



CITY OF BAY CITY

FY 2024 4th Quarter Financial Report

As of September 30, 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 **September 2024**, the twelfth month, and **100.00%** of FY 2024.

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).

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 \$17,768,132 or 99.1% of the budget.

- Property Tax. The certified value totaled \$1.2 billion. Through September, the City received \$5,037,716 or (97.4%) of the 5.2-million-dollar property tax maintenance and operation budget. Most property taxes are received by January to avoid penalties.
- Sales tax. Fourth Quarter Sales Tax Allocation to the City is **down** 3.95% (\$76,011) as compared to the fourth 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)- \$158,868 (100.7% of budget).
- Charges for services represent sanitation fees - \$3,229,706 (100.1% of budget).
- Miscellaneous Revenue represents interest income, grant payments, interlocal agreements (i.e. County), and various park rental income- \$1,391,942

General Fund Expenditure Highlights

Expenditures total \$17,392,065 or 93.2% of budget.

Most departments are under the 100% budget target. Budgets that are above the budget target are primarily due to timing of payments and will most likely require amendments.

- Municipal Court- Health and Compensation
- Police- Health and Compensation
- Animal Impound- Health and Compensation
- Recycling Center- Health and Compensation
- Library- Timing of grants

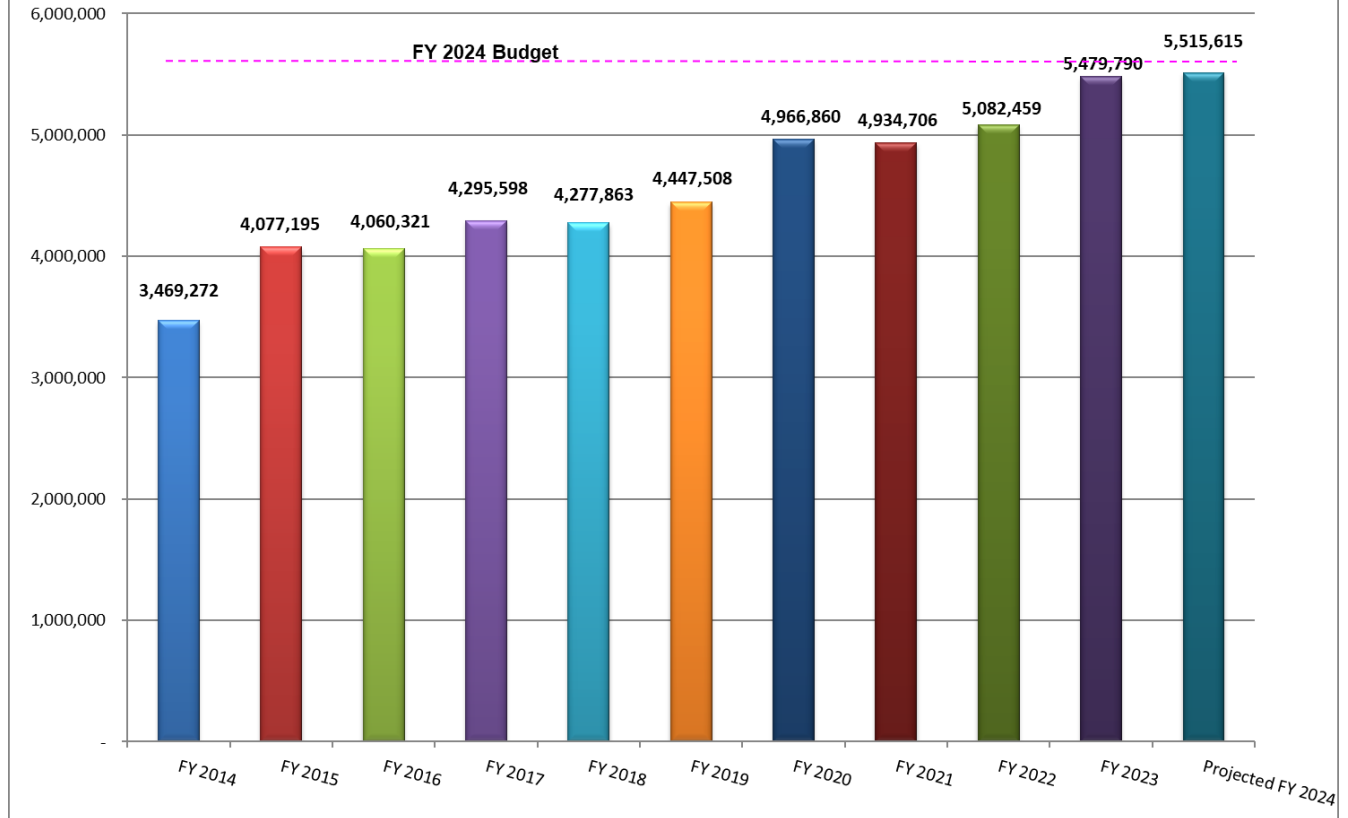
Fund Balance

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, 2023) was 5.5 million which represents approximately 29% 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 September 30, 2024				
General Fund (Fund 11)				
Percent of Fiscal Year Complete	100%			
	Total Budget	YTD Actual*	(Over)Under Budget to Date	% FY 2024 Budget
Beginning Fund Balance	\$ 5,560,727	\$ 5,560,727	Audited	
REVENUES				
Property Taxes	5,172,000	5,037,716	(134,285)	97.4%
Sales Tax	5,567,000	5,515,615	(51,385)	99.1%
Other Local Taxes (Franchise)	1,350,000	1,343,402	(6,598)	99.5%
Charges for Services (Sanitation)	3,228,000	3,229,706	1,706	100.1%
Fines & Penalties	157,800	158,868	1,068	100.7%
Licenses & Permits	210,000	221,806	11,806	105.6%
Miscellaneous	1,375,700	1,391,942	16,242	101.2%
Transfers (Hotel/Motel & Utility)	873,000	869,078	(3,922)	99.6%
Total Revenues	\$ 17,933,500	\$ 17,768,132	\$ (165,368)	99.1%
EXPENDITURES				
Administrative Council	336,406	331,316	5,090	98.5%
City General Services	3,566,250	3,015,020	551,230	84.5%
City Secretary	207,211	141,677	65,534	68.4%
Main Street	75,000	63,457	11,543	84.6%
Human Resources	275,380	273,303	2,077	99.2%
Municipal Court	467,251	507,312	(40,061)	108.6%
Finance	448,120	393,909	54,211	87.9%
Planning & Development	486,699	481,108	5,591	98.9%
Police	5,112,887	5,141,055	(28,168)	100.6%
Animal Impoundment	196,064	202,890	(6,826)	103.5%
Fire Department	210,050	204,382	5,669	97.3%
Recycling Center	215,652	232,153	(16,501)	107.7%
Street and Bridge	4,467,317	3,922,021	545,296	87.8%
Parks	1,250,037	1,104,503	145,534	88.4%
Riverside Park	209,664	201,715	7,949	96.2%
Recreational Programs	92,600	85,624	6,976	92.5%
Pool Operations	527,169	475,660	51,509	90.2%
Library	516,743	614,959	(98,216)	119.0%
Communications	-	-	-	
Total Expenditures	\$ 18,660,500	\$ 17,392,065	\$ 1,268,435	93.2%
*YTD does not includes encumbrances				
Net Revenue (Expenditures)	\$ (727,000)	\$ 376,067		
Ending Fund Balance	\$ 4,833,727	\$ 5,936,794		
% of Operating Reserves	29%	35%		
Fund Balance Target 90 days (25%)	\$ 4,137,409			
Over/(Under) min Policy Level (25%)	\$ 696,318			

SALES TAX YEARLY COMPARISON



	4th Quarter		% Change from Prior Year	
	Fiscal Year 2023	Fiscal Year 2024		
July	626,693.19	578,500.85	-7.69%	(48,192.34)
August	699,254.44	639,729.96	-8.51%	(59,524.48)
September	599,149.60	630,855.08	5.29%	31,705.48
Total	1,925,097.23	1,849,085.89	-3.95%	(76,011.34)
City General Fund (75%)	1,443,822.92	1,386,814.42		(57,008.50)
BCCDC (25%)	481,274.31	462,271.47		(19,002.84)
	1,925,097.23	1,849,085.89		(76,011.34)

Budget FY 2024	Projected Sales Tax	Variance
5,547,000	5,515,615	(31,385)

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 112% and above budget expectations.
- Miscellaneous Income is above the budget mark due to interest income.

Expenditure Highlights

Total expenditures for the Utility Fund are 94% of budget.

Budget target is 100%. Each departmental budgets are within the budget parameters.

The Utility reserve is budgeted to be approximately 41% 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 September 30, 2024				
	Total Budget	YTD Actual*	(Over)Under Budget to Date	% FY 2024 Budget
Utility Fund (Fund 61)				
Percent of Fiscal Year Complete	100%			
Beginning Fund Balance	5,296,276	\$ 5,296,276	Audited	
REVENUES				
Charges for Services	11,217,500	12,477,135	1,259,635	111%
Fines & Penalties	180,000	166,606	(13,394)	93%
Miscellaneous	102,500	266,775	164,275	260%
Total Revenues	11,500,000	12,910,516	1,410,516	112%
EXPENDITURES				
Utility Billing	704,472	629,783	74,689	89%
Utility Maintenance	3,415,875	3,106,769	309,106	91%
Water & WWTP Division	2,012,276	1,800,217	212,059	89%
Utility Operations	6,817,377	6,577,325	240,052	96%
Total Expenditures	\$ 12,950,000	\$ 12,114,094	\$ 835,906	94%
*YTD does not include encumbrances				
Net Revenue (Expenditures)	\$ (1,450,000)	\$ 796,422		
Ending Fund Balance	\$ 3,846,276	\$ 6,092,698		
% of Operating Reserves	41%	64%		
Target 90 days (25%)	\$ 2,338,815			
Over/(Under) Target	\$ 1,507,461			
<i>Designated for capital projects</i>				
<i>Some encumbered from Prior Year</i>				

Airport Fund Overview

Revenue Highlights

- As a percentage of budget, overall Airport revenues (primarily fuel sales) are lower than budget expectations due to the taxi-way construction project.
- T-Hanger rentals over budget mark by 8% or 10K.
- Misc. Income appears under budget but it is just the timing of the grant funds to be received by TXDOT.
- General Fund (Transfers In) subsidizes the Airport by \$225,000-\$250,000 each year.

Expenditure Highlights

- As a percentage of budget, total expenditures are 69%.

AIRPORT FUND FINANCIAL SUMMARY

City of Bay City				
Financial Statement				
As of September 30, 2024				
Municipal Airport Fund (Fund 64)				
Percent of Fiscal Year Complete	100%			
	Total Budget	YTD Actual*	(Over)Under Budget to Date	% FY 2024 Budget
Beginning Fund Balance	\$ 209,979	\$ 209,979	Audited	
REVENUES				
Charges for Services	-	150	150	0%
Miscellaneous (Rentals, Grants)	318,500	305,793	(12,707)	96%
Transfers (General Fund & BCCDC)	323,000	267,000	(56,000)	83%
Other Revenue (Fuel Sales)	265,500	207,270	(58,230)	78%
Total Revenues	\$ 907,000	\$ 780,213	\$ (126,787)	86%
EXPENDITURES				
Personnel	261,850	216,434	45,416	83%
Supplies & Materials	243,150	173,919	69,231	72%
Other Charges & Services	129,500	134,441	(4,941)	104%
Repairs & Maintenance	127,500	128,490	(990)	101%
Capital Expenditures	297,000	77,894	219,106	26%
Transfers	-	-	-	0%
Total Expenditures	\$ 1,059,000	\$ 731,178	\$ 327,822	69%
*YTD does not include encumbrances				
Net Revenue (Expenditures)	\$ (152,000)	\$ 49,035		
Ending Fund Balance	\$ 57,979	\$ 259,014		
<i>No minimum Fund Balance Policy</i>				
General Fund subsidizes approx.				
\$225,000-250,000 each year				
FY 24 GF- \$225,000; BCCDC- \$56,000				

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

Revenue Highlights

- As a percentage of budget, total Hotel/Motel Fund is at budget target of 100%, this is due the timing of hotel payments. Most hotels remit tax on a monthly or quarterly basis. Fourth quarter (July-September) receipts will not be remitted until October.
- Interest income is 292% or \$19K over budget expectations.
- Other Income- Special events relate to the Day of the Dead Festival.
- Rental Fees (Civic Center)- \$91,268 (107% of budget)

Expenditure Highlights

- As a percentage of budget, total expenditures are at 91%.

HOTEL/MOTEL FUND FINANCIAL SUMMARY

City of Bay City				
Financial Statement				
As of September 30, 2024				
Civic & Cultural Arts Fund (Fund 25)				
Percent of Fiscal Year Complete	100%			
	Total Budget	YTD Actual*	(Over)Under Budget to Date	% FY 2024 Budget
Beginning Fund Balance	\$ 866,951	\$ 866,951	Audited	
Revenues				
Hotel Occupancy Tax	615,000	617,790	\$ (2,790)	100%
Interest Income	10,000	29,214	\$ (19,214)	292%
Rental Fees- Civic Center	85,000	91,268	\$ (6,268)	107%
Other Income- Special Events	10,000	25,176	\$ (15,176)	252%
Other Income	5,000	3,415	\$ 1,585	68%
Total Revenues	\$ 725,000	766,864	\$ (41,864)	106%
Expenditures				
Hotel General	103,000	78,700	24,300	76%
Tourism Department	277,500	238,893	38,607	86%
Civic Center	409,000	400,415	8,585	98%
Bay City Theatre	500	356	144	71%
Total Expenditures	\$ 790,000	\$ 718,364	\$ 71,636	91%
*YTD does not include encumbrances				
Net Revenue (Expenditures)	\$ (65,000)	\$ 48,499		
Ending Fund Balance	\$ 801,951	\$ 915,450		
<i>Proposed to maintain \$50,000</i>				

OTHER FINANCIAL NOTES

Governmental Funds

[General Fund](#)

Reserve – maintaining minimum levels required by policy

CPI up 2.4 % (June – Year % Change)

Municipal Cost Index (MCI)- up 0.76% (September– 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 4th Quarter Fiscal Year 2024

The City has a weighted average portfolio of 51 days with an average book yield of 4.95%. The City is liquid with 89% 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 \$309,414 for the quarter and up \$112,898 as compared to the same quarter last year. The investment strategy currently is to diversify & structure a somewhat ladder portfolio (Checking, Investment Pools, and Securities less than 5 years to maturity) to minimize interest rate risk in the future.

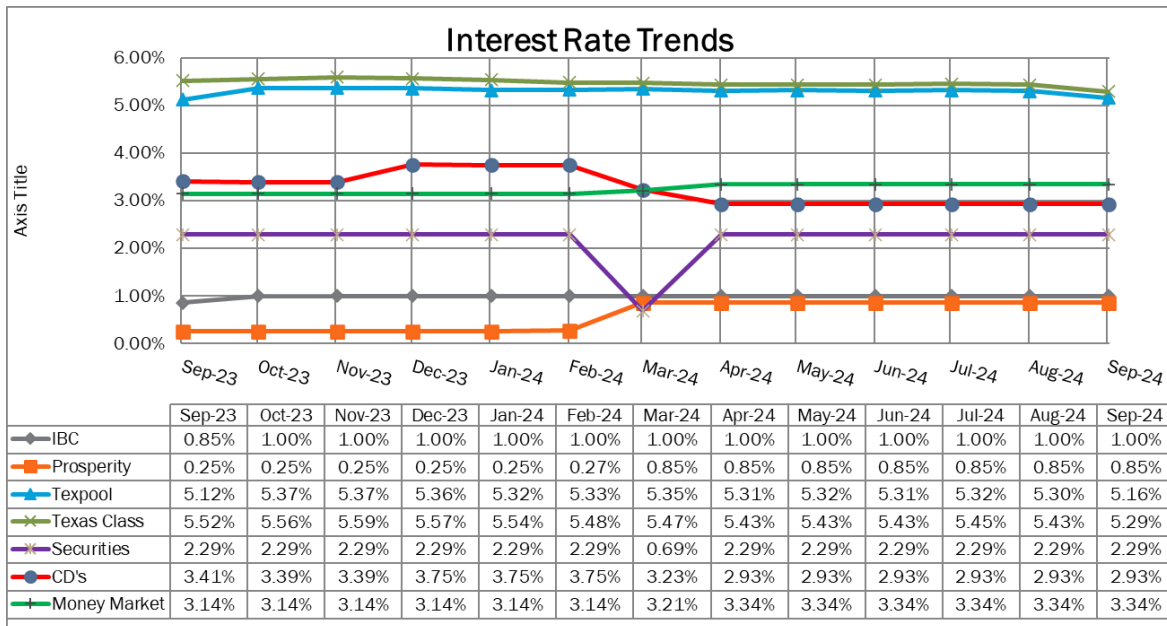
September 30, 2024 Balances

	Total Bal by Type	% of Portfolio
IBC	\$ 190,438.46	1%
Prosperity Bank	\$ 443,273.61	1%
Prosperity Bank- Money Market	\$ 344,446.68	1%
Petty Cash/Cash Drawers	\$ 2,122.73	0%
Texpool	\$ 5,606,075.97	18%
Texas Class	\$ 21,230,549.76	67%
CD's	\$ 2,230,000.00	7%
Securities	\$ 1,549,326.65	5%
	<u>\$31,596,233.86</u>	<u>100 %</u>

Interest Earnings

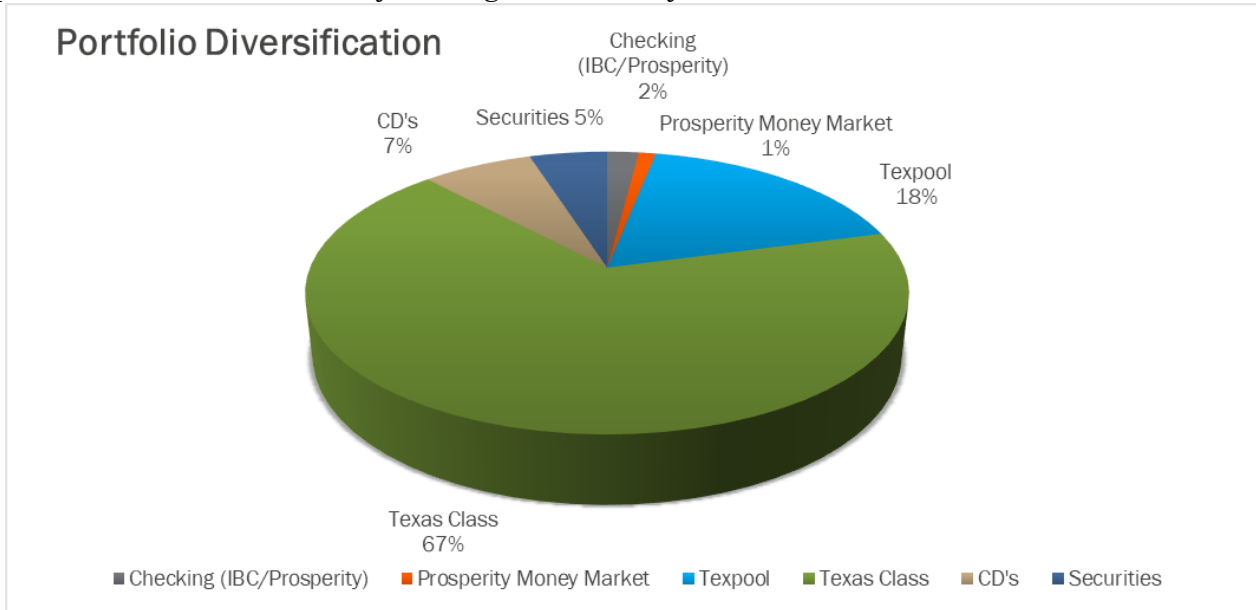
Interest received during the 4th quarter totaled \$ 309,414 and represents interest paid on checking accounts and investments.

Portfolio	Qtr 9-30-23	Qtr 9-30-24	Over Prior Year
Interest Received	\$196,516	\$309,414	\$112,898



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	\$ 28,313,907	90%
1-2	\$ 2,536,327	8%
2-3	\$ 746,000	2%
3-4	\$ 0	0%
4-5	\$ 0	0%
Total	\$ 31,596,234	100%

City of BAY CITY vs. Benchmarks for Quarter Ending September 30, 2024						
BOOK VALUE	MARKET VALUE	Unrealized Gain/<Loss>	Average Book Yield	Benchmark Pools	Benchmark 90 Day T-Bill	
\$ 31,631,907	\$ 31,596,234	(35,673.35)	4.95%	5.37%	5.01%	
Weighted Average						
Maturity	51.07 Day(s)		4.95%	Yield		