



CITY OF BAY CITY Monthly Financial Report Month of January 2021

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 **January 2021**, the fourth month of the fiscal year, and **33%** of FY 2021.*

*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 \$5,951,675 or 38.2% of the budget.

- **Property Tax.** The certified value totaled \$898 million. Through January, the City received \$1,578,178 of the 4.4-million-dollar property tax maintenance and operation budget. Peak periods for property tax collections are January and February.
- **Sales tax.** January Sales Tax Allocation to the City is down 1.46% (\$6,978) as compared to January 2020. These are collections related to November that are remitted to the City in January. Collections are up \$92,661 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 - \$856,793 (33.4% of budget).
- Miscellaneous Revenue appears below budget, however most is attributable to timing of grant payments, interest income, and/or interlocal agreements. (County, Bay City Gas Company, BCCDC).

General Fund Expenditure Highlights

Expenditures total \$4,499,966 or 28% of budget.

- Most departments are under the 33% budget target. Budgets that are over the budget target are primarily due to timing of payments.
- Recycling Center- timing of grant expenditures (HGAC grant- refurbishing bins, etc)- amendment may be needed.

The General Fund's fund balance is budgeted to decrease by \$489,265. **The City's reserve level currently is above the minimum policy of 25%.** See bottom of page 3 for more clarification. The unaudited beginning cash position (October 1, 2020) was 4.5 million which represents approximately 30% operating expenditures including transfers. Transfers include funding for departments/funds such as Information Technology, Facilities/Equipment Maintenance, and the Bay City Airport. The City plans to maintain reserves between 90 days (policy) and 120 days (goal) or 25% and 34% of operating expenditures. Reserves above 25% may be used to fund non-reoccurring expenditures (i.e. capital project).

GENERAL FUND FINANCIAL SUMMARY

General Fund (Fund 11)					
Percent of Fiscal Year Complete	33%				
	Total Budget	Current Period	YTD Actual*	(Over) Under Budget to Date	Percent to Total Budget
Revenues					
Property Taxes	4,391,617	1,490,594	2,523,183	1,868,434	57.5%
Sales Tax	4,725,000	353,057	1,578,178	3,146,822	33.4%
Other Local Taxes (Franchise)	1,326,000	106,926	453,789	872,211	34.2%
Charges for Services (Sanitation)	2,565,000	214,960	856,793	1,708,207	33.4%
Fines & Penalties	201,000	15,184	52,507	148,493	26.1%
Licenses & Permits	192,500	17,817	52,123	140,377	27.1%
Miscellaneous	1,489,586	74,920	211,270	1,278,316	14.2%
Transfers In (Hotel/Motel & Utility)	671,500	55,958	223,833	447,667	33.3%
Total Revenues	\$ 15,562,203	\$ 2,329,417	\$ 5,951,675	\$ 9,610,528	38.2%
Expenditures					
City Secretary	111,745	8,098	29,914	81,831	26.8%
City General Services	3,279,806	160,535	782,808	2,496,998	23.9%
Administrative Council	307,405	20,922	98,669	208,736	32.1%
Main Street	65,000	12,585	18,659	46,341	28.7%
Human Resources	264,874	22,490	90,765	174,109	34.3%
Municipal Court	344,249	30,058	102,620	241,629	29.8%
Finance	341,670	27,192	120,221	221,449	35.2%
Code Enforcement	312,750	14,970	60,552	252,198	19.4%
Police	4,732,749	429,462	1,773,360	2,959,389	37.5%
Animal Impoundment	170,712	13,015	55,260	115,452	32.4%
Volunteer Fire Dept.	198,863	28,884	45,357	153,506	22.8%
Street and Bridge	3,513,461	123,490	689,676	2,823,785	19.6%
Recycling Center	170,180	14,304	67,335	102,845	39.6%
Parks	1,160,083	61,378	240,607	919,476	20.7%
Riverside Park	201,909	12,429	47,700	154,209	23.6%
Recreation	101,823	10,638	39,331	62,492	38.6%
Pool Operations	286,352	38,604	86,963	199,389	30.4%
Library	487,837	37,298	150,170	337,667	30.8%
Total Expenditures	\$ 16,051,468	\$ 1,066,351	\$ 4,499,966	\$ 11,551,502	28.0%
*YTD does not includes encumbrances					
Net Revenue (Expenditures)	\$ (489,265)	\$ 1,263,066	\$ 1,451,709		
Beginning Fund Balance 10-1-20	\$ 4,553,362	<i>Unaudited</i>	\$ 4,553,362		
Ending Fund Balance	\$ 4,064,097		\$ 6,005,071		
% of Operating Reserves	25%		37%		
Fund Balance Target 90 days (25%)	\$ 4,012,867				
Over/(Under) min Policy Level (25%)	\$ 51,230				

Public Utility Fund Overview

Revenue Highlights

- As a percentage of budget, total Water & Sewer Revenue is 33% being right on budget target.

Expenditure Highlights

- Total expenditures for the Utility Fund are 29% of budget.
- All departments are within budget expectations except for Utility Maintenance. This is due to timing of capital purchases and should be in line by year-end.

PUBLIC UTILITY FUND FINANCIAL SUMMARY

Utility Fund (Fund 61)					
Percent of Fiscal Year Complete	33%				
	Total Budget	Current Period	YTD Actual*	(Over)Under Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	8,177,000	646,452	2,698,976	5,478,024	33%
Fines & Penalties	140,000	15,495	43,487	96,513	31%
Miscellaneous	58,000	1,568	6,203	51,797	11%
Total Revenues	\$ 8,375,000	\$ 663,515	\$ 2,748,666	\$ 5,626,334	33%
Expenditures					
Utility Billing	321,069	32,518	95,231	225,838	30%
Utility Maintenance	2,131,236	228,238	745,130	1,386,106	35%
Water & WWTP Division	1,959,599	116,888	436,250	1,523,349	22%
Utility Operations	3,963,096	297,091	1,178,493	2,784,603	30%
Total Expenditures	\$ 8,375,000	\$ 674,734	\$ 2,455,104	\$ 5,919,896	29%
*YTD does not include encumbrances					
Net Revenue (Expenditures)	\$ -	\$ (11,219)	\$ 293,562		
Beginning Reserve Balance 10-1-20	\$ 2,795,686	<i>Unaudited</i>	\$ 2,795,686		
Ending Reserve Balance	\$ 2,795,686		\$ 3,089,248		
% of Operating Reserves	33%		37%		
Target 90 days (25%)	\$ 2,093,750				
Over/(Under) Target	\$ 701,936				
<i>Designated for Capital Projects</i>					
<i>Some encumbered from Prior Year</i>					
City is budgeting \$406,848 in depreciation until year 1 TWDB debt payment is known.					

Airport Fund Overview

Revenue Highlights

- As a percentage of budget, total Airport Revenue is 30% being slightly under budget expectations.
- Miscellaneous Revenue appears under budget, but this is due to the timing of the Routine Annual Maintenance Program (RAMP) with TXDOT (\$50,000 per year) and aviation fuel sales.
- General Fund (Transfers In) subsidizes the Airport by approximately \$225,000-\$250,000 each year.
- The Bay City Community Development Corporation is contributing \$100,000 for the Taxiway project that is accounted for in a separate capital project fund.

Expenditure Highlights

- As a percentage of budget, total expenditures are 24% which is under the budget target. This is primarily due to the timing of the routine infrastructure maintenance program.

AIRPORT FUND FINANCIAL SUMMARY

Municipal Airport Fund (Fund 64)					
Percent of Fiscal Year Complete	33%				
	Total Budget	Current Period	YTD Actual*	(Over)Under Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	-	-	-	-	N/A
Miscellaneous (Rentals, Grants)	157,500	19,022	53,413	104,087	34%
Transfers (GF & BCCDC)	225,000	18,750	75,000	150,000	33%
Other Revenue (Fuel Sales)	180,500	11,354	41,818	138,682	23%
Total Revenues	\$ 563,000	\$ 49,125	\$ 170,231	\$ 392,769	30%
Expenditures					
Personnel	215,400	14,046	58,028	157,372	27%
Supplies & Materials (Fuel etc)	175,400	1,831	37,241	138,159	21%
Other Charges & Services	114,050	3,023	27,091	86,959	24%
Repairs & Maintenance	126,900	12,522	30,534	96,366	24%
Capital Expenditures	-	-	-	-	0%
Transfers	-	-	-	-	0%
Total Expenditures	\$ 631,750	\$ 31,422	\$ 152,894	\$ 478,856	24%
*YTD does not include encumbrances					
Net Revenue (Expenditures)	(68,750)	\$ 17,703	\$ 17,337		
Beginning Reserve Balance 10-1-20	144,218	<i>Unaudited</i>	\$ 144,218		
Ending Reserve Balance	75,468		\$ 161,555		
<i>No minimum Fund Balance Policy</i>					
General Fund subsidizes approx					
<i>\$225,000-250,000 each year.</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 33%. Most hotels remit tax on a monthly or quarterly basis. Most receipts pertaining to October, November, and December will be remitted to the City in January. January collection activity is under budget expectations by approximately \$60,000.
- Civic Center rentals are above the budget target despite hotel stays.

Expenditure Highlights

- As a percentage of budget, total expenditures are within budget parameters. Hotel General is above the budget target due to the timing of payment made to the Museum.

HOTEL/MOTEL FUND FINANCIAL SUMMARY

Civic & Cultural Arts Fund (Fund 25)					
Percent of Fiscal Year Complete	33%				
	Total Budget	Current Period	YTD Actual*	(Over)(Under Budget to Date	Percent to Total Budget
Revenues					
Hotel Occupancy Tax	650,000	55,882	78,292	571,708	12%
Interest Income	1,000	11	30	970	3%
Rental Fees- Civic Center	55,000	10,025	25,680	29,321	47%
Other Income- Special Events	1,500	-	30	1,470	2%
Other Income- Civic Center	2,500	5,203	6,028	(3,528)	241%
Total Revenues	\$ 710,000	\$ 71,121	\$ 110,059	\$ 599,941	16%
Expenditures					
Hotel General	126,500	5,231	80,186	46,314	63%
Tourism Department	287,020	21,148	51,294	235,726	18%
Civic Center	378,480	14,599	80,962	297,518	21%
Bay City Theatre	260,000	-	1,386	258,614	1%
Total Expenditures	\$ 1,052,000	\$ 40,977	\$ 213,828	\$ 838,172	20%
*YTD does not include encumbrances					
Net Revenue (Expenditures)	\$ (342,000)	\$ 30,144	\$ (103,769)		
Beginning Fund Balance 10-1-20	\$ 619,007	<i>Unaudited</i>	\$ 619,007		
Ending Fund Balance	\$ 277,007		\$ 515,238		
<i>Proposed to maintain \$50,000</i>					