



2012 Midyear Financial Report

August 1, 2012

2012 Mid-Year Financial Report

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2012 Midyear Financial Report

The City of Bainbridge Ordinance 2002-11 requires that “On or before August 1st of each year commencing in 2002, the Finance Director shall present to the City Council a ‘Midyear’ Financial Report, together with such other additional information or factors as may be needed (such as recent state, county or federal legislative action), to clearly assess: (a) the financial condition of the City; (b) the financial status of the current budget year; (c) what appears to be the financial projections for the next budget year; and (d) what, if any, substantial impact(s) on revenue and or expenditures may be foreseen.” In 2012, the midyear report is the second of the four scheduled quarterly reports.

OVERVIEW

The report below describes City financial performance as of June 30, 2012, the mid-point of the budget year. Across the enterprise, there is a close alignment to budget forecasts for both revenue and expense. In addition, cash balances have improved compared to the same time in the prior year. Significant reserve targets were established for year-end 2011 and 2012. The City achieved the 2011 targets and is on track to meet the 2012 goals¹.

These midyear results follow several years of financial and organizational restructuring at the City. Major tax supported revenues have dramatically decreased since the City’s revenue peak in 2007. Since that time, the City has implemented multiple budget reductions and changes to reduce costs. Staff reductions have occurred that have reduced the overall City staffing from 152 full time equivalents (FTE) in the 2007 and 2008 budgets to 108 in 2012, a 29% reduction.

As 2012 is the second year of a biennial budget, the 2012 Adopted Budget closely mirrored the 2012 Endorsed Budget. In general, 2012 finances reflect the staff re-organization and program and service delivery adjustments implemented in 2011.

Outside of the actions planned in the budget, Council directed two significant changes in the first half of the year.

- Rate, staffing, and service changes associated with optimizing the City’s water utility represent the most significant operational adjustments in 2012. At Council direction, in the first quarter of 2012 the City reduced water consumption rates by 11% and also reduced City staffing by 3.0 FTE, 2.0 FTE of which had been allocated to the water utility. As a result, service levels have also changed, for example moving to an every-other-month billing cycle.
- Council terminated the current City Manager and initiated a national search for new leadership. To support this action, Council approved up to \$250,000 of funding from the Contingency Reserve Fund. Council appointed an Interim City Manager and expects to appoint a new City Manager in the fourth quarter of the year.

There are several capital projects with significant progress to report in 2012. At midyear, notable capital activities include the start of pedestrian and non-motorized improvements on a section of Madison Avenue, progress on the Bainbridge Island Senior Community Center, a project jointly funded by the community and the City, and final items for the Winslow Way Reconstruction project. In the remainder of the year, staff anticipates completion of the annual roads preservation and maintenance program, and continued planning for the major project related to Eagle Harbor Beach Main Replacement. The Rockaway Beach Road Stabilization project is also underway, and at this time is in the permitting phase.

I. ACTUAL RESULTS – Q1 & Q2

Overall City operating revenues through June 30 are at \$14.7 million, or 49% of total 2012 budget. This is comparable to the pace of collections in 2011, during which the City collected 45% of total revenues by midyear. The City expects revenue to follow typical seasonality through the rest of the year.

Overall City operating expenditures (without encumbrances) are at \$9.4 million, or 44% of total budget. This performance is consistent with budget plans, as City expenses are expected to be relatively flat throughout the year with the exception of capital projects. In 2011, for example, expenditures as of June 30 were 47% of total operating expenses.

At midyear, the revenue and expenditure trends have made for a strong cash position. Across all governmental and utility funds, cash balances are \$19.7 million at June 30. This represents a significant increase over the prior year, when cash balances as of June 30, 2011 were \$11.6 million. Over \$5 million of this cash increase is in utility funds, and results from the August 2011 bond issue and subsequent repayment of an interfund loan, and from rate setting to support planned projects. The increase in the tax supported funds' cash position results from factors including building planned reserves, and careful spending in the second half of 2011 and beginning of 2012. As is typical for the City, we expect revenues to remain flat in the third and fourth quarters of the year, while expenditures, mainly due to capital projects, will increase during that time period.

Additional detail is provided below, and in Schedule A.

A. Tax-Supported Funds

At midyear, 2012 Tax Supported revenues are slightly ahead of 2011 collections, and expenditures are also slightly greater than 2011 levels.

Revenues through June 30 for all Tax Supported Funds, including those shown in Table One as well as other funds such as the Civic Improvement Fund and General Obligation Bond Fund, are \$10.8 million, which represents 36% of total 2012 budget. In 2011, revenues through June represented 32% of total annual collections. For the four largest tax supported operating funds,

City of Bainbridge Island 2012 Midyear Report

the General Fund, Streets Fund, Building and Development Services Fund, and Real Estate Excise Tax (REET) Fund, revenues through June 2012 total \$9.7 million, or 52% of budget.

Highlights related to revenue performance include:

- Revenues from taxes overall in 2012 at about 53% of total budget as of June 30.
- Property Tax revenues are \$3.6 million (54% of budget), compared to \$3.5 million (54% of budget) collected midyear 2011.
- Utility Tax revenues are \$1.7 million (50% of budget), compared to \$1.8 million (53% of budget) collected midyear 2011.
- Sales Tax revenues are \$1.4 million (49% of budget), compared to \$1.3 million (47% of budget) collected midyear 2011.
- B&O tax collection is \$358,000, or 93% of budget. This is just above 2011 midyear collections that were \$336,000 (76% of budget).
- Fees & Charges – business license revenues continue to come in below budgeted levels, at \$181,000 (81% of budget) compared with the budget of \$223,000. This is just above 2011 midyear collections that were \$174,000 (72% of budget).
- Building and Development Services Fees, particularly Building Permits and Planning Review of Building Permits, are lower than collections this time last year. As of June 30, revenues are \$378,000, or 53% of total budget. This compares to \$466,000 (65% of budget) through June 2011.
- Intergovernmental revenues are \$290,000 year-to-date, which represents 64% of budget. This is comparable to 2011 collections, which were at \$292,000 (46% of budget) through June.
- Commercial parking tax revenues are \$277,000 (50% of budget), compared to \$240,000 (44% of budget) in 2011.
- Parking fee revenues are \$5,000 (1% of budget) in 2012, compared to \$173,000 (60% of budget). In January of 2012, management of the parking lot at the Washington State Ferry Terminal transitioned from the City to a private vendor and fee revenue ceased at that time.
- Real Estate Excise Tax revenues are \$703,000, or 68% of total budget. This represents a 26% increase over 2011 midyear collections, which were \$557,000.

TABLE ONE: Tax-Supported Revenues

	2012 Revised Budget	2012 YTD Collected	2012 Variance to Budget	2011 Revised Budget	2011 YTD Collected	2011 Variance to Budget
GENERAL FUND						
Property Taxes	6,572,979	3,559,459	54.15%	6,507,991	3,493,836	53.7%
Sales and Use Tax	2,656,390	1,287,850	48.48%	2,604,304	1,192,248	45.8%
Sales Tax - Criminal Justice	239,075	129,112	54.01%	234,387	133,484	57.0%
B&O Tax and Penalties	385,252	357,893	92.90%	433,580	336,157	77.5%
Utility Tax on Private Utilities	2,999,646	1,493,547	49.79%	2,940,829	1,568,500	53.3%
Utility Tax on City Utilities	484,950	242,475	50.00%	501,611	250,806	50.0%
Leasehold & Other Taxes	8,160	7,459	91.41%	8,000	4,048	50.6%
<i>SUBTOTAL TAXES</i>	<i>13,346,451</i>	<i>7,077,796</i>	<i>53.03%</i>	<i>13,230,702</i>	<i>6,979,078</i>	<i>52.7%</i>
Fees & Service Charges	1,182,570	627,791	53.09%	1,277,735	632,508	49.5%
Intergovernmental Revenue	452,349	290,201	64.15%	638,695	291,911	45.7%
Fines & Forfeits	235,490	72,144	30.64%	249,500	83,193	33.3%
Miscellaneous	63,400	40,714	64.22%	59,657	53,548	89.8%
Investment Revenue	13,769	3,383	24.57%	13,499	4,865	36.0%
Gain on Sale of Fixed Assets	186,000	17,361	9.33%	170,000	49,603	29.2%
<i>TOTAL GENERAL FUND</i>	<i>15,480,029</i>	<i>8,129,391</i>	<i>52.52%</i>	<i>15,639,788</i>	<i>8,094,706</i>	<i>51.8%</i>
STREETS FUND	1,444,717	516,411	35.74%	1,448,095	683,643	47.2%
REAL ESTATE EXCISE TAX	1,030,650	703,254	68.23%	1,108,480	556,628	50.2%
BLDG & DEVELOPMENT SVCS	713,126	378,501	53.08%	716,790	466,365	65.1%

With respect to expenditures, there is relatively little variability in month-to-month results. This is because personnel expenses account for 65% of total operating expenses, and are incurred at a fairly constant pace throughout the year. At midyear, total operating expenditures in the tax-supported funds are \$7.1 million. This represents 45% of total annual budget.

Key factors include:

- Salary and benefits through June for the tax-supported funds totaled \$4.9 million or 48% of budget. This is \$388,000, or approximately 9%, higher than the same period in 2011. One primary factor in the increase in expenses was the reinstatement payment to three employees ordered by an arbitrator. This totaled \$114,000 for tax-supported funds.
- Professional services spending through June is at \$408,000, or 23%, of the 2012 budget due to less than budgeted spending on outside legal services, some grant-funded

monitoring services which will begin in the second half of the year, and the timing lag in quarterly scheduled payments for community service contracts.

- Operating transfers from the General Fund to the Streets Fund and Building and Development Services Fund to maintain positive fund balance are currently less than 50% of the budgeted plans. However, the Annual Roads Preservation Program has just started and most expenses will occur in the second half of the year.

TABLE TWO: Tax-Supported Expenditures

	2012 Revised Budget	2012 YTD Expensed	2012 YTD as % of Budget	2011 Revised Budget	2011 YTD Expensed	2011 YTD as % of Budget
OPERATING EXPENDITURES						
Salaries	7,304,684	3,587,885	49.1%	6,845,515	3,351,547	49.0%
Benefits	2,836,593	1,305,919	46.0%	2,569,630	1,154,058	44.9%
Supplies	418,445	160,465	38.3%	373,918	141,239	37.8%
Professional Services	1,765,874	408,081	23.1%	1,831,993	599,817	32.7%
Other Services & Charges	2,697,729	1,248,304	46.3%	2,378,533	1,325,412	55.7%
Intergovernmental Services	644,218	340,314	52.8%	633,498	273,372	43.2%
TOTAL OPERATING EXP.	15,667,543	7,050,967	45.0%	14,633,087	6,845,445	46.8%
NON-OPERATING EXP.						
Capital Equipment	103,000	2,700	2.6%	107,792	102,257	94.9%
Capital Projects	4,525,783	509,891	11.3%	6,166,706	1,394,270	22.6%
Debt Service	3,072,640	811,318	26.4%	2,786,264	665,993	23.9%
TOTAL EXPENDITURES	23,368,966	8,374,875	35.8%	23,693,849	9,007,965	38.0%

B. Utility Funds

Midyear financial performance of the three utility funds varies from the Adopted Budget due to policy decisions related to rates and operations made after the budget was adopted in the fall of 2011. Revenue is lower than the Adopted Budget for the Water Fund due to a rate reduction, and for the Sewer Fund due to elimination of a planned increase. Operating expenditures are slightly lower than budgeted levels for all three utilities, while capital expenditures in all three utilities are expected in the second half of the year.

- **Water Fund.** Revenues for the Water Fund through the end of June are \$695,000, which is 41% of budgeted operating revenue. This compares to \$1.01 million of actual revenue received by June 30 in 2011. Water rate reductions, a total of 45% as compared to the rates in effect in the first half of 2011, are the primary reason for \$315,000 reduction in revenue as compared to 2011. Operating expenditures are at \$582,000, or 39% of total

budget, primarily due to staff reductions and a delay in the development of a new water system plan.

- **Sewer Fund.** Sewer Fund operating revenues through the end of June is \$1.6 million, which is 37% of budgeted operating revenue. This compares to \$1.8 million of revenue that had been received by June 30, 2011. In 2012, the Sewer Fund received an early LID assessment payoff from the Bainbridge Island School District of approximately \$500,000. Operating expenditures are at \$948,000, or 43% of total budget.
- **Surface and Stormwater Management (SSWM).** SSWM Utility revenues are on pace compared to budget, with \$1.20 million or 50% of total revenue budget collected as of June 30. Operating expenditures are slightly below budget at 41%. Planned capital projects in the second half of the year will increase the pace of expenditure.

C. Cash Balances

City Cash balances for June 30, 2012 were as follows:

Tax Supported Funds	\$ 10,441,595	
Restricted Special Revenue	181,272	(Civic Improvement Fund)
Trust and Agency Funds	340,147	(not available for City operations)
Water Fund	5,212,411	
Sewer Fund	2,195,195	
Stormwater Fund	1,364,907	
Total	\$ 19,735,527	

The City's cash position as of June 30 shows an increase in cash balances in 2012 as compared to 2011, as detailed in the table below. The increase in the Tax-Supported Funds' cash position results from several factors including building planned reserves, and reduced spending in the second half of 2011 and beginning of 2012. The Water Fund shows an increase of \$3.3 million, primarily due to the repayment of an interfund loan from sewer in August of 2011. The Sewer Fund shows an increase of \$1.9 million, primarily due to revenue collected for capital projects which has not yet been spent. The Stormwater Fund shows an increase of \$291,000, a result of the timing of planned capital projects. As is typical for the City, we expect revenues to remain flat in the third and fourth quarters of the year, while expenditures, mainly due to capital projects and debt service, will increase during that time period. Year-end cash balances are on track with budgeted levels.

City Cash balances for June 30, 2012 compared to June 30, 2011:

	June 30, 2012	June 30, 2011	Change 2012-2011
Tax Supported Funds	\$ 10,441,595	\$ 7,919,390	\$ 2,522,205
Restricted Special Revenue	181,272	166,765	14,507
Trust and Agency Funds	340,147	292,745	47,402
Water Fund	5,212,411	1,865,618	3,346,793
Sewer Fund	2,195,195	323,939	1,871,256
Stormwater Fund	1,364,907	1,073,655	291,252
Total	\$ 19,735,527	\$ 11,642,111	\$ 8,093,415

D. Reserve Balances

September of 2010 in Resolution No. 2010-35, the City Council gave direction as to goals for 2012 General Fund Reserves, as shown below. City administration tracks financial performance against those goals and provides periodic reports.

Reserve Cash balances for June 30, 2012 were as follows:

	June 30, 2012	Dec 31, 2012 Target	Notes
Contingency Reserve	\$ 598,600	\$ 800,000	Funded on a monthly basis
Emergency Reserve	409,398	1,000,000	Funded with property sales
General Fund Stability Reserve	5,271,821	3,000,000	June is traditionally the highest cash point of the year, due to revenue receipt and expense patterns. Reserve amount is net of estimated accruals.
Washington State Ferry Reserve	2,004,437	2,000,000	Tracked separately for informational purposes

In 2012, Council authorized expenditure of up to \$250,000 from the Contingency Reserve related to a search for a City Manager. Through June 30, a total of approximately \$40,000 has been spent on expenses associated with that effort, though the entire \$250,000 is expected to be spent by year-end. In addition, Council authorized expenditure of up to \$25,000 from the Emergency Reserve on expenses related to surplus property sales. All proceeds of surplus property sales are deposited in the Emergency Reserve Fund, and are therefore expected to eventually offset these expenses.

II. FORECAST FOR 2012 YEAR-END

As in the past few years, the focus of City financial management in Q3 and Q4 of the budget year is to continue to use conservative revenue expectations in developing City work plans, to be explicit in identifying priorities, and to closely monitor performance to ensure successful results

within established budgets. In general, the economic outlook for Bainbridge Island remains relatively flat through the remainder of 2012. Currently, Sales & Use Tax and Real Estate Excise Tax are slightly higher than plan and both show a modest increase over 2011. Moderate challenges to revenue streams will continue to impact B&O Tax, Other Fees & Service Charges, and Business License Fees, and forecasts for 2012 year-end have been adjusted to include these assumptions.

Through the remainder of the year, City expenses are expected to continue to perform in a manner comparable to the first six months of the year. Outstanding issues include a possible cost of living adjustment (COLA) under discussion in labor negotiations which could have a financial impact in the second half of the year, and decisions related to the structure of SSWM rates for the City's street network.

A. Tax-Supported Funds

The revenue forecast for the remainder of 2012 indicates that tax supported revenue overall will continue to come in close to budget. As shown in the table below, Tax Supported recurring revenue is currently forecast to be in line with budget plans.

Key revenue assumptions for the forecast for the remainder of 2012 include:

- Property Tax revenue will perform at budgeted levels.
- Real Estate Excise Taxes and Sales and Use Tax will perform slightly better than budget.
- B&O Tax and Penalties will end 2012 about \$25,000, or 6%, below budgeted levels. Business License & Penalties will end the year approximately \$31,000 or 14% below budgeted levels.
- Parking and Traffic Fine revenue will end 2012 about \$30,000, or 13%, below budgeted levels due to a vacant parking enforcement officer position and lower than budgeted traffic fine revenues.

TABLE THREE: Tax-Supported Recurring Revenues

Recurring Revenues	Jan - June 2012	YE Forecast	Revised Budget	Forecast as % of Budget
General Fund - Taxes	7,077,796	13,237,235	13,346,451	-0.82%
General Fund - Fees & Service Charges	627,791	1,123,587	1,182,570	-4.99%
General Fund - Intergovernmental Revenue	290,201	511,695	452,349	13.12%
General Fund - Fines & Forfeits	72,144	205,403	235,490	-12.78%
General Fund - Miscellaneous	40,714	76,126	63,400	20.07%
General Fund - Investment Revenue	3,383	9,081	13,769	-34.05%
Streets Fund	516,411	1,127,986	1,444,717	-21.92%
Real Estate Excise Tax Fund	703,254	1,219,316	1,030,650	18.31%
Building & Development Services Fund	378,492	735,707	713,126	3.17%
	9,710,186	18,246,138	18,482,521	-1.28%

The expenditure forecast for the remainder of 2012 indicates that primary expenditure categories such as personnel will continue at the same level through the rest of the year. Some seasonal expenditures that will post in the second half of the year include support for the \$600,000 Road Preservation Program, scheduled debt service payments, and capital project expenses.

TABLE FOUR: Tax-Supported Expenses

Recurring Expenses	Jan - June 2012	Yearend Forecast	Revised Budget	Forecast as % of Budget
Personnel	4,856,049	9,700,869	10,141,278	-4.34%
Supplies/Communications/Training	249,385	626,788	710,246	-11.75%
Professional Services	558,894	1,578,404	1,765,874	-10.62%
Operating Leases	223,894	404,364	560,031	-27.80%
Utilities	276,510	518,640	476,049	8.95%
Repair & Maintenance	179,833	513,208	547,540	-6.27%
All Other Miscellaneous	56,043	120,835	105,658	14.36%
Other Services & Charges	500,426	503,140	434,319	15.85%
Intergovernmental	394,776	630,017	644,218	-2.20%
Capital Equipment	4,700	88,000	103,000	-14.56%
Debt Service	813,764	3,149,724	3,072,640	2.51%
	8,114,273	17,833,988	18,560,853	-3.92%

Within this forecast for 2012, recurring revenues (those of the General Fund, the Streets Fund, the REET Fund and the Building and Development Services Fund) are projected for year-end at \$18.3 million. Recurring expenditures of the same funds, plus related debt service, are projected for year-end at \$17.8 million. Thus, midyear forecasts indicate that the city will continue to satisfy a key policy objective, namely to structure recurring expenditure budgets at a level that is lower than recurring revenue. In addition, the current forecast indicates a year-end fund balance that is in-line with the 2012 Adopted Budget.

B. Utility Funds

Current forecast for year-end performance for the city utilities are shown in the table on the next page. Key factors in the forecast include:

- With the implementation of the staffing and service reductions associated with the optimization of the water utility, both revenue and expenditure are less than originally budgeted. The Water Fund is estimated to end the year with \$5.0 million of cash, a small decrease over the year-end balance of \$5.1 million in 2011.
- A sewer rate increase included in budget plans was not implemented at the beginning of 2012, resulting in a 2012 revenue forecast that is comparable to 2011, but less than

originally budgeted for 2012. The Sewer Fund is estimated to end the year with \$2.3 million of cash, a \$1.2 million increase compared to the year-end balance of \$1.1 million in 2011. Part of the increase in the cash balance is due to the delay of the Eagle Harbor Beach Mains project, the funding for which includes cash from operations.

- Revenues for the SSWM Fund are forecast to be in-line with estimates. Operating expenditures are also in-line with estimates, while capital expenditures may finish under budget due to the City's failure to receive grant funds to support the Wing Point Way project. The SSWM fund is estimated to end the year with \$1.0 million of cash, a \$300,000 decrease over the year-end balance of \$1.3 million in 2011.

These utility fund estimates shown below are cash estimates that have not been reduced for estimated year-end accruals, which is how the City has traditionally presented this data. Actual accruals for 2011 were approximately \$70,000, \$128,000 and \$158,000 for the Water, Sewer, and SSWM utilities, respectively.

TABLE FIVE: Utility Revenue and Expenses

	Jan - June Utilities	Yearend Forecast	Revised Budget Utilities	Variance to Budget
Water Charges	620,017	1,490,934	1,550,000	-3.81%
Sewer Charges	1,561,529	3,722,752	4,182,500	-10.99%
Storm Water Management Charges	1,195,736	2,290,549	2,333,279	-1.83%
Water Connections	6,560	36,549	32,507	12.43%
U.L.I.D Assessments	875,789	936,747	316,918	195.58%
Connections & All Others	146,948	146,948	327,748	-55.16%
Interest on Investments - Utility	0	48,450	96,900	-50.00%
<i>Total</i>	<i>4,406,579</i>	<i>8,672,928</i>	<i>8,839,852</i>	<i>-1.89%</i>
Personnel	1,270,111	2,484,850	2,682,051	-7.35%
Supplies/Communications/Training	114,837	219,090	243,536	-10.04%
Professional Services	185,249	749,805	812,153	-7.68%
Operating Leases	113,730	231,212	234,502	-1.40%
Utilities	162,658	375,587	383,940	-2.18%
Repair & Maintenance	73,548	168,404	148,986	13.03%
All Other Miscellaneous	15,506	34,229	41,067	-16.65%
Other Services & Charges	114,470	114,470	188,549	-39.29%
Intergovernmental	408,219	864,986	886,618	-2.44%
Capital Equipment	22,511	27,511	47,511	-42.10%
Capital Projects	158,949	1,791,949	2,820,910	-36.48%
Debt Service	1,000,430	1,499,755	1,434,121	4.58%
<i>Total</i>	<i>3,640,218</i>	<i>8,561,847</i>	<i>9,923,943</i>	<i>-13.73%</i>

C. Cash Balances

Estimated Cash Balances for Year End 2012 per the attached Cash Flows are as follows and are included in the attached schedules.

Estimated City Cash balances for December 31, 2012 are as follows:

Tax Supported Funds	\$ 8,215,430	(including restricted funds)
Restricted Special Revenue Funds	125,382	(Civic Improvement Fund)
Trust and Agency Funds	340,147	(not available for City operations. No change from June 2012 estimated at this time.)
Water Fund	4,999,814	
Sewer Fund	2,310,677	
Stormwater Fund	1,037,518	
Total	\$ 17,028,968	

D. Reserve Balances

In September of 2010, the City Council gave direction as to goals for General Fund Reserves as follows. Per the forecasts described above, the city is well-positioned to meet or exceed these goals for year-end reserve balance.

Estimated City General Fund Reserve Fund balances for December 31, 2012 are as follows:

	Dec. 31, 2012 Forecast	Dec 31, 2012 Target	Notes
Contingency Reserve	\$ 649,000	\$ 800,000	\$800,000 level will be reduced by approved spending of \$250,000 for City Manager search
Emergency Reserve	409,000	1,000,000	Funded by property sales
General Fund Stability Reserve	3,025,791	3,000,000	
Washington State Ferry Reserve	2,000,000	2,000,000	

Utility Supported:

The City Council, by Resolution No. 2009-34, has established minimum Operating and Capital Contingency Reserves for the Water, Sewer and Stormwater Funds as shown below. These estimates are based on the 2011 Budget. The table below compares these reserve requirements against the forecast year-end cash balances described above, and demonstrates that all three City utilities are forecast to meet their reserve requirements for year-end 2012.

City Utility Fund Reserve Requirements Compared to Forecasted fund balances for December 31, 2012:

	Water	Sewer	Storm Water
2012 Operating	\$186,393	\$253,793	\$267,894
2012 Capital Contingency	\$201,395	\$217,392	\$83,068
Total Contingency Reserve Requirement	\$387,788	\$471,185	\$350,962
Forecasted 12/31/2012 Cash Balance	\$4.6 million	\$1.8 million	\$686,557

III. FORECAST FOR 2013

City Council and staff have made dramatic adjustments to City programs and services since 2008. These actions have resulted in scaling back projects and services to align with a smaller workforce. City staff is now preparing both revenue and expenditure estimates for the coming biennium. Extensive review of revenues in the recent past has led to a good understanding of the seasonality of the City’s primary revenue streams. Absent new sources of revenue, the overall revenue picture for the tax-supported funds is relatively flat in the near to mid-term.

The absence of revenue growth continues to limit the City’s ability to add new programs or invest in capital projects without identifying and implementing offsetting reductions. This is particularly challenging with the backlog resulting from several years of delayed major infrastructure maintenance. These constraints are expected to affect City finances for several years into the future and will be addressed in a multi-year perspective through the Strategic Planning process.

City staff is using the results reported in this midyear 2012 assessment to support the development of the 2013-2014 Proposed Budget. In late September, staff will present a balanced budget for the biennium. Council will ultimately adopt a budget for 2013 and endorse a budget for 2014.

ATTACHED SCHEDULES

The attached schedules give comparative financial figures for the first 6 months of the year and include estimates for expected year-end results.

Schedule A: 2012 Budget to Actuals

Schedule B: Cash Flow spreadsheets

ⁱ As in 2011, the Emergency Reserve is funded by one-time property sales and is not expected to be fully funded at year-end.

Schedule A: 2012 Budget to Actual Comparison

	2011 ACTUAL JAN-JUN	2011 YEAR END	2012 BUDGET REVISED	2012 ACTUAL JAN - JUN	2012 TAX SUPPORTED ACTUAL	2012 UTILITY SUPPORTED ACTUAL
REVENUES						
Taxes	8,103,875	15,210,954	15,705,671	8,471,308	8,471,308	-
Fees & Service Charges	1,108,208	2,181,999	1,936,719	1,034,848	1,034,848	-
Intergovernment Revenue	996,889	4,508,190	2,328,218	748,417	748,417	-
Fines & Forfeits	83,193	191,636	235,490	103,121	103,121	-
Charges for Utility Services	3,914,846	7,998,882	8,100,418	3,403,356	665	3,402,691
Miscellaneous	383,171	932,177	926,956	441,998	294,973	147,025
Assessments	489,443	546,138	324,761	362,895	77,159	285,736
Investment Revenue	78,642	134,680	157,867	106,881	47,707	59,175
TOTAL REVENUES	15,158,267	31,704,656	29,716,099	14,672,826	10,778,199	3,894,627
OTHER SOURCES						
Gain on Sale of Fixed Assets	96,222	757,821	186,000	17,361	17,361	-
Loans/Sale of Bonds	755,300	9,717,780	2,088,000	504,125	-	504,125
From Other Funds and Sub-Funds	127	3,671,500	19,458,371	1,419,952	1,419,952	-
TOTAL RESOURCES	16,009,916	45,851,758	51,448,470	16,614,264	12,215,512	4,398,752
EXPENDITURES						
OPERATING EXPENDITURES						
Salaries	4,295,836	8,667,902	9,144,525	4,508,867	3,587,885	920,982
Benefits	1,497,062	3,087,534	3,678,804	1,648,044	1,305,919	342,125
Supplies	234,544	466,510	594,914	229,133	160,059	69,074
Professional Services	736,248	1,708,011	2,684,267	569,852	419,231	150,622
Other Services & Charges	1,828,791	3,295,132	3,434,310	1,694,835	1,237,154	457,681
Intergovernmental Services	703,857	1,415,842	1,530,836	739,271	340,314	398,957
Operating Spending Hold	-	-	316,136	-	-	-
TOTAL OPERATING EXPENDITURES	9,296,338	18,640,932	21,383,791	9,390,002	7,050,561	2,339,441
NON-OPERATING EXPENDITURES						
Capital Equipment	111,980	149,988	150,511	25,211	2,700	22,511
Capital Projects	1,686,317	6,195,389	7,346,693	572,982	510,297	62,685
Debt Service	1,520,994	9,745,451	4,506,761	1,811,747	811,318	1,000,430
TOTAL EXPENDITURES	12,615,629	34,731,760	33,387,755	11,799,943	8,374,875	3,425,068
OTHER USES						
To Other Funds and Sub-Funds	-	3,671,500	5,596,722	1,419,952	1,419,952	-
TOTAL USES	12,615,629	38,403,260	38,984,477	13,219,895	9,794,827	3,425,068

**City of Bainbridge Island 2012 Cash Flow Plan - General Fund
as of July 2012**

	Actual Jan-12	Actual Feb-12	Actual Mar-12	Actual Apr-12	Actual May-12	Actual Jun-12	Projected Jul-12	Projected Aug-12	Projected Sep-12	Projected Oct-12	Projected Nov-12	Projected Dec-12	Total
Beginning Cash Balance	7,144,525	7,162,090	7,033,122	7,101,117	8,977,109	9,798,110	9,576,308	9,363,115	8,802,484	8,349,612	8,982,487	9,244,315	7,144,525
Cash Inflows													
Property Taxes	66,569	146,631	249,036	2,043,531	1,016,933	36,759	18,890	49,851	109,509	2,005,442	858,717	24,702	6,626,570
Sales and Use Tax	226,074	306,400	206,449	197,860	244,701	235,479	244,517	265,645	239,795	253,026	246,464	241,869	2,908,279
Utility Tax	362,478	309,880	278,262	361,645	277,248	146,508	345,906	258,286	202,809	333,403	119,153	333,825	3,329,404
B&O Tax and Penalties	49,016	193,585	92,796	14,628	4,402	3,465	510	1,330	2,847	329	-1,962	0	360,948
Leasehold & Other Taxes	118	1,489	0	2,145	0	3,707	98	2,586	0	1,339	0	554	12,035
Business License & Penalties	51,418	73,044	33,360	11,396	7,513	4,112	3,386	2,931	1,124	281	1,416	1,926	191,906
Franchise Fees	91,348	0	0	91,723	0	0	84,783	0	0	86,054	0	0	353,909
Other Fees & Service Charges	11,340	84,084	37,409	48,688	37,518	44,837	39,433	60,070	61,743	54,376	39,851	58,422	577,772
Intergovernmental Revenue	34,272	25,632	45,354	37,069	44,618	103,255	106,814	2,928	48,591	28,251	140	34,770	511,695
Fines & Forfeits	19,630	16,780	100	19,549	265	15,820	276	34,566	24,952	23,823	226	49,417	205,403
Miscellaneous	11,675	4,462	3,858	7,530	8,224	4,965	3,625	4,367	12,187	4,318	10,510	405	76,126
Investment Revenue	351	869	558	546	355	705	397	1,903	1,163	1,008	582	645	9,081
Other External Sources	0	0	1,534	0	0	15,827	0	0	0	0	0	172,916	190,277
Operating Transfers In	0	0	0	0	50,000	0	0	0	0	0	0	0	50,000
Proceeds of General Long Term Debt	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cash Inflows	924,290	1,162,857	948,716	2,836,309	1,691,779	615,439	848,634	684,464	704,720	2,791,649	1,275,097	919,451	15,403,405
Cash Outflows													
Salary	419,030	398,706	350,115	398,800	397,449	405,698	432,411	432,411	432,411	432,411	432,411	432,411	4,964,265
Benefits	148,817	139,232	126,908	144,531	139,087	154,753	148,845	148,845	148,845	148,845	148,845	148,845	1,746,398
Supplies	13,268	24,504	22,251	25,609	21,499	13,500	45,227	28,593	28,241	33,169	27,682	29,342	312,884
Professional Services	62,180	120,685	60,056	159,197	32,007	53,285	156,515	83,557	94,999	135,328	152,148	245,941	1,355,898
Communications	8,621	5,134	11,145	11,351	7,581	11,702	17,445	18,447	16,931	13,280	20,337	32,467	174,442
Travel	1,036	1,205	404	1,882	1,186	1,080	3,217	1,304	3,305	1,217	3,792	2,894	22,523
Training	4,086	3,115	1,068	3,714	1,581	4,323	10,270	3,829	4,201	4,292	5,803	3,209	49,492
Advertising	864	76	318	745	238	459	0	1,095	0	2,032	3,920	2,539	12,284
Operating Leases	7,757	18,732	7,817	17,326	7,357	23,992	6,382	8,944	5,195	5,405	5,707	25,688	140,302
Utilities	13,699	13,394	18,586	35,895	14,928	11,654	10,822	11,032	10,735	24,253	22,076	13,039	200,112
Repair & Maintenance	7,418	27,238	33,447	26,412	18,719	23,154	28,575	28,786	19,982	21,313	32,620	16,698	284,361
All Other Miscellaneous	18,072	5,010	1,526	4,450	3,191	1,279	7,060	2,043	704	984	2,007	34,326	80,652
Contingency	0	0	0	0	0	0	15,108	15,108	15,108	15,108	15,108	15,108	90,650
Other Services & Charges	321,469	150	165	0	0	0	0	0	0	2,714	0	0	324,499
Intergovernmental	114,408	161,947	26,384	39,260	24,327	28,155	29,950	25,743	18,297	44,781	10,979	99,908	624,138
Capital Equipment	0	2,000	0	0	2,700	0	0	0	0	0	0	78,300	83,000
Capital Projects	0	250	0	302	26	75	8,000	6,000	0	0	0	7,542	22,195
Debt Service	0	2,446	8,531	30,345	903	9,133	0	0	8,531	30,268	0	108,531	198,688
Operating Transfers Out	-234,000	368,000	212,000	60,500	198,000	95,000	142,000	429,356	350,108	1,243,373	129,836	1,484,599	4,478,772
Total Cash Outflows	906,725	1,291,825	880,721	960,318	870,777	837,241	1,061,827	1,245,094	1,157,593	2,158,773	1,013,270	2,781,388	15,165,552
Ending Cash Balance	7,162,090	7,033,122	7,101,117	8,977,109	9,798,110	9,576,308	9,363,115	8,802,484	8,349,612	8,982,487	9,244,315	7,382,378	7,382,378
Less: Restricted SubFunds	-1,086,542	-1,091,265	-1,101,510	-1,051,012	-1,289,728	-1,299,221	-1,259,221	-1,219,221	-1,179,221	-1,189,221	-1,339,221	-1,349,221	-1,349,221
Less: WSF Restricted Reserve	-2,003,480	-2,003,687	-2,003,875	-2,004,225	-2,004,223	-2,004,437	-2,004,787	-2,005,137	-2,005,487	-2,005,837	-2,006,187	-2,006,537	-2,006,537
Ending Unrestricted/Unreserved Cash	4,072,068	3,938,170	3,995,732	5,921,871	6,504,159	6,272,650	6,099,107	5,578,127	5,164,904	5,787,430	5,898,907	4,026,620	4,026,620
YE Accrued Liability													-1,000,829
Ending Stability Reserve - Projected													3,025,791

**City of Bainbridge Island 2012 Cash Flow Plan - Street Fund
as of July 2012**

	Actual Jan-12	Actual Feb-12	Actual Mar-12	Actual Apr-12	Actual May-12	Actual Jun-12	Projected Jul-12	Projected Aug-12	Projected Sep-12	Projected Oct-12	Projected Nov-12	Projected Dec-12	Total
Beginning Cash Balance	78,097	11,830	65,868	65,583	74,252	59,409	61,561	345	373	1,541	2,001	-289	78,097
Cash Inflows													
Commercial Parking Lot Tax	127,913	15,664	0	117,280	16,560	0	138,967	16,534	0	137,610	16,782	3,537	590,846
M.V. Fuel Tax - Streets & Arterials	33,876	40,803	34,556	36,879	39,243	36,974	43,517	45,454	42,146	47,768	43,665	44,097	488,978
Right of Way Permits	250	2,850	800	2,450	4,850	550	2,624	1,074	4,772	5,050	3,221	2,147	30,637
Parking - Taxable & Fees	4,804	-380	0	0	0	0	0	0	0	0	0	0	4,423
Parking Monthly	0	0	0	0	0	0	2,845	2,466	2,276	3,793	1,043	190	12,612
Other Revenues - Streets	0	0	0	185	215	90	0	0	0	0	0	0	490
Operating Transfers In	0	188,000	201,000	6,900	80,000	132,000	122,000	317,000	271,447	23,642	146,913	200,977	1,689,879
Total Cash Inflows	166,843	246,936	236,356	163,694	140,868	169,614	309,954	382,526	320,640	217,863	211,624	250,947	2,817,865
Cash Outflows													
Salary	64,920	85,267	126,604	79,050	76,066	79,504	76,066	76,066	76,066	76,066	76,066	76,066	967,810
Benefits	25,448	37,408	55,680	24,827	31,352	30,551	31,352	31,352	31,352	31,352	31,352	31,352	393,375
Supplies	9,518	20,193	9,415	2,260	3,902	2,736	895	3,642	876	3,155	4,131	10,558	71,281
Professional Services	402	758	605	7,097	0	534	0	0	0	78	0	925	10,399
Communications	177	19	13	0	0	124	13	13	13	568	58	37	1,035
Travel	0	0	0	0	0	0	146	146	146	146	146	146	875
Training	0	103	150	0	222	1,745	0	0	33	89	195	161	2,697
Advertising	0	0	0	28	0	267	0	299	0	0	0	0	594
Operating Leases	21,058	16,030	8,456	8,251	8,622	8,441	8,252	8,252	8,252	8,252	8,252	8,252	120,371
Utilities	28,145	28,127	28,023	28,041	27,981	28,038	24,901	24,929	24,937	20,775	29,602	25,030	318,528
Repair & Maintenance	3,142	4,823	7,415	5,092	6,032	14,381	2,803	11,012	25,903	74,986	62,028	3,712	221,329
All Other Miscellaneous	65	150	280	150	587	871	0	79	166	186	364	156	3,053
Contingency	0	0	0	0	0	0	1,555	1,555	1,555	1,555	1,555	1,555	9,327
Other Services & Charges	80,072	0	0	0	0	0	0	0	0	0	0	0	80,072
Intergovernmental	161	21	0	0	0	0	188	155	174	197	166	166	1,228
Capital Equipment	0	0	0	0	0	0	0	0	0	0	0	5,000	5,000
Capital Projects	0	0	0	229	947	271	225,000	225,000	150,000	0	0	0	601,446
Total Cash Outflows	233,109	192,898	236,641	155,025	155,711	167,462	371,170	382,499	319,472	217,404	213,914	163,117	2,808,421
Ending Cash Balance	11,830	65,868	65,583	74,252	59,409	61,561	345	373	1,541	2,001	-289	87,541	87,541
Ending Unrestricted/Unreserved Cash	11,830	65,868	65,583	74,252	59,409	61,561	345	373	1,541	2,001	-289	87,541	87,541
YE Accrued Liability													-85,032
Ending Stability Reserve - Projected													2,509

**City of Bainbridge Island 2012 Cash Flow Plan - Building and Development Fund
as of July 2012**

	Actual Jan-12	Actual Feb-12	Actual Mar-12	Actual Apr-12	Actual May-12	Actual Jun-12	Projected Jul-12	Projected Aug-12	Projected Sep-12	Projected Oct-12	Projected Nov-12	Projected Dec-12	Total
Beginning Cash Balance	312,796	-137,367	80,741	87,051	82,128	80,465	79,313	5,438	42,554	105,374	113,455	90,368	312,796
Cash Inflows													
Building Permits & Inspections	17,612	29,395	15,095	27,027	28,681	19,027	19,804	32,483	35,911	36,219	16,156	9,415	286,824
Planning Review of Building Permits	2,975	3,517	6,402	3,089	1,730	6,624	5,961	2,700	2,940	2,046	2,429	1,826	42,239
Fire Inspections & Reviews	0	0	66	0	0	0	0	46	0	0	0	0	113
Engineering Fees	65	68	0	0	127	0	206	84	82	242	160	0	1,033
Zoning & Subdivision	0	560	1,908	48,087	8,968	3,368	2,652	7,993	1,686	16,270	809	1,133	93,435
Plan Checking Fees	12,214	16,178	23,230	13,282	8,619	21,846	22,291	18,179	10,715	12,601	11,493	9,277	179,925
Other Planning & Development Fees	3,866	3,462	7,408	6,301	21,950	15,745	4,672	13,762	12,515	10,346	17,911	14,138	132,076
Interest on Investments & Other Rev	0	65	-65	0	0	0	101	0	0	39	0	-77	63
Operating Transfers In	-234,000	322,000	124,000	60,500	148,000	95,000	20,000	111,646	136,947	78,848	72,221	53,346	988,508
Total Cash Inflows	-197,267	375,245	178,044	158,286	218,075	161,610	75,687	186,893	200,796	156,611	121,179	89,057	1,724,216
Cash Outflows													
Salary	95,252	96,825	114,697	107,480	150,859	108,820	87,734	87,734	87,734	87,734	87,734	87,734	1,200,336
Benefits	35,349	36,249	42,743	38,904	49,863	38,950	31,062	31,062	31,062	31,062	31,062	31,062	428,430
Supplies	275	340	588	856	527	245	255	1,296	386	1,737	3,264	697	10,467
Professional Services	1,243	746	0	1,920	4,854	2,136	14,399	2,488	1,445	3,984	2,623	2,056	37,894
Communications	0	110	106	113	113	112	268	707	433	265	520	253	3,001
Travel	0	0	0	0	0	0	0	0	0	0	0	0	0
Training	0	4	1,200	154	8	5	0	0	115	1	2	0	1,489
Advertising	1,648	0	493	464	98	1,418	0	1,532	0	1,474	1,226	1,840	10,191
Operating Leases	1,552	21,639	11,605	13,088	11,718	10,454	12,273	13,518	12,273	12,273	12,273	11,027	143,692
Repair & Maintenance	0	812	20	30	1,698	0	5	1,993	4	41	2,913	2	7,519
All Other Miscellaneous	18,895	411	282	201	1	622	1,224	6,992	222	5,865	244	2,171	37,130
Contingency	0	0	0	0	0	0	2,232	2,232	2,232	2,232	2,232	2,232	13,394
Other Services & Charges	98,569	0	0	0	0	0	0	0	0	0	0	0	98,569
Intergovernmental	113	0	0	0	0	0	111	223	2,069	1,862	172	101	4,651
Total Cash Outflows	252,896	157,136	171,734	163,209	219,738	162,761	149,563	149,778	137,975	148,530	144,266	139,175	1,996,762
Ending Cash Balance	-137,367	80,741	87,051	82,128	80,465	79,313	5,438	42,554	105,374	113,455	90,368	40,249	40,249
Ending Unrestricted/Unreserved Cash	-137,367	80,741	87,051	82,128	80,465	79,313	5,438	42,554	105,374	113,455	90,368	40,249	40,249
YE Accrued Liability													-63,303
Ending Stability Reserve - Projected													-23,054

**City of Bainbridge Island 2012 Cash Flow Plan - Real Estate Excise Tax Fund
as of July 2012**

	Actual Jan-12	Actual Feb-12	Actual Mar-12	Actual Apr-12	Actual May-12	Actual Jun-12	Projected Jul-12	Projected Aug-12	Projected Sep-12	Projected Oct-12	Projected Nov-12	Projected Dec-12	Total
Beginning Cash Balance	67	57,550	66	419	130,920	203,135	21,421	129,098	236,186	23,048	93,344	93,127	67
Cash Inflows													
Real Estate Excise Tax	57,483	84,516	113,353	137,401	152,215	158,286	107,422	106,833	79,120	72,872	88,826	59,458	1,217,786
Interest on Investments	0	0	0	0	0	0	255	255	255	255	255	255	1,530
Total Cash Inflows	57,483	84,516	113,353	137,401	152,215	158,286	107,677	107,088	79,375	73,127	89,081	59,713	1,219,316
Cash Outflows													
Operating Transfers Out	0	142,000	113,000	6,900	80,000	340,000	0	0	292,514	2,832	89,298	61,350	1,127,893
Total Cash Outflows	0	142,000	113,000	6,900	80,000	340,000	0	0	292,514	2,832	89,298	61,350	1,127,893
Ending Cash Balance	57,550	66	419	130,920	203,135	21,421	129,098	236,186	23,048	93,344	93,127	91,490	91,490
Ending Unrestricted/Unreserved Cash	57,550	66	419	130,920	203,135	21,421	129,098	236,186	23,048	93,344	93,127	91,490	91,490
Ending Stability Reserve - Projected													91,490

**City of Bainbridge Island 2012 Cash Flow Plan - Water Operating Fund
as of July 2012**

	Actual Jan-12	Actual Feb-12	Actual Mar-12	Actual Apr-12	Actual May-12	Actual Jun-12	Projected Jul-12	Projected Aug-12	Projected Sep-12	Projected Oct-12	Projected Nov-12	Projected Dec-12	Total
Beginning Cash Balance	5,099,268	5,104,976	5,164,017	5,154,024	5,151,791	5,170,284	5,212,411	5,252,782	5,296,926	5,356,434	5,401,042	5,414,985	5,099,268
Cash Inflows													
Water Charges	120,803	105,117	122,291	67,539	89,475	114,793	122,840	164,769	170,283	170,614	98,620	143,791	1,490,934
Water Connections	397	2,832	350	2,310	672	0	1,201	361	653	0	27,775	0	36,549
Connections & All Others	0	47,284	3,979	10,663	5,982	750	0	0	0	0	0	0	68,658
Interest on Investments	0	0	0	0	0	0	7,820	7,820	7,820	7,820	7,820	7,820	46,920
Total Cash Inflows	121,200	155,232	126,620	80,512	96,128	115,543	131,860	172,950	178,755	178,434	134,215	151,611	1,643,061
Cash Outflows													
Salary	34,256	34,611	26,050	28,888	33,248	29,221	30,951	30,951	30,951	30,951	30,951	30,951	371,978
Benefits	12,820	13,028	10,124	10,378	11,641	10,046	13,519	13,519	13,519	13,519	13,519	13,519	149,150
Supplies	2,083	4,051	2,367	1,672	2,043	1,292	1,529	4,855	1,507	1,228	3,665	2,692	28,983
Professional Services	13,737	2,104	939	12,979	6,336	7,126	5,199	36,751	4,600	13,312	13,915	21,222	138,221
Communications	1,334	1,227	1,135	2,077	614	1,255	2,443	1,460	1,379	1,673	1,687	1,768	18,051
Travel	0	0	0	0	0	0	1,850	0	0	0	0	0	1,850
Training	0	1,399	20	179	69	191	647	0	23	20	43	0	2,592
Operating Leases	165	8,916	4,625	4,660	4,658	4,621	4,932	4,913	4,859	4,859	4,859	4,806	56,875
Utilities	6,722	6,379	6,478	7,426	6,088	5,589	6,039	7,353	7,386	64	12,479	5,730	77,732
Repair & Maintenance	2,330	1,457	5,222	901	888	469	3,417	1,050	642	7,042	8,927	1,071	33,415
All Other Miscellaneous	0	1,045	619	2,058	330	464	202	21	73	0	402	266	5,479
Contingency	0	0	0	0	0	0	1,890	1,890	1,890	1,890	1,890	1,890	11,338
Other Services & Charges	29,111	0	0	0	0	0	0	0	0	0	0	0	29,111
Intergovernmental	12,931	12,733	13,413	10,314	11,720	13,061	18,872	21,044	22,419	24,268	16,937	15,869	193,581
Capital Equipment	0	0	0	0	0	0	0	0	0	0	0	0	5,000
Capital Projects	3	9,241	65,619	1,213	0	83	0	5,000	30,000	35,000	11,000	462,000	619,159
Total Cash Outflows	115,492	96,192	136,613	82,745	77,635	73,416	91,489	128,806	119,247	133,826	120,272	566,782	1,742,514
Ending Cash Balance	5,104,976	5,164,017	5,154,024	5,151,791	5,170,284	5,212,411	5,252,782	5,296,926	5,356,434	5,401,042	5,414,985	4,999,814	4,999,814
Less: Capital Contingency Reserve	0	-111,856	-111,856	-111,856	-111,856	-201,395	-201,395	-201,395	-201,395	-201,395	-201,395	-201,395	-201,395
Less: Operating Reserve	-186,393	-186,393	-186,393	-186,393	-186,393	-186,393	-186,393	-186,393	-186,393	-186,393	-186,393	-186,393	-186,393
Ending Unrestricted/Unreserved Cash	4,918,583	4,865,768	4,855,775	4,853,542	4,872,035	4,824,623	4,864,995	4,909,139	4,968,647	5,013,255	5,027,198	4,612,027	4,612,027

**City of Bainbridge Island 2012 Cash Flow Plan - Sewer Operating Fund
as of July 2012**

	Actual Jan-12	Actual Feb-12	Actual Mar-12	Actual Apr-12	Actual May-12	Actual Jun-12	Projected Jul-12	Projected Aug-12	Projected Sep-12	Projected Oct-12	Projected Nov-12	Projected Dec-12	Total
Beginning Cash Balance	1,097,616	1,596,306	1,852,446	2,057,827	2,137,226	2,237,364	2,195,195	2,397,084	2,501,645	2,574,367	2,522,825	2,512,750	1,097,616
Cash Inflows													
Sewer Charges	289,156	231,097	323,835	176,215	226,816	314,409	340,545	357,115	361,191	362,038	408,461	331,873	3,722,752
U.L.I.D. Assessments	30,795	2,276	20,654	53,759	42,333	725,972	8,529	20,495	31,533	70	0	330	936,747
Connections & All Others	10,878	29,715	4,611	18,953	9,733	4,400	0	0	0	0	0	0	78,290
Proceeds of General Long Term Debt	359,125	145,000	0	0	0	0	0	0	0	0	0	280,000	784,125
Total Cash Inflows	689,954	408,088	349,100	248,927	278,883	1,044,781	349,073	377,610	392,724	362,108	408,461	612,203	5,521,913
Cash Outflows													
Salary	55,185	49,333	52,312	50,975	55,872	47,832	55,837	55,837	55,837	55,837	55,837	55,837	646,531
Benefits	21,282	22,760	20,012	20,187	23,549	17,867	19,879	19,879	19,879	19,879	19,879	19,879	244,934
Supplies	6,198	2,801	2,633	8,424	3,040	3,557	1,246	7,325	1,193	3,651	5,252	7,283	52,604
Professional Services	533	1,082	351	17,092	1,112	1,189	2,040	115,870	5,335	6,664	19,709	3,312	174,290
Communications	2,519	1,952	1,892	3,660	2,113	1,942	2,281	2,532	2,811	2,538	2,384	3,363	29,984
Travel	0	0	0	0	0	0	154	154	154	154	154	154	925
Training	0	62	358	0	1,827	670	0	0	0	169	368	0	3,454
Operating Leases	239	13,802	7,183	7,119	7,271	7,175	7,173	7,219	7,121	7,121	7,121	7,023	85,568
Utilities	12,715	14,119	16,210	15,284	13,624	10,410	12,750	14,327	16,339	12,482	23,705	13,921	175,885
Repair & Maintenance	11,079	2,561	3,037	11,058	576	11,482	6,030	1,980	3,863	9,582	17,645	13,915	92,808
All Other Miscellaneous	45	2,671	0	0	9	515	0	2,983	379	0	4,996	1,065	12,663
Contingency	0	0	0	0	0	0	3,045	3,045	3,045	3,045	3,045	3,045	18,273
Other Services & Charges	43,486	0	0	0	0	0	0	0	0	0	0	0	43,486
Intergovernmental	37,310	37,220	38,604	35,347	47,192	38,457	36,749	36,897	39,045	39,529	37,440	25,153	448,943
Capital Equipment	0	0	0	0	22,511	0	0	0	0	0	0	0	22,511
Capital Projects	671	3,585	1,127	0	49	11	0	5,000	165,000	253,000	221,000	161,000	810,443
Debt Service	0	0	0	382	0	945,843	0	0	0	0	0	499,325	1,445,550
Total Cash Outflows	191,264	151,948	143,720	169,528	178,745	1,086,950	147,185	273,049	320,002	413,651	418,536	814,277	4,308,852
Ending Cash Balance	1,596,306	1,852,446	2,057,827	2,137,226	2,237,364	2,195,195	2,397,084	2,501,645	2,574,367	2,522,825	2,512,750	2,310,677	2,310,677
Less: Capital Contingency Reserve	0	-217,392	-217,392	-217,392	-217,392	-313,420	-313,420	-217,392	-217,392	-217,392	-217,392	-217,392	-217,392
Less: Operating Reserve	-253,793	-253,793	-253,793	-253,793	-253,793	-253,793	-253,793	-253,793	-253,793	-253,793	-253,793	-253,793	-253,793
Ending Unrestricted/Unreserved Cash	1,342,512	1,381,261	1,586,641	1,666,041	1,766,178	1,627,982	1,829,871	2,030,460	2,103,182	2,051,640	2,041,565	1,839,491	1,839,491

**City of Bainbridge Island 2012 Cash Flow Plan - Storm Surface Water Fund
as of July 2012**

	Actual Jan-12	Actual Feb-12	Actual Mar-12	Actual Apr-12	Actual May-12	Actual Jun-12	Projected Jul-12	Projected Aug-12	Projected Sep-12	Projected Oct-12	Projected Nov-12	Projected Dec-12	Total
Beginning Cash Balance	1,305,143	1,117,008	1,050,429	876,756	1,388,045	1,546,280	1,364,907	1,170,848	966,667	775,132	1,125,458	1,167,111	1,305,143
Cash Inflows													
Storm Water Management Charges	48,557	61,098	39,242	694,677	314,952	37,210	33,435	36,759	50,939	639,967	256,583	77,130	2,290,549
Connections & All Others	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Investments	0	0	0	0	0	0	255	255	255	255	255	255	1,530
Total Cash Inflows	48,557	61,098	39,242	694,677	314,952	37,210	33,690	37,014	51,194	640,222	256,838	77,385	2,292,079
Cash Outflows													
Salary	55,345	50,972	107,158	79,048	66,508	65,543	60,213	60,213	60,213	60,213	60,213	60,213	785,852
Benefits	21,164	18,579	43,517	23,042	22,692	25,070	22,057	22,057	22,057	22,057	22,057	22,057	286,405
Supplies	15,596	3,141	6,238	12,252	5,134	3,725	1,305	5,842	1,194	5,120	3,636	15,829	79,011
Professional Services	11,010	9,280	27,968	28,377	11,590	32,443	35,057	89,330	68,756	23,733	57,376	42,374	437,294
Communications	177	35	15	16	16	140	388	236	-165	475	113	62	1,508
Travel	0	0	0	0	0	0	1,750	0	0	0	0	0	1,750
Training	37	54	0	0	129	1,475	1,065	0	0	44	97	0	2,902
Operating Leases	257	13,999	7,271	7,141	7,363	7,264	7,920	7,410	8,006	7,582	7,323	7,235	88,769
Utilities	6,464	8,355	259	2,041	16,820	7,676	37,188	29,484	170	2,745	320	10,448	121,971
Repair & Maintenance	6,383	1,691	1,560	7,315	1,813	3,726	363	2,394	1,056	3,202	5,899	6,779	42,180
All Other Miscellaneous	880	0	6,372	35	8	455	0	39	104	0	8,195	0	16,087
Contingency	0	0	0	0	0	0	2,515	2,515	2,515	2,515	2,515	2,515	15,088
Other Services & Charges	41,872	0	0	0	0	0	0	0	0	0	0	0	41,872
Intergovernmental	12,726	21,212	12,425	12,863	23,830	16,862	21,928	11,677	11,823	30,210	22,442	24,466	222,463
Capital Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Projects	64,782	359	133	11,259	814	0	36,000	10,000	67,000	132,000	25,000	15,000	362,347
Debt Service	0	0	0	0	0	54,204	0	0	0	0	0	0	54,204
Total Cash Outflows	236,693	127,677	212,915	183,387	156,718	218,583	227,749	241,195	242,729	289,896	215,186	206,977	2,559,704
Ending Cash Balance	1,117,008	1,050,429	876,756	1,388,045	1,546,280	1,364,907	1,170,848	966,667	775,132	1,125,458	1,167,111	1,037,518	1,037,518
Less: Capital Contingency Reserve	0	-83,068	-83,068	-83,068	-83,068	-83,068	-83,068	-83,068	-83,068	-83,068	-83,068	-83,068	-83,068
Less: Operating Reserve	-267,894	-267,894	-267,894	-267,894	-267,894	-267,894	-267,894	-267,894	-267,894	-267,894	-267,894	-267,894	-267,894
Ending Unrestricted/Unreserved Cash	849,114	699,467	525,794	1,037,084	1,195,318	1,013,945	819,886	615,705	424,171	774,497	816,149	686,557	686,557

City of Bainbridge Island, Washington

MAJOR SALES TAX SOURCES BY AREAS

Second Quarter 2012

	Number of Businesses			Actual Sales Tax Receipts For Bainbridge Island			
	Last Year	Gain / Loss	This Year	2011 January - June	2012 January - June	Growth (Loss)	Percent
DOWNTOWN WINSLOW AREA	186	21 / 35	172	215,863.93	211,718.51	-4,145.41	-1.9%
HIGH SCHOOL ROAD AREA	58	7 / 9	56	139,593.19	138,759.58	-833.62	-0.6%
INDUSTRIAL AREA	28	0 / 4	24	11,343.38	7,909.47	-3,433.92	-30.3%
CONSTRUCTION RELATED ACTIVITY	713	302 / 337	678	297,701.57	384,805.66	87,104.08	29.3%
OTHER AREAS	3879	1640 / 1394	4125	527,749.95	544,656.92	16,906.96	3.2%
TOTAL SALES TAX REVENUE TO BAINBRIDGE ISLAND	4864	1970 / 1779	5055	\$1,192,252.03	\$1,287,850.13	\$95,598.10	8.0%