



2022 4th qtr. Preliminary Financial Report

March 7, 2023

Robert Marion

PORT OF EVERETT
DIRECTOR FINANCE AND IT



PRELIMINARY Financial Report December 31, 2022

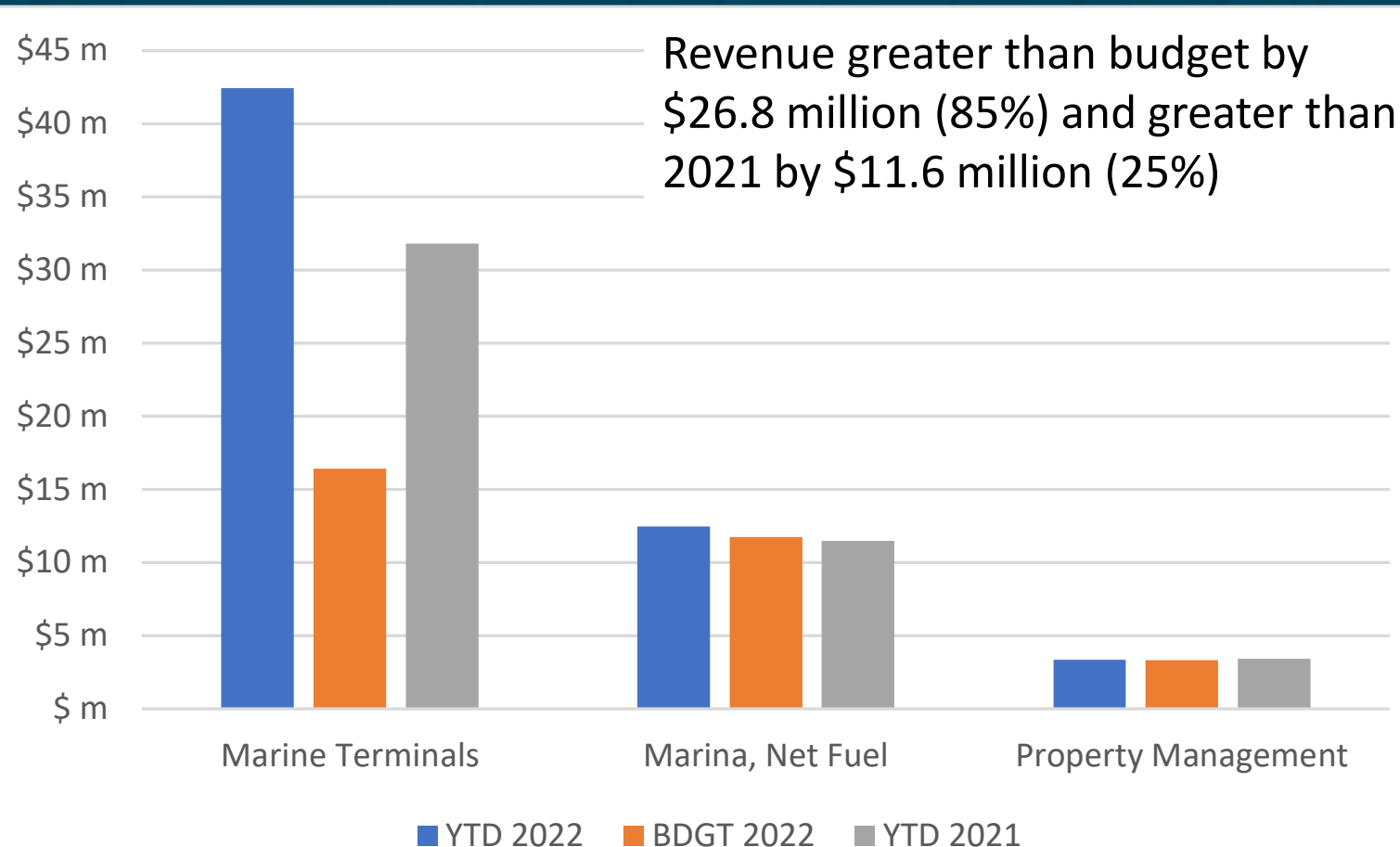
✓ Presentation Outline

- Operations
- Non-Operating
- Net Position (Balance Sheet)
- Gross Capital Spend
- 2023 Capital Budget
- Current Debt & New Money



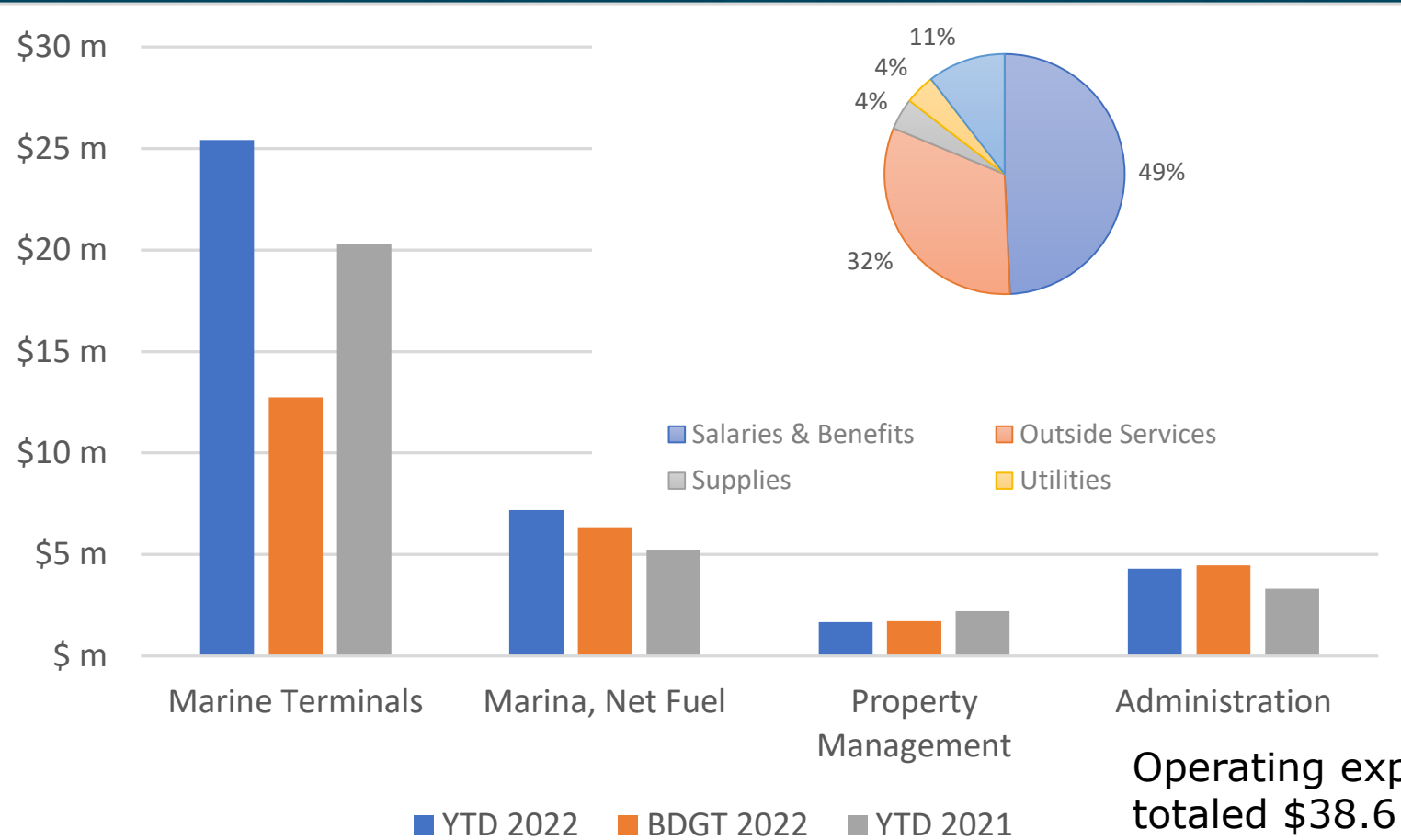
Revenue

Year to date December 31, 2022



Operating Expenses

Year to date December 31, 2022

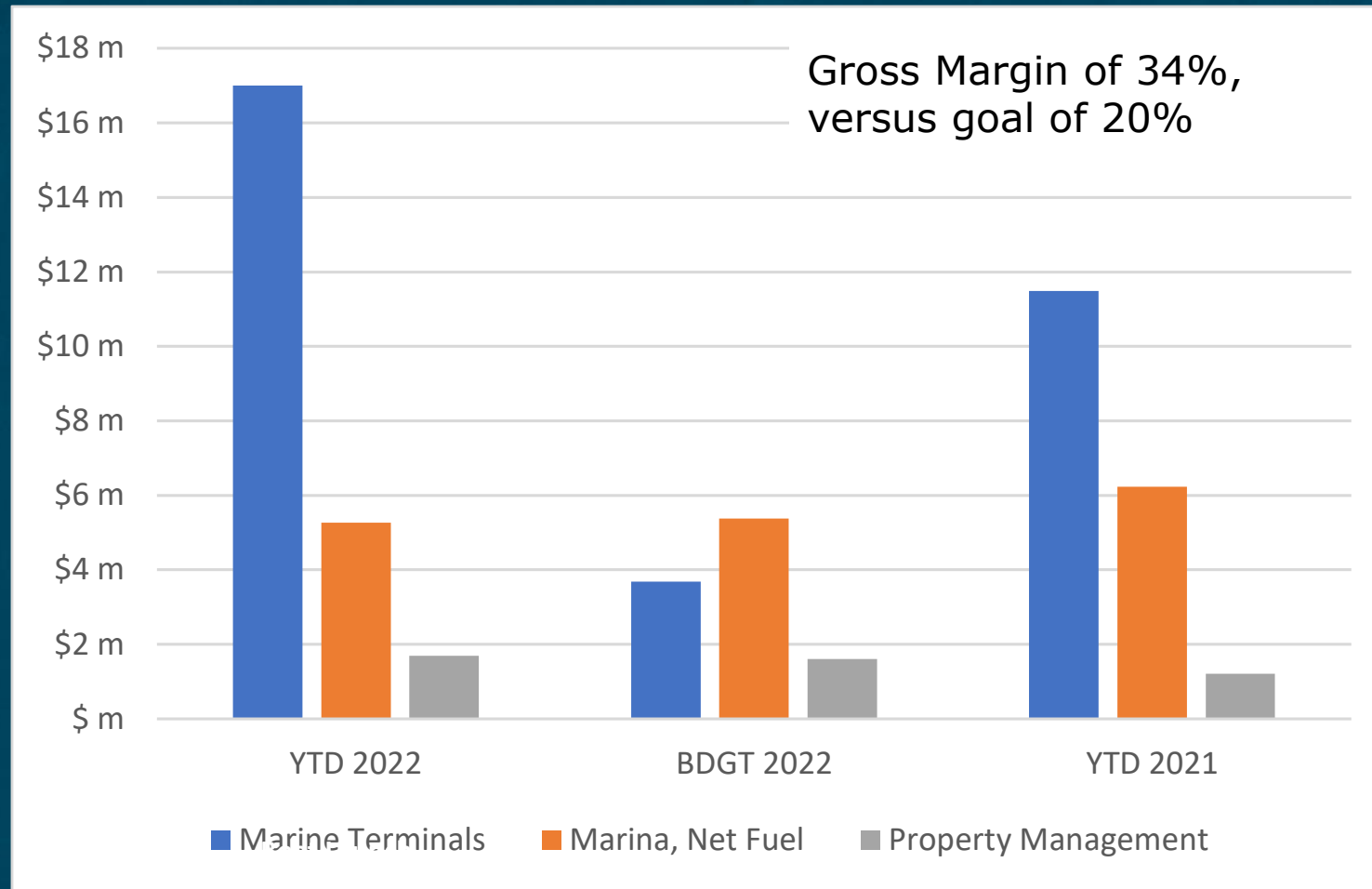


Operating expenses totaled \$38.6 million which is 24% greater than 2021



Income Before Depreciation

Year to date December 31, 2022



Does not include Administration

Non-Operating Income/Expenses

Year to date December 31, 2022

Non-operating Revenue	YTD 2022	BDGT 2022	YTD 2021
Interest Income	140	70	64
Property Taxes	5,170	5,200	5,084
Other	-222	-30	3,476
	5,088	5,240	8,624

Non-operating Expenses	YTD 2022	BDGT 2022	YTD 2021
Interest Expense	2,526	2,915	3,002
Public Access Expense	577	624	489
Public Access Depreciation	998	1,104	1,033
Other	174	14	29,172
	4,275	4,657	33,696



In thousands

Statement of Net Position

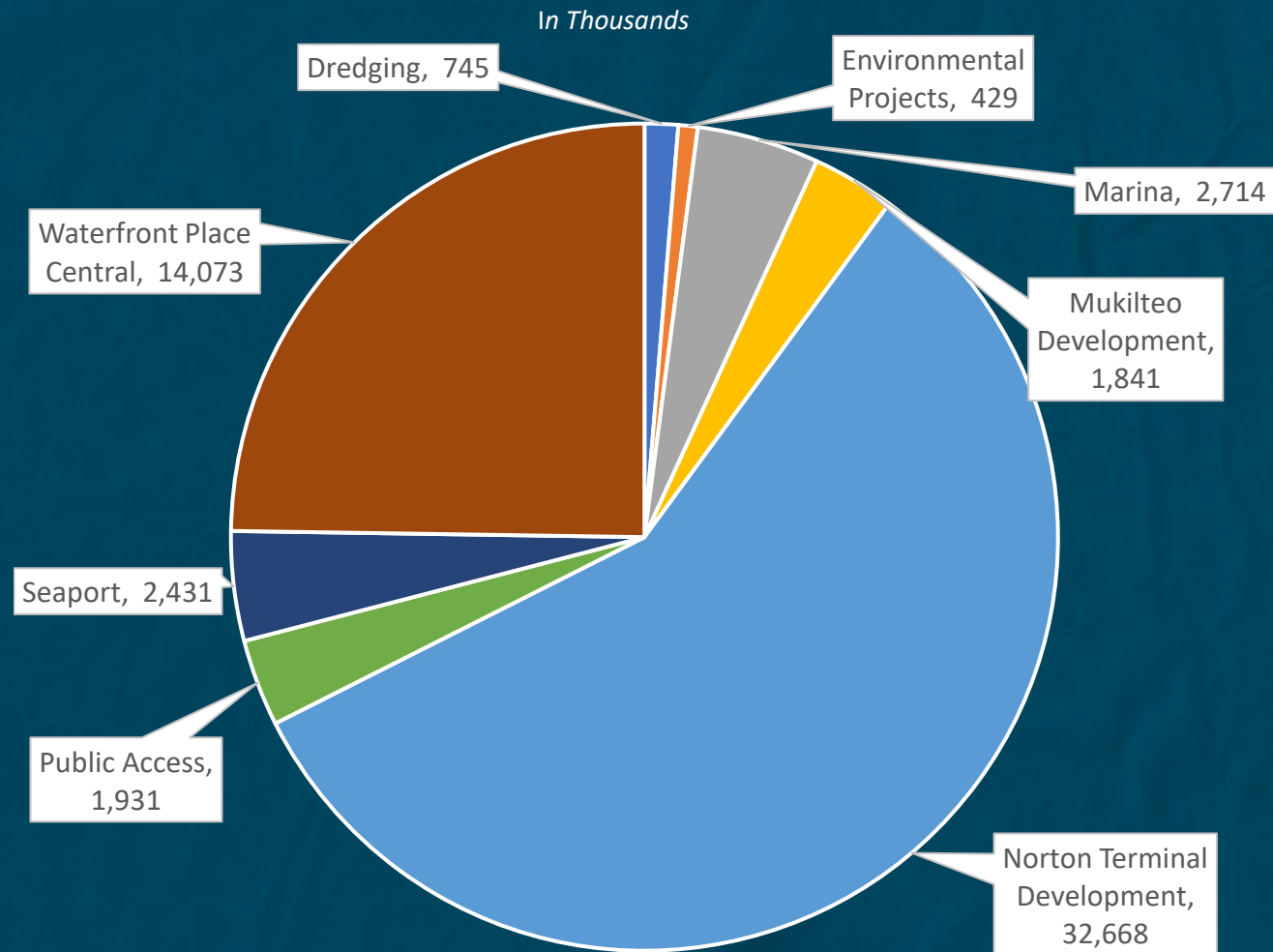
As of December 31

Net Position

	2022	2021
Current Assets	\$18.5 m	\$29.4 m
Notes Receivable	\$0 m	\$4.0 m
Capital Assets, Net	\$362.6 m	\$339.3 m
Other Non-current Assets	\$7.4 m	\$1 m
Total Assets	<u>\$388.5 m</u>	<u>\$372.8 m</u>
Deferred Outflows of Net Position	<u>\$1.0 m</u>	<u>\$1.1 m</u>
Current Liabilities	\$23.2 m	\$11.6 m
Long Term Liabilities	\$136.5 m	\$161.4 m
Total Liabilities	<u>\$159.8 m</u>	<u>\$173.0 m</u>
Deferred Inflows of Net Position	<u>\$7.8 m</u>	<u>\$1.2 m</u>
Net Position	<u>\$222.0 m</u>	<u>\$199.7 m</u>



2022 Gross Capital Spend



2023 Capital Budget

Project Assumptions

✓ Seaport Modernization (\$4.4M)

- Complete construction of Norton Terminal
- Mill A
- Master Planning

✓ Creating a New Waterfront Community (\$9.7M)

- Ground lease retail projects move forward (PGL, A12, A6)
- Millwright Loop Road east
- Destination Retail

✓ Taking Care of Our Facilities (\$3.6M)

- Seaport bulkhead renovation
- South Marina Covered Roofs
- Fire Damage Repair



2023 Capital Budget

Project Assumptions (continued)

✓ Sustainable Marina Operations (\$2.7M)

- Move Fuel Tanks
- Marina Maintenance Shop

✓ Economic Development (\$1.4M)

- Blue Heron Slough completed
- Environmental cleanup projects

✓ Other (\$2.9M)

- Cargo handling equipment and rolling stock
- Boat Launch Rinse facility improvements

Capital Investments

\$25.7m gross in 2023

\$75.3m from 2023 – 2027



2023 Capital Budget

Financing Plan

- ✓ \$830K decrease in cash during 2023
- ✓ Assumption:
 - Additional debt due to loan for cargo handling equipment, construction of Millwright Loop Road
 - Refinance and extend term of 2013 LTGO
 - Possible new LTGO debt of \$5M

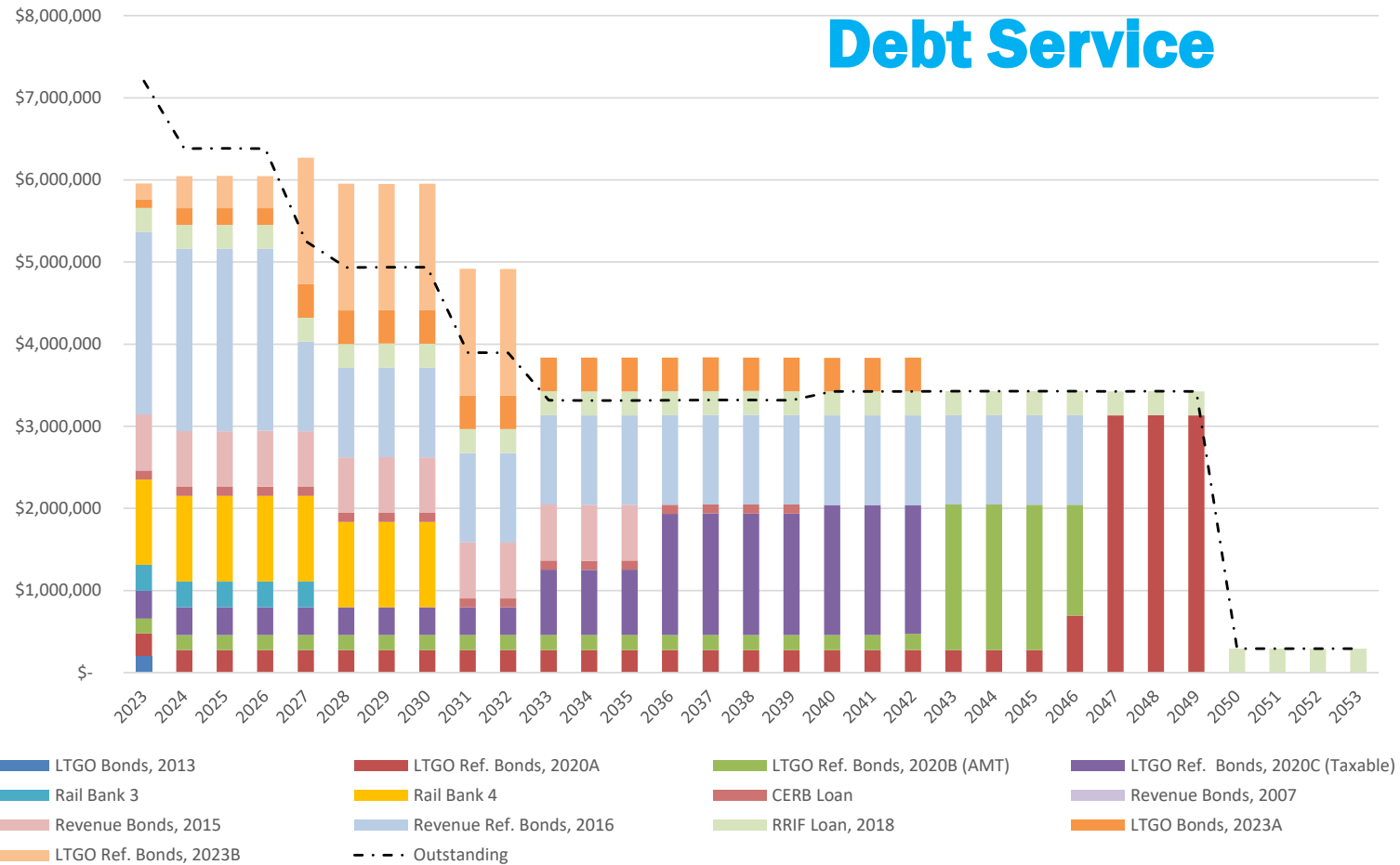
Risks

- ✓ Recession resulting in less revenue
- ✓ Loss of discipline on spending

Opportunity for accelerating projects, with Commission approval, if cashflow increases or grants are secured



Projected LTGO and Revenue



LTGO Refunding and New Money

2023A (New Money): \$5 million, 20 year amortization, level debt service, first principal 2027

2023B (Refunding): First principal 2027, same final maturity 2030

LTGO	Interest Rates	Current Debt	Projected Debt
LTGO Bonds, 2013	3.25% - 5.00%	\$ 8,890,000	\$ -
LTGO Ref. Bonds, 2020A	2.75% - 3.00%	9,285,000	9,285,000
LTGO Ref. Bonds, 2020B (AMT)	2.875% - 3.00%	6,230,000	6,230,000
LTGO Ref. Bonds, 2020C (Taxable)	2.85% - 3.25%	10,810,000	10,810,000
Rail Bank 3	0.00%	1,580,860	1,580,860
Rail Bank 4	0.00%	8,322,568	8,322,568
CERB Loan	1.50%	1,643,178	1,643,178
LTGO Bonds, 2023A	AIC - 3.60%		4,725,000
LTGO Ref. Bonds, 2023B	AIC - 2.86%		7,820,000
Total LTGO Debt		\$ 46,761,606	\$ 50,416,606
Revenue Debt			
Revenue Bonds, 2007	4.125% - 4.13%	\$ 5,000	\$ 5,000
Revenue Bonds, 2015	3.00% - 4.00%	6,785,000	6,785,000
Revenue Ref. Bonds, 2016	3.00% - 5.00%	20,395,000	20,395,000
RRIF Loan, 2018	3.39%	5,541,524	5,541,524
Total Revenue Debt		\$ 32,726,524	\$ 32,726,524
Total LTGO and Revenue Debt		\$ 79,488,130	\$ 83,143,130



Thank You!
Questions?

