

PEASE DEVELOPMENT AUTHORITY

QUARTERLY STATUS REPORT- SEPTEMBER 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 2019 JUL-SEP</i>	<i>FY 2019 OCT-DEC</i>	<i>FY 2019 JAN-MAR</i>	<i>FY 2019 APR-JUN</i>	<i>FY 2019 TOTAL</i>
OPERATING REVENUES	\$ 3,811	\$ -	\$ -	\$ -	\$ 3,811
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	(2,233)	-	-	-	(2,233)
OPERATING INCOME	\$ 1,578	\$ -	\$ -	\$ -	\$ 1,578

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 2019 JUL-SEP</i>	<i>FY 2019 OCT-DEC</i>	<i>FY 2019 JAN-MAR</i>	<i>FY 2019 APR-JUN</i>	<i>FY 2019 TOTAL</i>
OPERATING REVENUES	\$ 760	\$ -	\$ -	\$ -	\$ 760
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	(756)	-	-	-	(756)
OPERATING INCOME	\$ 4	\$ -	\$ -	\$ -	\$ 4

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QUARTERLY STATUS REPORT- SEPTEMBER 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 2019 JUL-SEP</i>	<i>FY 2019 OCT-DEC</i>	<i>FY 2019 JAN-MAR</i>	<i>FY 2019 APR-JUN</i>	<i>FY 2019 TOTAL</i>
OPERATING REVENUES	\$ 19	\$ -	\$ -	\$ -	\$ 19
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	(3)	-	-	-	(3)
OPERATING INCOME	\$ 16	\$ -	\$ -	\$ -	\$ 16

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 2019 JUL-SEP</i>	<i>FY 2019 OCT-DEC</i>	<i>FY 2019 JAN-MAR</i>	<i>FY 2019 APR-JUN</i>	<i>FY 2019 TOTAL</i>
OPERATING REVENUES	\$ 11	\$ -	\$ -	\$ -	\$ 11
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	(16)	-	-	-	(16)
OPERATING INCOME	\$ (5)	\$ -	\$ -	\$ -	\$ (5)

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

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 2019 JUL-SEP</i>	<i>FY 2019 OCT-DEC</i>	<i>FY 2019 JAN-MAR</i>	<i>FY 2019 APR-JUN</i>	<i>FY 2019 TOTAL</i>
OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	(6)	-	-	-	(6)
OPERATING INCOME	\$ (6)	\$ -	\$ -	\$ -	\$ (6)

4. CONSOLIDATED BALANCE SHEET

(\$000'S)

	<i>PDA</i>	<i>DPH</i>	<i>HD</i>	<i>RLF</i>	<i>FTZ</i>
ASSETS					
CURRENT ASSETS	\$ 7,522	\$ 1,189	\$ 443	\$ 199	\$ 4
CAPITAL ASSETS	56,305	9,014	773	-	-
ALL OTHER	927	229	-	996	-
	64,754	10,432	1,216	1,195	4
LIABILITIES					
CURRENT LIABILITIES	2,859	595	-	3	-
NONCURRENT LAIBILITIES	4,337	1,137	255	-	-
ALL OTHER	233	64	-	-	-
	7,429	1,796	255	3	-
NET POSITION					
NET INVESTMENT IN CAPITAL ASSETS	55,021	9,001	774	-	-
OTHER	2,304	(365)	187	1,192	4
	57,325	8,636	961	1,192	4
	\$ 64,754	\$ 10,432	\$ 1,216	\$ 1,195	\$ 4

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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
- EXPANSION OF \$ 5,000,000 REVOLVING LINE OF CREDIT FACILITY- PROVIDENT BANK

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
- NET PENSION LIABILITY AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	<u>NET PENSION</u>	<u>OPEB</u>	<u>TOTAL</u>
○ JUNE 30, 2018	\$ 4,986,400	\$ 8,238,717	\$ 13,225,117
○ JUNE 30, 2017	5,489,977	-	5,489,977
○ JUNE 30, 2016	4,255,991	-	4,255,991
○ JUNE 30, 2015	3,687,154	-	3,687,154