

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

	YTD July 2019	YTD July 2020	YTD July 2021	Variance to prior year - 2020 v 2021	notes	YTD Budget 2021	Variance to Budget YTD
REVENUES							
Boat Haven Moorage	1,109,788	1,090,417	1,128,428	38,011	a	1,094,627	33,801
Yard Operations	1,116,130	1,124,679	1,431,052	306,373	a, b	1,107,002	324,050
Boat Haven Properties	420,626	416,606	471,493	54,887	a	440,448	31,045
Pt. Hudson Marina, RV & Prop	837,920	716,283	960,635	244,352	a, c	799,593	161,042
Quilcene	100,775	98,178	101,912	3,734		94,660	7,252
Ramps	41,318	40,252	42,210	1,957		37,831	4,379
Jeff. County Int'l Airport	88,098	86,772	96,320	9,548		91,226	5,094
(Increase)/Decrease in Accts. Receivable	58,757	(36,901)	(31,232)	5,669	a	-	(31,232)
Total Revenues	3,773,413	3,536,286	4,200,817	664,531	d	3,665,387	535,430
EXPENSES							
Salaries & Wages	1,172,588	1,302,702	1,349,179	46,478		1,370,764	(21,584)
Payroll Taxes	129,021	137,203	137,732	529		146,228	(8,496)
Employee Benefits	380,845	486,944	482,215	(4,729)		515,910	(33,695)
Uniform Expense	3,962	4,279	3,452	(828)		5,262	(1,810)
Contract Services	157,014	140,427	141,431	1,003		174,840	(33,409)
Consulting Services	48,249	-	-	-		-	-
Legal & Auditing	75,526	12,762	54,326	41,564	e	38,942	15,384
Insurance	547	1,199	(769)	(1,968)		-	(769)
Facilities & Operations	246,602	270,076	406,714	136,638	f	267,170	139,545
Utilities	331,563	305,511	334,361	28,850		340,577	(6,216)
Marketing	35,660	28,457	33,268	4,811		30,427	2,841
Travel & Training	19,950	8,517	1,800	(6,716)		7,544	(5,744)
Cost of Goods - Fuel	10,113	2,035	-	(2,035)		-	-
Community Relations	35	6,496	3,847	(2,649)		1,500	2,347
Total Expenses	2,611,675	2,706,608	2,947,557	240,948	g	2,899,163	48,394
Net Operating Income (Loss)	1,161,737	829,678	1,253,261	423,583	h	766,224	487,036
Other Increases in Fund Resources							
Deposits & Retainage Collected	50,270	51,186	74,817	23,631		46,033	28,784
Taxes Collected	464,383	346,444	398,484	52,040		349,443	49,041
Capital Contributions/Grants	226,856	497,354	114,343	(383,011)		655	113,688
Debt Proceeds - Line of Credit	-	400,000	-	(400,000)		-	-
Interest	34,715	24,710	34,427	9,717		23,000	11,427
Property & other taxes	648,658	1,130,025	1,624,060	494,035		1,609,478	14,582
Misc Other Incr. in Fund Resources	248,680	12,049	14,447	2,397		9,325	5,122
Total Other Incr. in Fund Resources	1,673,562	2,061,768	2,260,578	198,810	i	2,037,934	222,644
Other Decr. In Fund Resources							
Deposits & Retainage Paid	15,229	2,592	20,818	18,226		7,084	13,734
Taxes Remitted	535,575	394,284	483,945	89,662		432,316	51,629
Debt Principal & Interest	600,294	598,244	852,009	253,765		638,169	213,840
Debt Mgmt, Issuance & Misc Exp	350	9,776	59,178	49,402		800	58,378
Election Expense	-	15,674	-	(15,674)		-	-
Total Other Decr. In Fund Resources	1,151,448	1,020,570	1,415,951	395,380	j	1,078,369	337,582
Net Other Incr./Decr. Fund Resources	522,114	1,041,198	844,628	(196,570)		959,565	(114,937)
Net Income/(Expense)	1,683,852	1,870,876	2,097,889	227,013	k	1,725,790	372,099

Notes:

(a) *In Qtr. I, 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 63%, or \$192,116 and compared to budget is up 66%, or \$214,101.*

(c) *Point Hudson has made a rebound from last year after the beginning of the pandemic. Most of the increase is Nightly RV and Nightly Moorage revenues which represents 82%, or \$199,941, of the YTD Point Hudson revenues. Compared to budget, Point Hudson YTD revenues are 20% higher, or \$161,042.*

(d) *Operating Revenues overall increased by 19%, or \$664,531, when compared to 2020 and were 14%, or \$535,430, higher than budgeted for YTD this month.*

(e) *The 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 by \$15,384.*

(f) *2021 costs are higher for Facilities & Operations when compared to 2020 by \$136,638, and more than Budget by \$139,545. 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 \$67,410, Bank Charges for \$21,561, Environmental Materials/Supplies for \$16,728 and Operating Supplies for \$12,242. 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.*

(g) *Overall, Operating Expenses increased by \$240,948, or 9%, when compared to 2020 and are more than budget by \$48,394, or 2%. 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 with a 2% variance.*

(h) *Net Operating Income is more than YTD in 2020 by \$423,583, or 51%, and more than budget by \$487,036, or 64%. Actual YTD Operating Revenues have clearly out-paced budget as actual YTD Operating Expenses are very close to budget.*

(i) *The year to year variance of \$198,810 for Total Other Increases in Fund Resources is related to increased tax revenues, totaling \$494,035, but is lessened by the reduction in grant project funds of \$383,011; other increased revenues offset the difference. When compared to YTD budget, this total is more by \$222,644. Most of this is increases in grant funds not budgeted, 51% or \$113,688, and 42% of the increase is due to taxes collected for state remittance (which is based on operating revenues), property and other related taxes, as well as, revenues that tend to vary and are hard to budget - collections of lease deposits.*

(j) *Both the year to year and budget to actual variance for Total Other Decreases in Fund Resources, \$488,999 and \$337,582, 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 (\$89,662), increased Deposits & Retainage Paid (18,226), and the \$49,402 increase in Debt Mgmt, Issuance & Miscellaneous Expense. The Miscellaneous Expense is the main driver with the cost of facilitating the Ecology Recycling Grant work (\$49,795).*

(k) *Overall, the increase of \$133,394 when comparing 2020 to 2021 for Net Income/(Expense), yet is \$372,099 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.*