

PEASE DEVELOPMENT AUTHORITY

QUARTERLY STATUS REPORT- JUNE 30, 2019

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	\$ 2,760	\$ 3,010	\$ 3,819	\$ 13,400
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	(2,233)	(2,418)	(3,187)	(2,514)	(10,352)
OPERATING INCOME	\$ 1,578	\$ 342	\$ (177)	\$ 1,305	\$ 3,048

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- DIVISION OF PORTS AND HARBORS (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	\$ 610	\$ 747	\$ 553	\$ 2,670
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	(756)	(525)	(431)	(597)	(2,309)
OPERATING INCOME	\$ 4	\$ 85	\$ 316	\$ (44)	\$ 361

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QUARTERLY STATUS REPORT- JUNE 30, 2019 (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	\$ 27	\$ 35	\$ 44	\$ 125
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	(3)	(19)	(4)	(20)	(46)
OPERATING INCOME	\$ 16	\$ 8	\$ 31	\$ 24	\$ 79

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	\$ 27	\$ 16	\$ 65
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	(16)	(10)	(25)	(8)	(59)
OPERATING INCOME	\$ (5)	\$ 1	\$ 2	\$ 8	\$ 6

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QUARTERLY STATUS REPORT- JUNE 30, 2019 (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	\$ -	\$ 5	\$ -	\$ 5	\$ 10
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	(6)	(4)	(3)	(3)	(16)
OPERATING INCOME	\$ (6)	\$ 1	\$ (3)	\$ 2	\$ (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	\$ 8,048	\$ 1,272	\$ 383	\$ -	\$ 4
CAPITAL ASSETS	54,170	9,465	931	-	-
ALL OTHER	1,283	281	-	1,209	-
	63,501	11,018	1,314	1,209	4
LIABILITIES					
CURRENT LIABILITIES	2,733	526	45	5	-
NONCURRENT LAIBILITIES	9,981	2,063	252	-	-
ALL OTHER	2,688	533	-	-	-
	15,402	3,122	297	5	-
NET POSITION					
NET INVESTMENT IN CAPITAL ASSETS	53,573	9,475	883	-	-
OTHER	(5,474)	(1,579)	134	1,204	4
	48,099	7,896	1,017	1,204	4
	\$ 63,501	\$ 11,018	\$ 1,314	\$ 1,209	\$ 4

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CURRENT FISCAL YEAR 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
- MS4 LEGAL SETTLEMENT- CONSERVATION LAW FOUNDATION
- FASTLANE 2017 \$7,500,000 GRANT APPLICATION- MAIN WHARF REHABILITATION AND MODIFICATION PROJECT AT MARKET STREET TERMINAL
- COMPLETION OF CAPITAL IMPROVEMENT PLAN (FY 2019- FY 2026) 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
- COMPLETED FY 2019 EXTERNAL FINANCIAL AUDIT- UNQUALIFIED OPINION
- EXPANDED CURRENT REVOLVING LINE OF CREDIT FACILITY FROM \$5,000,000 TO \$15,000,000 (PROVIDENT BANK) WITH A MATURITY DATE OF DECEMBER 31, 2022.

POTENTIAL RISKS AND SENSITIVITIES

- BULKHEAD INVESTIGATION AND REHABILITATION AT PORTSMOUTH FISH PIER- DPH
- 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- INTEREST RATE EXPOSURE
- NET PENSION LIABILITY AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	<u>NET PENSION</u>	<u>OPEB</u>	<u>TOTAL</u>
○ JUNE 30, 2019	\$ 4,384,392	\$ 7,291,881	\$ 11,676,273
○ 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