Georgia Ports Authority

(a Component Unit of the State of Georgia)
Comprehensive Annual Financial Report
For the Fiscal Years Ended June 30, 2018 and 2017

Prepared by:
GPA Finance Department

GEORGIA PORTS AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

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INTRODUCTORY SECTION

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September 6, 2018

To Chairman Allgood, Distinguished Members of the Georgia Ports Authority Board and the Readers of this Report:

Ladies and Gentlemen:

The **Georgia Ports Authority** (Authority) is proud to present readers with the Comprehensive Annual Financial Report (CAFR) for the years ended June 30, 2018 and 2017. This report is prepared to enable the reader to gain an understanding of the Authority's financial condition and activities. Included in this report are descriptions of the Authority's operations and facilities and various statistics that will demonstrate solid growth over the last decade. The management of the Authority is responsible for the accuracy and completeness of the information presented in this report.

The Authority's management is responsible for the establishment and maintenance of internal accounting controls which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded, and financial transactions are properly recorded and adequately documented, and to ensure the reliability of financial records for preparing the Authority's financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from such control and that the evaluation of costs and benefits requires estimates and judgments by the Authority's management.

Mauldin & Jenkins LLC, Certified Public Accountants, have issued an unmodified ("unqualified/clean") opinion on the Georgia Ports Authority's financial statements for the years ended June 30, 2018 and 2017. The independent auditor's report is located at the front of the financial section of this report.

The Authority's management follows a comprehensive set of financial policies. The Authority has a policy that requires Board approval of annual operating and capital budgets. The Authority's management prepares the operating budget using responsible assumptions and projections to help ensure the Authority generates operating income. The Authority's management incorporates its strategic plans in preparing the capital budget to help ensure that long-range organization goals are achieved.

The Authority's *Management's Discussion and Analysis* (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Since 1945, Georgia's ports have served as magnets for international trade and investment, enriching the state's economy to benefit all Georgians. The Georgia Ports Authority is dedicated to providing customers with the most efficient, productive port facilities in the nation and to creating jobs and business opportunities to benefit more than 10.4 million Georgians. The Authority is committed to maintaining its competitive edge through development of leading-edge technology, marketing and operations to move cargo faster. The Authority is working hard to identify what must be done today to sustain growth, performance and security for tomorrow.

Georgia's deepwater ports in Savannah and Brunswick, together with inland operations in Bainbridge and Columbus, are Georgia's gateways to the world. These ports are critical conduits through which raw materials and finished products flow to and from destinations around the globe.

As an Authority of the State, a thirteen-member Board governs the activities of the Authority. Members are appointed by the Governor, from the state at large, to serve four-year, staggered terms. The Executive Director reports to the Authority and is responsible for directing all phases of port operations, policies and management controls.

The Authority directly employs over 1,200 trained logistics professionals. The Authority, however, is responsible for generating far more employment throughout the state. Authority operations, together with the private sector port-related operations, account for more than 439,000 jobs statewide, $106 billion of dollars in revenue, and income exceeding $24.9 billion annually.

For additional information, please see the *Demographic and Economic Information* in the Statistical Section of this CAFR.

Business of the Authority

The Port of Savannah is comprised of two modern, deepwater terminals: Garden City Terminal and Ocean Terminal. Together, these facilities exemplify the Authority's exacting standards of efficiency and productivity. Garden City Terminal is the largest single container-handling facility in North America, encompassing more than 1,200 acres and moving millions of tons of containerized cargo annually.

Ocean Terminal, Savannah's dedicated breakbulk and roll-on / roll-off facility covers 208 acres and provides customers with more than 1.3 million square feet of covered, versatile storage.

The Port of Brunswick is comprised of three Authority-owned deepwater terminals, two of which are directly operated by the Authority. The port's well-earned reputation for productivity and efficiency is heightened by its position as one of the fastest growing auto and heavy machinery ports in North America. During FY 2018, over twenty-two auto manufacturers, supported by four auto processors, utilized the Colonel's Island Terminal.

Brunswick's Mayor's Point Terminal facilitates the export of Georgia's valuable forest products, while Marine Port Terminals, operated by Logistec U.S.A., specialize in the handling of bulk and breakbulk commodities at the Lanier Docks and East River Terminals.

Georgia's inland terminal operations, Port Bainbridge and Port Columbus, provide a strategic advantage for bulk commodities moving to and from the Southeastern United States.

For additional information, please see the *Table of Physical Characteristics of the Port Facilities of the Authority* in the Statistical Section of this CAFR.

LONG-TERM FINANCIAL PLANNING

Over the last ten years the Authority's container volume has grown at a faster rate than any other major port in the country. At the Garden City Terminal, the number of twenty-foot equivalent units (TEUs) has grown from 2.68 million in FY 2008 to 4.17 million in FY 2018, an increase of over 55%. The Authority's long-term growth forecast projects the Garden City Terminal container volume to increase over 55% by FY 2028.

To prepare for this growth, the Authority has developed strategic plans to build out the Garden City Terminal's annual throughput capacity to 6.5 million TEUs. Capital projects include densification of cargo storage areas and the acquisition of six additional neo-Panamax ship-to-shore cranes and 36 additional rubber-tired-container cranes. This expansion will support the expected container volume growth over the next decade.

In 2008, the Authority entered into an "Intergovernmental Agreement for Development of an Ocean Terminal on the Savannah River within the State of South Carolina" with the Georgia Department of Transportation and the South Carolina Ports Authority (SCPA). Under the Agreement, the Authority purchased approximately 1,500 acres of land for the planned Jasper Ocean Terminal (JOT) jointly with the SCPA. In 2015, the Authority and the SCPA determined that going forward the development of JOT should be pursued as a joint venture between the Authority and the SPCA. JOT will provide capacity to meet the region's long-term forecasted demand.

MAJOR INITIATIVES

Savannah Harbor Expansion Project

The completion of the Savannah Harbor Expansion Project (SHEP) is the number one strategic priority for the Georgia Ports Authority and its valued customers and is critically important to economic growth in Georgia and the southeastern United States. This project will deepen the river from its current 42-foot depth to 47 feet at mean low water. The federal navigation channel in Savannah is utilized by more than 20 private businesses and associated terminals in addition to the Georgia Ports Authority terminals.

The Port of Savannah ranks as the fourth largest container port in the nation, with approximately 44% of the United States population living within the Authority's service region. As the largest container port in the Southeast, the Port of Savannah is responsible for moving over 8.5% of the U.S. overseas containerized cargo. The volume to be handled at the Authority's Garden City Terminal is projected to increase by more than 55% over the next 9 years.

While cargo has grown, so has the size of the ships. The Authority proposed in 1996 to deepen the Savannah River to more efficiently handle these larger container vessels. With the completion of the Panama Canal improvements in 2016, now even larger container vessels are calling the U.S. East Coast. These larger vessels provide increased efficiencies and reduced costs for the American consumer. In September 2017, the CMA CGM Theodore Roosevelt called on the Port of Savannah. At a capacity of 14,000 twenty-foot equivalent container units, the Roosevelt is the largest ship ever to call on the U.S. East Coast. Currently, approximately 80% of the containerized cargo vessels that call on the Port of Savannah are unable to load to their maximum design draft and call at any tide. To prepare the US marine transportation system for more and larger of these deeper draft vessels, the Savannah River will be deepened to accommodate them.

SHEP received the last of all required federal and state regulatory approvals in 2013. On June 10, 2014, the Water Resources Reform and Development Act of 2014 was signed into law, thereby allowing the U.S. Army Corps of Engineers to proceed to construction on the project. Since then, dredging on the entrance channel is nearing conclusion and several components of the project have been completed including acquisition of property for wetlands mitigation, payment for striped bass stocking program, the removal of the CSS Georgia from the channel and the initial dike raising for the project. Contracts for other project features have been awarded. Among the features under construction are the oxygen injection systems and a freshwater diversion structure. The final dredging contract should be awarded in late 2019 for completion in January of 2022.

While the authorized cost of the SHEP was estimated at $706 million in 2014, a mandated update resulted in an increased cost due to the awards of several contracts at higher than estimated amounts and increased expenses and price levels effected by the length of time for the project. The new cost, which has not yet been authorized by Congress, is estimated to be $973 million. The economics analysis was also updated resulting in an increased benefit-to-cost ratio of 7.3 to 1, one of the highest of any deep draft navigation project for the Corps of Engineers.

Mason Mega Rail

In addition to SHEP, the Georgia Ports Authority's expansion plans include the development of significant rail infrastructure. In March 2018, the Georgia Ports Authority broke ground on the new Mason Mega Rail project. When this facility begins to come on-line in FY 2020, it will be the largest on-port rail terminal in North America and will provide a new supply chain option directly to America's Midwest.

The Mason Mega Rail, specifically designed to efficiently handle 10,000-foot unit trains by both major rail carriers, will have 18 working tracks, a lift capacity of 1 million containers per year and nearly 180,000 feet of track.

Shippers in major markets from Memphis to St. Louis and Chicago to Cincinnati will experience greater efficiencies and reduced transit times to and from Savannah's growing intermodal hub. In many instances, cargo will avoid rail hub layovers, pick up a full day, and in turn open new markets and opportunities for shippers.

Environmental Affairs

As an instrumentality of the State, the Authority's mission states that the organization will develop, maintain and operate ocean and inland river ports within Georgia; foster international trade and new industry for state and local communities; promote Georgia's agricultural, industrial and natural resources; and maintain the natural quality of the environment. To that end the Authority is committed to conducting port operations in an environmentally sensitive and responsible manner to the extent feasible, practicable and consistent with the Authority's overall mission and goals.

The Authority will strive to:

- Meet or exceed all applicable federal, state, and local regulations and other commitments;
- Define and establish environmental objectives, targets and best management practices and monitor performance;
- Minimize pollution from port operations;
- Continually improve the port's performance;
- Ensure that the environmental management policy is available to staff, tenants, customers and the general public.

ACKNOWLEDGEMENTS

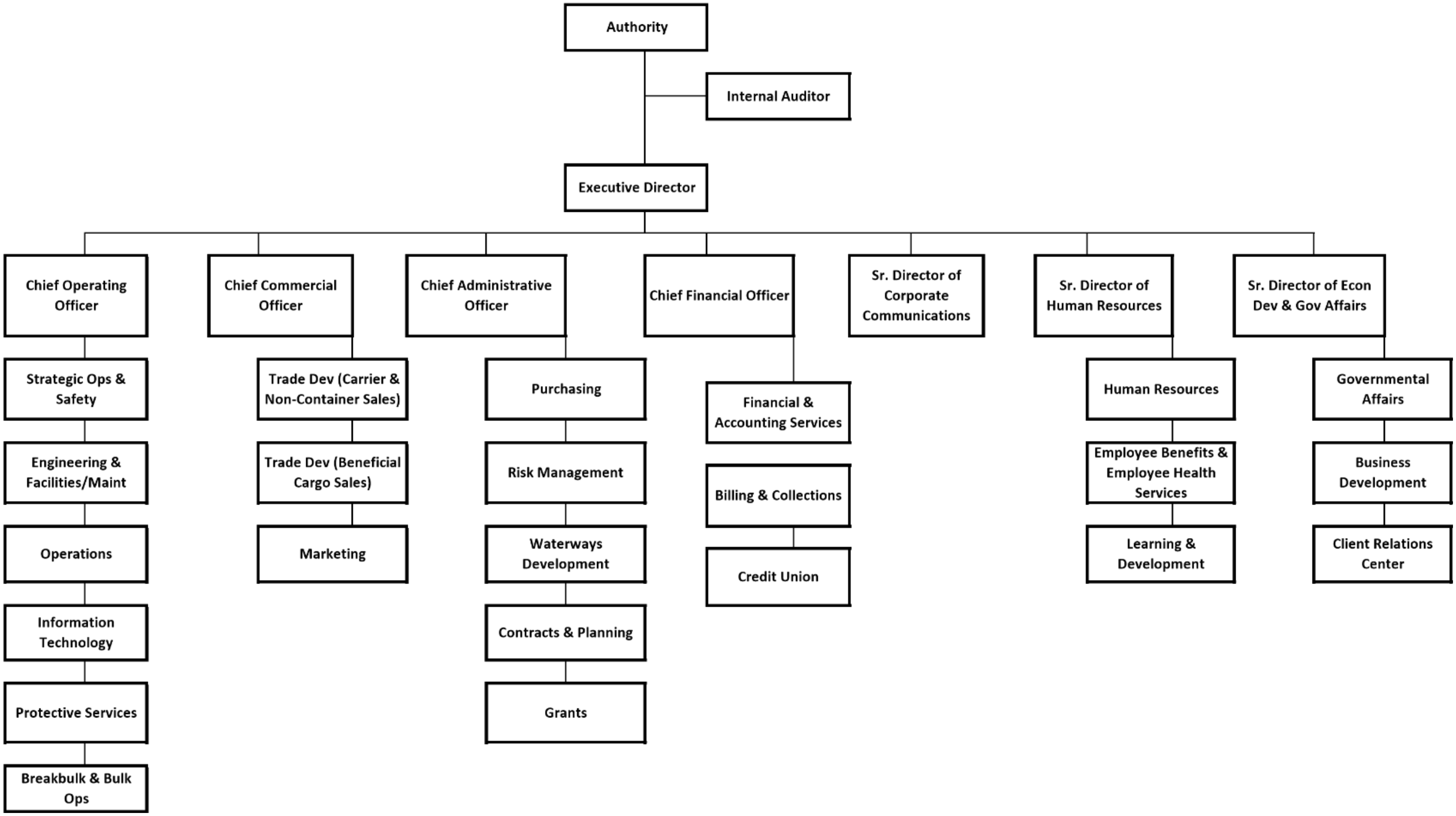
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Georgia Ports Authority Members and the Audit, Budget and Finance Committee for their unfailing support for maintaining the highest standards of professionalism in the management of the Georgia Ports Authority's finances.

Respectfully submitted,

Griffith V. Lynch	J. Russell Mincey
Executive Director	Chief Financial Officer

GEORGIA PORTS AUTHORITY

ORGANIZATIONAL CHART
JUNE 30, 2018



GEORGIA PORTS AUTHORITY

DIRECTORY OF OFFICIALS
JUNE 30, 2018

Authority

James L. Allgood, Jr., Chairman
William D. McKnight, Secretary and Treasurer
Joel O. Wooten, Jr., Member
R. Kevin Jackson, Member
W. Paul Bowers, Member
Ben H. Hall, Jr., Member
Douglas J. Hertz, Member
Julie E. Hunt, Member
John G. Shuman, Member
James A. Walters, Member
Joseph W. Rogers, Jr., Member
Charles K. Tarbutton, Member

Executive Staff

Griffith V. Lynch, Executive Director
Edward McCarthy, Chief Operating Officer
Clifford R. Pyron, Chief Commercial Officer
J. Russell Mincey, Chief Financial Officer
James C. McCurry, Chief Administrative Officer
Bart Gobeil, Senior Director of Economic Development & Governmental Affairs
M. Christopher Logan, Senior Director of Trade Development, Beneficial Cargo Owner Sales
Lise Altman, Senior Director of Human Resources
Robert C. Morris, Senior Director of Corporate Communications
John D. Trent, Senior Director of Strategic Operations & Safety
Bruce A. Kuzma, Senior Director of Trade Development, Open Carrier & Non-Container Sales
Daniel E. Rohde, Senior Director of Operations
Christopher B. Novack, Senior Director of Engineering & Facilities Maintenance
Bill Sutton, Senior Director of Information Technology
Kevin R. Doyle, Senior Director of Protective Services

Government Finance Officers Association

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Georgia Ports Authority

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Georgia Ports Authority
Savannah, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the **Georgia Ports Authority** (the Authority), a component unit of the State of Georgia, as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Georgia Ports Authority, a component unit of the State of Georgia, as of June 30, 2018 and 2017, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 12), the Schedule of Changes in the Authority's Net Pension Liability (Asset) and Related Ratios – Retirement Plan for the Employees of the Georgia Ports Authority (on page 47), the Schedule of Authority Contributions – Retirement Plan for the Employees of the Georgia Ports Authority (on page 48), the Schedule of Pension Investment Returns – Retirement Plan for the Employees of the Georgia Ports Authority (on page 49), the Schedule of Changes in the Authority's Total Pension Liability and Related Ratios – Supplemental Retirement Plan (on page 50), the Schedule of Authority Contributions – Supplemental Retirement Plan (on page 51), the Schedule of Changes in the Authority's Net OPEB Liability and Related Ratios – Retiree Medical and Dental Plan (OPEB) (on page 52), the Schedule of Authority Contributions – Retiree Medical and Dental Plan (OPEB) (on page 53), and the Schedule of OPEB Investment Returns – Retiree Medical and Dental Plan (OPEB) (on page 54) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Georgia Ports Authority's basic financial statements. The introductory section and the statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2018, on our consideration of the Georgia Ports Authority'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Georgia Ports Authority's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
September 6, 2018

On behalf of Management at the Georgia Ports Authority (Authority), we respectfully offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal years ended June 30, 2018 and 2017, with selected comparative information for the year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with the financial statements and footnotes. All dollar amounts, unless otherwise indicated, are expressed in thousands.

Operating Highlights

The Authority operates deepwater port terminals in Savannah and Brunswick and inland river terminals in Bainbridge and Columbus. The Authority handles three basic types of international and domestic cargos:

- containerized cargo (various products that can be placed inside an intermodal container)
- non-containerized general cargo and rolling stock (products such as steel beams, various products in rolls and bales, autos, tractors, and other heavy equipment)
- bulk cargo (products such as agri-commodities and various liquid commodities)

The Authority enjoyed its best performances ever in fiscal years 2018 and 2017, posting significant gains in several important cargo categories and increasing overall tonnage by 16.9% as measured against fiscal year 2016 results.

During fiscal year 2018, the Authority handled a record 4.18 million twenty-foot equivalent units (TEUs) of containerized cargo representing a 15.7% increase from fiscal year 2016. Containerized cargo increased due to growth in the US economy, and the east coast and gulf ports were aided by the expanded Panama Canal.

Total non-containerized general cargo increased by 5.6% in fiscal year 2018 versus fiscal year 2017 to 2.75 million tons. Ocean Terminal non-containerized general cargo increased by 10.0% and Mayor's Point Terminal increased by 34.5% in fiscal year 2018 compared to fiscal year 2017. For fiscal year 2017, total non-containerized general cargo decreased by 1.4% from fiscal year 2016, with an increase of 3.9% at Ocean Terminal while Mayor's Point Terminal decreased by 36.1%.

At the Colonel's Island Terminal in Brunswick, auto and machinery business decreased 2.7% to 590,576 units in fiscal year 2018 versus fiscal year 2017. Agri-bulk products handled at the same terminal decreased 92.6% to 26,716 tons in fiscal year 2018 versus fiscal year 2017. Fiscal year 2017 auto and machinery results decreased 2.4% to 607,227 units over fiscal year 2016 and agri-bulk products decreased 21.6% to 359,892 tons during the same period.

Financial Highlights

- The Authority's net position (amount assets exceeded liabilities) was $1,498,836 at the close of fiscal year 2018; $1,367,899 at the close of fiscal year 2017; and $1,253,568 at the close of fiscal year 2016.

- The Authority's total net position increased $130,937 and $114,331 during fiscal years 2018 and 2017, respectively. These net changes are further reflected in the Authority's statements of revenues, expenses and changes in net position.

- The Authority's total long-term debt (plus current maturities) decreased by $26,857 or 100%, during fiscal year 2018 and decreased by $2,400 during fiscal year 2017. The Authority retired all debt obligations in fiscal year 2018 and fiscal year 2017 decrease is related to principal payments.

- The Authority generated record annual operating revenues of $426,382 for fiscal year 2018, representing an increase of approximately 14.3% compared to fiscal year 2017, resulting from US economic growth compounded by realignment of cargo movement to the east coast from the expanded Panama Canal locks. Operating revenues during fiscal year 2017 were $372,983, representing an increase of 7.7% over fiscal year 2016.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction of Georgia Ports Authority's basic financial statements. The S*tatements of Net Position* present information on all of the Authority's assets, deferred outflows, liabilities and deferred inflows, with the *net position* reported as assets plus deferred outflows less liabilities and deferred inflows. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statements of Revenues, Expenses and Changes in Net Position* present information showing how the Authority's net position changed during the fiscal year. All changes in net position are reported on an accrual basis.

(In Thousands)

Financial Statements

Net Position: The following table reflects the overall financial condition of the Authority as of the last three fiscal years ended June 30, 2018, 2017 and 2016, respectively.

	2018	2017	2016
Current assets	**$ 429,292**	$ 270,395	$ 232,899
Capital assets	**1,141,563**	1,094,902	1,048,174
Other long-term assets	**27,169**	104,257	102,781
Total Assets	**1,598,024**	1,469,554	1,383,854
Deferred Outflow of Resources	**40,808**	55,097	48,224
Current liabilities	**49,509**	57,353	55,924
Long-term debt	**-**	-	29,257
Other noncurrent liabilities	**74,772**	92,617	87,644
Total Liabilities	**124,281**	149,970	172,825
Deferred Inflow of Resources	**15,715**	6,782	5,685
Net investment in capital assets	**1,141,563**	1,068,045	1,018,917
Unrestricted	**357,273**	299,854	234,651
Total Net Position	**$ 1,498,836**	$ 1,367,899	$ 1,253,568

The Authority's total current assets increased by $158,897 and $37,496 during fiscal years 2018 and 2017, respectively. Elements to consider related to these changes include:

- ✓ Cash and cash equivalents increased from $214,443 to $365,038 in fiscal year 2018 and increased from $185,923 to $214,443 in fiscal year 2017, thus resulting in a total increase of $179,115 over the two years.

- ✓ Accounts receivable – trade increased by $7,702 and by $6,370 in fiscal years 2018 and 2017 respectively. The increase from fiscal year 2016 is due to increased business activity.

- ✓ Accounts receivable – non-trade increased by $1,229 and by $2,943 in fiscal years 2018 and 2017 respectively. The net increase from fiscal year 2016 is due to federal grants activity.

Financial Statements (Continued)

- ✓ Inventories decreased by $366 and by $204 in fiscal years 2018 and 2017 respectively, resulting in a $570 decrease from fiscal year 2016 due to lower dry bulk spare parts.

- ✓ Prepaid expenses increased by $1 and $29 in fiscal years 2018 and 2017, respectively. These changes resulted in a total increase of approximately $30 over the two-year period.

Cash and cash equivalents as presented on the statements of net position increased by $150,595 during the year ended June 30, 2018 which included the proceeds from the sale of long-term investments and increased by $28,520 during the year ended June 30, 2017.

Long-term assets include certain investments (GEAP investments and insurance contracts), notes receivable, pension assets, and capital assets. The Authority's capital and other long-term assets decreased by $30,427 in fiscal year 2018 and increased by $48,204 in fiscal year 2017. Elements to consider related to these changes include:

- ✓ Long-term investments decreased by $82,895 in fiscal year 2018 and increased $1,860 in fiscal years 2017. The fiscal year 2018 decrease is a result of retiring the GEAP fund which resulted in the sale of the GEAP investments. The fiscal year 2017 increase was a result of the appreciation in value of the GEAP investments.

- ✓ Pension assets increased by $6,479 and $0 in fiscal years 2018 and 2017, respectively. The increase of $6,479 during fiscal year 2018 resulted from the fiduciary net position exceeding the liability of the pension at the measurement date of June 30, 2017.

- ✓ Other noncurrent assets decreased by $584 and by $33 in fiscal years 2018 and 2017, respectively. These results produced a decrease of $617 over the two-year period.

- ✓ Capital assets increased by $46,661 and by $46,728 in fiscal year 2018 and 2017, respectively. Included in the increase for both years was the purchase of capital assets in the amount of $207,509, net of disposals. Depreciation expense of $114,120 was incurred during these two years, which offset the overall increase in capital assets.

Deferred outflow of resources included contributions made to the pension and Other Postemployment Benefits (OPEB) trusts after the measurement date, differences between the expected and actual economic and demographic experience, the net difference between projected and actual earnings of the pension trust, and assumption changes.

Financial Statements (Continued)

- ✓ Contributions made after the measurement date were $14,102 in fiscal year 2018 and $16,716 in fiscal year 2017. Combined contributions to the pension and OPEB trusts were $30,818 over the two-year period.

- ✓ Net difference between projected and actual earnings of the pension and OPEB trusts increased by $3,907 over fiscal years 2018 and 2017 due to lower actual earnings.

- ✓ Assumption changes to the pension and OPEB plans decreased the deferred outflow of resources by $1,197 over fiscal years 2018 and 2017.

- ✓ Differences between the expected and actual economic and demographic experience decreased by $819 and by $877 in fiscal years 2018 and 2017, respectively.

The Authority's total current liabilities decreased by $7,844 in fiscal year 2018 and increased by $1,429 in fiscal year 2017. Elements to consider related to these changes include:

- ✓ Accounts and contracts payable increased by $11,880 in fiscal year 2018 and decreased by $25,209 in fiscal year 2017. The overall decreases were due primarily to the payment for capital equipment acquisitions.

- ✓ Current portion of notes payable decreased by $26,857 in fiscal year 2018 and increased $26,857 in fiscal year 2017. The decrease is due to the repayment of the line of credit.

- ✓ Accrued liabilities increased by $2,591 in fiscal year 2018 and decreased by $239 in fiscal year 2017.

- ✓ The current portion of accrued conservation commitments increased by $4,542 and by $20 in fiscal years 2018 and 2017, respectively. The net increase for fiscal years 2018 and 2017 was for conservation commitments related to the Savannah Harbor Deepening project.

The Authority's long-term liabilities decreased by $17,845 during fiscal year 2018 and decreased by $24,284 during fiscal year 2017 with balances of $74,772 and $92,617 in fiscal years 2018 and 2017, respectively.

- ✓ The non-current portion of long-term debts (notes payable and revenue bonds) decreased by $0 and by $29,257 in fiscal years 2018 and 2017, respectively. The total decrease was due to retirement of the long-term debts.

Financial Statements (Continued)

- ✓ The long-term accrued conservation commitments decreased by $6,042 and by $1,520 in fiscal years 2018 and 2017, respectively. The net decrease for fiscal years 2018 and 2017 was for conservation commitments related to the Savannah Harbor Deepening project.

- ✓ The pension and OPEB liability decreased by $11,630 in fiscal year 2018 and increased by $6,327 in fiscal year 2017. The net decrease in the pension and OPEB liability is related to the greater than expected investment returns from the pension trust.

- ✓ The other non-current liabilities and unearned rentals decreased by $173 in fiscal year 2018 and increased by $166 in fiscal year 2017. The net change in the balances was primarily due to the unearned rentals.

The deferred inflow of resources is related to the pensions and OPEB includes differences between the expected and actual economic and demographic experience, the net difference between projected and actual earnings and assumption changes.

- ✓ The differences between the expected and actual economic and demographic experience increased by $206 and $1,468 in fiscal years 2018 and 2017, respectively.

- ✓ Net differences between projected and actual earnings of the pension trust increased by $6,167 in fiscal year 2018 and decreased by $1,447 in fiscal year 2017. The net increase of $4,720 over the two fiscal years is due to investment gains.

- ✓ Changes in assumption for the pensions and OPEB increased by $2,560 and $1,076 in fiscal years 2018 and 2017, respectively.

The Authority's net position increased $245,268 over the last two fiscal years with balances of $1,498,836 in fiscal year 2018, $1,367,899 in fiscal year 2017, and $1,253,568 in fiscal year 2016. The increase was attributable to the operating performance of the Authority.

(In Thousands)

Financial Statements (Continued)

Revenues, Expenses and Changes in Net Position: The following table illustrates the history of revenues, expenses and changes in net position for the past three years ending June 30, 2018, 2017, and 2016, respectively.

	2018	2017	2016
Operating revenues:			
Container cargo	**$ 364,504**	$ 311,193	$ 282,873
General cargo	**54,410**	51,708	52,337
Liquid and dry bulk	**7,468**	10,082	11,053
Operating revenues	**426,382**	372,983	346,263
Operating expenses:			
Operation and maintenance of facilities	**168,008**	149,457	140,578
General administration	**65,171**	54,894	49,318
Depreciation	**58,784**	55,336	52,190
Operating expenses	**291,963**	259,687	242,086
Operating income	**134,419**	113,296	104,177
Non-operating income (expense)			
Investment income	**3,864**	1,463	789
Interest expense	**(30)**	(280)	(212)
Noncapital contributions	**710**	13,404	31,737
Noncapital port development expense	**(60)**	(12,903)	(33,980)
Capital contributions repaid to the State	**(4,735)**	(4,508)	(9,656)
Gain (loss) on sale/impairment of capital assets	**(5,585)**	(208)	1,338
Other	**(2,567)**	(4,994)	(2,989)
Non-operating expense, net	**(8,403)**	(8,026)	(12,973)
Capital contributions	**4,921**	9,911	5,770
Extraordinary items:			
Loss Due to Hurricane Matthew	**-**	(850)	-
Gain on recovery from whse. fires	**-**	-	6,754
Change in net position	**130,937**	114,331	103,728
Total net position, beginning of year, as restated	**1,367,899**	1,253,568	1,149,840
Total net position, end of year	**$ 1,498,836**	$ 1,367,899	$ 1,253,568

Total fiscal year 2018 operating revenues of the Authority were a record $426,382 or 14.3% greater than the fiscal year 2017 revenue of $372,983. Fiscal year 2017 operating revenues were 7.7% greater than fiscal year 2016 revenue of $346,263. The revenue increases over fiscal year 2016 were primarily attributable to increases in container volumes over the two fiscal years.

Financial Statements (Continued)

Total fiscal year 2018 operating expenses of the Authority were $291,963 or 12.4% greater than fiscal year 2017 expenses of $259,687. Fiscal year 2017 expenses were 7.3% greater than fiscal year 2016 expenses of $242,086. The net expense increase during the past two years was primarily attributable to operating activities from increased cargo volumes.

Operating incomes of $134,419 and $113,296 for fiscal years 2018 and 2017, respectively, were the result of the different growth rates in revenues and expenses.

Non-operating income / (expense) for fiscal years 2018 and 2017 includes investment income, loss on sale / impairment of capital assets, expense on the Authority's debt, and expense for harbor deepening costs, as well as repayments of capital contributions to the State of Georgia. During fiscal year 2018, the Colonel's Island Bulk Facility ceased operation resulting in an impairment loss of capital assets of $5,491 compared to $0 impairment loss of capital assets in fiscal year 2017. In fiscal years 2018 and 2017, respectively, $2 and $12,776 were received from the State of Georgia for G.O. Bond non-capital contributions.

Capital contributions during fiscal years 2018 and 2017 included capital contributions from the federal government, and certain lease tenants.

The extraordinary item during fiscal year 2017 was net expense for debris removal and repairs related to Hurricane Matthew and the extraordinary item during fiscal year 2016 was the result of a gain on the recovery to replace warehouses which were destroyed by fire, net of the non-recoverable remediation and demolition expense.

Capital Asset and Debt Administration

Capital Assets: The Authority's investment in capital assets was $1,141,563 as of June 30, 2018 representing a 4.3% increase for the year, and $1,094,902 as of June 30, 2017 representing a 4.5% increase over the prior year. These investments in capital assets include land, buildings, improvements, and machinery.

Major capital investments during the past two fiscal years included the following:

- ✓ Purchase and upgrade Ship-to-Shore Container Cranes
- ✓ Construct Appalachian Regional Port
- ✓ Colonel's Island paving and land improvements
- ✓ Purchase and upgrade Rubber-Tired-Gantry Cranes
- ✓ Marine Port Terminals warehouse rebuild
- ✓ Rail additions at Garden City Terminal
- ✓ Dock and Berth upgrades at Garden City Terminal
- ✓ Additional gates and paving at the Garden City Terminal

Additional information on the Authority's capital assets can be found in Note 4 to the financial statements.

Capital Asset and Debt Administration (Continued)

Debt Administration: As a component unit of the State of Georgia, long-term funding is provided to the Authority through general obligation bonds issued by the State of Georgia. The Authority had no revenue bonds outstanding for fiscal years 2018 and 2017, respectively. Additionally, the Authority had a line of credit from a financial institution amounting to $0 and $26,857 for fiscal years 2018 and 2017, respectively. Additional information on the Authority's long-term debt can be found in Note 6 to the financial statements.

Further Information

This financial overview is designed to provide readers with a general overview of the Authority's finances and to show accountability. If you have questions or would like further information about this financial report, you may contact Georgia Ports Authority, Attn: Finance Dept. at P.O. Box 2406, Savannah, Georgia, 31402. The Authority's street address is 2 North Main Street, Garden City, Georgia 31408.

GEORGIA PORTS AUTHORITY

STATEMENTS OF NET POSITION

JUNE 30, 2018 AND 2017
(In Thousands)

	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 365,038**	$ 214,443
Accounts receivable – trade (less allowance for doubtful accounts of $3,663 and $3,004 for 2018 and 2017, respectively)	**53,089**	45,387
Accounts receivable – non-trade	**4,883**	3,654
Current maturities of notes receivable	**88**	352
Inventories of materials and supplies	**5,270**	5,636
Prepaid expenses	**924**	923
Total current assets	**429,292**	270,395
Non-current assets:		
Long-term investments	**15,515**	98,410
Long-term portion of notes receivable	**-**	88
Net pension asset	**6,479**	-
Other non-current assets	**5,175**	5,759
Capital assets:		
Non-depreciable	**345,516**	332,531
Depreciable, net of accumulated depreciation	**796,047**	762,371
Total non-current assets	**1,168,732**	1,199,159
Total assets	**$ 1,598,024**	$ 1,469,554
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources:		
Pension and other post-employment benefit plans	**$ 40,808**	$ 55,097
Total deferred outflows of resources	**$ 40,808**	$ **55,097**

See Notes to Financial Statements.

	2018	2017
LIABILITIES		
Current liabilities:		
Accounts and contracts payable	**$ 32,537**	$ 20,657
Notes payable, bank	**-**	26,857
Accrued conservation commitments	**6,062**	1,520
Accrued liabilities	**10,910**	8,319
Total current liabilities	**49,509**	57,353
Non-current liabilities:		
Unearned rentals	**395**	661
Long-term accrued conservation commitments	**23,458**	29,500
Net pension liability	**-**	15,054
Other post-employment benefit plan	**8,682**	8,758
Supplemental employee retirement plan	**41,588**	38,088
Other non-current liabilities	**649**	556
Total non-current liabilities	**74,772**	92,617
Total liabilities	**124,281**	149,970
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources:		
Pension and other post-employment benefit plans	**15,715**	6,782
Total deferred inflows of resources	**15,715**	6,782
Net position:		
Net investment in capital assets	**1,141,563**	1,068,045
Unrestricted	**357,273**	299,854
Total net position	**$ 1,498,836**	$ 1,367,899

See Notes to Financial Statements.

GEORGIA PORTS AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017 (In Thousands)

	2018	2017
Operating revenues:		
Container cargo	$ 364,504	$ 311,193
General cargo	54,410	51,708
Liquid and dry bulk	7,468	10,082
Operating revenues	426,382	372,983
Operating expenses:		
Operation and maintenance of facilities	168,008	149,457
General and administrative	65,171	54,894
Depreciation	58,784	55,336
Operating expenses	291,963	259,687
Operating income	134,419	113,296
Non-operating income (expense):		
Investment income	3,864	1,463
Interest expense	(30)	(280)
Non-capital contributions	710	13,404
Non-capital port development expense	(60)	(12,903)
Capital contributions repaid to the State of Georgia	(4,735)	(4,508)
Loss on sale/impairment of capital assets	(5,585)	(208)
Other	(2,567)	(4,994)
Non-operating expense, net	(8,403)	(8,026)
Capital contributions	4,921	9,911
Extraordinary item:		
Loss due to Hurricane Matthew	-	(850)
Total extraordinary item	-	(850)
Change in net position	130,937	114,331
Total net position, beginning of year	1,367,899	1,253,568
Total net position, end of year	$ 1,498,836	$ 1,367,899

See Notes to Financial Statements.

GEORGIA PORTS AUTHORITY

STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017
(In Thousands)

	2018	2017
Cash Flows From Operating Activities:		
Receipts from customers and users	**$ 417,668**	$ 364,681
Payments to suppliers	**(54,308)**	(86,685)
Payments to employees	**(159,745)**	(144,364)
Net cash provided by operating activities	**203,615**	133,632
Cash Flows From Investing Activities:		
Proceeds from sale of investments	**82,895**	-
Purchases of investments	**-**	(1,860)
Interest received	**3,864**	1,463
Net cash provided by (used in) investing activities	**86,759**	(397)
Cash Flows From Non-Capital Financing Activities:		
Harbor deepening construction	**(60)**	(12,903)
EPA truck engine replacement project	**(610)**	(556)
Jasper port project office	**(1,643)**	(1,703)
Roadway design	**(504)**	(491)
Other non-capital projects	**(310)**	(21)
Non-capital contributions	**710**	13,404
Net cash used in non-capital financing activities	**(2,417)**	(2,270)
Cash Flows From Capital and Related Financing Activities:		
Purchases of capital assets	**(110,081)**	(92,948)
Proceeds from the sale of capital assets	**200**	122
Principal payments on long-term borrowings	**(26,857)**	(2,400)
Interest paid on long-term borrowings	**(30)**	(280)
Principal payments received on notes receivable	**352**	513
Capital contributions received	**341**	448
Capital contributions repaid to the State of Georgia	**(4,735)**	(4,508)
Proceeds received on insurance recovery from storm damage	**3,448**	550
Facility repairs relative to storm damage	**-**	(3,942)
Net cash used in capital and related financing activities	**(137,362)**	(102,445)
Net increase in cash and cash equivalents	**150,595**	28,520
Cash and cash equivalents:		
Beginning	**214,443**	185,923
Ending	**$ 365,038**	$ 214,443

See Notes to Financial Statements.

	2018	2017
Cash Flows From Operating Activities:		
Operating income	**$ 134,419**	$ 113,296
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	**58,784**	55,336
Provision for doubtful accounts receivable	**659**	(393)
Changes in assets and liabilities:		
Increase in accounts receivable - trade	**(8,361)**	(5,977)
Increase in accounts receivable - non-trade	**(746)**	(2,057)
Decrease in inventories	**366**	204
Increase in prepaid expenses	**(1)**	(29)
Decrease in other non-current assets	**584**	33
Increase in net pension asset	**(6,479)**	-
(Increase) decrease in deferred outflows of resources	**14,289**	(6,873)
Increase (decrease) in accounts payable and accrued liabilities	**14,471**	(25,998)
Increase (decrease) in unearned rentals	**(266)**	125
Increase (decrease) in net pension liability	**(15,054)**	5,020
Decrease in OPEB liability	**(76)**	(3,619)
Increase in SERP liability	**3,500**	4,926
Decrease in accrued conservation commitments	**(1,500)**	(1,500)
Increase in other non-current liabilities	**93**	41
Increase in deferred inflows of resources	**8,933**	1,097
Net cash provided by operating activities	**$ 203,615**	$ 133,632
Supplementary Schedule Of Non-Cash Investing Activities:		
Donations of capital assets	**$ 827**	$ 9,446
Net non-cash investing activities	**$ 827**	$ 9,446

See Notes to Financial Statements.

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

The Georgia Ports Authority (the Authority) is an instrumentality of the State of Georgia and a public corporation created in 1945 by an Act of the General Assembly of Georgia for the general purpose of developing, promoting, constructing, maintaining and operating harbors, seaports and riverports within the state. The Authority owns and is responsible for the operations of terminals in Bainbridge, Brunswick, Columbus, Garden City, Savannah and Colonel's Island. These facilities handle import and export containerized, bulk and general cargos. The Authority is considered a component unit of the State of Georgia for financial reporting purposes as defined in Government Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity* as amended by GASB Statement 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement 61, *The Financial Reporting Entity: Omnibus*.

The Authority operates primarily as a self-supporting governmental enterprise and uses the accrual basis of accounting applicable to governmental enterprise funds. The Authority has no stockholders or equity holders and is directed by a 13-member governing board (the Georgia Ports Authority Board of Directors), whose members are appointed by the Governor of Georgia for original terms not exceeding four years; members may be re-appointed for successive terms.

Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting, under which revenues are recognized when earned and measurable and expenses are recognized when they are incurred, if measurable. In accounting and reporting for its operations, the Authority applies all Governmental Accounting Standards Board (GASB) pronouncements. The Authority's financial statements include provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments;* Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus;* and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.* The financial statements include a *Management Discussion and Analysis* (MD&A) section providing an analysis of the Authority's overall financial position and results of operations.

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect the reported amounts of certain assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgets and Budgetary Accounting

The Authority adopts an annual budget for its operations. The budget is formally reviewed and approved by the Authority. The Executive Director has the responsibility for administering these programs in accordance with the policies and the annual budget as adopted by the Authority. Budgets are prepared on the accrual basis. The Authority's statute does not require the Authority to report budgetary information in its financial statements.

Revenue Recognition

The Authority recognizes revenue when earned and measurable. The Authority has sole jurisdiction to set rates for the services rendered to customers. These rates are not currently subject to regulation by any Federal, State of Georgia or similar agency. Reserves for doubtful accounts, allowances and rebates are maintained based on historical results adjusted to reflect current conditions.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first.

Concentrations of Credit Risk

The Authority provides services and facilities usage for companies located throughout the world. Substantially all of the Authority's accounts receivable are from shipping lines, exporters and importers. The Authority performs ongoing credit evaluations of its customers and generally operates under international laws, which may provide for a maritime lien on vessels in the event of default on credit terms. The Authority maintains reserves for potential credit losses.

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For the purposes of the *Statements of Cash Flows*, the Authority considers all demand deposits and short-term investments (including funds held by the State Treasurer in the Georgia Fund 1 and restricted funds) purchased with an initial maturity of three months or less to be cash equivalents. Additionally, the Authority does not consider investments maintained in the Georgia Extended Asset Pool (GEAP) to be cash equivalents due to the nature of the investments and their maturities.

Investments

The policy of the Authority requires all funds which are idle for any period of time to be invested. The Authority has implemented GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. As a governmental proprietary entity other than an external investment pool, and in accordance with GASB Statement No. 31, the Authority's investments are stated at fair value. In applying GASB Statement No. 31, the Authority utilized the following methods and assumptions as of June 30, 2018 and 2017:

- Fair value is based on quoted market prices as of the valuation date;
- The portfolio did not hold investments in the following:
  - ➢ Items required to be reported at amortized cost,
  - ➢ Items in external investment pools that are not SEC-registered,
  - ➢ Items subject to involuntary participation in an external pool,
  - ➢ Items associated with a fund other than the fund to which the income is assigned;
- The gain or loss resulting from valuation will be reported in the Authority's *Statement of Revenues, Expenses and Changes in Net Position*.

The Authority's policy is to hold investments until maturity or until fair values equal or exceed amortized cost.

(In Thousands)

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Accounts Receivable

Trade accounts receivable include billed but uncollected amounts and unbilled receivables based upon subsequent monthly billings. Allowances for doubtful accounts are maintained based on historical results adjusted to reflect current conditions.

Inventories

Inventories consist principally of maintenance parts and supplies valued at the lower of weighted average cost or market.

Capital Assets

Capital assets constructed or purchased are stated at cost. Capital assets are defined by the Authority as assets with an initial, individual cost of $10 or more and an estimated useful life in excess of one year. Expenses for maintenance, repairs and minor renewals and betterments are expensed as incurred. Major renewals and betterments are treated as property additions. Maintenance and repairs of capital assets are charged to operations and major improvements are capitalized. Upon retirement, sale or other disposition of capital assets, the cost and accumulated depreciation is eliminated from the accounts and gain or loss is recognized.

Depreciation is computed using the straight-line method over the following estimated useful lives of assets:

Land improvements	20 to 40 years
Railroad tracks and crossings	30 to 40 years
Furniture and fixtures	3 to 10 years
Machinery and equipment	3 to 25 years
Buildings and structures	5 to 40 years
Wharves, piers and containerized yard	20 to 50 years

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Compensated Absences

The Authority has accrued a liability for future annual leave, having determined that payment of such compensation is probable and having developed a reasonable estimate based upon current salary costs with no benefits. The cost of vacation paid during the current year is charged to the liability account. No liability is incurred or recorded for non-vesting accumulating rights to receive sick pay benefits.

Deferred Outflows/Inflows of Resources

In addition to assets, the *Statements of Net Position* will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, "deferred outflows of resources", represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The Authority reported items related to their pension, other post-employment benefit plan, and supplemental retirement plan as deferred outflows of resources during the years ended June 30, 2018 and 2017. These items are consumptions of net position in future periods, resulting in recognition as deferred outflows of resources and are further discussed in Notes 7 and 8.

In addition to liabilities, the *Statements of Net Position* will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, "deferred inflows of resources", represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority reported items related to their pension, other post-employment benefit plan, and supplemental retirement plan as deferred inflows of resources during the year ended June 30, 2018 and 2017. These items are acquisitions of net position which apply to future periods, resulting in recognition as deferred inflows of resources and are further discussed in Notes 7 and 8.

(In Thousands)

NOTE 2. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2018 and 2017, are summarized as follows:

	2018	2017
As reported in the *Statements of Net Position*:		
Cash and cash equivalents	**$ 365,038**	$ 214,443
Long-term investments	**15,515**	98,410
	$ 380,553	$ 312,853
Cash deposited with financial institutions	**$ 50,232**	$ 46,926
Cash deposited with Georgia Fund 1	**299,568**	152,453
Cash deposited with Georgia Extended Asset Pool	**-**	84,025
Cash deposited in a revocable Rabbi Trust	**15,238**	15,064
Investments in insurance contracts	**15,515**	14,385
	$ 380,553	$ 312,853

Credit risk. State statutes authorize the Authority to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of June 30, 2018, the Authority's investment in the Rabbi trust was rated AAAm by Standard & Poor's. As of June 30, 2018 and 2017, the Authority's investment in Georgia Fund 1 was rated AAAf by Standard & Poor's. As of June 30, 2017, the Authority's investment in the Georgia Extended Asset Pool (GEAP) was rated AA+f by Standard & Poor's.

At June 30, 2018, the Authority had the following investments:

Investment	**Maturities**	
Investments valued at fair value:		
Georgia Fund 1	10 day weighted average	$ 299,568
Rabbi Trust	60 day weighted average or less	15,238
Total investments valued at fair value		314,806
Investments valued at cash value		
Insurance contracts		15,515
Total		$ 330,321

(In Thousands)

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2017, the Authority had the following investments:

Investment	Maturities		
Investments valued at fair value:			
Georgia Fund 1	26 day weighted average	$	152,453
Georgia Extended			
Asset Pool	.09 effective duration		84,025
Rabbi Trust	60 day weighted average		
	or less		15,064
Total investments valued at fair value			251,542
Investments valued at cash value			
Insurance contracts			14,385
Total		$	265,927

Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard & Poor's criteria for AAAm rated money market funds. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1.00 per share. The pool also adjusts the value of its investments to fair value as of year-end and the Authority's investment in Georgia Fund 1 is reported at fair value. The pool is regulated by the Georgia Office of State Treasurer.

GEAP was also created under the OCGA 36-83-8, but investments are restricted to those enumerated by OCGA 50-5A-7 and Chapter 17 of Title 50. GEAP was managed by the State of Georgia as a variable net asset value fund. These funds were managed similarly to the management of the Georgia Fund 1 accounts. GEAP was available to all public entities that had a minimum of $1,000 in funds available for investment for a period of one year or longer. The value of an investment in GEAP would fluctuate over time, and it was possible to lose money by investing in the fund. Investments in this fund were not guaranteed or insured by any bank, the FDIC, the State of Georgia or any other government agency. The fair value of the Authority's position in the pool was the same as the value of the pool shares. GEAP was closed during the year ended June 30, 2018.

During the year ended June 30, 2014, the Authority established a revocable Rabbi trust with a financial institution. The funds invested in the revocable rabbi trust are invested in the Federated U.S. Treasury Cash Reserves, a money market mutual fund. The fund invests in a portfolio of short-term U.S. Treasuries. The fund complies with Rule 2a-7 under the Investment Company Act of 1940. The fund uses amortized cost and seeks to maintain a stable net asset value of $1.00 per share.

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Georgia Fund 1 and GEAP are investment pools, which do not meet the criteria of GASB Statement No. 79 and are thus valued at fair value in accordance with GASB Statement No. 31. The investments in insurance contracts are valued at cash value in accordance with GASB Statement No. 72. As a result, the Authority does not disclose investment in Georgia Fund 1, GEAP, or the insurance contracts within the fair value hierarchy.

Interest rate risk. The Authority does not have a formal investment policy limiting investment maturities as part of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2018 and 2017, all of the Authority's bank balances were covered by either federal deposit insurance or by collateral held by the Authority's agent in the Authority's name.

NOTE 3. NOTES RECEIVABLE

The Authority has reported notes receivable related to the sale of certain separate tracts of land to a large commercial entity. The sale of these tracts of land resulted in the Authority issuing notes receivable with no stated interest rate, each of which has been discounted to its respective present value through the imputation of interest at market rates. One receivable, in the original balance of $3,186, was being paid in annual installments of $380 and was paid in full during the year ended June 30, 2018. The other receivable, with an original balance of $1,556, is being paid in annual installments of $186 and is scheduled for final payment in January 2019. The aggregate balance of these note receivables as of June 30, 2018 and 2017, amounted to $88 and $440, respectively, of which $88 and $352, respectively, is considered to be the short-term portion and scheduled to be received within a year.

(In Thousands)

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 249,091	$ 2,019	$ -	$ 2,012	$ 253,122
Construction in progress	83,440	41,795	-	(32,841)	92,394
Total	332,531	43,814	-	(30,829)	345,516
Capital assets, being depreciated:					
Land improvements	408,882	13,484	(1,829)	17,121	437,658
Wharves, piers, and containerized yard	214,953	8,177	(862)	2,977	225,245
Railroad tracks and crossings	21,665	-	-	-	21,665
Building and structures	179,598	746	(29,627)	4,066	154,783
Machinery and equipment	586,262	44,565	(3,109)	6,625	634,343
Furniture and fixtures	7,422	122	(40)	40	7,544
Total	1,418,782	67,094	(35,467)	30,829	1,481,238
Less accumulated depreciation for:					
Land improvements	(193,458)	(16,519)	1,670	-	(208,307)
Wharves, piers, and containerized yard	(102,164)	(5,815)	725	-	(107,254)
Railroad tracks and crossings	(8,787)	(704)	-	-	(9,491)
Building and structures	(108,401)	(4,695)	24,756	-	(88,340)
Machinery and equipment	(237,152)	(30,882)	2,813	-	(265,221)
Furniture and fixtures	(6,449)	(169)	40	-	(6,578)
Total	(656,411)	(58,784)	30,004	-	(685,191)
Total capital assets, being depreciated, net	762,371	8,310	(5,463)	30,829	796,047
Total capital assets, net	$ 1,094,902	$ 52,124	$ (5,463)	$ -	$ 1,141,563

(In Thousands)

NOTE 4. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended June 30, 2017, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 244,294	$ 4,067	$ -	$ 730	$ 249,091
Construction in progress	129,633	66,820	-	(113,013)	83,440
Total	373,927	70,887	-	(112,283)	332,531
Capital assets, being depreciated:					
Land improvements	379,423	14,479	(535)	15,515	408,882
Wharves, piers, and containerized yard	218,500	270	(3,980)	163	214,953
Railroad tracks and crossings	21,665	-	-	-	21,665
Building and structures	155,115	7,364	(1,166)	18,285	179,598
Machinery and equipment	503,794	9,327	(5,179)	78,320	586,262
Furniture and fixtures	8,658	67	(1,303)	-	7,422
Total	1,287,155	31,507	(12,163)	112,283	1,418,782
Less accumulated depreciation for:					
Land improvements	(178,417)	(15,352)	311	-	(193,458)
Wharves, piers, and containerized yard	(100,051)	(6,093)	3,980	-	(102,164)
Railroad tracks and crossings	(8,083)	(704)	-	-	(8,787)
Building and structures	(104,938)	(4,624)	1,161	-	(108,401)
Machinery and equipment	(213,845)	(28,385)	5,078	-	(237,152)
Furniture and fixtures	(7,574)	(178)	1,303	-	(6,449)
Total	(612,908)	(55,336)	11,833	-	(656,411)
Total capital assets, being depreciated, net	674,247	(23,829)	(330)	112,283	762,371
Total capital assets, net	$ 1,048,174	$ 47,058	$ (330)	$ -	$ 1,094,902

(In Thousands)

NOTE 5. LEASES

Operating Leases, as Lessor

The Authority, as lessor, leases certain of its facilities to tenants for terms generally varying from one to 50 years under leases accounted for as operating leases. Revenues are recorded when earned and, where appropriate, depreciation is provided. Capital assets, including facilities leased to others, are summarized as follows at June 30, 2018 and 2017:

	2018	2017
Land and buildings	**$ 138,931**	$ 128,245
Accumulated depreciation	**(66,691)**	(68,355)
	$ 72,240	$ 59,890

Minimum future rentals to be received under operating leases are as follows:

2019	$ 10,600
2020	9,497
2021	8,593
2022	7,557
2023	6,852
2024-2028	27,921
2029-2033	27,410
2034-2038	18,887
2039-2043	11,035
2044-2048	9,127
2049-2053	1,316
2054-2058	925
	$ 139,720

(In Thousands)

NOTE 6. LONG-TERM DEBT

Long-term debt activity for the year ended June 30, 2018, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Line of credit	$ 26,857	$ -	$ (26,857)	$ -	$ -
Compensated absences	3,199	3,664	(3,117)	3,746	3,202
Total long-term liabilities	$ 30,056	$ 3,664	$ (29,974)	$ 3,746	$ 3,202

Long-term debt activity for the year ended June 30, 2017, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Line of credit	$ 29,257	$ -	$ (2,400)	$ 26,857	$ 26,857
Compensated absences	3,018	2,793	(2,612)	3,199	2,739
Total long-term liabilities	$ 32,275	$ 2,793	$ (5,012)	$ 30,056	$ 29,596

Line of Credit

The Authority maintained, with a financial institution, an uncollateralized revolving line of credit in the amount of $48,000. As of June 30, 2018 and 2017, $- and $26,857, respectively, was outstanding on this line of credit. The interest rate (1.29% at June 30, 2017) is based on the one-month LIBOR rate. This line of credit was paid in full on August 1, 2017.

(In Thousands)

NOTE 7. PENSION BENEFIT PLANS

The **Retirement Plan for Employees of Georgia Ports Authority (Plan)** is a single-employer contributory group annuity defined benefit pension plan covering the majority of full-time employees.

The Plan eligibility was frozen effective July 1, 2011, and has been replaced by a defined contribution retirement plan. The defined benefit pension plan is administered by the Aetna Life Insurance Company. SunTrust Bank is the custodian for the Plan. The Plan provides pension benefits to plan members and beneficiaries. The relevant information about the Plan is provided below. The financial statements of the Plan are audited each year. The report may be obtained by writing to the Georgia Ports Authority Finance Department, P.O. Box 2406, Savannah, Georgia 31402.

The contribution requirements of plan members and the Authority are established by the Authority's Board and may be amended at any time. Plan members are required to contribute 1% of the first $9 earned and 1.5% of any wages in excess of $9. The Authority is required to contribute at an actuarially determined rate; the current rate is 23.2% of covered payroll. These contributions are determined under the entry age normal with FIL actuarial cost method and the market valuation method for developing the actuarial value of assets. The unfunded actuarial accrued liability is being amortized using the level dollar method on a closed basis. The remaining amortization period at July 1, 2017, was ten years.

The following schedule reflects membership for the Plan as of June 30, 2017 and June 30, 2016.

	2017	2016
Retired participants and beneficiaries	399	379
Terminated vested participants	70	71
Active participants	757	799
Total	1,226	1,249

(In Thousands)

NOTE 7. PENSION BENEFIT PLANS (CONTINUED)

Net Pension Liability. The Authority's net pension liability for the years ended June 30, 2018 and 2017, are as follows:

	2018	2017
Total pension liability	**$ 261,465**	$ 250,237
Plan net position	**267,944**	235,183
Net pension liability (asset)	**$ (6,479)**	$ 15,054
Plan net position as a percentage of the total pension liability	**102.5%**	94.0%

The Authority's changes in the net pension liability (asset) by source for the fiscal year ended June 30, 2018, is reflected below:

	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (Asset) (a) – (b)**
Beginning Balance	$ 250,237	$ 235,183	$ 15,054
Changes for the year:			
Service cost	4,497	-	4,497
Interest	19,958	-	19,958
Experience changes	(1,020)	-	(1,020)
Assumption changes	(3,549)	-	(3,549)
Amortization of assumption changes	-	-	-
Contributions — employer	-	12,824	(12,824)
Contributions — employee	-	798	(798)
Net investment income (loss)	-	28,503	(28,503)
Benefit payments, including refunds of employee contributions	(8,658)	(8,658)	-
Administrative expense	-	(706)	706
Net changes	11,228	32,761	(21,533)
Ending Balance	$ 261,465	$ 267,944	$ (6,479)

(In Thousands)

NOTE 7. PENSION BENEFIT PLANS (CONTINUED)

The Authority's changes in the net pension liability by source for the fiscal year ended June 30, 2017, is reflected below:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Beginning Balance	$ 234,168	$ 224,134	$ 10,034
Changes for the year:			
Service cost	4,226	-	4,226
Interest	18,563	-	18,563
Assumption changes	1,120	-	1,120
Contributions—employer	-	18,631	(18,631)
Contributions—employee	-	814	(814)
Net investment income	-	(47)	47
Benefit payments, including refunds of employee contributions	(7,840)	(7,840)	-
Administrative expense	-	(509)	509
Net changes	16,069	11,049	5,020
Ending Balance	$ 250,237	$ 235,183	$ 15,054

The required schedule of changes in the Authority's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets are increasing or decreasing over time relative to the total pension liability.

Deferred outflows and inflows of resources. During the years ended June 30, 2018 and 2017, the Authority recognized pension expense of $10,819 and $12,824. The Authority reported deferred outflows and inflows of resources related to pensions from the following sources as of June 30, 2018:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension assumption changes	$ 5,255	$ 2,795
Pension experience differences	2,347	2,806
Pension investment return	17,577	9,062
Pension contribution subsequent to measurement date	10,819	-
Total	$ 35,998	$ 14,663

(In Thousands)

NOTE 7. PENSION BENEFIT PLANS (CONTINUED)

Authority contributions subsequent to the measurement date of $10,819 are reported as a deferred outflow of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. The remaining deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:		
2019	$	4,990
2020		6,437
2021		1,669
2022		(2,580)
Total	$	10,516

The Authority reported deferred outflows of resources related to pensions from the following sources as of June 30, 2017:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Pension assumption changes	$	7,300	$	-
Pension experience differences		3,364		2,739
Pension investment return		25,014		2,895
Pension contribution subsequent to measurement date		12,824		-
Total	$	48,502	$	5,634

Authority contributions subsequent to the measurement date of $12,824 are reported as a deferred outflow of resources and were recognized as a reduction of the net pension liability in the year ended June 30, 2018. The remaining deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:		
2018	$	8,315
2019		7,864
2020		9,311
2021		4,543
2022		11
Total	$	30,044

(In Thousands)

NOTE 7. PENSION BENEFIT PLANS (CONTINUED)

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2016 and 2015, with update procedures performed by the actuary to roll forward to the total pension liability measured as of June 30, 2017 and 2016. The following actuarial assumptions apply to all periods included in the measurement:

Postretirement benefit increase rate	3.50%
Salary increases	3.00%
Investment return	8.00%

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. No specific experience study has been performed on which to base the actuarial assumptions. The asset valuation method is the three-year average fair value as provided under IRS Regulation 1.412(c)(2)-4(iii)(b)(9).

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2018 and 2017: Equity Securities – 10.5% and 12.4%, respectively, and Fixed Income Securities – 5.3% and 4.8%, respectively.

Discount rate. The discount rate used to measure the total pension liability was 8.00% as of June 30, 2018 and 2017. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Authority contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions and also on considering the Plan's net position as of June 30, 2018 and 2017, the Plan's net position was projected to be available to make projected future benefit payments of current plan members for all future Plan years. Therefore, the long-term expected rate of return on pension plan investments (8.00%) becomes the discount rate and thus was applied to all projected future benefit payments to determine the total pension liability.

(In Thousands)

NOTE 7. PENSION BENEFIT PLANS (CONTINUED)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the Authority, calculated using the discount rate, as well as what the Authority's net pension asset (liability) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

The following table represents the sensitivity analysis discussed above as of June 30, 2018:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Authority's net pension (liability) asset	$ (27,508)	$ 6,479	$ 34,912

The following table represents the sensitivity analysis discussed above as of June 30, 2017:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Authority's net pension (liability) asset	$ (48,714)	$ (15,054)	$ 12,941

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plans in effect as of June 30, 2018 and 2017, and the current sharing pattern of costs between employer and employee.

The **Georgia Ports Authority Supplemental Retirement Plan** is a single-employer defined benefit pension plan providing supplemental benefits to plan members and beneficiaries. The relevant information about the retirement plan is provided below. No other financial reports are issued by this sole employer plan.

There are no contribution requirements of the plan members or the Authority. The Authority contributes on a pay-as-you-go method. Contributions are determined under the entry age actuarial cost method. The unfunded actuarial accrued liability is being amortized using the level dollar method on an open basis. The remaining amortization period at July 1, 2017, was 30 years.

(In Thousands)

NOTE 7. PENSION BENEFIT PLANS (CONTINUED)

The following schedule reflects membership for the Plan as of June 30, 2017 and June 30, 2016.

	2017	2016
Active participants	2	3
Former employees receiving benefits	13	12
Total	15	15

Total Pension Liability: The Authority's changes in the total pension liability by source and the derivation of the Authority's pension expense for the fiscal year ended June 30, 2018 and 2017, are reflected below:

	Total Pension Liability 2018	Total Pension Liability 2017
Beginning Balance	**$ 38,088**	$ 33,162
Changes for the year:		
Service cost	**192**	644
Interest	**1,296**	1,266
Economic/demographic gains or losses	**8,210**	(194)
Assumption changes	**(4,195)**	4,661
Benefit payments, including refunds of employee contributions	**(2,003)**	(1,451)
Net changes	**3,500**	4,926
Ending Balance	**$ 41,588**	$ 38,088

The required schedule of changes in the Authority's total pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of the total pension liability is increasing or decreasing over time relative to the covered payroll of the plan.

(In Thousands)

NOTE 7. PENSION BENEFIT PLANS (CONTINUED)

Deferred outflows and inflows of resources. During the years ended June 30, 2018 and 2017, the Authority recognized pension expense of $7,179 and $5,436. The Authority reported deferred outflows of resources as of June 30, 2018 for pension contributions subsequent to the measurement date in the amount of $2,066. This will be recognized as a reduction of the total pension liability in the year ending June 30, 2019.

The Authority reported deferred outflows and inflows of resources related to pensions from the following sources as of June 30, 2017:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension assumption changes	$ 1,748	$ -
Experience differences	-	72
Pension contribution subsequent to measurement date	2,003	-
Total	$ 3,751	$ 72

Authority contributions subsequent to the measurement date and pension assumption changes of $3,751 were reported as deferred outflows of resources and were recognized as a reduction of the total pension liability in the year ended June 30, 2018. Experience differences were reported as deferred inflows of resources and was recognized as an increase to the total pension liability in the year ended June 30, 2018.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2016 and 2015, with update procedures performed by the actuary to roll forward to the total pension liability measured as of of June 30, 2018 and 2017. The following actuarial assumptions apply to all periods included in the measurement:

COLA rate	2.50%
Salary increases including inflation	3.00%
Retirement age	62
Actuarial cost method	Entry Age Normal

NOTE 7. PENSION BENEFIT PLANS (CONTINUED)

Mortality rates were based on the Sex Distinct RP – 2016 healthy mortality, with combined tables for annuitants and non-annuitants. The assumption for spouse age differences for actively employed participants are the husband is assumed to be three years older than wives.

Discount rate. The discount rate used to measure the total pension liability was 3.60% and 2.85% as of June 30, 2018 and 2017, respectively. This rate is the municipal bond rate and was determined using the 20-Bond GO Bond Buyer Index on the closest published date to the applicable measurement date, rounded to the nearest five basis points.

The above actuarial calculations are based on the substantive plan in effect as of July 1, 2017. The Authority has made substantial efforts to provide added assurance that pension liabilities will be paid from available assets and the Authority has earmarked certain assets to fund the unfunded accrued liability of the supplemental retirement plan. Accounting rules and actuarial practices do not allow these assets to be considered as funding of the pension and, as such, are not a direct offset to the pension liability. However, as of June 30, 2018, the Authority maintains certain earmarked assets, namely life insurance products with a net face value of $30,835 and a revocable Rabbi trust of $15,238, with a combined value of $46,073 to offset the $41,588 unfunded accrued liability. The current cash surrender value of those life insurance products combined with the revocable Rabbi trust equates to currently available assets of $30,753.

NOTE 8. OTHER POST-EMPLOYMENT BENEFIT PLAN

Plan Description

The Georgia Ports Authority Retiree Medical and Dental Plan (OPEB Plan) is a single employer defined benefit post-retirement health care plan or other post-employment benefit (OPEB). The Georgia Ports Authority Retiree Medical and Dental Trust (Trust) is a trust established pursuant to Section 115 of the Internal Revenue Code of 1986 for the purpose of pre-funding other post-employment benefits provided under its benefit plans in accordance with GASB Statement 74 and GASB Statement 75. The Trust was established, effective July 1, 2007, by the Authority to pre-fund medical and dental benefits for current employees and retirees (and their eligible dependents) who are eligible for such benefits under existing Authority policy. Plan benefit provisions and contribution requirements are established and may be amended by the Authority. The financial statements of the Georgia Ports Authority Retiree Medical and Dental Trust are audited each year. The report may be obtained by writing to the Georgia Ports Authority Finance Department, P.O. Box 2406, Savannah, Georgia 31402.

(In Thousands)

NOTE 8. OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

General

The following brief description of the OPEB Plan terms is provided for general information purposes only. Participants should refer to the plan agreement for more complete information.

Retirement Options/Benefit Provisions

Retirees and their spouses and dependents are eligible for benefits under the Plan if the employee retires early from age 55 up to age 65 with at least 15 years of service, and was covered under the medical plan as an active member immediately prior to retirement. Plan benefits will terminate when a plan member reaches age 65, is employed by another company, or is covered under the spouse's plan. Coverage under the Plan includes medical, dental and prescription drug benefits.

Eligibility

Employees and their dependents are eligible for the OPEB Plan if the employee retires early from age 55 up to age 65 with at least 15 years of service. This coverage will terminate when the employee reaches age 65, is employed by another company, or is covered under the spouse’s group plan.

Fund Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Plan as of June 30, 2017 and 2016.

	2017	2016
Active employees	**1,052**	1,052
Retirees and surviving spouses with medical coverage	**65**	65
Total	**1,117**	1,117

Contributions

The Authority contributed an actuarially determined amount to the OPEB Plan’s Trust for the years ended June 30, 2018 and 2017, which amounted to $1,890 and $2,450, respectively.

(In Thousands)

NOTE 8. OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Net OPEB Liability. The Authority's changes in the net OPEB liability by source for the fiscal year ended June 30, 2018, is reflected below:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Beginning Balance	$ 20,887	$ 12,129	$ 8,758
Changes for the year:			
Service cost	471	-	471
Interest	1,251	-	1,251
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	-	-	-
Effect of assumption changes	-	-	-
Benefit payments	(1,018)	(1,018)	-
Employer contributions	-	1,890	(1,890)
Net investment income	-	(7)	7
Administrative expense	-	(85)	85
Net changes	704	780	(76)
Ending Balance	$ 21,591	$ 12,909	$ 8,682

The Authority's changes in the net OPEB liability by source for the fiscal year ended June 30, 2017 is reflected below:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Beginning Balance	$ 23,075	$ 10,698	$ 12,377
Changes for the year:			
Service cost	639	-	639
Interest	1,393	-	1,393
Effect of plan changes	(2,423)	-	(2,423)
Effect of economic/demographic gains or losses	525	-	525
Effect of assumption changes	(1,311)	-	(1,311)
Benefit payments	(1,011)	(1,011)	-
Employer contributions	-	2,450	(2,450)
Net investment income	-	68	(68)
Administrative expense	-	(76)	76
Net changes	(2,188)	1,431	(3,619)
Ending Balance	$ 20,887	$ 12,129	$ 8,758

(In Thousands)

NOTE 8. OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

The required schedule of changes in the Authority's net OPEB liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets are increasing or decreasing over time relative to the total OPEB liability.

Deferred outflows and inflows of resources. During the years ended June 30, 2018 and 2017, the Authority recognized OPEB expense of $1,217 and $(991), respectively. The Authority reported deferred outflows and inflows of resources related to OPEB from the following sources as of June 30, 2018:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience differences	$ 337	$ 211
Pension assumption changes	-	840
Difference between expected and actual earnings	1,190	-
OPEB contribution subsequent to measurement date	1,217	-
Total	$ 2,744	$ 1,051

Authority contributions subsequent to the measurement date of $1,217 are reported as a deferred outflow of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. The remaining deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2019	$ 159
2020	159
2021	87
2022	71
Total	$ 476

(In Thousands)

NOTE 8. OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

The Authority reported deferred outflows of resources related to OPEB from the following sources as of June 30, 2017:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience differences	$ 138	$ -
Pension assumption changes	-	1,076
Difference between expected and actual earnings	816	-
OPEB contribution subsequent to measurement date	1,890	-
Total	$ 2,844	$ 1,076

Authority contributions subsequent to the measurement date of $1,890 were reported as a deferred outflow of resources and were recognized as a reduction of the net OPEB liability in the year ending June 30, 2018. The remaining deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2018	$ 8
2019	8
2020	8
2021	(65)
2022	(81)
Total	$ (122)

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of July 1, 2016, with update procedures performed by the actuary to roll forward the total OPEB liability to the measurement date of June 30, 2017. Roll forward procedures were not required for the June 30, 2016, valuation, as it was performed as of the measurement date. The following actuarial assumptions apply to all periods included in the measurement:

Discount rate	6.00%
Salary increases	3.00%
Inflation rate	2.30%,
Actuarial cost method	Entry Age Normal
Initial healthcare cost rate	5.20%, January 1, 2016 valuation
Ultimate healthcare cost rate	4.10%

(In Thousands)

NOTE 8. OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Mortality rates were based on the Sex Distinct RP-2000 Healthy Mortality Table projected at Scale AA to valuation year plus 15 years for employee mortality and valuation year plus seven years for annuitant mortality, with separate tables for annuitants and non-annuitants. No specific experience study has been performed on which to base the actuarial assumptions.

The long-term expected rate of return of the Plan's adopted investment policy was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2018 and 2017: Equity Securities – 8.9% and 7.7%, respectively, and Fixed Income Securities – 4.8% and 4.1%, respectively.

Discount rate. The discount rate used to measure the total OPEB liability was 6.00% as of June 30, 2018 and 2017. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Authority contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions and also on considering the Plan's net position as of June 30, 2018 and 2017, the Plan's net position was projected to be available to make projected future benefit payments of current plan members for all future Plan years. Therefore, the long-term expected rate of return on OPEB plan investments (6.00%) becomes the discount rate and thus was applied to all projected future benefit payments to determine the total OPEB liability.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost rate trend. The following presents the net OPEB liability of the Authority, calculated using the discount rate, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate or healthcare cost rate that is one percentage point lower or one percentage point higher than the current rate.

The following table represents the sensitivity analysis discussed above as of June 30, 2018:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
1% Decrease - Healthcare cost rate trend (4.20%)		$ 6,763	
Authority's net OPEB liability	$ 10,415	8,682	$ 7,129
1% Increase - Healthcare cost rate trend (6.20%)		10,872	

(In Thousands)

NOTE 8. OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

The following table represents the sensitivity analysis discussed above as of June 30, 2017:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
1% Decrease - Healthcare cost rate trend (5.90%)		$ 7,007	
Authority's net OPEB liability	$ 10,517	8,758	$ 7,188
1% Increase - Healthcare cost rate trend (7.90%)		10,756	

NOTE 9. RISK MANAGEMENT

The Authority is self-insured for its major medical employee health benefit claims up to a calendar year aggregate basis per individual of $200 (less an aggregate specific deductible of $150). Excess major medical insurance coverage is provided through a private insurance policy for the amounts in excess of $200 and through aggregate stop loss coverage. Dental coverage is provided up to $2.5 per covered member per year.

The basis for estimating the liabilities for unpaid claims includes an incurred, but not reported, calculation. The Authority has provided for amounts, which are considered to be outstanding and unpaid as of June 30, 2018 and 2017, and such amounts are included in the financial statements for the years ended June 30, 2018 and 2017.

Changes in the balances of medical claims liabilities during the years ended June 30, 2018 and 2017, are as follows:

	2018	2017
Unpaid claims, beginning of fiscal year	**$ 563**	$ 753
Claims paid	**(12,513)**	(10,726)
Incurred claims	**12,508**	10,536
Unpaid claims, end of fiscal year	**$ 558**	$ 563

NOTE 9. RISK MANAGEMENT (CONTINUED)

The Authority is exposed to various risks of loss, including, but not limited to: torts; theft of assets; damage to and destruction of assets; errors and omissions; and natural disasters. These exposures are addressed through an insurance program including a mix of policies procured from the State of Georgia and insurance companies found in traditional commercial markets. Limits of coverage for liability exposures include an underlying limit of $1,000 with an excess bumbershoot policy providing up to $125,000 in protection except where liability is limited by the Georgia Tort Claims Act. Coverage for Georgia Ports Authority property and equipment is scheduled on a replacement cost basis.

There have been no significant reductions of insurance coverage, and settlement amounts have not exceeded insurance coverage for the current or the three prior years.

NOTE 10. COMMITMENTS AND CONTINGENCIES

At June 30, 2018 and 2017, the Authority had commitments for construction projects of approximately $175,972 and $35,644, respectively.

The Authority is a defendant in various lawsuits incidental to its business. Management believes that any liability that may result from such lawsuits will not have a material adverse effect on its operations or financial position.

In August 2015, the Authority formally entered into an agreement with the Georgia Department of Public Safety to fund the increase in law enforcement of commercial traffic within the highway interstate corridors that serve the Authority's facilities. The Authority paid $4,735 and $4,508 to the Georgia Department of Public Safety during the years ended June 30, 2018 and 2017, respectively.

During fiscal year ended June 30, 2013, the Authority entered into a compromise and settlement agreement with the U.S. Army Corps of Engineers, the State of South Carolina and several non-governmental environmental organizations relative to the project by the U.S. Army Corps of Engineers to deepen the Savannah River federal navigation channel. This project is commonly referred to as the Savannah Harbor Expansion Project (SHEP).

(In Thousands)

NOTE 10. COMMITMENTS AND CONTINGENCIES (CONTINUED)

The respective SHEP agreement, approved by the U.S. Federal District Court for the District of South Carolina, resulted in a commitment by the Authority in the amount of $35,530, of which the Authority had paid $6,010 through the year ended June 30, 2018, which includes the following provisions to be funded by the Authority subject to satisfaction of certain conditions based on all known and expected factors; and therefore, considered to be “probable” as defined by respective and authoritative financial reporting standards (GASB No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*):

- GPA will establish a letter of credit or escrow account within six months of the commencement of inner harbor dredging in the amount of $2,000 to serve as a contingency fund should the operation of the dissolved oxygen (DO) injection systems not receive funding by the federal government. This letter of credit or escrow account will be maintained at a minimum of $2,000 for 50 years after completion of the SHEP.

- GPA will contribute $3,000 for water quality monitoring in the Lower Savannah River Basin; $3,000 for monitoring and research of Shortnose and Atlantic Sturgeon; $15,000 for conservation, wetlands preservation, acquisitions of easements and/or upland buffers, and creation, restoration or enhancement of wetlands to benefit the Lower Savannah River watershed.

- GPA will contribute $12,500 for environmental and conservation projects in the Savannah River Basin to the Savannah River Restoration Board whose membership is prescribed in the agreement.

NOTE 11. EXTRAORDINARY ITEM

On October 8, 2016, Hurricane Matthew made landfall approximately 150 miles north of the Garden City and Savannah terminals, resulting in significant water and wind damage to several buildings owned by the Authority. The activity for the extraordinary item for the year ended June 30, 2017 was as follows:

	2017
Estimated resources provided	$ 3,820
Less: Net book value of assets destroyed	(2)
Costs incurred	(4,668)
Extraordinary loss	$ (850)

REQUIRED SUPPLEMENTARY INFORMATION

GEORGIA PORTS AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN FOR THE EMPLOYEES OF GEORGIA PORTS AUTHORITY
SCHEDULE OF CHANGES IN THE AUTHORITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
FOR THE FISCAL YEARS ENDED JUNE 30,
(In Thousands)

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	**$ 4,497**	$ 4,226	$ 4,175	$ 4,210	$ 4,226
Interest on total pension liability	**19,958**	18,563	17,601	16,086	15,161
Differences between expected and actual experience	**(1,020)**	-	-	-	-
Changes in assumptions and/or cost method	**(3,549)**	1,120	12,441	(1,449)	-
Benefit payments, including refunds of employee contributions	**(8,658)**	(7,840)	(7,491)	(7,113)	(6,305)
Net change in total pension liability	**11,228**	16,069	26,726	11,734	13,082
Total pension liability beginning	**250,237**	234,168	207,442	195,708	182,626
Total pension liability - ending (a)	**261,465**	250,237	234,168	207,442	195,708
Plan fiduciary net position					
Contributions - employer	**12,824**	18,631	22,106	30,282	29,862
Contributions - employee	**798**	814	825	813	831
Net investment income	**28,503**	(47)	311	20,916	8,721
Benefit payments, including refunds of employee contributions	**(8,658)**	(7,840)	(7,491)	(7,113)	(6,305)
Administrative expenses	**(706)**	(509)	(249)	(183)	(109)
Net change in plan fiduciary net position	**32,761**	11,049	15,502	44,715	33,000
Plan fiduciary net position - beginning	**235,183**	224,134	208,632	163,917	130,917
Plan fiduciary net position - ending (b)	**267,944**	235,183	224,134	208,632	163,917
Authority's net pension liability (asset) ending (a) - (b)	**$ (6,479)**	$ 15,054	$ 10,034	$ (1,190)	$ 31,791
Plan fiduciary net position as a percentage of the total pension liability	**102.5%**	94.0%	95.7%	100.6%	83.8%
Covered-employee payroll	**$ 55,385**	$ 55,363	$ 55,480	$ 56,223	$ 56,249
Net pension liability (asset) as a percentage of covered-employee payroll	**(11.7%)**	27.2%	18.1%	(2.1%)	56.5%

GEORGIA PORTS AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN FOR THE EMPLOYEES OF GEORGIA PORTS AUTHORITY
SCHEDULE OF AUTHORITY CONTRIBUTIONS

FOR THE FISCAL YEARS ENDED JUNE 30,
(In Thousands)

	2018	2017	2016	2015	2014
Actuarially determined contribution	**$ 5,918**	$ 5,263	$ 10,559	$ 10,312	$ 9,789
Contributions in relation to the actuarially determined contribution	**12,824**	18,631	22,106	30,282	29,862
Contribution deficiency (excess)	**$ (6,906)**	$ (13,368)	$ (11,547)	$ (19,970)	$ (20,073)
Covered employee payroll	**$ 55,385**	$ 55,363	$ 55,480	$ 56,223	$ 56,249
Contributions as a percentage of covered-employee payroll	**23.2%**	33.7%	39.8%	53.9%	53.1%

Notes to the Schedule:

(1) Actuarial Assumptions

Valuation Date	July 1, 2016
Cost Method	Entry Age Normal with FIL
Actuarial Asset Valuation Method	Three year smoothing of market
Assumed Rate of Return on Investments	8.00%
Projected Salary Increases	3.00%
Post-retirement benefit increase rate	3.50%
Amortization Method	Level dollar
Remaining Amortization Period	10 years (closed)

(2) The schedule will present 10 years of information once it is accumulated.

GEORGIA PORTS AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN FOR THE EMPLOYEES OF GEORGIA PORTS AUTHORITY
SCHEDULE OF PENSION INVESTMENT RETURNS

FOR THE FISCAL YEARS ENDED JUNE 30,
(In Thousands)

	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expenses for the Authority's Pension Plan	**11.70%**	(0.40%)	(0.10%)	12.00%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

GEORGIA PORTS AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
SUPPLEMENTAL RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE AUTHORITY'S TOTAL PENSION LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEARS ENDED JUNE 30,
(In Thousands)

	2018	2017	2016
Total pension liability			
Service cost	**$ 192**	$ 644	$ 504
Interest on total pension liability	**1,296**	1,266	1,324
Economic/demographic gains or losses	**8,210**	(194)	-
Changes in assumptions and/or cost method	**(4,195)**	4,661	1,802
Benefit payments, including refunds of employee contributions	**(2,003)**	(1,451)	(1,510)
Net change in total pension liability	**3,500**	4,926	2,120
Total pension liability - beginning	**38,088**	33,162	31,042
Total pension liability - ending	**$ 41,588**	$ 38,088	$ 33,162
Covered-employee payroll	**$ 607**	$ 1,128	$ 1,027
Total pension liability as a percentage of covered-employee payroll	**6851.4%**	3376.6%	3229.0%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

GEORGIA PORTS AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
SUPPLEMENTAL RETIREMENT PLAN
SCHEDULE OF AUTHORITY CONTRIBUTIONS

FOR THE FISCAL YEARS ENDED JUNE 30,
(In Thousands)

	2018	2017	2016
Actuarially determined contribution	**$ 2,003**	$ 1,451	$ 1,510
Contributions in relation to the actuarially determined contribution	**2,003**	1,451	1,510
Contribution deficiency (excess)	**$ -**	$ -	$ -
Covered employee payroll	**$ 607**	$ 1,128	$ 1,027
Contributions as a percentage of covered-employee payroll	**330.0%**	128.6%	147.0%

Notes to the Schedule:

(1) Actuarial Assumptions

Valuation Date	July 1, 2016
Actuarial Cost Method	Entry Age Normal
Discount rate	3.60%
Projected Salary Increases	3.00%
COLA rate	2.50%

(2) The schedule will present 10 years of information once it is accumulated.

GEORGIA PORTS AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
RETIREE MEDICAL AND DENTAL PLAN (OPEB)
SCHEDULE OF CHANGES IN THE AUTHORITY'S NET OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEARS ENDED JUNE 30,
(In Thousands)

	2018	2017	2016
Total OPEB liability			
Service cost	**$ 471**	$ 639	$ 603
Interest on total OPEB liability	**1,251**	1,393	1,353
Plan changes	**-**	(2,423)	-
Economic/demographic gains or losses	**-**	525	(456)
Changes in assumptions	**-**	(1,311)	-
Benefit payments	**(1,018)**	(1,011)	(741)
Net change in total OPEB liability	**704**	(2,188)	759
Total OPEB liability - beginning	**20,887**	23,075	22,316
Total OPEB liability - ending (a)	**21,591**	20,887	23,075
Plan fiduciary net position			
Contributions - employer	**1,890**	2,450	2,250
Net investment income	**(7)**	68	59
Benefit payments	**(1,018)**	(1,011)	(741)
Administrative expenses	**(85)**	(76)	(76)
Net change in plan fiduciary net position	**780**	1,431	1,492
Plan fiduciary net position - beginning	**12,129**	10,698	9,206
Plan fiduciary net position - ending (b)	**12,909**	12,129	10,698
Authority's net OPEB liability - ending (a) - (b)	**$ 8,682**	$ 8,758	$ 12,377
Plan fiduciary net position as a percentage of the total OPEB liability	**59.8%**	58.1%	46.4%
Covered-employee payroll	**$ 70,793**	$ 70,793	$ 66,803
Net OPEB liability as a percentage of covered-employee payroll	**12.3%**	12.4%	18.5%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

GEORGIA PORTS AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
RETIREE MEDICAL AND DENTAL PLAN (OPEB)
SCHEDULE OF AUTHORITY CONTRIBUTIONS

FOR THE FISCAL YEARS ENDED JUNE 30,
(In Thousands)

	2018	2017	2016
Actuarially determined contribution	**$ 1,600**	$ 2,406	$ 2,242
Contributions in relation to the actuarially determined contribution	**1,890**	2,450	2,250
Contribution deficiency (excess)	**$ (290)**	$ (44)	$ (8)
Covered employee payroll	**$ 70,793**	$ 70,793	$ 66,803
Contributions as a percentage of covered-employee payroll	**2.7%**	3.5%	3.4%

Notes to the Schedule:

(1) Actuarial Assumptions

Valuation Date	July 1, 2016
Actuarial Cost Method	Entry Age Normal
Discount rate	6.00%
Assumed Rate of Return on Investments	6.00%
Inflation rate	2.30%
Healthcare cost rate trend, initial	5.20%
Healthcare cost rate trend, ultimate	4.10%

(2) The schedule will present 10 years of information once it is accumulated.

GEORGIA PORTS AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
RETIREE MEDICAL AND DENTAL PLAN (OPEB)
SCHEDULE OF OPEB INVESTMENT RETURNS

FOR THE FISCAL YEARS ENDED JUNE 30,
(In Thousands)

	2018	2017	2016
Annual money-weighted rate of return, net of investment expenses for the Authority's OPEB Plan	**0.13%**	0.27%	0.15%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

STATISTICAL SECTION

This part of the Authority's *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 say about the Authority's overall financial health.

Contents **Page**

Statistical schedules differ from financial statements because they usually cover multiple fiscal years, and may present non-accounting data. These schedules reflect social and economic data and financial trends of the Authority taken directly from its records unless otherwise indicated.

Sources: Unless otherwise noted, the information in these schedules is derived from the Authority's financial reports for the relevant year.

GEORGIA PORTS AUTHORITY

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(In Thousands)

	Fiscal Year			
	2018	2017	2016	2015
Net investment in capital assets	**$ 1,141,563**	$ 1,068,045	$ 1,018,917	$ 940,378
Unrestricted	**357,273**	299,854	234,651	209,462
Total net position [(a)]	**$ 1,498,836**	$ 1,367,899	$ 1,253,568	$ 1,149,840

[(a)] Net position has gradually increased due to general growth of the Authority with a majority of the growth being invested in capital assets.

2014		2013		2012		2011		2010		2009	
$	871,809	$	872,152	$	831,229	$	759,996	$	728,919	$	678,498
	188,731		107,224		156,720		149,197		143,060		177,115
$	1,060,540	$	979,376	$	987,949	$	909,193	$	871,979	$	855,613

GEORGIA PORTS AUTHORITY

CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(In Thousands)

	Fiscal Year			
	2018	2017	2016	2015
Operating revenues:				
Container cargo	**$ 364,504**	$ 311,193	$ 282,873	$ 290,718
General cargo	**54,410**	51,708	52,337	54,438
Liquid and dry bulk	**7,468**	10,082	11,053	11,337
	426,382	372,983	346,263	356,493
Non-operating revenues:				
Investment income (loss)	**3,864**	1,463	789	427
Gain (loss) on sale/impairment of capital assets	**(5,585)**	(208)	1,338	2,284
Non-capital contributions	**710**	13,404	31,737	197,367
	(1,011)	14,659	33,864	200,078
Total revenues [(a)]	**425,371**	387,642	380,127	556,571
Operating expenses:				
Operation and maintenance of facilities	**168,008**	149,457	140,578	143,214
General and administrative	**65,171**	54,894	49,318	52,542
Depreciation	**58,784**	55,336	52,190	50,953
	291,963	259,687	242,086	246,709
Non-operating expenses:				
Interest expense	**30**	280	212	190
Non-capital port development expense	**60**	12,903	33,980	200,109
Capital contributions repaid to the State of Georgia [(b)]	**4,735**	4,508	9,656	38
Conservation commitments expense	**-**	-	-	-
Other	**2,567**	4,994	2,989	1,649
	7,392	22,685	46,837	201,986
Total expenses [(a)]	**299,355**	282,372	288,923	448,695
Income before contributions and extraordinary items	**126,016**	105,270	91,204	107,876
Total contributions from federal and state agencies	**4,921**	9,911	5,770	3,759
Extraordinary items:				
Loss due to Hurricane Matthew	**-**	(850)	-	-
Gain on recovery from warehouse fire	**-**	-	6,754	1,086
Change in net position	**130,937**	114,331	103,728	112,721
Net position, beginning of year [(c)(d)]	**1,367,899**	1,253,568	1,149,840	1,037,119
Net position, end of year	**$ 1,498,836**	$ 1,367,899	$ 1,253,568	$ 1,149,840

[(a)] Revenues and expenses have gradually increased due to the general growth of container volume.

[(b)] The Authority makes voluntary annual payments to the State of Georgia's Treasury. These payments may be adjusted, deferred, or redirected by the state depending on the Authority's ability to pay.

[(c)] Fiscal year 2013 net position differs from the fiscal year 2012 ending net position due to a restatement posted as a result of the implementation of GASB Statement No. 68.

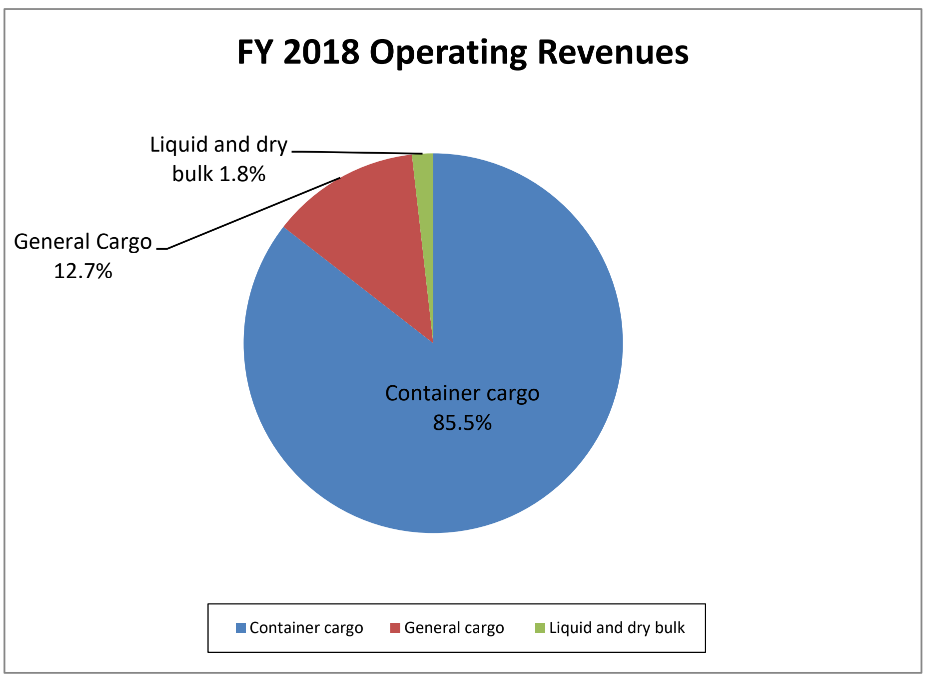
[(d)] Fiscal year 2015 net position differs from the fiscal year 2014 ending net position due to a restatement posted as a result of the implementation of GASB Statements No. 73 and 75.

2014	2013	2012	2011	2010	2009
$ 247,384	$ 230,702	$ 229,638	$ 215,337	$ 190,636	$ 179,319
50,900	50,162	48,911	43,669	37,689	39,964
12,315	11,719	4,989	7,508	9,996	8,513
310,599	292,583	283,538	266,514	238,321	227,796
(21)	389	439	497	1,244	2,735
553	1,009	112	(8,244)	271	1,387
843	16,018	3,890	551	1,817	9
1,375	17,416	4,441	(7,196)	3,332	4,131
311,974	309,999	287,979	259,318	241,653	231,927
129,024	119,741	118,831	112,978	100,055	98,956
45,321	45,007	43,274	41,187	38,800	37,247
51,463	49,537	43,280	40,439	37,043	32,332
225,808	214,285	205,385	194,604	175,898	168,535
205	268	305	401	716	1,772
4,034	16,654	5,101	2,273	4,402	4,617
11,288	20,044	7,344	30,576	43,766	-
-	35,530	-	-	-	-
328	1,447	786	1,501	6,522	1,823
15,855	73,943	13,536	34,751	55,406	8,212
241,663	288,228	218,921	229,355	231,304	176,747
70,311	21,771	69,058	29,963	10,349	55,180
7,445	11,882	9,698	7,251	6,017	8,891
-	-	-	-	-	-
3,408	-	-	-	-	-
81,164	33,653	78,756	37,214	16,366	64,071
979,376	945,723	909,193	871,979	855,613	791,542
$ 1,060,540	$ 979,376	$ 987,949	$ 909,193	$ 871,979	$ 855,613

GEORGIA PORTS AUTHORITY

OPERATING REVENUES AND REVENUE TONNAGE BY TYPE
LAST TEN FISCAL YEARS
(In Thousands)

	Fiscal Year			
	2018	2017	2016	2015
Operating revenues:				
Container cargo	**$ 364,504**	$ 311,193	$ 282,873	$ 290,718
General cargo	**54,410**	51,708	52,337	54,438
Liquid and dry bulk	**7,468**	10,082	11,053	11,337
Operating revenues [(a)]	**$ 426,382**	$ 372,983	$ 346,263	$ 356,493
Revenue tonnage:				
Container cargo	**31,317**	28,425	25,700	25,858
General cargo (breakbulk)	**2,774**	2,639	2,673	2,876
Dry bulk	**1,035**	1,264	1,375	1,973
Liquid bulk	**724**	899	910	867
Revenue tonnage	**35,850**	33,227	30,658	31,574



[(a)] Operating revenues have gradually increased due to the general growth of container volume.

2014		2013		2012		2011		2010		2009	
$	247,384	$	230,702	$	229,638	$	215,337	$	190,636	$	179,319
	50,900		50,162		48,911		43,669		37,689		39,964
	12,315		11,719		4,989		7,508		9,996		8,513
$	310,599	$	292,583	$	283,538	$	266,514	$	238,321	$	227,796
	23,981		22,116		22,355		21,975		20,471		18,355
	2,684		2,595		2,668		2,274		1,633		1,915
	1,965		1,757		859		1,096		1,586		1,367
	658		634		580		585		504		918
	29,288		27,102		26,462		25,930		24,194		22,555

GEORGIA PORTS AUTHORITY

REVENUE TONNAGE REPORT
LAST TEN FISCAL YEARS
(In Tons)

	Fiscal Year			
	2018	2017	2016	2015
Container:				
Garden City Terminal (Note 1)	**31,316,825**	28,425,294	25,700,301	25,858,187
Total Container	**31,316,825**	28,425,294	25,700,301	25,858,187
Breakbulk:				
Garden City Terminal	**12,794**	12,926	8,037	9,017
Ocean Terminal	**1,370,854**	1,258,378	1,208,892	1,363,511
Brunswick-East River & Lanier Docks	**-**	-	-	-
Brunswick-Mayor's Point	**138,724**	103,060	161,333	149,947
Brunswick-Colonels Island	**1,251,207**	1,264,934	1,295,136	1,353,937
Total Breakbulk	**2,773,579**	2,639,298	2,673,398	2,876,412
Bulk - Dry:				
Ocean Terminal	**-**	-	-	-
Brunswick-East River & Lanier Docks	**1,012,993**	912,106	929,230	1,097,971
Brunswick-Colonels Island	**22,569**	351,640	445,701	874,958
Total Dry Bulk	**1,035,562**	1,263,746	1,374,931	1,972,929
Bulk - Liquid:				
Garden City Terminal	**724,015**	898,646	909,825	866,650
Ocean Terminal	**-**	-	-	-
Brunswick-East River & Lanier Docks	**-**	-	-	-
Total Liquid Bulk	**724,015**	898,646	909,825	866,650
Total Tonnage	**35,849,981**	33,226,984	30,658,455	31,574,178

Note 1 - Garden City Terminal				
Containers	**2,318,436**	2,142,850	2,003,352	2,028,608
TEUs	**4,172,576**	3,847,841	3,605,951	3,661,486

2014	2013	2012	2011	2010	2009
23,981,129	22,115,639	22,355,522	21,974,617	20,470,594	18,354,910
23,981,129	22,115,639	22,355,522	21,974,617	20,470,594	18,354,910
5,961	5,994	3,851	4,268	3,455	2,211
1,176,530	1,248,891	1,426,744	1,186,758	864,822	1,213,744
-	20	5	-	-	39
157,686	129,319	154,575	170,309	126,517	128,786
1,344,043	1,211,081	1,083,195	912,311	638,131	570,814
2,684,220	2,595,305	2,668,370	2,273,646	1,632,925	1,915,594
-	-	-	7,166	6,462	65,260
973,281	815,337	663,441	581,251	563,896	567,226
991,374	941,165	195,306	507,846	1,015,820	733,991
1,964,655	1,756,502	858,747	1,096,263	1,586,178	1,366,477
658,370	633,961	579,801	585,229	504,384	891,604
-	108	191	302	161	-
-	-	-	-	-	26,038
658,370	634,069	579,992	585,531	504,545	917,642
29,288,374	27,101,515	26,462,631	25,930,057	24,194,242	22,554,623
1,738,985	1,641,509	1,665,590	1,638,807	1,466,833	1,336,293
3,127,527	2,949,449	2,982,467	2,927,338	2,633,225	2,400,326

GEORGIA PORTS AUTHORITY

TOP TEN VESSEL AND CARGO CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO
(In Thousands)

	2018			2009		
Customer	**Revenue**	**Rank**	**Percentage of Total Revenue**	Revenue	Rank	Percentage of Total Revenue
Hapag Lloyd (America), Inc.	**$ 42,354**	**1**	**9.93%**	$ 14,811	2	6.50%
Maersk, Inc.	**41,928**	**2**	**9.83%**	23,767	1	10.43%
Mediterranean Shipping Company	**37,726**	**3**	**8.85%**	10,387	6	4.56%
CMA CGM Line	**37,166**	**4**	**8.72%**	13,963	3	6.13%
Zim American Integrated Shipping	**30,717**	**5**	**7.20%**	8,643	9	3.79%
NYK Line (NA), Inc.	**24,381**	**6**	**5.72%**	10,959	5	4.81%
Mitsui OSK (America) Lines	**17,345**	**7**	**4.07%**			
OOCL (USA), Inc.	**16,533**	**8**	**3.88%**			
Evergreen Shipping	**15,862**	**9**	**3.72%**	7,946	10	3.49%
COSCO Container Lines Americas	**15,378**	**10**	**3.61%**			
Hanjin Shipping Company				11,257	4	4.94%
APL				9,897	7	4.34%
"K" Line Shipping, Inc.				9,836	8	4.32%
Total	**$ 279,390**		**65.53%**	$ 121,466		53.32%

GEORGIA PORTS AUTHORITY

GENERAL BONDED DEBT BY TYPE
LAST TEN FISCAL YEARS
(In Thousands, Except Per Capita)

Outstanding Principal

Fiscal Year	Line of Credit	Revenue Bonds	Total Outstanding Debt	Per Capita
2009	$ 45,657	$ 80,615	$ 126,272	$ 13
2010	45,657	53,875	99,532	10
2011	40,857	35,575	76,432	8
2012	38,457	19,015	57,472	6
2013	36,457	-	36,457	4
2014	34,057	-	34,057	4
2015	31,657	-	31,657	3
2016	29,257	-	29,257	3
2017	26,857	-	26,857	3
2018	-	-	-	-

Outstanding Principal and Interest

Fiscal Year	Line of Credit (Excluding Interest)	Revenue Bonds	Total Outstanding Debt	Per Capita
2009	$ 45,657	$ 85,251	$ 131,224	$ 14
2010	45,657	54,191	99,848	10
2011	40,857	35,683	76,540	8
2012	38,457	19,118	57,575	6
2013	36,457	-	36,457	4
2014	34,057	-	34,057	4
2015	31,657	-	31,657	3
2016	29,257	-	29,257	3
2017	26,857	-	26,857	3
2018	-	-	-	-

GEORGIA PORTS AUTHORITY

NET REVENUE AVAILABLE FOR DEBT SERVICE
LAST TEN FISCAL YEARS
(In Thousands)

	Fiscal Year			
	2018	2017	2016	2015
Operating Revenues:				
Container cargo	**$ 364,504**	$ 311,193	$ 282,873	$ 290,718
General cargo	**54,410**	51,708	52,337	54,438
Liquid and dry bulk	**7,468**	10,082	11,053	11,337
Total operating revenues	**426,382**	372,983	346,263	356,493
Operating Expenses:				
Operation and maintenance of facilities	**168,008**	149,457	140,578	143,214
General and administrative	**65,171**	54,894	49,318	52,542
Total operating expenses	**233,179**	204,351	189,896	195,756
Net revenues available for debt service on revenue bonds	**$ 193,203**	$ 168,632	$ 156,367	$ 160,737
Principal payments on revenue bonds	**$ -**	$ -	$ -	$ -
Interest expense on revenue bonds	**-**	-	-	-
Annual debt service on revenue bonds	**$ -**	$ -	$ -	$ -
Coverage by net revenues	**-**	-	-	-

2014	2013	2012	2011	2010	2009
$ 247,384	$ 230,702	$ 229,638	$ 215,337	$ 190,636	$ 179,319
50,900	50,162	48,911	43,669	37,689	39,964
12,315	11,719	4,989	7,508	9,996	8,513
310,599	292,583	283,538	266,514	238,321	227,796
129,024	119,741	118,831	112,978	100,055	98,956
45,321	45,007	43,274	41,187	38,800	37,247
174,345	164,748	162,105	154,165	138,855	136,203
$ 136,254	$ 127,835	$ 121,433	$ 112,349	$ 99,466	$ 91,593
$ -	$ 19,015	$ 16,560	$ 18,300	$ 26,740	$ 19,300
-	37	53	122	413	992
$ -	$ 19,052	$ 16,613	$ 18,422	$ 27,153	$ 20,292
-	671%	731%	610%	366%	451%

GEORGIA PORTS AUTHORITY

STATE OF GEORGIA POPULATION/DEMOGRAPHICS
LAST TEN CALENDAR YEARS
(In Thousands)

	Population	Personal Income (In Millions)	Per Capita Personal Income	Public School Enrollment	Unemployment Rate
2017	10,429,379	$ 451,281	$ 43,270	1,761,472	4.7%
2016	10,310,371	431,334	41,835	1,757,543	5.4%
2015	10,199,398	411,719	40,367	1,749,316	5.9%
2014	10,087,231	392,121	38,873	1,736,416	7.2%
2013	9,984,938	371,160	37,172	1,716,905	8.2%
2012	9,914,668	365,484	36,863	1,693,374	9.0%
2011	9,811,610	359,782	36,669	1,673,740	10.2%
2010	9,713,521	336,506	34,643	1,665,557	10.5%
2009	9,620,846	330,582	34,361	1,656,689	9.9%
2008	9,504,843	335,578	35,306	1,642,033	6.2%

Sources:
Population - U.S. Department of Commerce, Bureau of the Census (midyear population estimates)
Personal Income - U.S. Department of Commerce, Bureau of Economic Analysis
Public School Enrollment - Georgia Department of Education (March of each school year)
Unemployment Rate - U.S. Department of Labor (annual average)

STATE OF GEORGIA PRINCIPAL PRIVATE SECTOR EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

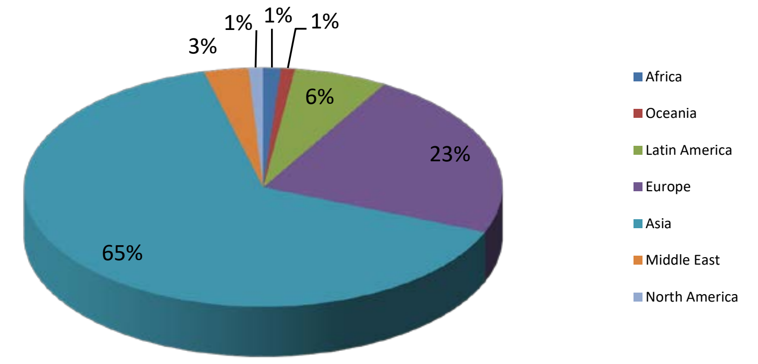
2018 Employers	2009 Employers
Childrens Healthcare	Delta Air Lines, Incorporated
Delta Air Lines, Inc.	Emory Healthcare, Inc.
Emory Healthcare, Inc.	Emory University
Emory University	Lowe's Home Centers , Inc.
Gulfstream Aerospace Corp	Mohawk Carpet
Lowe's Home Centers , Inc.	Publix Super Markets, Inc.
McDonalds	Rare Hospitality International
Northside Hospital	Shaw Industries Group, Inc.
Publix Super Markets, Inc.	Target
Red Lobster	The Home Depot
Shaw Industries Group, Inc.	The Kroger Company
The Home Depot	The Southern Company/Georgia Power Company
The Kroger Company	United Parcel
United Parcel Service	Wal-Mart Stores, Incorporated
Waffle House	Wellstar Health System, Inc.
Wal-Mart Stores, Incorporated	
Wellstar Health System, Inc.	

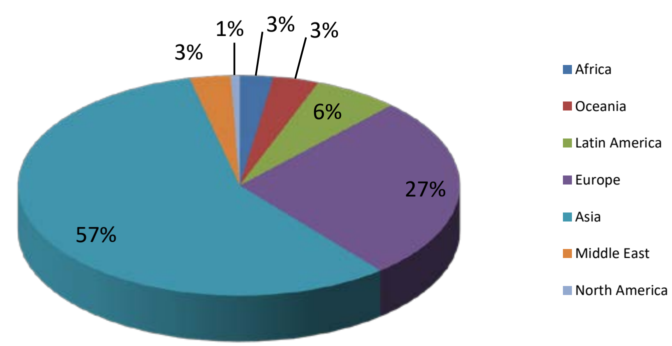
Note: To protect employer confidentiality, Georgia law prohibits the release of employee numbers by employer.

Source: 2018 - The Georgia Department of Labor (first quarter 2018)
2009 - State of Georgia's Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2009

GEORGIA PORTS AUTHORITY

PORT OF SAVANNAH AND BRUNSWICK SEABORNE TRADE BY REGION
CURRENT YEAR AND NINE YEARS AGO





Trade Through the Ports of Savannah and Brunswick
By Region in Fiscal Year 2018 - $(000)

	Imports	Exports	Total	%
Africa	$ 343,433	$ 1,042,305	$ 1,385,738	1%
Oceania	$ 234,214	$ 879,074	$ 1,113,288	1%
Latin America	$ 4,348,272	$ 3,079,041	$ 7,427,313	6%
Europe	$ 14,393,605	$ 12,212,275	$ 26,605,880	23%
Asia	$ 58,219,386	$ 17,856,101	$ 76,075,487	65%
Middle East	$ 1,329,004	$ 2,830,846	$ 4,159,850	3%
North America	$ 356,246	$ 69,871	$ 426,117	1%
Total	$ 79,224,160	$ 37,969,513	$ 117,193,673	100%

Source: PIERS (excludes fuel, oil, and crude - includes GPA and private terminals)

Trade Through the Ports of Savannah and Brunswick
By Region in Fiscal Year 2009 - $(000)

	Imports	Exports	Total	%
Africa	$ 1,343,758	$ 964,434	$ 2,308,192	3%
Oceania	$ 765,123	$ 2,370,870	$ 3,135,993	3%
Latin America	$ 2,279,925	$ 3,585,114	$ 5,865,039	6%
Europe	$ 10,788,274	$ 14,661,735	$ 25,450,009	27%
Asia	$ 32,197,728	$ 21,753,968	$ 53,951,696	57%
Middle East	$ 433,981	$ 2,036,127	$ 2,470,108	3%
North America	$ 577,149	$ 32,476	$ 609,625	1%
Total	$ 48,385,938	$ 45,404,724	$ 93,790,662	100%

Source: PIERS (excludes fuel, oil, and crude - includes GPA and private terminals)

GEORGIA PORTS AUTHORITY

VESSEL ARRIVALS BY TERMINAL
LAST TEN FISCAL YEARS

	Fiscal Year			
	2018	2017	2016	2015
Garden City Terminal	**1,915**	1,916	2,063	1,894
Ocean Terminal	**258**	256	266	311
Colonel's Island Terminal	**442**	466	505	561
East River & Lanier Docks Terminals	**69**	72	69	78
Mayor's Point Terminal	**19**	17	23	31
Barges - All Terminals	**6**	8	20	26
Total Arrivals	**2,709**	2,735	2,946	2,901

Source: Executive Information System (EIS) Tonnage Comparison Report EISR0061.

2014	2013	2012	2011	2010	2009
1,871	1,905	2,063	2,076	1,908	1,786
252	270	310	268	215	287
534	500	448	424	349	301
75	73	69	60	58	50
28	21	26	22	23	26
16	13	7	6	8	6
2,776	2,782	2,923	2,856	2,561	2,456

GEORGIA PORTS AUTHORITY

CARGO STATISTICS
LAST TEN FISCAL YEARS
(In Tons)

	Fiscal Year			
	2018	2017	2016	2015
Container				
Total Container Tonnage	**31,316,825**	28,425,294	25,700,301	25,858,187
Breakbulk:				
Autos	**1,220,732**	1,255,064	1,276,850	1,322,014
Clay	**-**	-	-	-
Iron & Steel	**433,090**	502,592	441,788	588,245
Liner Board	**158,410**	130,043	128,515	137,100
Lumber	**62,982**	18,251	12,978	12,161
Machinery	**512,070**	370,453	408,839	463,307
Paper Products	**-**	-	-	-
Plywood	**3,502**	-	3,073	8,456
Rubber	**118,677**	126,473	139,696	126,730
Wood Pulp	**229,472**	198,303	217,980	170,364
Other	**34,644**	38,119	43,679	48,028
Total Breakbulk Tonnage	**2,773,579**	2,639,298	2,673,398	2,876,405
Bulk - Dry:				
Animal Feed	**66,140**	66,725	61,935	67,136
Barley Malt	**-**	-	-	-
Corn	**-**	-	-	-
Gypsum	**-**	-	-	-
Limestone	**-**	-	-	-
Oats	**22,569**	3,153	4,422	-
Peanut Pellets/Hulls	**-**	-	11,755	68,015
Perlite	**132,260**	135,257	120,569	92,963
Salt	**40,761**	56,670	39,243	54,946
Sand	**-**	-	-	-
Soybean Meal	**-**	313,238	437,052	783,511
Soybeans	**-**	35,249	9,556	41,225
Wheat	**-**	-	-	64,085
Wood Pellets	**611,537**	461,114	522,178	625,414
Other	**162,295**	192,340	168,221	175,632
Total Dry Bulk Tonnage	**1,035,562**	1,263,746	1,374,931	1,972,927
Bulk - Liquid:				
Anhydrous Ammonia	**-**	-	-	-
Asphalt	**32,943**	72,194	58,946	31,972
Biodiesel	**8,225**	119,989	123,926	55,656
Chemicals	**114,060**	61,051	75,513	69,523
Petroleum Products	**-**	5,236	27,782	100,370
Tall Oil	**27,404**	23,116	2,416	17,654
Vegetable Oil	**506,030**	578,555	582,326	552,535
Other	**35,353**	38,505	38,916	38,940
Total Liquid Bulk Tonnage	**724,015**	898,646	909,825	866,650
Total Tonnage	**35,849,981**	33,226,984	30,658,455	31,574,169

2014	2013	2012	2011	2010	2009
23,981,129	22,115,639	22,355,522	21,974,617	20,470,594	18,354,910
1,309,576	1,166,968	1,047,694	875,396	612,941	523,018
-	11,101	17,165	25,917	17,596	-
420,545	421,147	477,338	442,997	352,569	527,033
165,448	142,204	131,971	148,560	119,406	112,317
14,903	8,750	4,157	5,432	2,746	32,359
379,975	432,289	535,899	359,622	192,022	363,744
-	-	-	-	217	-
8,688	11,229	248	11,421	12,219	9,164
122,748	108,041	109,613	100,909	61,351	98,947
209,379	198,891	212,390	217,154	199,875	181,530
52,958	94,685	131,895	86,238	61,983	67,482
2,684,220	2,595,305	2,668,370	2,273,646	1,632,925	1,915,594
64,735	62,780	65,196	57,980	65,695	71,510
-	-	21,122	35,962	20,317	60,316
-	148,712	4,246	48,791	-	7,355
-	-	-	-	-	103,620
-	-	-	-	72,247	148,996
-	-	-	24,522	27,168	-
36,356	50,339	53,318	65,285	52,290	27,458
98,217	112,440	123,982	163,300	127,511	117,545
49,216	32,081	46,682	31,308	66,205	33,960
-	-	5,606	-	-	59,087
762,726	797,954	174,252	355,814	755,132	528,656
119,717	-	-	54,280	224,784	116,328
110,948	-	-	-	18,187	-
506,623	331,464	221,592	165,876	97,432	24,052
216,117	220,732	142,751	93,110	59,210	67,594
1,964,655	1,756,502	858,747	1,096,228	1,586,178	1,366,477
-	100	191	302	161	168,354
7,325	-	13,988	36,496	36,198	8,500
52,150	11,128	4,964	21,270	22,496	249,257
67,049	84,960	68,964	92,812	64,095	81,996
37,728	37,717	22,105	8,539	43,599	-
-	-	-	-	10,748	26,446
433,131	425,877	373,696	389,136	319,504	349,846
60,987	74,287	95,884	36,976	7,744	33,243
658,370	634,069	579,792	585,531	504,545	917,642
29,288,374	27,101,515	26,462,431	25,930,022	24,194,242	22,554,623

GEORGIA PORTS AUTHORITY

FREIGHT TRAFFIC STATISTICS
LAST TEN FISCAL YEARS

Total Freight handled by the Ports of Savannah and Brunswick [a]
Includes private terminals - Excludes fuel, oil, and crude
(In Tons)

	Fiscal Year			
	2018	2017	2016	2015
Containerized	**30,956,886**	28,419,410	26,998,517	25,512,981
Non containerized	**7,169,180**	8,191,625	8,723,184	9,567,453
Total	**38,126,066**	36,611,035	35,721,701	35,080,434
Imports	**21,340,566**	19,109,165	18,035,460	16,333,238
Exports	**16,785,500**	17,501,870	17,686,241	18,747,196
Total	**38,126,066**	36,611,035	35,721,701	35,080,434

Total Value of Freight handled by the Ports of Savannah and Brunswick [a]
Includes private terminals - Excludes fuel, oil, and crude
(In Thousands)

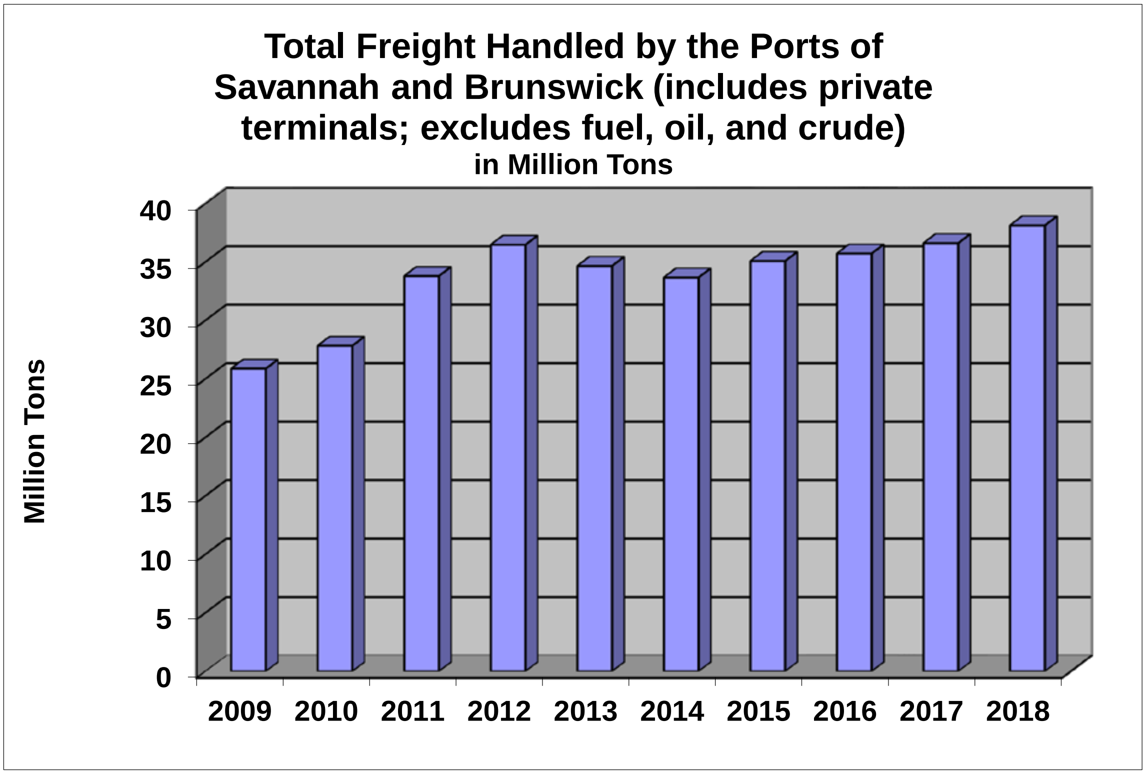
	Fiscal Year			
	2018	2017	2016	2015
Imports	**$ 79,224,160**	$ 70,503,032	$ 66,304,314	$ 60,913,353
Exports	**37,969,513**	36,737,040	39,620,965	44,653,230
Total	**$ 117,193,673**	$ 107,240,072	$ 105,925,279	$ 105,566,583

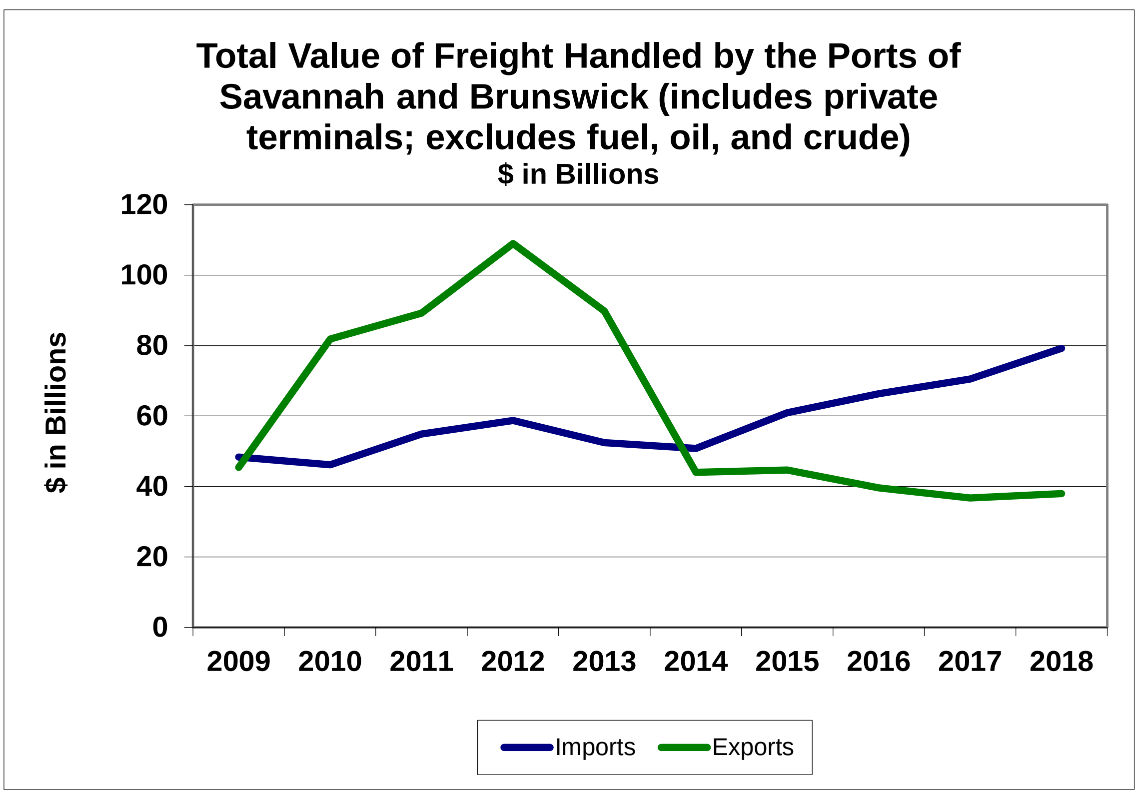
[a] Source: PIERS

2014	2013	2012	2011	2010	2009
24,058,066	22,005,313	22,281,701	21,871,761	20,004,623	17,794,916
9,611,076	12,652,042	14,187,336	11,924,600	7,831,374	8,081,580
33,669,142	34,657,355	36,469,037	33,796,361	27,835,997	25,876,496
14,765,192	16,387,855	18,166,673	16,305,904	11,746,728	12,028,295
18,903,950	18,269,500	18,302,364	17,490,457	16,089,269	13,848,201
33,669,142	34,657,355	36,469,037	33,796,361	27,835,997	25,876,496

2014	2013	2012	2011	2010	2009
$ 50,806,009	$ 52,428,146	$ 58,706,575	$ 54,885,071	$ 46,161,136	$ 48,385,938
44,048,596	89,816,936	108,976,461	89,246,209	81,900,384	45,404,724
$ 94,854,605	$ 142,245,082	$ 167,683,036	$ 144,131,280	$ 128,061,520	$ 93,790,662

FREIGHT TRAFFIC STATISTICS
LAST TEN FISCAL YEARS (CONTINUED)





GEORGIA PORTS AUTHORITY

PHYSICAL CHARACTERISTICS OF THE PORT FACILITIES OF THE AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Terminals				
	Garden City	Ocean	Colonel's Island	Other	Total
Overview:					
Terminal Area (Acres)	1,200	200	1,700	195	3,295
Channel Width (Feet)	500	500	400	400	Not Applicable
Channel Project Depth (Feet at MLW)	42	42	36	36	Not Applicable
Container Berth (Linear Feet)	10,293	5,768	3,355	5,518	24,934
Cargo Handled (Type)	Containers, Liquid Bulk	Breakbulk, RoRo, Containers, Heavy-Lift, Project	Automotive, RoRo, Project	Dry Bulk, Liquid Bulk, Breakbulk	Breakbulk, RoRo, Containers, Heavy-Lift, Project, Liquid Bulk, Dry Bulk, Automotive
Container Crane Class (# of Cranes):					
Post-Panamax	6	1	-	-	7
Super Post-Panamax	24	-	-	-	24
Gantry	-	1	-	-	1
Total	30	2	-	-	32
Container Crane Lift Capacity (# of Cranes):					
45 ST/40.2LT	-	1	-	-	1
56 ST/50 LT	6	-	-	-	6
72 ST/65 LT	24	-	-	-	24
100ST/89.3 LT	-	1	-	-	1
Total	30	2	-	-	32

GEORGIA PORTS AUTHORITY

NUMBER OF AUTHORITY EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	Fiscal Year			
	2018	2017	2016	2015
Exempt Employees	**255**	231	229	231
Non-Exempt (Hourly) Employees	**992**	884	856	840
Total Employees	**1,247**	1,115	1,085	1,071
Operations Staff	**860**	747	723	703

Source: Georgia Ports Authority Human Resources Department - Headcount Report.

2014	2013	2012	2011	2010	2009
225	233	216	221	219	211
773	757	763	754	741	731
998	990	979	975	960	942
634	629	622	616	604	594

Pictured Above: Dawson Architects’ rendering of the Appalachian Regional Port (ARP) near Chatsworth, Georgia.

Pictured on Front Cover: Blue Voyage Productions’ rendering of the planned Mason Mega Rail terminal at the Port of Savannah, Garden City Terminal, in Garden City, Georgia. The Georgia Ports Authority broke ground on the rail expansion in a ceremony Tuesday, March 27, 2018, at the Port of Savannah.