

# City of Tampa, Florida

## Management's Discussion and Analysis (MD&A)

September 30, 2015

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As of the close of the current fiscal year, the City's governmental funds (i.e., general fund, utilities services tax special revenue fund, etc.) reported combined ending fund balances of \$192 million.

| Fiscal Year                          | in thousands |            |            |
|--------------------------------------|--------------|------------|------------|
|                                      | 2015         | 2014       | 2013       |
| Governmental Fund Balance            | \$ 192,043   | \$ 218,017 | \$ 267,014 |
| Governmental Change in Fund Balance  | (25,974)     | (48,997)   | (29,307)   |
| Governmental Unassigned Fund Balance | 19,352       | 37,957     | 54,041     |

Approximately 10% of this amount, \$19.4 million, is in unassigned fund balance and the remainder is restricted, committed or assigned for open contracts, programs, debt, etc. The unassigned fund balance of \$19.4 million consists of \$35.9 million for the general fund and a \$16.5 million deficit unassigned fund balance for capital project funds. This deficit will be eliminated with funds from a pending debt issuance in Fiscal Year 2016. Total fund balances in the general fund and utilities services tax special revenue funds combined is \$109.1 million, or 32% of combined expenditures of \$345.5 million.

### 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 Position* presents information on all of the City of Tampa's assets and liabilities, deferred inflows, and deferred outflows at the end of the fiscal year. The difference between the assets and deferred outflows of resources and its liabilities and deferred inflows of resources is reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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).

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, and golf courses.

The Government-Wide Financial Statements include the City of Tampa (known as the *primary government*), and the legally independently governed Tampa Historic Streetcar, Inc. for which the City of Tampa is financially accountable. Financial information for this *component unit* is reported separately. The Community Redevelopment Agency, although legally independent, 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 41-42 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,