



INTERNAL MEMORANDUM

TO: **John Murray, CEO**
FROM: **Rodger Rees, CFO** *RAR*
DATE: **January 18, 2017**
SUBJECT: **Cruise and Cargo Revenue analysis – December 2016**

The following is a brief summary of the cruise and cargo revenue components for the three months ending December 2016. The Finance Department's staff is in the process of preparing for and completing the FY2016 audit in conjunction with our independent auditing firm. Field work has been completed and the internal review process by the auditors is underway. The completed audit is anticipated to be presented to the Board of Commissioners, depending on the timing of documents received from the State of Florida relating to State pension fund accruals, in February. A brief summary of the unaudited FY2016 financial statements will be presented at this meeting but are not included in this analysis pending final completion of the audit. Any adjustments from the audit review process will affect subsequent period financial statements.

Cruise Revenue:

Total cruise revenue is estimated at \$19.5M. Included in the total cruise revenue amount is \$473.3K attributable to gaming voyages. Passenger count for multi-day cruises is 1.1M or 213.4K (23.6% increase) over year-to-date for December 2015 (FY2016). Also included in total cruise revenue are parking revenues of \$4.4M, which are \$1.2M or 36.6% over actual parking revenues for FY2016. Parking revenues associated with gaming voyages and included above was approximately \$40.2K. All cruise lines are posting passenger count increases over year-to-date FY2016 with Norwegian showing the largest increase at 85.3% increase. This increase is mainly due to the commencement of the Epic home-port schedule and a limited number of calls in FY2016. Disney, Royal Caribbean and Carnival have increases over prior year-to-date counts of 18.8%, 14.3% and 25.7%, respectively. Number of voyages for cruise ships year-to-date for December 2016 (FY2017) was 188 voyages as compared to 171 voyages in FY2016, a 10% increase. Passenger count on Victory Cruise Lines was 4% under FY2016 with 61.5K passengers sailing year-to-date. Revenues for Victory Cruise were approximately 4.8% under year-to-date FY2016 revenues of \$497.1K.

Cargo Revenue:

Estimated cargo revenue of \$2M through year-to-date December 2016 was above FY2016 actual amounts by \$595.2K, or 41.7%, resulting from a 70% increase in ship calls over the same period of the previous year. Actual total tonnage for FY2017 was 1.5M tons or 17.9% over FY2016 tonnage of 1.3M tons. Salt is up over last year by 33.1%. Slag rebounded over

November to end up 42% over FY2016. The number of slag ship calls, 5 during December, almost doubled the number of ships from the previous year (6) due to a significant increase in slag exports to South Florida and the Northeast. Over 1M tons of petroleum were handled resulting in an increase of 20.2% over prior year. There were 4,093 new cars imported year-to-date December 2016 while the number of used cars and trucks were up 59.6% (340 vs. 213 units). Aggregate/limestone/granite was 29.7% under FY2016. Bulk juice/juice concentrate and fertilizer continues to be less than prior year by 13.4% and 54%, respectively. There were 1,811 loaded total TEUs move year-to-date over North Cargo Piers which included 28 re-stows (moved twice) and 1,080 empty TEUs being handled. Year-to-date, the Port has serviced 109 cargo ships as compared to 64 for the same period year-to-date last year.

Accounts Receivable:

Details on accounts receivable will be updated through the day of the Commission Meeting and distributed at the meeting.