



## CITY OF BAY CITY Monthly Financial Report Month of February 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 **February 2021**, the fifth month of the fiscal year, and **42%** 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](http://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 \$7,977,097 or 51.3% of the budget.

- Property Tax. The certified value totaled \$898 million. Through February, the City received \$3,723,594 of the 4.4-million-dollar property tax maintenance and operation budget. Peak periods for property tax collections are January and February.
- Sales tax. February Sales Tax Allocation to the City is down 22.98% (\$140,558) as compared to February 2020. These are collections related to December that are remitted to the City in February. Collections are down \$47,897 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 - \$1,072,445 (41.8% 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 \$5,504,045 or 34.3% of budget.

- Most departments are under the 42% 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	<b>42%</b>				
	<b>Total Budget</b>	<b>Current Period</b>	<b>YTD Actual*</b>	<b>(Over) Under Budget to Date</b>	<b>Percent to Total Budget</b>
<b>Revenues</b>					
Property Taxes	4,391,617	1,200,411	3,723,594	668,023	84.8%
Sales Tax	4,725,000	353,257	1,931,435	2,793,565	40.9%
Other Local Taxes (Franchise)	1,326,000	119,205	572,994	753,006	43.2%
Charges for Services (Sanitation)	2,565,000	215,652	1,072,445	1,492,555	41.8%
Fines & Penalties	201,000	12,727	65,234	135,766	32.5%
Licenses & Permits	192,500	6,968	59,091	133,409	30.7%
Miscellaneous	1,489,586	61,243	272,513	1,217,073	18.3%
Transfers In (Hotel/Motel & Utility)	671,500	55,958	279,792	391,708	41.7%
<b>Total Revenues</b>	<b>\$ 15,562,203</b>	<b>\$ 2,025,422</b>	<b>\$ 7,977,097</b>	<b>\$ 7,585,106</b>	<b>51.3%</b>
<b>Expenditures</b>					
City Secretary	111,745	13,164	43,079	68,666	38.6%
City General Services	3,279,806	114,524	897,331	2,382,475	27.4%
Administrative Council	307,405	23,224	121,893	185,512	39.7%
Main Street	65,000	-	18,659	46,341	28.7%
Human Resources	264,874	20,697	111,462	153,412	42.1%
Municipal Court	344,249	20,546	123,166	221,083	35.8%
Finance	341,670	27,452	147,673	193,997	43.2%
Code Enforcement	312,750	21,368	81,919	230,831	26.2%
Police	4,732,749	359,101	2,132,461	2,600,288	45.1%
Animal Impoundment	170,712	12,794	68,055	102,657	39.9%
Volunteer Fire Dept.	198,863	68,675	114,032	84,831	57.3%
Street and Bridge	3,513,461	169,193	858,869	2,654,592	24.4%
Recycling Center	170,180	12,385	79,720	90,460	46.8%
Parks	1,160,083	80,031	320,637	839,446	27.6%
Riverside Park	201,909	10,377	58,077	143,832	28.8%
Recreation	101,823	1,743	41,075	60,748	40.3%
Pool Operations	286,352	18,033	104,996	181,356	36.7%
Library	487,837	30,772	180,942	306,895	37.1%
<b>Total Expenditures</b>	<b>\$ 16,051,468</b>	<b>\$ 1,004,079</b>	<b>\$ 5,504,045</b>	<b>\$ 10,547,423</b>	<b>34.3%</b>
*YTD does not includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ (489,265)</b>	<b>\$ 1,021,343</b>	<b>\$ 2,473,053</b>		
<b>Beginning Fund Balance 10-1-20</b>	<b>\$ 4,553,362</b>	<i>Unaudited</i>	<b>\$ 4,553,362</b>		
<b>Ending Fund Balance</b>	<b>\$ 4,064,097</b>		<b>\$ 7,026,415</b>		
% of Operating Reserves	25%		44%		
Fund Balance Target 90 days (25%)	\$ 4,012,867				
<b>Over/(Under) min Policy Level (25%)</b>	<b>\$ 51,230</b>				

## **Public Utility Fund Overview**

### **Revenue Highlights**

- As a percentage of budget, total Water & Sewer Revenue is 40% being slightly under budget target. This is primarily due to service charges and late penalties.

### **Expenditure Highlights**

- Total expenditures for the Utility Fund are 38% 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	<b>42%</b>				
	<b>Total Budget</b>	<b>Current Period</b>	<b>YTD Actual*</b>	<b>(Over)Under Budget to Date</b>	<b>Percent to Total Budget</b>
<b>Revenues</b>					
Charges for Services	8,177,000	611,143	3,310,118	4,866,882	40%
Fines & Penalties	140,000	(140)	43,347	96,653	31%
Miscellaneous	58,000	100	6,303	51,697	11%
<b>Total Revenues</b>	<b>\$ 8,375,000</b>	<b>\$ 611,103</b>	<b>\$ 3,359,769</b>	<b>\$ 5,015,231</b>	<b>40%</b>
<b>Expenditures</b>					
Utility Billing	321,069	22,074	117,305	203,764	37%
Utility Maintenance	2,131,236	231,806	976,937	1,154,299	46%
Water & WWTP Division	1,959,599	219,639	655,889	1,303,710	33%
Utility Operations	3,963,096	267,747	1,446,241	2,516,855	36%
<b>Total Expenditures</b>	<b>\$ 8,375,000</b>	<b>\$ 741,267</b>	<b>\$ 3,196,371</b>	<b>\$ 5,178,629</b>	<b>38%</b>
*YTD does not include encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ -</b>	<b>\$ (130,164)</b>	<b>\$ 163,397</b>		
<b>Beginning Reserve Balance 10-1-20</b>	<b>\$ 2,795,686</b>	<i>Unaudited</i>	<b>\$ 2,795,686</b>		
<b>Ending Reserve Balance</b>	<b>\$ 2,795,686</b>		<b>\$ 2,959,083</b>		
% of Operating Reserves	33%		35%		
<b>Target 90 days (25%)</b>	<b>\$ 2,093,750</b>				
<b>Over/(Under) Target</b>	<b>\$ 701,936</b>				
<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 43% being in line with budget expectations.
- Other Revenue is under budget due to aviation and jet 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 28% which is under the budget target. This is primarily due to the timing of the routine infrastructure maintenance program and the expenditures related to aviation and jet fuel.

### **AIRPORT FUND FINANCIAL SUMMARY**

Municipal Airport Fund (Fund 64)					
Percent of Fiscal Year Complete	<b>42%</b>				
	<b>Total Budget</b>	<b>Current Period</b>	<b>YTD Actual*</b>	<b>(Over)Under Budget to Date</b>	<b>Percent to Total Budget</b>
<b>Revenues</b>					
Charges for Services	-	-	-	-	N/A
Miscellaneous (Rentals, Grants)	157,500	20,785	74,198	83,302	47%
Transfers (GF & BCCDC)	225,000	18,750	93,750	131,250	42%
Other Revenue (Fuel Sales)	180,500	30,009	71,826	108,674	40%
<b>Total Revenues</b>	<b>\$ 563,000</b>	<b>\$ 69,544</b>	<b>\$ 239,775</b>	<b>\$ 323,225</b>	<b>43%</b>
<b>Expenditures</b>					
Personnel	215,400	15,109	73,137	142,263	34%
Supplies & Materials (Fuel etc)	175,400	695	37,936	137,464	22%
Other Charges & Services	114,050	3,147	30,237	83,813	27%
Repairs & Maintenance	126,900	2,256	32,791	94,109	26%
Capital Expenditures	-	-	-	-	0%
Transfers	-	-	-	-	0%
<b>Total Expenditures</b>	<b>\$ 631,750</b>	<b>\$ 21,207</b>	<b>\$ 174,101</b>	<b>\$ 457,649</b>	<b>28%</b>
*YTD does not include encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>(68,750)</b>	<b>\$ 48,337</b>	<b>\$ 65,674</b>		
<b>Beginning Reserve Balance 10-1-20</b>	<b>144,218</b>	<i>Unaudited</i>	<b>\$ 144,218</b>		
<b>Ending Reserve Balance</b>	<b>75,468</b>		<b>\$ 209,892</b>		
<i>No minimum Fund Balance Policy</i>					
General Fund subsidizes approx \$225,000-250,000 each year.					

## **Civic & Cultural Arts Fund (Hotel /Motel Fund) Overview**

### **Revenue Highlights**

- As a percentage of budget, total Hotel/Motel Fund revenue is below budget target of 42%. Most hotels remit tax on a monthly or quarterly basis. Most receipts pertaining to January, February, and March will be remitted to the City in April. YTD collection activity is under budget expectations. Amendment is anticipated.
- Civic Center rentals are above the budget target.

### **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	<b>42%</b>				
	<b>Total Budget</b>	<b>Current Period</b>	<b>YTD Actual*</b>	<b>(Over)(Under Budget to Date</b>	<b>Percent to Total Budget</b>
<b>Revenues</b>					
Hotel Occupancy Tax	650,000	54,640	132,932	517,068	20%
Interest Income	1,000	26	55	945	6%
Rental Fees- Civic Center	55,000	2,785	28,465	26,536	52%
Other Income- Special Events	1,500	-	30	1,470	2%
Other Income- Civic Center	2,500	245	6,273	(3,773)	251%
<b>Total Revenues</b>	<b>\$ 710,000</b>	<b>\$ 57,695</b>	<b>\$ 167,754</b>	<b>\$ 542,246</b>	<b>24%</b>
<b>Expenditures</b>					
Hotel General	126,500	5,331	85,517	40,983	68%
Tourism Department	287,020	27,922	79,216	207,804	28%
Civic Center	378,480	13,832	94,794	283,686	25%
Bay City Theatre	260,000	-	1,386	258,614	1%
<b>Total Expenditures</b>	<b>\$ 1,052,000</b>	<b>\$ 47,085</b>	<b>\$ 260,913</b>	<b>\$ 791,087</b>	<b>25%</b>
*YTD does not include encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ (342,000)</b>	<b>\$ 10,611</b>	<b>\$ (93,159)</b>		
<b>Beginning Fund Balance 10-1-20</b>	<b>\$ 619,007</b>	<i>Unaudited</i>	<b>\$ 619,007</b>		
<b>Ending Fund Balance</b>	<b>\$ 277,007</b>		<b>\$ 525,848</b>		
<i>Proposed to maintain \$50,000</i>					