

Port of Port Townsend
2021 Summary of Fund Resources & Uses with Comparison to Prior 2 Years and Budget

	YTD August 2019	YTD August 2020	YTD August 2021	Variance to prior year - 2020 v 2021	notes	YTD Budget 2021	Variance to Budget YTD
REVENUES							
Boat Haven Moorage	1,282,658	1,275,108	1,317,008	41,900	a	1,259,456	57,552
Yard Operations	1,253,622	1,274,797	1,613,659	338,862	a, b	1,239,120	374,539
Boat Haven Properties	479,531	474,455	539,190	64,735	a	503,769	35,421
Pt. Hudson Marina, RV & Prop	1,019,812	889,006	1,162,546	273,541	a, c	953,917	208,629
Quilcene	118,014	114,651	121,089	6,438		110,815	10,274
Ramps	44,379	46,726	44,865	(1,862)		41,621	3,244
Jeff. County Int'l Airport	100,553	99,148	110,845	11,697		104,392	6,453
(Increase)/Decrease in Accts. Receivable	84,288	(37,622)	(15,115)	22,507	a	-	(15,115)
Total Revenues	4,382,857	4,136,269	4,894,088	757,819	d	4,213,090	680,998
EXPENSES							
Salaries & Wages	1,348,489	1,478,803	1,552,284	73,482		1,576,013	(23,729)
Payroll Taxes	148,848	156,318	158,858	2,540		168,423	(9,565)
Employee Benefits	446,042	554,775	549,191	(5,584)		592,942	(43,751)
Uniform Expense	4,524	4,818	3,860	(958)		6,009	(2,149)
Contract Services	168,505	164,332	171,779	7,447		196,828	(25,049)
Consulting Services	48,439	18,000	-	(18,000)		-	-
Legal & Auditing	75,676	15,979	58,217	42,238	e	45,617	12,600
Insurance	14,593	240,387	279,200	38,813	f	316,857	(37,657)
Facilities & Operations	292,019	255,041	463,646	208,605	g	309,023	154,623
Utilities	368,955	353,294	359,896	6,602	h	379,561	(19,665)
Marketing	36,240	35,600	37,854	2,254		35,015	2,839
Travel & Training	21,906	8,967	3,770	(5,197)		9,868	(6,098)
Cost of Goods - Fuel	10,113	2,035	-	(2,035)		-	-
Community Relations	35	6,896	3,847	(3,049)		4,069	(222)
Total Expenses	2,984,384	3,295,246	3,642,403	347,158	i	3,640,225	2,179
Net Operating Income (Loss)	1,398,473	841,023	1,251,684	410,661	j	572,865	678,819
Other Increases in Fund Resources							
Deposits & Retainage Collected	70,069	70,038	72,015	1,977		51,166	20,849
Taxes Collected	393,037	397,199	455,050	57,851		403,092	51,958
Capital Contributions/Grants	335,481	497,354	114,343	(383,011)		655	113,688
Debt Proceeds - Line of Credit	-	400,000	-	(400,000)		-	-
Interest	37,417	25,048	35,169	10,120		24,400	10,769
Property & other taxes	667,978	1,162,075	1,645,278	483,203		1,642,289	2,989
Misc Other Incr. in Fund Resources	250,461	12,946	16,461	3,514		10,680	5,781
Total Other Incr. in Fund Resources	1,754,443	2,164,661	2,338,316	173,655	k	2,132,282	206,034
Other Decr. In Fund Resources							
Deposits & Retainage Paid	34,401	27,131	20,818	(6,313)		7,584	13,234
Taxes Remitted	426,140	404,461	496,997	92,536		441,666	55,331
Debt Principal & Interest	600,294	598,244	852,009	253,765		600,444	251,565
Debt Mgmt, Issuance & Misc Exp	400	9,793	59,215	49,422		820	58,395
Election Expense	-	15,674	-	(15,674)		-	-
Total Other Decr. In Fund Resources	1,061,235	1,055,303	1,429,040	373,737	l	1,050,514	378,526
Net Other Incr./Decr. Fund Resources	693,208	1,109,359	909,276	(200,082)		1,081,768	(172,492)
Net Income/(Expense)	2,091,681	1,950,382	2,160,961	210,579	m	1,654,634	506,327

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 and are planning one for September. 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 70/75 Ton Yard Storage. Year to year comparison is up 49%, or \$213,589 and compared to budget is up 59%, or \$241,041.*

(c) *Point Hudson has made a strong rebound from last year after the beginning of the pandemic. Most of the increase is Nightly RV and Nightly Moorage revenues which represents 44%, or \$512,106, of the YTD Point Hudson revenues. Compared to budget, Point Hudson YTD revenues are 22% higher, or \$208,629.*

(d) *Operating Revenues overall increased by 18.3%, or \$757,819, when compared to 2020 and were 16.2%, or \$680,998, higher than budgeted for YTD this month.*

(e) *The increase in Legal & Auditing Expense this year when compared to both 2020 and the budget 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 by \$12,600.*

(f) *Although Insurance costs are showing less than budget, there are other types of insurance that did not get paid until September and will exceed budget by just under \$50,000.*

(g) *2021 costs are higher for Facilities & Operations when compared to 2020 by \$208,605, and more than Budget by \$154,523. The highest variances year to year from highest to lowest are Repair/Maintenance costs for \$129,311, Bank Charges for \$29,826, Environmental Materials/Supplies for \$16,728 and Office/Computer Supplies for \$12,006. 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, there was difficulty getting staffed up for summer, so the increase in efficiency via electronic payments was very helpful and worth the price. A review will be made soon on the difference YTD on credit card charges compared to 2020 to quantify the increase in those transactions.*

(h) *Total Utilities budget YTD is more than actual by \$19,665, however, this variance should be closer to \$9,665 since the August PUD electric bill was not received in time to be paid in August. This budget to actual variance will correct itself with number of months paid by end of year.*

(i) *Overall, Operating Expenses increased by \$347,158, or 11%, when compared to 2020 and are more than budget by \$2,179 which is less than 1%. As already mentioned, these year to year increases are due to increases in spending for Repair/Maintenance, Legal & Auditing, Salaries/Wages, Environmental Materials/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.*

(j) *Net Operating Income is more than YTD in 2020 by \$410,661, or 49%, and more than budget by \$678,819, or 118%. Actual YTD Operating Revenues have clearly out-paced budget as actual YTD Operating Expenses are very close to budget.*

(k) *The year to year variance of \$173,655 for Total Other Increases in Fund Resources is related to increased taxes collected, decreases in grant project funds which were somewhat offset by the LOC draw of \$400,000, and the increase in the IDD levy. Property and other related taxes, and revenues that tend to vary, such as collections of deposits, and are hard to budget.*

(l) *Both the year to year and budget to actual variance for Total Other Decreases in Fund Resources are related to the payoff of the 2020 LTGO Bond Line of Credit (\$251,565) and increased taxes paid as the result of more business (\$92,536). Most of the Miscellaneous Expense is related to the cost of facilitating the Ecology Recycling Grant work (\$49,795).*

(m) Overall, the increase of \$210,579 when comparing 2020 to 2021 for Net Income/(Expense), and is \$506,327 more when comparing budget to actual YTD. 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. A significant part of this increase is due to the strong rebound the Port had to Operating Revenues after the pandemic hit in 2020 which was not anticipated in the budget.