



CITY OF BAY CITY Monthly Financial Report Month of August 2018

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 **August 2018**, the eleventh month of the fiscal year, and **92%** of FY 2018.*

*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).

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 \$13,466,067 or 90.5% of the budget.

- **Property Tax.** The certified value totaled \$811 million. Through July, the City received \$4,193,946 of the 4.2-million-dollar property tax maintenance and operation budget. Peak periods for property tax collections are January and February.
- **Sales tax.** August Sales Tax Allocation to the City is down 5.48% (\$29,612) as compared to August 2017. These are collections related to June that are remitted to the City in August. Collections are down YTD by \$58,250 as compared to prior year. Sales tax is still anticipated to exceed budget expectations.
- Franchise fees are slightly under budget. Licenses & Permits appear to far exceed the budget target, however this additional revenue will be offset by a third-party inspection contracted by the City.
- Charges for services represents sanitation fees - \$2,164,759 (93.5% of budget).
- Miscellaneous appears above budget, however most is attributable to timing of grant payments and/or interlocal agreements. (County, Bay City Gas Company, BCCDC).
- Other Revenue holds a budget of 845,000. The City issued a tax note to fund capital improvements in the General Fund (Police Roof, Fire Roof, Library Roof, & various road equipment).

General Fund Expenditure Highlights

Expenditures total 11,888,387 or 79.9% of budget.

- Most departments are under the 92% budget target. Budgets that are over the budget target are primarily due to timing of payments.
 - City Secretary exceeding budget target due to timing of expenditures.
 - Personnel Resources exceeding budget target due to timing of expenditures.
 - Administrative Council exceeding budget target (amendment may be needed).

The General Fund's fund balance is budgeted to remain flat. **The city reserve level currently is below the minimum policy of 25%.** See bottom of page 3 for more clarification. The beginning cash position (October 1, 2017) was 1.3 million which represents less than 10% operating reserve. The City plans to build reserve over the next 3-4 years. Sales tax and some departmental savings should aid in building the reserve by fiscal year end.

GENERAL FUND FINANCIAL SUMMARY

General Fund (Fund 11)					
Percent of Fiscal Year Complete	92%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Property Taxes	4,267,949	23,497	\$ 4,193,946	\$ 74,003	98.3%
Sales Tax	4,237,500	382,969	\$ 3,913,896	\$ 323,604	92.4%
Other Local Taxes (Franchise)	1,300,000	136,302	1,188,744	\$ 111,256	91.4%
Charges for Services (Sanitation)	2,316,000	198,899	2,164,759	\$ 151,241	93.5%
Fines & Penalties	283,500	10,933	184,733	\$ 98,767	65.2%
Licenses & Permits	181,500	13,614	386,792	\$ (205,292)	213.1%
Miscellaneous	938,751	558,092	962,213	\$ (23,462)	102.5%
Transfers	513,800	42,817	470,983	\$ 42,817	91.7%
Other Revenue	845,000	-	-	\$ 845,000	0.0%
Total Revenues	\$ 14,884,000	\$ 1,367,122	\$ 13,466,067	\$ 1,417,933	90.5%
Expenditures					
City Secretary	141,451	\$ 7,078	\$ 135,860	\$ 5,591	96.0%
City General Services	2,799,540	176,261	2,219,693	\$ 579,847	79.3%
Administrative Council	206,205	12,057	190,973	\$ 15,232	92.6%
Main Street	61,800	7,182	56,304	\$ 5,496	91.1%
Personnel Resources	238,202	15,005	220,267	\$ 17,935	92.5%
Municipal Court	308,019	15,826	250,731	\$ 57,288	81.4%
Finance	318,745	16,116	273,306	\$ 45,439	85.7%
Police	4,466,840	230,230	3,933,906	\$ 532,934	88.1%
Animal Impoundment	163,830	8,409	139,382	\$ 24,448	85.1%
Volunteer Fire Dept.	245,198	4,171	168,854	\$ 76,344	68.9%
Public Works	3,715,046	437,004	2,596,945	\$ 1,118,101	69.9%
Recycling Center	160,029	7,111	129,451	\$ 30,578	80.9%
Parks	929,937	88,566	788,684	\$ 141,253	84.8%
Riverside Park	210,300	16,333	119,383	\$ 90,917	56.8%
Recreation	100,012	3,350	79,018	\$ 20,994	79.0%
Aquatics	282,096	29,491	232,505	\$ 49,591	82.4%
Library	536,750	23,301	353,126	\$ 183,624	65.8%
Total Expenditures	\$ 14,884,000	\$ 1,097,491	\$ 11,888,387	\$ 2,995,613	79.9%
*YTD does not includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ 269,631	\$ 1,577,679	\$ (1,577,679)	
Beginning Fund Balance (10-1-17)	\$ 1,363,153	<i>Actual</i>	\$ 1,363,153		
Ending Fund Balance	\$ 1,363,153		\$ 2,940,832		
% of Operating Reserves	9.82%		19.76%		
Fund Balance Target 90 days (25%)	\$ 3,469,194				
Over/(Under) min Policy Level (25%)	\$ (2,106,041)				

Public Utility Fund Overview

Revenue Highlights

- As a percentage of budget, total Water & Sewer Revenue is 93% being within budget expectations.

Expenditure Highlights

- Total expenditures for the Utility Fund sit nicely at 74% of budget.
- All departments are within budget expectations.

PUBLIC UTILITY FUND FINANCIAL SUMMARY

Utility Fund (Fund 61)					
Percent of Fiscal Year Complete	92%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	\$ 7,522,000	\$ 668,198	\$ 6,913,765	\$ 608,235	92%
Fines & Penalties	190,000	13,039	172,561	\$ 17,439	91%
Miscellaneous	9,000	70,315	97,311	\$ (88,311)	1081%
Total Revenues	\$ 7,721,000	\$ 751,552	7,183,638	\$ 537,362	93%
Expenditures					
General Operation	\$ 3,803,885	\$ 267,896	\$ 3,352,250	\$ 451,635	88%
Water	2,149,829	104,187	1,140,770	\$ 1,009,059	53%
Sewer	1,680,786	154,105	1,149,813	\$ 530,973	68%
Warehouse Operations	86,500	9,857	72,634	\$ 13,866	84%
Total Expenditures	\$ 7,721,000	\$ 536,045	5,715,467	\$ 2,005,533	74%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ 215,507	\$ 1,468,171	\$ (1,468,171)	
Beginning Reserve Balance 10-1-17	\$ 3,166,423	<i>Actual</i>	\$ 3,166,423		
Ending Reserve Balance	\$ 3,166,423		\$ 4,634,594		
* Includes Bond Reserves					
% of Operating Reserves	43.28%		63.35%		
Target 90 days (25%)	1,829,060				
Over/(Under) Target	\$ 1,337,364				
<i>Designated for capital projects</i>					

Airport Fund Overview

Revenue Highlights

- As a percentage of budget, total Airport Revenue is 92% being at budget expectations.
- Miscellaneous Revenue appears under 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 \$150,000.

Expenditure Highlights

- As a percentage of budget, total expenditures are 80%.

AIRPORT FUND FINANCIAL SUMMARY

Municipal Airport Fund (Fund 64)					
Percent of Fiscal Year Complete	92%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	\$ -	-	300	(300.00)	N/A
Miscellaneous (Rentals, Grants)	158,000	10,058	112,996	45,004.08	72%
Transfers (General Fund)	150,000	12,500	137,500	12,500.00	92%
Other Revenue (Fuel Sales)	160,500	18,660	179,893	(19,392.54)	112%
Total Revenues	\$ 468,500	\$ 41,218	430,688	\$ 37,812	92%
Expenditures					
Personnel	\$ 133,046	\$ 6,909	\$ 104,638	\$ 28,408	79%
Supplies & Materials	119,500	15,583	145,503	\$ (26,003)	122%
Other Charges & Services	82,104	7,200	67,280	\$ 14,824	82%
Repairs & Maintenance	138,829	6,085	54,282	\$ 84,547	39%
Capital Expenditures	32,021	-	32,181	\$ (160)	100%
Total Expenditures	\$ 505,500	\$ 35,777	403,883	\$ 101,617	80%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ (37,000)	\$ 5,441	\$ 26,806	\$ (63,806)	
Beginning Reserve Balance 10-1-17	\$ 109,256		\$ 109,256		
Ending Reserve Balance	\$ 72,256		136,062		
<i>No minimum Fund Balance Policy</i>					
General Fund subsidizes \$150,000					

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

Revenue Highlights

- As a percentage of budget, total Hotel/Motel Fund is below budget target of 51%. This is due to the timing of hotel payments & timing of use of reserve for capital projects. Most hotels remit tax on a monthly or quarterly basis.
- The City also budgeted to receive outside financing sources \$585,000 (tax note) to replace the civic center roof. However, the roof will now be replaced with hotel reserve. (Amendment) This is budgeted as part of Miscellaneous Income in the report.

Expenditure Highlights

- As a percentage of budget, total expenditures are below the budget target, however this is due to the timing of various budgets within the Hotel / Motel Fund.
- The City budgeted to use \$184,350 of Fund Balance to support the Bay City Theatre renovations.

HOTEL/MOTEL FUND FINANCIAL SUMMARY

Civic & Cultural Arts Fund (Fund 25)					
Percent of Fiscal Year Complete	92%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Hotel Occupancy Tax	\$ 725,000	55,570	\$ 626,500	\$ 98,500	86%
Miscellaneous	657,650	3,868	84,989	\$ 572,661	13%
Total Revenues	\$ 1,382,650	\$ 59,437	711,489	\$ 671,161	51%
Expenditures					
Council Discretionary	\$ 173,545	4,233	161,267	12,278	93%
Tourism Department	219,955	16,850	202,515	17,440	92%
Civic Center	843,500	31,850	360,934	482,566	43%
Bay City Theatre	330,000	68,843	143,870	186,130	44%
Total Expenditures	\$ 1,567,000	\$ 121,776	\$ 868,586	\$ 698,414	55%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ (184,350)	\$ (62,338)	\$ (157,098)	\$ (27,252)	
Beginning Fund Balance (10-1-17)	\$ 449,295	<i>Actual</i>	\$ 449,295		
Ending Fund Balance	\$ 264,945		292,197		
<i>Proposed to maintain \$50,000</i>					