance amount of $48,330. The key factors in this change are as follows:

- Revenues exceeded budgeted amounts by $4,308, as revenues increased $4,025 (6.8%) due to higher electric and communications tax revenues compared to 2008.
- Expenditures decreased $4,253 compared to 2008 (a year in which a helicopter and ambulances were purchased) and were $6,970 under budgeted amounts as purchasing restrictions were undertaken.
- Transfers out increased $10,934 with higher transfers to the general fund compared to 2008.

The fund balance in the Community Redevelopment Agency (CRA) major fund increased $4,358 in 2009, with an ending fund balance of $18,560. The key factors in this change are as follows:

- Total revenues increased $6,612 compared to 2008 due to higher tax increment property tax receipts, a result of continued growth in the CRAs.
- Total expenditures increased $2,242 compared to 2008 due to higher East Tampa capital outlays on roads and stormwater improvements.
- Transfers out increased $4,486 compared to 2008 due to transfers to the utility tax fund for construction of Curtis Hixon Waterfront Park.

Proprietary funds. The City of Tampa's proprietary funds provide the same type of information found in the business-type activities column in the government-wide financial statements, but in more detail.

Unrestricted net assets of the water utility amounted to $57,111, for the wastewater utility $32,064, for the solid waste system $24,278, and those for the nonmajor funds amounted to $6,297. The total change in net assets for the three major funds was $1,805; ($7,381); and $2,073, respectively. Other factors concerning the finances of those funds have already been addressed in the discussion of the City of Tampa's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were $15,725 (increase in appropriations) and can be briefly summarized as follows:

- $13,435 in increases allocated to public safety
- $903 in increases allocated to culture and recreation
- $2,113 in increases allocated to public works
- $753 decrease in allocations to general government services

Practically all of this increase was to be budgeted from available fund balance. During the year, however, expenditures were less than budgetary estimates, thus eliminating the need to draw upon existing fund balance.

Differences between the final budget and actual revenues were ($2,330) (actual amount below the budgeted amount) and can be summarized as follows:

- Tax revenues exceeded the budgeted amount by $492.
- Intergovernmental revenues were less than the budgeted amount by $5,103, as state half-cent sales tax was $4,691 short of budgeted amounts.
- Despite the increase in some rates, licenses and permits revenue receipts fell short of the budgeted amount by $885. Of that amount $997 of the shortage was related to building fees.
- Charges for services revenues exceeded the budgeted amount by $2,228. Of that amount $2,645 was related to public safety, where police extra duty charges (which pay for offsetting expenditures) are the main component. Recreation revenues were $571 in excess of budgeted amounts.
- Investment earnings were $2,046 over the budgeted amount due to market value increases on fixed income investments.

During the year, the city undertook various cost savings measures so that differences between the final budget and actual expenditures were $20,963 (actual amount less than budgeted amount) and can be summarized as follows:

- Public safety expenditures were $5,143 under the budgeted amount with $4,992 of that amount relating to police expenditures.
- Culture and recreation expenditures were $3,524 under the budgeted amount with $3,279 of that amount relating to parks and recreation.
- Public works expenditures were $3,415 under the budgeted amount.
- General government services expenditures were $8,867 under the budgeted amount, $5,848 of that amount pertaining to unclassified expenditures. Technology and innovation expenditures were $988 under the budgeted amount.

Capital Asset and Debt Administration

Capital assets. The City of Tampa's investment in capital assets for its governmental and business-type activities as of September 30, 2009, amounts to $2,228,495 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total net increase in the City of Tampa's investment in capital assets for the current fiscal year was 5.8% (an 8% increase for governmental activities and a 4% increase for business-type activities).

Major capital asset events during the current fiscal year included the following:

- For governmental activities the investment in construction in progress increased $16,388. The primary factor for this increase is work on the new Tampa Museum of Art and the Curtis Hixon Waterfront Park.
- For governmental activities the investment in infrastructure increased $42,932. Infrastructure additions involved land purchases, primarily for the 40th Street right-of-way, and multiple completed construction projects for sidewalks and stormwater improvements.
- For business-type activities the investment in construction in progress increased $18,036 as water and wastewater pipe replacement projects were undertaken.

City of Tampa's Capital Assets
(net of depreciation)

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Land	$ 191,969	$ 190,233	$ 35,293	$ 34,651	$ 227,262	$ 224,884
Buildings	218,793	217,298	227,123	238,265	445,916	455,563
Improvements other than buildings	100,181	90,261	864,983	827,462	965,164	917,723
Furniture and equipment	61,579	58,174	16,718	16,373	78,297	74,547
Infrastructure	346,006	303,074	-	-	346,006	303,074
Construction in progress	89,159	72,771	76,691	58,655	165,850	131,426
Total	$ 1,007,687	$ 931,811	$ 1,220,808	$ 1,175,406	$ 2,228,495	$ 2,107,217

Additional information on the City of Tampa's capital assets can be found in note IV.C. on pages 49-51 of this report.

Long-term debt. At the end of the current fiscal year, the City of Tampa had total revenue bonded debt outstanding of $762,361. Debt incurred under the State of Florida revolving loan program outstanding at the end of the fiscal year amounted to $42,619. HUD section 108 loans outstanding at the end of the current fiscal year amounted to $7,950, and outstanding commercial paper loans totaled $25,800. The full faith and credit of the City of Tampa back none of this outstanding debt.

City of Tampa's Outstanding Debt

Revenue Bonds, State Loans, HUD Section 108 Loans

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Revenue bonds	$ 368,528	$ 384,961	$ 393,833	$ 416,167	$ 762,361	$ 801,128
State of Florida revolving loans	-	-	42,619	47,786	42,619	47,786
Commercial paper loans	12,147	7,600	13,653	-	25,800	7,600
HUD section108 loans	7,950	8,170	-	-	7,950	8,170
Total	$ 388,625	$ 400,731	$ 450,105	$ 463,953	$ 838,730	$ 864,684

The City of Tampa's total debt decreased $25,954 during the current fiscal year due to the scheduled repayment of existing debt offset by the issuance of $18,200 in commercial paper.

The City of Tampa seeks to maintain a minimum of an "A" rating from Standard & Poor's Rating Services (S&P), Fitch Ratings (Fitch), and Moody's Investor Services (Moody's) for revenue bonds, and in the past the city typically insured its bonds to achieve "AAA" or "Aaa" ratings by these three agencies. But with the 2008 ratings downgrades of several bond insurers, the city's insured bond ratings were also downgraded, but the underlying bond ratings were left unchanged. Water and Wastewater bonds had underlying ratings of "AA." Solid Waste bonds had underlying ratings of "A" and general government revenue bonds had an underlying "A" rating. During the year, Fitch upgraded the city's utilities tax and special revenue refunding bonds to "AA-" from "A+" and also upgraded the utilities tax improvement bonds to "A+" from "A". Fitch also affirmed the "A+" rating of the occupational license tax refunding bonds and the "AA-" rating of the sales tax revenue bonds. Moody's affirmed the city's "Aa2" issuer rating, the "Aa3" rating on the city's community investment sales tax bonds, the "Aa3" rating on the occupational license tax bonds and the "Aa3" and "A1" ratings on the senior and subordinate lien utility tax bonds, respectively. As of the end of the current fiscal year the city had no general obligation debt.

Additional information on the City of Tampa's long-term debt can be found in note IV.F. on pages 53-64 of this report.

Economic Factors and Next Year's Budgets and Rates

- At the end of the fiscal year, the unemployment rate for the City of Tampa area was 11.7%, which is higher than the rate of 4.0% of a year ago, above the state's average unemployment rate of 11.2% and above the national average rate of 9.8%.
- A 12.57% decrease in taxable property valuation is budgeted for 2010.
- Water rates in the enterprise fund will increase to cover construction and other costs according to a five-year schedule previously adopted by city council and wastewater rates in the enterprise fund will increase to cover operating and other costs according to a three-year schedule adopted by city council during the fiscal year.
- Certain Parks and Recreation fees are scheduled to increase to help cover the costs of providing services.
- During the current fiscal year, unreserved and undesignated fund balance in the general fund increased to $88,163. The City of Tampa has appropriated $31,012 of this amount for spending in the 2010 fiscal year budget.
- The property tax millage rate will remain the same at 5.7326 mills in 2010.

All of these factors were considered in preparing the City of Tampa's budget for the 2010 fiscal year.

The city continues ongoing communication with the County Property Appraiser to assess the impact of the housing and economic crisis on property values. After a decline in property values for fiscal year 2010, it is expected that property values will decline further for fiscal year 2011.

Requests for Information

This financial report is designed to provide a general overview of the City of Tampa's finances for all those with an interest in the city's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the office of the Finance Director, City of Tampa, 306 East Jackson Street, Tampa, Florida, 33602.

Basic Financial Statements

City of Tampa, Florida

Statement of Net Assets
September 30, 2009 (in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Aquarium	Streetcar
ASSETS					
Cash	$ 1,527	$ 163	$ 1,690	$ 1,780	$ 1,248
Equity in pooled cash and investments	310,188	125,024	435,212	0	0
Receivables--net of allowance for uncollectibles	26,810	32,522	59,332	224	10
Internal balances	501	(501)	0	0	0
Inventories	704	2,647	3,351	0	0
Prepaid items	292	134	426	283	44
Deferred charges	2,099	2,494	4,593	0	0
Restricted assets:					
Cash	222	0	222	304	0
Equity in pooled cash and investments	82,328	83,862	166,190	0	0
Investments	0	15,324	15,324	323	0
Receivables	41	81	122	0	0
Capital assets not being depreciated:					
Land and land rights	191,969	35,293	227,262	0	0
Construction in progress	89,159	76,691	165,850	0	0
Capital assets net of accumulated depreciation:					
Buildings and improvements	218,793	227,123	445,916	0	0
Improvements other than buildings	100,181	864,983	965,164	0	0
Furniture and equipment	61,579	16,718	78,297	1,459	0
Infrastructure	346,006	0	346,006	0	0
Total assets	1,432,399	1,482,558	2,914,957	4,373	1,302
LIABILITIES					
Accounts payable	19,837	17,653	37,490	1,434	52
Contracts payable - retainage	1,280	204	1,484	0	0
Accrued liabilities	10,665	3,092	13,757	0	0
Unearned revenues	12,242	34	12,276	701	128
Deposits and advances	3,414	738	4,152	0	0
Liabilities payable from restricted assets	23,281	44,937	68,218	303	0
Noncurrent liabilities:					
Net pension obligation	30	0	30	0	0
Due within one year	43,480	487	43,967	178	0
Due in more than one year	447,843	435,208	883,051	635	0
Total liabilities	562,072	502,353	1,064,425	3,251	180
NET ASSETS					
Invested in capital assets, net of related debt	666,602	820,656	1,487,258	645	0
Restricted for:					
Debt service	15,347	39,799	55,146	0	0
Capital improvements	34,309	0	34,309	0	0
Perpetual care, expendable	0	0	0	141	0
Perpetual care, nonexpendable	0	0	0	182	0
Unrestricted	154,069	119,750	273,819	154	1,122
Total net assets	$ 870,327	$ 980,205	$ 1,850,532	$ 1,122	$ 1,122

The notes to the financial statements are an integral part of this statement.

City of Tampa, Florida

Statement of Activities

For the fiscal year ended September 30, 2009 (in thousands)

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
					Primary Government			Component units	
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Aquarium	Streetcar
Primary government:									
Governmental activities:									
General government	$ 68,237	$ 39,692	$ 44,987	$ 0	$ 16,442	$ 0	$ 16,442	$ 0	$ 0
Public safety	222,204	20,379	10,276	15,505	(176,044)	0	(176,044)	0	0
Public works	58,587	6,883	1,927	34,560	(15,217)	0	(15,217)	0	0
Economic environment	17,067	0	16,732	683	348	0	348	0	0
Culture and recreation	54,445	10,114	507	4,037	(39,787)	0	(39,787)	0	0
Interest on long-term debt	19,704	0	0	0	(19,704)	0	(19,704)	0	0
Total governmental activities	440,244	77,068	74,429	54,785	(233,962)	0	(233,962)	0	0
Business-type activities:									
Water Utility	82,856	73,839	8	10,137	0	1,128	1,128	0	0
Wastewater Utility	82,968	77,462	100	2,015	0	(3,391)	(3,391)	0	0
Solid Waste System	66,870	69,357	0	186	0	2,673	2,673	0	0
Parking Facilities	14,288	12,531	0	45	0	(1,712)	(1,712)	0	0
Marina	572	540	0	0	0	(32)	(32)	0	0
Golf Courses	4,573	3,280	0	644	0	(649)	(649)	0	0
Total business-type activities	252,127	237,009	108	13,027	0	(1,983)	(1,983)	0	0
Total primary government	$ 692,371	$ 314,077	$ 74,537	$ 67,812	(233,962)	(1,983)	(235,945)	0	0
Component units:									
Aquarium	$ 11,767	$ 9,577	$ 2,624	$ 319	0	0	0	753	0
Streetcar	2,424	860	450	0	0	0	0	0	(1,114)
Total component units	$ 14,191	$ 10,437	$ 3,074	$ 319	0	0	0	753	(1,114)
		General revenues:							
		Property taxes			159,987	0	159,987	0	747
		Local option resort tax			1,898	0	1,898	0	0
		Communications services tax			29,923	0	29,923	0	0
		Sales taxes			37,144	0	37,144	0	0
		Utility taxes			33,110	0	33,110	0	0
		Motor fuel taxes			12,129	0	12,129	0	0
		Unrestricted investment earnings			16,118	10,779	26,897	(14)	(451)
		Gain on disposal of capital assets			0	181	181	255	0
		Transfers			17,190	(17,190)	0	0	0
		Total general revenues and transfers			307,499	(6,230)	301,269	241	296
		Change in net assets			73,537	(8,213)	65,324	994	(818)
		Net assets - beginning, as restated			796,790	988,418	1,785,208	128	1,940
		Net assets - ending			$ 870,327	$ 980,205	$ 1,850,532	$ 1,122	$ 1,122

The notes to the financial statements are an integral part of this statement.

City of Tampa, Florida

Balance Sheet--
Governmental Funds
September 30, 2009 (in thousands)

	Major Funds				
	General	Utility Tax Special Revenue	Community Redevelopment Agency Special Revenue	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash	$ 160	$ 0	$ 14	$ 1,575	$ 1,749
Equity in pooled cash and investments	127,962	43,323	18,992	192,848	383,125
Receivables--net of allowance for uncollectibles	7,114	5,354	0	13,650	26,118
Due from other funds	3,843	0	0	0	3,843
Inventories	427	0	0	0	427
Prepaid expenditures	292	0	0	0	292
Total assets	$ 139,798	$ 48,677	$ 19,006	$ 208,073	$ 415,554
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 7,353	$ 347	$ 446	$ 13,042	$ 21,188
Contracts payable--retainage	0	0	0	2,521	2,521
Accrued liabilities	10,739	0	0	479	11,218
Accrued Interest payable	0	0	0	6,594	6,594
Current portion of long-term debt	0	0	0	13,515	13,515
Due to other funds	0	0	0	3,305	3,305
Deferred revenues	101	0	0	12,141	12,242
Total liabilities	18,193	347	446	51,597	70,583
Fund balances:					
Reserved for:					
Imprest cash	160	0	0	0	160
Inventories and prepaid expenditures	719	0	0	0	719
Encumbrances	5,471	4,207	2,127	39,519	51,324
Debt service	0	0	0	1,832	1,832
Unreserved reported in:					
General fund:					
Designated for claims and judgments	19,436	0	0	0	19,436
Designated for emergencies	7,656	0	0	0	7,656
Undesignated	88,163	0	0	0	88,163
Special revenue funds:					
Designated for capital outlays	0	44,123	0	0	44,123
Undesignated	0	0	16,433	7,149	23,582
Capital projects funds:					
Designated for capital outlays	0	0	0	108,040	108,040
Undesignated	0	0	0	(64)	(64)
Total fund balances	121,605	48,330	18,560	156,476	344,971
Total liabilities and fund balances	$ 139,798	$ 48,677	$ 19,006	$ 208,073	$ 415,554

The notes to the financial statements are an integral part of this statement.

City of Tampa, Florida

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
September 30, 2009 (in thousands)

Total fund balances of governmental funds in the balance sheet (page 24)	$ 344,971
Amounts reported for governmental activities in the statement of net assets (page 22) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of capital assets included in internal service funds which are accounted for below.	1,005,495
Internal service funds are used by management to charge the costs of fleet maintenance, administrative services, and utility accounting to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	7,197
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(487,336)
Net assets of governmental activities (page 22)	$ 870,327

The notes to the financial statements are an integral part of this statement.

City of Tampa, Florida

Statement of Revenues, Expenditures, and
Changes in Fund Balances--
Governmental Funds
For the fiscal year ended September 30, 2009 (in thousands)

	Major Funds				
	General	Utility Tax Special Revenue	Community Redevelopment Agency Special Revenue	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	$ 159,987	$ 0	$ 0	$ 0	$ 159,987
Sales	104	0	0	13,220	13,324
Local option resort	834	0	0	1,064	1,898
Motor fuel	0	0	0	10,402	10,402
Utility	0	33,110	0	0	33,110
Communications services	0	29,923	0	0	29,923
Special assessments	0	0	0	6,148	6,148
Intergovernmental:					
Federal	399	0	0	30,099	30,498
State	42,225	0	0	16,081	58,306
Local	4,633	0	33,624	5,256	43,513
Transportation impact fees	0	0	0	5,331	5,331
Licenses and permits	34,379	0	0	10,879	45,258
Charges for services	27,626	0	0	89	27,715
Fines and forfeitures	3,093	367	0	0	3,460
Investment earnings	9,499	0	2,564	4,055	16,118
Contributions and donations	212	27	0	8,726	8,965
Total revenues	282,991	63,427	36,188	111,350	493,956
EXPENDITURES					
Current:					
Public safety	206,849	456	0	1,567	208,872
Culture and recreation	39,872	167	0	741	40,780
Public works	33,294	100	0	11,761	45,155
General government services	52,379	152	0	2,324	54,855
Economic and physical environment	0	0	2,335	14,817	17,152
Debt service:					
Principal	0	0	0	16,245	16,245
Interest	0	1	0	15,616	15,617
Debt issuance costs	0	0	0	6	6
Capital outlay	13	3,462	8,616	109,275	121,366
Total expenditures	332,407	4,338	10,951	172,352	520,048
Excess (deficiency) of revenues over (under) expenditures	(49,416)	59,089	25,237	(61,002)	(26,092)
OTHER FINANCING SOURCES (USES)					
Commercial paper issued	0	0	0	4,547	4,547
Sale of capital assets	475	669	0	1,682	2,826
Transfers in	62,539	110	0	71,019	133,668
Transfers out	(2,555)	(58,131)	(20,879)	(34,913)	(116,478)
Total other financing sources (uses)	60,459	(57,352)	(20,879)	42,335	24,563
Net change in fund balances	11,043	1,737	4,358	(18,667)	(1,529)
Beginning fund balances	110,562	46,593	14,202	175,143	346,500
Ending fund balances	$ 121,605	$ 48,330	$ 18,560	$ 156,476	$ 344,971

The notes to the financial statements are an integral part of this statement.

City of Tampa, Florida

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the fiscal year ended September 30, 2009 (in thousands)

Net change in fund balances - total governmental funds (page 26)	$	(1,529)
Amounts reported for governmental activities in the statement of activities (page 23) are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		81,031
The net effect of various transactions involving capital assets (i.e., donations, disposals, and sales) is to decrease net assets.		(5,029)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		12,104
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(13,272)
The net revenue of certain activities of internal service funds is reported with governmental activities.		232
Change in net assets of governmental activities (page 23)	$	73,537

The notes to the financial statements are an integral part of this statement.

City of Tampa, Florida

Statement of Revenues, Expenditures, and
Changes in Fund Balances--Budget and Actual--
General Fund
For the fiscal year ended September 30, 2009 (in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes:				
Property	$ 159,221	$ 159,221	$ 159,987	$ 766
Sales	78	78	104	26
Local option resort	1,134	1,134	834	(300)
Total taxes	160,433	160,433	160,925	492
Intergovernmental:				
Federal--public safety	65	65	98	33
Federal--other	0	0	301	301
State--half-cent sales tax	28,511	28,511	23,820	(4,691)
State--revenue sharing	11,268	11,268	10,253	(1,015)
State--police and fire pension contribution	0	6,394	6,394	0
State--beverage licenses	310	310	348	38
State--mobile home licenses	167	167	165	(2)
State--other	1,181	1,181	1,245	64
County--ninth-cent gas tax	1,589	1,589	1,727	138
County--occupational licenses	130	130	131	1
County--public safety	1,974	2,139	2,189	50
County--transportation	439	439	448	9
County--other	10	10	10	0
Local--other	130	157	128	(29)
Total intergovernmental	45,774	52,360	47,257	(5,103)
Licenses and permits:				
Franchise fees	27,659	27,659	27,871	212
Occupational licenses	(10)	(10)	(5)	5
Building fees	6,611	7,320	6,323	(997)
Other	295	295	190	(105)
Total licenses and permits	34,555	35,264	34,379	(885)
Charges for services:				
Public safety	14,497	14,747	17,392	2,645
Charges to other funds	170	170	77	(93)
Convention center	7,943	7,943	7,949	6
Recreation	1,110	1,264	1,835	571
Rental of facilities and concessions	678	678	663	(15)
Insurance	0	(707)	(1,510)	(803)
Other miscellaneous charges	1,212	1,303	1,220	(83)
Total charges for services	25,610	25,398	27,626	2,228
Fines and forfeitures	3,880	4,271	3,093	(1,178)
Investment earnings	7,453	7,453	9,499	2,046
Contributions and donations	5	142	212	70
Total revenues	277,710	285,321	282,991	(2,330)

The notes to the financial statements are an integral part of this statement.

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
EXPENDITURES				
Public safety:				
Police	132,644	137,517	132,525	4,992
Fire	56,239	64,330	63,999	331
Public lighting	4,478	4,748	5,429	(681)
Code enforcement	5,196	5,397	4,896	501
Total public safety	198,557	211,992	206,849	5,143
Culture and recreation:				
Parks and recreation	33,929	34,758	31,479	3,279
Convention	8,361	8,407	8,157	250
Culture	203	231	236	(5)
Total culture and recreation	42,493	43,396	39,872	3,524
Public works	34,596	36,709	33,294	3,415
General government services:				
Human resources	2,538	2,540	2,310	230
Economic development	2,138	2,351	2,189	162
Neighborhood services	6,815	7,435	6,593	842
Technology and innovation	7,471	8,690	7,702	988
Revenue and finance	1,797	1,488	1,059	429
Legal	3,278	3,393	3,284	109
Purchasing	314	770	738	32
Internal audit	489	395	380	15
City clerk	1,488	1,643	1,510	133
Mayor	337	360	334	26
City council	688	668	615	53
Other--unclassified	34,646	31,513	25,665	5,848
Total general government services	61,999	61,246	52,379	8,867
Capital outlay	0	27	13	14
Total expenditures	337,645	353,370	332,407	20,963
Deficiency of revenues Under expenditures	(59,935)	(68,049)	(49,416)	18,633
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	442	442	475	33
Transfers in:				
Payments in lieu of taxes	15,165	15,165	15,165	0
Utility tax	34,507	34,507	34,615	108
Solid Waste System	67	67	67	0
Guaranteed entitlement	0	0	15	15
Occupational license	4,221	4,221	4,221	0
Community Redevelopment Agency	0	1,813	1,831	18
Cable communications	0	0	6,625	6,625
Transfers out:				
Stormwater	(2,928)	(3,228)	(2,555)	673
Total other financing sources (uses)	51,474	52,987	60,459	7,472
Net change in fund balance	(8,461)	(15,062)	11,043	26,105
Beginning fund balance	110,562	110,562	110,562	0
Ending fund balance	$ 102,101	$ 95,500	$ 121,605	$ 26,105

City of Tampa, Florida

Statement of Revenues, Expenditures, and
Changes in Fund Balances--Budget and Actual--
Major Special Revenue Funds
For the fiscal year ended September 30, 2009 (in thousands)

	Utility Tax			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
Utility	$ 31,040	$ 31,039	$ 33,110	$ 2,071
Communications services	27,708	27,708	29,923	2,215
Intergovernmental:				
Local government	0	0	0	0
Fines and forfeitures	0	350	367	17
Investment earnings	0	0	0	0
Contributions and donations	0	22	27	5
Total revenues	58,748	59,119	63,427	4,308
EXPENDITURES				
Current:				
Public safety	376	865	456	409
Culture and recreation	170	170	167	3
Public works	100	100	100	0
General government services	407	424	152	272
Economic and physical environment	0	0	0	0
Debt service:				
Interest	1	1	1	0
Capital outlay	6,491	9,748	3,462	6,286
Total expenditures	7,545	11,308	4,338	6,970
Excess of revenues over expenditures	51,203	47,811	59,089	11,278
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	400	400	669	269
Transfers in	110	110	110	0
Transfers out	(58,244)	(60,727)	(58,131)	2,596
Total other financing sources (uses)	(57,734)	(60,217)	(57,352)	2,865
Net change in fund balances	(6,531)	(12,406)	1,737	14,143
Beginning fund balances	46,593	46,593	46,593	0
Ending fund balances	$ 40,062	$ 34,187	$ 48,330	$ 14,143

The notes to the financial statements are an integral part of this statement.

Community Redevelopment Agency			
Budgeted Amounts			
Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
$ 0	$ 0	$ 0	$ 0
0	0	0	0
33,790	33,624	33,624	0
0	0	0	0
0	2,564	2,564	0
0	0	0	0
33,790	36,188	36,188	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
2,916	4,200	2,335	1,865
3	3	0	3
10,281	14,472	8,616	5,856
13,200	18,675	10,951	7,724
20,590	17,513	25,237	7,724
0	0	0	0
0	0	0	0
(15,666)	(20,979)	(20,879)	100
(15,666)	(20,979)	(20,879)	100
4,924	(3,466)	4,358	7,824
14,202	14,202	14,202	0
$ 19,126	$ 10,736	$ 18,560	$ 7,824

City of Tampa, Florida

Statement of Net Assets--
Proprietary Funds
September 30, 2009 (in thousands)

	Business-type Activities - Enterprise Funds					
	Major Funds			Nonmajor		Governmental Activities -
	Water Utility	Wastewater Utility	Solid Waste System	Enterprise Funds	Total	Internal Service Funds
ASSETS						
Current assets:						
Cash	$ 21	$ 1	$ 2	$ 139	$ 163	$ 0
Equity in pooled cash and investments	67,980	24,175	22,776	10,093	125,024	9,391
Receivables--net	12,734	11,040	8,324	424	32,522	733
Prepaid items	0	0	0	134	134	0
Inventories	1,166	1,419	0	62	2,647	277
Restricted cash, cash equivalents, and investments:						
Bond covenant accounts:						
Equity in pooled cash and investments	42,551	22,171	17,855	0	82,577	0
Interest receivable	0	0	81	0	81	0
Total current assets	124,452	58,806	49,038	10,852	243,148	10,401
Noncurrent assets:						
Restricted cash, cash equivalents, and investments:						
Bond covenant accounts:						
Investments	0	0	15,324	0	15,324	0
Restricted for solid waste facility postclosure:						
Equity in pooled cash and investments	1,285	0	0	0	1,285	0
Advances to other funds	0	8,078	0	0	8,078	0
Deferred bond issuance costs--net	880	779	835	0	2,494	0
Capital assets:						
Land and land rights	5,218	2,945	585	26,545	35,293	1
Buildings and improvements	41,803	56,435	207,545	93,119	398,902	2,787
Improvements other than buildings	611,641	805,435	2,333	19,918	1,439,327	1,508
Furniture and equipment	9,636	15,147	20,986	3,212	48,981	3,046
Construction in progress	60,087	10,745	610	5,249	76,691	63
Less accumulated depreciation	(191,240)	(424,845)	(116,906)	(45,395)	(778,386)	(5,213)
Total capital assets (net of accumulated depreciation)	537,145	465,862	115,153	102,648	1,220,808	2,192
Total noncurrent assets	539,310	474,719	131,312	102,648	1,247,989	2,192
Total assets	663,762	533,525	180,350	113,500	1,491,137	12,593

	Business-type Activities - Enterprise Funds					
	Major Funds			Nonmajor		Governmental Activities -
	Water Utility	Wastewater Utility	Solid Waste System	Enterprise Funds	Total	Internal Service Funds
LIABILITIES						
Current liabilities:						
Accounts payable	8,094	4,596	2,361	2,602	17,653	580
Contracts payable--retainage	0	118	0	86	204	0
Accrued liabilities	918	1,246	647	316	3,127	345
Unearned revenues	0	0	300	34	334	0
Due to other funds	133	206	111	51	501	37
Customer deposits	245	0	150	103	498	2,579
Customer advances	0	0	0	240	240	835
Current portion of long-term debt	0	0	152	0	152	0
Current liabilities payable from restricted assets:						
Accounts payable	4,006	989	0	0	4,995	0
Contracts payable--retainage	0	993	0	0	993	0
Accrued interest payable	3,759	2,916	3,459	0	10,134	0
Current portion of long-term debt	4,652	15,098	7,780	0	27,530	0
Total current liabilities	21,807	26,162	14,960	3,432	66,361	4,376
Noncurrent liabilities:						
Advances from other funds	8,078	0	0	0	8,078	0
Accrued for landfill postclosure	1,285	0	0	0	1,285	0
Long-term debt payable after one year	164,342	128,103	130,455	113	423,013	0
Long-term compensated absences	2,674	3,665	2,202	816	9,357	1,020
Other post employment benefits	642	836	564	307	2,349	
Unearned revenues	0	0	489	0	489	0
Total noncurrent liabilities	177,021	132,604	133,710	1,236	444,571	1,020
Total liabilities	198,828	158,766	148,670	4,668	510,932	5,396
NET ASSETS						
Invested in capital assets, net of related debt	397,378	327,818	(7,075)	102,535	820,656	2,192
Restricted:						
For debt service	10,445	14,877	14,477	0	39,799	0
Unrestricted	57,111	32,064	24,278	6,297	119,750	5,005
Total net assets	$ 464,934	$ 374,759	$ 31,680	$ 108,832	$ 980,205	$ 7,197

The notes to the financial statements are an integral part of this statement.

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City of Tampa, Florida

Statement of Revenues, Expenses, and
Changes in Fund Net Assets--
Proprietary Funds
For the fiscal year ended September 30, 2009 (in thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Major Funds			Nonmajor Enterprise Funds	Total	
	Water Utility	Wastewater Utility	Solid Waste System			
Operating revenues:						
Charges for sales and services	$ 72,902	$ 77,216	$ 69,344	$ 16,323	$ 235,785	$ 24,615
Operating expenses:						
Salaries and employee benefits	19,009	25,912	14,289	9,507	68,717	9,325
Supplies and materials	14,932	9,593	1,307	1,309	27,141	6,374
Contract services	15,665	1,681	19,801	1,840	38,987	1,160
Other services and charges	11,428	16,668	15,798	3,097	46,991	7,391
Depreciation	14,170	23,706	8,597	3,171	49,644	381
Total operating expenses	75,204	77,560	59,792	18,924	231,480	24,631
Operating income (loss)	(2,302)	(344)	9,552	(2,601)	4,305	(16)
Nonoperating revenues (expenses):						
Investment earnings	5,238	2,027	3,162	352	10,779	233
Gain (loss) on disposal of capital assets	(46)	(140)	181	(206)	(211)	(18)
Federal government	7	17	3	0	27	0
State government	1	(36)	94	0	59	0
Local government	(23)	0	(20)	(293)	(336)	0
Interest expense	(7,583)	(5,268)	(7,058)	(10)	(19,919)	0
Miscellaneous income	937	246	13	28	1,224	29
Total nonoperating revenues (expenses)	(1,469)	(3,154)	(3,625)	(129)	(8,377)	244
Income (loss) before contributions and transfers	(3,771)	(3,498)	5,927	(2,730)	(4,072)	228
Capital contributions	10,137	2,134	89	689	13,049	4
Transfers in	0	125	0	0	125	0
Transfers out	(4,561)	(6,142)	(3,943)	(2,669)	(17,315)	0
Change in net assets	1,805	(7,381)	2,073	(4,710)	(8,213)	232
Total net assets - beginning	463,129	382,140	29,607	113,542	988,418	6,965
Total net assets - ending	$ 464,934	$ 374,759	$ 31,680	$ 108,832	$ 980,205	$ 7,197

The notes to the financial statements are an integral part of this statement.

City of Tampa, Florida

Statement of Cash Flows--
Proprietary Funds
For the fiscal year ended September 30, 2009 (in thousands)

	Business-type Activities - Enterprise Funds					
	Major Funds			Nonmajor		Governmental Activities -
	Water Utility	Wastewater Utility	Solid Waste System	Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:						
Receipts from customers and users	$ 71,343	$ 75,017	$ 67,468	$ 16,159	$ 229,987	$ 3,049
Receipts from interfund services provided	853	1,265	823	216	3,157	21,218
Payments to suppliers	(29,825)	(14,832)	(25,270)	(4,098)	(74,025)	(9,177)
Payments to employees	(18,255)	(25,309)	(13,755)	(9,257)	(66,576)	(9,272)
Payments for interfund services used	(7,059)	(8,626)	(9,623)	(1,947)	(27,255)	(5,095)
Other receipts	937	246	13	28	1,224	29
Net cash provided by operating activities	17,994	27,761	19,656	1,101	66,512	752
Cash flows from noncapital financing activities:						
Cash received from other funds	0	906	0	0	906	0
Cash paid to other funds	(5,342)	(6,142)	(3,943)	(2,669)	(18,096)	0
Nonoperating grants received	8	20	97	0	125	0
Nonoperating grants paid out	(23)	(39)	(20)	(293)	(375)	0
Net cash used by noncapital financing activities	(5,357)	(5,255)	(3,866)	(2,962)	(17,440)	0
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(43,279)	(33,265)	(2,943)	(2,562)	(82,049)	(286)
Interest payments on capital debt	(8,315)	(6,948)	(7,084)	(10)	(22,357)	0
Contributions:						
Subdividers and other governments	3,703	1,872	0	644	6,219	0
Proceeds from sale of capital assets	115	138	245	31	529	17
Issuance of capital debt	13,634	0	0	0	13,634	0
Principal paid on capital debt	(4,313)	(16,012)	(7,626)	(49)	(28,000)	0
Net cash used by capital and related financing activities	(38,455)	(54,215)	(17,408)	(1,946)	(112,024)	(269)

Cash flows from investing activities:						
Interest on investments	5,238	2,027	2,568	352	10,185	233
Net cash provided by investing activities	5,238	2,027	2,568	352	10,185	233
Net increase (decrease) in cash and cash equivalents	(20,580)	(29,682)	950	(3,455)	(52,767)	716
Beginning cash and cash equivalents	132,417	76,029	39,683	13,687	261,816	8,675
Ending cash and cash equivalents	$ 111,837	$ 46,347	$ 40,633	$ 10,232	$ 209,049	$ 9,391
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	$ (2,302)	$ (344)	$ 9,552	$ (2,601)	$ 4,305	$ (16)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	14,170	23,706	8,597	3,171	49,644	381
Miscellaneous receipts	937	246	13	28	1,224	29
Changes in assets and liabilities:						
(Increase) decrease in receivables--net	417	(154)	79	(196)	146	(25)
Increase in inventories and other assets	(69)	(187)	0	(87)	(343)	(14)
Increase in accounts payable	4,392	3,873	1,203	290	9,758	342
Increase in accrued liabilities	700	603	534	250	2,087	53
Increase (decrease) in due to other funds	19	18	13	(2)	48	2
Increase (decrease) in customer deposits and advances	(270)	0	(35)	242	(63)	0
Increase (decrease) in unearned revenues	0	0	(300)	6	(294)	0
Total adjustments	20,296	28,105	10,104	3,702	62,207	768
Net cash provided by operating activities	$ 17,994	$ 27,761	$ 19,656	$ 1,101	$ 66,512	$ 752
Noncash investing, capital, and financing activities:						
Contributions of capital assets from developers	$ 6,434	$ 262	$ 89	$ 45	$ 6,830	$ 4
Acquisition of assets under capital lease contracts	$ 0	$ 0	$ 648	$ 0	$ 648	$ 0
Increase (decrease) in fair value of investments	$ 1,595	$ (291)	$ 0	$ 0	$ 1,304	$ 0
Cash and cash equivalents are reported in financial statements as follows:						
Cash	$ 21	$ 1	$ 2	$ 139	$ 163	$ 0
Equity in pooled cash and investments	67,980	24,175	22,776	10,093	125,024	9,391
Restricted equity in pooled cash and investments	43,836	22,171	17,855	0	83,862	0
	$ 111,837	$ 46,347	$ 40,633	$ 10,232	$ 209,049	$ 9,391

The notes to the financial statements are an integral part of this statement.

City of Tampa, Florida

Statement of Fiduciary Net Assets--
Fiduciary Funds
September 30, 2009 (in thousands)

	Pension Trust Funds	Agency Funds
ASSETS		
Cash	$ 63	$ 25
Equity in pooled cash and investments	0	39,666
Investments, at fair value:		
Debt and other interest bearing investments	426,025	0
Equity securities	1,325,133	0
Real estate investments	22,824	0
Total cash and investments	1,774,045	39,691
Accounts receivable	2,824	7
Interest and dividends receivable	4,452	0
Notes receivable-- net of allowance for uncollectibles	0	18,621
Capital assets:		
Land	99	0
Buildings and improvements	883	0
Less accumulated depreciation	(369)	0
Total capital assets (net of accumulated depreciation)	613	0
Total assets	1,781,934	58,319
LIABILITIES		
Accounts payable	5,779	2,774
Deposits held in custody for others	0	55,545
Total liabilities	5,779	58,319
NET ASSETS		
Held in trust for pension benefits	$ 1,776,155	$ 0

The notes to the financial statements are an integral part of this statement.

City of Tampa, Florida

Statement of Changes in Fiduciary Net Assets--
Pension Trust Funds
For the fiscal year ended September 30, 2009 (in thousands)

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	$ 17,668
Employees	4,680
State of Florida	6,394
Total contributions	28,742
Investment earnings:	
Interest and dividends	48,596
Net decrease in the fair value of investments	(100,706)
Total investment loss	(52,110)
Less investment expense	5,469
Net investment loss	(57,579)
Total additions, net	(28,837)
DEDUCTIONS	
Pension benefits	99,009
Withdrawal payments	45
Administrative expenses	1,791
Total deductions	100,845
Change in net assets	(129,682)
Net assets - beginning	1,905,837
Net assets - ending	$ 1,776,155

The notes to the financial statements are an integral part of this statement.

I. Summary of significant accounting policies

The accounting policies of the City of Tampa (the City) conform to accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of these accounting policies are summarized below.

A. Reporting entity

The City of Tampa is a municipal corporation that was incorporated in 1887 and is governed by an elected Mayor and seven-member Council. The City was created and is governed under the laws of Florida numbers 745 of the year 1855 and 3779 of the year 1887. The City provides traditional governmental services such as public safety, culture and recreation, and public works, as well as water and wastewater services, solid waste disposal, and various parking facilities. The accompanying basic financial statements present the City of Tampa and its component units, entities for which the City of Tampa is considered to be financially accountable in accordance with GASB Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. Blended component units although legally separate entities are, in substance, part of the City's operations. The discretely presented component units are reported in separate columns in the government-wide financial statements (see notes below for descriptions) to emphasize that they are legally separate from the City of Tampa.

Blended component unit. The Community Redevelopment Agency (CRA) was created in 1982 under part 3 of chapter 163 of the Florida Statutes and City of Tampa ordinance numbers 2119-H and 2871-H. Its sole purpose is to administer funds distributed via State law for blighted areas within the City. The CRA board is composed of the same seven members of City Council, therefore the City Council has absolute influence over the CRA board. In accordance with Florida Statute 163.387 the amount and source of revenues into and the amount and purpose of expenditures from the CRA fund, including the amount of debt principal and interest paid during the current year, as well as the remaining amount of indebtedness to which revenues of the fund are pledged, are detailed in the supplemental schedule presented on page 104. The CRA is reported as a major special revenue fund.

Discretely presented component unit. The Florida Aquarium, Inc. (Aquarium) was created as a non-profit corporation and is exempt from income taxes under the provisions of Internal Revenue Code Section 501(a) as an organization described in section 501(c)(3). In 1996 the City purchased the Aquarium assets and enacted a management agreement as authorized by City of Tampa ordinance numbers 96-1653, 96-1880, and 96-1922. The Aquarium operations, which mainly consist of operation of the facility and community fund raising are governed by the management agreement which stipulates that the Chief Executive Officer and the Board of Directors are responsible to and serve at the discretion of the City.

Discretely presented component unit. The Tampa Historic Streetcar, Inc. (Streetcar) was created as a non-profit organization and is exempt from income taxes under the provisions of Internal Revenue Service Section 501(a) as an organization described in section 501(c)(3). In 1998 an interlocal agreement was enacted between the Hillsborough Area Regional Transit Authority (HART) and the City, authorized by City of Tampa ordinance numbers 97-1595 and 98-573, specifying terms for the funding, construction, and management of a historic streetcar system. In 2001 an operator's agreement authorized by City of Tampa ordinance number 2001-045 was made between the City, HART, and the Streetcar. According to the terms of these agreements, the City appoints a voting majority of the board members of the Streetcar, must approve the annual budget, and is responsible for any operating deficit of the Streetcar.

Restatement of Net Assets – To correct errors related to the amortization of naming rights, net assets for the Streetcar at October 1, 2008, have been restated by $56,900.

Complete financial statements for each of the individual component units may be obtained at the City's accounting office at 315 E. Kennedy Blvd., Tampa, Florida.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as *general revenues*.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. The fiduciary fund statements for the agency funds do not report revenues and expenses and therefore do not have a measurement focus. The agency funds use the full accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues are an exception, as they are considered available when eligible expenditures have occurred even though they may be collected for up to one year after the current fiscal year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when the liability has matured, with the exception of interest and principal which are recognized as expenditures when funds are transferred to the debt service fund to make payments due shortly after the fiscal year end.

Property taxes, franchise taxes, certain other tax revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

<u>The City reports the following major governmental funds</u>:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *utility tax special revenue fund* accounts for taxes levied on public utilities. These taxes are to be used first for payment of bonded debt service requirements. A specified portion may be transferred to the general fund to be used for any lawful purpose, after that, revenues are to be used for capital improvements.

The *community redevelopment agency (CRA) fund* accounts for the proceeds of property taxes associated with increases of property values (tax increment revenues) in designated "blighted" areas. Monies are controlled by the CRA; a special unit of government established through state law specifically to manage the use of said monies.

<u>The City reports the following major proprietary funds</u>:

The *water utility fund* accounts for the activities of the City's water production and distribution operations. The City operates a water treatment plant and water distribution system. The post-closure cost of the Old Manhattan Landfill, where water production waste has been disposed of, is also paid from this fund.

The *wastewater utility fund* accounts for the activities of the City's wastewater collection and treatment system. The City operates a wastewater treatment facility, pumping stations, and collection systems.
The *solid waste system fund* accounts for the activities of the City's solid waste collection operation. The City operates an electricity generating solid waste incinerator and provides collection service to City residents.

<u>Additionally, the City reports the following fund types</u>:

Internal service funds account for fleet maintenance services, administrative services, and utility accounting services provided to

other City departments.

The *pension trust funds* account for the activities of the firefighters and police officers pension fund and the general employees retirement fund, which accumulate resources for pension benefit payments to qualified retirees.

The *agency funds* account for various deposits for which the City is the agent or custodian, some of which include the law enforcement trust funds and the art in public places trust fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and franchise fees and other charges between the City's water, wastewater, solid waste, parking, and general funds, as well as cost reimbursement transactions between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and wastewater utility funds, the solid waste system fund, the parking facilities fund, the golf courses fund, the marina fund, and all of the City's internal service funds are charges to customers for sales and services. The water and wastewater utility funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses (including administrative overhead), and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The preparation of the basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make use of estimates that affect reported amounts in the basic financial statements. Actual results could differ from estimates.

D. Assets, liabilities, and net assets or equity

1. *Deposits and investments*

The City's cash and cash equivalents include cash on hand, demand deposits, and equity in pooled cash and investments. The equity in pooled cash and investments represents a fund's share of a cash and investment pool maintained by the City for use by all funds, except the pension funds and funds with agreements that require separate bank accounts. All investments are reported at fair value. For the purpose of the statement of cash flows, the City considers cash equivalents to be highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased.

Interest earned from investments purchased with pooled cash is allocated to each participating fund based on the fund's average equity balance, except that, as required by City charter, interest attributable to the utility tax special revenue fund and the utility tax capital projects fund is deposited to the general fund. As required by bond indenture provisions, interest earned on investments related to the local option gas tax debt service fund is allocated to the local option gas tax special revenue fund. Funds that incur negative equity in pooled cash and investments during the year incur a charge for interest. Funds used to account for federal and state grants have negative equity in pooled cash and investments throughout the year due to the reimbursement basis of the grant programs. The general fund absorbs charges for interest to these funds.

2. *Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any

residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Accounts receivable balances are shown net of the allowance for uncollectibles. The allowance amount in the enterprise funds is based on historical experience. In the governmental funds the allowance varies based on management estimates.

3. *Inventories and prepaid items*

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

4. *Restricted assets*

Certain proceeds of revenue bonds as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet and statement of net assets as their use is limited by applicable bond covenants. Restricted cash and investments in the construction and debt service funds represent bond issuance proceeds that are restricted for construction and repayment of bonded debt, respectively. Restricted pooled cash in the debt service funds represents assets set aside for revenue bond repayment in accordance with applicable bond covenants. In the proprietary funds statement of net assets, bond issuance proceeds as well as other assets set aside for their repayment are classified in the restricted asset category “bond covenant accounts.”

In the water utility fund, assets are set aside for postclosure costs associated with solid waste disposal facilities as mandated by the State of Florida. These assets are classified as “restricted for solid waste facility postclosure.”

5. *Capital assets*

Capital assets, which include land, buildings and improvements, improvements other than buildings, furniture and equipment, and infrastructure (i.e., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary and fiduciary fund financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the time of donation.

The costs of normal maintenance and repairs that do not add to the fair value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the City during the current fiscal year was $38,066,000. Of this amount, $2,530,000 was included as part of the cost of capital assets under construction in connection with construction projects in proprietary funds.

Infrastructure, buildings and improvements, improvements other than buildings, and furniture and equipment (including assets amortized under lease purchase contracts) are depreciated using the straight line method over the following estimated useful lives:

Infrastructure	40	Years	Office Equipment	5-10	Years
Buildings and improvements	40	Years	Computer Equipment	5	Years
Improvements other than buildings	40	Years	Other Equipment	5-10	Years
Vehicles	5-8	Years			

6. *Compensated absences*

Vacation pay is accrued when earned in the government-wide financial statements and proprietary fund financial statements and when they have matured in the governmental fund financial statements. The portion of sick leave that is payable at retirement is accrued when vested, or for those employees for whom it is expected to vest, in the government-wide and proprietary fund financial statements and when matured in the governmental fund financial statements. City employees generally earn vacation leave and sick leave at the rate of 1.9 hours per week. Vacation leave is fully vested when earned. Sick leave is vested after the employee has 10 years of service with the City. Accumulated vacation leave cannot exceed thirty days at the end of any year and any leave in excess of this amount is transferred to sick leave on which there is no limitation as to accumulated amounts. Fifty percent of vested unused sick leave plus any accumulated vacation leave is paid at retirement or death. Fire and police employees electing early retirement who are

not 46 years old and have not completed 20 years of service have the option of receiving a lump-sum refund of their pension contribution and foregoing any compensation for unused sick leave, or upon reaching the age of 46 receiving 50% of unused sick leave and a retirement benefit. Other employees electing early retirement have the option of receiving 50% of unused sick leave at retirement and pension benefits when reaching the age of 55 or receiving a lump-sum refund of their pension contribution and surrendering any unused sick leave. Upon other terminations, only accumulated vacation leave is paid.

7. *Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and are amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In proprietary funds, bond issue costs are deferred and amortized, using the straight line method, over the lives of the related issues.

In proprietary funds, bond discounts and gains or losses on bond refundings are deferred and amortized, using the straight line method, over the shorter of the life of the new debt or the old debt of the related issues, which approximates the interest method. Bond discounts and losses on bond refundings are presented as a reduction of the face amount of bonds payable. Both are recognized in the period incurred in governmental fund types.

8. *Fund equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $487,336,000 difference are as follows (in thousands):

Bonds payable	$ 414,822
Less: Issuance discount (to be amortized as interest expense)	(42,086)
Less: Deferred charge for issuance costs (to be amortized over life of debt)	(2,099)
Less: Deferred charge on refunding (to be amortized as interest expense)	(5,346)
HUD section 108 loan	7,720
Compensated absences	47,929
Net OPEB obligation	9,516
Claims and judgments	54,470
Deferred lease obligation	682
Capital leases	1,698
Net pension obligation	30
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$ 487,336

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $81,031,000 difference are as follows (in thousands):

Capital outlay	$ 121,366
Depreciation expense	(40,335)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at *changes in net assets of governmental activities*	$ 81,031

Another element of that reconciliation states that "The net effect of various transactions involving capital assets (i.e., donations, disposals, and sales) is to increase net assets." The details of this ($5,029,000) difference are as follows (in thousands):

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the assets sold.	$ (7,664)
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	2,635
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental funds.*	$ (5,029)

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $12,104,000 difference are as follows (in thousands):

Debt issued or incurred:	
Issuance of commercial paper	$ 4,547
Less issuance costs	(6)
Principal repayments:	
Revenue bonds	(16,560)
Capital leases	(85)
Net adjustment to increase net changes in fund balances - total governmental fundsto arrive at *changes in net assets of governmental activities*	$ 12,104

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this ($13,272,000) difference are as follows (in thousands):

Claims and judgments	$ (2,783)
Compensated absences	(244)
Net OPEB obligation	(5,476)
Deferred lease obligation	(682)
Amortization of deferred charge on refunding	(530)
Amortization of issuance costs	(180)
Amortization of bond discount and premium	(3,377)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at *changes in net assets of governmental activities*	$ (13,272)

III. Stewardship, compliance, and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds except the community development block grant, other grants, and state housing initiatives partnership special revenue funds, the capital projects funds which adopt project-length budgets, and the debt service funds. The debt service funds do not adopt annual budgets because effective budgetary control is alternatively achieved through bond indenture provisions. All annual appropriations lapse at year end.

Prior to August 15 of each year, the mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The City Council holds public hearings and a final budget must be prepared and adopted prior to October 1 through the passage of an ordinance.

Budgetary control is maintained at the function or department level. Departments are permitted to transfer appropriations within a function. Transfers between functions must be approved by City Council. Expenditures may not legally exceed budgeted appropriations at the function level. Changes in the budget that exceed revenue and reserve estimates provided by the City's finance director must be authorized by the mayor and approved by a majority of City Council. During the year supplementary appropriations of $13,991,000 were necessary for the general fund and annually budgeted special revenue funds.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because commitments will be reappropriated and honored during the subsequent year.

B. Deficit fund equity

The utility accounting internal service fund has a net deficit of $232,000 caused by expenses exceeding revenues. The deficit in this fund will be reduced through future rate increases. The utility tax bond capital projects fund has a deficit of $64,000 which will be remedied by increased future transfers from support funds.

C. Property Taxes

Property tax collections are governed by Chapter 197, Florida Statutes. The Hillsborough County Tax Collector bills and collects all property taxes levied within the County. Discounts of 4, 3, 2, and 1% are allowed for early payment in November, December, January, and February, respectively. The Tax Collector remits collected taxes at least monthly to the City. The City recognizes property tax revenue as it is levied at the government-wide level and if it is received from the Tax Collector within 60 days of year end at the governmental fund level. The calendar of events is as follows:

January 1	Property taxes are based on assessed value at this date as determined by the Hillsborough County Property Appraiser.
July 1	Assessment roll approved by the state.
September 30	Millage resolution approved by the City Council.
October 1	Beginning of fiscal year for which taxes have been levied.
November 1	Property taxes due and payable.
November 30	Last day for 4% maximum discount.
April 1	Unpaid property taxes become delinquent.
May 15	Tax certificates are sold by the Hillsborough County Tax Collector. This is the first lien date on the properties.

D. Connection Fees and Impact Fees

Water and wastewater connection fees represent reimbursement of the costs incurred to perform the connection of the respective utilities. These fees are recorded as operating revenue at the time of service. Impact fees, which are not considered connection fees since they substantially exceed the cost of connection, are recorded as capital contribution revenue in the period received in the appropriate enterprise fund.

IV. Detailed notes on all funds

A. Deposits and investments

As of September 30, 2009, the City (excluding the pension funds) had the following investments (in thousands):

Investment Type	Fair Value	Weighted Average Maturity (Years)
U.S. Treasuries	$ 524,476	3.01
Total fair value	524,476	
Portfolio weighted average maturity		3.01
Investments not subject to risk disclosure		
Cash and cash equivalents	133,853	
Total cash and investments	$ 658,329	
Statement of Net Assets		
Cash	$ 1,912	
Equity in pooled cash and investments	601,402	
Investments	15,324	
Statement of Fiduciary Net Assets – Agency Funds		
Cash	25	
Equity in pooled cash and investments	39,666	
Total cash and investments	$ 658,329	

Interest Rate Risk. The City's investment policy limits investment maturities to a maximum of five years with no limits on amounts with respect to maturity. The weighted average maturity of the City's investment portfolio at year end was 3.01 years. As a result the City is exposed to risk of fair value losses arising from increasing interest rates.

Credit Risk. The City's investment policy limits investments to United States Treasury securities.

Concentration of Credit Risk. The City's investment policy limits the amount that is permitted in a single institution to 20% of the total portfolio. No more than 5% of the City's investments are in any one issuer at year end.

Custodial credit risk - deposits. In the case of deposits, this is the risk that, in the event of a bank failure, the City's deposits will not be returned to it. The City's investment policy requires that time deposit investments be made only with banking institutions that are members of the State of Florida collateral pool. Florida statutes authorize, and the state administers, a collateral pool that ensures no loss of public funds.

As of September 30, 2009, the Firefighters and Police Officers Pension Fund and the General Employees Retirement Fund had the following investments (in thousands):

Investment Type	Fair Value	Weighted Average Maturity (Years)
U.S. Treasuries	$ 57,139	6.70
U.S. Agencies	34,938	22.01
Corporate bonds	219,602	5.49
Money market funds	25,288	0.05
Bond index mutual fund	52,833	3.70
Total fair value	389,800	
Portfolio weighted average maturity		6.55
Investments not subject to risk disclosure		
Cash and cash equivalents	63	
Equity securities	1,361,358	
Real estate limited partnerships	22,824	
Total cash and investments	$1,774,045	
Statement of Fiduciary Net Assets		
Pension Trust Funds		
Total cash and investments	$1,774,045	

Interest Rate Risk. The investment policies for the pension funds do not place limits on investment maturities. The weighted average

maturity of the pension funds' investments was 6.55 years at year end. As a result, the pension funds are exposed to the risk of fair value losses arising from increasing interest rates.

Credit Risk. The investment policies of the pension funds limit investments to the top four ratings of a nationally recognized rating agency. Moody's Investor's Service rated the pension funds' investments as follows: U.S. Agencies were rated Aaa; corporate bonds were rated between Aaa and B (8% Aaa, 37% Aa, 37% A, 17% Baa, 1% Ba); Commercial paper was rated P1; the money market funds were rated Aa; the bond index mutual fund was rated Aa.

Concentration of credit risk. The investment policy of the General Employees Retirement Fund limits investment in any one issuer to 5 percent of the total portfolio. No limit is specified for the Firefighters and Police Officers Pension Fund. Neither fund had investments in a single issuer that exceeded 5% of the total portfolio.

Foreign Currency Risk. The Firefighters and Police Officers Pension Fund's exposure to foreign currency risk was as follows (in thousands):

Investment	Currency	Maturity	Fair Value
Equity securities	AUD	Not applicable	$ 5,597
	BRL		178
	CAD		1,761
	CHF		4,476
	DKK		978
	EUR		25,129
	GBP		7,230
	HKD		5,242
	IDR		249
	JPY		13,822
	KRW		999
	MXN		299
	MYR		115
	NOK		585
	PLN		147
	SEK		1,463
	SGD		2,655
			$70,925

The Firefighters and Police Officers Pension Fund's investment policy permits investments of up to 25% of the total portfolio in foreign currency-denominated investments. The fund's current position is 14.32%.

B. Receivables

Receivables as of year end for the City's individual major funds, nonmajor funds, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows (in thousands):

	Interest	Taxes	Accounts	Intergovern-mental	Gross Total	Allowance for uncollectibles	Net Total
Governmental activities:							
Major Funds:							
General	$ -	$ 2,232	$ 4,155	$ 727	$ 7,114	$ -	$ 7,114
Utility Tax	-	5,354	-	-	5,354	-	5,354
Nonmajor Funds	-	2,119	854	10,677	13,650	-	13,650
Internal Service Funds	-	-	726	7	733	-	733
Total governmental activities	-	9,705	5,735	11,411	26,851	-	26,851
Business-type activities:							
Major Funds:							
Water Utility	-	-	9,360	3,473	12,833	(99)	12,734
Wastewater Utility	-	-	10,889	215	11,104	(64)	11,040
Solid Waste System	81	-	8,380	7	8,468	(63)	8,405
Nonmajor funds	-	-	424	-	424	-	424
Total business-type activities	81	-	29,053	3,695	32,829	(226)	32,603
Total	$ 81	$ 9,705	$ 34,788	$ 15,106	$ 59,680	$ (226)	$ 59,454

The following have timing and credit characteristics different from typical accounts receivable:

The City received a U.S. Department of Housing and Urban Development Section 108 loan in 1998 for $9,070,000. The proceeds were loaned to a private entity for the construction of an entertainment complex in central Ybor City. During 2004 the borrower on the Ybor City project defaulted on its loan of $9,070,000. The borrower was unable to pay $776,000 due in 2009; however the City did pay HUD the required payment. Although the City has written off the loan; City staff does maintain contact with the borrower in hopes of receiving payment in the future.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows (in thousands):

	Unearned
Pending confiscated cash (general fund)	$ 101
2009 occupational license tax receipts (special revenue fund)	8,276
Grant revenues received prior to meeting grant requirements (special revenue fund)	3,865
	$12,242

C. Capital assets

Capital asset activity for the year ended September 30, 2009 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 190,223	$ 3,331	$ (1,585)	$ 191,969
Construction in progress	72,771	101,386	(84,998)	89,159
Total capital assets not being depreciated	262,994	104,717	(86,583)	281,128
Capital assets being depreciated:				
Buildings and improvements	386,753	13,736	(655)	399,834
Improvements other than buildings	142,852	15,047	(45)	157,854
Furniture and equipment	149,366	17,730	(8,468)	158,628
Infrastructure	418,428	52,848	(121)	471,155
Total assets being depreciated	1,097,399	99,361	(9,289)	1,187,471
Less accumulated depreciation for:				
Buildings and improvements	(169,455)	(11,924)	338	(181,041)
Improvements other than buildings	(52,591)	(5,108)	26	(57,673)
Furniture and equipment	(91,192)	(13,781)	7,924	(97,049)
Infrastructure	(115,354)	(9,903)	108	(125,149)
Total accumulated depreciation	(428,592)	(40,716)	8,396	(460,912)
Total capital assets, being depreciated, net	668,807	58,645	(893)	726,559
Governmental activities capital assets, net	$ 931,801	$ 163,362	$ (87,476)	$1,007,687

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 34,651	$ 697	$ (55)	$ 35,293
Construction in progress	58,655	92,057	(74,021)	76,691
Total capital assets not being depreciated	93,306	92,754	(74,076)	111,984
Capital assets being depreciated:				
Buildings	399,420	587	(1,105)	398,902
Improvements other than buildings	1,368,215	71,115	(3)	1,439,327
Furniture and equipment	47,285	4,948	(3,252)	48,981
Total capital assets being depreciated	1,814,920	76,650	(4,360)	1,887,210
Less accumulated depreciation for:				
Buildings	(161,155)	(11,568)	942	(171,781)
Improvements other than buildings	(540,753)	(33,594)	3	(574,344)
Furniture and equipment	(30,912)	(4,482)	3,133	(32,261)
Total accumulated depreciation	(732,820)	(49,644)	4,078	(778,386)
Total capital assets, being depreciated, net	1,082,100	27,006	(282)	1,108,824
Business-type activities capital assets, net	$ 1,175,406	$ 119,760	$ (74,358)	$ 1,220,808

Depreciation expense was charged to functions / programs of the primary government as follows (in thousands):

Governmental activities:	
General government	$ 4,818
Public safety	10,131
Culture and recreation	12,691
Public works	12,695
Capital assets held in the city's internal service funds are charged to general government	381
Total depreciation expense - governmental activities	$ 40,716
Business-type activities:	
Water Utility	$ 14,170
Wastewater Utility	23,706
Solid Waste System	8,597
Parking Facilities	2,410
Marina	159
Golf Courses	602
Total depreciation expense - business-type activities	$ 49,644

The City has provided for the construction of the Tampa Bay Performing Arts Center (TBPAC) facility and retains title to the land and building, which are reported on the statement of net assets in the governmental activities column at a value of $27,392,000. TBPAC leases the facility from the City for a nominal annual amount.

Lowry Park Zoological Gardens is operated by the Lowry Park Zoological Society of Tampa, Inc. under a ninety-nine year lease and operating agreement with the City of Tampa, which provides for nominal annual rent payments. The City retains title to all zoo land, buildings, improvements, and animals which are reported on the statement of net assets in the column for governmental activities at a value of $37,861,000.

Under the management agreement between the City and the Florida Aquarium, Inc. the City acquired ownership of land, land improvements, and buildings that are reported on the statement of net assets in the column for governmental activities at a value of $51,530,000.

Outstanding purchase order commitments:

Outstanding purchase order commitments, including construction commitments, are disclosed in the governmental funds as a reservation of fund balance for encumbrances. For all funds that do not disclose such commitments as a reservation of fund balance or restriction of net assets, these amounts are as follows (in thousands):

Encumbrances	Remaining Commitment
Special revenue funds:	
Community Development Block Grant	$ 517
Other Grants	10,340
State Housing Initiatives Partnership	1,019
Proprietary funds:	
Water Utility	56,560
Wastewater Utility	12,306
Solid Waste System	9,705
Parking Facilities	361
Internal Service Funds:	
Fleet Maintenance	719
Utility Accounting	86
Total	$ 91,613

D. Interfund receivables, payables, and transfers

Interfund balances include self-insurance payments due at year end to the general fund, and negative pooled cash balances that are reported as a liability to the general fund.

The composition of interfund balances as of September 30, 2009, was as follows (in thousands):

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental funds:	
	Cable communication	$ 4
	Stormwater	39
	Community development block grant	11
	Other grants	3,187
	Utility tax bond projects	64
	Enterprise Funds:	
	Water utility	133
	Wastewater utility	206
	Solid waste system	111
	Parking facilities	51
	Internal service funds	37
		$3,843

Advances to / from other funds:

These amounts are the result of the early defeasance in 1995 of Water and Sewer Systems Revenue Bonds, Series 1988A. The advance will be repaid in the years 2010 - 2016, in accordance with the original debt service schedule of the defeased bonds (shown in thousands).

Receivable Fund	Payable Fund	Amount
Wastewater utility	Water utility	$8,078

Interfund transfers:

The City transfers funds from special revenue funds for utility tax, guaranteed entitlement, local option gas tax, occupational licenses and from the community investment tax capital projects fund to the corresponding debt service funds to meet debt service requirements of revenue bonds for which these revenues are pledged. The Community Redevelopment Agency transfers funds to the utility tax debt service fund as those revenues are pledged for repayment of the outstanding 1991 and 2001 Utilities Tax and Special

Revenue Refunding Bonds. After debt service requirements are met, amounts are transferred to the corresponding capital projects funds for budgeted capital expenditures and to the general fund.

Additional transfers were made as follows: The transfers from the other grants nonmajor governmental fund to the general fund were a reimbursement for authorized public safety grant expenditures charged to that fund. The transfers from parking facilities to the utilities tax debt service fund represents repayment of bond principal and interest where bond proceeds were used for parking related capital projects. The transfer from the general fund to the stormwater fund was to reimburse expenditures of that fund.

Transfers during the year were as follows (in thousands):

	Transfer In:				
Transfer out:	General Fund	Utility Tax Special Revenue Fund	Nonmajor Governmental Funds	Wastewater Utility Enterprise Fund	Total
General fund	$ -	$ -	$ 2,555	$ -	$ 2,555
Utility Tax special revenue fund	34,616	-	23,515	-	58,131
CRA special revenue fund	1,814	-	19,065		20,879
Nonmajor governmental funds	10,878	-	24,035	-	34,913
Wastewater Utility enterprise fund	6,142	-	-	-	6,142
Water Utility enterprise fund	4,436			125	4,561
Solid Waste Utility enterprise fund	3,943				3,943
Nonmajor enterprise funds	710	110	1,849	-	2,669
	$ 62,539	$ 110	$ 71,019	$ 125	$ 133,793

E. Leases

The City leases building and office facilities under non cancelable operating leases. Total costs for such leases were $2,076,000 for the year ended September 30, 2009. The future minimum lease payments for these leases are as follows (in thousands):

Year Ending September 30	Amount
2010	$ 2,009
2011	2,045
2012	2,080
2013	2,165
2014	2,241
Thereafter	9,385
Total	$19,925

The City has entered into lease agreements as lessee for financing the acquisition of police communications equipment, solid waste vehicles, a mainframe processor and a building. These lease agreements qualify as capital leases for accounting purposes and, therefore, are recorded at the present value of the future minimum lease payments as of the inception date (in thousands).

Asset:	Governmental Activities	Business-type Activities
Buildings	$ 2,452	$ -
Machinery and equipment	-	650
Less: Accumulated depreciation	(562)	(28)
Total	$ 1,890	$ 622

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2009, were as follows (in thousands):

Year Ending September 30	Governmental Activities	Business-type Activities
2010	$ 251	$ 173
2011	251	286
2012	251	174
2013	251	-
2014	251	-
2015 - 2019	1,255	-
2020 - 2022	753	-
Total minimum lease payments	3,263	633
Less: Amount representing interest	(1,565)	(43)
Present value of minimum lease payments	$ 1,698	$ 590

F. Long-term debt

Revenue bonds

The City issues bonds where the City pledges specific revenue streams to pay debt service. Bonds are issued primarily for the acquisition or construction of capital assets. The City also issues bonds to advance refund previously issued bonds to take advantage of favorable interest rate conditions. None of these issues are general obligations of the City.

The official statements and Council resolutions authorizing the issuance of the revenue bonds described below contain certain restrictive covenants. The City has covenanted that, on a monthly basis, it will deposit specified amounts derived from specific revenue sources into accounts and funds established by the resolutions. The deposits into these accounts and funds are used to repay principal and interest coming due on the bonds and to provide sinking funds established for the purpose of retiring term bonds due in future years. The City believes it is in compliance with all bond covenants.

The original amount of outstanding revenue bonds issued in prior years totaled $1,092,505,000.

Revenue bonds outstanding and revenues pledged for the debt service are as follows:

The 2001 Guaranteed Entitlement Refunding Revenue Bonds are collateralized and payable from guaranteed entitlement revenues received from the State of Florida which are initially deposited into the guaranteed entitlement special revenue fund, and by interest earned on required reserve and debt service deposits.

The 1991, 2001, and 2001B Utilities Tax and Special Revenue Refunding Bonds are collateralized by and payable from the collection of utility service taxes and tax increment revenues which are initially deposited in the utility tax special revenue fund and Community Redevelopment Agency fund respectively, and by the interest earned on required debt service and reserve deposits.

The 2002A and 2006 Utilities Tax Refunding Revenue Bonds, the 1996, 1997, 1998, 1999A, and 2000A Utilities Tax Improvement Bonds, and the 2003A Taxable Utilities Tax Refunding Revenue Bonds are collateralized by and payable from the collection of utility service taxes, which are initially deposited in the utility tax special revenue fund, and by interest earned on required debt service and reserve deposits.

The 1998B, 2001A, 2001B, 2002, 2002B, 2003A, 2005, and 2006 Water and Sewer Systems Revenue Bonds and Refunding Revenue Bonds are collateralized by and payable from the individual and combined net revenues of the water utility and wastewater utility funds and by the interest earned on required deposits. The Sewer State Revolving Loan and the Water State Revolving Loan are subordinate to the bond issues.

The 1995 Tampa Sports Authority Special Purpose and Taxable Special Purpose Bonds are collateralized by the City's non-ad valorem tax revenues which are deposited in various funds.

The 2002A and 2007 Occupational License Tax Refunding Bonds are collateralized by and payable from the collection of occupational license taxes and non-ad valorem revenues which are deposited in the occupational license tax fund and general fund respectively.

The 1999A Solid Waste System Refunding Revenue Bonds and the 1999B Solid Waste System Revenue Bonds are collateralized and payable from the net revenue of the solid waste system fund.

The 2001A and 2006 Sales Tax Revenue Bonds are collateralized by and payable from sales taxes collected by the state and remitted to the City for deposit in the community investment tax capital projects fund and any interest earned on required debt service and reserve deposits.

Redemption Provisions:

The 1991 Utilities Tax and Special Revenue Refunding Bonds are subject to redemption, at the option of the City, on or after October 1, 2001, at specified redemption premiums not to exceed 2% of par value.

The 1995 Tampa Sports Authority Special Purpose Bonds and 1995 Tampa Sports Authority Taxable Special Purpose Bonds are not subject to optional redemption.

The 1996 and 1997 Utilities Tax Improvement Bonds are not subject to optional redemption. The 1998 Utilities Tax Improvement Bonds are subject to redemption, at the option of the City, on or after October 1, 2008, at premiums not to exceed 2% of par value.

The 1998B Water and Sewer Systems Revenue Bonds are not subject to optional redemption.

The 1999A Utilities Tax Improvement Bonds are subject to redemption, at the option of the City, on or after October 1, 2009, at specified premiums not to exceed 1% of par value.

The 1999A Solid Waste System Refunding Revenue Bonds are not subject to optional redemption. The 1999B Solid Waste System Revenue Bonds are subject to optional redemption, at the option of the City, on or after October 1, 2009, at specified premiums not to exceed 1% of par value.

The 2000A Utilities Tax Improvement Bonds are subject to redemption, at the option of the City, on or after October 1, 2009, at specified premiums not to exceed 1% of par value.

A specified portion of the 2001 Guaranteed Entitlement Refunding Revenue Bonds consisting of term bonds are subject to redemption, at the option of the City, at any time.

The 2001 Utilities Tax and Special Revenue Refunding Bonds are not subject to optional redemption. A specified portion of the 2001B Utilities Tax and Special Revenue Refunding Bonds consisting of term bonds are subject to redemption, at the option of the City, on or after October 1, 2004, at par value.

The 2001A Water and Sewer Systems Revenue Bonds are subject to redemption, at the option of the City, on or after October 1, 2012, at specified premiums not to exceed 1% of par value. The 2001B Water and Sewer Systems Revenue Bonds are subject to redemption, at the option of the City, on or after October 1, 2017, at par value.

The 2001A Sales Tax Revenue Bonds are subject to redemption, at the option of the City, on or after October 1, 2011, at a premium of 1% of par value and on October 1, 2012, and thereafter at par value.

The 2002A Occupational License Tax Refunding Bonds are subject to redemption, at the option of the City, on or after October 1, 2012, at par value.

The 2002 and 2002B Water and Sewer Systems Revenue Bonds are not subject to optional redemption. The 2002A Utilities Tax Refunding Revenue Bonds are subject to redemption, at the option of the City, on or after October 1, 2012, at a premium of 1% of par value and on October 1, 2013, and thereafter at par value.

The 2003A Taxable Utilities Tax Refunding Revenue Bonds are not subject to optional redemption.

The 2003A Water and Sewer Systems Refunding Revenue Bonds are not subject to optional or mandatory redemption prior to their stated maturities.

The 2005 Water and Sewer Systems Refunding Revenue Bonds are subject to redemption, at the option of the City, on or after October 1, 2015, at par value.

The 2006 Water and Sewer Systems Revenue Bonds, 2006 Utilities Tax Refunding Revenue Bonds, and 2006 Sales Tax Revenue Bonds are all subject to redemption, at the option of the City, on or after October 1, 2016, at par value.

The 2007 Occupational License Tax Refunding Bonds and 2007 Water and Sewer Systems Revenue Bonds are both subject to redemption at the option of the City on or after October 1, 2017, at par value.

Revenue bonds outstanding consisted of the following at year end (in thousands):

Purpose:	Interest Rates	Amount
Governmental activities capital improvements:		
1995 Tampa Sports Authority Special Purpose Bonds	5.65%-6.10%	$ 7,820
1995 Tampa Sports Authority Taxable Special Purpose Bonds	7.67%-8.02%	2,295
1996 Utilities Tax Improvement Bonds	6.15%-6.22%	95,200
1997 Utilities Tax Improvement Bonds	4.50%-5.20%	30,305
1998 Utilities Tax Improvement Bonds	4.30%-4.40%	275
1999A Utilities Tax Improvement Bonds	4.75%-5.00%	3,305
2000A Utilities Tax Improvement Bonds	5.00%	340
2001A Sales Tax Revenue Bonds	4.00% - 5.50%	45,750
2006 Sales Tax Revenue Bonds	4.00%-4.125%	16,130
Governmental activities - refunding:		
1991 Utilities Tax and Special Revenue Refunding Bonds	6.75%	29,930
2001 Utilities Tax and Special Revenue Refunding Bonds	6.00%	8,800
2001B Utilities Tax and Special Revenue Refunding Bonds	5.00%-5.75%	36,590
2001 Guaranteed Entitlement Refunding Revenue Bonds	6.00%	2,060
2002A Utilities Tax and Special Revenue Refunding Bonds	3.35% - 5.25%	14,385
2002A Occupational License Tax Refunding Bonds	3.875% - 5.375%	38,750
2006 Utilities Tax Refunding Revenue Bonds	4.00%-5.00%	38,300
2007 Occupational License Tax Refunding Bonds	5.000%	45,725
Total governmental activities		415,960
Business-type activities - capital improvements:		
Water Utility Fund:		
2001B Water and Sewer Systems Revenue Bonds	4.25%-5.00%	12,115
2007 Water and Sewer Systems Revenue Bonds	4.00% - 5.00%	50,555
Business-type activities - refunding:		
Water Utility Fund:		
2001A Water and Sewer Systems Refunding Revenue Bonds	4.00%-5.25%	65,115
2002 Water and Sewer Systems Refunding Revenue Bonds	5.50% - 6.00%	5,420
2003A Water and Sewer Systems Refunding Revenue Bonds	3.00% - 5.00%	2,837
2005 Water and Sewer Systems Refunding Revenue Bonds	5.00%	10,039
Wastewater utility Fund:		
2002B Water and Sewer Systems Revenue Bonds	4.125% - 5.00%	7,765
2002 Water and Sewer Systems Refunding Revenue Bonds	5.50% - 6.00%	20,255
2003A Water and Sewer Systems Refunding Revenue Bonds	3.00% - 5.00%	11,298
2005 Water and Sewer Systems Refunding Revenue Bonds	5.00%	37,516
2006 Water and Sewer Systems Revenue Bonds	4.00%-5.00%	35,050
Solid Waste System Fund:		
1999A Solid Waste System Refunding Revenue Bonds	4.45% - 4.55%	13,445
1999B Solid Waste System Revenue Bonds	4.50%-5.25%	124,205
Total business-type activities		395,615
Total revenue bonds		$ 811,575

Annual debt service requirements to maturity for revenue bonds are as follows (in thousands):

Governmental Activities:

Year Ending September 30	Utilities Tax and Special Revenue Refunding Bonds, Series 1991 Principal	Interest
2010	$ -	$ 2,020
2011	9,330	1,706
2012	9,965	1,054
2013	10,635	359
Total	$ 29,930	$ 5,139

Year Ending September 30	Tampa Sports Authority Special Purpose Bonds, Series 1995 Principal	Interest	Tampa Sports Authority Taxable Special Purpose Bonds, Series 1995 Principal	Interest
2010	$ 135	$ 477	$ 30	$ 185
2011	285	461	70	180
2012	300	444	75	174
2013	315	426	80	168
2014	335	407	85	162
2015 - 2019	2,020	1,699	550	693
2020 - 2024	2,730	994	830	426
2025 - 2029	1,700	157	575	71
Total	$ 7,820	$ 5,065	$ 2,295	$ 2,059

Year Ending September 30	Utilities Tax Improvement Bonds, Series 1996 Principal	Interest	Utilities Tax Improvement Bonds, Series 1997 Principal	Interest
2010	$ -	$ -	$ 230	$ 338
2011	-	-	240	326
2012	-	-	3,000	241
2013	-	-	3,250	82
2014	-	-	-	-
2015 - 2019	47,600	-	-	-
2020 - 2024	47,600	-	-	-
Total	$ 95,200	$ -	$ 6,720	$ 987

Year Ending September 30	Utilities Tax Improvement Bonds, Series 1997 Principal	Interest	Utilities Tax Improvement Bonds, Series 1998 Principal	Interest
2010	$ -	$ -	$ 155	$ 9
2011	-	-	120	2
2012	-	-	-	-
2013	-	-	-	-
2014	3,415	-	-	-
2015 - 2019	16,835	-	-	-
2020 - 2024	3,335	-	-	-
Total	$ 23,585	$ -	$ 275	$ 11

Year Ending September 30	Utilities Tax Improvement Bonds, Series 1999A Principal	Interest	Utilities Tax Improvement Bonds, Series 2000A Principal	Interest
2010	$ 1,245	$ 129	$ 340	$ 8
2011	2,060	49	-	-
Total	$ 3,305	$ 178	$ 340	$ 8

Year Ending September 30	Utilities Tax and Special Revenue Refunding Bonds, Series 2001 Principal	Interest	Guaranteed Entitlement Refunding Revenue Bonds, Series 2001 Principal	Interest
2010	$ 8,800	$ 264	$ 160	$ 119
2011	-	-	165	109
2012	-	-	180	99
2013	-	-	185	88
2014	-	-	195	76
2015 - 2019	-	-	1,175	184
Total	$ 8,800	$ 264	$ 2,060	$ 675

Year Ending September 30	Sales Tax Revenue Bonds, Series 2001A Principal	Interest	Utilities Tax and Special Revenue Refunding Bonds, Series 2001B Principal	Interest
2010	$ 1,595	$ 2,323	$ 65	$ 2,100
2011	1,680	2,233	70	2,097
2012	1,775	2,142	70	2,093
2013	1,865	2,060	75	2,090
2014	1,940	1,971	11,435	1,759
2015 - 2019	11,360	8,132	24,875	1,451
2020 - 2024	14,755	4,665	-	-
2025 - 2029	10,780	825	-	-
Total	$ 45,750	$ 24,351	$ 36,590	$ 11,590

Year Ending September 30	Utilities Tax and Special Revenue Refunding Bonds, Series 2002A Principal	Interest	Occupational License Tax Refunding Bonds, Series 2002A Principal	Interest
2010	$ 65	$ 701	$ 2,935	$ 1,891
2011	35	700	3,045	1,767
2012	70	698	3,255	1,635
2013	75	695	3,370	1,476
2014	1,010	674	3,620	1,288
2015 - 2019	4,920	2,734	22,230	3,135
2020 - 2024	8,210	771	295	7
Total	$ 14,385	$ 6,973	$ 38,750	$ 11,199

Year Ending September 30	Sales Tax Revenue Bonds, Series 2006 Principal	Interest	Utilities Tax Refunding Revenue Bonds, Series 2006 Principal	Interest
2010	$ 630	$ 636	$ -	$ 1,762
2011	655	610	780	1,748
2012	680	583	4,155	1,661
2013	710	555	4,305	1,503
2014	735	527	3,545	1,334
2015 - 2019	4,145	2,158	20,700	3,833
2020 - 2024	5,040	1,241	4,815	115
2025 - 2029	3,535	222	-	-
Total	$ 16,130	$ 6,532	$ 38,300	$ 11,956

Year Ending September 30	Occupational License Tax Refunding Bonds, Series 2007 Principal	Interest	Total Governmental Activities Principal	Interest
2010	$ -	$ 2,286	$ 16,385	$ 15,248
2011	-	2,286	18,535	14,274
2012	-	2,286	23,525	13,110
2013	-	2,286	24,865	11,788
2014	-	2,286	26,315	10,484
2015 - 2019	-	11,430	156,410	35,449
2020 - 2024	20,945	9,412	108,555	17,631
2025 - 2029	24,780	2,539	41,370	3,814
Total	$ 45,725	$ 34,811	$ 415,960	$ 121,798

Business-type Activities:

Water Utility Fund:

Year Ending September 30	Water and Sewer Systems Revenue Bonds, Series 2001A Principal	Interest
2010	$ 660	$ 3,196
2011	690	3,169
2012	715	3,141
2013	750	3,110
2014	780	3,077
2015 - 2019	6,810	14,764
2020 - 2024	21,305	11,080
2025 - 2029	27,135	5,092
2030 - 2034	6,270	157
Total	$ 65,115	$ 46,786

Year Ending September 30	Water and Sewer Systems Revenue Bonds, Series 2001B Principal	Interest	Water and Sewer Systems Revenue Bonds, Series 2002 Principal	Interest
2010	$ 700	$ 567	$ 464	$ 305
2011	730	536	490	279
2012	760	503	517	251
2013	800	468	546	221
2014	835	430	580	187
2015 - 2019	4,800	1,490	2,823	361
2020 - 2024	3,490	266	-	-
Total	$ 12,115	$ 4,260	$ 5,420	$ 1,604

Year Ending September 30	Water and Sewer Systems Revenue Bonds, Series 2003A Principal	Interest	Water and Sewer Systems Revenue Bonds, Series 2005 Principal	Interest
2010	$ 428	$ 123	$ 719	$ 484
2011	440	107	754	447
2012	458	87	792	409
2013	480	64	831	368
2014	504	39	873	325
2015 - 2019	527	13	6,070	685
Total	$ 2,837	$ 433	$ 10,039	$ 2,718

Year Ending September 30	Water and Sewer Systems Revenue Bonds, Series 2007 Principal	Interest	Total Water Utility Fund Principal	Interest
2010	$ 875	$ 2,417	$ 3,846	$ 7,092
2011	915	2,382	4,019	6,920
2012	950	2,344	4,192	6,735
2013	985	2,306	4,392	6,537
2014	1,025	2,265	4,597	6,323
2015 - 2019	5,780	10,660	26,810	27,973
2020 - 2024	7,240	9,137	32,035	20,483
2025 - 2029	9,245	7,086	36,380	12,178
2030 - 2034	11,795	4,468	18,065	4,625
2035 - 2039	11,745	1,211	11,745	1,211
Total	$ 50,555	$ 44,276	$ 146,081	$ 100,077

Wastewater Utility Fund:

Year Ending September 30	Water and Sewer Systems Revenue Bonds, Series 2002B Principal	Interest	Water and Sewer Systems Refunding Revenue Bonds, Series 2003A Principal	Interest
2010	$ 3,795	$ 336	$ 1,702	$ 488
2011	3,970	164	1,750	427
2012	-	-	1,822	347
2013	-	-	1,910	253
2014	-	-	2,006	156
2015 - 2019	-	-	2,108	53
Total	$ 7,765	$ 500	$ 11,298	$ 1,724

Year Ending September 30	Water and Sewer Systems Refunding Revenue Bonds, Series 2005 Principal	Interest	Water and Sewer Systems Refunding Revenue Bonds, Series 2006 Principal	Interest
2010	$ 2,686	$ 1,809	$ 660	$ 1,591
2011	2,816	1,671	685	1,562
2012	2,958	1,527	715	1,534
2013	3,104	1,375	745	1,504
2014	3,262	1,216	775	1,474
2015 - 2019	22,690	2,564	4,355	6,871
2020 - 2024	-	-	5,385	5,802
2025 - 2029	-	-	6,870	4,284
2030 - 2034	-	-	8,650	2,471
2035 - 2039	-	-	6,210	439
Total	$ 37,516	$ 10,162	$ 35,050	$ 27,532

Year Ending September 30	Water and Sewer Systems Revenue Bonds, Series 2002 Principal	Interest	Total Wastewater Utility Fund Principal	Interest
2010	$ 1,736	1,140	$ 10,579	$ 5,364
2011	1,830	1,042	11,051	4,866
2012	1,933	939	7,428	4,347
2013	2,039	824	7,798	3,956
2014	2,166	698	8,209	3,544
2015 - 2019	10,551	1,346	39,704	10,834
2020 - 2024	-	-	5,385	5,802
2025 - 2029	-	-	6,870	4,284
2030 - 2034	-	-	8,650	2,471
2035 - 2039	-	-	6,210	439
Total	$ 20,255	$ 5,989	$ 111,884	$ 45,907

Solid Waste System Fund:

Year Ending September 30	Solid Waste System Revenue Bonds, Series 1999B Principal	Interest
2010	$ -	$ 6,314
2011	2,440	6,260
2012	8,490	5,982
2013	8,935	5,524
2014	9,405	5,043
2015 - 2019	54,915	17,164
2020 - 2024	40,020	3,066
Total	$ 124,205	$ 49,353

Year Ending September 30	Solid Waste System Refunding Revenue Bonds, Series 1999A Principal	Interest	Total Solid Waste System Fund Principal	Interest
2010	$ 7,780	$ 431	$ 7,780	$ 6,745
2011	5,665	129	8,105	6,389
2012	-	-	8,490	5,982
2013	-	-	8,935	5,524
2014	-	-	9,405	5,043
2015 - 2019	-	-	54,915	17,164
2020 - 2024	-	-	40,020	3,066
Total	$ 13,445	$ 560	$ 137,650	$ 49,913

State of Florida Revolving Loan Program

The City has entered and will continue to enter into agreements with the State of Florida to participate in the State Revolving Loan Program to take advantage of low interest rates. Prior to fiscal year 2009 the City had entered into loans totaling $98,904,000 from this program. During 2009 no new loans were entered into. The loan program operates on a reimbursement basis. When proceeds are remitted the loans accrue interest which is based on the rate approved by the State at the date of closing. The liability due to the State is the original loan plus accrued interest to the time the City begins repaying the loan which is approximately three years. At September 30, 2009, the City had a liability of $42,619,000 payable to the State including accrued interest. The proceeds from the loan program will be used to finance various water and wastewater capital projects. The debt service is payable from the net revenues of the water and wastewater utility funds. State revolving loans outstanding at year end are as follows (in thousands):

Purpose	Interest Rates	Amount
Business-type activities-capital improvements		
Water Utility Fund:		
State Revolving Loan Program	3.05%-3.34%	$10,969
Wastewater Utility Fund:		
State Revolving Loan Program	2.44%-3.79%	31,650
Total State revolving loans		$42,619

State revolving loans annual debt service requirements to maturity are as follows (in thousands):

Business-type activities:

Water Utility Fund

Year Ending	State of Florida Revolving Loan	
September 30	Principal	Interest
2010	$ 806	$ 337
2011	832	311
2012	858	285
2013	885	258
2014	913	231
2015 - 2019	5,014	701
2020 - 2024	1,661	51
Total	$ 10,969	$ 2,174

Wastewater Utility Fund

Year Ending	State of Florida Revolving Loan	
September 30	Principal	Interest
2010	$ 4,519	$ 929
2011	4,657	790
2012	4,802	647
2013	4,950	498
2014	5,103	346
2015 - 2019	7,619	297
Total	$ 31,650	$ 3,507

HUD Section 108 Loan Guarantees

The City received a U.S. Department of Housing and Urban Development (HUD) Section 108 loan in 1998 in the original amount of $9,070,000. The proceeds were loaned to a private entity for the construction of an entertainment complex in central Ybor City. The loan is currently being repaid by the City because the private entity was unable to make scheduled debt service payments and defaulted on the loan. HUD Section 108 loans outstanding at year end are as follows (in thousands):

Purpose	Interest Rates	Amount
Governmental activities-economic environment		
HUD Section 108 Loan Guarantee	5.96%-6.72%	$7,950
Total HUD Section 108 Loan Guarantees		$7,950

HUD Section 108 loan guarantees annual debt service requirements to maturity are as follows (in thousands):

Governmental activities:

Year Ending September 30	HUD Section 108 Loan Principal	Interest
2010	$ 230	$ 354
2011	240	347
2012	260	339
2013	280	329
2014	290	318
2015 - 2019	6,650	1,136
Total	$ 7,950	$ 2,823

Florida Association of Counties – Florida Local Government Finance Commission Pooled Commercial Paper Loan Program

During 2007 the City entered into an agreement to issue commercial paper through the Florida Association of Counties - Florida Local Government Finance Commission Pooled Commercial Paper Loan Program. The program is a pool arrangement available to Florida government entities in order to take advantage of economies of scale to reduce the costs associated with normal commercial paper issuances. The underlying credit facility is a direct pay letter of credit held by Wachovia Bank N.A. The interest rate is variable based on the overall rate of the pool and payable monthly. During 2009, $18,200,000 of issuances occurred under this program. Of these proceeds, $4,547,000 will be used for stormwater projects and $13,653,000 will be used for water projects. Outstanding balances at year end were as follows (in thousands):

Purpose	Interest Rates	Amount
Governmental activities-public works:		
Florida Local Government Finance Commission Pooled Commercial Paper Program	variable	$12,147
Business-type activities-water utility		
Florida Local Government Finance Commission Pooled Commercial Paper Program	variable	13,653
Total Florida Local Government Finance Commission Pooled Commercial Paper Program		$25,800

Florida Local Government Finance Commission Pooled Commercial Paper Loan Program debt service requirements to maturity are as follows (in thousands):

Governmental Activities:

Year Ending September 30	Florida Local Government Finance Commission Pooled Paper Principal	Interest *
2010	$ 7,600	$ 83
2011	-	45
2012	4,547	11
Total	$ 12,147	$ 140

* Interest is variable and is currently at approx. 1%

Business-type Activities - Water Utility Fund:

Year Ending September 30	Florida Local Government Finance Commission Pooled Paper Principal	Interest *
2010	$ -	$ 137
2011	-	137
2012	13,653	34
Total	$ 13,653	$ 307

* Interest is variable and is currently at approx. 1%

Advance and current refundings

The City has entered into various advance refunding transactions related to certain of its bonded debt. A portion of the proceeds of the refunding bond issues were placed in trust and used to purchase securities of the United States government and related agencies at various interest rates and maturities sufficient to meet all debt service requirements of the refunded debt, of which $183,837,000 was outstanding at September 30, 2009, $137,020,000 related to business-type activities and $46,817,000 related to governmental activities. These assets are administered by trustees and are restricted to use for retirement of the refunded debt. The liability for the refunded bonds and the related assets to be used for their repayment are not included in the statement of net assets as the City defeased its obligation for payment of the refunded debt upon completion of the refunding transactions.

Amounts outstanding at September 30, 2009, related to refunded bond issues which have been refunded and are payable from escrow accounts are as follows (in thousands):

Refunded debt

Governmental Activities:	Amount
Guaranteed Entitlement Revenue Bonds, Series 1984	$ 72
Utilities Tax Improvement Bonds, Series 1997	5,370
Utilities Tax Improvement Bonds, Series 1998	-
Utilities Tax Improvement Bonds, Series 1999A	24,540
Utilities Tax Improvement Bonds, Series 2000A	16,835
Total governmental activities	$ 46,817
Business-type activities:	
Water and Sewer Revenue Bonds, Series 1982	$ 29,090
Water and Sewer Revenue Bonds, Series 1987	24,640
Water and Sewer Revenue Bonds, Series 1988A	20,530
Water and Sewer Revenue Bonds, Series 1999	62,760
Total business-type activities	$ 137,020

Conduit debt

From time to time the City will issue conduit debt obligations to fulfill a public need or purpose. These obligations are not reported as liabilities in the accompanying basic financial statements and the City is not obligated in any manner for repayment of the bonds. As of September 30, 2009, there was an aggregate principal amount outstanding of $637,800,000. A description of each issue outstanding at year end follows:

$2,720,000 City of Tampa, Florida Home Mortgage Revenue Bonds 1983 Series A -
This obligation was issued to provide mortgage loans on single family residences for eligible borrowers in the City. The revenues received from the mortgage payments are security for the bonds.

The Trustee for the City of Tampa, Florida Home Mortgage Revenue Bonds, Series 1983A has sent notice to the City and to the bond holders that events of default exist under the bond indenture. The issuer failed to make payments due to the Trustee and, as a result, the Trustee held insufficient funds to make the October 1, 2006 interest payment on the bonds. The Trustee withdrew funds from the Debt Service Reserve Fund to make the payment, which substantially exhausted the fund. The City is not obligated to make payments

to the Trustee from other revenues.

$444,955,000 City of Tampa, Catholic Health System East Health System Revenue Bonds, Series 1998A -1, A-2 and A-3 -
The proceeds from the bonds were loaned to Catholic Health East for the construction of medical facilities in the City, for the purchase of medical equipment, and for the payment of other specific costs. The terms of the loan agreement require debt service payments to be made directly to the bond trustees. The gross revenues of the health care entities secure the loan and bonds.

$8,000,000 City of Tampa, Florida Health Care Facilities Revenue Bonds, Series 1997-
The proceeds from the bonds were loaned to Lifelink Foundation, Inc. for construction of a headquarters and medical facility in the City. The payment terms of the loan agreement require debt service payments to be paid directly to the bond trustee. The gross revenues of Lifelink Foundation secure the loan and bonds.

$34,085,000 City of Tampa, Florida Capital Improvement Hospital Revenue Bonds (H. Lee Moffitt Cancer Center Project) Series 1999A-
The proceeds from the bonds were loaned to H. Lee Moffitt Cancer Center and Research Institute, Inc. and H. Lee Moffitt Cancer Center and Research Institute Hospital, Inc. (Obligated Group) for various capital improvement projects. The terms of the loan agreement require the debt service payments to be paid directly to the bond trustee. The gross revenues of the Obligated Group secure the loan and bonds.

$18,270,000 City of Tampa, Florida Variable Rate Demand Revenue Bonds (Tampa Preparatory School, Inc. Project) Series 2000 -
The proceeds from the bonds were loaned to Tampa Preparatory School, Inc. to finance the construction of a new facility. The terms of the loan agreement call for the principal and interest to be made directly to the bond trustee. The gross revenues of the entity secure the loan and bonds.

$600,000 City of Tampa, Florida Variable Rate Demand Revenue Bonds (Lowry Park Zoological Society of Tampa, Inc. Project) Series A -
The proceeds from the bonds were loaned to Lowry Park Zoological Society of Tampa, Inc. for construction of new exhibits at the facility. The terms of the loan agreement call for principal and interest to be paid directly to the bond trustee. The gross revenues of the facility secure the loan and bonds.

$4,555,000 of City of Tampa, Florida Education Facilities Revenue Bonds (Trinity School for Children Project) Series 2002-
The proceeds from the bonds were loaned to Trinity School to finance improvements to the facility. The terms of the loan agreement call for payments of principal and interest to be made directly to the bond trustee. The gross revenues of the entity secure the loan and bonds.

$4,150,000 of City of Tampa, Florida Education Facilities Revenue Bonds (Academy of Holy Names Projects) Series 2001 -
The proceeds from the bonds were loaned to Academy of Holy Names School to finance improvements to the facility. The terms of the loan agreement call for payments of principal and interest to be made directly to the bond trustee. The gross revenues of the entity secure the loan and bonds.

$24,275,000 of City of Tampa, Florida Education Facilities Revenue Bonds (University of Tampa Project) Series 2002 -
The proceeds from the bonds were loaned to the University of Tampa to finance constructing and equipping a new dormitory and parking facility. The terms of the loan agreement call for payments of principal and interest to be made directly to the bond trustee. The gross revenues of the entity secure the loan and bonds.

$3,340,000 of City of Tampa, Florida Education Facilities Revenue Bonds (Pepin Academy of Tampa, Inc. Project) Series 2002 –
The proceeds from the bonds were loaned to the Florida Education Facility and used to finance the purchase and improvement of a facility for the school. The gross revenues of the facility secure the loan and bonds.

$19,970,000 of City of Tampa, Florida Revenue Bonds (CHF - Tampa, L.L.C. Project for the University of Tampa), Series 2005A –
The proceeds from the bonds were loaned to the University of Tampa and will be used to finance construction of a new dormitory. The terms of the loan agreement call for payments of principal and interest to be made directly to the bond trustee. The gross revenues of the University of Tampa secure the loan.

$43,555,000 of City of Tampa, Florida Revenue Bonds (University of Tampa Project), Series 2006 -
The proceeds from the bonds were loaned to the University of Tampa and will be used to construct a 448 bed student dormitory and the second phase of a parking structure. The terms of the loan agreement call for payments of principal and interest to be made directly to the bond trustee by the University of Tampa. The gross revenues of the University of Tampa secure the loan.

$16,325,000 of City of Tampa, Florida Variable Rate Revenue Bonds (DACCO – Drug Abuse Comprehensive Coordinating Office, Inc.), Series 2007 -
The proceeds from the bonds were loaned to Drug Abuse Comprehensive Coordinating Office, Inc. (DACCO) to finance the acquiring, constructing, and equipping of a facility located on Columbus Drive within the limits of the City of Tampa. The terms of the loan agreement call for payments of principal and interest to be made directly to the bond trustee by DACCO. The gross revenues of DACCO secure the loan.

$13,000,000 of City of Tampa, Florida Variable Rate Revenue and Revenue Refunding Bonds (Volunteers of America of Florida, Inc.), Series 2007 -
The proceeds from the bonds were loaned to Volunteers of America of Florida, Inc. to finance and refinance the constructing, relocating, acquiring and equipping certain social service facilities. The terms of the loan agreement call for payments of principal and interest to be made directly to the bond trustee by Volunteers of America of Florida, Inc. Their gross revenues secure the loan.

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2009, was as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds payable	$ 436,300	$ -	$ (20,340)	$ 415,960	$ 16,385
Less: deferred amounts:					
For issuance discounts (premiums)	(45,463)	-	3,377	(42,086)	-
On refunding	(5,876)	-	530	(5,346)	-
Total bonds payable	384,961	-	(16,433)	368,528	16,385
HUD Section 108 Loans	8,170	-	(220)	7,950	230
FMLC Commercial Paper	7,600	4,547	-	12,147	12,147
Claims and judgements	51,687	14,828	(12,045)	54,470	10,559
Lease purchase contracts	1,783	-	(85)	1,698	84
Deferred lease obligations	-	682	-	682	-
Other postemployment benefits	4,040	5,475	1	9,516	-
Compensated absences	48,825	16,798	(15,776)	49,847	17,590
Governmental activity Long-term liabilities	$ 507,066	$ 42,330	$ (44,558)	$ 504,838	$ 56,995
Business-type activities:					
Revenue bonds payable	$ 418,227	$ -	$ (22,612)	$ 395,615	$ 22,205
Less: deferred amounts:					
For issuance discounts (premiums)	6,362	-	(944)	5,418	-
On refunding -- gain (loss)	(8,422)	-	1,222	(7,200)	-
Total bonds payable	416,167	-	(22,334)	393,833	22,205
State of Florida Revolving Loan	47,786	-	(5,167)	42,619	5,325
Landfill postclosure	1,339	-	(54)	1,285	-
Deferred revenues	1,089	-	(300)	789	300
Golf course management fees					
Lease purchase contracts	162	649	(221)	590	152
Other post-employment benefits	1,002	-	1,347	2,349	-
Compensated absences	8,810	4,872	(4,290)	9,392	35
Business-type activity Long-term liabilities	$ 476,355	$ 19,174	$ (31,019)	$ 464,510	$ 28,017

Included as part of the above totals for governmental activities are compensated absences for the internal service funds in the amount of $1,020,000. For governmental activities, claims and judgments are typically liquidated by the general fund.

The government-wide statement of net assets includes in the long-term liabilities due within one year $13,515 for governmental activities and $27,530 for business-type activities in "liabilities payable from restricted assets." The remaining amounts of $43,480 and $487, respectively, are displayed as "noncurrent liabilities, due within one year" on that same statement. On the same statement $1,285 of "noncurrent liabilities, due in more than one year" for business-type activities is included in "liabilities payable from restricted assets" (all amounts in thousands).

V. Other information

A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City either carries commercial insurance or is self-insured.

The City is self-insured for unemployment compensation, workers' compensation, general liability, and vehicular damage claims. The City carries commercial insurance for:

- Employee benefits for City employees and retirees including medical, life, accidental death and dismemberment, and long term disability;
- Property insurance covering the City's buildings with a $100,000 deductible; separate deductibles apply for wind and flood damage (mostly percentage of loss);
- Federal flood insurance;
- Marine craft, aircraft, and works of art.

No significant reductions in insurance coverage occurred in 2009.

Premiums are paid into the general fund by each fund and are available to pay claims, claim reserves, and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditures reported in the general fund. As of September 30, 2009, such interfund premiums did not exceed reimbursable expenditures.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Settlements have not exceeded coverages for each of the last three fiscal years. Changes in the balances of claims liabilities during the past two years are as follows (in thousands):

	Year ended 9/30/09	Year ended 9/30/08
Unpaid claims, beginning of fiscal year	$ 51,687	$ 50,974
Incurred claims (including IBNR'S)	14,828	13,382
Claim payments	(12,045)	(12,669)
Unpaid claims, end of fiscal year	$ 54,470	$ 51,687

B. Contingent liabilities

The City has agreed to pay one-third of any operating and maintenance shortfall of the Tampa Sports Authority as defined in certain Inter-Local Agreements subject to approval of the Sports Authority's annual budgets by both the City and Hillsborough County. In prior years a total of $10,978,000 had been paid under this agreement. In 2009 an additional amount of $816,000 was paid, for a total of $11,794,000 paid through September 30, 2009.

During 2009, and in prior years, the City received revenues and contributions related to grants from Federal agencies and the State of Florida. These grants are for specific purposes and are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement for expenditures being disallowed under the grant terms. Based upon prior experience, the City's management believes any requests for reimbursement, if any, will not be significant.

During 1992, the City entered into an agreement with the Florida Aquarium, Inc. to finance the acquisition, construction, and equipping of the Florida Aquarium. The City's role was to act as a conduit to enable the Aquarium to obtain tax exempt financing. This tax exempt financing did not constitute a debt or obligation of the City and neither the full faith and credit nor any of the taxing power of the City was pledged to repay the principal or interest of the Aquarium debt. The City agreed to pay certain amounts if certain contingencies occurred in connection with the revenue bonds issued by the City as a conduit issuer. Due to attendance shortfalls at the Aquarium, it became apparent that certain contingencies would occur and that the City would have to start paying monies to assist in funding the debt service requirements. Accordingly, on October 24, 1996, the City issued $104,230,000 of

Occupational License Tax Bonds, series 1996A and B, to purchase the Aquarium and related facilities and to pay off the Revenue Bonds, series 1992 (The Florida Aquarium Project). The 1996B Bonds were refunded with the 2002 Occupational License Tax Refunding Bonds, a portion of which were refunded with the 2007 Occupational License Tax Refunding Bonds. The City is still contingently liable for any operating losses of the Aquarium. During 2009, the City paid $600,000 to the Aquarium to cover its operating loss. More information on the Occupational License Tax Bond issue is contained in note IV.F.

In 1989 the City entered into a small power production agreement with TECO Energy Company. Under this agreement the City received certain payments in advance from TECO for electricity produced by the City and sold to TECO. At September 30, 2009, remaining deferred revenues related to this agreement of $789,000 are reflected in the business-type activities column of the statement of net assets and in the solid waste system major fund in the proprietary funds statement of net assets. Should the City fail to meet levels of power production specified in the agreement the City would be committed to pay a penalty to TECO. The maximum potential amount of this obligation at September 30, 2009, was $6,600,000. No such payments have been required through 2009.

During 1998, the City entered into an agreement with Tampa Bay Water, a regional water supply authority, to finance the acquisition and construction of a regional water supply system for the area. Other parties to the agreement are the cities of St. Petersburg and New Port Richey and Hillsborough, Pasco, and Pinellas counties. The system provides storage and will supply water to reduce adverse effects of excessive withdrawals. In accordance with this agreement, the City sold its Morris Bridge Wellfield to Tampa Bay Water for $35,431,000 of which $32,000,000 was in cash and the remaining $3,431,000 is in the form of annual credits to be amortized against future water purchases from Tampa Bay Water by the City. Tampa Bay Water has issued debt obligations for which each party to the agreement would be liable in the event Tampa Bay Water has insufficient assets to pay the debt obligations. The amount of any potential future liability to the City under this agreement cannot be reasonably estimated.

During 1995 the City entered into agreements with the Tampa Sports Authority to issue Tampa Sports Authority bonds to finance construction of the St. Pete Times Forum which are more fully described in note IV. F. The City has agreed to pay from non-ad valorem revenues $750,000 at a minimum and $1,500,000 at a maximum to the Sports Authority through 2026 for the $10,300,000 Tampa Sports Authority Special Purpose Bonds and $250,000 for the $2,815,000 Tampa Sports Authority Taxable Special Purpose Bonds. The payment to the Sports Authority above varies because the amount is contingent on certain parking revenues and ticket surcharge revenues. During 2009, $921,000 was paid under this agreement.

In 1993, State regulations required the City to place a final cover on its Old Manhattan landfill site when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The City will report an approximate expense of $80,000 per year for the next sixteen years. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The City is required by the State of Florida Administrative Code section 62-701.630 to maintain a trust fund to finance closure and post-closure care. The City is in compliance with these requirements, and as of September 30, 2009, a certificate of deposit (#002-0635861568 with Fifth Third Bank) was purchased to meet the $1,285,000 potential cost. This amount is reported as restricted assets on the statements of net assets government-wide statement in the column for business-type activities and in the water utility fund in the proprietary fund statement of net assets.

The 1997, 1998, 1999A, and 2000A Utilities Tax Bonds are collateralized by a pledge of utility tax revenue. A portion of the proceeds from the bond issues were used for parking related capital projects. While the City is not contractually obligated to service the debt from the parking facilities fund, it has elected to make operating transfers from the parking facilities fund to the appropriate debt service fund for a portion of the debt service on the bond issues.

In connection with its efforts to redevelop and rehabilitate existing housing stock through various housing activities, the City has established a Challenge Fund Guarantee Program. Under the program the City has agreed to establish an account entitled the Community Reinvestment Challenge Fund Loan Guarantee Account. This account is funded by Federal Community Development Block Grant Funds and other public and private sources. The City has agreed to use this account to purchase certain loans made by participating financial institutions in the event of default during a period of five years from the date of origination of the loan. Pursuant to Council Resolution the aggregate amount of loans subject to this agreement may not exceed $75 million. The City had no expenditures from the Community Reinvestment Challenge Fund Loan Guarantee Account in 2009.

C. Other post employment benefits

Post Employment Health Care Benefits

The City follows GASB No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*, to account for certain postemployment health care benefits provided by the City. The actuarially determined liability of $75,073,359 at the October 1, 2007, date of transition is being amortized over 30 years. Accordingly, for financial reporting purposes, this liability is not reported for the postemployment health care benefits liability at the date of transition.

Plan Description. The Post Employment Health Care Benefits Plan is a single-employer defined benefit plan administered by the City. Pursuant to the provisions of section 112.0801, Florida Statutes, former employees and eligible dependents who retire from the City may continue to participate in the City's fully insured health and hospitalization plan for medical and prescription drug coverages. These retirees are completely responsible for payment of their insurance premiums and the City does not contribute toward this payment. However, the City subsidizes the premium rates paid by retirees by allowing them to participate in the plans at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. Medicare eligible retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible.

Funding Policy. For the Postemployment Health Care Benefits Plan, contribution requirements of the City are established and may be amended through recommendations of the Insurance Committee. The City has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) costs or the net OPEB obligation. As of September 30, 2009, there were 988 retirees and eligible dependents receiving postemployment health care benefits. For the 2009 fiscal year the City provided contributions of $1,436,000 toward annual OPEB costs, comprised of benefit payments made on behalf of retirees for claims expenses, retention costs, and net of retiree contributions totaling $4,413,000. Required contributions are based on projected pay-as-you-go financing.

Annual OPEB Cost and Net OPEB Obligation. The following table shows the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for 2009 (in thousands):

Annual required contribution	$ 8,237
Interest on net OPEB obligation	202
Amortization of net OPEB obligation	(180)
Annual OPEB cost	8,259
Contributions made	(1,436)
Increase in net OPEB obligation	6,823
Net OPEB obligation, beginning of year	5,042
Net OPEB obligation, end of year	$ 11,865

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of September 30, 2009, was as follows (in thousands):

Year Ended September 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	$ 7,766	35%	$ 5,042
2009	$ 8,259	17%	$ 11,865

Funded Status and Funding Progress. As of September 30, 2009, the actuarial accrued liability for benefits was $86,199,000, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability of $86,199,000. The covered payroll (annual payroll for active participating employees) was $282,608,000 for the 2009 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 30.5%.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The City's initial OPEB actuarial valuation for the 2007-2009 two year period used the entry age normal cost actuarial method to estimate the unfunded actuarial liability and to determine the annual required contribution. Because the OPEB liability is currently

unfunded, the actuarial assumptions included a 4.0% rate of return on invested assets, which is the City's long-term expectation of investment returns under its investment policy. The actuarial assumptions also included a payroll growth rate of 3.5% per year, and an annual healthcare cost trend rate of 10.5% initially for the 2007-2009 two year period, reduced by 1% per year, to an ultimate rate of 5.5% for the fiscal year ending September 30, 2014. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The unfunded actuarial accrued liability is being amortized over 30 years in calculating the City's 2007-2009 fiscal year annual required contributions.

D. Employee pension plans

Description of the plans

General Employees Retirement Fund:

General. The City contributes to the City of Tampa General Employees Retirement Fund (the fund), a single employer, defined benefit plan covering virtually all full-time City employees (other than full-time firefighters and police officers) and former employees of the City, whose current governmental employers make contributions for those employees. The fund is administered by an independent Board of Trustees and is accounted for as a separate pension trust fund. The laws of Florida authorize the fund.

Benefits. During fiscal 1981, the fund was amended to provide social security coverage for all future employees of the City. The fund was divided into partial City pension with social security and full City pension with no social security. All employees hired on or after October 1, 1981 are automatically covered by social security and partial City pension.

Benefit eligibility requirements and benefit provisions are as follows: for employees hired before October 1, 1981 who contribute to the fund, vesting occurs at 10 or more years of service and benefits are distributed at age 55. Benefit amounts are calculated based on the highest three years of salary within the last ten years of employment. The member will receive a benefit amount equal to 2.0% of that average salary for each of the first 15 years of service and 2.5% for each remaining year. A maximum of 30 years of service is recognized.

For employees hired on or after October 1, 1981 who contribute to social security, vesting occurs with 6 or more years of service (eight for elected officials), and benefits are distributed at age 62. The monthly pension is equal to 1.2% of the employee's average monthly compensation times years of service. Early retirement is permitted for those hired on or after October 1, 1981, who have at least ten years of service, and have reached age 55. The accrued normal benefit is reduced 5/12% for each month by which the early retirement precedes normal retirement. Pre-and post-retirement death benefits are also provided. Members with ten or more years of credited service who have reached age 55 are eligible to participate in the Deferred Retirement Option Program (DROP) for up to seven years. During the DROP period the member makes no further contribution to the fund and accrues a benefit amount equal to what would have been the member's retirement benefit had the member retired as of the date of entry into the DROP program. The member's DROP benefits earn at whatever rate the fund earns and are accrued annually. This accumulated amount is paid in a lump sum when the member leaves active service at the end of the DROP period. Both DROP benefits and post-retirement benefits receive cost of living adjustments annually; employees hired before October 1, 1981, receive 2.2% and employees hired on or after October 1, 1981, receive 1.2%.

Firefighters and Police Officers Pension Fund:

General. The City contributes to the City of Tampa Firefighters and Police Officers Pension Fund (the fund), a single employer, defined benefit plan covering substantially all full-time firefighters and police officers. The fund is administered by an independent Board of Trustees and is accounted for by the City as a separate pension trust fund. The laws of Florida authorize the fund.

Benefits. Benefit eligibility requirements and benefit provisions are as follows: vesting for participants in the fund occurs at 10 years of service, and participants may begin drawing monthly pension benefits at the earlier of attaining age 46 with 10 or more years of service or 20 years of service, regardless of age. The annual pension benefit is 3.15% for each year of service times the employees final average compensation (highest three of the last ten years of service), but not less than $100 per month. The fund provides both service and nonservice-related disability and preretirement death benefits. Effective October 1, 2004, the annual pension benefit was increased from 2.5% to 3.15% for each year of service times the employees final average compensation (highest three of the last ten years of service), but not less than $100 per month. The increased benefit is applicable only to plan members actively employed as firefighters or police officers on or after October 1, 2003.

Members with at least 20 years of credited service are eligible to participate in the Deferred Retirement Option Program (DROP) for up to five years. Members entering DROP after 25 years of service are eligible to participate in the DROP for a combined total of 30 years of credited service. During the DROP period the member accrues a benefit amount equal to what would have been the member's

longevity retirement benefit had the member retired as of the date of entry into the DROP program adjusted for net investment returns on fund assets. Net returns are calculated from the date payment would have been made until departure from service. This accumulated amount less the portion attributable to the employee's after tax pension contributions may be either rolled over to a tax-qualified vehicle, paid in a lump sum, or some combination of the two based upon the member's request when the member leaves active service at the end of the DROP period.

All eligible retired members and surviving spouses receive a 13th check program benefit payment which has been paid each January 31, beginning in 1999. The 13th check program benefit, if any, is actuarially determined and is an equal dollar amount for all eligible retirees. One half of that amount is the benefit to eligible surviving spouses. The 13th check benefit was funded by employee contributions from the 13th check benefit's inception in October 1998 through September 30, 2001. Employee contributions to the 13th check benefit ceased September 30, 2001, and the 13th check benefit was then funded by a portion of the investment return in excess of the actuarially assumed rate of return of the fund.

Members terminating employment who are not eligible to retire are entitled to a refund of contributions they made to the fund without interest. Postretirement benefit increases are based on the net change in the average cost of living index with a maximum determined by the actuary and a minimum not below the original benefit for the fund; these benefits are paid from a postretirement adjustment account which had assets of $784,499,000 at October 1, 2008.

Membership data of the funds are summarized as follows:

	General Employees Retirement Fund	Firefighters and Police Officers Pension Fund
Participant data as of the date of the most recent actuarial valuation: January 1, 2009, and October 1, 2008 respectively:		
Retirees and beneficiaries receiving benefits	1,878	1,754
Terminated employees entitled to benefits but not receiving them	371	12
Vested current employees	1,901	674
Nonvested current employees	810	635

Significant accounting policies

Basis of accounting. Financial information for the two pension funds is prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period that contributions are due. Separate audited financial statements are issued for the Firefighters and Police Officers Pension Fund pension plan. Copies of that report may be obtained from the City's accounting department offices at 315 E. Kennedy Blvd., Tampa, Florida. No separate audited financial statement is issued for the General Employees Retirement Fund.

Statements of Net Assets and Changes in Net Assets for the General Employees Retirement Fund are presented below (in thousands).

Statement of Pension Net Assets

ASSETS	
Investments	$ 495,367
Accounts Receivable	2,736
Interest and dividends receivable	1,186
Total assets	499,289
LIABILITIES	
Accounts payable	2,519
Total liabilities	2,519
NET ASSETS	
Held in trust for pension benefits	$ 496,770

Statement of Changes in Pension Net Assets

ADDITIONS	
Contributions:	
Employer	$ 12,138
Employees	554
Total contributions	12,692
Investment earnings:	
Interest and dividends	10,153
Net increase in the fair value of investments	6,867
Total investment earnings	17,020
Less investment expense	2,474
Net investment earnings	14,546
Total additions	27,238
DEDUCTIONS	
Pension benefits	33,606
Withdrawal payments	45
Administrative expenses	267
Total deductions	33,918
Change in net assets	(6,680)
Net assets - beginning	503,450
Net assets - ending	$ 496,770

Valuation of investments. Investments in the two plan funds are reported at fair value according to the independent custodian for each plan and the independent money managers of the assets in each plan using various third party pricing sources. Short-term investments are reported at fair value. Real estate holdings in the Firefighters and Police Officers Pension Fund are reported at the most recent appraisal value.

Contribution requirements and contributions made

City policy and State statutes govern the City and employee contribution requirements for both funds. The City's contribution to the General Employees Retirement Fund is an actuarially determined periodic amount that changes gradually over time so that sufficient assets will be available to pay benefits when due. The employees' contribution rate for this fund is currently 7% of gross pay for employees hired before October 1, 1981 and no contribution for employees hired on or after October 1, 1981. The City's contribution to the Firefighters and Police Officers Pension Fund is an actuarially determined periodic amount that is a minimum of 134% of a portion of the employee contribution. The employees' contribution to the fund uses a progressive scale (full scale contribution rate or FSCR) that ranges from 4% to 25% of earnings, which may be discounted by the actuary. Members who have entered the DROP program for either fund do not make contributions during their DROP participation period. The State of Florida makes contributions from taxes on casualty insurance premiums. The State of Florida's contribution to the Firefighters' Pension Plan for the year ended September 30, 2009 was $6,394,000. The City recognized these on-behalf payments from the State as revenues and expenditures in the governmental fund financial statements.

In 2009 the annual pension cost and contribution for the Firefighters and Police Officers Pension Fund and the General Employees Retirement Fund were $5,530,000 and $12,138,000 respectively.

Annual pension cost and contribution information for the last three fiscal years follows (in thousands):

General Employees Retirement Fund

Year Ended September 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	$12,064	100%	$30
2008	$14,207	100%	$30
2007	$15,111	100%	$25

Firefighters and Police Officers Pension Fund

Year Ended	Annual Pension Cost (APC)		Percentage of APC	Net Pension
September 30	City	State	Contributed	Obligation
2009	$5,530	$6,394	100%	$0
2008	$3,249	$6,895	100%	$0
2007	$2,629	$6,687	100%	$0

The City's net pension obligation for the General Employees Retirement Plan was as follows as of September 30, 2009 (in thousands):

Annual required contribution	$ 14,207
Interest on net pension obligation	1
Adjustment to annual required contribution	(1)
Annual pension cost	14,207
Contributions made	(14,202)
Increase in net pension obligation	5
Interest on net pension obligation change to end of year	-
Net pension obligation, beginning of year	25
Net pension obligation, end of year	$ 30

The General Employees Retirement Fund has an actuarially accrued liability in excess of assets, this amount is being amortized as a level percentage of payroll over the remaining future service of plan participants. The Firefighters and Police Officers Pension Fund has an unfunded actuarially accrued liability that is being amortized as a level dollar amount over a closed period.

Actuarial methods and significant assumptions

	General Employees Retirement Fund	Firefighters and Police Officers Pension Fund
Valuation date	January 1, 2009	October 1, 2008
Actuarial cost method	Entry age	Entry age
Amortization method	Level percent of payroll	Level dollar, closed period
Remaining amortization period	Remaining future service, open period	8 - 30 years
Asset valuation method	Weighted five-year asset smoothing	Smoothed market value
Actuarial assumptions:		
Investment rate of return	8%	10%
Projected salary increases*	6%	15.00% to 6.25% for Firefighters 9.00% to 4.00% for Police Officers
*Includes inflation at	3%	3.5%
Cost of living adjustments	2.2% for employees hired before October 1, 1981, and 1.2% for employees hired on or after October 1, 1981	None

E. Pollution Remediation Obligations

In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation*, first implemented by the city in fiscal year 2009, the following provides a general description of the nature of the pollution remediation activities.

The Water Department is under an Administrative Order from the Florida Department of Environmental Protection (FDEP) for the operation of the Aquifer Storage and Recovery system. There have been minor chemical spills that are of quantities less than reportable quantities as required by FDEP. The Wastewater Department is in the final stages of a Consent Order, entered into with the FDEP. Under

this order, the department is obligated to perform several actions such as inspection of manholes, replacement of pipes, etc., as well as pay a penalty. The Wastewater Department had a diesel fuel spill at the Treatment Plant on January 25, 2008. The city has been working since then with the Hillsborough County Environmental Protection Commission (HCEPC) and FDEP to complete a site assessment (precursor to remediation). A Pilot Test Plan to gather data for a remediation proposal was submitted to HCEPC on July 23, 2009. As of year-end, no remediation activities have been completed. The Stormwater Department is under National Pollutant Discharge Elimination System (NPDES) requirements for non-point source discharge. The NPDES Permit must be re-applied for annually to maintain compliance. The Stormwater Department has been cited by the FDEP regarding storage of organic ditch debris at the Stormwater's Sweeper Debris Facility, but is not under any violations at present. The Solid Waste Department is involved with cleanups of underground storage tanks and other materials at various locations: McKay Bay Pond #5 - an effort to remediate the impact of the deposition of ash from an old incinerator, including heavy metals; Rogers Park Historical Landfill Monitoring - The DEP has determined there is an environmental impact from the use of some locations as old historic landfills. An attempt to more specifically identify problems is being considered; La Salle St. Assessment/ Remediation (aka Industrial Chemical & Supply) - The La Salle Street properties have environmental problems, as one site formerly had a chemical facility on it. In the past some cleanup work was done and these efforts continue.

The City of Tampa Risk Management Office has several structured insurance programs related to possible pollution exposure: A formal self insurance program pursuant to the authority granted by Florida Statute. The City's self insurance program operates within the limits of sovereign immunity; a Pollution Legal Liability Insurance policy which provides coverage for pollution exposure and related clean up costs; and a Storage Tank Third Party Liability Insurance policy providing coverage for third party bodily injury and property damage due to a storage tank release. In addition, this policy provides coverage for related cleanup and defense costs. By implementing several insurance programs, the City is transferring these potential exposures to a limit of liability in a formal insurance program.

The city has not recognized a liability for a pollution remediation obligation because the city is either not compelled to take action in the items described above, the work was completed before year-end, or a liability is not reasonably estimable.

F. Subsequent events

Commercial Paper Issuance. On November 20, 2009, the City issued $36,540,000 in commercial paper through the Florida Association of Counties program. Of this amount, approximately $29,812,000 will be used for water projects and approximately $6,728,000 will be used for stormwater projects. This issuance matures December 4, 2012.

On December 1, 2009, the commercial paper loan amount due on that date in the amount of $7,600,000 was refinanced and the maturity date extended until June 1, 2010.

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City of Tampa, Florida

Required Supplementary Information (unaudited)
Schedules of Funding Progress
(in thousands)

General Employees Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - - Entry Age (b)	Unfunded or (Assets in Excess of) AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded or (Assets in Excess of) AAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2004	$ 473,376	$ 474,034	$ 658	99.9 %	$ 135,256	0.5 %
1/1/2005	481,704	487,292	5,588	98.9	144,404	3.9
1/1/2006	497,239	508,298	11,059	97.8	151,126	7.3
1/1/2007	525,100	536,233	11,133	97.9	154,575	7.2
1/1/2008	577,599	588,497	10,898	98.1	154,620	7.0
1/1/2009	508,975	519,502	10,527	98.0	151,000	7.0

Firefighters and Police Officers Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - - Entry Age (b)	Unfunded or (Assets in Excess of) AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded or (Assets in Excess of) AAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/2003	$ 461,246	$ 540,181	$ 78,935	85.4 %	$ 76,397	103.3 %
10/1/2004	625,631	572,658	(52,973)	109.3	78,165	(67.8)
10/1/2005	674,834	593,961	(80,873)	113.6	88,045	(91.9)
10/1/2006	705,453	636,973	(68,480)	110.8	87,549	(78.2)
10/1/2007	739,323	678,049	(61,274)	109.0	88,395	(69.3)
10/1/2008	701,639	705,646	4,007	99.4	89,132	4.5

Other Post Employment Benefits*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - - Entry Age (b)	Unfunded or (Assets in Excess of) AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded or (Assets in Excess of) AAL as a Percentage of Covered Payroll ((b-a)/c)
9/30/2008	$ 0	$ 79,950	$ 79,950	0.0 %	$ 250,321	31.9 %
9/30/2009	0	86,199	86,199	0.0	282,608	30.5

* Other post employment benefits liability was not reported prior to 2008.

City of Tampa, Florida

Required Supplementary Information (unaudited)
Schedules of Employer Contributions
(in thousands)

General Employees Retirement Fund

Year Ended Sept. 30,	Annual Required Contribution	Percentage Contributed
2004	$ 6,767	100 %
2005	8,216	100
2006	11,397	100
2007	15,111	100
2008	14,207	100
2009	12,064	100

Firefighters and Police Officers Pension Fund

Year Ended Sept. 30,	Annual Required Contribution		Percentage Contributed	
	City	State	City	State
2004	$ 13,615	$ 5,297	100 %	100 %
2005	13,836	5,603	100	100
2006	1,481	6,125	100	100
2007	2,629	6,687	100	100
2008	3,249	6,895	100	100
2009	5,530	6,394	100	100

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Guaranteed Entitlement Fund -- This fund is used to account for the receipt and use of State guaranteed entitlement proceeds. This money is pledged to the repayment of the 2001 Guaranteed Entitlement Refunding Revenue Bonds.

Cable Communications Fund -- This fund is used to account for administering the City's cable television franchise and access (public education and governmental) television programming activities. The Cable Communications Department's responsibility is to enforce applicable federal, state and local codes and ordinances as well as the contractual terms defined by the franchise agreement.

Local Option Gas Tax Fund -- This fund is used to account for the City's share of taxes levied on motor fuel and special fuel sold in the county. This money shall be used for various transportation related capital projects.

Stormwater Fund – This fund is used to account for the receipt of ad valorem stormwater assessments. These funds along with transfers from the general fund and utility tax special revenue fund support capital improvement and administration costs of the City's stormwater system.

Occupational License Fund -- This fund is used to account for the receipt and use of occupational license tax proceeds. This money is pledged to the repayment of the 2002 and 2007 Occupational License Tax Bonds.

Community Development Block Grant Fund -- This fund is used to finance numerous interrelated physical projects within a designated geographic area. The projects are funded by the U.S. Department of Housing and Urban Development.

Other Grants Fund -- This fund is used to account for various miscellaneous grants including: HUD Hope 3 Implementation Grant, Home Investment Partnerships Grant, State Social Services Block Grant, Housing Opportunities for People with AIDS, Police Intergovernmental Grants and other miscellaneous grants.

State Housing Initiatives Partnership Fund – This fund is used to account for administering the State Housing Initiatives Partnership program. Funds are distributed by the State of Florida for use in low income housing assistance.

Debt Service Funds

Debt service funds are used to accumulate monies and account for the repayment of bonds and HUD Section 108 Loans.

Utilities Tax Bonds Fund -- This fund is used to accumulate monies for payment of Utility Tax Bonds and Utility Tax Refunding Bonds that are payable solely from the utility tax proceeds.

Guaranteed Entitlement Revenue Bonds Fund -- This fund is used to accumulate monies for the payment of Guaranteed Entitlement Refunding Revenue Bonds that are payable solely from the State guaranteed entitlement.

Utilities Tax and Special Revenue Bonds Fund -- This fund is used to accumulate monies for payment of Utilities Tax and Special Revenue Refunding Bonds that are payable solely from utility tax proceeds and tax increment revenues.

Community Investment Tax Bonds Fund -- This fund is used to accumulate monies for payment of Community Investment Tax Bonds that are payable solely from the community investment tax proceeds.

Occupational License Tax Bonds Fund -- This fund is used to accumulate monies for payment of Occupational License Tax Bonds that are payable solely from the occupational license tax proceeds.

Local Option Gas Tax Revenue Bonds Fund -- This fund is used to accumulate monies for payment of Transportation Revenue Bonds that are payable solely from the taxes on motor fuel collected in the county.

HUD-Section 108 Loan Proceeds Fund -- This fund is used to accumulate monies for repayment of HUD Section 108 Loans.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Local Option Gas Tax Capital Projects Fund -- This fund is used to account for the cost of various transportation capital improvement projects, some of which are as follows: public transportation operations and maintenance, roadway and right-of-way maintenance, equipment, drainage, and street lighting.

Utility Tax Capital Projects Fund -- This fund is used to account for the portion of utility tax revenues appropriated for capital improvements, including drainage, playgrounds, parks and recreation centers. Project expenditures have been financed with transfers from the Utility Tax Special Revenue Fund and Utilities Tax Refunding Bonds.

Transportation Impact Fees Capital Projects Fund -- This fund is used to account for the cost of capital improvements, including but not limited to: construction of new through lanes, turn lanes, bridges, drainage facilities, traffic signalization, curbs, medians, shoulders and transit facilities. Financing will be provided by an impact fee assessed at the time of issuance of certificates of occupancy.

Utility Tax Bond Projects Fund -- This fund is used to account for the cost of a police headquarters, other district office facilities, and various vehicles, equipment, recreation facilities and other capital projects.

Occupational License Tax Bond Projects Fund – This fund is used to account for the cost of acquiring the Aquarium and refinancing the Aquarium debt.

Community Investment Tax Capital Projects Fund -- This fund is used to account for the receipt of community investment tax revenues and the cost of appropriated capital expenditures, some of which include: police and fire vehicle acquisitions, road and drainage improvements, and park improvements.

Community Investment Tax Bond Projects Fund -- This fund is used to account for the receipt of community investment tax bond revenues and the cost of appropriated capital expenditures, some of which include: Museum/Cultural Arts District, Lowry Park Zoo Expansion, Fort Brooke Park development, roadway and improvements to recreation centers.

City of Tampa, Florida

Combining Balance Sheet--
Nonmajor Governmental Funds
September 30, 2009 (in thousands)

	Special Revenue				
	Guaranteed Entitlement	Cable Communication	Local Option Gas Tax	Stormwater	Occupational License
ASSETS					
Cash	$ 0	$ 0	$ 0	$ 9	$ 0
Equity in pooled cash and investments	0	262	2,863	6,427	9,511
Receivables--net of allowance for uncollectibles	0	44	839	53	0
Total assets	$ 0	$ 306	$ 3,702	$ 6,489	$ 9,511
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 0	$ 257	$ 0	$ 1,233	$ 0
Contracts payable--retainage	0	0	0	170	0
Accrued liabilities	0	45	0	327	0
Accrued Interest payable	0	0	0	0	0
Current portion of long-term debt	0	0	0	0	0
Due to other funds	0	4	0	39	0
Deferred revenues	0	0	0	0	8,276
Total liabilities	0	306	0	1,769	8,276
Fund balances:					
Reserved for:					
Encumbrances	0	266	0	6,529	0
Debt service	0	0	0	0	0
Unreserved reported in:					
Special revenue funds:					
Undesignated	0	(266)	3,702	(1,809)	1,235
Capital projects funds:					
Designated for capital outlays	0	0	0	0	0
Undesignated	0	0	0	0	0
Total fund balances (deficit)	0	0	3,702	4,720	1,235
Total liabilities and fund balances	$ 0	$ 306	$ 3,702	$ 6,489	$ 9,511

Special Revenue			Debt Service		
Community Development Block Grant	Other Grants	State Housing Initiatives Partnership	Utilities Tax Bonds	Guaranteed Entitlement Revenue Bonds	Utilities Tax and Special Revenue Bonds
$ 1,335	$ 0	$ 0	$ 0	$ 222	$ 0
3,487	0	5,308	13,875	223	1,956
		0			
319	6,474	0	41	0	0
$ 5,141	$ 6,474	$ 5,308	$ 13,916	$ 445	$ 1,956
$ 1,173	$ 3,183	$ 0	$ 0	$ 0	$ 0
0	91	0	0	0	0
92	13	2	0	0	0
0	0	0	2,813	62	1,010
0	0	0	10,900	160	0
11	3,187	0	0	0	0
3,865	0	0	0	0	0
5,141	6,474	2	13,713	222	1,010
0	0	1,019	0	0	0
0	0	0	203	223	946
0	0	4,287	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	5,306	203	223	946
$ 5,141	$ 6,474	$ 5,308	$ 13,916	$ 445	$ 1,956

(Continued)

City of Tampa, Florida

Combining Balance Sheet--
Nonmajor Governmental Funds (continued)
September 30, 2009 (in thousands)

	Debt Service (continued)				
	Community Investment Tax Bonds	Occupational License Tax Bonds	Local Option Gas Tax Revenue Bonds	HUD - Section 108 Loan Proceeds	Local Option Gas Tax Capital Projects
ASSETS					
Cash	$ 0	$ 0	$ 0	$ 0	$ 9
Equity in pooled cash and investments	3,732	1,152	0	740	20,919
Receivables--net of allowance for uncollectibles	0	0	0	0	3,831
Total assets	$ 3,732	$ 1,152	$ 0	$ 740	$ 24,759
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 0	$ 0	$ 0	$ 0	$ 1,220
Contracts payable--retainage	0	0	0	0	352
Accrued liabilities	0	0	0	0	0
Accrued Interest payable	1,507	1,143	0	59	0
Current portion of long-term debt	2,225	0	0	230	0
Due to other funds	0	0	0	0	0
Deferred revenues	0	0	0	0	0
Total liabilities	3,732	1,143	0	289	1,572
Fund balances:					
Reserved for:					
Encumbrances	0	0	0	0	12,475
Debt service	0	9	0	451	0
Unreserved reported in:					
Special revenue funds:					
Undesignated	0	0	0	0	0
Capital projects funds:					
Designated for capital outlays	0	0	0	0	10,712
Undesignated	0	0	0	0	0
Total fund balances (deficit)	0	9	0	451	23,187
Total liabilities and fund balances	$ 3,732	$ 1,152	$ 0	$ 740	$ 24,759

Capital Projects						
Utility Tax Capital Projects	Transportation Impact Fees Capital Projects	Utility Tax Bond Projects	Occupational License Tax Bond Projects	Community Investment Tax Capital Projects	Community Investment Tax Bond Projects	Total Nonmajor Governmental Funds
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,575
35,252	37,937	0	0	32,093	17,111	192,848
1,137	0	0	0	912	0	13,650
$ 36,389	$ 37,937	$ 0	$ 0	$ 33,005	$ 17,111	$ 208,073
$ 3,740	$ 30	$ 0	$ 0	$ 305	$ 1,901	$ 13,042
725	0	0	0	6	1,177	2,521
0	0	0	0	0	0	479
0	0	0	0	0	0	6,594
0	0	0	0	0	0	13,515
0	0	64	0	0	0	3,305
0	0	0	0	0	0	12,141
4,465	30	64	0	311	3,078	51,597
10,238	623	0	0	4,307	4,062	39,519
0	0	0	0	0	0	1,832
0	0	0	0	0	0	7,149
21,686	37,284	0	0	28,387	9,971	108,040
0	0	(64)	0	0	0	(64)
31,924	37,907	(64)	0	32,694	14,033	156,476
$ 36,389	$ 37,937	$ 0	$ 0	$ 33,005	$ 17,111	$ 208,073

City of Tampa, Florida

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances--
Nonmajor Governmental Funds
For the fiscal year ended September 30, 2009 (in thousands)

	Special Revenue				
	Guaranteed Entitlement	Cable Communication	Local Option Gas Tax	Stormwater	Occupational License
REVENUES					
Taxes:					
Sales	$ 0	$ 0	$ 0	$ 0	$ 0
Local option resort	0	0	0	0	0
Motor fuel	0	0	10,402	0	0
Special assessments	0	0	0	6,148	0
Intergovernmental:					
Federal	0	0	0	6	0
State	284	0	0	140	0
Local	0	0	0	154	0
Transportation impact fees	0	0	0	0	0
Licenses and permits	0	0	0	1	10,836
Charges for services	0	4	0	0	0
Investment earnings	14	209	64	128	0
Contributions and donations	0	398	0	0	0
Total revenues	298	611	10,466	6,577	10,836
EXPENDITURES					
Current:					
Public safety	0	0	0	0	0
Culture and recreation	0	0	0	0	0
Public works	0	0	37	8,340	0
General government services	0	2,154	0	0	0
Economic and physical environment	0	0	0	0	0
Debt service:					
Principal	0	0	0	0	0
Interest	0	0	0	18	0
Debt issuance costs	0	0	0	6	0
Capital outlay	0	411	0	6,458	0
Total expenditures	0	2,565	37	14,822	0
Excess (deficiency) of revenues over (under) expenditures	298	(1,954)	10,429	(8,245)	10,836
OTHER FINANCING SOURCES (USES)					
Commercial paper issued	0	0	0	4,547	0
Sale of capital assets	0	0	0	0	0
Transfers in	0	2,513	0	7,395	0
Transfers out	(298)	(7,375)	(9,947)	(27)	(11,295)
Total other financing sources (uses)	(298)	(4,862)	(9,947)	11,915	(11,295)
Net change in fund balances	0	(6,816)	482	3,670	(459)
Beginning fund balances (deficit)	0	6,816	3,220	1,050	1,694
Ending fund balances (deficit)	$ 0	$ 0	$ 3,702	$ 4,720	$ 1,235

Special Revenue			Debt Service		
Community Development Block Grant	Other Grants	State Housing Initiatives Partnership	Utilities Tax Bonds	Guaranteed Entitlement Revenue Bonds	Utilities Tax and Special Revenue Bonds
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
0	0	0	166	0	0
0	0	0	0	0	0
0	0	0	0	0	0
5,448	24,311	1	0	0	0
0	1,931	3,171	0	0	0
0	865	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
124	66	169	110	0	42
0	0	0	0	0	0
5,572	27,173	3,341	276	0	42
0	1,543	0	0	0	0
0	150	0	0	0	0
0	290	0	0	0	0
0	0	0	0	0	0
4,500	7,083	3,234	0	0	0
0	0	0	10,900	160	0
0	0	0	5,626	124	2,020
0	0	0	0	0	0
644	18,008	0	0	0	0
5,144	27,074	3,234	16,526	284	2,020
428	99	107	(16,250)	(284)	(1,978)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	16,237	284	2,197
(428)	(99)	0	(177)	0	0
(428)	(99)	0	16,060	284	2,197
0	0	107	(190)	0	219
0	0	5,199	393	223	727
$ 0	$ 0	$ 5,306	$ 203	$ 223	$ 946

(Continued)

City of Tampa, Florida

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances--
Nonmajor Governmental Funds (continued)
For the fiscal year ended September 30, 2009 (in thousands)

	Debt Service (continued)				Capital Projects
	Community Investment Tax Bonds	Occupational License Tax Bonds	Local Option Gas Tax Revenue Bonds	HUD - Section 108 Loan Proceeds	Local Option Gas Tax Capital Projects
REVENUES					
Taxes:					
Sales	$ 0	$ 0	$ 0	$ 0	$ 0
Local option resort	0	0	0	0	0
Motor fuel	0	0	0	0	0
Special assessments	0	0	0	0	0
Intergovernmental:					
Federal	0	0	0	0	333
State	0	0	0	0	10,389
Local	0	0	0	0	3,000
Transportation impact fees	0	0	0	0	0
Licenses and permits	0	0	0	0	0
Charges for services	0	0	0	75	0
Investment earnings	0	78	0	19	613
Contributions and donations	0	0	0	0	566
Total revenues	0	78	0	94	14,901
EXPENDITURES					
Current:					
Public safety	0	0	0	0	0
Culture and recreation	0	0	0	0	0
Public works	0	0	0	0	3,016
General government services	0	0	0	0	0
Economic and physical environment	0	0	0	0	0
Debt service:					
Principal	2,225	2,730	0	230	0
Interest	3,019	4,345	104	360	0
Debt issuance costs	0	0	0	0	0
Capital outlay	0	0	0	0	19,194
Total expenditures	5,244	7,075	104	590	22,210
Excess (deficiency) of revenues over (under) expenditures	(5,244)	(6,997)	(104)	(496)	(7,309)
OTHER FINANCING SOURCES (USES)					
Commercial paper issued	0	0	0	0	0
Sale of capital assets	0	0	0	0	0
Transfers in	5,248	7,084	104	760	9,870
Transfers out	0	0	0	0	0
Total other financing sources (uses)	5,248	7,084	104	760	9,870
Net change in fund balances	4	87	0	264	2,561
Beginning fund balances (deficit)	(4)	(78)	0	187	20,626
Ending fund balances (deficit)	$ 0	$ 9	$ 0	$ 451	$ 23,187

Capital Projects						
Utility Tax Capital Projects	Transportation Impact Fees Capital Projects	Utility Tax Bond Projects	Occupational License Tax Bond Projects	Community Investment Tax Capital Projects	Community Investment Tax Bond Projects	Total Nonmajor Governmental Funds
$ 0	$ 0	$ 0	$ 0	$ 13,220	$ 0	$ 13,220
898	0	0	0	0	0	1,064
0	0	0	0	0	0	10,402
0	0	0	0	0	0	6,148
0	0	0	0	0	0	30,099
166	0	0	0	0	0	16,081
1,237	0	0	0	0	0	5,256
0	5,331	0	0	0	0	5,331
42	0	0	0	0	0	10,879
10	0	0	0	0	0	89
0	92	0	0	1,417	910	4,055
7,762	0	0	0	0	0	8,726
10,115	5,423	0	0	14,637	910	111,350
24	0	0	0	0	0	1,567
421	0	0	0	0	170	741
0	78	0	0	0	0	11,761
170	0	0	0	0	0	2,324
0	0	0	0	0	0	14,817
0	0	0	0	0	0	16,245
0	0	0	0	0	0	15,616
0	0	0	0	0	0	6
28,978	1,669	0	0	9,614	24,299	109,275
29,593	1,747	0	0	9,614	24,469	172,352
(19,478)	3,676	0	0	5,023	(23,559)	(61,002)
0	0	0	0	0	0	4,547
1,682	0	0	0	0	0	1,682
19,327	0	0	0	0	0	71,019
0	0	(10)	(9)	(5,248)	0	(34,913)
21,009	0	(10)	(9)	(5,248)	0	42,335
1,531	3,676	(10)	(9)	(225)	(23,559)	(18,667)
30,393	34,231	(54)	9	32,919	37,592	175,143
$ 31,924	$ 37,907	$ (64)	$ 0	$ 32,694	$ 14,033	$ 156,476

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City of Tampa, Florida

Schedule of Revenues, Expenditures, and
Changes in Fund Balances--Budget and Actual--
Annually-Budgeted Nonmajor Special Revenue Funds
For the fiscal year ended September 30, 2009 (in thousands)

	Guaranteed Entitlement				Cable Communication			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts		Original	Final	Actual Amounts	
REVENUES								
Local option gas tax	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Special assessments	0	0	0	0	0	0	0	0
Intergovernmental:								
Federal government	0	0	0	0	0	0	0	0
State government	284	284	284	0	0	0	0	0
Local government	0	0	0	0	0	0	0	0
Licenses and permits	0	0	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0	4	4
Investment earnings	0	0	14	14	250	250	209	(41)
Contributions and donations	0	0	0	0	200	200	398	198
Total revenues	284	284	298	14	450	450	611	161
EXPENDITURES								
Current:								
Public works	0	0	0	0	0	0	0	0
General government services	0	0	0	0	2,397	2,530	2,154	376
Debt service:								
Interest	0	0	0	0	0	0	0	0
Capital outlay	0	0	0	0	429	493	411	82
Total expenditures	0	0	0	0	2,826	3,023	2,565	458
Excess (deficiency) of revenues over (under) expenditures	284	284	298	14	(2,376)	(2,573)	(1,954)	619
OTHER FINANCING SOURCES (USES)								
Commercial paper issued	0	0	0	0	0	0	0	0
Transfers in	0	0	0	0	2,327	2,327	2,513	186
Transfers out	(284)	(284)	(298)	(14)	(750)	(750)	(7,375)	(6,625)
Total other financing sources (uses)	(284)	(284)	(298)	(14)	1,577	1,577	(4,862)	(6,439)
Net change in fund balances	0	0	0	0	(799)	(996)	(6,816)	(5,820)
Beginning fund balances	0	0	0	0	6,816	6,816	6,816	0
Ending fund balances	$ 0	$ 0	$ 0	$ 0	$ 6,017	$ 5,820	$ 0	$ (5,820)

(Continued)

City of Tampa, Florida

Schedule of Revenues, Expenditures, and
Changes in Fund Balances--Budget and Actual--
Annually-Budgeted Nonmajor Special Revenue Funds (continued)
For the fiscal year ended September 30, 2009 (in thousands)

	Local Option Gas Tax				Stormwater			
	Budgeted Amounts				Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES								
Local option gas tax	$ 10,395	$ 10,395	$ 10,402	$ 7	$ 0	$ 0	$ 0	$ 0
Special assessments	0	0	0	0	6,100	6,100	6,148	48
Intergovernmental:								
Federal government	0	0	0	0	0	0	6	6
State government	0	0	0	0	184	2,355	140	(2,215)
Local government	0	0	0	0	0	137	154	17
Licenses and permits	0	0	0	0	0	0	1	1
Charges for services	0	0	0	0	0	0	0	0
Investment earnings	75	75	64	(11)	0	0	128	128
Contributions and donations	0	0	0	0	0	0	0	0
Total revenues	10,470	10,470	10,466	(4)	6,284	8,592	6,577	(2,015)
EXPENDITURES								
Current:								
Public works	90	90	37	53	11,007	10,871	8,340	2,531
General government services	0	0	0	0	0	0	0	0
Debt service:								
Interest	0	0	0	0	0	18	18	0
Capital outlay	0	0	0	0	4,949	17,788	6,458	11,330
Total expenditures	90	90	37	53	15,956	28,677	14,822	13,855
Excess (deficiency) of revenues over (under) expenditures	10,380	10,380	10,429	49	(9,672)	(20,085)	(8,245)	11,840
OTHER FINANCING SOURCES (USES)								
Commercial paper issued	0	0	0	0	0	6,490	4,547	(1,943)
Transfers in	0	0	0	0	10,660	10,660	7,395	(3,265)
Transfers out	(10,380)	(10,380)	(9,947)	433	(1,000)	(840)	(27)	813
Total other financing sources (uses)	(10,380)	(10,380)	(9,947)	433	9,660	16,310	11,915	(4,395)
Net change in fund balances	0	0	482	482	(12)	(3,775)	3,670	7,445
Beginning fund balances	3,220	3,220	3,220	0	1,050	1,050	1,050	0
Ending fund balances	$ 3,220	$ 3,220	$ 3,702	$ 482	$ 1,038	$ (2,725)	$ 4,720	$ 7,445

Occupational License			
Budgeted Amounts			
Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
$ 0	$ 0	$ 0	$ 0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
10,000	10,000	10,836	836
0	0	0	0
0	0	0	0
0	0	0	0
10,000	10,000	10,836	836
0	0	0	0
3	3	0	3
2	2	0	2
0	0	0	0
5	5	0	5
9,995	9,995	10,836	841
0	0	0	0
0	0	0	0
(11,295)	(11,295)	(11,295)	0
(11,295)	(11,295)	(11,295)	0
(1,300)	(1,300)	(459)	841
1,694	1,694	1,694	0
$ 394	$ 394	$ 1,235	$ 841

NONMAJOR ENTERPRISE FUNDS

Parking Facilities fund-
to account for the operations of city owned parking garages, lots, and meters.

Golf Courses Fund-
to account for the operations of the Babe Zaharias, Rogers Park, and Rocky Point golf courses.

Marina Fund-
to account for the operations, maintenance, and financing of the municipal marinas.

City of Tampa, Florida

Combining Statement of Net Assets--
Nonmajor Enterprise Funds
September 30, 2009 (in thousands)

	Parking Facilities	Marina	Golf Courses	Total
ASSETS				
Current assets:				
Cash	$ 76	$ 0	$ 63	$ 139
Equity in pooled cash and investments	10,046	47	0	10,093
Receivables - net	328	0	96	424
Prepaid items	0	0	134	134
Inventories	0	0	62	62
Total current assets	10,450	47	355	10,852
Noncurrent assets:				
Capital assets:				
Land and land rights	25,615	0	930	26,545
Buildings and improvements	88,982	9	4,128	93,119
Improvements other than buildings	7,858	6,644	5,416	19,918
Furniture and equipment	1,588	10	1,614	3,212
Construction in progress	5,249	0	0	5,249
Less accumulated depreciation	(37,943)	(1,126)	(6,326)	(45,395)
Total capital assets (net of accumulated depreciation)	91,349	5,537	5,762	102,648
Total noncurrent assets	91,349	5,537	5,762	102,648
Total assets	101,799	5,584	6,117	113,500
LIABILITIES				
Current liabilities:				
Accounts payable	363	42	2,197	2,602
Contracts payable--retainage	86	0	0	86
Accrued liabilities	313	3	0	316
Unearned revenues	0	0	34	34
Due to other funds	51	0	0	51
Customer deposits	76	27	0	103
Customer advances	240	0	0	240
Total current liabilities	1,129	72	2,231	3,432
Noncurrent liabilities:				
Long-term debt payable after one year	0	0	113	113
Long-term compensated absences	791	25	0	816
Other post employment benefits	307	0	0	307
Total noncurrent liabilities	1,098	25	113	1,236
Total liabilities	2,227	97	2,344	4,668
NET ASSETS				
Invested in capital assets, net of related debt	91,349	5,537	5,649	102,535
Unrestricted	8,223	(50)	(1,876)	6,297
Total net assets	$ 99,572	$ 5,487	$ 3,773	$ 108,832

City of Tampa, Florida

Combining Statement of Revenues, Expenses, and
Changes in Fund Net Assets--
Nonmajor Enterprise Funds
For the fiscal year ended September 30, 2009 (in thousands)

	Parking Facilities	Marina	Golf Courses	Total
Operating revenues:				
Charges for sales and services	$ 12,503	$ 540	$ 3,280	$ 16,323
Operating expenses:				
Salaries and employee benefits	6,859	73	2,575	9,507
Supplies and materials	249	267	793	1,309
Contract services	1,241	5	594	1,840
Other services and charges	3,029	68	0	3,097
Depreciation	2,410	159	602	3,171
Total operating expenses	13,788	572	4,564	18,924
Operating loss	(1,285)	(32)	(1,284)	(2,601)
Nonoperating revenues (expenses):				
Investment earnings	352	0	0	352
Loss on disposal of capital assets	(206)	0	0	(206)
Local government	(293)	0	0	(293)
Interest expense	(1)	0	(9)	(10)
Miscellaneous income	28	0	0	28
Total nonoperating revenues (expenses)	(120)	0	(9)	(129)
Loss before contributions and transfers	(1,405)	(32)	(1,293)	(2,730)
Capital contributions	45	0	644	689
Transfers out	(2,500)	(169)	0	(2,669)
Change in net assets	(3,860)	(201)	(649)	(4,710)
Total net assets - beginning	103,432	5,688	4,422	113,542
Total net assets - ending	$ 99,572	$ 5,487	$ 3,773	$ 108,832

City of Tampa, Florida

Combining Statement of Cash Flows--
Nonmajor Enterprise Funds
For the fiscal year ended September 30, 2009 (in thousands)

	Parking Facilities	Marina	Golf Courses	Total
Cash flows from operating activities:				
Receipts from customers and users	$ 12,366	$ 538	$ 3,255	$ 16,159
Receipts from interfund services provided	216	0	0	216
Payments to suppliers	(2,689)	(295)	(1,114)	(4,098)
Payments to employees	(6,610)	(72)	(2,575)	(9,257)
Payments for interfund services used	(1,926)	(21)	0	(1,947)
Other receipts	28	0	0	28
Net cash provided (used) by operating activities	1,385	150	(434)	1,101
Cash flows from noncapital financing activities:				
Cash paid to other funds	(2,500)	(169)	0	(2,669)
Nonoperating grants paid out	(293)	0	0	(293)
Net cash used by noncapital financing activities	(2,793)	(169)	0	(2,962)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(2,407)	0	(155)	(2,562)
Interest payments on debt	(1)	0	(9)	(10)
Contributions:				
Subdividers and others	0	0	644	644
Proceeds from sale of capital assets	31	0	0	31
Principal paid on capital debt	0	0	(49)	(49)
Net cash provided (used) by capital and related financing activities	(2,377)	0	431	(1,946)
Cash flows from investing activities:				
Interest on investments	352	0	0	352
Net cash provided by investing activities	352	0	0	352
Net decrease in cash and cash equivalents	(3,433)	(19)	(3)	(3,455)
Beginning cash and cash equivalents	13,555	66	66	13,687
Ending cash and cash equivalents	$ 10,122	$ 47	$ 63	$ 10,232
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating loss	$ (1,285)	$ (32)	$ (1,284)	$ (2,601)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	2,410	159	602	3,171
Miscellaneous receipts	28	0	0	28
Changes in assets and liabilities:				
Increase in receivables--net	(165)	0	(31)	(196)
Increase in inventory and other assets	0	0	(87)	(87)
Increase (decrease) in accounts payable	(94)	24	360	290
Increase in accrued liabilities	249	1	0	250
Decrease in due to other funds	(2)	0	0	(2)
Increase (decrease) in customer deposits and advances	244	(2)	0	242
Increase in unearned revenues	0	0	6	6
Total adjustments	2,670	182	850	3,702
Net cash provided (used) by operating activities	$ 1,385	$ 150	$ (434)	$ 1,101
Noncash investing, capital, and financing activities:				
Contributions of capital assets from developers	$ 45	$ 0	$ 0	$ 45
Cash and cash equivalents are reported in the financial statements as follows:				
Cash	$ 76	$ 0	$ 63	$ 139
Equity in pooled cash and investments	10,046	47	0	10,093
	$ 10,122	$ 47	$ 63	$ 10,232

INTERNAL SERVICE FUNDS

Fleet Maintenance Fund--
to account for the costs of operating a maintenance facility for automotive equipment used by City departments. Billings to user departments are based on costs incurred.

Administrative Services Fund--
to account for the costs of operating the City's central publication and central mail services. Billings to user departments are based on costs incurred.

Utility Accounting Fund--
to account for the costs related to utility billings, collections, and administration. Billings to the user departments are based on costs incurred.

City of Tampa, Florida

Combining Statement of Net Assets--
Internal Service Funds
September 30, 2009 (in thousands)

	Fleet Maintenance	Administrative Services	Utility Accounting	Total
ASSETS				
Current assets:				
Equity in pooled cash and investments	$ 6,583	$ 88	$ 2,720	$ 9,391
Receivables--net	7	0	726	733
Inventories	277	0	0	277
Total current assets	6,867	88	3,446	10,401
Noncurrent assets:				
Capital assets:				
Land and land rights	1	0	0	1
Buildings and improvements	2,757	0	30	2,787
Improvements other than buildings	1,508	0	0	1,508
Furniture and equipment	1,947	77	1,022	3,046
Construction in progress	63	0	0	63
Less accumulated depreciation	(4,532)	(33)	(648)	(5,213)
Total capital assets (net of accumulated depreciation)	1,744	44	404	2,192
Total noncurrent assets	1,744	44	404	2,192
Total assets	8,611	132	3,850	12,593
LIABILITIES				
Current liabilities:				
Accounts payable	520	0	60	580
Accrued liabilities	184	10	151	345
Due to other funds	21	1	15	37
Customer deposits	0	0	2,579	2,579
Customer advances	0	0	835	835
Total current liabilities	725	11	3,640	4,376
Noncurrent liabilities:				
Long term compensated absences	568	10	442	1,020
Total noncurrent liabilities	568	10	442	1,020
Total liabilities	1,293	21	4,082	5,396
NET ASSETS (DEFICIT)				
Invested in capital assets, net of related debt	1,744	44	404	2,192
Unrestricted (deficit)	5,574	67	(636)	5,005
Total net assets (deficit)	$ 7,318	$ 111	$ (232)	$ 7,197

City of Tampa, Florida

Combining Statement of Revenues, Expenses, and
Changes in Fund Net Assets--
Internal Service Funds
For the fiscal year ended September 30, 2009 (in thousands)

	Fleet Maintenance	Administrative Services	Utility Accounting	Total
Operating revenues:				
Billings to City departments and independent agencies	$ 14,221	$ 533	$ 9,861	$ 24,615
Operating expenses:				
Salaries and employee benefits	5,124	185	4,016	9,325
Supplies and materials	6,312	0	62	6,374
Contract services	193	8	959	1,160
Other services and charges	2,286	396	4,709	7,391
Depreciation	268	6	107	381
Total operating expenses	14,183	595	9,853	24,631
Operating income (loss)	38	(62)	8	(16)
Nonoperating revenues (expenses):				
Investment earnings	155	4	74	233
Gain (loss) on disposal of capital assets	6	0	(24)	(18)
Miscellaneous income	5	0	24	29
Total nonoperating revenues (expenses)	166	4	74	244
Income (loss) before contributions	204	(58)	82	228
Capital contributions	2	2	0	4
Change in net assets	206	(56)	82	232
Total net assets (deficit) - beginning	7,112	167	(314)	6,965
Total net assets (deficit) - ending	$ 7,318	$ 111	$ (232)	$ 7,197

City of Tampa, Florida

Combining Statement of Cash Flows--
Internal Service Funds
For the fiscal year ended September 30, 2009 (in thousands)

	Fleet Maintenance	Administrative Services	Utility Accounting	Total
Cash flows from operating activities:				
Receipts from customers and users	$ 82	$ 0	$ 2,967	$ 3,049
Receipts from interfund services provided	14,019	533	6,666	21,218
Payments to suppliers	(7,178)	(363)	(1,636)	(9,177)
Payments to employees	(5,058)	(252)	(3,962)	(9,272)
Payments for interfund services used	(1,201)	(41)	(3,853)	(5,095)
Other receipts	5	0	24	29
Net cash provided (used) by operating activities	669	(123)	206	752
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(47)	(17)	(222)	(286)
Proceeds from sale of capital assets	8	0	9	17
Net cash used by capital and related financing activities	(39)	(17)	(213)	(269)
Cash flows from investing activities:				
Interest on investments	155	4	74	233
Net cash provided by investing activities	155	4	74	233
Net increase (decrease) in cash and cash equivalents	785	(136)	67	716
Beginning cash and cash equivalents	5,798	224	2,653	8,675
Ending cash and cash equivalents	$ 6,583	$ 88	$ 2,720	$ 9,391
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ 38	$ (62)	$ 8	$ (16)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	268	6	107	381
Miscellaneous receipts	5	0	24	29
Changes in assets and liabilities:				
(Increase) decrease in receivables--net	5	0	(30)	(25)
Increase in inventories	(14)	0	0	(14)
Increase in accounts payable	300	0	42	342
Increase (decrease) in accrued liabilities	66	(67)	54	53
Increase in due to other funds	1	0	1	2
Total adjustments	631	(61)	198	768
Net cash provided (used) by operating activities	$ 669	$ (123)	$ 206	$ 752
Noncash investing, capital, and financing activities:				
Contributions of capital assets from other funds	$ 2	$ 2	$ 0	$ 4
Cash and cash equivalents are reported in financial statements as follows:				
Equity in pooled cash and investments	$ 6,583	$ 88	$ 2,720	$ 9,391

FIDUCIARY FUNDS

Firefighters and Police Officers Pension Fund and General Employees Retirement Fund--
to account for the accumulation of resources to be used for retirement annuity payments to eligible pensioners and their beneficiaries. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

Agency Funds--
to account for various funds for which the City acts as agent. These include law enforcement trust fund and art in public places trust fund.

City of Tampa, Florida

Combining Statement of Fiduciary Net Assets--
Pension Trust Funds
September 30, 2009 (in thousands)

	Firefighters and Police Officers Pension Fund	General Employees Retirement Fund	Total
ASSETS			
Cash	$ 52	$ 11	$ 63
Investments, at fair value:			
Debt and other interest bearing investments	289,565	136,460	426,025
Equity securities	989,061	336,072	1,325,133
Real estate investments	0	22,824	22,824
Total cash and investments	1,278,678	495,367	1,774,045
Accounts receivable	88	2,736	2,824
Interest and dividends receivable	3,266	1,186	4,452
Capital assets:			
Land	99	0	99
Buildings and improvements	883	0	883
Less accumulated depreciation	(369)	0	(369)
Total capital assets (net of accumulated depreciation)	613	0	613
Total assets	1,282,645	499,289	1,781,934
LIABILITIES			
Accounts payable	3,260	2,519	5,779
Total liabilities	3,260	2,519	5,779
NET ASSETS			
Held in trust for pension benefits	$ 1,279,385	$ 496,770	$ 1,776,155

City of Tampa, Florida

Combining Statement of Changes in Fiduciary Net Assets--
Pension Trust Funds
For the fiscal year ended September 30, 2009 (in thousands)

	Firefighters and Police Officers Pension Fund	General Employees Retirement Fund	Total
ADDITIONS			
Contributions:			
Employer	$ 5,530	$ 12,138	$ 17,668
Employees	4,126	554	4,680
State of Florida	6,394	0	6,394
Total contributions	16,050	12,692	28,742
Investment earnings:			
Interest and dividends	38,443	10,153	48,596
Net increase (decrease) in the fair value of investments	(107,573)	6,867	(100,706)
Total investment earnings (loss)	(69,130)	17,020	(52,110)
Less investment expense	2,995	2,474	5,469
Net investment earnings (loss)	(72,125)	14,546	(57,579)
Total additions, net	(56,075)	27,238	(28,837)
DEDUCTIONS			
Pension benefits	65,403	33,606	99,009
Withdrawal payments	0	45	45
Administrative expenses	1,524	267	1,791
Total deductions	66,927	33,918	100,845
Change in net assets	(123,002)	(6,680)	(129,682)
Net assets - beginning	1,402,387	503,450	1,905,837
Net assets - ending	$ 1,279,385	$ 496,770	$ 1,776,155

City of Tampa, Florida

Combining Statement of Fiduciary Net Assets--
Other Agency Funds
September 30, 2009 (in thousands)

	Rehabilitation Loans Fund	Other Agency Funds	Total
ASSETS			
Cash	$ 0	$ 25	$ 25
Equity in pooled cash and investments	0	39,666	39,666
Accounts receivable	0	7	7
Notes receivable--			
net of allowance for uncollectibles	18,621	0	18,621
Total assets	18,621	39,698	58,319
LIABILITIES			
Accounts payable	0	2,774	2,774
Deposits held in custody for others	18,621	36,924	55,545
Total liabilities	18,621	39,698	58,319
NET ASSETS	$ 0	$ 0	$ 0

City of Tampa, Florida

Statement of Changes in Assets and Liabilities--
Other Agency Funds
For the fiscal year ended September 30, 2009 (in thousands)

	Balance October 1, 2008	Additions	Deductions	Balance September 30, 2009
ASSETS				
Cash	$ 121	$ 460	$ 556	$ 25
Equity in pooled cash and investments	37,814	33,514	31,662	39,666
Accounts receivable	0	9	2	7
Total assets	$ 37,935	$ 33,983	$ 32,220	$ 39,698
LIABILITIES				
Accounts payable	$ 96	$ 5,296	$ 2,618	$ 2,774
Deposits held in custody for others	37,839	29,839	30,754	36,924
Total liabilities	$ 37,935	$ 35,135	$ 33,372	$ 39,698

City of Tampa, Florida

Statement of Changes in Assets and Liabilities--
Rehabilitation Loans Agency Fund
For the fiscal year ended September 30, 2009 (in thousands)

	Balance October 1, 2008	Additions	Deductions	Balance September 30, 2009
ASSETS				
Accounts receivable	$ 0	$ 0	$ 0	$ 0
Notes receivable - net of allowance for uncollectibles	15,340	3,443	162	18,621
Total assets	$ 15,340	$ 3,443	$ 162	$ 18,621
LIABILITIES				
Deposits held in custody for others	$ 15,340	$ 3,443	$ 162	$ 18,621
Total liabilities	$ 15,340	$ 3,443	$ 162	$ 18,621

City of Tampa, Florida

Schedule of Revenues, Expenditures, and
Changes in Fund Balance--
Community Redevelopment Agency - Tax Increment Financing
For the fiscal year ended September 30, 2009 (in thousands)

	Ybor	Downtown Core	Downtown Non Core	East Tampa	Drew Park	Channel District	Ybor II	Tampa Heights Riverfront	Central Park	Total
REVENUES										
Tax increment revenues:										
Hillsborough County	$ 800	$ 1,760	$ 7,010	$ 3,041	$ 698	$ 1,947	$ 351	$ 88	$ 21	$ 15,716
City of Tampa	1,141	1,756	6,996	3,036	697	1,943	350	88	21	16,028
Hillsborough Transit Authority	0	0	571	0	0	0	0	0	0	571
Children's Board of Hillsborough County	0	153	610	0	0	0	0	0	0	763
Tampa Port Authority	39	60	238	103	24	66	12	3	1	546
Investment earnings	138	137	742	845	266	315	97	24	0	2,564
Total revenues	2,118	3,866	16,167	7,025	1,685	4,271	810	203	43	36,188
EXPENDITURES										
Current:										
City staff	304	143	0	796	196	143	117	72	42	1,813
Contractual services and supplies	692	129	21	864	47	401	176	3	2	2,335
Debt Service:										
Principal and interest	332	0	13,516	0	0	0	0	0	0	13,848
Capital outlay:										
Land	440	0	0	662	519	19	0	0	0	1,640
Buildings and improvements	0	273	99	16	0	888	42	16	0	1,334
Road improvements	0	324	0	1,273	395	439	487	0	0	2,918
Stormwater improvements	0	0	0	1,239	366	0	0	0	0	1,605
Sidewalk improvements	0	0	0	679	0	0	0	0	0	679
Park and landscaping improvements	0	267	4	149	0	0	0	0	0	420
Furniture and equipment	0	3	0	17	0	0	0	0	0	20
Total expenditures	1,768	1,139	13,640	5,695	1,523	1,890	822	91	44	26,612
Excess (deficiency) of revenues										
Over (under) expenditures	350	2,727	2,527	1,330	162	2,381	(12)	112	(1)	9,576
OTHER FINANCING USES										
Transfer to capital projects fund	(550)	(2,693)	(1,975)	0	0	0	0	0	0	(5,218)
Net change in fund balances	(200)	34	552	1,330	162	2,381	(12)	112	(1)	4,358
Beginning fund balances	784	774	59	7,365	2,355	1,906	730	225	4	14,202
Ending fund balances	$ 584	$ 808	$ 611	$ 8,695	$ 2,517	$ 4,287	$ 718	$ 337	$ 3	$ 18,560
Outstanding encumbrances	$ 191	$ 152	$ 576	$ 111	$ 14	$ 992	$ 52	$ 36	$ 3	$ 2,127

Note: The remaining principal outstanding on the City of Tampa 1991 Utility Tax and Special Revenue Refunding Bonds, the 2001 Utilities Tax and Special Revenue Refunding Bonds, and the 2001B Utilities Tax and Special Refunding Bonds, to which tax increment revenues of this fund are pledged is $75,320,000 as of September 30, 2009.

TAB
Statistical Section

Statistical Section

This part of the City of Tampa's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

Contents Page

Financial Trends 107

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

Revenue Capacity 116

These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.

Debt Capacity 119

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

Demographic and Economic Information 124

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place

Operating Information 126

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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City of Tampa, Florida

Net Assets by Component
Last Five Fiscal Years
(accrual basis of accounting)
(in thousands)

	Fiscal Year				
	2005	2006	2007	2008	2009
Governmental activities					
Invested in capital assets, net of related debt	$ 417,379	$ 450,512	$ 544,741	$ 595,132	$ 666,602
Restricted	22,700	56,821	48,135	52,689	49,656
Unrestricted	79,546	132,707	129,756	148,969	154,069
Total governmental activities net assets	$ 519,625	$ 640,040	$ 722,632	$ 796,790	$ 870,327
Business-type activities					
Invested in capital assets, net of related debt	$ 714,968	$ 746,974	$ 781,822	$ 802,140	$ 820,656
Restricted	79,965	75,860	77,121	78,862	39,799
Unrestricted	109,282	117,182	114,362	107,416	119,750
Total business-type activities net assets	$ 904,215	$ 940,016	$ 973,305	$ 988,418	$ 980,205
Primary government					
Invested in capital assets, net of related debt	$ 1,132,347	$ 1,197,486	$ 1,326,563	$ 1,397,272	$ 1,487,258
Restricted	102,665	132,681	125,256	131,551	89,455
Unrestricted	188,828	249,889	244,118	256,385	273,819
Total primary government activities net assets	$ 1,423,840	$ 1,580,056	$ 1,695,937	$ 1,785,208	$ 1,850,532

Unaudited - see accompanying independent auditors' report

City of Tampa, Florida

Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)
(in thousands)

	Fiscal Year				
Expenses	2005	2006	2007	2008	2009
Governmental activities:					
General government	$ 35,314 [1]	$ 50,245	$ 71,178	$ 61,259	$ 68,237
Public safety	194,353	193,782	206,326	213,648	222,204
Public works	47,662	52,112	50,506	59,278	58,587
Economic environment	14,607	14,731	22,511	19,932	17,067
Culture and recreation	55,153	57,755	62,798	56,336	54,445
Interest on long-term debt	21,999	17,947	24,404	20,800	19,704
Total governmental activities expenses	369,088	386,572	437,723	431,253	440,244
Business-type activities:					
Water Utility	55,070	51,404	61,128	70,657	82,856
Wastewater Utility	73,154	71,569	78,125	83,866	82,968
Solid Waste System	61,062	62,626	63,596	67,081	66,870
Parking Facilities	14,683	14,300	14,719	15,302	14,288
Marina	228	539	697	615	572
Golf Courses	4,302	4,741	4,945	4,871	4,573
Total business-type activities expenses	208,499	205,179	223,210	242,392	252,127
Total primary government expenses	$ 577,587	$ 591,751	$ 660,933	$ 673,645	$ 692,371
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	$ 35,522	$ 38,595	$ 42,407	$ 38,985	$ 39,692
Public safety	17,893	19,397	20,503	19,759	20,379
Public works	8,270	8,736	6,256	7,007	6,883
Culture and recreation	8,644	7,875	11,315	11,391	10,114
Operating grants and contributions	62,915 [2]	60,092	67,267	75,880	74,429
Capital grants and contributions	31,305	83,805 [4]	51,976	38,237	54,785
Total governmental activities program revenues	164,549	218,500	199,724	191,259	206,282
Business-type activities:					
Charges for services:					
Water Utility	58,709	68,364	69,830	71,607	73,839
Wastewater Utility	73,533	80,019	82,657	80,750	77,462
Solid Waste System	64,966	68,616	70,743	71,097	69,357
Parking Facilities	19,692	15,639	14,682	14,294	12,531
Marina	256	656	758	699	540
Golf Courses	3,564	4,092	4,050	3,823	3,280
Operating grants and contributions	1,090	248	580	100	108
Capital grants and contributions	19,080	12,545	18,014	18,857	13,027
Total business-type activities program revenues	240,890	250,179	261,314	261,227	250,144
Total primary government program revenues	$ 405,439	$ 468,679	$ 461,038	$ 452,486	$ 456,426

Net (expense) revenue:					
Governmental activities	$ (204,539)	$ (168,072)	$ (237,999)	$ (239,994)	$ (233,962)
Business-type activities	32,391	45,000	38,104	18,835	(1,983)
Total primary government net expense	$ (172,148)	$ (123,072)	$ (199,895)	$ (221,159)	$ (235,945)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	$ 123,492	$ 141,022	$ 166,238	$ 163,637	$ 159,987
Local option resort tax	1,916	2,166	2,166	1,619	1,898
Communications services tax	28,509	28,243	27,590	27,959	29,923
Sales taxes	44,615	49,420	45,611	41,810	37,144
Utility taxes	30,395	29,662	29,312	31,062	33,110
Motor fuel taxes	13,057	11,352	13,008	12,318	12,129
Unrestricted investment earnings	3,205	9,389	17,378	17,821	16,118
Gain on disposal of capital assets	0	0	1,867	0	0
Transfers	36,019	17,233	17,421	17,926	17,190
Total governmental activities	281,208	288,487	320,591	314,152	307,499
Business-type activities:					
Unrestricted investment earnings	2,194	7,714	12,553	14,076	10,779
Gain on disposal of capital assets	14,900 [3]	357	53	128	181
Transfers	(36,019)	(17,270)	(17,421)	(17,926)	(17,190)
Total business-type activities	(18,925)	(9,199)	(4,815)	(3,722)	(6,230)
Total primary government	$ 262,283	$ 279,288	$ 315,776	$ 310,430	$ 301,269
Change in Net Assets					
Governmental activities	$ 76,669	$ 120,415	$ 82,592	$ 74,158	$ 73,537
Business-type activities	13,466	35,801	33,289	15,113	(8,213)
Total primary government	$ 90,135	$ 156,216	$ 115,881	$ 89,271	$ 65,324

[1] The decrease from the prior period was due to hurricane clean up costs from three storms that impacted the area in 2003.

[2] The increase from the prior period was due to reduction of deferred revenues in the State Housing Initiatives Program fund.

[3] The increase from the prior period was due to the sale of a parking facility.

[4] The increase from the prior period was due to increased transportation impact fee revenues.

Unaudited - see accompanying independent auditors' report

City of Tampa, Florida

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General fund										
Reserved	$ 7,772	$ 7,901	$ 7,472	$ 8,510	$ 9,418	$ 9,104	$ 10,046	$ 8,912	$ 8,693	$ 6,350
Unreserved	44,530	54,501	62,904	64,120	50,541 [1]	52,560	73,338	88,890	101,869	115,255
Total general fund	$ 52,302	$ 62,402	$ 70,376	$ 72,630	$ 59,959	$ 61,664	$ 83,384	$ 97,802	$ 110,562	$ 121,605
Utility tax special revenue fund										
Reserved	$ 1,586	$ 1,620	$ 3,392	$ 2,487	$ 4,069	$ 3,599	$ 3,371	$ 6,141	$ 3,407	$ 4,207
Unreserved	18,545	20,272	24,068	21,767	18,443	18,910	20,038	33,828	43,186	44,123
Total utility tax special revenue fund	$ 20,131	$ 21,892	$ 27,460	$ 24,254	$ 22,512	$ 22,509	$ 23,409	$ 39,969	$ 46,593	$ 48,330
Community Redevelopment Agency special revenue fund										
Reserved	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,676	$ 1,698	$ 2,156	$ 3,467	$ 2,127
Unreserved	48	69	111	148	182	1,250	2,870	7,572	10,735	16,433
Total Community Redevelopment Agency	$ 48	$ 69	$ 111	$ 148	$ 182	$ 2,926	$ 4,568	$ 9,728	$ 14,202	$ 18,560
All other governmental funds										
Reserved	$ 27,795	$ 56,491	$ 62,497	$ 40,513	$ 41,991	$ 36,208	$ 69,204 [2]	$ 40,062	$ 65,694 [3]	$ 41,351
Unreserved, reported in:										
Special revenue funds	11,211	11,339	12,152	12,115	12,081	9,337	13,637	12,557	12,561	7,149
Debt service funds	0	(60)	(34)	(169)	(175)	(175)	(179)	(476)	(82)	0
Capital projects funds	86,724	49,591	70,766	79,541	75,473	72,541	83,851	126,376	96,970	107,976
Total all other governmental funds	$ 125,730	$ 117,361	$ 145,381	$ 132,000	$ 129,370	$ 117,911	$ 166,513	$ 178,519	$ 175,143	$ 156,476

[1] The decrease from the prior period was due to increased expenditures for hurricane clean up costs and aid to private organizations
[2] The increase from the prior period was due to increased encumbrances in the local option gas tax construction fund.
[3] The increase from the prior period was due to increased encumbrances in the utility tax capital projects fund.

Unaudited - see accompanying independent auditors' report

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City of Tampa, Florida

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	$ 149,239	$ 161,981	$ 182,986	$ 189,300	$ 196,757	$ 210,775	$ 228,879	$ 253,775	$ 249,856	$ 248,644
Special assessments	0	0	0	0	1,969	2,041	6,095	6,124	6,104	6,148
Intergovernmental	69,360	72,237	78,637	86,504	85,579	113,658	119,249	135,184	125,408	132,317
Transportation impact fees	4,217	3,825	1,550	3,016	5,526	1,705	39,743	8,707	5,857	5,331
Licenses and permits	34,355	36,662	34,320	35,837	37,073	40,372	43,177	43,366	44,099	45,258
Charges for services	21,774	23,791	23,583	25,495	23,764	24,300	26,115	33,657	28,638	27,715
Fines and forfeitures	3,012	3,850	2,977	5,054	6,247	5,145	4,983	4,350	3,790	3,460
Investment earnings	9,428	16,039	11,047	9,982	4,076	3,171	9,389	17,378	17,821	16,118
Contributions and donations	12,179	3,419	4,414	3,520	2,852	2,397	3,697	3,763	5,581	8,965
Miscellaneous	6,543	3,848	0	0	0	0	0	0	0	0
Total revenues	310,107	325,652	339,514	358,708	363,843	403,564	481,327	506,304	487,154	493,956
Expenditures										
Public safety	131,997	133,297	142,574	156,459	170,338	184,561	184,307	195,932	201,143	208,872
Culture and recreation	31,248	32,838	35,049	36,570	42,360	44,880	47,061	51,163	43,562	40,780
Public works	25,120	28,251	32,838	39,615	40,480	38,311	42,492	40,169	47,566	45,155
General government services	15,015	15,685	29,807	33,103	42,845	37,648	41,957	49,329	51,873	54,855
Economic and physical environment	13,822	15,555	14,971	9,236	12,381	14,724	14,802	22,587	20,012	17,152
Miscellaneous	10,065	14,814	0	0	0	0	0	0	0	0
Debt service:										
Principal	13,765	13,070	16,115	17,760	21,089	20,574	22,505	25,514	20,524	16,245
Interest	22,207	19,244	20,592	20,647	20,715	18,821	17,728	17,402	16,926	15,617
Other charges	51	8,542	2,197	635	0	0	0	1,358	29	6
Capital leases	2,272	0	0	0	0	0	0	0	0	0
Capital outlay	49,025	69,136	77,229	77,020	49,480	61,475	64,014	103,365	87,048	121,366
Total expenditures	314,587	350,432	371,372	391,045	399,688	420,994	434,866	506,819	488,683	520,048
Excess (deficiency) of revenues over (under) expenditures	(4,480)	(24,780)	(31,858)	(32,337)	(35,845)	(17,430)	46,461	(515)	(1,529)	(26,092)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Other financing sources (uses)										
Payment to refunded bond escrow agent	0	(120,563)	(119,520)	(4,430)	0	(20,151)	0	(89,147)	(8,170)	0
Debt issuance	21,995	117,745	173,020	4,455	0	0	0	108,820	8,170	4,547
Premium on bonds issued	0	7,573	3,928	0	0	0	0	5,968	0	0
Discount on bonds issued	0	0	(74)	0	0	0	0	0	0	0
Sale of capital assets	5,017	6,534	2,218	5,036	1,538	1,933	1,818	5,597	4,085	2,826
Capital leases	2,272	0	198	0	0	0	1,033	0	0	0
Transfers in	83,803	99,312	101,263	117,420	121,358	147,884	114,717	101,057	117,107	133,668
Transfers out	(83,389)	(82,308)	(87,571)	(104,603)	(104,962)	(111,865)	(97,484)	(83,636)	(99,181)	(116,478)
Total other financing sources (uses)	29,698	28,293	73,462	17,878	17,934	17,801	20,084	48,659	22,011	24,563
Net change in fund balances	$ 25,218	$ 3,513	$ 41,604	$ (14,459)	$ (17,911)	$ 371	$ 66,545	$ 48,144	$ 20,482	$ (1,529)
Debt service as a percentage of noncapital expenditures	13.6%	14.5%	13.2%	12.4%	11.9%	11.0%	10.8%	11.0%	9.3%	8.0%

Unaudited - see accompanying independent auditors' report

City of Tampa, Florida

Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands)

Fiscal Year	Property Tax	Community Investment Tax	Miscellaneous Sales Taxes	Local Option Resort Tax	Motor Fuel Tax	Utility Tax	Communications Services Tax	Total
2000	$ 78,691	$ 10,823	$ 113	$ 1,692	$ 10,378	$ 26,614	$ 20,928	$ 149,239
2001	89,070	12,351	107	1,360	10,039	27,741	21,313	161,981
2002	97,714	12,393	110	1,611	10,495	28,827	31,836	182,986
2003	105,197	12,716	64	1,841	10,773	29,308	29,401	189,300
2004	113,378	13,245	65	1,713	10,895	29,700	27,761	196,757
2005	123,492	15,094	51	1,916	11,318	30,395	28,509	210,775
2006	141,022	16,368	66	2,166	11,352	29,662	28,243	228,879
2007	166,238	17,232	84	2,166	11,153	29,312	27,590	253,775
2008	163,637	14,919	98	1,619	10,562	31,062	27,959	249,856
2009	159,987	13,220	104	1,898	10,402	33,110	29,923	248,644

Unaudited - see accompanying independent auditors' report

City of Tampa, Florida

Governmental Activities Utility Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands)

Fiscal Year	Electric	Gas	Water	Total
2000	$ 23,293	$ 918	$ 2,403	$ 26,614
2001	24,574	892	2,275	27,741
2002	25,378	736	2,713	28,827
2003	25,878	868	2,562	29,308
2004	25,812	917	2,971	29,700
2005	26,442	964	2,989	30,395
2006	25,207	1,071	3,384	29,662
2007	24,753	1,155	3,404	29,312
2008	26,303	1,105	3,654	31,062
2009	28,283	1,097	3,730	33,110

Unaudited - see accompanying independent auditors' report

City of Tampa, Florida

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands)

		Real Property (1)			Personal and Other Property (1)			Total				
Fiscal Year	Tax Roll Year	Assessed Value	Exemptions	Estimated Actual Value*	Assessed Value	Exemptions	Estimated Actual Value*	Assessed Value	Exemptions	Estimated Actual Value*	Direct Tax Rate	Assessed Value as a Percentage of Estimated Actual Value
2000	1999	$ 10,519,636	$ 5,141,242	$ 15,660,878	$ 2,322,621	$ 1,154,938	$ 3,477,559	$ 12,842,257	$ 6,296,180	$ 19,138,437	6.54	67.1 %
2001	2000	11,418,431	5,886,140	17,304,571	2,422,898	927,805	3,350,703	13,841,329	6,813,945	20,655,274	6.54	67.0
2002	2001	13,205,192	7,149,328	20,354,520	2,539,243	929,062	3,468,305	15,744,435	8,078,390	23,822,825	6.54	66.1
2003	2002	14,314,298	8,140,466	22,454,764	2,433,836	938,473	3,372,309	16,748,134	9,078,939	25,827,073	6.54	64.8
2004	2003	15,575,133	8,863,604	24,438,737	2,424,907	842,662	3,267,569	18,000,040	9,706,266	27,706,306	6.54	65.0
2005	2004	17,010,546	10,096,810	27,107,356	2,463,420	983,924	3,447,344	19,473,966	11,080,734	30,554,700	6.54	63.7
2006	2005	19,794,047	12,039,615	31,833,662	2,508,328	1,239,510	3,747,838	22,302,375	13,279,125	35,581,500	6.54	62.7
2007	2006	24,219,249	14,854,408	39,073,657	2,571,751	1,136,674	3,708,425	26,791,000	15,991,082	42,782,082	6.408	62.6
2008	2007	26,836,867	14,414,435	41,251,302	2,612,228	1,126,177	3,738,405	29,449,095	15,540,612	44,989,707	5.733	65.5
2009	2008	26,347,813	14,265,998	40,613,811	2,569,793	1,451,505	4,021,298	28,917,606	15,717,503	44,635,109	5.733	64.8

* Per State of Florida Statutes, property is assessed at "just value" which should approximate actual value.

Data Source:
(1) Property Appraiser, Hillsborough County.

Unaudited - see accompanying independent auditors' report

City of Tampa, Florida

Property Tax Rates

Direct and Overlapping Governments

Last Ten Fiscal Years

(in mills)

			Overlapping Rates			
Fiscal Year	Tax Roll Year	City of Tampa	Hillsborough County	Hillsborough County School District	Hillsborough Transit Authority	Total Direct & Overlapping Rates
2000	1999	6.54	8.931	9.071	0.50	25.042
2001	2000	6.54	8.816	8.715	0.50	24.571
2002	2001	6.54	8.691	8.586	0.50	24.317
2003	2002	6.54	8.734	8.595	0.50	24.369
2004	2003	6.54	8.504	8.480	0.50	24.024
2005	2004	6.54	8.454	8.361	0.50	23.855
2006	2005	6.54	8.192	7.937	0.50	23.169
2007	2006	6.408	7.729	7.823	0.50	22.460
2008	2007	5.733	6.853	7.523	0.45	20.559
2009	2008	5.733	6.886	7.777	0.47	20.866

Data Source:
Property Appraiser, Hillsborough County.

Unaudited - see accompanying independent auditors' report

City of Tampa, Florida

Principal Property Taxpayers

Current Year and Nine Years Ago (in thousands)

	2009*			2000		
Taxpayer	Taxes Levied	Rank	Percentage of Total Taxes Levied	Taxes Levied	Rank	Percentage of Total Taxes Levied
Tampa Electric Company	$ 31,181	1	1.61 %	$ 30,845	1	3.09 %
Verizon Florida Communications Inc	25,857	2	1.33	29,590	2	2.96
Hillsborough County Aviation Authority	12,008	3	0.62	3,303	5	0.33
Mosaic Fertilizer, LLC	8,101	4	0.42	-	-	-
Highwoods/Florida Holding LP	6,455	5	0.33	-	-	-
Camden Property Trust	5,759	6	0.30	3,245	7	0.32
Liberty Property	5,286	7	0.27	-	-	-
Post Apartment Homes LP	5,245	8	0.27	5,445	4	0.54
Wal-Mart	4,309	9	0.22	-	-	-
Tampa Port Authority	4,071	10	0.21	-	-	-
Tampa Sports Authority	-	-	-	8,481	3	0.85
IMC-Agrico Company	-	-	-	3,265	6	0.33
Cargill Fertilizer, Inc	-	-	-	3,152	8	0.32
Busch Entertainment Corp	-	-	-	2,783	9	0.28
AT&T Communications	-	-	-	2,319	10	0.23
	$ 108,272		5.58 %	$ 92,428		9.25 %

*Note: Data presented is for Hillsborough County as of 2008

Source: Office of the Tax Collector, Hillsborough County.

Unaudited - see accompanying independent auditors' report

City of Tampa, Florida

Property Tax Levies and Collections
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Tax Roll Year	Total Tax Levy (1)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as Percent of Current Levy	Outstanding Delinquent Taxes (1)	Outstanding Delinquent Taxes as Percent of Current Levy
2000	1999	$ 84,134	$ 77,940	92.64 %	$ 750	$ 78,690	93.53 %	$ 3,284	3.90 %
2001	2000	91,179	85,077	93.31	2,242	87,319	95.77	2,139	2.35
2002	2001	103,302	97,540	94.42	174	97,714	94.59	2,742	2.65
2003	2002	110,651	104,626	94.55	571	105,197	95.07	3,462	3.13
2004	2003	118,584	112,770	95.10	608	113,378	95.61	3,751	3.16
2005	2004	128,555	122,638	95.40	854	123,492	96.06	955	0.74
2006	2005	146,471	140,530	95.94	492	141,022	96.28	912	0.62
2007	2006	172,490	165,953	96.21	150	166,103	96.30	727	0.42
2008	2007	169,640	162,558	95.83	1,079	163,637	96.46	793	0.47
2009	2008	166,527	159,361	95.70	626	159,987	96.07	1,616	0.97

Data Source:
(1) Office of Tax Collector, Hillsborough County.

Unaudited - see accompanying independent auditors' report

City of Tampa, Florida

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(in thousands, except per capita income)

	Governmental Activities			Business-type Activities					
Fiscal Year	Revenue-backed Bonds	HUD Section 108 Loan	Capital Leases	Revenue-backed Bonds	State Revolving Loan	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita Income (1)
2000	$ 449,300	$ 10,515	$ 2,637	$ 438,329	$ 118,721	$ 0	$ 1,019,502	12.24 %	$ 27,458
2001	437,897	10,495	2,535	436,208	113,530	0	1,000,665	11.25	28,784
2002	483,798	10,470	2,452	448,562	75,310	0	1,020,592	10.99	29,602
2003	475,768	10,445	2,304	425,284	71,386	0	985,187	10.30	29,748
2004	459,358	10,260	2,161	408,939	66,947	89	947,754	9.15	31,671
2005	420,634	10,060	2,010	381,137	62,372	86	876,299	8.03	33,034
2006	399,899	9,850	2,697	402,617	57,657	44	872,764	7.44	35,079
2007	409,418	8,370	2,242	383,574	52,796	152	856,552	6.84	36,616
2008	392,561	8,170	1,783	416,167	47,786	162	866,629	N/A	unavailable
2009	380,675	7,950	1,698	407,486	42,619	590	841,018	N/A	unavailable

Data Source:

(1) Bureau of Economic Analysis: Regional Economic Information System.

Unaudited - see accompanying independent auditors' report

City of Tampa, Florida

Direct and Overlapping Governmental Activities Debt

September 30, 2009

(in thousands)

	Net Debt Outstanding	Percentage of Debt Applicable to City of Tampa	Share of Debt
City of Tampa	$ 0 *	0.00 %	$ 0
Hillsborough County	23,750 (1)	34.78	8,260
Hillsborough County School Board	0 (2)	34.78	0
Total Overlapping Debt			$ 8,260

* The City of Tampa has no bonded debt supported by property taxes; all bonds are tied to specific revenue sources.

Data Sources:

(1) Clerk of Circuit Court, Hillsborough County. Supported by 0.0604 mill levy.

(2) School Board of Hillsborough County. Supported by 0.0000 mill levy.

Unaudited - see accompanying independent auditors' report

City of Tampa, Florida

Legal Debt Margin Information
Last Ten Fiscal Years
(in thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit (1)	$ 1,926,338	$ 2,076,199	$ 2,361,665	$ 2,512,220	$ 2,700,006	$ 2,921,095	$ 3,345,356	$ 4,018,650	$ 4,417,364	$ 4,337,641
Total debt applicable to limit	0	0	0	0	0	0	0	0	0	0
Legal debt margin	$ 1,926,338	$ 2,076,199	$ 2,361,665	$ 2,512,220	$ 2,700,006	$ 2,921,095	$ 3,345,356	$ 4,018,650	$ 4,417,364	$ 4,337,641

(1) According to City ordinance, the City's total outstanding general obligation debt should not exceed 15 percent of total assessed property value as determined by the Hillsborough County Property Appraiser

Unaudited - see accompanying independent auditors' report

City of Tampa, Florida

Water Utility System Pledged-Revenue Coverage

Last Ten Fiscal Years

(in thousands except for coverage)

Fiscal Year	Revenue (2)	Operating (1) Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2000	$ 52,020	$ 27,240	$ 24,780	$ 3,203	$ 5,887	$ 9,090	2.7
2001	58,078	26,152	31,926	4,057	5,818	9,875	3.2
2002	64,163	27,004	37,159	4,360	6,069	10,429	3.6
2003	63,916	26,255	37,661	1,972	5,438	7,410	5.1
2004	70,863	30,712	40,151	2,426	5,819	8,245	4.9
2005	70,273	40,607	29,666	1,876	5,519	7,395	4.0
2006	77,029	35,251	41,778	2,608	5,529	8,137	5.1
2007	88,226	45,827	42,399	3,480	5,387	8,867	4.8
2008	92,126	50,932	41,194	4,313	7,223	11,536	3.6
2009	89,153	61,034	28,119	4,652	7,543	12,195	2.3

Wastewater Utility System Pledged-Revenue Coverage

Last Ten Fiscal Years

(in thousands except for coverage)

Fiscal Year	Revenue (2)	Operating (1) Expenses	Net Revenue Available for Debt Service (2)	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2000	$ 68,519	$ 35,724	$ 32,795	$ 5,827	$ 6,979	$ 12,806	2.6
2001	77,706	36,548	41,158	7,173	6,661	13,834	3.0
2002	71,677	32,786	38,891	10,155	6,681	16,836	2.3
2003	70,327	35,683	34,644	7,069	6,669	13,738	2.5
2004	76,796	40,549	36,247	9,024	8,055	17,079	2.1
2005	80,990	45,530	35,460	6,959	6,922	13,881	2.6
2006	89,947	43,435	46,512	10,007	7,378	17,385	2.7
2007	92,119	50,079	42,040	15,351	8,012	23,363	1.8
2008	89,971	53,339	36,632	16,012	7,354	23,366	1.6
2009	81,464	53,854	27,610	15,098	6,683	21,781	1.3

(1) Operating expenses are net of depreciation.

(2) Historical presentation of revenues has changed from prior years.

Unaudited - see accompanying independent auditors' report

City of Tampa, Florida

Solid Waste System Pledged-Revenue Coverage

Last Ten Fiscal Years

(in thousands except for coverage)

Fiscal Year	Revenue (2)	Operating (1) Expenses	Net Revenue Available for Debt Service (2)	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2000	$ 51,139	$ 37,757	$ 13,382	$ 4,270	$ 10,425	$ 14,695	0.9
2001	51,700	41,257	10,443	4,500	10,194	14,694	0.7
2002	56,718	38,963	17,755	4,755	9,941	14,696	1.2
2003	58,539	38,333	20,206	5,275	9,501	14,776	1.4
2004	65,198	41,886	23,312	6,335	8,363	14,698	1.6
2005	65,938	43,751	22,187	6,590	8,109	14,699	1.5
2006	70,170	45,843	24,327	6,860	7,839	14,699	1.7
2007	72,684	46,909	25,775	7,145	7,550	14,695	1.8
2008	73,174	50,632	22,542	7,455	7,243	14,698	1.5
2009	72,866	51,195	21,671	7,780	6,918	14,698	1.5

Occupational License Pledged-Revenue Coverage

Last Ten Fiscal Years

(in thousands except for coverage)

Fiscal Year	Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2000	$ 8,692	$ 0	$ 8,692	$ 1,600	$ 5,132	$ 6,732	1.3
2001	9,344	0	9,344	1,700	4,717	6,417	1.5
2002	9,453	0	9,453	0	2,432	2,432	3.9
2003	9,289	0	9,289	0	3,238	3,238	2.9
2004	9,292	0	9,292	1,885	3,087	4,972	1.9
2005	9,978	0	9,978	2,260	3,502	5,762	1.7
2006	10,260	0	10,260	2,355	3,844	6,199	1.7
2007	10,457	0	10,457	2,540	4,407	6,947	1.5
2008	10,840	0	10,840	2,635	4,440	7,075	1.5
2009	10,836	0	10,836	2,730	4,345	7,075	1.5

(1) Operating expenses are net of depreciation.

(2) Historical presentation of revenues has changed from prior years.

Unaudited - see accompanying independent auditors' report

City of Tampa, Florida

Utility Tax Pledged-Revenue Coverage

Last Ten Fiscal Years

(in thousands except for coverage)

Fiscal Year	Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2000	$ 47,542	$ 0	$ 47,542	$ 6,865	$ 13,276	$ 20,141	2.4
2001	49,054	0	49,054	7,925	11,625	19,550	2.5
2002	56,429	0	56,429	8,760	12,344	21,104	2.7
2003	58,709	0	58,709	9,910	12,010	21,920	2.7
2004	57,461	0	57,461	10,950	11,621	22,571	2.5
2005	58,904	0	58,904	9,680	10,599	20,279	2.9
2006	57,905	0	57,905	10,885	9,595	20,480	2.8
2007	56,902	0	56,902	11,475	8,513	19,988	2.8
2008	59,021	0	59,021	10,715	8,247	18,962	3.1
2009	63,033	0	63,033	10,900	7,646	18,546	3.4

Sales Tax Pledged-Revenue Coverage (1)

Last Eight Fiscal Years

(in thousands except for coverage)

Fiscal Year	Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2002	$ 12,393	$ 0	$ 12,393	$ 1,280	$ 2,678	$ 3,958	3.1
2003	12,716	0	12,716	1,325	2,637	3,962	3.2
2004	13,245	0	13,245	1,365	2,594	3,959	3.3
2005	15,094	0	15,094	1,400	2,560	3,960	3.8
2006	16,368	0	16,368	1,440	2,521	3,961	4.1
2007	17,232	0	17,232	1,945	3,015	4,960	3.5
2008	14,919	0	14,919	2,145	3,093	5,238	2.8
2009	13,220	0	13,220	2,225	3,019	5,244	2.5

(1) Bonds were first issued in 2002.

Unaudited - see accompanying independent auditors' report

City of Tampa, Florida

Demographic and Economic Statistics

Last Ten Fiscal Years

Calendar Year	Population (1)	Personal Income (in thousands) (2)**	Per Capita Income (2)**	School Enrollment (3)**	Unemployment Percentage (2)**	Median Age (4)**
1999	296,720	$ 25,679,135	$ 27,304	154,852	2.6 %	35.9
2000	303,447	27,541,096	27,458	158,799	2.6	34.7
2001	309,104	29,572,107	28,784	163,034	3.6	35.1
2002	313,611	31,150,902	29,602	168,107	4.4	35.7
2003	321,490	31,932,807	29,748	180,416	4.1	35.4
2004	327,220	34,848,801	31,671	187,694	4.4	35.9
2005	330,220	37,379,401	33,034	192,720	3.5	35.9
2006	334,550	40,757,703	35,079	192,962	3.3	36.3
2007	342,060	42,859,565	36,616	192,496	4.0	36.5
2008	349,250	unavailable	unavailable	191,711	6.3	37.1

** Data presented is for Hillsborough County.

Data Sources:

(1) 2000-U.S. Census; all other years-Hillsborough County City-County Planning Commission

(2) My Florida - Labor Market Statistics: Local Area Unemployment Statistics (LAUS); Per Capita Income and Personal Income derived from Bureau of Economic Analysis: Regional Economic Information System

(3) Superintendent of Public Schools, Hillsborough County

(4) Sales Marketing Survey of Buying Power and U.S. Census Bureau American Factfinder 2001 - 2008 Supplementary Survey Table

Unaudited - see accompanying independent auditors' report

City of Tampa, Florida

Principal Employers

Current Year and Nine Years Ago

	2009			2000		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Hillsborough County School Board	25,596	1	4.23 %	25,494	1	4.51 %
GTE Data Services				14,000	2	2.48
Hillsborough County Government	12,246	2	2.02	10,288	3	1.82
University of South Florida	8,600	3	1.42	9,966	4	1.76
Verizon Communications Corporation	7,850	4	1.30			
Tampa International Airport	7,500	5	1.24	8,000	5	1.42
MacDill Air Force Base	6,734	6	1.11			
Tampa General Hospital	6,020	7	0.99			
Publix Food Centers	5,714	8	0.94	5,100	6	0.90
City of Tampa				4,404	7	0.78
Saint Joseph's Hospital				4,356	8	0.77
Veterans Administration Hospital	4,900	9	0.81			
US Postal Service				4,150	9	0.73
City of Tampa	4,555	10	0.75			
Bank of America				4,000	10	0.71
	89,715		14.82 %	89,758		15.89 %

Source: Hillsborough County City-County Planning Commission except data for City of Tampa which is from city department of administrative services

Unaudited - see accompanying independent auditors' report

City of Tampa, Florida

Full-time Equivalent City Employees by Function
Last Four Fiscal Years

Function	2006	2007	2008	2009
General government	373	374	355	379
Public safety				
Police				
Officers	980	984	984	1,081
Civilians	359	337	317	264
Fire				
Firefighters	572	585	585	580
Civilians	68	49	45	52
Code enforcement	57	56	62	56
Public works	556	553	525	474
Economic environment	17	17	17	17
Culture and recreation	677	550	575	633
Water utility	247	239	240	248
Wastewater utility	328	314	312	324
Solid waste system	213	211	218	213
Parking facilities	138	130	121	114
Marina	3	1	3	3
Utility accounting	67	69	69	68
Administrative services	5	5	2	2
Fleet maintenance	60	64	51	47
Total	4,720	4,538	4,481	4,555

Information for fiscal years prior to 2006 is not available

Unaudited - see accompanying independent auditors' report

City of Tampa, Florida

Operating Indicators by Function

Last Five Fiscal Years

	Fiscal Year				
	2005	2006	2007	2008	2009
Function					
Public safety					
Police					
Physical arrests	57,632	58,708	61,215	56,728	55,115
Calls answered	569,674	572,248	564,951	609,471	615,340
Fire					
Calls answered	64,740	66,083	66,577	50,174	66,912
Inspections	8,917	9,006	11,346	16,639	16,611
Code enforcement					
Inspections	92,219	96,433	95,657	95,533	72,590
Public works					
Street resurfacing (miles)	79	62	56	33	88
Curb miles swept	31,000	29,000	25,000	28,000	29,511
Potholes repaired	16,131	12,897	12,252	11,380	11,244
Culture and recreation					
Convention center attendance/day	1,366	825	1,014	1,107	945
Recreation center admissions	29,910	30,290	30,330	30,500	30,400
Museum admissions/day	143	175	122		
Water utility					
New connections	2,880	2,380	1,050	633	17
Average daily consumption (millions of gallons)	83	85	85	82	82
Wastewater utility					
Average daily treatment (millions of gallons)	58	58	57	58	54
Solid Waste System					
Refuse collected (tons/day)	1,057	1,162	1,215	1,156	1,158
Recyclables collected (tons/day)	99	111	119	110	108
Parking Facilities					
Hourly customers/day	8,731	8,690	8,068	3,477	3,263
Citations issued	125,659	101,801	87,338	94,401	94,451
Marina					
Slips rented per day	117	117	124	93	91

Sources: Various city departments

Note: Indicators are not available for the general government and economic environment functions

Unaudited - see accompanying independent auditors' report

City of Tampa, Florida

Capital Asset Statistics by Function

Last Five Fiscal Years

	Fiscal Year				
	2005	2006	2007	2008	2009
Function					
Public safety					
Police					
Vehicle patrol units	786	780	782	782	782
Airplanes and helicopters	7	7	5	5	5
Boats	6	5	5	5	5
Fire					
Stations	22	21	21	21	21
Public works					
Streets (miles)	1,680	1,684	1,708	1,709	1,709
Streetlights	33,449	29,375	37,997	38,635	38,635
Traffic signals	574	583	571	571	572
Culture and recreation					
Parks acreage	2,286	2,286	3,544	3,544	3,544
Parks	165	165	178	178	178
Athletic fields and playgrounds	202	201	201	197	197
Swimming pools	15	14	14	13	13
Community centers	26	26	26	27	27
Water utility					
Water mains (miles)	2,290	2,318	2,135	2,177	2,177
Fire hydrants	12,076	12,715	12,809	13,158	13,281
Maximum daily capacity (millions of gallons)	140	160	160	160	160
Wastewater utility					
Wastewater mains (miles)	1,925	1,836	1,836	1,836	1,836
Pumping stations	219	223	229	229	229
Maximum daily capacity (millions of gallons)	96	96	96	96	96
Solid Waste System					
Collection trucks	122	136	139	140	151
Parking Facilities					
Garage spaces	9,261	9,261	9,261	9,092	9,088
Signage control spaces	1,463	1,463	841	1,043	1,043
On-street metered spaces	2,465	2,465	2,803	1,601	1,601
Off-street non-garage spaces	2,056	2,212	2,056	1,977	2,177
Marina					
Boat slips	118	118	124	124	124
Golf Courses					
Number of courses	3	3	3	3	3

Sources: Various city departments

Note: Indicators are not available for the general government function

Unaudited - see accompanying independent auditors' report

TAB
Single Audit Section

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Report of Independent Certified Public Accountants on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Mayor and Members of City Council
City of Tampa, Florida

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Tampa, Florida (the City), as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 19, 2010. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of The Florida Aquarium as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 09-02 and 09-03 to be material weaknesses.

Compliance and Other Matters

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

We also noted certain additional matters that we reported to management of the City in a separate letter dated January 19, 2010.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and accordingly we express no opinion on them.

This report is intended solely for the information and use of the Mayor, City Council, 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.

Ernst & Young LLP

January 19, 2010

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Report of Independent Certified Public Accountants on Compliance with Requirements Applicable to Each Major Federal Program and State Financial Assistance Project and on Internal Control Over Compliance in Accordance with OMB Circular A-133, Section 215.97, *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General*

The Honorable Mayor and Members of City Council
City of Tampa, Florida

Compliance

We have audited the compliance of City of Tampa, Florida (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the requirements described in the Executive Office of the Governor's State Projects compliance supplement, that are applicable to each of its major federal programs and state financial assistance projects for the year ended September 30, 2009. The City's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state financial assistance projects is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; Section 215.97, *Florida Statutes*; and Chapter 10.550, *Rules of the Auditor General*. Those standards, OMB Circular A-133, Section 215.97, *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state financial assistance projects for the year ended September 30, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 09-01.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs and state financial assistance projects. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or state financial assistance project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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 financial assistance 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 federal program or 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 09-01 to be a significant deficiency.

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 financial assistance project will not be prevented or detected by the entity's internal control. We did not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Mayor, City Council, 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.

Ernst & Young LLP

January 19, 2010

City of Tampa, Florida
Schedule of Expenditures of Federal Awards
For the fiscal year ended September 30, 2009

FEDERAL GRANTS FUNDING SOURCE AND GRANT PROGRAM	CFDA Number	Grant/Contract Number	Expenditures
DEPARTMENT OF AGRICULTURE			
Cooperative Forestry Assistance:	10.664		
Passed through Florida Department of Agriculture and Consumer Services:			
2007 Urban and Community Forestry (U&CF) Grant		Contract #013146	$ 15,000
Total Department of Agriculture			15,000
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grants/Entitlement Grants:	14.218		
Community Development Block Grant(CDBG) #29		B-04-MC-12-0020	191,301
Community Development Block Grant(CDBG) #30		B-05-MC-12-0020	57,057
Community Development Block Grant(CDBG) #31		B-06-MC-12-0020	338,038
Community Development Block Grant(CDBG) #32		B-07-MC-12-0020	615,368
Community Development Block Grant(CDBG) #33		B-08-MC-12-0020	4,111,290
Neighborhood Stabilization Program (NSP)		B-08-MN-12-0029	382,162
Total Program			5,695,216
Emergency Shelter Grants Program:	14.231		
Emergency Shelter Grants Program FY08		S-07-MC-12-0011	3,839
Emergency Shelter Grants Program FY09		S-08-MC-12-0011	165,134
Total Program			168,973
HOME Investment Partnerships Program:	14.239		
Home Investment Partnerships Grant-07		M-06-MC-12-0222	500,356
Home Investment Partnerships Grant-08		M-07-MC-12-0222	1,209,600
Home Investment Partnerships Grant-09		M-08-MC-12-0222	1,057,701
Total Program			2,767,657
Housing Opportunities for Persons with AIDS:	14.241		
Housing Opportunities For People With Aids Grant(HOPWA) - 08		F-LH-07-F003	443,661
Housing Opportunities For People With Aids Grant(HOPWA) - 09		F-LH-08-F003	3,129,743
Total Program			3,573,404
Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded):	14.257		
ARRA-Homelessness Prevention and Rapid Re-Housing Program		S-09-MY-12-0011	19,435
Total Program			19,435
Fair Housing Assistance Program_State and Local:	14.401		
Fair Housing Assistance Program FY04		FF-204K034019	10,285
Fair Housing Assistance Program FY05		FF-204K044019	13,601
Total Program			23,886
Total Department of Housing and Urban Development			12,248,571
DEPARTMENT OF JUSTICE			
HIDTA-High Intensity Drug Trafficking Areas-08		I8PCFP504Z	61,896
HIDTA-High Intensity Drug Trafficking Areas-09		G09CF0004A	148,085
Total Program			209,981
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program:	16.580		
Bureau of Justice Assistance Grant-2007		2007-DD-BX-0608	469,815
Community Prosecution and Project Safe Neighborhoods:	16.609		
Project Safe Neighborhood (PSN)-Anti-Gang Project		2007-S6AG-HILL-4-P9-003	55,171
Edward Byrne Memorial Justice Assistance Grant Program:	16.738		
Bureau of Justice Assistance Grant-2005		2005-DJ-BX-1013	474,504
Bureau of Justice Assistance Grant-2006		2006-DJ-BX-0225	398,339
Bureau of Justice Assistance Grant-2007		2007-DJ-BX-1099	396,127

See accompanying notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

City of Tampa, Florida
Schedule of Expenditures of Federal Awards (continued)
For the fiscal year ended September 30, 2009

FEDERAL GRANTS FUNDING SOURCE AND GRANT PROGRAM	CFDA Number	Grant/Contract Number	Expenditures
Passed through Hillsborough County Board of Commissioners:			
JAG (Justice Assistance Grant) Additional Crime Reduction through Proven Successful Best Practices		2009-JAGC-HILL-3-T7-119	131,510
Total Program			1,400,480
Total Department of Justice			2,135,447
DEPARTMENT OF TRANSPORTATION			
Highway Planning and Construction:	20.205		
Passed through Florida Department of Transportation:			
New Tampa East-West Road Project		410649/410768-1-28-01	9,440
40th Street-Hillsborough to Hanna-Segment A-ROW		257809-1-48-01	6,836,583
40th Street-Hanlon Street to Yukon-Segment C-CONSTR		257809-3-58-01	1,655,693
I-275 from the Howard Franklin Bridge to Himes Ave		258398-1-56-03	300,042
I-275 from Himes Ave to the Hillsborough River		258399-1-56-03	188,723
I-275 from the Howard Franklin Bridge to Himes Ave		258398-1-56-04	147,783
I-275 from Himes Ave to the Hillsborough River		258399-1-56-04	70,734
SR60 Kennedy Blvd-Woodlyn/S. Brevard		255803-2-38/58-01	136,581
SR60 Kennedy Blvd-S Brevard/West of Kennedy Bridge		406189-2-38/58-02	90,432
South Tampa Greenway Friendship Trail-Manhattan Ave from Tyson Ave to Interbay Boulevard		408592-1-38/58-01	6,720
Friendship Trail Study		408592-2-18-01	26,373
22nd Street Enhancement Project-23rd Ave to Lake Ave		416746-1-38/58-01	269,537
Kennedy Boulevard Enhancement Phase III Project		420771-1-38/58-01	54,395
Cross Creek Boulevard Roadway Widening Project Study		420625-1-28-01	362,746
Bayshore Boulevard Bicycle Path		413092-1-38/58-01	303,447
I-4 Selmon Expressway North of 7th Ave		258415-2-56-01	9,576
I-4 Selmon Expressway South of 7th Ave		258415-1-56-01	343,937
I-4 Selmon Expressway North of 7th Ave		258415-2-56-02	10,467
I-4 Selmon Expressway South of 7th Ave		258415-1-56-02	219,024
Oak Grove Elementary School Sidewalk Safety Project		423803-1-58-01	177
Total Program			11,042,411
State and Community Highway Safety:	20.600		
Passed through Florida Department of Transportation:			
Operation Safe Distance		Project #SC-09-13-23	46,740
Total Department of Transportation			11,089,151
NATIONAL ENDOWMENT FOR THE ARTS:			
Promotion of the Arts_Grants to Organizations and Individuals:	45.024		
Public Art-Lights on Tampa		08-6200-7018	50,000
Total National Endowment for the Arts			$50,000
ENVIRONMENTAL PROTECTION AGENCY:			
Brownfields Assessment and Cleanup Cooperative Agreements:	66.818		
Brownfields Assessment and Cleanup Cooperative Agreement		BP96492007-0	288,395
ARRA-Community-Wide Brownfields Assessment Grant for Hazardous Substances and Petroleum Products Project		2B-95427709-0	1,201
Total Program			289,596
Total Environmental Protection Agency			289,596

See accompanying notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

City of Tampa, Florida
Schedule of Expenditures of Federal Awards (continued)
For the fiscal year ended September 30, 2009

FEDERAL GRANTS FUNDING SOURCE AND GRANT PROGRAM	CFDA Number	Grant/Contract Number	Expenditures
DEPARTMENT OF HOMELAND SECURITY:			
Disaster Grants-Public Assistance (Presidentially Declared Disasters):	97.036		
Passed through the Florida Department of Community Affairs:			
Hurricane Jeanne:			
Beach Erosion-Cypress Point Park Shoreline Restoration		FEMA-1561-DR-FL PW5434	32,917
Beach Erosion-Ben T Davis Beach		FEMA-1561-DR-FL PW5440	8,040
Beach Erosion-Picnic Island Beach		FEMA-1561-DR-FL PW5442	6,355
Police Athletic League (PAL) Concession Building		FEMA-1561-DR-FL PW6211	136,318
Tropical Storm Fay		FEMA-3288-EM	79,664
Total Program			263,294
Homeland Security Grant Program:	97.067		
Passed through Florida Department of Community Affairs:			
2005 Urban Area Security Initiative (UASI) Grant IV		06-DS-4H-08-39-02-340	4,309,888
2006 Urban Area Security Initiative (UASI) Grant V		07-DS-5S-08-39-02-458	4,838,104
2007 Urban Area Security Initiative (UASI) Grant VI		08-DS-62-08-39-02-353	3,023,755
2008 Urban Area Security Initiative (UASI) Grant VII		09-DS-48-08-39-02-414	2,321,610
2008 Community Emergency Response Team (CERT)		10-CI-49-08-39-02-050	2,475
2007 Community Emergency Response Team (CITIZENS CORP)		10-CC-49-08-39-02-049	595
Passed through Florida Department of Health:			
Metropolitan Medical Response System		Contract #COBKH	51,784
Metropolitan Medical Response System		08-DS-19-08-39-02-174	168,665
Metropolitan Medical Response System		08-DS-65-08-39-02	23,478
Metropolitan Medical Response System		09-DS-44-08-39-02	65,433
Passed through Florida Department of Financial Services:			
2007-2010 State Homeland Security Grant Program		08-DS-60-13-00-16-373	3,350
Passed through Florida Department of Law Enforcement:			
Law Enforcement Terrorism Prevention Program (LETP) FY07		2008-LETP-HILL-3-S3-026	72,750
Tampa Police Department Aviation Project 2008		2009-SHSP-HILL-1-S4-069	31,256
Tampa Police Department SHSGP 2007		2007-SHSP-HILL-4-Q5-044	21,779
Tampa Police Department SHSGP 2007 Part 2		2007-SHSP-HILL-3-Q5-039	135,924
Tampa Police Department SHSGP 2008		2008-SHSP-HILL-1-S4-045	71,825
Total Program			15,142,671
Buffer Zone Protection Program (BZPP):	97.078		
2006 Buffer Zone Protection Program		2009-BZPP-HILL-1-S5-009	179,220
Total Program			179,220
Total Department of Homeland Security			15,585,185
Total Expenditures of Federal Awards			$ 41,412,950

See accompanying notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

City of Tampa, Florida
Schedule of Expenditures of State Financial Assistance
For the fiscal year ended September 30, 2009

STATE GRANTS FUNDING SOURCE AND GRANT PROGRAM	CSFA No.	Grant/Contract Number	Expenditures
EXECUTIVE OFFICE OF THE GOVERNOR			
Economic Development Transportation Fund:	31.002		
OTTED-George Rd Improvements		Project #99/0029B	$ 221,919
Local Economic Development Initiatives:	31.027		
OTTED-Tampa Riverwalk Project		Agreement #OT08-10	1,637,388
Military Base Protection:	31.044		
DIG-Land Acquisition-Encroachment Protection/Environmental Buffer		Contract #DIG-08-09	120,639
DIG-MacDill Avenue Main Replacement		Contract #DIG-09-04	200,000
Total Program			320,639
Total Executive Office of the Governor			2,179,946
FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION			
Florida Recreation Development Assistance Program:	37.017		
Picnic Island Park Enhancement Program		Agreement No. F5300	11,018
Statewide Surface Water Restoration and Wastewater Projects:	37.039		
Tampa Riverwalk Stormwater Retrofit Project		Agreement No. S0318	128,666
Passed through Southwest Florida Water Management District			
River Garden Habitat Restoration (W381)		03CONS00003-A	1,900
Urban Lake Rescue Project (W268)		06CS0000019	19,734
Total Program			150,300
Innovative Waste Reduction and Recycling Grants:	37.050		
Innovative Waste Reduction and Recycling Grant		IG06-05	342
Innovative Waste Reduction and Recycling Grant		IG07-05	36,145
Innovative Waste Reduction and Recycling Grant		IG8-17	8,735
Total Program			45,222
Water Protection and Sustainability Program:	37.066		
Duck Pond Drainage System Improvements (L423)		06CS0000033	290,824
Total State Department of Environmental Protection			626,030
FLORIDA DEPARTMENT OF STATE			
Disciplined-Based Arts Grant Program:	45.002		
Lights on Tampa		09.6079	7,871
Lights on Tampa		09.0929	4,305
Total Program			12,176
Historic Preservation Grants:	45.031		
The Sulphur Springs Gazebo and Water Tower Project		SC541	46,290
Total Florida Department of State			58,466
FLORIDA HOUSING FINANCE CORPORATION			
State Housing Initiatives Partnership (SHIP) Program:	52.901		
State Housing Initiative Program (SHIP) FY07		S.420.9073	1,466,059
State Housing Initiative Program (SHIP) FY08		S.420.9073	612,742
State Housing Initiative Program (SHIP) FY09		S.420.9073	1,155,058
Total Florida Housing Finance Corporation			3,233,859

See accompanying notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

City of Tampa, Florida
Schedule of Expenditures of State Financial Assistance (continued)
For the fiscal year ended September 30, 2009

STATE GRANTS FUNDING SOURCE AND GRANT PROGRAM	CSFA Number	Grant/Contract Number	Expenditures
FLORIDA DEPARTMENT OF TRANSPORTATION			
Florida Highway Beautification Council (FHBC) Grants:	55.003		
Nebraska Ave-Hillsborough Ave to Sligh Ave		403713-1-54-01	17,262
Landscape Beautification Projects		424542-1-58-01	58,236
Total Florida Department of Transportation			75,498
FLORIDA DEPARTMENT OF HEALTH			
County Grant Awards:	64.005		
Passed through Hillsborough County:			
EMS Grant FY04		C0329	22,190
EMS Grant FY06		C0329	7,723
EMS Grant FY07		C0329	79,342
EMS Grant FY08		C0329	10,310
Total Florida Department of Health			119,565
Total Expenditures of State Financial Assistance			$ 6,293,364

See accompanying notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

City of Tampa, Florida

Notes to Schedule of Expenditures of Federal
Awards and State Financial Assistance

Year Ended September 30, 2009

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (Schedule) includes the federal and state grant activity of the City of Tampa, Florida, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Section 215.97, *Florida Statutes*, 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.

2. Loans Outstanding

During the fiscal year ended September 30, 2009, the City processed the following amount of new loans under the various grant programs. Since these loan programs impose continuing compliance requirements, new loans issued to eligible recipients or current year borrowings made on loans during the fiscal year ended September 30, 2009, relating to these programs are considered current year federal expenditures. The new loans made in the fiscal year ended September 30, 2009, are reported in the Schedule of Expenditures of Federal Awards and State Financial Assistance.

Program Title	Federal CFDA/State CFSA Number	Loan Expenditures for the Fiscal Year Ended September 30, 2009	Loans Outstanding at September 30, 2009	Loans Outstanding at September 30, 2008
Federal programs:				
Department of Housing and Urban Development:				
Community Development Block Grants/Entitlement Grants	14.218	$5,695,216	$6,317,016	$6,728,066
Home Investment Partnerships Program	14.239	$2,767,657	$15,464,338	$14,576,983
Hope 3 Grant	14.240	-	$3,210,950	$3,256,255
State projects:				
Florida Housing Finance Authority:				
State Housing Initiatives Partnership Program	52.901	$3,233,859	$13,309,724	$11,537,831

3. Contingency

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

City of Tampa, Florida

Schedule of Findings and Questioned Costs

Year ended September 30, 2009

Part I – Summary of Auditor's Results

Financial statements section

Type of auditor's report issued (unqualified, qualified, adverse or disclaimer):	Unqualified			
Internal control over financial reporting:				
Material weakness(es) identified?	X	**Yes**		**No**
Significant deficiency(ies) identified that are not considered to be material weaknesses?		**Yes**	X	**None reported**
Noncompliance material to financial statements noted?		**Yes**	X	**No**

Federal awards and state projects section

Internal control over major programs:				
Material weakness(es) identified?		**Yes**	X	**No**
Significant deficiency(ies) identified that are not considered to be material weaknesses?	X	**Yes**		**None reported**
Type of auditor's report issued on compliance for major programs (unqualified, qualified, adverse or disclaimer):	Unqualified			
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133, Section 215.97, *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General*?	X	**Yes**		**No**

City of Tampa, Florida

Schedule of Findings and Questioned Costs

Year ended September 30, 2009

Part I – Summary of Auditor's Results (continued)

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
16.738	Edward Byrne Memorial Justice Assistance Grant Program
20.205	Highway Planning and Construction
66.818	Brownsfield Assessment and Cleanup Cooperative Agreements
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: $ 1,242,389

Auditee qualified as low-risk auditee? _____ **Yes** X **No**

Identification of major state projects:

CSFA Number	Name of State Project
31.027	Local Economic Development Initiatives
52.901	State Housing Initiative Partnership Program

Dollar threshold used to distinguish between Type A and Type B programs: $ 300,000

Part II – Financial Statement Findings Section

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* require reporting in a Circular A-133, Section 215.97, *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General*, audit.

Finding 09-02 Material Weakness

Financial Statement Close Process

The financial statement close process is defined as the process where the results of various transactions are summarized, reviewed, consolidated, edited, and prepared into a variety of regulatory and management financial reports. The boundaries of this process may begin with the preparation of the preliminary trial balance and end with the preparation of the financial statements and related disclosures and analyses. The process includes closing the general ledger and preparing the trial balances and any consolidation entries, accumulating the posting journal entries, drafting the financial statements and disclosures, and preparing management's discussion and analysis.

Several of the City's processes that are integral parts of the financial statement close process were found to be deficient:

- The City's information system has limited capabilities to provide information to management to facilitate the preparation of the financial statements and to provide details, financial activity and information for certain significant financial statement accounts.

- Accounts receivable information for the City's major enterprise funds is not provided in adequate detail to facilitate a reconciliation to the general ledger.

- Accrued payroll balances are not being calculated correctly by the system. Further, there is no review by management to determine the reasonableness or accuracy of the payroll accrual information being computed by the system.

We recommend management review its current procedures for key processes within the financial statement close process and determine the appropriateness of those processes for deterring, preventing and detecting material misstatements, preparing reliable, accurate monthly and annual reporting and ensuring such processes are consistent with best practices in the industry. The City should consider computer, computer-dependent, and manual controls that affect such processes as well as the adequacy of the City's current information system to provide the necessary information. Once the City has redefined these processes, job descriptions should be developed to support these processes to ensure responsibilities and accountability are put into place for these processes.

Management's Response:

We concur. We will review our key processes to ensure that steps taken in the financial statement closing process result in accurate financial statements. We will further consider computer-dependent and other related controls that affect the preparation of financial statements.

Finding 09-03 Material Weakness

Capital Assets Accounting

Under the reporting model required by Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (GASB 34), accurate recording of capital assets, depreciation expense, and contribution have become more important in the financial reporting system for governments. We noted the following items related to the accounting for capital assets that, when considered in aggregate, constitute a material weakness.

Property and Equipment Assets Placed in Service

Costs were capitalized in the City's capital asset system and general ledger during the current fiscal year which were actually placed in service during the prior fiscal year. The delay in recording these assets caused capital assets in the City's financial statements to be misstated.

Depreciation Expense

a. We noted that certain property and equipment additions that were not assigned "in-service" dates in accordance with actual dates these assets were placed in service. Depreciation expense is calculated based upon an asset's in-service date; this resulted in an understatement of depreciation expense.

b. We noted the City essentially suspends the recording of assets purchased between September 30 and December 31, which represents their financial statement close period, until January of the following year. As such, assets are generally recorded as placed into service on a two- to three-month lag if acquired during this period. This affects both recorded depreciation in the beginning and ending quarters of the fiscal year.

Documentation

We noted that the City does not retain adequate documentation for certain developer-installed assets. Through our testing, we noted multiple agreements for developer installed assets in which the agreements were not signed by the City's Mayor or Legal Counsel.

We recommend that the City review the procedures and flow of information between departments as it relates to construction-in-process, capital asset acquisition, contributions, developer-installed assets, and disposals. These procedures should be strengthened to promote more timely communication, adequate documentation, and appropriate recording of transactions. Further, we recommend that the City review the current policies and procedures for capitalizing and depreciating assets and enhance policies as appropriate to ensure conformity with generally accepted accounting principles.

Management's Response:

We concur. We will strengthen procedures related to properly recording capital asset activities to ensure timeliness and accuracy.

Part III – Federal Award and State Financial Assistance Findings and Questioned Costs Section

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, as well as any abuse findings involving awards that are material to a major program related to the audit of major federal programs and state financial assistance projects as required to be reported by OMB Circular A-133 Section .510a, Section 215.97, *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General*.

Finding 09-01 Significant Deficiency

Federal program information:	CFDA 97.067 Homeland Security Grant Program (Metropolitan Medical Response System)
Criteria or specific requirement (including statutory, regulatory or other citation):	Per the applicable grant agreement, the City is required to submit signed performance reports every quarter identifying the amount of federal expenditures incurred and the appropriate reporting category. The City did not submit all required reports.
Condition:	The City did not submit the required reports.
Questioned Costs:	Not applicable.
Context:	None of the required reports were prepared or submitted to the grantor agency.

Part III – Federal Award and State Financial Assistance Findings and Questioned Costs Section (continued)

Finding 09-01 Significant Deficiency (continued)

Effect:	This noncompliance could result in possible return of funding already received or loss of future funding from the grantor agency.
Cause:	The City did not have controls in place to monitor reporting requirements for this program and, thus, the requirement was overlooked.
Recommendation:	The City should review grant agreements and develop a checklist to monitor reporting requirements.
Views of responsible officials and planned corrective actions:	Management concurs with the auditor's recommendations and will establish procedures to monitor grant reporting requirements.

City of Tampa, Florida

Summary Schedule of Prior Year Audit Findings

Year ended September 30, 2009

Program:	Florida Recreation Development Assistance Program
CFDA/CSFA Number:	37.017
Finding Reference:	08-01
Comment:	This has been corrected.

Program:	Not applicable
CFDA/CSFA Number:	Not applicable
Finding Reference:	08-02 Schedule
Comment:	This has been corrected.

Program:	Not applicable
CFDA/CSFA Number:	Not applicable
Finding Reference:	08-03 Financial Statement Close Process
Comment:	Refer to current year finding 09-02.

Program:	Not applicable
CFDA/CSFA Number:	Not applicable
Finding Reference:	08-04 Capital Asset Accounting
Comment:	Refer to current year finding 09-03.

Program:	Not applicable
CFDA/CSFA Number:	Not applicable
Finding Reference:	08-05 Accounting for Leases
Comment:	This has been corrected.

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Management Letter on Internal Control and State Reporting Requirements

The Honorable Mayor and Members of City Council
City of Tampa, Florida

We have audited the basic financial statements of the City of Tampa, Florida (the City), as of and for the year ended September 30, 2009, and have issued our report thereon dated January 19, 2010. Our report was modified to include a reference to other auditors.

We conducted our audit in accordance with United States generally accepted auditing standards, and the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States: OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations;* and Section 215.97, *Florida Statutes*. We have issued our Report of Independent Certified Public Accountants on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Report of Independent Certified Public Accountants on Compliance with Requirements Applicable to Each Major Federal Program and State Financial Assistance Project and On Internal Control Over Compliance in Accordance with OMB Circular A-133, Section 215.97, *Florida Statutes*, which are dated January 19, 2010. Disclosures in those reports should be considered and have not been duplicated in this management letter.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we identified certain deficiencies in internal control that we consider to be significant deficiencies and other deficiencies that we consider to be a material weakness.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Current Year Recommendations

During our audit, we noted the following matters involving internal control over financial reporting and its operation other than significant deficiencies or material weaknesses, as defined above.

General Pension Fund Benefit Payments

During our testing of benefit payments made in 2007 (this was the information used by actuaries to estimate the current year liability), we noted that one of the 13 payments selected during our payment testing related to a payment where the City paid the retired employee the incorrect pension amount, based on an early retirement penalty that was not applied to the payment. We tested an additional 15 payments and noted another exception of this nature. Per review of the list of all individuals that retired in 2007 (the exceptions noted related to individuals that retired in 2007), an additional 12 early retirees were identified. Of these 12, there were three exceptions of the nature noted above. Therefore, the total number of employees that were incorrectly paid retiree benefits based on the early retirement penalty not being applied is five.

We recommend that the City perform a review of early retired individuals that are receiving benefit payments to ensure that the payment amounts are appropriate. We also recommend that the City review and modify its process for calculating benefit payments, as necessary, in order to prevent and/or detect similar errors in the future.

Prior Year Recommendations

The status of the prior year's recommendations is included in Exhibit A.

Required Disclosures

As required by the *Rules of the Auditor General*, (Section 10.554(1)(i)2), the scope of our audit included a review of the provisions of Section 218.415, *Florida Statutes*, regarding the investment of public funds. In connection with our audit, nothing came to our attention that would cause us to believe that the City was not in compliance with Section 218.415, *Florida Statutes*.

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 City'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 the same. Our procedures did not identify deteriorating conditions that would be required to be reported under the R*ules of the Auditor General.*

During the course of our audit of the City's basic financial statements, nothing came to our attention that would cause us to believe that the City was in a state of financial emergency, as defined by Section 218.503(1), *Florida Statutes*.

We have reviewed the City's annual financial report filed with the Florida Department of Financial Services as required by Section 218.32(1)(a), *Florida Statutes*, for the fiscal year ended September 30, 2009. We noted no material differences in comparing this information to that of the City's basic financial statements.

As required by *Rules of the Auditor General*, this management letter includes the name or official title and legal authority for the primary government and each component unit of the reporting entity. The City was established by the Constitution of the State of Florida, Article VIII, Section 2. Additional legal authority was provided by Florida law numbers 745 and 3779 of the years 1855 and 1887, respectively. The Community Redevelopment Agency (CRA) component unit was created in 1982 under *Florida Statues*, Chapter 163, Part III and the City of Tampa ordinances 2119-H and 2871-H. The Florida Aquarium, Inc., a discretely presented component unit, was created in 1986 as a Florida nonprofit corporation as defined in the Internal Revenue Code 501(c)3. The Aquarium assets were purchased and a management agreement was enacted by the City in 1996 as authorized by the City of Tampa ordinance numbers 96-1653, 96-1880, 96-1902, and 96-1922. The Tampa Historic Streetcar, Inc., a discretely presented component unit, was incorporated November 20, 1998, as a Florida nonprofit corporation defined in the Internal Revenue Code 501(c)3.

This report is intended soley for the information and use of the Mayor, City Council, state and federal agencies, the Florida Auditor General, management, and others within the City is not intended to be and should not be used by anyone other than these specified parties.

January 19, 2010

Exhibit A

Status of 2008 Recommendations

Recommendation	Status
Self-Insurance General Claims Liability Accrual • Consider obtaining a third-party valuation every other year to determine the reasonableness of the value calculated by management.	We concur. We will investigate the costs and benefits of using a third-party specialist to assist in calculating the city's insurance liability.
Reserve for Uncollectible Accounts • Consider reassessing the need for and adequacy of this reserve balance on at least an annual basis based on specific facts and circumstances, prior collection history, and industry trends.	We assess uncollectible amounts annually.
Fire and Police Pension Plan Financial Information • Consider City management work with Fund management to reconcile these differences to ensure that the fund's activities and balances are consistent and correctly reported in the Fund's stand-alone financial statements, as well as the City's Comprehensive Annual Financial Report. • Consider Fund management work with the Trustee to reconcile differences between the monthly and annual Fund activity included in the information provided to the Fund by the Trustee.	We concur. We will work closely with the Fire and Police administration office to coordinate and reconcile fund statements and activities.

TAB
Tampa Historic
Streetcar, Inc.

BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

Tampa Historic Streetcar, Inc.
As of and for the Year Ended September 30, 2009
With Report of Independent Certified Public Accountants

Ernst & Young LLP

ERNST & YOUNG

Tampa Historic Streetcar, Inc.
(A Component Unit of the City of Tampa)

Basic Financial Statements and Other Financial Information

As of and for the Year Ended September 30, 2009

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Report of Independent Certified Public Accountants

The Board of Trustees
Tampa Historic Streetcar, Inc.

We have audited the accompanying basic financial statements of the Tampa Historic Streetcar, Inc. (the Streetcar), a component unit of the City of Tampa, as of and for the year ended September 30, 2009, which collectively comprise the Streetcar's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Streetcar's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Streetcar's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Streetcar's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Streetcar as of September 30, 2009, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As more fully described in Note 10, the Streetcar restated the beginning balance of net assets as of October 1, 2008 to correct the accounting for naming rights agreements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2009, on our consideration of the Streetcar's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the

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scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Ernst & Young LLP

December 29, 2009

A member firm of Ernst & Young Global Limited

Tampa Historic Streetcar, Inc.
(A Component Unit of the City of Tampa)

Management's Discussion and Analysis
(Unaudited)

September 30, 2009

This discussion and analysis of the Tampa Historic Streetcar, Inc.'s (the Streetcar) financial performance provides an overview of the financial activities for the fiscal year ended September 30, 2009. Please review in conjunction with the audited financial statements, which begin on page 8.

Required Financial Statements

The financial statements of the Streetcar report information about the Streetcar using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The statement of net assets includes all of the Streetcar's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Streetcar's creditors (liabilities). The assets and liabilities are presented in a classified format, which distinguishes between current and long-term assets and liabilities. It also provides the basis for assessing the liquidity and financial flexibility of the Streetcar. All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses, and changes in net assets. This statement measures the success of the Streetcar's operations over the past year and can be used to determine whether the Streetcar has successfully recovered all its costs through its activities, as well as its profitability and credit worthiness. The final required financial statement is the statement of cash flows. The primary purpose of this statement is to provide information about the Streetcar's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Financial Analysis of the Streetcar

Our analysis of the Streetcar begins with the statement of net assets. One of the most important questions asked about the Streetcar's finances is, "Is the Streetcar as a whole better off or worse off as a result of the year's activities?" The statement of net assets and the statement of revenues, expenses, and changes in net assets report information about the Streetcar's activities in a way that will help answer this question. These two statements report the net assets of the Streetcar and changes in net assets. You can think of the Streetcar's net assets – the difference between assets and liabilities – as one way to measure financial health or financial position. Over time,

Financial Analysis of the Streetcar (continued)

increases or decreases in the Streetcar's net assets are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, the tourism industry, surrounding area population growth, regulation, and new or changed government legislation.

Net Assets

To begin our analysis, a summary of the Streetcar's statement of net assets is presented in Table A-1.

Table A-1
Summary Statements of Net Assets
(In Thousands)

	2009	2008 (as restated)	Dollar Change	Percent Change
Current assets	**$ 1,302**	$ 2,250	$ (948)	(42.1)%
Current liabilities	**180**	310	(130)	(29.1)%
Net assets unrestricted	**$ 1,122**	$ 1,940	$ (818)	(42.2)%

Total net assets decreased by $818,000 to a net asset total of $1,122,000. Operations realized a $1,564,000 loss and non-operating activities netted revenues of $746,000. These results were better than 2008, which reflected a $1,486,000 decrease in net assets, as revenues increased and expenses decreased.

Net assets "unrestricted" are $1,122,000. These net assets are available for future spending to support the ongoing operation of the Streetcar. Consistent with prior year, operating expenses exceeded operating revenues, and this trend is budgeted to continue. It is anticipated that the continued operation of the Streetcar will, at some point, require regular support from the City of Tampa (the City).

Capital Assets

The Streetcar does not own any capital assets. All of the capital assets used in the Streetcar operation are owned either by Hillsborough Area Regional Transit Authority (HART) or the City.

Debt Administration

The Streetcar has no non-current liabilities.

Table A-2
Condensed Statement of Revenues, Expenses, and Changes in Net Assets
(In Thousands)

	2009	2008
Operating revenues	**$ 860**	$ 731
Operating expenses	**2,424**	2,690
Operating loss	**(1,564)**	(1,959)
Non-operating revenues	**746**	473
Change in net assets	**(818)**	(1,486)
Beginning net assets, as previously reported	**1,996**	3,482
Restatement (Note 2)	**(56)**	–
Beginning net assets, as restated	**1,940**	3,482
Ending net assets	**$ 1,122**	$ 1,996

Operating Revenues

Ridership and related farebox revenues reflect the Streetcar's customer base in fiscal 2009. The average fare paid was $1.46, which translates to 462,461 riders in 2009. During fiscal 2008, the average fair paid was $1.42, which translated to 440,738 riders. Some of the increased ridership was due to the activities surrounding the Super Bowl, which was held in Tampa in 2009. Operating revenues also include an additional $17,424 collected from the leasing of cars for special events and $36,000 for amortization of naming rights to revenue during 2009. During fiscal 2008, operating revenues included an additional $11,387 collected from the leasing of cars

Operating Revenues (continued)

for special events and $69,500 for amortization of naming rights to revenue during 2008. Naming rights payments received in prior years, which will be recognized as revenue in future periods, total $128,000.

Operating Expenses

The Streetcar's most significant operating expense is reimbursement to HART for the cost of operating the Streetcar system. HART currently has 25 full-time employees dedicated to operating the system. Expenses incurred to HART totaled $1,961,864 in 2009 as compared to $2,203,000 in fiscal 2008. The declines in payments to HART were due to reductions in service hours for certain non-peak days and hours, which reduced the number of cars and drivers needed without adversely affecting ridership. Other significant expenses during 2009 and 2008 were $387,290 and $373,979, respectively, for insurance related to the railroad crossing.

Non-Operating Revenues

Although better than in 2008, investment earnings decreased significantly in the current fiscal year and are expected to decline further as invested funds are used in the operation of the Streetcar. To stem the loss in asset values caused by market declines, reflected as investment losses on the statement of revenues, expenses, and changes in net assets, the Board transferred its endowment funds to the City to invest in the City's pooled cash account. The investment losses in 2009 were $451,000, compared to losses of $616,000 in 2008.

Due to higher property values in the service area, non-ad valorem assessments were 17% higher in 2009 than in 2008, i.e., $747,000 and $639,000 respectively.

Local government revenue consists of a $100,000 State Block Operating Assistance grant passed through HART, $200,000 in Federal Transit Authority grant funds passed through HART, $150,000 from the Tampa Port Authority, and a $150,000 contribution from the City Community Redevelopment Agency. During fiscal 2008, the Streetcar received the same local government revenue.

Fiscal 2010 Outlook

Ridership is budgeted to decrease in 2010 over that experienced in 2009. The fare in 2010 will continue at $2.50, which was increased from $2.00 beginning October 1, 2008. Operating expenses are budgeted to increase slightly in 2010. In addition, the Streetcar is anticipating the receipt of $600,000 in grants and contributions from HART, the Tampa Port Authority, and the City Community Redevelopment Agency.

Requests for Information

This financial report is designed to provide a general overview of the Tampa Historic Streetcar, Inc.'s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Chief Accountant, City of Tampa, 315 E. Kennedy Blvd., Tampa, FL 33602.

Tampa Historic Streetcar, Inc.

(A Component Unit of the City of Tampa)

Statement of Net Assets

September 30, 2009

(In Thousands)

Assets		
Current assets:		
Cash and cash equivalents	$	1,248
Receivables – net		10
Prepaids and other assets		44
Total assets		1,302
Liabilities		
Current liabilities:		
Accounts payable		52
Unearned revenue		128
Total liabilities		180
Net assets		
Unrestricted		1,122
Total net assets	$	1,122

The notes to financial statements are an integral part of this statement.

Tampa Historic Streetcar, Inc.
(A Component Unit of the City of Tampa)

Statement of Revenues, Expenses, and Changes in Net Assets

For the Year Ended September 30, 2009
(In Thousands)

Operating revenues:	
Charges for sales and services	$ 860
Operating expenses:	
Contract services	2,404
Other services and charges	20
Total operating expenses	2,424
Operating loss	(1,564)
Non-operating revenues (expenses):	
Investment loss	(451)
Non-ad valorem assessments	747
Local government	450
Total nonoperating revenues	746
Change in net assets	(818)
Total net assets – beginning of year, as previously reported	1,996
Restatement *(Note 10)*	(56)
Beginning net assets, as restated	1,940
Total net assets – end of year	$ 1,122

The notes to financial statements are an integral part of this statement.

Tampa Historic Streetcar, Inc.
(A Component Unit of the City of Tampa)

Statement of Cash Flows

For the Year Ended September 30, 2009
(In Thousands)

Operating activities		
Receipts from customers and users	$	811
Payments to suppliers		(2,415)
Net cash used by operating activities		(1,604)
Noncapital financing activities		
Non-ad valorem assessments received		747
Nonoperating grants received		450
Net cash provided by noncapital financing activities		1,197
Investing activities		
Proceeds from sale of investment securities		1,404
Dividends on investments		12
Interest on investments		3
Net cash provided by investing activities		1,419
Net increase in cash and cash equivalents		1,012
Beginning cash and cash equivalents		236
Ending cash and cash equivalents	$	1,248
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	$	(1,564)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Decrease in prepaids and other assets		100
Increase in accounts receivable and advances		(10)
Decrease in accounts payable		(92)
Decrease in unearned revenues		(38)
Total adjustments		(40)
Net cash used by operating activities	$	(1,604)
Supplemental disclosure of non-cash investing activities		
Increase in fair value of investments	$	350

The notes to financial statements are an integral part of this statement.

Tampa Historic Streetcar, Inc.
(A Component Unit of the City of Tampa)

Notes to Basic Financial Statements

September 30, 2009

1. Organization

Tampa Historic Streetcar, Inc. (the Streetcar) was incorporated November 20, 1998, in the state of Florida, as a not-for-profit organization. The City of Tampa (the City) completed construction of an electric streetcar rail line and the City, the Hillsborough Area Regional Transit Authority (HART), and the Streetcar signed an Operation Agreement in April of 2002. Operation of the Streetcar began in October 2002. The Operation Agreement defines the rights and obligations of the City, HART, and the Streetcar. Under the Operation Agreement, after the City has approved the Streetcar's annual budget, the City is responsible for reimbursing the Streetcar for any deficiency of revenues and support received over expenses incurred, if the expenses were included in the annual budget, which must be approved by the City. During the year ended September 30, 2009, the City made no contributions to fund the Streetcar operations. The City approved the Streetcar's annual plan for the year ending September 30, 2009.

The Streetcar is reported as a discretely presented component unit in the City's basic financial statements. As such, the Streetcar's financial statements are presented in accordance with the provisions of the Governmental Accounting Standards Board (GASB) as an enterprise fund, as they are considered a special purpose government engaged solely in business-type activities.

The Streetcar's mission is to provide a 2.3-mile light rail transportation system from the Tampa Convention Center through the Channelside district to Ybor City, thereby reducing traffic congestion and encouraging economic development in the area.

2. Significant Accounting Policies

Basis of Accounting

The financial statements of the Streetcar are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred. The accounting and reporting policies of the Streetcar conform to the accounting rules prescribed by GASB. The Streetcar has elected under GASB Statement No. 20, Paragraph 7, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting,* to apply all applicable Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989.

2. Significant Accounting Policies (continued)

The Streetcar follows the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (Statement 34), GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus – an amendment of GASB Statements No. 21 and No. 34* (Statement 37), and GASB Statement No. 38, *Certain Financial Statement Note Disclosures* (Statement 38). Statement 34 establishes standards for external financial reporting for all state and local governmental entities, which includes a statement of net assets, a statement of changes in net assets, and a statement of cash flows. In the statement of revenues, expenses, and changes in net assets, revenues, and expenses are distinguished between operating and non-operating items. Operating revenues and expenses generally result from providing services in connection with the Streetcar's ongoing operations. Operating expenses include the costs of providing services, including operation and maintenance. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Streetcar's policy to use restricted resources first, then unrestricted resources as they are needed. Statement 34 also requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. The Streetcar has no capital assets, restricted net assets, or debt. The relevant classifications are defined as follows:

Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds. The Streetcar has no capital assets or related debt and therefore, no net assets invested in capital assets, net of related debt.

Restricted – This component of net assets consists of constraints placed on net asset use through external factors imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments. The Streetcar has no restricted net assets.

2. Significant Accounting Policies (continued)

Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Cash and Cash Equivalents

Cash and cash equivalents represent cash held in the City's pooled cash account and are considered available for immediate usage. For purposes of the statement of cash flows, the Streetcar considers all highly liquid debt instruments with original maturities of three months or less, if any, to be cash equivalents.

Capital Assets

The Streetcar owns no capital assets; all capital assets used in the Streetcar operation are owned either by the City or HART.

Contributions and Grants

Unrestricted contributions are recognized within unrestricted net assets at fair value when received. Grant revenues are recognized when all eligibility requirements have been met.

Tax Status

The Streetcar has received a favorable determination letter from the Internal Revenue Service, and is exempt from federal income taxes under Internal Revenue Code (IRC) Section 501 (a) as an organization described in Section 501(c)(3).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Investments

By agreement, the Streetcar transferred its funds to the City to invest in the City's pooled cash account. The custodial agreement between the Streetcar and the City allows the relationship to be canceled on 30 days notice, so while the Streetcar participates in the City's pooled cash account, the funds are considered liquid and have therefore been classified as cash and cash equivalents on the financial statements.

As of September 30, 2009, the Streetcar's investment balances as a portion of the City's pooled cash were as follows (in thousands):

Investment Type	Amount	Weighted-Average Maturity
U.S. Treasuries	$ 991	3.01 years
Investments not subject to risk disclosures:		
Cash and cash equivalents	257	N/A
Total investments	$ 1,248	

Interest Rate Risk

The City's investment policy limits investment maturities to a maximum of five years with no limits on amounts with respect to maturity. The weighted-average maturity of the City's investment portfolio at year-end was 3.01 years. As a result the Streetcar is exposed to risk of fair value losses arising from increasing interest rates.

Credit Risk

The City's investment policy limits investments to United States Treasury securities and certificates of deposit provided by qualified public depositories.

Concentration of Credit Risk

The City's investment policy limits the amount that is permitted in a single institution to 20% of the total portfolio.

3. Investments (continued)

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that, in the event of a bank failure, the Streetcar's deposits will not be returned to it. The City's investment policy requires that time deposit investments be made only with banking institutions that are members of the State of Florida collateral pool. Florida statutes authorize, and the state administers, a collateral pool that ensures no loss of public funds.

4. Prepaids and Other Assets

Prepaid items balances consist of $43,693 in insurance premiums.

5. Assets Used in the Streetcar Operations

The City has $21,413,174 recorded for the value of assets related to the installation of the Streetcar line. HART has $47,614,750 recorded for its investment in Streetcar assets.

6. Accounts Payable and Accrued Expenses

Accounts payable in the amount of $51,620 include $46,159 due to HART based on the operation agreement. The remaining balance of $5,461 is composed of other miscellaneous payables.

7. Deferred Revenue

Deferred revenue represents $128,000 received in advance on various naming right agreements, which are recognized over a period of 5 to 30 years depending on the terms of the various agreements. Revenue is recognized in the statement of revenues, expenses, and changes in net assets over the life of the agreement as a component of charges for sales and services.

8. Risk Management

Liabilities of the Streetcar are reported when it is probable that a loss has occurred and the amount of the loss can be estimated. The Streetcar has purchased five commercial insurance policies, which provide $100,000,000 of general liability coverage for CSX should an accident occur at the location where the streetcar line and the CSX line intersect.

9. Related-Party Disclosures

The Streetcar has an operating agreement with HART that is renewable each year. The amount of the contract represents approximately 84% of the Streetcar's expenses, however only 33% of the Streetcar's Board of Trustees is appointed by HART. The Streetcar Board of Trustees consists of six City of Tampa appointees and three HART appointees.

10. Restatement of Net Assets

The previously issued financial statements for the fiscal year ending September 30, 2008, have been restated to correct errors related to the amortization of naming rights that were not amortized in accordance with the terms of the applicable agreements. As a result of these errors, unearned revenue was understated by $56,000 and net assets were overstated by $56,000 as of September 30, 2008.

As a result, the Streetcar restated its September 30, 2009 financial statements to adjust beginning net assets at October 1, 2008 for this error as follows (in thousands):

	Unearned Revenues	Net Assets at October 1, 2008	Charges for Sales and Services
As previously reported	$ 66	$ 1,996	$ 866
Correction of error	62	(56)	(6)
Restated	$ 128	$ 1,940	$ 860

Other Financial Information

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Report of Independent Certified Public Accountants on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

The Board of Trustees
Tampa Historic Streetcar, Inc.

We have audited the financial statements of the Tampa Historic Streetcar, Inc. (the Streetcar) as of and for the year ended September 30, 2009, and have issued our report thereon dated December 29, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Streetcar'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

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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 management, the Board of Trustees, others within the entity, 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.

Ernst & Young LLP

December 29, 2009

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TAB
The Florida
Aquarium, Inc.

KPMG

THE FLORIDA AQUARIUM, INC.

(A Component Unit of the City of Tampa)

Basic Financial Statements

September 30, 2009 and 2008

(With Independent Auditors' Report Thereon)

THE FLORIDA AQUARIUM, INC.
(A Component Unit of the City of Tampa)

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KPMG LLP
Suite 1700
100 North Tampa Street
Tampa, FL 33602

Independent Auditors' Report

The Board of Directors
The Florida Aquarium, Inc.:

We have audited the accompanying balance sheets of The Florida Aquarium, Inc., a component unit of the City of Tampa, Florida, as of September 30, 2009 and 2008, and the related statements of revenues, expenses, and changes in net assets and cash flows for the years then ended. These basic financial statements are the responsibility of The Florida Aquarium, Inc.'s management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Florida Aquarium, Inc.'s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of The Florida Aquarium, Inc., a component unit of the City of Tampa, Florida, as of September 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report, dated January 6, 2010, on our consideration of The Florida Aquarium, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

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member firm of KPMG International, a Swiss cooperative.

The management's discussion and analysis on pages 3 through 14 is not a required part of the basic financial statements, but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

KPMG LLP

January 6, 2010
Certified Public Accountants

THE FLORIDA AQUARIUM, INC.
(A Component Unit of the City of Tampa)

Management's Discussion and Analysis

September 30, 2009 and 2008

(Unaudited)

This annual financial report consists of two parts: management's discussion and analysis and the basic financial statements. The basic financial statements also include notes that explain in more detail some of the information in the basic financial statements.

This section of The Florida Aquarium, Inc.'s (the Aquarium) annual financial report presents management's analysis of the Aquarium's financial performance during the fiscal years ended September 30, 2009 and 2008. Please read it in conjunction with the basic financial statements, which follow this section.

Financial Highlights

	Fiscal year 2009		
	Actual	**Versus budget**	**Versus last year**
Attendance	674,177	—%	3%
Turnstile revenues	$ 9.6 million	1	13
Operating contributions, memberships, and grants	2.6 million	(11)	(5)
Operating expenses	11.4 million	(6)	4

	Fiscal year 2008		
	Actual	**Versus budget**	**Versus last year**
Attendance	655,877	5%	(3)%
Turnstile revenues	$ 8.4 million	5	(3)
Operating contributions, memberships, and grants	2.8 million	(2)	4
Operating expenses	11.0 million	1	2

Despite a challenging external economic environment, the fiscal year 2009 operating results were admirable. Attendance and turnstile revenues exceeded budget and last year's results, and spending was monitored closely. The positive results were not anticipated as the fiscal year began. A new exhibit, "Ocean Commotion," opened in October 2008, but did not meet budgeted expectations regarding attendance growth and membership sales/renewals. External economic factors such as the bank failures and corporate scandals; unemployment rates; and housing foreclosures had a detrimental impact on Aquarium business for the first half of fiscal year 2009. To react to the shortfalls in attendance and revenues, Aquarium management implemented expense cuts from the budget. Then, as the Spring Break season and important summer seasons approached, business turned around. The turnaround was attributed to the "staycation" phenomena (vacations occurring close to home at local venues) and a targeted marketing/advertising television campaign based on the Aquarium brand. The Aquarium's television commercial was enhanced by the national VISA commercial centered on visiting aquariums. For the second half of fiscal year 2009, attendance and revenues exceeded budget and last year's results significantly to more than overcome the shortfalls experienced during the first half of the year. The cautious approach to

(Continued)

spending and the expense savings taken during the first half of the year were carried through year-end. As a result, the net operating results for the Aquarium reached a record-setting amount. The Aquarium continues to benefit from strong financial performances from our outsourced business partners – Aramark (food service), Event Network (gift store), and Sharpshooter (photos). Education programs, including school field trips, day camps, birthday parties, and sleepovers, did not achieve budgeted expectations due to cutbacks in the school system, as well as overall economic issues, but did manage to achieve the second best year of financial results in Aquarium history. Conservation and research programs grew exponentially in fiscal year 2009, especially in coral propagation and restoration efforts and underwater archeology work at Little Salt Springs and in the Hillsborough River. Efforts continue in Tallahassee and Washington, D.C. to get state and federal funding for the biological and educational programs conducted by the Aquarium, despite steep cuts in governmental spending. This level of performance is all building on the accomplishments achieved over the past several years. Tangible proof of these accomplishments is the AZA reaccreditation that was achieved by the Aquarium in January 2009. This prestigious and difficult to earn accreditation from the aquarium and zoo industry's oversight association is one of the Aquarium's biggest accomplishments in fiscal year 2009.

Required Financial Statements

The basic financial statements of the Aquarium report information about the Aquarium using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The balance sheets include all of the Aquarium's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and obligations to the Aquarium's creditors (liabilities). The assets and liabilities are presented in a classified format, which distinguishes between current and long-term assets and liabilities. It also provides the basis for computing rate of return, evaluating the capital structure of the Aquarium, and assessing the liquidity and financial flexibility of the Aquarium. All of the current year's revenues and expenses are accounted for in the statements of revenues, expenses, and changes in net assets. This statement measures the success of the Aquarium's operations over the past year and can be used to determine whether the Aquarium has successfully recovered all its costs through its activities, as well as its profitability and creditworthiness. The final required financial statement is the statement of cash flows. The primary purpose of this statement is to provide information about the Aquarium's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and capital and related financing activities and provides answers to such questions as to where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Financial Analysis of the Aquarium

Our analysis of the Aquarium begins with the balance sheets. One of the most important questions asked about the Aquarium's finances is "Is the Aquarium as a whole better off or worse off as a result of the year's activities?" The balance sheets and the statements of revenues, expenses, and changes in net assets report information about the Aquarium's activities in a way that will help answer this question. These two statements report the net assets of the Aquarium and changes in net assets. One can think of the Aquarium's net assets – the difference between assets and liabilities – as one way to measure financial health or financial position. Over time, increases or decreases in the Aquarium's net assets are one indicator of whether its financial health is improving

or deteriorating. However, one will need to consider other nonfinancial factors such as changes in economic conditions, the tourism industry, population growth, regulation, and new or changed government legislation.

Net Assets (Balance Sheets)

To begin our analysis, a summary of the Aquarium's net assets (balance sheets) is presented in Table A-1.

Table A-1

Balance Sheets

(Dollars in thousands)

		FY 2009	FY 2008	FY 2007
Current assets	$	2,591	1,570	1,534
Noncurrent assets:				
Capital assets, net		1,458	990	678
Restricted investments in endowment funds		323	337	417
Total assets		4,372	2,897	2,629
Current liabilities		2,617	2,278	2,426
Noncurrent liabilities		635	492	—
Total liabilities		3,252	2,770	2,426
Net assets (deficit):				
Invested in capital assets, net of related debt		645	499	678
Restricted		323	337	417
Unrestricted surplus (deficit)		153	(708)	(892)
Total net assets	$	1,121	128	203

The most notable achievement about the financial performance for fiscal year 2009 is the positive ending net unrestricted surplus. This is the first time this has been achieved in Aquarium history. Just three years ago, the unrestricted net deficit was over $1.3 million, and the total net asset balance was actually a deficit of over $200,000. The improved annual financial performances over the past several years have finally resulted in the overall financial health of the Aquarium being positive.

The Aquarium's current assets and current liabilities are closely related and typically trend together. The primary components of each category are operating cash and operating accounts payable and accrued expenses; and restricted cash and the related restricted accounts payable and deferred revenue. Accounts and pledges receivable, deposits, and prepaid insurance are also included in current assets, and other deferred revenues are included in current liabilities. In fiscal years 2009 and 2008, current assets increased by $1,021,000 to $2,591,000 and $36,000 to $1,570,000, respectively, due to improved operating income (before depreciation). The gain on the sale of BaySpirit during fiscal year 2009 also improved the current asset balance. Accounts payable balances increased in fiscal 2009 due to the positive financial results experienced over the summer.

(Continued)

Spending that had been deferred earlier in the year was able to occur close to year-end due to the improved cash position. This spending resulted in higher payable balances at September 30. The aging of accounts payable remained strong in both fiscal years 2009 and 2008. Current liabilities at September 30, 2009 also include the current portion of the new eco-tour boat loan of $178,000 that did not exist in fiscal year 2008. Current assets and current liabilities also contain restricted cash and the related restricted accounts payable and deferred revenue. Restricted cash is held for new exhibits and restricted conservation/research grants. During fiscal year 2008, restricted cash was raised and construction began on the Aquarium's newest exhibit, "Ocean Commotion," which opened October 2008. The remaining balances of restricted cash and deferred revenue for "Ocean Commotion" were spent at the beginning of fiscal year 2009 when construction was finished. Balances related to the gift shop and restaurant outsourced operations are also included in current assets and current liabilities. A receivable of $30,000 and $25,000 at September 30, 2009 and 2008, respectively, exists from Event Network, our gift shop partner, representing the contracted amount owed to the Aquarium for September activities. A receivable of $52,000 and $50,000 at September 30, 2009 and 2008, respectively, exists from the other outsourced operation, food service with Aramark. These amounts also represent the contracted amount owed to the Aquarium for September activities.

Noncurrent assets consist of the net book value of the Aquarium's capital assets (vehicles, Eco-tour boat, furniture, equipment, and construction in progress) and the fair market value of restricted endowment accounts. Noncurrent liabilities consist of the long-term balances due on the Aquarium's notes payable obligations. Changes in the noncurrent assets and liabilities balances between fiscal years 2009 and 2008 are explained below.

Total net assets increased by $993,000 in fiscal year 2009, after a decrease of $75,000 in fiscal year 2008. The net asset balance is now $1,121,000, a significant improvement over the net surplus balance of $128,000 last year, and the net deficit position of $204,000 just three years ago. The ending balances are comprised of three components of net assets: "invested in capital assets, net of related debt," "restricted," and "unrestricted."

Net assets "invested in capital assets, net of related debt" are $645,000 at September 30, 2009. During fiscal year 2009, there was $736,000 of capital asset additions. The most significant item, representing $695,000 of the total additions, was the completion of the construction of a new 72-foot, 150-passenger Eco-tour boat. This new boat went into operation in July 2009 and has a total capitalized cost of approximately $1.2 million. Other capital additions consisted of security equipment, desktop computers, and veterinary medical equipment. During fiscal 2008, $547,000 of capital expenditures were made – the majority being the construction in process of the new eco-tour boat. Depreciation expense, a noncash item, of $268,000 and $235,000 in fiscal years 2009 and 2008, respectively, is reflected in this net asset class. Finally, a nonrevolving line of credit that converted to a term loan of up to $1,250,000 was issued at the end of fiscal year 2008 to fund the construction of the new Eco-tour boat. The outstanding balance of the note of $813,000 at September 30, 2009 is also reflected in this net asset class.

"Restricted" net assets are $323,000 and $337,000 at September 30, 2009 and 2008, respectively. This net asset class represents the total fair value of the Aquarium's endowment funds. The majority of the Aquarium's endowment accounts are mutual funds invested in Vanguard's S&P 500 index fund. The fiscal year 2007 balances reflected all-time highs at the peak of the stock market's performance. During fiscal year 2008, the stock market suffered significant losses and reached nearly all-time lows as of September 30, 2008. As a result,

the fiscal year 2008 results reflected an $82,000 decrease in the fair value of restricted investments. Losses continued for a part of fiscal year 2009, but gains began to happen in the second half of the year to result in only a $17,000 decrease in the fair value of the restricted investments for fiscal year 2009.

The remaining net asset balance is "unrestricted." The balance, for the first time in Aquarium history, reflects a surplus of $153,000 at September 30, 2009 after a deficit of $708,000 at September 30, 2008, and higher net deficits in prior years. The Aquarium's early financial history was unstable. Through 1997, operating expenses exceeded revenues, and prior to the City of Tampa's (the City) acquisition of the assets and assumption of debt, the Aquarium was obligated to make significant debt and interest payments. Business and organizational restructuring occurred in 1997 and 1998 to help stabilize the yearly budget, and from 1999 through the present, the Aquarium has managed to achieve breakeven or slightly better results against the operating budget, which includes annual contributions from the City. Significant progress has been made over the past few years towards achieving operating surpluses that also cover depreciation and reduce the accounts payable and accrued expenses balances that were created during its early history. However, several more years of similar financial results will be required until the Aquarium's long-term stability is secured.

Capital Assets

The Aquarium's capital assets, net of accumulated depreciation at September 30, 2009 were $1,458,000 compared to $990,000 last year. The net increase of $468,000 is comprised of the fiscal year 2009 capital additions of $736,000, offset by depreciation expense of $268,000. The fiscal year 2009 capital additions include the completion of the construction of the new 72-foot, 150-passenger Eco-tour boat, which began in fiscal year 2008. The fiscal year 2008 capital additions of $547,000 were offset by depreciation expense of $235,000 to result in the net increase of capital assets of $312,000. Please refer to note 5 to the accompanying basic financial statements for additional information on the Aquarium's capital asset activities.

Debt Administration

The Aquarium's current and noncurrent liabilities include balances due on two notes: one for the construction of a new Eco-tour boat, and the remaining balance of a revolving line-of-credit promissory note for "Explore A Shore." At September 30, 2009, noncurrent liabilities were $635,000 compared to $492,000 last year. The new nonrevolving line of credit was issued in August 2008 to fund the construction of a new eco-tour boat. This line of credit converted to a term loan in September 2009. A total of $813,000 was outstanding as of September 30, 2009. The $228,333 revolving line-of-credit promissory note for "Explore A Shore" was originated in October 2004. This note was secured by pledges receivable for the "Explore A Shore" project. The final $30,000 pledge receivable payment was collected in fiscal year 2008, and was used to pay off the remaining line-of-credit balance. Please refer to note 7 to the accompanying basic financial statements for additional information on the Aquarium's debt administration activities.

Table A-2

Summary of Revenues, Expenses, and Changes in Net Assets

(Dollars in thousands)

	FY 2009	FY 2008	FY 2007
Operating revenues:			
Turnstile revenues	$ 9,576	8,445	8,667
Contributions, memberships, and grants	2,624	2,771	2,663
	12,200	11,216	11,330
Operating expenses:			
Salaries and benefits	6,315	6,052	5,791
Advertising and promotions	802	783	806
Occupancy related	2,019	1,889	1,980
Insurance	474	451	433
Other	1,828	1,815	1,792
	11,438	10,990	10,802
Operating income before depreciation	762	226	528
Depreciation	(268)	(235)	(228)
Operating income (loss)	494	(9)	300

(Continued)

Table A-2

Summary of Revenues, Expenses, and Changes in Net Assets (Continued)

(Dollars in thousands)

		FY 2009	FY 2008	FY 2007
Nonoperating revenues	$	258	19	77
Nonoperating expenses		(78)	(1,116)	(258)
Income (loss) before capital contributions		674	(1,106)	119
Capital contributions		319	1,031	288
Increase (decrease) in net assets		993	(75)	407
Beginning net assets (deficit)		128	203	(204)
Ending net assets	$	1,121	128	203

Operating Turnstile Revenues

Fiscal year 2009 represented the highest earned turnstile revenues in the Aquarium's history. These revenues were generated by one of the highest attendance levels in the Aquarium's history, despite a challenging year due to the unstable economy. The high attendance was also supported by a strong attendance mix, despite the first main-gate price increases that were implemented since 2004. This resulted in higher guest per capita spending. Typically, guests who are able to pay full price to enter the Aquarium will spend more on ancillary services such as the gift shop, food service, guest dive experiences, penguin encounters, and eco-tours. As the fiscal year 2009 began, bank failures, corporate scandals, unemployment, and housing foreclosures were consuming the news. The unstable economy did take its toll on Aquarium business. The Aquarium's newest exhibit, "Ocean Commotion" opened in October 2008 to lackluster attendance figures. Membership sales and renewals hit all-time lows, and corporate holiday parties were canceled completely. The first and second quarters of fiscal year 2009 resulted in attendance and revenues being significantly off-budget. To react, Aquarium management instituted budget expense cuts and deferred spending. Despite the poor economic conditions, business during the Spring Break and important summer seasons completely turned around. Attendance exceeded budget and last year, and the percentage of guests attending at full admission prices exceeded expectations. Since the Aquarium is a local venue that is not as expensive as the larger theme parks and attractions in the area, the "staycationers" were attracted to the Aquarium. The targeted marketing/advertising campaign using television commercials focusing on brand identity (coupled with the national VISA aquarium commercial) also helped drive business to the Aquarium during the second half of fiscal year 2009.

The gift shop operation, which was outsourced to Event Network at the end of fiscal year 2005, continues to be a financial and operational success. Event Network continues to exceed its net minimum annual financial guarantees to the Aquarium; per caps have gone up (or stayed steady despite poor economic conditions) each year; the store has been remodeled; and the Aquarium's inventory balances have been converted to cash. The

food service operation outsourced to partner Aramark in 2006 also continues to produce substantial financial results. The cafeteria operation performed well in 2009, which helped offset some of the shortfalls in the catered/evening event operation. Due to the poor economy and national corporate scandals, many corporations canceled holiday parties or did not book corporate events simply due to the negative perception that might have resulted. This perception is still being addressed and is expected to negatively impact the catered/evening event operation throughout fiscal year 2010.

Parking revenues increased significantly during fiscal year 2009 after a drop in revenues in fiscal year 2008 due to the first parking price increase that was implemented since 2004. Parking revenues were impaired in fiscal year 2008 due to the rising fuel costs that resulted in more guests carpooling to the Aquarium, so fewer cars were parked. With fuel prices dropping again during fiscal year 2009, the car count increased despite the increased price. Parking spaces in Channelside are becoming a commodity with the increasing critical mass in the area.

Educational programs, including school field trips, outreach, sleepovers, birthday parties, and summer camps, have experienced record growth over the past few years. The results for fiscal year 2009 showed the first decline in years, although fiscal year 2009 still represents the second highest revenue-generating year on record. Teacher workshops related to SEAS, Underwater Archeology, Invasive Species, and Fish in the Classroom continue to grow and create stewardship opportunities for the Aquarium.

Miscellaneous income includes revenues generated from another outsourced partner, Sharpshooter, which began at the end of fiscal year 2006. Sharpshooter takes professional pictures of guests as they arrive at the Aquarium, as well as pictures of guests participating in the "Dive with the Sharks" and "Swim with the Fishes" dive programs. Fiscal years 2009 and 2008 net photo revenues generated for the Aquarium exceeded $133,000 and $123,000, respectively.

Following is a table of guest's average per capita spending (per caps) for each turnstile revenue category:

		FY 2009	FY 2008	FY 2007
Admissions	$	10.72	9.44	9.45
Gift shop		2.32	2.32	2.31
Restaurant		3.53	3.97	3.70
Parking		0.83	0.69	0.77
Miscellaneous		0.95	0.94	0.85
Total	$	18.35	17.36	17.08

Operating Contributions, Memberships, and Grants

Operating contributions, memberships, and grants include donations to the Aquarium's annual fund by individuals and corporations; grants from state and local governments, agencies, and foundations; annual memberships; and special fund-raising events. This category also includes the annual contribution from the City to balance the Aquarium's cash flow operating budget per contractual agreement.

Operating grants reflect increases in both fiscal years 2009 and fiscal 2008. This is a reflection of the expansion of educational, diving, and biological projects that have become a part of the Aquarium's operations and are funded with grants. New operating grants in fiscal years 2009 and 2008 relate to biological conservation/research projects related to sea turtle drug studies, coral propagation, and underwater archeology. The primary and ongoing operating grant sources in fiscal years 2009 and 2008 included the State of Florida – Division of Cultural Affairs, the Arts Council of Hillsborough County, and the Tourist Development Council of Hillsborough County. Each of these grants has historically remained stable in the amounts awarded; however, decreases occurred in all during fiscal year 2009 and more decreases are expected in fiscal year 2010 due to government spending reductions. In fact, no State of Florida – Division of Cultural Affairs support is expected in fiscal year 2010.

The Aquarium's household membership base and revenues have consistently remained at about the $1 million level, representing 10,000 member households, since the opening of "Explore A Shore" in 2004; however, a significant drop occurred in fiscal year 2009. Although the membership program is presented as a price/value product, the extremely tight discretionary spending limits for the member base did not provide for membership renewals. The new exhibit, "Ocean Commotion" also did not generate enough interest to promote new member sales. Fiscal year 2009 closed with a household membership base just under 9,000.

Special events at the Aquarium rely on sponsorship funding and ticket sales to generate net revenues. There are a total of seven events during the year: "Nauti-Night," "New Year's Aqua-Eve," "SeaGrapes," "Fishin' for the Mission," "Dragon Boat Race," "SudsFest," and "Surf & Turf Golf Classic." These events are intended as fund raisers for the Aquarium's educational and veterinary programs. For fiscal year 2009, the financial decision was made to move the "Surf & Turf Golf Classic into fiscal year 2010, and the "Fishin' for the Mission" event will be discontinued in fiscal year 2010.

Since fiscal year 2002, due to the losses experienced in the stock market and overall economic downturn, combined with several years of natural disasters (hurricanes and tsunami), and most recently the oil, insurance, housing, financial institution crisis, and corporate scandals, the Aquarium's annual fund-raising efforts with individuals, corporations, and foundations have not experienced significant growth. During this time, several foundations were unable to repeat annual gifts due to stock market losses. One foundation, that also happened to be the Aquarium's most supportive donor since inception, liquidated in fiscal year 2002. Fortunately, a $2 million gift to be received by the City from this foundation in fiscal year 2006 was paid to the City in fiscal year 2002 upon liquidation. Of this $2 million, the Aquarium received $300,000 in both fiscal years 2002 and 2003. An additional $150,000 was received in fiscal year 2004 to help construct "Explore A Shore." This amount was matched by Hillsborough County. In fiscal year 2008, $500,000 was received to help construct "Ocean Commotion." The remaining $750,000 is being held by the City to be distributed to the Aquarium, subject to City Council approval, upon the satisfaction of certain contingencies, including the completion of various expansion projects.

Following is a detail of operating contributions, memberships, and grants (dollars in thousands):

		FY 2009	FY 2008	FY 2007
Annual fund – individual	$	180	158	141
Annual fund – corporate		80	37	58
Grants		479	469	382
Memberships		967	1,073	1,016
Special events		318	434	391
City of Tampa		600	600	675
Total	$	2,624	2,771	2,663

Operating Expenses

The Aquarium's most significant operating expenses are salaries and related taxes, insurance, and benefits. Salaries and benefits grew by 4% in fiscal year 2009 and 5% in fiscal year 2008. For both years, an average merit increase of 3.5% was distributed for staff, and a slight increase in health insurance premiums occurred. No additional staff positions were added in either fiscal year 2009 or 2008.

Advertising and promotions expense increased by 2% in fiscal year 2009 after a 3% decrease in fiscal year 2008. Advertising and marketing was increased in fiscal year 2009 to help promote the Aquarium's new exhibit, "Ocean Commotion." After the second quarter, for the Spring Break and summer seasons, the marketing/advertising campaign turned to a general aquarium branding campaign, highlighting a television commercial for the first time since 2004. This campaign proved to be very successful. Fortunately, the Aquarium's television commercial was enhanced by a VISA commercial, which highlighted aquariums. Many viewers thought the VISA commercial was specifically for the Aquarium. Social networking marketing efforts through venues like Facebook and Twitter also increased during fiscal year 2009, especially to promote special events.

Occupancy-related expenses include items such as life support equipment, repairs and maintenance, and utilities. As the Aquarium facility ages and saltwater intrusion occurs, more preventative repairs and maintenance occur and replacements are required. During fiscal year 2009, occupancy-related expenses increased by 7%, as funds were available to address and fix the aged, deferred maintenance issues. The Aquarium also focused on improvements and enhancements to the facilities in preparation for the AZA reaccreditation process that was successfully completed in January 2009.

The Aquarium's property insurance situation remained steady and consistent for fiscal years 2009 and 2008. In fiscal year 2006, due to the losses suffered by the insurance industry related to Hurricane Katrina, the Aquarium's property insurance renewals in May 2006 reflected astronomical premiums and deductibles related to named windstorm damage. To secure adequate coverage and have some level of coverage for named windstorm damage, the Aquarium elected to be added to the City's insurance policies, since the City owns the Aquarium facility that would be covered. As such, the total premium for property insurance was decreased to affordable levels, but the level of coverage for windstorm damage has been substantially reduced. In fiscal year

2009, the Aquarium was able to again secure its own property insurance and windstorm policies that provided better coverage and control for the Aquarium than the City's policy at only slightly higher premiums.

Other operating expenses increased by 2% in fiscal year 2009, after a 4% decrease in fiscal year 2008. This category includes postage and printing associated with communications to the membership, donor, and educational programs base; travel associated with expanded statewide Aquarium awareness efforts; management training and professional development; and supplies and materials associated with operating the Aquarium facility. Growth in this spending during fiscal year 2009 primarily occurred in the supplies and materials category related to the enhanced efforts in addressing deferred maintenance and repair projects throughout the facility for the AZA reaccreditation process. Other categories actually decreased to the declining economic conditions where overall spending at the Aquarium was watched and controlled.

Nonoperating Revenues and Expenses and Capital Contributions

The Aquarium management's primary focus is on operations; however, the following information is useful in understanding the Aquarium's overall financial position.

Besides raising funds to support operations, the Aquarium's development team also raises funds for capital improvements and exhibit enhancements. During fiscal years 2009 and 2008, over $319,000 and $1,031,000, respectively, of capital contributions were raised. Over $55,000 and $1,031,000 was spent on exhibit enhancements in fiscal years 2009 and 2008, respectively, which are improvements to the Aquarium facility or new exhibitory. Since the City owns the actual land and building, any improvements to their assets that are funded by the Aquarium are reflected in the statements of revenues, expenses, and changes in net assets as nonoperating expenses. From fiscal year 2003 through fiscal year 2006, over $2.3 million was spent on "Explore A Shore," the outdoor children's play area. In fiscal year 2006, an additional $322,000 was spent to build "AquariuMania," which will eventually become a traveling exhibit. The State of Florida also provided a $250,000 Cultural Facilities grant to replace the 10-year old carpeting throughout the exhibit path and the canvas awnings above the coral reef and shark tanks in fiscal year 2006. In fiscal year 2007, public and private contributions were used to build the new lobby stingray and shark touch tank; additional penguin holding facilities; and improvements to existing exhibits in the main galleries (otter exhibit and bays and beaches exhibit). A $100,000 contribution from Hillsborough County was used to accomplish most of these improvements. The focus in 2008 and 2009 was fund-raising and constructing the Aquarium's newest exhibit, "Ocean Commotion," which opened in October 2008. This $1.2 million exhibit replaces the "SeaHunt" gallery, and now contains new animals, animated characters, wi-fi technology, and immersive interactives. Funding for this new exhibit was received primarily from the City of Tampa ($500,000); Hillsborough County ($100,000); Carol and Barney Barnett ($300,000); and other corporations, individuals, and family foundations.

Fiscal Year 2010 Outlook

A cautious and conservative approach was taken in preparing the fiscal year 2010 operating budget. Unfortunately, the unstable external economic conditions are expected to continue and could have a negative impact on the Aquarium's business through fiscal year 2010. As such, the budget was prepared with lower projected attendance, operating revenues and expenses, and no payroll increases. Total operations are budgeted at $13.8 million, with attendance projected at 630,000. The City's operating contribution to the Aquarium for fiscal year 2010 will decrease by 10% to $540,000. Another breakeven year is budgeted. The long-term strategic plan, which includes a five-year exhibit planning process, was completed in fiscal year 2008 and is in the process of being updated again. As the long-term exhibit plan is implemented, it is the intention of management, with City Council approval, to draw upon the remaining $750,000 the City is holding on behalf of the Aquarium to help fund the capital campaign. A long-term lease and management agreement between the Aquarium and the City is now in place for fiscal year 2010 and beyond. This long-term agreement will allow Aquarium management to focus more on the long-term future.

Requests for Information

This financial report is designed to provide a general overview of The Florida Aquarium, Inc.'s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, The Florida Aquarium, Inc., 701 Channelside Drive, Tampa, Florida 33602.

THE FLORIDA AQUARIUM, INC.
(A Component Unit of the City of Tampa)

Balance Sheets

September 30, 2009 and 2008

Assets		**2009**	**2008**
Current assets:			
Cash and cash equivalents	$	1,780,324	770,445
Restricted cash and cash equivalents		303,541	444,314
Accounts receivable, net of allowance for doubtful accounts of $2,500 in 2009 and 2008		224,436	182,230
Other current assets		283,188	173,043
Total current assets		2,591,489	1,570,032
Noncurrent assets:			
Capital assets, net		1,458,415	990,229
Restricted investments in endowment funds		323,062	337,499
Total noncurrent assets		1,781,477	1,327,728
Total assets	$	4,372,966	2,897,760
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued expenses	$	1,433,907	1,122,293
Accounts payable from restricted assets		12,562	112,243
Current maturities of notes payable		178,572	—
Deferred revenue		700,672	711,813
Deferred revenue related to restricted assets		290,979	332,071
Total current liabilities		2,616,692	2,278,420
Noncurrent liabilities:			
Notes payable, net of current maturities		634,626	491,555
Total liabilities		3,251,318	2,769,975
Net assets:			
Invested in capital assets, net of related debt		645,217	498,674
Restricted net assets:			
Unrealized increase in fair value of restricted investments in endowment funds		140,973	158,410
Endowment funds corpus		182,089	179,089
Unrestricted surplus (deficit)		153,369	(708,388)
Total net assets		1,121,648	127,785
Total liabilities and net assets	$	4,372,966	2,897,760

See accompanying notes to basic financial statements.

THE FLORIDA AQUARIUM, INC.
(A Component Unit of the City of Tampa)

Statements of Revenues, Expenses, and Changes in Net Assets

Years ended September 30, 2009 and 2008

		2009	2008
Operating revenues:			
Turnstile revenues:			
Admissions	$	7,226,323	6,188,603
Gift shop sales, net of direct expenses		501,143	493,003
Restaurant sales, net of direct expenses		647,188	693,480
Parking revenue		562,095	451,579
Community programs revenue		391,037	438,292
Miscellaneous revenue		248,827	179,977
Total turnstile revenues		9,576,613	8,444,934
Contributions, memberships, and grants		2,623,833	2,770,920
Total operating revenues		12,200,446	11,215,854
Operating expenses:			
Salaries and benefits		6,315,336	6,052,384
Advertising and promotions		801,896	782,912
Occupancy related		2,019,342	1,888,670
Insurance		474,414	450,888
Professional services		420,196	475,468
Animals, plants, and food		273,148	227,029
Other operating expenses		1,134,368	1,112,522
Total operating expenses		11,438,700	10,989,873
Operating income before depreciation		761,746	225,981
Depreciation		(267,509)	(234,704)
Operating income (loss)		494,237	(8,723)
Nonoperating revenues (expenses):			
Exhibit enhancements		(55,855)	(1,031,488)
Interest income		2,822	19,346
Interest expense		(4,260)	(3,458)
Gain on sale of capital assets		255,001	—
Net change in fair value of restricted investments		(17,437)	(82,445)
Net nonoperating revenues (expenses)		180,271	(1,098,045)
Income (loss) before capital contributions		674,508	(1,106,768)
Capital contributions		319,355	1,031,488
Increase (decrease) in net assets		993,863	(75,280)
Net assets, beginning of year		127,785	203,065
Net assets, end of year	$	1,121,648	127,785

See accompanying notes to basic financial statements.

THE FLORIDA AQUARIUM, INC.
(A Component Unit of the City of Tampa)

Statements of Cash Flows

Years ended September 30, 2009 and 2008

		2009	2008
Cash flows from operating activities:			
Cash received from turnstile operations	$	9,690,451	8,430,175
Cash received from contributions, memberships, and grants		2,495,605	2,853,803
Cash paid to employees		(5,216,368)	(5,204,296)
Cash paid to vendors		(6,200,593)	(5,900,640)
Net cash provided by operating activities		769,095	179,042
Cash flows from capital and related financing activities:			
Capital contributions		319,355	1,031,488
Capital expenditures		(735,695)	(547,192)
Proceeds from sale of capital assets		255,001	—
Exhibit enhancements		(55,855)	(1,031,488)
Issuance of notes payable		551,405	491,555
Repayments of notes payable		(229,762)	(30,000)
Interest paid on notes payable		(4,260)	(3,458)
Net cash provided by (used in) capital and related financing activities		100,189	(89,095)
Cash flows from investing activities:			
Purchase of investments		(3,000)	(2,489)
Interest received		2,822	19,346
Net cash (used in) provided by investing activities		(178)	16,857
Net increase in cash and cash equivalents		869,106	106,804
Cash and cash equivalents, beginning of year		1,214,759	1,107,955
Cash and cash equivalents, end of year	$	2,083,865	1,214,759
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$	494,237	(8,723)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation		267,509	234,704
Provision for (recovery of) uncollectible receivables		6,214	(5,273)
Write-off of uncollectible receivables		(6,214)	(2,227)
Changes in operating assets and liabilities:			
Accounts receivable		(42,206)	37,031
Pledges receivable		—	40,000
Other current assets		(110,145)	1,441
Accounts payable and accrued expenses		211,933	(111,275)
Deferred revenue		(52,233)	(6,636)
Net cash provided by operating activities	$	769,095	179,042
Noncash item:			
Net decrease in fair value of investments	$	(17,437)	(82,445)

See accompanying notes to basic financial statements.

(1) Reporting Entity

The Florida Aquarium, Inc. (the Aquarium) was incorporated December 12, 1986, in the state of Florida, as a not-for-profit organization. Construction of an aquarium (the Facility) was completed and opened to the public in March 1995. In October 1996, the Aquarium sold the Facility and related assets to the City of Tampa, Florida (the City), and entered into an agreement with the City for management of the Facility (the Management Agreement). That Management Agreement expired on September 30, 2009. A new 30-year (with two automatic 10-year extensions) Lease and Operating Agreement (the Operating Agreement) was executed and became effective on October 1, 2009. Both agreements define the rights and obligations of the City and Aquarium management. The Aquarium's mission is to entertain, educate, and inspire stewardship about the natural environment.

The Florida Aquarium Foundation, Inc. (the Foundation) was incorporated October 10, 1996 in the State of Florida, as a not-for-profit organization. The Foundation was created exclusively to solicit and receive contributions to be disbursed and used for charitable, educational, and specific purposes, including the making of distributions for such purposes to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 (IRC), as amended. Unless otherwise determined by the Foundation's board of directors, the recipient of such distributions shall be the Aquarium. Management has applied the requirement of Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and has determined that the Foundation is considered a component unit of the Aquarium. The financial activities of the Foundation are blended with the activities of the Aquarium in these basic financial statements.

The Aquarium is reported as a discretely presented component unit in the City's basic financial statements. The Aquarium's basic financial statements are presented in accordance with the provisions of GASB as an enterprise fund, as they are considered a special-purpose government engaged solely in business-type activities.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The basic financial statements of the Aquarium are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred. The accounting and reporting policies of the Aquarium conform to the accounting rules prescribed by GASB. The Aquarium has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

In the statements of revenues, expenses, and changes in net assets, revenues and expenses are distinguished between operating and nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Aquarium's ongoing operations, including contributions from the City for operating needs. Operating revenues are shown at their gross amounts, with the exception of the operations of the gift shop and restaurant, which are shown net of

direct expenses because they are outsourced. Operating expenses include the costs of providing goods and services, including operation and maintenance of the facilities. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Aquarium's policy to use restricted resources first, then unrestricted sources as they are needed.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash and cash held in money market accounts with original maturities of 90 days or less.

(c) Investments

Investments include mutual funds reported at fair value based on quoted market rates, plus accrued interest and dividends; a beneficial interest in the assets of The Community Foundation of Tampa Bay that is carried at fair value; and cash that is held for long-term endowment purposes. The net increase or decrease in the fair value of investments is reflected in the accompanying statements of revenues, expenses, and changes in net assets as a nonoperating activity.

(d) Capital Assets

The Aquarium capitalizes assets with an original cost of $5,000. Capital assets are carried at cost, if purchased, or at estimated fair value at date of receipt, if acquired by gift. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Vehicles	5 years
Eco-tour boat	7 years
Furniture and equipment	2 – 5 years

Exhibit enhancements include improvements to the Facility or new exhibitory. As the City owns the Facility, exhibit enhancements are not included in the capital assets of the Aquarium; rather, they are recorded as nonoperating expenses of the Aquarium.

(e) Contributions

Unrestricted contributions are recognized within unrestricted net assets at fair value when received. Restricted contributions are deemed to be earned and reported as contributions when eligibility requirements have been met, typically expending funds according to the donor's restrictions. Such amounts, received but not earned, are reported as restricted cash and deferred revenue. Contributions to the endowment funds are also reflected in restricted net assets when received. Contributions and pledges are recorded in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, when all eligibility requirements are met.

Contributions received that are restricted for capital items are recognized in the same manner as other contributions; however, they are considered nonoperating and are shown separately in the statements of revenues, expenses, and changes in net assets.

Total fund-raising expenses incurred by the Aquarium were approximately $722,000 and $781,000 during the years ended September 30, 2009 and 2008, respectively.

(f) Deferred Revenue

Deferred revenue in the accompanying balance sheets consists of amounts collected from customers as deposits on future events at the Aquarium, contributions from members for annual memberships, and unspent restricted contributions received from donors. Deposits for future events are recognized as revenue when the events take place, amounts collected for annual memberships are recognized as contributions ratably over the membership period, and restricted contributions are recognized as revenues when amounts received have been expended according to the donor's restrictions.

(g) Compensated Absences

It is the Aquarium's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick-pay benefits, which will be paid to employees upon separation from the Aquarium's service. Compensated absences are accrued when earned and are included in accounts payable and accrued expenses in the accompanying balance sheets.

(h) Tax Status

The Aquarium and the Foundation have received favorable determination letters from the Internal Revenue Service, and are generally exempt from federal income taxes under IRC Section 501(a) as an organization described in Section 501(c)(3).

(i) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management of the Aquarium to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(3) Cash, Cash Equivalents, and Restricted Investments

At September 30, 2009 and 2008, the Aquarium's cash deposits were partially covered by federal depository insurance of $250,000. The bank balances and book balances were $2,187,285 and $2,061,337, respectively, at September 30, 2009. The bank balances and book balances were $1,351,506 and $1,187,866, respectively, at September 30, 2008. Cash on hand for ticketing, parking, and petty cash needs was $22,528 and $26,893 at September 30, 2009 and 2008, respectively.

The bank balances of the Aquarium include overnight repurchase agreements in the amount of $2,150,000 and $1,335,000 at September 30, 2009 and 2008, respectively. The repurchase agreements are uninsured and unregistered, and are collateralized by securities held by a third-party financial institution in the name of the qualified public depository and the Aquarium. The repurchase agreements are carried at cost, which approximates fair value.

The Aquarium's investment policy authorizes investments in U.S. government obligations and direct obligations of U.S. government agencies, equities, and short-term money markets composed of certificates of deposit, money market funds, and repurchase agreements. The policy specifically prohibits investments in certain items such as derivatives, commodities, foreign securities listed solely outside the United States of America, direct real estate or mortgages, and security loans.

At September 30, 2009 and 2008, the Aquarium held the following investments:

		2009	2008
Mutual funds	$	260,727	275,045
Beneficial interest in The Community Foundation of Tampa Bay		62,335	62,454
	$	323,062	337,499

(a) ***Interest Rate Risk***

The Aquarium does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

(b) ***Credit Risk***

The Aquarium's investment policy limits investments to an asset allocation of 50% fixed income. Fixed income securities must be rated "BBB" or better. Equity investments classified as preferred stocks must be rated "A" or better and be listed on a national exchange or, if traded over the counter, have a demonstrated record of liquidity.

(c) ***Custodial Credit Risk***

The Aquarium does not have a formal investment policy that addresses custodial credit risk.

(d) ***Concentration of Credit Risk***

The Aquarium has a formal investment policy that limits fixed income securities and equity investments in any single issue, industry, or company to 10%, 15%, and 5%, respectively, of the portfolio value.

(e) ***Foreign Currency Risk***

The Aquarium's investment policy prohibits investments in non-U.S. denominated securities.

(4) Accounts Receivable

Accounts receivable at September 30, 2009 and 2008 include amounts due from others as follows:

		2009	2008
Customers	$	144,797	109,624
Aramark		52,217	50,451
Event network		29,922	24,655
Less allowance for doubtful accounts		(2,500)	(2,500)
	$	224,436	182,230

(5) Capital Assets

The following is a summary of changes in capital assets for the fiscal years ended September 30, 2009 and 2008:

		Balance October 1, 2008	Additions	Deletions	Balance September 30, 2009
Capital assets, nondepreciable:					
Construction in progress	$	497,774	695,121	(1,192,895)	—
Capital assets, depreciable:					
Vehicles		233,537	—	—	233,537
Eco-tour boat		517,272	1,192,895	(517,272)	1,192,895
Furniture and equipment		3,054,183	40,574	—	3,094,757
Total depreciable capital assets		3,804,992	1,233,469	(517,272)	4,521,189
Less accumulated depreciation:					
Vehicles		156,815	28,745	—	185,560
Eco-tour boat		504,271	55,584	(517,272)	42,583
Furniture and equipment		2,651,451	183,180	—	2,834,631
Total accumulated depreciation		3,312,537	267,509	(517,272)	3,062,774
Total depreciable capital assets, net		492,455	965,960	—	1,458,415
Total capital assets, net	$	990,229	1,661,081	(1,192,895)	1,458,415

(Continued)

	Balance October 1, 2007	Additions	Deletions	Balance September 30, 2008
Capital assets, nondepreciable:				
Construction in progress	$ 9,000	497,774	(9,000)	497,774
Capital assets, depreciable:				
Vehicles	233,537	—	—	233,537
Eco-tour boat	517,272	—	—	517,272
Furniture and equipment	2,995,765	58,418	—	3,054,183
Total depreciable capital assets	3,746,574	58,418	—	3,804,992
Less accumulated depreciation:				
Vehicles	124,800	32,015	—	156,815
Eco-tour boat	498,271	6,000	—	504,271
Furniture and equipment	2,454,762	196,689	—	2,651,451
Total accumulated depreciation	3,077,833	234,704	—	3,312,537
Total depreciable capital assets, net	668,741	(176,286)	—	492,455
Total capital assets, net	$ 677,741	321,488	(9,000)	990,229

(6) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at September 30, 2009 and 2008 consist of amounts owed for operating and payroll expenses as follows:

	2009	2008
Accounts payable	$ 606,745	500,200
Accrued expenses	31,107	43,500
Accrued payroll expenses (including compensated absences)	796,055	578,593
	$ 1,433,907	1,122,293

(7) Notes Payable

Notes payable at September 30, 2009 and 2008 consist of borrowings for the construction of the new 72-foot, 150-passenger Eco-tour boat. This new Eco-tour boat loan is a nonrevolving line of credit, which converted to a term loan on September 6, 2009. The lesser of $1,250,000 or 100% of the total new Eco-tour boat construction cost could be borrowed. This loan was issued on August 6, 2008. For the first 12 months, interest-only payments were due monthly, based on the variable LIBOR plus 175 basis points.

On September 6, 2009, the amount outstanding under the nonrevolving line of credit converted to an 84-month term loan with equal monthly principal payments, plus interest on the outstanding principal balance due at the variable LIBOR plus 175 basis points rate (3.01% at September 30, 2009). The loan matures on August 6, 2016. During construction, the note was collateralized by both the existing Eco-tour boat and the new Eco-tour boat. The existing Eco-tour boat was sold in fiscal year 2009 and $200,000 of the proceeds were applied to the outstanding loan balance. The note is now completely collateralized by the new Eco-tour boat.

During fiscal 2008, the final payment due on the "Explore A Shore" $228,333 revolving line-of-credit promissory note was paid in full on March 1, 2008 when the final pledge payment was collected.

The aggregate maturities of noncurrent notes payable for each of the five years subsequent to September 30, 2009 are $178,572 for each year from 2010 through 2013, and $98,910 thereafter.

A schedule of changes in the notes payable for the years ended September 30, 2009 and 2008 follows:

	October 1, 2008	Additions	Deletions	September 30, 2009
$	491,555	551,405	(229,762)	813,198

	October 1, 2007	Additions	Deletions	September 30, 2008
$	30,000	491,555	(30,000)	491,555

(8) Related-Party Transactions

Contributions, memberships and grants, and capital contributions for the years ended September 30, 2009 and 2008 include the following:

		2009	2008
Board of directors and trustees	$	201,934	436,591
City of Tampa		600,000	1,100,000
Hillsborough County		250,000	100,000
	$	1,051,934	1,636,591

(9) Retirement Savings Plan

Effective January 1, 1994, a retirement savings plan was established pursuant to IRC Section 403(b). Substantially, all employees are eligible to participate in the plan. Contributions are made at the discretion of the Board of Directors. Contributions totaling approximately $15,700 and $14,700, included in salaries and benefits in the accompanying statements of revenues, expenses, and changes in net assets, were made for the years ended September 30, 2009 and 2008, respectively.

(10) Restaurant Management Agreement

The Aquarium outsources its food service operations to Aramark, Inc. (Aramark). The contract with Aramark began on August 10, 2006 and is effective for five years with the ability to extend the agreement for an additional five years at the will of the Aquarium. Under the contract, Aramark pays the Aquarium a percentage of monthly cafeteria and catering sales, with a minimum annual payment of $500,000. Payments are made by the 15th day of the following month. For the year ended September 30, 2009, the Aquarium recorded restaurant sales of $2,381,647 and direct expenses of $1,734,459 to net $647,188. For the year ended September 30, 2008, the Aquarium recorded restaurant sales of $2,604,218 and direct expenses of $1,910,738 to net $693,480.

(11) Gift Shop Management Agreement

On September 15, 2005, the Aquarium entered into a five-year agreement with Event Network to manage the gift shop operations. The agreement states that Event Network will pay the Aquarium a percentage of monthly gift shop sales, with a minimum annual payment of $400,000. Payments will be made by the 15th day of the following month. For the year ended September 30, 2009, Event Network recorded gift shop sales of $1,564,001 and direct expenses of $1,062,858 to net $501,143. For the year ended September 30, 2008, Event Network recorded gift shop sales of $1,519,555 and direct expenses of $1,026,552 to net $493,003.

(12) Contingencies

(a) Assets Held by the City of Tampa

During fiscal year 2002, one of the Aquarium's donors liquidated. Upon liquidation, a $2 million gift was received by the City. Of this amount, the City contributed $300,000 to the Aquarium in 2003 and 2002. An additional $150,000 was received in 2004. During fiscal year 2008, the City contributed $500,000 of the remaining balance to the Aquarium to use toward its newest exhibit, "Ocean Commotion," which opened in October 2008. The remaining $750,000 is being held by the City to be distributed to the Aquarium, subject to City Council approval, in the future upon the satisfaction of certain contingencies, including completion of various expansion projects.

(b) Grants and Contracts

The Aquarium participates in various federal and state-assisted grant programs that are subject to review and audit by grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal and state regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal or state audit may become a liability of the Aquarium. It is believed that the ultimate disallowance pertaining to these regulations, if any, would be immaterial to the overall basic financial condition of the Aquarium.

(c) Risk of Loss

The Aquarium is exposed to various risks of loss from general, auto, property, and other liabilities and has purchased commercial insurance policies to cover these risks. There have been no significant reductions in insurance coverage during the current or previous two fiscal years. In fiscal year 2006, the Aquarium elected to be added onto the City's property insurance policy and share in its windstorm coverage. In the case of damage occurring due to a named windstorm, the Aquarium would be subject to the City's $37 million limit. All damage caused by other perils would be covered in full. The Aquarium paid $184,426 in fiscal year 2008 to the City for premiums to be covered by these insurance policies. In fiscal year 2009, the Aquarium acquired its own property insurance policies, including windstorm coverage, and was excluded from the City's property insurance policy at a total premium cost of $215,114. These expenses are included in insurance expense in the accompanying statements of revenues, expenses, and changes in net assets.

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

The Board of Directors
The Florida Aquarium, Inc.:

We have audited the financial statements of The Florida Aquarium, Inc. as of and for the year ended September 30, 2009, and have issued our report thereon dated January 6, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered The Florida Aquarium, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Florida Aquarium, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of The Florida Aquarium, Inc.'s internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Florida Aquarium, Inc.'s basic 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*.

KPMG LLP, a U.S. limited liability partnership, is the U.S. member firm of KPMG International, a Swiss cooperative.

This report is intended solely for the information and use of the board of directors, audit committee, management, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

January 6, 2010
Certified Public Accountants