



## CITY OF BAY CITY Monthly Financial Report Month of January 2019

*The City of Bay City Finance Department is dedicated to excellence in local government, comprehensive fiscal management, compliance and reporting. The Monthly Report is used to provide our internal and external customers financial reporting with easy to read narratives regarding the City's financial position.*

*This report represents a general overview of financial operations through **January 2019**, the fourth month of the fiscal year, and **33%** of FY 2019.*

*The **Financial Summaries** provide comparative data for revenues and expenditures by fund. Data shows current monthly and year to date information as it relates to budget. Beginning fund balances are estimates until the final audit is complete.*

- The **General Fund** is the general operating fund of the City. It is used to account for all financial resources except those accounted for in other specific funds. This fund includes all general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund. General operating expenditures, fixed charges and capital improvement costs not paid through other funds are paid from this fund.
- The **Public Utility Fund** accounts for the operations costs to provide water and sewer services to the citizens of Bay City.
- The **Airport Fund** is used to account for the operations of the Airport, and to account for the rent generated from its T-hangers and fuel sold.
- The **Hotel/Motel Occupancy Tax Fund** was established to directly enhance and promote tourism and the convention and hotel industry or other expenses as approved by State Law.

*This report does not include all funds related to the City of Bay City's Operations—please refer to the City's Comprehensive Annual Financial Report & the City's Annual Budget available on the City's website ([www.cityofbaycity.org](http://www.cityofbaycity.org)).*

*Go to the Finance Department's Web Page for all financial transparency information. This includes audits, budgets, quarterly reports, and check registers*

## **General Fund Overview**

### **Revenue Highlights**

Revenues total \$5,602,087 or 37.3% of the budget.

- Property Tax. The certified value totaled \$857 million. Through January, the City received \$2,347,262 of the 4.4-million-dollar property tax maintenance and operation budget. Peak periods for property tax collections are January and February.
- Sales tax. January Sales Tax Allocation to the City is down 4.3% (\$18,994) as compared to January 2018. These are collections related to November that are remitted to the City in January. Collections are up \$57,934 YTD as compared to prior year.
- Franchise fees are slightly over budget. Licenses & Permits are above budget target and is expected to exceed budget at year end.
- Charges for services represents sanitation fees - \$810,281 (33.2% of budget).
- Miscellaneous appears below budget, however most is attributable to timing of grant payments and/or interlocal agreements. (County, Bay City Gas Company, BCCDC).

### **General Fund Expenditure Highlights**

Expenditures total \$4,408,961 or 29.3% of budget.

Most departments are under the 33% budget target. Budgets that are over the budget target are primarily due to timing of payments.

- Fire- timing of roof project
- Library- timing of roof project
- Human Resource- timing of laptop purchase
- Parks- timing of building maintenance projects
- Recycling Center- timing of recycling center project

The General Fund's fund balance is budgeted to increase by \$500,000. **The city reserve level currently is below the minimum policy of 25%.** See bottom of page 3 for more clarification. The unaudited beginning cash position (October 1, 2018) was 2.2 million which represents approximately 16% operating reserve. The City plans to build reserve over the next 1-2 years. Sales tax and some departmental savings should aid in building of additional reserve by fiscal year end.

**GENERAL FUND FINANCIAL SUMMARY**

City of Bay City					
Financial Statement					
As of January 31, 2019					
General Fund (Fund 11)					
Percent of Fiscal Year Complete	33%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
<b>Revenues</b>					
Property Taxes	4,459,684	1,592,702	2,347,262	2,112,422	52.6%
Sales Tax	4,275,000	315,592	1,425,915	2,849,085	33.4%
Other Local Taxes (Franchise)	1,312,500	103,377	435,002	877,498	33.1%
Charges for Services (Sanitation)	2,443,000	202,884	810,281	1,632,719	33.2%
Fines & Penalties	203,000	13,342	48,340	154,660	23.8%
Licenses & Permits	180,500	11,432	101,430	79,070	56.2%
Miscellaneous	1,415,516	35,376	170,048	1,245,468	12.0%
Transfers	741,800	59,733	263,810	477,990	35.6%
<b>Total Revenues</b>	<b>\$ 15,031,000</b>	<b>\$ 2,334,438</b>	<b>\$ 5,602,087</b>	<b>\$ 9,428,913</b>	<b>37.3%</b>
<b>Expenditures</b>					
City Secretary	148,949	10,230	42,756	106,193	28.7%
City General Services	3,208,449	192,341	871,470	2,336,979	27.2%
Administrative Council	207,580	15,905	60,396	147,184	29.1%
Main Street	55,800	6,490	17,263	38,537	30.9%
Human Resources	246,623	24,681	84,927	161,696	34.4%
Municipal Court	318,522	24,989	92,414	226,108	29.0%
Finance	322,582	25,937	101,716	220,866	31.5%
Police	4,463,977	356,668	1,459,773	3,004,204	32.7%
Animal Impoundment	165,482	8,875	47,786	117,696	28.9%
Volunteer Fire Dept.	194,391	11,916	144,543	49,849	74.4%
Street and Bridge	3,230,327	232,716	735,901	2,494,426	22.8%
Recycling Center	394,505	106,489	141,078	253,427	35.8%
Parks	1,015,961	69,687	240,001	775,960	23.6%
Riverside Park	273,517	9,769	59,923	213,594	21.9%
Recreation	94,186	11,234	33,784	60,402	35.9%
Pool Operations	266,681	13,677	41,727	224,954	15.6%
Library	423,468	44,359	233,502	189,966	55.1%
<b>Total Expenditures</b>	<b>\$ 15,031,000</b>	<b>\$ 1,165,965</b>	<b>\$ 4,408,961</b>	<b>\$ 10,622,039</b>	<b>29.3%</b>
*YTD does not includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ -</b>	<b>\$ 1,168,473</b>	<b>\$ 1,193,126</b>		
<b>Beginning Fund Balance 10-1-18</b>	<b>\$ 2,243,239</b>	<i>Estimated</i>	<b>\$ 2,243,239</b>		
<b>Ending Fund Balance</b>	<b>\$ 2,243,239</b>		<b>\$ 3,436,365</b>		
% of Operating Reserves	16%		25%		
Fund Balance Target 90 days (25%)	<b>\$ 3,469,194</b>				
<b>Over/(Under) min Policy Level (25%)</b>	<b>\$ (1,225,955)</b>				

## **Public Utility Fund Overview**

### **Revenue Highlights**

- As a percentage of budget, total Water & Sewer Revenue is 33% being within budget expectations.

### **Expenditure Highlights**

- Total expenditures for the Utility Fund sit nicely at 23% of budget.
- All departments are within budget expectations.

### **PUBLIC UTILITY FUND FINANCIAL SUMMARY**

Utility Fund (Fund 61)					
Percent of Fiscal Year Complete	<b>33%</b>				
	<b>Total Budget</b>	<b>Current Period</b>	<b>YTD Actual*</b>	<b>Over(Under) Budget to Date</b>	<b>Percent to Total Budget</b>
<b>Revenues</b>					
Charges for Services	7,594,000	587,242	2,476,141	5,117,859	33%
Fines & Penalties	175,000	10,133	53,230	121,770	30%
Miscellaneous	10,000	16,390	21,443	(11,443)	214%
<b>Total Revenues</b>	<b>\$ 7,779,000</b>	<b>\$ 613,765</b>	<b>\$ 2,550,813</b>	<b>\$ 5,228,187</b>	<b>33%</b>
<b>Expenditures</b>					
Utility General	4,448,218	315,627	1,221,845	3,226,373	27%
Utility Maintenance	1,920,076	171,765	372,516	1,547,560	19%
Water & WWTP Division	2,400,206	81,936	421,264	1,978,942	18%
Warehouse Operations	86,500	6,916	21,631	64,869	25%
<b>Total Expenditures</b>	<b>\$ 8,855,000</b>	<b>\$ 576,244</b>	<b>\$ 2,037,256</b>	<b>\$ 6,817,744</b>	<b>23%</b>
*YTD does not include encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ (1,076,000)</b>	<b>\$ 37,521</b>	<b>\$ 513,557</b>		
<b>Beginning Reserve Balance 10-1-18</b>	<b>\$ 2,842,380</b>	<i>Estimated</i>	<b>\$ 2,842,380</b>		
<b>Ending Reserve Balance</b>	<b>\$ 1,766,380</b>		<b>\$ 3,355,937</b>		
% of Operating Reserves	24%		46%		
<b>Target 90 days (25%)</b>	<b>\$ 1,829,059.50</b>				
<b>Over/(Under) Target</b>	<b>\$ (62,679.50)</b>				

## Airport Fund Overview

### **Revenue Highlights**

- As a percentage of budget, total Airport Revenue is 39% being over budget expectations due to the timing of a grant payment.
- Miscellaneous Revenue appears over budget, but this is due to the timing of the Routine Annual Maintenance Program (RAMP) with TXDOT (\$50,000 per year)
- General Fund (Transfers In) subsidizes the Airport by \$250,000.

### **Expenditure Highlights**

- As a percentage of budget, total expenditures are 41% which is over the budget target. This is due to the timing of the routine infrastructure maintenance program.

### **AIRPORT FUND FINANCIAL SUMMARY**

Municipal Airport Fund (Fund 64)					
Percent of Fiscal Year Complete	<b>33%</b>				
	<b>Total Budget</b>	<b>Current Period</b>	<b>YTD Actual*</b>	<b>Over(Under) Budget to Date</b>	<b>Percent to Total Budget</b>
<b>Revenues</b>					
Charges for Services	-	100	250	(250)	N/A
Miscellaneous (Rentals, Grants)	156,000	100	81,396	74,604	52%
Transfers (General Fund)	250,000	20,833	83,333	166,667	33%
Other Revenue (Fuel Sales)	178,500	18,895	60,533	117,967	34%
<b>Total Revenues</b>	<b>\$ 584,500</b>	<b>\$ 39,928</b>	<b>\$ 225,513</b>	<b>\$ 358,987</b>	<b>39%</b>
<b>Expenditures</b>					
Personnel	136,850	9,120	40,878	95,972	30%
Supplies & Materials	154,000	24,299	64,764	89,236	42%
Other Charges & Services	73,700	8,912	28,522	45,178	39%
Repairs & Maintenance	124,900	23,625	117,192	7,708	94%
Capital Expenditures	152,550	1,575	14,100	138,450	9%
<b>Total Expenditures</b>	<b>\$ 642,000</b>	<b>\$ 67,531</b>	<b>\$ 265,457</b>	<b>\$ 376,543</b>	<b>41%</b>
*YTD includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ (57,500.00)</b>	<b>\$ (27,602.41)</b>	<b>\$ (39,944.31)</b>		
<b>Beginning Reserve Balance 10-1-18</b>	<b>\$ 116,752.00</b>	<i>Estimated</i>	<b>\$ 116,752.00</b>		
<b>Ending Reserve Balance</b>	<b>\$ 59,252.00</b>		<b>\$ 76,807.69</b>		
<i>No minimum Fund Balance Policy</i>					
General Fund subsidizes \$250,000					

## **Civic & Cultural Arts Fund (Hotel /Motel Fund) Overview**

### **Revenue Highlights**

- As a percentage of budget, total Hotel/Motel Fund is below budget target of 11%. Most hotels remit tax on a monthly or quarterly basis.
- Civic Center rentals are above budget target.

### **Expenditure Highlights**

- As a percentage of budget, total expenditures are slightly above the budget target. This is due to timing of payment for museum support.

### **HOTEL/MOTEL FUND FINANCIAL SUMMARY**

Civic & Cultural Arts Fund (Fund 25)					
Percent of Fiscal Year Complete	33%				
	<b>Total Budget</b>	<b>Current Period</b>	<b>YTD Actual*</b>	<b>Over(Under) Budget to Date</b>	<b>Percent to Total Budget</b>
<b>Revenues</b>					
Hotel Occupancy Tax	800,000	38,092	73,201	726,799	9%
Miscellaneous	79,000	9,597	26,012	52,988	33%
<b>Total Revenues</b>	<b>\$ 879,000</b>	<b>\$ 47,689</b>	<b>\$ 99,213</b>	<b>\$ 779,787</b>	<b>11%</b>
<b>Expenditures</b>					
Council Discretionary	133,000	10,000	82,000	51,000	62%
Tourism Department	263,000	20,444	92,792	170,208	35%
Civic Center	311,000	21,698	73,405	237,595	24%
Bay City Theatre	172,000	6,792	13,554	158,446	8%
<b>Total Expenditures</b>	<b>\$ 879,000</b>	<b>\$ 58,934</b>	<b>\$ 261,751</b>	<b>\$ 617,249</b>	<b>30%</b>
*YTD includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ -</b>	<b>\$ (11,245)</b>	<b>\$ (162,538)</b>		
<b>Beginning Fund Balance 10-1-18</b>	<b>\$ 419,255</b>	<i>Estimated</i>	<b>\$ 419,255</b>		
<b>Ending Fund Balance</b>	<b>\$ 419,255</b>		<b>\$ 256,717</b>		
<i>Proposed to maintain \$50,000</i>					