

PORT AUTHORITY OF GUAM

JOSE D. LEON GUERRERO COMMERCIAL PORT
1026 Cabras Highway, Suite 201 Piti, GU 96915
Phone: (671) 477-5931 Fax: (671) 477-2689
Website: www.portguam.com



NEWS RELEASE

Board Unanimously Approves FY23 Budget

Piti, Guam, August 30, 2022: The Port Authority of Guam Board of Directors unanimously approved the agency's budget for Fiscal Year 2023.

The board members approved the new budget projecting total revenues of \$53,757,167 which is \$5,463,358 more than the previous year's projected revenues of \$48,293,809 and FY 2023's total expenses of \$49,067,576.

To arrive at a feasible revenue forecast, the Port Authority surveyed main customers for their 2023 income estimations and added a 2.2% increase on cargo related proceeds to arrive at a realistic revenue projection for the agency. Using fiscal prudence, the Port's total expenses were based on the needs of each division and annual obligations to include: annual debt service of 5.7 million, maintaining a Debt-Service Coverage Ratio (DSCR) of 1.25, days cash on hand – 500, and funding for capital improvement projects from bond, federal and local funding sources.

"We continue to use a 'bottom up zero-based budgeting' approach which focuses on financial accountability and sensible spending strategies while identifying cost saving alternatives which has proven to be successful for FY 2021 and FY 2022. Along with this, we are aggressively pursuing new federal funding opportunities for the Port's equipment acquisition and yard expansion program," said General Manager Rory J. Respicio. "I thank our Board of Directors for their support and recognizing that this FY 2023 Budget demonstrates our best estimation of the resources, operational and capital requirements for the upcoming fiscal year. These numbers provide realistic valuations for the Port's financial position for FY 2023."

With the projected numbers on revenue and expense, the funds available for debt service will result in a ratio of 1.98, which is .73 or 58% higher than the required DSCR of 1.25 for FY 2023.

Also Included in this budget are the vacancy pool of \$1.2 million, CIP pool of \$1.4 million and equipment pool of \$900K allowing the General Manager the flexibility to prioritize spending for each category with final approval coming from the Board of Directors for the procurement process.

"We have been spot-on achieving our revenue projections, while spending significantly less than what we have been authorized to spend, and our decisions are prudent and transparent," said Respicio.

A copy of the approved FY 2023 budget can be found on the Port's website at www.portofguam.com.