

DRAFT



Revised Cash Flow Model* Issues Afterword

Prepared by Port Staff

Issue Date: April 11, 2011

* Projections and assumptions revised from February 9, 2011 and February 28, 2011 meetings.

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AFTERWORD

This Cash Flow Model was prepared for discussion purposes at the Port of Edmonds Commission retreat on February 9, 2011. The document was updated to incorporate the following comments from the February 9th meeting, and was presented again at the February 28, 2011 Commission meeting:

- Reducing operating expenses in 2012 by \$100,000.
- Removing the utility infrastructure replacements originally shown in 2015. It is likely that the utility replacements will instead be repaired and maintained indefinitely until a complete mainland infrastructure replacement is required.
- Splitting the waler replacements for the section of the marina built in 1996 over 4 years, beginning in 2021.
- Moving the mid-marina piers, floats, and bulkheads to 2030.
- Completing the marina updates in 5 years, beginning in 2036.

This current draft incorporates comments from the February 28, 2011 meeting and includes the following changes:

- Implementing moorage and dry storage rate increases at 4% in 2012, and 5.25% thereafter, which is Option 3-U from the Cash Flow Model issued February 9, 2011.
- Implementing the dry storage rate structure adjustment, which occurred due to the Department of Revenue ruling that the Port of Edmonds no longer needs to collect leasehold tax on its dry storage revenue. This change results in a net increase of \$70,000 to revenue.
- Separating the Other Marina Revenues from moorage and dry storage.
- Leasing the former EYC space in the amount of \$36,000 per year.
- Increasing interest income to 2.25% of Beginning Total Reserves from the Projected Cash Flow Schedule (page viii).
- Removing the dry storage reconfiguration from the Capital Budget.
- Updating the documents to show activity through 2040.
- Updating the bond capacity documents to show projected activity.

The changes in revenues and expenses show in the projected net income statements for rental properties and the marina. From the February 9, 2011 Cash Flow Model to the April 11, 2011 Revised Cash Flow Model, the changes show increases in rental properties projected net income by \$58,000 in 2012 up to \$250,000 in 2020. The marina projected net income increases by \$187,000 in 2012 up to \$635,000 in 2020. Total projected net income increases by \$245,000 in 2012 up to \$885,000 in 2020.

Based on the information in the Cash Flow Model presented on February 9, 2011, the Port would produce a net loss beginning in 2019, with a net loss of \$228,000 in 2020. The original analysis shows that property taxes would be required to support Port operations. The April 11, 2011 Revised Model shows projected net income of \$657,000

in 2020. Net loss under this model would not begin until 2025, an improvement of 6 years.

The April 11, 2011 Revised Model also shows that projected cash inflows and outflows improve, based on revised assumptions and projections. The February 9, 2011 Model shows that the rental properties would spend \$641,000 more than it brought in from 2011 to 2020. The Revised Model shows that the rental properties would bring in \$731,000 more than it would spend. The February 9, 2011 Model shows that the marina would spend \$10,758,000 more than it would generate. The April 11, 2011 Revised Model shows that the marina would spend only \$1,093,000 more than it would generate.

The February 9, 2011 Model shows that the Port would have a cash flow problem in 2015, where it would begin to eat into its reserves and would have spent all its cash and be in the red by \$953,000 in 2020. The April 11, 2011 Revised Model shows that the Port wouldn't begin to eat into its reserves until 2030, a full 15 years later.

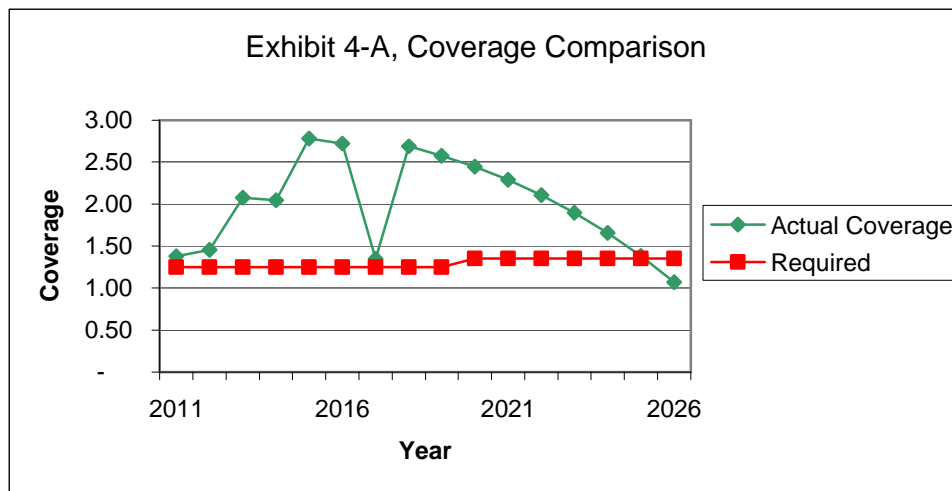
The February 9, 2011 Model showed the Commissioners, Port staff, and the public the future financial condition of the Port based on 2010 programs. Through the review of the Models and the discussions thereof, the Commission and staff were able to make course corrections that will allow the Port to continue operating a first class facility. Staff recommends that this Model be reviewed and updated every three to five years.

BONDING CAPACITY

The Port of Edmonds has two outstanding revenue bonds. The 1998 Revenue and Refunding bonds paid to reconstruct the marina after the collapse in 1996 and to refinance some outstanding bonds. The bonds had a coverage requirement of 1.35 until the 1992 Revenue Bonds were paid off. At that point, the coverage requirement would be reduced to 1.25. The 1992 Revenue Bonds were paid off in 2002.

In 2006, the Port of Edmonds issued a Special Revenue Bond to purchase the Harbor Square property. The bond documents require coverage of 1.25% of the annual bond payments. For the purposes of this analysis, staff assumed that the Cascade Bank Loan would be refinanced in 2016, under similar terms and conditions as the current loan, with the final payment in 2026. The balloon payment would be approximately \$6,376,000, and it does not appear that the Port will be in a position to pay off the loan in 2016.

Exhibit 4-A below shows the actual coverage as compared to the coverage requirement.



The increase in 2015 and 2016 reflects the years when the Port does not have to make any principal payments on its 1998 Revenue and Refunding Bonds. The large drop in 2017 reflects the \$900,000 1998 Revenue and Refunding Bond principal payment, which is the last in the series.

Exhibit 4-A shows that in 2026, the Port may be unable to meet its bond reserve requirement on its Harbor Square loan. The bond documents require coverage of 1.25 of the annual bond payments. The analysis shows coverage of only 1.07 in 2026.

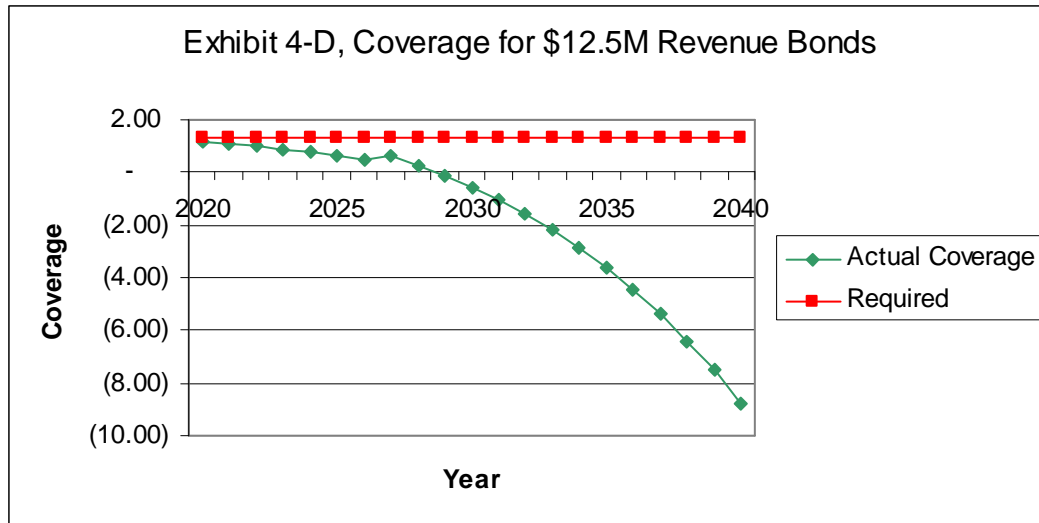
Exhibit 4-B below shows that the Port of Edmonds will need approximately \$12,000,000 for marina updates in 2020 to 2025.

Exhibit 4-B, Assets for Replacement in 2020 to 2025						
Description	2020	2021	2022	2023	2024	2025
WALER REPLACEMENT FOR 1998 PORTION OF MARINA DREDGING & CLEAR		\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	
NORTH ROCK BREAKWATER REHAB						\$ 2,709,000
BULKHEAD NORTH HARBOR	\$ 986,000					
MID-MARINA BREAKWATER REHAB						\$ 1,084,000
N. BULKHEAD AND BOARDWALK, STEEL PILES AND DECKING						\$ 3,199,000
	<u>\$ 986,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 6,992,000</u>

The analysis reviews the possibility of issuing revenue bonds for these projects. Exhibit 4-C below shows the estimated bond amortization schedule for a \$12,500,000 revenue bond. With bond issuance costs, annual bond payments would be approximately \$1,000,000.

Exhibit 4-C, Estimated Bond Amortization Schedule				
Estimated Bond Amount				\$ 12,500,000
Estimated Payback Period				20
Estimated Interest Rate				5.00%
	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Remaining Balance</u>
2020				\$ 12,500,000
2021	\$ 1,000,000	\$ 375,000	\$ 625,000	\$ 12,125,000
2022	\$ 1,000,000	\$ 393,750	\$ 606,250	\$ 11,731,250
2023	\$ 1,000,000	\$ 413,438	\$ 586,563	\$ 11,317,813
2024	\$ 1,000,000	\$ 434,109	\$ 565,891	\$ 10,883,703
2025	\$ 1,000,000	\$ 455,815	\$ 544,185	\$ 10,427,888
2026	\$ 1,000,000	\$ 478,606	\$ 521,394	\$ 9,949,283
2027	\$ 1,000,000	\$ 502,536	\$ 497,464	\$ 9,446,747
2028	\$ 1,000,000	\$ 527,663	\$ 472,337	\$ 8,919,084
2029	\$ 1,000,000	\$ 554,046	\$ 445,954	\$ 8,365,038
2030	\$ 1,000,000	\$ 581,748	\$ 418,252	\$ 7,783,290
2031	\$ 1,000,000	\$ 610,835	\$ 389,165	\$ 7,172,455
2032	\$ 1,000,000	\$ 641,377	\$ 358,623	\$ 6,531,078
2033	\$ 1,000,000	\$ 673,446	\$ 326,554	\$ 5,857,631
2034	\$ 1,000,000	\$ 707,118	\$ 292,882	\$ 5,150,513
2035	\$ 1,000,000	\$ 742,474	\$ 257,526	\$ 4,408,039
2036	\$ 1,000,000	\$ 779,598	\$ 220,402	\$ 3,628,441
2037	\$ 1,000,000	\$ 818,578	\$ 181,422	\$ 2,809,863
2038	\$ 1,000,000	\$ 859,507	\$ 140,493	\$ 1,950,356
2039	\$ 1,000,000	\$ 902,482	\$ 97,518	\$ 1,047,874
2040	\$ 1,000,000	\$ 947,606	\$ 52,394	\$ 100,267

Revenue bonds normally require coverage of 1.35. Exhibit 4-D below shows the required coverage as compared to the actual coverage.



Coverage is calculated by dividing net revenues by the annual bond payments. If the Port issued revenue bonds in 2020, total annual bond payments would be \$1,885,568, including the Harbor Square loan. The analysis shows that net revenues for 2020 are \$2,163,000, which is coverage of 1.15. It does not appear that the Port will be able to issue revenue bonds in 2020 to cover the nearly \$12,000,000 in capital projects.

Limited Tax General Obligation (LTGO) bonds are backed by the taxing authority of the Port of Edmonds. Annual LTGO bond payments that exceed the taxing ability of the district are considered riskier, and therefore carry a higher interest rate.

The Port’s current highest lawful levy in 2011 is \$515,961. If this amount is increased by the legal maximum of 1% per year, the highest lawful levy will be approximately \$564,000 in 2020.

Appendix M-3 (page xxiv) shows the projected cash flow if the Port issues LTGO bonds of \$12,500,000. Approximately \$200,000 would be used to pay bond counsel, the bond advisor, and the bond issuing company. That would leave \$12,300,000, which would be deposited into Port funds in 2020. Over the next 20 years, the Port would make bond payments of \$1,000,000 per year. By 2030, the Port will have made payments of \$10,000,000. However, because of the cost of the estimated projects in 2030, the Port would still be eating into its reserves.

Appendix N-3 (page xxvi) shows the projected cash flow if the Port issues LTGO bonds of \$5,000,000. Approximately \$200,000 would be used to pay bond counsel, the bond advisor, and the bond issuing company. That would leave \$4,800,000, which would be deposited into Port funds in 2020. Over the next 20 years, the Port would make bond payments of \$400,000 per year. By 2030, the Port will have made payments of \$4,000,000. However, because of the cost of the estimated projects in 2030, the Port would still be eating into its reserves.

Appendix A-3

Port of Edmonds
Projected Cash Flow Schedule
For the Years of 2011-2040

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Beginning Total Cash and Investments	6,447,000	6,691,000	7,187,000	7,632,000	8,036,000	8,823,000	9,557,000	9,330,000	10,773,000	12,138,000
Less Reserves										
Beginning Tenant Deposits	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)
Beginning Bond Reserve	(800,900)	(800,900)	(800,900)	(800,900)	(800,900)	(800,900)	(800,900)	-	-	-
Beginning Operating Reserve	(1,830,000)	(1,903,000)	(1,979,000)	(2,058,000)	(2,140,000)	(2,226,000)	(2,315,000)	(2,408,000)	(2,504,000)	(2,604,000)
Beginning Environmental Mitigation Reserve	(600,000)	(601,000)	(602,000)	(603,000)	(604,000)	(605,000)	(606,000)	(607,000)	(608,000)	(609,000)
Beginning Capital Replacement Reserve	(350,000)	(351,000)	(352,000)	(353,000)	(354,000)	(570,000)	(769,000)	(770,000)	(1,773,000)	(2,748,000)
Total Reserves	<u>(3,976,900)</u>	<u>(4,051,900)</u>	<u>(4,129,900)</u>	<u>(4,210,900)</u>	<u>(4,294,900)</u>	<u>(4,597,900)</u>	<u>(4,886,900)</u>	<u>(4,181,000)</u>	<u>(5,281,000)</u>	<u>(6,357,000)</u>
Beginning Available Cash	<u>2,470,100</u>	<u>2,639,100</u>	<u>3,057,100</u>	<u>3,421,100</u>	<u>3,741,100</u>	<u>4,225,100</u>	<u>4,670,100</u>	<u>5,149,000</u>	<u>5,492,000</u>	<u>5,781,000</u>
Beginning Available Cash	2,470,100	2,639,100	3,057,100	3,421,100	3,741,100	4,225,100	4,670,100	5,149,000	5,492,000	5,781,000
Bond Principal Payments Due	(1,085,000)	(1,141,000)	(1,242,000)	(1,313,000)	(1,096,000)	(1,155,000)	(2,119,000)	(489,000)	(527,000)	(566,000)
Net Income	171,000	414,000	461,000	488,000	651,000	654,000	653,000	689,000	716,000	657,000
Non-Cash Items - Depreciation and OPEB	1,720,000	1,723,000	1,726,000	1,729,000	1,732,000	1,735,000	1,739,000	1,743,000	1,676,000	1,680,000
Changes to Bond Reserve	-	-	-	-	-	-	800,900			
Changes to Operating Reserve	(73,000)	(76,000)	(79,000)	(82,000)	(86,000)	(89,000)	(93,000)	(96,000)	(100,000)	(104,000)
Changes to Environmental Mitigation Reserve	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Changes to Capital Replacement Reserve	(1,000)	(1,000)	(1,000)	(1,000)	(216,000)	(199,000)	(1,000)	(1,003,000)	(975,000)	(146,000)
Capital Projects	(562,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(1,291,000)
Ending Available Cash	<u>2,639,100</u>	<u>3,057,100</u>	<u>3,421,100</u>	<u>3,741,100</u>	<u>4,225,100</u>	<u>4,670,100</u>	<u>5,149,000</u>	<u>5,492,000</u>	<u>5,781,000</u>	<u>6,010,000</u>
Ending Available Cash	2,639,100	3,057,100	3,421,100	3,741,100	4,225,100	4,670,100	5,149,000	5,492,000	5,781,000	6,010,000
Ending Tenant Deposits	396,000	396,000	396,000	396,000	396,000	396,000	396,000	396,000	396,000	396,000
Ending Bond Reserve	800,900	800,900	800,900	800,900	800,900	800,900	-	-	-	-
Ending Operating Reserve	1,903,000	1,979,000	2,058,000	2,140,000	2,226,000	2,315,000	2,408,000	2,504,000	2,604,000	2,708,000
Ending Environmental Mitigation Reserve	601,000	602,000	603,000	604,000	605,000	606,000	607,000	608,000	609,000	610,000
Ending Capital Replacement Reserve	351,000	352,000	353,000	354,000	570,000	769,000	770,000	1,773,000	2,748,000	2,894,000
Ending Total Cash and Investments	<u>6,691,000</u>	<u>7,187,000</u>	<u>7,632,000</u>	<u>8,036,000</u>	<u>8,823,000</u>	<u>9,557,000</u>	<u>9,330,000</u>	<u>10,773,000</u>	<u>12,138,000</u>	<u>12,618,000</u>

Amount of Cash Shortage, If Any

Appendix A-3

Port of Edmonds
Projected Cash Flow Schedule
For the Years of 2011-2040

	<u>2022</u>	<u>2024</u>	<u>2026</u>	<u>2028</u>	<u>2030</u>	<u>2032</u>	<u>2034</u>	<u>2036</u>	<u>2038</u>	<u>2040</u>
Beginning Total Cash and Investments	13,003,000	13,263,000	6,673,000	7,616,000	7,522,000	915,000	(3,192,000)	(12,402,000)	(57,265,000)	(95,507,000)
Less Reserves										
Beginning Tenant Deposits	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)
Beginning Bond Reserve	-	-	-	-	-	-	-	-	-	-
Beginning Operating Reserve	(2,816,000)	(3,046,000)	(3,295,000)	(3,564,000)	(3,855,000)	(4,169,000)	(4,509,000)	(4,877,000)	(5,275,000)	(5,705,000)
Beginning Environmental Mitigation Reserve	(611,000)	(613,000)	(615,000)	(617,000)	(619,000)	(621,000)	(623,000)	(625,000)	(627,000)	(629,000)
Beginning Capital Replacement Reserve	(2,968,000)	(2,970,000)	(1,000)	(118,000)	(120,000)	(122,000)	(124,000)	(126,000)	(128,000)	(130,000)
Total Reserves	<u>(6,791,000)</u>	<u>(7,025,000)</u>	<u>(4,307,000)</u>	<u>(4,695,000)</u>	<u>(4,990,000)</u>	<u>(5,308,000)</u>	<u>(5,652,000)</u>	<u>(6,024,000)</u>	<u>(6,426,000)</u>	<u>(6,860,000)</u>
Beginning Available Cash	<u>6,212,000</u>	<u>6,238,000</u>	<u>2,366,000</u>	<u>2,921,000</u>	<u>2,532,000</u>	<u>(4,393,000)</u>	<u>(8,844,000)</u>	<u>(18,426,000)</u>	<u>(63,691,000)</u>	<u>(102,367,000)</u>
Beginning Available Cash	6,212,000	6,238,000	2,366,000	2,921,000	2,532,000	(4,393,000)	(8,844,000)	(18,426,000)	(63,691,000)	(102,367,000)
Bond Principal Payments Due	(659,000)	(764,000)	(376,000)							
Net Income	444,000	142,000	(342,000)	(1,010,000)	(1,862,000)	(2,923,000)	(4,233,000)	(5,837,000)	(7,793,000)	(10,165,000)
Non-Cash Items - Depreciation and OPEB	1,688,000	1,696,000	1,704,000	1,712,000	1,720,000	1,728,000	1,736,000	1,744,000	1,752,000	1,760,000
Changes to Bond Reserve										
Changes to Operating Reserve	(113,000)	(122,000)	(132,000)	(143,000)	(154,000)	(167,000)	(180,000)	(195,000)	(211,000)	(228,000)
Changes to Environmental Mitigation Reserve	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Changes to Capital Replacement Reserve	(1,000)	(1,000)	(116,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Capital Projects	<u>(1,250,000)</u>	<u>(1,250,000)</u>	<u>(550,000)</u>	<u>(550,000)</u>	<u>(5,275,000)</u>	<u>(550,000)</u>	<u>(550,000)</u>	<u>(22,345,000)</u>	<u>(16,270,000)</u>	<u>(6,270,000)</u>
Ending Available Cash	<u>6,320,000</u>	<u>5,938,000</u>	<u>2,553,000</u>	<u>2,928,000</u>	<u>(3,041,000)</u>	<u>(6,307,000)</u>	<u>(12,073,000)</u>	<u>(45,061,000)</u>	<u>(86,215,000)</u>	<u>(117,272,000)</u>
Ending Available Cash	6,320,000	5,938,000	2,553,000	2,928,000	(3,041,000)	(6,307,000)	(12,073,000)	(45,061,000)	(86,215,000)	(117,272,000)
Ending Tenant Deposits	396,000	396,000	396,000	396,000	396,000	396,000	396,000	396,000	396,000	396,000
Ending Bond Reserve	-	-	-	-	-	-	-	-	-	-
Ending Operating Reserve	2,929,000	3,168,000	3,427,000	3,707,000	4,009,000	4,336,000	4,689,000	5,072,000	5,486,000	5,933,000
Ending Environmental Mitigation Reserve	612,000	614,000	616,000	618,000	620,000	622,000	624,000	626,000	628,000	630,000
Ending Capital Replacement Reserve	2,969,000	2,971,000	117,000	119,000	121,000	123,000	125,000	127,000	129,000	131,000
Ending Total Cash and Investments	<u>13,226,000</u>	<u>13,087,000</u>	<u>7,109,000</u>	<u>7,768,000</u>	<u>2,105,000</u>	<u>(830,000)</u>	<u>(6,239,000)</u>	<u>(38,840,000)</u>	<u>(79,576,000)</u>	<u>(110,182,000)</u>
Amount of Cash Shortage, If Any					(3,041,000)	(6,307,000)	(12,073,000)	(45,061,000)	(86,215,000)	(117,272,000)

Appendix B-3

Port of Edmonds
History of Revenues and Expenses

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Marina Revenues	3,107,763	3,235,917	3,489,321	3,730,313	3,907,885	4,063,250	4,266,476	4,498,791	4,700,270	4,769,577	4,662,401
Rental Property Revenues	549,010	555,862	561,968	605,241	644,610	667,870	1,704,751	2,062,687	1,952,844	1,944,041	2,082,455
Cost of Goods Sold	517,185	507,350	511,497	516,698	606,370	704,552	756,292	780,900	897,004	733,547	722,029
Operating Expenses w/out Depr	1,767,810	2,042,730	1,988,761	2,082,688	2,183,121	3,085,346	2,766,061	3,333,657	3,318,969	3,502,557	3,433,523
Depreciation	1,042,975	1,125,960	1,033,157	1,035,680	1,037,515	1,021,739	2,569,368	1,660,658	1,679,944	1,693,148	1,714,315

Port of Edmonds
Percent of Change Between Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	2000-2010 <u>Average</u>
Marina Revenues		4.12%	7.83%	6.91%	4.76%	3.98%	5.00%	5.45%	4.48%	1.47%	-2.25%	4.17%
Rental Property Revenues		1.25%	1.10%	7.70%	6.50%	3.61%	155.25%	21.00%	-5.33%	-0.45%	7.12%	2.69%
Cost of Goods Sold		-1.90%	0.82%	1.02%	17.35%	16.19%	7.34%	3.25%	14.87%	-18.22%	-1.57%	3.92%
Operating Expenses w/out Depr		15.55%	-2.64%	4.72%	4.82%	41.33%	-10.35%	20.52%	-0.44%	5.53%	-1.97%	7.71%
Depreciation		7.96%	-8.24%	0.24%	0.18%	-1.52%	151.47%	-35.37%	1.16%	0.79%	1.25%	0.23%

Appendix C-3

Port of Edmonds
Projected Net Income
For the Years 2011-2040

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Marina Revenues	4,793,000	5,078,000	5,322,000	5,578,000	5,845,000	6,127,000	6,426,000	6,738,000	7,065,000	7,410,000
Rental Property Revenues	2,022,000	2,076,000	2,132,000	2,189,000	2,393,000	2,457,000	2,523,000	2,591,000	2,661,000	2,733,000
Cost of Goods Sold	(784,000)	(814,000)	(846,000)	(879,000)	(913,000)	(949,000)	(986,000)	(1,025,000)	(1,065,000)	(1,107,000)
Operating Expenses w/out Depr	(3,616,000)	(3,794,000)	(4,087,000)	(4,402,000)	(4,742,000)	(5,107,000)	(5,500,000)	(5,924,000)	(6,381,000)	(6,873,000)
Property Taxes	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Interest Income	3,000	61,000	61,000	61,000	61,000	64,000	68,000	49,000	71,000	93,000
Interest Expense	(911,000)	(854,000)	(779,000)	(714,000)	(645,000)	(587,000)	(523,000)	(397,000)	(359,000)	(319,000)
Bond Issuance Costs	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)			
Depreciation	(1,649,000)	(1,652,000)	(1,655,000)	(1,658,000)	(1,661,000)	(1,664,000)	(1,668,000)	(1,672,000)	(1,676,000)	(1,680,000)
Other Post Employment Benefits	(71,000)	(71,000)	(71,000)	(71,000)	(71,000)	(71,000)	(71,000)	(71,000)		
Net Income	<u>171,000</u>	<u>414,000</u>	<u>461,000</u>	<u>488,000</u>	<u>651,000</u>	<u>654,000</u>	<u>653,000</u>	<u>689,000</u>	<u>716,000</u>	<u>657,000</u>
Net Revenue	2,415,000	2,546,000	2,521,000	2,486,000	2,583,000	2,528,000	2,463,000	2,380,000	2,280,000	2,163,000

Appendix C-3

Port of Edmonds
Projected Net Income
For the Years 2011-2040

	<u>2022</u>	<u>2024</u>	<u>2026</u>	<u>2028</u>	<u>2030</u>	<u>2032</u>	<u>2034</u>	<u>2036</u>	<u>2038</u>	<u>2040</u>
Marina Revenues	8,152,000	8,969,000	9,868,000	10,858,000	11,949,000	13,151,000	14,475,000	15,935,000	17,545,000	19,320,000
Rental Property Revenues	2,881,000	3,038,000	3,204,000	3,378,000	3,562,000	3,756,000	3,961,000	4,176,000	4,403,000	4,643,000
Cost of Goods Sold	(1,195,000)	(1,291,000)	(1,395,000)	(1,507,000)	(1,627,000)	(1,757,000)	(1,897,000)	(2,048,000)	(2,211,000)	(2,388,000)
Operating Expenses w/out Depr	(7,973,000)	(9,248,000)	(10,728,000)	(12,445,000)	(14,437,000)	(16,748,000)	(19,430,000)	(22,540,000)	(26,148,000)	(30,334,000)
Property Taxes	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Interest Income	94,000	91,000	20,000	18,000	11,000	3,000	(6,000)	(16,000)	(30,000)	(46,000)
Interest Expense	(227,000)	(121,000)	(7,000)							
Bond Issuance Costs										
Depreciation	(1,688,000)	(1,696,000)	(1,704,000)	(1,712,000)	(1,720,000)	(1,728,000)	(1,736,000)	(1,744,000)	(1,752,000)	(1,760,000)
Other Post Employment Benefits										
Net Income	444,000	142,000	(342,000)	(1,010,000)	(1,862,000)	(2,923,000)	(4,233,000)	(5,837,000)	(7,793,000)	(10,165,000)
Net Revenue	1,865,000	1,468,000	949,000	284,000	(553,000)	(1,598,000)	(2,891,000)	(4,477,000)	(6,411,000)	(8,759,000)

Appendix D-3

Port of Edmonds
Capital Budget
For the Years 2011-2020

<u>Item</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Base station radio and antennas		10,000								
M.O. Office Remodel - Phase II	35,000									
Miscellaneous	50,000									
New Restroom Complex										
Technology Improvements	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Telephone system Upgrade	25,000									
Vehicle Replacement	25,000	25,000	25,000	25,000	25,000	30,000	30,000	30,000	30,000	30,000
Fuel Dock Dispensers Replacement		140,000								
Fuel Dock Monitoring System	25,000									
Breakwater Entrance Lighting	10,000									
M and N Dock Waler Replacement	220,000									
Marina Updates Per Replacement Schedule										986,000
Recycling Centers	10,000	90,000								
Environmental Improvements	75,000	75,000								
Travelift				400,000						
Replacement launcher motors		5,000			5,000					
Dry Storage South Minuteman Launcher Upgrades	12,000									
Marine Forklift Replacement					275,000		275,000			
Harbor Square Estimated Capital Projects	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Fiber Optics Installation at Harbor Square										
Estimated Other Capital Projects		80,000	400,000		120,000	395,000	120,000	395,000	395,000	200,000
TOTALS	562,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	1,291,000

Appendix E-3

Port of Edmonds Rental Properties
Projected Net Income
For the Years 2011-2040

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Rental Property Revenues ⁽¹⁾	2,022,000	2,076,000	2,132,000	2,189,000	2,393,000	2,457,000	2,523,000	2,591,000	2,661,000	2,733,000
Operating Expenses w/out Depr, O/H ⁽²⁾	(697,000)	(726,000)	(782,000)	(842,000)	(907,000)	(977,000)	(1,052,000)	(1,133,000)	(1,220,000)	(1,314,000)
Interest Expense	(596,000)	(575,000)	(549,000)	(523,000)	(495,000)	(466,000)	(432,000)	(397,000)	(359,000)	(319,000)
Interest Income	3,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Depreciation	(554,000)	(555,000)	(556,000)	(557,000)	(558,000)	(559,000)	(560,000)	(561,000)	(562,000)	(563,000)
Other Post Employment Benefits	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)
Overhead Allocation ⁽²⁾	(302,000)	(320,000)	(345,000)	(372,000)	(401,000)	(432,000)	(465,000)	(501,000)	(540,000)	(582,000)
Additional Interest Income		16,000	16,000	16,000	16,000	17,000	18,000	13,000	19,000	26,000
Net Income	<u>(133,000)</u>	<u>(86,000)</u>	<u>(86,000)</u>	<u>(91,000)</u>	<u>46,000</u>	<u>38,000</u>	<u>30,000</u>	<u>10,000</u>	<u>6,000</u>	<u>(12,000)</u>

(1) Includes former EYC space leased in 2015.

(2) Includes rental properties' portion of \$100,000 operating expense reduction.

Appendix E-3

Port of Edmonds Rental Properties
Projected Net Income
For the Years 2011-2040

	<u>2022</u>	<u>2024</u>	<u>2026</u>	<u>2028</u>	<u>2030</u>	<u>2032</u>	<u>2034</u>	<u>2036</u>	<u>2038</u>	<u>2040</u>
Rental Property Revenues ⁽¹⁾	2,881,000	3,038,000	3,204,000	3,378,000	3,562,000	3,756,000	3,961,000	4,176,000	4,403,000	4,643,000
Operating Expenses w/out Depr, O/H ⁽²⁾	(1,524,000)	(1,767,000)	(2,050,000)	(2,378,000)	(2,758,000)	(3,200,000)	(3,713,000)	(4,307,000)	(4,997,000)	(5,797,000)
Interest Expense	(227,000)	(121,000)	(7,000)							
Interest Income	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Depreciation	(565,000)	(567,000)	(569,000)	(571,000)	(573,000)	(575,000)	(577,000)	(579,000)	(581,000)	(583,000)
Other Post Employment Benefits										
Overhead Allocation ⁽²⁾	(675,000)	(783,000)	(908,000)	(1,053,000)	(1,221,000)	(1,416,000)	(1,643,000)	(1,906,000)	(2,211,000)	(2,565,000)
Additional Interest Income	26,000	25,000	4,000	3,000	1,000	(1,000)	(4,000)	(7,000)	(11,000)	(16,000)
Net Income	<u>(77,000)</u>	<u>(168,000)</u>	<u>(319,000)</u>	<u>(614,000)</u>	<u>(982,000)</u>	<u>(1,429,000)</u>	<u>(1,969,000)</u>	<u>(2,616,000)</u>	<u>(3,390,000)</u>	<u>(4,311,000)</u>

Appendix F-3

Port of Edmonds Rental Properties
Projected Cash Inflow and Outflow
For the Years 2011-2040

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Net Income	(133,000)	(86,000)	(86,000)	(91,000)	46,000	38,000	30,000	10,000	6,000	(12,000)
Non-Cash Items - Depreciation, OPEB	563,000	564,000	565,000	566,000	567,000	568,000	569,000	570,000	562,000	563,000
Bond Principal Payments Due	(290,000)	(311,000)	(337,000)	(363,000)	(391,000)	(420,000)	(454,000)	(489,000)	(527,000)	(566,000)
Capital Projects	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Cash Inflow/(Outflow)	<u>90,000</u>	<u>117,000</u>	<u>92,000</u>	<u>62,000</u>	<u>172,000</u>	<u>136,000</u>	<u>95,000</u>	<u>41,000</u>	<u>(9,000)</u>	<u>(65,000)</u>

Appendix F-3

Port of Edmonds Rental Properties
 Projected Cash Inflow and Outflow
 For the Years 2011-2040

	<u>2022</u>	<u>2024</u>	<u>2026</u>	<u>2028</u>	<u>2030</u>	<u>2032</u>	<u>2034</u>	<u>2036</u>	<u>2038</u>	<u>2040</u>
Net Income	(77,000)	(168,000)	(319,000)	(614,000)	(982,000)	(1,429,000)	(1,969,000)	(2,616,000)	(3,390,000)	(4,311,000)
Non-Cash Items - Depreciation, OPEB	565,000	567,000	569,000	571,000	573,000	575,000	577,000	579,000	581,000	583,000
Bond Principal Payments Due	(659,000)	(764,000)								
Capital Projects	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Cash Inflow/(Outflow)	<u>(221,000)</u>	<u>(415,000)</u>	<u>200,000</u>	<u>(93,000)</u>	<u>(459,000)</u>	<u>(904,000)</u>	<u>(1,442,000)</u>	<u>(2,087,000)</u>	<u>(2,859,000)</u>	<u>(3,778,000)</u>

Appendix G-3

Port of Edmonds Marina
Projected Net Income
For the Years 2011-2040

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Permenant Moorage Revenues ⁽¹⁾	2,700,000	2,813,000	2,959,000	3,113,000	3,274,000	3,445,000	3,626,000	3,816,000	4,016,000	4,227,000
Dry Storage Revenues ^{(1) (2)}	584,000	696,000	732,000	769,000	808,000	849,000	894,000	941,000	990,000	1,042,000
Other Marina Revenues ⁽³⁾	1,509,000	1,569,000	1,631,000	1,696,000	1,763,000	1,833,000	1,906,000	1,981,000	2,059,000	2,141,000
Cost of Goods Sold	(783,500)	(814,000)	(846,000)	(879,000)	(913,000)	(949,000)	(986,000)	(1,025,000)	(1,065,000)	(1,107,000)
Operating Expenses w/out Depr, O/H ⁽⁴⁾	(1,898,700)	(1,985,000)	(2,138,000)	(2,303,000)	(2,481,000)	(2,672,000)	(2,878,000)	(3,100,000)	(3,339,000)	(3,596,000)
Interest Expense	(315,000)	(279,000)	(230,000)	(191,000)	(150,000)	(121,000)	(91,000)			
Bond Issuance Costs	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)			
Depreciation	(1,095,000)	(1,097,000)	(1,099,000)	(1,101,000)	(1,103,000)	(1,105,000)	(1,108,000)	(1,111,000)	(1,114,000)	(1,117,000)
Other Post Employment Benefits	(62,000)	(62,000)	(62,000)	(62,000)	(62,000)	(62,000)	(62,000)	(62,000)		
Overhead Allocation ⁽⁴⁾	(718,000)	(763,000)	(822,000)	(885,000)	(953,000)	(1,026,000)	(1,105,000)	(1,190,000)	(1,282,000)	(1,381,000)
Additional Interest Income	-	38,000	38,000	38,000	38,000	40,000	43,000	29,000	45,000	60,000
Net Income	<u>(95,200)</u>	<u>100,000</u>	<u>147,000</u>	<u>179,000</u>	<u>205,000</u>	<u>216,000</u>	<u>223,000</u>	<u>279,000</u>	<u>310,000</u>	<u>269,000</u>
Total Revenues	4,793,000	5,116,000	5,360,000	5,616,000	5,883,000	6,167,000	6,469,000	6,767,000	7,110,000	7,470,000
Total Expenses	<u>(4,888,200)</u>	<u>(5,016,000)</u>	<u>(5,213,000)</u>	<u>(5,437,000)</u>	<u>(5,678,000)</u>	<u>(5,951,000)</u>	<u>(6,246,000)</u>	<u>(6,488,000)</u>	<u>(6,800,000)</u>	<u>(7,201,000)</u>
Net Income	<u>(95,200)</u>	<u>100,000</u>	<u>147,000</u>	<u>179,000</u>	<u>205,000</u>	<u>216,000</u>	<u>223,000</u>	<u>279,000</u>	<u>310,000</u>	<u>269,000</u>

(1) Includes rate increases of 4.0% in 2012 and 5.25% thereafter.

(2) Includes dry storage rate restructure.

(3) Other marina revenues projected at 3.96% increase per year, based on 2000-2010 history.

(4) Includes marina's portion of \$100,000 operating expense reduction.

Appendix G-3

Port of Edmonds Marina
Projected Net Income
For the Years 2011-2040

	<u>2022</u>	<u>2024</u>	<u>2026</u>	<u>2028</u>	<u>2030</u>	<u>2032</u>	<u>2034</u>	<u>2036</u>	<u>2038</u>	<u>2040</u>
Permenant Moorage Revenues ⁽¹⁾	4,683,000	5,188,000	5,747,000	6,367,000	7,053,000	7,813,000	8,655,000	9,587,000	10,620,000	11,765,000
Dry Storage Revenues ⁽¹⁾⁽²⁾	1,155,000	1,280,000	1,418,000	1,570,000	1,739,000	1,926,000	2,133,000	2,363,000	2,618,000	2,900,000
Other Marina Revenues ⁽³⁾	2,314,000	2,501,000	2,703,000	2,921,000	3,157,000	3,412,000	3,687,000	3,985,000	4,307,000	4,655,000
Cost of Goods Sold	(1,195,000)	(1,291,000)	(1,395,000)	(1,507,000)	(1,627,000)	(1,757,000)	(1,897,000)	(2,048,000)	(2,211,000)	(2,388,000)
Operating Expenses w/out Depr, O/H ⁽⁴⁾	(4,172,000)	(4,840,000)	(5,615,000)	(6,514,000)	(7,557,000)	(8,766,000)	(10,170,000)	(11,798,000)	(13,686,000)	(15,877,000)
Interest Expense										
Bond Issuance Costs										
Depreciation	(1,123,000)	(1,129,000)	(1,135,000)	(1,141,000)	(1,147,000)	(1,153,000)	(1,159,000)	(1,165,000)	(1,171,000)	(1,177,000)
Other Post Employment Benefits										
Overhead Allocation ⁽⁴⁾	(1,602,000)	(1,858,000)	(2,155,000)	(2,500,000)	(2,901,000)	(3,366,000)	(3,904,000)	(4,529,000)	(5,254,000)	(6,095,000)
Additional Interest Income	61,000	59,000	9,000	8,000	3,000	(3,000)	(9,000)	(16,000)	(26,000)	(37,000)
Net Income	<u>121,000</u>	<u>(90,000)</u>	<u>(423,000)</u>	<u>(796,000)</u>	<u>(1,280,000)</u>	<u>(1,894,000)</u>	<u>(2,664,000)</u>	<u>(3,621,000)</u>	<u>(4,803,000)</u>	<u>(6,254,000)</u>
Total Revenues	8,213,000	9,028,000	9,877,000	10,866,000	11,952,000	13,148,000	14,466,000	15,919,000	17,519,000	19,283,000
Total Expenses	(8,092,000)	(9,118,000)	(10,300,000)	(11,662,000)	(13,232,000)	(15,042,000)	(17,130,000)	(19,540,000)	(22,322,000)	(25,537,000)
Net Income	<u>121,000</u>	<u>(90,000)</u>	<u>(423,000)</u>	<u>(796,000)</u>	<u>(1,280,000)</u>	<u>(1,894,000)</u>	<u>(2,664,000)</u>	<u>(3,621,000)</u>	<u>(4,803,000)</u>	<u>(6,254,000)</u>

Appendix H-3

Port of Edmonds Marina
 Projected Cash Inflow and Outflow
 For the Years 2011-2040

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Net Income	(95,200)	100,000	147,000	179,000	205,000	216,000	223,000	279,000	310,000	269,000
Non-Cash Items - Depreciation, OPEB	1,157,000	1,159,000	1,161,000	1,163,000	1,165,000	1,167,000	1,170,000	1,173,000	1,114,000	1,117,000
Bond Principal Payments Due	(795,000)	(830,000)	(905,000)	(950,000)	(705,000)	(735,000)	(1,665,000)	-	-	-
Capital Projects	(512,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(1,241,000)
Capital Replacement Reserve	-	-	-	-	(215,000)	(198,000)	-	(1,002,000)	(974,000)	(145,000)
Cash Inflow/(Outflow)	<u>(245,200)</u>	<u>(21,000)</u>	<u>(47,000)</u>	<u>(58,000)</u>	<u>-</u>	<u>-</u>	<u>(722,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>

Capital Replacement Reserve is not fully funded if the cash flow is negative.

Appendix H-3

Port of Edmonds Marina
 Projected Cash Inflow and Outflow
 For the Years 2011-2040

	<u>2022</u>	<u>2024</u>	<u>2026</u>	<u>2028</u>	<u>2030</u>	<u>2032</u>	<u>2034</u>	<u>2036</u>	<u>2038</u>	<u>2040</u>
Net Income	121,000	(90,000)	(423,000)	(796,000)	(1,280,000)	(1,894,000)	(2,664,000)	(3,621,000)	(4,803,000)	(6,254,000)
Non-Cash Items - Depreciation, OPEB	1,123,000	1,129,000	1,135,000	1,141,000	1,147,000	1,153,000	1,159,000	1,165,000	1,171,000	1,177,000
Bond Principal Payments Due	-	-	-	-	-	-	-	-	-	-
Capital Projects	(1,250,000)	(1,250,000)	(550,000)	(550,000)	(5,275,000)	(550,000)	(550,000)	(22,345,000)	(16,270,000)	(6,270,000)
Capital Replacement Reserve	-	-	(115,000)	-	-	-	-	-	-	-
Cash Inflow/(Outflow)	<u>(6,000)</u>	<u>(211,000)</u>	<u>47,000</u>	<u>(205,000)</u>	<u>(5,408,000)</u>	<u>(1,291,000)</u>	<u>(2,055,000)</u>	<u>(24,801,000)</u>	<u>(19,902,000)</u>	<u>(11,347,000)</u>

Appendix I-3

Port of Edmonds Marina
 Asset Replacement Schedule
 For the Years 2011-2040

Description	Actual In Service Date	Estimated Life	Acquisition Value	2012	2013	2014	2015	2016	2017	2018	2019	2020	
FUEL FLOAT - I DOCK	5/31/1989	40	\$ 306,629										
SOUTH MARINA - B DOCK, WET MOORAGE PORTION	7/1/1998	40	\$ 2,160,000										
DOCK C"	6/1/1998	40	\$ 1,586,750										
DOCK D"	6/1/1998	40	\$ 1,586,750										
DOCK E"	6/1/1998	40	\$ 1,376,950										
DOCK F"	6/1/1998	40	\$ 1,193,350										
DOCK G"	6/1/1998	40	\$ 963,875										
DOCK H"	6/1/1998	40	\$ 498,350										
DREDGING MID MARINA	12/31/1985	0	\$ 513,744										
PIERS, BULKHEAD MID MARINA, TRAVELIFT DOCK	12/31/1985	40	\$ 464,620										
FLOATS/MOORAGE MID MARINA - PERMANENT MOORAGE	12/31/1985	40	\$ 255,218										
DOCK P"	2/1/1998	40	\$ 1,363,950										
DOCK Q"	2/1/1998	40	\$ 1,154,000										
DOCK R"	2/1/1998	40	\$ 1,258,900										
DOCK S"	2/1/1998	40	\$ 1,134,325										
DOCK T"	2/1/1998	40	\$ 944,200										
DOCK U"	2/1/1998	40	\$ 944,200										
DOCK V"	6/1/1998	40	\$ 498,350										
MID-LIFE REHAB (WALER REPLACEMENT) FOR 1998 PORTION OF MARINA	6/1/1998												
DREDGING & CLEAR	12/31/1969	50	\$ 165,917										
NORTH ROCK BREAKWATER - REHAB EVERY 20+/- YEARS	12/31/1969		\$ 638,111										
BULKHEAD NORTH HARBOR	12/31/1969	50	\$ 224,810										
INTERIOR BREAKWATER - MID-MARINA - REHAB EVERY 20 +/- YEARS	12/31/1985		\$ 918,346									\$ 986,000	
N. BULKHEAD AND BOARDWALK, STEEL PILES AND DECKING	4/30/1992	40	\$ 980,745										
NORTH SEAWALL	12/31/2006	40	\$ 1,845,586										
SOUTH MARINA - A&B DOCKS, DRY STORAGE PORTION	7/1/1998	40	\$ 1,440,000										
SOUTH PARKING LOT	7/31/1999	35	\$ 944,297										
				\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	986,000
Total Original Cost			\$ 25,361,974										
2020 Replacement Value			\$ 986,000										
2040 Replacement Value			\$ 85,463,000										

NOTES:

THESE ARE PROJECTIONS BASED ON BEST JUDGMENT AND HISTORY AND MAY BE COMPLETED IN THIS TIMEFRAME +/- 2-3 YEARS. WATER, SEWER, ELECTRIC, AND PARKING LOTS HAVE BEEN REMOVED FROM THE REPLACEMENT SCHEDULE. THESE ITEMS WILL BE REPAIRED AND MAINTAINED FOR AS LONG AS POSSIBLE.

Appendix I-3

Port of Edmonds Marina
Asset Replacement Schedule
For the Years 2011-2040

Description	Actual In Service Date	Estimated Life	Acquisition Value	2021	2022	2023	2024	2025	2030	2035	2036	2037	2038	2039	2040
FUEL FLOAT - I DOCK	5/31/1989	40	\$ 306,629						\$ 1,000,000						
SOUTH MARINA - B DOCK, WET MOORAGE PORTION	7/1/1998	40	\$ 2,160,000								\$ 7,046,000				
DOCK C**	6/1/1998	40	\$ 1,586,750								\$ 5,176,000				
DOCK D**	6/1/1998	40	\$ 1,586,750								\$ 5,176,000				
DOCK E**	6/1/1998	40	\$ 1,376,950									\$ 4,492,000			
DOCK F**	6/1/1998	40	\$ 1,193,350									\$ 3,893,000			
DOCK G**	6/1/1998	40	\$ 963,875									\$ 3,144,000			
DOCK H**	6/1/1998	40	\$ 498,350									\$ 1,626,000			
DREDGING MID MARINA	12/31/1985	0	\$ 513,744						\$ 1,676,000						
PIERS, BULKHEAD MID MARINA, TRAVELIFT DOCK	12/31/1985	40	\$ 464,620						\$ 1,516,000						
FLOATS/MOORAGE MID MARINA - PERMANENT MOORAGE	12/31/1985	40	\$ 255,218						\$ 833,000						
DOCK P**	2/1/1998	40	\$ 1,363,950										\$ 4,449,000		
DOCK Q**	2/1/1998	40	\$ 1,154,000										\$ 3,764,000		
DOCK R**	2/1/1998	40	\$ 1,258,900										\$ 4,107,000		
DOCK S**	2/1/1998	40	\$ 1,134,325										\$ 3,700,000		
DOCK T**	2/1/1998	40	\$ 944,200											\$ 3,080,000	
DOCK U**	2/1/1998	40	\$ 944,200											\$ 3,080,000	
DOCK V**	6/1/1998	40	\$ 498,350											\$ 1,626,000	
MID-LIFE REHAB (WALER REPLACEMENT) FOR 1998 PORTION OF MARINA	6/1/1998			\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000								
DREDGING & CLEAR	12/31/1969	50	\$ 165,917											\$ 727,000	
NORTH ROCK BREAKWATER - REHAB EVERY 20+/- YEARS	12/31/1969		\$ 638,111					\$ 2,709,000							
BULKHEAD NORTH HARBOR	12/31/1969	50	\$ 224,810												
INTERIOR BREAKWATER - MID-MARINA - REHAB EVERY 20 +/- YEARS	12/31/1985		\$ 918,346					\$ 1,084,000							
N. BULKHEAD AND BOARDWALK, STEEL PILES AND DECKING	4/30/1992	40	\$ 980,745					\$ 3,199,000							
NORTH SEAWALL	12/31/2006	40	\$ 1,845,586												\$ 6,020,000
SOUTH MARINA - A&B DOCKS, DRY STORAGE PORTION	7/1/1998	40	\$ 1,440,000								\$ 4,697,000				
SOUTH PARKING LOT	7/31/1999	35	\$ 944,297							\$ 2,657,000	\$ 4,697,000				
				\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 6,992,000	\$ 5,025,000	\$ 2,657,000	\$ 22,095,000	\$ 13,155,000	\$ 16,020,000	\$ 8,513,000	\$ 6,020,000
Total Original Cost			\$ 25,361,974												
2020 Replacement Value			\$ 986,000												
2040 Replacement Value			\$ 85,463,000												

NOTE: Years without asset replacement are not shown.

Appendix M-3

Port of Edmonds
Cash Flow Projection With Issuance of \$12.5 Million Bonds
For the Years of 2011-2040

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Beginning Total Cash and Investments	6,447,000	6,691,000	7,187,000	7,632,000	8,036,000	8,823,000	9,557,000	9,330,000	10,773,000	12,138,000
Less Reserves										
Beginning Tenant Deposits	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)
Beginning Bond Reserve	(800,900)	(800,900)	(800,900)	(800,900)	(800,900)	(800,900)	(800,900)	-	-	-
Beginning Operating Reserve	(1,830,000)	(1,903,000)	(1,979,000)	(2,058,000)	(2,140,000)	(2,226,000)	(2,315,000)	(2,408,000)	(2,504,000)	(2,604,000)
Beginning Environmental Mitigation Reserve	(600,000)	(601,000)	(602,000)	(603,000)	(604,000)	(605,000)	(606,000)	(607,000)	(608,000)	(609,000)
Beginning Capital Replacement Reserve	(350,000)	(351,000)	(352,000)	(353,000)	(354,000)	(570,000)	(769,000)	(770,000)	(1,773,000)	(2,748,000)
Total Reserves	<u>(3,976,900)</u>	<u>(4,051,900)</u>	<u>(4,129,900)</u>	<u>(4,210,900)</u>	<u>(4,294,900)</u>	<u>(4,597,900)</u>	<u>(4,886,900)</u>	<u>(4,181,000)</u>	<u>(5,281,000)</u>	<u>(6,357,000)</u>
Beginning Available Cash	<u>2,470,100</u>	<u>2,639,100</u>	<u>3,057,100</u>	<u>3,421,100</u>	<u>3,741,100</u>	<u>4,225,100</u>	<u>4,670,100</u>	<u>5,149,000</u>	<u>5,492,000</u>	<u>5,781,000</u>
Beginning Available Cash	2,470,100	2,639,100	3,057,100	3,421,100	3,741,100	4,225,100	4,670,100	5,149,000	5,492,000	5,781,000
Bond Principal Received	-	-	-	-	-	-	-	-	-	12,300,000
Bond Principal Payments Due	(1,085,000)	(1,141,000)	(1,242,000)	(1,313,000)	(1,096,000)	(1,155,000)	(2,119,000)	(489,000)	(527,000)	(566,000)
Estimated Bond Payments from New Bond	-	-	-	-	-	-	-	-	-	-
Net Income	171,000	414,000	461,000	488,000	651,000	654,000	653,000	689,000	716,000	657,000
Non-Cash Items - Depreciation and OPEB	1,720,000	1,723,000	1,726,000	1,729,000	1,732,000	1,735,000	1,739,000	1,743,000	1,676,000	1,680,000
Changes to Bond Reserve	-	-	-	-	-	-	800,900	-	-	-
Changes to Operating Reserve	(73,000)	(76,000)	(79,000)	(82,000)	(86,000)	(89,000)	(93,000)	(96,000)	(100,000)	(104,000)
Changes to Environmental Mitigation Reserve	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Changes to Capital Replacement Reserve	(1,000)	(1,000)	(1,000)	(1,000)	(216,000)	(199,000)	(1,000)	(1,003,000)	(975,000)	(146,000)
Capital Projects	(562,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(1,291,000)
Ending Available Cash	<u>2,639,100</u>	<u>3,057,100</u>	<u>3,421,100</u>	<u>3,741,100</u>	<u>4,225,100</u>	<u>4,670,100</u>	<u>5,149,000</u>	<u>5,492,000</u>	<u>5,781,000</u>	<u>18,310,000</u>
Ending Available Cash	2,639,100	3,057,100	3,421,100	3,741,100	4,225,100	4,670,100	5,149,000	5,492,000	5,781,000	18,310,000
Ending Tenant Deposits	396,000	396,000	396,000	396,000	396,000	396,000	396,000	396,000	396,000	396,000
Ending Bond Reserve	800,900	800,900	800,900	800,900	800,900	800,900	-	-	-	-
Ending Operating Reserve	1,903,000	1,979,000	2,058,000	2,140,000	2,226,000	2,315,000	2,408,000	2,504,000	2,604,000	2,708,000
Ending Environmental Mitigation Reserve	601,000	602,000	603,000	604,000	605,000	606,000	607,000	608,000	609,000	610,000
Ending Capital Replacement Reserve	351,000	352,000	353,000	354,000	570,000	769,000	770,000	1,773,000	2,748,000	2,894,000
Ending Total Cash and Investments	<u>6,691,000</u>	<u>7,187,000</u>	<u>7,632,000</u>	<u>8,036,000</u>	<u>8,823,000</u>	<u>9,557,000</u>	<u>9,330,000</u>	<u>10,773,000</u>	<u>12,138,000</u>	<u>24,918,000</u>

Amount of Cash Shortage, If Any

Appendix M-3

Port of Edmonds
Cash Flow Projection With Issuance of \$12.5 Million Bonds
For the Years of 2011-2040

	<u>2022</u>	<u>2024</u>	<u>2026</u>	<u>2028</u>	<u>2030</u>	<u>2032</u>	<u>2034</u>	<u>2036</u>	<u>2038</u>	<u>2040</u>
Beginning Total Cash and Investments	24,303,000	22,563,000	13,973,000	12,916,000	10,822,000	2,215,000	(3,892,000)	(15,102,000)	(61,965,000)	(102,207,000)
Less Reserves										
Beginning Tenant Deposits	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)
Beginning Bond Reserve	-	-	-	-	-	-	-	-	-	-
Beginning Operating Reserve	(2,816,000)	(3,046,000)	(3,295,000)	(3,564,000)	(3,855,000)	(4,169,000)	(4,509,000)	(4,877,000)	(5,275,000)	(5,705,000)
Beginning Environmental Mitigation Reserve	(611,000)	(613,000)	(615,000)	(617,000)	(619,000)	(621,000)	(623,000)	(625,000)	(627,000)	(629,000)
Beginning Capital Replacement Reserve	(2,968,000)	(2,970,000)	(1,000)	(118,000)	(120,000)	(122,000)	(124,000)	(126,000)	(128,000)	(130,000)
Total Reserves	<u>(6,791,000)</u>	<u>(7,025,000)</u>	<u>(4,307,000)</u>	<u>(4,695,000)</u>	<u>(4,990,000)</u>	<u>(5,308,000)</u>	<u>(5,652,000)</u>	<u>(6,024,000)</u>	<u>(6,426,000)</u>	<u>(6,860,000)</u>
Beginning Available Cash	<u>17,512,000</u>	<u>15,538,000</u>	<u>9,666,000</u>	<u>8,221,000</u>	<u>5,832,000</u>	<u>(3,093,000)</u>	<u>(9,544,000)</u>	<u>(21,126,000)</u>	<u>(68,391,000)</u>	<u>(109,067,000)</u>
Beginning Available Cash	17,512,000	15,538,000	9,666,000	8,221,000	5,832,000	(3,093,000)	(9,544,000)	(21,126,000)	(68,391,000)	(109,067,000)
Bond Principal Received	-	-	-	-	-	-	-	-	-	-
Bond Principal Payments Due	(659,000)	(764,000)	(376,000)							
Estimated Bond Payments from New Bond	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Net Income	444,000	142,000	(342,000)	(1,010,000)	(1,862,000)	(2,923,000)	(4,233,000)	(5,837,000)	(7,793,000)	(10,165,000)
Non-Cash Items - Depreciation and OPEB	1,688,000	1,696,000	1,704,000	1,712,000	1,720,000	1,728,000	1,736,000	1,744,000	1,752,000	1,760,000
Changes to Bond Reserve										
Changes to Operating Reserve	(113,000)	(122,000)	(132,000)	(143,000)	(154,000)	(167,000)	(180,000)	(195,000)	(211,000)	(228,000)
Changes to Environmental Mitigation Reserve	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Changes to Capital Replacement Reserve	(1,000)	(1,000)	(116,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Capital Projects	(1,250,000)	(1,250,000)	(550,000)	(550,000)	(5,275,000)	(550,000)	(550,000)	(22,345,000)	(16,270,000)	(6,270,000)
Ending Available Cash	<u>16,620,000</u>	<u>14,238,000</u>	<u>8,853,000</u>	<u>7,228,000</u>	<u>(741,000)</u>	<u>(6,007,000)</u>	<u>(13,773,000)</u>	<u>(48,761,000)</u>	<u>(91,915,000)</u>	<u>(124,972,000)</u>
Ending Available Cash	16,620,000	14,238,000	8,853,000	7,228,000	(741,000)	(6,007,000)	(13,773,000)	(48,761,000)	(91,915,000)	(124,972,000)
Ending Tenant Deposits	396,000	396,000	396,000	396,000	396,000	396,000	396,000	396,000	396,000	396,000
Ending Bond Reserve	-	-	-	-	-	-	-	-	-	-
Ending Operating Reserve	2,929,000	3,168,000	3,427,000	3,707,000	4,009,000	4,336,000	4,689,000	5,072,000	5,486,000	5,933,000
Ending Environmental Mitigation Reserve	612,000	614,000	616,000	618,000	620,000	622,000	624,000	626,000	628,000	630,000
Ending Capital Replacement Reserve	2,969,000	2,971,000	117,000	119,000	121,000	123,000	125,000	127,000	129,000	131,000
Ending Total Cash and Investments	<u>23,526,000</u>	<u>21,387,000</u>	<u>13,409,000</u>	<u>12,068,000</u>	<u>4,405,000</u>	<u>(530,000)</u>	<u>(7,939,000)</u>	<u>(42,540,000)</u>	<u>(85,276,000)</u>	<u>(117,882,000)</u>
Amount of Cash Shortage, If Any					(741,000)	(6,007,000)	(13,773,000)	(48,761,000)	(91,915,000)	(124,972,000)

Appendix N-3

Port of Edmonds
Cash Flow Projection With Issuance of \$5 Million Bonds
For the Years of 2011-2040

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Beginning Total Cash and Investments	6,447,000	6,691,000	7,187,000	7,632,000	8,036,000	8,823,000	9,557,000	9,330,000	10,773,000	12,138,000
Less Reserves										
Beginning Tenant Deposits	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)
Beginning Bond Reserve	(800,900)	(800,900)	(800,900)	(800,900)	(800,900)	(800,900)	(800,900)	-	-	-
Beginning Operating Reserve	(1,830,000)	(1,903,000)	(1,979,000)	(2,058,000)	(2,140,000)	(2,226,000)	(2,315,000)	(2,408,000)	(2,504,000)	(2,604,000)
Beginning Environmental Mitigation Reserve	(600,000)	(601,000)	(602,000)	(603,000)	(604,000)	(605,000)	(606,000)	(607,000)	(608,000)	(609,000)
Beginning Capital Replacement Reserve	(350,000)	(351,000)	(352,000)	(353,000)	(354,000)	(570,000)	(769,000)	(770,000)	(1,773,000)	(2,748,000)
Total Reserves	<u>(3,976,900)</u>	<u>(4,051,900)</u>	<u>(4,129,900)</u>	<u>(4,210,900)</u>	<u>(4,294,900)</u>	<u>(4,597,900)</u>	<u>(4,886,900)</u>	<u>(4,181,000)</u>	<u>(5,281,000)</u>	<u>(6,357,000)</u>
Beginning Available Cash	<u>2,470,100</u>	<u>2,639,100</u>	<u>3,057,100</u>	<u>3,421,100</u>	<u>3,741,100</u>	<u>4,225,100</u>	<u>4,670,100</u>	<u>5,149,000</u>	<u>5,492,000</u>	<u>5,781,000</u>
Beginning Available Cash	2,470,100	2,639,100	3,057,100	3,421,100	3,741,100	4,225,100	4,670,100	5,149,000	5,492,000	5,781,000
Bond Principal Received	-	-	-	-	-	-	-	-	-	4,800,000
Bond Principal Payments Due	(1,085,000)	(1,141,000)	(1,242,000)	(1,313,000)	(1,096,000)	(1,155,000)	(2,119,000)	(489,000)	(527,000)	(566,000)
Estimated Bond Payments from New Bond	-	-	-	-	-	-	-	-	-	-
Net Income	171,000	414,000	461,000	488,000	651,000	654,000	653,000	689,000	716,000	657,000
Non-Cash Items - Depreciation and OPEB	1,720,000	1,723,000	1,726,000	1,729,000	1,732,000	1,735,000	1,739,000	1,743,000	1,676,000	1,680,000
Changes to Bond Reserve	-	-	-	-	-	-	800,900	-	-	-
Changes to Operating Reserve	(73,000)	(76,000)	(79,000)	(82,000)	(86,000)	(89,000)	(93,000)	(96,000)	(100,000)	(104,000)
Changes to Environmental Mitigation Reserve	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Changes to Capital Replacement Reserve	(1,000)	(1,000)	(1,000)	(1,000)	(216,000)	(199,000)	(1,000)	(1,003,000)	(975,000)	(146,000)
Capital Projects	(562,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(1,291,000)
Ending Available Cash	<u>2,639,100</u>	<u>3,057,100</u>	<u>3,421,100</u>	<u>3,741,100</u>	<u>4,225,100</u>	<u>4,670,100</u>	<u>5,149,000</u>	<u>5,492,000</u>	<u>5,781,000</u>	<u>10,810,000</u>
Ending Available Cash	2,639,100	3,057,100	3,421,100	3,741,100	4,225,100	4,670,100	5,149,000	5,492,000	5,781,000	10,810,000
Ending Tenant Deposits	396,000	396,000	396,000	396,000	396,000	396,000	396,000	396,000	396,000	396,000
Ending Bond Reserve	800,900	800,900	800,900	800,900	800,900	800,900	-	-	-	-
Ending Operating Reserve	1,903,000	1,979,000	2,058,000	2,140,000	2,226,000	2,315,000	2,408,000	2,504,000	2,604,000	2,708,000
Ending Environmental Mitigation Reserve	601,000	602,000	603,000	604,000	605,000	606,000	607,000	608,000	609,000	610,000
Ending Capital Replacement Reserve	351,000	352,000	353,000	354,000	570,000	769,000	770,000	1,773,000	2,748,000	2,894,000
Ending Total Cash and Investments	<u>6,691,000</u>	<u>7,187,000</u>	<u>7,632,000</u>	<u>8,036,000</u>	<u>8,823,000</u>	<u>9,557,000</u>	<u>9,330,000</u>	<u>10,773,000</u>	<u>12,138,000</u>	<u>17,418,000</u>

Amount of Cash Shortage, If Any

Appendix N-3

Port of Edmonds
Cash Flow Projection With Issuance of \$5 Million Bonds
For the Years of 2011-2040

	<u>2022</u>	<u>2024</u>	<u>2026</u>	<u>2028</u>	<u>2030</u>	<u>2032</u>	<u>2034</u>	<u>2036</u>	<u>2038</u>	<u>2040</u>
Beginning Total Cash and Investments	17,403,000	16,863,000	9,473,000	9,616,000	8,722,000	1,315,000	(3,592,000)	(13,602,000)	(59,265,000)	(98,307,000)
Less Reserves										
Beginning Tenant Deposits	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)	(396,000)
Beginning Bond Reserve	-	-	-	-	-	-	-	-	-	-
Beginning Operating Reserve	(2,816,000)	(3,046,000)	(3,295,000)	(3,564,000)	(3,855,000)	(4,169,000)	(4,509,000)	(4,877,000)	(5,275,000)	(5,705,000)
Beginning Environmental Mitigation Reserve	(611,000)	(613,000)	(615,000)	(617,000)	(619,000)	(621,000)	(623,000)	(625,000)	(627,000)	(629,000)
Beginning Capital Replacement Reserve	(2,968,000)	(2,970,000)	(1,000)	(118,000)	(120,000)	(122,000)	(124,000)	(126,000)	(128,000)	(130,000)
Total Reserves	<u>(6,791,000)</u>	<u>(7,025,000)</u>	<u>(4,307,000)</u>	<u>(4,695,000)</u>	<u>(4,990,000)</u>	<u>(5,308,000)</u>	<u>(5,652,000)</u>	<u>(6,024,000)</u>	<u>(6,426,000)</u>	<u>(6,860,000)</u>
Beginning Available Cash	<u>10,612,000</u>	<u>9,838,000</u>	<u>5,166,000</u>	<u>4,921,000</u>	<u>3,732,000</u>	<u>(3,993,000)</u>	<u>(9,244,000)</u>	<u>(19,626,000)</u>	<u>(65,691,000)</u>	<u>(105,167,000)</u>
Beginning Available Cash	10,612,000	9,838,000	5,166,000	4,921,000	3,732,000	(3,993,000)	(9,244,000)	(19,626,000)	(65,691,000)	(105,167,000)
Bond Principal Received	-	-	-	-	-	-	-	-	-	-
Bond Principal Payments Due	(659,000)	(764,000)	(376,000)							
Estimated Bond Payments from New Bond	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)
Net Income	444,000	142,000	(342,000)	(1,010,000)	(1,862,000)	(2,923,000)	(4,233,000)	(5,837,000)	(7,793,000)	(10,165,000)
Non-Cash Items - Depreciation and OPEB	1,688,000	1,696,000	1,704,000	1,712,000	1,720,000	1,728,000	1,736,000	1,744,000	1,752,000	1,760,000
Changes to Bond Reserve										
Changes to Operating Reserve	(113,000)	(122,000)	(132,000)	(143,000)	(154,000)	(167,000)	(180,000)	(195,000)	(211,000)	(228,000)
Changes to Environmental Mitigation Reserve	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Changes to Capital Replacement Reserve	(1,000)	(1,000)	(116,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Capital Projects	(1,250,000)	(1,250,000)	(550,000)	(550,000)	(5,275,000)	(550,000)	(550,000)	(22,345,000)	(16,270,000)	(6,270,000)
Ending Available Cash	<u>10,320,000</u>	<u>9,138,000</u>	<u>4,953,000</u>	<u>4,528,000</u>	<u>(2,241,000)</u>	<u>(6,307,000)</u>	<u>(12,873,000)</u>	<u>(46,661,000)</u>	<u>(88,615,000)</u>	<u>(120,472,000)</u>
Ending Available Cash	10,320,000	9,138,000	4,953,000	4,528,000	(2,241,000)	(6,307,000)	(12,873,000)	(46,661,000)	(88,615,000)	(120,472,000)
Ending Tenant Deposits	396,000	396,000	396,000	396,000	396,000	396,000	396,000	396,000	396,000	396,000
Ending Bond Reserve	-	-	-	-	-	-	-	-	-	-
Ending Operating Reserve	2,929,000	3,168,000	3,427,000	3,707,000	4,009,000	4,336,000	4,689,000	5,072,000	5,486,000	5,933,000
Ending Environmental Mitigation Reserve	612,000	614,000	616,000	618,000	620,000	622,000	624,000	626,000	628,000	630,000
Ending Capital Replacement Reserve	2,969,000	2,971,000	117,000	119,000	121,000	123,000	125,000	127,000	129,000	131,000
Ending Total Cash and Investments	<u>17,226,000</u>	<u>16,287,000</u>	<u>9,509,000</u>	<u>9,368,000</u>	<u>2,905,000</u>	<u>(830,000)</u>	<u>(7,039,000)</u>	<u>(40,440,000)</u>	<u>(81,976,000)</u>	<u>(113,382,000)</u>
Amount of Cash Shortage, If Any					(2,241,000)	(6,307,000)	(12,873,000)	(46,661,000)	(88,615,000)	(120,472,000)