

City of Tampa, Florida

Management's Discussion and Analysis (MD&A)

September 30, 2015

Our discussion and analysis of the City of Tampa's (the "City") financial performance provides an overview of the City's financial activities for the fiscal year ended **September 30, 2015**. We encourage readers to consider the information presented herein in conjunction with the additional information furnished in our letter of transmittal, which can be found on pages 1-6 of this report. **All amounts in this MD&A, unless otherwise indicated, are expressed in thousands of dollars.**

Fiscal year 2015 budget theme, "**Smarter Investments for Tomorrow's Tampa**" reflects the City's continued effort to focus on priorities that will improve the quality of life and support Tampa's economic success for the benefit of all its citizens. The theme is reflective of the City's three (3) primary strategic goals:

- Changing Tampa's Economic DNA
- Continuing to Empower Neighborhoods
- Keeping our Streets Safe

To achieve these strategic goals, the City focuses its efforts on providing excellent customer service to the citizens, maintaining and improving aging infrastructure and building financial reserves to promote continued investments in neighborhoods.

In this fiscal year, the City adopted provisions of several Governmental Accounting Standards Board (GASB) Statements. These provisions relate to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment to GASB Statement No. 68*. Statement No. 68 and Statement No. 71 enhances the accountability and transparency of financial information to include revised and new financial note disclosures and a required supplementary information section. With the implementation of the GASB Statement No. 68, the Net Pension Obligation (NPO) has been replaced with a new term, **Net Pension Liability (NPL)**. In this fiscal year, the City has combined the Firefighters and Police Officer's (F&P) Pension Trust Fund's NPL along with the General Employee's Pension Trust Fund's NPL calculation in the Government-wide Financial Statements. Additional information regarding these changes can be found in the notes to the financial statements beginning on page 83 of this report.

Financial Highlights

Government-Wide Level

- The combined total assets of the City of Tampa, at \$2.985 billion, plus deferred outflows of resources totaling \$64.0 million **exceeded** its combined total liabilities of \$1.016 billion and deferred inflows of \$14.1 million at September 30, 2015 by \$2.019 billion (net position), an increase of \$16.3 million (.8%) in net position compared to the prior year balance of \$2.003 billion.
 - Of this net position amount, \$1.688 billion (84%) is invested in capital assets and \$124.9 million (6%) is restricted by laws, agreements, or debt covenants leaving \$206.6 million (10%) in unrestricted net position.
 - This unrestricted amount of \$206.6 million is a \$70.8 million (26%) decrease from the prior year unrestricted net position balance of \$277.3 million.

Fiscal Year	in thousands		
	2015	2014	2013
Total Assets	\$ 2,985,940	\$ 2,956,610	\$ 2,989,245
Deferred Outflows of Resources	64,010	16,352	
Total Liabilities	1,016,198	969,651	998,230
Deferred Inflows of Resources	14,149		
Total Net Position	2,019,603	2,003,311	1,991,015
Change in Net Position from prior year	16,292	12,295	2,139
Change as a % of Net Position	0.8 %	1.0 %	0.1 %
Net Investment in Capital Assets	\$ 1,688,017	\$ 1,592,666	\$ 1,584,536
Restricted	124,966	133,274	122,778
Unrestricted	206,620	277,371	283,701
Total Net Position (Restated)	<u>\$ 2,019,603</u>	<u>\$ 2,003,311</u>	<u>\$ 1,991,015</u>
Change in Unrestricted Net Position	\$ (70,751)	\$ (6,330)	\$ 80,310