



City of Bainbridge Island
**DEPARTMENT OF FINANCE AND
ADMINISTRATIVE SERVICES**

MEMORANDUM

TO: City Manager, Mark Dombroski
Director Finance & Administration, Elray Konkel
City Council Members

FROM: Cost Accountant, Emily Boberg Courts

DATE: September 2, 2009

RE: August Cash Flow

TABLE OF CONTENTS

Background.....3

Monthly Description.....3

Cash Flow Plan – Tax-Supported.....3

 Year-End Cash.....3

 Critical Assumptions.....4

 Discussion of Month Over Month Variances.....4

 Table A: Month Over Month Variances – Tax-Supported.....4

 COBI 2009 Cash Flow Monitoring – Tax Supported.....6

 COBI 2009 Cash Balance Monitoring – Tax Supported.....7

 2009 Tax-Supported Cash Flow – July (Actuals through June, Forecast July – December) ...8

 2009 Tax-Supported Cash Flow – August (Actuals through July, Forecast August –
December).....9

 2009 Tax-Supported Cash Flow Difference Report.....10

Cash Flow Plan – Utility-Supported.....11

 Year-End Cash.....11

 Critical Assumptions.....11

 COBI 2009 Cash Flow Monitoring – Utility Supported.....12

 COBI 2009 Cash Balance Monitoring – Utility Supported.....13

 2009 Utility-Supported Cash Flow – August (Actuals through July, Forecast August through
December).....14

Planned Next Steps.....15

BACKGROUND

The attached charts and supporting schedules provide an overview of the anticipated unrestricted cash position of the City as of August 2009. The Cash Flow schedule is not a formal financial statement; rather, it is a management tool used to track and forecast cash inflows and outflows. For ease of reading, the Cash Flow format is generally comparable to that of the monthly budget and financial statement reporting. Some differences as compared to the financial statement presentation are:

- The tax-supported Cash Flows present restricted, trust and agency fund details. The activity in these funds is adjusted out below the line, because those funds are not available for general use. Accordingly, we continue to report a net \$0 available for these funds.
- The tax-supported Cash Flows incorporate the Building and Development Services (B&DS) fund; although the B&DS fund is reported as an enterprise fund in the financial statements, it is subsidized by the general fund.
- Because of the timing difference, Cash Flow outflows will not match financial statement expenses; financial statements are presented on a modified accrual basis whereby expenses are reported as incurred, but Cash Flow outflows are based on expenditures as paid.
- Because Cash Flow reports all inflows and outflows of cash, financial statement revenues will not match cash flow inflows in cases of “non-revenue” inflows, such as receipt of loan proceeds. (See Attachment A, page 2.)

Unless otherwise noted, all further references to cash and Cash Flow within this document refer to unrestricted cash items as described above.

MONTHLY DESCRIPTION

For the tax-supported schedule, the August Cash Flow began with the July Cash Flow and incorporated known July activity as well as corrected activity and adjusted forecasts where appropriate. The Utility schedules were created with the August Cash Flow. For all schedules, values reported for January through July are based on actual activity, and August through December values are forecast.

CASH FLOW PLAN – TAX-SUPPORTED

YEAR-END CASH

Projected year-end Cash (July Cash Flow):	\$1,198,723
Projected year-end Cash (August Cash Flow):	<u>\$1,323,907</u>
Net Increase (Decrease):	\$125,183

As of the July cash flow, year-end cash flow was anticipated to be \$1,198,723. In July, this amount was increased by the following activity¹:

Operating Activities – net increase to year-end cash of \$290,000:

- July actuals \$280,000 favorable compared to projection;
- \$30,000 net increase in projected inflows;
- (\$30,000) net increase in projected outflows (including below the line);
- \$10,000 rounding variance.

¹ All figures rounded to the nearest ten thousand.

Capital Activities – net decrease to year-end cash of (\$160,000):

- July actuals \$90,000 favorable compared to projection;
- (\$270,000) decrease in Capital Construction Fund inflow projections; and,
- \$20,000 net decrease in projected outflows.

The prior month's cash flow provides additional information that is essential to a full understanding of current month changes.

CRITICAL ASSUMPTIONS

The August Cash Flow assumes:

- An inflow of \$850,000 in 2009 for sales of excess land. Should any of these sales not occur, ending cash balance will not meet Cash Flow expectations.
 - Projected Tax-supported year-end cash if land sales do not occur: **\$473,907**
- Reliability of revenue assumptions.
 - 98% of Property Tax levied will be received in 2009.

DISCUSSION OF MONTH OVER MONTH VARIANCES

Table A: Month Over Month Variances – Tax-Supported

ITEM	Inc/(Dec) to year-end cash - Operating	Inc/(Dec) to year-end cash - Capital	Inc/(Dec) to year-end cash - Total
Prior Period Correction			\$0
Actual Inflows	100,000	(40,000)	\$60,000
Actual Outflows	180,000	130,000	\$310,000
Projected Inflows	30,000	(270,000)	(\$240,000)
Projected Outflows	(30,000)	20,000	(\$10,000)
Below the Line Inflows/(Outflows)	0	0	\$0
Rounding Variance	10,000		\$10,000
Net Increase/(Decrease) to year-end cash	290,000	(160,000)	\$130,000

Actual Inflows:

July saw overall favorable inflows in all funds except Capital Construction, coming in over plan \$100,000. This favorability is offset by capital project inflows coming in below estimates \$40,000.

The share of change in year-end cash flow projection related to July inflows is \$60,000 favorable.

Actual Outflows:

July Outflows were \$310,000 lower than projected, primarily related to debt service costs (\$30,000), Professional Services (\$80,000) and capital project activity (\$130,000). The remaining variance is due to miscellaneous activity.

Debt service payments related to the un-refunded portion of the LTGO 1998 bond were included in July's Tax-supported projections. However, further review of the debt service schedules revealed that these are related to the sewer utility. Accordingly, the related payments were moved to the Sewer-supported cash flow. The net effect on total Cash Flow is zero, although there is favorability in the Tax-supported Cash Flow.

Professional Services savings were largely realized in the Executive department. Capital project favorability is primarily related to projects in the Planning department and relates to timing as well as correction of Utility-supported activity previously reported in the Tax-supported Cash Flow.

The share of change in year-end cash flow projection related to July outflows is \$310,000 favorable.

Projected Inflows:

Projected inflows decreased (\$240,000), primarily related to changes in project activity in the Planning department.

The share of change in year-end cash flow projection related to projected inflows revised in July is \$240,000 unfavorable.

Projected outflows:

Projected outflows increased by \$10,000. This change is largely due to:

- \$80,000 increase in salary and benefits projections related to unemployment claims and the anticipated hiring of a new Public Works Director;
- \$30,000 increase to insurance estimates based on invoices from the insurance carrier;
- Debt service favorability of \$40,000 related to the December payment of the LTGO 1998 bond (utility-supported, as discussed in the Actual Outflows section above); and,
- Reductions to Professional Services estimates of \$50,000

The share of change in year-end cash flow projection related to projected outflows revised in July is \$10,000 unfavorable.

Below the Line Adjustments:

There were no changes to the Below the Line Adjustments.

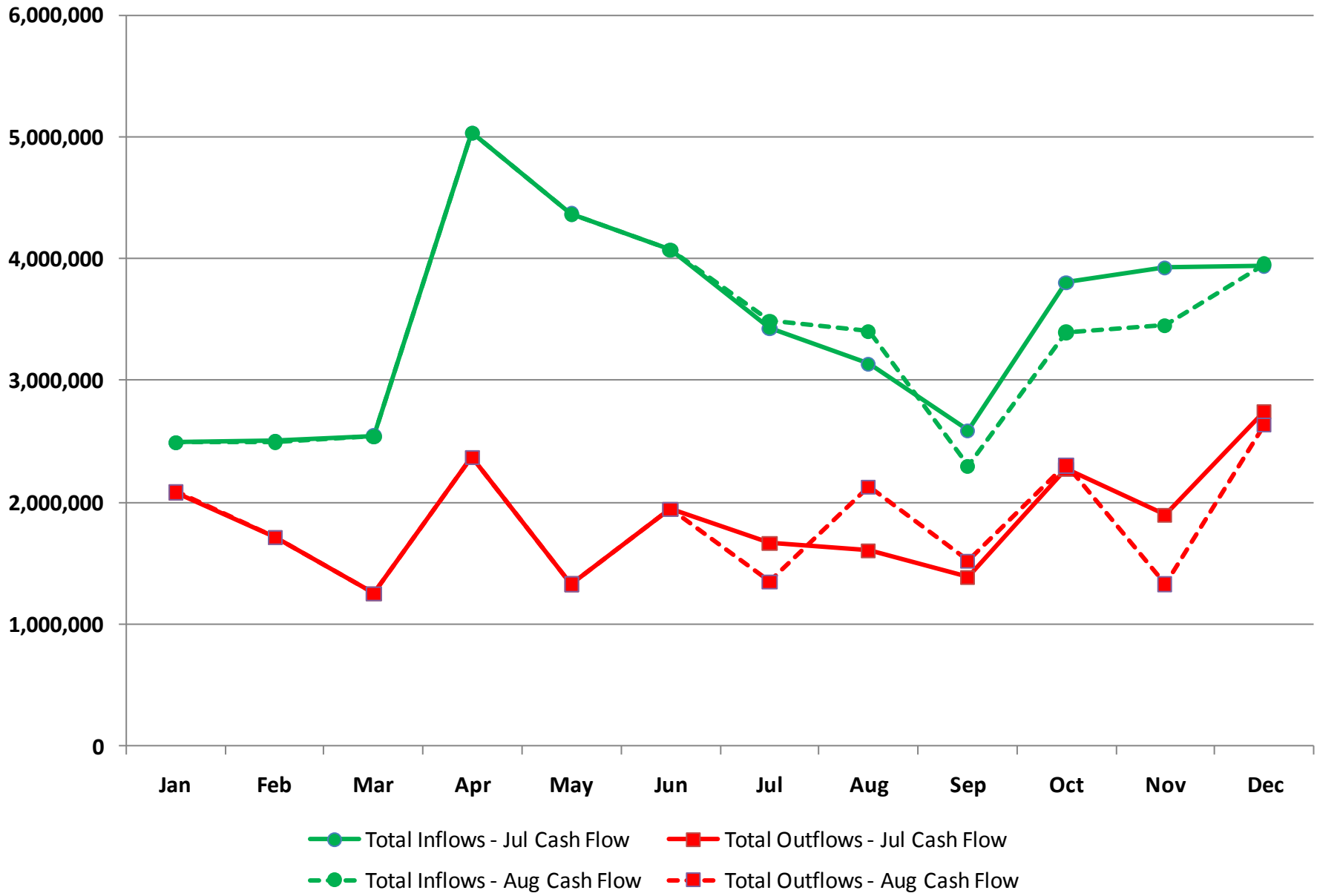
Prior Reporting Period Correction:

There were no prior reporting corrections.

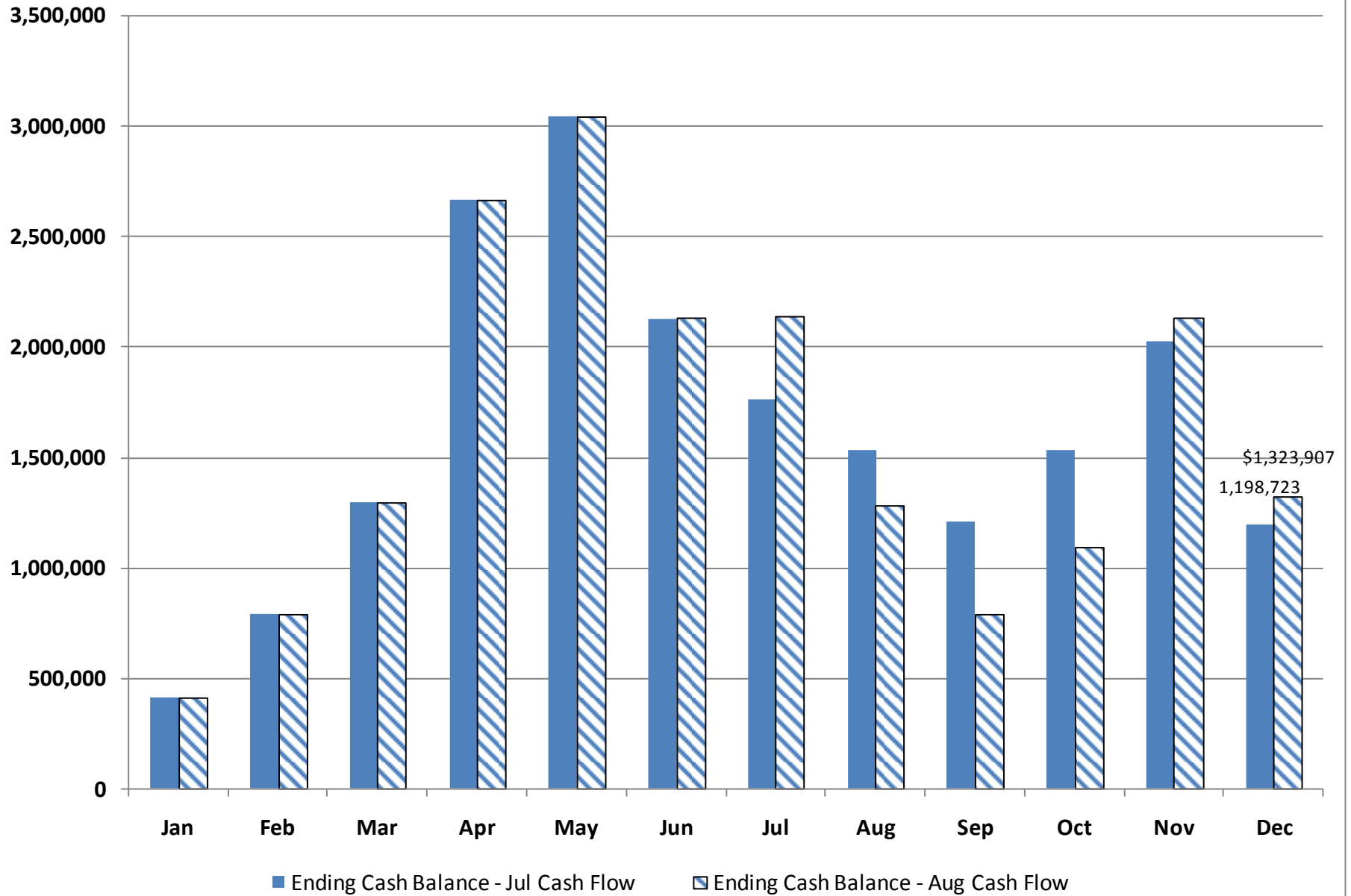
Additional Notes:

There is an overall rounding variance due to rounding of individual Items while detailing the Year-End Cash Change. The variance is one unit of rounding (\$10,000).

COBI 2009 Cash Flow Monitoring - Tax Supported



COBI 2009 Cash Balance Monitoring - Tax Supported



2009 Tax-Supported Cash Flow – July (Actuals through June, Forecast July – December)

City of Bainbridge Island 2009 Cash Flow Plan - Tax Supported

	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Beginning Cash Balance	1,246,281	410,809	789,225	1,294,210	2,666,320	3,044,971	2,130,502	1,766,093	1,535,695	1,211,061	1,531,158	2,027,517	
Inflows - Jun Cash Flow													
General Fund - Taxes	741,547	991,703	741,290	2,761,334	1,278,129	484,304	528,030	790,958	540,252	1,846,617	1,800,054	530,578	13,034,796
General Fund - Fees & Service Charges	175,321	118,160	117,448	168,455	104,652	92,010	161,434	94,559	97,503	141,814	109,846	96,957	1,478,160
General Fund - Intergovernmental Revenue	34,392	7,925	56,822	39,241	19,068	40,917	25,163	17,058	35,207	29,293	15,196	44,296	364,578
General Fund - Fines & Forfeits	15,095	16,510	15,877	15,729	16,274	10,411	15,167	16,301	19,016	21,960	20,466	18,437	201,243
General Fund - Miscellaneous	2,952	5,090	3,744	2,348	7,707	15,188	-184	4,804	6,013	3,890	5,472	7,559	64,584
General Fund - Investment Revenue	1,163	1,424	-311	3,199	881	7,183	2,951	3,631	3,631	3,631	3,631	3,631	34,647
General Fund - Other External Sources	0	20,795	1,000	0	8,000	3,700	0	0	0	0	0	850,000	883,495
Streets Fund	175,408	63,873	528,329	172,337	73,730	78,546	176,782	96,958	80,271	175,046	101,522	91,061	1,813,862
Real Estate Excise Tax Fund	54,374	45,043	109,880	70,738	66,546	89,121	75,224	119,630	104,620	57,417	99,713	65,597	957,903
Civic Improvement Fund (Restricted)	6,460	8,409	5,497	3,234	5,735	4,651	7,785	7,785	7,785	7,785	7,785	7,785	80,693
Affordable Housing Fund (Restricted)	1,320	6,681	5,228	12,951	3,554	9,541	700	800	800	780	800	893	44,048
GO Bond Funds	4,047	10,076	15,880	189,581	66,857	3,680	1,278	2,116	9,378	165,000	79,441	2,236	549,570
LID Bond Funds	0	0	1,340	5,344	670	335	0	0	0	0	0	0	7,689
Capital Construction Fund	295	146,251	100,531	66,428	0	131,792	238,232	159,209	111,014	83,803	101,866	143,680	1,283,101
LID Capital Construction Fund	0	0	0	0	0	0	0	0	0	0	0	0	0
Building & Development Services Fund	46,726	69,139	82,296	83,815	66,720	75,258	75,145	67,709	52,801	69,794	61,100	26,192	776,695
Subtotal Inflows - Jun Cash Flow	2,505,381	1,921,890	2,574,076	4,888,945	4,384,843	4,091,608	3,438,208	3,147,611	2,603,987	3,817,890	3,938,050	3,916,419	21,575,064
Exclusion of Restricted Funds	-7,780	-15,090	-10,725	-16,185	-9,289	-14,192	-8,485	-8,585	-8,585	-8,565	-8,585	-8,678	-124,741
Interfund Loan	0	600,000	0	0	0	0	0	0	0	0	0	0	600,000
Adjustments to Inflow	0	0	-14,425	165,605	0	0	0	0	0	0	0	41,842	193,021
Total Inflows - Jun Cash Flow	2,497,601	2,506,799	2,548,926	5,038,364	4,375,554	4,077,416	3,429,723	3,139,027	2,595,403	3,809,326	3,929,465	3,949,583	22,243,344
Outflows - Jun Cash Flow													
Salary	734,414	681,316	619,097	602,828	600,077	529,959	524,834	541,133	529,551	532,051	537,667	530,457	6,963,385
Benefits	247,777	236,194	210,019	223,821	209,692	185,559	175,251	210,590	174,349	174,349	233,727	176,868	2,458,197
Supplies	9,778	15,241	4,449	8,246	23,802	14,733	49,880	46,328	46,758	48,258	46,208	46,738	360,417
Professional Services	4,950	38,425	96,400	267,457	122,465	229,184	210,137	274,366	162,924	175,984	167,823	139,079	1,889,193
Communications	5,227	160,489	9,029	57,530	6,943	11,478	58,677	10,548	10,548	61,542	11,034	11,034	414,079
Travel	246	666	-550	635	1,031	582	1,343	1,373	1,473	3,023	1,377	1,423	12,622
Training	733	1,830	3,301	2,238	2,668	2,280	5,628	8,835	8,027	8,335	6,627	6,892	57,394
Advertising	0	1,555	1,140	1,218	1,655	2,450	887	7,840	2,365	1,940	2,140	2,040	25,229
Operating Leases	10,049	26,905	188,332	85,360	83,280	79,528	83,114	85,906	88,034	87,124	85,784	86,034	989,451
Utilities	18,215	2,777	75,884	111,330	39,395	38,623	48,025	48,025	48,025	48,025	48,025	48,025	574,374
Repair & Maintenance	19,251	25,584	12,997	49,001	14,062	26,045	79,764	93,818	44,659	44,132	64,136	52,709	526,159
All Other Miscellaneous	4,609	3,035	19,714	2,070	1,292	3,954	9,854	10,094	12,181	10,714	505,841	12,516	595,875
Contingency	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Services & Charges	500,993	0	0	330	0	0	0	1,088	1,088	1,088	1,088	1,088	506,763
Intergovernmental	18,258	109,707	17,963	21,897	72,686	104,662	40,785	88,278	109,347	36,278	33,498	99,907	753,266
Capital Equipment	0	47	0	0	432	28	0	0	0	0	0	0	507
Capital Projects	0	0	0	64,161	87,223	199,619	355,651	170,456	106,705	252,923	155,083	150,465	1,542,285
Debt Service	99,422	9,852	47,103	145,454	10,413	426,793	9,852	0	36,672	790,006	0	1,251,228	2,826,794
Other non-operating	1,233	1,369	8,510	2,772	3,939	9,859	9,947	4,656	1,635	2,397	1,890	119,395	167,602
Subtotal Outflows - Jun Cash Flow	1,675,155	1,314,992	1,313,389	1,646,348	1,281,055	1,865,336	1,663,630	1,603,332	1,384,341	2,278,168	1,901,948	2,735,897	20,663,592
Exclusion of Restricted Funds				-5,769	-10,728	-30,556							-47,053
Outflows - 2008 Expenses paid in 2009	411,636	402,582	-58,673	0	0	0	0	0	0	0	0	0	755,546
Interfund Loan Repayment	0	0	0	603,346	0	0	0	0	0	0	0	0	603,346
Adjustments to Outflow	0	0	0	128,119	60,255	112,134	0	0	0	0	0	14,963	315,471
Total Outflows - Jun Cash Flow	2,086,792	1,717,574	1,254,716	2,372,044	1,330,583	1,946,914	1,663,630	1,603,332	1,384,341	2,278,168	1,901,948	2,750,860	22,290,902
Ending Cash Balance - Jun Cash Flow	410,809	789,225	1,294,210	2,666,320	3,044,971	2,130,502	1,766,093	1,535,695	1,211,061	1,531,158	2,027,517	1,198,723	

2009 Tax-Supported Cash Flow - August (Actuals through July, Forecast August - December)

City of Bainbridge Island 2009 Cash Flow Reduction Plan - Tax Supported

	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Aug	Sep	Oct	Nov	Dec	Total
Beginning Cash Balance	\$1,246,281	\$410,809	\$789,225	\$1,294,210	\$2,666,320	\$3,044,971	\$2,130,502	\$2,139,472	\$1,281,007	\$787,472	\$1,095,600	\$2,130,891	
Inflows - Jul Cash Flow	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
General Fund - Taxes	741,547	991,703	741,290	2,761,334	1,278,129	484,304	553,468	790,958	540,252	1,846,617	1,800,054	530,578	13,060,234
General Fund - Fees & Service Charges	175,321	118,160	117,448	168,455	104,652	92,010	161,335	94,559	97,503	166,987	97,990	96,957	1,491,378
General Fund - Intergovernmental Revenue	34,392	7,925	56,822	39,241	19,068	40,917	40,557	17,058	35,207	29,293	20,196	58,296	398,972
General Fund - Fines & Forfeits	15,095	16,510	15,877	15,729	16,274	10,411	13,380	16,301	19,016	21,960	20,466	18,437	199,456
General Fund - Miscellaneous	2,952	5,090	3,744	2,348	7,707	15,188	6,968	4,804	6,013	3,890	5,472	7,559	71,736
General Fund - Investment Revenue	1,163	1,424	-311	3,199	881	7,183	2,480	3,631	3,631	3,631	3,631	3,631	34,176
General Fund - Other External Sources	0	20,795	1,000	0	8,000	3,700	10,130	0	0	0	0	850,000	893,625
Streets Fund	175,408	63,873	528,329	172,337	73,730	78,546	206,333	96,958	80,271	175,046	101,522	91,061	1,843,414
Real Estate Excise Tax Fund	54,374	45,043	109,880	70,738	66,546	89,121	86,097	119,630	104,620	57,417	99,713	65,597	968,776
Civic Improvement Fund	6,460	8,409	5,497	3,234	5,735	4,651	12,011	7,785	7,785	7,785	7,785	7,785	84,920
Affordable Housing Fund	1,320	6,681	5,228	12,951	3,554	9,541	383	800	800	780	800	893	43,731
GO Bond Funds	4,047	10,076	15,880	189,581	66,857	3,680	1,748	2,116	9,378	165,000	79,441	2,236	550,040
LID Bond Funds	0	0	1,340	5,344	670	335	0	0	0	0	0	0	7,689
Capital Construction Fund	295	146,251	100,531	66,428	0	131,792	201,561	58,213	76,811	76,811	76,811	40,078	975,582
LID Capital Construction Fund	0	0	0	0	0	0	0	0	0	0	0	0	0
Building & Development Services Fund	46,726	69,139	82,296	83,815	66,720	75,258	78,052	67,709	52,801	69,794	61,100	26,192	779,602
Subtotal Inflows - Jul Cash Flow	2,505,381	1,921,890	2,574,076	4,888,945	4,384,843	4,091,608	3,505,005	3,419,994	2,315,096	3,412,482	3,470,581	3,930,190	21,403,330
Exclusion of Restricted Funds	-7,780	-15,090	-10,725	-16,185	-9,289	-14,192	-12,394	-8,585	-8,585	-8,565	-8,585	-8,678	-128,651
Interfund Loan	0	600,000	0	0	0	0	0	0	0	0	0	0	600,000
Adjustments to Inflow	0	0	(\$14,425)	165,605	0	0	0	0	0	0	0	41,842	193,021
Total Inflows - Jul Cash Flow	2,497,601	2,506,799	2,548,926	5,038,364	4,375,554	4,077,416	3,492,611	3,411,410	2,306,512	3,403,918	3,461,997	3,963,355	22,067,701
Outflows - Jul Cash Flow													
Salary	734,414	681,316	619,097	602,828	600,077	529,959	533,143	551,132	542,512	542,526	548,265	542,735	7,028,003
Benefits	247,777	236,194	210,019	223,821	209,692	185,559	179,929	215,824	179,847	180,772	238,446	181,938	2,489,820
Supplies	9,778	15,241	4,449	8,246	23,802	14,733	16,581	44,554	45,742	48,158	46,108	46,638	324,028
Professional Services	4,950	38,425	96,400	267,457	122,465	229,184	132,377	251,328	141,190	136,192	184,423	159,929	1,764,320
Communications	5,227	160,489	9,029	57,530	6,943	11,478	57,122	6,795	10,573	61,017	10,609	11,109	407,921
Travel	246	666	-550	635	1,031	582	622	926	1,357	2,793	1,457	1,357	11,122
Training	733	1,830	3,301	2,238	2,668	2,280	2,447	7,440	8,027	8,335	6,627	5,013	50,939
Advertising	0	1,555	1,140	1,218	1,655	2,450	299	8,225	4,465	1,940	2,140	2,040	27,125
Operating Leases	10,049	26,905	188,332	85,360	83,280	79,528	83,690	84,275	89,285	87,125	87,035	87,282	992,145
Utilities	18,215	2,777	75,884	111,330	39,395	38,623	42,718	48,025	48,025	48,025	48,025	48,025	569,067
Repair & Maintenance	19,251	25,584	12,997	49,001	14,062	26,045	32,627	90,085	42,209	41,982	61,976	50,813	466,633
All Other Miscellaneous	4,609	3,035	19,714	2,070	1,292	3,954	2,553	506,243	13,300	11,912	12,040	12,519	593,241
Contingency	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Services & Charges	500,993	0	0	330	0	0	0	0	11,088	16,088	1,088	1,088	530,675
Intergovernmental	18,258	109,707	17,963	21,897	72,686	104,662	46,200	87,067	116,749	40,900	40,900	106,749	783,738
Capital Equipment	0	47	0	0	432	28	0	0	0	0	0	0	507
Capital Projects	0	0	0	64,161	87,223	199,619	229,935	223,828	226,365	288,053	40,078	40,078	1,399,340
Debt Service	99,422	9,852	47,103	145,454	10,413	426,793	-23,449	0	36,672	790,103	0	1,207,779	2,750,142
Other non-operating	1,233	1,369	8,510	2,772	3,939	9,859	23,508	4,656	1,635	2,397	1,890	119,395	181,163
Subtotal Outflows - Jul Cash Flow	1,675,155	1,314,992	1,313,389	1,646,348	1,281,055	1,865,336	1,360,302	2,130,402	1,519,040	2,308,317	1,331,106	2,624,485	20,369,929
Exclusion of Restricted Funds				-5,769	-10,728	-30,556	-7,163						-54,216
Outflows - 2008 Expenses paid in 2009	411,636	402,582	-58,673	0	0	0	0	0	0	0	0	0	755,546
Interfund Loan Repayment	0	0	0	603,346	0	0	0	0	0	0	0	0	603,346
Adjustments to Outflow	0	0	0	128,119	60,255	112,134	0	0	0	0	0	14,963	315,471
Total Outflows - Jul Cash Flow	2,086,792	1,717,574	1,254,716	2,372,044	1,330,583	1,946,914	1,353,139	2,130,402	1,519,040	2,308,317	1,331,106	2,639,448	21,990,075
Ending Cash Balance - Jul Cash Flow	410,809	789,225	1,294,210	2,666,320	3,044,971	2,130,502	2,139,472	1,281,007	787,472	1,095,600	2,130,891	1,323,907	

2009 Tax-Supported Cash Flow Difference Report

City of Bainbridge Island 2009 Cash Flow Difference Report - Tax Supported

	Aug Cash Flow Less Jul Cash Flow												
	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Aug	Sep	Oct	Nov	Dec	Total
Beginning Cash Balance	0	0	0	0	0	0	0	373,379	(254,688)	(423,589)	(435,557)	103,374	
Inflows													
General Fund - Taxes	0	0	0	0	0	0	25,438	0	0	0	0	0	25,438
General Fund - Fees & Service Charges	0	0	0	0	0	0	(99)	0	0	25,173	(11,856)	0	13,218
General Fund - Intergovernmental Revenue	0	0	0	0	0	0	15,394	0	0	0	5,000	14,000	34,394
General Fund - Fines & Forfeits	0	0	0	0	0	0	(1,787)	0	0	0	0	0	(1,787)
General Fund - Miscellaneous	0	0	0	0	0	0	7,152	0	0	0	0	0	7,152
General Fund - Investment Revenue	0	0	0	0	0	0	(471)	0	0	0	0	0	(471)
General Fund - Other External Sources	0	0	0	0	0	0	10,130	0	0	0	0	0	10,130
Streets Fund	0	0	0	0	0	0	29,551	0	0	0	0	0	29,551
Real Estate Excise Tax Fund	0	0	0	0	0	0	10,873	0	0	0	0	0	10,873
Civic Improvement Fund	0	0	0	0	0	0	4,227	0	0	0	0	0	4,227
Affordable Housing Fund	0	0	0	0	0	0	(317)	0	0	0	0	0	(317)
GO Bond Funds	0	0	0	0	0	0	470	0	0	0	0	0	470
LID Bond Funds	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Construction Fund	0	0	0	0	0	0	(36,671)	(100,996)	(34,203)	(6,992)	(25,055)	(103,602)	(307,519)
LID Capital Construction Fund	0	0	0	0	0	0	0	0	0	0	0	0	0
Building & Development Services Fund	0	0	0	0	0	0	2,907	0	0	0	0	0	2,907
Subtotal Inflows	0	0	0	0	0	0	66,797	272,383	(288,891)	(405,408)	(467,468)	13,772	(171,734)
Exclusion of Restricted Funds	0	0	0	0	0	0	(3,910)	0	0	0	0	0	(3,910)
Interfund Loan	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to Inflows	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Inflows	0	0	0	0	0	0	62,888	272,383	(288,891)	(405,408)	(467,468)	13,772	(175,643)
Outflows													
Salary	0	0	0	0	0	0	8,309	9,999	12,960	10,474	10,598	12,278	64,618
Benefits	0	0	0	0	0	0	4,678	5,234	5,498	6,423	4,719	5,070	31,622
Supplies	0	0	0	0	0	0	(33,299)	(1,774)	(1,016)	(100)	(100)	(100)	(36,389)
Professional Services	0	0	0	0	0	0	(77,760)	(23,037)	(21,734)	(39,792)	16,600	20,850	(124,873)
Communications	0	0	0	0	0	0	(1,555)	(3,753)	25	(525)	(425)	75	(6,158)
Travel	0	0	0	0	0	0	(721)	(448)	(116)	(230)	80	(66)	(1,500)
Training	0	0	0	0	0	0	(3,181)	(1,395)	0	0	0	(1,879)	(6,455)
Advertising	0	0	0	0	0	0	(588)	385	2,100	0	0	0	1,897
Operating Leases	0	0	0	0	0	0	576	(1,631)	1,251	1	1,251	1,248	2,694
Utilities	0	0	0	0	0	0	(5,307)	0	0	0	0	0	(5,307)
Repair & Maintenance	0	0	0	0	0	0	(47,137)	(3,732)	(2,450)	(2,150)	(2,160)	(1,896)	(59,526)
All Other Miscellaneous	0	0	0	0	0	0	(7,301)	496,149	1,119	1,199	(493,802)	3	(2,634)
Contingency	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Services & Charges	0	0	0	0	0	0	0	(1,088)	10,000	15,000	0	0	23,912
Intergovernmental	0	0	0	0	0	0	5,415	(1,211)	7,402	4,622	7,402	6,842	30,472
Capital Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0	(125,716)	53,372	119,660	35,130	(115,005)	(110,387)	(142,945)
Debt Service	0	0	0	0	0	0	(33,301)	0	0	97	0	(43,449)	(76,652)
Other non-operating	0	0	0	0	0	0	13,561	0	0	0	0	0	13,561
Subtotal Outflows	0	0	0	0	0	0	(303,328)	527,070	134,698	30,149	(570,842)	(111,412)	(293,664)
Exclusion of Restricted Funds	0	0	0	0	0	0	(7,163)	0	0	0	0	0	(7,163)
Outflows - 2008 Expenses paid in 2009	0	0	0	0	0	0	0	0	0	0	0	0	0
Interfund Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to Outflow	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Outflows	0	0	0	0	0	0	(310,491)	527,070	134,698	30,149	(570,842)	(111,412)	(300,827)
Ending Cash Balance	0	0	0	0	0	0	373,379	(254,688)	(423,589)	(435,557)	103,374	125,183	

CASH FLOW PLAN – UTILITY-SUPPORTED

YEAR-END CASH

Projected year-end Cash (August Cash Flow) – Consolidated Utility: **\$971,638**

The Utility Cash Flow schedules are new to August. Accordingly, there is no comparison to prior period or discussion of variances for this section of this memo.

CRITICAL ASSUMPTIONS

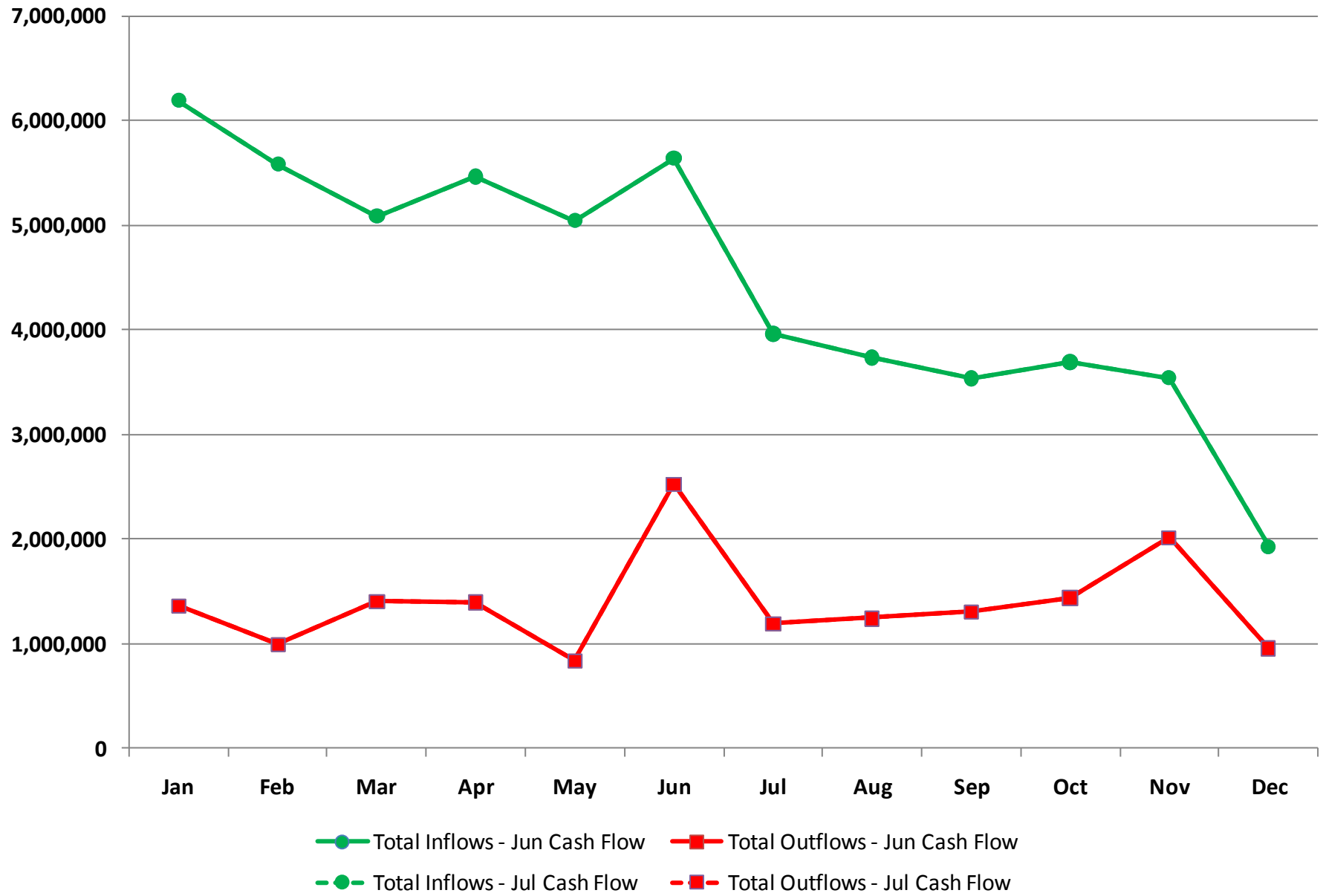
The August Cash Flow assumes:

- 33% of SSWM fees to be received in October

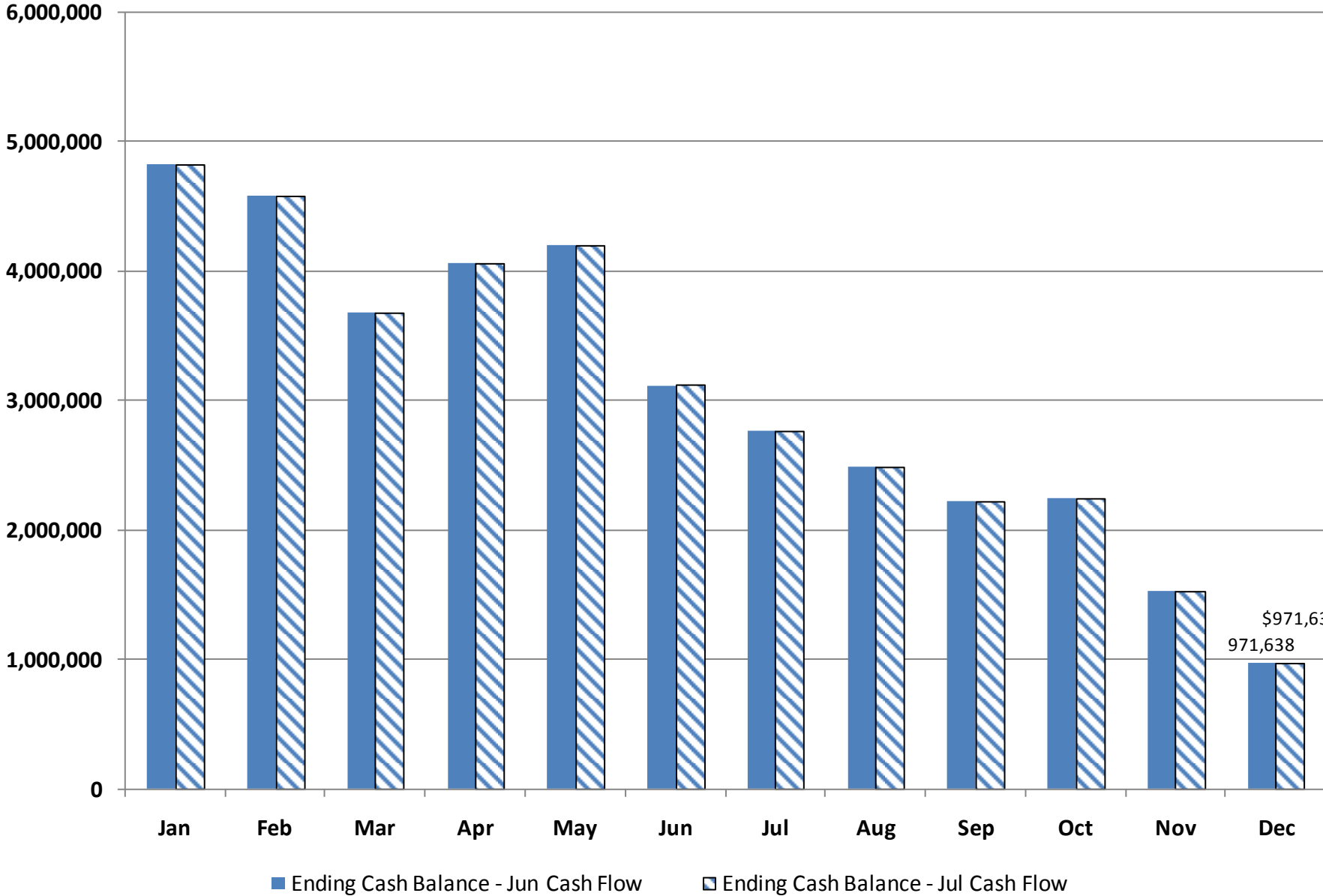
Additional Notes:

In accordance with Resolution No. 2009-13, the \$3,000,000 interfund loan from Water to Sewer has a scheduled repayment date of May 14, 2010. A year-2009 early repayment date is not currently anticipated.

COBI 2009 Cash Flow Monitoring - Utility Supported



COBI 2009 Cash Balance Monitoring - Utility Supported



2009 Utility-Supported Cash Flow – August (Actuals through July, Forecast August through December)

City of Bainbridge Island 2009 Cash Flow Plan - Utility Supported

	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Aug	Sep	Oct	Nov	Dec	Total
Beginning Cash Balance	4,888,359	4,826,798	4,587,823	3,680,848	4,065,312	4,202,962	3,119,681	2,767,733	2,489,878	2,225,318	2,249,208	1,527,742	
Inflows - Jul Cash Flow	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Utility Charges	383,298	415,079	427,397	1,145,590	608,503	439,779	476,356	550,000	530,000	1,150,000	475,000	387,193	6,988,195
Water Connections	650	325	500	1,050	505	650	0	500	500	500	500	500	6,180
ULID Assessments	83	25,523	15,102	17,901	252,434	155,440	11,525	0	0	0	0	0	478,008
Connections & All Others	29,603	34,436	30,047	10,518	14,913	10,813	176,533	15,000	12,500	12,500	12,500	12,500	371,863
Interest on Investments - Utility	0	0	26,646	7,832	0	10,810	3,360	5,000	5,000	5,000	5,000	5,500	74,148
Subtotal Inflows - Jul Cash Flow	5,301,993	5,302,161	5,087,515	4,863,738	4,941,667	4,820,454	3,787,455	3,338,233	3,037,878	3,393,318	2,742,208	1,933,435	7,918,394
Interfund Loan	0	0	0	603,346	0	825,000	175,000	400,000	500,000	300,000	800,000	0	3,603,346
Adjustments to Inflow	891,125	280,000	0	612	106,102	0	0	0	0	0	0	0	1,277,839
Total Inflows - Jul Cash Flow	6,193,118	5,582,161	5,087,515	5,467,696	5,047,769	5,645,454	3,962,455	3,738,233	3,537,878	3,693,318	3,542,208	1,933,435	12,799,579
Outflows - Jul Cash Flow													
Salary	175,898	199,029	247,203	216,417	244,721	231,895	207,560	233,928	226,216	225,846	229,800	220,304	2,658,818
Benefits	61,494	68,787	89,468	79,352	82,190	82,211	70,068	96,188	84,837	84,715	100,169	85,134	984,613
Supplies	3	5,478	18,169	7,366	10,646	12,685	9,674	28,666	28,666	28,666	28,666	28,666	207,350
Professional Services	755	2,876	7,721	22,679	70,333	10,918	43,781	7,475	4,975	45,692	14,425	11,025	242,655
Communications	286	2,128	6,216	3,533	4,269	3,974	4,290	2,895	2,895	2,895	2,895	2,895	39,170
Travel	0	0	0	0	0	0	0	25	25	25	25	25	125
Training	0	4	871	2,780	2,285	651	278	675	675	675	675	675	10,244
Advertising	0	0	0	0	330	378	0	50	50	50	50	50	958
Operating Leases	0	100	71,702	23,891	29,884	24,270	23,892	27,155	27,155	24,175	24,175	24,175	300,574
Utilities	17,779	3,895	32,826	21,935	15,386	25,290	18,835	20,491	20,491	20,491	20,491	20,491	238,401
Repair & Maintenance	459	1,892	10,359	16,774	7,483	46,172	21,824	14,902	14,902	14,902	23,302	14,902	187,870
All Other Miscellaneous	45	11,796	160	97	744	319	1,240	5,952	1,852	652	2,852	652	26,359
Contingency	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Services & Charges	64,162	0	0	0	0	0	0	0	0	0	0	0	64,162
Intergovernmental	43,853	74,065	67,944	65,822	75,547	68,686	67,644	64,364	64,364	64,364	64,364	64,364	785,382
Capital Equipment	0	0	0	0	0	230	0	0	0	0	0	0	230
Capital Projects	0	106	653,734	666,889	233,374	383,854	526,199	345,590	335,458	348,881	659,129	488,440	4,641,654
Debt Service	0	0	0	0	7,081	808,260	23,449	0	0	282,081	43,449	0	1,164,320
Other non-operating	0	0	2,724	1,805	1,343	980	987	0	0	0	0	0	7,838
Subtotal Outflows - Jul Cash Flow	364,735	370,156	1,209,098	1,129,339	785,615	1,700,773	1,019,722	848,355	812,560	1,144,110	1,214,466	961,797	11,560,725
Outflows - 2008 Expenses paid in 2009	1,001,585	24,183	9,289	31,053	0	0	0	0	0	0	0	0	1,066,109
Interfund Loan	0	600,000	0	0	0	825,000	175,000	400,000	500,000	300,000	800,000	0	3,600,000
Adjustments to Outflow	0	0	188,280	241,993	59,192	0	0	0	0	0	0	0	489,465
Total Outflows - Jul Cash Flow	1,366,320	994,338	1,406,667	1,402,384	844,807	2,525,773	1,194,722	1,248,355	1,312,560	1,444,110	2,014,466	961,797	16,716,299
Ending Cash Balance - Jul Cash Flow	4,826,798	4,587,823	3,680,848	4,065,312	4,202,962	3,119,681	2,767,733	2,489,878	2,225,318	2,249,208	1,527,742	971,638	

PLANNED NEXT STEPS

- Integrate annual cash flow information in the 6-year Financial Capacity Analysis.
- Use cash flow model data to help inform and amend the 2010 endorsed budget.
- Prepare and present 16-month cash flows, reporting forecast values through Dec. 2010.
- Prepare additional internal reporting and analysis processes to:
 - Compare cash flow to budget and identify any instances where cash flows exceed budget.
 - Reconcile the timing difference between financial statements and cash flows.
- Preliminary grant announcements from the State show a grant ranging between \$883,000 and \$1,000,000 to potentially be awarded to the Bainbridge Island Parks Department. If the Parks receive this grant, the total less \$100,000 will be passed to the City, net of the \$300,000 obligation for the soccer field project. Final grant announcements will be made in October, at which time the cash flow effect, if any, will be known.