PORT EVERGLADES

Fiscal Year 2009 Commerce Report

Buoyed by Sustainability

BROWARD COUNTY FLORIDA

Fort Lauderdale • Hollywood • Dania Beach

Port Everglades
Annual Commerce Report
Fiscal Year 2009

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A busy cruise day at Port Everglades.

Ken Keechl, Broward County Mayor

Welcome, from Broward County Mayor Ken Keechl

As Mayor of Broward County, I am keenly interested in moving forward those actions that could potentially enhance the quality of life for the residents and businesses of Broward County. Quality of life includes balancing economic stability, growth and environmental protection. The Broward County Board of County Commissioners has been working diligently to meet recent economic challenges while keeping a watchful eye on community interests and our fragile surroundings.

Our Board is proud of the prosperity that Port Everglades brings to Broward County, especially in terms of supporting jobs. Recent construction projects have created new construction jobs that will pave the way to support existing jobs and foster the creation of new jobs for those in the maritime industry.

The Board has been an active participant in the development and update of the Port's 20-Year Master/Vision Plan. We want to see the Port expand to meet our customers' needs, while at the same time balancing those needs through application of best practices to safeguard the marine environment. For this reason, we directed Port staff to find alternate ways to increase much needed berth capacity while protecting mangroves and defending the manatees that visit each winter, our "swimming snowbirds." Port staff quickly acted on that direction, and is working hard towards an on-port solution that is a "win-win" for the Port and the environment.

We are proud of the way other deepwater ports throughout Florida have followed Port Everglades' lead in manatee protection with specific guidelines for maintaining ship berthing areas and channels during manatee season. Staff also works proactively to apply speed regulations to pleasure craft and commercial vessels in manatee-protected areas of our waterways.

Through the Port's activities, Broward County has improved tidal flushing to 168 acres within West Lake Park in the City of Hollywood. This past year, the Board of County Commissioners also extended the term of the lease used by the Wildlife Care Center, which rescues and treats injured and abandoned wild animals, in order to facilitate a capital campaign by that organization to construct new wildlife rehabilitation facilities on the property.

Much of South Florida's economy depends upon the business of Port Everglades. The Port is also in a location with one of the most diverse ecosystems in the country. The Port's work over the past decades to nurture the fragile environment through stringent regulations, best management practices, and careful study has not gone without recognition. Time and time again, Port Everglades has surfaced as an environmental leader for our community in protecting the balance between commerce and the environment – even serving as a model for other seaports throughout Florida.

Ken Keechl
Mayor, Broward County


MSC DIEGO

From the Desk of the County Administrator, Bertha Henry

Bertha Henry, County Administrator, Broward County

In these difficult economic times, we look to the economic engines of our County, such as Port Everglades to bring jobs, products and businesses to our community. Our Port is an ideal point of entry for products shipped from around the world and these products are distributed to residents and businesses throughout South Florida. Port Everglades, with its direct access to the interstate highway system, is just one mile from the Atlantic Shipping Lanes. Linking all the connections with its increasing volumes of international trade, Port Everglades is an essential component to the economic vitality of our region.

The business activity at Port Everglades generates $18 billion a year of economic activity throughout the state, pumping dollars into the local and regional economy and supporting the quality of life we enjoy in Broward County. This activity at the Port sustains nearly 10,000 direct local jobs and more than 143,000 total jobs in Florida, keeping the wheels of our economy turning. With all of the economic challenges, we are fortunate to have a vibrant, self-sustaining seaport.

The Port is a self-supporting department of Broward County government, with operating revenues of $109.7 million in Fiscal Year 2009. Broward County residents should be pleased to know that Port Everglades does not rely on local tax dollars to fund its operations or capital improvements. All revenues generated from business activity at the Port are used to operate the Port or are reinvested for Port improvements. It is one of the few seaports in our country that does not benefit from the taxation of its community.

To ensure the future prosperity of Port Everglades and its benefits to County residents, the Broward County Board of County Commissioners approved a comprehensive Master/Vision Plan in 2007 to guide the Port's efficient growth for decades to come. That plan is currently being updated to take into account the economic downturn to ensure that the County invests in the necessary capital improvements Port Everglades needs to handle future growth in container cargo traffic, cruise traffic and other areas of business. I invite you to learn more and support the engine that is Port Everglades.

Bertha Henry
County Administrator, Broward County

Port Director, Phillip C. Allen

From the Desk of the Port Director, Phillip C. Allen

Like other seaports across this nation, this recession has forced Port Everglades to operate much differently than we have in the past, mainly with fewer people and resources. However, we have remained steadfast in our commitment to grow the Port in a manner consistent with our customers' needs so that jobs are supported and economic vitality is maintained.

We are investing approximately $400 million over a five-year window in capital projects, including a container yard expansion and a new bridge to improve access between the container terminals in the Port's Midport area to the facilities in Southport.

This past year, in just 22 months, Cruise Terminal 18 was expanded from 67,500 square feet to 240,000 square feet to accommodate Royal Caribbean International's Oasis class of cruise ships, the largest and most revolutionary cruise ships in the world.

Our Master/Vision Plans calls for increasing the number of berths at Port Everglades to accommodate larger cruise and container ships. A higher berth capacity will also be a great benefit because Port Everglades will be able to handle an increased number of smaller and mid-sized ships that are common in the Caribbean.

We are also working with the U.S. Army Corps of Engineers toward a harbor deepening and widening project that is expected to be under construction in 2015. This project will allow Port Everglades to handle more post-Panamax ships coming through the expanded Panama Canal.

In short, we are not letting the recession slow down our progress. Capital projects that meet our customers' needs now and in the future will ensure Port Everglades' success in the long term. This reinforces our commitment to plan for the future and be prepared for what tomorrow will bring. Looking out my window over the past year, I have seen hundreds of construction jobs that will translate to many more permanent jobs in the coming year. Especially during recessionary times, it is heart-warming to see our economic engine at work.

Phillip C. Allen
Port Director, Port Everglades

Sustainability – Buoyed by Balancing Economics, Environment and Community

Like an old-fashioned milking stool, Port Everglades' sustainability is evenly reliant on three legs. In the Port's case, the legs are economics, the environment and the community. A wobble in any one leg will put the whole stool out of kilter. A well-balanced stool, however, offers the synergy needed for continual improvement.

The economic leg of the Port's three-legged stool is simply represented by a strategic yet succinct master plan, scrupulous financial planning, well-defined benchmarking data and candid report cards on performance.

The environmental leg ensures attention to the quality of air, water and habitats, and advocates the conservation of resources. The community leg is a complex mix of ambitions related to education, security, jobs, traffic impacts, the airport and the costs of commodities. In terms of economics, the Port is proud to have kept its operating expenses in check while remaining profitable.

Port Everglades generated $109.7 million in operating revenue during FY2009 and held operating expenses at the same level, $73.2 million, as the previous fiscal year with the increase in net assets remaining flat at $21 million due to increase in grant funds assisting in infrastructure investments and reimbursements for cruise terminal investments. Operating revenue includes revenue from waterborne commerce, real estate leases, parking and other Port services. In FY2009, revenue decreased by 6.6 percent overall or by 3.5 percent after subtracting a one-time payment of $3.8 million for an early lease termination in FY2008.

Total waterborne commerce, which is measured in short tons (2,000 pounds), decreased by 11.2 percent from 24,227,435 tons in FY2008 to 21,503,720 tons in FY2009.

However, the Port moved forward with capital improvements, which generated jobs in the community. Building for the future is key to being able to meet customers' needs now and when the economy improves.

This past year was a demonstration of how the business diversity at Port Everglades gives Port Everglades an advantage over many other seaports that specialize in only one or two business sectors. Multi-day cruise activity increased, while cargo dipped. Though the Port's operating revenues are down for the past fiscal year, net income remained in the black during the past year because expenses were held at the same level as the two previous fiscal years. Despite across-the-board belt tightening, service to the community and protecting the environment were never compromised.

Port Everglades' three-legged stool ensures the Port's sustainability and growth. ■

Broward County's Port Everglades is a self-sustaining enterprise fund.

Cruising

Cruising from Broward County's Port Everglades is on the upswing with more passengers traveling on multi-day cruises during Fiscal Year 2009 than ever before.

The number of people traveling aboard traditional multi-day cruise ships increased by 7.6 percent from 2,636,711 passengers in FY2008 to 2,836,954 passengers in FY2009. Daily cruise numbers, however, decreased by 48.8 percent for the same time period due to SeaEscape Cruises' departure from the Port. Total revenue from the cruise sector at Port Everglades increased by 3.7 percent from $31,489,126 in FY2008 to $32,655,785 in FY2009.

Five of the cruise industry's eight newest cruise ships homeported at Port Everglades for the 2008-2009 winter Caribbean cruise season. Newly built cruise ships joining the Port Everglades fleet included: Holland America Line's *ms Eurodam*, Princess Cruises' *Ruby Princess*, Celebrity Cruises' *Celebrity Solstice*, Carnival Cruise Lines' *Carnival Splendor*, and Royal Caribbean International's *Independence of the Seas*. In addition, several cruise ships sailed for the first time from Port Everglades including Princess Cruises' *Tahitian Princess*, MSC Cruises' *Orchestra* and Carnival's *Carnival Freedom*, which sails year-round from Port Everglades.

During the fiscal year, MSC Cruises and Broward County entered into a two-year agreement for the use of Berth 4 and Cruise Terminal 4 at the Port. The agreement was a prelude to the negotiations of a longer-term agreement.

Port Everglades broke its own two-year-old world record on Saturday, January 3, 2009, when 49,234 cruise passengers sailed in and out of the South Florida cruise port in a single day. The last record was set on December 23, 2006, with 47,229 passengers.

To accommodate the largest and most revolutionary cruise ships in the world, Royal Caribbean International's 220,000-gross-ton, 5,400-passenger *Oasis of the Seas* and *Allure of the Seas*, the Port more than tripled the size of Cruise Terminal 18 from 67,500 square feet to 240,000 square feet. The terminal's mega-size accommodates mega numbers of cruise passengers and their luggage so that both arriving and departing guests can go through processing procedures simultaneously. The terminal was completed ahead of schedule and in time for the arrival of the first Oasis-class ship, *Oasis of the Seas*, in November 2009. The project was under the direction of the Broward County Seaport Engineering and Construction Division. Approximately 1,414 new construction jobs were created as a result of this project.

The expanded and renovated Cruise Terminal 18 is setting the standard for passenger terminal development worldwide.

Additional capital improvements during FY2009 included a $3 million way-finding program that includes new signs to help guests better find their way to their cruise terminals. Roadways in the Midport cruise area were widened to allow an additional taxi-queuing lane so that traffic can move more smoothly in and out of the area, including a right-lane turn into Northport. New roadway striping was completed throughout the cruise port areas.

Port Everglades launched an innovative community-giving program with Holland America Line called "Ship to Shelter," which brought donated valuable and reusable goods from the line's cruise ships to local people in need. Holland America Line first launched Ship to Shelter in April 2008, in partnership with the Port of Seattle in Washington and expanded the program to Port Everglades in January 2009. In addition to the weekly donations of individual-sized toiletries, Holland America Line periodically provides items such as towels, linens, dishes, cookware, silverware, televisions and mattresses.

Broward County's Port Everglades was selected the "Best U.S. Homeport" by *Porthole Cruise Magazine*, a world-leading cruise travel magazine, and "Best Turnaround Port" by *Dreamworld Vacations* magazine. ■

Parking

Parking revenue, derived from cruise ship passengers and convention attendees at the Greater Fort Lauderdale/Broward County Convention Center, dipped by 5.9 percent in FY2009 after significant gains the prior fiscal year. In FY2009, parking revenue was $8,578,747 compared to $9,118,157 in FY2008 which was 12.7 percent higher than the previous year. The drop in FY2009 resulted from the loss of a daily cruise operator in Northport.

Inventory increased, however, with more than 1,000 additional parking spaces serving the Port's newest mega-terminal, Cruise Terminal 18. The Northport Parking Garage has 2,500 spaces and the Midport Parking Garage has 2,000 spaces.

To better serve people who need access to their vehicles at off hours, the Port installed 24 emergency call boxes in the Northport and Midport parking garages. These call boxes are monitored by a USA Parking Garage representative to assure that customers have access to assistance 24 hours a day, seven days a week. Illuminated signage has been placed throughout the garages designating the location of each call box. ■

Cargo

Containerized cargo, which had increased significantly over the past 10 years, experienced downturns similar to other major U.S. seaports in Fiscal Year 2009, decreasing by 19.2 percent from a record high of 985,095 TEUs (20-foot equivalent units, the standard used to measure containers) in FY2008 to 796,160 TEUs in FY2009. Tonnage decreased by 21 percent from 6,584,747 tons in FY2008 to 5,204,103 tons in FY2009. Imports and exports remained about equally divided.

Containerized cargo has expanded significantly in the Southport area of Port Everglades over the past decade.

Since FY2000, however, containerized cargo tonnage has increased by 27.7 percent from 4,091,936 tons and by 17.6 percent from 676,760 TEUs in FY2000. The majority of this increase can be attributed to the expansion of terminal yards in the newer Southport area of Port Everglades. The Southport Intermodal Complex was developed in the 1990s primarily for containerized cargo storage and shipping. The 188-acre area continues to be developed for this purpose.

In April 2009, Port Everglades broke ground for a new 41-acre marine terminal for containerized cargo. The Phase VIIA and VIII terminal yard at the southernmost end of Port Everglades is expected to be completed by Fall 2010. Tran Construction, Inc., of Miami, FL, won the bid for the Phases VIIA and VIII cargo terminals in the Southport area at Port Everglades in the amount of $12.3 million including contingencies. Florida state grants are funding almost half of this economic stimulus project. The scope of work includes site preparation, installation of water, sewer, and storm drainage systems, paving, electrical (high mast lighting system) and fencing. This project will increase cargo yards at Port Everglades by 15 percent from existing acreage. Approximately 227 construction jobs will be supported through the Southport Phase VIIA and VIII project. Once completed, preliminary estimates show that approximately 250 direct jobs and more than 14,000 total jobs will be supported by the new cargo terminal, resulting in more than $494 million in personal income. Business activity is projected to reach $1.4 billion annually, with more than $45 million generated in state and local taxes.

The east coast of Brazil became a thriving trade region for cargo being shipped to and from Port Everglades during FY2009. Bringer Lines, a Miami-based air and ocean shipping company, began service from Port Everglades to the Amazon region of Brazil in November. It was the first direct ocean containerized-cargo service between South Florida and Manaus, Brazil. In addition, CSAV/LIBRA restarted its Usatlan service which includes "K" Line, Hanjin, Yang Ming and Hamburg Süd. Florida International Terminal, LLC provides stevedoring and cargo handling for Bringer Line and CSAV/LIBRA at Port Everglades.

Two other projects related to moving containerized cargo more expeditiously were initiated during FY2009. A new bridge over the FPL Discharge canal is being built to allow cargo trucks to move between Southport and Midport without having to exit and re-enter through the security checkpoints. The Seaport Engineering and Construction Division is overseeing the project. Approximately 200 new construction jobs have been created as a result of this project.

In addition, the Port began the process of replacing its oldest rail-mounted container gantry crane that was in service for almost 30 years with an energy-efficient mobile harbor crane in Midport. The other rail-mounted container crane at the Midport terminal is being completely upgraded, including a new diesel engine/generator with state-of-the-art emission control systems, to add many more years of service life. ■


CSAV HAMBURGO

Bulk and Break Bulk

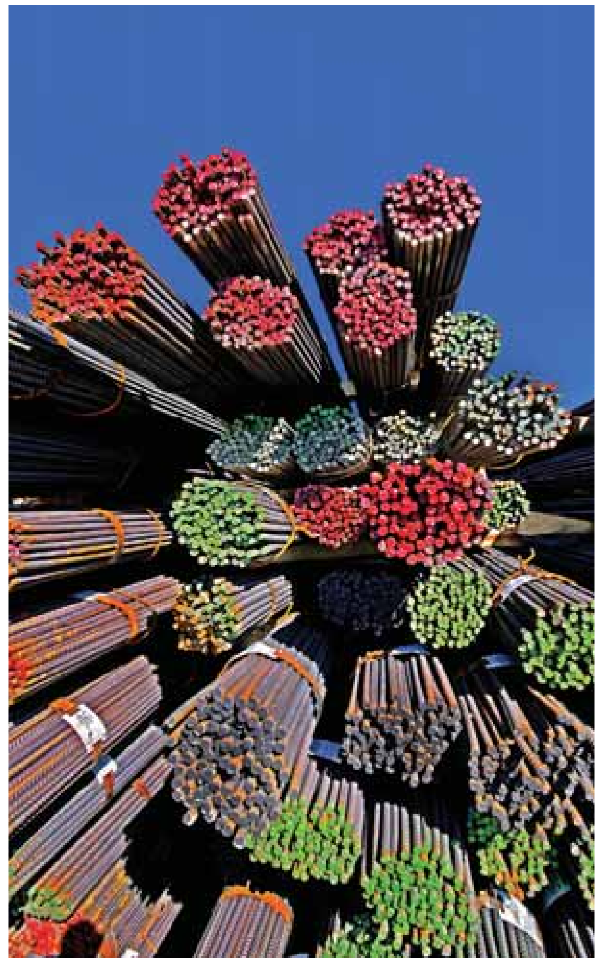
Bulk sugar was one of the new special cargo shipments that came through Port Everglades during FY2009.

Bulk and break bulk cargos such as cement, steel and lumber decreased by 35.7 percent from FY2008, which Port officials attribute to the downturn in the South Florida construction industry, including the related downturn in the South Florida housing market.

Dry bulk cargoes – aggregate, cement, tallow, gypsum – accounted for 566,820 tons of waterborne commerce in FY2009, down by 36.7 percent from FY2008. Revenue decreased by 31.8 percent from FY2008. Cement companies that typically relied on imports in the past began exporting cement during FY2009 to parts of the world that are experiencing an increase in new building starts. Titan America began exporting domestic cement from South Florida to Panama where it is being used to build a hydroelectric power plant. Cemex, located on Port property, is exporting cement to the Bahamas and Haiti.

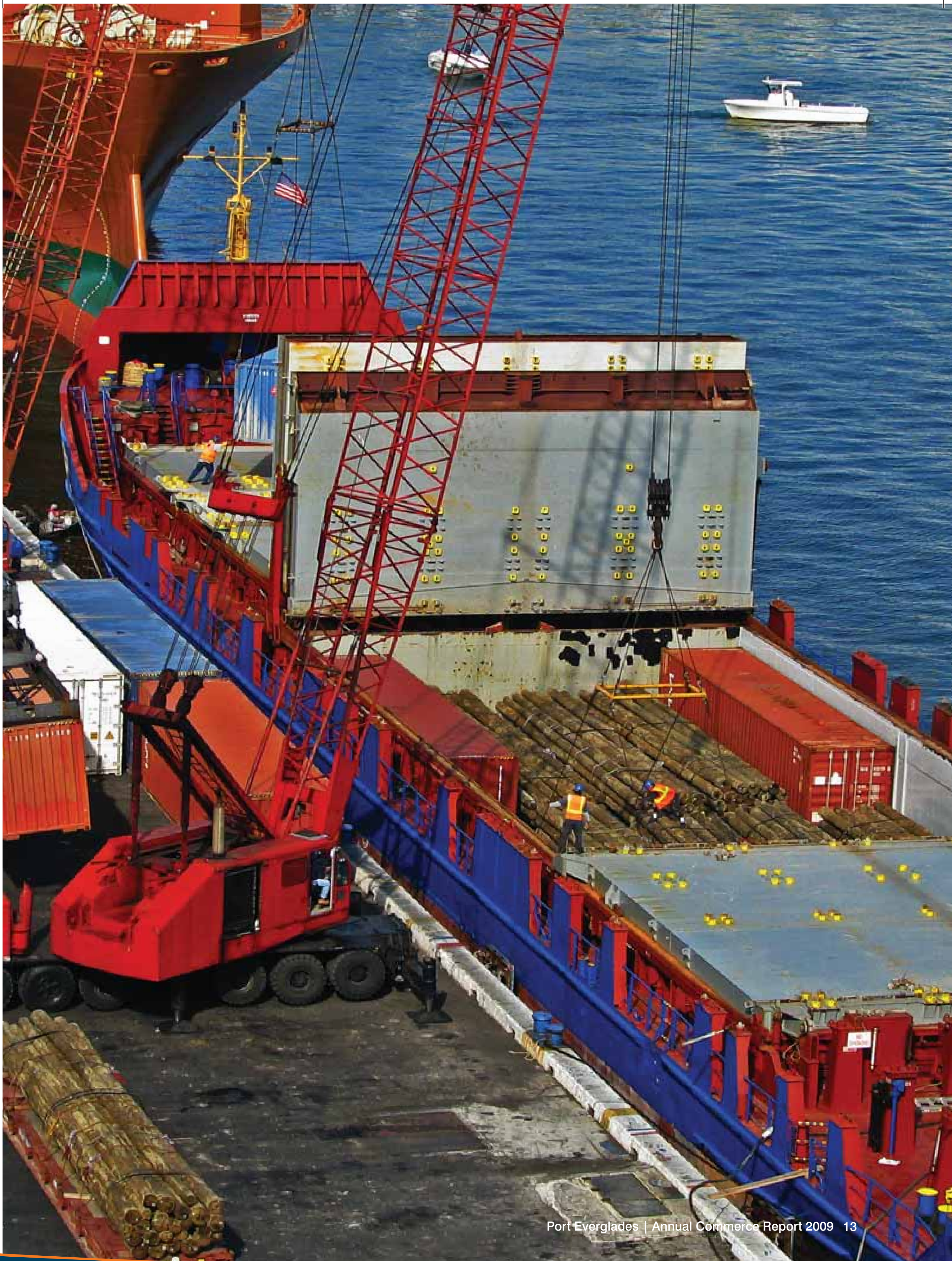
Break bulk cargoes – mainly steel and wood products – have declined significantly since the middle of the decade due to a low demand for building products. Break bulk accounted for 67,462 tons of waterborne commerce and decreased by 25.9 percent over FY2008.

Roll-on/roll-off and float-on/float-off cargoes such as trucks, tractors, pleasure boats, automobiles and buses, also declined because of the economic downturn. Yachts and boats, for example, reached an all-time high of 75,729 tons in FY2008, but decreased by 28.9 percent in FY2009, which is slightly lower than FY2006 levels. ■



Steel rebar is commonly used for road and new building construction.

Lumber is another project cargo that is shipped through Port Everglades and used by the building industry.



Petroleum

A consumer-demand based commodity, petroleum throughput and revenue also decreased during Fiscal Year 2009. Volumes decreased by 4.9 percent, from 113,941,485 barrels in FY2008 to 108,356,216 barrels in FY2009, which is slightly below FY1998 levels. Revenue, which is not determined by the price of the product but is derived mainly through marine service fees and the amount of product crossing the docks, decreased by 0.4 percent from $23,620,073 in FY2008 to $23,537,174 in FY2009.

However, the Petroleum Sector at Port Everglades remained strong, accounting for approximately one-quarter of total Port revenue.

The Port's total petroleum capacity increased by more than 10 percent this year as Vecenergy, the Vecellio Group's Energy Division based in West Palm Beach, Florida, built a new state-of-the-art petroleum terminal, which opened in FY2009 at Port Everglades. This is the first new petroleum terminal at the Port since the 1970s. The new Vecenergy terminal, which is on privately owned land within the Port's jurisdictional area, contains 11 petroleum storage tanks totaling 1.35 million barrels (56.7 million gallons) of bulk fuel capacity.

Also during FY2009, petroleum companies at Port Everglades met and sometimes exceeded Florida's 10 percent ethanol mandate. Two months after Governor Charlie Crist signed "The Energy, Climate Change and Economic Security Act of 2008" in June of 2008, requiring that all gasoline sold for motor vehicles in Florida contain 10 percent ethanol by 2010, the amount of ethanol passing through Port Everglades had already reached 10 percent of all gasoline throughput at the Port. During the preceding year, the oil terminals operating at Port Everglades made significant investments in ethanol tankage, receiving capabilities and fire suppression systems. Existing storage tanks were converted into ethanol service and new tanks were constructed. During FY2009, more than 7 million barrels – 294 hundred million gallons – of ethanol were received at Port Everglades, blended into gasoline and delivered to South Florida gas stations. This represents slightly more than the 10 percent required to meet the new Florida ethanol requirements. ■

Petroleum companies invested in constructing new tanks and refurbishing existing tanks to meet new ethanol mandates.

Real Estate

Real estate leases represent the fourth-largest source of revenue for Port Everglades, accounting for 11 percent of Port Everglades' total operating revenue.

In Fiscal Year 2009, Port Everglades' real estate revenue remained steady with a slight growth to $10,382,812. In FY2009, Port Everglades conducted the following real estate business:

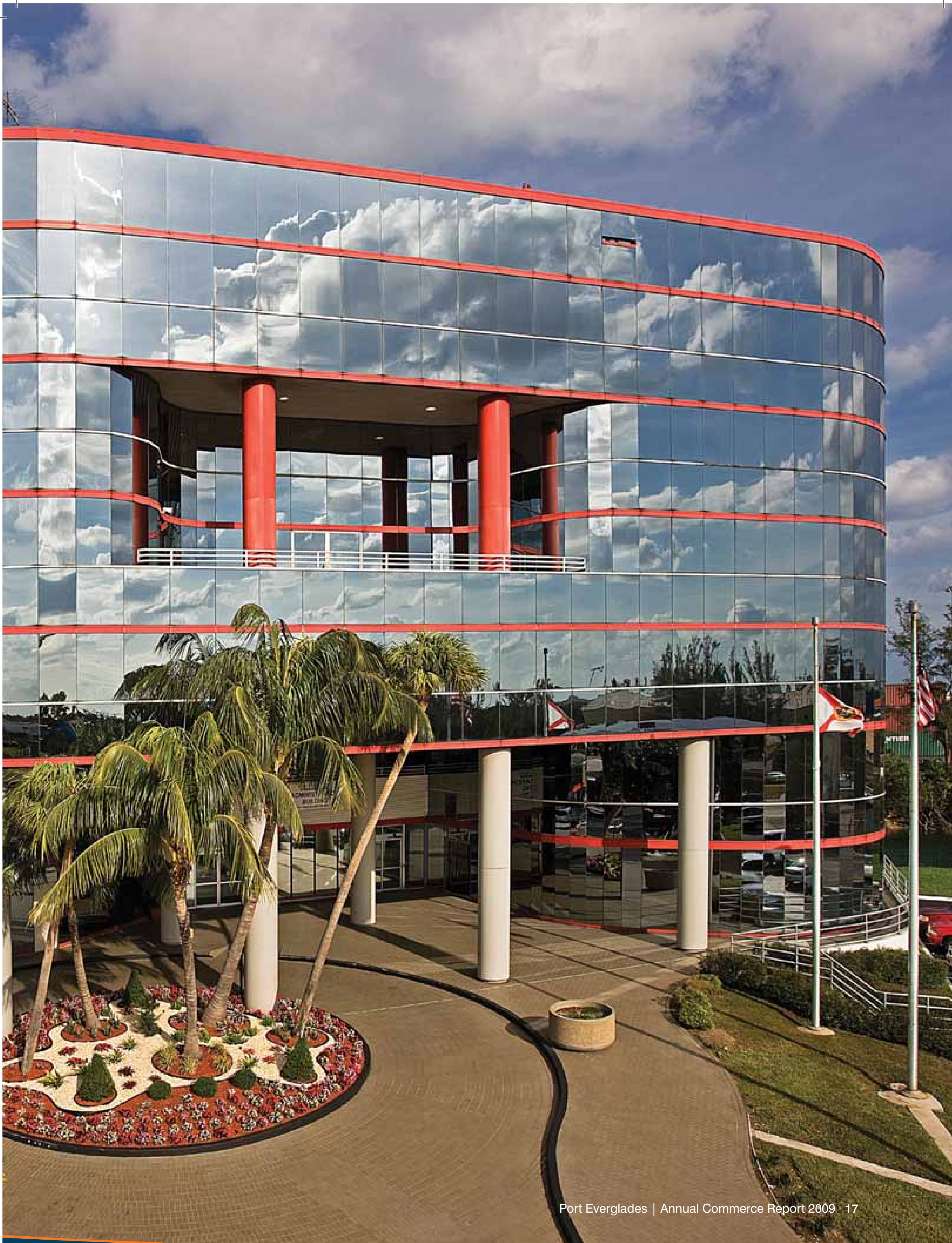
New Leases

- Argo Cargo, Inc., an import/export company, entered into a one-year lease for 7,984 square feet of warehouse space in Foreign-Trade Zone No. 25 (FTZ).
- Florida Rock & Tank Lines, Inc., a petroleum transport company, entered into a three-year lease for 3,637 square feet of warehouse/office space in Building 65 at Port Everglades, along with 37,219.8 square feet of adjacent vacant land.
- International Warehouse Services, Inc., a public warehouse operator, entered into a one-year lease for 32,194 square feet of warehouse space in the FTZ, as amended to 39,394 square feet.
- Pittsville Services, Inc., a trucking company, entered into a one-year lease for 17,440 square feet of vacant land adjacent to Building 62.
- TPSI Terminal L.L.C., a petroleum company, entered into a 10-year pipeline license agreement for petroleum operations at Port Everglades.

Tenant Expansions

- Champion T-Shirt Factory, Inc., a T-shirt printing company, increased its warehouse space in the FTZ from 2,955 square feet to 5,910 square feet.
- South Florida Petroleum Services, LLC, a petroleum offloading company, increased its office space from 2,210 square feet to 2,730 square feet in the 611 Amman Building. ■

Port Everglades has office space available for lease in the Amman Building (above) and in the Port Administration Building (right).



Foreign-Trade Zone No. 25

Foreign-Trade Zone No. 25 is conveniently located within the Port.

Continuing on an upward trend, revenue to Port Everglades derived from Foreign-Trade Zone No. 25 (FTZ), Florida's first and largest foreign-trade zone, increased by 17.5 percent in Fiscal Year 2009 to $1,172,294.

The dynamic growth in FTZ activity over the last several years, and the future potential of such growth, has stimulated the increase from 305 acres at four sites to over 388 acres at 11 sites. As a result, the Foreign-Trade Zones Board approved an Expansion and Reorganization of the Foreign-Trade Zone No. 25 on August 27, 2009. This approval preserves and expands the number and size of sites where FTZ activity can take place in Broward County.

New and expanding businesses continued to establish broader activity at Broward County's FTZ sites in FY2009. International Warehouse Services, Inc., opened an additional warehouse in Miramar; Fain & Swanson, Inc., moved into a Port Everglades warehouse; The Stanley Works, Inc., moved into a larger warehouse in Miramar; and Luxury Cruise Supply, Inc., became the first FTZ user in Lauderdale Lakes.

FTZ-approved businesses can take advantage of duty-free, duty-deferred and/or duty reduction programs of U.S. Customs and Border Protection to reduce taxes, improve cash flow and bolster profits. By using the FTZ, businesses of all sizes and a full range of commodity sectors can implement more effective economical solutions for cargo storage, merchandise manipulation and manufacturing needs.

While at an FTZ location, commodities are treated like they are on foreign soil. For example, car parts are shipped into Broward County from Japan and then are stored at the FTZ and redistributed to various Caribbean islands. Cosmetics are shipped to the FTZ from Europe and repackaged for retail stores in Latin America and the Caribbean. Perfume, wine and other goods are stored at the FTZ before being sold in duty-free shops on cruise ships.

FTZ activity results in the creation of jobs and the investment of dollars in Broward County as well as helping businesses grow. ■

Toyota Tsusho is located in a non-contiguous site that is part of Foreign-Trade Zone No. 25.


F02
F01
F04

U.S. Navy and Coast Guard

Port Everglades is the proud host of the U.S. Navy's annual Fleet Week, which is a celebration of our country's seagoing military. In addition, naval vessels from around the globe choose Port Everglades for provisioning and liberty calls in Broward County.

During Fiscal Year 2009, revenue derived from visiting naval and Coast Guard vessels declined 5.5 percent from $291,499 in FY2008.

As part of the Fleet Week 2009 celebration, presented by Humana Military Healthcare Services, the Port welcomed approximately 3,000 sailors and military personnel. Ships included:

- Dock landing ship USS Ashland (LSD 48) from Little Creek, VA
- Guided missile destroyer USS Forrest Sherman (DDG 98) from Norfolk, VA
- Coast Guard cutter USCGC Tahoma (WMEC 908) from Portsmouth, NH
- Submarine USS Toledo (SSN 769) from Groton, CT
- Canadian auxiliary oiler replenishment ship HMCS Preserver (AOR 510) from Halifax, Nova Scotia, Canada

For this Fleet Week, Port Everglades worked with Broward Navy Days and various law enforcement agencies to help develop a successful online registration for ship tours during Fleet Week, so more Broward County residents could participate.

Throughout the fiscal year, the Port also hosted port calls by military ships from the British and German navies.

Port Everglades also hosted the *USS Cole* for a four-day provisioning call. The *USS Cole* was commissioned at Port Everglades in 1996 and was the target of a suicide bombing in Yemen that killed 17 sailors in October 2000.

Port Everglades was especially honored to host the U.S. Navy Hospital Ship *USNS Comfort* for a port call at the end of their successful four-month deployment to seven countries in Latin America and the Caribbean as part of "Operation Continuing Promise," providing medical, dental and humanitarian assistance to citizens of those countries. ■

Deputy Port Director Glenn Wiltshire, pictured center, welcomed to Port Everglades Commodore Tom Negus, right, mission commander for Operation Continuing Promise 2009, and Captain James. J. Ware, left, commanding officer for the hospital aboard *USNS Comfort*.

The U.S. Navy hospital ship, *USNS Comfort,* visited Port Everglades after finishing up "Operation Continuing Promise" 2009, a four-month humanitarian trip to seven Latin American countries.


U.S. NAVAL HOSPITAL SHI
COMFORT

Port Development Paves Way for the Future

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As a self-supporting Enterprise Fund of Broward County, Port Everglades is charged with meeting its customers' needs, today and tomorrow, through an aggressive capital improvement plan that is paid through port user fees and state and federal grants. Capital growth is guided by a comprehensive Five-Year Master Plan with 10- and 20-Year Vision Plans that are updated every two years to ensure that international market and shipping trends are taken into account. The Broward County Public Works Department's Seaport Engineering and Construction Division oversees development at the Port. Projects completed and substantially completed in Fiscal Year 2009 included:

Port Everglades Master/Vision Plan Update

The Broward County Board of County Commissioners adopted the 2006 Port Everglades Master/Vision Plan in December 2007. This plan developed a comprehensive and realistic five-year capital improvement plan within the framework of 10- and 20-Year Vision Plans for all of the Port's business sectors. The first update to this document began in February 2009 and is estimated to be completed in the late summer of 2010. The total estimated capital investment for the 20-Year Vision Plan projects is $2 billion.

Cruise Terminal 18

Towards the end of FY2009, Port Everglades completed Cruise Terminal 18, the new home of the world's two largest cruise ships, Royal Caribbean International's *Oasis of the Seas* and *Allure of the Seas*. The Port invested approximately $75 million to more than triple the terminal's size from 67,500 square feet to 240,000 square feet, so arriving and departing cruise guests can go through processing procedures simultaneously. Each Oasis-class ship is projected to generate approximately 584,000 passenger movements annually at Port Everglades. The first of the 225,282-gross-registered-ton ships, *Oasis of the Seas*, began sailing year-round from Port Everglades in December 2009, with the second sister-ship, *Allure of the Seas*, to begin year-round sailings one year later. Construction of the $75 million cruise terminal created 1,414 construction jobs and is estimated to support more than 8,000 jobs after the fifth year of the Port's 10-year contract with Royal Caribbean International.

Signage

A new $2.6 million electronic sign program at Port Everglades is helping cruise guests better find their way to their cruise ships. An independent traffic consultant was contracted to analyze cruise passenger traffic patterns within Port Everglades and design programmable, electronic signs that are easily identifiable and readable. As a result, new custom-designed Variable Message Signs (VMS), made by Daktronics, have been installed at the Port's 11 full-time cruise terminals and two parking garages. Larger VMS signs greet guests at Port Everglades' three main entrances, providing ship names and cruise terminal locations in a rotating format. An estimated 25,000 linear feet of fiber optic cable allows Port personnel to control the electronic signs quickly with updated wording and helpful graphics. Static, color-coded way-finding signs supplement the electronic signs.

Midport Roadway Expansion

The roadways in Midport were widened prior to the start of the 2009/2010 cruise season to allow an additional taxi-queuing lane so that traffic can move more smoothly in and out of the area. An additional right-turn only lane leaving Midport also alleviates congestion at the traffic light at Eller Drive and Southeast 19th Street.

Cruise Terminal Roof Repairs

The Port recently replaced the roofs on several cruise terminals that were damaged during Hurricane Wilma. The total cost was $5.6 million.

Midport Cranes Upgrades/Replacement

Midport Crane P2 was upgraded to reduce air emissions and extend its useful life. To replace Midport Crane P1 which was removed during FY2009, the Port is purchasing a mobile harbor crane. This project is underway with completion estimated in Spring 2010.

Southport Container Yard Phase VIIA/VIII

A 41-acre container yard is being constructed between the Florida Power & Light (FPL) power lines and McIntosh Road north of the Dania Cut-off Canal in Southport. The total cost is estimated at $12.3 million, of which $7.75 million will be paid through a grant from the Florida Department of Transportation. The project is underway with completion estimated for Summer 2010. An estimated 332 construction jobs have been created for this project, which will support an estimated 355 direct jobs once completed.

FPL Intermodal Bridge

A new bridge is being built over the existing FPL Discharge Canal in Midport to connect the dockside of the existing Midport area to the backlands west of the FPL Discharge Canal in Southport. Currently, containerized cargo that needs to get to Southport from the Midport dock area must utilize the existing Eller Drive roadway which requires leaving and then re-entering the secure area of the Port. By constructing the bridge, container traffic will be able to make this movement without leaving the secure area of the Port. This project is slated to be completed by Summer 2010. An estimated 236 construction jobs have been created for this project. ■

1) Cruise Terminal 18 was completed on time and under budget. 2) The Port invested $3 million in a new sign program. 3) The new bridge over the FPL Discharge Canal is slated for completion in Summer 2010.

Attending the signing of a Memorandum of Understanding between Port Everglades and the Panama Canal Authority are, from left: Allan G. Bense, Vice Chairman of Enterprise Florida; Alberto Aleman Zubieta, Administrator of the Panama Canal Authority; Port Everglades Director Phillip C. Allen; and Florida Senator Nancy Detert, District 23.

Noteworthy

Panama Canal Authority Joins Forces with Port Everglades

The Panama Canal Authority's (ACP) Administrator and Chief Executive Officer Alberto Alemán Zubieta and Port Everglades Director Phil Allen signed a Memorandum of Understanding during a ceremony in August 2009, agreeing to encourage new business and trade between both organizations.

"Today, we ensure that the ACP and Port Everglades will work together to promote trade to Florida via the Panama Canal. We are both committed to achieving growth and serving the needs of the maritime industry," Zubieta said during the ceremony held in Panama.

By signing the MOU, the ACP and Port Everglades agree to exchange information about their latest modernization efforts. The ACP and Port Everglades will also work together to promote maritime trade. This could include joint advertising programs, data interchange, and competitive market analyses of the shipping industry.

Florida Governor and Lt. Governor Tour Port Projects

Florida Governor Charlie Crist and Lt. Gov. Jeff Kottkamp toured Port Everglades on June 15, 2009, for a first-hand glimpse of three construction projects that are being partially funded through $24 million in state grants and support more than 1,800 new construction jobs in Broward County.

"Cargo of all kinds passing through Florida's 14 deepwater ports is responsible for generating more than 550,000 direct and indirect jobs and $1.7 billion in state and local taxes. The value of international trade crossing our docks totaled more than $82.5 billion in 2008," said Nancy Leikauf, Executive Vice President of the Florida Ports Council, who also participated in the Port Everglades tour. "In addition, the Cruise Lines International Association reports that 54 percent of all U.S. cruise passengers boarded cruises from one

On tour of Port Everglades to see state tax dollars at work are, from left: Port Everglades Port Director Phillip C. Allen; Nancy Leikauf, Executive Vice President of the Florida Ports Council; Lt. Governor Jeff Kottkamp; and, Florida Governor Charlie Crist.

of Florida's cruise ports. And the cruise industry generates 126,500 jobs and $5.2 billion in wages in Florida. Seaports are a cornerstone of Florida's economy."

Governor Crist was at Port Everglades to sign legislation to increase worker access to Florida ports while maintaining strict security standards. Prior to the bill signing, the Governor and Lt. Governor made time to meet with Port Director Phil Allen and Deputy Port Director Glenn Wiltshire to take a tour of Port Everglades and discuss the new security bill.

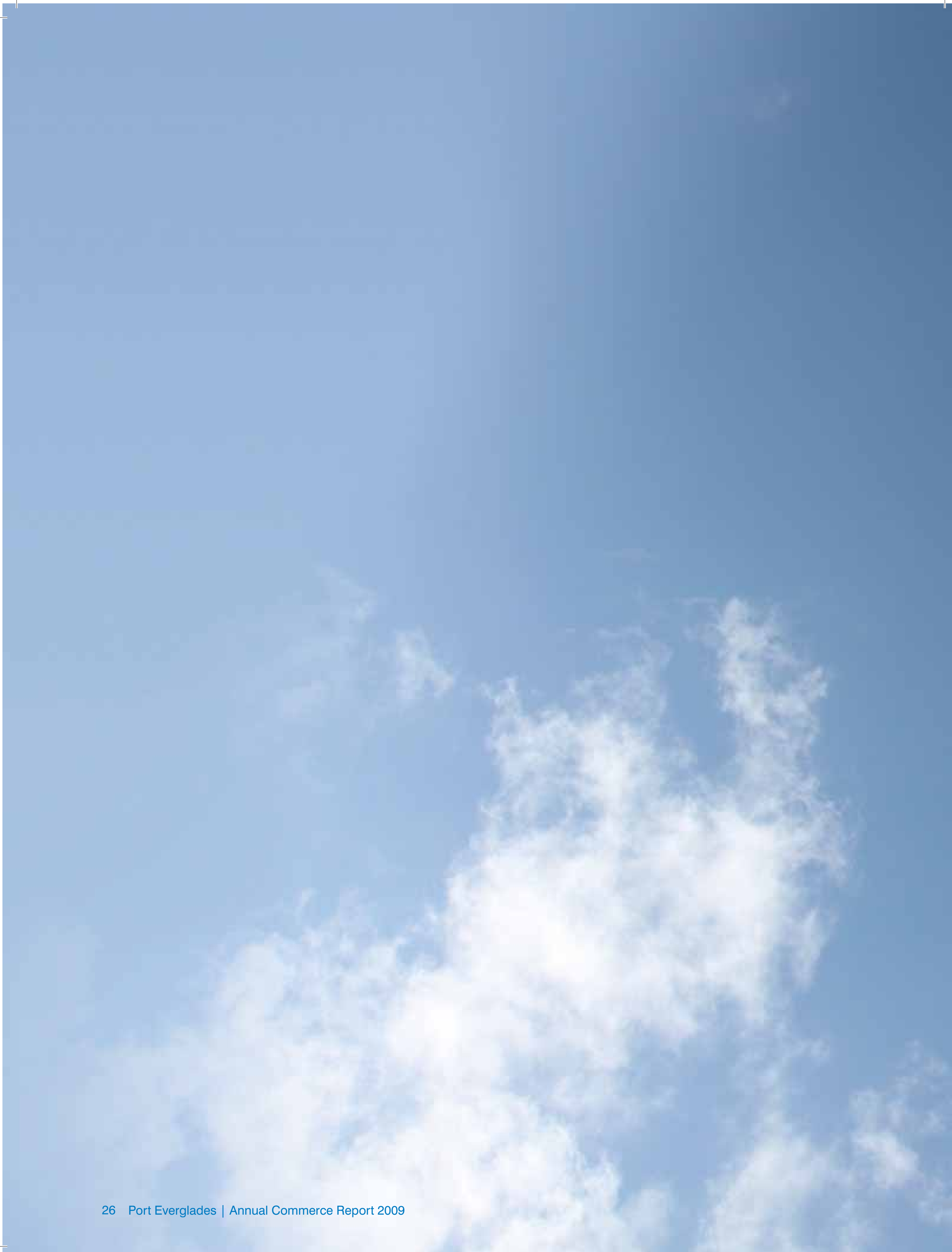
New Energy Program Cuts Emissions

Broward County's Port Everglades completed a two-year project to install new energy-efficient equipment in its cruise terminals and office buildings to cut greenhouse emissions by approximately 9.8 million pounds annually and save more than $4.55 million in energy costs over the next 10 years. In 2007, Port Everglades retained an independent consultant, Trane South Florida, to complete a comprehensive energy performance project at South Florida's fastest growing seaport. To implement the project, Trane worked with the Broward County Public Works Department's Energy and Building Automation Section and the Seaport Engineering and Construction Division.

New Port Website Promotes Broward County

Cruise passengers sailing out of Port Everglades can now book a hotel room and plan their pre- and post-cruise vacation directly from the Port's updated web site at www.porteverglades.net and through the main Broward County web site at www.broward.org/port. Similarly, international shippers and maritime service providers now have access to the Port's tariff, business directory, ship schedule and map, all just a click away on the same web page.

The updated porteverglades.net has a fresh style and navigational ease that complements South Florida's nautical character and the Port's diverse business mix of cruise, cargo, petroleum, foreign-trade zone and real estate. Boxes on each page highlight the site's most popular features such as the Daily Ship Schedule, Statistics, Tariff and the Port Map. ■



Port Statistics and Financial Statements

Port Statistics

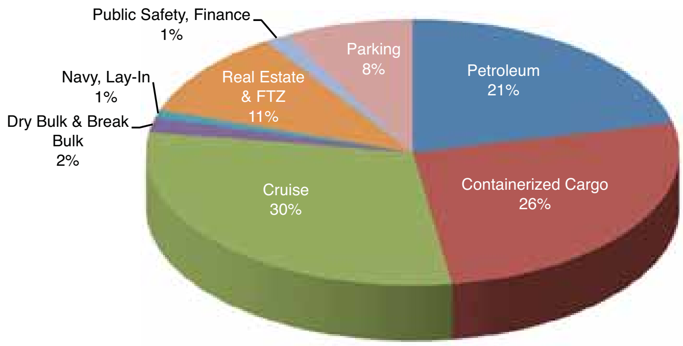
Port Everglades Waterborne Commerce Chart FY 2009-2000 Unaudited

FISCAL YEAR	2009	2008	2007
Operating Revenue	**$ 109,669,054**	**$ 117,441,067**	**$ 112,500,017**
Expenses	**$ 73,235,677**	**$ 73,093,351**	**$ 72,111,017**
Gross Margin	**$ 36,433,377**	**$ 44,347,716**	**$ 40,389,000**
TOTAL SHIP CALLS	**4,251**	**5,226**	**5,496**
Container Ships	1,980	2,197	2,270
Cargo Ships	105	157	202
Petrol. Tanker/Barge	683	727	732
Cruise Ships	1,007	1,676	1,852
Navy/USCG	34	22	39
Other bunkers/tugs	442	447	401
CRUISE PASSENGERS	**3,139,820**	**3,227,770**	**3,409,946**
Single Day	302,866	591,059	719,888
Multi-Day	2,836,954	2,636,711	2,690,058
Cruise Revenue	$ 32,655,785	$ 31,489,126	$ 31,483,362
CONTAINER CARGO (tons)	**5,204,103**	**6,584,747**	**6,060,149**
TEUS loaded	551,862	697,808	665,729
TEUS Total	796,160	985,095	948,680
Container Revenue	$ 28,711,223	$ 33,867,064	$ 28,556,927
TOTAL PETROLEUM (tons)	**15,337,063**	**16,143,971**	**17,486,726**
Barrels	108,356,216	113,941,485	122,979,685
Petroleum Revenue	$ 23,537,174	$ 23,620,073	$ 23,756,489
TOTAL BULK (tons)	**566,820**	**895,147**	**1,752,974**
Aggregate	138,189	278,497	304,456
Cement/Clinkers	306,727	494,054	1,432,837
Tallow	13,105	13,710	12,312
Gypsum	55,061	108,886	50,437
Bulk Revenue	$ 1,090,407	$ 1,599,476	$ 3,251,766
TOTAL BREAK BULK (tons)	**67,462**	**91,007**	**302,301**
Steel/Coils/Rebar	15,523	17,660	175,361
Lumber	176	1,473	22,071
Board Feet	130	1,091	16,349
Plywood	0	133	2,719
Break Bulk Revenue	$ 886,826	$ 1,670,354	$ 2,803,198
TOTAL RO/RO-FLO/FLO (tons)	**172,361**	**240,129**	**196,014**
Trucks/Trailers	40,903	69,712	57,390
Tractors	65,255	69,552	52,089
Yachts/Boats	53,871	75,729	63,999
Autos	11,314	23,845	20,184
Buses	1,018	1,291	1,720
NAVY REVENUE	**$ 275,564**	**$ 291,499**	**$ 501,215**
WATERBORNE COMMERCE	**21,503,720**	**24,227,435**	**26,400,271**

* FY2008 operating revenue includes a one-time $3.8 million payment from APM/Universal Terminal for early termination of the company's agreement and lease.
* FY2004 operating revenue includes a one-time $8.4 million lease termination settlement with PE Land Holdings, LLC.

2006	2005	2004	2003	2002	2001	2000
$ 107,577,863	$ 105,858,262	$ 112,476,658	$ 89,386,458	$ 88,916,308	$ 79,393,979	$ 75,641,930
$ 69,117,148	$ 65,232,415	$ 56,488,710	$ 53,817,229	$ 49,176,240	$ 42,444,470	$ 37,093,282
$ 38,460,715	$ 40,625,847	$ 55,987,948	$ 35,569,229	$ 39,740,068	$ 36,939,509	$ 38,548,648
5,510	5,901	6,389	5,853	5,484	5,572	5,842
2,185	1,988	1,890	1,880	1,859	2,128	2,463
268	247	231	213	196	220	236
744	751	763	798	748	768	735
1,763	2,362	2,854	2,215	1,963	1,793	1,677
29	18	25	17	22	42	44
521	535	626	730	696	621	687
3,239,154	3,801,464	4,075,406	3,375,671	3,485,857	3,072,343	2,737,389
779,470	1,113,101	1,400,110	1,050,174	1,030,395	1,106,189	1,141,224
2,459,684	2,688,363	2,675,296	2,325,497	2,455,462	1,966,154	1,596,165
$ 28,146,431	$ 30,000,619	$ 30,601,167	$ 25,223,188	$ 25,613,224	$ 20,398,597	$ 16,832,382
5,688,442	5,076,403	4,145,394	3,633,610	3,425,269	3,907,890	4,091,936
624,524	572,342	486,598	415,186	394,966	446,233	465,008
864,030	797,238	653,628	569,743	554,041	621,421	676,760
$ 25,393,178	$ 24,192,949	$ 20,487,292	$ 18,106,809	$ 18,021,927	$ 15,596,973	$ 17,887,509
17,566,394	18,338,378	17,585,603	16,958,171	16,005,275	16,776,992	15,970,467
123,479,901	128,842,410	123,734,414	119,100,503	112,416,933	117,909,362	112,399,725
$ 22,946,933	$ 22,945,117	$ 22,734,391	$ 19,803,802	$ 18,721,965	$ 19,100,805	$ 17,445,637
2,954,310	2,848,333	2,854,588	2,535,057	2,395,950	2,138,654	2,455,205
475,083	607,016	491,834	343,421	326,053	268,780	276,750
2,465,753	2,222,492	2,333,142	2,164,610	1,829,240	1,762,274	2,039,384
13,473	18,778	11,555	16,003	15,873	16,900	14,981
0	0	18,056	11,023	137,194	90,700	120,294
$ 5,661,670	$ 4,836,366	$ 4,595,168	$ 3,986,867	$ 3,774,584	$ 3,449,788	$ 3,847,404
376,535	279,139	297,678	161,195	189,785	200,111	317,642
256,271	159,353	150,951	76,471	139,091	120,650	224,893
48,143	36,871	43,778	40,539	30,792	49,894	40,347
34,388	21,477	32,429	30,029	22,809	36,959	29,887
38,895	25,339	47,445	22,289	11,591	9,615	8,302
$ 2,798,064	$ 2,228,132	$ 2,147,521	$ 1,318,299	$ 1,616,911	$ 1,466,058	$ 2,229,431
152,549	125,166	104,167	87,862	101,046	119,081	106,351
28,729	23,400	18,536	17,454	23,595	31,198	33,306
45,462	26,630	18,812	14,160	14,553	17,977	18,963
57,668	32,866	42,940	37,310	36,121	34,816	26,204
16,983	23,491	22,104	14,393	23,713	31,343	24,744
3,708	1,917	1,775	2,223	3,034	3,747	3,134
$ 436,146	$ 236,337	$ 415,837	$ 108,235	$ 76,408	$ 323,774	$ 303,226
27,114,362	27,159,194	25,462,798	23,870,023	22,732,854	23,744,118	23,925,515

Port Revenue Center Contributions



Source: Port Everglades Department

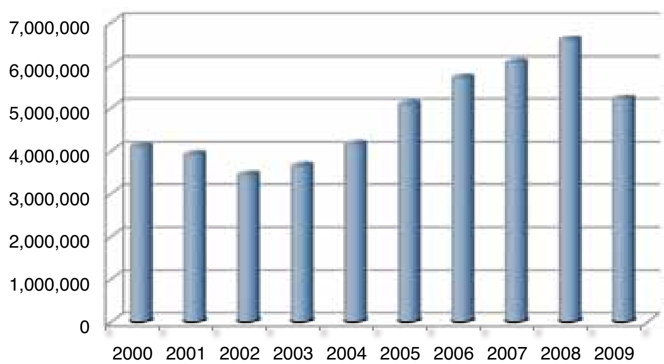
FY2009 Economic Impact Study Matrix

	CARGO	CRUISE	TOTAL
JOBS			
DIRECT	5,617	4,331	9,948
INDUCED	6,283	2,941	9,225
INDIRECT	3,771	2,932	6,703
RELATED USER JOBS	117,310	NA	117,310
TOTAL JOBS	132,980	10,204	143,185
PERSONAL INCOME (1,000)			
DIRECT	$254,778	$124,602	$379,380
INDUCED	$731,902	$283,646	$1,015,548
INDIRECT	$179,414	$93,147	$272,561
RELATED USER INCOME	$3,741,229	NA	$3,741,229
TOTAL PERSONAL INCOME	$4,907,324	$501,395	$5,408,718
VALUE OF ECONOMIC ACTIVITY (1,000)			
BUSINESS SERVICES REVENUE	$808,957	$1,329,358	$2,138,315
RELATED USER OUTPUT	$11,729,694	NA	$11,729,694
TOTAL VALUE OF ECONOMIC ACTIVITY	$12,538,650	$1,329,358	$13,868,008
LOCAL PURCHASES (1,000)	$334,049	$129,861	$463,910
STATE & LOCAL TAXES (1,000)			
DIRECT, INDUCED AND INDIRECT	$86,291	$37,103	$123,394
RELATED USER TAXES	$276,851	NA	$276,851
TOTAL STATE AND LOCAL TAXES	$363,142	$37,103	$400,245

Source: Martin Associates

Historic Container Growth Fiscal Growth FY2000-2009

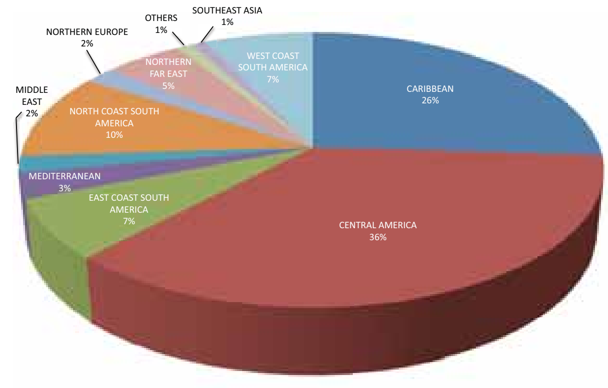
Measured in Short Tons



Source: Port Everglades Department

Percentage of Activity by Trade Lane

FY2009 in TEUs



Source: PIERS

Containerized Cargo Market Performance

FY2009

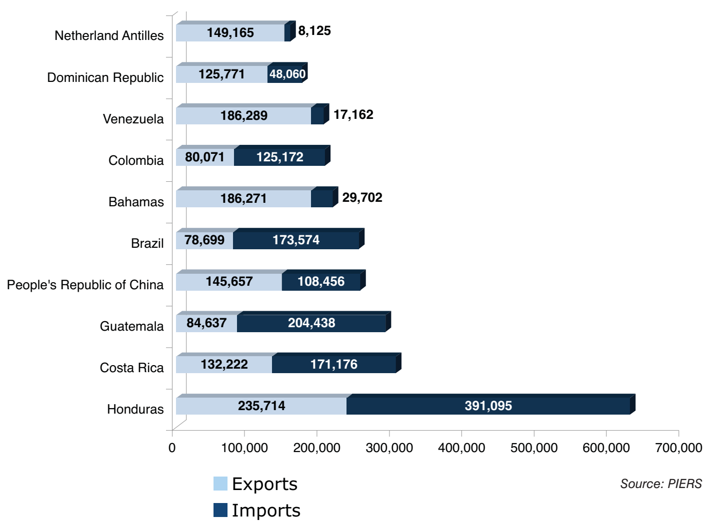
VOLUME IN SHORT TONS	US PORT						
TRADE LANE	CHARLESTON	JACKSONVILLE	MIAMI	PORT EVERGLADES	SAVANNAH	W PALM BCH	Grand Total
CARIBBEAN	48,216	3,611,681	1,292,574	1,243,034	213,054	1,017,804	7,426,363
CENTRAL AMERICA	275,508	33,273	1,116,174	1,651,506	247,322	288	3,324,071
EAST COAST SOUTH AMERICA	381,908	90,541	222,552	358,323	261,932	49	1,315,306
MEDITERRANEAN	369,553	7,750	231,252	268,567	1,761,822	171	2,639,116
MIDDLE EAST	1,415,136	43,288	91,156	156,040	1,674,302	48	3,379,971
NORTH COAST SOUTH AMERICA	158,077	160,742	281,797	441,144	165,616	17,086	1,224,462
NORTHERN EUROPE	3,215,270	41,879	564,785	124,366	1,807,544	1,616	5,755,461
NORTHERN FAR EAST	1,865,542	353,313	1,248,254	291,375	8,109,858	1,658	11,870,001
OTHERS	438,707	23,357	65,152	47,411	1,121,289	106,187	1,802,103
SOUTHEAST ASIA	470,158	75,405	227,380	42,052	1,767,597	162	2,582,754
WEST COAST SOUTH AMERICA	553,171	385,225	34,066	368,461	538,599	388	1,879,910
GRAND TOTAL	9,191,245	4,826,457	5,375,142	4,992,279	17,668,936	1,145,459	43,199,518

TOTAL TRAFFIC TEUs	US PORT						
TRADE LANE	CHARLESTON	JACKSONVILLE	MIAMI	PORT EVERGLADES	SAVANNAH	W PALM BCH	Grand Total
CARIBBEAN	4,929	486,357	153,871	147,505	20,892	116,960	930,514
CENTRAL AMERICA	29,022	3,315	146,855	206,466	29,137	36	414,831
EAST COAST SOUTH AMERICA	33,084	7,323	25,007	39,925	22,322	3	127,664
MEDITERRANEAN	38,739	976	19,271	20,013	158,857	16	237,873
MIDDLE EAST	154,950	3,692	8,988	10,718	174,034	5	352,387
NORTH COAST SOUTH AMERICA	14,825	21,723	32,961	54,693	14,071	1,898	140,170
NORTHERN EUROPE	360,699	3,863	66,818	11,668	182,912	228	626,187
NORTHERN FAR EAST	213,422	46,064	134,654	27,913	928,511	187	1,350,750
OTHERS	44,246	2,312	4,938	4,040	107,406	9,063	172,005
SOUTHEAST ASIA	49,653	7,613	24,588	3,220	182,521	23	267,618
WEST COAST SOUTH AMERICA	51,754	38,812	2,721	42,977	44,879	24	181,167
GRAND TOTAL	995,323	622,049	620,672	569,138	1,865,542	128,441	4,801,166

Source: PIERS

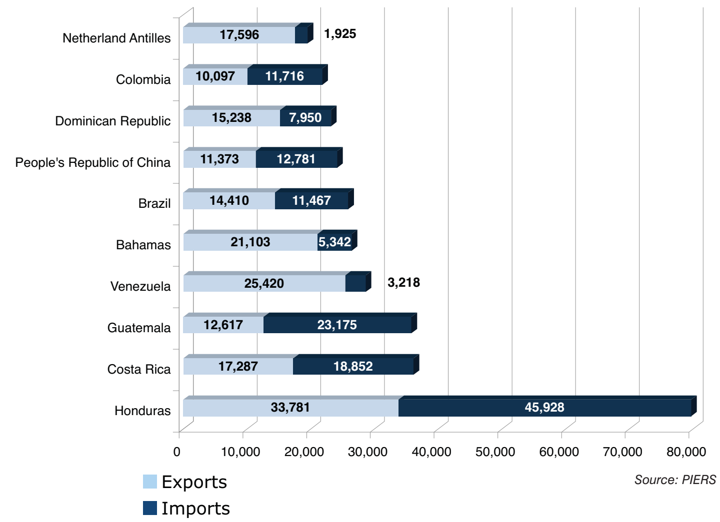
Top 10 Trading Partners for Containerized Cargo

Volume Measured in Short Tons



Source: PIERS

Volume Measured in TEUs



Source: PIERS

Top 10 Exported Containerized Commodities*

RANK	COMMODITY	TONS	TEUS	VALUE
1	PAPER & PAPERBOARD, INCL WASTE	277,016	22,955.8	$ 266,049,365
2	GROCERY PRODS, MISC.	228,691	24,214.3	$ 602,282,527
3	GENERAL CARGO, MISC	219,437	29,396.4	$ 703,083,700
4	METAL SCRAP, FERROUS, PIG IRON	108,420	5,744.3	$ 45,958,262
5	YARNS, MISC.	106,964	11,755.7	$ 282,227,704
6	BUILDING MATERIALS	103,120	10,061.4	$ 1,142,480,845
7	APPARELS, MISC.	88,821	10,602.9	$ 1,259,411,940
8	POULTRY, CHIEFLY FRESH & FROZEN	87,753	6,987.1	$ 82,570,340
9	AUTOMOBILES	81,862	22,283.6	$ 691,204,386
10	AUTO PARTS	77,603	9,880.4	$ 527,296,001

*Table included loaded TEUs only

Source: PIERS

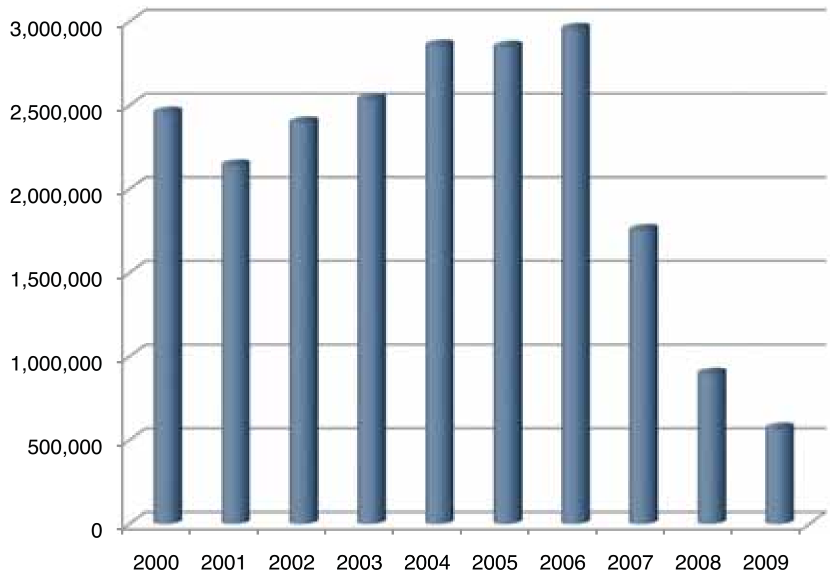
Top 10 Imported Containerized Commodities*

RANK	COMMODITY	TONS	TEUS	VALUE
1	BANANAS	257,520	24,326	$ 92,472,447
2	FRUITS, MISC	235,066	21,071	$ 78,994,756
3	CERAMIC & MOSAIC TILES	150,925	6,569	$ 74,748,007
4	VEGETABLES	144,823	14,062	$ 92,806,524
5	NON ALCOHOLIC BEVERAGES	119,333	9,545	$ 117,068,200
6	UNDERWEAR, T-SHIRTS	75,605	10,008	$ 947,230,491
7	BEER & ALE	58,057	4,368	$ 33,464,435
8	PINEAPPLES, EXCEPT CANNED	53,499	4,952	$ 21,521,135
9	MARBLE, ONYX	53,156	2,383	$ 53,393,155
10	GRANITE	44,299	1,755	$ 33,801,611

*Table included loaded TEUs only

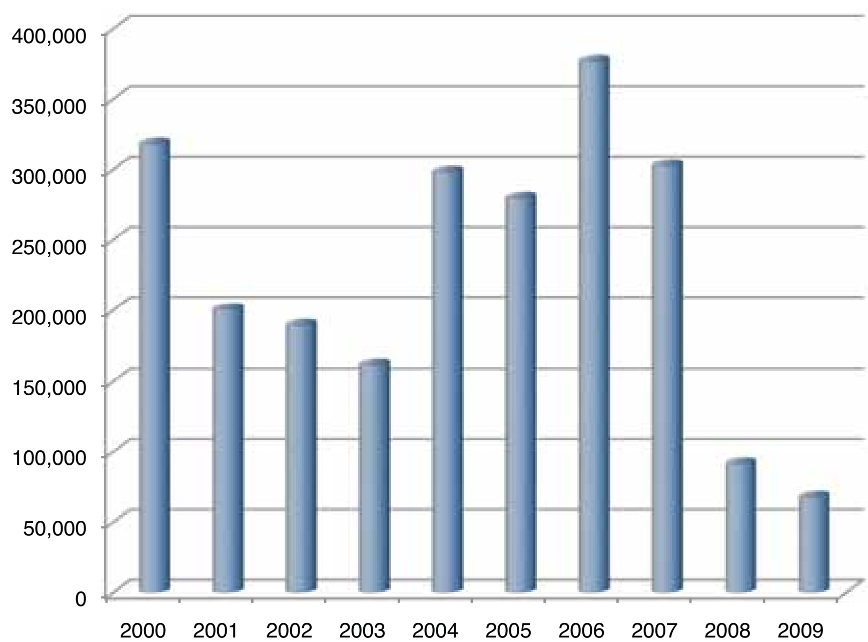
Source: PIERS

Historical Bulk Cargo Activity
FY2000-2009
Measured in Short Tons



Source: Port Everglades Department

Historical Break Bulk Cargo Activity
FY2000-2009
Measured in Short Tons



Source: Port Everglades Department

Foreign-Trade Zone No. 25 Statistics - (Unaudited)

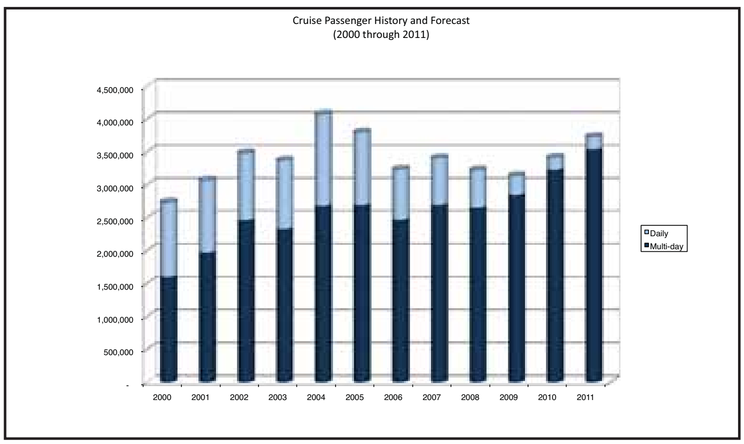
Received into FTZ No. 25	
General-Purpose Zone	$227,368,024
Subzones	$1,807,935,456
Total	$2,035,303,480
Forwarded from FTZ No. 25	
General-Purpose Zone	$236,687,293
Subzones	$1,870,499,140
Total	$2,107,186,433

Top Five Foreign Countries of Origin
Venezuela
France
Great Britain
China
Japan
Top Five Foreign Commodities
Jet Fuel
Liquor, Beer, and Wine
Cosmetics
Tools
Auto Parts

Source: Port Everglades Department

Historical Passenger Activity

FY2000 vs. FY2000-2011



Source: Port Everglades Department

Petroleum Product Throughput

FY2008 vs. FY2009

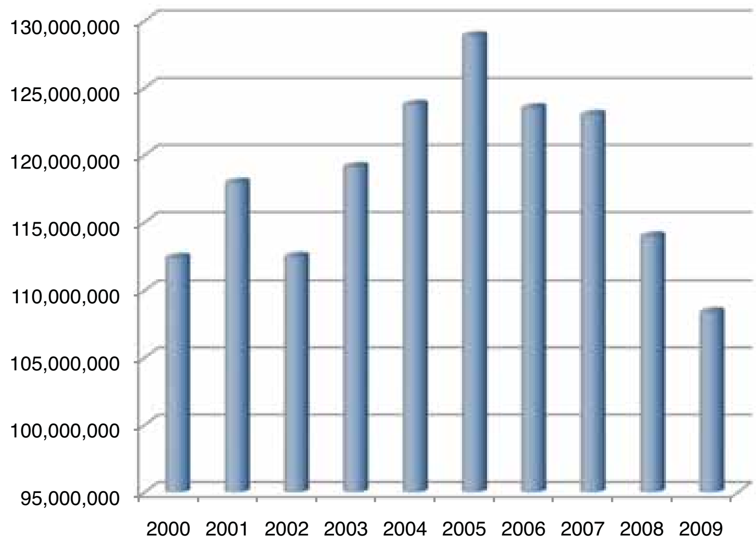
	FY2008	FY2009	Percentage Change	
Revenue	$23,620,073	$23,537,174	($82,899)	0%
Barrels	113,941,485	108,356,216	(5,585,269)	-5%
Asphalt	862,566	658,307	(204,259)	-31%
Aviation Gasoline	270,156	241,288	(28,868)	-12%
Diesel Fuel	14,476,872	12,825,889	(1,650,983)	-13%
Fuel Oil	5,540,248	5,681,218	140,970	2%
Gasoline	62,116,484	57,431,037	(4,685,447)	-8%
Jet Fuel	26,291,783	24,684,157	(1,607,626)	-7%
Propane	678,705	526,030	(152,675)	-29%
Cruise Oil Loaded	670,684	649,894	(20,790)	-3%
Ethanol	2,554,820	5,558,480	3,003,660	118%
Bio-diesel	479,168	99,916	(379,252)	-380%

Source: Port Everglades Department

Historical Petroleum Activity

FY2000-2009

(In Barrels)

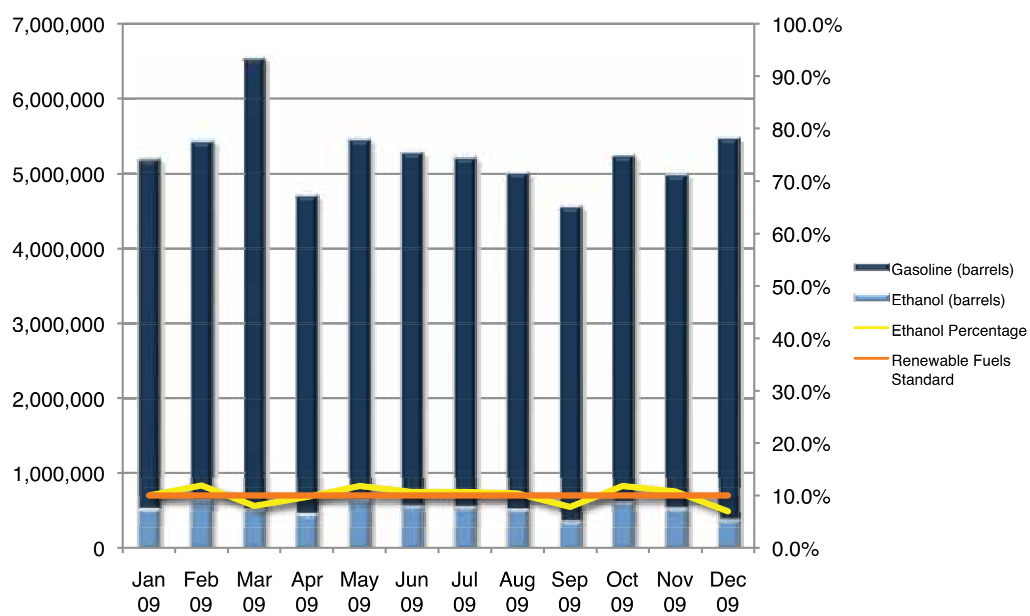


Source: Port Everglades Department

Port Everglades Business Community

FY2009

(Meets the Florida Renewable Fuels Standard)



Source: Port Everglades Department

PORT EVERGLADES DEPARTMENT
of Broward County, Florida
Statement of Net Assets
September 30, 2009 and 2008
(Unaudited)

ASSETS		**2009**		**2008** (Restated: Note K)
Current assets:				
Cash and cash equivalents	$	1,917,386	$	14,664,475
Investments		169,914,445		148,720,336
Accounts receivable - trade (less estimated uncollectible accounts of $309,564 in 2009 and $309,564 in 2008)		6,342,038		7,515,729
Accounts receivable - other (less estimated uncollectible accounts and unamortized discounts of $95,583 in 2009 and $104,088 in 2008)		138,854		140,886
Due from other governments		2,322,139		489,838
Inventories		3,747,808		3,036,171
Prepaid expenses & insurance		3,037,606		1,624,888
Total current assets		187,420,276		[illegible]
Restricted assets:				
Cash and cash equivalents		50,182,745		14,060,316
Investments		19,203,955		26,313,122
Total restricted assets		69,386,700		40,373,438
Bond issue costs and other deferred charges		3,517,039		2,962,089
Capital assets, less accumulated depreciation		380,445,079		316,905,645
Capital assets held for leasing, less accumulated depreciation		186,476,512		189,075,218
Total assets		827,245,606		725,508,713

PORT EVERGLADES DEPARTMENT
of Broward County, Florida
Statement of Net Assets (continued)
September 30, 2009 and 2008
(Unaudited)

LIABILITIES		2009		2008 (Restated: Note K)
Current liabilities:				
Accounts payable	$	6,289,027	$	1,868,313
Contracts payable		17,494,963		7,790,963
Salaries and benefits payable		482,488		459,002
Compensated absences		1,069,000		1,044,000
Due to other governments		2,221,155		2,502,652
Commercial paper (Note E)		0		5,000,000
Total current liabilities		27,556,633		18,664,930
Current liabilities payable from restricted assets:				
Contracts payable		396,118		126,908
Security deposits		533,775		597,697
Accrued interest		1,931,004		1,045,586
Unearned grant revenue, capital contributions		39,247		200,265
Bonds payable - current portion		15,480,000		12,900,000
Total current liabilities payable from restricted assets		18,380,144		14,870,456
Noncurrent liabilities:				
Compensated absences		1,196,000		1,097,000
Other post employment benefits liability (Note I)		212,356		101,865
Bonds payable, net of discounts and premiums		300,797,754		232,746,827
Total liabilities		348,142,887		267,481,078
Commitments and contingencies (Notes C,D,E,F,G, H and L)				
NET ASSETS:				
Invested in capital assets, net of related debt		271,261,572		259,880,672
Restricted for:				
Capital projects		18,003,585		14,725,644
Debt service		11,056,290		4,046,975
Renewal and replacement, and operating and maintenance		17,205,060		16,681,400
Unrestricted		161,576,212		162,692,943
Total net assets	$	479,102,719	$	458,027,634

PORT EVERGLADES DEPARTMENT
of Broward County, Florida
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Years Ended September 30, 2009 and 2008
(Unaudited)

	2009	2008 (Restated: Note K)
Operating revenues:		
Vessel and cargo services, net of allowance for doubtful accounts of ($25,257) in 2008	$ 87,398,617	$ 89,739,003
Lease of facilities	9,610,643	9,788,225
Vehicle parking	8,578,746	9,118,157
Lease termination settlement (Note M)	-	3,800,000
Other	4,081,048	4,995,682
Total	109,669,054	117,441,067
Operating expenses:		
Personal services	18,738,883	19,351,036
General operating	54,496,794	53,742,315
Total	73,235,677	73,093,351
Income from operations before depreciation	36,433,377	44,347,716
Depreciation	20,250,286	20,022,400
Income from operations	16,183,091	24,325,316
Non-operating revenues (expenses):		
Cost share reimbursement (Note K)	4,722,624	3,727,994
Interest income - other	4,066,725	6,917,857
Interest income - from bond proceeds	176,990	502,640
Interest expense	(12,727,989)	(13,845,019)
Gain (loss) on disposal of assets	(654,006)	(184,764)
Discontinued project's costs	(26,708)	(15,844)
Interest rate swap termination fee (Note F)		(3,390,000)
Other expense, net	(1,294,038)	(364,404)
Total	(5,736,402)	(6,651,540)
Net income before capital contributions	10,446,689	17,673,776
Capital contributions (Note J)	10,628,396	4,204,155
Change in net assets	21,075,085	21,877,931
Total net assets, beginning of period	458,027,634	436,149,703
Total net assets, end of period	$ 479,102,719	$ 458,027,634

PORT EVERGLADES DEPARTMENT
of Broward County, Florida
Statement of Cash Flows
For the Years Ended September 30, 2009 and 2008
(Unaudited)

	2009	2008 (Restated: Note K)
Cash flows from operating activities:		
Cash received from customers	$ 110,725,189	$ 117,398,384
Payments to suppliers for goods and services	(53,358,399)	(53,958,275)
Payments to employees for services	(18,480,906)	(18,988,343)
Net cash provided by operating activities	38,885,884	44,451,766
Cash flows from noncapital financing activities:		
Other non-operating cash (expended) or received, net	(1,040,474)	(277,176)
Interest rate swap termination fee	0	(3,390,000)
Net cash used by noncapital financing activities	(1,040,474)	(3,667,176)
Cash flows from capital and related financing activities:		
Cost share reimbursement	4,862,510	3,398,671
Capital contributions (Note J)	8,635,077	4,213,616
Principal payments on commercial paper	(5,000,000)	
Principal payments on bonds	(12,900,000)	(55,380,091)
Proceeds from bond issue	82,731,471	43,887,216
Interest and fiscal charges paid	(12,311,054)	(11,090,442)
Acquisitions of capital assets	(70,645,003)	(25,337,397)
Proceeds from sales of capital assets	14,422	22,778
Net cash used by capital and related financing activities	(4,612,577)	(40,285,649)
Cash flows from investing activities:		
Purchase of investments	(229,823,950)	(287,408,164)
Proceeds from sales and maturities of investments	215,278,717	249,819,160
Interest on investments	4,687,740	7,410,702
Net cash used by investing activities	(9,857,493)	(30,178,302)
Increase (decrease) in cash and cash equivalents	23,375,340	(29,679,361)
Cash and cash equivalents, beginning of period	28,724,791	58,404,152
Cash and cash equivalents, end of period	$ 52,100,131	$ 28,724,791
Classified as:		
Current assets	$ 1,917,386	$ 14,664,475
Restricted assets	50,182,745	14,060,316
Total	$ 52,100,131	$ 28,724,791

PORT EVERGLADES DEPARTMENT
of Broward County, Florida
Statement of Cash Flows (continued)
For the Years Ended September 30, 2009 and 2008
(Unaudited)

	2009	2008 (Restated: Note K)
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	$ 16,183,091	$ 24,325,316
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	20,250,286	20,022,400
Decrease (increase) in operating assets:		
Accounts receivable - trade	1,100,574	(168,838)
Accounts receivable - other	19,482	404,086
Due from other County funds	-	(489,838)
Inventories	(711,637)	(548,990)
Prepaid expenses & insurance	(2,234,766)	196,826
Increase (decrease) in liabilities:		
Accounts payable	4,366,296	19,370
Salaries and benefits payable	23,486	124,828
Compensated absences	124,000	136,000
Due to other governments	(281,497)	606,670
Security deposits	(63,922)	(277,929)
Other post employment benefits liability	110,491	101,865
Total adjustments	22,702,793	20,126,450
Net cash provided by operating activities	$ 38,885,884	$ 44,451,766
Supplemental:		
Non-cash capital and related financing activities:		
Amortization of deferred charges, bond issue and discount costs	$ 1,017,373	$ 957,530
Amortization of master plan	822,048	0
Capital appreciation of bonds	0	160,314
Property and equipment acquired through contractor agreements	17,891,081	7,917,871
Total	$ 19,730,502	$ 9,035,715

PORT EVERGLADES DEPARTMENT
Broward County, Florida
Notes to Financial Statements
September 30, 2009 and 2008
(Unaudited)

A. Summary of Significant Accounting Policies

Reporting Entity: Port Everglades Department (the “Port”), a department of Broward County (the “County”), formerly known as Port Everglades Authority, is located in Broward County, Florida, and was originally created in 1927 by a Special Act of the Florida Legislature, to create and promote commerce and industry through the operation of a deep-water seaport. The Port jurisdictional area consists of approximately 2,190 acres, inclusive of land and water, designated for shipping, warehousing, and all other non-residential uses as approved. The Port owns approximately 1,277 acres.

The Board of County Commissioners of Broward County, Florida (the “County Commission”) is responsible for legislative and fiscal control of the County. A County Administrator is appointed by the County Commission and is responsible for administrative and fiscal control of all County departments through the administration of directives and policies established by the County Commission.

On March 10, 1992, voters approved a binding referendum to abolish the Port Everglades Authority and transfer control to the County Commission. The Port remained independent until November 22, 1994, (thereafter known as Port Everglades Department, a department of Broward County, Florida). Chapter 91-346 (resolution 92-1734), Laws of Florida, provided for dissolution and required Broward County to assume all of the Port’s assets and obligations. The same law restricts the use of all monies and revenues owned or generated by Port Everglades for port purposes; to the same extent as such revenues could have been used prior to its dissolution and transfer of its assets to Broward County.

Basis of Presentation and Accounting: The Port uses the enterprise fund type to account for all of its operations. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Amounts reported as program revenues include 1) charges to customers for sales and services, 2) operating grants and contributions, and 3) capital grants and contributions. The financial statements distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Port’s principal ongoing operations. The principal operating revenues of the Port are charges to customers for services rendered. Operating expenses include the cost of services, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budgetary Requirements: State of Florida statutes require that all county governments establish budgetary systems and approve balanced annual budgets for such funds as may be required by law or by sound financial practices and generally accepted accounting principles. The County Commission, after review of the tentative budgets, holds a public hearing and then adopts the annual budget. Budgets are monitored at varying levels of classification detail. However, expenditures cannot legally exceed total appropriations of the individual fund level. All appropriations for the Port, except capital outlay items, lapse at year-end.

PORT EVERGLADES DEPARTMENT
Broward County, Florida
Notes to Financial Statements
September 30, 2009 and 2008
(Unaudited)

A. Summary of Significant Accounting Policies (continued):

Cash Equivalents and Investments: Cash equivalents consist of demand deposits with banks, investments with original maturities at time of purchase of three months or less, and equity in the County's cash management pool. Investments are carried at cost plus accrued interest as required by County policy.

In accordance with Statement No. 31 of the Governmental Accounting Standards Board, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," which is effective for fiscal years beginning after June 15, 1997, investments that mature within one year of acquisition are stated at cost plus accrued interest. Investments with a remaining maturity of more than one year at the time of purchase are carried at fair value adjusted for amortization of premiums and accretion of discounts. The fair value of investments has been determined through the bank's pricing service as established by general industry practices. Any realized gains or losses in fair value are reported in the operations of the current period. There were no realized gains or losses in fair market value at September 30, 2009 and 2008.

Inventories: Inventories, which include crane spare parts, fire retardant chemicals and other supplies, are recorded at the lower of cost (first-in, first-out method) or market.

Capital Assets: Capital assets are stated at cost or, if donated, fair market value on the date of donation. Capital assets are defined as assets with an initial, individual cost of $1,000 or more and an estimated useful life in excess of one year. Expenditures that materially extend the useful lives of existing assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are expensed. The cost of property sold or retired, together with the related accumulated depreciation, is removed from the appropriate accounts and any resulting gain or loss is included in net income. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Piers	20 – 50	years
Buildings	30 – 50	years
Other improvements	10 – 30	years
Machinery and equipment	3 – 20	years
Cranes	30	years

Capitalization of Interest Costs: As required by Statements of Financial Accounting Standards No. 34 and No. 62, the Port has capitalized interest cost relating to construction of property and equipment. Interest cost is capitalized on projects during the construction period. The Port capitalized $1,267,939 and $328,455 of interest cost for the year-ended September 30, 2009 and 2008, respectively. Interest related to the 2008 Series Subordinate Port Facilities Bonds is paid monthly. Interest related to all of the other bond issues is paid semi-annually in March and September.

Risk Management: The Port is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Under the County's Risk Management Program, the Self-Insurance Fund for Worker's Compensation provides coverage for up to a maximum of $2,000,000 (Self-Insured Retention Limit) for each workers compensation occurrence. In addition, the County has purchased excess coverage for losses above the $2,000,000 self-insured retention limit.

PORT EVERGLADES DEPARTMENT
Broward County, Florida
Notes to Financial Statements
September 30, 2009 and 2008
(Unaudited)

A. Summary of Significant Accounting Policies (continued):

The County (through the Self-Insurance Fund or purchased insurance program) purchases commercial insurance for group health and life, disability, property damage, and numerous smaller policies that are required by lease agreements, union contracts, state statutes, etc. The Port has excess port liability insurance with a $15,000 self-insurance retention with a maximum limit per occurrence of $50 million. The County is self-insured for all other general liability and auto liability exposures.

Net Assets: The amounts reserved for debt service, renewal and replacement, and operating and maintenance are the amounts legally required by bond indentures.

B. Cash and Investments

The County maintains a pool for substantially all cash and cash equivalents and investments. These balances are reflected in the financial statements as "cash and cash equivalents" or "restricted assets" as appropriate. Earnings are allocated daily to each fund based on average daily balances of cash and investments. The Port considers all investments with an original maturity of three months or less on their acquisition date to be cash equivalents.

Custodial Credit Risk: At September 30, 2009 and 2008 the carrying values of the Port's bank deposits were $6,281,879 and $10,687,372 and the respective bank balances were $792,438 and $5,253,553. All cash deposits are held in qualified public depositories pursuant to State Statutes. Under the Statutes, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depositories' collateral pledging level. The pledging level may range from 50% to 125% depending on the depositories' financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any potential losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

Interest Rate Risk: In accordance with its investment policy, the County manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio within the falling maturity categories:

Overnight	25%
2 – 3 days	70%
30 – 365 days	80%
366 – 547 days	30%
548 days – 5 years	15%

As of September 30, 2009, the portfolio weighted average maturity was 508 days.

PORT EVERGLADES DEPARTMENT
Broward County, Florida
Notes to Financial Statements
September 30, 2009 and 2008
(Unaudited)

B. Cash and Investments (continued):

Credit Risk: Under State Statutes and County Ordinances, the County is authorized to investment in obligations of the U.S. Treasury, its agencies and instrumentalities, commercial paper, repurchase agreements, certificates of deposit, the Local Government Surplus Funds Trust Fund, an SEC Rule 2a-7 like fund which has the characteristics of a Money Market Fund, the Florida Tax Collectors Service Corporation and the Florida Local Government Investment Trust. County policy requires that securities underlying repurchase agreements must have a market value of at least 101 percent of the cost of the repurchase agreements. There were no losses during the period due to default by counterparties to investment transactions, and no types of investments during the period other than those enumerated above.

Concentration of Credit Risk: The County places no limit on the amount that may be invested in securities of the U.S. Government or its agencies. The County does limit the amounts that may be invested in repurchase agreements and other investments to 40% and 20% of the countywide portfolio, respectively. These investments, as of September 30, 2009, were substantially below the limits on a countywide basis.

As of September 30, 2009 and 2008 the Port's deposits, cash and cash equivalents, and investments consisted of the following:

	Fair Value Amount	Market Value		Days to Maturity[3]
2009				
Deposits	$ 6,281,879	$ 6,281,879		
Cash equivalents:				
Money market funds:				
Federated Federated Government Obligation Money Market Fund, CUSIP 60934N807, .03% yield	35,951,336	35,951,336	[2]	
Commercial paper:				
General Electric Capital Svcs, due 11/23/2009, .450% yield	9,993,375	9,993,375	[1]	53
ING Funding, due 1/13/2010, .710% yield	12,984,978	12,984,978	[1]	104
JP Morgan, due 8/06/2009, .350% yield	5,798,618	5,798,618	[1]	33
	64,728,307	64,728,307		
Investments:				
Equity in pooled cash investments	43,909,000	43,909,000		
U.S. Government agencies:				
U.S. Treasury Bills, due 02/11/2010, .12% - .17% yield	14,970,491	14,995,320	[2]	133
U.S. Treasury Bills, due 04/01/2010, .12% - .17% yield	24,942,492	24,976,575	[2]	182
Federal Home Loan Mtg. Corp., due 04/30/2010, 2.48% yield	21,675,318	21,315,000	[1]	211
Federal Home Loan Mtg. Corp., due 01/11/2010, 2.48% yield	4,998,895	4,998,500	[1]	102
Federal Home Loan Bank, due 06/11/2010, .57% yield	7,980,716	7,988,000	[1]	211
Federal Home Loan Bank, due 10/06/2009, .45% yield	19,998,056	20,000,000	[1]	5
Federal Home Loan Bank, due 10/15/2009, .70% yield	5,074,605	5,075,000	[1]	14
Federal Agricultural Mortgage Corporation, due 9/22/2010, .00% yield	14,206,582	14,220,211	[1]	356
Federal Farm Credit Bank, due 07/09/2010, 3.25% yield	12,452,191	12,477,500	[1]	281
	126,299,345	126,046,106		
Total September 30, 2009	$ 241,218,531	$ 240,965,292		

PORT EVERGLADES DEPARTMENT
Broward County, Florida
Notes to Financial Statements
September 30, 2009 and 2008
(Unaudited)

B. Cash and Investments (continued):

2008	Fair Value Amount	Market Value	Days to Maturity[3]
Deposits	$ 10,687,372	$ 10,687,373	
Cash equivalents:			
Money market funds:			
Fidelity Institutional Money Market Fund Class III Treasury Portfolio (Fund 696, CUSIP S99992760, Fund Symbol FISXX), 1.59 - 1.60% yield	3,487,126	3,487,126 [2]	
Dreyfus Treasury & Agency Cash Management Fund Institutional Shares (Fund 673 Inv, CUSIP S99991980), 1.11% yield	3,858,477	3,858,477 [2]	
	7,345,603	7,345,603	
Investments:			
Federal Home Loan Bank, due 12/02/2008, 2.40% yield	5,588,853	5,476,350 [1]	62
Federal Home Loan Bank, due 12/12/2008, 2.15% yield	5,102,963	5,099,375 [1]	72
	10,691,816	10,575,725	
Investments:			
Equity in pooled cash investments	37,075,000	37,075,000	
Commercial paper:			
ING Funding, due 12/22/2008, 2.86% yield	8,895,950	8,895,949 [1]	82
ING Funding, due 10/06/2008, 2.71% yield	12,495,295	12,495,295 [1]	5
	21,391,245	21,391,244	
U.S. Government agencies:			
U.S. Treasury Bills, due 02/26/2009, .90% yield	1,821,958	1,819,910 [1]	148
Federal Home Loan Mtg Corp, due 01/16/2009, 5.00% yield	15,144,458	15,084,375 [1]	107
Federal Farm Credit Bank, due 11/14/2008, 2.38% yield	6,277,701	6,280,889 [1]	44
Federal Home Loan Bank, due 03/18/2009, 2.41% yield	21,021,745	20,921,250 [1]	168
U.S. Treasury Bills, due 05/15/2009, 4.88% yield	25,806,519	25,476,563 [1]	226
Federal Home Loan Bank, due 02/17/2009, 2.71% yield	14,051,417	14,038,120 [1]	139
Federal Home Loan Bank, due 01/05/2009, 2.60% yield	7,944,533	7,940,000 [1]	96
Federal Home Loan Bank, due 9/23/2009, 3.25% yield	13,689,118	13,719,236 [1]	357
Federal Home Loan Bank, due 11/24/2008, 2.44% yield	5,768,809	5,773,209 [1]	54
Federal Home Loan Bank, due 10/27/2008, 2.48% yield	5,040,955	5,047,980 [1]	26
	116,567,213	116,101,533	
Total September 30, 2008	$ 203,758,249	$ 203,176,479	

[1] Market values are as reported by the Revenue Collection Division of Broward County.

[2] Market values as reported by the Bank of New York holding the assets as Trustee for Broward County. The Fidelity money market fund is rated AAA by Standard & Poor's and AAA by Moody's Investors Service.

[3] Interest rate risk is managed on a countywide basis. Consequently, the weighted average maturity is determined and reported by Broward County on a countywide basis in the County's Comprehensive Annual Financial Report ("CAFR"). The actual days to maturity are shown in the above tables for informational purposes. Refer to the County's CAFR for required disclosures of weighted average days to maturity information.

Deposits and investments include restricted and unrestricted assets. These amounts are reconciled as follows:

	Unrestricted	Restricted	Total
Cash and cash equivalents	$ 1,917,386	$ 50,182,745	$ 52,100,131
Investments	169,914,445	19,203,955	189,118,400
Total September 30, 2009	$ 171,831,831	$ 69,386,700	$ 241,218,531
Total September 30, 2008	$ 163,384,811	$ 40,373,438	$ 203,758,249

PORT EVERGLADES DEPARTMENT
Broward County, Florida
Notes to Financial Statements
September 30, 2009 and 2008
(Unaudited)

C. *Due from Other Governments*

At September 30, 2009 and 2008, amounts consisted of the following:

Description	Agency*	Effective Date	Participation Rate %	Maximum Grant	Cumulative Payments Received	Balance of Grant Funds Available as of September 30, 2009	Amount Due September 30, 2009	2008
Southport Container Yard, Phse VIII	FDOT	11/15/2005	50.00	$ 7,750,000	$ 1,248,030	$ 6,022,508	$ 479,462	
Port Security Grant - Federal	USDOT	06/07/2002	100.00	6,844,800	6,805,553	39,247		
Cruise Terminal 18	FDOT	12/11/2007	50.00	6,521,594	6,521,594	-		$ 127,496
New Bridge over FPL Canal	FDOT	11/14/2005	42.90	5,058,536	888,472	2,641,639	1,528,425	6,714
McIntosh Road Realignment	FDOT	01/18/2007	50.00	3,128,000	1,671	3,117,107	9,222	
Berth 33 Bulkhead Repair	FDOT	07/27/2009	50.00	2,500,000	-	2,500,000	-	
High Wind Bollards	FDOT	07/31/2006	50.00	1,403,406	1,192,057	210,660	689	315,918
Midport Roadway Expansion	FDOT	06/15/2006	50.00	1,150,000	39,387	887,053	223,560	13,737
People Mover	FDOT	02/05/2004	50.00	1,070,820	703,515	356,097	11,208	25,973
Midport Cranes P1 & P2 Replacement	FDOT	07/31/2006	50.00	1,050,000		980,428	69,572	
Port Security Grant - Federal	DHS	09/11/2007	75.00	270,000		270,000		
Port Security Grant - Federal	DHS	10/01/2007	75.00	160,290		160,290		
							$ 2,322,139	$ 489,838

FDOT - Florida Department of Transportation
USDOT - United States Department of Transportation
DHS - Department of Homeland Security

D. *Capital Assets*

Capital asset activity for the year-ended September 30, 2009 was as follows:

	Balance beginning September 30, 2008	Additions	Deletions/ Adjustments Reclassifications	Balance ending September 30, 2009
Used in operations:				
Buildings, piers and other improvements	$ 312,276,615	$ 1,461,102		$ 313,737,717
Equipment	131,277,185	1,623,937	$ (3,967,390)	128,933,732
Total depreciable property	443,553,800	3,085,039	(3,967,390)	442,671,449
Less accumulated depreciation	(223,928,273)	(17,135,917)	3,460,667	(237,603,523)
Depreciable property, net	219,625,527	(14,050,878)	(506,723)	205,067,926
Non-depreciable property:				
Land and land improvements	56,652,273	63,346		56,715,619
Construction in progress	40,627,845	78,033,689		118,661,534
Total non-depreciable property	97,280,118	78,097,035		175,377,153
Total operating property, net	316,905,645	64,046,157	(506,723)	380,445,079
Held for lease:				
Buildings, piers and other improvements	88,929,652	583,543		89,513,195
Less accumulated depreciation	(51,178,468)	(3,182,249)		(54,360,717)
Depreciable leased property, net	37,751,184	(2,598,706)		35,152,478
Non-depreciable leased property:				
Land and land improvements	151,324,034			151,324,034
Total leased property, net	189,075,218	(2,598,706)		186,476,512
Total property, net	$ 505,980,863	$ 61,447,451	$ (506,723)	$ 566,921,591

PORT EVERGLADES DEPARTMENT
Broward County, Florida
Notes to Financial Statements
September 30, 2009 and 2008
(Unaudited)

D. Capital Assets (continued):

As of September 30, 2009, major construction related contracts entered into by the Port, in excess of $500,000, with unexpended balances, were as follows:

Contract	Contract Amount	Unexpended Balance
Cruise Terminal 18 Expansion — Hewett-Kier	$ 61,574,025	$ 7,029,105
Southport Container Yard Expansion — Tran Construction	12,319,925	8,522,069
New Bridge over FPL Canal — Moss and Associates	11,259,110	6,518,601
Cruise Terminal 18 Passenger Loading Bridges — FMT	8,181,000	409,050
Roof Replacements on Various Port Buildings — National Roofing	5,687,500	201,756
Energy Performance Project — Trane	4,436,520	28,608
Cruise Terminal 18 Expansion, Phase II — Bermello, Ajamil	3,172,990	125,926
Expand Cargo Handling Facilities at Southport — Craven Thompson	2,743,547	1,045,864
Northport Parking Garage Phase III Improvements — Merkury Development	2,617,616	16,549
Informational Signage Package — Highway Safety Devices	2,496,080	1,045,133
Portwide High Wind Bollard Installation — Ebsary Foundation	2,205,276	153,543
People Mover — Lea & Elliott	2,109,329	185,543
Tow Wall Improvements Study — Craven Thompson	1,811,778	1,070,920
FPL Discharge Canal Bridge — EAC Consulting	1,557,197	321,665
West Lake Master Plan Mitigation Study — Miller, Legg and Associates	1,548,727	228,408
Master Plan Update — DMJM & Harris	1,543,900	191,535
Terminal 2 Passenger Loading Bridge — FMT Aircraft	1,481,900	187,400
Fire Apparatus — Kiddie Fire Fighting	1,259,059	164,573
Midport Road Improvements — Stanford & Sons	1,225,040	927,610
Billing & Harbormaster Software Upgrade — Klein Systems	1,140,500	353,558
Bridgestone Fenders — Zalda Technology	909,000	909,000
Southport Berth No. 34 — Gee and Jenson/CH2M Hill	807,900	432,990
Roofing Systems on Various Terminals and Bldgs — Craven Thompson	712,503	24,893
Terminal 29 Baggage Claim Expansion — Largo Development	681,971	168
McIntosh Loop Road Realignment — Craven Thompson	573,498	403,878
Spangler Blvd Bypass Road — Craven Thompson	567,281	152,082
Terminal 4 Expansion — CH2M Hill	533,140	191,257
Fenderbody Unit/Protector Panel — Sojitz Corp	500,000	500,000
Total	$ 135,656,312	$ 31,341,684

E. Commercial Paper

On September 9, 2005, the Port and the Broward County Aviation Department, in a 50/50 joint venture, purchased approximately 18.55 acres upon which to build facilities to be used for parking and baggage sorting, handling and transfer services. The Port financed $5,000,000 of its obligation through the issuance of Commercial Paper Notes under the then-existing County's commercial paper program (the "Program"). The Program was used for financing a variety of public projects. The Program was supported by a $125,000,000 credit facility agreement and a pledge of the County's share of the Local Government Half Cent Sales Tax. Although the County's Sales Tax served as the primary pledged revenue for the Program, the commercial paper issued for the Port was repaid using the revenues of the Port. Under the Program, maturing commercial paper was either refunded with new commercial paper or retired from general or project related revenues, proceeds from new bond issues or proceeds from State or Federal grants.

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E. Commercial Paper (continued):

The Commercial paper liability was paid off on January 28, 2009, and the Program expired in February 2009. Commercial paper activity for the year-ended September 30, 2009, was as follows:

	Beginning balance September 30, 2008	Increases	Decreases	Ending balance September 30, 2009
Commercial Paper	$ 5,000,000	$ -	$ (5,000,000)	$ -

F. Bonds Payable

On July 8, 2008, the County sold $46,145,000 of Subordinated Port Facilities Refunding Revenue Bonds, Series 2008 (the "Bonds"). The refunding bonds closed on July 10, 2008, in the form of variable rate bonds to refund $43,160,000 of previously outstanding Subordinate Port Facilities Refunding Revenue Bonds, Series 1998 (the "Refunded Bonds"). The results of the refunding are reflected in the disclosures in the following paragraphs.

The annual debt service requirements for all bonds outstanding as of September 30, 2009, are as follows:

Revenue Bonds Payable

Year(s)	Principal	Interest
2010	$ 15,480,000	$ 15,580,630
2011	16,855,000	15,188,144
2012	17,700,000	14,349,872
2013	6,250,000	13,453,681
2014	18,880,000	12,861,568
2015-2019	95,595,000	50,055,877
2020-2024	82,170,000	30,467,235
2025-2029	72,320,000	9,096,789

Bonds payable activity for the year-ended September 30, 2009, was as follows:

Bond Issue:	Balance beginning September 30, 2008	Additions	Reductions	Balance ending September 30, 2009	Due Within One Year
1989A Port Facilities, Refunding	$ 53,185,000			$ 53,185,000	
1998A Port Facilities, Refunding	10,680,000		$ (2,495,000)	8,185,000	$ 2,605,000
1998B Port Facilities, Refunding	79,825,000			79,825,000	
1998C Port Facilities	37,860,000		(8,735,000)	29,125,000	9,205,000
1998C Port Facilities	28,645,000			28,645,000	
2008 Subordinate Port Facilities, Refunding	44,720,000		(1,670,000)	43,050,000	1,730,000
2009A Port Facilities		$ 83,235,000		83,235,000	1,940,000
Sub-total	254,915,000	83,235,000	(12,900,000)	325,250,000	
Less issuance discounts, plus premiums	(9,268,173)	(503,529)	799,456	(8,972,246)	
Total bonds payable	$ 245,646,827	$ 82,731,471	$ (12,100,544)	$ 316,277,754	$ 15,480,000

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F. Bonds Payable (continued):

Certain bond indentures contain provisions stipulating annual debt service, sinking fund and minimum net revenue requirements. In addition, certain indentures require maintenance of various accounts and specify the deposits to be made to such accounts.

The following is a summary of the major provisions and significant debt service requirements for the outstanding bonds (in thousands):

			Interest Payment		Optional Redemption					
Bond Issue	Primary Purpose	Type	Rate(%)	Dates	Year	Premium	Final Maturity Date	Original Amount Issued	Retired/ Refunded	Outstanding September 30, 2009
1989A Port Facilities Refunding	Refunding Issue	Term	5.0 - 7.5	3-1 9-1	N/A	N/A	9-1-2016	$ 79,580	$ (26,395)	$ 53,185
1998A Port Facilities Refunding	Refunding Issue	Serial	4.4 - 4.8	3-1 9-1	2009	N/A	9-1-2012	13,195	(5,010)	8,185
1998B Port Facilities Refunding	Refunding Issue	Term	5.0	3-1 9-1	2009	N/A	9-1-2027	79,825		79,825
1998C Port Facilities	Capital Improvements	Serial	5.375	3-1 9-1	2009	N/A	9-1-2012	43,795	(14,670)	29,125
1998C Port Facilities	Capital Improvements	Term	5.0	3-1 9-1	2009	N/A	9-1-2027	28,645		28,645
2008 Subordinate Port Facilities Refunding	Refunding Issue	Serial	3.642	Monthly	2009	N/A	9-1-2027	46,145	(3,095)	43,050
2009A Port Facilities	Capital Improvements	Serial	3.0-6.0	Monthly	2019	N/A	9-1-2029	83,235		83,235
Total Revenue Bonds										$ 325,250

During fiscal year 1998, Port Everglades Department placed $38,497,000 of cash derived from operations in escrow for the purpose of defeasing a portion of the $117,454,948 Port Facilities Refunding Revenue Bonds Series 1989A. The defeased bonds included approximately $6,811,000 of original principal amount and $6,072,000 of appreciation on the Capital Appreciation Term Bonds maturing on September 1, 2010, and $22,150,000 of Current Interest Term Bonds maturing on September 1, 2012.

The Broward County, Florida Port Facilities Revenue Bonds (Port Everglades) Refunding Bonds Series 1998A were issued to refund and defease certain of the County's outstanding Revenue Bonds. As a result of the refunding, the County increased its total debt service requirements by $682,000, which resulted in an economic gain (difference between the present value of debt service payments on the old and new debt) of $340,000.

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F. Bonds Payable (continued):

2008 Interest Rate Swap Agreement:

Objective of the interest rate swap – The County entered into an interest rate swap agreement for $46,145,000 of its variable rate 2008 Series Subordinate Port Facilities Refunding Revenue Bonds for the outstanding period of the bonds as a means to lower its true borrowing costs when compared against fixed-rate bonds at the time of issuance. The intention of the swap was to effectively change the County's variable interest rate. Based on the swap agreement, the County pays a synthetic fixed rate of 3.642%.

The County terminated the previous interest rate swap agreement with AMBAC in order to remove AMBAC as the insurer on the Refunded Bonds and issue the new 2008 Bonds. The cost of the funds swap with AMBAC was terminated at a market value of $3,390,000 payable by the County to AMBAC. On July 10, 2008, the termination was funded by $1,663,600 of cash on hand and $1,726,400 of proceeds from the 2008 Bonds and is included as non-operating expenses in "Other expense, net" in the accompanying Statement of Revenues, Expenses and Changes in Fund Net Assets.

Terms – The bonds and the related swap agreement mature on September 1, 2027, and the swap's notional amount of $46,145,000 matches the principal amount of the bonds issued. As of September 30, 2009 no determination has been made as to the swap's fairness. The swap was entered into at the same time that the bonds were issued (July 2008). The notional value of the swap and the principal amount of the associated debt declined beginning in fiscal 2008. The bonds are also subject to optional redemption under certain conditions. Under the swap, the County pays the counterparty a fixed payment of 3.642% and receives a variable payment computed by the remarking agent that would cause the bonds to have a market value equal to the principal thereof plus accrued interest, under prevailing market conditions as of the date of the determination.

Fair value – As of September 30, 2009, the swap had a negative fair value of $2,850,519, and the swap's notional amount of $43,050,000 matches the principal amount of the outstanding bonds. The swap was entered into at the same time that the bonds were issued (July 2008). The notional value of the swap and the principal amount of the associated debt declined due to scheduled principal payments beginning in fiscal 2008. The bonds are also subject to optional redemption under certain conditions. Under the swap, the County pays the counterparty a fixed payment of 3.642% and receives a variable payment computed by the remarketing agent that would cause the bonds to have a market value equal to the principal thereof, plus accrued interest, under prevailing market conditions as of the date of the determination.

Credit risk – As of September 30, 2009, the County was not exposed to credit risk because the swap had a negative fair value of $2,850,519. However, should interest rates change and the fair value become positive, the County could be exposed to credit risk in the amount of the swap's fair value. The swap agreement is subject to termination prior to September 1, 2027, upon the occurrence of certain termination events.

Basis risk - Municipal interest rate swaps are normally based on a fixed payment and an indexed variable receipt instead of the actual variable debt payment. Any difference between the indexed variable receipt and the actual market-determined variable rate paid on the bonds is called "basis risk." Under the swap, the County will be paid the actual market-determined variable borrowing rate on the swap, as determined by the remarketing agent, which eliminates the basis risk.

F. Bonds Payable (continued):

Termination risk - Under certain conditions, the County or the counterparty may terminate the swap. If the swap is terminated, the variable-rate bonds would no longer carry a synthetic interest rate, but would become fixed-rate bonds. While this could increase the County's total debt services if at the time of termination the swap has a negative fair value by approximately the amount of such negative fair value, the counterparty would have no claim against the County for any other compensation.

Swap payment and associated debt - As interest rates vary, the variable-rate interest payments and swap payments will vary. Using rates as of September 30, 2009, debt service requirements of the variable-rate bonds and the swap payments, assuming current interest rates remain the same for their term, were as follows:

	Variable-Rate Bonds		
Year(s)	Principal	Interest	Total
2010	$ 1,730,000	$ 1,553,920	$ 3,283,920
2011	1,795,000	1,491,066	3,286,066
2012	1,860,000	1,429,857	3,289,857
2013	1,930,000	1,358,281	3,288,281
2014	2,000,000	1,288,168	3,288,168
2015-2019	11,155,000	5,299,502	16,454,502
2020-2024	13,350,000	3,119,723	16,469,723
2025-2029	9,230,000	648,352	9,878,352
Total	$ 43,050,000	$ 16,188,869	$ 59,238,869

The interest rate swap agreement does not affect the obligation of the County under the Indenture to repay the principal and variable interest on the Series 2008 bonds. However, during the term of the swap agreement, the County effectively pays a fixed rate on the debt. The debt service requirements to maturity for these bonds [presented in this note] are based on that fixed rate. The County will be exposed to variable rates if the counter party to the swap defaults or if the swap agreement is terminated. A termination of the swap agreement may also result in the County making or receiving a termination payment.

On July 10, 2008, The Bank of Nova Scotia issued an Irrevocable Transferable Direct-Pay Letter of Credit to the Trustee – The Bank of New York Mellon Trust Company or its successor under the First Supplemental Trust Indenture dated as of July 1, 2008. The Letter of Credit allows the Trustee to draw down the principal amount of and accrued interest on the 2008 Subordinate Port Facilities Revenue Bonds when due. The maximum amount of the Letter of Credit was calculated to be equal to $46,145,000, the original principal amount of the Bonds, plus $1,061,968 which is at least 56 days' accrued interest on said principal amount of the Bonds at the rate of 15% per annum on a three hundred sixty five (365) day year.

The terms of the Letter of Credit is the earliest to occur of the bank's close of business on (a) July 8, 2011 (as extended from time to time, the "Stated Expiration Date") or earlier dates as defined in the Letter of Credit agreement.

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F. Bonds Payable (continued):

The Series 1989A and 1998 bond covenants require that gross revenue, excluding investment income on funds in the Construction, Ad Valorem Tax, Rebate and Operating and Maintenance trust accounts will, at all times in each fiscal year, be at least equal to the sum of the following:

a) 100% of the current expenses,
b) 125% of the current bond principal and interest requirements,
c) 100% of the bond reserve requirement,
d) 100% of the required current deposits to the renewal & replacement fund.

Schedule of Revenues, Expenses and Debt Service Coverage
For the Year-Ended September 30, 2009
(Dollars In Thousands)

Operating Revenues:		
Petroleum	$	23,538
Container		28,711
Cruise		32,656
Bulk		1,090
Breakbulk/Neobulk		886
Real Estate		10,383
Other		12,405
Subtotal		109,669
Cost share reimbursement		4,723
Non-Operating-Investment		3,608
Total Revenues		118,000
Operating Expenses		73,236
Non-Operating Expenses		438
Total Expenses		73,674
Net Income Available for Debt Service-Senior Lien Bonds and Subordinate Bonds	$	44,326
Debt Service Requirements-Senior Lien Bonds	$	21,847
Actual Coverage		2.03
Required Coverage		1.25
Composite Debt Service Requirements - Senior Lien Bonds and Subordinate Bonds	$	25,156
Actual Coverage		1.76
Required Coverage		1.10

The 2008 Subordinate bond covenants further require that gross revenue (excluding investment income on funds on deposit in the Construction Fund) and on investment income on funds on deposit in the Sinking fund and the Debt Service Reserve Fund will at all times be sufficient in each current fiscal year to provide an amount at least equal to the sum of a, c and d above and the following:

a) 100% of the aggregate of current expenses, the Reserve Account Deposit Requirement and the amount required to be deposited in the Renewal and Replacement Fund (as each of such terms is defined in the Senior Bond Resolution) for the current Fiscal Year,
b) 100% of the Administrative Expenses for the current Fiscal Year,
c) 110% of the Composite Principal and Interest Requirements for the current Fiscal Year, and
d) 100% of the Debt Service Reserve Fund Deposit Requirement for the current Fiscal Year.

F. *Bonds Payable (continued):*

All of the bonds are payable from the net revenue of the Port derived from the operation of Port facilities and the monies on deposit in accounts established pursuant to the bond resolutions. No recourse to the credit or taxing power of the County exists for payment of principal and interest on the bonds. Payment of principal and interest on the Series 1998 A, B, and C bonds is insured by a non-cancelable Financial Guaranty Insurance Policies issued by MBIA Insurance Corporation (MBIA). These bond policies unconditionally guarantee the payment of that portion of the principal and interest on the bonds that has become due for payment, but shall be unpaid by reason of nonpayment by the Port.

The Series 1989A, 1998, and 2008 bond covenants require that sufficient funds be available to meet the largest debt service requirement in any ensuing fiscal year. Concurrently with the issuance of the Series 1998 bonds, MBIA issued a Debt Service Reserve Surety Bond in the amount of $21,854,005 to meet this requirement. The reserve account requirement applicable to the 2008 Subordinate Bonds is fulfilled by U.S. Treasury obligations and the money market funds collateralized by U.S. Treasury obligations in an amount totaling $3,410,502 at September 30, 2009.

The Tax Reform Act of 1986 arbitrage rebate regulations require earnings from investment of tax-exempt debt proceeds which exceed the yield on the debt to be remitted to the federal government every five years. There was no rebate liability attributable to the Series 1989A, Series 1998, or Series 2008 bonds at September 30, 2008. The next rebate computation periods are September 30, 2010, for the Series 2008 and for the Series 1989A Bonds and July 10, 2014, for the Series 2009A Bonds. According to the Arbitrage Rebate Calculation Report dated August 4, 2008, as provided by the Arbitrage consultant, no further reports are required on the Series 1998 Bonds.

Redemption of Series 2008 Bonds:

Optional Redemption.

(A) The Series 2008 Bonds bearing interest at Daily, Weekly, Monthly, Quarterly, Semiannual or Extended Rates (but only if the Extended Rate Period is one year) are subject to optional redemption prior to their stated maturity upon request of the County in whole or in part at any time at a price equal to the principal amount thereof, together with interest accrued to the redemption date, without premium.

(B) The Series 2008 Bonds bearing interest at Extended Rates (but only if the Extended Rate Period is more than one year in duration) or Fixed Rates are subject to optional redemption prior to their stated maturity upon request of the County in whole or in part at any time at least ten years after the conversion to a fixed rate date at 100% of the principal amount thereof, and in such maturities as the County shall direct, plus accrued interest thereon to the redemption date, without premium.

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F. Bonds Payable (continued):

Series 2009A Bonds:

On July 10, 2009, the County issued $83,235,000 of Port Everglades Revenue Series 2009A Bonds for the purpose of providing funds, together with other legally available funds, to (i) pay all or part of the costs for the Terminal 18 improvements (see Note J) and other capitals improvements, (ii) fund a subaccount of the Reserved Account, and (iii) pay certain costs of issuance and expenses relating to the Series 2009A Bonds. The Series 2009A Bonds, Outstanding Bonds, along with any Additional Bonds or Refunding Bonds hereafter issued under the Bond Resolution, are payable from and are equally and ratably secured pursuant to the Bond Resolution by a pledge of and a lien on the Net Revenue of the County derived from the operation of the Port Facilities and the moneys on deposit from time to time in the Funds and Accounts established pursuant to the Bond Resolution (excluding the Rebate Fund and the Operation and Maintenance Fund and the accounts therein), subject to the provisions of the Bond Resolution permitting application thereof for the purposes and on the terms and conditions set forth in the Bond Resolution. The Series 2009A Bonds interest rate ranges from 3% to 6%.

The Series 2009A bond covenants require

(a) that it will continue in effect the present tariff of rates and fees, for, and the present rentals and other charges for the use of the Port Facilities and the services furnished by the County until the same are revised as provided in the Bond Resolution;
(b) that it will not change, revise, or reduce any such rates, fees, rentals and other charges if such change, revision or reduction will result in producing less Gross Revenue unless such rates, fees rentals and other charges as so changed, revised or reduces will produce sufficient Gross Revenue to comply with the following paragraph (c); and
(c) that, subject to the two preceding paragraphs, from time to time and as often as it appears necessary, it will revise the rates, fees, rentals and other charges for the use of the Port Facilities and for the services furnished by the County as may be necessary or proper in order that the Gross Revenue (excluding investment income on funds on deposit in the Construction Fund) will at all times be sufficient in each Fiscal Year to provide an amount at least equal to the sum of:

    (i) 100% of the Current Expenses for the current Fiscal Year
    (ii) 125% of the Principal and Interest Requirements for the current Fiscal Year
    (iii) 100% if the Reserve Account Deposit Requirement for the current Fiscal Year, and
    (iv) 100% of the amount required by the Bond Resolution to be deposited to the Renewal and Replacement Fund in the current Fiscal Year.

The County has established a separate subaccount in the Reserve Account for the Series 2009A Bonds. Upon the deposit of $6,916,488 of proceeds of the Series 2009A Bonds into the subaccount of the Reserve Account for the Series 2009A Bonds, the amounts on deposit in such subaccount of the Reserve Account equals the Reserve Account Requirement for the Series 2009A Bonds. Funds held in such subaccount are pledged specifically and exclusively for the payment of the Series 2009A Bonds.

F. Bonds Payable (continued):

Redemption of Series 2009A Bonds:

Optional Redemption – The Series 2009A Bonds maturing on or prior to September 1, 2019, are not subject to optional redemption prior to maturity. The Series 2009A Bonds maturing on or after September 2020 are subject to redemption prior to maturity, at the option of the County, as a whole or in part at any time on or after September 1, 2019, at par, plus accrued interest to the redemption date.

The remaining Series 2009A Bonds are subject to a redemption price equal to 100% of the principal amount of the Series 2009A Bonds to be redeemed on the redemption date.

Defeased Bonds: The Port has entered into refunding transactions whereby refunding bonds have been issued to facilitate the retirement of the Port's obligation with respect to certain bond issues already outstanding. Certain proceeds of the refunding issues have been placed in irrevocable escrow accounts and invested in U.S. Treasury obligations that, together with interest earned thereon, will provide amounts sufficient for future payment of interest and principal on the bond issues being refunded.

The following is a summary of the Port's defeasance transactions:

Year of Defeasance	Bond Issue Defeased	Principal Outstanding September 30, 2009
1989	Port Facilities Revenue Bonds Series 1986	$ 50,490,000

G. Leases

The Port recognizes a significant portion of its revenue through leasing of real property.

A summary of future minimum rentals for non-cancelable leases for the next five fiscal years and in the aggregate is as follows:

Year(s)	Amount
2010	$ 5,585,943
2011	5,488,244
2012	5,189,766
2013	4,949,263
2014	4,332,061
2015-2019	14,244,112
2020-2024	6,065,336
2025-2029	6,768,524
2030-2034	4,033,832
2035-2039	3,156,380
2040-2044	3,840,220
2045-2049	4,672,215
2050-2054	5,684,464
2055-2059	6,916,020
2060-2064	8,414,395
2065-2069	10,237,399
2070-2074	12,455,362
2075-2079	15,153,852
2080-2084	18,436,978
2085-2089	22,431,403
2090-2093	16,187,374
Total	$ 184,243,143

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H. Pension Plan

The County participates in the Florida Retirement System (FRS), a cost sharing, multiple-employer, Public Employment Retirement System (PERS), which covers substantially all permanent full- and part-time county employees. The Port's covered payroll for employees for the year-ended September 30, 2009 and 2008 was approximately $13.9 million and $14.5 million, respectively.

The FRS is non-contributory and is totally administered by the State of Florida. Benefits are computed on the basis of age, average final compensation and service credit. Average final compensation is the average of the five highest fiscal years of earnings. Benefits vest after six years of creditable service.

Early retirement may be taken any time after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement age or date. FRS also provides death and disability benefits. These benefit provisions and all other requirements are established by Florida Statues.

FRS issues an annual financial report. A copy can be obtained by sending a written request to Division of Retirement, Cedars Executive Center, Building C, and 2639 North Monroe Street, Tallahassee, Florida 32399-1560.

The Port's required contribution rate ranges from 9.85% and 13.12% of covered payroll based on employee risk groups. The required contribution for the Port for the year-ended September 30, 2009 and 2008 was approximately $1.40 and $1.45 million each or 10.10% and 10.02% of covered payroll, respectively.

I. Other Post Employment Benefits Liability

The County allows its employees and their beneficiaries to continue obtaining health, dental and other insurance benefits upon retirement but does not directly contribute to the cost of such benefits. Retirees and their beneficiaries pay the same group rates as are charged to the County for active employees. This constitutes a single-employer defined benefit healthcare plan, and the benefits conform with Florida statutes, which are the legal authority for the plan. The plan has no assets and does not issue a financial report.

The County makes no direct contribution to the plan. However, the County's actuaries in their actuarial valuation calculate an offset to the cost of these benefits that is called the Employer Contribution. The Employer Contribution equals the total age-adjusted costs paid by the County or its active employees for coverage of the retirees and their dependents for the year net of the retiree's own payments for the year.

	Broward County Employees (in '000s)
Required contribution rates:	
Employer	Pay-as-you-go
Active Plan members	N/A
Annual required contribution	$5,081
Interest on net OPEB obligation	128
Adjustment to annual required contribution	(109)
Annual OPEB cost	5,100
Contributions made	(1,636)
Increase in net OPEB obligation	3,464
Net OPEB obligation – beginning of year	3,193
Net OPEB obligation – end of year	$6,657

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I. Other Post Employment Benefits Liability (Continued):

	Broward County Employees	
Fiscal year ended	9/30/2009 (in '000s)	9/30/2008 (in '000s)
Annual OPEB cost	$5,081	$4,599
Percentage of OPEB cost Contributed	32.20%	30.57%
Net OPEB obligation	$6,657	$3,193

Funded Status and Funding Progress

The funded status of the plans as of October 1, 2007, was as follows:

Actuarial accrued liability	$48,754,859
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	48,754,859
Funded Ratio	0.00%
Covered payroll	$272,383,483
Unfunded actuarial accrued liability as a percentage of covered payroll	17.90%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information is designed to provide multi-year trend information to show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. However, the County has not contributed assets to the plans at this time.

Actuarial Methods and Assumptions:

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

	Broward County Employees
Actuarial valuation date	10/1/2007
Actuarial cost method	Entry age
Amortization method	Level percent, closed
Remaining amortization period	30 years
Asset valuation method	Unfunded
Actuarial assumptions:	
Investment rate of return	4.00%
Projected salary increases	4.00%
Healthcare inflation rate	10% initial; 5% ultimate

The Port's share of the net other post employment benefits liability for the year ended September 30, 2009, was $212,356.

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J. Capital Contributions

For the year-ended September 30, 2009 and 2008, capital contributions were as follows, with details contained within Note C:

Contributor - Purposes	2009	2008
State of Florida - Cruise Terminal 18 Expansion	$ 4,071,594	$ 2,450,000
State of Florida - FPL Discharge Canal Bridge	2,203,875	213,022
State of Florida - Southport New Client - Container Yard (Phase VIII)	1,727,492	
State of Florida - High Wind Bollards	422,926	540,994
State of Florida - Midport Roadway Expansion	239,495	23,452
State of Florida - Midport Crane P-1 & P-2	69,572	
State of Florida - People Mover	33,942	223,012
State of Florida - McIntosh Road Realignment	10,893	
Broward County Convention & Visitors Bureau - Spangler Blvd Bypass Road	125,000	
International - Organization of American States Operating Grant		17,589
Federal - Port Security Improvements	288,607	33,086
Federal - Dredging	1,435,000	703,000
Total capital contributions for the year ended September 30, 2009	$ 10,628,396	$ 4,204,155

K. Cost Share Reimbursement and Related Restatement

On December 4, 2007, the Broward County Board of County Commissioners (the Board) approved a Passenger Cruise Terminal and Berth User Agreement between Royal Caribbean Cruises, Ltd. (RCL) and Broward County (the Agreement). The Agreement included an expansion of Cruise Terminal No. 18 (the Project) at Port Everglades to accommodate the planned home porting of a new class of cruise ships which can accommodate in excess of 5,000 passengers. The cost of the renovations is shared with RCL. Negotiations continued with RCL as to the cruise terminal expansion project and on October 23, 2008, the First Amendment to the Agreement was approved. There were significant changes to the Agreement as a result of this amendment including a) increased estimated cost of the expansion from $37.4 million to $75.2 million, b) change in the interest rate to be charged to RCL on the construction receivable from 8.5% to 6.5% commencing upon substantial completion of the construction and c) increase in the number of guaranteed passenger movements over the term as defined in the Agreement.

The cost share to be reimbursed by RCL is $67,014,940 plus interest. As of September 30, 2009, RCL’s cost share was $62,936,303 of which $8,261,181 has been paid. The balance of $54,675,122 is recoverable through guaranteed periodic minimum payments from RCL.

As a result of these and other changes to the computation, a reduction was made to the prior year’s capital contributions in the amount of $5,389,559 and the construction receivables and deferred revenue reduced to zero.

L. Commitments and Contingencies

Through voluntary agreement, several petroleum companies having operations located at the Port created and funded an independent corporation, Port Everglades Environmental Corporation (PEECO). PEECO was created to address the problem of, and clean up of, historical petroleum contamination on common areas owned by the Port, including pipeline right-of-ways, loading berths and roadways adjacent to oil company properties, used by the petroleum companies for transportation of their petroleum products. Through efforts of PEECO and the Port, the contaminated areas have all been deemed eligible for state funded clean up by the Florida Department of Environmental Protection as an Early Detection Incentive (EDI) Site. The Port believes that the likelihood of having a financial liability for petroleum contamination costs not covered by the state or oil industry is remote.

Federal and state grants are subject to audit by the granting agencies to determine if activities comply with conditions of the grant. Management believes that no material liability will arise from any such audits.

M. Lease Termination

On April 29, 2008, the Board of County Commissioners approved an agreement for the phased termination of the 44.46 acres of container yard land lease with Universal Maritime Service Corporation (Universal) and Maersk, Inc. Under the terms of the termination agreement, the County received a termination payment of $2,350,000 along with the acquisition of two buildings with a fair market value of $1,450,000. These amounts totaling $3,800,000 were included as “Lease termination settlement” in operating revenues in the year ended September 30, 2008 Statement of Revenues, Expenses and Changes in Fund Net Assets.

Broward County Board of County Commissioners -

Back row, from left: Ilene Lieberman, District 1; Kristin D. Jacobs, District 2; Lois Wexler, District 5; Diana Wasserman-Rubin, District 8; Albert C. Jones, District 9; John E. Rodstrom, Jr., District 7; and Stacy Ritter, District 3. Bottom row: Sue Gunzburger, Vice Mayor, District 6; and Ken Keechl, Mayor, District 4.

A service of the Broward County Board of County Commissioners

PORT EVERGLADES
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FLORIDA

Port Everglades, Fort Lauderdale Hollywood International Airport and the Greater Fort Lauderdale Convention & Visitors Bureau: Working Together for Greater Fort Lauderdale

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