

COMMISSION MEETING

INFORMATION

Date: August 9, 2021

Staff Review: Port Attorney
 Marina Manager
 Finance Manager
 Facilities Maintenance Manager

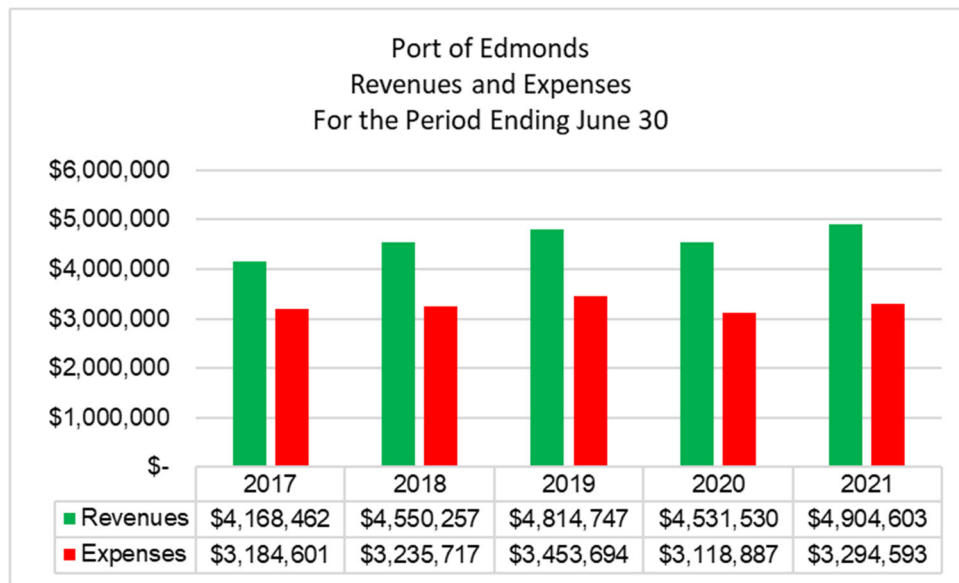
To: Port Commission

From: Tina Drennan
 Finance Manager

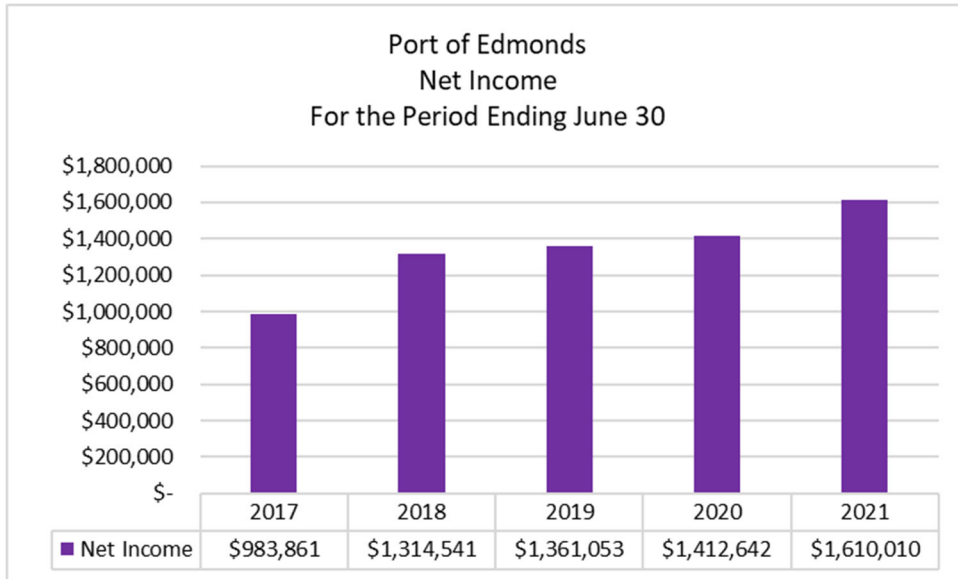
Attachments: June Income Statement
 June Marina Income Statement
 June Rental Property Income Statement
 Investing Transactions Report, 2nd Quarter
 Investment Report as of June 30, 2021

SUBJECT: SECOND QUARTER 2021 FINANCIAL STATEMENTS

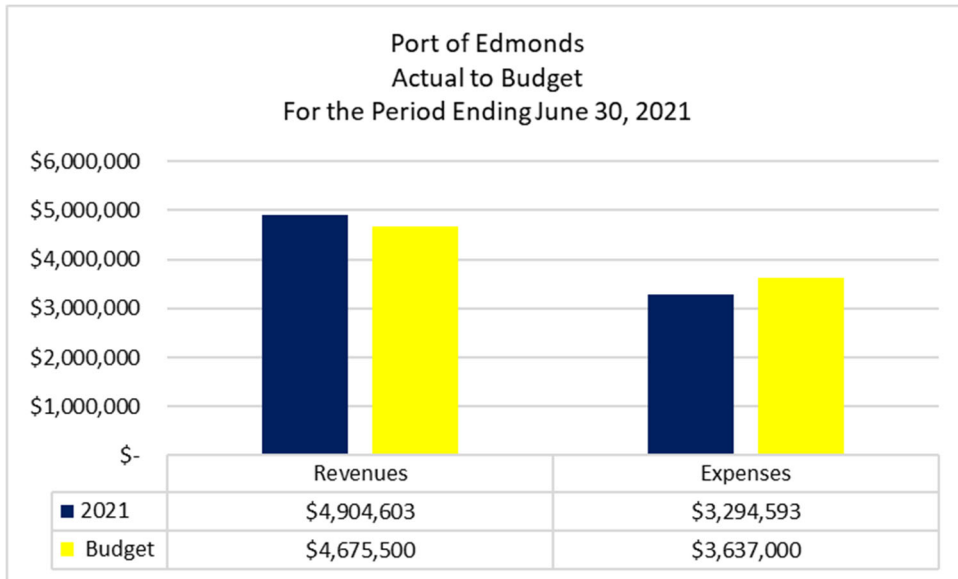
Please find attached the second quarter 2021 financial statements.



Revenues and expenses are generally trending upwards, with a slight drop in 2020 due to COVID.



Net income is trending upwards.



Revenues were \$229,000 greater than budget. Expenses were \$342,000 less than budget.

Gross profit (revenues less cost of goods sold) for the six month period ending June 30, 2021, was \$4.2 million, which was \$153,000 greater than budget. Net income for the same period was \$1.6 million.

Marina Operations Revenue Actual to Budget:

	ACTUAL TO DATE	BUDGET TO DATE	VARIANCE	%
FUEL SALES, NET	120,393	58,000	62,393	108%
GUEST MOORAGE, NET	75,894	37,000	38,894	105%
PERMANENT MOORAGE	1,938,866	1,897,500	41,366	2%
DRY STORAGE	362,034	360,000	2,034	1%
PARKING	31,427	49,500	(18,073)	-37%
TRAVELIFT	88,103	63,500	24,603	39%
WORKYARD	85,167	52,500	32,667	62%

Financial Occupancy:

	2017	2018	2019	2020	2021	2021 Budgeted
Moorage	95%	98%	97%	97%	98%	96%
Dry Storage	81%	82%	87%	77%	88%	88%

Dry Storage revenue was down for the first half of 2020 as the Port charged Dry Storage tenants at the pay-per-move rate for April 2020, due to limited hours because of COVID-19 procedure changes.

Rental Properties Revenue Actual to Budget:

	ACTUAL TO DATE	BUDGET TO DATE	VARIANCE	%
TOTAL RENTAL PROPERTY REVENUE	1,303,576	1,359,000	(55,424)	-4%

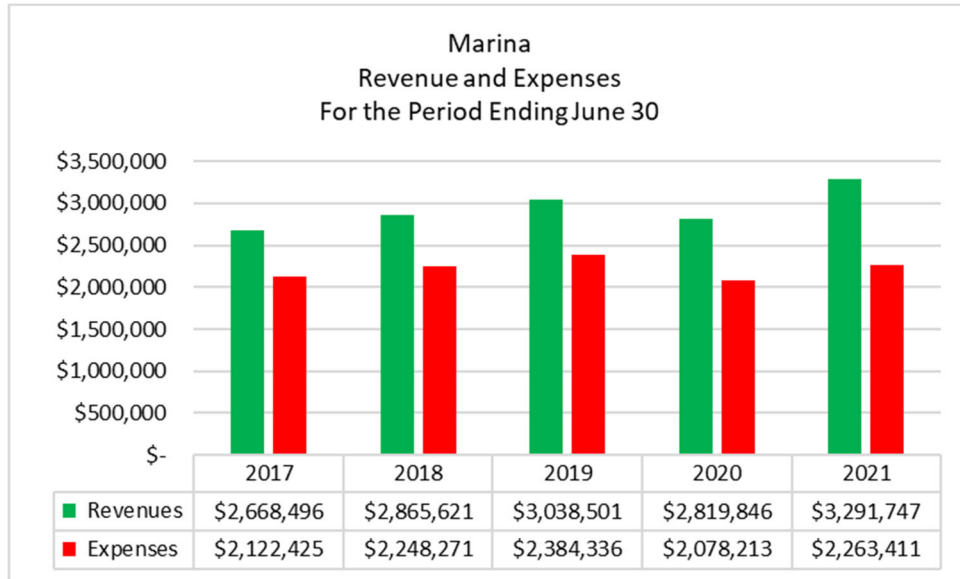
Operating expenses before depreciation for the six-month period were \$2.2 million, which is \$340,000 or 13% less than budget.

Operating Expenses Actual to Budget:

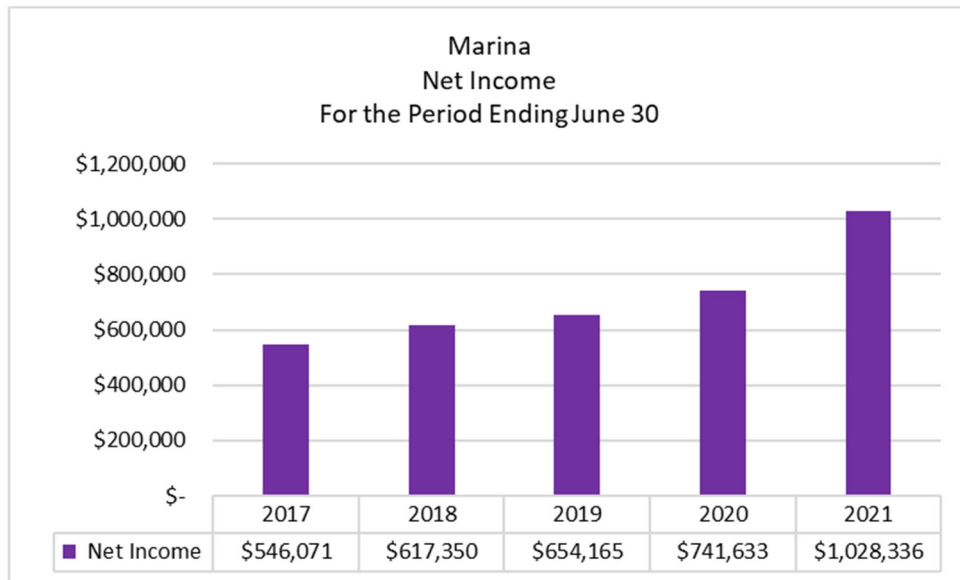
	ACTUAL TO DATE	BUDGET TO DATE	VARIANCE	%
EDUCATION	1,497	12,000	10,503	88%
EMPLOYEE BENEFITS	357,557	377,000	19,443	5%
REPAIR & MAINTENANCE	119,307	189,500	70,193	37%
SALARIES & WAGES	980,073	1,111,500	131,427	12%
SUPPLIES	111,469	168,500	57,031	34%

Net income for the six months ending June 30, 2021 was \$1.6 million, which is \$572,000 greater than budget.

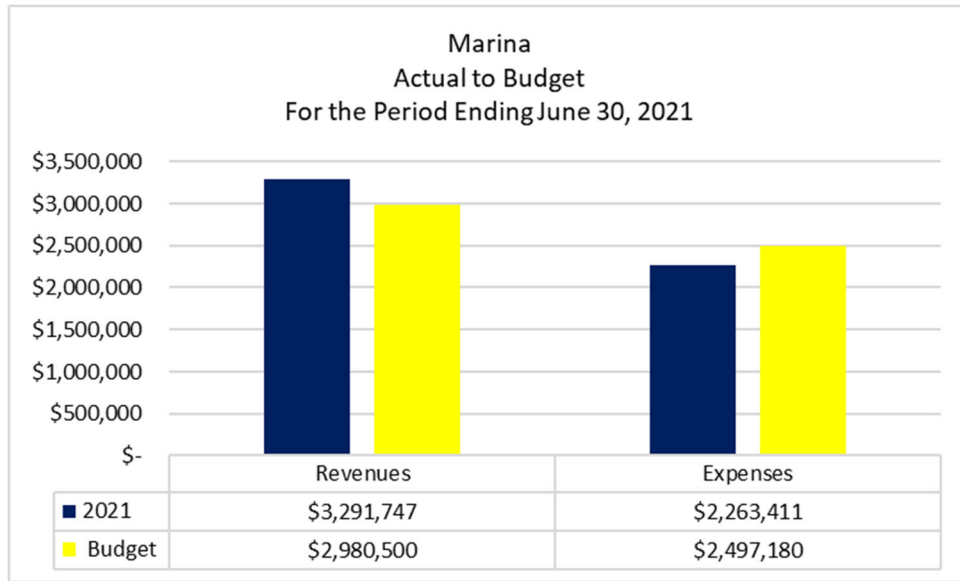
Marina Actual to Budget:



Revenues and expenses are generally trending upwards, with a slight drop in 2020 due to COVID.



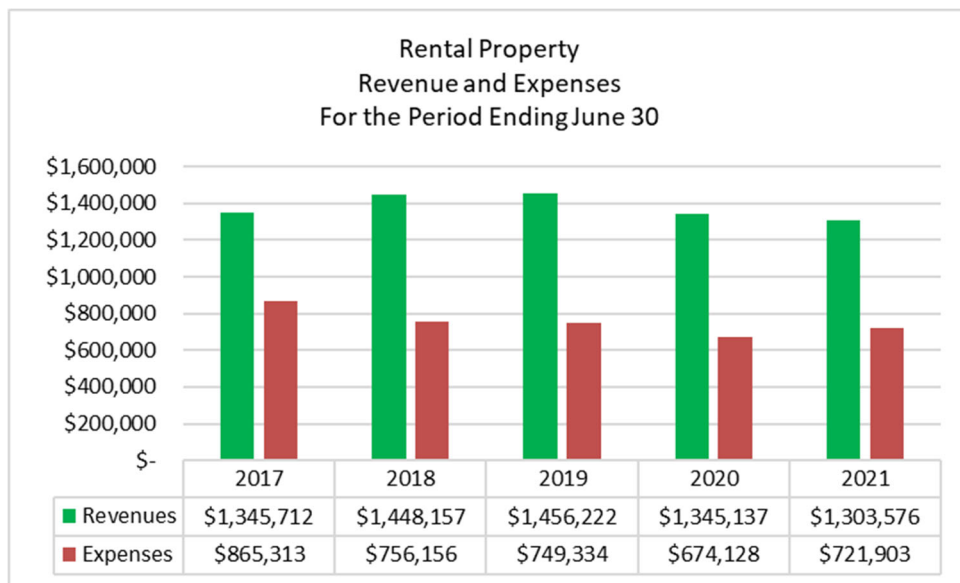
Net income is trending upwards.



Revenues were \$311,000 greater than budget. Expenses were \$234,000 less than budget.

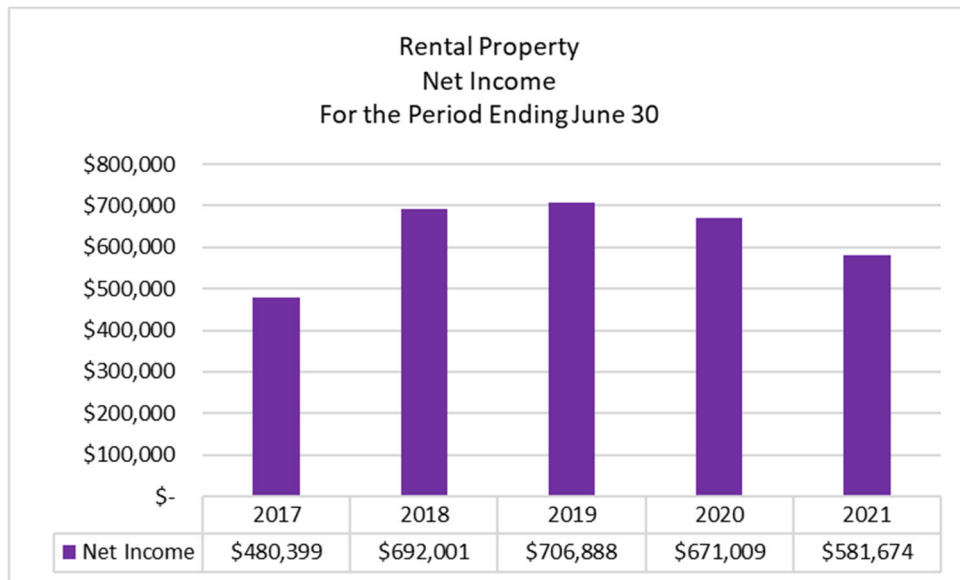
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Operating Revenues	\$ 3,267,000	\$ 2,980,500	\$ 286,500	10%
Operating Expenses Before Depr, O/H	\$ 1,249,000	\$ 1,428,500	\$ 179,500	13%
Net Income	\$ 1,028,000	\$ 483,000	\$ 545,000	113%

Rental Property Actual to Budget:

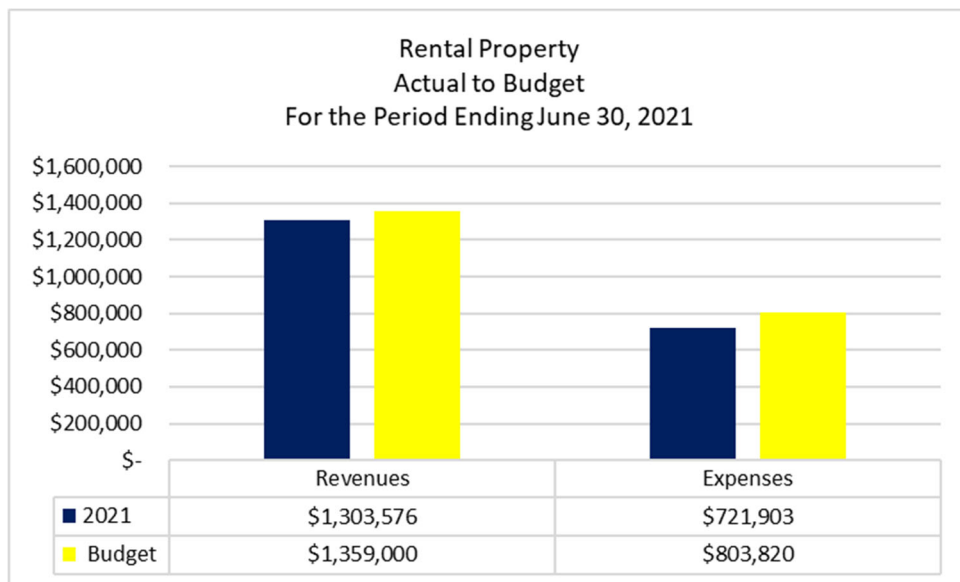


Rental Property revenues trended up to 2018, with a high of \$1.5 million, dropping to \$1.3 million in 2021. Expenses don't appear to have a trend. 2017 through 2019 revenues are misleading, as Rental

Property was subsidized with property taxes of \$100,000 in 2017 and \$85,000 in 2018 and 2019. Removing the property taxes, revenues would be 2017 - \$1,245,712; 2018 - \$1,363,157; and 2019 - \$1,371,222.



Net income trended upwards to \$707,000 in 2019, dropping to \$582,000 in 2021. Without property taxes, net income would be 2017 - \$380,399, 2018 - \$607,001, and 2019 - \$621,888.



Revenues were \$55,000 less than budget. Expenses were \$82,000 less than budget.

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Operating Revenues	\$ 1,303,576	\$ 1,359,000	\$ (55,424)	-4%
Operating Expenses Before Depr, O/H	\$ 292,726	\$ 319,500	\$ 26,774	8%
Net Income	\$ 581,674	\$ 555,180	\$ 26,493	5%

Investing Summary:

- As of June 30, 2021, the Port had 23 long-term investments.
- The details of the Port's bond maturity and calls are attached.
- The Capital Replacement Reserve is currently \$15,785,496.
- The Environmental Reserve is currently \$1,059,027.
- The Public Amenities Reserve is currently \$80,434.
- As bonds are being called or maturing, the Port is retaining the funds in an interest bearing account in preparation for funding for the Administration/Maintenance Building and North Portwalk and Seawall Reconstruction.

PORT OF EDMONDS
INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2021

	<u>ACTUAL TO DATE</u>	<u>BUDGET TO DATE</u>	<u>2020 TO DATE</u>
MARINA REVENUES			
ELECTRICAL FEES	84,283	80,000	75,391
ENVIRONMENTAL FEES	55,185	54,000	54,492
ENVIRONMENTAL FEE - WORKYARD	20,424	12,000	11,123
FUEL SALES	453,161	318,000	232,140
LAUNCHER	33,900	27,000	25,418
MISCELLANEOUS	52,474	49,500	20,685
GUEST MOORAGE	79,720	45,000	47,511
PERMANENT MOORAGE	1,938,866	1,897,500	1,879,257
PASSENGER FEES	8,465	3,000	429
DRY STORAGE	362,034	360,000	310,504
PARKING	31,427	49,500	37,041
TRAVELIFT	88,103	63,500	53,502
WORKYARD	85,167	52,500	48,032
LATE FEES	15,304	17,500	14,893
TOTAL MARINA REVENUE	<u>3,308,513</u>	<u>3,029,000</u>	<u>2,810,419</u>
RENTAL PROPERTY REVENUES			
HARBOR SQUARE LEASE REVENUE	743,810	819,500	750,174
HARBOR SQUARE CAMS	113,005	112,500	117,678
WEST SIDE LEASE REVENUE	127,851	130,000	141,344
HARBOR SQUARE LEASE INTEREST REVENUE	204,801	181,000	214,908
WEST SIDE LEASE INTEREST REVENUE	111,145	109,500	116,675
MISCELLANEOUS REVENUE	2,248	2,500	2,366
LATE FEES	716	4,000	1,991
TOTAL RENTAL PROPERTY REVENUE	<u>1,303,576</u>	<u>1,359,000</u>	<u>1,345,137</u>
COST OF GOODS SOLD			
COST OF SALES	34,413	38,000	22,683
ELECTRICAL PURCHASES	40,640	35,000	40,768
FUEL & OIL	332,768	260,000	190,156
LOAN-A-SLIP CREDITS	3,826	8,000	877
TOTAL COST OF GOODS SOLD	<u>411,646</u>	<u>341,000</u>	<u>254,484</u>
GROSS PROFIT	<u>4,200,443</u>	<u>4,047,000</u>	<u>3,901,071</u>

PORT OF EDMONDS
INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2021

	<u>ACTUAL TO DATE</u>	<u>BUDGET TO DATE</u>	<u>2020 TO DATE</u>
OPERATING EXPENSES			
ADVERTISING & NOTICES	3,322	6,500	4,599
AUDIT	-	-	29,763
AUTOMOBILE AND EQUIPMENT FUEL	8,451	10,500	5,445
BANK CHARGES	2,625	2,500	2,465
BUSINESS TAXES	11,516	12,000	8,380
CLAIMS & DAMAGES	1,163	6,000	-
COMMUNICATIONS	4,393	10,000	-
ECONOMIC DEVELOPMENT & TOURISM	5,242	14,000	4,860
EDUCATION	1,497	12,000	3,770
EMPLOYEE BENEFITS	357,557	377,000	351,677
HAZARDOUS WASTE DISPOSAL	1,412	4,000	942
INSURANCE	128,904	135,000	111,749
LICENSES & PERMITS	1,995	1,500	2,186
MARKETING	2,180	5,500	6,341
MEALS	595	2,000	906
MEMBERSHIP DUES	9,550	9,500	10,535
OFFICE	40,987	49,500	43,508
PAYROLL TAXES	126,811	126,500	117,064
PROFESSIONAL SERVICES	56,487	47,500	37,922
PROMOTIONAL HOSTING	-	1,500	72
RENT	8,471	7,500	7,050
REPAIR & MAINTENANCE	119,307	189,500	117,290
SALARIES & WAGES	980,073	1,111,500	991,318
SUPPLIES	111,469	168,500	79,858
TENANT IMPROVEMENTS	-	-	(506)
TRAVEL	2,497	11,000	2,453
UNIFORMS	4,588	6,500	6,741
UTILITIES	216,526	220,000	205,434
OPERATING EXPENSES BEFORE DEPR	<u>2,207,617</u>	<u>2,547,500</u>	<u>2,151,823</u>
DEPRECIATION AND AMORTIZATION	676,818	748,500	712,580
TOTAL OPERATING EXPENSES	<u>2,884,435</u>	<u>3,296,000</u>	<u>2,864,403</u>
INCOME FROM OPERATIONS	1,316,009	751,000	1,036,668
OTHER (INCOME)/EXPENSE			
(GAIN)/LOSS ON FIXED ASSETS	(1,488)	-	(34,197)
CHANGE IN FAIR VALUE OF INVESTMENTS	2,541	-	(7,014)
INTEREST INCOME	(92,231)	(87,500)	(131,907)
PROPERTY TAXES	(202,824)	(200,000)	(202,856)
TOTAL OTHER (INCOME)/EXPENSE	<u>(294,001)</u>	<u>(287,500)</u>	<u>(375,974)</u>
NET INCOME	<u>1,610,010</u>	<u>1,038,500</u>	<u>1,412,642</u>

PORT OF EDMONDS
MARINA INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2021

	ACTUAL <u>TO DATE</u>	BUDGET <u>TO DATE</u>	2020 <u>TO DATE</u>
REVENUES			
ELECTRICAL FEES	84,283	80,000	75,391
ENVIRONMENTAL FEES	55,185	54,000	54,492
ENVIRONMENTAL FEE - WORKYARD	20,424	12,000	11,123
FUEL SALES	453,161	318,000	232,140
LAUNCHER	33,900	27,000	25,418
MISCELLANEOUS	27,797	26,500	14,847
GUEST MOORAGE	79,720	45,000	47,511
PERMANENT MOORAGE	1,938,866	1,897,500	1,879,257
PASSENGER FEES	8,465	3,000	429
DRY STORAGE	362,034	360,000	310,504
PARKING	14,339	24,000	12,241
TRAVELIFT	88,103	63,500	53,502
WORKYARD	85,167	52,500	48,032
LATE FEES	15,304	17,500	14,893
GROSS REVENUE	<u>3,266,747</u>	<u>2,980,500</u>	<u>2,779,780</u>
COST OF GOODS SOLD			
COST OF SALES	33,864	37,000	22,328
ELECTRICAL PURCHASES	40,640	35,000	40,768
FUEL & OIL	332,768	260,000	190,156
LOAN-A-SLIP CREDITS	3,826	8,000	877
TOTAL COST OF GOODS SOLD	<u>411,097</u>	<u>340,000</u>	<u>254,129</u>
GROSS PROFIT	<u>2,855,650</u>	<u>2,640,500</u>	<u>2,525,651</u>
OPERATING EXPENSES			
ADVERTISING	1,645	2,500	2,500
AUTO AND EQUIPMENT FUEL	3,584	6,000	1,916
BUSINESS TAXES	11,493	12,000	8,346
CLAIMS AND DAMAGES	1,163	6,000	-
EDUCATION AND TRAINING	52	4,000	2,875
EMPLOYEE BENEFITS	197,535	214,500	196,178
HAZARDOUS WASTE DISPOSAL	1,412	4,000	942
INSURANCE	93,371	98,000	83,268
LICENSES & PERMITS	1,901	1,000	1,836
MARKETING	2,048	2,000	6,341
OFFICE	5,807	8,000	5,925
PAYROLL TAXES	87,397	84,500	76,931
PROFESSIONAL SERVICES	12,456	9,000	5,303
RENT	8,471	7,500	7,050
REPAIR & MAINTENANCE	33,261	69,000	44,066
SALARIES & WAGES	620,149	702,000	615,182
SUPPLIES	73,952	100,000	33,106
UTILITIES	93,365	98,500	86,069
OPERATING EXPENSES BEFORE DEPR & OH	<u>1,249,061</u>	<u>1,428,500</u>	<u>1,177,834</u>
DEPRECIATION AND AMORTIZATION	348,635	400,000	397,178
OVERHEAD ALLOCATION	254,618	328,680	249,072
TOTAL OPERATING EXPENSES	<u>1,852,314</u>	<u>2,157,180</u>	<u>1,824,084</u>
INCOME FROM OPERATIONS	<u>1,003,337</u>	<u>483,320</u>	<u>701,568</u>
OTHER (INCOME)/EXPENSES			
(GAIN)/LOSS ON FIXED ASSETS	-	-	(15,065)
PROPERTY TAX ALLOCATION - LAUNCHER	(25,000)	-	(25,000)
TOTAL OTHER (INCOME)/EXPENSES	<u>(25,000)</u>	<u>-</u>	<u>(40,065)</u>
NET INCOME	<u><u>1,028,336</u></u>	<u><u>483,320</u></u>	<u><u>741,633</u></u>

PORT OF EDMONDS
RENTAL PROPERTY
FOR THE PERIOD ENDING JUNE 30, 2021

	<u>ACTUAL</u> <u>TO DATE</u>	<u>BUDGET</u> <u>TO DATE</u>	<u>2020</u> <u>TO DATE</u>
REVENUES			
HARBOR SQUARE LEASE REVENUE	743,810	819,500	750,174
HARBOR SQUARE CAMS	113,005	112,500	117,678
WEST SIDE LEASE REVENUE	127,851	130,000	141,344
HARBOR SQUARE LEASE INTEREST REVENUE	204,801	181,000	214,908
WEST SIDE LEASE INTEREST REVENUE	111,145	109,500	116,675
MISCELLANEOUS REVENUE	2,248	2,500	2,366
LATE FEES	716	4,000	1,991
TOTAL REVENUE	<u>1,303,576</u>	<u>1,359,000</u>	<u>1,345,137</u>
 COST OF GOODS SOLD	 <u>353</u>	 <u>500</u>	 <u>234</u>
 GROSS PROFIT	 <u>1,303,223</u>	 <u>1,358,500</u>	 <u>1,344,903</u>
 OPERATING EXPENSES			
ADVERTISING	-	500	-
AUTO AND EQUIPMENT FUEL	271	500	156
BUSINESS TAXES	23	-	32
EMPLOYEE BENEFITS	26,878	25,500	24,193
INSURANCE	30,702	32,000	26,288
OFFICE	811	1,000	651
PAYROLL TAXES	7,957	6,500	6,370
PROFESSIONAL SERVICES	480	2,500	-
REPAIR & MAINTENANCE	55,246	68,000	39,127
SALARIES & WAGES	86,826	86,000	79,348
SUPPLIES	7,739	19,000	12,212
TENANT IMPROVEMENTS	-	-	(506)
UTILITIES	75,795	78,000	74,620
OPERATING EXPENSES BEFORE DEPR & OH	<u>292,726</u>	<u>319,500</u>	<u>262,491</u>
DEPRECIATION	297,656	314,500	283,092
OVERHEAD ALLOCATION	131,167	169,320	128,310
TOTAL OPERATING EXPENSES	<u>721,550</u>	<u>803,320</u>	<u>673,894</u>
 INCOME FROM OPERATIONS	 <u>581,674</u>	 <u>555,180</u>	 <u>671,009</u>
 OTHER (INCOME)/EXPENSES			
(GAIN)/LOSS ON FIXED ASSETS	-	-	-
TOTAL OTHER (INCOME)/EXPENSE	<u>-</u>	<u>-</u>	<u>-</u>
 NET INCOME	 <u>581,674</u>	 <u>555,180</u>	 <u>671,009</u>

Port of Edmonds
Investment Report
As of June 30, 2021

Long-Term Investments (1 year or more until maturity when purchased) 6/30/2021

<u>Security</u>	<u>Remaining Life</u>	<u>Purchased</u>	<u>Final Maturity</u>	<u>Coupon</u>	<u>Callable/ Non-Callable</u>	<u>Par Value</u>	<u>Amortized Book Value</u>	<u>Market Value at 6/30/2021</u>	<u>Percent of Portfolio</u>
Federal Farm Credit Bank	0.36	11/22/2019	11/8/2021	1.57%	Non-Callable	\$ 500,000	\$ 506,201	\$ 502,726	2.21%
Federal National Mortgage Association	0.52	11/21/2019	1/5/2022	2.00%	Non-Callable	\$ 500,000	\$ 508,310	\$ 504,935	2.21%
Federal Home Loan Bank	0.70	12/5/2019	3/11/2022	2.50%	Non-Callable	\$ 500,000	\$ 511,888	\$ 508,464	2.21%
US Treasury STRIP	0.87	12/10/2019	5/15/2022	0.00%	Non-Callable	\$ 520,000	\$ 523,184	\$ 519,680	2.30%
US Treasury Note	1.04	12/10/2019	7/15/2022	1.75%	Non-Callable	\$ 500,000	\$ 512,309	\$ 508,535	2.21%
Federal National Mortgage Association	1.19	12/5/2019	9/6/2022	1.38%	Non-Callable	\$ 500,000	\$ 511,216	\$ 507,191	2.21%
US Treasury Note	1.29	12/17/2019	10/15/2022	1.38%	Non-Callable	\$ 500,000	\$ 511,453	\$ 507,891	2.21%
Federal Home Loan Bank	1.44	11/15/2019	12/9/2022	1.88%	Non-Callable	\$ 500,000	\$ 515,992	\$ 512,246	2.21%
Federal Natl Mortgage Assn	1.56	12/14/2018	1/19/2023	2.38%	Non-Callable	\$ 500,000	\$ 523,693	\$ 516,661	2.21%
US Treasury Note	1.75	12/5/2019	3/31/2023	1.50%	Non-Callable	\$ 500,000	\$ 515,235	\$ 511,153	2.21%
Federal Home Loan Bank	1.94	6/3/2019	6/9/2023	2.13%	Non-Callable	\$ 500,000	\$ 523,131	\$ 516,952	2.21%
Federal Farm Credit Bank	2.12	8/27/2019	8/14/2023	1.60%	Non-Callable	\$ 500,000	\$ 517,453	\$ 513,858	2.21%
Federal Farm Credit Bank	2.34	11/7/2019	11/1/2023	1.60%	Non-Callable	\$ 500,000	\$ 519,063	\$ 514,722	2.21%
Federal Home Loan Bank	2.62	2/21/2019	2/13/2024	2.50%	Non-Callable	\$ 500,000	\$ 535,657	\$ 528,301	2.21%
Federal Farm Credit Bank	2.70	12/11/2019	3/11/2024	1.55%	Non-Callable	\$ 500,000	\$ 520,508	\$ 515,336	2.21%
Federal Farm Credit Bank	2.97	9/17/2020	6/17/2024	0.39%	Callable 12/27/20	\$ 1,000,000	\$ 1,000,001	\$ 995,033	4.42%
Federal Farm Credit Bank	3.22	10/2/2019	9/17/2024	1.60%	Non-Callable	\$ 500,000	\$ 525,070	\$ 517,131	2.21%
Federal Farm Credit Bank	3.45	12/9/2020	12/9/2024	0.44%	Callable 12/9/21	\$ 1,000,000	\$ 999,388	\$ 993,760	4.42%
Federal Natl Mortgage Assn	3.53	1/30/2020	1/7/2025	1.63%	Non-Callable	\$ 500,000	\$ 526,297	\$ 517,543	2.21%
Federal Home Loan Mtg Corp	3.91	6/12/2020	5/27/2025	0.50%	Callable 11/27/20	\$ 1,000,000	\$ 994,219	\$ 992,811	4.42%
Farmer Mac	4.04	7/17/2020	7/14/2025	0.50%	Non-Callable	\$ 1,000,000	\$ 1,000,949	\$ 990,249	4.42%
Federal Home Loan Mtg Corp	4.24	10/23/2020	9/23/2025	0.38%	Non-Callable	\$ 1,000,000	\$ 998,104	\$ 984,074	4.42%
Federal Farm Credit Bank	4.31	12/4/2020	10/21/2025	0.52%	Callable 10/21/21	\$ 1,000,000	\$ 1,000,027	\$ 987,369	4.42%
						<u>\$ 14,520,000</u>	<u>\$ 14,799,345</u>	<u>\$ 14,666,617</u>	<u>64.25%</u>

Short-Term Investments (less than 1 year to maturity when purchased)

<u>Entity</u>	<u>Type</u>	<u>Interest Rate</u>	<u>Amount</u>	
Port of Edmonds	Cash and change funds	0.00%	\$ 1,200	0.01%
Washington Federal	Business checking account	0.15%	\$ 8,031,795	35.54%
Washington Federal	Revolving checking account	0.00%	\$ 3,000	0.01%
Snohomish County	Tax collections	0.00%	\$ 4,292	0.02%
Washington LGIP	Short-term investments	0.08%	\$ 40,410	0.16%
			<u>\$ 8,080,696</u>	
Total Cash and Investments			<u>\$ 22,600,696</u>	100%

Capital Replacement Reserve consists of:

Investments	\$ 13,520,000
Cash	\$ 2,265,496
	<u>\$ 15,785,496</u>

Environmental Reserve consists of:

Investments	\$ 1,000,000
Cash	\$ 59,027
	<u>\$ 1,059,027</u>

Public Amenities Reserve consists of:

Cash	<u>\$ 80,434</u>
------	------------------

Operating Reserve consists of:

Cash	<u>\$ 5,675,740</u>
------	---------------------

Tenant Security Deposits consists of:

Cash	<u>\$ 693,675</u>
------	-------------------

Port of Edmonds
Investing Transactions
April 1, 2021 to June 30, 2021

Matured or Called	<u>Called or</u>	<u>Remaining</u>		<u>Final</u>		<u>Callable/</u>	<u>Par</u>	<u>Range of Liquid Funds</u>	
<u>Security</u>	<u>Matured</u>	<u>Life</u>	<u>Purchased</u>	<u>Maturity</u>	<u>Coupon</u>	<u>Non-Callable</u>	<u>Value</u>	<u>During Ownership</u>	
US Treasury Note	Matured	-	12/4/2019	4/30/2021	1.38%	Non-Callable	\$ 500,000	0.10%	1.55%

Purchases

Security

<u>Remaining</u>		<u>Final</u>		<u>Callable/</u>	<u>Par</u>	<u>Purchased</u>
<u>Life</u>	<u>Purchased</u>	<u>Maturity</u>	<u>Coupon</u>	<u>Non-Callable</u>	<u>Value</u>	<u>Value</u>
					\$ -	\$ -