



CITY OF BAY CITY

Monthly Financial Report

Month of November 2017

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 2017**, the second month, and **16.67%** 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).

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 \$2,119,026,296 or 14.6% of the budget.

- Property Tax. The certified value totaled \$811 million. Through November, the City received \$412,439 of the 4.2-million-dollar property tax maintenance and operation budget. Most property taxes will be received by Jan 2018.
- Sales tax. November Sales Tax Allocation to the City is up 1.24% (\$6,018) as compared to November 2016. These are collections related to September that are remitted to the City in November. However, collections are still down YTD by \$24,000 as compared to prior year.
- Franchise fees are in line with budget. Licenses & Permits appear to far exceed the budget target, however this additional revenue will be offset by a third-party inspection contracted by the City.
- Charges for services represents sanitation fees - \$385,524 (16.6% of budget).
- Other Revenue holds a budget of 540,000. The City will issue a tax note to fund capital improvements in the General Fund (Police Roof and Library Roof).

General Fund Expenditure Highlights

Expenditures total 1,548,775 or 10.7% of budget.

- Most departments are under the 16.67% budget target. Budgets that are over the budget target are primarily due to timing of payments.
 - City Secretary exceeding budget target due to timing of expenditures.
 - Main Street budget is exceeding budget target due to unanticipated payment for downtown lighting (Amendment needed)

The General Fund's fund balance is budgeted to remain flat. **The city reserve level currently is below the minimum policy of 25%.** See bottom of page 3 for more clarification. The year-end cash position (September 30, 2017) is anticipated to be closer to 1.5 million which represents 10.16% reserve. This balance does not represent debris recovery charges from Hurricane Harvey. The City plans to build reserve over the next 3 years.

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	4,267,949	345,482	\$ 412,439	\$ 3,855,510	9.7%
Sales Tax	4,117,500	367,215	\$ 693,852	\$ 3,423,648	16.9%
Other Local Taxes	1,300,000	128,440	242,243	\$ 1,057,757	18.6%
Charges for Services	2,316,000	194,593	385,524	\$ 1,930,476	16.6%
Fines & Penalties	283,500	14,179	31,120	\$ 252,380	11.0%
Licenses & Permits	181,500	152,699	175,587	\$ 5,913	96.7%
Miscellaneous	997,751	32,305	92,627	\$ 905,124	9.3%
Transfers	513,800	42,817	85,633	\$ 428,167	16.7%
Other Revenue	540,000	-	-	\$ 540,000	0.0%
Total Revenues	\$ 14,518,000	\$ 1,277,729	\$ 2,119,026	\$ 12,398,975	14.6%
Expenditures					
City Secretary	141,451	\$ 14,056	\$ 25,086	\$ 116,365	17.7%
City General Services	2,665,540	155,501	406,764	\$ 2,258,776	15.3%
Administrative Council	206,205	15,891	24,641	\$ 181,564	11.9%
Main Street	50,800	19,197	22,788	\$ 28,012	44.9%
Personnel Resources	238,202	25,175	31,834	\$ 206,368	13.4%
Municipal Court	308,019	18,454	26,868	\$ 281,151	8.7%
Finance	318,745	23,675	38,365	\$ 280,380	12.0%
Police	4,666,840	353,232	568,950	\$ 4,097,890	12.2%
Animal Impoundment	163,830	12,215	20,402	\$ 143,428	12.5%
Volunteer Fire Dept.	185,198	8,213	14,102	\$ 171,096	7.6%
Public Works	3,177,046	103,618	147,853	\$ 3,029,193	4.7%
Recycling Center	160,029	11,162	17,800	\$ 142,229	11.1%
Parks	929,937	59,791	104,779	\$ 825,158	11.3%
Riverside Park	223,300	9,999	15,892	\$ 207,408	7.1%
Recreation	100,012	12,649	13,196	\$ 86,816	13.2%
Aquatics	296,096	13,620	23,153	\$ 272,943	7.8%
Library	686,750	27,981	46,303	\$ 640,447	6.7%
Total Expenditures	\$ 14,518,000	\$ 884,429	\$ 1,548,775	\$ 12,969,225	10.7%
*YTD does not includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ 393,301	\$ 570,250	\$ (570,250)	
Beginning Fund Balance (9-30-17)	\$ 1,475,000	<i>Estimate</i>	\$ 1,475,000		
Ending Fund Balance	\$ 1,475,000		\$ 2,045,250		
% of Operating Reserves	10.16%		14.09%		
Fund Balance Target 90 days (25%)	\$ 3,629,500				
Over/(Under) min Policy Level (25%)	\$ (2,154,500)				

Public Utility Fund Overview

Revenue Highlights

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

Expenditure Highlights

- Total expenditures for the Utility Fund sit nicely at 12% 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	\$ 7,522,000	\$ 634,182	\$ 1,257,868	\$ 6,264,132	17%
Fines & Penalties	190,000	14,207	29,342	\$ 160,658	15%
Miscellaneous	9,000	569	1,170	\$ 7,830	0%
Total Revenues	\$ 7,721,000	\$ 648,958	1,288,379	\$ 6,432,621	17%
Expenditures					
General Operation	\$ 3,853,885	\$ 290,617	\$ 580,931	\$ 3,272,954	15%
Water	2,139,829	67,148	128,796	\$ 2,011,033	6%
Sewer	1,640,786	128,713	215,443	\$ 1,425,343	13%
Warehouse Operations	86,500	7,237	10,967	\$ 75,533	13%
Total Expenditures	\$ 7,721,000	\$ 493,716	936,137	\$ 6,784,863	12%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ 155,243	\$ 352,242	\$ (352,242)	
Beginning Fund Balance 9-30-17	\$ 2,924,084	<i>Estimate</i>	\$ 2,924,084		
Ending Fund Balance	\$ 2,924,084		\$ 3,276,326		
% of Operating Reserves	34.98%		39.19%		
Target 90 days (25%)	1,930,250				
Over/(Under) Target	\$ 993,834				

Airport Fund Overview

Revenue Highlights

- As a percentage of budget, core Airport revenues are slightly above budget expectations due to fuel sales.
- General Fund (Transfers In) subsidizes the Airport by \$150,000.

Expenditure Highlights

- As a percentage of budget, total expenditures are 15%. Capital Expenditures are slightly over budget—the TXDOT airport project required additional match than what was anticipated in the budget. (Amendment)

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	\$ -	0	0	-	N/A
Miscellaneous	158,000	\$ 9,012	\$ 19,148	138,852.00	12%
Transfers	150,000	12,500	25,000	125,000.00	17%
Other Revenue	160,500	13,755	33,340	127,159.63	21%
Cost of Fuel	(105,500)	10,111	(4,467)	(101,033.37)	4%
Total Revenues	\$ 363,000	\$ 45,378	73,022	\$ 289,978	20%
Expenditures					
Personnel	\$ 133,046	\$ 5,286	\$ 8,684	\$ 124,362	7%
Supplies & Materials	14,000	114	818	\$ 13,182	6%
Other Charges & Services	82,104	4,440	17,267	\$ 64,837	21%
Repairs & Maintenance	149,400	4,264	8,428	\$ 140,972	6%
Capital Expenditures	21,450	10,571	25,864	\$ (4,414)	121%
Total Expenditures	\$ 400,000	\$ 24,675	61,061	\$ 338,939	15%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ (37,000)	\$ 20,704	\$ 11,960	\$ (48,960)	
Beginning Fund Balance	\$ 130,000		\$ 130,000		
Ending Fund Balance	\$ 93,000		141,960		
<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 16.67%, this is due the timing of hotel payments. Most hotels remit tax on a monthly or quarterly basis. November receipts will not be remitted until December or January.
- The City also budgeted to receive outside financing sources \$585,000 (tax note) to replace the civic center roof. This is budgeted as part of Miscellaneous Income in the report.

Expenditure Highlights

- As a percentage of budget, total expenditures are below the budget target, however this is due to the timing various budgets within the Hotel / Motel Fund.
- The City budgeted to use \$184,350 of Fund Balance to support the Bay City Theatre renovations.

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	\$ 725,000	32,916	\$ 1,294	\$ 723,706	0%
Miscellaneous	657,650	7,150	14,435	\$ 643,215	2%
Total Revenues	\$ 1,382,650	\$ 40,066	15,729	\$ 1,366,921	1%
Expenditures					
Council Discretionary	\$ 173,545	4,233	8,467	165,078	5%
Convention & Visitors Bureau	219,955	16,228	37,627	182,328	17%
Civic Center	843,500	27,541	41,061	802,439	5%
Matagorda County Museum	-	-	-	-	
Bay City Theatre	330,000	-	480	329,520	0%
Total Expenditures	\$ 1,567,000	\$ 48,002	\$ 87,634	\$ 1,479,366	6%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ (184,350)	\$ (7,936)	\$ (71,906)	\$ (112,444)	
Beginning Fund Balance (9-30-17)	\$ 542,000	<i>Estimate</i>	\$ 542,000		
Ending Fund Balance	\$ 357,650		470,094		
<i>Proposed to maintain \$50,000</i>					