

# Port Authority



## Comprehensive Annual Financial Report

*A Component Unit of*

# Manatee County

FLORIDA

FISCAL YEAR ENDED SEPTEMBER 30, 2010

## Manatee County

FLORIDA



**P**ort Manatee is the fourth largest of Florida's fourteen deepwater seaports. Governed by the seven-member Manatee County Port Authority, Port Manatee is our community's gateway to international trade and commerce.

Located on over 1,100 acres, Port Manatee is the hub for a wide variety of agricultural and industrial commodities, including forestry products, fruits and vegetables, citrus juices, aluminum, steel, paper products, petroleum products, natural gas, cement, construction-grade aggregate and fertilizer.

The Port facility expansion program continues. The current focus is on improvements to the South Port area which would include dredging adjacent to Berth 12 and the construction of an adjacent intermodal container yard. A contract has been awarded for the Berth 12 dredging project and is currently underway. Dredging is expected to be completed in June 2011. The design and permitting for phase I of the intermodal container yard has been accomplished. Completion of these projects, coupled with the recent acquisition of a second mobile harbor crane will significantly expand the Port's operating capacity and further diversity into containerized cargoes. Additionally, the Port Authority has begun the permitting and mitigation phase for the expansion of the North Port area as detailed in the "Port Manatee Master Plan 2009."

During the year, the Port Authority awarded a contract for the dredging of Berth 12 that will provide 1,600 feet of deep water access. Additionally, the Port was 1 of only 7 Ports nationwide to receive TIGER II grant funding for the extension of Berth 12 and the adjacent intermodal container yard. The Port Authority, in partnership with the Brownsville Texas Navigation District, also received funding from the "Cross Gulf Container Expansion" Marine Highway Grant to provide equipment to enhance and promote the marine highway concept to alleviate congestion on the Nation's roads and bridges.

The Port's expansion plans are designed to take full advantage of the completion of the Panama Canal expansion program and the recently signed Memorandum of Understanding between the Manatee County Port Authority and the Panama Canal Authority.

*Cover picture courtesy of Jim Thielen and the Manatee County Agricultural Museum*



**Manatee County**  
FLORIDA

**MANATEE COUNTY PORT AUTHORITY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
A COMPONENT UNIT OF  
MANATEE COUNTY, FLORIDA**

**for the fiscal year ended**

**September 30, 2010**

**Larry Bustle, Chairman**

**Gwendolyn Brown**

**Ron Getman**

**John Chappie**

**Donna Hayes**

**Joe McClash**

**Carol Whitmore**

**Clerk of Circuit Court and Comptroller  
R. B. "Chips" Shore**

**Port Director  
David McDonald**

**Finance Director  
Daniel R. Wolfson**

**Prepared by the Office of the Clerk of Circuit Court**



**This report was printed on recycled stock**



**Manatee County**  
FLORIDA

**Manatee County Port Authority  
Comprehensive Annual Financial Report  
Fiscal Year Ended September 30, 2010**

**Table of Contents**

**Introductory Section**

	<b><u>Page</u></b>
Transmittal Letter .....	i-iii
Certificate of Achievement for Excellence in Financial Reporting .....	iv
Organizational Chart .....	v

**Financial Section**

Independent Auditors' Report .....	1a-1b
Management's Discussion and Analysis.....	2-6
Basic Financial Statements:	
Statements of Net Assets.....	7-8
Statements of Revenues, Expenses and Changes in Fund Net Assets .....	9
Statements of Cash Flows .....	10-11
Notes to Financial Statements .....	12-29
Required Supplementary Information .....	30

**Statistical Section**

Net Assets by Component.....	31-32
Changes in Net Assets.....	33-34
Port Operations Revenue by Type and Related Averages and Dock Operations Major Revenues and Related Customers .....	35-36
Revenue Rates .....	37-38
Top Ten Customers.....	39
Ratios of Outstanding Debt by Type.....	40
Computation of Legal Debt Margin.....	40
Schedule of Pledged Revenue Coverage.....	41-42
Schedule of State Infrastructure Bank Loan Coverage.....	43
Summary of Historical Operating Data.....	44-45
Demographic and Economic Statistics and Principal Employers in Primary Trade Area.....	46-47
Schedule of Comparative Revenue by Activity .....	48-49
Annual Cargo Tonnage.....	50-51
Capital Assets.....	52-53
Employees by Function .....	52-53

**Other Information**

Bond Issues - Description .....	54
Schedules of Debt Service Requirements .....	55-57
Manatee County Schedule of Debt Service Payable from Non-Ad Valorem Revenue Sources .....	58-59
Manatee County Non-Ad Valorem Revenues Legally Available to Pay Debt Service on Certain Bonds and Other Indebtedness.....	60
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	61-62



# Manatee County

FLORIDA

## **INTRODUCTORY SECTION**



**Manatee County**

**R.B. "Chips" Shore**

**Clerk of the Circuit Court and Comptroller**

P.O. Box 25400 • Bradenton, Florida 34206 • (941) 749-1800 • FAX (941) 741-4082 • [www.manateeclerk.com](http://www.manateeclerk.com)

December 20, 2010

To the citizens of Manatee County:

We are pleased to present to you, the citizens of Manatee County, the Comprehensive Annual Financial Report of the Manatee County Port Authority for the fiscal year ended September 30, 2010. This report was prepared by the Finance Department of the Clerk of the Circuit Court. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Clerk of the Circuit Court and Comptroller as Chief Financial Officer of the Manatee County Port Authority ([www.manateeclerk.com](http://www.manateeclerk.com)).

The Clerk of the Circuit Court and Comptroller, through the Finance Department, is responsible for establishing and maintaining internal controls to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from that control. The evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the Port Authority's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Port Authority as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a comprehensive understanding of the Port's financial activity have been included.

Chapter 218.39 of the Florida Statutes requires a financial audit of local government entities in the State by an independent certified public accountant. This requirement has been met for the fiscal year ended September 30, 2010 and the reports of the independent auditors have been included in this report. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the 1996 Single Audit Act Amendments and the related OMB Circular A-133.

The Manatee County Port Authority (the "Port Authority") was established under the provisions of Chapter 315, Florida Statutes and Chapter 67-1681, Laws of Florida and began operations in 1970. When conducting business as a port authority, the Manatee County Board of County Commissioners employs the name Manatee County Port Authority. Because of this dual role, the Port Authority is reported as part of the primary government as an enterprise fund. Although the Port Authority is a legally separate entity, Manatee County Government has pledged financial support and may significantly influence the financial and operational policies of the Port Authority. These financial statements include all operations and activities of the Manatee County Port Authority as defined above.

Governmental accounting and auditing principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Port Authority's MD&A can be found immediately following the auditors' report.

**Port information.** Port Manatee is located in the northwestern corner of Manatee County. It fronts Tampa Bay and borders the Manatee-Hillsborough county line. An access channel from the Port connects with the federal channel in Tampa Bay only ten miles from the Gulf of Mexico. Port Manatee is the fourth largest of Florida's 14 deepwater seaports. As the major shipping gateway to our community, the Port Authority manages the importing and exporting of many agricultural and industrial products. The Port is a leading venue for shipments of citrus juices and beverages and operates in foreign trade zone #169.

Port Manatee employs formal budgetary integration as a management control device during the year. The Port follows the laws of Florida regarding the control, adoption and amendment of the budget during the fiscal year; however, the Port Authority increases the level of budgetary control because they approve all budgetary increases or decreases by resolution.

**Local economy.** Located in the central part of Florida's west coast, Manatee County has been one of the fastest growing regions in the nation. The County has experienced an average growth rate of 2.3% per year during the last decade but the recent economic downturn has led to a 3.6% contraction in the current year. Current expectations are that these contractions will continue through 2011 following the overall state-wide trend, but this is expected to reverse in the longer term.

**Long-term financial planning.** The Manatee County Port Authority signed a Memorandum of Understanding with the Panama Canal Authority which provides a framework for cooperation between the two entities to promote both the Canal and the Port. Additionally through the cooperation of Port Manatee and Manatee County government, a Port Manatee Encouragement Zone (the "EZ") was created consisting of 3,700 acres of privately held land directly adjacent to the Port that is available for intermodal distribution development opportunities. Local impact fees have been reduced or eliminated in the EZ to encourage Port-related development and the creation of quality jobs. A proposed direct connection between the Port's facilities and Interstate 75 is currently in the evaluation phase by the Florida Department of Transportation. This connector will provide a significant asset to the State's Intermodal system, bringing secure immediate access from the Port to the interstate system giving the Port a competitive edge in the final transportation costs to market.

Long-range plans include a capital expansion program designed to maximize the advantage of Port Manatee's location as the closest deepwater seaport to the Panama Canal and to provide available infrastructure needed to support distribution activities created by the EZ and Port Interstate 75 connector.

**Relevant financial policies.** The Port Authority has an "equity in pooled cash and investments" account with Manatee County that is increased for every cash receipt and decreased for every cash disbursement attributable to its operations.

The Port Authority has an established policy of maintaining a cash designation of approximately \$4 million to provide resources to ensure continuation of operations and timely debt service payments during economic fluctuations and to provide for disaster recovery.

The Treasury Management Division of the Finance Department monitors the daily cash needs of the County and invests the County's portfolio, maximizing investment returns, in accordance with the County's written investment policy. During fiscal year 2010, the Clerk's Office continued to maintain the Standard & Poor's rating of 'AAAF' for credit quality and 'S1+' volatility rating in the State of Florida on the County's portfolio. This assures you that this portfolio is one of the highest rated funds in the United States.

**Major Initiatives.** The recent award of a dredging contract will provide 1,600 feet of deep water access to Berth 12 during the next fiscal year. The recent award of TIGER II grant funding for the extension of the Port's Berth 12 and the construction of an adjacent intermodal container yard further emphasize the national recognition of the importance of these projects to our region. Completion of these projects will greatly expand Port Manatee's capacity to handle containerized cargoes and enhance job growth in the area.

The Port Manatee Master Plan 2009 will guide the North Port expansion through the next decade and beyond. Expected additions to North Port include two new berths, gantry cranes, a roll-on/roll-off ramp and marshalling area, and a container yard.

**Awards.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Manatee County Clerk of the Circuit Court for its Comprehensive Annual Financial Report for the Manatee County Port Authority for the fiscal year ended September 30, 2009. This was the seventeenth year that we have earned this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Port received the American Association of Port Authorities (AAPA) Communications Award of Merit for the *Deepwater* e-newsletter, the 2010 Official Directory and the Port Manatee website; two Communicator Awards for the *Deepwater* e-newsletter and Port website; three Hermes Creative Awards for the *Deepwater* e-newsletter, the 2010 Official Directory and Port website; and a Transportation Marketing and Communication Association Compass Award for the 2009 Official Directory.

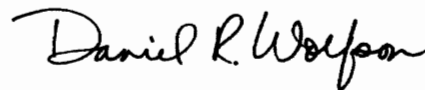
**Acknowledgments.** This report is a product of the dedication of the Finance Department of the Clerk of the Circuit Court of Manatee County as Auditor and Comptroller to the Port Authority. We would like to thank the staff of the Finance Department who worked on this report.

We would also like to express our appreciation and thanks to the firms of Shinn & Company, P.A., CPA's and LarsonAllen LLP, CPA's, who helped us with their comments and advice, and to the staff of the Port Authority for the assistance they provided.

Sincerely,



R. B. "Chips" Shore  
Clerk of the Circuit Court  
and Comptroller



Daniel R. Wolfson, CPA  
Finance Director

RBS:DRW:jh

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Manatee County Port Authority  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2009

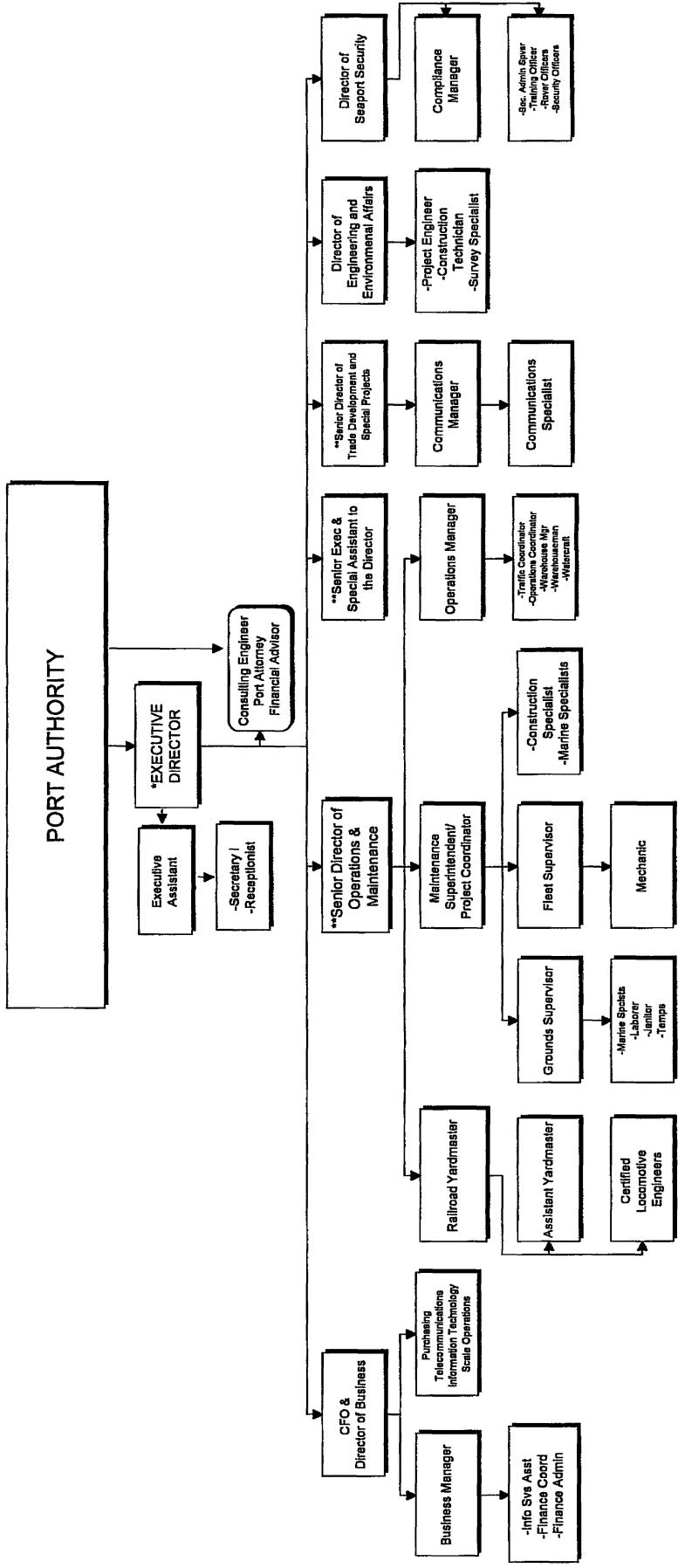
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

# MANATEE COUNTY PORT AUTHORITY - ORGANIZATIONAL CHART



September 2010  
 \*1st in command  
 \*\*2nd in command

## FINANCIAL SECTION

---

INDEPENDENT AUDITORS' REPORT

Honorable Members of the Board of County Commissioners  
in their capacity as Members of the Manatee County Port Authority  
Manatee County, Florida

We have audited the accompanying basic financial statements of Manatee County, Florida, Port Authority (the "Port"), a component unit of Manatee County, Florida, as of and for the years ended September 30, 2010 and 2009, as listed in the table of contents. These financial statements are the responsibility of the Port's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Port and do not purport to, and do not, present fairly the financial position of Manatee County, Florida, as of September 30, 2010 and 2009, and changes in its financial position or, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Port as of September 30, 2010 and 2009, and the changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2010, on our consideration of the Port's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 2 through 6, and the schedule of funding progress on page 30, are not a required part of the financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Port's financial statements. The introductory section, statistical section and the other information are presented for purposes of additional analysis and are not a required part of the financial statements. The introductory, statistical section and the other information have not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on them.

*Shinn & Company, P.A.*

**Shinn & Company, P.A.**  
Bradenton, Florida

*LarsonAllen LLP*

**LarsonAllen LLP**  
Tampa, Florida

December 20, 2010

## Management's Discussion and Analysis

As Clerk of the Circuit Court and Comptroller for the Manatee County Port Authority, I offer readers of the Port Authority's financial statements this narrative overview and analysis of the financial activities of Port Manatee for the fiscal years ended September 30, 2010 and 2009. I encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, which can be found on pages i to iii of this report.

### Financial Highlights

- The Port's assets exceeded its liabilities at September 30, 2010 and 2009 by \$77,156,861 and \$75,591,580 (net assets), respectively. Of this amount, \$5,034,086 for 2010 and \$6,654,985 for 2009 (unrestricted net assets) was available to meet the Port's ongoing obligations.
- The Port's total net assets increased \$1,565,281 in fiscal year 2010 and \$511,586 in fiscal year 2009.
- Total bonded debt of the Port Authority decreased \$1,385,000 to \$22,150,000 and \$1,335,000 to \$23,535,000 in fiscal years 2010 and 2009, respectively.
- Port Authority loans payable increased in fiscal year 2010 by \$1,684,990 from \$26,689,745 to \$28,374,735. In fiscal year 2009, loans payable decreased from \$26,959,604 to \$26,689,745, a \$269,859 decrease.

### Overview of the Financial Statements

The Statements of Net Assets provide the reader with detail about the assets and the outstanding liabilities of the Port Authority. The difference between assets and liabilities is reported as net assets. The net asset presentation shows additional breakdowns, which may help the reader's understanding of what are available resources of the Port versus those that are restricted. Changes in net assets over time may be helpful in indicating an improving or deteriorating financial position. The Statements of Net Assets appear on pages 7 to 8.

The Statements of Revenues, Expenses and Changes in Fund Net Assets, provided on page 9, present the revenues and expenses of the current and previous fiscal years. The net of operating revenues less expenses when combined with other non-operating items such as interest income, interest expense, grants and contributions results in the net income the Port generated for the fiscal year and increases the net assets presented on the Statements of Net Assets. A review of this statement for both fiscal years 2010 and 2009 can indicate the on-going health of a business operation.

The Port Authority's Statements of Cash Flows, presented on pages 10 to 11, show those items which resulted in additions and subtractions to the Port Authority's cash balance for the fiscal year. A reconciliation of these cash changes to the operating income of the Port's Statements of Revenues, Expenses and Changes in Fund Net Assets is included.

The Notes to the Financial Statements for the Port Authority provide background information that meets stringent governmental accounting reporting requirements and gives the reader additional information that may not be readily seen on the actual statements. Examples of such information include: a breakdown of assets owned by the Port, contingent liabilities, debt requirements and capitalization of interest, retirement information, and leases. The notes can be found on pages 12 to 29 and are an integral part of the financial statements.

This report presents certain required supplementary information on page 30 concerning progress in funding of Manatee County's obligation to provide other post-employment benefits to its employees. Additional information about the Port, which may be of interest to the reader, is found under the Statistical and Other Information sections of this report, beginning on page 31.

## Analysis of Financial Statements

My discussion of the Port Authority's financial statements includes an analysis of major changes in the Port's assets, liabilities and net assets for fiscal years 2010 and 2009 as well as a look at changes in revenues and expenses as presented in the accompanying statements.

Comparative data as of September 30, 2010, 2009 and 2008 are shown below:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Assets:</b>			
Current and other assets	\$ 15,927,897	\$ 15,844,649	\$ 15,436,751
Capital assets	116,126,589	112,592,679	113,598,026
Total assets	<u>132,054,486</u>	<u>128,437,328</u>	<u>129,034,777</u>
<b>Liabilities:</b>			
Long-term liabilities	45,654,605	41,223,396	42,620,554
Other liabilities	9,243,020	11,622,352	11,334,229
Total liabilities	<u>54,897,625</u>	<u>52,845,748</u>	<u>53,954,783</u>
<b>Net assets:</b>			
Invested in capital assets, net of related debt	68,652,651	65,466,471	64,864,990
Restricted for debt service	3,470,124	3,470,124	3,523,904
Unrestricted	5,034,086	6,654,985	6,691,100
Total net assets	<u>\$ 77,156,861</u>	<u>\$ 75,591,580</u>	<u>\$ 75,079,994</u>

Changes in net assets over time can be one of the best and most useful indicators of the Port's financial position. In fiscal year 2010, the Port Authority saw an increase in net assets of \$1,565,281, an increase from the \$511,586 net assets increase experienced in fiscal year 2009. This larger increase in net assets in fiscal year 2010 can largely be attributed to non-recurring reimbursements from the Florida Department of Transportation for a major equipment purchase in fiscal year 2010.

At September 30, 2010, of the Port's \$77,156,861 in net assets, \$68,652,651 (89%) reflects its investment in capital assets, less any outstanding debt used to acquire those assets. An additional 4% of the Port's net assets, \$3,470,124, represents resources that are subject to bond and loan debt covenants. The remaining balance of \$5,034,086 (7%) in unrestricted net assets may be used to meet the Port's ongoing obligations. At September 30, 2009, \$65,466,471 (87%) of the \$75,591,580 in net assets reflected the Port's investment in capital assets, net of related debt; \$3,470,124 (4%) and \$6,654,985 (9%) represented net assets restricted by bond and loan covenants and unrestricted net assets, respectively.

The Port continues to be aggressive in expanding its customer base and in providing opportunities for additional customer services. At the end of the current and prior fiscal years, the Port Authority is able to report positive balances in all categories of net assets.

### Port Current Assets

The Port's cash and cash equivalents as of September 30, 2010 totaled \$8,329,325, a decrease of \$1,348,070 from the fiscal year 2009 balance of \$9,677,395. This decrease can be largely attributed to an increase in amounts due from other governmental units for expense reimbursement at September 30, 2010. Additionally, there was a large decrease in accounts receivable due to an increase in allowance for bad debt for uncollectible accounts. In fiscal year 2009, the Port's cash and cash equivalents increased \$962,555 from 2008. This increase is largely attributed to collection of amounts receivable from other governmental units at September 30, 2008 as well as the timing of fiscal year 2009 year end invoices which resulted in an increase in accounts payable from 2008 to 2009 in the amount of \$505,890.

## Change in Net Assets

The key elements of the Port's increased net assets are as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues:			
Operating revenues			
Charges for services	\$ 11,038,602	\$ 10,378,023	\$ 10,155,411
Miscellaneous	889,730	500,739	583,688
Total operating revenues	<u>11,928,332</u>	<u>10,878,762</u>	<u>10,739,099</u>
Nonoperating revenues			
Operating grants and contributions	465,357	446,500	456,344
Capital grants and contributions	4,963,715	3,160,100	7,076,582
Interest income	335,856	428,533	607,769
Total nonoperating revenues	<u>5,764,928</u>	<u>4,035,133</u>	<u>8,140,695</u>
Total revenues	<u>17,693,260</u>	<u>14,913,895</u>	<u>18,879,794</u>
Expenses:			
Operating expenses			
Port operations	10,002,296	8,386,601	8,998,571
Depreciation and amortization	4,706,615	4,295,032	4,072,746
Total operating expenses	<u>14,708,911</u>	<u>12,681,633</u>	<u>13,071,317</u>
Nonoperating expenses			
Interest expense	1,420,793	1,675,585	1,701,919
Loss (gain) on disposition of assets	(1,725)	45,091	1,194
Total nonoperating expenses	<u>1,419,068</u>	<u>1,720,676</u>	<u>1,703,113</u>
Total expenses	<u>16,127,979</u>	<u>14,402,309</u>	<u>14,774,430</u>
Increase in net assets before extraordinary item	1,565,281	511,586	4,105,364
Extraordinary item - debt forgiveness	<u>-</u>	<u>-</u>	<u>547,554</u>
Increase in net assets	1,565,281	511,586	4,652,918
Net assets - beginning	<u>75,591,580</u>	<u>75,079,994</u>	<u>70,427,076</u>
Net assets - ending	<u>\$ 77,156,861</u>	<u>\$ 75,591,580</u>	<u>\$ 75,079,994</u>

## Port Operations

A look at the Statements of Revenues, Expenses and Changes in Fund Net Assets for fiscal year 2010 shows operating revenues increased significantly from 2009 with a \$1,049,570 (10%) increase in operating revenue from the \$10,878,762 reported at September 30, 2009. The operating revenue increase consists of two, one time lease option fees totaling \$400,000 from Port Dolphin each included in the miscellaneous category. In addition, two non-refundable license option fees totaling \$547,922 were received increasing revenues in the charges for services category. Fiscal year 2009 showed a \$139,663 (1%) increase in operating revenue from the \$10,739,099 reported at September 30, 2008. The operating revenue increase consisted of a \$222,612 increase in the charges for services category resulting from new escort services related to transportation worker identification credentials necessitated by federal law. The increase was offset by an \$82,949 decrease in miscellaneous revenue caused by a reduction in reimbursement revenues received from other governmental units. In fiscal year 2010, Port operating expenses increased by \$2,027,278. There are several factors contributing to this increase. One factor is the increase in the allowance for bad debt from \$92,980 in fiscal year 2009 to \$615,458 in fiscal year 2010 related to Port trade receivables. The Port also made a one-time payment in the amount of \$550,000 for a lease buy out of a 10 acre lot from an existing tenant. Also contributing to the increase in operating expenses was a non-recurring payment of \$165,000 for a CSX settlement agreement. Fiscal year 2009 saw operational expenses decline by \$389,684 due to efforts to control expenses in response to the continued depressed economy.

In fiscal year 2010, capital grants and contributions increased by a significant amount of \$1,803,615 to \$4,963,715. This increase from fiscal year 2009 is related to a 50% reimbursement for the cost of the purchase of a second mobile harbor crane. In fiscal year 2009, capital grants and contributions decreased by \$3,916,482 to \$3,160,100. This large decrease was related to the completion of various projects that were eligible for reimbursement in 2008 from the Florida Department of Transportation for a portion of the costs as well as a reimbursement for 50% of the cost of the purchase of the first mobile harbor crane. Remaining construction projects include dredging of the south channel of the Manatee Harbor, the north port expansion, the container and transfer yard, improvements to berth 8, a pipeline crossing and security enhancements.

### Port Capital Assets

Manatee County's Port Authority is the fourth largest port in Florida. As an enterprise operation, the Port's continuing investment in capital assets can give the reader a strong indication of the Port's ongoing expansion and efforts to increase business. Capital assets for the Port include such items as land, roads, utilities, warehouses, refrigerated and non-refrigerated storage, rail service, storage yards, harbor facilities including berths and docks and all the requisite equipment and machinery needed to run and maintain such a large operation. These assets are not available for future spending needs and cannot be used to liquidate liabilities; other resources will be needed to repay any associated debt. They are, therefore, separately presented in net assets and are net of any accumulated depreciation and associated debt.

Major additions of capital assets in fiscal year 2010 include the following:

- \$3,973,547 for a mobile harbor crane
- \$3,066,056 for dredging of the Manatee Harbor and related improvements
- \$689,794 for warehouse and related improvements
- \$251,473 for a train engine
- \$80,675 for entrance and security enhancements
- \$185,883 for master plan and other facility improvements

Major additions of capital assets in fiscal year 2009 include the following:

- \$1,786,179 for dredging of the Manatee Harbor and related improvements
- \$719,158 for security enhancements
- \$353,817 for entrance enhancements
- \$323,151 for master plan and other facility improvements

Additional information on the Manatee County Port Authority's capital assets can be found in Note 5 on page 18 of this report.

### Administration of Debt

The Port's debt can be summarized as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenue Bonds	\$ 22,150,000	\$ 23,535,000	\$ 24,870,000
Florida Local Government			
Finance Commission Loans	21,000,000	21,000,000	21,000,000
Florida Department of Transportation			
State Infrastructure Bank loan	3,641,994	3,840,190	4,034,500
Logistec USA Inc Equipment loan 2008	1,767,736	1,849,555	1,925,104
Logistec USA Inc Equipment loan 2010	1,965,005	-	-
Capital lease	-	-	58,754
Total	<u>\$ 50,524,735</u>	<u>\$ 50,224,745</u>	<u>\$ 51,888,358</u>

The Port Authority had total bonded debt outstanding of \$22,150,000 and \$23,535,000 at September 30, 2010 and 2009, respectively. For both fiscal years 2010 and 2009, the Port had \$21,000,000 in loans outstanding with the Florida Local Government Finance Commission. The Port Authority had no outstanding capital lease obligations at September 30, 2010.

During fiscal years 2010 and 2009, the Port's bonded debt decreased by \$1,385,000 and \$1,335,000, respectively. These amounts represent the annual debt service payment on these bonds. While the Florida Local Government Finance Commission (the "FLGFC") was working to secure a new underwriter for its commercial loan program, during fiscal year 2010, the Port Authority did a short-term refinancing of a \$10 million portion of its existing commercial paper loan which came due in December, 2009 prior to obtaining a long term refinancing from the FLGFC of this same commercial paper loan on June 1, 2010. Neither of these refinancing activities resulted in a loss or economic gain. In fiscal year 2009, the Port Authority also borrowed \$10 million from the FLGFC for the purpose of refinancing an existing commercial paper loan for this same amount. In addition, during the current fiscal year, the Port Authority secured a loan of \$1,965,005 to finance a portion of the purchase of a second mobile harbor crane. The Port Authority continued to make principal payments on the State Infrastructure Bank loan in the amount of \$198,196 and \$194,310 for fiscal years 2010 and 2009, respectively.

The Constitution of the State of Florida, Florida Statute 200.181 and Manatee County set no legal debt limit. The Port Authority has an underlying bond rating from Fitch, Inc. of AA- and A1 from Moody's. Additional information on the Port Authority's long-term debt can be found in Note 6 on pages 19 to 21 of this report.

#### **Economic Factors and Year 2011 Budgets and Rates**

- The unemployment rate for Manatee County of 12.6% is currently 3% higher than the national average of 9.6%.
- The Port facility expansion program continues with focus on south port improvements including dredging adjacent to Berth 12 and the construction of an intermodal container yard. Completion of these projects will significantly expand operating capacity and will further diversify the Port into containerized cargoes.
- All of these factors were considered in preparing the Port Authority's budget for the 2011 fiscal year.

#### **Requests for Information:**

This financial report is designed to provide a general overview of Port Manatee's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the Clerk of Circuit Court and Comptroller, Manatee County, P.O. Box 25400, Bradenton, Florida 34206-5400. I also suggest you visit our web site, [www.manateclerk.com](http://www.manateclerk.com) for further financial information.



**Manatee County**  
FLORIDA

**Manatee County Port Authority  
Statements of Net Assets  
September 30, 2010 and 2009**

<u>Assets</u>	<u>2010</u>	<u>2009</u>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 7,371,476	\$ 8,726,529
Accounts receivable (net allowance of \$615,458 for 2010 and \$92,980 for 2009)	1,826,092	2,486,966
Interest receivable	8,742	22,111
Due from other governmental units	2,878,132	658,458
Prepaid items	70,911	136,051
Deposits	11,810	11,810
Total current unrestricted assets	<u>12,167,163</u>	<u>12,041,925</u>
<b>Current restricted assets:</b>		
Cash and cash equivalents	957,849	950,866
Interest receivable	1,895	4,306
Total current restricted assets	<u>959,744</u>	<u>955,172</u>
 Total current unrestricted and restricted assets	 <u>13,126,907</u>	 <u>12,997,097</u>
<b>Noncurrent assets:</b>		
Restricted investments	2,519,258	2,519,258
Deferred charges	281,732	328,294
Land and other nondepreciable assets	30,558,817	29,944,716
Capital assets, net of accumulated depreciation	85,567,772	82,647,963
Total noncurrent assets	<u>118,927,579</u>	<u>115,440,231</u>
Total assets	<u>132,054,486</u>	<u>128,437,328</u>

The notes to the financial statements are an integral part of these statements.

**Liabilities**

	<b><u>2010</u></b>	<b><u>2009</u></b>
<b>Current liabilities:</b>		
Accounts payable	2,658,105	1,152,976
Wages and benefits payable	225,961	195,485
Due to other governmental units	146,509	146,509
Contracts and retainages payable	-	16,866
Compensated absences	18,245	18,805
Deferred credit	5,303	5,303
Deposits	4,589	4,589
Total current liabilities	<u>3,058,712</u>	<u>1,540,533</u>
<b>Current liabilities (payable from restricted assets):</b>		
Loans payable	<u>6,184,308</u>	<u>10,081,819</u>
Total current liabilities and current liabilities (payable from restricted assets)	<u>9,243,020</u>	<u>11,622,352</u>
<b>Noncurrent liabilities:</b>		
Compensated absences	763,489	727,124
Other post-employment benefits	610,347	423,751
Loans payable	22,190,427	16,607,926
Revenue bonds payable (net of unamortized discount and premium)	<u>22,090,342</u>	<u>23,464,595</u>
Total noncurrent liabilities	<u>45,654,605</u>	<u>41,223,396</u>
Total liabilities	<u>54,897,625</u>	<u>52,845,748</u>
<b><u>Net Assets</u></b>		
Invested in capital assets, net of related debt	68,652,651	65,466,471
Restricted for debt service	3,470,124	3,470,124
Unrestricted	5,034,086	6,654,985
Total net assets	<u>\$ 77,156,861</u>	<u>\$ 75,591,580</u>



**Manatee County**  
FLORIDA

**Manatee County Port Authority**  
**Statements of Revenues, Expenses and**  
**Changes in Fund Net Assets**  
**For the Fiscal Years Ended September 30, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>Operating revenues:</b>		
Dock operations	\$ 6,063,585	\$ 5,963,282
Land operations	4,840,130	4,281,326
Miscellaneous	1,024,617	634,154
Total operating revenues	<u>11,928,332</u>	<u>10,878,762</u>
<b>Operating expenses:</b>		
Personal services	4,962,276	5,031,668
Administration and marketing	2,844,975	1,382,682
Engineering and maintenance	632,154	456,904
Port operations	1,562,891	1,515,347
Depreciation and amortization	4,706,615	4,295,032
Total operating expenses	<u>14,708,911</u>	<u>12,681,633</u>
Operating loss	<u>(2,780,579)</u>	<u>(1,802,871)</u>
<b>Nonoperating revenues (expenses):</b>		
Operating grants and contributions	465,357	446,500
Interest income	335,856	428,533
Interest expense	(1,420,793)	(1,675,585)
Gain (loss) on disposition of assets	1,725	(45,091)
Total nonoperating revenues (expenses)	<u>(617,855)</u>	<u>(845,643)</u>
Loss before capital grants and contributions	<u>(3,398,434)</u>	<u>(2,648,514)</u>
Capital grants and contributions	4,963,715	3,160,100
Change in net assets	<u>1,565,281</u>	<u>511,586</u>
<b>Total net assets - beginning</b>	<u>75,591,580</u>	<u>75,079,994</u>
<b>Total net assets - ending</b>	<u>\$ 77,156,861</u>	<u>\$ 75,591,580</u>

The notes to the financial statements are an integral part of these statements.

**Manatee County Port Authority**  
**Statements of Cash Flows**  
**For the Fiscal Years Ended September 30, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 12,044,713	\$ 10,317,084
Cash payments to vendors for goods and services	(4,244,131)	(2,851,651)
Cash payments to employees for services	(4,073,421)	(4,132,891)
Cash payments to the County	(867,490)	(1,009,838)
Net cash provided by operating activities	<u>2,859,671</u>	<u>2,322,704</u>
<b>Cash flows from noncapital financing activities:</b>		
Operating grants	4,620	-
State sales tax	446,500	446,500
Net cash provided by noncapital financing activities	<u>451,120</u>	<u>446,500</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(6,651,052)	(2,997,555)
Principal payments on debt	(21,665,015)	(11,663,613)
Interest payments on debt	(1,424,615)	(1,635,420)
Debt proceeds	21,965,005	10,000,000
Debt issuing expenses	(22,500)	-
Receipt of contributed capital	2,758,278	4,026,179
Proceeds from sale of assets	29,402	13,000
Net cash used by capital and related financing activities	<u>(5,010,497)</u>	<u>(2,257,409)</u>
<b>Cash flows from investing activities:</b>		
Purchase of investment securities	(5,038,516)	(4,915,213)
Redemption of investments securities	5,038,516	4,915,213
Interest on investments	351,636	450,760
Net cash provided by investing activities	<u>351,636</u>	<u>450,760</u>
Net increase (decrease) in cash and cash equivalents	(1,348,070)	962,555
<b>Cash and cash equivalents, October 1</b>	<u>9,677,395</u>	<u>8,714,840</u>
<b>Cash and cash equivalents, September 30</b>	<u>\$ 8,329,325</u>	<u>\$ 9,677,395</u>
<b>Classified as:</b>		
Current assets	\$ 7,371,476	\$ 8,726,529
Restricted assets	957,849	950,866
<b>Cash and cash equivalents, September 30</b>	<u>\$ 8,329,325</u>	<u>\$ 9,677,395</u>

The notes to the financial statements are an integral part of these statements.

	<u>2010</u>	<u>2009</u>
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>		
Operating loss	\$ <u>(2,780,579)</u>	\$ <u>(1,802,871)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	4,674,546	4,260,982
Amortization	32,069	34,050
Provision for uncollectibles	544,643	46,347
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	116,231	(561,678)
Prepaid items	45,958	20,100
Increase (decrease) in:		
Accounts payable	(26,074)	115,931
Wages and benefits payable	30,476	5,044
Compensated absences	35,805	(10,679)
Other post-employment benefits	186,596	215,478
Total adjustments	<u>5,640,250</u>	<u>4,125,575</u>
Net cash provided by operating activities	\$ <u><u>2,859,671</u></u>	\$ <u><u>2,322,704</u></u>
<b>Non-cash investing, capital and financing activities:</b>		
Loss on disposition of assets	\$ -	\$ 45,091
Acquisition of contributed assets	-	59,160

**Manatee County Port Authority**  
**Notes to Financial Statements**  
**September 30, 2010**

**Note 1 Summary of Significant Accounting Policies**

The accounting policies and the presentation of the financial report of the Manatee County Port Authority have been designed to conform to generally accepted accounting principles as applicable to governmental units, in accordance with the Governmental Accounting Standards Board (GASB). The Port Authority applies all applicable FASB pronouncements issued before November 30, 1989 in accounting and reporting for its proprietary operations but has elected not to apply FASB pronouncements issued after November 30, 1989.

The following is a summary of the significant accounting policies:

**A. Reporting Entity**

Manatee County Port Authority ("Port Authority") was established by and under the provisions of Chapter 315 and Chapter 67.1681, Florida Statutes, ("Port Authority Special Act"). When conducting business as a port authority, the Manatee County Board of County Commissioners ("County") employs the name Manatee County Port Authority. Because of this dual role, the Port Authority is reported as part of the primary government as an enterprise fund. Although the Port Authority is a legally separate entity, Manatee County Government has pledged financial support and may significantly influence the financial and operational policies of the Port Authority.

The financial statements include all operations and activities of the Manatee County Port Authority as defined above.

**B. Basis of Presentation**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the stated intent is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed primarily through user charges, or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fund structures, where applicable, have been designed to comply with all requirements of bond resolutions and regulatory provisions or administrative action. The operations are accounted for with a set of self-balancing accounts comprised of assets, liabilities, net assets, revenues and expenses as appropriate for an enterprise operation.

**C. Basis of Accounting**

Governmental proprietary operations are accounted for using a flow of economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred. Operating revenues generally result from providing goods and services such as dockage, wharfage, line handling and storage. Operating expenses for these operations include all costs related to providing the service or product. These costs include salaries, supplies, travel, contract services, depreciation, administrative expenses or other expenses directly related to costs of services. All other revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

The preparation of financial statements in conformity with generally accepted accounting principles, as applicable to governmental units, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

**D. Cash and Cash Equivalents**

Cash and cash equivalents are cash on hand as well as demand deposits, investments and certificates of deposit included in pooled cash and investments with original maturities of three months or less. Investments include securities and certificates of deposit with original maturities of three months or greater.

**Manatee County Port Authority  
Notes to Financial Statements  
September 30, 2010**

**Note 1 Summary of Significant Accounting Policies - Continued**

**E. Capital Assets**

Capital assets, which include property, plant and equipment, are stated at cost when purchased or constructed. Donated property, plant and equipment are recorded at their estimated fair market value on the date received.

The Port maintains a \$1,000 threshold for additions to equipment. Buildings are capitalized when the value is \$15,000 or greater. Additions and improvements to Port facilities are capitalized when the cost amounts to \$150,000. Software purchases and internally generated additions to software are capitalized as intangible assets when their costs equals or exceeds \$75,000 and are amortized over 7 years.

Depreciation has been provided using the straight-line method. The estimated useful lives of the various classes of depreciable capital assets are as follows:

	<u>Life-Years</u>
Buildings	15-75
Equipment	5-10
Autos and trucks	3-12
Port facilities	20-40
Improvements	7-15

**F. Unamortized Bond Issue Costs and Discount and Premium on Revenue Bonds Payable**

Unamortized bond issue costs and the discount and premium on revenue bonds are amortized by using the outstanding principal method. Each is amortized over the life of its respective debt. Bonds payable are reported net of the applicable bond discount or premium. Bond issue costs are recorded as deferred charges.

**G. Compensated Absences**

The Port Authority permits employees to accumulate a limited amount of annual and sick leave, which will be paid to employees upon termination of employment. Annual and sick leave pay is accrued and reflected in the financial statements as a liability.

**H. Capitalized Interest**

Interest costs incurred during the construction period, net of income from proceeds of related tax-exempt bonds, are capitalized as part of the cost of the related assets.

Total interest costs and the amount capitalized during the years ended September 30, 2010 and 2009 were as follows:

	<u>2010</u>	<u>2009</u>
Total interest cost incurred	\$ 1,491,537	\$ 1,715,515
Interest costs capitalized	70,744	39,930
Net interest expense	<u>\$ 1,420,793</u>	<u>\$ 1,675,585</u>

**I. Implementation of Governmental Accounting Standards Statements**

Governmental Accounting Standards Board (GASB) Statement No. 51 "Accounting and Financial Reporting for Intangible Assets" establishes accounting and financial reporting for intangible assets for state and local governments effective for periods beginning after June 15, 2009. As a Phase 1 government for the purpose of implementing GASB Statement 34, Manatee County has applied retroactive reporting for all material intangible assets except for those considered to have indefinite useful lives as of the effective date of the Statement and those considered to be internally generated.

**Note 2 Pooled Cash and Investments**

The Port Authority participates in the County's "pooled cash" program for investments. The County, on November 1, 1981, began the practice of pooling cash and investments of the County, excluding those funds held and accounted for by the separate Constitutional Officers and those funds requiring or benefiting by

**Manatee County Port Authority**  
**Notes to Financial Statements**  
**September 30, 2010**

**Note 2 Pooled Cash and Investments - Continued**

separate investment. This gives the County the ability to maximize its yield on the short-term investment of cash, increasing its interest income accordingly. Interest earned on pooled investments is allocated to the participating funds based on their average daily cash balance. Individual fund deficits are ignored in the allocation of interest. Investments are stated at fair value in accordance with GASB 31.

The Port Authority has an "equity in pooled cash and investments" account with the County that is increased for every cash receipt and decreased for every cash disbursement attributable to its operations.

**Note 3 Investments**

The Port Authority participates in the Manatee County Government investment program. Florida Statute 218 and Manatee County's investment policy authorize the County to invest surplus funds in the following:

- (a) the Local Government Surplus Funds Trust Fund Investment Pool under the management of the State Board of Administration
- (b) the Florida Local Government Investment Trust Fund, an investment pool, under the sponsorship of the Florida Association of Counties and the Florida Association of Court Clerks and Comptrollers
- (c) negotiable direct obligations of, or obligations of which the principal and interest are unconditionally guaranteed by, the U.S. Government
- (d) interest bearing time deposits or savings accounts in banks and savings and loans organized under state laws or doing business in and situated in the state, provided collateral requirements are met
- (e) securities of U.S. instrumentalities, the government sponsored enterprises that include, but are not limited to: Federal Farm Credit Systems Banks, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association
- (f) commercial paper of U.S. corporations having a rating of at least two of the following three ratings: A-1, P-1 and F-1, as rated by Standard & Poor's, Moody's, and Fitch Investors Service rating services
- (g) bankers' acceptances that are eligible for purchase by the Federal Reserve Banks and have a letter of credit rating of AA or better
- (h) tax-exempt obligations of the State of Florida and its various local governments, including Manatee County. Tax-exempt obligations with a rating of A or less must be an insured issue through MBIA, or an equivalent company. Issues rated A+ or higher may or may not carry an insurance backing.

Investments are stated at fair value in accordance with GASB 31. U.S. treasury notes and U.S. agency and instrumentalities obligations are valued at quoted market. The reported value of the Local Government Surplus Funds Trust Fund Investment Pool's Prime account (the "Prime") is shown at share value as it meets the criteria to be "2a-7Like" at September 30. The Florida Local Government Investment Trust (the "FLGIT") reports all share information at Net Asset Value (NAV) and reflects fair value in its share value in accordance with GASB 31, while the Florida Local Government Trust Day to Day fund (the "Day to Day Fund") is within the "2a-7" guidelines and reflected at cost.

The County invests funds throughout the year in the Prime account, administered by the State Board of Administration (the "SBA"), under the regulatory oversight of the State of Florida. Throughout the year and as of September 30, 2010, the SBA contained certain floating and variable rate securities which were indexed based on the prime rate and/or one and three month LIBOR rates. These investments were purchased to add relative value to the portfolio. There is risk of loss of interest on the investments if there are changes in the underlying indexed base. These investments represented 1% of the SBA's Prime account and 99% of the SBA's Fund B portfolio at September 30.

The County also invests throughout the year in the FLGIT, a public entity investment trust organized under the laws of the State of Florida. The FLGIT is based on current net asset value, variations in value of these assets is determined on a daily basis in the FLGIT portfolio. At September 30, 2010, the FLGIT portfolio included certain asset-backed securities, corporate securities and mortgage-backed securities. These securities amounted to 2%, 28% and 18% respectively of the FLGIT portfolio. The Day to Day Fund is a short term liquidity fund, and at September 30, 2010 had 14% and 20% respectively invested in corporate securities and mortgage-backed securities. The asset-backed securities and mortgage-backed securities are rated AAA. The corporate securities are rated A- or higher by Standard and Poor's and are purchased to add relative value to the portfolio.

**Manatee County Port Authority  
Notes to Financial Statements  
September 30, 2010**

**Note 3 Investments - Continued**

At September 30, the County's investment pool (in thousands), valued in accordance with GASB 31, is as follows:

<u>Type of Investments</u>	<u>Fair Value Method</u>	<u>Fair Value</u>
Local Government Surplus Funds Trust, Prime account	Cost	\$ 73,940
Local Government Surplus Trust Funds, Fund B	Current NAV share value	1,272
Public Funds NOW account	Cost	1,000
Institutional Cash Fund	Cost	83,030
Certificates of Deposit	Cost	80,000
Florida Local Government Investment Trust	Current NAV share value	38,451
Florida Local Government Day to Day Fund	Cost	15,037
U.S. Treasury Notes	Quoted market	120,852
Federal Home Loan Bank	Quoted market	37,030
Federal Home Loan Mortgage Corporation	Quoted market	7,993
Federal National Mortgage Association	Quoted market	80,123
Federal Farm Credit Bank	Quoted market	40,138
Total		<u>\$ 578,866</u>

**Custodial Credit Risk of Pooled Investments**

At year-end, the pool had demand deposits of \$85,018,001 and non-negotiable certificates of deposit of \$80,000,000. All balances in excess of the Federal Depository Insurance Corporation insurance for demand and time deposits are fully collateralized by the multiple financial institutions' collateral pool in accordance with Florida Statutes Section 280. U.S. Treasury notes, U.S. Treasury bills and all U.S. government agency and instrumentality securities are held by the County's agent in the County's name in accordance with the County's investment policy requiring third party custody and safekeeping.

**Credit Risk of Pooled Investments**

Credit quality risk results from potential default of investments that are not financially sound. The County's investment policy requires that commercial paper must have two of the three following ratings: A-1, P-1 or F-1 as rated respectively by Standard & Poor's, Moody's or Fitch Investors. Certificates of deposit are not individually rated, but all balances in excess of the Federal Depository Insurance Corporation insurance for time deposits are fully collateralized by the multiple financial institutions' collateral pool, in accordance with Florida Statutes, Section 280. The Prime account was rated AAAM by Standard & Poor's at September 30, 2010. Fund B was not rated by a nationally recognized statistical rating agency at September 30, 2010. The FLGIT account and the FLGIT Day to Day Fund were noted as AAAs and AAAM, respectively, by Standard & Poor's.

Concentration of credit risk is the risk of loss attributable to the quantity of the government's investment in a single issuer. To limit concentration of credit risk, the County's investment policy requires diversification of the portfolio with maximum limits that can be invested per investment type. Investments in single issuers that equal or exceed 5% of the pool assets have a reportable concentration of credit risk. Of the total \$80,000,000 in certificates of deposit, all meet the single issuer threshold for reportable concentration of credit risk.

**Manatee County Port Authority  
Notes to Financial Statements  
September 30, 2010**

**Note 3 Investments - Continued**

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Concentration Risk at Fair Value</u>	<u>Percentage of Total Pooled Investments</u>
Institutional and Public Funds in Banks	No rating	\$ 84,029,845	14.5%
Certificates of Deposit	No rating	80,000,000	13.8%
Federal Home Loan Bank	AAA	37,029,342	6.4%
Federal Home Loan Mortgage Corp	AAA	7,993,352	1.4%
Federal National Mortgage Association	AAA	80,122,560	13.9%
Federal Farm Credit Bank	AAA	40,137,520	6.9%
Total with concentration risk		<u>\$ 329,312,619</u>	<u>56.9%</u>

**Interest Rate Risk of Pooled Investments**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's investment policy recognizes that the longer the maturity of an investment, the greater its price volatility. The County's policy limits risk for pooled investments by requiring all investments to have a maturity of three years or less from date of purchase, with a weighted average to maturity of less than two years. At September 30, 2010, the County's weighted average to maturity was 0.77 years. At September 30, 2010, none of the Pooled Investments have a maturity greater than three years, other than those held in Fund B, which are only made available to participants as the underlying assets mature, or as interest payments on these assets are received. Due to the nature of the securities in Fund B, the SBA has stated that the interest risk information required by GASB 40 is not available. A weighted average life for Fund B, based on future cash flows, is estimated at 7.49 years at September 30, 2010.

<u>Investment Type</u>	<u>Grouped by Maturity Date</u>			
	<u>Total Fair Value</u>	<u>0-1 Year</u>	<u>1-2 Years</u>	<u>Greater Than 2 Years</u>
Local Government Surplus Funds				
Trust Fund, Prime account	\$ 73,939,818	\$ 73,939,818	\$ -	\$ -
Local Government Surplus Funds				
Trust Fund, Fund B	1,272,453	-	-	1,272,453
Institutional Cash Fund	83,029,845	83,029,845	-	-
Certificates of Deposit	80,000,000	56,000,000	24,000,000	-
Florida Local Government				
Investment (Trust and Day to Day)	53,488,141	53,488,141	-	-
Public Funds NOW	1,000,000	1,000,000	-	-
U.S. Treasury Notes	120,852,480	72,272,720	32,260,960	16,318,800
Government Sponsored Enterprises	165,283,084	24,127,520	112,149,934	29,005,630
Total	<u>\$ 578,865,821</u>	<u>\$ 363,858,044</u>	<u>\$ 168,410,894</u>	<u>\$ 46,596,883</u>

**Restricted Investment**

The Port Authority has a restricted investment that is managed separately from the pooled investments. At September 30, it is valued in accordance with GASB 31, as follows:

<u>Type of Investment</u>	<u>Fair Value Method</u>	<u>Fair Value</u>
Commercial Paper	Quoted Market	\$2,519,258

**Manatee County Port Authority  
Notes to Financial Statements  
September 30, 2010**

**Note 3 Investments - Continued**

**Custodial Credit Risk of Restricted Investment**

The commercial paper is held by the County's agent, in the County's name, in accordance with the County's investment policy requiring third party custody and safekeeping.

**Credit Risk of Restricted Investment**

Credit quality risk results from potential default of investments that are not financially sound. The County's investment policy requires that commercial paper must have two of the three following ratings: A-1, P-1 or F-1, as rated respectively by Standard and Poor's, Moody's and Fitch Investors. The commercial paper did not meet the single issuer threshold for reportable concentration of credit risk.

**Interest Risk of Restricted Investment**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's investment policy recognizes that the longer a maturity of an investment, the greater its price volatility. The County's policy limits its interest risk by requiring all investments to have a maximum maturity from the date of purchase that is consistent with the nature of the restricted accounts. The restricted investment has a maturity of less than one year.

**Note 4 Restricted Assets**

Restricted assets, as provided for by resolution adopted by the Port Authority Board for the issuance of the Port Authority Revenue Bonds, are as follows at September 30:

	<u>2010</u>	<u>2009</u>
Cash and cash equivalents:		
Debt service reserve	\$ 413,911	\$ 413,911
Renewal and replacement account	543,938	536,955
Total cash and cash equivalents	<u>957,849</u>	<u>950,866</u>
Investments:		
Debt service reserve	<u>2,519,258</u>	<u>2,519,258</u>
Interest receivable:		
Debt service reserve	1,895	4,306
Total restricted assets	<u>\$ 3,479,002</u>	<u>\$ 3,474,430</u>

**Manatee County Port Authority**  
**Notes to Financial Statements**  
**September 30, 2010**

**Note 5 Capital Assets**

	<u>October 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>September 30</u>
<b>As of September 30, 2009</b>				
Capital assets not depreciated:				
Land	\$ 4,590,205	\$ -	\$ -	\$ 4,590,205
Land improvements	13,363,147	6,099,120	-	19,462,267
Construction in progress	13,547,258	3,222,386	10,877,400	5,892,244
Total assets not depreciated	<u>31,500,610</u>	<u>9,321,506</u>	<u>10,877,400</u>	<u>29,944,716</u>
Capital assets depreciated:				
Buildings	55,623,507	-	26,044	55,597,463
Port facilities	79,835,233	4,527,453	-	84,362,686
Machinery and equipment	6,583,129	342,167	75,674	6,849,622
Total assets depreciated	<u>142,041,869</u>	<u>4,869,620</u>	<u>101,718</u>	<u>146,809,771</u>
Less accumulated depreciation:				
Buildings	11,573,359	1,794,266	-	13,367,625
Port facilities	46,451,811	2,088,992	-	48,540,803
Machinery and equipment	1,919,283	377,724	43,627	2,253,380
Total accumulated depreciation	<u>59,944,453</u>	<u>4,260,982</u>	<u>43,627</u>	<u>64,161,808</u>
Total depreciable capital assets, net	<u>82,097,416</u>	<u>608,638</u>	<u>58,091</u>	<u>82,647,963</u>
Total capital assets, net	<u>\$ 113,598,026</u>	<u>\$ 9,930,144</u>	<u>\$ 10,935,491</u>	<u>\$ 112,592,679</u>
 <b>As of September 30, 2010</b>				
Capital assets not depreciated:				
Land	\$ 4,590,205	\$ -	\$ -	\$ 4,590,205
Land improvements	19,462,267	24,776	-	19,487,043
Construction in progress	5,892,244	6,302,727	5,713,402	6,481,569
Total assets not depreciated	<u>29,944,716</u>	<u>6,327,503</u>	<u>5,713,402</u>	<u>30,558,817</u>
Capital assets depreciated:				
Buildings	55,597,463	-	39,400	55,558,063
Port facilities	84,362,686	3,255,121	-	87,617,807
Machinery and equipment	6,849,622	4,366,911	133,705	11,082,828
Total assets depreciated	<u>146,809,771</u>	<u>7,622,032</u>	<u>173,105</u>	<u>154,258,698</u>
Less accumulated depreciation:				
Buildings	13,367,625	1,793,488	11,723	15,149,390
Port facilities	48,540,803	2,385,226	-	50,926,029
Machinery and equipment	2,253,380	495,832	133,705	2,615,507
Total accumulated depreciation	<u>64,161,808</u>	<u>4,674,546</u>	<u>145,428</u>	<u>68,690,926</u>
Total depreciable capital assets, net	<u>82,647,963</u>	<u>2,947,486</u>	<u>27,677</u>	<u>85,567,772</u>
Total capital assets, net	<u>\$ 112,592,679</u>	<u>\$ 9,274,989</u>	<u>\$ 5,741,079</u>	<u>\$ 116,126,589</u>

Depreciation expense was \$4,674,546 and \$4,260,982 for fiscal years ending September 30, 2010 and 2009, respectively.

**Manatee County Port Authority  
Notes to Financial Statements  
September 30, 2010**

**Note 6 Long-Term Liabilities**

**A. The following is long-term liability activity for the fiscal years 2009 and 2010:**

	<u>Revenue Bonds</u>	<u>Loans Payable</u>	<u>Compensated Absences</u>	<u>OPEB Liability</u>	<u>Capital Leases</u>	<u>Total</u>
Balance at:						
October 1, 2008	\$ 24,870,000	\$ 26,959,604	\$ 756,608	\$ 208,273	\$ 58,754	\$ 52,853,239
Additions	-	10,000,000	259,546	274,000	-	10,533,546
Deductions	<u>1,335,000</u>	<u>10,269,859</u>	<u>270,225</u>	<u>58,522</u>	<u>58,754</u>	<u>11,992,360</u>
September 30, 2009	23,535,000	26,689,745	745,929	423,751	-	51,394,425
Additions	-	11,965,005	260,723	210,000	-	12,435,728
Deductions	<u>1,385,000</u>	<u>10,280,015</u>	<u>224,918</u>	<u>23,404</u>	-	<u>11,913,337</u>
September 30, 2010	<u>\$ 22,150,000</u>	<u>\$ 28,374,735</u>	<u>\$ 781,734</u>	<u>\$ 610,347</u>	<u>\$ -</u>	<u>\$ 51,916,816</u>

Due within one year at:

September 30, 2009	\$ -	\$ 10,081,819	\$ 18,805	\$ -	\$ -	\$ 10,100,624
September 30, 2010	-	6,184,308	18,245	-	-	6,202,553

**B. Revenue bonds and loans payable consisted of the following at September 30:**

**Revenue Bonds**

	<u>2010</u>	<u>2009</u>
<b>\$5,830,000 Series 1993B Port Authority Revenue Refunding and Improvement Bonds</b> with \$405,000 of principal due October 1, 2011 to \$445,000 due on October 1, 2013; interest at 5.40%	\$ 1,275,000	\$ 1,660,000
<b>\$16,780,000 Series 2002A Port Authority Revenue Refunding Bonds</b> with \$625,000 of principal due October 1, 2011 to \$1,460,000 due on October 1, 2022; interest at 3.60% to 5.25%	12,870,000	13,475,000
<b>\$10,560,000 Series 2002B Port Authority Revenue Refunding Bonds</b> with \$405,000 of principal due October 1, 2011 to \$885,000 due on October 1, 2022; interest at 3.40% to 4.625%	<u>8,005,000</u>	<u>8,400,000</u>
<b>Total revenue bonds</b>	<u>\$ 22,150,000</u>	<u>\$ 23,535,000</u>

**Loans Payable**

<b>\$21,000,000 Florida Local Government Finance Commission Loan</b> with principal of \$6,025,000 due on December 7, 2010 to \$10,000,000 due on June 2, 2015; with interest due monthly, at rates payable at .38% as of September 30, 2010	\$ 21,000,000	\$ 21,000,000
<b>\$4,500,000 Florida Department of Transportation State Infrastructure Bank Loan</b> due in annual installments of \$202,160 on October 1, 2011 to \$145,955 on October 1, 2026; with a maximum principal of \$266,746 due October 1, 2025; interest at 2.00%	3,641,994	3,840,190
<b>\$1,977,941 Logistec USA Inc Equipment Loan 2008</b> due in monthly installments of \$7,117 on November 1, 2010 to \$18,778 on January 1, 2023; interest at 8.00%	1,767,736	1,849,555
<b>\$1,965,005 Logistec USA Inc Equipment Loan 2010</b> due in monthly installments of \$5,678 on November 1, 2010 to \$18,655 on September 30, 2025; interest at 8.00%	<u>1,965,005</u>	-
<b>Total loans payable</b>	<u>\$ 28,374,735</u>	<u>\$ 26,689,745</u>

Unamortized discount and premium on revenue bonds are as follows:

	<u>2010</u>	<u>2009</u>
Unamortized bond discount	\$ 125,929	\$ 146,091
Unamortized bond premium	66,271	75,686

**Manatee County Port Authority  
Notes to Financial Statements  
September 30, 2010**

**Note 6 Long-Term Liabilities - Continued**

**C. Debt Requirements to Maturity**

The combined annual debt service requirements to amortize the Port Authority Revenue Refunding and Improvement Bonds, Series 1993B and Port Authority Revenue Refunding Bonds, Series 2002A and 2002B, outstanding as of September 30, 2010, are listed below. Although principal payments are due on October 1, the Port Authority makes its payments on September 30. Accordingly, the principal amounts on this amortization schedule are not due until the first day following the fiscal year indicated and no amount is reported as the current portion of revenue bonds payable on the balance sheet.

<b>Fiscal year ending September 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 1,435,000	\$ 1,015,471	\$ 2,450,471
2012	1,495,000	957,331	2,452,331
2013	1,560,000	895,306	2,455,306
2014	1,630,000	827,996	2,457,996
2015	1,690,000	764,066	2,454,066
2016-2020	9,760,000	2,520,332	12,280,332
2021-2022	4,580,000	325,668	4,905,668
Total	<u>\$ 22,150,000</u>	<u>\$ 7,306,170</u>	<u>\$ 29,456,170</u>

The annual debt service requirement for the Florida Local Government Finance Commission Loan outstanding as of September 30, 2010 is as follows:

<b>Fiscal year ending September 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 6,025,000	\$ 61,166	\$ 6,086,166
2012	4,975,000	41,466	5,016,466
2013	-	38,000	38,000
2014	-	38,000	38,000
2015	10,000,000	25,861	10,025,861
Total	<u>\$ 21,000,000</u>	<u>\$ 204,493</u>	<u>\$ 21,204,493</u>

The annual debt service requirement for the Florida Department of Transportation State Infrastructure Bank Loan outstanding as of September 30, 2010 is as follows:

<b>Fiscal year ending September 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 202,160	\$ 72,840	\$ 275,000
2012	206,203	68,797	275,000
2013	210,327	64,673	275,000
2014	214,534	60,466	275,000
2015	218,825	56,175	275,000
2016-2020	1,161,547	213,453	1,375,000
2021-2025	1,282,443	92,557	1,375,000
2026	145,955	2,919	148,874
Total	<u>\$ 3,641,994</u>	<u>\$ 631,880</u>	<u>\$ 4,273,874</u>

**Manatee County Port Authority  
Notes to Financial Statements  
September 30, 2010**

**Note 6 Long-Term Liabilities - Continued**

The combined annual debt service requirements for the Logistec USA Inc. Equipment Loan 2008 and the Logistec USA Inc. Equipment Loan 2010 outstanding as of September 30, 2010 are as follows:

<b>Fiscal year ending September 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 159,308	\$ 292,862	\$ 452,170
2012	172,531	279,640	452,171
2013	186,851	265,320	452,171
2014	202,359	249,811	452,170
2015	219,155	233,016	452,171
2016-2020	1,400,756	860,093	2,260,849
2021-2025	1,391,781	245,295	1,637,076
Total	<u>\$ 3,732,741</u>	<u>\$ 2,426,037</u>	<u>\$ 6,158,778</u>

**D. New Debt Issues**

**Fiscal Year 2010:**

On December 2, 2009, the Port Authority borrowed \$10,000,000 from the Florida Local Government Finance Commission for the purpose of refinancing an existing commercial paper loan of \$10,000,000. Then on June 1, 2010 the Port Authority borrowed \$10,000,000 from the Florida Local Government Finance Commission for the purpose of refinancing the existing commercial paper loan of \$10,000,000. These refinancings did not result in either losses or economic gains.

On September 30, 2010 the Port Authority financed \$1,965,005 from Logistec USA, Inc. for the purchase of a \$3,973,547 Logistec mobile harbor crane.

**Fiscal Year 2009:**

On December 2, 2008, the Port Authority borrowed \$10,000,000 from the Florida Local Government Finance Commission for the purpose of refinancing an existing commercial paper loan of \$10,000,000. This refinancing did not result in either a loss or economic gain.

**E. Short-term Debt Activity**

The following is the short-term debt activity for the year ended September 30, 2010:

	<b>October 1</b>	<b>Additions</b>	<b>Deductions</b>	<b>September 30</b>	<b>Due Within One Year</b>
Business-type activities:					
Loans payable	\$ -	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -

**Note 7 Lease Revenues**

The Port Authority leases (as lessor) a portion of its real property to various tenants for storage and processing of their products, which are loaded and unloaded at the Port. The lessees have constructed the storage or processing facilities necessary for their use on the land leased from the Port Authority.

**Manatee County Port Authority  
Notes to Financial Statements  
September 30, 2010**

**Note 7 Lease Revenues - Continued**

Lease terms vary from 5 to 50 years with renewal options for additional periods ranging from 5 to 50 years. All land held, except for that on which the administrative office, warehouse and operations and maintenance building are located and land reserved for possible future construction, is available for leasing. Portions of the land are leased periodically on a one-year basis, renewable from year to year, for farming operations. Lease revenues totaled \$2,763,138 and \$2,843,773 for the years ended September 30, 2010 and 2009, respectively.

The following is a schedule by years of minimum future rental revenues to be received on non-cancelable operating leases as of September 30:

<u>Fiscal Year</u>	
2011	\$ 2,980,283
2012	2,698,542
2013	1,790,866
2014	1,826,643
2015	1,626,804
2016-2020	6,518,689
2021-2025	5,194,271
2026-2030	3,775,650
2031-2035	3,618,025
2036-2040	3,580,650
2041-2045	716,400
2046-2050	459,690
Total minimum future rental revenues	<u>\$ 34,786,513</u>

The following is a breakdown of capital assets under lease arrangements by major asset class as of September 30, 2010:

	<u>Cost of Leased Asset</u>	<u>Accumulated Depreciation</u>	<u>Carrying Value</u>
Warehouses	\$ 37,632,626	\$ 9,471,456	\$ 28,161,170
Office Space	791,957	224,388	567,569
Cranes	7,938,847	599,116	7,339,731
Land	203,805	-	203,805
Total	<u>\$ 46,567,235</u>	<u>\$ 10,294,960</u>	<u>\$ 36,272,275</u>

The following is a breakdown of capital assets under lease arrangements by major asset class as of September 30, 2009:

	<u>Cost of Leased Asset</u>	<u>Accumulated Depreciation</u>	<u>Carrying Value</u>
Warehouses	\$ 36,015,255	\$ 7,106,303	\$ 28,908,952
Office Space	791,957	197,989	593,968
Crane	4,006,450	300,484	3,705,966
Land	108,329	-	108,329
Total	<u>\$ 40,921,991</u>	<u>\$ 7,604,776</u>	<u>\$ 33,317,215</u>

**Note 8 Lease Obligations**

At October 1, 2008, capitalized lease obligations consisted of the cost of improvements to buildings in the amount of \$771,282. The future minimum payments under capital leases of \$78,088 was fully paid in fiscal year 2009, with \$19,334 of the payments representing interest and the balance of \$58,754 equal to the present value of net minimum lease payments.

**Manatee County Port Authority  
Notes to Financial Statements  
September 30, 2010**

**Note 9 Compensated Absences**

Port Authority policy grants annual leave and sick leave to employees in varying amounts. Upon termination of employment, employees can receive payment for accumulated annual leave. In general, sick leave payments are granted upon termination of employment only to employees with five or more years of credited service, and maximum payment is 50% of accumulated sick leave up to 500 hours per employee. The amount recorded represents vested annual and sick leave pay and includes the associated FICA and retirement contribution amounts.

Compensated absences as of September 30, were:

	<u>2010</u>	<u>2009</u>
Annual leave	\$ 431,544	\$ 415,096
Sick leave	<u>350,190</u>	<u>330,833</u>
	<u>\$ 781,734</u>	<u>\$ 745,929</u>

**Note 10 Rate Covenants**

The Port Authority has outstanding revenue bonds payable, an outstanding loan payable to the Florida Local Government Finance Commission and an outstanding loan payable to the Florida Department of Transportation State Infrastructure Bank loan program with agreements that contain restrictive covenants.

**A. Revenue Bonds**

The Port Authority Bonds are payable solely from and secured solely by pledged revenues. Pledged revenues consist of (i) net revenues, which consist of the Port revenues after deduction of operating expenses and also includes the state sales tax funds, which the County has pledged to the Authority, (ii) legally available non-ad valorem revenues budgeted and appropriated by the county and deposited into the Debt Service Reserve Account of the Sinking Fund established under the resolution if at the end of any fiscal year, the amounts on deposit in the Debt Service Reserve Account do not equal the debt service reserve requirement and (iii) investment income received from certain funds and accounts established by the resolution.

The Port Authority has covenanted in the resolution authorizing bonds, among other things, to fix, establish, maintain and collect such rates, fees, rentals or other charges for the services and facilities of the Port, and to revise the same from time to time whenever necessary, as will always provide in each fiscal year, net revenues which, together with the state sales tax funds, will be at least equal to one hundred thirty percent (130%) of the maximum annual debt service requirements for the bonds, and that such net revenues shall always be sufficient to make one hundred percent (100%) of all of the required deposits into the various funds and accounts created and established by the resolution, and that such rates, fees, rentals or other charges shall not be reduced so as to be insufficient to provide adequate revenues for such purposes.

If the net revenues are adequate to pay at least one hundred fifty percent (150%) of the maximum annual debt service requirement for the bonds for five (5) consecutive fiscal years, or if net revenues are adequate to pay at least one hundred seventy-five percent (175%) of the maximum annual debt service requirement for the bonds for three (3) consecutive fiscal years, and in either case sufficient to make all of the payments required by the terms of the resolution, the term "pledged revenues" shall not include the non-ad valorem revenues received by the County.

If, however, after the time the County is no longer obligated to deposit non-ad valorem revenues into the Debt Service Reserve Account of the Sinking Fund, the net revenues of the Port Authority shall, in any fiscal year, be less than one hundred fifty percent (150%) of the maximum annual debt service requirement for the bonds, the term "pledged revenues" shall again include non-ad valorem revenues received by the County.

The Port Authority was not in compliance with these covenants for the year ended September 30, 2010; however, the Port Authority was in compliance with these covenants for the year ended September 30, 2009.

**Manatee County Port Authority  
Notes to Financial Statements  
September 30, 2010**

**Note 10 Rate Covenants - Continued**

The following is a reconciliation of net revenues with rate covenant requirements for Port Authority Bonds for the fiscal years ended September 30:

	<u>2010</u>	<u>2009</u>
Operating revenues	\$ 11,928,332	\$ 10,878,762
Interest earned	335,856	428,533
Add revenue available for debt service coverage not included as operating revenues in financial statements:		
State sales tax	<u>446,500</u>	<u>446,500</u>
Total revenue available for debt service coverage	<u>12,710,688</u>	<u>11,753,795</u>
Less: Operating expenses (excluding depreciation and amortization)	<u>10,002,296</u>	<u>8,386,601</u>
Net revenues available for debt service	<u>\$ 2,708,392</u>	<u>\$ 3,367,194</u>
Maximum annual debt service requirement	\$ 2,458,529	\$ 2,458,529
Debt service coverage	110%	137%

**B. FLGFC Loan**

The covenants of the loan agreement authorizing the Florida Local Government Finance Commission loan include among other things, appropriation in the annual budget amounts of non-ad valorem revenues or other legally available funds sufficient to satisfy the loan repayment.

Such appropriation for interest due under the loan agreements shall be based on an assumed interest rate which reflects the actual monthly interest on the loan (a) taking into account the respective series of commercial paper notes from which loan amounts are derived and (b) using a blended market rate of commercial paper which equals the total difference for the billing rate and the actual interest rate (adding amounts in excess of and subtracting amounts less than). For each fiscal year, the County covenants that all debt secured by and/or payable solely from such non-ad valorem revenues will not exceed 20% of total general-purpose non-ad valorem revenues. The County was in compliance with these covenants for the years ended September 30, 2010 and 2009.

**C. State of Florida Department of Transportation Infrastructure Bank Loan**

In the State of Florida Department of Transportation Infrastructure Bank Loan (SIB) agreement, the Port Authority covenants to maintain revenue rates at a level sufficient to provide, in each fiscal year, pledged revenues equal to or exceeding one hundred percent (100%) of the sum of the loan payments due in such fiscal year.

The Port Authority was not in compliance with these covenants for the years ended September 30, 2010 and 2009.

**Manatee County Port Authority  
Notes to Financial Statements  
September 30, 2010**

**Note 10 Rate Covenants - Continued**

The following is a reconciliation of net revenues with rate covenant requirements for the Port SIB Loan for the fiscal year ended September 30:

	<u>2010</u>	<u>2009</u>
Operating revenues	\$ 11,947,189	\$ 10,878,762
Interest earned	<u>335,856</u>	<u>428,533</u>
Total revenue available for debt service coverage	12,283,045	11,307,295
Less: Operating expenses (excluding depreciation and amortization)	<u>10,002,296</u>	<u>8,386,601</u>
Net revenues available for debt service	2,280,749	2,920,694
Debt service requirement on senior and parity debt	<u>(2,545,082)</u>	<u>(2,750,540)</u>
Net revenue available for for debt service	\$ <u>(264,333)</u>	\$ <u>170,154</u>
Debt service requirement - SIB	\$ 275,000	\$ 275,000
Debt service coverage	(96%)	62%

**Note 11 Retirement Plan**

Substantially all full time Port Authority employees are participants in the Florida Retirement System, "The System," a multiple-employer, cost-sharing public retirement system. The System, which is controlled by the State Legislature and administered by the State of Florida, Department of Management Services, Division of Retirement, covers approximately 701,337 full-time employees of various governmental units within the State of Florida.

The System provides for vesting of benefits after 6 years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with 6 or more years of service. Early retirement is available after 6 years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings. Employees are not required to contribute to this retirement system.

Effective with the State fiscal year 2002, the State created a new retirement plan within the system; the Public Employee Optional Retirement Program (the "FRS Investment Plan"). Any regular member not in the Deferred Retirement Option Program (DROP) is eligible to participate in the FRS Investment Plan. Employer contributions are made to the FRS Investment Plan, which holds the contributions in individual investment accounts for each participating employee. The employee directs the investments in their account among the investment funds available through the Plan. These investment accounts vest to the employee after 1 year of service and may be withdrawn by the employee 90 days after termination or retirement from a participating employer in the System. Alternately, the funds may remain in the investment account until the employee reaches normal retirement age or some earlier date, at the employee's choosing. Employees are not required to contribute to the FRS Investment Plan.

The Port Authority has no responsibility to the System other than to make the periodic payments required by state statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Florida Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000.

**Manatee County Port Authority  
Notes to Financial Statements  
September 30, 2010**

**Note 11 Retirement Plan - Continued**

Participating employer contributions are based upon statewide rates established by the State of Florida. These rates are applied to employee salaries as follows: regular employees 10.77%, special risk employees 23.25%, elected officials 18.64% and senior management 14.57%. The Port Authority's contributions made during the years ended September 30, 2010, 2009 and 2008 were \$357,497, \$343,801, and \$367,953, respectively, equal to the actuarially determined contribution requirements for each year.

**Note 12 Post Employment Benefits Other Than Pension**

The Port Authority participates in a single-employer defined benefit healthcare plan as administered by Manatee County. The Port Authority recognized other post employment benefits liabilities for the years ended September 30, 2010, 2009 and 2008 of \$610,347, \$423,751 and \$208,273, respectively.

The following table shows under the current plan provisions, the actuarially determined components of the Port Authority's unfunded annual OPEB cost, the contributions to the plan net of retiree payments, and the changes in the Port Authority's net OPEB obligation (NOO) to the plan for the prior two and current fiscal years:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Annual required contribution (ARC)	\$ 209,862	\$ 273,644	\$ 256,000
Interest on net OPEB contribution	14,925	8,302	-
Less NOO Amortization	<u>(14,787)</u>	<u>(7,946)</u>	-
Annual OPEB cost (AOC)	210,000	274,000	256,000
Contributions made, net	<u>23,404</u>	<u>58,522</u>	<u>47,727</u>
Increase in net OPEB obligation	186,596	215,478	208,273
Net OPEB obligation - beginning of year	<u>423,751</u>	<u>208,273</u>	-
Net OPEB obligation - end of year	<u>\$ 610,347</u>	<u>\$ 423,751</u>	<u>\$ 208,273</u>

The following is the full disclosure of the plan description and funding status for Manatee County:

**Plan Description** - The Manatee County Board of County Commissioners (BOCC) administers a single-employer defined benefit healthcare plan (the "Plan"). In accordance with Section 112.0801 of the Florida Statutes, because Manatee County provides a medical plan to active employees of the County and their eligible dependents, the County is also required to provide retirees with the opportunity to participate in this Plan. The Plan provides health care benefits including medical coverage, prescription drug benefits, dental benefits and life insurance coverage to both active and eligible retired employees. The Plan does not issue a publicly available financial report.

The BOCC may amend the plan design, with changes to the benefits, premiums and/or levels of participant contribution at any time, by providing thirty days written notice to participants. In an open session, on at least an annual basis and prior to the annual enrollment process, the BOCC approves the rates for the coming calendar year for the retiree and County contributions.

Eligibility for participation in the Plan is limited to full time employees of the County and of the Constitutional Officers, employees who are active participants in the Plan at the time of retirement, who retire and are either vested with the Florida Retirement System (FRS), are vested in the FRS and are age 62, have 30 years of creditable service before age 62, or meet alternative criteria if disabled or a member of a Special Risk Class. Surviving spouses or dependents of participating retirees may continue in the plan if eligibility criteria specific to those classes are met.

**Manatee County Port Authority  
Notes to Financial Statements  
September 30, 2010**

**Note 12 Post Employment Benefits Other Than Pension – Continued**

At September 30, 2010 there were no terminated employees entitled to benefits but not yet receiving them. The membership of the County's medical plan consisted of:

Active employees	3,407
Retirees and beneficiaries currently receiving benefits	<u>506</u>
Total Membership	<u>3,913</u>

Funding Policy - Contribution rates are determined on an annual basis by the BOCC, for employees retiring after ten years of service. An additional contribution is provided to participants aged 65 and over that enroll in Medicare Part B. Retirees and spouses over age 65 and enrolled in Medicare Part A and B may elect to remain in the County's Plan, or enroll in a Medicare Supplement and Part D Prescription Drug program through an outside provider. The contribution amount can be changed by the County at any time, with 30 days written notice to participating retirees. Under the current Plan, for employees hired after September 30, 2005, participation by retirees and their dependents in the county health plan and subsidization of the premium rate for retirees will be limited to that required by law. The retirees pay the entire cost for dental coverage. Term life insurance in the amount of \$1,000 for retirees is fully paid by the County. Retirees electing additional coverage pay the entire cost at age graded rates.

The 2010 premium contributions for medical coverage and retiree counts at September 30, 2010 were:

<u>Class of Employees</u>	<u>County Provided Contribution Range</u>	<u>Count</u>
Retirees with more than 10 years of service	46%	256
Spouses or survivors of retirees with more than 10 years of service	16% to 42%	63
Retirees with more than 6 years, up to 10 years of service	0%	6
Retirees in Senior Care Plan with private insurer	44% to 58%	181

For fiscal year 2010, the County contributed \$2,532,580 to the plan via claims paid by its self insurance fund, and allocations of both administrative expenses and an increase in the incurred but not recorded (IBNR) costs, net of retiree payments of \$2,063,972. The County does not have stop-loss coverage for its health insurance plan. Payments received from the federal government under Medicare Part D are recognized as revenue, rather than as a reduction of the OPEB cost. In addition to these pay-as-you-go expenses in fiscal year 2010, the County transferred \$2,600,000 into the Health Self Insurance Internal Service Fund for future period post-retirement costs. This transfer, along with the \$6,133,000 transferred in prior fiscal years and related interest earnings, is considered a County asset and is not accounted for as an OPEB contribution. A qualifying trust or agency fund has not been authorized by the County.

Annual OPEB Costs and Net OPEB Obligation - The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded liabilities over a period of thirty years, the maximum allowed.

**Manatee County Port Authority  
Notes to Financial Statements  
September 30, 2010**

**Note 12 Post Employment Benefits Other Than Pension - Continued**

The following table shows under the current plan provisions, the actuarially determined components of the County's unfunded annual OPEB cost, the contributions to the plan net of retiree payments, and the changes in the County's net OPEB obligation (NOO) to the plan for the prior two and current fiscal years (dollar amounts in thousands):

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Annual required contribution (ARC)	\$ 13,624	\$ 15,427	\$ 14,346
Interest on net OPEB contribution	973	470	-
Less NOO Amortization	<u>(964)</u>	<u>(450)</u>	<u>-</u>
Annual OPEB cost (AOC)	13,633	15,447	14,346
Contributions made, net	<u>(2,533)</u>	<u>(3,304)</u>	<u>(2,566)</u>
Increase in net OPEB obligation	11,100	12,143	11,780
Net OPEB obligation- beginning of year	<u>23,923</u>	<u>11,780</u>	<u>-</u>
Net OPEB obligation - end of year	<u>\$ 35,023</u>	<u>\$ 23,923</u>	<u>\$ 11,780</u>

No trust or agency fund has been established for the plan. There were no adjustments to the annual required contribution or interest earnings.

Funded Status and Funding Progress - At September 30, 2010, the accrued actuarial liability for benefits was \$141.1 million, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$135.1 million and the ratio of the unfunded actuarial liability to covered payroll was 104.50%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Projections of benefits are based on the types of benefits provided under the substantive plan at the time of each valuation and on the pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective, and, consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities.

Actuarial Methods and Assumptions - The valuation dated November 13, 2009, for the fiscal dates of October 1, 2009 to September 30, 2010, was prepared using generally accepted actuarial principles and practices, and relied on unaudited census data as of January 2009, and medical claims data reported by the County. The valuation used the projected unit credit actuarial method, with linear pro-ration to assumed benefit commencement. Actual coverage, cost sharing and benefits at the time of the valuation were used with coverage assumed to continue into retirement. Demographic assumptions mirror those used for the various Florida Retirement System pension funds. The actuarial assumptions include an annual health care cost trend rate based on a model with a long term perspective, developed by the Society of Actuaries. The model assumed 3.2% CPI inflation. The assumptions included a discount rate that is tied to the return expected on the funds used to pay the benefits, and assumes for an unfunded plan, that the benefits continue to be funded on a pay-as-you-go basis and that the County's investments earn a 4% rate of return over the long term. The unfunded accrued actuarial liability is amortized over thirty years on a closed basis, as a level percentage of the projected payroll, which is assumed to increase at 3.5% per annum. Premium assistance amounts are assumed to increase at 5% per annum.

**Manatee County Port Authority  
Notes to Financial Statements  
September 30, 2010**

**Note 13 Commitments and Contingencies**

**A. Grant Programs**

The Port Authority participates in several Federal and State grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives.

**B. Litigation**

The Port Authority is involved in certain litigation, as a defendant or plaintiff, arising in the ordinary course of operations. In the opinion of management and legal counsel, the range of potential recoveries or liabilities will not materially affect the financial position of the Port Authority.

**C. Contract Commitments**

The Port Authority had open construction contracts at September 30, 2010 of \$0 and \$2,423,454 at September 30, 2009.

**D. Arbitrage Rebate**

In accordance with the Tax Reform Act of 1986, any interest earnings on borrowed construction funds in excess of the interest costs are required to be rebated to the federal government. During the year, there was no arbitrage rebate liability.

**Note 14 Risk Management**

The Port Authority is exposed to various risks of loss related to tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Port purchases various types of primary insurance coverage, including property, health, general liability, automobile and physical damage, employee dishonesty, workers' compensation, umbrella liability (personal injury and railroad liability) and excess public officials and employee's liability. There have been no significant reductions in insurance coverage from the previous year. Settled claims have not exceeded this commercial coverage in any of the past three years.

**Note 15 Subsequent Event**

On December 7, 2010 the Port refinanced a \$6,025,000 commercial paper loan by borrowing \$6,025,000 from the Florida Local Government Finance Commission. This refinancing did not result in either a loss or economic gain.

**Required Supplementary Information  
 Manatee County, Florida  
 Schedule of Funding Progress  
 for the Retiree Health Plan  
 (Amounts expressed in thousands)**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability - Projected Unit Credit</u>	<u>Unfunded AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>	
10/1/2007	\$ -	\$ 150,496	\$ 150,496	0.00%	\$ 147,974	101.70%	(1)
10/1/2008	-	162,625	162,625	0.00%	145,790	111.55%	
10/1/2009	-	141,138	141,138	0.00%	135,059	104.50%	

(1) initial year of plan disclosure, no prior data available

# STATISTICAL SECTION

This part of the Manatee County Port Authority comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Port Authority's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Port Authority's financial performance and well-being has changed over time.	31
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Port Authority's most significant sources of revenue.	35
<b>Debt Capacity</b> These schedules contain information to help the reader assess the affordability of the Port Authority's current level of debt and its ability to issue debt in the future.	40
<b>Demographics and Economic Information</b> These schedules offer demographics and economic indicators to help the reader understand the environment within which the Port Authority's financial activities take place.	46
<b>Operating Information</b> These schedules contain information regarding the operating indicators, the capital assets, and the number of employees for the various functions and programs.	48
<b>Current Debt</b> These schedules contain information regarding the Port Authority's current debt and other debt-related information.	54

**Manatee County Port Authority  
Net Assets by Component  
Last Ten Fiscal Years**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Invested in capital assets, net of related debt	\$ 68,652,651	\$ 65,466,471	\$ 64,864,990	\$ 57,352,003
Restricted	3,470,124	3,470,124	3,523,904	3,582,148
Unrestricted	<u>5,034,086</u>	<u>6,654,985</u>	<u>6,691,100</u>	<u>9,492,925</u>
Total primary government net assets	<u>\$ 77,156,861</u>	<u>\$ 75,591,580</u>	<u>\$ 75,079,994</u>	<u>\$ 70,427,076</u>

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 53,761,186	\$ 51,098,435	\$ 50,385,128	\$ 46,883,973	\$ 37,879,730	\$ 30,816,355
3,537,160	3,515,517	3,606,556	4,661,247	4,492,717	5,098,655
<u>11,234,874</u>	<u>10,540,675</u>	<u>10,556,901</u>	<u>8,356,863</u>	<u>12,296,960</u>	<u>8,324,386</u>
<u>\$ 68,533,220</u>	<u>\$ 65,154,627</u>	<u>\$ 64,548,585</u>	<u>\$ 59,902,083</u>	<u>\$ 54,669,407</u>	<u>\$ 44,239,396</u>

**Manatee County Port Authority  
Changes in Net Assets  
Last Ten Fiscal Years**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Operating revenues:</b>				
Dock operations	\$ 6,063,585	\$ 5,963,282	\$ 5,634,726	\$ 7,594,513
Land operations	4,840,130	4,281,326	4,317,438	3,959,050
Miscellaneous	<u>1,024,617</u>	<u>634,154</u>	<u>786,935</u>	<u>261,145</u>
Total operating revenues <sup>(1)</sup>	<u>11,928,332</u>	<u>10,878,762</u>	<u>10,739,099</u>	<u>11,814,708</u>
<b>Operating expenses:</b>				
Personal services	4,962,276	5,031,668	5,351,357	5,143,782
Administration and marketing <sup>(2)</sup>	2,844,975	1,382,682	1,589,781	1,590,696
Engineering and maintenance	632,154	456,904	516,421	696,026
Port operations	1,562,891	1,515,347	1,541,012	1,547,644
Depreciation and amortization	<u>4,706,615</u>	<u>4,295,032</u>	<u>4,072,746</u>	<u>4,076,406</u>
Total operating expenses	<u>14,708,911</u>	<u>12,681,633</u>	<u>13,071,317</u>	<u>13,054,554</u>
Net operating revenues (loss)	<u>(2,780,579)</u>	<u>(1,802,871)</u>	<u>(2,332,218)</u>	<u>(1,239,846)</u>
<b>Nonoperating revenues (expenses):</b>				
Operating grants and contributions	465,357	446,500	456,344	446,500
Interest income	335,856	428,533	607,769	842,903
Interest expense <sup>(3)</sup>	(1,420,793)	(1,675,585)	(1,701,919)	(1,327,670)
Gain (loss) on disposition of assets	<u>1,725</u>	<u>(45,091)</u>	<u>(1,194)</u>	<u>3,357</u>
Total nonoperating revenues (expenses)	<u>(617,855)</u>	<u>(845,643)</u>	<u>(639,000)</u>	<u>(34,910)</u>
Income (loss) before contributions and extraordinary item	(3,398,434)	(2,648,514)	(2,971,218)	(1,274,756)
Capital grants and contributions <sup>(4)</sup>	4,963,715	3,160,100	7,076,582	3,168,612
Extraordinary item - debt forgiveness <sup>(5)</sup>	<u>-</u>	<u>-</u>	<u>547,554</u>	<u>-</u>
Change in net assets	<u>\$ 1,565,281</u>	<u>\$ 511,586</u>	<u>\$ 4,652,918</u>	<u>\$ 1,893,856</u>

(1) A portion of the operating revenue, \$4,281,998 in fiscal year 2002 and \$2,599,192 in fiscal year 2001 includes lease revenues and other fees attributable to a one-time project constructed by Gulfstream Natural Gas System, LLC.

(2) In 2010 administration and marketing expenses increased significantly due to the CSX settlement agreement for \$165,000 and the increase in allowance for bad debt of \$544,643.

(3) In 2004 loans payable increased \$10 million over 2003 for the Florida Local Government Finance Commissions Loans. In 2008, loans payable increased by \$1,977,941 for the Logistec USA Inc. Equipment Loan. Also, in 2008 interest rates started to decline due to the economic downturn, causing the reduction in interest expense through 2010.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 9,400,323	\$ 8,239,371	\$ 8,325,334	\$ 7,871,789	\$ 7,837,758	\$ 7,177,705
3,346,654	3,177,890	2,701,278	2,640,236	5,783,908	4,108,514
165,393	191,651	236,779	308,817	533,335	343,798
<u>12,912,370</u>	<u>11,608,912</u>	<u>11,263,391</u>	<u>10,820,842</u>	<u>14,155,001</u>	<u>11,630,017</u>
4,746,165	4,166,572	3,903,295	3,604,451	3,315,665	2,808,341
1,687,573	1,593,224	1,410,491	1,414,966	1,845,534	1,185,121
1,054,201	888,434	961,758	977,417	804,822	692,693
1,565,769	1,269,740	1,222,428	1,426,770	1,410,203	682,737
4,049,523	3,876,692	4,031,727	3,762,395	3,498,519	3,239,750
<u>13,103,231</u>	<u>11,794,662</u>	<u>11,529,699</u>	<u>11,185,999</u>	<u>10,874,743</u>	<u>8,608,642</u>
<u>(190,861)</u>	<u>(185,750)</u>	<u>(266,308)</u>	<u>(365,157)</u>	<u>3,280,258</u>	<u>3,021,375</u>
458,634	446,500	496,776	522,470	571,768	461,723
657,035	373,032	248,251	431,731	479,244	683,765
(1,475,741)	(1,421,326)	(1,054,351)	(951,553)	(601,287)	(940,863)
<u>(18,349)</u>	<u>3,818</u>	<u>(43,603)</u>	<u>(5,880)</u>	<u>(3,967)</u>	<u>(36,351)</u>
<u>(378,421)</u>	<u>(597,976)</u>	<u>(352,927)</u>	<u>(3,232)</u>	<u>445,758</u>	<u>168,274</u>
(569,282)	(783,726)	(619,235)	(368,389)	3,726,016	3,189,649
3,947,875	1,389,768	5,265,737	5,601,065	6,703,995	7,164,196
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 3,378,593</u>	<u>\$ 606,042</u>	<u>\$ 4,646,502</u>	<u>\$ 5,232,676</u>	<u>\$ 10,430,011</u>	<u>\$ 10,353,845</u>

- (4) In 2005 capital grants and contributions decreased \$3.8 million from fiscal year 2004 related to the completion of various projects that were eligible for reimbursement from the Florida Ports Financing Commission for 50% of construction costs. In 2006 capital grants and contributions increased from fiscal year 2005 related to completion of various projects that were eligible for reimbursement from the Federal Emergency Management Agency and the Department of Homeland Security for a portion of project costs. In 2008, capital grants increased \$3.9 million related to reimbursements from the Florida Department of Transportation for a warehouse construction project and the purchase of a mobile harbor crane. In 2009, capital grants decreased \$3.9 million from fiscal year 2008 related to the completion of various projects that were eligible for reimbursement from the Florida Department of Transportation for a warehouse construction project and a few berth dredging projects. In 2010, capital grants increased by \$1.9 million due to the purchase of a second mobile harbor crane.
- (5) In fiscal year 2008, the Port Authority negotiated a lease modification for a lessee who the Port owed for leasehold improvements previously made by the lessee. The lease modification resulted in a reduction in the amounts owned by the Port for those leasehold improvements in the amount of \$547,554.

**Manatee County Port Authority  
Dock Operations  
Revenue by Type and Related Averages  
Last Ten Fiscal Years**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Wharfage	\$ 3,109,309	\$ 3,136,910	\$ 3,242,561	\$ 3,875,941
Dockage	2,565,858	2,483,747	1,998,959	3,284,897
Other	388,418	342,625	393,206	433,675
Total	<u>\$ 6,063,585</u>	<u>\$ 5,963,282</u>	<u>\$ 5,634,726</u>	<u>\$ 7,594,513</u>
 Cargo tonnage (to nearest thousand)	 3,371,000	 3,176,000	 3,396,000	 4,418,000
 Average wharfage revenue per cargo ton	 \$ 0.92	 \$ 0.99	 \$ 0.95	 \$ 0.88
 Berth linear feet	 6,702	 6,702	 6,702	 6,702
 Average dockage revenue per berth linear foot	 \$ 383	 \$ 371	 \$ 298	 \$ 490

**Manatee County Port Authority  
Dock Operations  
Major Revenues and Related Customers  
Current Year and Nine Years Ago**

Customer:	<u>Wharfage Revenue</u>					
	<u>2010</u>			<u>2001</u>		
	<u>Revenue</u>	<u>Rank</u>	<u>Percentage</u>	<u>Revenue</u>	<u>Rank</u>	<u>Percentage</u>
Del Monte	\$ 937,954	1	34%	\$ 157,476	5	5%
Kinder Morgan	350,671	2	13%	-	-	-
Florida Power and Light	315,988	3	11%	893,548	1	28%
Coastal Tug & Barge	236,177	4	9%	-	-	-
Vulcan Distribution	170,049	5	6%	-	-	-
Gulfstream Natural Gas	-	-	-	600,614	2	19%
Lafarge	-	-	-	224,071	3	7%
Eastern Cement	-	-	-	202,252	4	6%
Total	<u>2,010,839</u>		<u>73%</u>	<u>2,077,961</u>		<u>65%</u>
Total wharfage revenue	<u>\$ 2,752,254</u>		<u>100%</u>	<u>\$ 3,198,236</u>		<u>100%</u>

Source: Manatee County Port Authority

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 4,213,953	\$ 4,094,350	\$ 4,342,289	\$ 4,062,816	\$ 3,468,637	\$ 3,437,382
4,678,774	3,658,262	3,486,453	3,376,162	3,863,335	3,273,965
507,596	486,759	496,592	432,811	505,786	466,358
<u>\$ 9,400,323</u>	<u>\$ 8,239,371</u>	<u>\$ 8,325,334</u>	<u>\$ 7,871,789</u>	<u>\$ 7,837,758</u>	<u>\$ 7,177,705</u>
5,310,000	5,552,000	5,761,000	5,428,000	5,212,000	5,200,000
\$ 0.79	\$ 0.74	\$ 0.75	\$ 0.75	\$ 0.67	\$ 0.66
6,702	6,447	6,315	6,140	6,140	5,140
\$ 698	\$ 567	\$ 552	\$ 550	\$ 629	\$ 637

#### Dockage Revenue

Customer:	<u>2010</u>			<u>2001</u>		
	<u>Revenue</u>	<u>Rank</u>	<u>Percentage</u>	<u>Revenue</u>	<u>Rank</u>	<u>Percentage</u>
Kinder Morgan	\$ 825,812	1	32%	\$ -	-	-
Coastal Tug & Barge	403,257	2	16%	-	-	-
Citrosuco	274,963	3	11%	-	-	-
Gearbulk	202,806	4	8%	-	-	-
Citrus Products	166,673	5	6%	-	-	-
Eastern Cement	-	-	-	457,071	1	16%
Florida Power and Light	-	-	-	374,245	2	13%
Lafarge	-	-	-	353,169	3	12%
Gulfstream Natural Gas	-	-	-	248,157	4	9%
Del Monte	-	-	-	214,574	5	7%
Total	<u>1,873,511</u>		<u>73%</u>	<u>1,647,216</u>		<u>57%</u>
Total dockage revenue	<u>\$ 2,558,086</u>		<u>100%</u>	<u>\$ 2,869,420</u>		<u>100%</u>

**Manatee County Port Authority  
Revenue Rates  
Last Ten Fiscal Years**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Dockage Rates (GRT) <sup>(1)</sup>				
Motor vessels	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18
Barges	0.22	0.22	0.22	0.20
Dockage Rates (LOA) <sup>(1)</sup>				
Length (feet)				
0-199	2.15	2.15	2.15	1.94
200-299	2.80	2.80	2.80	2.15
300-349	2.80	2.80	2.80	2.35
350-399	2.80	2.80	2.80	2.65
400-499	3.82	3.82	3.82	3.50
500-599	5.10	5.10	5.10	4.80
600-699	5.86	5.86	5.86	5.59
700-799	7.65	7.65	7.65	7.24
800-899	9.25	9.25	9.25	8.79
900-over	11.90	11.90	11.90	10.50
Wharfage Rates (per ton)				
Animals - per animal based upon size <sup>(4)</sup>	\$ -	\$ -	\$ -	\$ 3.00-5.00
Articles - general	2.30	2.30	2.30	2.17
Automobiles/light trucks				
less than 10,000 lbs. each	4.80	4.80	4.80	4.40
greater than 10,000 lbs. each	7.28	7.28	7.28	6.62
Bagged goods USDA PUBLIC LAW 480	0.37	0.37	0.37	0.37
Bulk commodities	.28-1.10	.28-1.10	.28-1.10	.265-.97
Citrus, fruit juices, related beverages	1.60	1.60	1.60	1.45
Construction materials	.80-1.94	.80-1.94	.80-1.94	.80-1.80
Containerized cargo	1.90	1.90	1.90	1.83
Explosive/hazardous commodities <sup>(3)</sup>	-	-	-	-
Fertilizer, bagged	1.60	1.60	1.60	1.44
Flour, bagged	1.22	1.22	1.22	1.11
Glass (in crates or containers)	1.60	1.60	1.60	1.45
Fruits/vegetables	1.80	1.80	1.80	1.60
Limestone in super sacks	0.85	0.85	0.85	0.80
Melons	1.60	1.60	1.60	1.40
Paper products	1.20-1.90	1.20-1.90	1.20-1.90	1.15-1.75
Petroleum products in barrels or cases	1.55	1.55	1.55	1.40
Products, chilled or frozen USDA PRODUCTS	1.77	1.77	1.77	1.47

(1) Vessel or barge dockage rate application is based on gross registered ton (GRT) or vessel length overall (LOA), whichever results in the greater revenue.

(2) In 2001 the dockage rates in length were reported in 50 feet increments starting at 400 feet.

(3) Explosive/hazardous commodities were negotiated in 2004 through 2009.

(4) Beginning in 2008, animals no longer permitted.

Source: Manatee County Port Authority

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001<sup>(2)</sup></u>
\$	0.18	\$ 0.18	\$ 0.18	\$ 0.17	\$ 0.17	\$ 0.15
	0.20	0.19	0.19	0.18	0.18	0.16
	1.94	1.85	1.85	1.75	1.75	1.50
	2.15	2.00	2.00	1.80	1.80	1.65
	2.35	2.25	2.25	2.20	2.20	1.95
	2.65	2.50	2.50	2.45	2.45	2.15
	3.50	3.31	3.31	3.25	3.25	3.00 / 3.10
	4.80	4.62	4.62	4.55	4.55	4.15 / 4.45
	5.59	5.33	5.33	5.25	5.25	5.05 / 5.10
	7.24	6.90	6.90	6.80	6.80	6.45 / 6.55
	8.79	9.70	9.70	9.25	9.25	7.75 / 8.65
	10.50	10.40	10.40	9.90	9.90	9.65
\$ 3.00-5.00	\$ 3.00-5.00	\$ 3.00-5.00	\$ 3.00-5.00	\$ -	\$ -	\$ -
	2.17	2.05	2.05	2.05	2.00	2.00
	4.40	4.20	4.20	4.20	4.00	4.00
	6.62	6.30	6.30	6.30	6.00	6.00
	0.37	0.35	0.35	0.35	0.40	0.35
	.265-.97	.26-.97	.26-.97	.26-.95	.26-.95	.25-.90
	1.45	1.45	1.45	1.45	1.45	1.45
	.80-1.80	1.00-1.80	1.00-1.30	1.00-1.20	1.00-1.20	1.00-1.10
	1.83	1.73	1.73	1.65	1.70	1.55
	-	-	-	8.00	8.00	7.60
	1.44	1.35	1.35	1.26	1.30	1.21
	1.11	1.05	1.05	1.00	1.00	1.00
	1.45	1.38	1.38	1.38	1.38	1.38
	1.60	1.60	1.60	1.60	1.60	-
	0.80	0.77	-	-	-	-
	1.40	1.35	1.35	-	-	-
	1.15-1.75	1.10-1.65	1.10-1.65	1.05-1.60	1.05-1.60	1.05-1.20
	1.40	1.30	1.30	1.20	1.20	1.14
	1.47	1.40	1.40	1.30	1.20	1.20

**Manatee County Port Authority  
Top Ten Customers  
Current Year and Nine Years Ago**

**2010**

<u>Customer</u>	<u>Type of Business</u>	<u>Billings</u>	<u>% of Total Billings</u>
Del Monte Fresh Produce N.A., Inc./ Network Shipping	Imports/exports containerized cargo	\$ 1,288,246	12.69%
Arrow Terminals, Inc.	Imports lumber products	1,059,213	10.43%
Eastern Cement	Imports cement	591,915	5.83%
A.R. Savage & Son	Agent	555,617	5.47%
Trans-Atlantic Agencies, Inc.	Agent	472,689	4.66%
CSX Transportation	Railroad transportation	438,880	4.32%
Enterprise Marine Services	Transports petroleum products	418,943	4.13%
Florida Power & Light	Imports fuel	398,718	3.93%
Kinder Morgan	Exports fertilizer	386,469	3.81%
Federal Marine Terminals	Imports/exports general bulk products	378,874	<u>3.73%</u>
			59.00%

**2001**

<u>Customer</u>	<u>Type of Business</u>	<u>Billings</u>	<u>% of Total Billings</u>
Gulfstream Natural Gas	Implementing natural gas line through Port Manatee	\$ 2,068,863	18.45%
Fillette Green & Company	Agent for various ships at Port Manatee	1,218,059	10.87%
Florida Power and Light Company	Imports residual fuel oil	1,267,874	11.31%
Del Monte Fresh Produce N.A., Inc./ Network Shipping	Imports/exports containerized cargo	1,025,151	9.14%
WSI of the Southwest	General stevedore and agent for various ships	762,161	6.80%
Bredero	Contractor for Gulfstream Natural Gas	473,083	4.22%
Regal Enterprises	Cruise ship operations	348,636	3.11%
Federal Marine Terminals	Import/export general bulk products	314,356	2.80%
Kinder Morgan	Exports various bulk products	299,338	2.67%
Lafarge	Imports cement clinker	293,233	<u>2.62%</u>
			71.99%

Source: Manatee County Port Authority

**Manatee County Port Authority  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Revenue Bonds</u>	<u>Loans Payable</u>	<u>Capital Leases</u>	<u>Total</u>	<u>Percentage of Personal Income</u> <sup>(1)</sup>	<u>Per Capita</u> <sup>(1)</sup>
2001	\$ 15,495,000	\$ 17,000,000	\$ -	\$ 32,495,000	0.38%	\$ 121
2002	31,950,000	6,000,000	-	37,950,000	0.44%	139
2003	30,930,000	6,000,000	-	36,930,000	0.41%	129
2004	29,785,000	16,000,000	-	45,785,000	0.47%	156
2005	28,610,000	16,000,000	-	44,610,000	0.44%	149
2006	27,400,000	16,025,000	743,814	44,168,814	0.40%	142
2007	26,155,000	25,225,000	675,996	52,055,996	0.44%	165
2008	24,870,000	26,959,604	58,754	51,888,358	0.38%	160
2009	23,535,000	26,689,745	-	50,224,745	0.35%	152
2010 <sup>(2)</sup>	22,150,000	28,374,735	-	50,524,735	0.38%	159

(1) Refer to page 46 for detail of population and per capita personal income.

(2) Details regarding the Port Authority's outstanding debt can be found in Note 6 of the financial statements.

**Computation of Legal Debt Margin**

The constitution of the State of Florida, Florida Statute 200.181 and Manatee County set no legal debt limit.

**Manatee County Port Authority**  
**Schedule of Pledged Revenue Coverage <sup>(1)</sup>**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Gross Revenue <sup>(2)</sup></b>	<b>Expenses <sup>(3)</sup></b>	<b>Net Revenue Available Debt Service</b>
2001	\$ 12,695,227	\$ 5,368,892	\$ 7,326,335
2002	15,021,157	7,376,224	7,644,933
2003	11,587,771	7,423,604	4,164,167
2004	11,913,558	7,497,972	4,415,586
2005	12,426,932	7,917,970	4,508,962
2006	14,015,010	9,053,708	4,961,302
2007	13,058,077	8,978,148	4,079,929
2008	11,793,080	8,998,571	2,794,509
2009	11,753,795	8,386,601	3,367,194
2010	12,710,688	10,002,296	2,708,392

(1) All debt for the Port Authority is revenue refunding bonds. Details regarding the Port Authority's outstanding revenue bonds can be found in Note 6 of the financial statements.

(2) Gross Revenue shall include all rates, fees, charges, assessments or other income received by the Authority or accrued to the Authority or any agency thereof in control of the management and operation of said Port Authority.

(3) Expenses exclude depreciation of capital assets and amortization of deferred charges which are reflected as expenses in the financial statements.

(4) Coverage equals net revenue available for debt service divided by the maximum annual debt service requirement. The Port Authority has covenanted in the resolutions authorizing bonds that net revenues are required to be at least equal to one hundred thirty percent of the maximum annual debt service requirement for the bonds.

(5) Per capita equals the maximum annual debt service requirements divided by Manatee County population. Population data can be found on page 46.

**Debt Service Requirement**

<u>Principal</u>	<u>Interest</u>	<u>Maximum Annual Debt Service Requirements</u>	<u>Coverage</u> <sup>(4)</sup>	<u>Per Capita</u> <sup>(5)</sup>
\$ 1,520,000	\$ 254,175	\$ 1,774,175	4.13	\$ 6.62
1,020,000	1,450,089	2,470,089	3.10	9.03
1,020,000	1,450,089	2,470,089	1.69	8.61
1,775,000	683,529	2,458,529	1.80	8.37
1,775,000	683,529	2,458,529	1.83	8.19
1,775,000	683,529	2,458,529	2.02	7.90
1,775,000	683,529	2,458,529	1.66	7.78
1,775,000	683,529	2,458,529	1.14	7.60
1,775,000	683,529	2,458,529	1.37	7.45
1,775,000	683,529	2,458,529	1.10	7.73



**Manatee County**  
FLORIDA

**Manatee County Port Authority  
Schedule of State Infrastructure Bank (SIB) Loan Coverage  
Last Three Fiscal Years <sup>(4)</sup>**

<b>Fiscal Year</b>	<b>Net Revenue Available</b>	<b>Debt Service Requirements</b>	<b>Excess (Deficit) Revenue Available</b>	<b>Debt Service Requirements</b>	<b>Coverage <sup>(3)</sup></b>	<b>Per Capita <sup>(5)</sup></b>
	<b>Debt Service <sup>(1)</sup></b>	<b>Senior Debt <sup>(2)</sup></b>	<b>Debt Service</b>	<b>SIB Loan</b>		
2008	\$ 2,348,009	\$ 2,934,831	\$ (586,822)	\$ 275,000	(2.13)	9.08
2009	\$ 2,920,694	\$ 2,750,540	\$ 170,154	\$ 275,000	0.62	8.33
2010	\$ 2,280,749	\$ 2,545,082	\$ (264,333)	\$ 275,000	(0.96)	8.00

(1) "Net Revenue Available Debt Service" shall include all rates, fees, charges, or other income received or accrued by the Port Authority from the operation thereof, but shall not include (a) sales tax funds, (b) non-ad valorem revenues, (c) restricted grants or donations, (d) revenues received from or in connection with Special Purpose Facilities financed with Special Purpose Bonds, and (e) capital contributions. "Net Revenue Available Debt Service" is reduced for "Operating Expenses" which includes the current expenses, paid or accrued, of operation, maintenance and ordinary repairs of the Port and the Port Facilities but shall not include any allowance for depreciation.

(2) "Senior Debt" includes the Manatee County Port Authority Revenue and Refunding Bonds, Series 1993B, 2002A and 2002B and various loans with the Florida Local Government Finance Commission.

(3) The Port Authority has covenanted in the SIB loan agreement that net revenues available after payment of all senior and parity debt be at least equal to one hundred percent of the sum of the SIB loan payments due in each fiscal year.

(4) There was no debt service requirement for this loan prior to fiscal year 2008.

(5) Per capita equals the debt service requirements on senior debt divided by Manatee County population. Population data can be found on page 46.

**Manatee County Port Authority  
Summary of Historical Operating Data  
Last Ten Fiscal Years**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Operating revenues:</b>				
Dock operations	\$ 6,063,585	\$ 5,963,282	\$ 5,634,726	\$ 7,594,513
Land operations	4,840,130	4,281,326	4,317,438	3,959,050
Miscellaneous	<u>1,024,617</u>	<u>634,154</u>	<u>786,935</u>	<u>261,145</u>
Total operating revenues <sup>(1)</sup>	<u>11,928,332</u>	<u>10,878,762</u>	<u>10,739,099</u>	<u>11,814,708</u>
<b>Operating expenses:<sup>(2)</sup></b>				
Personal services	4,962,276	5,031,668	5,351,357	5,143,782
Administration and marketing	2,844,975	1,382,682	1,589,781	1,590,696
Engineering and maintenance	632,154	456,904	516,421	696,026
Port operations	<u>1,562,891</u>	<u>1,515,347</u>	<u>1,541,012</u>	<u>1,547,644</u>
Total operating expenses	<u>10,002,296</u>	<u>8,386,601</u>	<u>8,998,571</u>	<u>8,978,148</u>
 Net revenues	 <u>1,926,036</u>	 <u>2,492,161</u>	 <u>1,740,528</u>	 <u>2,836,560</u>
<b>Nonoperating revenues:</b>				
Operating grants	18,857	-	9,844	-
State funding <sup>(3)</sup>	446,500	446,500	446,500	446,500
Interest income	<u>335,856</u>	<u>428,533</u>	<u>607,769</u>	<u>842,903</u>
Total nonoperating revenues	<u>801,213</u>	<u>875,033</u>	<u>1,064,113</u>	<u>1,289,403</u>
 Net revenue available for payment of senior debt service	 2,727,249	 3,367,194	 2,804,641	 4,125,963
 Less: Annual debt service requirement on senior debt <sup>(4)</sup>	 <u>2,455,472</u>	 <u>2,455,875</u>	 <u>2,452,214</u>	 <u>2,454,110</u>
 Surplus Port revenues <sup>(5)</sup>	 <u>\$ 271,777</u>	 <u>\$ 911,319</u>	 <u>\$ 352,427</u>	 <u>\$ 1,671,853</u>

(1) A portion of the operating revenues, \$4,281,998 in fiscal year 2002 and \$2,599,192 in fiscal year 2001 includes lease revenues and other fees attributable to a one-time project constructed by Gulfstream Natural Gas System, LLC.

(2) Operating expenses before depreciation and amortization.

(3) State funding has been pledged to senior lien debt, but is not an underlying pledge on subordinate debt.

(4) Fiscal years 2010 through 2004 amounts represent annual debt service requirements on Manatee County Port Authority Revenue Refunding Bonds, Series 1993B, 2002A and 2002B. The Series 2002A and 2002B bonds refunded Series 1993A bonds and paid off \$15,000,000 of loans payable to the Florida Local Government Finance Commission. Fiscal year 2003 and 2002 amounts represent the annual debt service requirements on Manatee County Port Authority Revenue Refunding Bonds, Series 1993A, 1993B, 2002A and 2002B. Fiscal year 2001 amounts represent annual debt service requirements on Manatee County Port Authority Revenue Refunding and Improvement Bonds, Series 1993A (which refunded Series 1985 Bonds) and 1993B.

(5) Surplus Port revenues represent excess Port revenues and state funding. The state funding is not pledged to the payment of the loans from the Florida Local Government Finance Commission or the State of Florida Department of Transportation Infrastructure Bank but is available to pay senior debt.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 9,400,323	\$ 8,239,371	\$ 8,325,334	\$ 7,871,789	\$ 7,837,758	\$ 7,177,705
3,346,654	3,177,890	2,701,278	2,640,236	5,783,908	4,108,514
165,393	191,651	236,779	308,817	533,335	343,798
<u>12,912,370</u>	<u>11,608,912</u>	<u>11,263,391</u>	<u>10,820,842</u>	<u>14,155,001</u>	<u>11,630,017</u>
4,746,165	4,166,572	3,903,295	3,604,451	3,315,665	2,808,341
1,687,573	1,593,224	1,410,491	1,414,966	1,845,534	1,185,121
1,054,201	888,434	961,758	977,417	804,822	692,693
<u>1,565,769</u>	<u>1,269,740</u>	<u>1,222,428</u>	<u>1,426,770</u>	<u>1,410,203</u>	<u>682,737</u>
<u>9,053,708</u>	<u>7,917,970</u>	<u>7,497,972</u>	<u>7,423,604</u>	<u>7,376,224</u>	<u>5,368,892</u>
<u>3,858,662</u>	<u>3,690,942</u>	<u>3,765,419</u>	<u>3,397,238</u>	<u>6,778,777</u>	<u>6,261,125</u>
12,134	-	50,276	75,970	125,268	15,223
446,500	446,500	446,500	446,500	446,500	446,500
657,035	373,032	248,251	431,731	479,244	683,765
<u>1,115,669</u>	<u>819,532</u>	<u>745,027</u>	<u>954,201</u>	<u>1,051,012</u>	<u>1,145,488</u>
4,974,331	4,510,474	4,510,446	4,351,439	7,829,789	7,406,613
<u>2,455,676</u>	<u>2,453,262</u>	<u>2,454,284</u>	<u>2,470,089</u>	<u>1,756,850</u>	<u>1,758,022</u>
<u>\$ 2,518,655</u>	<u>\$ 2,057,212</u>	<u>\$ 2,056,162</u>	<u>\$ 1,881,350</u>	<u>\$ 6,072,939</u>	<u>\$ 5,648,591</u>

**Manatee County Port Authority  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population <sup>(1)</sup></b>	<b>Per Capita Personal Income <sup>(2)</sup></b>	<b>Personal Income (thousands of dollars) <sup>(3)</sup></b>	<b>Median Age <sup>(4)</sup></b>
2001	268,071	\$ 32,177	\$ 8,625,721	43
2002	273,408	31,843	8,706,131	43
2003	286,884	31,612	9,068,977	43
2004	293,837	32,837	9,648,726	43
2005	300,298	34,052	10,225,747	43
2006	311,102	35,312	10,985,634	43
2007	315,890	37,298	11,782,065	43
2008	323,374	42,294	13,676,780	43
2009	330,201	43,245	14,279,542	43
2010	318,176	41,967	13,352,892	43

Sources:

- (1) University of Florida and BEBR Projections
- (2) U.S. Bureau of Economic Analysis from 2001 through 2004. Estimated 2005 through 2010 based upon historical growth.
- (3) Personal income is a calculated amount based on population and per capita personal income.
- (4) U.S. Census - new median age is only reported every ten years.
- (5) School Board of Manatee County
- (6) Florida Department of Labor and Employment Security

**Manatee County Port Authority  
Principal Employers in Primary Trade Area  
Current and Nine Years Ago**

<b>Employer</b>	<b>2010</b>		
	<b>Employees <sup>(1)</sup></b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
Manatee County School Board	5,300	1	4.19%
Manatee County Government	1,800	2	1.42%
Manatee Memorial Hospital	1,500	3	1.19%
Beall's, Inc.	1,500	4	1.19%
Tropicana Products, Inc.	1,400	5	1.11%
Blake Medical Center	1,156	6	0.91%
Manatee County Sheriff's Department	1,072	7	0.85%
Publix	860	8	0.68%
City of Bradenton	529	9	0.42%
SYSCO West Coast Florida, Inc.	520	10	0.41%
Wellcraft Marine	-	-	-
Hi-Stat Manufacturing, Inc.	-	-	-
<b>Total number of individuals employed within Manatee County <sup>(2)</sup></b>	<b>126,545</b>		

Sources:

- 1) Manatee Chamber of Commerce: Economic Development Council, Manatee County Government and Manatee County Sheriff's Department
- 2) Florida Research and Economic Database

<b>School Enrollment</b> <sup>(5)</sup>	<b>Unemployment Rate</b> <sup>(6)</sup>
37,090	2.8%
38,600	4.3%
39,800	4.1%
41,000	3.4%
42,350	3.2%
42,200	2.7%
42,500	4.2%
42,500	7.4%
42,500	12.7%
43,000	12.6%

**2001**

<b>Employees</b> <sup>(1)</sup>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
5,590	1	4.63%
1,688	3	1.40%
1,100	5	0.91%
821	7	0.68%
3,200	2	2.65%
779	8	0.65%
1,141	4	0.94%
-	-	-
600	9	0.50%
-	-	-
950	6	0.79%
600	10	0.50%
120,774		

**Manatee County Port Authority  
Schedule of Comparative Revenue by Activity  
Last Ten Fiscal Years**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Cargo ships <sup>(1)</sup>	\$ 5,021,513	\$ 4,823,623	\$ 4,869,747	\$ 6,750,983
Other ships/barges <sup>(1)</sup>	<u>1,042,072</u>	<u>1,139,659</u>	<u>764,979</u>	<u>843,530</u>
Total ship related operating revenues	<u>6,063,585</u>	<u>5,963,282</u>	<u>5,634,726</u>	<u>7,594,513</u>
Land leases <sup>(2)</sup>	2,763,138	2,843,773	3,050,989	2,692,456
Rail	455,885	393,200	446,240	251,548
Miscellaneous <sup>(3)</sup>	<u>2,645,724</u>	<u>1,678,507</u>	<u>1,607,144</u>	<u>1,276,191</u>
Total non-ship related operating revenues	<u>5,864,747</u>	<u>4,915,480</u>	<u>5,104,373</u>	<u>4,220,195</u>
Total operating revenues	<u>\$ 11,928,332</u>	<u>\$ 10,878,762</u>	<u>\$ 10,739,099</u>	<u>\$ 11,814,708</u>

- (1) Revenue increased by \$1,642,253 and \$1,167,278 for fiscal years 2002 and 2001, respectively, directly attributable to ship/barge traffic related to the Gulfstream Natural Gas System, LLC project. The ship related operating revenue reduction in 2008 and 2007 was largely caused by a reduction in dockage and wharfage due to reduced imports of construction-related materials caused by the continued depressed housing and construction industries.
- (2) Land leases increased by \$2,639,745 and \$1,431,915 in fiscal years 2002 and 2001, respectively, due to the Gulfstream Natural Gas System, LLC project.
- (3) Miscellaneous revenues for fiscal year 2000 increased by a non-recurring \$1,000,000 permit fee related to the Gulfstream Gas System, LLC permit. In 2010, the Port received non-recurring lease option fees of \$400,000 along with two non-refundable license option fees totaling \$547,922 related to tenant agreements.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 8,513,213	\$ 7,078,977	\$ 6,989,317	\$ 6,934,877	\$ 5,729,213	\$ 5,636,420
<u>887,110</u>	<u>1,160,394</u>	<u>1,336,017</u>	<u>936,912</u>	<u>2,108,545</u>	<u>1,541,285</u>
<u>9,400,323</u>	<u>8,239,371</u>	<u>8,325,334</u>	<u>7,871,789</u>	<u>7,837,758</u>	<u>7,177,705</u>
2,281,457	2,109,583	1,656,772	1,716,349	4,293,793	2,980,086
217,607	228,574	184,469	159,126	186,805	158,255
<u>1,012,983</u>	<u>1,031,384</u>	<u>1,096,816</u>	<u>1,073,578</u>	<u>1,836,645</u>	<u>1,313,971</u>
<u>3,512,047</u>	<u>3,369,541</u>	<u>2,938,057</u>	<u>2,949,053</u>	<u>6,317,243</u>	<u>4,452,312</u>
<u>\$ 12,912,370</u>	<u>\$ 11,608,912</u>	<u>\$ 11,263,391</u>	<u>\$ 10,820,842</u>	<u>\$ 14,155,001</u>	<u>\$ 11,630,017</u>

**Manatee County Port Authority**  
**Annual Cargo Tonnage**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Liquid Bulk Cargoes</b>					
Bunker "C" fuel	918	706	726	914	1,210
Diesel oil	128	146	161	303	148
Gasoline	25	7	8	10	16
Asphalt	53	35	46	82	63
Other	243	266	164	53	41
	<u>1,367</u>	<u>1,160</u>	<u>1,105</u>	<u>1,362</u>	<u>1,478</u>
<b>Dry Bulk Cargoes</b>					
Fertilizers	858	769	571	1,060	975
Cement/clinkers	4	72	258	538	1,262
Aggregate	350	332	503	269	293
Gypsum	-	-	-	-	-
Other	153	167	218	20	22
	<u>1,365</u>	<u>1,340</u>	<u>1,550</u>	<u>1,887</u>	<u>2,552</u>
<b>General Cargoes</b>					
Food products	391	361	354	542	432
Paper and lumber	87	125	208	414	665
Water sales	12	22	18	23	29
Construction products	67	87	91	160	131
Other	81	81	70	30	23
	<u>638</u>	<u>676</u>	<u>741</u>	<u>1,169</u>	<u>1,280</u>
<b>Total cargo tonnage</b>	<u><u>3,370</u></u>	<u><u>3,176</u></u>	<u><u>3,396</u></u>	<u><u>4,418</u></u>	<u><u>5,310</u></u>
Imports	2,098	2,331	2,556	3,027	4,227
Exports	<u>1,272</u>	<u>845</u>	<u>840</u>	<u>1,391</u>	<u>1,083</u>
<b>Total cargo tonnage</b>	<u><u>3,370</u></u>	<u><u>3,176</u></u>	<u><u>3,396</u></u>	<u><u>4,418</u></u>	<u><u>5,310</u></u>

Source: Manatee County Port Authority

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
1,548	1,428	1,568	1,663	2,018
115	99	139	116	39
-	-	-	-	-
80	75	72	58	92
40	618	490	44	55
<u>1,783</u>	<u>2,220</u>	<u>2,269</u>	<u>1,881</u>	<u>2,204</u>
1,057	819	617	875	758
1,006	974	1,009	846	738
485	724	523	427	152
6	-	17	-	20
25	24	54	123	476
<u>2,579</u>	<u>2,541</u>	<u>2,220</u>	<u>2,271</u>	<u>2,144</u>
379	410	437	410	417
680	468	373	225	177
25	22	48	55	59
89	67	55	288	144
17	33	26	82	55
<u>1,190</u>	<u>1,000</u>	<u>939</u>	<u>1,060</u>	<u>852</u>
<u>5,552</u>	<u>5,761</u>	<u>5,428</u>	<u>5,212</u>	<u>5,200</u>
4,450	4,245	4,049	3,609	4,199
<u>1,102</u>	<u>1,516</u>	<u>1,379</u>	<u>1,603</u>	<u>1,001</u>
<u>5,552</u>	<u>5,761</u>	<u>5,428</u>	<u>5,212</u>	<u>5,200</u>

**Manatee County Port Authority  
Capital Assets  
Last Ten Fiscal Years**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Land (acres)	1,106	1,106	1,106	1,106
Channel width (feet)	400	400	400	400
Channel depth (feet)	40	40	40	40
Hard surfaced open storage (acres)	30	30	30	30
Covered storage (sq. ft.)	1,109,515	1,109,515	1,109,515	1,109,515
Refrigerated storage (sq.ft.)	202,000	202,000	202,000	202,000
Fuel oil storage (barrel capacity)	1,500,000	1,500,000	1,500,000	1,500,000
Railroad track (miles)	9	8	8	8
Berthing space (linear feet)	6,702	6,702	6,702	6,702
Number of berths	9	8	8	8
Refrigerated container hookups	168	168	168	168
Mobile harbor container cranes	2	1	1	-

Source: Manatee County Port Authority

**Manatee County Port Authority  
Employees by Function  
Last Ten Fiscal Years**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Administration	9	9	10	10	11
Administration - scales	2	2	3	3	3
Engineering	3	3	3	4	4
Sales and marketing	4	4	4	4	3
Operations - yard/general	6	6	6	7	8
Operations - safety/security	18	18	18	19	20
Operations - railroad	6	6	6	6	6
Maintenance	12	12	13	13	13
Total employees by function	<u>60</u>	<u>60</u>	<u>63</u>	<u>66</u>	<u>68</u>

Source: Manatee County Port Authority

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
1,101	1,100	1,098	1,098	1,098	1,098
400	400	400	400	400	400
40	40	40	40	40	40
30	20	20	20	20	20
937,000	861,000	861,000	721,000	674,000	510,000
202,000	202,000	202,000	202,000	177,000	172,750
1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
8	8	7	7	7	7
6,702	6,447	6,315	6,140	6,140	5,140
8	8	8	8	8	8
168	168	168	168	152	152
-	-	-	-	-	-

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
11	11	10	12	11
3	3	3	3	3
4	4	4	5	1
4	3	3	1	1
5	5	5	4	4
16	14	14	15	7
6	6	6	6	6
<u>14</u>	<u>14</u>	<u>13</u>	<u>12</u>	<u>16</u>
63	60	58	58	49



**Manatee County**  
FLORIDA

**OTHER INFORMATION**

**Manatee County Port Authority  
Bond Issues - Description  
September 30, 2010**

**Port Authority Bonds**

	<b>Revenue Refunding and Improvement Series 1993B</b>	<b>Revenue Refunding Series 2002A</b>	<b>Revenue Refunding Series 2002B</b>
Original authorization	\$ 8,000,000	\$ 16,780,000	\$ 10,560,000
Unissued	2,170,000	-	-
Issued	<u>5,830,000</u>	<u>16,780,000</u>	<u>10,560,000</u>
Retirements	4,555,000	3,910,000	2,555,000
Refunded	-	-	-
Balance outstanding	<u>\$ 1,275,000</u>	<u>\$ 12,870,000</u>	<u>\$ 8,005,000</u>
Date of issue	December 1, 1993	September 1, 2002	September 1, 2002
Principal payment date	October 1	October 1	October 1
Interest payment dates	April-October	April-October	April-October
Denominations	\$5,000	\$5,000	\$5,000
Interest rates	5.40% Maturity 2011-2013	3.60% Maturity 2011 3.75% Maturity 2012 4.00% Maturity 2013-2014 5.25% Maturity 2015-2018 4.75% Maturity 2019-2022	3.40% Maturity 2011 3.50% Maturity 2012 3.70% Maturity 2013 3.80% Maturity 2014 4.00% Maturity 2015-2016 4.10% Maturity 2017 4.625% Maturity 2018-2022
Effective interest cost rate	5.26%	4.7228%	4.4416%
Call feature	2007-Maturity 100	2012-Maturity 100	2012-Maturity 100
Paying agent	Bank of New York Jacksonville, FL	US Bank New York, NY	US Bank New York, NY

**Manatee County Port Authority  
Schedule of Debt Service Requirements  
September 30, 2010**

**Port Authority Revenue Bonds**

<b>Fiscal Year</b>	<b>\$5,830,000 Series 1993B Bonds</b>			<b>\$16,780,000 Series 2002A Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 405,000	68,850	473,850	\$ 625,000	607,487	1,232,487
2012	425,000	46,980	471,980	650,000	584,987	1,234,987
2013	445,000	24,030	469,030	675,000	560,612	1,235,612
2014	-	-	-	995,000	533,612	1,528,612
2015	-	-	-	1,035,000	493,812	1,528,812
2016	-	-	-	1,090,000	439,475	1,529,475
2017	-	-	-	1,145,000	382,250	1,527,250
2018	-	-	-	1,205,000	322,137	1,527,137
2019	-	-	-	1,270,000	258,875	1,528,875
2020	-	-	-	1,330,000	198,550	1,528,550
2021	-	-	-	1,390,000	135,375	1,525,375
2022	-	-	-	1,460,000	69,350	1,529,350
	<u>\$ 1,275,000</u>	<u>\$ 139,860</u>	<u>\$ 1,414,860</u>	<u>\$ 12,870,000</u>	<u>\$ 4,586,522</u>	<u>\$ 17,456,522</u>

**\$10,560,000  
Series 2002B Bonds**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 405,000	339,134	744,134
2012	420,000	325,364	745,364
2013	440,000	310,664	750,664
2014	635,000	294,384	929,384
2015	655,000	270,254	925,254
2016	685,000	244,054	929,054
2017	710,000	216,654	926,654
2018	740,000	187,543	927,543
2019	775,000	153,319	928,319
2020	810,000	117,475	927,475
2021	845,000	80,012	925,012
2022	885,000	40,931	925,931
	<u>\$ 8,005,000</u>	<u>\$ 2,579,788</u>	<u>\$ 10,584,788</u>

**Manatee County Port Authority  
Schedule of Debt Service Requirements  
September 30, 2010**

**Florida Local Government Finance Commission Loan**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 6,025,000	\$ 61,166	\$ 6,086,166
2012	4,975,000	41,466	5,016,466
2013	-	38,000	38,000
2014	-	38,000	38,000
2015	10,000,000	25,861	10,025,861
	<u>\$ 21,000,000</u>	<u>\$ 204,493</u>	<u>\$ 21,204,493</u>

Interest is calculated at .38%.

**Florida Department of Transportation  
State Infrastructure Bank Loan**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	202,160	72,840	275,000
2012	206,203	68,797	275,000
2013	210,327	64,673	275,000
2014	214,534	60,466	275,000
2015	218,825	56,175	275,000
2016	223,201	51,799	275,000
2017	227,665	47,335	275,000
2018	232,218	42,782	275,000
2019	236,863	38,137	275,000
2020	241,600	33,400	275,000
2021	246,432	28,568	275,000
2022	251,361	23,639	275,000
2023	256,388	18,612	275,000
2024	261,516	13,484	275,000
2025	266,746	8,254	275,000
2026	145,955	2,919	148,874
	<u>\$ 3,641,994</u>	<u>\$ 631,880</u>	<u>\$ 4,273,874</u>

Interest is calculated at the rate of 2.00% per annum on the unpaid principal.

**Manatee County Port Authority  
Schedule of Debt Service Requirements  
September 30, 2010**

**Logistec USA Inc. Equipment Loan 2008 - Port Authority**

<b>Fiscal</b>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 88,610	\$ 138,217	\$ 226,827
2012	95,965	130,862	226,827
2013	103,930	122,897	226,827
2014	112,556	114,271	226,827
2015	121,898	104,929	226,827
2016	132,015	94,811	226,826
2017	142,973	83,854	226,827
2018	154,839	71,987	226,826
2019	167,691	59,136	226,827
2020	181,609	45,218	226,827
2021	196,683	30,144	226,827
2022	213,007	13,819	226,826
2023	55,960	747	56,707
	<u>\$ 1,767,736</u>	<u>\$ 1,010,892</u>	<u>\$ 2,778,628</u>

Interest is calculated at the rate of 8.00% per annum on the unpaid principal.

**Logistec USA Inc. Equipment Loan 2010 - Port Authority**

<b>Fiscal</b>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 70,698	\$ 154,645	\$ 225,343
2012	76,566	148,778	225,344
2013	82,921	142,423	225,344
2014	89,803	135,540	225,343
2015	97,257	128,087	225,344
2016	105,329	120,014	225,343
2017	114,071	111,272	225,343
2018	123,539	101,804	225,343
2019	133,793	91,551	225,344
2020	144,897	80,446	225,343
2021	156,924	68,420	225,344
2022	169,948	55,395	225,343
2023	184,054	41,289	225,343
2024	199,330	26,013	225,343
2025	215,875	9,468	225,343
	<u>\$ 1,965,005</u>	<u>\$ 1,415,145</u>	<u>\$ 3,380,150</u>

Interest is calculated at the rate of 8.00% per annum on the unpaid principal.

**Manatee County, Florida  
Schedule of Debt Service  
Payable from Non-Ad Valorem Revenue Sources  
September 30, 2010**

<b>Fiscal Year</b>	<b>Other Debt Obligations <sup>(1)</sup></b>	<b>Transportation Revenue Refunding and Improvement Bonds, Series 2004</b>	<b>Revenue Improvement Bonds, Series 2004</b>	<b>Revenue Improvement Bonds, Series 2006</b>
2011	7,420	4,946,425	3,180,556	5,682,800
2012	-	4,933,425	3,180,400	5,682,000
2013	-	3,922,300	3,181,388	5,685,800
2014	-	3,918,800	3,177,313	5,682,050
2015	-	3,923,800	3,176,488	5,684,300
2016	-	3,921,550	3,179,612	5,681,800
2017	-	3,922,050	3,180,300	5,684,300
2018	-	3,918,750	3,181,325	5,686,050
2019	-	3,919,500	3,177,325	5,684,000
2020	-	3,921,750	3,180,525	5,683,500
2021	-	-	3,180,525	5,685,750
2022	-	-	3,181,025	-
2023	-	-	3,181,275	-
2024	-	-	3,181,025	-
2025	-	-	3,177,125	-
2026	-	-	3,180,344	-
2027	-	-	3,178,012	-
2028	-	-	3,176,675	-
2029	-	-	3,179,162	-
<b>Total</b>	<b>\$ <u>7,420</u></b>	<b>\$ <u>41,248,350</u></b>	<b>\$ <u>60,410,400</u></b>	<b>\$ <u>62,522,350</u></b>

(1) Includes Manatee Valley Drainage Bonds.

(2) The County has a contingent obligation to pay the Port Authority Revenue Refunding and Improvement Bonds, Series 1993B, Revenue Refunding Series 2002A, 2002B and the Florida Local Government Finance Commission Loan which arises if the Port Authority fails to pay the principal and/or interest on such bonds. The debt service on the Port Bonds is not included in this table.

<b>Revenue Refunding Bonds, Series 2010</b>	<b>Total Annual Debt Service <sup>(2)</sup></b>
2,901,650	16,718,851
2,815,650	16,611,475
2,578,800	15,368,288
2,568,649	15,346,812
1,712,700	14,497,288
1,720,276	14,503,238
1,718,700	14,505,350
-	12,786,125
-	12,780,825
-	12,785,775
-	8,866,275
-	3,181,025
-	3,181,275
-	3,181,025
-	3,177,125
-	3,180,344
-	3,178,012
-	3,176,675
-	3,179,162
<u>\$ 16,016,425</u>	<u>\$ 180,204,945</u>

**Manatee County, Florida**  
**Non-Ad Valorem Revenues Legally Available to Pay**  
**Debt Service on Certain Bonds and Other Indebtedness**  
**Last Five Fiscal Years**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Permit fees	\$ 355,784	\$ 352,227	\$ 258,595	\$ 297,885	\$ 323,533
State revenue sharing <sup>(1)</sup>	6,072,582	6,051,077	6,720,782	7,270,845	7,466,638
Sheriff program reimbursements	89,842	91,527	109,753	1,039,782	9,409,103
Mobile home licenses	294,506	272,896	268,352	277,743	293,192
Communication service tax	3,611,227	3,872,825	3,467,995	3,442,268	3,201,485
1/2 Cent sales tax	16,330,639	16,207,510	17,676,518	19,094,857	20,195,488
Planning and zoning fees	1,110,116	1,151,620	1,783,190	3,808,053	9,264,455
Elected officials excess fees	7,901,318	8,692,300	9,179,021	9,616,744	8,075,580
Interest	1,972,935	3,747,442	7,231,899	9,573,794	7,220,207
Charges for services	13,702,983	12,931,750	12,052,532	12,615,532	12,174,048
Payments in lieu of taxes	3,340,167	3,340,167	3,340,167	3,340,167	1,446,918
Tax increment refund	1,398,794	1,467,903	1,059,278	1,481,738	1,323,008
Road assessments	94,627	104,991	132,176	172,805	161,219
Indirect cost recovery	12,813,733	12,826,024	11,295,649	10,145,638	7,860,610
Miscellaneous	3,179,663	3,496,533	3,512,269	4,194,537	4,394,349
Non-revenue interfund transfers	4,269,212	3,283,161	4,652,445	3,534,656	3,411,058
<b>Subtotal</b>	<u>76,538,128</u>	<u>77,889,953</u>	<u>82,740,621</u>	<u>89,907,044</u>	<u>96,220,891</u>
Fines & forfeitures <sup>(2)</sup>	634,444	717,084	752,261	910,920	791,403
Gas taxes <sup>(3)</sup>	17,574,478	17,385,923	17,664,636	16,152,637	13,217,304
Net income (loss) - Golf Course Funds:					
Manatee County Golf Course	(133,340)	73,818	32,854	152,947	203,716
Buffalo Creek Golf Course	45,075	87,688	(174,052)	17,747	7,684
<b>Legally available revenues before general O&amp;M</b>	<u>94,658,785</u>	<u>96,154,466</u>	<u>101,016,320</u>	<u>107,141,295</u>	<u>110,440,998</u>
Less General O&M not supported by Ad Valorem taxes <sup>(4)</sup>	79,422,529	78,408,801	95,572,680	93,412,751	93,045,470
<b>Net legally available revenues for debt service</b>	<u>15,236,256</u>	<u>17,745,665</u>	<u>5,443,640</u>	<u>13,728,544</u>	<u>17,395,528</u>
Beginning fund balance:					
General fund	116,401,626	115,251,072	117,748,817	94,932,150	88,752,140
Transportation trust fund	23,895,345	30,162,378	35,331,792	10,008,244	8,199,577
Beginning cash balances - Golf Course Funds:					
Manatee County Golf Course	131,162	24,959	86,972	13,987	1,230
Buffalo Creek Golf Course	1,836	1,762	178,338	59,128	10,615
<b>Total net legally available funds available for non-ad valorem commitments</b>	<u>155,666,225</u>	<u>163,185,836</u>	<u>158,789,559</u>	<u>118,742,053</u>	<u>114,359,090</u>
Less non-ad valorem commitments <sup>(5)</sup> :					
FLGFC Loans (Commercial Paper)	0	21,650,994	6,608,554	10,557,539	135,592
Manatee Valley Drainage Bonds	5,720	6,020	6,320	6,620	6,920
1999 Revenue Refunding & Improvement Bonds	1,164,073	1,271,010	1,271,482	1,274,460	1,280,215
2000 Revenue Refunding Bonds	1,411,484	1,649,967	1,652,718	1,654,399	1,655,411
2004 Transportation Revenue Refunding and Improvement Bonds	4,945,125	4,949,875	4,937,125	4,948,575	4,936,475
2004 Revenue Improvement Bonds	3,177,556	3,178,356	3,179,794	3,177,044	3,180,506
2006 Revenue Improvement Bonds	5,683,440	5,684,000	5,684,800	5,684,380	-
<b>Total net legally available funds for debt service and retained earnings <sup>(6)</sup></b>	<u>\$ 139,278,827</u>	<u>\$ 124,795,614</u>	<u>\$ 135,448,766</u>	<u>\$ 91,439,036</u>	<u>\$ 103,163,971</u>

- 1) Includes guaranteed entitlements.
- 2) Used primarily for criminal fees and costs.
- 3) Gas taxes may be used only for certain transportation expenditures.
- 4) General and municipal services fund expenditures times ratio of available revenue to total revenue.
- 5) Includes all debt of the County payable in such years from non-ad valorem revenues with the exception of the County's Public Utilities System. Does not include debt which has been incurred subsequent to such years.
- 6) The County has a contingent obligation to pay the Port Authority Revenue Refunding and Improvement Bonds, Series 1993B, Revenue Refunding Series 2002A, 2002B and the Florida Local Government Finance Commission Loan which arises if the Port Authority fails to pay principal and/or interest on such bonds.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Members of the Board of County Commissioners  
in their capacity as Members of the Manatee County Port Authority  
Manatee County, Florida

We have audited the basic financial statements of the Manatee County, Florida, Port Authority (the "Port") as of and for the year ended September 30, 2010, a component unit of Manatee County, Florida, and have issued our report thereon dated December 20, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control over Financial Reporting***

In planning and performing our audit, we considered the Port's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Port's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Port's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Port's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of County Commissioners of Manatee County and management and is not intended to be and should not be used by anyone other than these specified parties.

*Shinn & Company, P.A.*

**Shinn & Company, P.A.**  
Bradenton, Florida

*Larson Allen LLP*

**Larson Allen LLP**  
Tampa, Florida

December 20, 2010