

Port of Port Townsend
2021 Summary of Fund Resources & Uses with Comparison to Prior Year and Budget

	YTD May 2020	YTD May 2021	Variance to prior year - 2020 v 2021	notes	YTD Budget 2021	Variance to Budget YTD
REVENUES						
Boat Haven Moorage	736,304	763,833	27,529	a	765,173	(1,340)
Yard Operations	747,935	1,000,440	252,505	a, b	799,388	201,052
Boat Haven Properties	286,347	340,422	54,075	a	313,928	26,494
Pt. Hudson Marina, RV & Prop	440,905	587,057	146,152	a, c	509,124	77,933
Quilcene	63,647	68,936	5,289		63,351	5,585
Ramps	17,486	20,014	2,528		21,182	(1,168)
Jeff. County Int'l Airport	62,401	68,094	5,693		64,755	3,339
(Increase)/Decrease in Accts. Receivable	(27,403)	37,799	65,202	a	-	37,799
Total Revenues	2,327,622	2,886,595	558,973	d	2,536,901	349,694
EXPENSES						
Salaries & Wages	927,047	959,850	32,803		958,934	917
Payroll Taxes	97,293	97,732	440		101,960	(4,228)
Employee Benefits	277,464	348,829	71,366	e	362,421	(13,592)
Uniform Expense	4,067	3,118	(949)		3,864	(745)
Contract Services	113,547	100,484	(13,063)		120,220	(19,736)
Legal & Auditing	8,499	52,831	44,332	f	32,276	20,555
Insurance	1,199	99	(1,100)		-	99
Facilities & Operations	194,502	312,237	117,735	g	190,459	121,778
Utilities	247,808	251,464	3,656		262,889	(11,425)
Marketing	17,215	12,196	(5,020)	h	23,838	(11,642)
Travel & Training	3,967	998	(2,968)		3,620	(2,622)
Cost of Goods - Fuel	2,035	-	(2,035)		-	-
Community Relations	6,496	3,847	(2,649)		1,500	2,347
Total Expenses	1,901,138	2,143,685	242,548	i	2,061,980	81,705
Net Operating Income (Loss)	426,484	742,910	316,426		474,921	267,989
Other Increases in Fund Resources						
Deposits & Retainage Collected	30,508	59,985	29,476		35,765	24,220
Taxes Collected	238,356	279,742	41,386		244,745	34,997
Capital Contributions/Grants	122,717	21,074	(101,642)		-	21,074
Debt Proceeds - Line of Credit	-	-	-		-	-
Interest	7,397	34,214	26,817		20,200	14,014
Property & other taxes	1,078,431	1,587,490	509,060		1,559,636	27,854
Misc Other Incr. in Fund Resources	6,267	9,810	3,544		6,615	3,195
Total Other Incr. in Fund Resources	1,483,675	1,992,315	508,640	j	1,866,961	125,354
Other Decr. In Fund Resources						
Deposits & Retainage Paid	1,883	12,742	10,859		5,584	7,158
Taxes Remitted	254,588	312,007	57,419		283,266	28,741
Debt Principal & Interest	-	251,565	251,565		-	251,565
Debt Mgmt, Issuance & Misc Exp	232	16,287	16,055		460	15,827
Election Expense	15,674	-	(15,674)		-	-
Total Other Decr. In Fund Resources	272,377	592,601	320,224	k	289,310	303,291
Net Other Incr./Decr. Fund Resources	1,211,298	1,399,714	188,416		1,577,651	(177,937)
Net Income/(Expense)	1,637,783	2,142,624	504,842	l	2,052,572	90,052

Summary of Fund Resources Uses, May YTD 2021

Notes:

- (a) *In Qtr.1, 2020 a Bad Debt Write-off was approved by Commission and recorded in the accounting system. This is a GAAP convention, and though we are Cash Based now, we chose to reinstitute an Accounts Receivable (AR) account in the accounting system (the detailed tracking is done in the marina billing software). As such, the revenues recorded should be adjusted by any Bad Debt write-offs as well as changes in the AR balance. There have been no AR write-offs YTD 2021. There is a new line item as of April 2021 showing the Operating Revenues adjusted for YTD changes in the AR balance.*
- (b) *Yard Revenues continue to reign strong over YTD 2020 as well as budget. Most of this increase is from the Yard Storage and Hoist revenues in both the 70/75 Ton and 300 Ton Yards which make up 83% of Yard revenues YTD.*
- (c) *Point Hudson has made a rebound from last year at the beginning of the pandemic. Most of the increase is Nightly RV and Nightly Moorage revenues which represents 28%, or \$166,353, of the YTD Point Hudson revenues.*
- (d) *Operating Revenues overall increased by 24%, or \$558,973, when compared to 2020 and were 14% higher than budgeted for YTD this month.*
- (e) *Due to the timing of benefit payments in 2020, there's a variance of \$71,366. This corrects itself in June. Benefits are just under budget to-date. When compared to budget, Benefits are less by almost \$14,000.*
- (f) *The large increase in Legal & Auditing Expense this year when compared to 2020 is in part due to the final billing of the 2018 & 2019 Financial Statement and Accountability audits for approximately \$14,000 and partly due to increased Legal in 2021 due to a now resolved litigation issue. This amount is also more than budgeted.*
- (g) *2021 costs are higher for Facilities & Operations when compared to 2020 by \$117,735, and more than Budget by \$121,778. Part of the significant jump in prior year comparisons from last month is the correction of removing "Bad Debt Expense" from 2020 because it is already reduced from Operating Revenues. Otherwise, the highest variances year to year from highest to lowest are Repair/Maintenance costs for \$48,274, Environmental Materials/Supplies for \$25,419, Operating Supplies for \$17,816 and Bank Charges for \$17,091. Bank Charges have increased due to the new software, Molo, that directs customers online to pay electronically. This is a huge plus to the Port because we receive funds more quickly, and we don't have to rely on staff to process the paper money and checks. In addition, we are having difficulty getting staffed up for summer, so the increase in efficiency via electronic payments is very helpful and worth the price. Operating Supplies increased from the prior month, more than anticipated due to purchases for the Maintenance department for shelving for the shop (\$3,051) and a welding machine (\$4,859). However, this line item is just more than budget by \$3,571.*
- (h) *The year to year variance for Marketing is due to approximately \$2,000 in ads regarding the Executive Director hiring process in 2020 and this year we did not use Bri Communications for the Puget Sound Boating Guide (>\$4,000), which are maps.*
- (i) *Overall, Operating Expenses increased by \$242,548, or 13%, when compared to 2020 and are more than budget by \$81,705, or 4%. As already mentioned, these year to year increases are due to timing of bills received and paid as well as increases in spending for Repair/Maintenance, Legal & Auditing, Salaries/Wages, Environmental Supplies, Operating Supplies & Bank Charges. It should be kept in mind that although this appears to be a significant increase in expenses, they are more in alignment when compared to the budget, or the plan for the year.*
- (j) *The year to year variance of \$508,640 for Total Other Increases in Fund Resources is primarily related to increased tax revenues. This total is more than budget by \$125,354.*
- (k) *Both the year to year and budget to actual variance for Total Non-Operating Expenses, \$320,224 and \$303,291, respectively, are related to the payoff of the 2020 LTGO Bond Line of Credit (\$251,565), increased taxes paid as the result of more business (\$57,419), increased lease deposits refunded \$10,859), 2021 LTGO Line of Credit issuance cost (\$9,300) and the first of three Tetra Tech invoices for the Ecology Recycling Grant work.*

(1) Overall, the increase of \$504,842 when comparing 2020 to 2021 for Net Income/(Expense) is due to the strong increase in Net Operating Income (more in 2021 by \$316,426) and the increase in Net Other Increases/Decreases in Fund Resources of \$188,416. It is important to compare to prior year, but just as important, if not more, to compare to budget because the budget is where we expect to be based on anticipated changes, increases, initiatives, etc. When compared to YTD budget, we are more than budgeted by \$90,052.