

PEASE DEVELOPMENT AUTHORITY

QUARTERLY STATUS REPORT- JUNE 30, 2020

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

	<i>FY 2020 JUL-SEP</i>	<i>FY 2020 OCT-DEC</i>	<i>FY 2020 JAN-MAR</i>	<i>FY 2020 APR-JUN</i>	<i>FY 2020 TOTAL</i>
OPERATING REVENUES	\$ 3,962,898	\$ 3,362,122	\$ 3,043,127	\$ 4,918,744	\$ 15,286,891
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	2,607,328	2,576,855	2,500,264	2,376,408	10,060,855
OPERATING INCOME	1,355,570	785,267	542,863	2,542,336	5,226,036

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)

	<i>FY 2020 JUL-SEP</i>	<i>FY 2020 OCT-DEC</i>	<i>FY 2020 JAN-MAR</i>	<i>FY 2020 APR-JUN</i>	<i>FY 2020 TOTAL</i>
OPERATING REVENUES	\$ 583,066	\$ 546,174	\$ 799,014	\$ 1,242,604	\$ 3,170,858
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	575,774	533,211	440,431	903,826	2,453,242
OPERATING INCOME	7,292	12,963	358,583	338,778	717,616

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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)

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

	<i>FY 2020 JUL-SEP</i>	<i>FY 2020 OCT-DEC</i>	<i>FY 2020 JAN-MAR</i>	<i>FY 2020 APR-JUN</i>	<i>FY 2020 TOTAL</i>
OPERATING REVENUES	\$ 34,728	\$ 27,363	\$ 35,342	\$ 40,871	\$ 138,304
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	129,700	4,055	4,612	43,200	181,567
OPERATING INCOME	(94,972)	23,308	30,730	(2,329)	(43,263)

INCOME STATEMENT- REVOLVING LOAN FISHERY FUND (RLF)

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 2020 JUL-SEP</i>	<i>FY 2020 OCT-DEC</i>	<i>FY 2020 JAN-MAR</i>	<i>FY 2020 APR-JUN</i>	<i>FY 2020 TOTAL</i>
OPERATING REVENUES	\$ 11,503	\$ 10,906	\$ 10,228	\$ 6,010	\$ 38,647
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	6,642	4,260	8,153	6,293	25,348
OPERATING INCOME	4,861	6,646	2,075	(283)	13,299

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QUARTERLY STATUS REPORT- JUNE 30, 2020 (CONTINUED):

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

INCOME STATEMENT- FOREIGN TRADE ZONE FUND (FTZ)

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.

	FY 2020 JUL-SEP	FY 2020 OCT-DEC	FY 2020 JAN-MAR	FY 2020 APR-JUN	FY 2020 TOTAL
OPERATING REVENUES	\$ 2,000	\$ 10,000	\$ -	\$ -	\$ 12,000
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	1,500	3,427	3,075	1,543	9,545
OPERATING INCOME	500	6,573	(3,075)	(1,543)	2,455

4. CONSOLIDATED BALANCE SHEET

	PDA	DPH	HD	RLF	FTZ
ASSETS					
CURRENT ASSETS	\$ 12,110,771	\$ 2,694,598	\$ 237,141	\$ 288,335	\$ 6,768
CAPITAL ASSETS	65,203,804	9,434,475	894,015	-	-
ALL OTHER	1,018,666	278,325	-	929,755	-
	78,333,241	12,407,398	1,131,156	1,218,090	6,768
LIABILITIES					
CURRENT LIABILITIES	9,211,547	1,398,715	3,434	260	-
NONCURRENT LAIBILITIES	6,312,154	3,797,118	252,250	-	-
ALL OTHER	3,434,085	655,175	-	-	-
	18,957,786	5,851,008	255,684	260	-
NET POSITION					
NET INVESTMENT IN CAPITAL ASSETS	57,559,458	9,394,004	894,015	-	-
OTHER	1,815,997	(2,837,614)	(18,543)	1,217,830	6,768
	59,375,455	6,556,390	875,472	1,217,830	6,768
	78,333,241	12,407,398	1,131,156	1,218,090	6,768

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CURRENT FISCAL YEAR INITIATIVES

- COMPLETED INDEPENDENT ASSESSMENT OF INFORMATION TECHNOLOGY ENVIRONMENT ACROSS ALL BUSINESS UNITS.
- COMPLETED FY 2019 INDEPENDENT FINANCIAL AUDIT- UNQUALIFIED OPINION. FY 2020 INDEPENDENT FINANCIAL AUDIT UNDERWAY.
- SECURED \$3,250,000 IN STATE APPROPRIATION (CH 346:350, LAWS OF 2019) FOR THE REPAIR AND RENOVATION OF THE PORTSMOUTH FISH PIER BULKHEAD AND REALTED INFRASTRUCTURE.(DPH)
- SECURED \$5,003,235 IN STATE APPROPRIATION (CH 351:5, LAWS OF 1991) FOR THE PURPOSE OF PROVIDING MATCHING FUNDS ASSOCIATED WITH THE MAIN PIER REHABILITATION PROJECT AND THE US DEPARTMENT OF TRANSPORTATION BETTER INVESTMENTS TO LEVERAGING DEVELOPMENT (BUILD) GRANT. (DPH)
- SECURED \$756,250 IN STATE APPROPRIATION (HB 25-A CHAPTER 146) FOR THE DREDGING OF HAMPTON HARBOR (\$118,750) AND RYE HARBOR (\$637,500). (DPH)
- UPDATED CAPITAL IMPROVEMENT PLAN (FY 2020 - 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
 - TRADEPORT INTERSECTION IMPROVEMENTS
- FINALIZED DISCUSSIONS SPECIFIC TO EXPANDING OUR REVOLVING LINE OF CREDIT FACILITY FROM \$5,000,000 TO \$15,000,000 WITH A MATURITY DATE OF DECEMBER 31, 2022.
- SUBMITTED APPLICATION AND RECEIVED FUNDING AUTHORIZATION FOR FEDERAL ASSISTANCE UNDER THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT. FUNDING FOR PORTSMOUTH AIRPORT HAS BEEN ALLOCATED \$1,607,474 AND \$30,000 FOR SKYHAVEN AIRPORT.

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POTENTIAL RISKS AND SENSITIVITIES

- JUNE 30, 2020 FINANCIALS ARE SUBJECT TO THE FINAL INDEPENDENT AUDIT EXAMINATION WHICH IS ANTICIPATED TO BE COMPLETED NO LATER THAN OCTOBER 1, 2020.
- ENVIRONMENTAL COMPLIANCE PROGRAM COSTS / STORMWATER CONSULTANT (MS4).
- SUBSURFACE SOIL CONTAMINATION WITH POTENTIAL 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.
- CORONAVIRUS IMPACT- LOST REVENUES AND INCREMENTAL EXPENSES.
- CONSUMER PRICE INDEX-LEASE AGREEMENTS AND ASSOCIATED REVENUE ESCALATION.
- NET PENSION LIABILITY AND OTHER POSTEMPLOYMENT BENEFITS (OPEB):

	<u>NET PENSION</u>	<u>OPEB</u>	<u>TOTAL</u>
○ JUNE 30, 2020	\$ 4,197,804	\$ 5,630,108	\$ 9,827,912
○ 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