

COMMISSION MEETING

INFORMATION

Date: April 26, 2021

Staff Review: Port Attorney
 Marina Manager
 Finance Manager
 Facilities Maintenance Manager

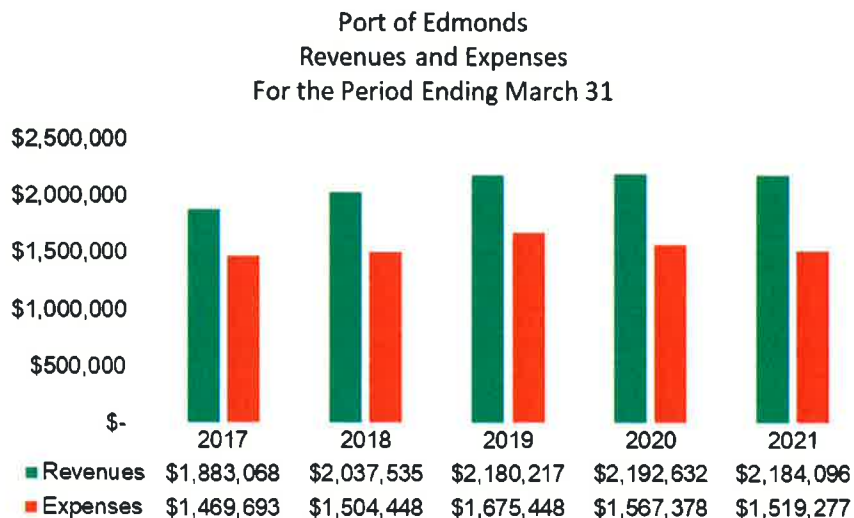
To: Port Commission

From: Tina Drennan
 Finance Manager

Attachments: March Income Statement
 March Marina Income Statement
 March Rental Property Income Statement
 Investing Transactions Report, 1st Quarter
 Investment Report as of March 31, 2021

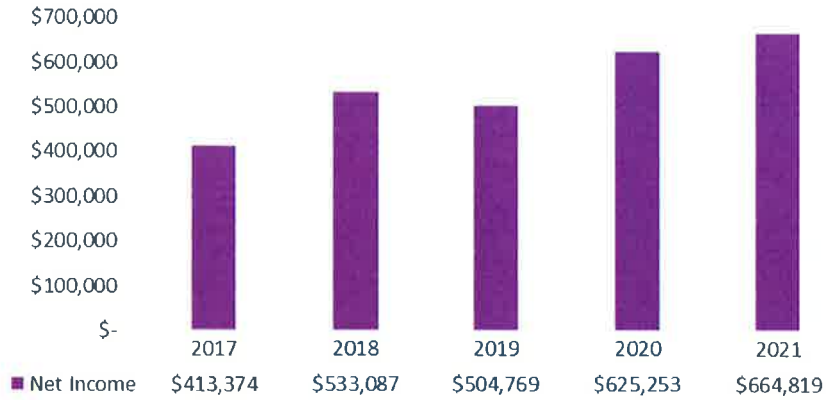
SUBJECT: FIRST QUARTER 2021 FINANCIAL STATEMENTS

Please find attached the first quarter 2021 financial statements.



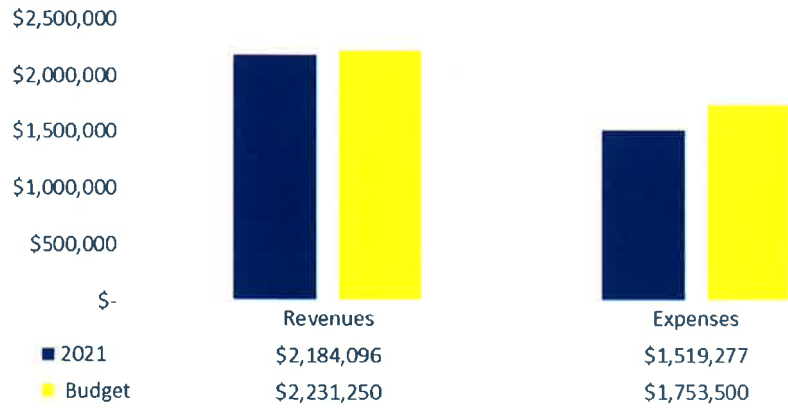
Revenues trended up to approximately \$2.2 million in 2019, and has stayed there for the past few years. Expenses trended up to \$1.7 million in 2019, and dropped \$1.5 million in 2021.

**Port of Edmonds
Net Income
For the Period Ending March 31**



Net income is generally trending upwards.

**Port of Edmonds
Actual to Budget
For the Period Ending March 31, 2021**



Revenues were \$47,000 less than budget. Expenses were \$234,000 less than budget.

Gross profit (revenues less cost of goods sold) for the three month period ending March 31, 2021, was \$1.9 million, which was \$37,000 less than budget. Net income for the same period was \$665,000.

Marina Operations Revenue Actual to Budget:

	ACTUAL TO DATE	BUDGET TO DATE	VARIANCE	%
FUEL SALES, NET	27,067	13,000	14,067	108%
GUEST MOORAGE, NET	19,912	8,000	11,912	149%
PERMANENT MOORAGE	946,684	948,750	(2,066)	0%
DRY STORAGE	153,399	162,000	(8,601)	-5%
PARKING	10,419	24,750	(14,331)	-58%

Financial Occupancy:

	2017	2018	2019	2020	2021	2021 Budgeted
Moorage	91%	94%	94%	95%	96%	96%
Dry Storage	77%	77%	79%	72%	83%	88%

Dry Storage revenue was down for the first quarter 2020 as the Port charged Dry Storage tenants at the pay-per-move rate on their April statements, due to limited hours because of COVID-19 procedure changes. In order to show the correct amount on the statements, the credits were processed in March 2020.

Rental Properties Revenue Actual to Budget:

	ACTUAL TO DATE	BUDGET TO DATE	VARIANCE	%
TOTAL RENTAL PROPERTY REVENUE	649,157	679,500	(30,343)	-4%

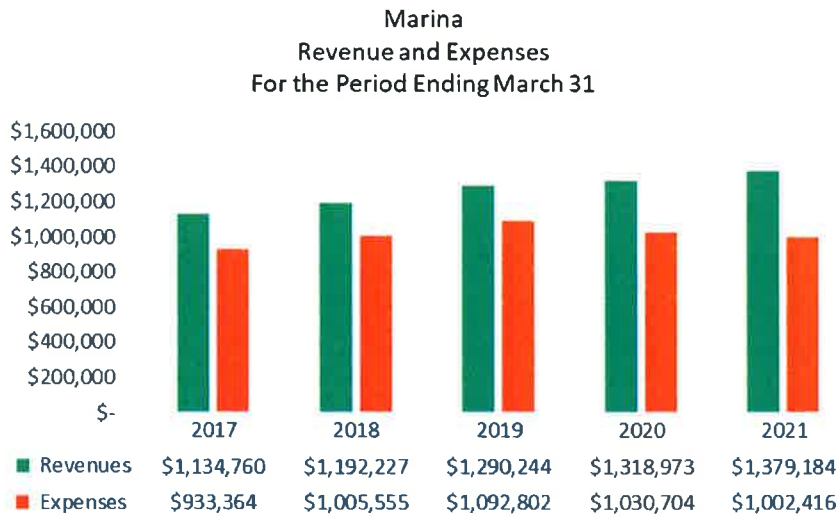
Operating expenses before depreciation for the three-month period were \$1.1 million, which is \$183,000 or 14% less than budget.

Operating Expenses Actual to Budget:

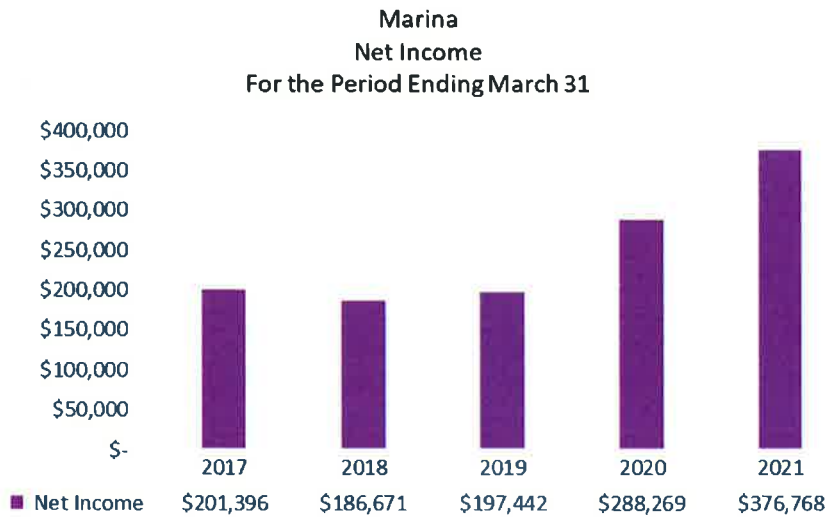
	ACTUAL TO DATE	BUDGET TO DATE	VARIANCE	%
EMPLOYEE BENEFITS	176,808	188,500	11,692	6%
REPAIR & MAINTENANCE	58,862	94,750	35,888	38%
SALARIES & WAGES	484,791	555,750	70,959	13%
SUPPLIES	47,614	84,250	36,636	43%
UTILITIES	121,150	110,000	(11,150)	-10%

Net income for the three months ending March 31, 2021 was \$665,000, which is \$187,000 greater than budget.

Marina Actual to Budget:

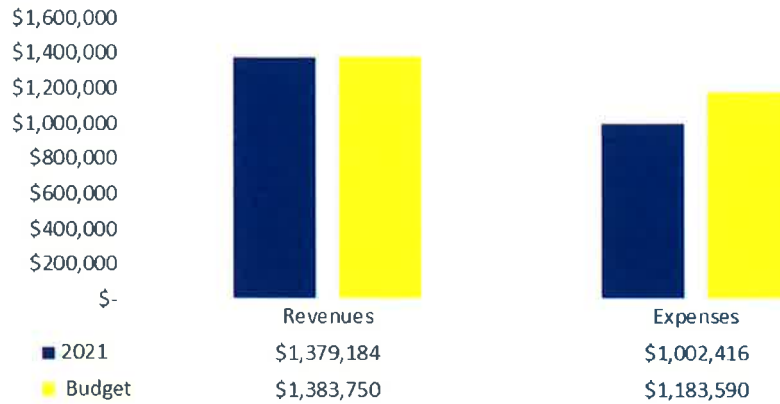


Revenues are trending upwards to a high of \$1.4 million in 2021. Expenses trended up to almost \$1.1 million in 2019, dropping back down to \$1 million in 2021.



Net income is trending upwards.

Marina
Actual to Budget
For the Period Ending March 31, 2021

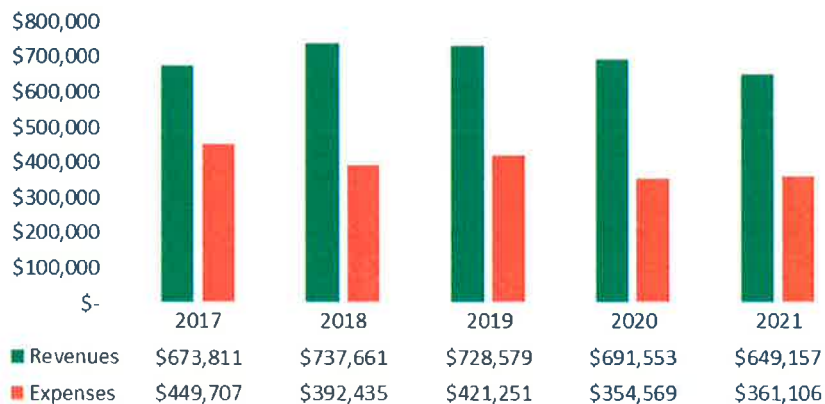


Revenues were \$5,000 less than budget. Expenses were \$181,000 less than budget.

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Operating Revenues	\$ 1,367,000	\$ 1,383,750	\$ (16,750)	-1%
Operating Expenses Before Depr, O/H	\$ 611,000	\$ 714,250	\$ 103,250	14%
Net Income	\$ 377,000	\$ 200,000	\$ 177,000	89%

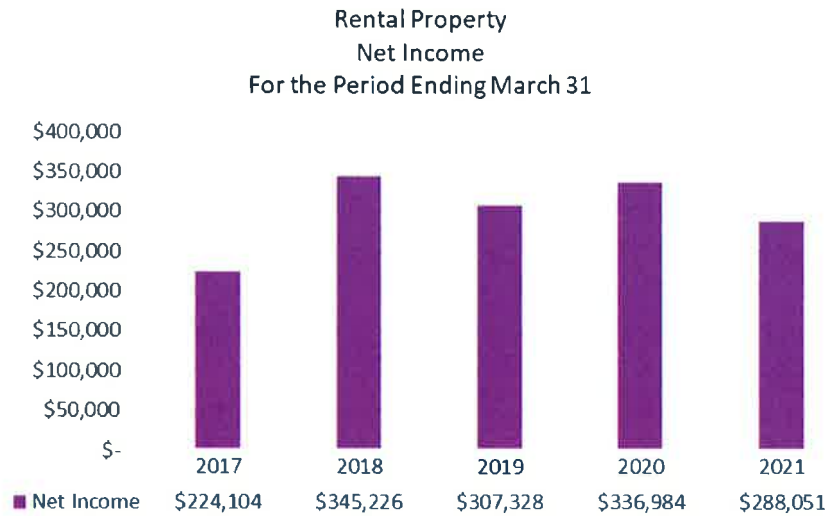
Rental Property Actual to Budget:

Rental Property
Revenue and Expenses
For the Period Ending March 31

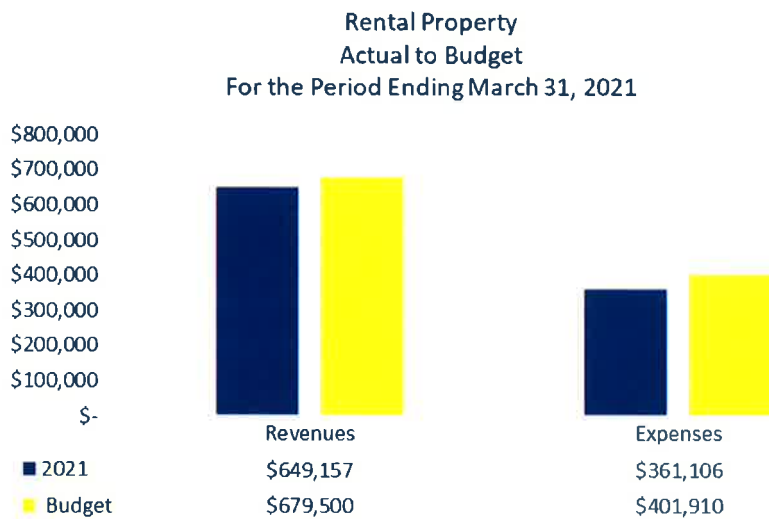


Rental Property revenues trended up to 2018, with a high of \$738,000, dropping to \$649,000 in 2021. Expenses don't appear to have a trend. 2017 through 2019 revenues are misleading, as Rental Property

was subsidized with property taxes of \$50,000 in 2017 and \$42,500 in 2018 and 2019. Removing the property taxes, revenues would be 2017 - \$623,811, 2018 - \$695,161, and 2019 - \$686,079.



Net income trended upwards to \$345,000 in 2018, dropping to \$288,000 in 2021. Without property taxes, net income would be 2017 - \$174,104, 2018 - \$302,726, and 2019 - \$264,828.



Revenues were \$30,000 less than budget. Expenses were \$41,000 less than budget.

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Operating Revenues	\$ 649,000	\$ 680,000	\$ (31,000)	-5%
Operating Expenses Before Depr, O/H	\$ 147,000	\$ 160,000	\$ 13,000	8%
Net Income	\$ 288,000	\$ 278,000	\$ 10,000	4%

Investing Summary:

- As of March 31, 2021, the Port had 24 long-term investments.
- The details of the Port's bond maturity and calls are attached.
- Cash and investments increased by \$2,8 million in 2020. After calculating the other reserves, \$1.7 million was added to the Capital Replacement Reserve in the first quarter of 2021. The Capital Replacement Reserve is currently \$15,751,975.
- The Environmental Reserve is currently \$1,056,458.
- The Public Amenities Reserve is currently \$115,811.
- As bonds are being called or maturing in 2021, the Port is retaining the funds in an interest bearing account until the costs and funding for the Administration/Maintenance Building and North Portwalk and Seawall Reconstruction are determined.

PORT OF EDMONDS
INCOME STATEMENT
FOR THE PERIOD ENDING MARCH 31, 2021

	<u>ACTUAL TO DATE</u>	<u>BUDGET TO DATE</u>	<u>2020 TO DATE</u>
MARINA REVENUES			
ELECTRICAL FEES	52,419	50,000	45,847
ENVIRONMENTAL FEES	26,680	26,000	26,388
ENVIRONMENTAL FEE - WORKYARD	7,842	6,000	4,041
FUEL SALES	80,599	78,000	82,774
LAUNCHER	7,986	9,000	9,807
MISCELLANEOUS	17,579	24,750	11,710
GUEST MOORAGE	19,912	12,000	12,063
PERMANENT MOORAGE	946,684	948,750	920,405
PASSENGER FEES	-	-	-
DRY STORAGE	153,399	162,000	131,556
PARKING	10,419	24,750	20,563
TRAVELIFT	27,839	31,750	17,614
WORKYARD	27,791	26,250	20,179
LATE FEES	7,884	8,750	7,061
TOTAL MARINA REVENUE	<u>1,387,031</u>	<u>1,408,000</u>	<u>1,310,011</u>
RENTAL PROPERTY REVENUES			
HARBOR SQUARE LEASE REVENUE	370,166	409,750	392,426
HARBOR SQUARE CAMS	56,514	56,250	59,732
WEST SIDE LEASE REVENUE	63,219	65,000	69,767
HARBOR SQUARE LEASE INTEREST REVENUE	102,559	90,500	108,010
WEST SIDE LEASE INTEREST REVENUE	55,927	54,750	58,674
MISCELLANEOUS REVENUE	771	1,250	1,361
LATE FEES	-	2,000	1,583
TOTAL RENTAL PROPERTY REVENUE	<u>649,157</u>	<u>679,500</u>	<u>691,553</u>
COST OF GOODS SOLD			
COST OF SALES	10,951	19,000	8,773
ELECTRICAL PURCHASES	26,223	17,500	26,211
FUEL & OIL	53,532	65,000	78,873
LOAN-A-SLIP CREDITS	-	4,000	42
TOTAL COST OF GOODS SOLD	<u>90,706</u>	<u>105,500</u>	<u>113,899</u>
GROSS PROFIT	<u>1,945,482</u>	<u>1,982,000</u>	<u>1,887,665</u>

PORT OF EDMONDS
INCOME STATEMENT
FOR THE PERIOD ENDING MARCH 31, 2021

	<u>ACTUAL</u> <u>TO DATE</u>	<u>BUDGET</u> <u>TO DATE</u>	<u>2020</u> <u>TO DATE</u>
OPERATING EXPENSES			
ADVERTISING & NOTICES	1,685	3,250	3,231
AUTOMOBILE AND EQUIPMENT FUEL	3,217	5,250	3,406
BANK CHARGES	968	1,250	1,172
BUSINESS TAXES	4,490	6,000	3,920
CLAIMS & DAMAGES	1,163	3,000	-
COMMUNICATIONS	-	5,000	-
ECONOMIC DEVELOPMENT & TOURISM	2,075	7,000	2,430
EDUCATION	230	6,000	3,395
EMPLOYEE BENEFITS	176,808	188,500	179,333
HAZARDOUS WASTE DISPOSAL	952	2,000	-
INSURANCE	64,422	67,500	55,787
LICENSES & PERMITS	989	750	1,203
MARKETING	2,180	2,750	6,341
MEALS	116	1,000	542
MEMBERSHIP DUES	5,318	4,750	6,179
OFFICE	21,349	24,750	23,595
PAYROLL TAXES	61,980	63,250	61,531
PROFESSIONAL SERVICES	23,082	23,750	15,437
PROMOTIONAL HOSTING	-	750	72
RENT	3,631	3,750	3,525
REPAIR & MAINTENANCE	58,862	94,750	57,753
SALARIES & WAGES	484,791	555,750	497,890
SUPPLIES	47,614	84,250	56,363
TENANT IMPROVEMENTS	-	-	(506)
TRAVEL	1,200	5,500	1,245
UNIFORMS	1,983	3,250	2,185
UTILITIES	121,150	110,000	113,155
OPERATING EXPENSES BEFORE DEPR	<u>1,090,255</u>	<u>1,273,750</u>	<u>1,099,182</u>
DEPRECIATION AND AMORTIZATION	<u>338,316</u>	<u>374,250</u>	<u>354,297</u>
TOTAL OPERATING EXPENSES	<u>1,428,571</u>	<u>1,648,000</u>	<u>1,453,480</u>
INCOME FROM OPERATIONS	516,912	334,000	434,186
OTHER (INCOME)/EXPENSE			
(GAIN)/LOSS ON FIXED ASSETS	-	-	(15,065)
CHANGE IN FAIR VALUE OF INVESTMENTS	306	-	(1,521)
INTEREST INCOME	(46,813)	(43,750)	(73,008)
PROPERTY TAXES	<u>(101,401)</u>	<u>(100,000)</u>	<u>(101,473)</u>
TOTAL OTHER (INCOME)/EXPENSE	<u>(147,908)</u>	<u>(143,750)</u>	<u>(191,068)</u>
NET INCOME	<u>664,819</u>	<u>477,750</u>	<u>625,253</u>

PORT OF EDMONDS
MARINA INCOME STATEMENT
FOR THE PERIOD ENDING MARCH 31, 2021

	ACTUAL <u>TO DATE</u>	BUDGET <u>TO DATE</u>	2020 <u>TO DATE</u>
REVENUES			
ELECTRICAL FEES	52,419	50,000	45,847
ENVIRONMENTAL FEES	26,680	26,000	26,388
ENVIRONMENTAL FEE - WORKYARD	7,842	6,000	4,041
FUEL SALES	80,599	78,000	82,774
LAUNCHER	7,986	9,000	9,807
MISCELLANEOUS	5,132	13,250	6,157
GUEST MOORAGE	19,912	12,000	12,063
PERMANENT MOORAGE	946,684	948,750	920,405
PASSENGER FEES	-	-	-
DRY STORAGE	153,399	162,000	131,556
PARKING	2,518	12,000	7,513
TRAVELIFT	27,839	31,750	17,614
WORKYARD	27,791	26,250	20,179
LATE FEES	7,884	8,750	7,061
GROSS REVENUE	<u>1,366,684</u>	<u>1,383,750</u>	<u>1,291,407</u>
COST OF GOODS SOLD			
COST OF SALES	10,728	18,500	8,600
ELECTRICAL PURCHASES	26,223	17,500	26,211
FUEL & OIL	53,532	65,000	78,873
LOAN-A-SLIP CREDITS	-	4,000	42
TOTAL COST OF GOODS SOLD	<u>90,483</u>	<u>105,000</u>	<u>113,725</u>
GROSS PROFIT	<u>1,276,201</u>	<u>1,278,750</u>	<u>1,177,682</u>
OPERATING EXPENSES			
ADVERTISING	850	1,250	2,500
AUTO AND EQUIPMENT FUEL	988	3,000	1,054
BUSINESS TAXES	4,486	6,000	3,894
CLAIMS AND DAMAGES	1,163	3,000	-
EDUCATION AND TRAINING	-	2,000	2,875
EMPLOYEE BENEFITS	91,013	107,250	95,624
HAZARDOUS WASTE DISPOSAL	952	2,000	-
INSURANCE	46,685	49,000	41,547
LICENSES & PERMITS	955	500	913
MARKETING	2,048	1,000	6,341
OFFICE	2,768	4,000	2,837
PAYROLL TAXES	42,065	42,250	40,623
PROFESSIONAL SERVICES	5,573	4,500	1,660
RENT	3,631	3,750	3,525
REPAIR & MAINTENANCE	15,534	34,500	11,509
SALARIES & WAGES	309,593	351,000	306,893
SUPPLIES	27,186	50,000	24,881
UTILITIES	55,313	49,250	46,438
OPERATING EXPENSES BEFORE DEPR & OH	<u>610,803</u>	<u>714,250</u>	<u>593,114</u>
DEPRECIATION AND AMORTIZATION	174,609	200,000	199,836
OVERHEAD ALLOCATION	126,520	164,340	124,029
TOTAL OPERATING EXPENSES	<u>911,933</u>	<u>1,078,590</u>	<u>916,979</u>
INCOME FROM OPERATIONS	<u>364,268</u>	<u>200,160</u>	<u>260,704</u>
OTHER (INCOME)/EXPENSES			
(GAIN)/LOSS ON FIXED ASSETS	-	-	(15,065)
PROPERTY TAX ALLOCATION - LAUNCHER	(12,500)	-	(12,500)
TOTAL OTHER (INCOME)/EXPENSES	<u>(12,500)</u>	<u>-</u>	<u>(27,565)</u>
NET INCOME	<u>376,768</u>	<u>200,160</u>	<u>288,269</u>

PORT OF EDMONDS
RENTAL PROPERTY
FOR THE PERIOD ENDING MARCH 31, 2021

	<u>ACTUAL</u> <u>TO DATE</u>	<u>BUDGET</u> <u>TO DATE</u>	<u>2020</u> <u>TO DATE</u>
REVENUES			
HARBOR SQUARE LEASE REVENUE	370,166	409,750	392,426
HARBOR SQUARE CAMS	56,514	56,250	59,732
WEST SIDE LEASE REVENUE	63,219	65,000	69,767
HARBOR SQUARE LEASE INTEREST REVENUE	102,559	90,500	108,010
WEST SIDE LEASE INTEREST REVENUE	55,927	54,750	58,674
MISCELLANEOUS REVENUE	771	1,250	1,361
LATE FEES	-	2,000	1,583
TOTAL REVENUE	<u>649,157</u>	<u>679,500</u>	<u>691,553</u>
COST OF GOODS SOLD	<u>172</u>	<u>250</u>	<u>109</u>
GROSS PROFIT	<u>648,985</u>	<u>679,250</u>	<u>691,444</u>
OPERATING EXPENSES			
ADVERTISING	-	250	-
AUTO AND EQUIPMENT FUEL	161	250	110
BUSINESS TAXES	4	-	26
EMPLOYEE BENEFITS	12,753	12,750	12,439
INSURANCE	15,351	16,000	13,144
OFFICE	275	500	354
PAYROLL TAXES	3,624	3,250	3,812
PROFESSIONAL SERVICES	-	1,250	-
REPAIR & MAINTENANCE	21,376	34,000	19,120
SALARIES & WAGES	42,705	43,000	43,182
SUPPLIES	5,775	9,500	9,995
TENANT IMPROVEMENTS	-	-	(506)
UTILITIES	44,905	39,000	47,344
OPERATING EXPENSES BEFORE DEPR & OH	<u>146,928</u>	<u>159,750</u>	<u>149,020</u>
DEPRECIATION	148,829	157,250	141,546
OVERHEAD ALLOCATION	65,177	84,660	63,894
TOTAL OPERATING EXPENSES	<u>360,934</u>	<u>401,660</u>	<u>354,460</u>
INCOME FROM OPERATIONS	<u>288,051</u>	<u>277,590</u>	<u>336,984</u>
OTHER (INCOME)/EXPENSES			
(GAIN)/LOSS ON FIXED ASSETS	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER (INCOME)/EXPENSE	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME	<u>288,051</u>	<u>277,590</u>	<u>336,984</u>

Port of Edmonds
Investment Report
As of March 31, 2021

Security	Remaining Life	Purchased	Final Maturity	Coupon	Callable/ Non-Callable	Par Value	Amortized Book Value	Market Value at 3/31/2021	Percent of Portfolio
US Treasury Note	0.08	12/4/2019	4/30/2021	1.38%	Non-Callable	\$ 500,000	\$ 502,184	\$ 500,527	2.33%
Federal Farm Credit Bank	0.61	11/22/2019	11/8/2021	1.57%	Non-Callable	\$ 500,000	\$ 506,237	\$ 504,601	2.33%
Federal National Mortgage Association	0.77	11/21/2019	1/5/2022	2.00%	Non-Callable	\$ 500,000	\$ 508,909	\$ 507,393	2.33%
Federal Home Loan Bank	0.95	12/5/2019	3/11/2022	2.50%	Non-Callable	\$ 500,000	\$ 513,053	\$ 511,495	2.33%
US Treasury STRIP	1.12	12/10/2019	5/15/2022	0.00%	Non-Callable	\$ 520,000	\$ 521,256	\$ 519,485	2.43%
US Treasury Note	1.29	12/10/2019	7/15/2022	1.75%	Non-Callable	\$ 500,000	\$ 512,404	\$ 510,645	2.33%
Federal National Mortgage Association	1.44	12/5/2019	9/6/2022	1.38%	Non-Callable	\$ 500,000	\$ 511,027	\$ 509,239	2.33%
US Treasury Note	1.54	12/17/2019	10/15/2022	1.38%	Non-Callable	\$ 500,000	\$ 511,283	\$ 509,610	2.33%
Federal Home Loan Bank	1.69	11/15/2019	12/9/2022	1.88%	Non-Callable	\$ 500,000	\$ 516,396	\$ 514,494	2.33%
Federal Natl Mortgage Assn	1.81	12/14/2018	1/19/2023	2.38%	Non-Callable	\$ 500,000	\$ 423,260	\$ 519,986	2.33%
US Treasury Note	2.00	12/5/2019	3/31/2023	1.50%	Non-Callable	\$ 500,000	\$ 515,235	\$ 513,242	2.33%
Federal Home Loan Bank	2.19	6/3/2019	6/9/2023	2.13%	Non-Callable	\$ 500,000	\$ 523,341	\$ 521,046	2.33%
Federal Farm Credit Bank	2.37	8/27/2019	8/14/2023	1.60%	Non-Callable	\$ 500,000	\$ 517,657	\$ 516,138	2.33%
Federal Farm Credit Bank	2.59	11/7/2019	11/1/2023	1.60%	Non-Callable	\$ 500,000	\$ 519,099	\$ 516,857	2.33%
Federal Farm Credit Bank	2.87	2/21/2019	2/13/2024	2.50%	Non-Callable	\$ 500,000	\$ 535,657	\$ 531,882	2.33%
Federal Home Loan Bank	2.95	12/11/2019	3/11/2024	1.55%	Non-Callable	\$ 500,000	\$ 520,508	\$ 517,210	2.33%
Federal Farm Credit Bank	3.22	9/17/2020	6/17/2024	0.39%	Callable 12/27/20	\$ 1,000,000	\$ 1,000,001	\$ 996,851	4.67%
Federal Farm Credit Bank	3.47	10/2/2019	9/17/2024	1.60%	Non-Callable	\$ 500,000	\$ 525,117	\$ 519,347	2.33%
Federal Farm Credit Bank	3.70	12/9/2020	12/9/2024	0.44%	Callable 12/9/21	\$ 1,000,000	\$ 999,734	\$ 995,965	4.67%
Federal Natl Mortgage Assn	3.78	1/30/2020	1/7/2025	1.63%	Non-Callable	\$ 500,000	\$ 526,504	\$ 519,676	2.33%
Federal Home Loan Mtg Corp	4.16	6/12/2020	5/27/2025	0.50%	Callable 11/27/20	\$ 1,000,000	\$ 994,219	\$ 989,254	4.67%
Farmer Mac	4.29	7/17/2020	7/14/2025	0.50%	Non-Callable	\$ 1,000,000	\$ 1,001,147	\$ 990,118	4.67%
Federal Home Loan Mtg Corp	4.48	10/23/2020	9/23/2025	0.38%	Non-Callable	\$ 1,000,000	\$ 997,993	\$ 980,160	4.67%
Federal Farm Credit Bank	4.56	12/4/2020	10/21/2025	0.52%	Callable 10/21/21	\$ 1,000,000	\$ 1,000,027	\$ 978,071	4.67%
						\$ 15,020,000	\$ 15,202,246	\$ 15,193,286	70.12%

Short-Term Investments (less than 1 year to maturity when purchased)

<u>Entity</u>	<u>Type</u>	<u>Interest Rate</u>	<u>Amount</u>	
Port of Edmonds	Cash and change funds	0.00%	\$ 1,200	0.01%
Washington Federal	Business checking account	0.15%	\$ 6,327,158	29.54%
Washington Federal	Revolving checking account	0.00%	\$ 3,000	0.01%
Snohomish County	Tax collections	0.00%	\$ 29,772	0.14%
Washington LGIP	Short-term investments	0.11%	\$ 40,401	0.16%
			<u>\$ 6,401,531</u>	
			<u>\$ 21,421,531</u>	100%

Total Cash and Investments

Capital Replacement Reserve consists of:

Investments	\$ 14,020,000
Cash	\$ 1,731,975
	<u>\$ 15,751,975</u>

Environmental Reserve consists of:

Investments	\$ 1,000,000
Cash	\$ 56,458
	<u>\$ 1,056,458</u>

Public Amenities Reserve consists of:

Cash	<u>\$ 115,811</u>
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Operating Reserve consists of:

Cash	<u>\$ 3,808,500</u>
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Tenant Security Deposits consists of:

Cash	<u>\$ 688,787</u>
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Port of Edmonds
Investing Transactions
January 1, 2021 to March 31, 2021

Matured or Called

<u>Security</u>	<u>Called or Matured</u>	<u>Remaining Life</u>	<u>Purchased</u>	<u>Final Maturity</u>	<u>Coupon</u>	<u>Callable/ Non-Callable</u>	<u>Par Value</u>	<u>Range of Liquid Funds</u>
RFCSP STRIP Principal	Matured	-	12/13/2018	1/15/2021	0.00%	Non-Callable	\$ 530,000	<u>During Ownership</u> 0.10%
Federal Home Loan Mtg Corp	Called	3.84	1/30/2020	1/29/2025	1.88%	Callable 1/29/2021	\$ 500,000	0.10% 1.55%

Purchases

<u>Remaining Life</u>	<u>Purchased</u>	<u>Final Maturity</u>	<u>Callable/ Non-Callable</u>	<u>Par Value</u>	<u>Purchased Value</u>
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\$	-	\$	-
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