



CITY OF BAY CITY

Monthly Financial Report

Month of October 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 **October 2017**, the first month, and **8%** 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 \$841,296 or 5.8% of the budget.

- Property Tax. The certified value totaled \$811 million. Through October, the City received \$66,957 of the 4.2-million-dollar budget. Most property taxes will be received by Jan 2018.
- Sales tax. Total Sales Tax Allocation to the City is down 6.5% (\$30,271) as compared to October 2016. These are collections related to August that are remitted to the City in October. Many businesses were shut down due to Hurricane Harvey which could be attributable to this decline.
- Franchise fees and Licenses & Permits and in line with budget.
- Charges for services represents sanitation fees - \$190,930 (8.2% 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 664,347 or 4.6% of budget.

- Most departments are under the 8% budget target. Budgets that are over the budget target are primarily due to timing of payments.
 - City General exceeding budget target due to timing of general liability insurance payment.

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 | 8% | | | | |
| | Total Budget | Current Period | YTD Actual* | Over(Under) Budget to Date | Percent to Total Budget |
| Revenues | | | | | |
| Property Taxes | 4,267,949 | 66,957 | \$ 66,957 | \$ 4,200,992 | 1.6% |
| Sales Tax | 4,117,500 | 326,637 | \$ 326,637 | \$ 3,790,863 | 7.9% |
| Franchise Fees | 1,300,000 | 113,804 | 113,804 | \$ 1,186,196 | 8.8% |
| Charges for Services | 2,316,000 | 190,930 | 190,930 | \$ 2,125,070 | 8.2% |
| Fines & Penalties | 283,500 | 16,941 | 16,941 | \$ 266,559 | 6.0% |
| Licenses & Permits | 181,500 | 22,888 | 22,888 | \$ 158,612 | 12.6% |
| Miscellaneous | 997,751 | 60,323 | 60,323 | \$ 937,428 | 6.0% |
| Transfers | 513,800 | 42,817 | 42,817 | \$ 470,983 | 8.3% |
| Other Revenue | 540,000 | - | - | \$ 540,000 | 0.0% |
| Total Revenues | \$ 14,518,000 | \$ 841,296 | \$ 841,296 | \$ 13,676,704 | 5.8% |
| Expenditures | | | | | |
| City Secretary | 141,451 | \$ 11,030 | \$ 11,030 | \$ 130,421 | 7.8% |
| City General Services | 2,665,540 | 251,263 | 251,263 | \$ 2,414,277 | 9.4% |
| Administrative Council | 206,205 | 8,750 | 8,750 | \$ 197,455 | 4.2% |
| Main Street | 50,800 | 3,591 | 3,591 | \$ 47,209 | 7.1% |
| Personnel Resources | 238,202 | 6,659 | 6,659 | \$ 231,543 | 2.8% |
| Municipal Court | 308,019 | 8,413 | 8,414 | \$ 299,605 | 2.7% |
| Finance | 318,745 | 14,690 | 14,690 | \$ 304,055 | 4.6% |
| Police | 4,666,840 | 215,718 | 215,718 | \$ 4,451,122 | 4.6% |
| Animal Impoundment | 163,830 | 8,188 | 8,188 | \$ 155,642 | 5.0% |
| Volunteer Fire Dept. | 185,198 | 5,889 | 5,889 | \$ 179,309 | 3.2% |
| Public Works | 3,177,046 | 44,235 | 44,235 | \$ 3,132,811 | 1.4% |
| Recycling Center | 160,029 | 6,637 | 6,637 | \$ 153,392 | 4.1% |
| Parks | 929,937 | 44,989 | 44,989 | \$ 884,948 | 4.8% |
| Riverside Park | 223,300 | 5,894 | 5,894 | \$ 217,406 | 2.6% |
| Recreation | 100,012 | 547 | 547 | \$ 99,465 | 0.5% |
| Aquatics | 296,096 | 9,533 | 9,533 | \$ 286,563 | 3.2% |
| Library | 686,750 | 18,322 | 18,322 | \$ 668,428 | 2.7% |
| Total Expenditures | \$ 14,518,000 | \$ 664,346 | \$ 664,347 | \$ 13,853,653 | 4.6% |
| *YTD includes encumbrances | | | | | |
| Net Revenue (Expenditures) | \$ - | \$ 176,951 | \$ 176,950 | \$ (176,950) | |
| Beginning Fund Balance (9-30-17) | \$ 1,475,000 | <i>Estimate</i> | \$ 1,475,000 | | |
| Ending Fund Balance | \$ 1,475,000 | | \$ 1,651,950 | | |
| % of Operating Reserves | 10.16% | | 11.38% | | |
| 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 8% being on target with budget expectations.

Expenditure Highlights

- Total expenditures for the Utility Fund sit nicely at 6% 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 | \$ 7,522,000 | \$ 623,685 | \$ 623,685 | \$ 6,898,315 | 8% |
| Fines & Penalties | 190,000 | 15,135 | 15,135 | \$ 174,865 | 8% |
| Miscellaneous | 9,000 | 601 | 601 | \$ 8,399 | 0% |
| Total Revenues | \$ 7,721,000 | \$ 639,421 | 639,421 | \$ 7,081,579 | 8% |
| Expenditures | | | | | |
| General Operation | \$ 3,853,885 | \$ 290,314 | \$ 290,314 | \$ 3,563,571 | 8% |
| Water | 2,139,829 | 61,648 | 61,648 | \$ 2,078,181 | 3% |
| Sewer | 1,640,786 | 86,730 | 86,730 | \$ 1,554,056 | 5% |
| Warehouse Operations | 86,500 | 3,729 | 3,729 | \$ 82,771 | 4% |
| Total Expenditures | \$ 7,721,000 | \$ 442,421 | 442,421 | \$ 7,278,579 | 6% |
| *YTD includes encumbrances | | | | | |
| Net Revenue (Expenditures) | \$ - | \$ 197,000 | \$ 197,000 | \$ (197,000) | |
| Beginning Fund Balance 9-30-17 | \$ 2,924,084 | <i>Estimate</i> | \$ 2,924,084 | | |
| Ending Fund Balance | \$ 2,924,084 | | \$ 3,121,084 | | |
| % of Operating Reserves | 34.98% | | 37.33% | | |
| 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 in line with budget.
- General Fund (Transfers In) subsidizes the Airport by \$150,000.

Expenditure Highlights

- As a percentage of budget, total expenditures are 9% and appears slightly over budget due to timing of capital projects. The Airport purchased a utility vehicle.

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 | \$ - | 0 | 0 | - | N/A |
| Miscellaneous | 158,000 | \$ 10,136 | \$ 10,136 | 147,864.00 | 6% |
| Transfers | 150,000 | 12,500 | 12,500 | 137,500.00 | 8% |
| Other Revenue | 160,500 | 19,585 | 19,585 | 140,914.69 | 12% |
| Cost of Fuel | (105,500) | (14,578) | (14,578) | (90,922.42) | 14% |
| Total Revenues | \$ 363,000 | \$ 27,643 | 27,644 | \$ 335,356 | 8% |
| Expenditures | | | | | |
| Personnel | \$ 133,046 | \$ 3,398 | \$ 3,398 | \$ 129,648 | 3% |
| Supplies & Materials | 14,000 | 704 | 704 | \$ 13,296 | 5% |
| Other Charges & Services | 82,104 | 12,828 | 12,828 | \$ 69,276 | 16% |
| Repairs & Maintenance | 149,400 | 4,164 | 4,164 | \$ 145,236 | 3% |
| Capital Expenditures | 21,450 | 15,293 | 15,293 | \$ 6,157 | 71% |
| Total Expenditures | \$ 400,000 | \$ 36,387 | 36,387 | \$ 363,613 | 9% |
| *YTD includes encumbrances | | | | | |
| Net Revenue (Expenditures) | \$ (37,000) | \$ (8,743) | \$ (8,743) | \$ (28,257) | |
| Beginning Fund Balance | \$ 130,000 | <i>Estimate</i> | \$ 130,000 | | |
| Ending Fund Balance | \$ 93,000 | | 121,257 | | |
| <i>No minimum Fund Balance Policy</i> | | | | | |
| General Fund subsidized \$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 8%, this is due to reversing collections related to prior year. Most hotels remit tax on a monthly or quarterly basis. November receipts will net against this month.
- The City also budgeted to receive outside financing sources \$585,000 (tax note) to replace the civic center roof.

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 | 8% | | | | |
| | Total Budget | Current Period | YTD Actual* | Over(Under) Budget to Date | Percent to Total Budget |
| Revenues | | | | | |
| Hotel Occupancy Tax | \$ 725,000 | (31,622) | \$ (31,622) | \$ 756,622 | -4% |
| Miscellaneous | 657,650 | 7,285 | 7,285 | \$ 650,365 | 1% |
| Total Revenues | \$ 1,382,650 | \$ (24,337) | (24,337) | \$ 1,406,987 | -2% |
| Expenditures | | | | | |
| Council Discretionary | \$ 173,545 | 4,233 | 4,233 | 169,312 | 2% |
| Convention & Visitors Bureau | 219,955 | 21,399 | 21,399 | 198,556 | 10% |
| Civic Center | 843,500 | 13,520 | 13,520 | 829,980 | 2% |
| Bay City Theatre | 330,000 | 480 | 480 | 329,520 | 0% |
| Total Expenditures | \$ 1,567,000 | \$ 39,632 | \$ 39,632 | \$ 1,527,368 | 3% |
| *YTD includes encumbrances | | | | | |
| Net Revenue (Expenditures) | \$ (184,350) | \$ (63,970) | \$ (63,970) | \$ (120,380) | |
| Beginning Fund Balance (9-30-17) | \$ 542,000 | <i>Estimate</i> | \$ 542,000 | | |
| Ending Fund Balance | \$ 357,650 | | 478,030 | | |
| <i>Proposed to maintain \$50,000</i> | | | | | |