

Port Everglades Annual Commerce Report Fiscal Year 2007



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Broward County Mayor Lois Wexler with Captain Vincenzo Lobrano Lobianco of the *Royal Princess*

WELCOME FROM THE MAYOR

As Port Everglades is preparing its roadmap for the future with an updated Master/Vision Plan for the next five, 10 and 20 years, it is encouraging that our elected officials recognize the importance of our seaport to the region's economic stability and quality of life.

This past year, the Legislature appropriated a \$50 million one-time matching grant to support 10 seaport projects around the state. Port Everglades will receive \$5.65 million towards the development of an approximately 40-acre facility for containerized cargo and \$2.54 million for the first phase of a cruise terminal expansion that, when fully complete, will be capable of handling the world's largest cruise ships.



The Port's Master/Vision Plan focuses on increasing jobs in Broward County and accommodating the region's growth, while balancing environmental stewardship. Ships, both cruise and cargo, are getting bigger and seaports must grow to support their communities' future needs for such day-to-day commodities as food, electronics, gasoline, apparel and other life sustaining staples, as well as providing export channels for products sold by Florida businesses.

As your elected officials, the Broward County Board of County Commissioners recognizes the need for expansion. And, we are acutely aware of the need to protect the environment that makes this community a beautiful place to live, and the challenges of moving commerce in a post

September 11 world. We have spent many hours studying the Port's Master/Vision Plan and debating the pros and cons of various elements of the Plan.

In the end, we believe that Port Everglades has developed a logical plan for expanding and enhancing facilities that will benefit the community economically and in an environmentally sound manner.

A handwritten signature in white ink that reads "Lois Wexler".

Lois Wexler
Mayor, Broward County



**Interim County Administrator
Bertha Henry**

FROM THE COUNTY ADMINISTRATOR

International trade is responsible for the wide screen television in your living room, the banana you ate for breakfast, the clothes you wear and the gasoline that runs your car. In fact, more than \$18 billion worth of consumer goods and construction supplies come through Port Everglades annually.

Likewise, a recent economic impact study reveals that cruise passengers taking vacations out of Port Everglades are responsible for generating \$1.45 billion worth of economic activity in our community through purchases they make in our stores and restaurants, jobs created to make their vacations enjoyable and supplies they use while aboard ship.

Statewide, Port Everglades is responsible for supporting approximately 200,000 jobs, \$18 billion in economic activity and \$6.8 billion in personal income. In turn, commerce and jobs create tax dollars that are spent on maintaining and improving infrastructure in our community.

But the Port doesn't operate in a vacuum. This past year, our Port Everglades Department staff teamed up with the Aviation Department, the Office of Economic Development and the Greater Fort Lauderdale Convention & Visitors Bureau all Broward County agencies to develop solutions to transportation and customer service issues. These agencies are also looking for ways to encourage cruise guests to stay for longer visits in our area, either before or after their cruise vacations. These synergistic opportunities are all being developed with the goal of enhancing economic impact for the residents of Broward County.

The economic activity created by having a seaport in our own backyard is essential for the quality of life we enjoy. I invite you to read this report and keep it on your shelf for future reference. The more you learn about your seaport, the more we can all appreciate the economic engine that is Port Everglades.



Port Director Phillip C. Allen

FROM THE PORT DIRECTOR

This year is starting as a big newsmaker for Port Everglades. Our Master/Vision Plan is moving forward. We reached an agreement with Royal Caribbean Cruises Ltd. (RCI) to homeport the cruise line's two new Genesis-class ships. And several new cargo shipping services have advanced us to Florida's Number One seaport for handling containerized cargo. However, we still have ambitious goals for the future.

My goal for the cargo sector is to reach one-million TEUs (20-foot equivalent units, the standard measurement for a container) before the end of FY2008. We were close in FY2007 with 948,680 TEUs, a 9.8 percent increase over the prior fiscal year. This growth was generated by new shipping services to several of the Port's existing marine terminal operators. However, with the addition of new shipping services servicing Central America, we fully expect to reach and exceed the one-million TEU mark within the next few years.

Currently, Port Everglades is one of the top three busiest cruise homeports in the world with the Port of Miami and Port Canaveral. Our goal, however, is to claim the Number One spot within the next few years with the addition of year-round sailings by Royal Caribbean's Genesis-project ships in 2009 and 2010. At 220,000 gross-registered tons, RCI's Genesis ships will be the world's largest cruise ships at 5,400 passengers each.

In the petroleum sector, we expect to see significant imports of ethanol, bio-diesel and other alternative fuels. In FY2007, more than 486,000 barrels of bio-diesel were received from various domestic and foreign markets through Port Everglades. Based on what I learned during a recent trade mission to Brazil, we can expect to see a growing trend towards alternative fuels.

The achievements of FY2007, which you will read about, are due in large part to the dedicated and energetic efforts of the Port community, including customers, tenants and Port staff. I want to thank all of you and the Broward County Board of County Commissioners for your foresight and leadership. We are working together for a better Broward County.



Port Everglades = Job\$



New Study Finds Economic Powerhouse in Port Everglades

Port Everglades is an economic powerhouse that generates \$18 billion worth of business activity and approximately 200,000 jobs statewide, according to a new comprehensive study prepared this year by nationally recognized maritime research company Martin Associates.

The study measures the local, regional and state economic impacts generated by maritime activity at Port Everglades for jobs, personal income, business revenue and tax values.

“People may think of Port Everglades as a cruise port or the place where their food, clothing, gasoline and wide-screen televisions come in from foreign countries. But they may be



surprised to learn that their neighbors work here and their businesses depend on the goods and services that support companies at the Port,” says Port Director Phillip C. Allen.

Martin Associates has conducted economic impact studies at more than 250 seaports and airports in the United States and Canada. The Lancaster, PA-based company also completed an in-depth national study for the American Association of Port Authorities and has been retained to do a similar study for the Florida Ports Council.

The following study results were based on Port Everglades’ Fiscal Year 2007 cargo and cruise statistics and interviews with 235 firms that represent 99 percent of the businesses



at Port Everglades. The study found that the Port supports approximately 11,525 direct jobs that produce personal income of \$410 million. The average annual salary for a person whose job is directly related to Port Everglades is \$35,540.

Statewide, Port Everglades supports approximately 200,000 jobs that produce personal income of \$6.8 billion. The majority of these statewide jobs, approximately 170,000, are related user jobs, which are associated with manufacturing and distribution firms meeting product demands of various national and international consumers.

Local businesses receive approximately \$2.2 billion in sales revenue from providing services to the cruise and cargo

businesses operating from Port Everglades. Statewide, the cargo activity at Port Everglades (including containers, bulk, break-bulk and petroleum) created an additional \$15.8 billion in economic output related to exporters and importers located throughout the State. The majority of this activity is associated with the Port's containerized cargo throughput.

The cruise and cargo activities at Port Everglades also generate more than \$623.8 million in state and local tax revenue, according to the study. ■

Cargo Keeps Port Everglades Rolling



This year, Port Everglades became the Number One container port in Florida, surpassing the Port of Miami for the first time ever! In addition, at least 12 Florida counties, out of a total 67, regularly depend on Port Everglades for their fuel. And, the South Florida housing construction market relies on the imported cement, aggregate, lumber and plywood that arrives through Port Everglades. The cargo that moves through Broward County's seaport is as diverse as the many industries and population it serves.

International Containerized Cargo

Port Everglades produced a third consecutive year of record growth in containerized cargo with a 6.5 percent increase in tonnage during Fiscal Year 2007. The Port's new record for containerized cargo tonnage is 6,060,149 tons in FY2007, up from 5,688,442 tons in FY2006. It surpassed six-million tons for the first time ever.

The number of containers is up 9.8 percent from 864,030 TEUs in FY2006 to 948,680 TEUs in FY2007. TEUs are 20-foot equivalent units – the industry's standard for measuring containerized cargo. Containerized cargo revenue increased by 12.5 percent from \$25,393,178 in FY2006 to \$28,556,927 in FY2007.

Over the last five years, Port Everglades' containerized cargo has increased an average of 12.5 percent annually. The Port has added several new services and increased containerized cargo tonnage by more than 2.6 million tons during that time.

Port officials believe the seaport's growing popularity among Central American, South American and Caribbean carriers is responsible for making the South Florida seaport one of the fastest growing container ports on the East Coast of the United States. Marketing efforts have concentrated on spreading the word about Port Everglades' strategic commercial location, direct interstate highway connections and easy waterside access. International shipping company, Hapag-Lloyd, relocated its Mediterranean and East Coast of South America services to Port Everglades. And, Crowley Liner Services and Seafreight also introduced new containerized cargo services.

Gasoline & Petroleum Products

Higher fuel prices were felt by consumers and businesses alike. When fuel prices reached an all-time high in South Florida last year, residents, businesses and the airlines responded by

cutting fuel consumption and conserving. Additionally, electric utility companies burned less fuel oil in favor of cheaper natural gas to generate power. As a result, the overall demand for petroleum products decreased slightly for the second year in a row, which caused a decline in the total petroleum volumes moving through Port Everglades.

Petroleum, which is measured by the number of barrels, decreased by 0.4 percent from 123,479,901 barrels in FY2006 to 122,979,685 barrels in FY2007. Revenue increased by 3.5 percent from \$22,946,933 in FY2006 to \$23,756,489 in FY2007.

For the first time, bio-diesel was one of the petroleum products that contributed to the overall barrel count. More than 486,000 barrels of bio-diesel were received from various domestic and foreign markets through Port Everglades. The trend for increased demand for alternative fuels is expected to continue.

Port Everglades is the regional seaport for 11 petroleum terminal operators, which supply gasoline, jet fuel, fuel oil, diesel fuel, propane, aviation gasoline and asphalt to 12 counties in South Florida, representing a market of 6.8 million people. Petroleum products moving across Port Everglades' docks account for nearly 40 percent of all Florida's transportation fuels. In addition, jet fuel moving through the Port is supplied to three international airports in the region.

The majority, 55 percent, of petroleum products moving through Port Everglades come from refineries in the U.S. Gulf states. Foreign imports, which account for approximately 45 percent of the region's supplies, come from the Caribbean, Europe, South America, Canada and Mexico.

International Break Bulk, Dry Bulk, Floating and Rolling Cargo

Decreased tonnage for break bulk and dry bulk cargoes reflected the economic downturn experienced by the South



Florida construction industry during FY2007. Port Everglades is a hub for shipping and distributing volumes of bulk, break bulk, floating and rolling cargoes.

Break bulk, mainly steel rebar and lumber, decreased by 19.7 percent from 376,535 tons in FY2006 to 302,301 tons in FY2007. However, revenue from break bulk increased slightly from \$2,798,064 in FY2006 to \$2,803,198 in FY2007 following adjustments to the tariff.

Steel rebar, typically used to reinforce concrete building structures, reached its highest peak in the past 10 years in FY2006 with 256,271 tons, but experienced a heavy decrease of 31.5 percent in FY2007 to 175,361 tons. Throughput of lumber, plywood and board feet also decreased heavily during FY2007.

Dry bulk, which includes cement and aggregate and are closely linked to the construction industry, decreased 40.7

percent from 2,954,310 tons in FY2006 to 1,752,974 tons in FY2007. Dry bulk revenue likewise decreased by 42.6 percent from \$5,661,670 in FY2006 to \$3,251,766 in FY2007. The majority of cement and its byproducts are imported to South Florida from Sweden and Turkey.

Located in the heart of the yachting capital of the world, Port Everglades experienced a sizable increase in the number of yachts and boats transported through the Port, up 11 percent from 57,668 tons in FY2006 to 63,999 tons in FY2007. The tonnage associated with tractors also increased by 14.6 percent from 45,462 tons in FY2006 to 52,089 tons in FY2007. Based on recent reports in trade journals, Port officials attribute the increase in rolling stock to improving economies in Latin American countries. ■

Port Everglades' Presence Felt Around the Globe



Building on its surging trade volumes, Port Everglades extended its reach to strengthen ties with Broward County's major international trading partners and explore new opportunities across the globe.

Port Everglades launched an International Sister Seaports program in March 2007 and shortly thereafter signed on two seaports interested in becoming part of Broward County's international family. The Port of Olbia, located on the Italian island of Sardinia (facing page, bottom center), and the Port of Xiaman in China were the first official Sister Seaports to Port Everglades. To become a Sister Seaport with Port Everglades, a seaport must commit to the free exchange of information pertaining to cruise and cargo operations, statistical information and general market research.

"Sister Seaports programs are often ceremonial, although we believe that Port Everglades will benefit in terms of developing new ideas, business contacts, cultural understanding and international trade promotion," says Port Director Phillip C. Allen. "Sister Seaports add a sense of humanity and accessibility to large organizations that are often separated by language and thousands of miles."

Port Everglades hosted 25 of the leading fruit and vegetable growers from Nicaragua early in Fiscal Year 2007, which was arranged by Crowley Maritime in cooperation with Michigan State University's John Allen, Professor Emeritus of Food Marketing. The growers participated in an all-day program, including a landside bus tour, to help them prepare and understand the distribution logistics and export procedures needed to ship their products via Port Everglades in the future.

A delegation of high-level tourism and seaport officials from Taiwan visited Port Everglades on a mission to learn more about how the Port handles cruise operations (facing page, bottom left). The delegation included officials from the Keelung Harbor Bureau and the Kaohsiung Harbor Bureau who were participating in the annual Seatrade Cruise Convention in Miami.

Broward County then-Mayor Josephus Eggleston, Jr., led a five-day trade mission to Chile, Florida's eighth largest trading partner (facing page, bottom right). The Mayor's delegation met with 38 key Chilean executives representing all of the leading governmental, transportation and industry sectors in the South American country. The delegation included Port Everglades Director Allen, Norman Taylor, Director of the Broward County Office of Economic Development, and Carlos Buqueras, Director of Port Everglades Business Development. Representing



combined annual revenues in the multi-billion-dollar range, the companies that the delegation visited included Chile's leading shipping carriers CSAV (Compañía Sudamericana de Vapores) and CCNI (Compania de Navegacion Interoceanica S.A.); the Chilean office of shipping line Hamburg Süd; Lan Chile, the country's official airline; FEDEFruta, Chile's Produce Growers Association; AMCHAM Chile (American Chamber of Commerce in Chile); and, ASOEX (Asociación de Exportadores de Chile A.G.), which is the country's exporter association.

Paramount Chief Nana Akuoko Sarpong of Agogo, Ghana, visited Port Everglades in July (top photo, the Paramount Chief is pictured center, wearing orange). The Paramount Chief met with Port Director Allen, then-Mayor Eggelletion, and representatives from the Broward County Office of Economic Development and Fort Lauderdale-Hollywood International Airport to explore economic opportunities. The Ghana delegation included high-ranking government officials from Accra, the capital.

Broward County also continued to fortify its position in the international business arena during a six-day mission to Merida, Yucatan and Guadalajara, Jalisco, Mexico. The

purpose of the statewide Mexico trade mission, organized by the Broward County Office of Economic Development and led by then-Mayor Eggelletion, was twofold: to develop the relationship with the state of Jalisco and its economic development leaders that Broward County has been building on for the past five years, and to explore new opportunities. The Office of Economic Development, Port Everglades and the Fort Lauderdale-Hollywood International Airport representatives met with their counterparts in both cities, and in every meeting they were greeted with a keen interest in creating joint projects. The international airports in both cities were interested in discussing the possibility of creating direct routes to Fort Lauderdale.

Port Everglades participated in a statewide trade mission to Brazil led by Florida Governor Charlie Crist. Part of the mission included the Florida-Brazil Business Matchmaker Expo. Port Director Allen said a major component of the trade mission focused on learning more about Brazil's success with ethanol, as Port Everglades is gearing up for domestic and foreign imports of alternative fuels. In addition, Allen and other trade mission participants met with Brazilian companies that were interested in utilizing Foreign-Trade Zone #25 at Port Everglades. ■

Cruise Industry Sailing Smoothly



Consistently ranked as one of the top three cruise ports in the world, Port Everglades celebrated several milestones in Fiscal Year 2007 and initiated projects to bring more cruise passengers to Broward County.

Remaining relatively level, total passenger counts for FY2007 increased 5.3 percent from 3,239,154 in FY2006 to 3,409,946 in FY2007. Multi-day cruise ship passenger counts increased 9.4 percent from 2,459,684 passengers in FY2006 to 2,690,058 passengers in FY2007. Daily ship passenger counts decreased 7.6 percent from 779,470 passengers in FY2006 to 719,888 passengers in FY2007. Port officials believe that the decrease in daily passengers reflects a downward trend in the economy and the availability of new landside gaming venues.

Parking for cruise passengers and people attending events at the Broward County Convention Center also boosted Port revenue. Parking revenue increased 10.8 percent from \$7,306,644 in FY2006 to \$8,093,087 in FY2007.

Early in the fiscal year, Port Everglades set the world record for the number of passengers accommodated in a single day – 47,229 – which was set December 23, 2006. There were enough cruise passengers to fill one-hundred 747 jumbo jets and is equivalent to approximately one-quarter of the population of the City of Fort Lauderdale.

Port Everglades excelled five days during the winter cruise season when passenger counts topped 40,000 – another record for the South Florida cruise port. From November 2006 through April 2007, the Port accommodated 10 cruise ships on 11 days, 11 cruise ships on eight days and 13 cruise ships on two days, for a total of 21 double-digit cruise ship days.

Another cruise record, although unique to Port Everglades alone, was set in February 2007 when the daily passenger movements reached 15 million. Port Everglades and its daily cruise operators, Discovery Cruise Line and SeaEscape, celebrated this milestone by giving guests heart-shaped stress balls for Heart Association Month. Fifteen-millionth passenger winners, Shirley and Oscar Lotka of Delray Beach, FL, were showered with balloons and awarded free VIP cruises aboard SeaEscape and aboard a future cruise with Discovery.

Maritime and Cunard ocean liner enthusiasts were treated to a rare opportunity to see the line's legendary ocean liners – *Queen Mary 2* and *Queen Elizabeth 2* – set sail on simultaneous, but different, world cruises. The "Royal





Rendezvous" of the world's most famous ocean liners departed from Port Everglades on January 10, 2007.

Port Everglades teamed up with the Greater Fort Lauderdale Convention & Visitors Bureau (GFLCVB) to go the extra nautical mile to encourage pre- and post- cruise visitation. The GFLCVB installed colorful, eye-catching wall art hangings and a new brochure station showcasing the destination's broad range of attractions and activities. The new images adorn Port Everglades' Terminal 2 and Terminal 25, and will be installed throughout other terminals in the coming year.

Forty cruise ships from 15 cruise lines called at Port Everglades during the 2007/2008 Caribbean cruise season, including: Carnival Cruise Lines, Celebrity Cruises, Costa Cruise Lines, Cunard Line, Discovery Cruise Line, Hapag-Lloyd Cruises, Holland America Line, Imperial Majesty Cruise Line, MSC Cruises, Princess Cruises, Regent Seven Seas Cruises, Royal Caribbean International, Seabourn, SeaEscape Cruises and Silversea Cruises. ■

Location and Security a Plus for Land-based Businesses at Port Everglades



Though ports primarily serve waterborne commerce, Port Everglades also generates revenue through landside businesses such as real estate leases and Foreign-Trade Zone #25.

Real estate leases continue as the fifth largest source of revenue for the Port Everglades Department, accounting for 10 percent of total operating revenue.

In FY2007, real estate experienced a slight decline of less than one percent from \$11,151,276 in FY2006 to \$11,108,989 in FY2007, as the Port has retained most of its existing tenants.

The Port Everglades Department of Broward County owns approximately 1,277 acres, within its 2,190-acre jurisdiction, which includes some private property. Approximately, 559 acres are available for lease, of which 60 percent are occupied.

There are more than 100,000 square feet of office space inside the Port's security zone at the Port Everglades Administration Building on Eller Drive, the Amman Building on Eisenhower Boulevard and the historic U.S. Customs House on Spangler Boulevard. Currently, the Administration Building and Amman Building are about 95 percent occupied. The 5,472 square-foot U.S. Customs House, which was designed by nationally renowned architect Louis Simon and designated a historic site by the City of Hollywood, FL, in 2000, is currently available for lease. This year, the Amman Building was renovated with new paint throughout the interior and exterior, and new carpeting. The roof was also replaced after suffering from past hurricane damage.

Broward County also owns 399,000 square feet of warehouse space within the Port, of which 388,600 are designated as foreign-trade zone.

Foreign-Trade Zone #25

FTZ #25 is Florida's first and largest foreign-trade zone. Companies can conduct import/export activities for foreign goods as if they were outside the U.S. Customs territory thereby deferring, reducing or even eliminating Customs duties on products entering the Zone. For U.S.-based businesses involved in international trade, the FTZ provides incentives to increase cash flow and expansion.

Port revenue from FTZ #25 increased by 54.4 percent from \$561,646 in FY2006 to \$867,135 in FY2007. The increase is due to new non-contiguous sites that have been operating for a full year outside of the 22.7 acres currently activated within the Port Everglades jurisdiction.

The dollar value of merchandise moved through the general purpose FTZ increased by 16.5 percent from \$263,638,084 in FY2006 to \$307,027,062 in FY2007. Some 1,000 different commodities from more than 74 countries of origin move through the general purpose zone annually.

The top five FTZ commodities in FY2007 were liquor, beer, wine, auto parts, tools, tobacco products and vehicles. The top five countries of origin included the United Kingdom, China, Japan, Taiwan and France.

Location, Location, Location

Key selling points for leasing office space, warehousing or marine terminals at Port Everglades are the locations in the heart of Fort Lauderdale, Hollywood and Dania Beach, the advantage of being within less than two miles of Fort Lauderdale-Hollywood International Airport and direct access to Florida's major interstate highways.

In FY2007, Port Everglades conducted the following real estate business:

New Leases

- Greater Fort Lauderdale Convention & Visitors Bureau and the Cruise Line Industry Association entered into a six-month lease agreement for 1,190 square feet of office space in the Port Administration Building.
- International Maritime Group, an international general maritime consulting firm and ship fleet operator, entered into a one-year lease for 1,160 square feet of office space in the Port Administration Building.



- Port Consolidated, Inc., a marine fuel and lubes distributor, entered into a one-year lease agreement for 21,536 square feet of paved parking.
- Resolve Fire & Hazard Response, Inc. entered into a one-year lease for 520 square feet of office space in the Amman Building for classroom training and administrative support to the company's educational program.
- Siemens Energy & Automation, Inc., an electronic service organization contracted with Princess Cruise Lines, Ltd., entered into a one-year lease for 520 square feet of office space in the Amman Building.
- U.S. Customs and Border Protection entered into a five-year lease for paved and undeveloped land for the installation of radiation portal monitors and booth complexes for the non-intrusive inspection of in-bound ocean shipping containers and trailers exiting Port Everglades into the commerce of the United States.

Tenant Expansions

- Chiquita Fresh North America increased its office space in Building 28 at Port Everglades from 8,692 square feet to 14,097 square feet.
- Moran-Gulf Shipping Agencies, Inc. increased its office space in the Amman Building from 816 square feet to 1,249 square feet.
- Prospect Enterprises, Inc. increased its warehouse space in the FTZ #25 from 5,902 square feet to 8,854 square feet.
- Resolve Fire & Hazard Response, Inc. increased its office space in the Amman Building from 520 square feet to 952 square feet.
- R.O. White & Company, Inc. increased its office space in the Amman Building from 564 square feet to 830 square feet.
- South Florida Petroleum Services, LLC increased its office space in the Amman Building from 1,570 square feet to 2,210 square feet. ■

New 20-Year Master/Vision Plan Drives Port's Future

Port Everglades has a new roadmap for the future. The Broward County Commission has adopted a comprehensive Master/Vision Plan – including a 5-Year Capital Improvement Plan, and 10- and 20-Year Vision Plans – designed to guide the seaport's growth efficiently.

To design the Plan, the Broward County Port Everglades Department retained the services of DMJM Harris, a nationally recognized engineering, planning and economic analysis consulting firm. In preparing the Plan, DMJM Harris assessed the changes that have taken place regionally, nationally, internationally and at the Port since 2001, when Port Everglades presented its original 20-Year Master/Vision Plan. The assessment included changing business trends and adjustments that have resulted in the post-9/11 environment.

Port stakeholders and the public were invited to provide input during a series of workshops over the course of the Plan's development, including three public workshops at the Broward County Library that were held in the evenings, and two workshops with the Broward County Commission. The consulting team also conducted one-on-one interviews with key stakeholders whose businesses are located at Port Everglades.

The Port's five-year Capital Improvement Plan (CIP) was revised to reflect the Master/Vision Plan projects to be implemented in Fiscal Years 2008 to 2012. Some of the projects in the CIP were already underway or in the planning process when Commissioners voted to adopt the Plan, and others have been added as part of the Master/Vision Plan. The total budget amount for the five-year CIP is \$421,970,000, of which \$112,896,000 would be potential debt funded, \$72,912,000 funded by private investment and \$50,350,000 from grant funds – leaving \$185,812,000 for the Port Everglades Department to fund through Port revenue. The Port Everglades Department is a self-supporting Enterprise Fund of Broward County government and does not rely on local tax dollars for operations.

The entire Port Everglades Master/Vision Plan document – 5-Year Plan and 10- and 20-Year Vision Plans – is available online at www.portevergladesmasterplanupdate.com.

Highlights of the 20-Year Vision Plan Include:

- Reconfiguration of berths to accommodate larger cruise, cargo and petroleum ships.

- Construction of an Intermodal Container Transfer Facility (ICTF) to link to the existing Florida rail system and reduce truck traffic on the roadways.
- Replacement of the majority of bulkhead infrastructure within a 20-year period.
- Expansion of cruise terminals to allow for the new generation of mega-cruise ships.
- Carving out the Broward County Convention Center from the secure area of the Port. A bypass road would be added to allow convention attendees to access the Convention Center without having to go through a security gate.
- Implementation of roadway improvements to make traffic flow in the Port jurisdictional area more efficient.
- Maintaining a safe habitat for the abundant manatee population that migrates to Port Everglades each winter.
- Improving the functionality of the sensitive environment in Westlake Park, including the mangroves, seagrass and wetlands that support the park's wildlife.
- Implementation of a "Green Port Program" to manage the Port environment through integrated decision-making with Port operations, tenants, customers and the general public.

Cruise Improvements In 5-year Plan

- Six of Port Everglades' 12 cruise terminals would be renovated or expanded during the 5-year Capital Improvement Plan.
- Terminal 18 will undergo two phases of renovations and expansion. The first phase will convert approximately 33,000 square feet of existing warehouse space into a cruise ship passenger baggage area capable of accommodating a Voyager-class cruise ship with 3,100 passengers. The second phase will accommodate a Genesis-class ship of 5,400 to 6,400 passengers and will provide an additional 72,000 square feet of interior space. »

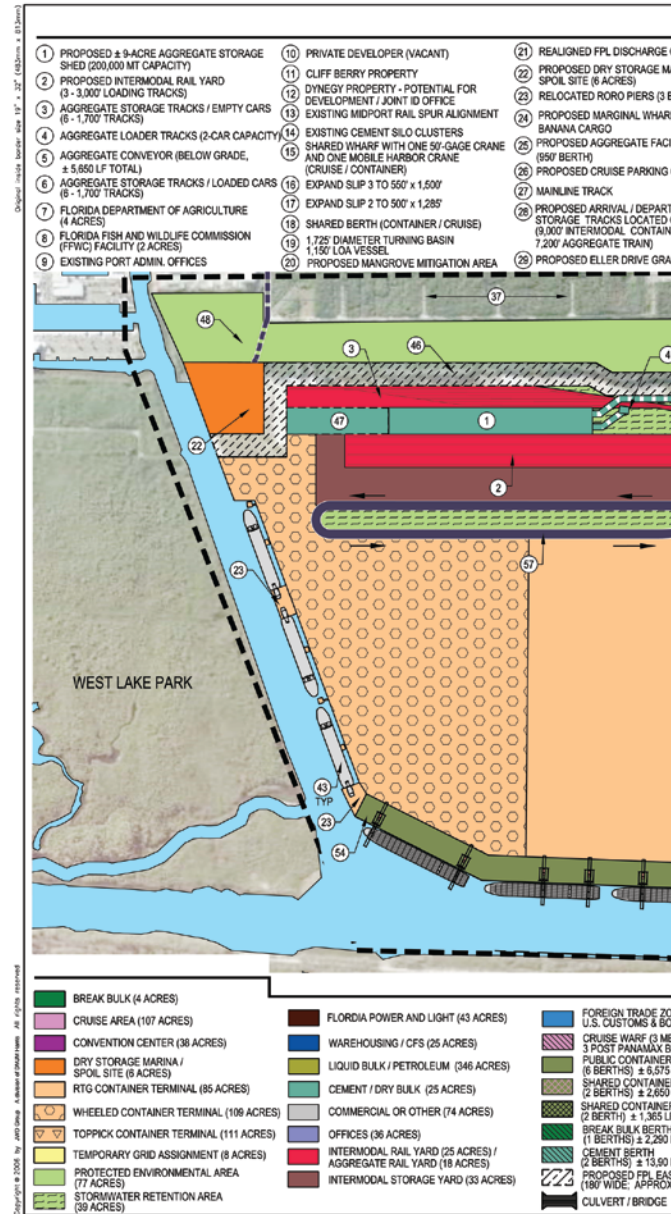


New 20-Year Master/Vision Plan Drives Port's Future

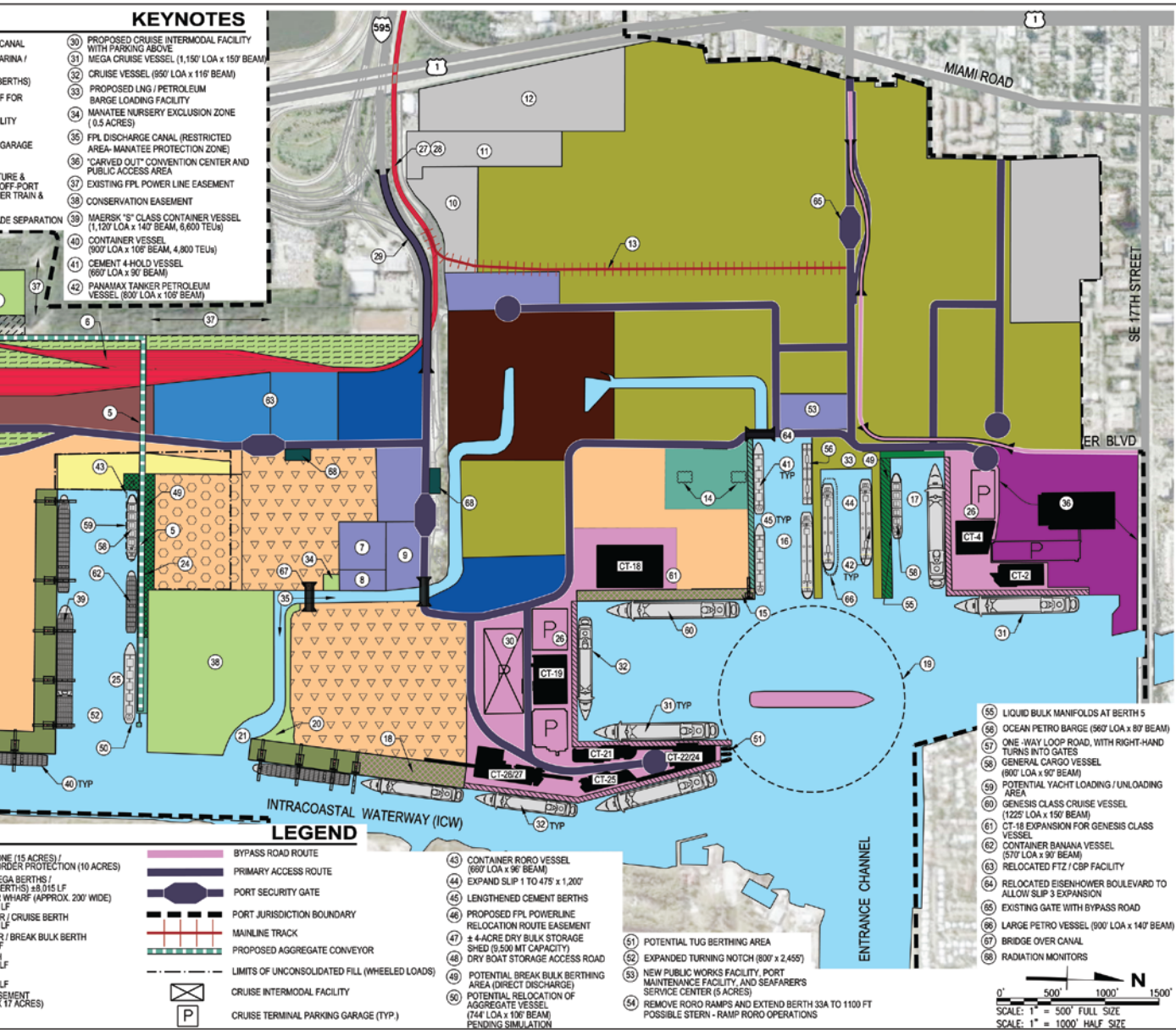
- Terminal 4 in the Northport section of Port Everglades and Terminal 19 in Midport are slated to be redeveloped and expanded to accommodate larger cruise ships. Adjacent Terminals 21 and 22 would be combined so there is more space for passengers and baggage sailing on mega-cruise ships. And Terminal 2 in Northport will be renovated with a new entrance lobby as part of the separation of the Broward County Convention Center from the seaport.
- A 1,200-space parking structure will be added to the Midport cruise area, which would provide for a total of 3,203 spaces in the Midport area. Roadways leading to and from the cruise terminal areas will also be widened and improved to accommodate more taxis and more efficient traffic flow.

Cargo Improvements in 5-year Plan

- A crushed rock aggregate terminal is envisioned to be added in Southport to help meet Florida's needs for this construction material to be imported from off-shore locations. Currently, the majority of the state's crushed rock is mined regionally. Private investment will pay for the facility, which will consist of mooring structures, enclosed conveyors, an enclosed storage building and rail yard.
- The first phase of an Intermodal Container Transfer Facility (ICTF) will link existing railroad tracks to Southport to transport crushed rock aggregate. Future plans call for the ICTF to transport containerized cargo.
- The Turning Notch in Southport would be lengthened to accommodate the crushed rock aggregate vessels and larger post-Panamax cargo ships. This project would require the release of 8.7 acres of an existing Conservation Easement and mitigation of mangroves in this area, which Commissioners elected to review further before final approval.
- One crane in Midport will be replaced with a mobile harbor crane and the other existing rail mounted crane will be refurbished. Both will operate on bio-diesel fuel. The transit shed at Berth 16 will be demolished to allow for more container yard area.
- In Southport, where the majority of Port Everglades' container terminals are located, the Phase VIII parcel will be developed with pavement, drainage and lighting to make way for more container terminal areas.



- McIntosh Road, which is the entryway to the Southport container terminals, will be realigned to create a loop road with ample turning radii enabling all trucks to make right-hand turns into the terminals. The roadway section will have both de-acceleration and acceleration lanes at terminal entrances in addition to the through lanes.
- A new intermodal bridge over the FPL Discharge Canal will connect the cargo areas at Midport to the cargo areas at Southport so that trucks do not have to travel in and out of the security gates once they are already inside the Port.



- Empty tanks on County-owned property that were once used to store molasses will be available for lease by private interests. The tanks could be refurbished for storing petroleum or alternative fuels.
- A 15-acre site west of McIntosh Road in Southport will be used to relocate on-port Foreign-Trade Zone buildings. This project will go through a competitive bidding process in the development community so that capital costs would be covered by private investment.

The Port Everglades Master/Vision Plan is anticipated to cost a total of \$2 billion over a 20-year period. As a self-supporting Enterprise Fund of Broward County government, Port Everglades will be supplementing the revenue it generates through port user fees with private investment whenever possible. ■

Protecting the Balance



Maintaining a sustainable balance between commerce and the environment remains a key objective for Port Everglades, especially while planning for future growth and development. The Broward County Port Everglades Department has embarked on several projects this year that support this balance.

The Port Everglades Department retained an independent consultant, Trane South Florida, to complete a comprehensive energy performance project. To implement the project, Trane worked with the Broward County Public Works and Transportation Department's Energy and Building Automation Section and the Seaport Engineering and Construction Division. As a result, new energy-efficient equipment has been installed in cruise terminals and office buildings to cut greenhouse emissions by more than 10 million pounds annually and save more than \$4.55 million in energy costs over the next 10 years.

The facility upgrade projects cost approximately \$4.4 million and included replacing aging equipment with newer energy-efficient models. The annual energy conserved from the project will result in an annual reduction in greenhouse gas emissions of 9.8 million pounds of carbon dioxide, 61,101 pounds of sulfur dioxide and 17,091 pounds of nitrous dioxide. In addition, when possible, heavy equipment such as scissor lifts, fork lifts and cranes are converted to use bio-diesel or electric to reduce diesel particulate matter.

The Port also expanded a formal recycling program for paper, printer cartridges, batteries, steel, fluorescent lamps, paint, waste oil, batteries, glass, plastic, cardboard, newspaper and magazines.

In May, at the height of water shortage restrictions for South Florida, Port Everglades Director Phillip C. Allen asked Port customers to achieve a measurable level of water reduction by aggressively cutting back their consumption. Many of Port Everglades' customers responded. Princess Cruises was the most proactive, even at a higher fuel cost to the line, by reducing its fresh water purchases to zero. This conservation effort prompted the Broward County Board of County Commissioners to present an award to the cruise line.

In June, Port Everglades donated berth space to assist a tire salvage and recycling pilot program, which if fully realized, will clean up approximately 700,000 tires from the sea floor and turn the tires into energy. In the 1970s, approximately 2 million tires were placed as an artificial reef in 60-70 feet of water on sandy bottom between two natural coral reefs. Intended as good fish habitat, the tires instead failed to support marine life and began to destroy nearby living coral reefs as storms forced the tires against living corals on their way toward shore. U.S. military divers aligned with state tire recycling experts and marine biologists from Broward County and National Oceanic and Atmospheric Administration (NOAA) to conduct a test project to clean up a portion of the tires and determine the extent of a full-scale clean-up operation.

As cruise passengers enter the Port from the I-595/Eller Drive entrance, they may notice brightly colored flowers, palm trees and native shrubbery. The Port's Public Works Section re-landscaped Marinelli Gardens on Eller Drive with new flowering vegetation that is attracting butterflies. Many of the original plants and vegetation at Marinelli Gardens were uprooted during Hurricane Wilma in 2005. The Public Works staff renovated the area by clearing debris, replanting trees, adding shrubbery such as crotons, and repainting. The fountains, long defunct because they were difficult to maintain and wasted water, were converted to planters to attract butterflies and add color. New picnic tables are made from recycled materials.

In recognition of the Port's proactive environmental efforts, Port Everglades won a Superior Award from the National Association of County Information Officers for the Environmental Workshop held in March 2006 and an Award of Excellence from the American Association of Port Authorities on the "Protecting the Balance" brochure, which



is distributed at public speaking engagements. The Port's Crane Section also received an Emerald Award Program certificate from the Broward County Environmental Protection Department for its efforts to use bio-friendly materials; recycling waste oil, spent absorbents, tires, oily rags, light bulbs, paints, etc.; replacing hazardous materials for parts washing with a sonic cleaner; using all electric cranes in Southport; and,

replacing emergency generators on the cranes with doubled walled tanks.

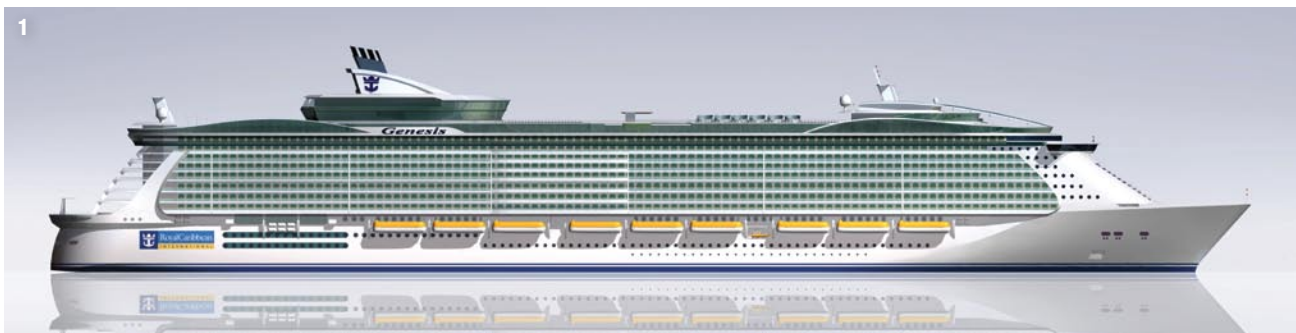
In the works and to be unveiled in FY2008 is a new "Green Port" program for Port Everglades tenants and customers who commit to changing their business practices to better protect the environment and maintain the balance. ■

State and Federal Funding Help Shape Capital Improvements



While Port Everglades is a self-supporting Enterprise Fund that generates revenue through port user fees, grant funding plays an important role in realizing capital improvement projects that make the seaport more efficient for its customers. In the past year, Port Everglades successfully obtained \$12,758,090 in State and Federal grants that will assist with much needed infrastructure and security improvements.

- **\$2,300,000** in Florida Seaport Transportation and Economic Development (FSTED) Council, Chapter 311 FY2007/2008 funding to fund a portion of the portwide high wind bollard project.
- **\$554,090 in funding** from the Florida Department of Transportation's Intermodal Grant Program and Strategic Intermodal System (SIS) Program for the new bridge over the FPL Canal project that will provide direct road access for trucks traveling between Southport and Midport.
- **\$449,000 in funding** from the Florida Department of Transportation's Intermodal Grant Program for the Midport Roadway Expansion project.
- **\$8,100,000 out of \$50,000,000 appropriated** by the Florida Legislature in its 2007 legislative session for Florida's 14 seaports. These funds will be utilized for both the Cruise Terminal 18 Expansion and the Southport Phase VIII Container Yard projects.
- **\$492,000** for the Port Everglades Harbor Study and a \$703,000 reimbursement for past Southport Dredging from the 2008 Omnibus Appropriations Bill recently passed by the U.S. Congress.
- **\$863,000 in funding** from the Florida Department of Transportation's Strategic Intermodal System (SIS) for the McIntosh Road project.



Port Everglades to Move into No. 1 Cruise Port Spot with Royal Caribbean's new Genesis-class Ships

Broward County's Port Everglades is expected to become the world's top cruise port within the next few years with confirmation that Royal Caribbean International, a cruise brand owned and operated by Royal Caribbean Cruises Ltd. (NYSE/OSX: RCL), will be homeporting its two new 5,400-passenger "Project Genesis" vessels in Greater Fort Lauderdale.

Royal Caribbean's Project Genesis ships will be the largest cruise ships ever constructed. The first of the 220,000-gross-registered-ton ships is scheduled to begin sailing year-round from Port Everglades in fall 2009, with the second sister-ship to begin year-round sailings one year later. Each Project Genesis ship is projected to generate approximately 584,000 passenger movements annually at Port Everglades and are being constructed at Aker Yards in Turku, Finland.

"It's very exciting to see our plans come together for these two amazing ships," said Adam Goldstein, president and CEO, Royal Caribbean International. "The bold designs, daring innovations and technological advancements planned for these ships will thrill our loyal guests and help generate new devotees to our brand. We look forward to growing our outstanding relationship with Port Everglades."

As part of the agreement, Royal Caribbean will reimburse up to \$37.4 million in capital expenditures for expansion and related infrastructure needs of Terminal 18, which is already one of the largest cruise passenger terminals worldwide. Along with sister-brands Celebrity Cruises and Azamara Cruises, Royal Caribbean International will generate approximately 17 million passenger movements (embarking and disembarking) at Port Everglades during the first 10-year term of the contract.

"Royal Caribbean has achieved great success with its year-round sailing schedule at Port Everglades," said Port Everglades Director Phillip C. Allen. "Now we can expect an average of 3.6 times more Royal Caribbean passengers, which is phenomenal."

An economic impact study conducted by Martin and Associates as part of the Port Everglades Master/Vision Plan, projects that homeporting the Genesis ships at Port Everglades will create more than 3,844 jobs, generate \$172 million in personal income and \$15.9 million of state and local taxes. In addition, the analysis anticipates that more than 858 new construction jobs will be created during Terminal 18 expansion.

Professional Porter Program Sails into Port Everglades

Approximately 660 cruise ship baggage handlers from International Longshoremen's Association (ILA) Local #1526 received "SUNsational Service®

training for Professional Porters" – a course that teaches customer service excellence and is designed specifically for porters at Port Everglades. Port Everglades teamed up with the Greater Fort Lauderdale Convention & Visitors Bureau, Southeast Florida Employers Port Association, cruise stevedoring companies Eller & Company, Ceres Terminals and Hallmark Stevedoring, and the ILA to launch the customized training course for baggage handlers. The Professional Porter Program is based on Broward County's SUNsational Service model, which was developed in 1999 by the Greater Fort Lauderdale Convention & Visitors Bureau in partnership with Broward County Employee Development for local hospitality workers. It is also a mandatory course for all Broward County employees. Pictured is Professional Porter Darnell Medina receiving his SUNsational Service pin from Roberta Nedry, President of guest service training firm, Hospitality Excellence, Inc.



News & Notable



3 Port Everglades Salutes Our Armed Forces

Port Everglades welcomed six U.S. Navy ships and several U.S. Coast Guard vessels to Broward County during Fleet Week in 2007. More than 3,000 sailors enjoyed South Florida's hospitality during the liberty week. Ships docked at Port Everglades for Fleet Week included the *USS Kearsarge* (LHD 3), *USS Ponce* (LPD 15), *USS San Jacinto* (CG 56), *USS Forrest Sherman* (DDG 98), *USS Gunston Hall* (LSD 44), *USCGC Gannet* (WPB 87334) and *USCGC Farallon* (WPB 1301), *USCGC*

Cormorant (WPB 87313), and a Los Angeles class fast attack submarine.

This year's event, Fleet Week 2008 Port Everglades, was hosted by Broward Navy Days from April 28 through May 3, 2008.

And in July 2007, the Port hosted sailors from the *USS Harry S Truman* (CVN 75) aircraft carrier while it was anchored at sea and its Strike Group, which included three warships docked at portside.

4 Holocaust Era Rail Car Shipped To Port Everglades from Poland

Port Everglades was the site of the heartrending arrival of an early 20th century rail car of the type used by the

Nazis during the Holocaust to transport millions of Jews to death camps during World War II. This WWII rail car, one of only eight artifacts like it in the world, traveled from Gydnia, Poland aboard a Zim ship and was stored compliments of APM Terminal at Port Everglades. The rail car is destined to become a permanent display at the Holocaust Documentation & Education Center, Inc. (HDEC), in Hollywood, Florida.

A brief ceremony at APM Terminals commemorated the rail car's arrival at Port Everglades in January 2007. Several Holocaust survivors attended the ceremony, which was presided over by Rabbi Robert Frazin who performed a Kaddish (traditional Jewish Prayer for the Dead).



Port Honors Perez Trading

Port Everglades honored one of its top exporters, Perez Trading, as the paper products distributor celebrated 60 years of conducting business in South Florida. The company started operations in New York City in 1947 and moved its headquarters to South Florida in 1980, where it maintains a 170,000-square-foot warehouse and office. Port Director Phillip C. Allen presented a commemorative plaque to Perez Trading President Joe Arenas.



ID Office Expands to Larger Facility

The Port Everglades ID Badge Office moved to a larger building at 1030 Old Taylor Road (formerly the

Budget Rental Car building). The new building has a total of 8,000 square feet with ample parking for trucks and automobiles. The ID Badge Office can be accessed outside of the Port's secure area via Taylor Road, which is located on the east side of U.S. 1 (Federal Highway) across from Griffin Road. The move to the expanded facility also allowed the Transportation Security Administration Worker Identification Credential (TWIC) Enrollment Center in the same building, making it convenient for people required to have both IDs.

Dog Whisperer Trains K-9s at Port Everglades

K-9 sniffers at Port Everglades were featured on an episode of National Geographic's "Dog Whisperer" in October 2007. Host Cesar Millan helped a new dog learn to work in tandem with other K-9s in the pack.

Foreign-Trade Zone #25 Benefits from Software Integration

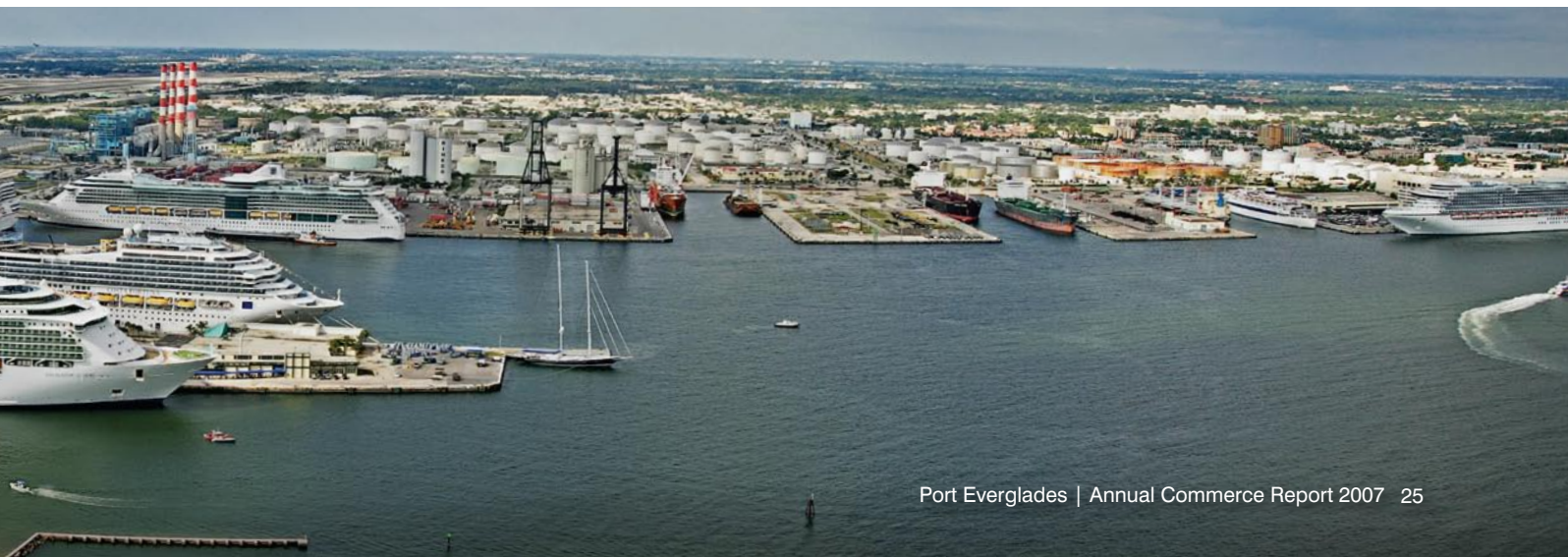
Port Everglades purchased robust new computer software to control and record the movement of merchandise through FTZ#25 and transition to electronic processing with the

automated systems of U.S. Customs & Border Protection, Bureau of Census, and individual companies participating in the Foreign-Trade Zone program in Broward County.



CLIA Brings Top Travel Agents to Port Everglades

Port Everglades was honored to host 35 elite travel agent members of the Cruise Line International Association for a behind-the-scenes tour of the seaport. The agents got a birds-eye view of the Port from the Habormaster Tower and learned about the ins-and-outs of new passport procedures from U.S. Customs and Border Protection. Pictured is Assistant Operations Director Karl Eckhardt describing how the Port can be like a giant puzzle when it comes to berthing multitudes of cruise ships on the same day.





7 Port Everglades Receives First Ethanol Shipment

Port Everglades received its first shipment of ethanol just as the Energy Independence and Security Act of 2007 was signed into legislation. The ethanol shipment of 4.2 million gallons went to multiple petroleum terminals at Port Everglades. Several terminal operators are preparing for the future distribution of alternative fuels by constructing new tanks or converting existing tanks to handle ethanol and other “green” fuels.

8 U.S. Customs and Border Protection Installs New Cargo Screening Devices

U.S. Customs and Border Protection installed Radiation Portal Monitors (RPM) on Eller Drive and McIntosh Road



to screen container trucks leaving Port Everglades. RPM provide a passive, non-intrusive means to screen containers and trailers for the presence of radioactive and nuclear materials. This system detects both gamma ray and neutron radiation

emanating from natural sources and isotopes used in medicine, industry and in special nuclear materials. RPM can detect radiation emanating from nuclear devices and dirty bombs. The systems are totally passive and do not emit any radiation themselves. Pictured is a press conference at the RPM station on Eller Drive with Harold E. Woodward, CBP Director of Field Operations.

9 Asphalt Plant Bound for Trinidad

While Point Lisas, Trinidad has a new asphalt plant, the components of that plant were shipped through Port Everglades. This special break bulk shipment consisted of approximately 3,000 tons of project cargo. Twenty-five heavy lift pieces were trucked from Jacksonville to Port Everglades where International Port Services

chartered a vessel to ship the parts to Trinidad. Florida Transportation Services was the stevedoring/cargo handling company. Pictured in front of one of the large parts are, from left, Antonio Pupo, Vice President of International Port Services and Manuel Almira,



Assistant Director of Business Development for Port Everglades.



10 Environmental Initiatives Receive Awards

Port Everglades won a Superior Award from The National Association of County Information Officers for the Environmental Workshop held in March 2006 and an Award of Excellence from the American Association of Port Authorities for the “Protecting the Balance” brochure. Pictured is Deputy Port Director



Glenn Wiltshire accepting the AAPA Award of Excellence during the association's annual convention in Norfolk, VA in September.

Eller Drive Return Loop Opens in Time for Cruise Season

The Eller Drive Return Loop, a direct connection between the Seaport and Airport, opened prior to cruise season. Cruise transportation vehicles (mainly taxis and buses) can now exit from Eller Drive and loop directly onto U.S. 1 South and to the Airport via old Eller Drive North. Drivers make a right turn at the Eller Drive/7th Avenue traffic signal to get to the loop to U.S. 1 on the right

side of the road. The advantage is that it will save drivers from going a mile out of their way to get to the Airport as well as providing a direct route for traffic heading south on U.S. 1, which in turn reduces emissions. It also provides a safer route and encourages the drivers not to use side streets.

Crowley Introduces New Ship

Crowley Maritime debuted the 8,246-ton *Elbcarrier* at Port Everglades as part of the shipping line's weekly service to the northern portion of Central America. Pictured are from left, *Elbcarrier* Captain Steffan Meyer, Michael Hopkins of Crowley Maritime and Port Everglades Deputy Port Director Glenn Wiltshire. With a 974-TEU capacity, the *Elbcarrier* sails from Port Everglades to Honduras and Guatemala with ongoing service to Nicaragua and El Salvador.



Today's Revenue Paves the Way for Tomorrow's Growth

Total revenue for Port Everglades increased by 4.6 percent from \$107.6 million in FY2006 to \$112.5 million in FY2007. The Port's cruise, containerized cargo and petroleum business sectors made up approximately 74 percent of the Port's total revenue, other waterborne commerce including cruise passenger parking generated

Port Everglades Waterborne Commerce Chart FY 2007-1998 Unaudited

FISCAL YEAR	2007	2006	2005	2004
Operating Revenue	\$ 112,500,017	\$ 107,577,863	\$ 105,858,262	\$ 112,476,658
Expenses	\$ 72,111,017	\$ 69,117,148	\$ 65,232,415	\$ 56,488,710
Gross Margin	\$ 40,389,000	\$ 38,460,715	\$ 40,625,847	\$ 55,987,948
TOTAL SHIP CALLS	5,496	5,510	5,901	6,389
Container Ships	2,270	2,185	1,988	1,890
Cargo Ships	202	268	247	231
Petrol. Tanker/Barge	732	744	751	763
Cruise Ships	1,852	1,763	2,362	2,854
Navy/USCG	39	29	18	25
Other bunkers/tugs	401	521	535	626
CRUISE PASSENGERS	3,409,946	3,239,154	3,801,464	4,075,406
Single Day	719,888	779,470	1,113,101	1,400,110
Multi-Day	2,690,058	2,459,684	2,688,363	2,675,296
Cruise Revenue	\$ 31,483,362	\$ 28,146,431	\$ 30,000,619	\$ 30,601,167
CONTAINER CARGO (tons)	6,060,149	5,688,442	5,076,403	4,145,394
TEUS loaded	665,729	624,524	572,342	486,598
TEUS Total	948,680	864,030	797,238	653,628
Container Revenue	\$ 28,556,927	\$ 25,393,178	\$ 24,192,949	\$ 20,487,292
TOTAL PETROLEUM (tons)	17,486,726	17,566,394	18,338,378	17,585,603
Barrels	122,979,685	123,479,901	128,842,410	123,734,414
Petroleum Revenue	\$ 23,756,489	\$ 22,946,933	\$ 22,945,117	\$ 22,734,391
TOTAL BULK (tons)	1,752,974	2,954,310	2,848,333	2,854,588
Aggregate	304,456	475,083	607,016	491,834
Cement/Clinkers	1,432,837	2,465,753	2,222,492	2,333,142
Tallow	12,312	13,473	18,778	11,555
Gypsum	50,437	0	0	18,056
Bulk Revenue	\$ 3,251,766	\$ 5,661,670	\$ 4,836,366	\$ 4,595,168
TOTAL BREAK BULK (tons)	302,301	376,535	279,139	297,678
Steel/Coils/Rebar	175,361	256,271	159,353	150,951
Lumber	22,071	48,143	36,871	43,778
Board Feet	16,349	34,388	21,477	32,429
Plywood	2,719	38,895	25,339	47,445
Break Bulk Revenue	\$ 2,803,198	\$ 2,798,064	\$ 2,228,132	\$ 2,147,521
TOTAL RO/RO-FLO/FLO (tons)	196,014	152,549	125,166	104,167
Trucks/Trailers	57,390	28,729	23,400	18,536
Tractors	52,089	45,462	26,630	18,812
Yachts/Boats	63,999	57,668	32,866	42,940
Autos	20,184	16,983	23,491	22,104
Buses	1,720	3,708	1,917	1,775
NAVY/USCG REVENUE	\$ 501,215	\$ 436,146	\$ 236,337	\$ 415,837
WATERBORNE COMMERCE	26,400,271	27,114,362	27,159,194	25,462,798

approximately 6 percent, and land-based commerce such as real estate and Foreign-Trade Zone #25 generated nearly 20 percent.

The change in net assets grew by 22 percent, driven in large part by the 51 percent increase in net income of \$14

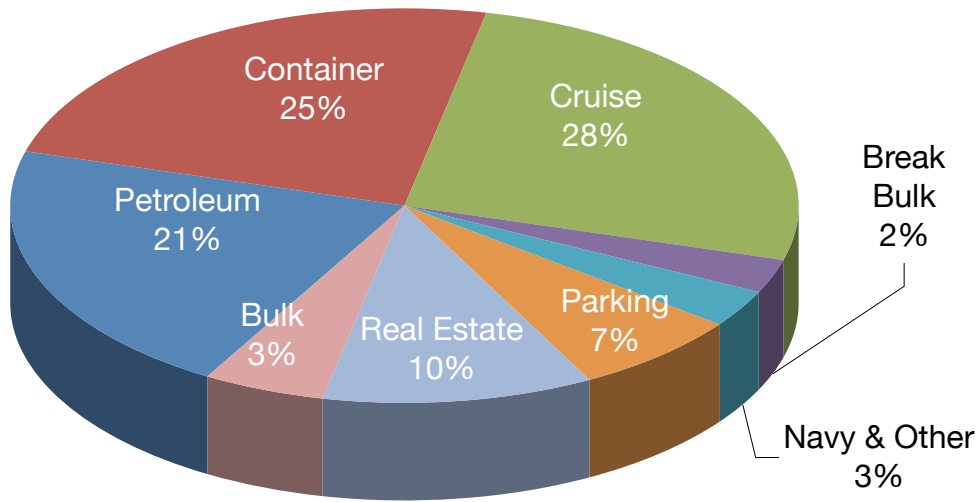
million before capital contributions. The net income generated by the Port is a revenue source for the planned capital improvements specified in the Port's Master/Vision Plan. It reduces the amount of funds needed by external debt funding and results in overall lower interest costs

and reflects a healthy financial position.

Port Director Phillip C. Allen notes that not only did FY2007 represent a strong performance year, but coupled with the recent adoption of a new Master/Vision Plan, it becomes a new foundation for future growth.

FISCAL YEAR	2003	2002	2001	2000	1999	1998
Operating Revenue	\$ 89,386,458	\$ 88,916,308	\$ 79,393,979	\$ 75,641,930	\$ 74,189,588	\$ 66,524,115
Expenses	\$ 53,817,229	\$ 49,176,240	\$ 42,444,470	\$ 37,093,282	\$ 35,209,978	\$ 32,939,870
Gross Margin	\$ 35,569,229	\$ 39,740,068	\$ 36,939,509	\$ 38,548,648	\$ 38,979,610	\$ 33,584,245
TOTAL SHIP CALLS	5,853	5,484	5,572	5,842	5,809	5,352
Container Ships	1,880	1,859	2,128	2,463	2,588	2,413
Cargo Ships	213	196	220	236	230	160
Petrol. Tanker/Barge	798	748	768	735	715	667
Cruise Ships	2,215	1,963	1,793	1,677	1,540	1,349
Navy/USCG	17	22	42	44	62	55
Other bunkers/tugs	730	696	621	687	674	694
CRUISE PASSENGERS	3,375,671	3,485,857	3,072,343	2,737,389	2,392,324	2,256,169
Single Day	1,050,174	1,030,395	1,106,189	1,141,224	1,121,906	1,250,938
Multi-Day	2,325,497	2,455,462	1,966,154	1,596,165	1,270,418	1,005,231
Cruise Revenue	\$ 25,223,188	\$ 25,613,224	\$ 20,398,597	\$ 16,832,382	\$ 15,726,071	\$ 12,709,297
CONTAINER CARGO (tons)	3,633,610	3,425,269	3,907,890	4,091,936	4,143,982	4,257,414
TEUS loaded	415,186	394,966	446,233	465,008	482,229	484,689
TEUS Total	569,743	554,041	621,421	676,760	715,585	704,390
Container Revenue	\$ 18,106,809	\$ 18,021,927	\$ 15,596,973	\$ 17,887,509	\$ 18,557,714	\$ 18,335,983
TOTAL PETROLEUM (tons)	16,958,171	16,005,275	16,776,992	15,970,467	15,900,184	15,481,056
Barrels	119,100,503	112,416,933	117,909,362	112,399,725	111,629,449	109,018,136
Petroleum Revenue	\$ 19,803,802	\$ 18,721,965	\$ 19,100,805	\$ 17,445,637	\$ 17,484,458	\$ 16,140,197
TOTAL BULK (tons)	2,535,057	2,395,950	2,138,654	2,455,205	2,070,714	1,812,671
Aggregate	343,421	326,053	268,780	276,750	246,399	198,489
Cement/Clinkers	2,164,610	1,829,240	1,762,274	2,039,384	1,744,635	1,472,481
Tallow	16,003	15,873	16,900	14,981	17,148	14,577
Gypsum	11,023	137,194	90,700	120,294	48,501	40,217
Bulk Revenue	\$ 3,986,867	\$ 3,774,584	\$ 3,449,788	\$ 3,847,404	\$ 3,582,644	\$ 2,660,301
TOTAL BREAK BULK (tons)	161,195	189,785	200,111	317,642	310,061	205,425
Steel/Coils/Rebar	76,471	139,091	120,650	224,893	212,890	119,385
Lumber	40,539	30,792	49,894	40,347	34,861	58,666
Board Feet	30,029	22,809	36,959	29,887	25,823	43,456
Plywood	22,289	11,591	9,615	8,302	11,905	7,953
Break Bulk Revenue	\$ 1,318,299	\$ 1,616,911	\$ 1,466,058	\$ 2,229,431	\$ 1,783,020	\$ 896,333
TOTAL RO/RO-FLO/FLO (tons)	87,862	101,046	119,081	106,351	106,048	112,451
Trucks/Trallers	17,454	23,595	31,198	33,306	39,786	42,784
Tractors	14,160	14,553	17,977	18,963	21,866	32,948
Yachts/Boats	37,310	36,121	34,816	26,204	28,424	19,280
Autos	14,393	23,713	31,343	24,744	11,748	11,782
Buses	2,223	3,034	3,747	3,134	\$ 4,224.00	5,657
NAVY/USCG REVENUE	\$ 108,235	\$ 76,408	\$ 323,774	\$ 303,226	\$ 285,762	\$ 293,305
WATERBORNE COMMERCE	23,870,023	22,732,854	23,744,118	23,925,515	23,681,273	23,017,446

Economic Impact Port Revenue Centers

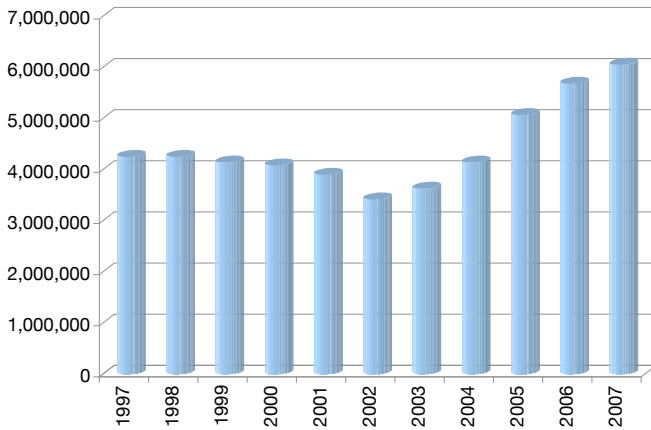


Source: Port Everglades Department

Economic Impact Study Matrix

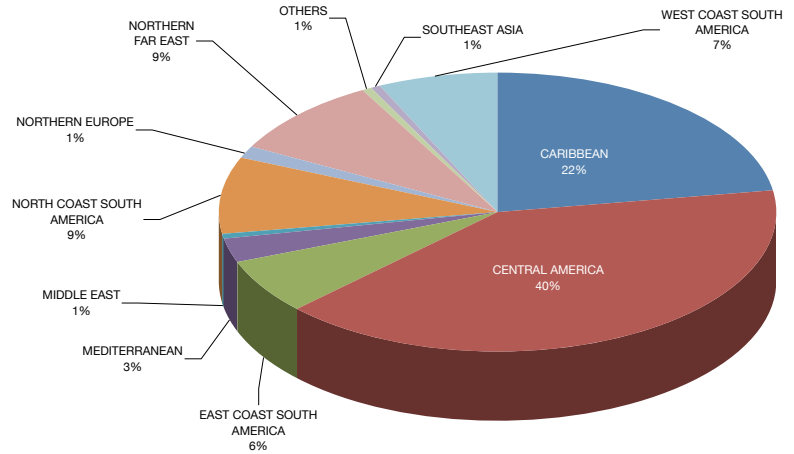
	CARGO	CRUISE	TOTAL
JOBS			
DIRECT	6,137	5,483	11,620
INDUCED	6,891	3,575	10,467
INDIRECT	3,535	3,633	7,169
RELATED USER JOBS	170,253	NA	170,253
TOTAL JOBS	186,817	12,692	199,508
PERSONAL INCOME (1,000)			
DIRECT	\$270,603	\$141,439	\$412,042
INDUCED	\$795,545	\$324,859	\$1,120,404
INDIRECT	\$157,518	\$114,329	\$271,847
RELATED USER INCOME	\$4,987,991	NA	\$4,987,991
TOTAL PERSONAL INCOME	\$6,211,656	\$580,627	\$6,792,283
VALUE OF ECONOMIC ACTIVITY (1,000)			
BUSINESS SERVICES REVENUE	\$780,933	\$1,449,419	\$2,230,352
RELATED USER OUTPUT	\$15,774,705	NA	\$15,774,705
TOTAL VALUE OF ECONOMIC ACTIVITY	\$16,555,639	\$1,449,419	\$18,005,058
LOCAL PURCHASES (1,000)			
	\$295,704	\$161,812	\$457,516
STATE & LOCAL TAXES (1,000)			
DIRECT, INDUCED AND INDIRECT	\$112,577	\$53,497	\$166,074
RELATED USER TAXES	\$458,895	NA	\$458,895
TOTAL STATE AND LOCAL TAXES	\$571,472	\$53,497	\$624,969

Historic Container Activity Fiscal Years 1998-2007 Measured in Short Tons



Source: Port Everglades Department

Percentage of Activity by Trade Lane FY 2007 in TEUs



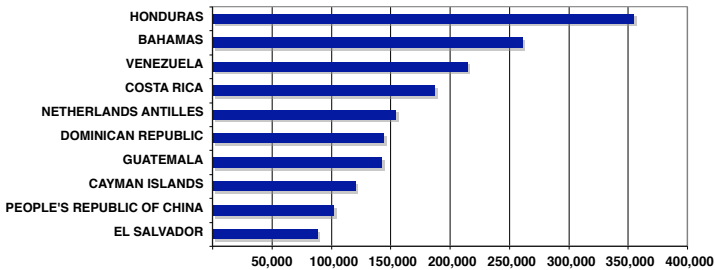
Source: PIERs

Container Cargo Market Performance FY 2007

TRADE LANE	CHARLESTON	JACKSONVILLE	MIAMI	PT EVERGLADES	SAVANNAH	W. PALM BCH	GRAND TOTAL	PORT %
CARIBBEAN	4,336	513,217	182,117	154,051	23,410	149,158	1,026,289	15
CENTRAL AMERICA	57,318	1,030	135,602	275,476	17,366	22	486,814	57
EAST COAST SOUTH AMERICA	42,369	6,059	15,852	42,968	19,109	0	126,357	34
MEDITERRANEAN	91,372	1,847	43,213	19,847	176,759	8	333,046	6
MIDDLE EAST	176,359	2,776	4,388	4,191	140,461	1	328,176	1
NORTH COAST SOUTH AMERICA	22,865	32,301	43,544	60,152	13,707	1,142	173,711	35
NORTHERN EUROPE	514,830	5,376	86,384	10,246	188,169	59	805,064	1
NORTHERN FAR EAST	312,114	10,604	124,264	61,407	996,311	3	1,504,703	4
OTHERS	62,322	2,288	5,615	4,540	87,615	9,980	172,360	3
SOUTHEAST ASIA	52,275	284	28,708	3,832	172,431	22	257,552	1
WEST COAST SOUTH AMERICA	79,439	42,260	15,645	47,083	59,508	3	243,938	19
GRAND TOTAL	1,415,599	618,042	685,332	683,793	1,894,846	160,398	5,458,010	13
% of TOTAL CARGO	26%	11%	13%	13%	35%	3%		

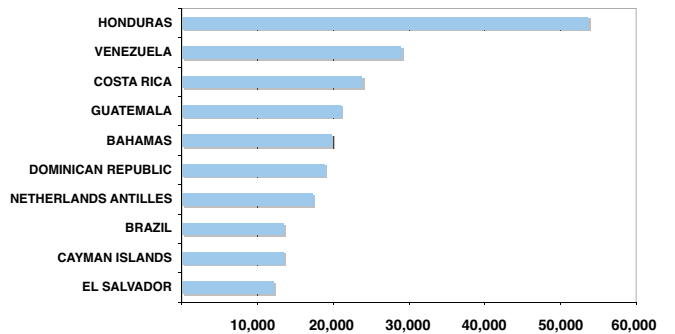
Source: PIERs

Top 10 Trading Partners Export Volume in Short Tons



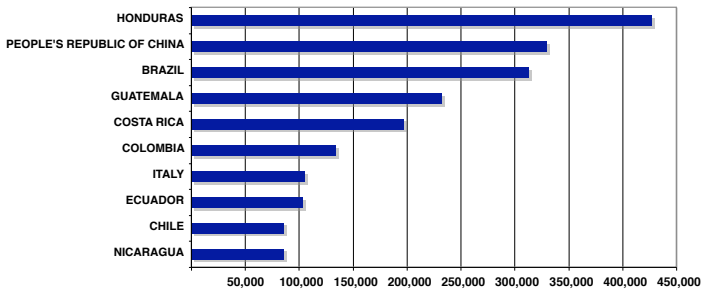
Source: PIERs

Top 10 Trading Partners Export Volume in TEUs



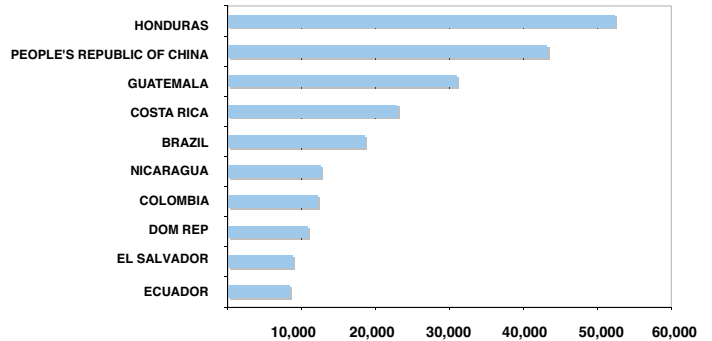
Source: PIERs

Top 10 Trading Partners Import Volume in Short Tons



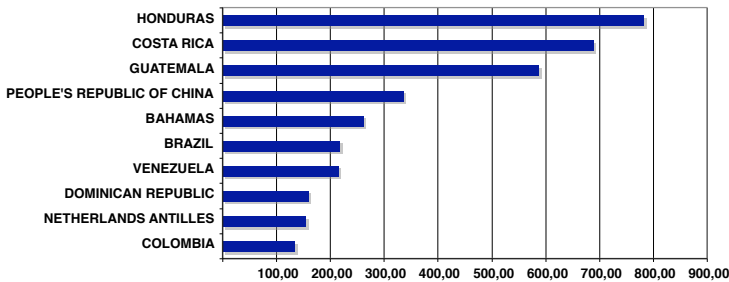
Source: PIERs

Top 10 Trading Partners Import Volume in TEUs



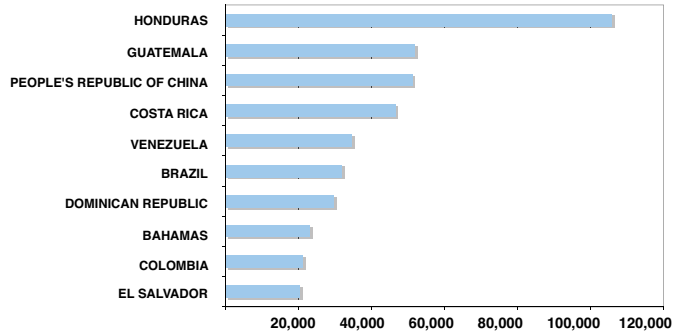
Source: PIERs

Top 10 Trading Partners Total Volume in Short Tons



Source: PIERs

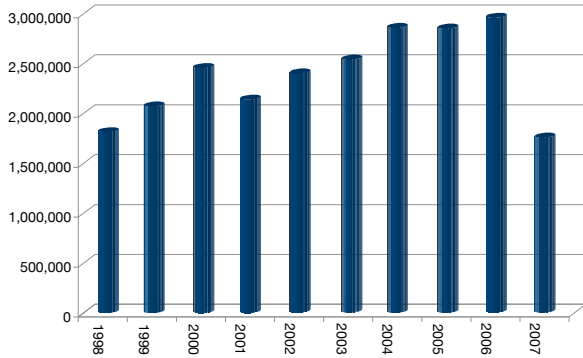
Top 10 Trading Partners Total Volume in TEUs



Source: PIERs

Historical Bulk Cargo Activity Fiscal Years 1998-2007/Measured in Short Tons

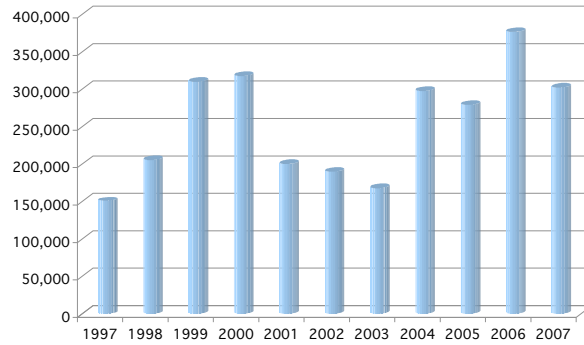
Cement, Tallow, Aggregate



Source: Port Everglades Department

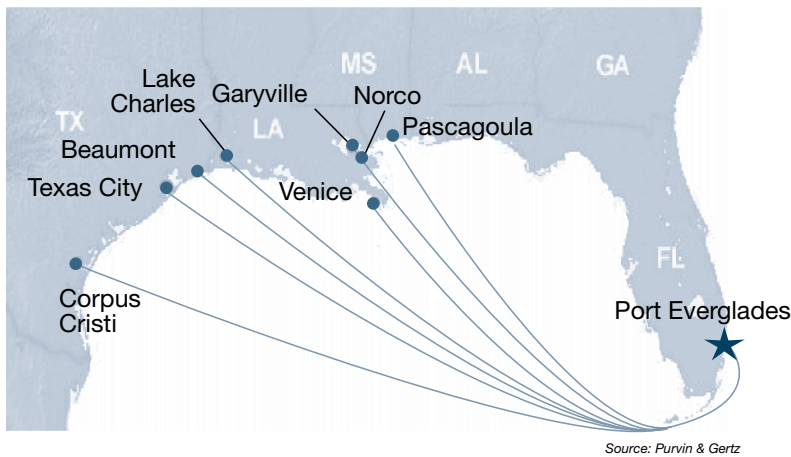
Historical Break Bulk Cargo Activity Fiscal Years 1998-2007/Measured in Short Tons

Steel, Lumber, Yachts



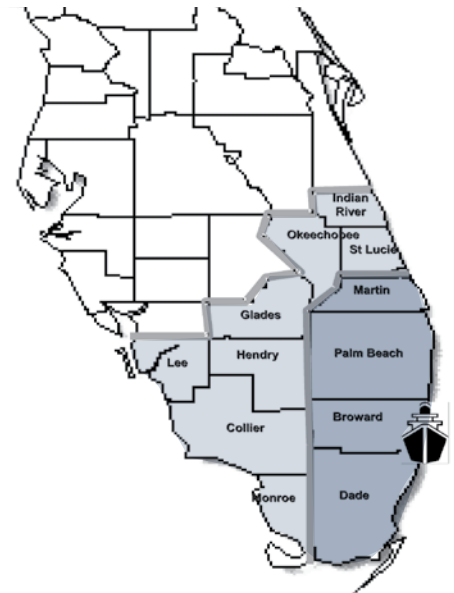
Source: Port Everglades Department

Petroleum Primary U.S. Supply Origins



Source: Purvin & Gertz

Counties in Florida Served by Petroleum Products Moving Through Port Everglades



■ Indicates counties 100% served by Port Everglades

■ Indicates border of distribution areas

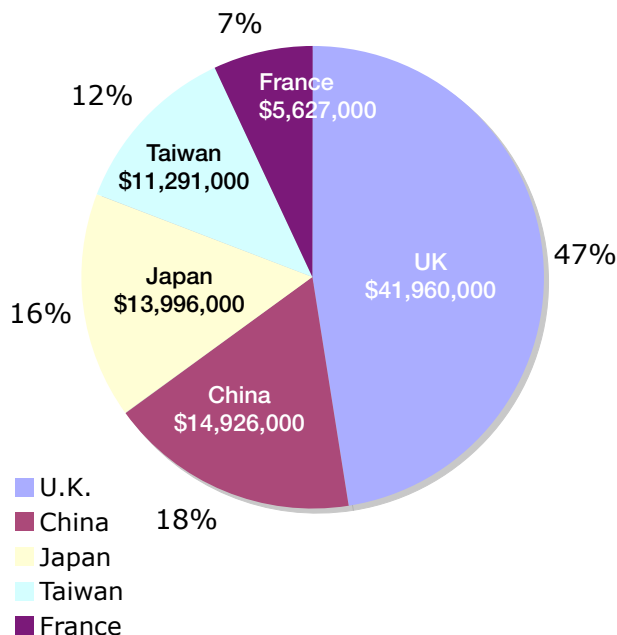
Source: Purvin & Gertz

Petroleum Product Distribution FY2006 vs. FY2007

PRODUCT	FY2006	FY2007	%CHANGE
Revenue	\$22,946,933	\$23,756,489	3.5
Barrels	123,479,901	122,979,685	-0.4
Asphalt	928,726	960,479	3.4
Aviation Gasoline	267,317	307,278	14.9
Diesel Fuel	18,830,178	18,032,799	-4.2
Fuel Oil	8,359,328	7,339,516	-12.2
Gasoline	67,222,681	67,591,337	0.5
Jet Fuel	25,812,441	26,681,658	3.4
Propane	1,107,211	810,691	-26.8
Cruise Oil Loaded	952,019	769,739	-19.1
Bio-diesel	0	486,188	100.0

Source: Port Everglades Department

FTZ Top 5 Countries by Origin and Dollar Value



Source: FTZ #25

The Top Five Commodities and their values passing through FTZ #25 General Purpose FY2006-2007

CATEGORIES	VALUE
Liquor, Beer & Wine	\$57,251,865
Auto Parts	\$24,154,599
Tools	\$16,384,199
Tobacco Products	\$ 4,570,896
Vehicles	\$ 3,797,837

Source: FTZ #25

The Top Five Commodities and their values passing through FTZ #25 Special-Purpose Subzones FY2006-2007

CATEGORIES	VALUE
Jet Fuel	\$ 1,715,314,507
Regular Gasoline	\$ 335,699,825
Premium Gasoline	\$ 104,951,713
Low Sulfur Diesel	\$22,658,112
Additive	\$7,776

Source: FTZ #25

The Movement of FTZ Merchandise through the Special-Purpose General-Purpose Zone at FTZ #25 for FY2006-2007 was:

Received	Value	Totals
From Domestic Origin/Duty Paid	\$0	
From Foreign Status	\$138,579,738	
From other U.S. FTZs:		
Domestic Status	\$1,727	
Foreign Status	\$15,417,104	
Total		\$153,998,569
Forwarded		
To The U.S. Market	\$12,796,532	
To Foreign Countries (Exports)	\$140,099,549	
To Other U.S. FTZs	\$132,411	
Total:		\$153,028,493
General-Purpose Zone Grand Total:		\$307,027,062

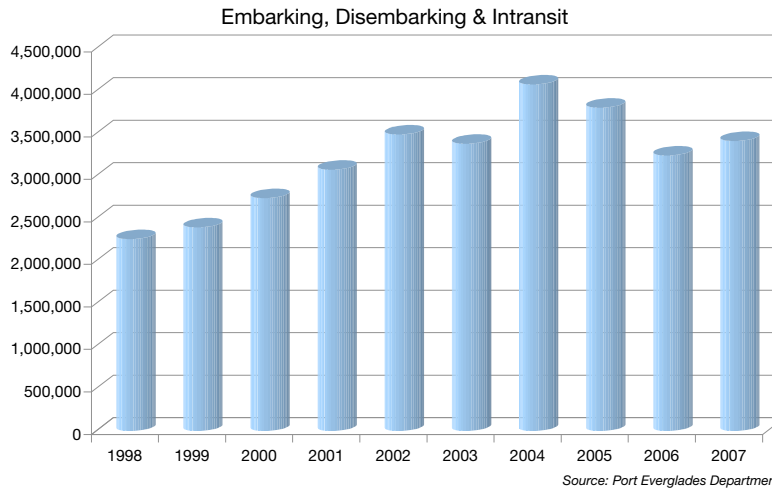
Source: FTZ #25

The Movement of FTZ Merchandise through the Special-Purpose Subzones of FTZ #25 for FY2006-2007 was:

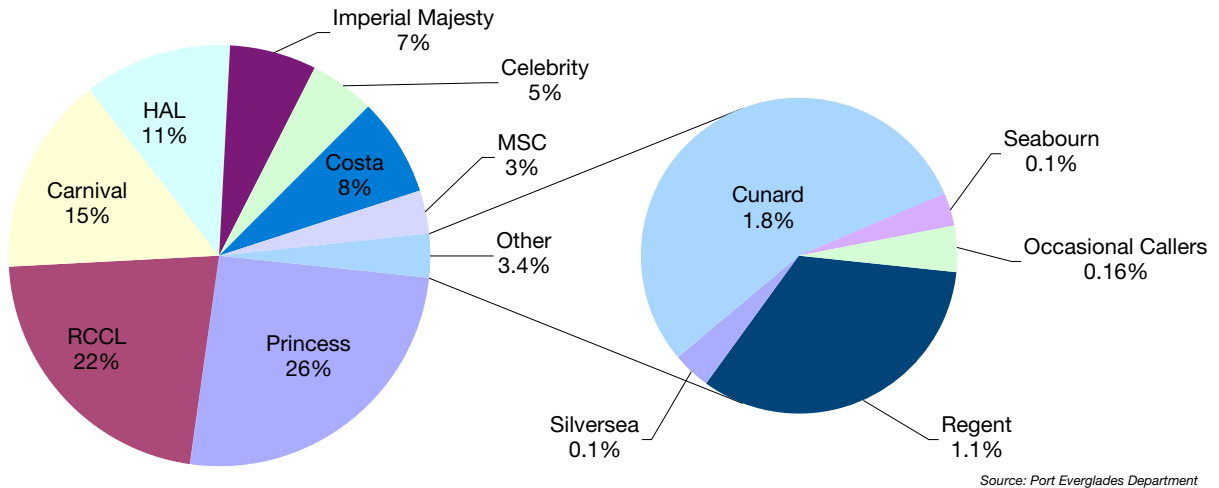
Received	Value	Total
From Domestic Origin/Duty Paid	\$314,059,434	
From Foreign Status	\$1,127,896,735	
From other U.S. FTZs:		
Domestic Status	\$0	
Foreign Status	\$152,199,647	
Total		\$2,594,155,817
Forwarded		
To The U.S. Market	\$1,318,425,933	
To Foreign Countries (Exports)	\$1,084,843,419	
To Other U.S. FTZs	\$186,555,236	
Total:		\$2,589,824,588
Subzone Grand Total:		\$5,183,980,405
TOTAL ZONE ACTIVITY		
FTZ #25 General-Purpose and Special-Purpose Subzones Grand Total:		\$5,491,007,467

Source: FTZ #25

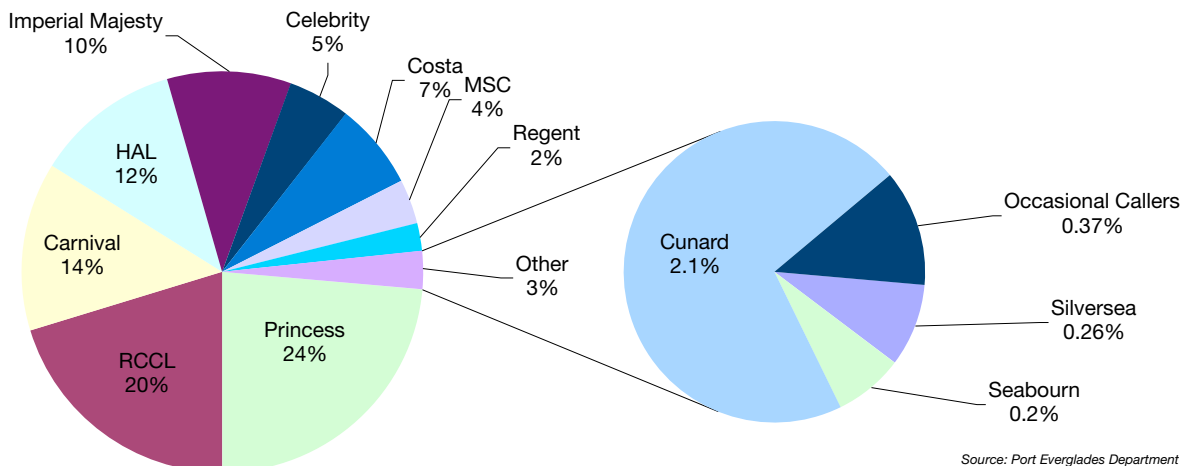
Historical Passenger Activity FY 1998-2007



Multi-Day Passenger Moves by Cruise Line



Multi-Day Revenue by Cruise Line



**PORT EVERGLADES DEPARTMENT
of Broward County, Florida
Statement of Net Assets
September 30, 2007 and 2006
(Unaudited)**

<u>ASSETS</u>	<u>2007</u>	<u>2006</u>
Current assets:		
Cash and cash equivalents	\$ 32,025,284	\$ 84,876,182
Investments	122,980,290	57,042,420
Accounts receivable - trade (less estimated uncollectible accounts of \$1,093,002 in 2007 and \$577,154 in 2006)	7,346,891	6,765,931
Accounts receivable - other (less estimated uncollectible accounts and unamortized discounts of \$115,464 in 2007 and \$126,879 in 2006)	140,047	139,168
Due from other governments	34,136	424,128
Inventories	2,487,181	3,088,869
Prepaid expenses & insurance	1,821,714	1,890,933
Total current assets	<u>166,835,543</u>	<u>154,227,631</u>
Restricted assets:		
Cash and cash equivalents	26,378,868	23,630,278
Investments	14,464,164	15,392,753
Total restricted assets	<u>40,843,032</u>	<u>39,023,031</u>
Bond issue costs and other deferred charges	3,068,461	3,272,308
Capital assets, less accumulated depreciation	304,206,798	310,723,482
Capital assets held for leasing, less accumulated depreciation	191,708,989	194,793,341
Total assets	<u>706,662,823</u>	<u>702,039,793</u>

**PORT EVERGLADES DEPARTMENT
of Broward County, Florida
Statement of Net Assets (continued)
September 30, 2007 and 2006
(Unaudited)**

<u>LIABILITIES</u>	<u>2007</u>	<u>2006</u>
Current liabilities:		
Accounts payable	\$ 1,802,278	\$ 2,236,333
Contracts payable	2,892,627	2,473,197
Salaries and benefits payable	334,174	392,148
Compensated absences	1,002,000	784,000
Due to other governments	1,895,982	1,723,089
Commercial paper	5,000,000	5,000,000
Total current liabilities	<u>12,927,061</u>	<u>12,608,767</u>
Current liabilities payable from restricted assets:		
Contracts payable	51,781	82,649
Security deposits	875,626	966,713
Accrued interest	1,048,714	1,050,468
Unearned grant revenue, capital contributions	224,941	219,118
Bonds payable - current portion	11,974,687	11,393,546
Total current liabilities payable from restricted assets	<u>14,175,749</u>	<u>13,712,494</u>
Noncurrent liabilities:		
Compensated absences	1,003,000	817,000
Bonds payable, net of discounts and premiums	242,407,310	253,512,110
Total liabilities	<u>270,513,120</u>	<u>280,650,371</u>
Commitments and contingencies (Notes C,D,E,F,G, H and J)		
<u>NET ASSETS:</u>		
Invested in capital assets, net of related debt	242,075,972	239,640,733
Restricted for:		
Capital projects	14,383,716	13,468,312
Debt service	3,433,067	3,436,317
Renewal and replacement, and operating and maintenance	17,033,000	16,568,720
Unrestricted	159,223,948	148,275,340
Total net assets	<u>\$ 436,149,703</u>	<u>\$ 421,389,422</u>

**PORT EVERGLADES DEPARTMENT
of Broward County, Florida
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Years Ended September 30, 2007 and 2006
(Unaudited)**

	2007	2006
Operating revenues:		
Vessel and cargo services, net of allowance for doubtful accounts of \$365,669 in 2007	\$ 88,829,906	\$ 83,942,069
Lease of facilities	10,405,951	10,523,398
Vehicle parking	8,093,647	7,303,180
Other	5,170,513	5,809,216
Total	112,500,017	107,577,863
Operating expenses:		
Personal services	19,992,783	18,452,775
General operating	52,118,234	50,664,373
Total	72,111,017	69,117,148
Income from operations before depreciation	40,389,000	38,460,715
Depreciation	20,185,457	20,351,692
Income from operations	20,203,543	18,109,023
Non-operating revenues (expenses):		
Interest income - other	9,645,068	7,608,425
Interest income - from bond proceeds	849,138	712,124
Interest expense	(14,744,041)	(15,650,951)
Gain (loss) on disposal of assets	34,210	(8,581)
Discontinued projects' costs	(1,571,843)	
Other expense, net	(409,089)	(1,511,267)
Total	(6,196,557)	(8,850,250)
Net income before capital contributions	14,006,986	9,258,773
Capital contributions	753,295	2,783,627
Change in net assets	14,760,281	12,042,400
Total net assets, beginning of year	421,389,422	409,347,022
Total net assets, end of year	\$ 436,149,703	\$ 421,389,422

PORT EVERGLADES DEPARTMENT
of Broward County, Florida
Statement of Cash Flows
For the Years Ended September 30, 2007 and 2006
(Unaudited)

	2007	2006
Cash flows from operating activities:		
Cash received from customers	\$ 111,873,296	\$ 107,127,942
Payments to suppliers for goods and services	(51,857,341)	(57,547,418)
Payments to employees for services	(19,646,757)	(18,017,165)
Net cash provided by operating activities	40,369,198	31,563,359
Cash flows from noncapital financing activities:		
Other non-operating cash (expended) or received, net	(241,826)	(712,231)
Net cash used by noncapital financing activities	(241,826)	(712,231)
Cash flows from capital and related financing activities:		
Capital contributions (Note I)	1,135,821	4,421,609
Proceeds from commercial paper		5,000,000
Principal payments on bonds	(12,085,483)	(12,011,279)
Interest and fiscal charges paid	(13,183,971)	(13,421,265)
Acquisitions of capital assets	(11,610,505)	(8,619,089)
Proceeds from sales of capital assets	39,368	
Net cash used by capital and related financing activities	(35,704,770)	(24,630,024)
Cash flows from investing activities:		
Purchase of investments	(206,863,662)	(186,286,082)
Proceeds from sales and maturities of investments	141,854,381	195,041,271
Interest on investments	10,484,371	8,320,549
Net cash used by investing activities	(54,524,910)	17,075,738
Decrease in cash and cash equivalents	(50,102,308)	23,296,842
Cash and cash equivalents, beginning of year	108,506,460	85,209,618
Cash and cash equivalents, end of year	\$ 58,404,152	\$ 108,506,460
Classified as:		
Current assets	\$ 32,025,284	\$ 84,876,182
Restricted assets	26,378,868	23,630,278
Total	\$ 58,404,152	\$ 108,506,460

(Continued)

**PORT EVERGLADES DEPARTMENT
of Broward County, Florida
Statement of Cash Flows (continued)
For the Years Ended September 30, 2007 and 2006
(Unaudited)**

	<u>2007</u>	<u>2006</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ <u>20,203,543</u>	\$ <u>18,109,023</u>
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	20,185,457	20,351,692
Decrease(increase) in operating assets:		
Accounts receivable - trade	(546,168)	(365,732)
Accounts receivable - other	10,536	(916)
Inventories	601,688	373,107
Prepaid expenses & insurance	69,219	(278,061)
Increase(decrease) in liabilities:		
Accounts payable	(582,909)	(1,490,593)
Salaries and benefits payable	(57,974)	116,982
Compensated absences	404,000	318,628
Due to other governments	172,893	(137,494)
Due to other county funds		(5,350,000)
Security deposits	<u>(91,087)</u>	<u>(83,277)</u>
Total adjustments	<u>20,165,655</u>	<u>13,454,336</u>
Net cash provided by operating activities	<u>\$ 40,369,198</u>	<u>\$ 31,563,359</u>
Supplemental:		
Non-cash capital and related financing activities:		
Amortization of deferred charges, bond issue and discount costs	\$ 910,445	\$ 1,530,616
Capital appreciation of bonds	855,228	1,548,249
Property and equipment acquired through contractor agreements	<u>2,944,408</u>	<u>2,555,846</u>
Total	<u>\$ 4,710,081</u>	<u>\$ 5,634,711</u>

PORT EVERGLADES DEPARTMENT
Broward County, Florida
Notes to Financial Statements
September 30, 2007 and 2006
(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.

(Continued)

PORT EVERGLADES DEPARTMENT
Broward County, Florida
Notes to Financial Statements
September 30, 2007 and 2006
(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, 2007 and 2006.

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 \$109,319 and \$18,553 of interest cost for the years ended September 30, 2007 and 2006, respectively. Interest related to the 1998 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.

(Continued)

PORT EVERGLADES DEPARTMENT
Broward County, Florida
Notes to Financial Statements
September 30, 2007 and 2006
(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 \$2,000,000 self-insurance retention with a maximum limit per occurrence of \$30 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, 2007 and 2006 the carrying values of the Port's bank deposits were \$8,584,478 and (\$1,964,032) and the respective bank balances were \$297,441 and \$25,309,882. 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, 2007, the portfolio weighted average maturity was 434 days.

(Continued)

PORT EVERGLADES DEPARTMENT
Broward County, Florida
Notes to Financial Statements
September 30, 2007 and 2006
(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. Under Florida Statutes, investments with the State Board of Administration are entirely collateralized and insured by the State. 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, 2007, were substantially below the limits on a countywide basis.

As of September 30, 2007 and 2006 the Port's deposits, cash and cash equivalents, and investments consisted of the following:

	Fair Value Amount	Market Value	Days to Maturity ²
2007			
Deposits	\$ 8,584,478	\$ 8,584,478	
Cash equivalents:			
Repurchase Agreements with the State Board of Administration:			
Due 10/12/2007, 5.27% current yield	4,886,414	4,886,414	1 11
Due 11/06/2007, 5.26% current yield	5,684,500	5,684,500	1 36
Due 12/06/2007, 4.21% current yield	5,655,979	5,655,979	1 66
Money market funds:			
Fidelity Institutional Money Market Fund Class III Treasury Portfolio (Fund 696, CUSIP 912795PM7, Fund Symbol FISXX), 4.13 - 4.77% yield	8,061,867	8,061,867	2
State Board of Administration, 5.77% current yield	25,530,914	25,530,914	1
	<u>49,819,674</u>	<u>49,819,674</u>	
Investments:			
Commercial paper:			
UBS Financial Services Inc., due 10/10/2007, 5.165% yield	27,065,007	27,065,007	1 9
Natexis US Financial, due 11/06/2007, 5.17% yield	20,891,430	20,891,430	1 36
Society General, due 12/12/2007, 5.195% yield	25,729,860	25,729,860	1 72
SwedBank, due 03/07/2008, 5.175% yield	19,545,750	19,545,750	1 158
	<u>93,232,047</u>	<u>93,232,047</u>	
U.S. Government agencies:			
U.S. Treasury Bills, due 02/28/2008, 3.80% yield	431,164	431,164	2 150
Federal Home Loan Mortgage Corp, due 05/05/2008, 4.30% yield	14,481,745	14,455,035	1 217
U.S. Treasury Note, due 09/15/2008, 3.13% yield	14,040,123	14,032,135	1 350
Federal Home Loan Mortgage Corp, due 01/16/2009, 5.00% yield	15,259,375	15,103,125	1 473
	<u>44,212,407</u>	<u>44,021,459</u>	
Total September 30, 2007	<u>\$ 195,848,606</u>	<u>\$ 195,657,658</u>	

(Continued)

PORT EVERGLADES DEPARTMENT
Broward County, Florida
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B. Cash and Investments (continued):

	Fair Value Amount	Market Value	Days to Maturity ³
2006			
Deposits	\$ (1,964,032)	\$ (1,964,032)	
Cash equivalents:			
Repurchase Agreements with the State Board of Administration:			
Due 10/16/2006, 5.280% current yield	4,577,714	4,577,714 ¹	15
Due 11/13/2006, 5.280% current yield	5,413,464	5,413,464 ¹	43
Due 12/13/2006, 5.290% current yield	5,413,490	5,413,490 ¹	73
Due 12/15/2006, 5.290% current yield	20,160,439	20,160,439 ¹	75
Money market funds:			
Fidelity Institutional Money Market Fund Class III Treasury Portfolio (Fund 696, CUSIP 912795PM7, Fund Symbol FISXX), 4.86 - 4.87%	6,670,115	6,670,115 ²	
State Board of Administration, 5.320% current yield	68,235,270	68,235,270 ¹	
	110,470,492	110,470,492	
Investments:			
U.S. Government agencies:			
U.S. Treasury Bills, due 02/27/2007, 4.62 - 4.65% yield	1,823,753	1,823,753 ²	149
Federal Home Loan Mortgage Corp, due 06/18/2007, 5.384% yield	25,487,059	25,487,059 ¹	260
Federal Home Loan Bank, due 08/24/2007, 5.627% yield	20,117,167	20,117,167 ¹	327
Federal Home Loan Bank, due 09/28/2007, 5.180% yield	25,007,194	25,007,194 ¹	362
	72,435,173	72,435,173	
Total September 30, 2006	\$ 180,941,633	\$ 180,941,633	

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.

(Continued)

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B. Cash and Investments (continued):

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

	Unrestricted	Restricted	Total
Cash and cash equivalents	\$ 32,025,284	\$ 26,378,868	\$ 58,404,152
Investments	122,980,290	14,464,164	137,444,454
Total September 30, 2007	<u>\$ 155,005,574</u>	<u>\$ 40,843,032</u>	<u>\$ 195,848,606</u>
Total September 30, 2006	<u>\$ 141,918,602</u>	<u>\$ 39,023,031</u>	<u>\$ 180,941,633</u>

C. Due from Other Governments

On October 14, 1999, the County entered into a loan agreement with the Florida Ports Financing Commission (FPFC) for \$19,000,000 to be used for Port Everglades capital improvement projects. Under the terms of the loan agreement, debt service payments shall be made solely from monies due to the borrower from the State Transportation Trust Fund pursuant to Section 320.20(3), Florida Statutes. As such, the loan agreement does not constitute a debt or pledge of the faith or credit of the Port and accordingly has not been reported in the accompanying financial statements. The FPFC has from time-to time, increased or decreased the loan agreements for certain ports in order to reallocate bond proceeds from one port to another. Under the loan agreement, Port Everglades was allocated a total of \$18,236,716, all of which was received as of September 30, 2007. No amount was due as of September 30, 2006.

At September 30, 2007 and 2006, additional amounts due from other governments consisted of the following:

Description	Agency*	Effective Date	Participation Rate %	Maximum Grant	Cumulative Payments Received	Balance of Grant Funds Available as of September 30, 2007	Amount Due 2007	Amount Due 2006
Port Security Grant - Federal	USDOT	06/07/2002	100	\$ 6,844,800	\$ 6,675,837	168,963		
Southport Container Yard, Phse VIII	FDOT	11/15/2005	50	2,100,000		\$ 2,100,000		
McIntosh Road Realignment	FDOT	01/18/2007	50	1,265,000		1,265,000		
People Mover	FDOT	02/05/2004	50	1,070,820	423,632	613,052	\$ 34,136	\$ 59,353
High Wind Bollards	FDOT	07/31/2006	50.00	3,350,000	228,826	3,121,174		164,776
Terminal 27 & Berth 27 Extension	FDOT	07/31/2006	50.00	1,050,000		1,050,000		
New Bridge over FFL Canal	FDOT	11/14/2005	42.90	1,035,000		1,035,000		
Midport Roadway Expansion	FDOT	06/15/2006	50.00	500,000		500,000		
Stolen Automobile Recovery Grant	FDIC	02/19/2002	37.04	300,000	200,000	100,000		200,000
Port Security Grant - Federal	DHS	09/11/2007	75.00	270,000		270,000		
Wetland Mitigation Projects (Completed December 2006)	EPA	07/26/2002	40	299,350	299,350			
TOTAL							<u>\$ 34,136</u>	<u>\$ 424,129</u>

* FDOT - Florida Department of Transportation
FDIC - Florida Department of Insurance
USDOT - United States Department of Transportation
DHS - Department of Homeland Security
EPA - United States Environmental Protection Agency

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D. Capital Assets

Capital asset activity for the year ended September 30, 2007 was as follows:

	Balance beginning September 30, 2006	Additions	Deletions/ Reclassifications	Balance ending September 30, 2007
Used in operations:				
Buildings, piers and other improvements	\$ 300,983,598	\$ 2,780,274	\$ (786,626)	\$ 302,977,246
Equipment	128,627,772	1,165,448	(230,006)	129,563,214
Total depreciable property	429,611,370	3,945,722	(1,016,632)	432,540,460
Less accumulated depreciation	(192,260,087)	(17,017,517)	1,011,472	(208,266,132)
Depreciable property, net	237,351,283	(13,071,795)	(5,160)	224,274,328
Non-depreciable property:				
Land and land improvements	56,574,446	66,555		56,641,001
Construction in progress	16,797,753	6,493,716		23,291,469
Total non-depreciable property	73,372,199	6,560,271		79,932,470
Total operating property, net	310,723,482	(6,511,524)	(5,160)	304,206,798
Held for lease:				
Buildings, piers and other improvements	88,326,394	83,584		88,409,978
Less accumulated depreciation	(44,857,087)	(3,167,936)		(48,025,023)
Depreciable leased property, net	43,469,307	(3,084,352)		40,384,955
Non-depreciable leased property:				
Land and land improvements	151,324,034			151,324,034
Total leased property, net	194,793,341	(3,084,352)		191,708,989
Total property, net	\$ 505,516,823	\$ (9,595,876)	\$ (5,160)	\$ 495,915,787

As of September 30, 2007, 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
Northport Parking Garage Phse III Improvements — Mercury Development	\$ 2,582,525	\$ 2,582,525
Expand Cargo Handling Facilities at Southport - Craven Thompson	2,761,000	1,641,171
Terminal 27 Extension — Bermello Ajamil & Partners	1,671,863	1,525,279
Berth 19 Parking Facility — Weekley Asphalt	1,527,037	1,344,788
Energy Performance Project — Trane	4,436,520	1,296,423
Fire Apparatus — Kiddie Fire Fighting	1,259,059	1,198,638
Tow Wall Improvements Study — Craven Thompson	1,811,778	1,142,200
Billing & Harbormaster Software Upgrade - Klein Systems	1,140,500	980,830
FPL Discharge Canal Bridge — EAC Consulting	1,036,987	934,269
People Mover		
Lea & Elliott	2,109,329	747,833
URS Corporation	740,385	75,067
Dredging Berth 29 - Subaqueous Services	940,025	560,690
West Lake Master Plan Mitigation Study — Miller, Legg and Associates	1,418,268	432,611
Roofing Systems on Various Terminals and Bldgs - Craven Thompson	642,014	422,135
Southport Berth No. 34 — Gee and Jenson/CH2M Hill	1,400,248	418,000
Master Plan Update — DMJM & Harris	1,295,000	211,702
Replace Loading Bridge, Terminal 18 — FMT Aircraft	1,220,000	194,750
Terminal 4 Expansion — CH2M Hill	509,990	194,708
Terminal 2 Baggage Claim Expansion — Double E Contracting	2,247,628	22,486
Total	\$ 30,750,156	\$ 15,926,105

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E. Commercial Paper

On September 9, 2005, the Port and the Broward County Aviation Department, in a 50/50 joint venture, purchases 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 County's commercial paper program (the "Program"). The Program is used for financing a variety of public projects. The Program is 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 serves as the primary pledged revenue for the Program, the commercial paper issued for the Port will be repaid using the revenues of the Port. Under the Program, maturing commercial paper is 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.

As of September 30, 2007, the County had Sales Tax Revenue Commercial Paper Notes outstanding relative to the Port of \$5,000,000 at an interest rate of 3.8%, due December 6, 2007, which is shown under Current liabilities in the accompanying Statement of Net Assets. Commercial paper activity for the year ended September 30, 2007 was as follows:

	Beginning balance September 30, 2006	Increases	Decreases	Ending balance September 30, 2007
Commercial Paper	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000

F. Bonds Payable

The annual debt service requirements for all bonds outstanding as of September 30, 2007 are as follows:

Revenue Bonds Payable

Year(s)	Principal	Interest
2008	\$ 11,974,686	\$ 13,094,684
2009	12,635,000	12,604,663
2010	13,280,000	11,956,102
2011	13,965,000	11,270,983
2012	14,690,000	10,546,974
2013-2017	75,810,000	40,843,279
2018-2022	53,515,000	25,043,440
2023-2027	68,120,000	10,433,856

(Continued)

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F. Bonds Payable (continued):

Bonds payable activity for year ended September 30, 2007, was as follows:

	Balance beginning September 30, 2006	Additions and Appreciation	Reductions	Balance ending September 30, 2007	Due Within One Year
Bond Issue:					
1989A Port Facilities, Refunding capital appreciation	\$ 12,134,943	\$ 855,228	\$(10,675,486)	\$ 2,314,685	\$ 2,314,687
1989A Port Facilities, Refunding	53,185,000			53,185,000	
1998A Port Facilities, Refunding	13,195,000		(130,000)	13,065,000	2,385,000
1998B Port Facilities, Refunding	79,825,000			79,825,000	
1998C Port Facilities	43,795,000			43,795,000	5,935,000
1998C Port Facilities	28,645,000			28,645,000	
1998 Subordinate Port Facilities, Refunding	44,440,000		(1,280,000)	43,160,000	1,340,000
Sub-total	<u>275,219,943</u>	<u>855,228</u>	<u>(12,085,486)</u>	<u>263,989,685</u>	
Less issuance discounts, plus premiums	<u>(10,314,287)</u>	<u>706,599</u>		<u>(9,607,688)</u>	
Total bonds payable	<u>\$264,905,656</u>	<u>\$ 1,561,827</u>	<u>\$(12,085,486)</u>	<u>\$ 254,381,997</u>	<u>\$ 11,974,687</u>

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):

Bond Issue	Primary Purpose	Type	Interest Payment		Optional Redemption		Final Maturity Date	Original Amount Issued	Retired/Refunded	Accretion	Outstanding September 30, 2007
			Rate(%)	Dates	Year	Premium					
1989A Port Facilities Refunding	Refunding Issue	Capital apprc.	7.4 - 7.45	3-19-1	N/A	N/A	9-1-2010	\$ 37,875	\$ (37,258)	\$ 1,698	\$ 2,315
1989A Port Facilities Refunding	Refunding Issue	Term	5.0 - 7.5	3-19-1	N/A	N/A	9-1-2016	79,580	(26,395)		53,185
1998A Port Facilities Refunding	Refunding Issue	Serial	4.4 - 4.8	3-19-1	2008 2009	1% N/A	9-1-2012	13,195	(130)		13,065
1998B Port Facilities Refunding	Refunding Issue	Term	5.0	3-19-1	2008 2009	1% N/A	9-1-2027	79,825			79,825
1998C Port Facilities	Capital Improvements	Serial	5.375	3-19-1	2008	N/A	9-1-2012	43,795			43,795
1998C Port Facilities	Capital Improvements	Term	5.0	3-19-1	2008	N/A	9-1-2027	28,645			28,645
1998 Subordinate Port Facilities Refunding	Refunding Issue	Serial	5.003	Monthly	2008	2%	9-1-2027	49,000	(5,840)		43,160
Total Revenue Bonds											<u>\$ 263,990</u>

(Continued)

PORT EVERGLADES DEPARTMENT
Broward County, Florida
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F. Bonds Payable (continued):

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 dept) of \$340,000.

Interest Rate Swap Agreement:

Objective of the interest rate swap – The County entered into an interest rate swap agreement for \$49,000,000 of its variable rate 1998 Series Subordinated Port Facilities 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 on the bonds to a synthetic fixed rate of 5.003%.

Terms- The bonds and the related swap agreement mature on September 1, 2027, and the swap's notional amount of \$49,000,000 matches the principal amount of the bonds issued. The swap was entered into at the same time that the bonds were issued (September 1998). The notional value of the swap and the principal amount of the associated debt decline beginning in fiscal 2003. The bonds are also subject to optional redemption beginning in 2008. Under the swap, the County pays the counterparty a fixed payment of 5.003% 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.

Fair value - As of the fiscal year ended September 20, 2007, the swap had a negative fair value of \$3,311,184 because interest rates have declined since the execution of the swap. However, the bonds do not have a corresponding fair value increase because the coupons on the County's variable-rate bonds adjust to changing interest rates. The fair value was estimated using the proprietary valuation model developed by the counterparty. This method calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value. All rates used in the valuation are mid-market levels (mid-way between bid and ask), or are model based mid-market levels when actual levels are not available.

Credit risk - As of the fiscal year ended September 30, 2007, the County was not exposed to credit risk because the swap had a negative fair value. 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 counterparty has guaranteed all payments and is rated Aaa/AAA/AAA by the major rating agencies. To mitigate potential credit risk, if the counterparty's ratings are downgraded, it will collateralize the swap liability to the County with securities, consisting of obligations of the United States Government, mortgage participation certificates of the Federal Home Mortgage Corporation or the Federal National Mortgage Association, or such other securities as the parties mutually agree to. Collateral would be deposited with a third-party custodian.

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F. Bonds Payable (continued):

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.

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, 2007, 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:

Year(s)	Variable-Rate Bonds		Total
	Principal	Interest	
2008	\$ 1,340,000	\$ 2,051,394	\$ 3,391,394
2009	1,405,000	1,987,704	3,392,704
2010	1,470,000	1,920,924	3,390,924
2011	1,540,000	1,851,055	3,391,055
2012	1,615,000	1,777,859	3,392,859
2013-2017	9,290,000	7,663,279	16,953,279
2018-2022	11,720,000	5,235,190	16,955,190
2023-2027	14,780,000	2,172,356	16,952,356
Total	<u>\$ 43,160,000</u>	<u>\$ 24,659,761</u>	<u>\$ 67,819,761</u>

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 1998 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.

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.

(Continued)

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F. Bonds Payable (continued):

Schedule of Revenues, Expenses and Debt Service Coverage
For the Year Ended September 30, 2007
(Dollars In Thousands)

Operating Revenues:	
Petroleum	\$ 23,756
Container	28,557
Cruise	31,483
Bulk	3,252
Breakbulk/Neobulk	2,803
Real Estate	11,109
Other	11,540
Subtotal	<u>112,500</u>
Non-Operating-Investment	8,961
Total Revenues	<u>121,461</u>
Operating Expenses	\$ 72,111
Non-Operating Expenses	451
Total Expenses	<u>72,562</u>
Net Income Available for Debt Service-Senior Lien Bonds and Subordinate Bonds	<u>\$ 48,899</u>
Debt Service Requirements-Senior Lien Bonds	\$ 21,854
Actual Coverage	<u>2.24</u>
Required Coverage	<u>1.25</u>
Composite Debt Service Requirements - Senior Lien Bonds and Subordinate Bonds	\$ 25,246
Actual Coverage	<u>1.94</u>
Required Coverage	<u>1.10</u>

The 1998 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 current administrative expenses,
- b) 110% of the current bond principal and interest requirements, and
- c) 100% of the current bond debt services reserve requirement.

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.) Payment of principal and interest on the 1998 Subordinate Bonds is insured by a non-cancelable Municipal Bond Insurance Policy issued by Ambac Assurance Corporation. 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.

(Continued)

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F. Bonds Payable (continued):

The Series 1989A and 1998 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 1998 Subordinate Bonds is fulfilled by U.S. Treasury obligations and the money market funds collateralized by U.S. Treasury obligations in an amount totaling \$3,393,588 at September 30, 2007 and 2006.

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 either the Series 1989A or Series 1998 bonds at December 31, 2006. The next rebate computation periods are August 30, 2009 for the Series 1989A and June 4, 2008 for the Series 1998 respectively.

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:

<u>Year of Defeasance</u>	<u>Bond Issue Defeased</u>	<u>Principal Outstanding September 30, 2007</u>
1989	Port Facilities Revenue Bonds Series 1986	\$ 59,335,000
1998	Port Facilities Refunding Bonds Series 1989A(including accretion)	25,572,787

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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
2008	\$ 7,271,454
2009	6,891,476
2010	5,122,250
2011	4,562,477
2012	4,486,329
2013-2017	9,929,846
2018-2022	4,995,575
2023-2027	6,179,010
2028-2032	5,786,252
2033-2037	2,918,251
2038-2042	3,550,499
2043-2047	4,319,725
2048-2052	5,255,606
2053-2057	6,394,249
2058-2062	7,779,582
2063-2067	9,465,050
2068-2072	11,515,682
2073-2077	14,010,588
2078-2082	17,046,023
2083-2087	20,739,093
2088-2092	25,232,278
2093	458,564
Total	\$ 183,909,859

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 years ended September 30, 2007 and 2006 was approximately \$15.0 million and \$13.9 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 Statutes.

(Continued)

PORT EVERGLADES DEPARTMENT
Broward County, Florida
Notes to Financial Statements
September 30, 2007 and 2006
(Unaudited)

H. Pension Plan (continued):

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, 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 years ended September 30, 2007 and 2006 was approximately \$1.4 and \$1.1 million each or 9.55% and 8.22% of covered payroll, respectively.

I. Capital Contributions

For the years ended September 30, 2007 and 2006, capital contributions were as follows, with details contained within Note C:

Contributor - Purposes	2007	2006
State of Florida - Port Security Improvements	\$ 491,935	\$ 1,237,706
State of Florida - People Mover	166,810	135,220
State of Florida - High Wind Bollards	64,050	164,776
Federal - Wetlands Mitigation	17,212	
Broward County Sheriff's Office - Equipment	13,290	
Federal - Port Security Improvements		13,894
Federal - Dredging		391,952
State of Florida - Terminal 2 Baggage Claim		115,561
State of Florida - Navigational Improvements - Intercoastal Waterway Channel Widening		724,519
	\$ 753,296	\$ 2,783,627

J. 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 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.



BROWARD COUNTY BOARD OF COUNTY COMMISSIONERS

Seated: Stacy Ritter, Vice Mayor, District 3; Lois Wexler, Mayor, District 5. Standing (left to right): John Rodstrom, Jr, District 7; Dianna Wasserman-Rubin, District 8; Ken Keechl, District 4; Sue Gunzburger, District 6; Josephus Eggleton, Jr, District 9; Ilene Lieberman, District 1; Kristin D. Jacobs, District 2.



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PORT EVERGLADES

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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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