

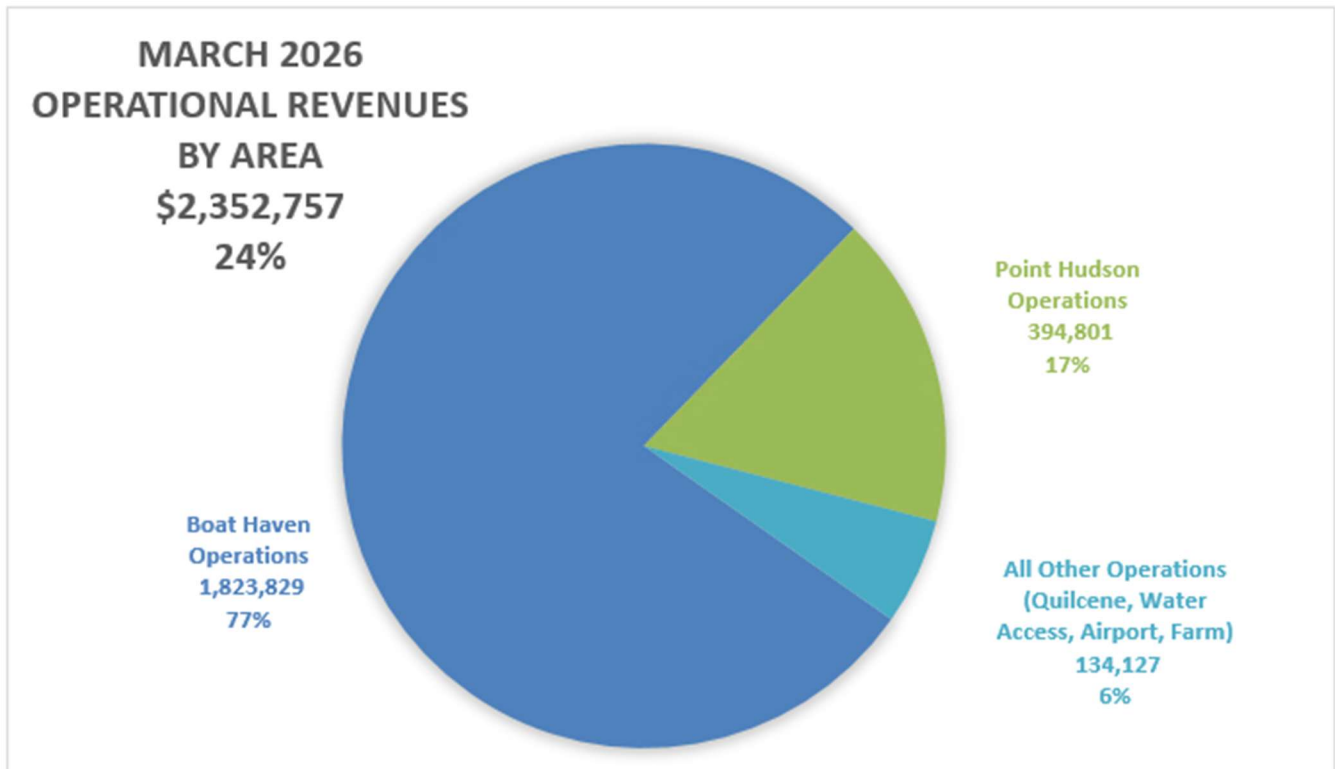
**DATE:** 5/13/2026  
**TO:** Commission, Executive Staff  
**FROM:** Connie Anderson, Director of Finance & Administration  
**SUBJECT:** March 2026 YTD Financial Report

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Attached is the March 2026 financial report on Port activities. The consolidated report shows the variance between the current period as compared to the prior year (March 2025) and the % of budget for 2026. March 2026 represents 25% of the budget.

**Notes to the Financial Statements:**

**Operating Revenues**



2026 revenues through March reported at \$2,352,757, \$385k higher than 2025 and 24% of the 2026 operating budget. Combined Boat Haven operations (moorage, yard, and properties) is the largest source of revenue for the Port, bringing in \$1,823,829, 77% of the YTD overall revenue. Point Hudson Operations reports at \$394,801, 17% of the overall revenue. The remaining combined operating units reported \$134,127, 6% of the YTD overall revenue.

Lease revenues are 3% or \$14k above March 2025, and 22% of 2026 budget, approximately 3% or \$60k below budget. Turnover at both Boat Haven and Point Hudson properties has created new opportunities for executing

beneficial leases, determining the best use of existing space as well as working with new tenants that fit the culture of the Port.

Boat Haven Moorage is reported at 23% when adjusted for the 5% prepaid moorage. Nightly guest activity increased in March, earlier than the two prior years, possibly due to the milder spring weather and the desire to haul out vessels for annual maintenance. The marina is 98% full. Winter monthly rates end April 30<sup>th</sup> which will allow for more transient traffic to come into the marina.

Combined Yard Operation activity is bustling, reporting 25% of budget or \$770,234 through the end of March. Both the 75-ton yard and the 300-ton yard are reporting high activity. Yard storage is 85%-90% with haul out times booking into June (75T) and July (300T). The yard is again at capacity, showing the need for the boat yard expansion.

Point Hudson Marina & RV Park is reporting 13% or \$29k above March 2025, and 17% of 2026 budget. The monthly moorage activity is in line with 2025 activity, reporting 3% or \$1,264 above March 2025. Marina activity has remained strong since the opening of the PH Jetty in 2024.

The RV Park continues to lag behind 2025 levels; the monthly RV park revenue is \$13k less than reported in March 2025. The nightly RV park revenue traditionally starts to pick up in April and continues through September. Reservation activity supports that summer RV park activity will be on target with prior years.

March YTD revenues include the 5% prepaid moorage of \$306,505 for 2026. Normally, three months or \$76,626 would have been posted to cash, leaving the remainder of \$229,879 posted to Accounts Receivable. When the prepayments are eliminated from the YTD Total Operating Revenues, March 2026 is \$155k or 8% higher than March 2025.

Note:

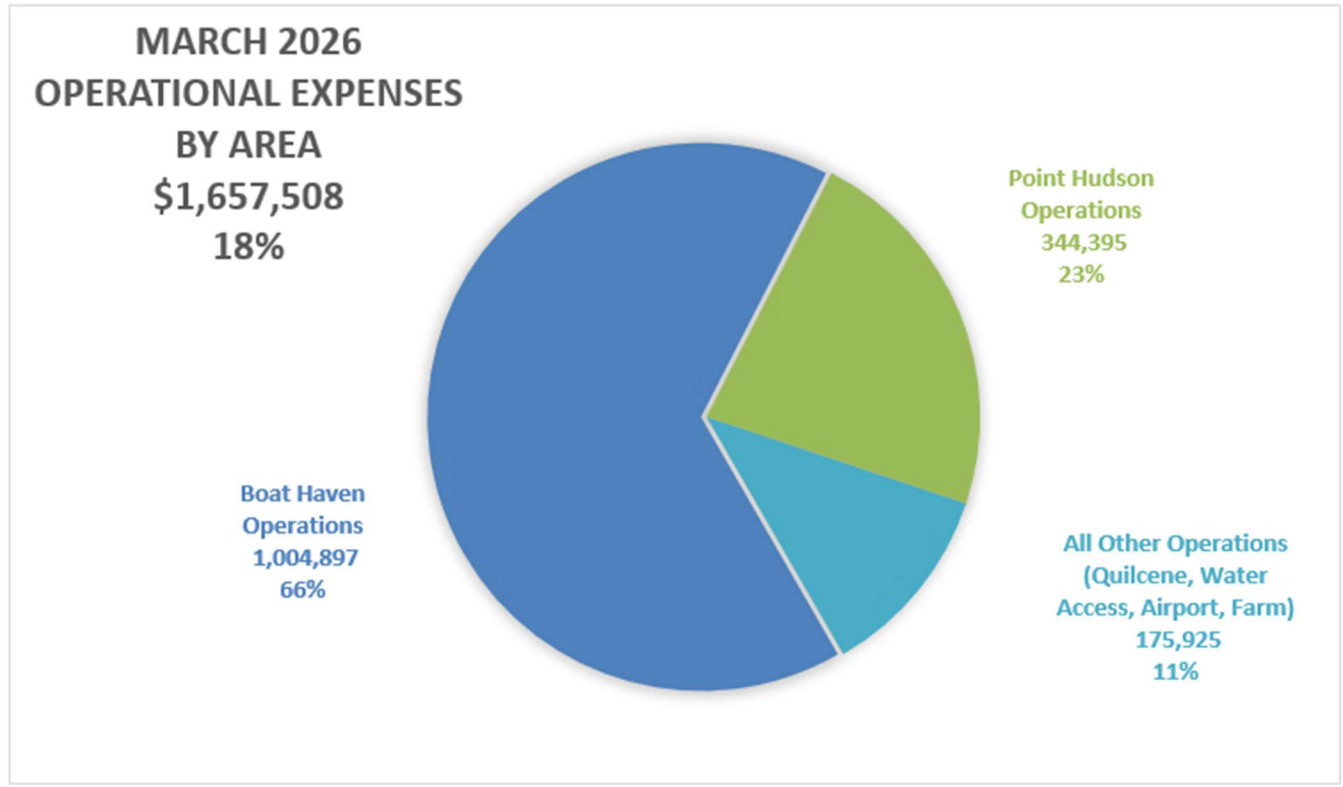
Below is a breakdown of prepayments by department:

Department	Full Rate	5% Discount	5% Prepaid	March YTD Actual	Remaining
Boat Haven	\$253,378	(\$12,669)	\$240,709	\$60,177	\$180,532
Point Hudson	\$57,399	(\$2,870)	\$54,529	\$13,632	\$40,896
Herb Beck	\$11,860	(\$593)	\$11,267	\$2,817	\$8,450
<b>Total</b>	<b>\$322,637</b>	<b>(\$16,132)</b>	<b>\$306,505</b>	<b>\$76,626</b>	<b>\$229,879</b>

\*\* The posting of prepaid moorage reflects the change to cash-basis accounting where cash posts as revenue on the day cash is received rather than being held in an Accounts Receivable account. The uptick in permanent moorage revenue will decrease as the year progresses and the prepayments are relevant to the actual month of activity.

A new credit card fee was added in 2026 to offset the bank charges the Port incurs for processing the cards for payment. Since implementation of the credit card fee, use of credit cards has dropped by 19% compared to March 2025. The result is increased cash and check activity which are manually processed by Port staff. Through March 2026, credit card fee revenue is \$21,244 compared to credit card charges of \$37,893. The YTD recovery rate is 56%. The March recovery rate was 70%. The recovery rate continues to improve as all software issues have been resolved.

**Operating Expenditures**



March 2026 operating expenses are \$1,657,508, \$53k lower than 2025 and 18% of the 2026 operating budget. Salaries and benefits reported at \$1,154,370, 22% of budget. Salaries and benefits represent the largest share of expenses, reporting \$173k below the 2026 budget. Actual rates and premiums for taxes and insurances were close to budget, with slight variances that will be noted throughout the year. 2026 L&I rates came in slightly higher than expected (\$22k) while 2026 health insurance premiums came in slightly lower than expected (\$21k).

Not yet reflected in the 2026 YTD financials is the annual insurance cost, which has been budgeted for \$600k. Premiums are typically paid in September. The annual review of Port property, equipment, and vehicles has been completed and is under evaluation by the Port’s insurance provider.

**Net Operating Income (NOI)**

March Net Operating Income (NOI) is \$694,336, 84% of the 2026 budget. March NOI includes the remaining 9 months of the 5% prepaid moorage for \$229,879 (see page 1-2 of this report for details). After the 5% prepaid moorage is subtracted, NOI is approximately \$465k and would be about 56% of budget. The current report indicates we are ahead of budget for the year, a strong start for 2026.

Department Level Net Operating Income is as follows (excluding 5% prepaid moorage):

<b>2026 Operating Revenues &amp; Expenses by Department</b>			
	<b>Revenue</b>	<b>Expenses</b>	<b>NOI</b>
<b>Boat Haven Moorage</b>	558,773	225,629	333,144
<b>Combined Yard Operations (75t &amp; 300t)</b>	770,234	596,364	173,870
<b>Boat Haven Properties</b>	314,291	181,421	132,870
<b>Boat Haven Operations</b>	<b>1,643,297</b>	<b>1,003,414</b>	<b>639,884</b>
<b>Point Hudson Marina/RV</b>	204,163	192,178	11,984
<b>Point Hudson Properties</b>	149,742	153,700	(3,958)
<b>Point Hudson Operations</b>	<b>353,905</b>	<b>345,878</b>	<b>8,027</b>
<b>Quilcene Herb Beck Marina</b>	39,054	49,425	(10,371)
<b>Water Access</b>	9,115	12,616	(3,502)
<b>Short Farm Property</b>	8,649	49,127	(40,478)
<b>Jefferson County Intl Airport</b>	68,724	64,757	3,968
<b>Miscellaneous</b>	135	--	135
<b>All Other Operations (Quilcene, Water Access, Airport, Farm)</b>	<b>125,677</b>	<b>175,925</b>	<b>(50,248)</b>

**Other Increases and Decreases in Fund Resources**

**Other Increases**

**Account Receivables** are reported at \$292,684, a reflection of the increased activity in the Boat Yard. This represents operational revenue generated but not yet recorded to cash as well as refunds given, account adjustments and uncollected account activity. Beginning in 2026, prepaid revenues will be posted as cash in the month the cash is received.

Total **Grant Reimbursements and Government Payments** YTD March 2026 are \$2,042,103.

March reimbursements were received for the following projects:

<b>Project</b>	<b>Mar 2026</b>	<b>Grant Type</b>
PH Duplex Remodel	299,730	WA State Dept of Commerce-Local Govt Program
<b>Total Grant Reimbursements</b>	<b>\$299,730</b>	

**Tax Receipts** of \$112,068 are recorded for the month of March; YTD tax receipts equal \$483,932. **Investment Interest** of \$39,556 is recorded for the month of March, YTD interest equals \$112,068, 47% of budget, with an average interest rate of 3.7101%. Interest earnings are \$27,232 less than March 2025 which reflects the lowered federal funds rate monitored by the Federal Reserve board.

The federal funds rate continues to hold to a range of 3.5%-3.75%. There is a great deal of speculation regarding inflation, the shifting job market and global political and economic impacts. The Federal Reserve chair is scheduled to change in May 2026. It is uncertain whether this change will have any impact on future federal reserve policy. Interest earnings will follow any trends set by the Federal Reserve.

**Other Decreases**

**Capital Project** work for the year is underway with a new focus on the 2026 capital work plan. Work at the Point Hudson campus continues. The bid has been awarded for the PH Roof Replacement with work projected to begin in late April – early May. Work continues at JCIA, Quilcene and Boat Haven. Details by project are included in the 2026 YTD Capital Project Expense report. March YTD capital project expenses total \$466,312, approximately 4% of the total 2026 capital budget. In addition, March capital equipment expenses were \$210,711 which includes the purchase of the 15-ton excavator plus much-needed computer equipment refresh around the Port.

Overall, the capital project expenses can be categorized as indicated in the table below. Port salaries and benefits directly related to capital projects are charged to individual projects and are on target as estimated for the year.

<b>Capital Expense</b>	<b>YTD MAR 2026</b>	<b>% of Capital Expense</b>
Port Labor	154,449	33%
Port Benefits	35,741	8%
Materials	102,986	22%
Contract Services	173,136	37%
<b>Total Capital Expenses</b>	<b>\$466,312</b>	<b>100%</b>

**Year to Date Cash Balances**

The overall change in cash position compared to Year End 2025 has increased by \$2m. The change in cash position is due to the timing of payments for capital project expenses, prepaid moorage rates as well as the receipt of grant reimbursements for previous expenses incurred.

<b><u>Ending Cash Balances</u></b>		<b><u>YE 2025 Actuals</u></b>	<b><u>2026 YTD</u></b>
Reserved Cash & Investments – IDD		9,094,287	9,514,898
Reserved Cash & Investments – Other (* see detail below)		1,684,690	1,672,599
Unreserved Cash & Investments		1,362,915	2,971,532
<b>Total Cash &amp; Investments</b>		<b>12,141,892</b>	<b>14,159,029</b>
<b><u>*Other Reserves detail:</u></b>			
	<b><u>Target balance</u></b>	<b><u>YE 2025 Actuals</u></b>	<b><u>2026 YTD</u></b>
<i>Unemployment Reserve</i>	NA	10,000	10,000
<i>Operating Reserve (a) (e)</i>	1,623,405	23,405	23,405
<i>Emergency Reserve</i>	500,000	500,000	500,000
<i>Property Tax Reserve (b)</i>			53,287
<i>Boat Haven Renovation Reserve (c)</i>	NA	436,068	436,068
<i>Port-Wide Capital Reserve (d)</i>	NA	806,746	649,839
<b>Total Other Reserves</b>		<b>\$1,684,690</b>	<b>\$1,672,599</b>

**2026 Cash Balance Notes:**

Reserved cash and investments are invested in the WA State Local Government Investment Pool (LGIP). Year-to-date interest, March 2026, earned \$39,556. The average YTD interest rate earned was 3.7101% before investment fees. Interest rates started the year in line with the closing rates from 2025. Future interest rates will be impacted by economic circumstances and Federal Reserve decisions through the coming year.

*Other Reserves detail:*

- (a) The target for the Operating Reserve is 25%, or three (3) months, of operating expenses, per the current budget. The above target is based on the 2024 Operating Budget. See resolution 692-19 for more detail.*
- (b) The Property Tax Reserve was established in resolution 863-25 in 2025.*
- (c) This reserve is for use on Boat Haven Moorage projects until it is extinguished. It was replaced by the Port-Wide Capital Reserve in resolution 693-19.*
- (d) Resolution 693-19 did not set a target for this reserve; however, in 2024 a long-term projection will be developed for funding future projects by location.*
- (e) On October 22, 2025, the Commission authorized by motion to use \$1,600,000 from the Operating Reserve to retire the 2010 LTGO bond.*

*Reserve Policies were updated April 8, 2026, at the commission business meeting. The adopted policies will be reflected in the April 2026 YTD financial report.*

**Debt Service for 2026**

**2021 LTGO Line of Credit – Cashmere Valley Bank**

Issue	Draw Date	Maturity Date	Interest Rate	Balance	Draw Amount	Redemption Principal	Redemption Interest	Ending Principal Balance	Available Credit	Notes
LOC 2021		Mar-27	1.55%						7,000,000	Line of Credit
1st draw	Nov-22			-	2,633,967	-	-	2,633,967	4,366,033	
2nd draw	Dec-22			2,633,967	1,189,677	-	-	3,823,644	3,176,356	
LOC payment	Mar-23			3,823,644	-	423,734	16,481	3,399,910	3,600,090	
Pay Down	Aug-23			3,399,910	-	3,399,910	26,057	-	7,000,000	
3rd draw	Oct-23			-	335,000	-	-	335,000	6,665,000	
4th draw	Nov-23			335,000	1,000,000			1,335,000	5,665,000	
5th draw	Dec-23			1,335,000	1,317,000			2,652,000	4,348,000	
6th draw	Jan-24			2,652,000	888,000			3,540,000	3,460,000	
7th draw	Feb-24			3,540,000	849,000			4,389,000	2,611,000	
LOC payment	Feb-24			4,389,000		506,705	13,071	3,882,295	3,117,705	
LOC payment	Sep-24			3,882,295		635,079	30,197	3,247,216	3,752,784	
LOC payment	Mar-25			3,247,216		640,110	25,166	2,607,106	4,392,894	
LOC payment	Sep-25			2,607,106		643,767	21,507	1,963,339	5,036,661	
Interest Adjustment			1.65%							
LOC payment	Mar-26			1,963,339		649,078	16,198	1,314,260	5,685,740	
LOC payment	Sep-26			1,314,260		654,433	10,843	659,827	6,340,173	per CVB Schedule
LOC payment	Mar-27			659,827		659,827	5,444	(0)	7,000,000	per CVB Schedule
<b>2021 LTGO Line of Credit Available Balance as of March 2026</b>								<b>\$5,685,740</b>		

Note: Interest payments are calculated just prior to loan due dates.

The 2021 LTGO LOC’s required debt redemptions are due in March, and September each year until the end of the bond term, March 1, 2027. This debt instrument serves as a bridge between project expenditure payments, grant reimbursements, and reconciliations with the IDD Levy Reserve, as applicable. An estimated repayment schedule has been included, based on no additional cash draws during the remaining term. The LOC can be paid in full at any time; there are no penalties for pre-payment. The interest rate on the LOC was 1.55% through March 1, 2025, and increased to 1.65% thereafter through the end of bond term.

**DISCUSSION**

As requested by the Commission.

**FISCAL IMPACT**

NA

**RECOMMENDATIONS**

For discussion only.