



## CITY OF BAY CITY Monthly Financial Report Month of October 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 **October 2018**, the first month of the fiscal year, and **8%** 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 \$960,337 or 6.4% of the budget.

- Property Tax. The certified value totaled \$857 million. Through October, the City received \$86,576 of the 4.3-million-dollar property tax maintenance and operation budget. Peak periods for property tax collections are January and February.
- Sales tax. October Sales Tax Allocation to the City is up 9.87% (\$42,973) as compared to October 2017. These are collections related to August that are remitted to the City in October.
- Franchise fees are slightly over budget. Licenses & Permits are below budget target; however this is due to timing of building permits pulled.
- Charges for services represents sanitation fees - \$198,899 (8.1% 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 \$550,115 or 3.8% of budget.

- Most departments are under the 8% budget target. Budgets that are over the budget target are primarily due to timing of payments.
- Departments with a negative monthly expenditure are due to prior year audit reversals. These entries will clear out (net zero) by the December financial statement.

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 20% operating reserve. The City plans to build reserve over the next 1-2 years. Sales tax and some departmental savings should aide in building of additional reserve by fiscal year end.

**GENERAL FUND FINANCIAL SUMMARY**

General Fund (Fund 11)					
Percent of Fiscal Year Complete	<b>8%</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>					
Property Taxes	4,459,684	86,576	86,576	4,373,108	1.9%
Sales Tax	4,275,000	358,866	358,866	3,916,134	8.4%
Other Local Taxes (Franchise)	1,312,500	120,549	120,549	1,191,951	9.2%
Charges for Services (Sanitation)	2,443,000	198,899	198,899	2,244,101	8.1%
Fines & Penalties	203,000	12,959	12,959	190,041	6.4%
Licenses & Permits	180,500	7,434	7,434	173,066	4.1%
Miscellaneous	1,415,516	90,445	90,445	1,325,071	6.4%
Transfers	741,800	84,610	84,610	657,190	11.4%
<b>Total Revenues</b>	<b>\$ 15,031,000</b>	<b>\$ 960,337</b>	<b>\$ 960,337</b>	<b>\$ 14,070,663</b>	<b>6.4%</b>
<b>Expenditures</b>					
City Secretary	148,949	7,002	7,002	141,947	4.7%
City General Services	2,708,449	245,203	245,203	2,463,246	9.1%
Administrative Council	207,580	10,757	10,757	196,823	5.2%
Main Street	55,800	(4,919)	(4,919)	60,719	-8.8%
Personnel Resources	246,623	12,095	12,095	234,528	4.9%
Municipal Court	318,522	8,122	8,122	310,400	2.6%
Finance	322,582	15,248	15,248	307,334	4.7%
Police	4,463,977	222,708	222,708	4,241,269	5.0%
Animal Impoundment	165,482	8,081	8,081	157,401	4.9%
Volunteer Fire Dept.	194,391	2,114	2,114	192,277	1.1%
Public Works	3,230,327	(35,739)	(35,739)	55,957	-1.1%
Recycling Center	394,505	(23,607)	(23,607)	418,112	-6.0%
Parks	1,015,961	40,999	40,999	974,962	4.0%
Riverside Park	273,517	6,733	6,733	266,784	2.5%
Recreation	94,186	14,001	14,002	80,184	14.9%
Aquatics	266,681	4,171	4,171	262,510	1.6%
Library	423,468	17,145	17,145	406,323	4.0%
<b>Total Expenditures</b>	<b>\$ 14,531,000</b>	<b>\$ 550,115</b>	<b>\$ 550,116</b>	<b>\$ 10,770,774</b>	<b>3.8%</b>
*YTD does not includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ 500,000</b>	<b>\$ 410,222</b>	<b>\$ 410,221</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>\$ 2,743,239</b>		<b>\$ 2,653,460</b>		
% of Operating Reserves	20%		18%		
Fund Balance Target 90 days (25%)	\$ 3,469,194				
<b>Over/(Under) min Policy Level (25%)</b>	<b>\$ (725,955)</b>				

## **Public Utility Fund Overview**

### **Revenue Highlights**

- As a percentage of budget, total Water & Sewer Revenue is 8% being within budget expectations.

### **Expenditure Highlights**

- Total expenditures for the Utility Fund sit nicely at 4% of budget.
- All departments are within budget expectations.

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

Utility Fund (Fund 61)					
Percent of Fiscal Year Complete	<b>8%</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><u>Revenues</u></b>					
Charges for Services	7,594,000	639,638	639,638	6,954,362	8%
Fines & Penalties	175,000	14,992	14,992	160,008	9%
Miscellaneous	10,000	1,808	1,808	8,192	18%
<b>Total Revenues</b>	<b>\$ 7,779,000</b>	<b>\$ 656,439</b>	<b>\$ 656,439</b>	<b>\$ 7,122,561</b>	<b>8%</b>
<b><u>Expenditures</u></b>					
General Operation	4,448,218	293,235	293,235	4,154,983	7%
Water	1,920,076	44,555	44,555	1,875,521	2%
Sewer	2,400,206	46,084	46,084	2,354,122	2%
Warehouse Operations	86,500	1,813	1,813	84,687	2%
<b>Total Expenditures</b>	<b>\$ 8,855,000</b>	<b>\$ 385,687</b>	<b>\$ 385,687</b>	<b>\$ 8,469,313</b>	<b>4%</b>
*YTD includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ (1,076,000)</b>	<b>\$ 270,752</b>	<b>\$ 270,752</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>\$ 3,113,132</b>		
% of Operating Reserves	24%		43%		
<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 16% 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 18% 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>8%</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	-	50	50	(50)	N/A
Miscellaneous (Rentals, Grants)	156,000	52,102	52,102	103,898	33%
Transfers (General Fund)	250,000	20,833	20,833	229,167	8%
Other Revenue (Fuel Sales)	178,500	17,716	17,716	160,784	10%
<b>Total Revenues</b>	<b>\$ 584,500</b>	<b>\$ 90,701</b>	<b>\$ 90,701</b>	<b>\$ 493,799</b>	<b>16%</b>
<b>Expenditures</b>					
Personnel	136,850	5,972	5,972	130,878	4%
Supplies & Materials	154,000	11,835	11,964	142,036	8%
Other Charges & Services	73,700	12,136	12,250	61,450	17%
Repairs & Maintenance	124,900	82,662	82,662	42,238	66%
Capital Expenditures	152,550	-	-	152,550	0%
<b>Total Expenditures</b>	<b>\$ 642,000</b>	<b>\$ 112,604</b>	<b>\$ 112,847</b>	<b>\$ 529,153</b>	<b>18%</b>
*YTD includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ (57,500.00)</b>	<b>\$ (21,902.54)</b>	<b>\$ (22,145.79)</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>\$ 94,606.21</b>		
<i>No minimum Fund Balance Policy</i>					

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

### **Revenue Highlights**

- As a percentage of budget, total Hotel/Motel Fund is below budget target of 8%. 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 in line with the budget target.

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

Civic & Cultural Arts Fund (Fund 25)					
Percent of Fiscal Year Complete	8%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
<b>Revenues</b>					
Hotel Occupancy Tax	800,000	(14,507)	(14,507)	814,507	-2%
Miscellaneous	79,000	9,391	9,391	69,609	12%
<b>Total Revenues</b>	<b>\$ 879,000</b>	<b>\$ (5,116)</b>	<b>\$ (5,116)</b>	<b>\$ 884,116</b>	<b>-1%</b>
<b>Expenditures</b>					
Council Discretionary	133,000	4,000	4,000	129,000	3%
Tourism Department	263,000	16,283	16,283	246,717	6%
Civic Center	311,000	11,493	11,493	299,507	4%
Bay City Theatre	172,000	-	-	172,000	0%
<b>Total Expenditures</b>	<b>\$ 879,000</b>	<b>\$ 31,776</b>	<b>\$ 31,776</b>	<b>\$ 847,224</b>	<b>4%</b>
*YTD includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ -</b>	<b>\$ (36,892)</b>	<b>\$ (36,892)</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>\$ 382,363</b>		
<i>Proposed to maintain \$50,000</i>					