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Port of Palm Beach Issues Audited Comprehensive Financial Report for the 2016 Fiscal Year

Riviera Beach, Florida – June 1, 2017 – The Port of Palm Beach published its audited comprehensive financial report for the Fiscal Year of 2016, the period from October 1, 2015 through September 30, 2016. During the Board Meeting held at the Port on May 18, 2017, a resolution was passed and adopted, accepting the audit report and authorizing the Port’s Executive Director to submit the financial report to the Auditor General of the State of Florida.

The Port’s total net position in FY 2016 increased by 4% or \$4.3 million, consisting of \$1.8 million of income before capital contributions and \$2.5 million of grants from federal, state and private sources. At the end of the 2016 fiscal year, the unrestricted net position was 186% of cash operating expenses and the return on the unrestricted net position was 11%.

While container tonnage in 2016 remained consistent with tonnage in 2015, break-bulk cargo saw the highest year over year increases within the general cargo category of 84.5%, from 53,546 short tons in 2015 to 98,801 short tons in 2016. Similarly, fuel oil was up 85.4%, from 53,045 to 98,354 short tons. With a 39.5% increase from 2015 levels, the Port processed 37,122 short tons of recycled steel.

The export of sugar remains one of the Port’s most consistent, well-performing businesses. Sugar cargo went from 544,780 short tons to 783,690 short tons in one year, representing a 43.8% increase. The average sugar barge’s load equates to 735 20-ton truckloads. By transporting the sugar by barge from the Port of Palm Beach to New York, as opposed to sending it via truck, it eliminates approximately 93 million miles of truck traffic annually off of Interstate 95.

Overall cargo at the Port was up 16.49% to 2.519 million short tons. The Port received 24.47% more vessel calls in 2016 versus 2015. And with Bahamas Paradise Cruise Line’s 1,800-passenger Grand Celebration calling at the Port every other day, passenger counts were up 43.30% to 502,876.

Net operating revenues of \$16.6 million are at a 10-year high, up \$5.5 million from their lowest point in 2009 during the recession and up 10% or \$1.6 million versus FY 2015. This was primarily due to increases in wharfage and dockage revenues. Operating expenses, excluding depreciation and amortization, for FY 2016 were \$8.8 million, and have increased by an average annual rate of 3/10 of 1% in each of the last 10 years. Net contribution in 2016 increased to \$1.8 million, after being held steady in 2014 and 2015 at \$1.6 million.

During the last decade, the Port refinanced three of its four debt issues, and long-term debt was reduced by 35% or \$18 million. In 2006, interest payments were at \$2.8 million per year, while in 2016, interest payments were lowered to \$1.5 million. Capital asset investments totaled \$60 million from 2006 to 2016, and net equity increased from \$79 million to \$111 million within the same period. The Port’s available cash more than doubled in the last 10 years, from \$12 million in 2006 to \$25 million in 2016.

“The Port’s continuing growth and increased financial strength over the past decade can be attributed to our Board of Commissioners’ unwavering commitment to securing new business for the Port, partnering with our existing tenants by supporting their operational needs at the Port, and maintaining a focused effort on controlling the Port’s costs,” said Blair J. Ciklin, Chairman of the Board of Commissioners for the Port of Palm Beach District.

The Certified Public Accountants at Nowlen, Holt & Miner, P.A. in West Palm Beach, Florida audited the Port's financial statements and issued an independent accountant's report. Sam Oser, Gussie Lawrence, Margaret Shepherd and Maxine McKenzie-Materowski served on the Audit Committee. Terry Morton, CPA presented the financial report to the Committee and Port staff, including Executive Director Manuel Almira, PPM; Deputy Director and Chief Financial Officer Paul J. Zielinski; and Controller Daniel Kirchman, CPA.

About Port of Palm Beach

Port of Palm Beach is a full-service, diversified port, offering cruise and cargo services to more than 30 onsite tenants and users. At 162 acres, the port's efficiency is unparalleled, processing more than \$7 billion in commodities, 2.5 million tons of cargo, and 500,000 cruise passengers annually. As one of the largest employers in Palm Beach County, the Port of Palm Beach and its tenants employ more than 2,850 people. Through the contribution of more than \$185 million in business revenue and \$17.5 million in tenant-contributed state and local annual tax revenue, the Port of Palm Beach is one of the largest economic engines in South Florida. For more information, visit www.portofpalmbeach.com.

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