



CITY OF BAY CITY

Monthly Financial Report

Month of October 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 **October 2019**, the first month of the fiscal year, and **8%** of FY 2020.*

*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 \$894,850 or 6 % of the budget.

- Property Tax. The certified value totaled \$869 million. Through October, the City received \$52,409 of the 4.4-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 4.70% (\$22,487) as compared to October 2018. 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 - \$205,494 (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 \$624,695 or 4.3% of budget.

- Most departments are under the 8% budget target. Budgets that are over the budget target are primarily due to timing of payments.

The General Fund's fund balance is budgeted to increase by \$400,000. **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, 2019) was 3.2 million which represents approximately 22% operating reserve including 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 year 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	8%				
	Total Budget	Current Period	YTD Actual*	(Over) Under Budget to Date	Percent to Total Budget
Revenues					
Property Taxes	4,434,737	52,409	52,409	4,382,328	1.2%
Sales Tax	4,350,000	375,731	375,731	3,974,269	8.6%
Other Local Taxes (Franchise)	1,321,000	128,244	128,244	1,192,756	9.7%
Charges for Services (Sanitation)	2,527,000	205,494	205,494	2,321,506	8.1%
Fines & Penalties	203,000	23,051	23,051	179,949	11.4%
Licenses & Permits	196,000	12,843	12,843	183,157	6.6%
Miscellaneous	1,143,763	44,286	44,286	1,099,477	3.9%
Transfers	643,500	52,792	52,792	590,708	8.2%
Total Revenues	\$ 14,819,000	\$ 894,850	\$ 894,850	\$ 13,924,150	6.0%
Expenditures					
City Secretary	150,039	4,286	4,286	145,753	2.9%
City General Services	2,685,000	235,613	235,613	2,449,387	8.8%
Administrative Council	316,254	16,924	16,924	299,330	5.4%
Main Street	58,000	3,591	3,591	54,409	6.2%
Human Resources	247,732	10,915	10,915	236,817	4.4%
Municipal Court	323,290	13,510	13,510	309,780	4.2%
Finance	329,100	14,574	14,574	314,526	4.4%
Police	4,511,113	202,341	202,341	4,308,772	4.5%
Animal Impoundment	164,662	7,434	7,434	157,228	4.5%
Volunteer Fire Dept.	198,242	8,432	8,432	189,810	4.3%
Street and Bridge	3,438,577	46,741	46,741	3,391,836	1.4%
Recycling Center	158,266	917	917	157,349	0.6%
Parks	825,508	24,690	24,690	800,818	3.0%
Riverside Park	181,627	6,246	6,246	175,381	3.4%
Recreation	99,823	4,045	4,045	95,778	4.1%
Pool Operations	274,549	2,233	2,233	272,316	0.8%
Library	457,218	22,205	22,205	435,013	4.9%
Total Expenditures	\$ 14,419,000	\$ 624,695	\$ 624,695	\$ 13,794,305	4.3%
*YTD does not includes encumbrances					
Net Revenue (Expenditures)	\$ 400,000	\$ 270,155	\$ 270,155		
Beginning Fund Balance 10-1-19	\$ 3,210,484	<i>Unaudited</i>	\$ 3,210,484		
Ending Fund Balance	\$ 3,610,484		\$ 3,480,639		
% of Operating Reserves	25%		24%		
Fund Balance Target 90 days (25%)	\$ 3,604,750				
Over/(Under) min Policy Level (25%)	\$ 5,734				

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 2% of budget.
- All departments are within budget expectations.

PUBLIC UTILITY FUND FINANCIAL SUMMARY

Utility Fund (Fund 61)					
Percent of Fiscal Year Complete		8%			
	Total Budget	Current Period	YTD Actual*	(Over)Under Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	7,698,000	581,975	581,975	7,116,025	8%
Fines & Penalties	145,000	15,178	15,178	129,822	10%
Miscellaneous	35,000	27,935	27,935	7,065	80%
Total Revenues	\$ 7,878,000	\$ 625,088	\$ 625,088	\$ 7,252,912	8%
Expenditures					
Utility General	4,351,157	283,785	283,785	4,067,372	7%
Utility Maintenance	1,561,044	(74,604)	(74,604)	1,635,648	0%
Water & WWTP Division	2,683,299	(8,653)	(8,653)	2,691,952	0%
Warehouse Operations	154,500	1,790	1,790	152,710	1%
Total Expenditures	\$ 8,750,000	\$ 202,319	\$ 202,319	\$ 8,547,681	2%
*YTD does not include encumbrances					
Net Revenue (Expenditures)	\$ (872,000)	\$ 422,769	\$ 422,769		
Beginning Reserve Balance 10-1-19	\$ 3,518,137	<i>Unaudited</i>	\$ 3,518,137		
Ending Reserve Balance	\$ 2,646,137		\$ 3,940,906		
% of Operating Reserves	30%		45%		
Target 90 days (25%)	\$ 2,187,500.00				
Over/(Under) Target	\$ 458,637.00				
<i>Designated for capital projects</i>					
<i>Encumbered from PY \$315,575</i>					

Airport Fund Overview

Revenue Highlights

- As a percentage of budget, total Airport Revenue is 9% being over budget expectations due to the timing of a grant payment.
- Other Revenue (Fuel sales) slightly over budget
- General Fund (Transfers In) subsidizes the Airport by approximately \$250,000 each year, however this year is higher due to grant match and new employee.

Expenditure Highlights

- As a percentage of budget, total expenditures are 6% which is under the budget target. This is due to the timing of the routine infrastructure maintenance program & capital projects.

AIRPORT FUND FINANCIAL SUMMARY

Municipal Airport Fund (Fund 64)					
Percent of Fiscal Year Complete	8%				
	Total Budget	Current Period	YTD Actual*	(Over)Under Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	-	-	-	-	N/A
Miscellaneous (Rentals, Grants)	153,300	8,756	8,756	144,544	6%
Transfers (General Fund)	330,000	27,500	27,500	302,500	8%
Other Revenue (Fuel Sales)	180,500	20,471	20,471	160,029	11%
Total Revenues	\$ 663,800	\$ 56,727	\$ 56,727	\$ 607,073	9%
Expenditures					
Personnel	209,449	6,590	6,590	202,859	3%
Supplies & Materials (Fuel etc)	174,600	15,202	15,202	159,398	9%
Other Charges & Services	79,550	16,217	16,217	63,333	20%
Repairs & Maintenance	126,900	5,963	5,963	120,937	5%
Capital Expenditures	44,200	-	-	44,200	0%
Transfers	86,301	-	-	86,301	0%
Total Expenditures	\$ 721,000	\$ 43,972	\$ 43,972	\$ 677,028	6%
*YTD includes encumbrances					
Net Revenue (Expenditures)	(57,200)	\$ 12,754	\$ 12,754		
Beginning Reserve Balance 10-1-19	318,567	<i>Unaudited</i>	\$ 318,567		
Ending Reserve Balance	261,367		\$ 331,321		
<i>No minimum Fund Balance Policy</i>					
General Fund subsidizes \$330,000					
<i>Reserve encumbered for fuel trucks</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.
- Miscellaneous Income: Civic Center rentals & special event income are above budget target.

Expenditure Highlights

- As a percentage of budget, total expenditures are within budget parameters.

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
Revenues					
Hotel Occupancy Tax	750,000	(16,470)	(16,470)	766,470	0%
Miscellaneous	101,000	16,161	16,161	84,839	16%
Total Revenues	\$ 851,000	\$ (309)	\$ (309)	\$ 851,309	0%
Expenditures					
Hotel General	108,000	4,000	4,000	104,000	4%
Tourism Department	292,000	21,050	21,050	270,950	7%
Civic Center	350,000	9,958	9,958	340,043	3%
Bay City Theatre	150,000	-	-	150,000	0%
Total Expenditures	\$ 900,000	\$ 35,007	\$ 35,007	\$ 864,993	4%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ (49,000)	\$ (35,317)	\$ (35,317)		
Beginning Fund Balance 10-1-19	\$ 499,899	<i>Unaudited</i>	\$ 499,899		
Ending Fund Balance	\$ 450,899		\$ 464,582		
<i>Proposed to maintain \$50,000</i>					