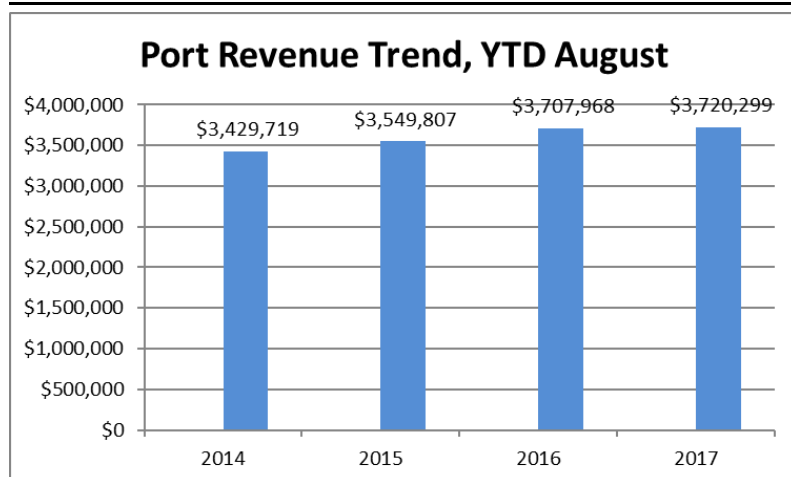
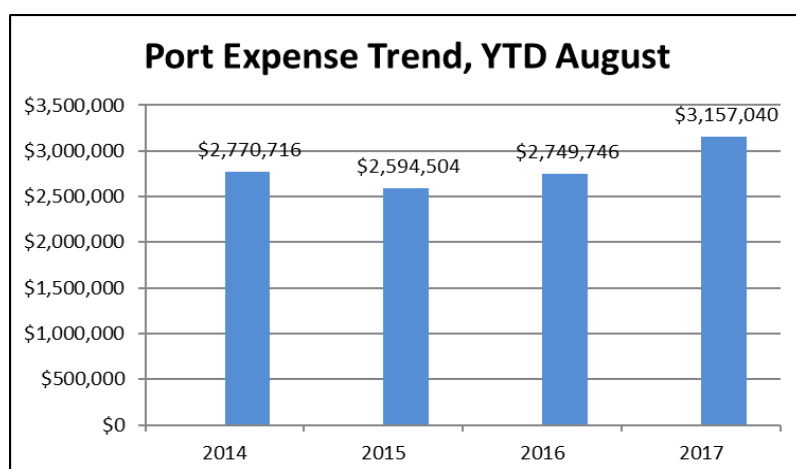


**DATE:** September 21, 2017  
**TO:** Commissioners and Directors  
**FROM:** Abigail Berg, Director of Finance & Administration  
**SUBJECT:** Port Operating Results as of August 31, 2017

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YTD Operating Revenues are \$12,331 more than the previous year, and right on budget (in July we adjusted the budget with the Mid Year Review). All revenue line items increased when comparing to 2016, except the Yard which continues to be down (\$94,663). Ramp Use revenues are well in advance of 2016 (by \$14,506) and budget (at 89.8%, this line item budget amount was not changed in the Mid-Year Review).



Through August 2017, Operating Expenses are at 61.9% of total budget while we are through 67% of the year (this includes some budget adjustments made after the Mid-Year Review). Compared to the previous year, total Operating Expenses are up by \$407,294; of this amount, 64% is Personnel which was budgeted to increase by this amount and right on budget. The only Operating Expense line item ahead of budget is Cost of Goods – Fuel at 93.9%. The remaining line items are below budget to date.

Before depreciation, Net Operating Income is \$563,260. After depreciation, there is a loss of \$502,502. When including Non-Operating Revenues and Expenses, there is a Net Profit of \$16,445.

In June, the Port expended \$13,110 in WIP (capital project “Work in Progress”). Most of these expenses were for the Point Hudson Jetty, Point Hudson Parking and Boat Haven Restroom projects.

In August, the Port made no debt service payments. For the remainder of 2017, the following Debt Service payments are due:

- November 1<sup>st</sup> - \$209,372 principle and interest on the 2013 Jr. Lien Revenue Bond.
- December 1<sup>st</sup> - \$368,819 principle and interest on the 2010 LTGO Bond.

Together these remaining debt service payments for 2017 total \$578,191.

End of month, the cash and investment balances were \$2,677,870, an increase of \$81,368 from July. Of that cash and investment balance \$832,234 are reserves leaving a \$1,845,636 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 Aug. 31, 2016	Actual thru Aug. 31, 2017	Variance year to year	2017 Budget	% Actual to Budget at 67% of year	
<b>REVENUES</b>						
Marinas and RV Parks	1,698,510	1,740,502	41,992	2,545,000	68.4%	-
Yard Operations	1,083,794	989,131	(94,663)	1,500,424	65.9%	
Property Leases & Use	724,982	755,664	30,681	1,153,990	65.5%	
Fuel Sales & Leases	25,414	30,965	5,551	50,000	61.9%	
Ramp Use	34,894	49,399	14,506	55,000	89.8%	
Utilities	140,374	154,637	14,264	230,076	67.2%	
<b>Total Operating Revenues</b>	<b>3,707,968</b>	<b>3,720,299</b>	<b>12,331</b>	<b>5,534,490</b>	<b>67.2%</b>	
<b>OPERATING EXPENSES</b>						
Personnel	1,653,591	2,009,063	355,472	3,013,738	66.7%	
Outside Services	236,835	332,162	95,326	585,256	56.8%	
Facilities & Operations	452,158	430,620	(21,538)	805,809	53.4%	
Utilities	315,837	320,719	4,882	554,180	57.9%	
Marketing	41,320	20,246	(21,074)	54,450	37.2%	
Economic Development	25,000	15,000	(10,000)	40,000	37.5%	
Travel & Training	15,937	15,846	(91)	30,000	52.8%	
Cost of Goods - Fuel	9,069	11,270	2,202	12,000	93.9%	
Community Relations	-	2,115	2,115	4,000	52.9%	
<b>Total Operating Expenses</b>	<b>2,749,746</b>	<b>3,157,040</b>	<b>407,294</b>	<b>5,099,433</b>	<b>61.9%</b>	
<b>Income from Operations w/o Depr</b>	<b>958,223</b>	<b>563,260</b>	<b>(394,963)</b>	<b>435,057</b>	<b>129.5%</b>	
<b>Depreciation Expense</b>	<b>1,020,705</b>	<b>1,065,761</b>	<b>45,056</b>	<b>1,585,632</b>	<b>67.2%</b>	
<b>Income (Loss) from Operations w/Depr</b>	<b>(62,483)</b>	<b>(502,502)</b>	<b>(440,019)</b>	<b>(1,150,575)</b>	<b>43.7%</b>	
<b>Non-Operating Revenue</b>						
Capital Contributions/Grants	128,004	17,632	(110,372)	298,274	5.9%	CERB, Quil WW, RCO, FAA
Interest	20,864	28,520	7,656	41,000	69.6%	incr. in invstmt interest
Property & other taxes	685,196	693,450	8,254	1,007,000	68.9%	
Miscellaneous Non-Operating Revenue	18,880	30,004	11,124	16,300	184.1%	
<b>Total Non-Operating Revenues</b>	<b>852,944</b>	<b>769,606</b>	<b>(83,338)</b>	<b>1,362,574</b>	<b>56.5%</b>	
<b>Non-Operating Expenses</b>						
Bond Interest	249,162	231,515	(17,647)	343,877	67.3%	
Bond Mgmt, Issuance & Misc. Exp.	5,906	19,134	13,228	131,390	14.6%	Quil WW expense
Election Expense	-	-	-	17,340	0.0%	
<b>Total Non-Operating Expenses</b>	<b>255,068</b>	<b>250,649</b>	<b>(4,418)</b>	<b>492,607</b>	<b>50.9%</b>	
<b>Net Non-Operating Income(Expense)</b>	<b>597,877</b>	<b>518,957</b>	<b>(78,920)</b>	<b>869,967</b>	<b>59.7%</b>	
<b>Net Income (Loss)</b>	<b>535,394</b>	<b>16,455</b>	<b>(518,939)</b>	<b>(280,608)</b>	<b>-5.9%</b>	