



CITY OF BAY CITY Monthly Financial Report Month of November 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 **November 2018**, the second month of the fiscal year, and **17%** 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 \$2,118,323 or 14.1% of the budget.

- Property Tax. The certified value totaled \$857 million. Through November, the City received \$412,110 of the 4.3-million-dollar property tax maintenance and operation budget. Peak periods for property tax collections are January and February.
- Sales tax. November Sales Tax Allocation to the City is up 4.4% (\$21,550) as compared to November 2017. These are collections related to September that are remitted to the City in November. Collections are up \$64,522 YTD as compared to prior year.
- 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 - \$403,677 (16.5% 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 \$2,130,919 or 14.7% of budget.

- Most departments are under the 17% 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	17%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Property Taxes	4,459,684	325,534	412,110	4,047,574	9.2%
Sales Tax	4,275,000	383,377	742,243	3,532,757	17.4%
Other Local Taxes (Franchise)	1,312,500	124,625	245,173	1,067,327	18.7%
Charges for Services (Sanitation)	2,443,000	204,777	403,677	2,039,323	16.5%
Fines & Penalties	203,000	12,298	25,257	177,743	12.4%
Licenses & Permits	180,500	16,440	23,874	156,626	13.2%
Miscellaneous	1,415,516	31,200	121,645	1,293,871	8.6%
Transfers	741,800	59,733	144,343	597,457	19.5%
Total Revenues	\$ 15,031,000	\$ 1,157,986	\$ 2,118,323	\$ 12,912,677	14.1%
Expenditures					
City Secretary	148,949	15,493	22,496	126,453	15.1%
City General Services	2,708,449	265,913	511,115	2,197,334	18.9%
Administrative Council	207,580	19,133	29,890	177,690	14.4%
Main Street	55,800	-	(4,919)	60,719	-8.8%
Human Resources	246,623	27,022	39,117	207,506	15.9%
Municipal Court	318,522	35,802	43,925	274,597	13.8%
Finance	322,582	35,193	50,441	272,141	15.6%
Police	4,463,977	496,123	718,831	3,745,146	16.1%
Animal Impoundment	165,482	17,338	25,419	140,063	15.4%
Volunteer Fire Dept.	194,391	28,994	31,108	163,283	16.0%
Street and Bridge	3,230,327	460,064	424,325	55,957	13.1%
Recycling Center	394,505	16,207	(7,400)	401,905	-1.9%
Parks	1,015,961	78,063	119,061	896,900	11.7%
Riverside Park	273,517	14,113	20,846	252,671	7.6%
Recreation	94,186	7,038	21,040	73,146	22.3%
Pool Operations	266,681	17,077	21,248	245,433	8.0%
Library	423,468	47,231	64,376	359,092	15.2%
Total Expenditures	\$ 14,531,000	\$ 1,580,804	\$ 2,130,919	\$ 9,650,035	14.7%
*YTD does not includes encumbrances					
Net Revenue (Expenditures)	\$ 500,000	\$ (422,818)	\$ (12,596)		
Beginning Fund Balance 10-1-18	\$ 2,243,239	<i>Estimated</i>	\$ 2,243,239		
Ending Fund Balance	\$ 2,743,239		\$ 2,230,643		
% of Operating Reserves	20%		15%		
Fund Balance Target 90 days (25%)	\$ 3,469,194				
Over/(Under) min Policy Level (25%)	\$ (725,955)				

Public Utility Fund Overview

Revenue Highlights

- As a percentage of budget, total Water & Sewer Revenue is 17% being within budget expectations.

Expenditure Highlights

- Total expenditures for the Utility Fund sit nicely at 11% of budget.
- All departments are within budget expectations.

PUBLIC UTILITY FUND FINANCIAL SUMMARY

Utility Fund (Fund 61)					
Percent of Fiscal Year Complete	17%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	7,594,000	631,220	1,270,858	6,323,142	17%
Fines & Penalties	175,000	12,336	27,328	147,672	16%
Miscellaneous	10,000	1,592	3,400	6,600	34%
Total Revenues	\$ 7,779,000	\$ 645,148	\$ 1,301,587	\$ 6,477,413	17%
Expenditures					
General Operation	4,448,218	322,807	616,042	3,832,176	14%
Water	1,920,076	76,178	120,732	1,799,344	6%
Sewer	2,400,206	164,611	210,695	2,189,511	9%
Warehouse Operations	86,500	6,604	8,417	78,083	10%
Total Expenditures	\$ 8,855,000	\$ 570,199	\$ 955,886	\$ 7,899,114	11%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ (1,076,000)	\$ 74,949	\$ 345,701		
Beginning Reserve Balance 10-1-18	\$ 2,842,380	<i>Estimated</i>	\$ 2,842,380		
Ending Reserve Balance	\$ 1,766,380		\$ 3,188,081		
% of Operating Reserves	24%		44%		
Target 90 days (25%)	\$ 1,829,059.50				
Over/(Under) Target	\$ (62,679.50)				

Airport Fund Overview

Revenue Highlights

- As a percentage of budget, total Airport Revenue is 22% 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 23% 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	17%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	-	-	50	(50)	N/A
Miscellaneous (Rentals, Grants)	156,000	8,176	60,278	95,722	39%
Transfers (General Fund)	250,000	20,833	41,667	208,333	17%
Other Revenue (Fuel Sales)	178,500	10,731	28,447	150,053	16%
Total Revenues	\$ 584,500	\$ 39,740	\$ 130,441	\$ 454,059	22%
Expenditures					
Personnel	136,850	13,713	19,684	117,166	14%
Supplies & Materials	154,000	954	12,917	141,083	8%
Other Charges & Services	73,700	3,148	15,397	58,303	21%
Repairs & Maintenance	124,900	8,754	91,415	33,485	73%
Capital Expenditures	152,550	10,950	10,950	141,600	7%
Total Expenditures	\$ 642,000	\$ 37,517	\$ 150,364	\$ 491,636	23%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ (57,500.00)	\$ 2,222.42	\$ (19,923.37)		
Beginning Reserve Balance 10-1-18	\$ 116,752.00	<i>Estimated</i>	\$ 116,752.00		
Ending Reserve Balance	\$ 59,252.00		\$ 96,828.63		
<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 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	17%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Hotel Occupancy Tax	800,000	36,685	22,179	777,821	3%
Miscellaneous	79,000	3,582	12,973	66,027	16%
Total Revenues	\$ 879,000	\$ 40,267	\$ 35,152	\$ 843,848	4%
Expenditures					
Council Discretionary	133,000	4,000	8,000	125,000	6%
Tourism Department	263,000	32,365	48,648	214,352	18%
Civic Center	311,000	20,532	32,025	278,975	10%
Bay City Theatre	172,000	4,943	4,943	167,057	3%
Total Expenditures	\$ 879,000	\$ 61,840	\$ 93,616	\$ 785,384	11%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ (21,573)	\$ (58,464)		
Beginning Fund Balance 10-1-18	\$ 419,255	<i>Estimated</i>	\$ 419,255		
Ending Fund Balance	\$ 419,255		\$ 360,791		
<i>Proposed to maintain \$50,000</i>					