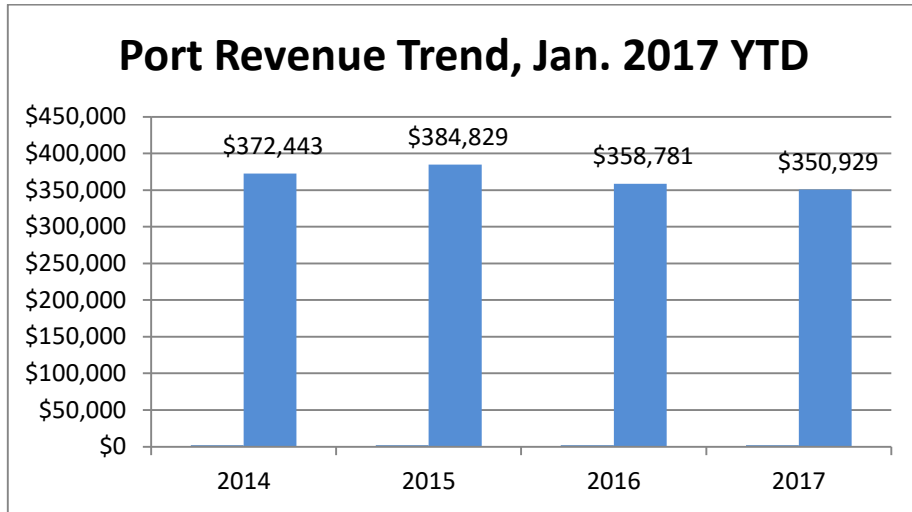


**MEMORANDUM**

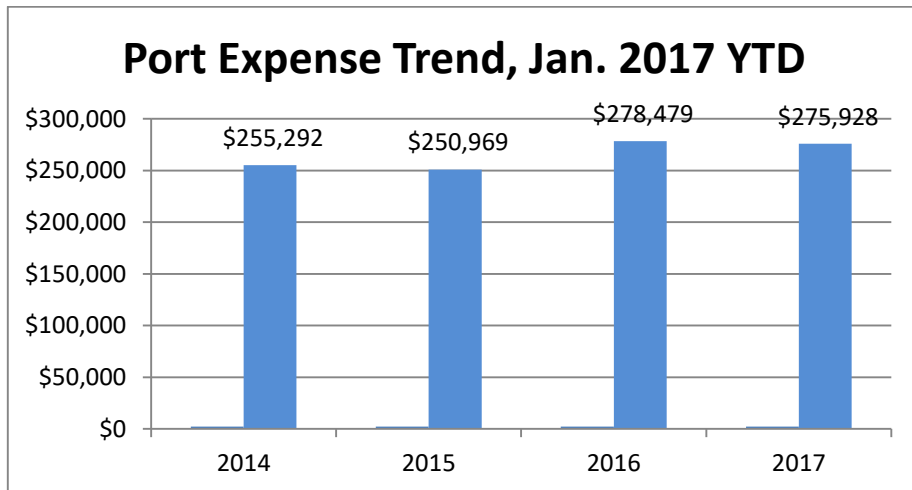
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**Date:** March 8, 2017  
**To:** Commissioners, Directors, and Managers  
**From:** Abigail Berg  
**Subject:** Port of Port Townsend financial highlights, January 2017

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January Operating Revenues are \$7,853 less than January the previous year, and is short of budgeted amounts by 2.5%. Marinas and RV Parks, Yard operations and Ramps are all below budget and less than January the previous year. Property Leases & Use, Fuel Sales & Leases and Utilities are all more than the previous year and Utilities is the only revenue ahead of budget at 9.6%.



Overall, January Operating Expenses are at 5.6%, when we're at 8.3% of budget. When compared to the previous year, total Operating Expense are also less by \$2,460. Only the cost of fuel is ahead of budget at 10.9%. As planned and budgeted, Personnel and Outside Services are more than the previous year, though below budget at 7.4% and 1.8%, respectively.

Before depreciation, Net Operating Income is \$75,000 and after depreciation, there's a loss of \$56,221. However, overall Net Income is \$14,621 after Non-Operating Revenues and Expenses are included. This is slightly less than the previous year by \$2,176.

In January, the Port expended \$129,730 in WIP (capital project "Work in Progress") which was primarily for the Commercial Basin Breakwater Repair. This project was completed and will be capitalized in February and reduce the Boat Haven Reserves by that total.

Bond Interest was paid January 1, in the amount of \$64,351. This reduced cash in 2017, however, this interest expense is applicable to 2016 financial statements.

Cash and investment balances at January 31, 2016 were \$2,653,828, of which \$987,850 are reserves leaving a \$1,665,978 in unreserved cash and investment balances.

**Port of Port Townsend**  
**Summary of Operating & Non-Operating Revenues & Expenses**  
**2017 Activity with Comparison to Prior Year and Budget**

	Actual thru Jan. 31, 2016	Actual thru Jan. 31, 2017	Variance year to year	2017 Budget	% Actual to Budget at 8.3% of year
<b>REVENUES</b>					
Marinas and RV Parks	157,265	152,782	(4,483)	2,660,000	5.7%
Yard Operations	90,417	78,933	(11,483)	1,802,201	4.4%
Property Leases & Use	89,711	91,556	1,845	1,215,000	7.5%
Fuel Sales & Leases	1,724	2,857	1,132	50,000	5.7%
Ramp Use	4,015	2,955	(1,060)	55,000	5.4%
Utilities	15,649	21,846	6,197	228,599	9.6%
<b>Total Operating Revenues</b>	<b>358,781</b>	<b>350,929</b>	<b>(7,853)</b>	<b>6,010,800</b>	<b>5.8%</b>
<b>OPERATING EXPENSES</b>					
Personnel	212,403	223,653	11,250	3,006,270	7.4%
Outside Services	3,602	8,172	4,570	443,310	1.8%
Facilities & Operations	43,066	36,397	(6,670)	805,809	4.5%
Marketing	11,863	2,237	(9,627)	54,450	4.1%
Economic Development	-	-	-	40,000	0.0%
Travel & Training	55	20	(35)	30,000	0.1%
Cost of Goods - Fuel	404	1,310	906	12,000	10.9%
Community Relations	-	35	35	4,000	0.9%
<b>Total Operating Expenses</b>	<b>278,388</b>	<b>275,928</b>	<b>(2,460)</b>	<b>4,950,019</b>	<b>5.6%</b>
<b>Income from Operations w/o Depr</b>	<b>80,393</b>	<b>75,000</b>	<b>(5,393)</b>	<b>1,060,781</b>	<b>7.1%</b>
<b>Depreciation Expense</b>	<b>126,026</b>	<b>131,221</b>	<b>5,196</b>	<b>1,519,032</b>	<b>8.6%</b>
<b>Income (Loss) from Operations w/Depr</b>	<b>(45,633)</b>	<b>(56,221)</b>	<b>(10,588)</b>	<b>(458,251)</b>	<b>12.3%</b>
<b>Non-Operating Revenue</b>					
Capital Contributions/Grants	-	-	-	168,750	0.0%
Interest	432	17,640	17,208	38,000	46.4%
Property & other taxes	90,573	80,402	(10,171)	1,020,000	7.9%
Miscellaneous Non-Operating Revenue	2,392	2,571	179	16,200	15.9%
<b>Total Non-Operating Revenues</b>	<b>93,398</b>	<b>100,614</b>	<b>7,216</b>	<b>1,242,950</b>	<b>8.1%</b>
<b>Non-Operating Expenses</b>					
Bond Interest	30,954	29,722	(1,232)	369,339	8.0%
Bond Mgmt, Issuance, Investment	14	50	36	154,940	0.0%
Election Expense	-	-	-	17,340	0.0%
<b>Total Non-Operating Expenses</b>	<b>30,969</b>	<b>29,772</b>	<b>(1,197)</b>	<b>541,619</b>	<b>5.5%</b>
<b>Net Non-Operating Income(Expense)</b>	<b>62,429</b>	<b>70,842</b>	<b>8,413</b>	<b>701,332</b>	<b>10.1%</b>
<b>Net Income (Loss)</b>	<b>16,796</b>	<b>14,621</b>	<b>(2,176)</b>	<b>243,080</b>	<b>6.0%</b>