



**COMMISSION MEETING INFORMATION**

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**Date:** December 11, 2023

**To:** Port Commission  
**From:** Roger Neumaier  
 Acting Finance Director

**Staff Review:** Executive Director  
**Attachments:** Third Quarter Financial Pkg

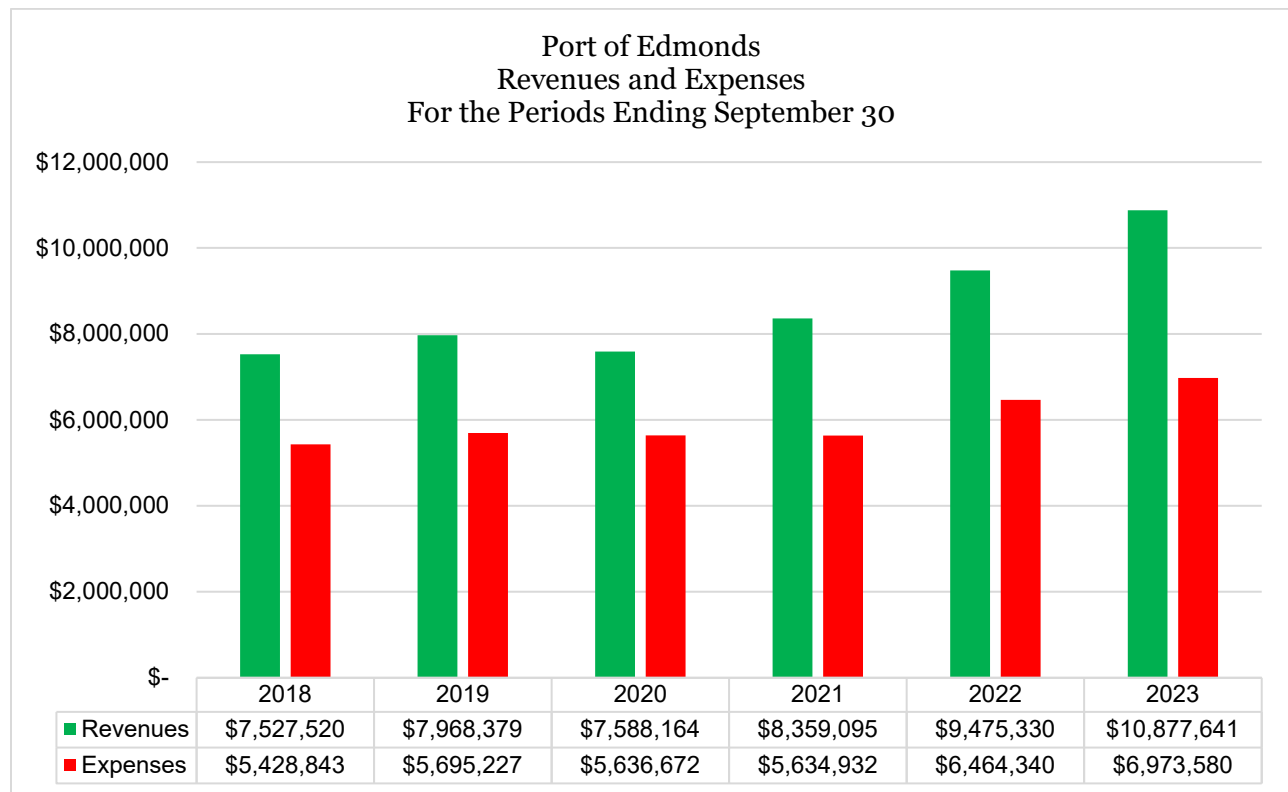
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**SUBJECT: Third Quarter 2023 YTD Financial Statements**

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Please find attached the third quarter 2023 financial statements.

**Overall Port Revenue and Expenditures YTD for Periods Ending September 30, 2018 - 2023**

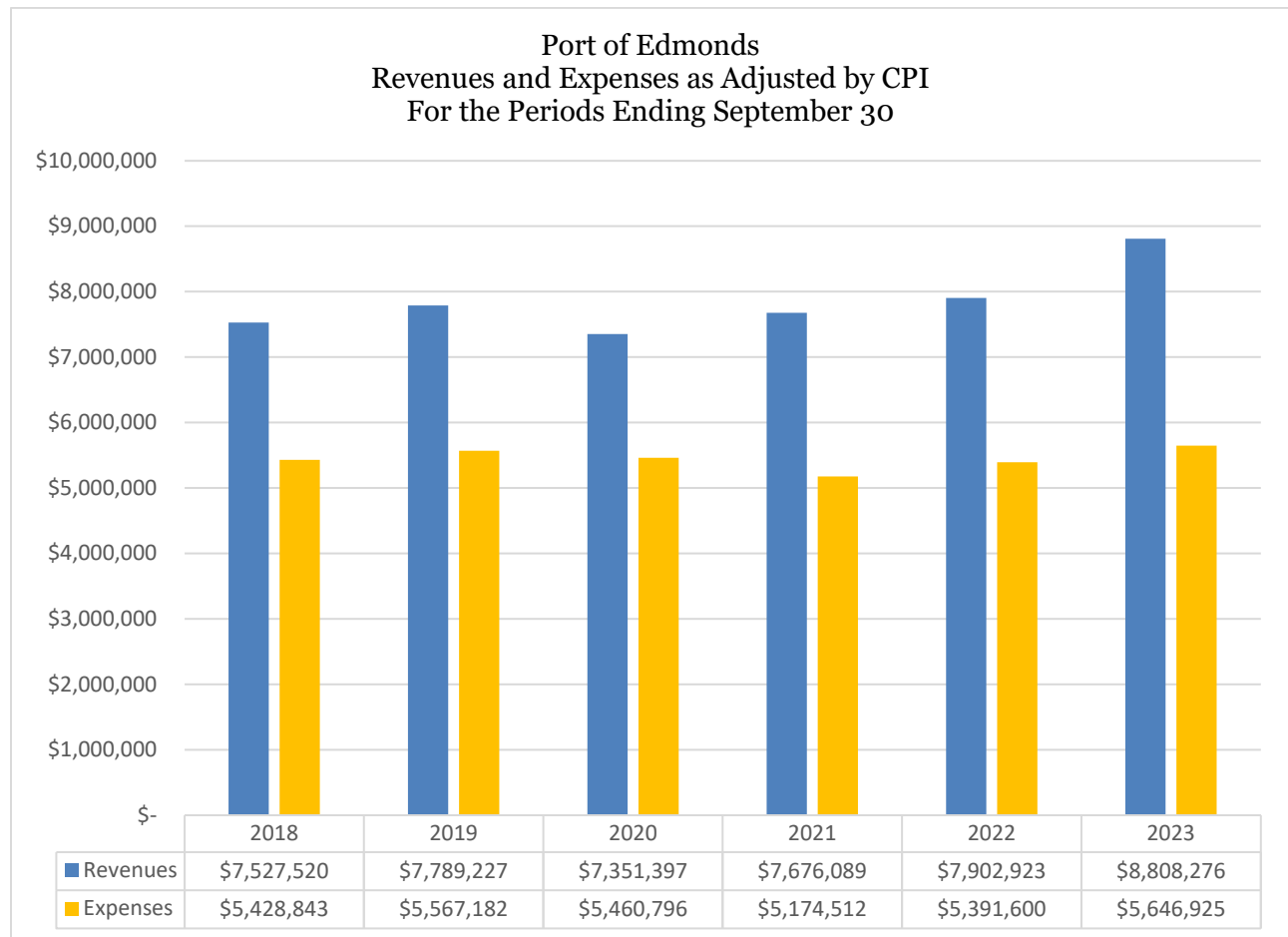


**Port’s General Revenue and Expenditure Trends**

Year to date total Port of Edmonds revenues including interest and property tax for the nine months ending September 30th were 14.8% higher than those of for the first nine months of 2022. Most of that positive variance represents higher than anticipated interest earnings due to bonds that were called and a one-time \$250 thousand grant. Without those one-time revenues, overall revenue for this period would be 6.22% greater than 2022.

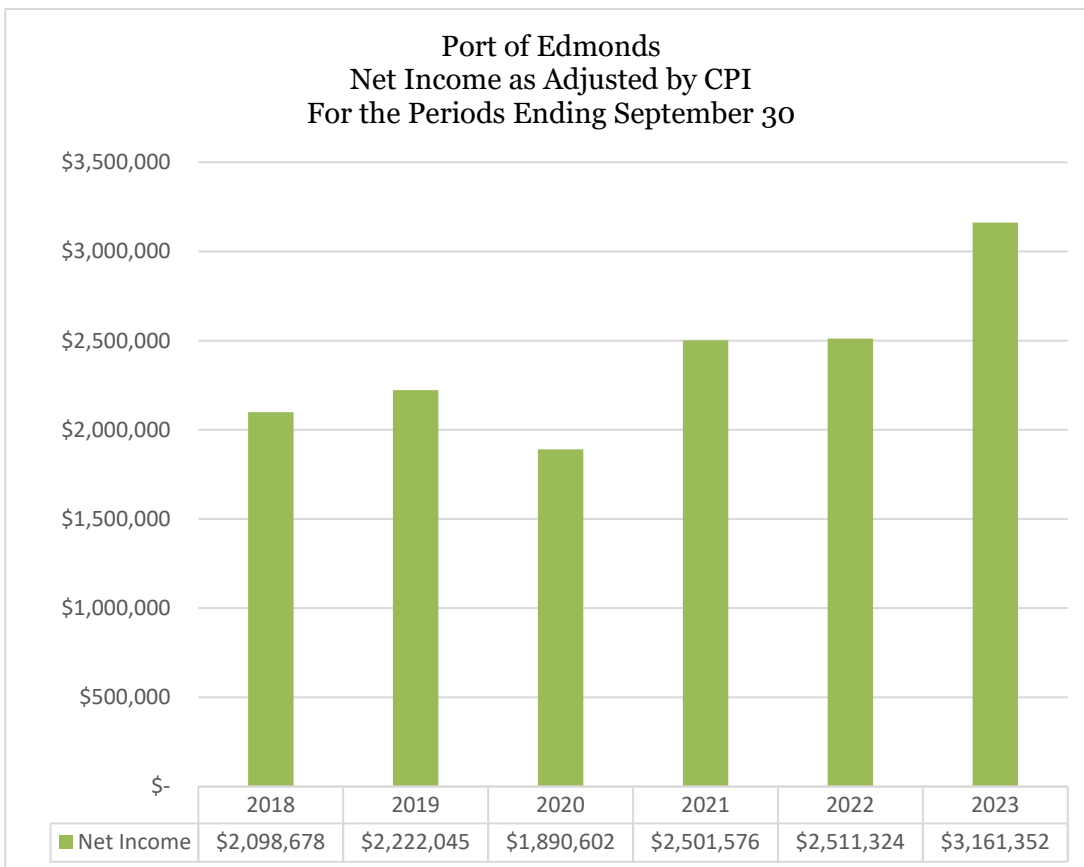
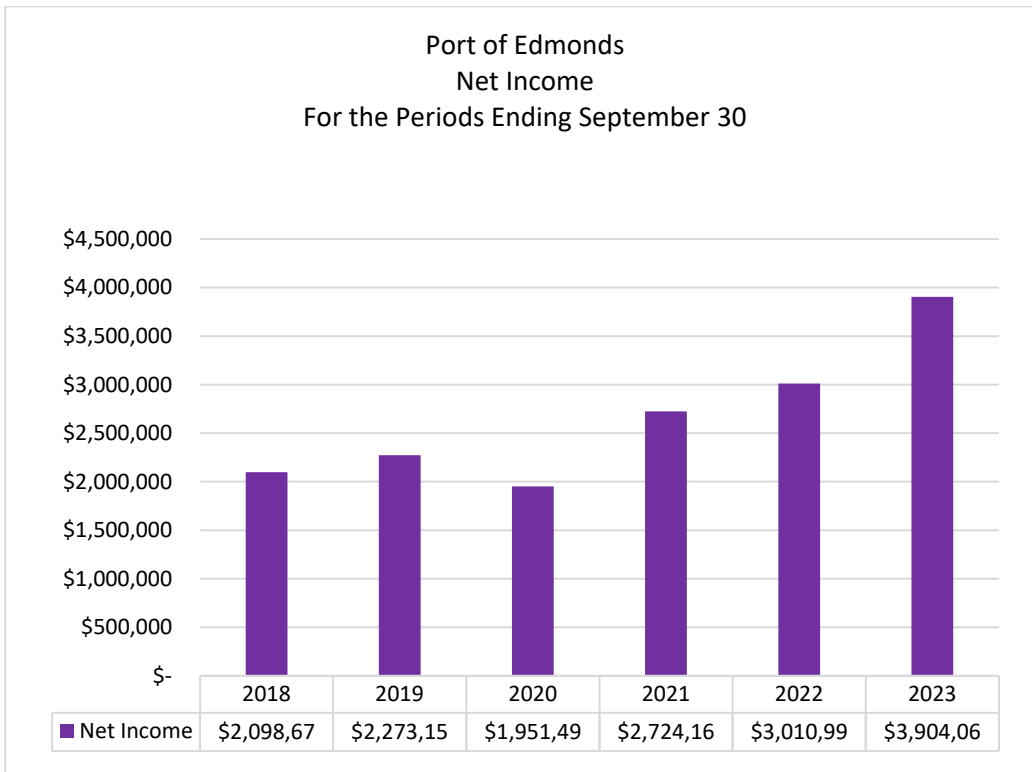
In spite of multiple inflationary trends, program-wide Port year to date expenditures are 7.14% below budget and 4.7% greater than those incurred in 2022.

The following graph showing revenues and expenses adjusted for CPI demonstrates the success of the financial expenditure controls that the Port has exercised over the past five years as well as the ongoing growth of income during that same period.

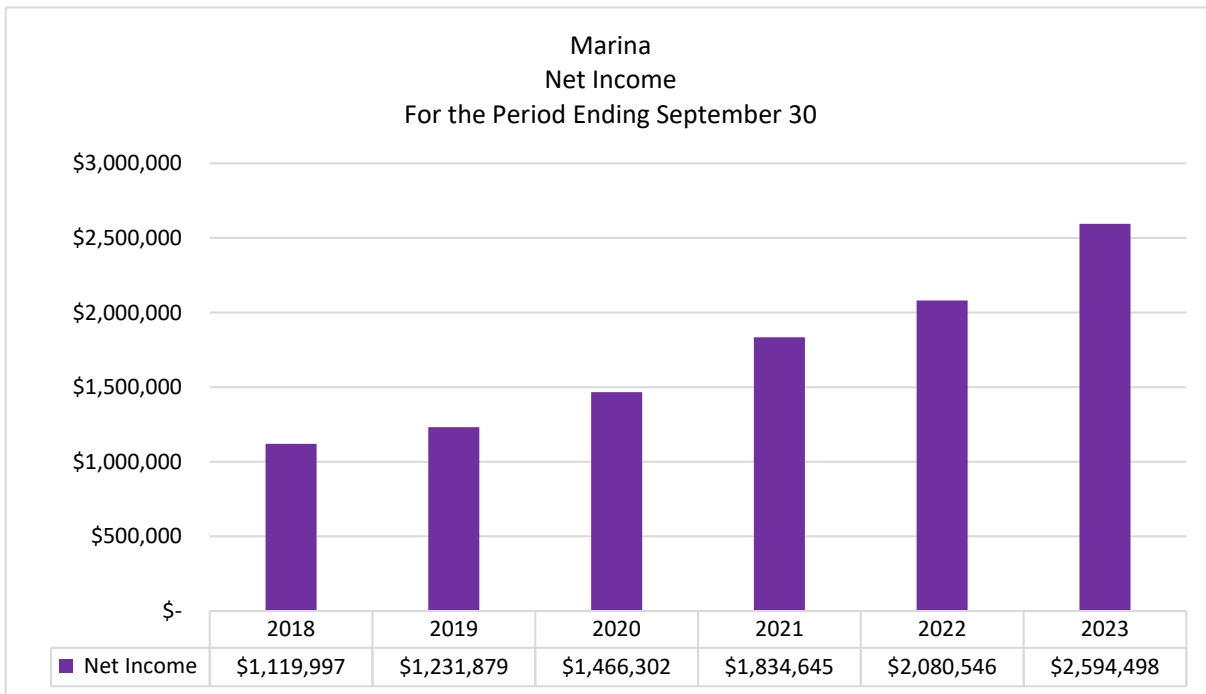
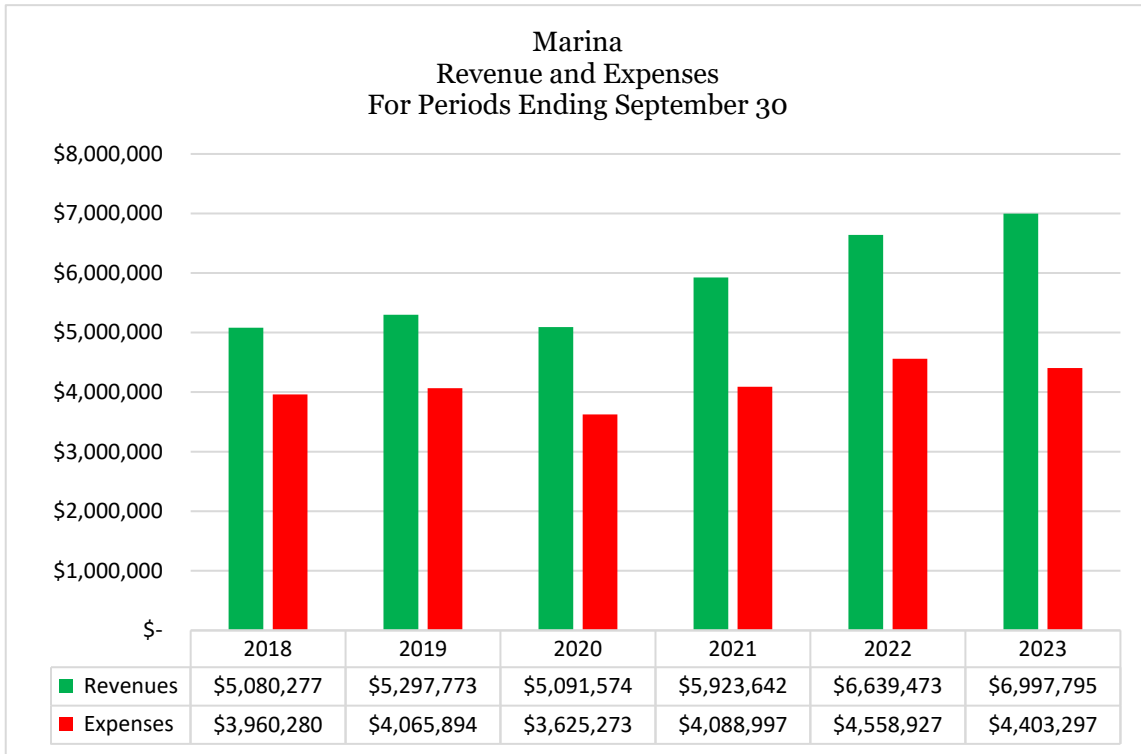


The Port’s strong fiscal management policies have resulted in a growth of net income over this period as shown by the graph on the following page.

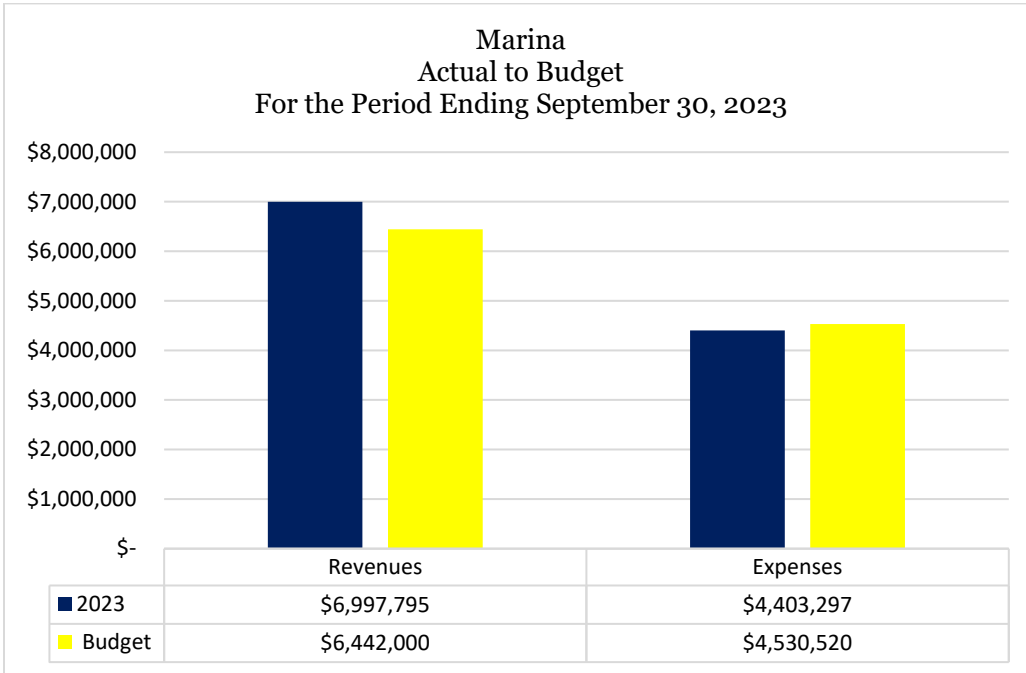
**Port of Edmonds Net Income**



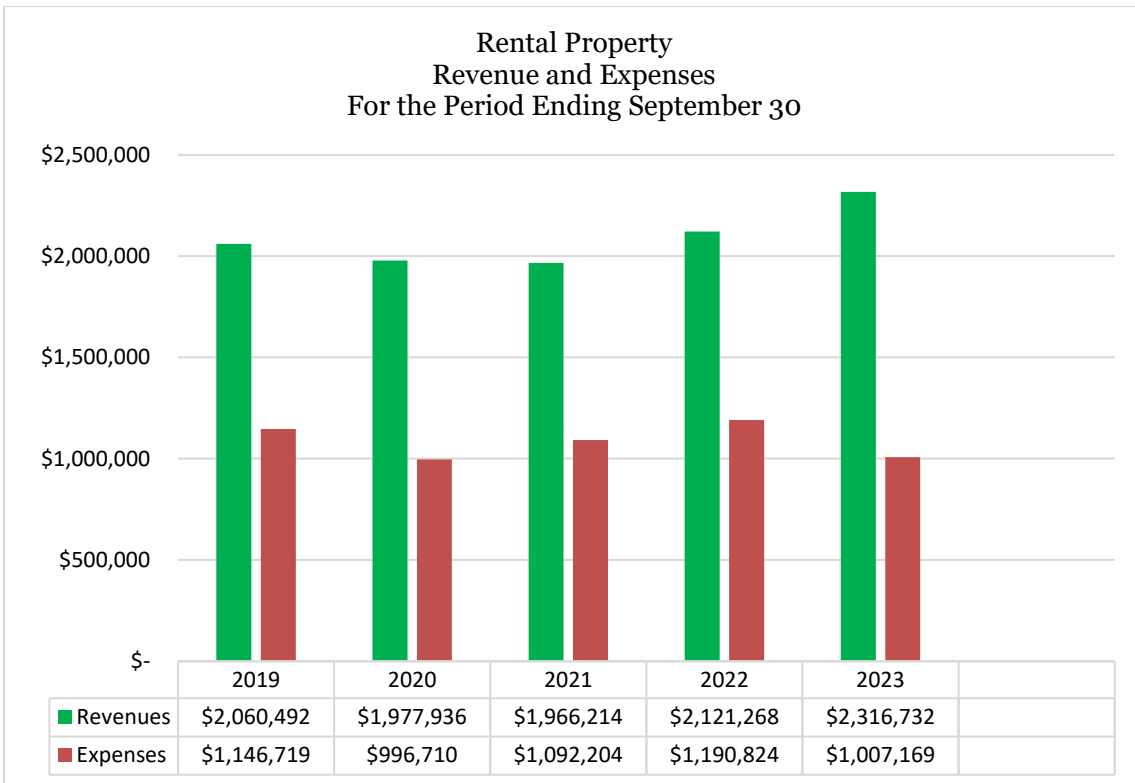
**Marina Financial Performance**



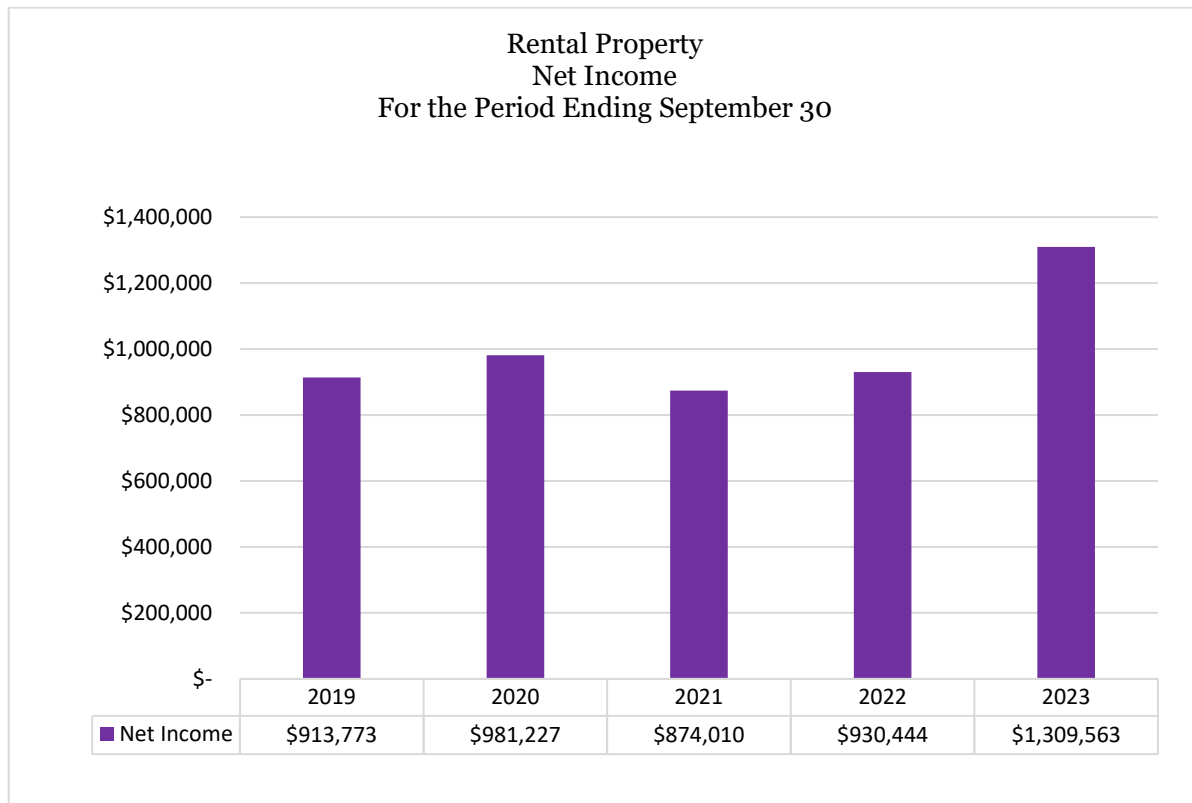
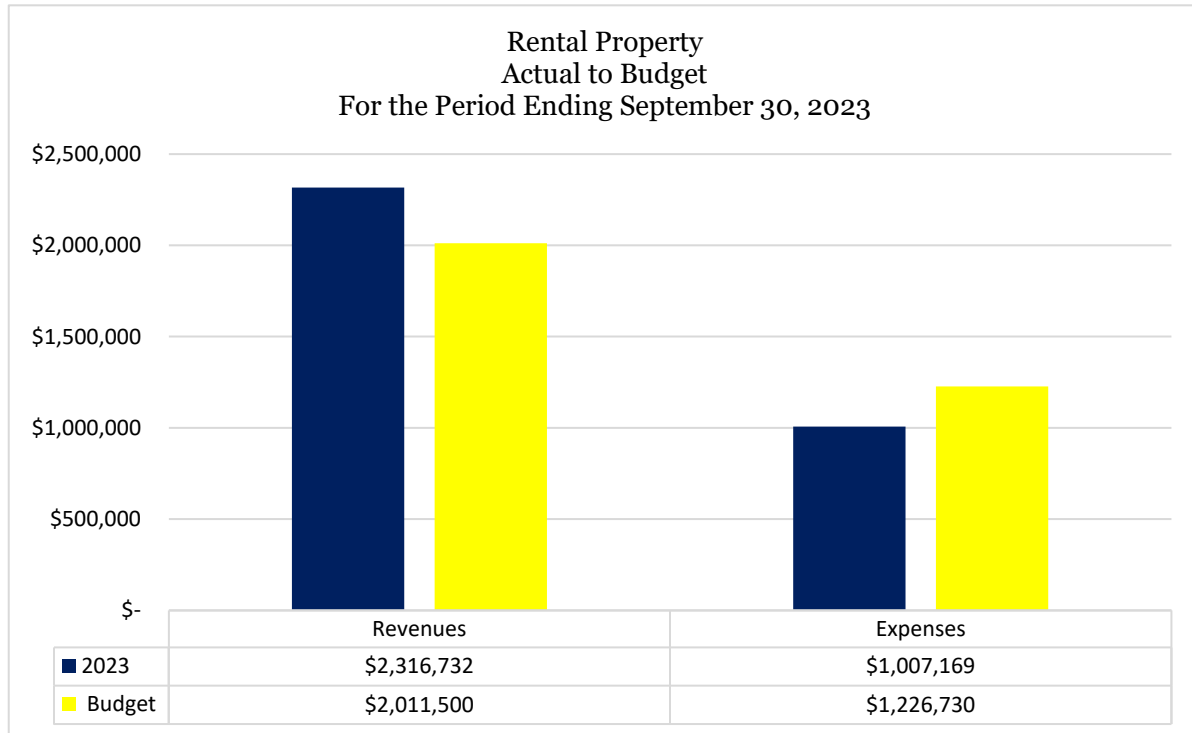
**Marina Budget to Actuals:**



**Rental Properties Revenue and Expenditures**



**Rental Properties Budget to Actuals**



**Investing Summary:**

- As of June 30, 2023, the Port had 18 long-term investments.
- The details of the Port's bond maturity and calls are attached.
- As bonds are being called or as they mature, the Port is continuing to invest using the laddering method authorized by the Port Commission.

**PORT OF EDMONDS STATEMENT OF REVENUES & EXPENSE  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**

		<b>YEAR TO DATE</b>		
<b>Combined Port of Edmonds</b>		<b>Actual</b>	<b>2023 Budget</b>	<b>Prior Year</b>
<b>Marina Operations Revenues</b>				
Electrical Fees		\$104,888	\$110,000	\$105,912
Environmental Fees		\$100,173	\$100,500	\$91,449
Env. Fee Workyard		\$28,661	\$24,750	\$28,578
Fuel Sales		\$1,720,763	\$1,313,000	\$1,750,041
Launcher		\$123,756	\$100,000	\$103,478
Miscellaneous		\$75,518	\$86,250	\$77,997
Guest Moorage		\$226,535	\$219,000	\$228,278
Permanent Moorage		\$3,496,283	\$3,429,750	\$3,161,262
Passenger fees		\$49,217	\$46,000	\$44,694
Dry Storage		\$715,953	\$715,000	\$689,288
Parking		\$136,537	\$99,250	\$121,362
Travelift		\$149,625	\$124,000	\$144,068
Workyard		\$102,056	\$109,000	\$131,956
Late Fees		\$26,706	\$25,500	\$23,953
	<b>Total Marina Revenue</b>	<b>\$7,056,671</b>	<b>\$6,502,000</b>	<b>\$6,702,316</b>
<b>Cost of Good Sold</b>				
Items for Resale		\$91,108	\$86,250	\$79,114
Electrical Purchases		\$49,406	\$52,000	\$51,222
Fuel & Oil		\$1,382,585	\$1,080,000	\$1,454,211
Loan-a-Slip Credits		\$23,026	\$19,000	\$17,652
	<b>Total Marina Cost of Goods Sold</b>	<b>\$1,546,125</b>	<b>\$1,237,250</b>	<b>\$1,602,199</b>
	<b>Marina Revenue net of Cost of Goods Sold</b>	<b>\$5,510,546</b>	<b>\$5,264,750</b>	<b>\$5,100,117</b>
<b>Rental Property Revenues</b>				
Harbor Square Lease Revenue		\$ 1,626,764	\$ 1,488,750	\$ 1,434,546
West Side Lease Revenue		\$276,456	\$238,500	\$237,582
Harbor Square Lease Interest		\$265,468	\$239,250	\$291,132
West Side Lease Interest		\$147,527	\$147,000	\$156,830
	<b>Total Rental Property Revenues</b>	<b>\$2,316,215</b>	<b>\$2,113,500</b>	<b>\$2,120,090</b>
	<b>Total Port Revenues Net of Cost of Goods Sold</b>	<b>\$7,826,761</b>	<b>\$7,378,250</b>	<b>\$7,220,207</b>



<b>PORT OF EDMONDS STATEMENT OF REVENUES &amp; EXPENSE FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023</b>					
			<b>YEAR TO DATE</b>		
<b>Combined Port of Edmonds</b>			<b>Actual</b>	<b>2023 Budget</b>	<b>Prior Year</b>
<b>Operating Expenditures:</b>					
	Advertising		\$6,109	5,250	3,678
	Advertising Marketing		0	3,000	2,295
	Auto and Equipment Fuel		19,974	24,750	24,985
	Bank Charges		6,914	6,000	4,900
	Business Taxes		16,011	24,750	25,034
	Claims & Damages		1,328	7,500	7,115
	Communications		5,667	11,000	9,348
	Economic Dev. & Tourism		12,059	12,750	12,157
	Education & Training		22,456	20,750	13,207
	Employee Benefits		616,134	615,750	540,421
	Hazardous Waste		9,200	11,250	9,328
	Insurance		263,485	286,500	226,297
	Licenses & Permits		2,857	2,250	2,221
	Unallocated Marins Svcs		8,329	0	0
	Marketing		0	11,250	631
	Meals		2,649	3,000	1,391
	Membership Dues		16,345	13,500	12,956
	Office		115,568	125,250	64,387
	Payroll Taxes		231,685	247,500	211,762
	Promotional Hosting		231	2,250	427
	Professional Fees		155,131	91,500	73,448
	Rent		10,310	12,000	12,540
	Repair & Maintenance		262,703	435,750	258,583
	Salaries & Wages		2,016,128	2,048,250	1,754,155
	Supplies		230,667	287,250	207,204
	Travel		17,023	18,750	15,234
	Uniforms		3,494	10,500	6,590
	Utilities		350,978	371,250	333,992
	<b>Total Operating Expense Before Depreciation</b>		<b>4,403,435</b>	<b>4,709,500</b>	<b>3,834,286</b>
	Depreciation		1,024,020	1,105,500	1,023,830
	<b>Total Operating Expenses</b>		<b>5,427,455</b>	<b>5,815,000</b>	<b>4,858,116</b>
	<b>Contributions from Operations</b>		<b>2,399,306</b>	<b>1,563,250</b>	<b>2,362,091</b>
<b>Other Expense (Income):</b>					
	Interest Expense (Income)		(776,506)	(194,250)	(201,419)
	Election Expense		0	15,000	0
	Change in Fair Value of Investments		(10,485)	0	12,910
	Operating Grants		(250,000)	0	0
	Property Taxes		(467,764)	(462,000)	(464,030)
	<b>Total Other Expense (Revenue)</b>		<b>(1,504,755)</b>	<b>(641,250)</b>	<b>(652,539)</b>
<b>Combined Incr. (Decr.) to Surplus</b>			<b>\$3,904,061</b>	<b>2,204,500</b>	<b>3,014,630</b>

**PORT OF EDMONDS STATEMENT OF REVENUES & EXPENSE  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**

<b>Marina Operations</b>		<b>YEAR TO DATE</b>		
Marina Revenue:		<b>Actual</b>	<b>2023 Budget</b>	<b>Prior Year</b>
	Electrical Fees	\$104,888	\$110,000	\$105,912
	Environmental Fees	\$100,173	\$100,500	\$91,449
	Environmental Fee - Workyard	\$28,661	\$24,750	\$28,578
	Fuel Sales	\$1,720,763	\$1,313,000	\$1,750,041
	Launcher	\$123,756	\$100,000	\$103,478
	Miscellaneous	\$75,518	\$86,250	\$77,997
	Guest Moorage	\$226,535	\$219,000	\$228,278
	Permanent Moorage	\$3,496,283	\$3,429,750	\$3,161,262
	Passenger Fees	\$49,217	\$46,000	\$44,694
	Dry Storage Revenue	\$715,953	\$715,000	\$689,288
	Parking	\$136,537	\$99,250	\$121,362
	Travelift	\$149,625	\$124,000	\$144,068
	Workyard	\$102,056	\$109,000	\$131,956
	Late Fees	\$26,706	\$25,500	\$23,953
	<b>Gross Revenue</b>	<b>\$7,056,671</b>	<b>\$6,502,000</b>	<b>\$6,702,316</b>
<b>Cost of Goods Sold:</b>				
	Items for Resale	\$91,108	\$86,250	\$79,114
	Electrical Purchases	\$49,406	\$52,000	\$51,222
	Fuel & Oil	\$1,382,585	\$1,080,000	\$1,454,211
	Loan-a-Slip Credits	\$23,026	\$19,000	\$17,652
	<b>Total Marina Cost of Goods Sold</b>	<b>\$1,546,125</b>	<b>\$1,237,250</b>	<b>\$1,602,199</b>
	<b>Marina Surplus before Operating Expenditures</b>	<b>\$5,510,546</b>	<b>\$5,264,750</b>	<b>\$5,100,117</b>

**PORT OF EDMONDS STATEMENT OF REVENUES & EXPENSE  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**

<b>Marina Operations</b>		<b>YEAR TO DATE</b>		
<b>Marina Operating Expenses :</b>		<b>Actual</b>	<b>2023 Budget</b>	<b>Prior Year</b>
Advertising		\$874	\$3,000	\$2,489
Auto And Equipment Fuel		\$9,148	\$12,750	\$14,049
Business Taxes		\$15,916	\$24,750	\$24,971
Claims & Damages		\$1,328	\$7,500	\$7,114
Education & Training		\$5,677	\$5,000	\$3,101
Employee Benefits		\$345,899	\$325,500	\$298,331
Hazardous Waste Disposal		\$9,199	\$11,250	\$9,328
Insurance		\$192,420	\$205,500	\$164,807
Licenses & Permits		\$2,756	\$2,250	\$2,142
Marina Operations Unallocated		\$8,329	\$-	\$-
Marketing		\$-	\$6,000	\$509
Office Expense		\$12,702	\$14,250	\$12,154
Payroll Taxes		\$153,244	\$165,000	\$144,383
Professional Fees		\$82,017	\$9,000	\$20,525
Rent		\$10,310	\$12,000	\$12,540
Repair And Maintenance		\$69,255	\$125,250	\$86,929
Salaries And Wages		\$1,300,430	\$1,281,000	\$1,112,512
Supplies		\$128,694	\$177,000	\$104,799
Utilities		\$135,361	\$148,500	\$137,098
	<b>Marina Operating Expenses Before Depr &amp; O/H</b>	<b>\$2,483,559</b>	<b>\$2,535,500</b>	<b>\$2,157,781</b>
	Depreciation	\$514,704	\$512,250	\$518,319
	<b>Total Marina Operating Expense</b>	<b>\$2,998,263</b>	<b>\$3,047,750</b>	<b>\$2,676,100</b>
	<b>Contributions to Surplus From Operations</b>	<b>\$2,512,283</b>	<b>\$2,217,000</b>	<b>\$2,424,017</b>
<b>Other Expense/(Income):</b>				
	Other Expense (Income), Net	\$(18,749)	\$(18,750)	\$(18,750)
	Overhead Allocation	\$(139,753)	\$545,820	\$279,551
	<b>Total Other Expense/(Income)</b>	<b>\$(158,502)</b>	<b>\$527,070</b>	<b>\$260,801</b>
	<b>POE Marina Increase to Surplus</b>	<b>\$2,670,785</b>	<b>\$1,689,930</b>	<b>\$2,163,216</b>

**PORT OF EDMONDS STATEMENT OF REVENUES & EXPENSE  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**

<b>Rental Properties</b>		<b>YEAR TO DATE</b>		
		<b>Actual</b>	<b>Budget</b>	<b>Prior Year</b>
<b>Rental Revenues:</b>				
	Harbor Square Rent	1,386,261	1,281,000	1,231,860
	Harbor Square Common Area Rent	236,314	204,000	200,020
	Miscellaneous - HS Rent	880	3,750	846
	Late Fees - Harbor Square Prop Rent	3,260	750	1,931
	Harb Sq Conference Room Rev Rentals	375	-	275
	West Side Lease Revenue Rent	276,457	238,500	237,582
	Hs Lease Interest Revenue Rentals	265,467	239,250	291,132
	Ws Lease Interest Revenue Rent	147,527	147,000	156,830
	<b>Total Rental Properties Revenue</b>	<b>2,316,541</b>	<b>2,114,250</b>	<b>2,120,476</b>
<b>Rental Operating Expenses:</b>				
	Harbor Square Cost Of Sales	326	750	386
	Advertising	53	750	316
	Auto & Equipment Fuel	116	750	185
	Business Taxes	95	-	64
	Employee Benefits	44,353	50,250	44,196
	Insurance	60,915	65,250	53,067
	Office	427	3,750	869
	Payroll Taxes	14,731	18,000	14,325
	Professional Fees	3,447	3,750	7,277
	Repair And Maintenance	171,154	263,250	156,357
	Salaries And Wages	165,201	197,250	161,860
	Supplies	26,921	27,750	22,869
	Utilities	134,672	138,000	126,885
	<b>Total Operating Expense before Depr. &amp; Othe Income</b>	<b>622,411</b>	<b>769,500</b>	<b>588,656</b>
	Depreciation Expense	456,752	471,750	456,560
	<b>Total Operating Expenses Rentals</b>	<b>1,079,163</b>	<b>1,241,250</b>	<b>1,045,216</b>
	<b>Income From Rental Operations</b>	<b>1,237,378</b>	<b>873,000</b>	<b>1,075,260</b>
<b>Other Expense/(Income):</b>				
	Other Expense	(191)	(750)	(792)
	Overhead Allocation	(71,994)	281,180	144,011
	<b>Total Other Expense/(Income)</b>	<b>(72,185)</b>	<b>280,430</b>	<b>143,219</b>
	<b>Rentals Contributions to Surplus</b>	<b>1,309,563</b>	<b>592,570</b>	<b>932,041</b>

**Port of Edmonds  
Investment Quarterly Summary Report  
As of September 30, 2023**

Long-Term Investments (1 year or more until maturity when purchase 9/30/2023)								
		Final		Callable/ Non-Callable	Par Value	Book Value	Amortized Value at 9/30/2023	Market Percent of Portfolio
<u>Security</u>	<u>Purchased</u>	<u>Maturity</u>	<u>Coupon</u>					
Federal Farm Credit Bank	11/7/2019	11/1/2023	1.60%	Non-Callable	\$ 500,000	\$ 486,161	\$ 499,924	1.96%
Federal Natl Mortgage Assn	1/30/2020	1/7/2025	1.63%	Non-Callable	\$ 500,000	\$ 472,576	\$ 479,100	1.91%
Federal Home Loan Mtg Corp	6/12/2020	5/27/2025	0.50%	Callable 11/27/20	\$ 1,000,000	\$ 905,922	\$ 926,877	3.66%
Farmer Mac	7/17/2020	7/14/2025	0.50%	Non-Callable	\$ 1,000,000	\$ 909,283	\$ 921,958	3.67%
Federal Farm Credit Bank	9/17/2020	6/17/2024	0.39%	Callable 12/27/20	\$ 1,000,000	\$ 938,067	\$ 967,776	3.78%
Federal Home Loan Mtg Corp	10/23/2020	9/23/2025	0.38%	Non-Callable	\$ 1,000,000	\$ 901,872	\$ 914,869	3.64%
Federal Farm Credit Bank	12/4/2020	10/21/2025	0.52%	Callable 10/21/21	\$ 1,000,000	\$ 896,266	\$ 912,238	3.62%
Federal Farm Credit Bank	12/9/2020	12/9/2024	0.44%	Callable 12/9/21	\$ 1,000,000	\$ 921,529	\$ 945,385	3.72%
Federal Home Loan Mtg Corp	6/14/2023	3/28/2025	0.48%	Non-Callable	\$ 1,000,000	\$ 1,000,000	\$ 881,148	4.03%
Federal Home Loan Bank	2/21/2019	2/13/2024	2.50%	Non-Callable	\$ 500,000	\$ 487,948	\$ 495,669	1.97%
Federal Farm Credit Bank	10/2/2019	9/17/2024	1.60%	Non-Callable	\$ 500,000	\$ 476,420	\$ 483,328	1.92%
Federal Farm Credit Bank	12/11/2019	3/11/2024	1.55%	Non-Callable	\$ 500,000	\$ 482,542	\$ 492,915	1.95%
US Treasury Notes	3/18/2022	2/28/2026	0.50%	Non-Callable	\$ 1,000,000	\$ 903,950	\$ 902,617	3.65%
US Treasury Notes	7/8/2022	5/15/2026	1.63%	Non-Callable	\$ 1,000,000	\$ 931,413	\$ 921,406	3.76%
Federal Farm Credit Bank	9/6/2022	8/3/2026	3.00%	Non-Callable	\$ 1,000,000	\$ 961,299	\$ 946,776	3.88%
Federal Home Ln Mtg Corp	12/9/2022	10/27/2026	0.80%	Callable 1/27/23	\$ 1,000,000	\$ 937,265	\$ 932,381	3.78%
Federal Home Loan Banks	1/17/2023	4/21/2027	3.20%	Callable 4/21/23	\$ 1,000,000	\$ 1,000,000	\$ 933,097	4.03%
Federal Farm Credit Bank	4/10/2023	8/19/2027	0.9%	Non-Callable	\$ 1,000,000	\$ 1,000,000	\$ 851,247	4.03%
<b>Total</b>					<b>\$ 15,500,000</b>	<b>\$ 14,612,512</b>	<b>\$ 14,408,711</b>	<b>54.92%</b>

**Port of Edmonds**  
**Investing Transactions Report**  
**July 1, 2023 to September 30, 2023**

<b>Short-Term Investments (less than 1 year to maturity when purchased)</b>					
<u>Entity</u>	<u>Type</u>	<u>Interest Rate</u>	<u>Amount</u>		
Port of Edmonds	Cash and change funds	0.00%	\$ 1,000		0.00%
Washington Federal	Business checking account	2.94%	\$ 2,672,264		10.78%
Washington Federal	Revolving checking account	0.00%	\$ 3,000		0.01%
Snohomish County	Tax collections	0.00%	\$ 271,361		1.09%
Washington LGIP	Short-term investments	5.39%	\$ 7,224,646		29.15%
			<u>\$ 10,172,271</u>		
<b>Total Cash and Investments</b>			<u><b>\$ 24,784,783</b></u>		<b>100%</b>

<u>Matured or Called</u>	<u>Called or</u>	<u></u>	<u>Final</u>	<u></u>	<u>Callable/</u>	<u>Par</u>
<u>Security</u>	<u>Matured</u>	<u>Purchased</u>	<u>Maturity</u>	<u>Coupon</u>	<u>Non-Callable</u>	<u>Value</u>
Federal Home Loan Bank	Matured	8/27/2019	8/14/2023	1.60%	Non-Callab	\$ 500,000
						<u>\$ 500,000</u>