



# CITY OF BAY CITY

## FY 2025 1st Quarter Financial Report

### As of December 31, 2024

The City of Bay City Finance Department is dedicated to excellence in local government, comprehensive fiscal management, compliance, and reporting. The Quarterly 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 **December 2024**, the third month, and **25.00%** of FY 2025.

1. 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.
2. The **Investment Report** provides a description of investment activity during the quarter.

*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 \$3,502,939 or 18.3% of the budget.

- Property Tax. The certified value totaled \$1.2 billion. Through December, the City received \$108,209 or (2.0%) of the 5.4-million-dollar property tax maintenance and operation budget. Most property taxes are received by January to avoid penalties.
- Sales tax. First Quarter Sales Tax Allocation to the City is **up 7.13%** (\$130,838.33) as compared to the first quarter in prior year.
- Franchise fees are slightly under budget due to timing of franchise tax payments.
- Licenses & Permit fees are over budget target due to timing of housing activity.
- Fines and penalties (Court Fines)- \$56,325 (36.9% of budget).
- Charges for services represent sanitation fees - \$877,134 (25.1% of budget).
- Miscellaneous Revenue represents interest income, grant payments, interlocal agreements (i.e. County), and various park rental income- \$200,871

### **General Fund Expenditure Highlights**

Expenditures total \$4,023,390 or 20.0% of budget.

Most departments are under the 25% budget target. Budgets that are above the budget target are primarily due to timing of payments and will most likely require amendments.

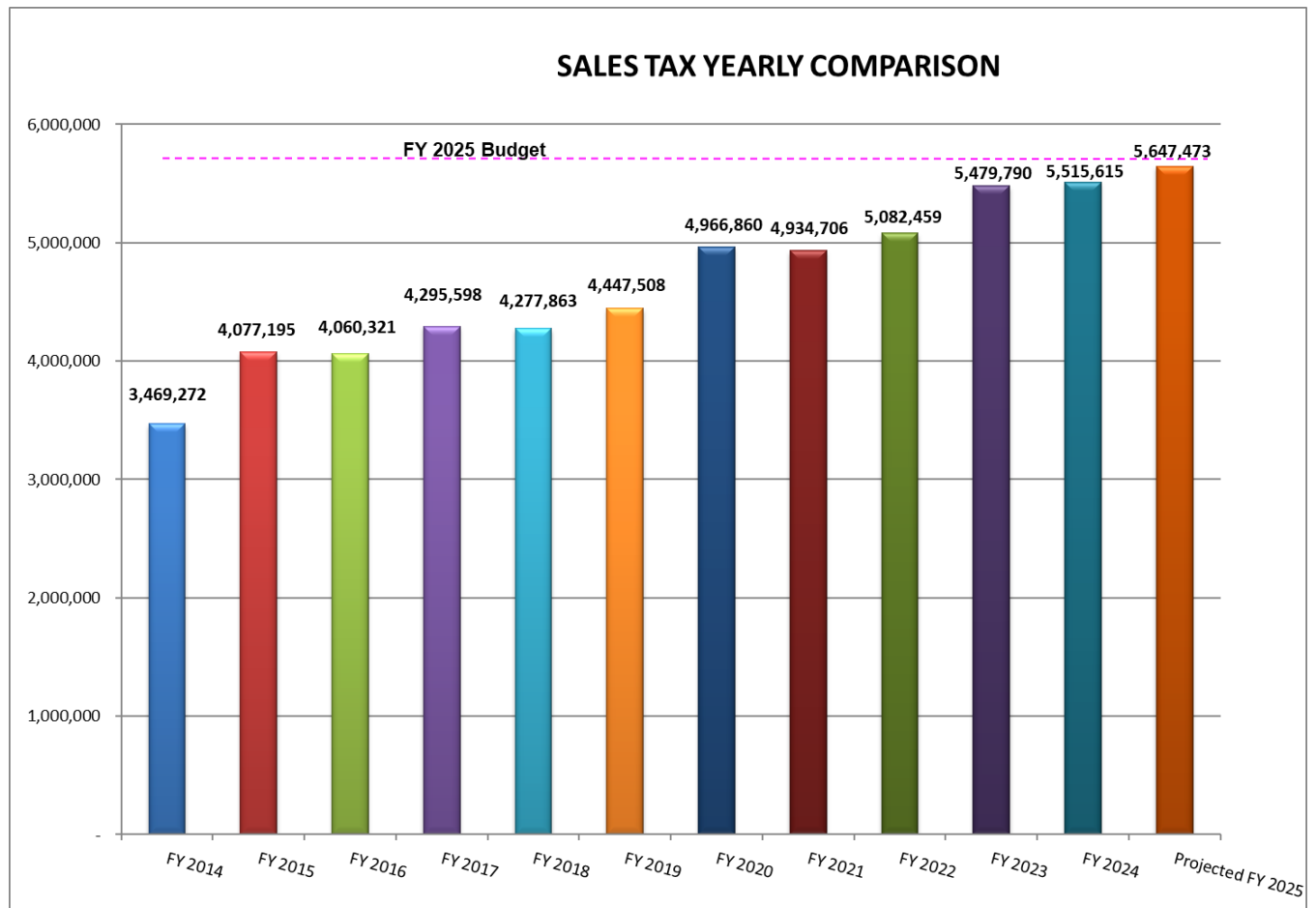
- Recreational Programs- Timing of Payments for events

### **Fund Balance**

The General Fund's fund balance is budgeted to remain flat. **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, 2024) was 5.5 million which represents approximately 27% of operating expenditures including transfers. Transfers include funding for departments/funds such as Information Technology, Facilities/Equipment Maintenance, and the Bay City Regional 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 projects).

## GENERAL FUND FINANCIAL SUMMARY

City of Bay City					
Financial Statement					
As of December 31, 2024					
General Fund (Fund 11)					
Percent of Fiscal Year Complete	25%				
	Total Budget	YTD Actual*	(Over)Under Budget to Date	% FY 2025 Budget	
<b>Beginning Fund Balance</b>	\$ 5,560,727	\$ 5,560,727	Unaudited		
<b>REVENUES</b>					
Property Taxes	5,494,000	108,209	(5,385,791)		2.0%
Sales Tax	5,625,000	1,474,470	(4,150,530)		26.2%
Other Local Taxes (Franchise)	1,405,000	375,958	(1,029,042)		26.8%
Charges for Services (Sanitation)	3,500,000	877,134	(2,622,866)		25.1%
Fines & Penalties	152,500	56,325	(96,175)		36.9%
Licenses & Permits	209,500	65,472	(144,028)		31.3%
Miscellaneous	1,180,000	200,871	(979,129)		17.0%
Transfers (Hotel/Motel & Utility)	1,534,000	344,500	(1,189,500)		22.5%
<b>Total Revenues</b>	\$ 19,100,000	\$ 3,502,939	\$ (15,597,061)		<b>18.3%</b>
<b>EXPENDITURES</b>					
Administrative Council	365,111	76,083	289,028		20.8%
City General Services	3,635,650	702,540	2,933,110		19.3%
City Secretary	214,459	43,135	171,324		20.1%
Main Street	118,947	26,173	92,774		22.0%
Human Resources	294,113	65,421	228,692		22.2%
Municipal Court	516,423	118,883	397,540		23.0%
Finance	498,654	68,546	430,108		13.7%
Planning & Development	884,087	159,124	724,963		18.0%
Police	5,565,911	1,262,617	4,303,294		22.7%
Animal Impoundment	222,050	49,264	172,786		22.2%
Fire Department	537,208	94,219	442,989		17.5%
Recycling Center	247,755	64,540	183,215		22.5%
Street and Bridge	4,385,094	845,654	3,539,440		19.3%
Parks	1,281,833	186,865	1,094,968		14.6%
Riverside Park	208,955	49,902	159,053		23.9%
Recreational Programs	94,087	24,273	69,814		25.8%
Pool Operations	237,100	16,045	221,055		6.8%
Library	654,927	139,934	514,993		21.4%
Communications	137,636	30,173	107,463		21.9%
<b>Total Expenditures</b>	\$ 20,100,000	\$ 4,023,390	\$ 16,076,610		<b>20.0%</b>
*YTD does not includes encumbrances					
<b>Net Revenue (Expenditures)</b>	\$ (1,000,000)	\$ (520,451)			
Ending Fund Balance	\$ 4,560,727	\$ 5,040,276			
% of Operating Reserves	27%	30%			
Fund Balance Target 90 days (25%)	\$ 4,137,409				
<b>Over/(Under) min Policy Level (25%)</b>	<b>\$ 423,318</b>				



	1st Quarter		% Change from	
	Fiscal Year 2024	Fiscal Year 2025	Prior Year	Variance
October	614,514.88	592,571.85	↑ -3.57%	(21,943.03)
November	616,349.06	675,691.03	9.63%	59,341.97
December	604,257.95	697,697.34	15.46%	93,439.39
<b>Total</b>	<b>1,835,121.89</b>	<b>1,965,960.22</b>	<b>7.13%</b>	<b>130,838.33</b>
<b>City General Fund (75%)</b>	<b>1,376,341.42</b>	<b>1,474,470.17</b>		<b>98,128.75</b>
<b>BCCDC (25%)</b>	<b>458,780.47</b>	<b>491,490.06</b>		<b>32,709.58</b>
	<b>1,835,121.89</b>	<b>1,965,960.22</b>		<b>130,838.33</b>

Budget FY 2025	Projected Sales Tax	Variance
5,625,000	5,647,473	22,473

*This considers future months are same as last year. (Conservative)*

## **Public Utility Fund Overview**

### **Revenue Highlights**

- As a percentage of budget, total Water & Sewer Revenue is 27% and above budget expectations.
- Miscellaneous Income is above the budget mark due to interest income.

### **Expenditure Highlights**

Total expenditures for the Utility Fund are 19% of budget.

Budget target is 25%. Each departmental budget is within the budget parameters.

The Utility reserve is budgeted to be approximately 35% of operating expenditures by year-end due to various projects crossing fiscal years. Reserves may be used to take care of any emergency repairs and/or needed capital projects.

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

City of Bay City Financial Statement As of December 31, 2024				
Utility Fund (Fund 61)				
Percent of Fiscal Year Complete	25%			
	Total Budget	YTD Actual*	(Over)Under Budget to Date	% FY 2025 Budget
<b>Beginning Fund Balance</b>	5,296,276	\$ 5,296,276	Unaudited	
<b>REVENUES</b>				
Charges for Services	13,095,000	3,493,904	(9,601,096)	27%
Fines & Penalties	180,000	46,072	(133,928)	26%
Miscellaneous	125,000	45,861	(79,139)	37%
<b>Total Revenues</b>	13,400,000	3,585,836	(9,814,164)	<b>27%</b>
<b>EXPENDITURES</b>				
Utility Billing	708,158	167,695	540,463	24%
Utility Maintenance	3,230,503	329,697	2,900,806	10%
Water & WWTP Division	2,609,521	376,718	2,232,803	14%
Utility Operations	8,851,818	2,078,223	6,773,595	23%
<b>Total Expenditures</b>	\$ 15,400,000	\$ 2,952,333	\$ 12,447,667	<b>19%</b>
*YTD does not include encumbrances				
<b>Net Revenue (Expenditures)</b>	\$ (2,000,000)	\$ 633,503		
<b>Ending Fund Balance</b>	\$ 3,296,276	\$ 5,929,779		
% of Operating Reserves	35%	63%		
<b>Target 90 days (25%)</b>	\$ 2,338,815			
<b>Over/(Under) Target</b>	<b>\$ 957,461</b>			
Designated for capital projects				
Some encumbered from Prior Year				

## **Airport Fund Overview**

### **Revenue Highlights**

- As a percentage of budget, overall Airport revenues (primarily fuel sales) is 25%, on budget target
- T-Hanger rentals slight over budget mark (25.17%).
- Other revenue is over budget mark by 5% primarily due to fuel sales.
- General Fund (Transfers In) subsidizes the Airport by \$225,000-\$250,000 each year.

### **Expenditure Highlights**

- As a percentage of budget, total expenditures are 14%.

### **AIRPORT FUND FINANCIAL SUMMARY**

City of Bay City					
Financial Statement					
As of December 31, 2024					
Municipal Airport Fund (Fund 64)					
Percent of Fiscal Year Complete	25%				
	Total Budget	YTD Actual*	(Over)Under Budget to Date	% FY 2025 Budget	
<b>Beginning Fund Balance</b>	\$ 209,979	\$ 209,979	Unaudited		
<b>REVENUES</b>					
Charges for Services	-	150	150		0%
Miscellaneous (Rentals, Grants)	245,500	50,404	(195,096)		21%
Transfers (General Fund & BCCDC)	350,000	87,500	(262,500)		25%
Other Revenue (Fuel Sales)	250,500	74,600	(175,900)		30%
<b>Total Revenues</b>	<b>\$ 846,000</b>	<b>\$ 212,654</b>	<b>\$ (633,346)</b>		<b>25%</b>
<b>EXPENDITURES</b>					
Personnel	274,225	65,030	209,195		24%
Supplies & Materials	216,775	26,157	190,618		12%
Other Charges & Services	89,500	55,990	33,510		63%
Repairs & Maintenance	135,500	18,005	117,495		13%
Capital Expenditures	440,000	-	440,000		0%
Transfers	-	-	-		0%
<b>Total Expenditures</b>	<b>\$ 1,156,000</b>	<b>\$ 165,182</b>	<b>\$ 990,818</b>		<b>14%</b>
*YTD does not include encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ (310,000)</b>	<b>\$ 47,472</b>			
<b>Ending Fund Balance</b>	<b>\$ (100,021)</b>	<b>\$ 257,451</b>			
No minimum Fund Balance Policy					
General Fund subsidizes approx.					
\$225,000-250,000 each year					
FY 25 GF- \$350,000					

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

### **Revenue Highlights**

- As a percentage of budget, total Hotel/Motel Fund is at budget target of 10%, this is due the timing of hotel payments. Most hotels remit tax on a monthly or quarterly basis. First quarter (October-December) receipts will not be remitted until January.
- Interest income is 68% or \$4K over budget expectations.
- Other Income- Special events relate to the Day of the Dead Festival.
- Miscellaneous Income: Civic Center rentals are under the budget target, however will pick up during Spring and Summer.

### **Expenditure Highlights**

- As a percentage of budget, total expenditures are at 22%.

### **HOTEL/MOTEL FUND FINANCIAL SUMMARY**

City of Bay City				
Financial Statement				
As of December 31, 2024				
Civic & Cultural Arts Fund (Fund 25)				
Percent of Fiscal Year Complete	25%			
	Total Budget	YTD Actual*	(Over)Under Budget to Date	% FY 2025 Budget
<b>Beginning Fund Balance</b>	\$ 866,951	\$ 866,951	Unaudited	
<b>Revenues</b>				
Hotel Occupancy Tax	650,000	65,765	\$ 584,235	10%
Interest Income	10,000	6,775	\$ 3,225	68%
Rental Fees- Civic Center	85,000	13,755	\$ 71,245	16%
Other Income- Special Events	25,000	14,312	\$ 10,688	57%
Other Income- Camofest	-	112,153	\$ (112,153)	
Other Income	5,000	1,298	\$ 3,702	26%
<b>Total Revenues</b>	<b>\$ 775,000</b>	<b>214,057</b>	<b>\$ 560,943</b>	<b>28%</b>
<b>Expenditures</b>				
Hotel General	251,500	62,500	189,000	25%
Tourism Department	354,000	81,526	272,474	23%
Civic Center	369,500	62,424	307,076	17%
Bay City Theatre	-	331	(331)	
Camofest	-	12,207	(12,207)	
<b>Total Expenditures</b>	<b>\$ 975,000</b>	<b>\$ 218,987</b>	<b>\$ 756,013</b>	<b>22%</b>
*YTD does not include encumbrances				
<b>Net Revenue (Expenditures)</b>	<b>\$ (200,000)</b>	<b>\$ (4,930)</b>		
Ending Fund Balance	\$ 666,951	\$ 862,021		
Proposed to maintain \$50,000				

## OTHER FINANCIAL NOTES

### ***Governmental Funds***

#### [General Fund](#)

Reserve – maintaining minimum levels required by policy

CPI up 2.9 % (Dec – Year % Change)

Municipal Cost Index (MCI)- up 1.34% (November– Year % Change)- This index was developed by American City & County and is designed to show the effects of inflation on the cost of providing municipal services.

### ***Proprietary Funds***

#### [Public Utility Fund](#)

Emergency water and sewer infrastructure repairs are ongoing.

#### [Airport](#)

### **Monitoring:**

#### **Sales Tax**

#### **Hotel Tax Revenue**



# Investment Report 1st Quarter Fiscal Year 2025

The City has a weighted average portfolio of 108 days with an average book yield of 4.30%. The City is liquid with 90% of the portfolio in a 0-1-year maturity. Average interest rates have remained relatively flat since prior quarter except for fixed term investments. Investment earnings are \$341,786 for the quarter and up \$172,732 as compared to the same quarter last year. The investment strategy currently is to diversify & structure a somewhat laddered portfolio (Checking, Investment Pools, and Securities less than 5 years to maturity) to minimize interest rate risk in the future.

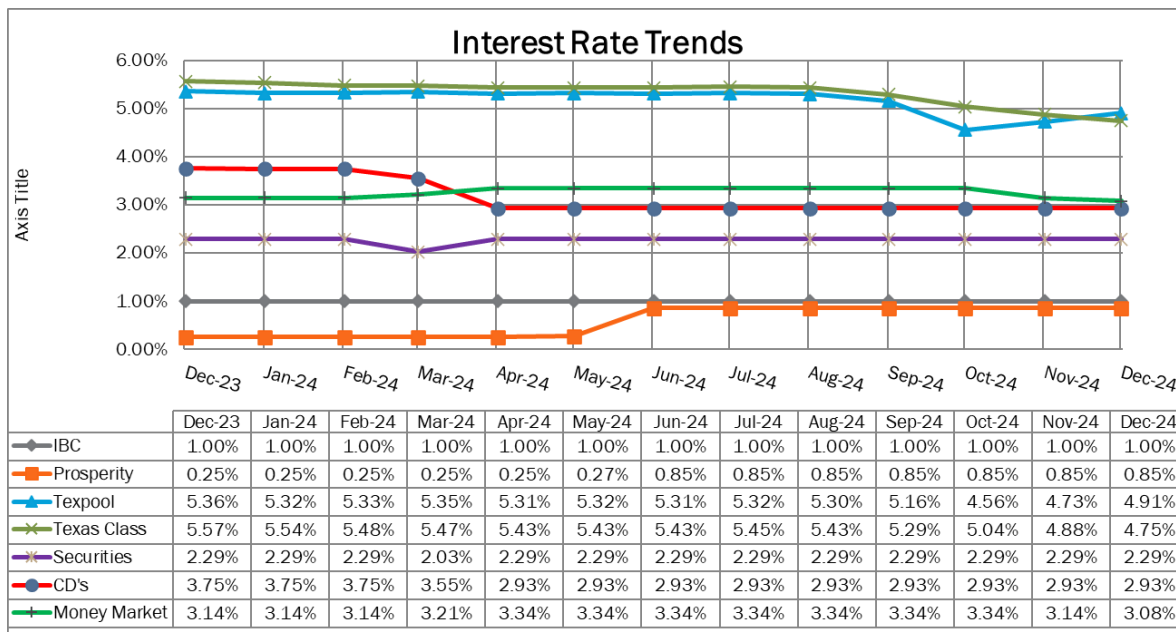
## December 31, 2024 Balances

	Total Bal by Type	% of Portfolio
IBC	\$ 214,373.73	1%
Prosperity Bank	\$ 1,041,182.65	4%
Prosperity Bank- Money Market	\$ 347,184.06	1%
Petty Cash/Cash Drawers	\$ 2,092.73	0%
Texpool	\$ 5,673,246.93	20%
Texas Class	\$ 15,708,330.12	56%
CD's	\$ 3,217,507.81	12%
Securities	\$ 1,811,492.00	6%
	<b>\$ 28,015,410.03</b>	<b>100 %</b>

## Interest Earnings

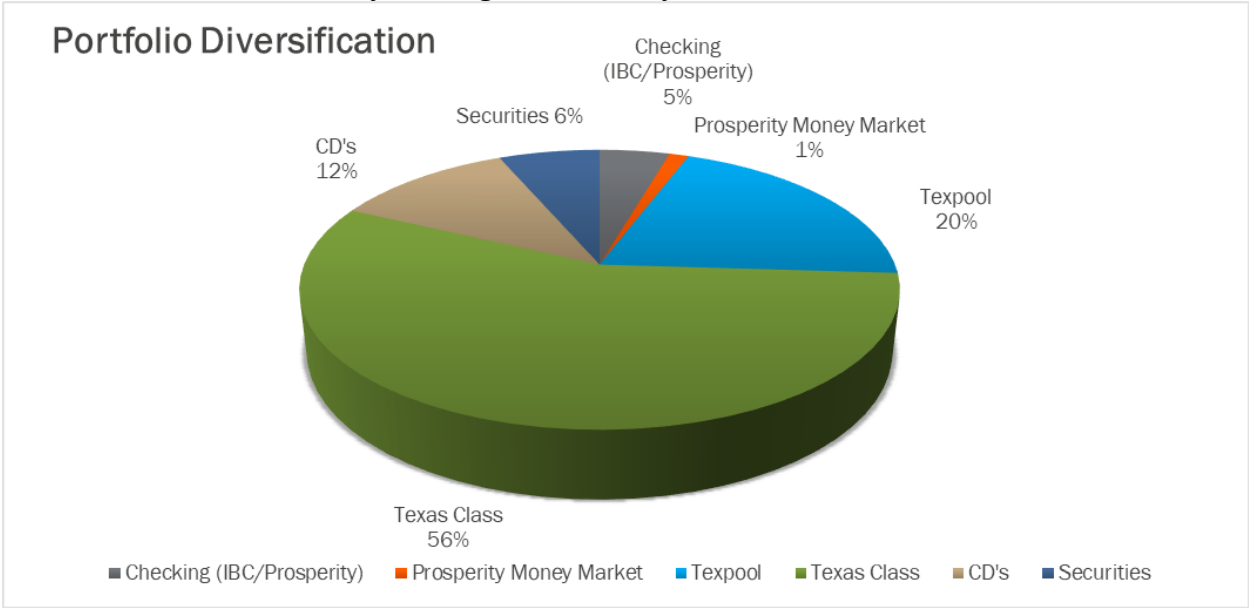
Interest received during the 1st quarter totaled \$ 341,786 and represents interest paid on checking accounts and investments.

Portfolio	Qtr 12-31-23	Qtr 12-31-24	Over Prior Year
Interest Received	\$169,054	\$341,786	\$172,732



Portfolio Diversification


Portfolio Diversification is used to create a structure to reduce investment risks and a portfolio that will experience minimal volatility during economic cycles.



Portfolio Maturity Schedule

The goal is to ladder the City’s portfolio. Due to some economic uncertainty and low interest rates, staying short for investment purposes is the strategy for any investments.

Years to Maturity	Face Value	% Total
0-1	\$ 25,293,602	90%
1-2	\$ 1,236,000	4%
2-3	\$ 747,000	3%
3-4	\$ 738,808	3%
4-5	\$ 0	0%
Total	\$ 28,015,410	100%

	City of BAY CITY vs. Benchmarks					
	for Quarter Ending December 31, 2024					
	BOOK VALUE	MARKET VALUE	Unrealized Gain/<Loss>	Average Book Yield	Benchmark Pools	Benchmark 90 Day T-Bill
	\$ 28,040,241	\$ 28,015,410	(24,831.19)	4.30%	4.81%	4.37%
Weighted Average						
Maturity	108.60 Day(s)		4.30%	Yield		