

## 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, 2006. 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.**

### Financial Highlights

- The assets of the City of Tampa exceeded its liabilities at the close of the most recent fiscal year by \$1,580,056 (net assets). Of this amount, \$249,889 (unrestricted net assets) may be used to meet the city's ongoing obligations to citizens and creditors.
- The city's total net assets increased by \$156,216. Operating surpluses in the major enterprise funds resulted in increased net assets in the business-type activities. In governmental activities, significant revenue increases outpaced expenditure increases resulting in increased net assets.
- As of the close of the current fiscal year, the City of Tampa's governmental funds reported combined ending fund balances of \$277,874, an increase of \$66,545 in comparison with the prior year. Approximately 70 percent of this amount, \$193,555, is available for spending at the city's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved undesignated fund balance for the general fund was \$48,428 or 16.4 percent of total general fund expenditures.
- The City of Tampa's total debt decreased by \$4,180 during the current fiscal year. The scheduled repayment of existing debt exceeded the amount of one new debt issue in the amount of \$36,275 in the wastewater utility fund.

### 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 24-25 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-four 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-one 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 26-33 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 four major enterprise funds. The two 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 34-39 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 40–41 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 42–71 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 benefits to its employees. Required supplementary information can be found on pages 72–73 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 76–101 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 \$1,580,056 at the close of the most recent fiscal year.

By far the largest portion of the City of Tampa’s net assets (76 percent) 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	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 351,265	\$ 271,399	\$ 281,023	\$ 235,032	\$ 632,288	\$ 506,431
Capital assets	820,099	792,087	1,152,258	1,141,181	1,972,357	1,933,268
Total assets	1,171,364	1,063,486	1,433,281	1,376,213	2,604,645	2,439,699
Long-term liabilities outstanding	474,785	493,850	445,959	433,444	920,744	927,294
Other liabilities	56,539	50,011	47,306	38,554	103,845	88,565
Total liabilities	531,324	543,861	493,265	471,998	1,024,589	1,015,859
Net assets:						
Invested in capital assets, net of related debt	450,512	417,379	746,974	714,968	1,197,486	1,132,347
Restricted	56,821	22,700	75,860	79,965	132,681	102,665
Unrestricted	132,707	79,546	117,182	109,282	249,889	188,828
Total net assets	\$ 640,040	\$ 519,625	\$ 940,016	\$ 904,215	\$ 1,580,056	\$ 1,423,840

An additional portion of the City of Tampa’s net assets (8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$249,889) may be used to meet the city’s ongoing obligations to citizens and creditors.

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 an decrease in restricted net assets reported in connection with the city’s business-type activities of \$4,105. Pooled cash set aside for repayment of debt decreased by \$3,379 to meet the bond requirements of existing debt. Accrued interest payable increased by \$851.

For governmental activities, there was an increase in restricted net assets reported of \$34,121. The primary factor was an increase of \$34,051 in net assets restricted for capital improvements due to reclassification to revenue of \$33,776 of transportation impact fee receipts previously reported in the agency funds.

The city's net assets increased \$156,216 during the current fiscal year. Of this amount, \$35,801 was attributable to business-type activities and \$120,415 resulted from governmental activities.

The increase in net assets for business-type activities increased \$22,335 from last year primarily due to increases in operating income in the water and wastewater utility funds. Rate increases of 3 percent and 5 percent, respectively, in addition to increased water consumption were the primary factors.

Governmental activities net assets increased in 2006 by \$43,746 more than the increase in 2005. Increases in capital grants and contributions and property tax revenues were the primary factors causing a \$80,016 increase in revenues. Offsetting the revenue increase was an increase in general government expenditures primarily related to claims and judgments and a reduction of transfers in from an unusually high amount in 2005 related to the defeasance of governmental debt from the proceeds from the sale of a parking facility.

### City of Tampa's Changes in Net Assets

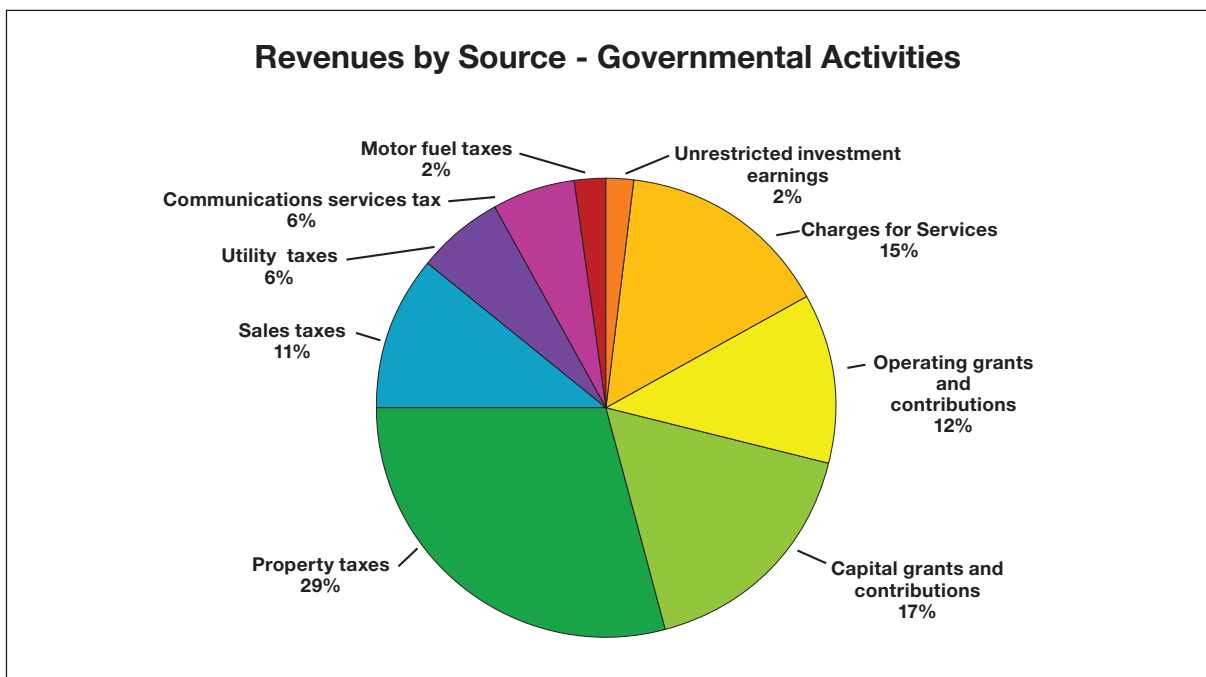
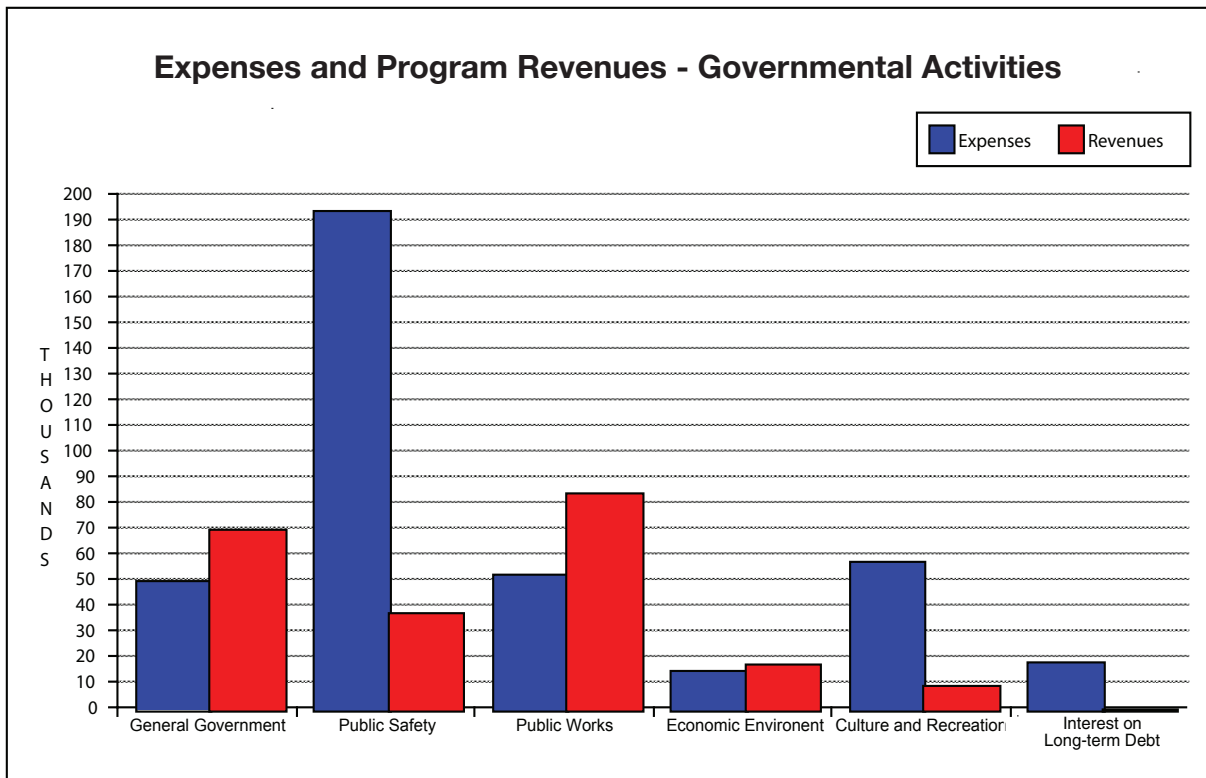
	Governmental activities		Business-type activities		Total	
	2006	2005	2006	2005	2006	2005
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 74,603	\$ 70,329	\$ 237,386	\$ 220,720	\$ 311,989	\$ 291,049
Operating grants and contributions	60,092	62,915	248	1,090	60,340	64,005
Capital grants and contributions	83,805	31,305	12,545	19,080	96,350	50,385
<b>General revenues:</b>						
Property taxes	141,022	123,492	-	-	141,022	123,492
Other taxes	120,843	118,492	-	-	120,843	118,492
Investment earnings	9,389	3,205	7,714	2,194	17,103	5,399
Other	-	-	357	14,900	357	14,900
Total revenues	489,754	409,738	258,250	257,984	748,004	667,722
<b>Expenses:</b>						
General government	50,245	35,314	-	-	50,245	35,314
Public safety	193,782	194,353	-	-	193,782	194,353
Public works	52,112	47,662	-	-	52,112	47,662
Economic environment	14,731	14,607	-	-	14,731	14,607
Culture and recreation	57,755	55,153	-	-	57,755	55,153
Interest on long-term debt	17,947	21,999	-	-	17,947	21,999
Water utility	-	-	51,404	55,070	51,404	55,070
Wastewater utility	-	-	71,569	73,154	71,569	73,154
Solid waste system	-	-	62,626	61,062	62,626	61,062
Parking facilities	-	-	14,300	14,683	14,300	14,683
Marina	-	-	539	228	539	228
Golf Courses	-	-	4,741	4,302	4,741	4,302
Total expenses	386,572	369,088	205,179	208,499	591,751	577,587
Increase in net assets before transfers	103,182	40,650	53,071	49,485	156,253	90,135
Transfers	17,233	36,019	(17,270)	(36,019)	(37)	-
Increase in net assets	120,415	76,669	35,801	13,466	156,216	90,135
Net assets - 10/01/05	519,625	442,956	904,215	890,749	1,423,840	1,333,705
Net assets - 9/30/06	\$ 640,040	\$ 519,625	\$ 940,016	\$ 904,215	\$ 1,580,056	\$ 1,423,840

**Governmental activities.** Governmental activities increased the City of Tampa's net assets by \$103,182 (before transfers).

Key elements of this increase are as follows:

- Property taxes increased by \$17,530 (14 percent) during the year. As in recent past years, this increase is the result of a rise in assessed values and the addition of new property through construction. The city's 6.54 millage rate remains the same for the seventeenth consecutive year, and is well below the 10-mill rate limit established by the state.

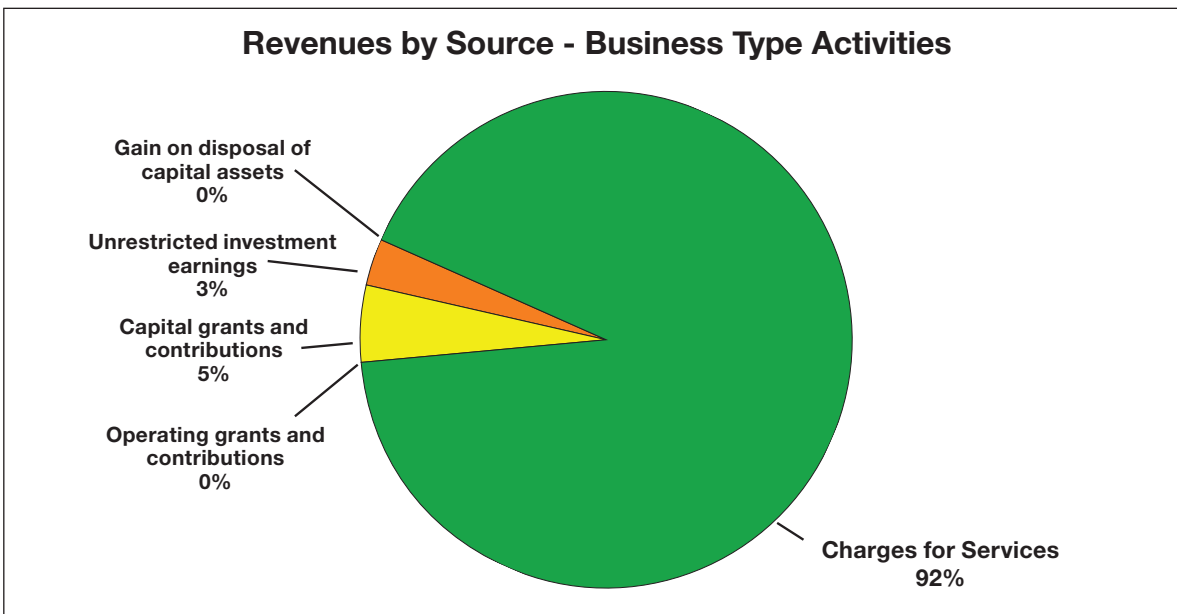
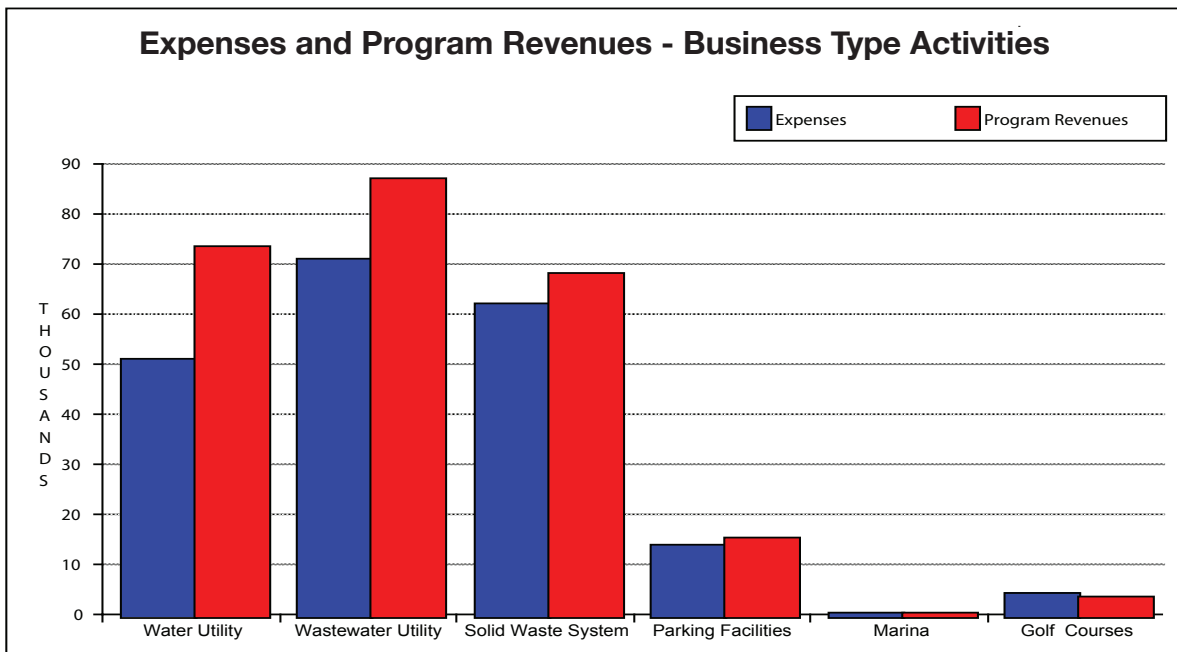
- Capital grants and contributions increased \$52,500 (168 percent) in 2006. Reimbursements from the State totaling \$17,422 related to the 40th Street widening project, and the reclassification to revenue of \$33,776 of impact fee receipts previously reported in the agency funds were the primary factors.
- Investment earnings increased \$6,184 (193 percent) due to higher and more stable interest rates in 2006.
- General government expenses increased \$14,931 (42 percent) primarily due to an increase of \$11,635 in expenses related to claims and judgments, and \$2,171 in payments to other governments and organizations.
- A reduction of transfers-in totaling \$18,786 occurred in 2006 from 2005 when a transfer of \$20,151 related to the defeasance of governmental debt from the proceeds of the sale of a parking facility occurred.



**Business-type activities.** Business-type activities increased the City of Tampa’s net assets by \$53,071 (before transfers).

- The change in net assets before transfers in the water utility fund was \$25,634, a 61 percent increase over 2005. Operating revenues increased \$9,657 due to a 3 percent rate increase and increased consumption. Operating expenses decreased \$4,373 from an unusually high amount in 2005. Capital contributions decreased \$5,895 from an unusually high amount in 2005.
- In the wastewater utility fund the change in net assets before transfers was \$18,418, which is a \$10,338 (128 percent) increase over 2005. Operating revenues increased \$6,323 (8.6 percent) due to a 5 percent rate increase and increased water consumption. Operating expenses decreased \$1,343 from an unusually high amount in 2005 and investment earnings increased \$2,167.
- In the solid waste system fund the change in net assets before transfers increased \$7,575 compared to \$4,897 in 2005. Operating revenues increased \$3,660 due to a rate increase in 2006.
- In the parking system fund the change in net assets before transfers decreased from \$20,174 in 2005 to \$1,971. The sale of a parking facility generated a gain of \$14,787 in 2005.

**Financial Analysis of the Government’s Funds**



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 available for spending 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 \$277,874, an increase of \$66,545 in comparison with the prior fiscal year. Approximately 70 percent of this total amount (\$193,555) constitutes *unreserved fund balance*, subtracting \$21,910 designated for claims and judgements and \$3,000 for emergencies, \$168,645 is available for spending at the City's discretion, of which \$111,745 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 (\$77,924), 2) to pay debt service (\$5,501), or 3) for a variety of other restricted purposes (\$894).

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 \$48,428, while total fund balance increased to \$83,384. 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 16 percent of total general fund expenditures, while total fund balance represents 28 percent of that same amount.

The fund balance of the City of Tampa's general fund increased by \$21,720 during the current fiscal year. Key factors in this increase are as follows:

- Revenues increased \$26,216 (11 percent) due to an increase of \$17,530 in property tax revenues and an increase of \$4,209 in investment earnings.
- Licenses and permits revenue increased \$2,520 due to an increase of \$2,803 in building fees.
- Expenditures increased \$7,374, with a decrease in public safety and increases in culture and recreation, public works, and general government expenditures.
- Public safety expenditures decreased \$901 where higher salary expenses were more than offset by a decrease in the pension contribution requirement.
- General government expenditures increased \$4,068. Of this amount, unclassified expenditures represented the largest single component with an increase of \$2,171, of which \$1,653 was due to higher tax increment financing payments to the Community Redevelopment Agency. Neighborhood services expenditures increased \$729 due to staffing increases.

The fund balance of the utility tax special revenue major fund increased by \$900 in 2006, with an ending fund balance amount of \$23,409. The key factors in this change are as follows:

- Revenues decreased \$845 due to a decrease in electric utility tax revenues that was partially offset by an increase in water utility tax revenues.
- Expenses decreased slightly by \$377, primarily in the capital outlay category.
- Transfers out decreased \$1,605, primarily due to a reduction in the transfer to general fund by \$2,519.

The fund balance in the Community Redevelopment Agency major fund increased \$1,642 in 2006, with an ending fund balance of \$4,568. The key factors in this change are as follows:

- Total revenues increased \$3,137 (22 percent) in 2006 due to increased assessed values in seven of the eight districts. The largest increase (\$1,600, 146 percent) was in the East Tampa district.
- Total expenditures increased \$3,050 with the largest increases in the Ybor (\$968) and East Tampa (\$1,385) districts.

**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 \$50,679, for the wastewater utility \$38,945, for the solid waste system \$11,864, for the parking facilities \$16,296, and those for the nonmajor funds amounted to (\$602). The total change in net assets for the four major funds was \$21,682, \$12,468, \$3,818, and (\$1,417) 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 \$16,379 (increase in appropriations) and can be briefly summarized as follows:

- \$11,028 in increases allocated to public safety
- \$2,882 in increases allocated to culture and recreation
- \$2,556 in increases allocated to public works
- \$87 in decreases allocated to general government services

Practically all of this increase was to be budgeted from available fund balance. During the year, however, revenues exceeded budgetary estimates and 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 \$16,502 (actual amount in excess of the budgeted amount) and can be summarized as follows:

- Tax revenues exceeded the the budgeted amount by \$2,063, \$2,051 of that was from property taxes.
- Intergovernmental revenues exceeded the budgeted amount by \$2,208. Federal revenues were \$640 less than budgeted due to less than expected FEMA hurricane clean-up reimbursements. State sales tax and revenue sharing revenues were \$1,966 in excess of the budgeted amounts. County public safety related revenues were \$495 more than budgeted amounts.
- Licenses and permits revenue receipts exceeded the budgeted amount by \$4,214. Of that amount \$2,918 related to franchise fees with electric being the largest component. Building fees were \$1,251 over budgeted amounts.
- Charges for services revenues exceeded the budgeted amount by \$5,927. Of that amount \$1,556 related to the public safety where police extra duty charges are the main component. Convention center revenues were \$1,921 in excess of budgeted amounts, and miscellaneous charges were \$2,680 over budget.
- Fines and forfeitures were \$795 over the budgeted amount.
- Investment earnings were \$1,369 over the budgeted amount due to stabilized interest rates in 2006.

Differences between the final budget and actual expenditures were \$22,812 (actual amount less than budgeted amount) and can be summarized as follows:

- Public safety expenditures were \$6,156 under the budgeted amount with \$4,507 of that amount relating to police expenditures.
- Culture and recreation expenditures were \$4,439 under the budgeted amount with \$4,122 of that amount relating to parks and recreation, primarily due to personnel costs.
- Public works expenditures (primarily salaries) were \$4,140 under the budgeted amount.
- General government services expenditures were \$8,077 under the budgeted amount, \$4,694 of that amount pertaining to unclassified expenditures (mainly payments to other governments and agencies). Technology and innovation expenditures were \$1,471 under the budgeted amount with \$1,214 of that amount encumbered at year end.

## 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, 2006, amounts to \$1,972,357 (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 two percent (a four percent increase for governmental activities and a one percent decrease 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 \$8,288. The primary factor for this increase is several road improvement and recreation center construction projects that are currently under way.
- For governmental activities the investment in infrastructure increased \$15,330. Infrastructure additions involved \$13,178 in 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 \$34,277. Of this amount \$26,375 relates to water distribution improvement projects that are currently under way.

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

	Governmental activities		Business-type activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 185,119	\$ 185,583	\$ 33,729	\$ 33,758	\$ 218,848	\$ 219,341
Buildings	202,982	207,156	259,594	269,572	462,576	476,728
Improvements other than buildings	78,922	75,525	751,095	763,789	830,017	839,314
Furniture and equipment	54,642	49,007	18,559	19,058	73,201	68,065
Infrastructure	187,873	172,543	-	-	187,873	172,543
Construction in progress	110,561	102,273	89,281	55,004	199,842	157,277
Total	\$ 820,099	\$ 792,087	\$ 1,152,258	\$ 1,141,181	\$ 1,972,357	\$ 1,933,268

Additional information on the City of Tampa's capital assets can be found in note IV.C. on pages 50-52 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Tampa had total bonded debt outstanding of \$802,516. Debt incurred under the State of Florida revolving loan program outstanding at the end of the fiscal year amounted to \$57,657. HUD section 108 loans outstanding at the end of the current fiscal year amounted to \$9,850. The full faith and credit of the City of Tampa back none of this outstanding debt, except for \$8,560 of the HUD 108 loans; rather it is secured solely by specified revenue sources (i.e., revenue bonds).

**City of Tampa's Outstanding Debt**  
Revenue Bonds, State Loans, HUD Section 108 Loans

	Governmental activities		Business-type activities		Total	
	2006	2005	2006	2005	2006	2005
Revenue bonds	\$ 399,899	\$ 420,634	\$ 402,617	\$ 381,137	\$ 802,516	\$ 801,771
State of Florida revolving loans	-	-	57,657	62,372	57,657	62,372
HUD section 108 loans	9,850	10,060	-	-	9,850	10,260
Total	\$ 409,749	\$ 430,694	\$ 460,274	\$ 443,509	\$ 870,023	\$ 874,203

The City of Tampa's total debt decreased \$4,180 (.5 percent) during the current fiscal year due to the scheduled repayment of existing debt and one new debt issue totaling \$36,275.

The City of Tampa maintains a minimum of an "A" rating from Standard & Poor's, Fitch, and Moody's for revenue bonds. Most revenue bond issues are rated "AAA" or "Aaa" by these three agencies because all of the issues are fully insured. Water and Wastewater bonds are rated AA, Solid Waste bonds A, and general government revenue bonds A from all three rating agencies. As of the end of the current fiscal year the City has no general obligation debt.

Additional information on the City of Tampa's long-term debt can be found in note IV.F. on pages 54-65 of this report.

**Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for the City of Tampa area is currently 3.1 percent, which is the same as a year ago, and is lower than the state's average unemployment rate of 3.4 percent and the national average rate of 4.4 percent.
- A 16.5% increase in taxable property valuation is budgeted for 2007.

All of these factors were considered in preparing the City of Tampa's budget for the 2007 fiscal year.

During the current fiscal year, unreserved and undesignated fund balance in the general fund increased to \$48,428. The City of Tampa has appropriated \$16,260 of this amount for spending in 2007 fiscal year budget. It is intended that this use of available fund balance will avoid the need to raise taxes or charges during the 2007 fiscal year. The property tax millage rate will decrease from 6.54 mills to 6.408 in 2007.

**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.

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