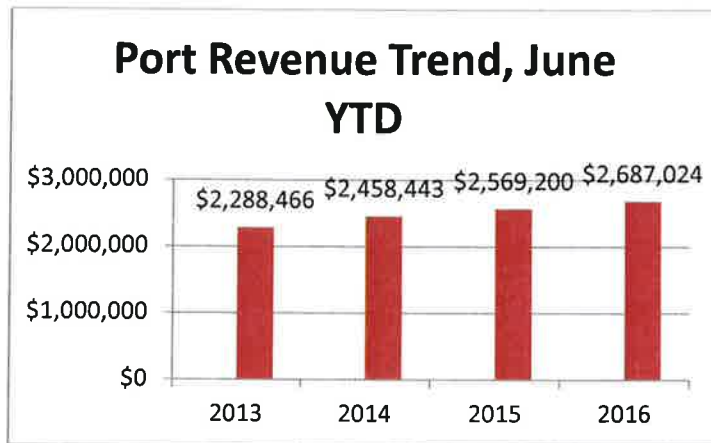


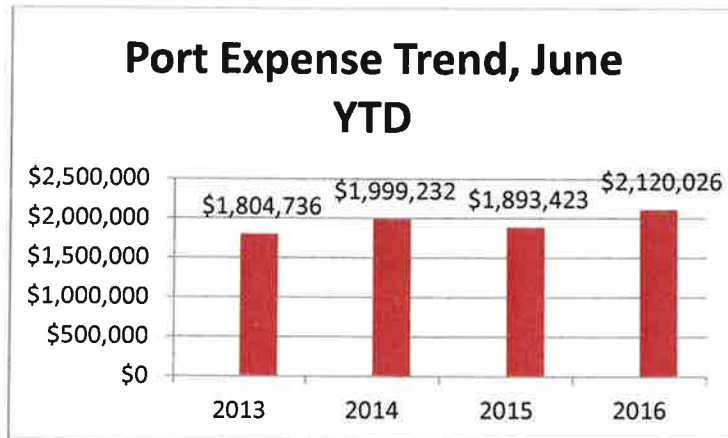
MEMORANDUM

Date: August 24, 2016
To: Commission & Directors
From: Abigail Berg
Subject: Port financial highlights, YTD June 2016

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YTD Operating Revenues are up \$117,824 (or 4.6%) compared to 2015, and are 49.60% of budget, or less by 0.4% (\$21,799) which is nominal and will likely improve with season (July and August).



YTD 2016 Operating expenses are \$226,164 more than 2015, though 50% through the year, expenses are 47.42% of budget (without depreciation).

We have a net loss from operations of \$(198,451) after depreciation, however the overall net income is \$639,445 after non-operating revenues and expenses are included. This is just \$69,655 more than 2015 and we ended 2015 with an overall increase of \$369,655.

During the first half of 2016, the Port expended \$239,967 in WIP costs, which do not show on the Statement of Revenue and Expense, and reduce the amount of the overall income to \$399,478.

At this point, we are midway through the year and there have only been Bond interest payments due and paid, which are reflected in the non-operating results year to date. July through December the Port will pay \$625,000 in Bond principal payments, in addition to another \$198,290 in Bond interest payments. The Bond principal payments will not be reflected in the year to date non-operating results but will result in a reduction in cash.

Cash and investment balances at June 30, 2016 were \$2,941,554, of which \$917,850 were reserves and \$447,994 in debt service for July 1.

Port of Port Townsend
Consolidated Statement of Revenue & Expense
For the Period Ended June 30, 2016

	Actual thru June 30, 2015	Actual thru June 30, 2016	Year to year variance	Annual Budget	% Budget Received or Spent 50% thru year	Budget Remaining	Remarks
Revenues							
PTBH - Permanent Moorage	482,694	497,309	14,615	1,032,000	48.19%	534,691	
PTBH - Liveaboard Fee	7,410	9,170	1,760	18,000	50.94%	8,830	
Work Float/Lift Pier Usage	825	9,176	8,351	18,000	50.98%	8,825	
PTBH - Monthly Guest	83,803	92,025	8,222	159,500	57.70%	67,475	
PTBH - Nightly Guest	80,530	110,006	29,476	231,600	47.50%	121,594	
PTBH - Electric	45,198	48,449	3,250	80,000	60.56%	31,551	
PTBH - Miscellaneous Revenue	4,808	15,451	10,643	10,000	154.51%	(5,451)	
PTBH - Showers	9,698	9,340	(359)	20,000	46.70%	10,660	
PTBH - Laundry	1,939	2,382	443	6,000	39.71%	3,618	
Total Moorage Revenue	716,906	793,307	76,402	1,575,100	50.37%	781,793	
Yard - Liveaboard Fee	105	280	175	500	56.00%	220	
Yard - Miscellaneous Revenue	2,896	1,862	(1,034)	15,000	12.41%	13,138	
Yard - Environmental Clean-up	13,264	1,863	(11,401)	0	#DIV/0!	(1,863)	
Yard - 70/75 Ton Hoist Revenue	148,986	150,724	1,737	270,639	55.69%	119,915	
Yard - 300 Ton Hoist Revenue	73,664	91,816	18,152	186,735	49.17%	94,919	
Yard - Washdown Revenue	38,695	40,546	1,851	75,000	54.06%	34,454	
Yard - Bilge Water Revenue	5,889	2,285	(3,604)	12,000	19.04%	9,715	
Yard - Work Yard Revenue	300,074	247,119	(52,955)	600,000	41.19%	352,881	
Yard - Ship Yard Revenue	186,602	212,939	26,337	360,080	59.14%	147,141	
Yard - L/T Storage	31,847	31,483	(364)	70,322	44.77%	38,839	
Yard - Electric	10,469	13,616	3,148	25,000	54.47%	11,384	
Yard - Blocking Rent	7,287	10,662	3,375	16,000	66.64%	5,338	
Yard - Tarp Pool Fee	265	0	(265)	0	#DIV/0!	0	
Marine Trades 3% Revenue	56,346	55,872	(474)	81,800	68.30%	25,928	
Total Work Yard Revenue	876,389	861,068	(15,321)	1,713,076	50.26%	852,008	
PTBH Prop - Lease Revenue	246,045	251,891	5,846	509,600	49.43%	257,709	
PTBH Prop - Storage Unit Revenue	2,559	2,465	(94)	5,000	49.30%	2,535	
PTBH Prop - Fuel Dock Lease	9,670	9,117	(553)	20,400	44.69%	11,283	
PTBH Prop - Utilities	10,747	10,413	(334)	22,200	46.91%	11,787	
Total PTBH Property Revenue	269,021	273,887	4,866	557,200	49.15%	283,313	

Port of Port Townsend
 Consolidated Statement of Revenue & Expense
 For the Period Ended June 30, 2016

	Actual thru June 30, 2015	Actual thru June 30, 2016	Year to year variance	Annual Budget	% Budget Received or Spent 50% thru year	Budget Remaining	Remarks
Quilcene - Permanent Moorage	13,084	12,936	(149)	33,150	39.02%	20,214	
Quilcene - Nightly Moorage	2,366	2,100	(266)	2,600	80.77%	500	
Quilcene - Nightly R.V.	90	114	24	1,200	9.49%	1,086	
Quilcene - Electric	619	557	(62)	2,000	27.86%	1,443	
Quilcene - Showers	950	724	(226)	2,500	28.95%	1,776	
Quilcene - Fuel Sales	8,502	5,535	(2,966)	28,000	19.77%	22,465	
Quilcene - Lease Revenue	28,446	28,972	526	59,160	48.97%	30,188	
Quilcene - Rental Property Revenue	3,000	3,000	0	6,000	50.00%	3,000	
Quilcene - Water	3,160	3,533	373	7,000	50.47%	3,467	
Quilcene - Miscellaneous Revenue	0	0	0	200	0.00%	200	
Total Quilcene Revenue	60,217	57,471	(2,746)	141,810	40.53%	84,339	
Ramp Fees	21,623	24,987	3,364	53,899	46.36%	28,912	
Dinghy Float Revenue	825	745	(80)	1,350	55.19%	605	
Total Ramp Revenue	22,448	25,732	3,284	55,249	46.57%	29,517	
Pt Hudson - Building Lease Revenue	187,190	187,720	531	400,000	46.93%	212,280	
Pt Hudson - Property Utilities	0	5,724	5,724	0	#DIV/0!	(5,724) change in acctg	
Pt Hudson - Permanent Moorage	60,347	61,058	710	124,277	49.13%	63,219	
Pt Hudson - Liveaboard Fee	2,240	1,750	(490)	4,300	40.70%	2,550	
Pt Hudson - Monthly Guest	47,213	51,945	4,732	70,000	74.21%	18,055	
Pt Hudson - Nightly Guest	74,773	84,172	9,399	235,350	35.76%	151,178	
Pt Hudson - Wharf Usage	2,486	3,197	711	10,000	31.97%	6,804	
Pt Hudson - Monthly R.V.	17,063	19,125	2,063	27,100	70.57%	7,975	
Pt Hudson - Nightly R.V.	122,203	134,156	11,953	290,126	46.24%	155,970	
Pt Hudson - Kayak Racks	4,170	5,059	889	6,000	84.32%	941	
Pt Hudson - Reservation Fee	16,282	15,302	(980)	26,000	58.85%	10,698	
Pt Hudson - Showers	3,543	4,246	703	8,000	53.08%	3,754	
Pt Hudson - Laundry	3,338	4,162	824	7,500	55.49%	3,338	
Pt Hudson - Passenger Fee	0	545	545	4,000	13.61%	3,456	
Pt Hudson - Electric	11,860	12,594	734	22,000	57.25%	9,406	

Port of Port Townsend
 Consolidated Statement of Revenue & Expense
 For the Period Ended June 30, 2016

	Actual thru June 30, 2015	Actual thru June 30, 2016	Year to year variance	Annual Budget	% Budget Received or Spent thru year #DIV/0!	Budget Remaining	Remarks
Pt Hudson - Other Utilities	0	11,763	11,763	0		(11,763)	change in acctg
Pt Hudson - Miscellaneous Revenue	2,355	2,343	(12)	2,500	93.72%	157	
Pt Hudson - Event Facility Revenue	3,485	3,630	145	5,000	72.60%	1,370	
Total Pt Hudson	558,548	608,489	49,941	1,242,153	48.99%	633,664	
JCIA - Miscellaneous Revenue	0	517	517	100	516.63%	(417)	
JCIA - Lease Revenue	51,850	52,642	792	105,264	50.01%	52,622	
JCIA - Hangar Revenue	11,022	11,919	896	22,404	53.20%	10,485	
JCIA - Vehicle Parking Revenue	180	360	180	750	48.00%	390	
JCIA - Aircraft Parking	233	355	122	1,000	35.50%	645	
JCIA - Fuel Lease Revenue	1,439	1,279	(160)	3,500	36.54%	2,221	
Total JCIA Revenue	64,724	67,071	2,347	133,018	50.42%	65,947	
Total Operating Revenue	2,568,252	2,687,024	118,772	5,417,606	49.60%	2,730,582	
Operating Expenses							
Salaries & Wages	818,890	898,082	79,192	1,877,504	47.83%	979,422	cash outs not reflected
Payroll Taxes	85,340	100,453	15,113	221,100	45.43%	120,647	
Employee Benefits	277,136	307,862	30,726	670,101	45.94%	362,239	
Uniform Expense	2,543	2,733	189	9,908	27.58%	7,175	
Contract Services	112,540	128,635	16,095	201,310	63.90%	72,675	
Legal & Auditing	14,847	53,668	38,821	81,600	65.77%	27,932	
Operating Supplies	82,664	69,350	(13,314)	154,854	44.78%	85,504	
Cost of Fuel Sold - Quilcene	7,986	4,725	(3,261)	20,000	23.62%	15,275	
Moorage Credit System - PTBH	22,630	27,255	4,625	40,000	68.14%	12,745	expected to vary
Travel	11,096	7,241	(3,855)	17,100	42.35%	9,859	
Training	4,315	4,531	216	8,000	56.64%	3,469	
Insurance	93,856	97,857	4,001	189,175	51.73%	91,318	
Claims & Damages	0	1,502	1,502	7,000	21.46%	5,498	
Advertising	14,389	21,328	6,940	48,050	44.39%	26,722	payment timing
Promotion	3,960	2,167	(1,793)	5,000	43.34%	2,833	
Membership & Dues	11,190	10,692	(498)	14,670	72.88%	3,978	WPPA dues pd in Jan.
Community Relations	792	0	(792)	4,000	0.00%	4,000	

Port of Port Townsend
Consolidated Statement of Revenue & Expense
For the Period Ended June 30, 2016

	Actual thru June 30, 2015	Actual thru June 30, 2016	Year to year variance	Annual Budget	% Budget Received or Spent 50% thru year	Budget Remaining	Remarks
Bank Charges	24,596	27,426	2,830	53,320	51.44%	25,894	
Utilities	192,168	241,194	49,027	531,180	45.41%	289,986	
Excise Tax	9,621	10,335	713	23,125	44.69%	12,791	
Bad Debt	(572)	0	572	19,200	0.00%	19,200	
Miscellaneous Expense	0	800	800	4,200	19.05%	3,400	
Repair & Maintenance	78,874	89,690	10,816	245,520	36.53%	155,830	see Expenses graph notes
Economic Development	25,000	12,500	(12,500)	25,000	50.00%	12,500	payment timing
Operating Expenses w/o Depr	1,893,862	2,120,026	226,164	4,470,917	47.42%	2,350,891	
Income from Operations w/o Depr	674,391	566,999	(107,392)	946,689	59.89%	379,690	
Depreciation Expense	(756,756)	(765,449)	(8,693)	(1,548,147)	-49.44%	(782,698)	
Income (Loss) from Oper w/Depr	(82,365)	(198,451)	(116,085)	(601,458)	32.99%	1,162,388	
Non-Operating Revenue							
Grant - FAA	18,364	0	(18,364)	0	#DIV/0!	0	
Grant - Jefferson County	0	5,277	5,277	0	#DIV/0!	(5,277)	
Grants - WA State	0	83,111	83,111	223,740	37.15%	140,629	RCO Boat Ramp grant
ARRA Bond Interest Subsidy Pmt	0	16,283	16,283	0	#DIV/0!	(16,283)	
Investment Interest	2,155	3,063	908	4,200	72.93%	1,137	
Operating Tax Levy	461,971	471,718	9,748	948,000	49.76%	476,282	
State Forest Revenues	34,624	25,172	(9,452)	25,000	100.69%	(172)	expected to vary
State Timber Excise Tax	42,016	20,299	(21,717)	39,000	52.05%	18,701	expected to vary
Leasehold Excise Tax	3,892	3,659	(233)	7,000	52.27%	3,341	
Insurance Recovery	0	0	0	0	#DIV/0!	0	
Finance Charges	6,842	10,623	3,781	14,000	75.88%	3,377	expected to vary
Gain (Loss) on Asset Disposition	0	200	200	0	#DIV/0!	(200)	
Other Non-Operating Revenues	1	76	75	0			
Cash Over/(Short)	(75)	(37)	37	0	#DIV/0!	37	
Total Non-Operating Revenue	569,790	639,445	69,655	1,260,940	50.71%	621,571	

Port of Port Townsend
 Consolidated Statement of Revenue & Expense
 For the Period Ended June 30, 2016

	Actual thru June 30, 2015	Actual thru June 30, 2016	Year to year variance	Annual Budget	% Budget Received or Spent 50% thru year	Budget Remaining	Remarks
Non-Operating Expenses							
Interest Exp - Local Fund	0	0	0	0	#DIV/0!	0	
Interest Exp - CERB Loan	4,813	2,749	(2,064)	5,500	49.98%	2,751	
Interest Exp - 2005 Rev Ref Bond	23,964	0	(23,964)	0	#DIV/0!	0	
Interest Exp - 2005 LTGO Bond	90,637	0	(90,637)	0	#DIV/0!	0	
Interest Exp - 2006 LTGO Ref Bond	16,385	10,456	(5,930)	17,532	59.64%	7,076	
Interest Exp - 2010 LTGO Bond	111,660	109,080	(2,580)	226,836	48.09%	117,756	
Interest Exp - 2013 Revenue Bond	10,357	8,877	(1,480)	17,754	50.00%	8,877	
Interest Exp - 2015 LTGO Ref Bond	0	55,593	55,593	130,651	42.55%	75,058	
Bond Management Fees	260	0	(260)	1,200	0.00%	1,200	
Bond Issue Costs	67,338	0	(67,338)	0	#DIV/0!	0	
Investment Fees	49	130	81	1,000	13.00%	870	
Election Expense	0	0	0	0	#DIV/0!	0	
Other Non-Operating expense	0	5,026	5,026	0	#DIV/0!	(5,026)	Tetra Tech - Quilcene WW
Total Non-Operating Expenses	325,463	191,911	(138,578)	400,473	47.92%	213,588	
Net Non-Operating Income(Expense)	244,327	447,534	208,233	860,467	52.01%	407,983	
Net Income(Loss)	161,961	249,083	92,148	259,009	96.17%	1,570,371	