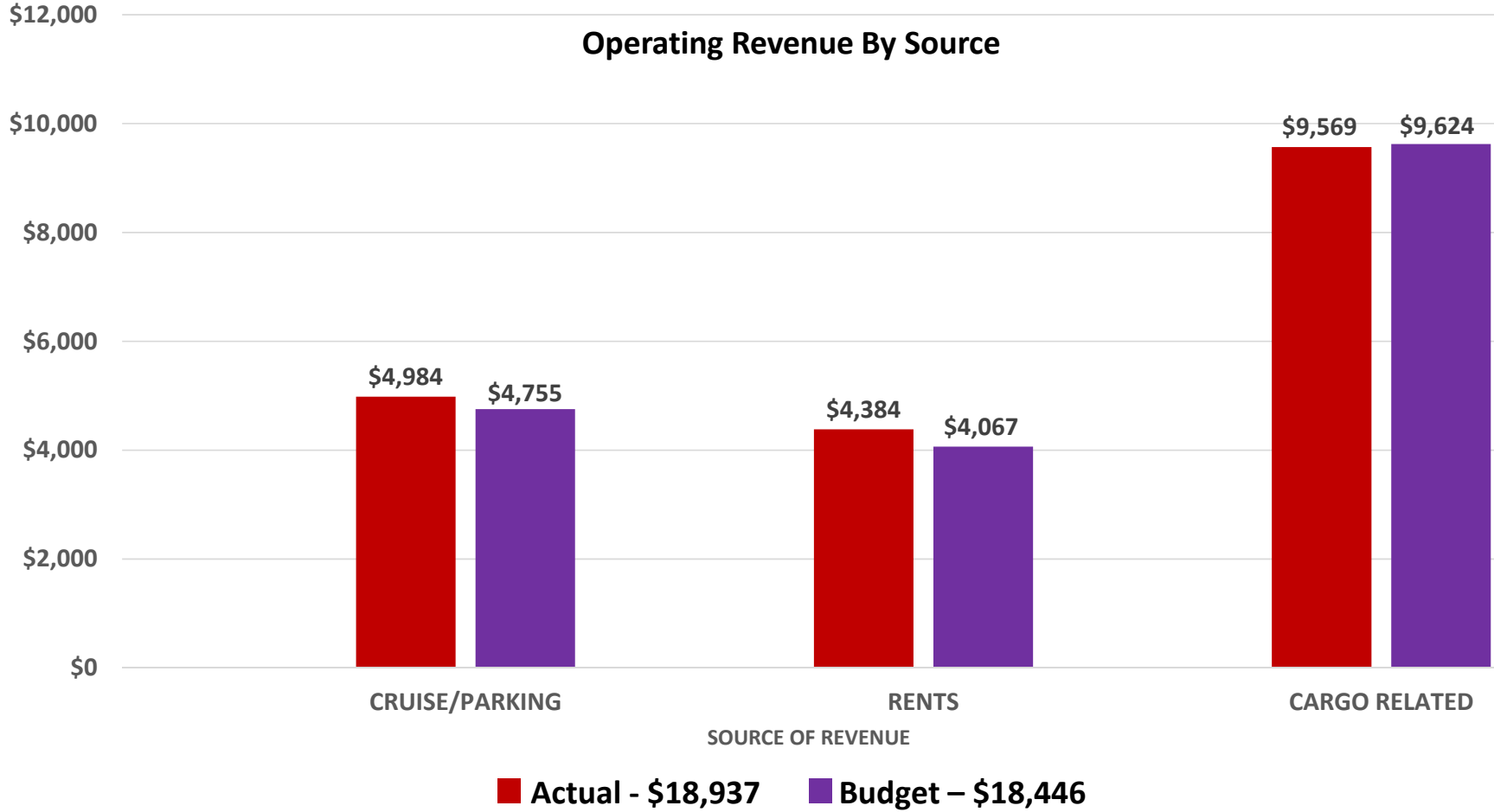
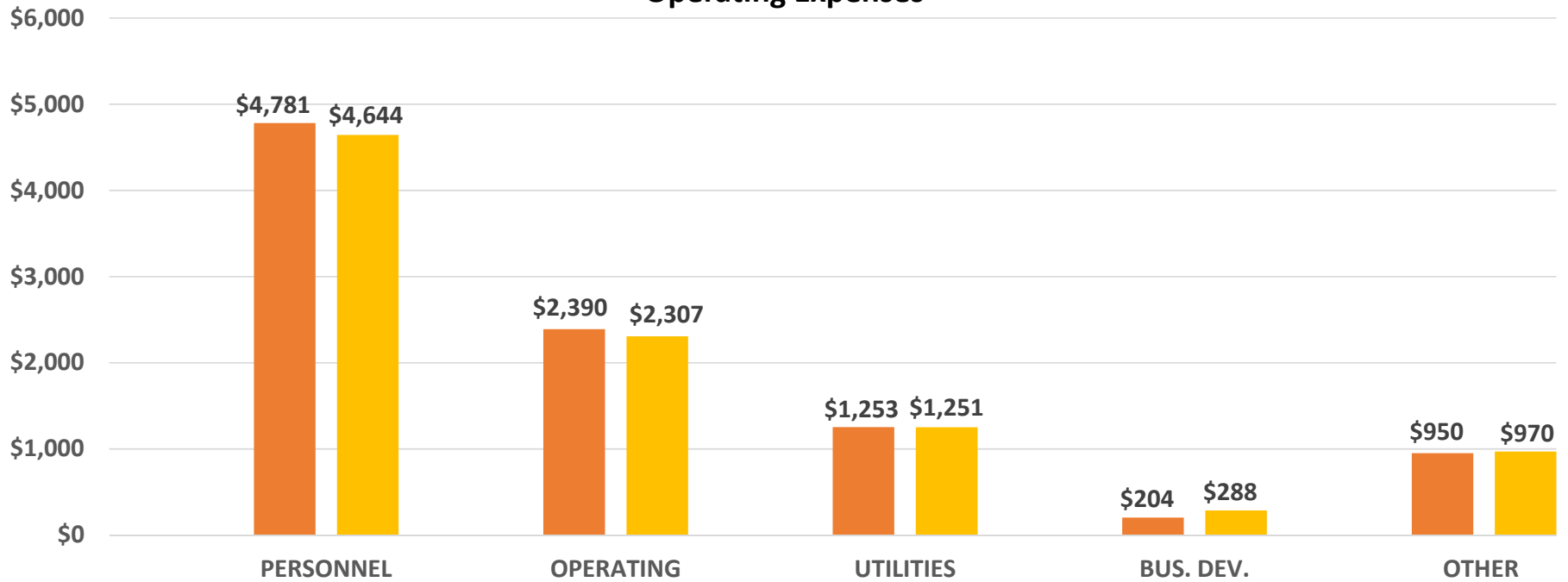


PORT OF PALM BEACH
Oct. 1, 2017 to Sep. 30, 2018
Operating Revenue By Source



PORT OF PALM BEACH
Oct. 1, 2017 to Sep. 30, 2018

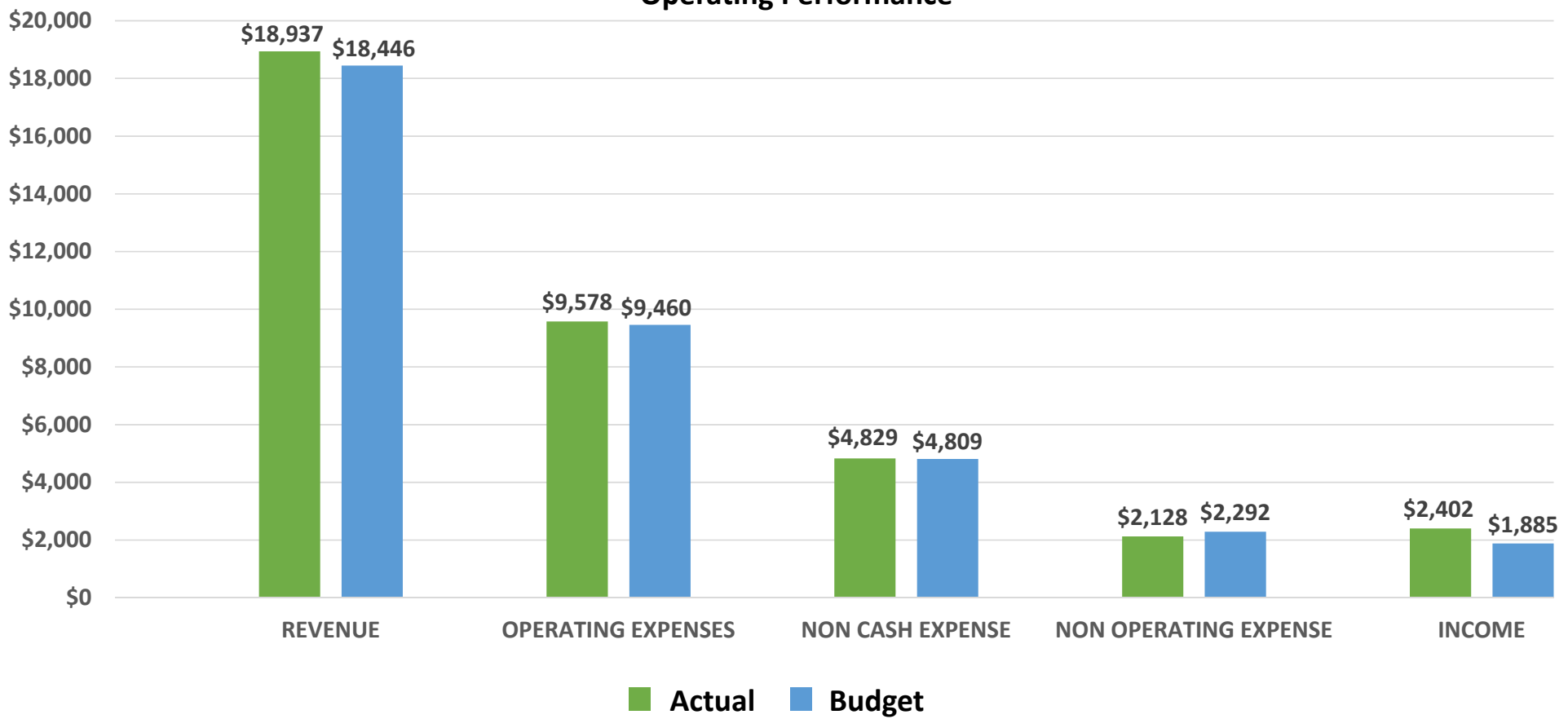
Operating Expenses



Actual - \$9,578 Budget - \$9,460

PORT OF PALM BEACH
Oct. 1, 2017 to Sep. 30, 2018

Operating Performance



**Port of Palm Beach District
Statement of Net Position
September 30, 2018
(Unaudited)**

ASSETS

Current Assets:

Cash and cash equivalents	\$ 20,386,577
Accounts receivable (net of allowance for uncollectables)	1,597,371
Grants receivable	1,068,182
Prepaid items	681,773
Restricted assets:	
Cash and cash equivalents	7,052,364
Total Current Assets	<u>30,786,267</u>

Noncurrent Assets:

Prepaid items - Master Plan	212,437
Total Other Noncurrent Assets	<u>212,437</u>

Capital Assets:

Land	28,119,220
Building and improvements	54,229,315
Slips and improvements	49,742,290
Other improvements	33,450,672
Wharf and loading ramps	7,798,154
Autos and trucks	463,844
Furniture and fixtures	371,444
Machinery and equipment	2,632,269
Computer equipment	1,364,406
Construction in progress	12,304,678
Less: Accumulated Depreciation	(69,904,280)
Total Capital Assets (net of accumulated depreciation)	<u>120,572,012</u>

Total Noncurrent Assets	<u>120,784,449</u>
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Total Assets	<u>\$ 151,570,716</u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources:

Pension related items	1,459,258
Deferred loss on bond refunding, net	509,225
Total Deferred Outflows of Resources	<u>\$ 1,968,483</u>

**Port of Palm Beach District
Statement of Net Position
September 30, 2018
(Unaudited)**

LIABILITIES

Current Liabilities:

Accounts payable and accrued expenses	\$	924,067
Unearned revenue		562,871
Compensated absences payable - short-term		227,277
Payable from restricted assets:		
Security deposits		375,000
Accounts payable and accrued expenses		222,611
Contracts payable		419,591
Accrued revenue bonds interest payable		33,978
Current portion of revenue bond payable		3,593,268
Total Current Liabilities		6,358,663

Noncurrent Liabilities:

Compensated absences payable - long-term	227,277
Other post-employment benefits	207,334
Net pension liability	3,526,193
Restricted capital appreciation revenue bond interest payable	6,783,180
Revenue bonds payable (less unamortized bond discount and current portion)	16,850,581
Total Noncurrent Liabilities	27,594,565

Total Liabilities	33,953,228
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DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources:

Pension related items	203,455
	203,455

NET POSITION

Net Investment in capital assets	100,637,385
Restricted for renewal and replacement	1,284,402
Restricted for business development	667,119
Designated - Capital improvement	4,194,041
Undesignated - Operations	12,599,569
Total Net Position	\$ 119,382,516

Port of Palm Beach District
(Unaudited)
Schedule of Revenues and Expenses - Actual and Budget
For the Month and Twelve Months Ending Sunday, September 30, 2018

	<u>Actual September 2018</u>	<u>Current Actual FY 2018 YTD</u>	<u>Prior Actual FY 2017 YTD</u>	<u>\$ Variance Over (Under) to Prior Year</u>	<u>Reforecast Budget FY 2018 YTD</u>	<u>\$ Variance Over (Under) Current Actual to Budget YTD</u>
Operating Revenues:						
Wharfage	306,405	3,954,805	3,586,472	368,333	3,885,867	68,938
Dockage	150,652	2,235,834	2,214,939	20,895	2,285,008	(49,174)
Parking	105,465	1,372,946	1,440,349	(67,403)	1,578,718	(205,772)
Passengers - Multi-day	520,286	7,548,870	6,908,164	640,706	7,314,328	234,542
Storage	14,913	232,482	71,384	161,098	110,067	122,415
Water	41,874	133,902	95,249	38,653	90,336	43,566
Line Handling	7,344	127,704	127,600	104	130,802	(3,098)
Switching	59,480	703,025	628,742	74,283	665,214	37,811
Licenses and Permits	0	118,600	108,900	9,700	105,300	13,300
Vessel Bunkers	3,338	53,498	53,711	(213)	57,439	(3,941)
Cargo Terminal Fee	59,573	768,813	688,159	80,654	760,527	8,286
Security Fees - Cargo	45,573	609,085	561,923	47,162	634,263	(25,178)
Special Detail Security Fees	0	16,462	27,120	(10,658)	6,000	10,462
Identification Badging	2,248	27,562	28,857	(1,295)	30,675	(3,113)
Harbor Master Fee	13,588	202,872	181,962	20,910	193,991	8,881
Rent	374,872	4,383,957	4,239,509	144,448	4,067,154	316,803
Miscellaneous Income	42,619	732,299	569,935	162,364	668,961	63,338
Total Operating Revenues	<u>1,748,230</u>	<u>23,224,126</u>	<u>21,532,975</u>	<u>1,691,151</u>	<u>22,584,650</u>	<u>639,476</u>
Less: Direct Marketing Support	299,658	4,287,038	4,374,913	(87,875)	4,138,289	148,749
Net Operating Revenues	<u>1,448,572</u>	<u>18,937,088</u>	<u>17,158,062</u>	<u>1,779,026</u>	<u>18,446,361</u>	<u>490,727</u>
Operating Expenses:						
Administrative and HR	88,655	781,316	767,734	13,582	721,522	59,794
Office - Finance and IT	81,992	902,324	932,404	(30,080)	898,108	4,216
Engineering	2,755	50,105	25,211	24,894	28,000	22,105
Consultant	3,000	36,045	37,559	(1,514)	39,000	(2,955)
Legal	6,674	141,360	96,424	44,936	160,000	(18,640)
General Maintenance	188,668	1,688,649	1,517,959	170,690	1,605,435	83,214
Railroad	15,108	192,853	132,403	60,450	164,167	28,686
Operations	9,641	111,457	98,764	12,693	119,299	(7,842)
General Expense	155,182	1,705,797	2,178,585	(472,788)	1,757,458	(51,661)
Security	189,386	2,024,050	1,768,191	255,859	1,881,621	142,429
Business Development	65,505	675,814	647,885	27,929	739,304	(63,490)
Community Grants	829	8,324	7,856	468	10,000	(1,676)
Cruise Terminal	35,790	425,457	306,437	119,020	363,000	62,457
Maritime Office Complex	35,728	327,245	268,270	58,975	309,500	17,745
Southgate Complex	5,770	63,703	61,339	2,364	79,500	(15,797)
Renewal and Replacement	23,872	379,662	221,658	158,004	500,000	(120,338)
Maritime Office Building	528	64,042	69,489	(5,447)	84,500	(20,458)
Total Operating Expenses	<u>909,083</u>	<u>9,578,203</u>	<u>9,138,168</u>	<u>440,035</u>	<u>9,460,414</u>	<u>117,789</u>
Oper. Income Before Depr & Amort	<u>539,489</u>	<u>9,358,885</u>	<u>8,019,894</u>	<u>1,338,991</u>	<u>8,985,947</u>	<u>372,938</u>
Less: Depreciation Expense	389,113	4,779,661	4,757,631	22,030	4,760,694	18,967
Less: Amortization Expense	4,103	48,991	28,817	20,174	48,817	174
Operating Income (Loss)	<u>146,273</u>	<u>4,530,233</u>	<u>3,233,446</u>	<u>1,296,787</u>	<u>4,176,436</u>	<u>353,797</u>
Non-Oper. Revenues (Expenses):						
Interest Income	18,239	158,189	46,191	111,998	138,000	20,189
Insurance Recoveries	0	67,608	60,721	6,887	0	67,608
Grant Revenue	150,000	230,248	55,772	174,476	75,000	155,248
Gain or (Loss) on Disposal of Assets	(108,997)	(1,088,109)	2,500	(1,090,609)	(1,215,000)	126,891
Grant Expenses	(206,500)	(206,500)	(28,690)	(177,810)	0	(206,500)
Interest Expense	(107,475)	(1,289,705)	(1,363,289)	73,584	(1,289,705)	0
Total Non-Oper. Revenue (Expenses)	<u>(254,733)</u>	<u>(2,128,269)</u>	<u>(1,226,892)</u>	<u>(901,377)</u>	<u>(2,291,705)</u>	<u>163,436</u>
Income (Loss) before contributions	<u>(108,460)</u>	<u>2,401,964</u>	<u>2,006,554</u>	<u>395,410</u>	<u>1,884,731</u>	<u>517,233</u>
Capital Contributions	518,322	1,474,652	2,855,381	(1,380,729)		
Change in Net Position	<u>409,862</u>	<u>3,876,616</u>	<u>4,861,935</u>	<u>(985,319)</u>		

**Port of Palm Beach District
Analysis of Expenses - Summary Roll-Up
For the Month and Twelve Months Ending Sunday, September 30, 2018**

	Current Actual FY 2018 YTD	Reforecast Budget FY 2018 YTD	YTD Variance	Remaining Reforecast Budget	Total Reforecast Budget	September Current Actual	September Reforecast Budget	Monthly Variance
<u>SALARIES & BENEFITS:</u>								
Salaries & Contract Labor	3,128,022	2,956,614	(171,408)	(171,408)	2,956,614	331,757	228,929	(102,828)
Overtime	170,290	200,000	29,710	29,710	200,000	13,051	15,385	2,334
F.I.C.A. Taxes	231,276	233,660	2,384	2,384	233,660	23,631	17,973	(5,658)
Unemployment	0	1,000	1,000	1,000	1,000	0	1,000	1,000
Health and Life Insurance	947,236	949,000	1,764	1,764	949,000	81,710	79,084	(2,626)
Florida Retirement Benefits	304,201	303,818	(383)	(383)	303,818	33,422	23,371	(10,051)
	4,781,025	4,644,092	(136,933)	(136,933)	4,644,092	483,571	365,742	(117,829)
<u>SERVICES & SUPPLIES:</u>								
Commercial Property & Liability	376,750	384,000	7,250	7,250	384,000	35,277	41,167	5,890
Tenant Property Taxes Taxes	38	10,000	9,962	9,962	10,000	0	9,960	9,960
Legal Fees	141,360	160,000	18,640	18,640	160,000	6,674	16,000	9,326
Audit & Accounting Fees	82,447	89,000	6,553	6,553	89,000	615	7,165	6,550
Consultants	36,045	39,000	2,955	2,955	39,000	3,000	6,000	3,000
Engineering Fees	50,105	28,000	(22,105)	(22,105)	28,000	2,755	1,000	(1,755)
Trustee Fees For Bond Issues	5,663	7,500	1,837	1,837	7,500	1,640	3,475	1,835
Bad Debt Expense	0	10,000	10,000	10,000	10,000	0	10,000	10,000
Drug-Free Workplace	1,948	1,000	(948)	(948)	1,000	140	0	(140)
Uniforms	32,800	27,500	(5,300)	(5,300)	27,500	414	2,167	1,753
Equipment Costs & Fuel	102,922	90,000	(12,922)	(12,922)	90,000	31,407	24,282	(7,125)

**Port of Palm Beach District
Analysis of Expenses - Summary Roll-Up
For the Month and Twelve Months Ending Sunday, September 30, 2018**

	<u>Current Actual FY 2018 YTD</u>	<u>Reforecast Budget FY 2018 YTD</u>	<u>YTD Variance</u>	<u>Remaining Reforecast Budget</u>	<u>Total Reforecast Budget</u>	<u>September Current Actual</u>	<u>September Reforecast Budget</u>	<u>Monthly Variance</u>
Buildings & Grounds Expenses	660,130	535,500	(124,630)	(124,630)	535,500	75,336	59,628	(15,708)
Trash Removal	44,749	44,400	(349)	(349)	44,400	4,615	3,700	(915)
Railroad Expense	25,402	20,000	(5,402)	(5,402)	20,000	0	4,290	4,290
Locomotive Expense	68,783	75,000	6,217	6,217	75,000	5,666	19,147	13,481
Employee Development & Training	10,049	25,000	14,951	14,951	25,000	877	15,820	14,943
Office Expenses	64,259	55,500	(8,759)	(8,759)	55,500	5,538	4,625	(913)
Information Technology	93,671	112,585	18,914	18,914	112,585	2,961	33,388	30,427
Contract Security	1,026,096	947,320	(78,776)	(78,776)	947,320	91,873	88,987	(2,886)
Other Security Expense	44,574	45,000	426	426	45,000	5,837	9,952	4,115
TWIC & ID Badging	7,270	5,000	(2,270)	(2,270)	5,000	667	417	(250)
Tenant Operating Costs	19,978	20,000	22	22	20,000	0	25	25
	2,895,039	2,731,305	(163,734)	(163,734)	2,731,305	275,292	361,195	85,903

BUSINESS DEVELOPMENT:

Registration & Training Fees	8,376	25,000	16,624	16,624	25,000	150	16,775	16,625
Community Affairs	17,379	28,000	10,621	10,621	28,000	3,278	13,900	10,622
Travel Expenses - Employees	11,691	20,000	8,309	8,309	20,000	504	8,810	8,306
Travel Expenses - Board	3,317	30,000	26,683	26,683	30,000	688	27,371	26,683
Trade Development	42,808	73,500	30,692	30,692	73,500	4,407	44,478	40,071
Dues & Subscriptions	62,679	66,100	3,421	3,421	66,100	4,274	6,790	2,516
Marketing	49,364	40,900	(8,464)	(8,464)	40,900	5,145	15,740	10,595

**Port of Palm Beach District
Analysis of Expenses - Summary Roll-Up
For the Month and Twelve Months Ending Sunday, September 30, 2018**

	<u>Current Actual FY 2018 YTD</u>	<u>Reforecast Budget FY 2018 YTD</u>	<u>YTD Variance</u>	<u>Remaining Reforecast Budget</u>	<u>Total Reforecast Budget</u>	<u>September Current Actual</u>	<u>September Reforecast Budget</u>	<u>Monthly Variance</u>
Website & Other	8,550	4,500	(4,050)	(4,050)	4,500	620	375	(245)
	204,164	288,000	83,836	83,836	288,000	19,066	134,239	115,173
<u>UTILITY SERVICES:</u>								
Water & Sewer	708,935	677,017	(31,918)	(31,918)	677,017	65,603	55,979	(9,624)
Electricity	412,885	438,500	25,615	25,615	438,500	26,955	36,542	9,587
Telephone Expense	131,140	135,500	4,360	4,360	135,500	11,047	11,292	245
	1,252,960	1,251,017	(1,943)	(1,943)	1,251,017	103,605	103,813	208
<u>RENEWAL & REPLACEMENT:</u>								
Renewal & Replacement Exp.	379,662	500,000	120,338	120,338	500,000	23,872	144,209	120,337
<u>OTHER EXPENSES:</u>								
Miscellaneous Expenses	65,358	46,000	(19,358)	(19,358)	46,000	3,679	18,332	14,653
TOTAL EXPENSES	<u>9,578,208</u>	<u>9,460,414</u>	<u>(117,794)</u>	<u>(117,794)</u>	<u>9,460,414</u>	<u>909,085</u>	<u>1,127,530</u>	<u>218,445</u>

**Port of Palm Beach District
Analysis of Expenses - By Department
For the Month and Twelve Months Ending Sunday, September 30, 2018**

	<u>Current Actual FY 2018 YTD</u>	<u>Reforecast Budget FY 2018 YTD</u>	<u>YTD Variance</u>	<u>Remaining Reforecast Budget</u>	<u>Total Reforecast Budget</u>	<u>September Current Actual</u>	<u>September Reforecast Budget</u>	<u>Monthly Variance</u>
<u>FINANCE & I.T.</u>								
Salaries	622,870	598,890	(23,980)	(23,980)	598,890	68,046	46,068	(21,978)
F.I.C.A. Expense	44,656	44,633	(23)	(23)	44,633	4,915	3,433	(1,482)
Telephone	78,344	80,000	1,656	1,656	80,000	6,578	6,667	89
Computer Training/Consulting	31,468	49,450	17,982	17,982	49,450	1,188	19,150	17,962
Computer Maintenance	40,932	53,135	12,203	12,203	53,135	1,194	13,405	12,211
Postage	4,140	3,000	(1,140)	(1,140)	3,000	142	250	108
Office Maintenance	9,785	10,000	215	215	10,000	1,352	833	(519)
Records Storage	2,831	3,000	169	169	3,000	244	250	6
Computer Software & Supplies	21,271	10,000	(11,271)	(11,271)	10,000	579	833	254
Printing	8,893	6,000	(2,893)	(2,893)	6,000	80	500	420
Public Notice Publication	7,083	5,000	(2,083)	(2,083)	5,000	134	417	283
Miscellaneous - Office	9,397	15,000	5,603	5,603	15,000	(5,870)	0	5,870
Office Supplies	20,654	20,000	(654)	(654)	20,000	3,410	1,667	(1,743)
Total	<u>902,324</u>	<u>898,108</u>	<u>(4,216)</u>	<u>(4,216)</u>	<u>898,108</u>	<u>81,992</u>	<u>93,473</u>	<u>11,481</u>

**Port of Palm Beach District
Analysis of Expenses - By Department
For the Month and Twelve Months Ending Sunday, September 30, 2018**

	Current Actual FY 2018 YTD	Reforecast Budget FY 2018 YTD	YTD Variance	Remaining Reforecast Budget	Total Reforecast Budget	September Current Actual	September Reforecast Budget	Monthly Variance
<u>GENERAL MAINTENANCE</u>								
Salaries	486,729	471,460	(15,269)	(15,269)	471,460	51,969	36,266	(15,703)
Overtime	30,999	50,000	19,001	19,001	50,000	2,479	3,846	1,367
Overtime - Line Handling	27,278	30,000	2,722	2,722	30,000	919	2,308	1,389
F.I.C.A. Expense	39,993	44,558	4,565	4,565	44,558	4,065	3,428	(637)
Telephone	9,657	8,500	(1,157)	(1,157)	8,500	915	708	(207)
Water	638,479	605,265	(33,214)	(33,214)	605,265	59,669	50,000	(9,669)
Water - Maintenance Office	1,849	1,752	(97)	(97)	1,752	216	146	(70)
Stormwater Assessment	68,607	70,000	1,393	1,393	70,000	5,717	5,833	116
Electricity	128,128	135,000	6,872	6,872	135,000	10,274	11,250	976
Equipment Rental	25,772	15,000	(10,772)	(10,772)	15,000	24,280	13,505	(10,775)
Generator Supplies	18,982	10,000	(8,982)	(8,982)	10,000	1,795	0	(1,795)
Building & Grounds	95,813	50,000	(45,813)	(45,813)	50,000	17,217	0	(17,217)
Trash Removal	9,008	6,400	(2,608)	(2,608)	6,400	1,313	533	(780)
Uniforms	18,139	20,000	1,861	1,861	20,000	0	1,667	1,667
Gas & Oil	33,662	35,000	1,338	1,338	35,000	2,969	2,917	(52)
Janitorial Services & Supplies	9,107	7,500	(1,607)	(1,607)	7,500	1,481	625	(856)
Supplies	21,941	15,000	(6,941)	(6,941)	15,000	1,026	1,250	224
Equipment Repair	24,506	30,000	5,494	5,494	30,000	2,363	7,860	5,497
Total	1,688,649	1,605,435	(83,214)	(83,214)	1,605,435	188,667	142,142	(46,525)

**Port of Palm Beach District
Analysis of Expenses - By Department
For the Month and Twelve Months Ending Sunday, September 30, 2018**

	Current Actual FY 2018 YTD	Reforecast Budget FY 2018 YTD	YTD Variance	Remaining Reforecast Budget	Total Reforecast Budget	September Current Actual	September Reforecast Budget	Monthly Variance
<u>SECURITY</u>								
Salaries	756,626	710,093	(46,533)	(46,533)	710,093	74,653	54,623	(20,030)
Overtime	63,546	90,000	26,454	26,454	90,000	5,376	6,923	1,547
F.I.C.A. Expense	59,469	61,208	1,739	1,739	61,208	5,746	4,708	(1,038)
Security Equipment Repairs	20,789	25,000	4,211	4,211	25,000	4,077	8,285	4,208
Telephone	11,216	11,000	(216)	(216)	11,000	950	917	(33)
Uniforms	14,661	7,000	(7,661)	(7,661)	7,000	414	0	(414)
Identification Badging	7,270	5,000	(2,270)	(2,270)	5,000	667	417	(250)
Riviera Beach Police Presence	76,870	80,000	3,130	3,130	80,000	7,935	10,000	2,065
Contract Security - Cargo & TWIC	94,766	104,000	9,234	9,234	104,000	4,164	8,667	4,503
Miscellaneous - Security	40,594	5,000	(35,594)	(35,594)	5,000	3,870	417	(3,453)
Contract Security - Cruise	771,523	707,320	(64,203)	(64,203)	707,320	67,384	64,320	(3,064)
Contract Security - Parking	82,937	56,000	(26,937)	(26,937)	56,000	12,390	6,000	(6,390)
Radio Maintenance	23,785	20,000	(3,785)	(3,785)	20,000	1,760	1,667	(93)
Total	<u>2,024,052</u>	<u>1,881,621</u>	<u>(142,431)</u>	<u>(142,431)</u>	<u>1,881,621</u>	<u>189,386</u>	<u>166,944</u>	<u>(22,442)</u>

**Port of Palm Beach District
Analysis of Expenses - By Department
For the Month and Twelve Months Ending Sunday, September 30, 2018**

	Current Actual FY 2018 YTD	Reforecast Budget FY 2018 YTD	YTD Variance	Remaining Reforecast Budget	Total Reforecast Budget	September Current Actual	September Reforecast Budget	Monthly Variance
<u>RAILROAD</u>								
Salaries	38,401	31,000	(7,401)	(7,401)	31,000	4,354	2,385	(1,969)
Overtime	48,467	30,000	(18,467)	(18,467)	30,000	4,277	2,308	(1,969)
F.I.C.A. Expense	6,529	4,667	(1,862)	(1,862)	4,667	642	359	(283)
Locomotive Rental	0	2,500	2,500	2,500	2,500	0	2,500	2,500
Train Derailment	6,869	10,000	3,131	3,131	10,000	0	3,130	3,130
Locomotive Fuel & Oil	35,408	27,500	(7,908)	(7,908)	27,500	2,929	2,292	(637)
Track R&M Exp.	24,692	15,000	(9,692)	(9,692)	15,000	0	0	0
Locomotive R&M Exp.	26,506	35,000	8,494	8,494	35,000	2,737	11,225	8,488
Railroad Equipment	710	5,000	4,290	4,290	5,000	0	4,290	4,290
Miscellaneous	5,272	3,500	(1,772)	(1,772)	3,500	170	0	(170)
Total	192,854	164,167	(28,687)	(28,687)	164,167	15,109	28,489	13,380

**Port of Palm Beach District
Analysis of Expenses - By Department
For the Month and Twelve Months Ending Sunday, September 30, 2018**

	<u>Current Actual FY 2018 YTD</u>	<u>Reforecast Budget FY 2018 YTD</u>	<u>YTD Variance</u>	<u>Remaining Reforecast Budget</u>	<u>Total Reforecast Budget</u>	<u>September Current Actual</u>	<u>September Reforecast Budget</u>	<u>Monthly Variance</u>
<u>BUSINESS DEVELOPMENT</u>								
Salaries	405,123	387,633	(17,490)	(17,490)	387,633	40,175	29,818	(10,357)
Florida Retirement System	41,699	40,360	(1,339)	(1,339)	40,360	4,183	3,105	(1,078)
F.I.C.A. Expense	27,579	26,811	(768)	(768)	26,811	2,624	2,062	(562)
Miscellaneous	3,954	5,000	1,046	1,046	5,000	0	1,040	1,040
Website	8,531	3,500	(5,031)	(5,031)	3,500	620	292	(328)
Telephone Expense	4,006	5,500	1,494	1,494	5,500	285	458	173
Promotion	10,822	17,400	6,578	6,578	17,400	1,928	8,505	6,577
Trade Development	19,994	41,500	21,506	21,506	41,500	2,388	23,895	21,507
Trade Development - Dining	16,364	7,000	(9,364)	(9,364)	7,000	2,019	583	(1,436)
Trade Missions	0	20,000	20,000	20,000	20,000	0	20,000	20,000
Travel Expenses	11,691	20,000	8,309	8,309	20,000	504	8,810	8,306
Travel Expenses - McArthur	0	6,000	6,000	6,000	6,000	0	6,000	6,000
Travel Expenses - Ciklin	0	6,000	6,000	6,000	6,000	0	6,000	6,000
Travel Expenses - Richards	2,629	6,000	3,371	3,371	6,000	0	3,371	3,371
Travel Expenses - Waldron	688	6,000	5,312	5,312	6,000	688	6,000	5,312
Travel Expenses - Enright	0	6,000	6,000	6,000	6,000	0	6,000	6,000
Community Relations	9,055	18,000	8,945	8,945	18,000	2,449	11,395	8,946
Postage & Shipping	19	1,000	981	981	1,000	0	83	83
Trade Development - Sponsorships	6,450	5,000	(1,450)	(1,450)	5,000	0	0	0
Registration Fees	3,489	20,000	16,511	16,511	20,000	150	16,660	16,510

**Port of Palm Beach District
 Analysis of Expenses - By Department
 For the Month and Twelve Months Ending Sunday, September 30, 2018**

	Current Actual FY 2018 YTD	Reforecast Budget FY 2018 YTD	YTD Variance	Remaining Reforecast Budget	Total Reforecast Budget	September Current Actual	September Reforecast Budget	Monthly Variance
Membership Dues	50,494	59,600	9,106	9,106	59,600	3,570	4,967	1,397
Training	4,887	5,000	113	113	5,000	0	115	115
Subscriptions	9,800	2,500	(7,300)	(7,300)	2,500	704	208	(496)
Advertising	33,562	13,500	(20,062)	(20,062)	13,500	1,000	0	(1,000)
Publications	4,980	10,000	5,020	5,020	10,000	2,217	7,235	5,018
Total	675,816	739,304	63,488	63,488	739,304	65,504	166,602	101,098

**Port of Palm Beach District
Analysis of Expenses - By Department
For the Month and Twelve Months Ending Sunday, September 30, 2018**

	<u>Current Actual FY 2018 YTD</u>	<u>Reforecast Budget FY 2018 YTD</u>	<u>YTD Variance</u>	<u>Remaining Reforecast Budget</u>	<u>Total Reforecast Budget</u>	<u>September Current Actual</u>	<u>September Reforecast Budget</u>	<u>Monthly Variance</u>
<u>ADMIN. & H.R.</u>								
Salaries - Commissioners	47,500	47,500	0	0	47,500	3,958	3,958	0
Salaries - Exec. Director & Staff	653,103	598,478	(54,625)	(54,625)	598,478	77,844	46,037	(31,807)
Contract Admin. Services	33,798	30,000	(3,798)	(3,798)	30,000	1,860	3,500	1,640
FICA Expense	46,916	45,544	(1,372)	(1,372)	45,544	4,992	3,503	(1,489)
Total	<u>781,317</u>	<u>721,522</u>	<u>(59,795)</u>	<u>(59,795)</u>	<u>721,522</u>	<u>88,654</u>	<u>56,998</u>	<u>(31,656)</u>

**Port of Palm Beach District
 Analysis of Expenses - By Department
 For the Month and Twelve Months Ending Sunday, September 30, 2018**

	<u>Current Actual FY 2018 YTD</u>	<u>Reforecast Budget FY 2018 YTD</u>	<u>YTD Variance</u>	<u>Remaining Reforecast Budget</u>	<u>Total Reforecast Budget</u>	<u>September Current Actual</u>	<u>September Reforecast Budget</u>	<u>Monthly Variance</u>
<u>LEGAL</u>								
Fees and Expenses	141,360	160,000	18,640	18,640	160,000	6,674	16,000	9,326
Total	141,360	160,000	18,640	18,640	160,000	6,674	16,000	9,326

**Port of Palm Beach District
Analysis of Expenses - By Department
For the Month and Twelve Months Ending Sunday, September 30, 2018**

	<u>Current Actual FY 2018 YTD</u>	<u>Reforecast Budget FY 2018 YTD</u>	<u>YTD Variance</u>	<u>Remaining Reforecast Budget</u>	<u>Total Reforecast Budget</u>	<u>September Current Actual</u>	<u>September Reforecast Budget</u>	<u>Monthly Variance</u>
<u>ENGINEERING</u>								
Retainer - CH2MHILL	12,000	12,000	0	0	12,000	1,000	1,000	0
Fees and Expenses	38,105	16,000	(22,105)	(22,105)	16,000	1,755	0	(1,755)
Total	50,105	28,000	(22,105)	(22,105)	28,000	2,755	1,000	(1,755)

**Port of Palm Beach District
 Analysis of Expenses - By Department
 For the Month and Twelve Months Ending Sunday, September 30, 2018**

	<u>Current Actual FY 2018 YTD</u>	<u>Reforecast Budget FY 2018 YTD</u>	<u>YTD Variance</u>	<u>Remaining Reforecast Budget</u>	<u>Total Reforecast Budget</u>	<u>September Current Actual</u>	<u>September Reforecast Budget</u>	<u>Monthly Variance</u>
<u>CONSULTING</u>								
Consultants - Governmental	36,045	39,000	2,955	2,955	39,000	3,000	6,000	3,000
Total	36,045	39,000	2,955	2,955	39,000	3,000	6,000	3,000

**Port of Palm Beach District
Analysis of Expenses - By Department
For the Month and Twelve Months Ending Sunday, September 30, 2018**

	Current Actual FY 2018 YTD	Reforecast Budget FY 2018 YTD	YTD Variance	Remaining Reforecast Budget	Total Reforecast Budget	September Current Actual	September Reforecast Budget	Monthly Variance
<u>SOUTHGATE COMPLEX</u>								
Buildings & Grounds	13,383	20,000	6,617	6,617	20,000	783	7,400	6,617
Janitorial Services & Supplies	3,400	2,000	(1,400)	(1,400)	2,000	628	167	(461)
Miscellaneous	0	2,500	2,500	2,500	2,500	0	2,500	2,500
Electric	33,605	35,000	1,395	1,395	35,000	2,523	2,917	394
Telephone	6,553	7,000	447	447	7,000	641	583	(58)
Trash Removal	3,572	3,000	(572)	(572)	3,000	515	250	(265)
HVAC Repairs & Maint.	3,189	10,000	6,811	6,811	10,000	680	7,495	6,815
Total	63,702	79,500	15,798	15,798	79,500	5,770	21,312	15,542

**Port of Palm Beach District
Analysis of Expenses - By Department
For the Month and Twelve Months Ending Sunday, September 30, 2018**

	Current Actual FY 2018 YTD	Reforecast Budget FY 2018 YTD	YTD Variance	Remaining Reforecast Budget	Total Reforecast Budget	September Current Actual	September Reforecast Budget	Monthly Variance
<u>GENERAL EXPENSE</u>								
Audit & Accounting Services	82,447	89,000	6,553	6,553	89,000	615	7,165	6,550
Transcription Services for Board Meetings	10,873	8,500	(2,373)	(2,373)	8,500	176	708	532
Bad Debt Expense	0	10,000	10,000	10,000	10,000	0	10,000	10,000
Unemployment Compensation	0	1,000	1,000	1,000	1,000	0	1,000	1,000
General Commercial Prop & Liab Insurance	376,750	374,000	(2,750)	(2,750)	374,000	35,277	31,167	(4,110)
Group Health / Dental / Vision	915,070	917,000	1,930	1,930	917,000	78,852	76,417	(2,435)
Employee Basic Life Insurance	15,508	15,000	(508)	(508)	15,000	1,373	1,250	(123)
Employee S/Term Disability Ins.	16,659	17,000	341	341	17,000	1,486	1,417	(69)
Florida Retirement System	262,502	263,458	956	956	263,458	29,239	20,266	(8,973)
Trustee Fees For Bonds	5,663	7,500	1,837	1,837	7,500	1,640	3,475	1,835
Drug-Free Workplace	1,948	1,000	(948)	(948)	1,000	140	0	(140)
Insurance Contingency	0	10,000	10,000	10,000	10,000	0	10,000	10,000
Membership Dues	2,385	4,000	1,615	1,615	4,000	0	1,615	1,615
Training	10,049	25,000	14,951	14,951	25,000	877	15,820	14,943
Ad Valorem Taxes	38	10,000	9,962	9,962	10,000	0	9,960	9,960
Miscellaneous	5,906	5,000	(906)	(906)	5,000	5,509	4,610	(899)
Total	<u>1,705,798</u>	<u>1,757,458</u>	<u>51,660</u>	<u>51,660</u>	<u>1,757,458</u>	<u>155,184</u>	<u>194,870</u>	<u>39,686</u>

**Port of Palm Beach District
Analysis of Expenses - By Department
For the Month and Twelve Months Ending Sunday, September 30, 2018**

	<u>Current Actual FY 2018 YTD</u>	<u>Reforecast Budget FY 2018 YTD</u>	<u>YTD Variance</u>	<u>Remaining Reforecast Budget</u>	<u>Total Reforecast Budget</u>	<u>September Current Actual</u>	<u>September Reforecast Budget</u>	<u>Monthly Variance</u>
<u>COMMUNITY OUTREACH</u>								
Community Grants - Waldron	1,800	2,000	200	200	2,000	0	200	200
Community Grants - Ciklin	1,800	2,000	200	200	2,000	200	400	200
Community Grants - Richards	2,000	2,000	0	0	2,000	0	0	0
Community Grants - McArthur	824	2,000	1,176	1,176	2,000	279	1,455	1,176
Community Grants -Enright	1,900	2,000	100	100	2,000	350	450	100
Total	8,324	10,000	1,676	1,676	10,000	829	2,505	1,676

**Port of Palm Beach District
 Analysis of Expenses - By Department
 For the Month and Twelve Months Ending Sunday, September 30, 2018**

	Current Actual FY 2018 YTD	Reforecast Budget FY 2018 YTD	YTD Variance	Remaining Reforecast Budget	Total Reforecast Budget	September Current Actual	September Reforecast Budget	Monthly Variance
<u>MARITIME OFFICE BUILDING</u>								
Buildings & Grounds	3,553	10,000	6,447	6,447	10,000	276	6,715	6,439
Telephone - Elevator	1,824	1,800	(24)	(24)	1,800	168	150	(18)
Telephone - Fire Alarm Lines	2,957	3,200	243	243	3,200	(21)	267	288
Electricity	47,377	67,500	20,123	20,123	67,500	0	5,625	5,625
HVAC Repairs & Maint.	8,331	2,000	(6,331)	(6,331)	2,000	105	0	(105)
Total	64,042	84,500	20,458	20,458	84,500	528	12,757	12,229

**Port of Palm Beach District
Analysis of Expenses - By Department
For the Month and Twelve Months Ending Sunday, September 30, 2018**

	<u>Current Actual FY 2018 YTD</u>	<u>Reforecast Budget FY 2018 YTD</u>	<u>YTD Variance</u>	<u>Remaining Reforecast Budget</u>	<u>Total Reforecast Budget</u>	<u>September Current Actual</u>	<u>September Reforecast Budget</u>	<u>Monthly Variance</u>
<u>CRUISE TERMINAL</u>								
Building & Grounds	115,080	75,000	(40,080)	(40,080)	75,000	4,492	0	(4,492)
Electric	54,675	50,000	(4,675)	(4,675)	50,000	3,669	4,167	498
Electric - Chiller Plant	29,921	33,000	3,079	3,079	33,000	2,443	2,750	307
Telephone	4,936	5,000	64	64	5,000	469	417	(52)
Telephone - Elevator	3,291	3,000	(291)	(291)	3,000	313	250	(63)
HVAC Repairs & Maintenance	33,989	50,000	16,011	16,011	50,000	1,803	17,810	16,007
Janitorial Services & Supplies	183,565	145,000	(38,565)	(38,565)	145,000	22,601	12,083	(10,518)
Window Cleaning	0	2,000	2,000	2,000	2,000	0	2,000	2,000
Total	<u>425,457</u>	<u>363,000</u>	<u>(62,457)</u>	<u>(62,457)</u>	<u>363,000</u>	<u>35,790</u>	<u>39,477</u>	<u>3,687</u>

**Port of Palm Beach District
Analysis of Expenses - By Department
For the Month and Twelve Months Ending Sunday, September 30, 2018**

	Current Actual FY 2018 YTD	Reforecast Budget FY 2018 YTD	YTD Variance	Remaining Reforecast Budget	Total Reforecast Budget	September Current Actual	September Reforecast Budget	Monthly Variance
<u>MARITIME OFFICE COMPLEX</u>								
Building & Grounds	83,851	70,000	(13,851)	(13,851)	70,000	9,250	0	(9,250)
Trash Removal	32,169	35,000	2,831	2,831	35,000	2,787	2,917	130
Electricity	74,297	75,000	703	703	75,000	4,382	6,250	1,868
Electric - Chiller Plant	44,882	43,000	(1,882)	(1,882)	43,000	3,664	3,583	(81)
Telephone	3,828	6,000	2,172	2,172	6,000	340	500	160
Telephone - Elevator	3,291	3,500	209	209	3,500	313	292	(21)
HVAC Repairs & Maintenance	56,531	50,000	(6,531)	(6,531)	50,000	5,295	0	(5,295)
Janitorial Services & Supplies	28,397	25,000	(3,397)	(3,397)	25,000	9,698	2,083	(7,615)
Window Cleaning	0	2,000	2,000	2,000	2,000	0	2,000	2,000
Total	327,246	309,500	(17,746)	(17,746)	309,500	35,729	17,625	(18,104)

**Port of Palm Beach District
Analysis of Expenses - By Department
For the Month and Twelve Months Ending Sunday, September 30, 2018**

	<u>Current Actual FY 2018 YTD</u>	<u>Reforecast Budget FY 2018 YTD</u>	<u>YTD Variance</u>	<u>Remaining Reforecast Budget</u>	<u>Total Reforecast Budget</u>	<u>September Current Actual</u>	<u>September Reforecast Budget</u>	<u>Monthly Variance</u>
<u>RENEWAL AND REPLACEMENT</u>								
Non-Capital Expenses:	0	500,000	500,000	500,000	500,000	0	144,209	144,209
Communication Equipment Expense	10,592	0	(10,592)	(10,592)	0	0	0	0
Railroad Trackage Repairs & Maint.	5,877	0	(5,877)	(5,877)	0	0	0	0
Security Equipment	36,408	0	(36,408)	(36,408)	0	11,388	0	(11,388)
Office Furniture/Equip. Replacement - Expenses	4,919	0	(4,919)	(4,919)	0	0	0	0
Computer Systems - non-capital	10,014	0	(10,014)	(10,014)	0	0	0	0
Portwide Lighting R&M Exp.	30	0	(30)	(30)	0	0	0	0
Condition/Boundary Survey	1,486	0	(1,486)	(1,486)	0	0	0	0
Maintenance Tools	4,422	0	(4,422)	(4,422)	0	0	0	0
Buildings and Grounds - Port-Wide	9,300	0	(9,300)	(9,300)	0	0	0	0
Cruise Terminal - Buildings & Grounds	133,440	0	(133,440)	(133,440)	0	0	0	0
MOC - Buildings and Grounds	77,249	0	(77,249)	(77,249)	0	6,074	0	(6,074)
Maintenance Dredging	900	0	(900)	(900)	0	0	0	0
Hurricane Irma Storm Repairs	64,175	0	(64,175)	(64,175)	0	6,410	0	(6,410)
Passenger Loading Bridge	20,850	0	(20,850)	(20,850)	0	0	0	0
Total	<u>379,662</u>	<u>500,000</u>	<u>120,338</u>	<u>120,338</u>	<u>500,000</u>	<u>23,872</u>	<u>144,209</u>	<u>120,337</u>

**Port of Palm Beach District
Analysis of Expenses - By Department
For the Month and Twelve Months Ending Sunday, September 30, 2018**

	<u>Current Actual FY 2018 YTD</u>	<u>Reforecast Budget FY 2018 YTD</u>	<u>YTD Variance</u>	<u>Remaining Reforecast Budget</u>	<u>Total Reforecast Budget</u>	<u>September Current Actual</u>	<u>September Reforecast Budget</u>	<u>Monthly Variance</u>
<u>OPERATIONS</u>								
Salaries - Operations	83,872	81,560	(2,312)	(2,312)	81,560	8,898	6,274	(2,624)
FICA Expense	6,134	6,239	105	105	6,239	647	480	(167)
Tenant Operations	19,978	20,000	22	22	20,000	0	25	25
Miscellaneous	235	10,000	9,765	9,765	10,000	0	9,765	9,765
Uniforms	0	500	500	500	500	0	500	500
Telephone	1,237	1,000	(237)	(237)	1,000	96	83	(13)
Total	111,456	119,299	7,843	7,843	119,299	9,641	17,127	7,486
Total Expenses	9,578,209	9,460,414	(117,795)	(117,795)	9,460,414	909,084	1,127,530	218,446

**PORT OF PALM BEACH DISTRICT
Management's Discussion and Analysis
For fiscal year ended September 30, 2018**

OPERATING REVENUES

Total Net Operating Revenue for FYE 09-30-18 is \$18,937,088 which is favorable to the FY 2018 Reforecast Budget by \$490,727 primarily due to increases in wharfage/cargo, TEU's, break bulk imports and storage, and additional rental-space assignments for land. Net Operating Revenues increased approximately 10.4% over prior FY 2017.

Wharfage revenue for FYE 09-30-18 is \$3,954,805 which is favorable to the FY 2018 Reforecast Budget by \$68,938; FY 2018 had approximate increases in container tonnage (up 7%) and TEU's (up 4%; primarily from Tropical Shipping), break-bulk (up 16%), asphalt (up 17%), diesel (up 17%) and utility fuel oil (up 100%) all of which offset decreases in sugar (down 13%) and molasses (down 24%).

Dockage revenue for FYE 09-30-18 is \$2,235,834 which is unfavorable to the FY 2018 Reforecast Budget by (\$49,174), primarily due to reduced sugar and molasses shipments.

Rent for FYE 09-30-18 is \$4,383,957 which is favorable to the FY 2018 Reforecast Budget by \$316,803, primarily due to additional space assignments for land to several tenants that was not budgeted.

Passengers-Multiday net revenue charges (passenger fees less marketing support), **Parking and other revenues** from the Paradise Cruise Line multi-day passenger cruise ships for FYE 09-30-18 is \$4,993,652; from 462,533 passengers and 58,305 parked vehicles which resulted in a net unfavorable budget variance of only (\$85,296). There were no cruise sailings from October through most of December 2017 as a result of FEMA chartering the cruise ship for relief housing in St. Thomas, U.S. V.I., due to Hurricane Irma in September 2017. Grand Celebration cruise sailings resumed on December 23, 2017 and the Port's second multiday cruise ship "Grand Classica" began sailing on April 13, 2018. The addition of the second cruise vessel and relief fees of \$315,000, for the three-month loss of the cruise ship provided by Paradise Cruise Line were factors in reducing the unfavorable budget variance.

OPERATING EXPENSES

Total Operating Expenses for FYE 09-30-18 is \$9,578,203 which is over budget for FY 2018 Reforecast Budget by \$117,789 or only 1.2%. The only significant budgets over runs were salaries by \$171,408 primarily from a few new hires, promotions and net increases in PTO balances; buildings and grounds by \$124,630 primarily from cruise terminal maintenance costs as a result of the second cruise ship, and additional port-wide repairs and maintenance for docks, plumbing, electrical and storm drains; and contract security by \$78,776, also as a result of the second cruise ship. The Port has also incurred significant R&R major repair expenditures of \$210,689 for the cruise terminal escalator, MOC elevators, and MOC building/window leaks; and Hurricane Irma expenses of \$64,175. The Port's reforecast budget was increased to \$500,000 for R&R non-capital expenses to cover those items and ended up under budget for FY 18. In addition, the Port received \$33,900 in reimbursement grants from FEMA for hurricane related costs. Operating Expenses

before depreciation and amortization were up only 1.2% over prior FY 2017, however, an additional pension expense adjustment, as required by GASB 68, may be necessary when the FRS actuarial valuation information as of July 1, 2018 is released sometime after January 1, 2019.

Operating Income before Depreciation and Amortization (OIBDA) for FYE 09-30-18 is \$9,358,885 which is favorable to the FY 2018 Reforecast Budget by \$372,938.

Depreciation Expense for FYE 09-30-18 is \$4,779,661 which is over budget for FY 2018 Reforecast Budget by \$18,967 primarily due to several projects that were completed by fiscal year end and additional capital asset purchases.

Operating Income for FYE 09-30-18 is \$4,530,233 which is favorable to the FY 2018 Reforecast Budget by \$353,797. Favorable budget items of wharfage/cargo, storage, rent and miscellaneous income revenues, legal, business development and Renewal & Replacement expenses, more than offset budget over runs of salaries, buildings and grounds repairs and contract security.

Non-Operating Revenue (Expenses): Net favorable budget variance of \$163,436 primarily due to insurance recoveries of \$67,608 for various damage claims and \$126,891 from the Loss on disposal write-off of the MOB which was delayed by a few months.

Income before Contributions for FYE 09-30-18 is \$2,401,964 which is favorable to the FY 2018 Reforecast Budget by \$517,233 or 27.4%.

Capital Contributions grants for FYE 09-30-18 is \$1,474,652 which primarily consists of FDOT Seaport grant projects; Berth 17, Rail Facility, Berth1, MOB demolition and cargo/reefer improvements and expansions, and the FY 2016 Port Security Grant. The FDOT Seaport grants are 50/50 matching grants. The FY 2016 Port Security DHS-FEMA grant program is a 75/25 matching grant for security improvements and equipment.

ASSETS

Cash: Refer to the Consent Agenda Item H-3, located in the December 18, 2018 Board book, for the Cash Balances report. The semi-annual interest and annual principal payment of \$3,689,396 for the revenue bonds was made on September 1, 2018 and a portion of this payment paid off the Series 2007 revenue bond. All of the Port's FDOT JPA grant matching requirements are fully funded. There is currently enough unrestricted cash to cover the FY 2019 cash operating expenses for more than a year.

Prepaid items: As of September 30, 2018, the current prepaid expense balance of \$681,773 is primarily due to the payment of the commercial insurance premiums to USI Insurance Services for FY 2019. This amount will be amortized (expensed) monthly starting in October 2018 and will continue for the remainder of FY 2019; the remaining balances are extended maintenance contracts, yearly membership dues and health insurance premiums which are normally paid one month in advance.

Accounts Receivable: As of September 30, 2018, there were no significant delinquent outstanding receivables.

LIABILITIES

Unearned revenue: The \$562,871 ending balance as of September 30, 2018 is primarily a result of several tenants that prepay monthly, quarterly and yearly.

Revenue Bonds: Please refer to the Port's September 30, 2018 audited comprehensive annual financial report which provides detailed information on the four (4) outstanding revenue bond issues. The Port has revenue bond payments for another nine (8) years through FY 2026 at an average payment of approximately \$4.15 million. The final payment in 2026 has been prepaid through a reserve fund that was originally set up in the 1977 bond indenture covenants to cover the maximum annual debt payment which is now \$4.35 million. The Port's outstanding revenue bonds currently maintain a rating of Baa3 from Moody's with a positive outlook.

MINIMUM GUARANTEES

The Port recognized operating revenues from the following significant minimum annual guarantees per contract agreements through September 30, 2018:

	<u>FY 2018</u>	<u>FY 2017</u>
Cemex USA – cement	\$ 151,500	\$150,000
South Florida –diesel	\$ -	\$ 59,778

FINANCIAL RATIO ANALYSIS

Current Ratio– Unrestricted & Restricted **5.2 times**

This ratio measures the Port's short-term liquidity or the extent to which claims of the short-term creditors (1 year or less) are covered by assets expected to be converted to cash within the same short-term period. Current assets consist of cash, short-term investments, accounts and grants receivable. Current liabilities consist of accounts and contracts payable, accrued expenses and the current portion of long-term debt. Normally a ratio of 2.0 times or better is considered good.

Debt to Net Position **28.4%**

This ratio shows the direct relationship between the debt contribution to the capital structure of the organization and the net position contribution (reliance on creditors). In general, total debt should not exceed net position (100%) since in such cases creditors have more at stake than the organization. The Port's ratio of 28.4% is considered conservative.

Operating Profit Margin **23.9%**

This ratio is the key to measuring the Port's operating efficiency. It is a reflection on management's purchasing and pricing policies and its success in controlling costs and expenses directly associated with running the business and the creation of revenue, excluding non-operating revenues and expenses. A ratio of 20% or more is considered good.

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December 5, 2018