



## CITY OF BAY CITY Monthly Financial Report Month of August 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 **August 2021**, the eleventh 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](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 \$14,607,470 or 92% of the budget.

- **Property Tax.** The certified value totaled \$898 million. Through August, the City received \$4,367,674 of the 4.4-million-dollar property tax maintenance and operation budget. Peak periods for property tax collections are January and February.
- **Sales tax.** August Sales Tax Allocation to the City is down 3.07% (\$19,942) as compared to August 2020. These are collections related to June that are remitted to the City in August. Collections are up \$77,560 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 - \$2,378,089 (92.7% 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 \$13,317,372 or 81.2% 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

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	<b>92%</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	23,845	4,367,674	23,943	99.5%
Sales Tax	4,725,000	472,352	4,522,467	202,533	95.7%
Other Local Taxes (Franchise)	1,326,000	130,318	1,210,506	115,494	91.3%
Charges for Services (Sanitation)	2,565,000	218,807	2,378,089	186,911	92.7%
Fines & Penalties	201,000	12,397	173,601	27,399	86.4%
Licenses & Permits	192,500	26,036	155,900	36,600	81.0%
Miscellaneous	1,797,752	232,769	1,183,692	614,060	65.8%
Transfers In (Hotel/Motel & Utility)	671,500	55,958	615,542	55,958	91.7%
<b>Total Revenues</b>	<b>\$ 15,870,369</b>	<b>\$ 1,172,484</b>	<b>\$ 14,607,470</b>	<b>\$ 1,262,899</b>	<b>92.0%</b>
<b>Expenditures</b>					
Administrative Council	307,405	27,851	270,910	36,495	88.1%
City General Services	3,161,270	161,124	2,250,925	910,345	71.2%
City Secretary	113,157	6,009	86,213	26,944	76.2%
Main Street	65,000	4,000	47,831	17,169	73.6%
Human Resources	267,699	19,479	236,097	31,602	88.2%
Municipal Court	348,485	20,412	277,303	71,182	79.6%
Finance	347,318	32,199	339,567	7,751	97.8%
Code Enforcement	315,575	38,568	249,080	66,495	78.9%
Police	4,828,411	324,584	4,166,984	661,427	86.3%
Animal Impoundment	174,948	9,851	166,879	8,069	95.4%
Volunteer Fire Dept.	200,191	5,902	157,115	43,076	78.5%
Recycling Center	251,622	19,641	224,018	27,604	89.0%
Street and Bridge	3,759,249	294,099	2,897,995	861,254	77.1%
Parks	1,171,380	71,185	1,033,493	137,887	88.2%
Riverside Park	203,321	14,969	151,270	52,051	74.4%
Recreation	101,823	7,874	93,098	8,725	91.4%
Pool Operations	287,764	22,841	243,661	44,103	84.7%
Library	497,016	43,617	424,934	72,082	85.5%
<b>Total Expenditures</b>	<b>\$ 16,401,634</b>	<b>\$ 1,124,207</b>	<b>\$ 13,317,372</b>	<b>\$ 3,084,262</b>	<b>81.2%</b>
*YTD does not includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ (531,265)</b>	<b>\$ 48,276</b>	<b>\$ 1,290,097</b>		
<b>Beginning Fund Balance 10-1-20</b>	<b>\$ 4,632,970</b>		<b>\$ 4,632,970</b>		
<b>Ending Fund Balance</b>	<b>\$ 4,101,705</b>		<b>\$ 5,923,067</b>		
% of Operating Reserves	28%		41%		
Fund Balance Target 90 days (25%)	\$ 3,591,756				
<b>Over/(Under) min Policy Level (25%)</b>	<b>\$ 509,949</b>				

## **Public Utility Fund Overview**

### **Revenue Highlights**

- As a percentage of budget, total Water & Sewer Revenue is 91% 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 79% of budget.
- All departments are within budget expectations.

### **PUBLIC UTILITY FUND FINANCIAL SUMMARY**

Utility Fund (Fund 61)					
Percent of Fiscal Year Complete	<b>92%</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	673,571	7,491,570	685,430	92%
Fines & Penalties	140,000	18,567	124,190	15,810	89%
Miscellaneous	58,000	79	9,050	48,950	16%
<b>Total Revenues</b>	<b>\$ 8,375,000</b>	<b>\$ 692,217</b>	<b>\$ 7,624,810</b>	<b>\$ 750,190</b>	<b>91%</b>
<b>Expenditures</b>					
Utility Billing	325,305	33,509	264,761	60,544	81%
Utility Operations	3,933,678	274,911	3,159,170	774,508	80%
Utility Maintenance	2,453,682	119,590	1,991,899	461,783	81%
Water & WWTP Division	1,970,835	126,577	1,468,151	502,684	74%
<b>Total Expenditures</b>	<b>\$ 8,683,500</b>	<b>\$ 554,588</b>	<b>\$ 6,883,981</b>	<b>\$ 1,799,519</b>	<b>79%</b>
*YTD does not include encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ (308,500)</b>	<b>\$ 137,629</b>	<b>\$ 740,829</b>		
<b>Beginning Reserve Balance 10-1-20</b>	<b>\$ 2,855,067</b>		<b>\$ 2,855,067</b>		
<b>Ending Reserve Balance</b>	<b>\$ 2,546,567</b>		<b>\$ 3,595,896</b>		
% of Operating Reserves	28%		40%		
<b>Target 90 days (25%)</b>	<b>\$ 2,206,635</b>				
<b>Over/(Under) Target</b>	<b>\$ 339,932</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 110% 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 89% 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	<b>92%</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	10,147	150,298	7,202	95%
Transfers - General Fund	225,000	18,750	206,250	18,750	92%
Other Revenue (Fuel Sales)	180,500	46,120	260,236	(79,736)	144%
<b>Total Revenues</b>	<b>\$ 563,000</b>	<b>\$ 75,017</b>	<b>\$ 616,784</b>	<b>\$ (53,784)</b>	<b>110%</b>
<b>Expenditures</b>					
Personnel	215,400	15,712	174,140	41,260	81%
Supplies & Materials (Fuel etc)	175,400	49,010	202,524	(27,124)	115%
Other Charges & Services	114,050	6,485	89,932	24,118	79%
Repairs & Maintenance	126,900	(27)	93,327	33,573	74%
Capital Expenditures	-	-	-	-	0%
Transfers	-	-	-	-	0%
<b>Total Expenditures</b>	<b>\$ 631,750</b>	<b>\$ 71,180</b>	<b>\$ 559,923</b>	<b>\$ 71,827</b>	<b>89%</b>
*YTD does not include encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>(68,750)</b>	<b>\$ 3,837</b>	<b>\$ 56,860</b>		
<b>Beginning Reserve Balance 10-1-20</b>	<b>84,120</b>		<b>\$ 84,120</b>		
<b>Ending Reserve Balance</b>	<b>15,370</b>		<b>\$ 140,980</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 92%. Most hotels remit tax on a monthly or quarterly basis. Most receipts pertaining to July, August, and September will be remitted to the City in October. YTD collection activity is under budget expectations. Revenue is estimated to meet budget after all collections are received in October.
- Civic Center rentals are at 109 % 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	<b>92%</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	600,000	120,503	494,094	105,906	82%
Interest Income	1,000	36	224	776	22%
Rental Fees- Civic Center	80,000	2,465	76,160	3,841	95%
Other Income- Special Events	1,500	-	50	1,450	3%
Other Income- Civic Center	7,500	250	8,153	(653)	109%
<b>Total Revenues</b>	<b>\$ 690,000</b>	<b>\$ 123,254</b>	<b>\$ 578,680</b>	<b>\$ 111,320</b>	<b>84%</b>
<b>Expenditures</b>					
Hotel General	126,500	5,048	121,585	4,915	96%
Tourism Department	287,020	26,743	169,934	117,086	59%
Civic Center	383,480	16,139	291,244	92,236	76%
Bay City Theatre	35,000	-	9,788	25,212	28%
<b>Total Expenditures</b>	<b>\$ 832,000</b>	<b>\$ 47,930</b>	<b>\$ 592,551</b>	<b>\$ 239,449</b>	<b>71%</b>
*YTD does not include encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ (142,000)</b>	<b>\$ 75,324</b>	<b>\$ (13,871)</b>		
<b>Beginning Fund Balance 10-1-20</b>	<b>\$ 611,956</b>		<b>\$ 611,956</b>		
<b>Ending Fund Balance</b>	<b>\$ 469,956</b>		<b>\$ 598,085</b>		
<i>Proposed to maintain \$50,000</i>					