

PEASE DEVELOPMENT AUTHORITY

QUARTERLY STATUS REPORT- JUNE 30, 2018

I. FINANCIAL REVIEW- PEASE DEVELOPMENT AUTHORITY

THE PDA, EFFECTIVE JUNE 1, 1990, WAS THE SUCCESSOR ENTITY TO THE PEASE REDEVELOPMENT COMMISSION WHICH HAD THE MANDATE FOR THE CONVERSION AND REDEVELOPMENT OF THE PEASE AIR FORCE BASE. THE INCOME STATEMENT NOTED BELOW REFLECTS CONSOLIDATED OPERATIONS OF THE PEASE TRADEPORT, PSM, SKYHAVEN AIRPORT, GOLF COURSE AND ADMINISTRATIVE OVERHEADS.

INCOME STATEMENT

(\$000'S)

	<i>FY 2018 JUL-SEP</i>	<i>FY 2018 OCT-DEC</i>	<i>FY 2018 JAN-MAR</i>	<i>FY 2018 APR-JUN</i>	<i>FY 2018 TOTAL</i>
OPERATING REVENUES	\$ 3,669	\$ 2,767	\$ 2,591	\$ 3,292	\$ 12,319
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	(2,282)	(2,363)	(2,332)	(3,021)	(9,998)
OPERATING INCOME	1,387	404	259	271	2,321

2. FINANCIAL REVIEW- DIVISION OF PORTS AND HARBORS- UNRESTRICTED FUNDS

PURSUANT TO CHAPTER 290, LAWS OF 2001, THE NEW HAMPSHIRE STATE PORT AUTHORITY WAS TRANSFERRED TO THE PDA EFFECTIVE JULY 1, 2001. THE INCOME STATEMENT NOTED BELOW REFLECTS CONSOLIDATED OPERATIONS OF UNRESTRICTED FUNDS SPECIFIC TO THE OPERATIONS OF HARBOR MANAGEMENT, HAMPTON HARBOR, PORTSMOUTH FISH PIER, RYE HARBOR, MARKET STREET TERMINAL AND ADMINISTRATIVE OVERHEADS.

INCOME STATEMENT (DPH)

(\$000'S)

	<i>FY 2018 JUL-SEP</i>	<i>FY 2018 OCT-DEC</i>	<i>FY 2018 JAN-MAR</i>	<i>FY 2018 APR-JUN</i>	<i>FY 2018 TOTAL</i>
OPERATING REVENUES	\$ 740	\$ 479	\$ 495	\$ 814	\$ 2,528
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	(651)	(484)	(452)	(721)	(2,308)
OPERATING INCOME	89	(5)	43	93	220

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QUARTERLY STATUS REPORT- JUNE 30, 2018 (CONTINUED):

3. FINANCIAL REVIEW- DIVISION OF PORTS AND HARBORS- RESTRICTED FUNDS

AS A RESULT OF THE TRANSFER OF THE DIVISION OF PORTS AND HARBORS TO THE PDA, THREE RESTRICTED FUNDS WERE ALSO CONVEYED TO THE PDA INCLUDING:

INCOME STATEMENT- HARBOR DREDGING AND PIER MAINTENANCE FUND (HD) (\$000'S)

ESTABLISHED TO INITIATE AND IMPLEMENT HARBOR DEREDGING PROJECTS AND TO MAINTAIN PUBLIC PIERS.

	<i>FY 2018 JUL-SEP</i>	<i>FY 2018 OCT-DEC</i>	<i>FY 2018 JAN-MAR</i>	<i>FY 2018 APR-JUN</i>	<i>FY 2018 TOTAL</i>
OPERATING REVENUES	\$ 22	\$ 19	\$ 35	\$ 47	\$ 123
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	(19)	(2)	(13)	(13)	(47)
OPERATING INCOME	3	17	22	34	76

INCOME STATEMENT- REVOLVING LOAN FISHERY FUND (RLF) (\$000'S)

ESTABLISHED THROUGH AN \$810,000 GRANT FROM THE ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) IN 1994 TO PROVIDE DIRECT ASSISTANCE TO THE FISHING INDUSTRY AND AID THE CREATION OF ECONOMIC OPPORTUNITIES WITHIN THE INDUSTRY.

	<i>FY 2018 JUL-SEP</i>	<i>FY 2018 OCT-DEC</i>	<i>FY 2018 JAN-MAR</i>	<i>FY 2018 APR-JUN</i>	<i>FY 2018 TOTAL</i>
OPERATING REVENUES	\$ 11	\$ 11	\$ 11	\$ 15	\$ 48
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	(6)	(10)	(9)	(8)	(33)
OPERATING INCOME	5	1	2	7	15

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3. FINANCIAL REVIEW- DIVISION OF PORTS AND HARBORS- RESTRICTED FUNDS (CONTINUED):

INCOME STATEMENT- FOREIGN TRADE ZONE FUND (FTZ) (\$000'S)

THE UNITED STATES DEPARTMENT OF COMMERCE DESIGNATES FOREIGN TRADE ZONES AS OUTSIDE THE COMMERCE OF THE UNITED STATES FOR THE PURPOSE OF DUTY ASSESSMENT. AS SUCH, GOODS ENTERING THE FOREIGN TRADE ZONE DO NOT INCUR DUTY FEES WITHIN THE DESIGNATED ZONES. THE DPH IS THE GRANTEE OF FOREIGN TRADE ZONE #81.

	<i>FY 2018 JUL-SEP</i>	<i>FY 2018 OCT-DEC</i>	<i>FY 2018 JAN-MAR</i>	<i>FY 2018 APR-JUN</i>	<i>FY 2018 TOTAL</i>
OPERATING REVENUES	\$ -	\$ 5	\$ -	\$ -	\$ 5
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	(2)	(29)	(9)	(2)	(42)
OPERATING INCOME	(2)	(24)	(9)	(2)	(37)

4. CONSOLIDATED BALANCE SHEET

(\$000'S)

	<i>PDA</i>	<i>DPH</i>	<i>HD</i>	<i>RLF</i>	<i>FTZ</i>
ASSETS					
CURRENT ASSETS	\$ 8,198	\$ 1,183	\$ 432	\$ 1,200	\$ 10
CAPITAL ASSETS	57,282	8,981	793	-	-
ALL OTHER	927	229	-	-	-
	66,407	10,393	1,225	1,200	10
LIABILITIES					
CURRENT LIABILITIES	4,329	565	261	2	-
NONCURRENT LAIBILITIES	4,397	1,165	-	-	-
ALL OTHER	233	64	-	-	-
	8,959	1,794	261	2	-
NET POSITION					
NET INVESTMENT IN CAPITAL ASSETS	55,265	8,351	784	-	-
OTHER	2,183	248	180	1,198	10
	57,448	8,599	964	1,200	10

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CURRENT INITIATIVES

- INTRODUCTION OF PAY FOR PARKING AT PORTSMOUTH INTERNATIONAL AIRPORT (PSM)- JANUARY, 2019
- REINTRODUCTION OF FUEL FLOWAGE FEES AT PSM- JULY 2018
- WENTWORTH DOUGLAS EXPANSION
- LONZA BIOLOGICS EXPANSION
- COMPREHENSIVE WEBSITE REDESIGN
- ALLEGIANT AIRLINES REVERSE MARKETING PROGRAM
- FASTLANE 2017 \$7,500,000 GRANT APPLICATION- MAIN WHARF REHABILITATION AND MODIFICATION PROJECT AT MARKET STREET TERMINAL
- COMPLETION OF CAPITAL IMPROVEMENT PLAN (FY 2018- FY 2025) INCLUDES:
 - PSM TERMINAL EXPANSION
 - PSM RUNWAY RECONSTRUCTION
 - PSM TERMINAL PARKING LOT ENHANCEMENTS
 - FUNCTIONAL REPLACEMENT OF BARGE DOCK- MARKET STREET MARINE TERMINAL- DIVISION OF PORTS AND HARBORS (DPH)
 - TRADEPORT INTERSECTION IMPROVEMENTS

POTENTIAL RISKS AND SENSITIVITIES

- CONSERVATION LAW FOUNDATION- MS4 LITIGATION
- SUBSURFACE SOIL CONTAMINATION WITH SIGNIFICANT LEVELS OF THE HEAVY METAL MERCURY- DPH
- \$252,250 LOAN AMORTIZATION PERIOD AND INTEREST RATE- HB 25-FIN-A FOR PISCATAQUA RIVER TURNING BASIN- DPH
- LONG TERM FINANCING ALTERNATIVES
- GASB 45 RECOGNITION- POST EMPLOYMENT BENEFIT LIABILITY AT JUNE 30, 2018 PENDING
- NET PENSION LIABILITY
 - JUNE 30, 2017 \$4,986,400
 - JUNE 30, 2016 \$5,489,977
 - JUNE 30, 2015 \$4,255,991
 - JUNE 30, 2014 \$3,687,154