



CITY OF BAY CITY Monthly Financial Report Month of August 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 **August 2019**, the eleventh month of the fiscal year, and **92%** 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).

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 \$14,342,233 or 93.2% of the budget.

- **Property Tax.** The certified value totaled \$857 million. Through August, the City received \$4,389,472 of the 4.4-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 .93% (\$4,773) as compared to August 2018. These are collections related to June that are remitted to the City in August. Collections are up \$188,839 YTD as compared to prior year.
- Franchise fees are slightly under budget but should be in line by year-end. Licenses & Permits are above budget target and is expected to exceed budget at year end.
- Charges for services represents sanitation fees - \$2,244,101 (91.9% 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). In addition, Riverside Park is not collecting fees as anticipated in the budget.

General Fund Expenditure Highlights

Expenditures total \$12,716,355 or 85% of budget.

Most departments are under the 92% budget target. Budgets that are over the budget target are primarily due to timing of payments.

- Recycling Center- New Recycling Center over budget (Amendment needed)
- Recreation- Recreational programs (Amendment needed)

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 audited beginning cash position (October 1, 2018) was 2.2 million which represents approximately 16% operating reserve including transfers or 18% operating reserve excluding transfers. Transfers include funding for departments/funds such as Information Technology, Facilities/Equipment Maintenance, and the Bay City Airport. The City plans to build reserve over the next 1-2 years to meet or exceed the minimum 25% reserve requirement. Sales tax and departmental savings should aid in the building of 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	4,459,684	24,941	4,389,472	70,212	98.4%
Sales Tax	4,395,000	379,389	4,055,525	339,475	92.3%
Other Local Taxes (Franchise)	1,312,500	141,819	1,198,653	113,847	91.3%
Charges for Services (Sanitation)	2,443,000	205,510	2,244,101	198,899	91.9%
Fines & Penalties	203,000	17,121	177,533	25,467	87.5%
Licenses & Permits	202,500	22,212	270,977	(68,477)	133.8%
Miscellaneous	1,627,015	76,706	1,348,906	278,109	82.9%
Transfers	741,800	34,857	657,067	84,733	88.6%
Total Revenues	\$ 15,384,499	\$ 902,555	\$ 14,342,233	\$ 1,042,266	93.2%
Expenditures					
City Secretary	161,949	14,861	150,168	11,781	92.7%
City General Services	2,743,625	185,577	2,431,221	312,404	88.6%
Administrative Council	207,580	14,941	180,084	27,496	86.8%
Main Street	55,800	-	38,808	16,992	69.5%
Human Resources	246,623	27,147	224,223	22,400	90.9%
Municipal Court	318,522	28,087	271,733	46,789	85.3%
Finance	322,582	24,841	292,187	30,395	90.6%
Police	4,505,977	430,421	3,997,654	508,323	88.7%
Animal Impoundment	165,482	12,051	135,188	30,294	81.7%
Volunteer Fire Dept.	194,391	10,629	166,422	27,969	85.6%
Street and Bridge	3,230,327	438,218	2,533,537	696,790	78.4%
Recycling Center	668,505	15,639	740,049	(71,544)	110.7%
Parks	1,090,961	49,558	672,235	418,726	61.6%
Riverside Park	273,517	15,185	205,123	68,394	75.0%
Recreation	94,186	3,055	97,683	(3,497)	103.7%
Pool Operations	266,681	30,949	184,390	82,291	69.1%
Library	423,468	39,592	395,650	27,818	93.4%
Total Expenditures	\$ 14,970,176	\$ 1,340,753	\$ 12,716,355	\$ 2,253,821	84.9%
*YTD does not includes encumbrances					
Net Revenue (Expenditures)	\$ 414,323	\$ (438,197)	\$ 1,625,878		
Beginning Fund Balance 10-1-18	\$ 2,218,367	<i>Actual</i>	\$ 2,218,367		
Ending Fund Balance	\$ 2,632,690		\$ 3,844,245		
% of Operating Reserves	19%		28%		
Fund Balance Target 90 days (25%)	\$ 3,435,795				
Over/(Under) min Policy Level (25%)	\$ (803,105)				

Public Utility Fund Overview

Revenue Highlights

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

Expenditure Highlights

- Total expenditures for the Utility Fund sit nicely at 68% 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	7,594,000	669,941	7,008,863	585,137	92%
Fines & Penalties	175,000	12,898	139,151	35,849	80%
Miscellaneous	10,000	4,620	84,162	(74,162)	842%
Total Revenues	\$ 7,779,000	\$ 687,459	\$ 7,232,175	\$ 546,825	93%
Expenditures					
Utility General	4,448,218	303,524	3,526,233	921,985	79%
Utility Maintenance	1,920,076	592,217	1,246,381	673,695	65%
Water & WWTP Division	2,400,206	101,911	1,186,762	1,213,444	49%
Warehouse Operations	86,500	5,903	67,089	19,411	78%
Total Expenditures	\$ 8,855,000	\$ 1,003,556	\$ 6,026,465	\$ 2,828,535	68%
*YTD does not include encumbrances					
Net Revenue (Expenditures)	\$ (1,076,000)	\$ (316,097)	\$ 1,205,710		
Beginning Reserve Balance 10-1-18	\$ 2,822,798	<i>Actual</i>	\$ 2,822,798		
Ending Reserve Balance	\$ 1,746,798		\$ 4,028,508		
% of Operating Reserves	24%		56%		
Target 90 days (25%)	\$ 1,794,419.00				
Over/(Under) Target	\$ (47,621.00)				
<i>Designated for capital projects</i>					

Airport Fund Overview

Revenue Highlights

- As a percentage of budget, total Airport Revenue is 113% being over budget expectations due to the timing of a grant payment and fuel sales.
- 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 122% which is over budget. This is due to the following:
 - Timing of the Routine Annual Maintenance Projects (RAMP) at the airport (carryover from prior year). The grant reimbursement should help offset 50% of this additional cost. (Amendment)
 - Timing of fuel purchase for resale- fuel sales should offset by year end. (Amendment)
 - Fuel Trucks down payment (Amendment)

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	-	-	350	(350)	N/A
Miscellaneous (Rentals, Grants)	156,000	11,802	182,122	(26,122)	117%
Transfers (GF & Tax Note)	250,000	86,578	294,912	(44,912)	118%
Other Revenue (Fuel Sales)	178,500	14,434	183,821	(5,321)	103%
Total Revenues	\$ 584,500	\$ 112,814	\$ 661,204	\$ (76,704)	113%
Expenditures					
Personnel	136,850	13,240	134,566	2,284	98%
Supplies & Materials (Fuel etc)	154,000	43,504	184,290	(30,290)	120%
Other Charges & Services	73,700	2,652	67,682	6,018	92%
Repairs & Maintenance	136,336	5,400	210,435	(74,099)	154%
Capital Expenditures	141,114	73,518	186,957	(45,843)	132%
Total Expenditures	\$ 642,000	\$ 138,314	\$ 783,931	\$ (141,931)	122%
*YTD includes encumbrances					
Net Revenue (Expenditures)	(57,500)	\$ (25,500)	\$ (122,726)		
Beginning Reserve Balance 10-1-18	133,310	<i>Actual</i>	\$ 133,310		
Ending Reserve Balance	75,810		\$ 10,584		
<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 92%. Historical trends indicate a possible shortfall of 5% or \$40,000.
- Miscellaneous Revenue: Civic Center rentals are above budget target by \$9,677 while Tourism income is over by \$11,245.

Expenditure Highlights

- As a percentage of budget, total expenditures are below the budget target. This is primarily due to timing of expenditures related to the Texas Theater Project.

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	800,000	71,094	560,157	239,843	70%
Miscellaneous	79,000	9,153	100,022	(21,022)	127%
Total Revenues	\$ 879,000	\$ 80,247	\$ 660,179	\$ 218,821	75%
Expenditures					
Hotel General	133,000	4,000	110,000	23,000	83%
Tourism Department	263,000	18,177	210,626	52,374	80%
Civic Center	311,000	37,474	248,259	62,741	80%
Bay City Theatre	172,000	32,186	101,374	70,626	59%
Total Expenditures	\$ 879,000	\$ 91,836	\$ 670,259	\$ 208,741	76%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ (11,589)	\$ (10,080)		
Beginning Fund Balance 10-1-18	\$ 419,255	<i>Actual</i>	\$ 419,255		
Ending Fund Balance	\$ 419,255		\$ 409,175		
<i>Proposed to maintain \$50,000</i>					