



CITY OF BAY CITY

Monthly Financial Report

Month of July 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 **July 2021**, the tenth month of the fiscal year, and **83%** 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 \$13,434,986 or 84.7% of the budget.

- **Property Tax.** The certified value totaled \$898 million. Through July, the City received \$4,343,829 of the 4.4-million-dollar property tax maintenance and operation budget. Peak periods for property tax collections are January and February.
- **Sales tax.** July Sales Tax Allocation to the City is down 9.30% (\$55,170) as compared to July 2020. These are collections related to May that are remitted to the City in July. Collections are up \$97,501 YTD as compared to prior year.
- Franchise fees are slightly under budget expectations. Licenses & Permits are below budget target; however, this is due to timing of building permits pulled.
- Charges for services represents sanitation fees - \$2,159,282 (84.2% 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 \$12,193,165 or 74.3% of budget.

- Most departments are under the 83% budget target. Budgets that are over the budget target are primarily due to timing of payments.
- Finance- increased personnel costs related to new hire in training to replace an upcoming Finance employee due to retirement. In addition, increased personnel costs related to "Disaster" paperwork (Cares Act, Winter Storm Uri)- Amendment will be needed
- Animal Impound- Unemployment Insurance increase not anticipated
- Recreation- due to the timing of payments for recreational programs (Parks)

The General Fund's fund balance is budgeted to decrease by \$531,265. **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 4.6 million which represents approximately 32% 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	83%				
	Total Budget	Current Period	YTD Actual*	(Over) Under Budget to Date	Percent to Total Budget
Revenues					
Property Taxes	4,391,617	70,144	4,343,829	47,788	98.9%
Sales Tax	4,725,000	403,364	4,050,114	674,886	85.7%
Other Local Taxes (Franchise)	1,326,000	107,525	1,080,187	245,813	81.5%
Charges for Services (Sanitation)	2,565,000	218,292	2,159,282	405,718	84.2%
Fines & Penalties	201,000	12,390	161,204	39,796	80.2%
Licenses & Permits	192,500	11,565	129,863	62,637	67.5%
Miscellaneous	1,797,752	256,054	950,923	846,829	52.9%
Transfers In (Hotel/Motel & Utility)	671,500	55,958	559,583	111,917	83.3%
Total Revenues	\$ 15,870,369	\$ 1,135,291	\$ 13,434,986	\$ 2,435,383	84.7%
Expenditures					
Administrative Council	307,405	25,604	243,060	64,345	79.1%
City General Services	3,161,270	159,689	2,089,801	1,071,470	66.1%
City Secretary	113,157	7,961	80,204	32,953	70.9%
Main Street	65,000	4,000	43,831	21,169	67.4%
Human Resources	267,699	28,464	216,617	51,082	80.9%
Municipal Court	348,485	28,944	256,891	91,594	73.7%
Finance	347,318	36,815	307,368	39,950	88.5%
Code Enforcement	315,575	30,369	210,512	105,063	66.7%
Police	4,828,411	374,953	3,842,400	986,010	79.6%
Animal Impoundment	174,948	26,415	157,027	17,921	89.8%
Volunteer Fire Dept.	200,191	6,389	151,213	48,978	75.5%
Recycling Center	251,622	24,332	204,377	47,245	81.2%
Street and Bridge	3,759,249	286,620	2,603,895	1,155,354	69.3%
Parks	1,171,380	352,798	962,308	209,072	82.2%
Riverside Park	203,321	17,677	136,300	67,021	67.0%
Recreation	101,823	11,718	85,224	16,599	83.7%
Pool Operations	287,764	36,826	220,819	66,945	76.7%
Library	497,016	42,597	381,317	115,699	76.7%
Total Expenditures	\$ 16,401,634	\$ 1,502,171	\$ 12,193,165	\$ 4,208,469	74.3%
*YTD does not includes encumbrances					
Net Revenue (Expenditures)	\$ (531,265)	\$ (366,880)	\$ 1,241,821		
Beginning Fund Balance 10-1-20	\$ 4,632,970		\$ 4,632,970		
Ending Fund Balance	\$ 4,101,705		\$ 5,874,791		
% of Operating Reserves	28%		40%		
Fund Balance Target 90 days (25%)	\$ 3,591,756				
Over/(Under) min Policy Level (25%)	\$ 509,949				

Public Utility Fund Overview

Revenue Highlights

- As a percentage of budget, total Water & Sewer Revenue is 83% being in line with budget target. Since the City bills in arrears, the City is actually tracking ahead of budget. This is primarily due to additional water consumption during Winter Storm Uri.

Expenditure Highlights

- Total expenditures for the Utility Fund are 73% of budget.
- All departments are within budget expectations.

PUBLIC UTILITY FUND FINANCIAL SUMMARY

Utility Fund (Fund 61)					
Percent of Fiscal Year Complete	83%				
	Total Budget	Current Period	YTD Actual*	(Over)Under Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	8,177,000	707,129	6,817,999	1,359,001	83%
Fines & Penalties	140,000	12,661	105,624	34,376	75%
Miscellaneous	58,000	1,985	8,970	49,030	15%
Total Revenues	\$ 8,375,000	\$ 721,775	\$ 6,932,593	\$ 1,442,407	83%
Expenditures					
Utility Billing	325,305	26,264	231,251	94,054	71%
Utility Operations	3,933,678	280,184	2,884,258	1,049,420	73%
Utility Maintenance	2,453,682	157,555	1,872,310	581,372	76%
Water & WWTP Division	1,970,835	86,348	1,341,574	629,261	68%
Total Expenditures	\$ 8,683,500	\$ 550,351	\$ 6,329,393	\$ 2,354,107	73%
*YTD does not include encumbrances					
Net Revenue (Expenditures)	\$ (308,500)	\$ 171,424	\$ 603,200		
Beginning Reserve Balance 10-1-20	\$ 2,855,067		\$ 2,855,067		
Ending Reserve Balance	\$ 2,546,567		\$ 3,458,267		
% of Operating Reserves	28%		39%		
Target 90 days (25%)	\$ 2,206,635				
Over/(Under) Target	\$ 339,932				
<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 96% being above budget expectations. This is primarily due to increased 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 77% which is under the budget target. This is primarily due to the timing of the routine infrastructure maintenance program and the expenditures related personnel.

AIRPORT FUND FINANCIAL SUMMARY

Municipal Airport Fund (Fund 64)					
Percent of Fiscal Year Complete	83%				
	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	10,280	140,150	17,350	89%
Transfers - General Fund	225,000	18,750	187,500	37,500	83%
Other Revenue (Fuel Sales)	180,500	45,241	214,116	(33,616)	119%
Total Revenues	\$ 563,000	\$ 74,272	\$ 541,767	\$ 21,233	96%
Expenditures					
Personnel	215,400	17,763	158,429	56,971	74%
Supplies & Materials (Fuel etc)	175,400	18,519	153,513	21,887	88%
Other Charges & Services	114,050	10,129	83,447	30,603	73%
Repairs & Maintenance	126,900	16,545	93,354	33,546	74%
Capital Expenditures	-	-	-	-	0%
Transfers	-	-	-	-	0%
Total Expenditures	\$ 631,750	\$ 62,956	\$ 488,743	\$ 143,007	77%
*YTD does not include encumbrances					
Net Revenue (Expenditures)	(68,750)	\$ 11,315	\$ 53,024		
Beginning Reserve Balance 10-1-20	84,120		\$ 84,120		
Ending Reserve Balance	15,370		\$ 137,144		
<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 83%. Most hotels remit tax on a monthly or quarterly basis. Most receipts pertaining to April, May, and June will be remitted to the City in July. YTD collection activity is under budget expectations. Amendment is anticipated.
- Civic Center rentals are at 105 % well 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	83%				
	Total Budget	Current Period	YTD Actual*	(Over)(Under Budget to Date	Percent to Total Budget
Revenues					
Hotel Occupancy Tax	600,000	54,994	373,591	226,409	62%
Interest Income	1,000	29	189	811	19%
Rental Fees- Civic Center	80,000	7,725	73,695	6,306	92%
Other Income- Special Events	1,500	-	50	1,450	3%
Other Income- Civic Center	7,500	215	7,903	(403)	105%
Total Revenues	\$ 690,000	\$ 62,963	\$ 455,427	\$ 234,573	66%
Expenditures					
Hotel General	126,500	5,055	116,538	9,962	92%
Tourism Department	287,020	10,163	143,191	143,829	50%
Civic Center	383,480	29,179	275,105	108,375	72%
Bay City Theatre	35,000	(7,161)	9,788	25,212	28%
Total Expenditures	\$ 832,000	\$ 37,236	\$ 544,621	\$ 287,379	65%
*YTD does not include encumbrances					
Net Revenue (Expenditures)	\$ (142,000)	\$ 25,727	\$ (89,195)		
Beginning Fund Balance 10-1-20	\$ 611,956		\$ 611,956		
Ending Fund Balance	\$ 469,956		\$ 522,761		
<i>Proposed to maintain \$50,000</i>					