

6 MONTH FINANCIAL UPDATE

AUGUST 28, 2017
ED GALLIGAN
EXECUTIVE DIRECTOR

Overview

- Port Financing Consultants
- 6 Month Budget to Actual Update

Port Financing Consultants

- Northwest Municipal Advisors (Financial Advisor)
- Piper Jaffray (Bond Underwriter)
- K&L Gates (Bond Counsel)

Northwest Municipal Advisors (NWMA)

- NWMA has provided financial advisory services to Northwest public entities for over 20 years
- Washington-based: Local office, readily available to the Port
- Serve as financial advisor to many ports in Washington State
- Independent; not affiliated with an underwriter or other firm
- Working with Port staff
 - *Capital project planning & financing*
 - *Financial policies*
 - *Debt capacity*
 - *Five year plan*
 - *Rate of Return*

6 Month Budget to Actual Update

- Income Statement
- Statement of Net Assets

Focus on Accountability



Income Statement

Operating Income and Expense (\$ in ,000s)

6 months - June 2017	Actual	Budget	Variance
	YTD - 2017	YTD - 2017	Fav(Unf)
Operating Revenues	\$ 6,035	\$ 5,813	\$ 222
Operations Expenses	(2,778)	(2,775)	(3)
Maintenance Expenses	(772)	(928)	156
Contribution Margin	2,485	2,110	375
Administration Expenses	(1,317)	(1,155)	(162)
Operating Income before depreciation	1,168	955	213
Depreciation	(1,659)	(1,690)	31
Operating Income (Loss)	\$ (491)	\$ (735)	\$ 244

Income Statement

6 Month Operating Contribution Margin

	Actual	Budget	Variance
	YTD - 2017	YTD - 2017	Fav(Unf)
Airport and New Market Industrial	\$916,014	\$827,543	\$88,471
Swantown Marina & Boatworks	\$581,859	\$497,080	\$84,779
Marine Terminal	\$668,368	\$355,792	\$312,576
Stormwater Facility	\$19,265	\$146,158	(\$126,893)
Peninsula Properties	\$299,065	\$284,190	\$14,875
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Total Contribution Margin	\$2,484,571	\$2,110,763	\$373,808

Income Statement

6 Month Operating Revenue Variances

	Actual	Budget	Variance
	YTD - 2017	YTD - 2017	Fav(Unf)
Operating Revenue:			
Airport and New Market Industrial	\$1,348,488	\$1,321,140	\$27,348
Swantown Marina & Boatworks	\$1,321,287	\$1,368,400	(\$47,113)
Marine Terminal	\$2,617,387	\$2,209,092	\$408,295
Stormwater Facility	\$258,454	\$371,658	(\$113,204)
Peninsula Properties	\$489,731	\$542,617	(\$52,886)
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Total Operating Revenues	\$6,035,347	\$5,812,907	\$222,440

Income Statement

6 Month Operating Expense Variances

	Actual	Budget	Variance
	YTD - 2017	YTD - 2017	Fav(Unf)
Operating & Maint Expenses:			
Airport and NewMarket Industrial	(\$432,474)	(\$493,597)	\$61,123
Swantown Marina & Boatworks	(\$739,428)	(\$871,320)	\$131,892
Marine Terminal	(\$1,949,019)	(\$1,853,300)	(\$95,719)
Stormwater Facility	(\$239,189)	(\$225,500)	(\$13,689)
Peninsula Properties	(\$190,666)	(\$258,427)	\$67,761
Total Operating & Maint Expenses	(\$3,550,776)	(\$3,702,144)	\$151,368

Income Statement

Non Operating Income & Expense: (\$ in ,000s)

6 Months - June 2017	Actual	Budget	Variance
	YTD - 2017	YTD - 2017	Fav(Unf)
Non-operating Revenues (expenses)	\$ 110	\$ 33	\$ 77
Public Amenities	(117)	(112)	(5)
Environmental Expense	(268)	(404)	136
Financing Interest Expense	(85)	(53)	(32)
Income (loss) before Tax Levy	(851)	(1,271)	420
Tax Levy	2,590	2,582	8
Interest Expense, G.O. Bonds	(700)	(695)	(5)
Net Income	1,039	616	423
Capital Contributions - Grants	8	343	(335)
Depreciation - Grants	(305)	(305)	-
Increase in Net Assets	\$ 742	\$ 654	88

Statement of Net Assets

\$ in Millions – as of June 30, 2017

	Own
\$ 10	Cash & receivables
<u>\$136</u>	Capital assets
\$146	Total Assets

\$ 81.4	Beg – Net Worth
<u>\$.7</u>	YTD Net Increase
\$ 82.1	Current Net Worth



	Owe
\$ 3	Payables
\$ 43	Long-term G.O. debt
<u>\$ 18</u>	Other Liabilities
\$ 64	Total Liabilities

Review Financial Measures

		Goal	June 2017
Liquidity	Current ratio	1.75	1.63
	Cash Reserves	\$4,000,000	\$5,338,715
Earnings	Return on Revenue	5%	-8.14%
	Annual Operating Cash Flow	27%	19%
	Earnings before Tax Levy	1%	.23%
Sustainability	Maintenance, Insurance & Environmental	14%	20%
	Financial Capacity	\$10,000,000	\$23,700,862
	Return on Productive Assets	3.5%	.54%

Questions