

PEASE DEVELOPMENT AUTHORITY

QUARTERLY STATUS REPORT- SEPTEMBER 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 2021 JUL-SEP</i> | <i>FY 2021 OCT-DEC</i> | <i>FY 2021 JAN-MAR</i> | <i>FY 2021 APR-JUN</i> | <i>FY 2021 TOTAL</i> |
|--|----------------------------|----------------------------|----------------------------|----------------------------|--------------------------|
| OPERATING REVENUES | \$ 4,442,557 | | | | |
| OPERATING EXPENSES (EXCLUDING DEPRECIATION) | 2,622,326 | | | | |
| OPERATING INCOME | 1,820,231 | | | | |

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 2021 JUL-SEP</i> | <i>FY 2021 OCT-DEC</i> | <i>FY 2021 JAN-MAR</i> | <i>FY 2021 APR-JUN</i> | <i>FY 2021 TOTAL</i> |
|--|----------------------------|----------------------------|----------------------------|----------------------------|--------------------------|
| OPERATING REVENUES | \$ 643,689 | | | | |
| OPERATING EXPENSES (EXCLUDING DEPRECIATION) | 586,326 | | | | |
| OPERATING INCOME | 57,363 | | | | |

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QUARTERLY STATUS REPORT- SEPTEMBER 30, 2020 (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)

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

| | <i>FY 2021 JUL-SEP</i> | <i>FY 2021 OCT-DEC</i> | <i>FY 2021 JAN-MAR</i> | <i>FY 2021 APR-JUN</i> | <i>FY 2021 TOTAL</i> |
|--|----------------------------|----------------------------|----------------------------|----------------------------|--------------------------|
| OPERATING REVENUES | \$ 23,505 | | | | |
| OPERATING EXPENSES (EXCLUDING DEPRECIATION) | - | | | | |
| OPERATING INCOME | 23,505 | | | | |

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 2021 OCT-DEC</i> | <i>FY 2021 JAN-MAR</i> | <i>FY 2021 APR-JUN</i> | <i>FY 2021 TOTAL</i> |
|--|----------------------------|----------------------------|----------------------------|----------------------------|--------------------------|
| OPERATING REVENUES | \$ 2,935 | | | | |
| OPERATING EXPENSES (EXCLUDING DEPRECIATION) | 1,463 | | | | |
| OPERATING INCOME | 1,472 | | | | |

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QUARTERLY STATUS REPORT- SEPTEMBER 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.

| | <i>FY 2021 JUL-SEP</i> | <i>FY 2021 OCT-DEC</i> | <i>FY 2021 JAN-MAR</i> | <i>FY 2021 APR-JUN</i> | <i>FY 2021 TOTAL</i> |
|--|----------------------------|----------------------------|----------------------------|----------------------------|--------------------------|
| OPERATING REVENUES | \$ 2,000 | | | | |
| OPERATING EXPENSES (EXCLUDING DEPRECIATION) | 1,538 | | | | |
| OPERATING INCOME | 462 | | | | |

4. CONSOLIDATED BALANCE SHEET

| | <i>PDA</i> | <i>DPH</i> | <i>HD</i> | <i>RLF</i> | <i>FTZ</i> |
|----------------------------------|---------------|--------------|------------|------------|------------|
| ASSETS | | | | | |
| CURRENT ASSETS | \$ 12,556,825 | \$ 2,165,240 | \$ 257,211 | \$ 404,969 | \$ 7,230 |
| CAPITAL ASSETS | 70,976,282 | 9,543,521 | 868,913 | - | - |
| ALL OTHER | 979,173 | 270,803 | - | 814,625 | - |
| | 84,512,280 | 11,979,564 | 1,126,124 | 1,219,594 | 7,230 |
| LIABILITIES | | | | | |
| CURRENT LIABILITIES | 10,904,224 | 817,342 | - | 292 | - |
| NONCURRENT LAIBILITIES | 6,312,924 | 3,797,383 | 252,250 | - | - |
| ALL OTHER | 3,434,085 | 655,174 | - | - | - |
| | 20,651,233 | 5,269,899 | 252,250 | 292 | - |
| NET POSITION | | | | | |
| NET INVESTMENT IN CAPITAL ASSETS | 62,008,532 | 9,310,754 | 868,913 | - | - |
| OTHER | 1,862,515 | (2,601,089) | 4,961 | 1,219,302 | 7,230 |
| | 63,861,047 | 6,709,665 | 873,874 | 1,219,302 | 7,230 |
| | 84,512,280 | 11,979,564 | 1,126,124 | 1,219,594 | 7,230 |

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

CURRENT FISCAL YEAR INITIATIVES

- COMMENCED THE INDEPENDENT FINANCIAL AUDIT WITH THE FIRM OF BERRY DUNN FOR THE TWELVE MONTH PERIOD ENDING JUNE 30, 2020.

- COMMENCED SIGNIFICANT CAPITAL IMPROVEMENT PROGRAM INCLUDING:
 - 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)
 - DREDGING OF RYE AND HAMPTON HARBORS (DPH)
 - PORTSMOUTH FISH PIER REPAIR AND CONSTRUCTION (DPH)
 - MAIN WHARF REHABILITATION AND MODIFICATION PROJECT (DPH)

- 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. FUNDING RECEIVED IN OCTOBER, 2020.

- SUBMITTED STATE OF NEW HAMPSHIRE 2022-2023 BIENNIUM BUDGET REQUEST.

- CONTINUED TO MONITOR AND ENHANCE IMPLEMENTATION OF STATE OF NEW HAMPSHIRE COVID-19 GUIDELINES IN AN EFFORT TO PROTECT OUR EMPLOYEES AND MEMBERS OF THE PUBLIC.

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QUARTERLY STATUS REPORT- SEPTEMBER 30, 2020 (CONCLUDED):

POTENTIAL RISKS AND SENSITIVITIES

- ENVIRONMENTAL COMPLIANCE PROGRAM COSTS / STORMWATER CONSULTANT (MS4).
- SUBSURFACE SOIL CONTAMINATION WITH POTENTIAL SIGNIFICANT LEVELS OF THE HEAVY METAL MERCURY. (DPH)
- PRESENCE OF PER-AND POLYFLUOROALKYL (PFAS) AND RELATED EMERGING CONTAMINANTS OF CONCERN AT THE PORTSMOUTH TRADE PORT.
- \$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.
- ONGOING 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 |