

City of Tampa, Florida

Management's Discussion and Analysis (MD&A)

September 30, 2015

As illustrated in the table below, by far the largest portion of the City of Tampa's assets (84%) 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 uses these capital assets to provide services to citizens; consequently these assets are *not* available for future spending. Although the City'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. Net position invested in capital assets grew by 6% or \$95.3 million during the year (from \$1.593 billion to \$1.688 billion).

An additional portion (8%) of the City of Tampa's assets, *restricted net position* at \$124.9 million, represents resources that are subject to external restrictions on how they may be used, e.g., for debt and capital improvements. The restricted net position decreased 7% or \$8.3 million during the year.

The remaining balance of *unrestricted net position* (at \$206.6 million) decreased \$70.7 million (or 25.5%) during the year and are used to meet the City's ongoing obligations to citizens, creditors and other agencies (e.g., the CRA, grantors, etc.).

Due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and the related net position restatement mentioned earlier, the City has experienced a deficit in the unrestricted net position category. The City of Tampa is able to report positive balances in the other two (2) categories of net position, for the government as a whole (decreasing at 1%), as well as for its separate governmental (decreasing 2%) and business-type (growing 3%) activities.

City of Tampa's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$ 296,332	\$ 310,863	\$ 349,326	\$ 328,794	\$ 645,658	\$ 639,657
Capital Assets	1,138,572	1,114,334	1,201,710	1,202,619	2,340,282	2,316,953
Total Assets	1,434,904	1,425,197	1,551,036	1,531,413	2,985,940	2,956,610
Deferred Outflows of Resources	48,206	8,080	15,804	8,272	64,010	16,352
Long-Term Liabilities Outstanding	465,478	386,088	368,164	394,433	804,797	780,521
Other Liabilities	154,612	166,085	56,789	23,0461	211,401	189,131
Total Liabilities	620,090	552,173	396,108	417,479	1,016,198	969,652
Deferred Inflows of Resources	11,336	-	2,813	-	14,149	-
Net Position:						
Net Investment in Capital Assets	826,718	777,891	861,299	814,775	1,688,017	1,592,666
Restricted	46,588	56,820	78,378	76,454	124,966	133,273
Unrestricted	(21,622)	46,393	228,242	230,977	206,620	277,371
Total Net Position (Restated)	\$ 851,684	\$ 881,104	\$ 1,167,919	\$ 1,122,206	\$ 2,019,603	\$ 2,003,310

Governmental Activities. The *Statement of Activities* divides the activities between governmental activities and business-type activities. Governmental activities increased the City of Tampa's net position by \$7.5 million (before transfers) and increased net position \$36.4 million after transfers {e.g., transfers from the enterprise funds for Payment in Lieu of Taxes (PILOT) and Payment in Lieu of Franchise Fees (PILOFF)} but decreased net position \$29.4 million after the restatement for the new GASB Statement No. 68 related to financial reporting for Pensions (see restatement table on page 98). Key elements of this change are as follows:

- Total revenues were up \$48.4 million (from \$418.5 million to \$466.9 million). A significant portion of this increase is attributed to an increase in property taxes, utilities services taxes and an increase in investment earnings.
- Property taxes increased \$8.5 million. These increases are the direct result of the continued economic recovery experienced in the Tampa Bay Area. The City's millage rate of 5.7326 was the same as the rate adopted the previous year, and is well below the maximum 10.0 millage rate allowed by Florida Statutes.