



CITY OF  
BAINBRIDGE ISLAND

MEMORANDUM

DATE: May 21, 2021  
 TO: Blair King, City Manager; City Council  
 FROM: Finance Department  
 SUBJECT: April 2021 Financial Report

**INTRODUCTION:**

This report presents a comparison of year-to-date (YTD) financial information between the current year and prior year in two categories: tax-supported funds and utility funds. Generally, tax-supported funds' revenues are supported by tax inflows, while utility funds generate revenue by charging fees for services. Table I shows which funds fall into each of the two categories, and includes revenue, expenditure, and fund balance data by fund. 2021 starting fund balances are not finalized and are subject to change until the yearly financial audit is complete; likely sometime in June 2021.

*TABLE 1*

FUND NAME	2021 STARTING FUND BALANCE	YTD 2021 REVENUES	YTD 2020 REVENUES	YTD 2021 EXPENSES	YTD 2020 EXPENSES	YTD 2021 TRANSFERS	YTD 2020 TRANSFERS	April 2021 ENDING FUND BALANCE	RESERVES
<b>Tax Supported Funds</b>									
General Fund	\$ 15,909,052	\$ 7,916,225	\$ 7,623,632	\$ (5,092,357)	\$ (6,132,601)	\$ (1,294,438)	\$ (612,408)	\$ 17,438,482	\$ 5,961,111
Street Fund	\$ 61,824	\$ 201,860	\$ 571,485	\$ (840,255)	\$ (752,667)	\$ 741,346	\$ 436,000	\$ 164,775	N/A
REET Fund	\$ 2,528,199	\$ 954,091	\$ 674,155	\$ -	\$ -	\$ (1,579,477)	\$ (377,014)	\$ 1,902,812	N/A
Civic Impr. Fund	\$ 404,264	\$ 65,985	\$ 71,843	\$ (31,828)	\$ (66,661)	\$ -	\$ (12,000)	\$ 438,421	N/A
Affordable Housing Fund	\$ 375,502	\$ 15,438	\$ 5,723	\$ (2,800)	\$ (58,755)	\$ 100,000	\$ 100,000	\$ 488,140	N/A
General Obligation Bond Fund	\$ 5,199	\$ 288,523	\$ 257,906	\$ -	\$ -	\$ 314,131	\$ 287,014	\$ 607,853	N/A
Trans. Benefit Fund	\$ 1,190,732	\$ 219,332	\$ 218,031	\$ -	\$ -	\$ -	\$ (400,000)	\$ 1,410,064	N/A
Trans. Impact Fund	\$ 181,901	\$ 56,021	\$ 29,032	\$ -	\$ -	\$ -	\$ (117,000)	\$ 237,923	N/A
Capital Const. Fund	\$ 10,067,317	\$ 405,126	\$ 551,904	\$ (784,978)	\$ (9,171,619)	\$ 1,099,000	\$ 207,000	\$ 10,786,466	N/A
Building Svcs. Fund	\$ 17,229	\$ 417,691	\$ 227,944	\$ (1,046,083)	\$ (1,039,877)	\$ 619,438	\$ 488,408	\$ 8,274	N/A
	\$ 30,741,220	\$ 10,540,292	\$ 10,231,657	\$ (7,798,301)	\$ (17,222,180)	\$ -	\$ -	\$ 33,483,211	\$ 5,961,111
<b>Utility Funds</b>									
Water Fund	\$ 7,208,298	\$ 417,119	\$ 443,297	\$ (591,994)	\$ (578,450)	\$ -	\$ -	\$ 7,033,423	\$ 356,574
Sewer Fund	\$ 6,087,437	\$ 1,370,485	\$ 1,376,599	\$ (1,173,169)	\$ (1,150,513)	\$ -	\$ -	\$ 6,284,753	\$ 1,665,732
Storm Water Fund	\$ 3,782,075	\$ 1,478,161	\$ 1,336,999	\$ (555,304)	\$ (534,186)	\$ -	\$ -	\$ 4,704,933	\$ 491,121
	\$ 17,077,810	\$ 3,265,765	\$ 3,156,894	\$ (2,320,466)	\$ (2,263,149)	\$ -	\$ -	\$ 18,023,109	\$ 2,513,427

**TAX-SUPPORTED FUNDS:**

Revenues of \$10.5 million in the City's tax-supported funds were \$309,000 or 3% higher through the month of April 2021 compared to the same time frame in 2020. This variance is largely due to increases in Sales and Use and Real Estate Excise Tax offset by decreases in Commercial parking compared to April 2020. Other notable variances are further explained below. Expenditures were \$9.4 million lower through the month of April compared to the same time frame in 2020 due to the purchase of the Harrison Property for the Police Court Facility in January of 2020. Otherwise, 2021 expenses were

\$488,000 or 3% less in 2021 than this time last year. Staff are closely monitoring trends in the following revenues and expenditures:

- Sales tax revenue through the end of April was \$182,000 or 10% more than the same period in 2020. Revenue from the construction and retail trade industries each accounted for 31% and 34% of the 2021 sales tax revenue, respectively.
- Business and Occupation tax through the end of April was \$154,000 or 24% less than through the end of April in 2020. Business and Occupation taxes are collected once per year primarily in April and are generated from previous year's gross revenues from Island Businesses. Since overall business activity was down in 2020, this revenue drop was expected and in line with forecasted revenue for 2021.
- REET revenue through the end of April was \$280,000 or 42% higher in 2021 compared to through April 2020.
- Street Fund revenue through the end of April at \$202,000 was \$370,000 or 65% lower than April 2020 primarily from less commercial parking lot tax collected through April due to less ferry travel during the pandemic.
- Revenue generated by building and development service (B&DS) fees through the end of April at \$418,000 was 83% greater than in April 2020. Permit receipts in 2020 were lower due to covid-19 and the moratorium on certain development.
- Transfers out of REET were for operating transfers to Streets Fund, debt service, and to fund capital projects for Country Club Rd and Sound to Olympics - Sakai Pond Trail.
- Salary and Benefits for Tax Supported Funds were \$194,000 or 4% lower through April 2021 than through April 2020 due to ongoing vacancies.

#### UTILITY FUNDS:

Revenues of \$3.3 million in the City's utility funds were \$109,000 or 3% higher in April 2021 and operating and capital expenditures were 57,000 lower compared to April 2020<sup>1</sup>. Staff are closely monitoring trends in the following key revenues and expenditures:

- Water and Sewer charges through the end of April 2021 increased \$10,000 or 1% compared to the same time frame in 2020 due to increased rates and new customers.
- Water and sewer connection fee revenues through the end of April 2021 were at \$137,000 compared to \$122,000 at the end of April 2020. This revenue source varies depending on development activity and is largely supported by residential development.
- Capital expenditures in the utility funds through the end of April 2021 were \$326,000 which was \$35,000 less than through April of 2020.

---

<sup>1</sup> The City's three utility funds are individually self-supporting, generating revenue by charging for services provided. While utility revenue figures are combined and reported on together for this report, it should be noted that revenue from one utility cannot be used to support the expenditures of another utility. Please see Table 1 for additional details on each of the City's three utility funds.