



## CITY OF BAY CITY

### Monthly Financial Report

### Month of September 2018 - Unaudited

*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 **September 2018**, the twelfth month of the fiscal year, and **100%** 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](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 \$14,610,829 or 98.2% of the budget.

- **Property Tax.** The certified value totaled \$811 million. Through September, the City received 99% of the 4.2-million-dollar property tax maintenance and operation budget. Peak periods for property tax collections are January and February.
- **Sales tax.** September Sales Tax Allocation to the City is down 8.03% (\$38,641) as compared to September 2017. These are collections related to July that are remitted to the City in September. Collections are down YTD by \$96,891 as compared to prior year. Sales tax is still exceeded budget expectations of 4.2 million.
- Franchise fees are slightly over budget. Licenses & Permits appear to far exceed the budget target due to permitting of new school.
- Charges for services represents sanitation fees - \$2,364,610(102.1% of budget).
- “Miscellaneous” ended year above budget, due to various non-reoccurring reimbursements due to City along with interest income.
- 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). Tax Note proceeds will reimburse funds with projects as jobs are complete.

### **General Fund Expenditure Highlights**

Expenditures total 13,730,743 or 93.4% of budget.

- Most departments are under the 100% budget target. Budgets that are over the budget target are primarily due to timing of payments.
  - City Secretary exceeding budget target due to personnel expenditures.
  - Personnel Resources exceeding budget target due to increased contracted services.
  - Administrative Council exceeding budget due to personnel costs.

The General Fund’s fund balance is budgeted was budgeted to build \$177,000. **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 2-3 years. Sales tax, employee vacancies, and departmental savings aided in building the budget over \$800,000 (\$623,000 over the planned budget).

**GENERAL FUND FINANCIAL SUMMARY**

General Fund (Fund 11)			<b>Unaudited</b>		
Percent of Fiscal Year Complete	100%				
	<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>					
Property Taxes	4,267,949	28,517	\$ 4,222,463	\$ 45,486	98.9%
Sales Tax	4,237,500	363,967	\$ 4,245,633	\$ (8,133)	100.2%
Other Local Taxes (Franchise)	1,300,000	104,801	1,325,775	\$ (25,775)	102.0%
Charges for Services (Sanitation)	2,316,000	199,851	2,364,610	\$ (48,610)	102.1%
Fines & Penalties	283,500	16,870	201,602	\$ 81,898	71.1%
Licenses & Permits	181,500	9,846	396,638	\$ (215,138)	218.5%
Miscellaneous	938,751	39,335	1,001,548	\$ (62,797)	106.7%
Transfers	513,800	381,576	852,559	\$ (338,759)	165.9%
Other Revenue	845,000	-	-	\$ 845,000	0.0%
<b>Total Revenues</b>	<b>\$ 14,884,000</b>	<b>\$ 1,144,763</b>	<b>\$ 14,610,829</b>	<b>\$ 273,171</b>	<b>98.2%</b>
<b>Expenditures</b>					
City Secretary	141,451	\$ 14,445	\$ 150,305	\$ (8,854)	106.3%
City General Services	2,622,540	208,955	2,428,648	\$ 193,892	92.6%
Administrative Council	206,205	23,945	214,918	\$ (8,713)	104.2%
Main Street	61,800	12,317	68,621	\$ (6,821)	111.0%
Personnel Resources	238,202	27,378	247,645	\$ (9,443)	104.0%
Municipal Court	308,019	26,392	277,123	\$ 30,896	90.0%
Finance	318,745	34,905	308,211	\$ 10,534	96.7%
Police	4,466,840	494,745	4,428,651	\$ 38,189	99.1%
Animal Impoundment	163,830	18,031	157,413	\$ 6,417	96.1%
Volunteer Fire Dept.	245,198	17,087	185,941	\$ 59,257	75.8%
Public Works	3,715,046	648,338	3,245,282	\$ 469,764	87.4%
Recycling Center	160,029	54,371	183,822	\$ (23,793)	114.9%
Parks	929,937	105,079	893,763	\$ 36,174	96.1%
Riverside Park	210,300	25,176	144,560	\$ 65,740	68.7%
Recreation	100,012	6,975	85,993	\$ 14,019	86.0%
Aquatics	282,096	42,351	274,856	\$ 7,240	97.4%
Library	536,750	81,867	434,993	\$ 101,757	81.0%
<b>Total Expenditures</b>	<b>\$ 14,707,000</b>	<b>\$ 1,842,356</b>	<b>\$ 13,730,743</b>	<b>\$ 976,257</b>	<b>93.4%</b>
*YTD does not includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ 177,000</b>	<b>\$ (697,593)</b>	<b>\$ 880,086</b>		
Beginning Fund Balance (10-1-17)	\$ 1,363,153	<i>Actual</i>	\$ 1,363,153		
Ending Fund Balance	\$ 1,540,153		\$ 2,243,239		
% of Operating Reserves	11.10%		15.25%		
Fund Balance Target 90 days (25%)	\$ 3,469,194				
<b>Over/(Under) min Policy Level (25%)</b>	<b>\$ (1,929,041)</b>				

## **Public Utility Fund Overview**

### **Revenue Highlights**

- As a percentage of budget, total Water & Sewer Revenue is 102% being within budget expectations.

### **Expenditure Highlights**

- Total expenditures for the Utility Fund sit nicely at 90% of budget.
- All departments are within budget expectations.

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

Utility Fund (Fund 61)			<b>Unaudited</b>		
Percent of Fiscal Year Complete	100%				
	<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	\$ 7,522,000	\$ 669,666	\$ 7,583,431	\$ (61,431)	101%
Fines & Penalties	190,000	12,779	185,341	\$ 4,659	98%
Miscellaneous	9,000	1,947	99,258	\$ (90,258)	1103%
<b>Total Revenues</b>	<b>\$ 7,721,000</b>	<b>\$ 684,392</b>	<b>7,868,030</b>	<b>\$ (147,030)</b>	<b>102%</b>
<b>Expenditures</b>					
General Operation	\$ 3,803,885	\$ 270,142	\$ 3,622,392	\$ 181,493	95%
Water	2,149,829	786,824	1,927,593	\$ 222,236	90%
Sewer	1,680,786	145,390	1,295,203	\$ 385,583	77%
Warehouse Operations	86,500	12,738	85,373	\$ 1,127	99%
<b>Total Expenditures</b>	<b>\$ 7,721,000</b>	<b>\$ 1,215,094</b>	<b>6,930,561</b>	<b>\$ 790,439</b>	<b>90%</b>
*YTD includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ -</b>	<b>\$ (530,702)</b>	<b>\$ 937,469</b>	<b>\$ (937,469)</b>	
<b>Beginning Reserve Balance 10-1-17</b>	<b>\$ 3,166,423</b>	<i>Actual</i>	<b>\$ 3,166,423</b>		
<b>Ending Reserve Balance w/ Bond Reserves</b>	<b>\$ 3,166,423</b>	<i>Estimated</i>	<b>\$ 4,103,892</b>		
<b>Ending Reserve Bal. Excl. Bond Reserves</b>		<i>Estimated</i>	<b>\$ 2,842,380</b>		
% of Operating Reserves	43.28%		38.85%		
<b>Target 90 days (25%)</b>	<b>1,829,060</b>				
<b>Over/(Under) Target</b>	<b>\$ 1,337,364</b>				
<i>Bond Reserves are 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)			<b>Unaudited</b>		
Percent of Fiscal Year Complete	100%				
	<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	400	(400.00)	N/A
Miscellaneous (Rentals, Grants)	158,000	7,687	120,683	37,317.25	76%
Transfers (General Fund)	150,000	12,500	150,000	-	100%
Other Revenue (Fuel Sales)	160,500	9,845	189,738	(29,237.90)	118%
<b>Total Revenues</b>	<b>\$ 468,500</b>	<b>\$ 30,132</b>	<b>460,821</b>	<b>\$ 7,679</b>	<b>98%</b>
<b>Expenditures</b>					
Personnel	\$ 133,046	\$ 18,488	\$ 123,126	\$ 9,920	93%
Supplies & Materials	119,500	2,678	148,181	\$ (28,681)	124%
Other Charges & Services	82,104	6,678	73,958	\$ 8,146	90%
Repairs & Maintenance	138,829	20,213	87,792	\$ 51,037	63%
Capital Expenditures	32,021	-	25,864	\$ 6,157	81%
<b>Total Expenditures</b>	<b>\$ 505,500</b>	<b>\$ 48,057</b>	<b>458,920</b>	<b>\$ 46,580</b>	<b>91%</b>
*YTD includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ (37,000)</b>	<b>\$ (17,924)</b>	<b>\$ 1,901</b>		
<b>Beginning Reserve Balance 10-1-17</b>	<b>\$ 109,256</b>		<b>\$ 109,256</b>		
<b>Ending Reserve Balance</b>	<b>\$ 72,256</b>	<i>Estimated</i>	<b>111,157</b>		
<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 100%. This is due to the use of reserve for capital projects. Hotel tax receipts exceeded the budget target by \$36,585.
- 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.

### **Expenditure Highlights**

- As a percentage of budget, total expenditures are below the budget target, however this is due to the timing of capital projects (Texas Theatre rehab and the Civic Center roof).
- The City budgeted to use \$184,350 of Fund Balance to support the Bay City Theatre renovations, however the City will use less reserve than anticipated (estimated to use approx. \$150K).

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

Civic & Cultural Arts Fund (Fund 25)				<b>Unaudited</b>	
Percent of Fiscal Year Complete	100%				
	<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	\$ 725,000	135,086	\$ 761,585	\$ (36,585)	105%
Miscellaneous	657,650	7,412	92,401	\$ 565,249	14%
<b>Total Revenues</b>	<b>\$ 1,382,650</b>	<b>\$ 142,497</b>	<b>\$ 853,986</b>	<b>\$ 528,664</b>	<b>62%</b>
<b>Expenditures</b>					
Council Discretionary	\$ 173,545	4,233	165,500	8,045	95%
Tourism Department	219,955	22,865	225,380	(5,425)	102%
Civic Center	843,500	89,169	450,103	393,397	53%
Bay City Theatre	330,000	18,076	161,946	168,054	49%
<b>Total Expenditures</b>	<b>\$ 1,567,000</b>	<b>\$ 134,344</b>	<b>\$ 1,002,930</b>	<b>\$ 564,070</b>	<b>64%</b>
*YTD includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ (184,350)</b>	<b>\$ 8,154</b>	<b>\$ (148,944)</b>		
Beginning Fund Balance (10-1-17)	\$ 449,295	<i>Actual</i>	\$ 449,295		
Ending Fund Balance	\$ 264,945	<i>Estimated</i>	300,351		
<i>Proposed to maintain \$50,000</i>					