



CITY OF BAY CITY
FY 2016-2017 1st Quarter Financial Overview
As of December 31, 2016

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 is comprised of three sections:

1. The **Financial Overview** reports the performance of the major operating funds of the City primarily in a narrative context. The fund descriptions are as follows:
 - 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, sewer and garbage 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.
2. The **Financial Summary** provides comparative data for revenues and expenditures by fund and by department. Data shows current quarter information as it relates to prior year budget and prior year actual.
3. The **Investment Report** provides a description of investment activity during the quarter.

Since 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 available on the City's website (www.cityofbaycity.org). Go to the Finance Department's Page for all financial transparency information.

FINANCIAL OVERVIEW- City Wide

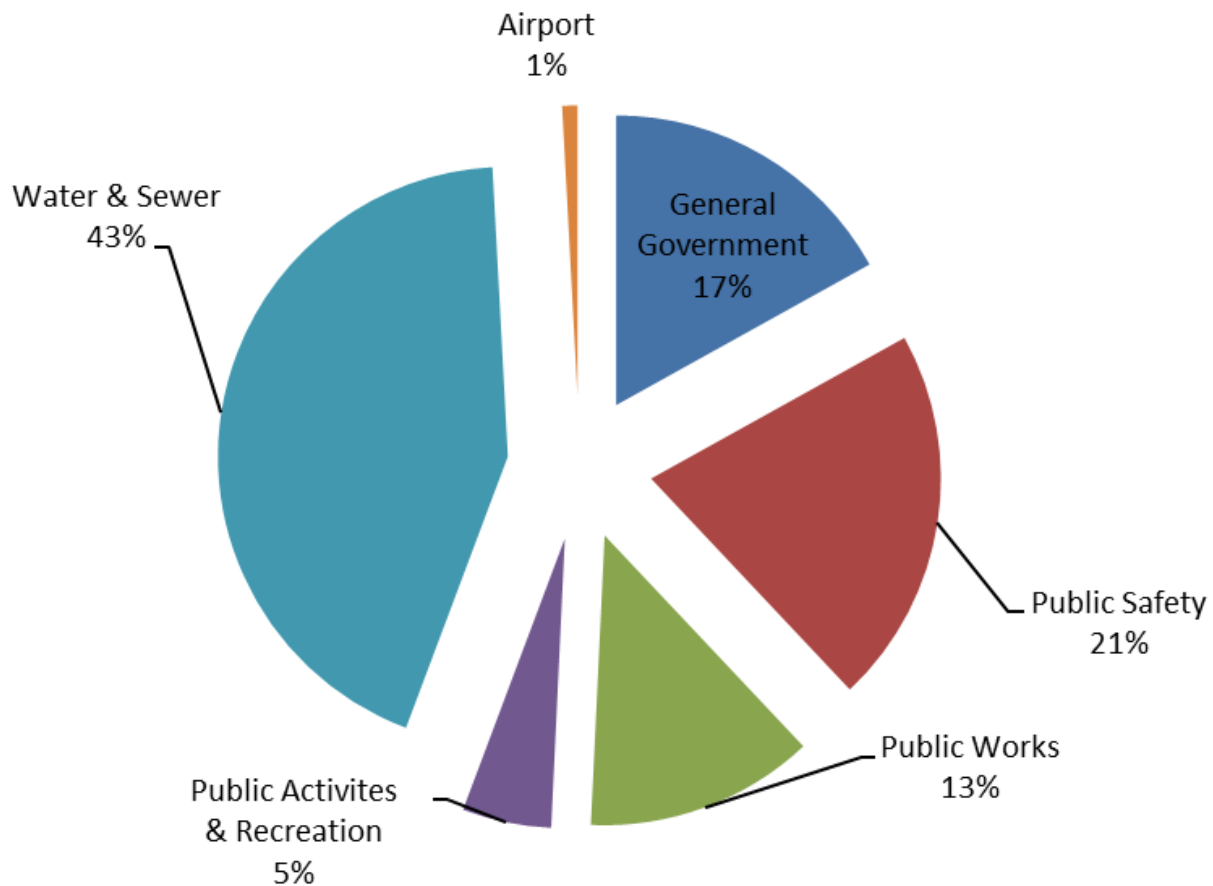
*City Wide Revenues**

Combining all major funds, total City Wide Revenues are down \$1,018,165 as compared to quarter ended December 2015. This primary decrease is due the timing of grant reimbursements in prior year (Tenaris Project).

*City Wide Expenditures**

Expenditures are down \$959,316 as compared to December 2015. This is contributed to the timing of capital projects (primarily Tenaris) as compared to prior year.

Where do our dollars go?



General Fund Overview

Revenue Highlights

- As a percentage of budget, total General Fund Revenue is **22%**, falling under the 1st quarter benchmark of 25%. ([Timing of property Tax Payments](#))
- Sales tax receipts are up 6.07% (\$106,000) from prior year. Sales tax receipts are projected to be meet the budget target of \$4,117,500.
- Franchise fees are stable.
- Licenses & Permits are down \$33,938 from prior year due to building permits, however meeting budget target.
- Fines & Forfeitures (court fines & arrest fees) are in line with prior year, however currently below budget target of 25%.
- Interest Income slightly up from prior year, however is above the budget target of 25%.

GENERAL FUND FINANCIAL SUMMARY

Revenues by Receipt Type

	15-16 Actual YTD	15-16 Budget	%	16-17 Actual YTD	16-17 Budget	%	
<i>Revenues</i>							
Property Taxes	\$ 733,274	\$ 3,843,854	19%	678,410	3,888,309	17%	Timing of Property Tax
Other Local Taxes	1,281,887	5,402,089	24%	1,322,093	5,215,000	25%	
Fines & Penalties	53,803	307,700	17%	54,436	354,700	15%	
Licenses & Permits	77,806	209,750	37%	43,867	211,500	21%	
Miscellaneous	807,386	3,569,896	23%	775,676	3,428,325	23%	
Transfers	58,252	242,309	24%	60,577	242,309	25%	
Other Revenue	3,498	22,200	16%	2,177	27,200	8%	Timing of pool fees Recreation Programs
Total Revenue	\$ 3,015,905	\$ 13,597,798	22%	\$ 2,937,238	\$ 13,367,343	22%	

General Fund Overview Continued

General Fund Expenditure Highlights

- As a percentage of budget, total General Fund Expenditures is 25% meeting target.
- Most departments are under the 25% budget target. Budgets that are over the budget target are due to timing of payments.
- General Fund expenses are up \$123,181 as compared to the same quarter last year (primarily due to the timing of the sanitation expenses).

GENERAL FUND FINANCIAL SUMMARY

Expenditures by Department

	15-16 Actual YTD	15-16 Budget	%	16-17 Actual YTD	16-17 Budget	%
<i>Expenditures</i>						
City Secretary	\$ 73,469	350,196	21%	73,128	387,549	19%
City General Services	787,581	3,238,510	24%	825,898	3,276,602	25%
Administrative Council	67,456	238,357	28%	67,698	262,517	26%
Main Street	7,773	40,391	19%	17,296	50,890	34%
Municipal Court	72,096	300,811	24%	68,194	311,367	22%
Finance	64,132	275,255	23%	76,389	349,910	22%
Police	1,208,229	4,531,003	27%	1,155,762	4,808,098	24%
Animal Impoundment	39,026	162,740	24%	36,676	172,244	21%
Volunteer Fire Dept.	85,758	186,851	46%	30,250	193,446	16%
Public Works	809,777	3,620,995	22%	971,448	3,159,039	31%
Parks	170,302	815,439	21%	221,574	836,865	26%
Riverside Park	78,102	207,994	38%	37,577	173,712	22%
Recreation	37,324	152,246	25%	43,787	118,737	37%
Aquatics	28,691	292,960	10%	27,221	245,388	11%
Total Expenditures	\$ 3,529,718	\$ 14,413,748	24%	\$ 3,652,899	\$ 14,346,364	25%
Net Revenue (Expenditures)	\$ (513,813.05)	\$ (815,950.00)		\$ (715,661.09)	\$ (979,021)	

Public Utility Fund Overview

Revenue Highlights

- As a percentage of budget, total Water & Sewer Revenue is 24%. This is due to timing of the billing.

Expenditure Highlights

- Total expenditures for the Utility Fund sit nicely at 19% of budget.
- All departments are within budget.

PUBLIC UTILITY FUND FINANCIAL SUMMARY

Revenues by Receipt Type

	15-16 Actual YTD	15-16 Budget	%	16-17 Actual YTD	16-17 Budget	%
<i>Revenues</i>						
Charges for Services	\$ 1,758,993	7,749,747	23%	1,810,005	7,767,497	23%
Fines & Penalties	-	-	0%	-	-	0%
License & Permits	-	-	0%	-	-	0%
Miscellaneous	1,024,955	11,000	9318%	19,796	10,350	191%
Transfers	-	554,973	0%	7,310		0%
Total Revenue	\$ 2,783,948	\$ 7,760,747	36%	\$ 1,837,111	\$ 7,777,847	24%
<i>Expenditures</i>						
General Operation	993,245	\$ 4,279,932	23%	1,034,209	4,331,790	24%
Water	643,187	2,146,862	30%	277,722	1,633,187	17%
Sewer	1,105,039	1,716,460	64%	265,586	2,268,890	12%
Warehouse Operations	10,213	143,166	7%	14,408	75,660	19%
Total Expenditures	\$ 2,751,684	\$ 8,286,420	33%	\$ 1,591,925	\$ 8,309,527	19%
Net Revenue (Expenditures)	\$ 32,263.83	\$ (525,673.00)		\$ 245,185.64	\$ (531,680)	

Airport Fund Overview

Revenue Highlights

- As a percentage of budget, total Airport Fund is slightly below budget mark due to timing of fuel purchases.
- T-Hanger rentals are up 53% or \$11,775 from prior year.

Expenditure Highlights

- As a percentage of budget, total expenditures are 25% meeting the budget target

BEACH FUND FINANCIAL SUMMARY

Revenues by Receipt Type

	15-16 Actual YTD	15-16 Budget	%	16-17 Actual YTD	16-17 Budget	%	
<i>Revenues</i>							
Miscellaneous	\$ 22,823	143,000	16%	35,781	61,000	59%	Increase T-Hanger Rentals
Transfers	30,116	120,464	25%	55,268	221,074	25%	
Other Revenue	36,138	233,500	15%	33,526	233,500	14%	Timing of fuel purchases
Cost of Fuel	(9,968)	(148,067)	7%	(38,127)	(148,067)	26%	
Total Revenue	\$ 79,109	\$ 348,897	23%	\$ 86,449	\$ 367,507	24%	
<i>Expenditures</i>							
Personnel	\$ 30,560	104,179	29%	28,978	124,037	23%	
Supplies & Materials	3,521	9,900	36%	2,026	14,500	14%	
Other Charges & Services	15,225	82,216	19%	22,625	146,604	15%	
Repairs & Maintenance	4,448	122,200	4%	16,862	143,000	12%	
Capital Expenditures	-	25,000	0%	60,525	100,610	60%	Timing of CE purchases
Total Expenditures	\$ 53,754	\$ 343,495	16%	\$ 131,017	\$ 528,751	25%	
Net Revenue (Expenditures)	\$ 25,355	\$ 5,402		\$ (44,568)	\$ (161,244)		
<i>* Expenditures do not include encumbrances</i>							

FINANCIAL CHALLENGES OF THE CITY

Governmental Funds

[General Fund](#)

Reserves

Proprietary Funds

[Public Utility Fund](#)

None

[Airport](#)

None

Monitoring:

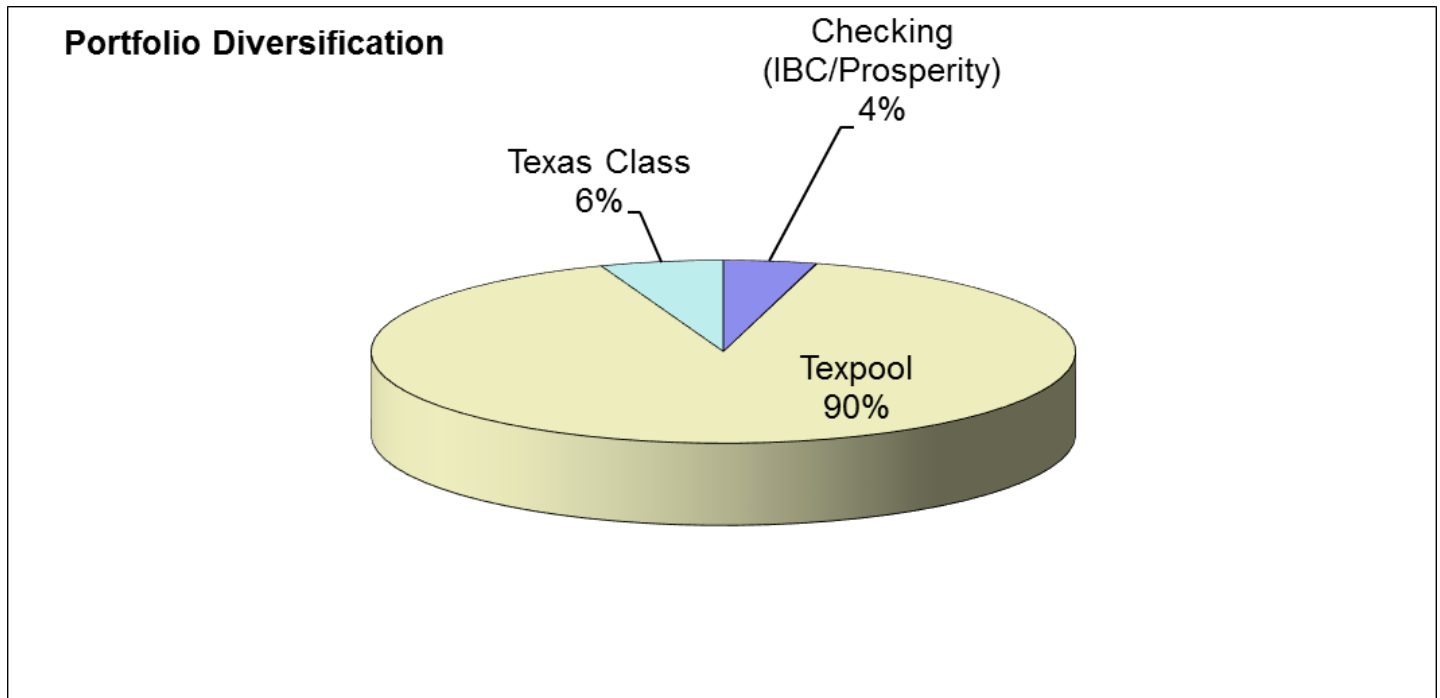
Sales Tax

Investment Report 1st Quarter 2016-2017

The City has a weighted average portfolio of 1 day with an average book yield of .44%. The City is liquid with 100% of the portfolio in a 0-1 year bucket. Average interest rates have slightly increased since prior quarter. All short term investments average less than 1%. Investment earnings are \$10,159.46 for the quarter and up \$7,357.23 as compared to the same quarter last year. The investment strategy currently is to stay short with diversification (Checking & Investment Pools) to minimize interest rate risk in the future. However, the City will begin to build a laddered portfolio with some investment moving into 2-3 year maturities. The Investment Officer will begin to monitor security offerings as the City earns no interest in the primary depository.

December, 2016 Balances

	Total Bal by Type	% of Portfolio
First National Bank	\$381,836.24	4.25%
Petty Cash (N/A)	\$3,952.00	0.04%
Texstar	\$8,083,527.86	90.06%
Logic	\$506,876.78	5.65%
CD's	\$-	0.00%
Securities	\$-	0.00%
	<u>\$8,976,192.88</u>	<u>100.00%</u>





*City of BAY CITY vs. Benchmarks
for Quarter Ending DECEMBER 31, 2016*

BOOK VALUE	MARKET VALUE	Unrealized Gain/<Loss>	Average Book Yield	Benchmark Pools	Benchmark 90 Day T-Bill
\$ 8,976,192.88	\$ 8,976,192.88	-	0.44%	0.63%	0.440%
Weighted Average					
Maturity	1.00 Days		0.44%	Yield	