

Angel Of The Winds Arena/Everett Public Facilities District

2022 Financial Summary

2022 saw a substantial improvement for the District in generating net income compared to budget and the prior year because of an increase in event activity and attendance that coincided with pandemic related business impacts subsiding. Operating income for the facility was a loss of \$87,955, which was an improvement from budget by \$290,958. This was \$423,362 less of a loss than 2021's operating loss of \$511,317. Operating revenues were under budget by \$814,702, but higher than 2021 by \$4,694,503 due to event activity increasing. Facility Rentals and Other Revenues, especially Ice Rink Revenues increased against budget as well as 2021. Ticket Sales and F&B were under budget, but higher than in 2021. The overall lower Operating Revenues versus Budget were offset by lower Promoter Proceeds.

Non-event related expenses were down by \$84,366 from the 2022 budget but up \$1,188,296 from 2021. The largest increases were in salaries and benefits with vacant positions being filled and overall Operational Expenditures returning to pre-pandemic levels.

Non-operating revenues for the District were up \$213,270 from the 2022 budget, and \$593,455 higher than 2021. Main Increases of 2022 non-operating revenues were higher City and County Sales Tax and Interest Income. Admission taxes were \$40,176 lower than budget, but increased by \$163,774 from 2021. Interest expense was down versus budget, but slightly up compared to 2021 due to increased interest rates related to the variable Deficiency Loan rate.

Combining operating income and District income resulted in a net increase in assets of \$1,935,704 for 2022 prior to depreciation. This was up \$504,228 from the 2022 plan and up \$1,016,817 from 2021 results.

2022 Event Highlights

Everett Silvertips - The 2021-2022 season, was a return to a regular season, a full schedule was played and fans were allowed throughout, although proof of vaccination and masks were required at the start of the season. Attendance for that season was behind normal numbers based on ticket holder deferrals based on the pandemic. The 2022-2023 season saw increased attendance compared to the prior season and a return to standard Silvertips attendance. During 2022, almost 130,000 people attended Silvertips home games.

Disney On Ice – the annual family favorite event returned in 2022. We sold almost 28,000 tickets and our gross ticket sales were 7% higher than our 2021 results.

In 2021 we had two Minor Concerts at the end of the year with Covid Restrictions still in place. In 2022, we were able to return to pre-pandemic concert activity and held ten Minor as well as two Major Concerts at the Arena. Some concert highlights included Judas Priest, Walker Hayes and for King & Country.

The Family Show market continues to be hugely successful for the Arena with 2022 events including Harlem Globetrotters, Baby Shark Live, and Blippi. A majority of our graduation ceremonies returned in 2022 in the Arena, but not exactly at the same level as before the pandemic.

The Edward D. Hansen Conference Center returned to more of a typical schedule only in the second half of the year and held almost 50 events more than in the prior year.

We were able to secure a return of Professional Bull Riding to the Arena after a 10-year hiatus. With over 5,000 fans in attendance, it turned out to be a successful event, which led to a return in 2023 for 2 shows.

Capital

In 2022 we started several Capital projects, including the installation of an LED Ribbon Board, an Ice Plant and Security Camera replacement and an Ice Rink Wall renovation. In addition, we purchased Ice Rink Skates, installed a Video Equipment upgrade, and did repairs to the board system in the Ice Rink. All in all, we spent \$1,785,163 on Capital Assets, improvements and replacements in 2022.

Other

In 2022, the Everett PFD secured a Hotel-Motel Tax Fund Agreement with Snohomish County to fund PFD debt service at an amount that when combined with the amount dedicated to funding Everett Memorial Stadium bonds will equal the amount committed from County Council to Lynnwood PFD for its debt service through 2034. This agreement will substantially assist the Everett PFD's net position.

In 2015, the City of Everett entered an interlocal agreement with the Everett PFD for the provision of a loan in the amount of \$665,000 for the purpose of purchasing a new scoreboard. Per the District's other interlocal agreements with the City, monthly payments on the loan were only required if other funding obligations were met. Until 2022, no payments were able to be made and interest accrued on the amounts owing. Based on the careful management of the District's cash, in 2022, the PFD Board determined that it would begin paying down the scoreboard loan. As of April 2023, the loan was fully retired.