

**RULE 15c2-12 FILING COVER SHEET**

This cover sheet is sent with all submissions to the Municipal Securities Rulemaking Board (the Nationally Recognized Municipal Securities Information Repository) and any applicable State Information Depository pursuant to Securities and Exchange Commission (SEC) Rule 15c2-12 or any analogous state statute.

**Issuer Name:**    **City of Bay City**

<b>Issue(s):</b>		
\$	5,000,000	Tax & Revenue Certificates of Obligation, Series 2009
\$	3,300,000	Tax & Revenue Certificates of Obligation, Series 2010
\$	9,530,000	Tax & Revenue Certificates of Obligation, Series 2012
\$	642,000	Tax Notes, Series 2013
\$	5,125,000	General Obligation Refunding Bonds, Series 2013
\$	3,995,000	Tax & Revenue Certificates of Obligation, Series 2014
\$	5,665,000	Tax & Revenue Certificates of Obligation, Series 2016

**CUSIP Number(s):**            **072131**

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**Financial & Operating Data Disclosure Information**

Annual Financial Report or CAFR  
 Financial Information & Operating Data  
 Other (describe) \_\_\_\_\_  
 Fiscal period covered:    2017  
 Monthly    Quarterly    Annually

The information set forth herein has been furnished by the City and by sources which are believed to be accurate and reliable but no representation is made with respect to the accuracy or completeness of information obtained from sources other than the District. Statements which involve estimates, forecasts, or other matters of opinion are intended solely as such and are not to be construed as representations of facts. Furthermore, the information herein is subject to change without notice and will not, under any circumstances, create any implication that there has been no change in the affairs of the City or other parties described herein.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: \_\_\_\_\_  
 Name:    Scotty Jones                                    Title: Finance Director  
 Employer: City of Bay City

2010 US Census

17,614

2017 Certified Taxable Assessed Value :

\$ 810,967,405

**Outstanding Tax Debt as of 9/30/2017**

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<b>Outstanding General Obligation Debt</b>	<b>Amount</b>
Tax & Revenue Certificates of Obligation, Series 2009	\$ 1,130,000
Tax & Revenue Certificates of Obligation, Series 2010	2,485,000
Tax & Revenue Certificates of Obligation, Series 2012	6,865,000
Tax Notes, Series 2013	200,000
General Obligation Refunding Bonds, Series 2013	2,645,000
Tax & Revenue Certificates of Obligation, Series 2014	2,815,000
Tax & Revenue Certificates of Obligation, Series 2016	5,440,000
<b>Total Outstanding Debt</b>	<b>\$ 21,580,000</b>

**Self-Supporting Debt as of 9/30/2017**

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<b>Less: Self-Supporting Debt</b>	<b>Amount</b>
Tax & Revenue Certificates of Obligation, Series 2012	\$ 6,865,000
Tax & Revenue Certificates of Obligation, Series 2014	703,750
Tax & Revenue Certificates of Obligation, Series 2016	1,813,152
<b>Total Outstanding Self-Supporting Debt</b>	<b>\$ 9,381,902</b>
Total Net Debt	\$ 12,198,098

**Outstanding Tax Debt as of 9/30/2017**

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The city does not currently have revenue debt outstanding.

**Debt Service Requirements**

FYE 9/30	Outstanding Debt Service	New Debt				Total Debt Service	Less:		Net Debt Service
		Principal	Interest Rate	Interest	Total		Self-Supporting Debt Service (a)		
2018	\$ 2,773,288	\$ -	-	\$ -	\$ -	\$ 2,773,288	\$ 991,495	\$ 1,781,793	
2019	2,749,731	-	-	-	-	2,749,731	985,878	1,763,853	
2020	2,063,273	-	-	-	-	2,063,273	988,128	1,075,144	
2021	2,057,248	-	-	-	-	2,057,248	988,301	1,068,946	
2022	2,065,223	-	NO NEW DEBT IN FY 2017		-	2,065,223	989,091	1,076,132	
2023	2,066,073	-	-	-	-	2,066,073	989,041	1,077,032	
2024	2,070,673	-	-	-	-	2,070,673	988,320	1,082,353	
2025	1,653,448	-	-	-	-	1,653,448	986,834	666,613	
2026	1,657,873	-	-	-	-	1,657,873	989,578	668,294	
2027	1,658,573	-	-	-	-	1,658,573	986,761	671,811	
2028	850,035	-	-	-	-	850,035	179,981	670,054	
2029	856,110	-	-	-	-	856,110	181,371	674,739	
2030	855,190	-	-	-	-	855,190	181,204	673,986	
2031	598,350	-	-	-	-	598,350	180,887	417,463	
2032	601,300	-	-	-	-	601,300	181,671	419,629	
2033	598,550	-	-	-	-	598,550	180,588	417,962	
2034	595,250	-	-	-	-	595,250	179,771	415,479	
2035	371,450	-	-	-	-	371,450	123,804	247,646	
2036	375,950	-	-	-	-	375,950	125,304	250,646	
<b>Total</b>	<b>\$ 26,517,584</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,517,584</b>	<b>\$ 11,398,009</b>	<b>\$ 15,119,574</b>	

(a) The City pays a portion of its outstanding debt service from the net revenues of other City sources. While the City currently intends however, there to continue this practice however there is no assurance the City will continue doing so.

Average Annual Debt Service	\$ 1,395,662
Maximum Annual Debt Service (2018)	\$ 2,773,288
Average Net Annual Debt Service	\$ 795,767
Maximum Net Annual Debt Service (2018)	\$ 1,781,793

**Financial Ratios**

Total Debt Ratios	Per Capita	Percent 2017 Assessed Value
Direct Debt	\$ 1,225	2.66%
Direct & Overlapping Debt	\$ 4,309	9.36%
Net Direct Debt	\$ 858	1.50%
Net Direct & Overlapping Debt	\$ 3,776	8.20%

**Estimated Overlapping Debt**

Issuers	Total Debt	As of	Estimated % Overlapping City	City's Overlapping
Bay City ISD	\$ 88,873,484	2/28/2018	60.66%	\$ 53,910,655
Matagorda County	2,645,000	2/28/2018	15.41%	407,595
Subtotal overlapping debt				\$ 54,318,250
Direct Debt	\$ 21,580,000	2/28/2018	100%	\$ 21,580,000
Total Direct and Overlapping Debt				\$ 75,898,250
Net Direct Debt	\$ 12,198,098	1/0/1900	100%	\$ 12,198,098
Total Net Direct and Overlapping Debt				\$ 66,516,348

Source: Municipal Advisory Council of Texas

**Overlapping Tax Rate**

<b>Overlapping Tax Rate</b>	<b>2017 Tax Rate</b>
Bay City ISD	\$ 1.437
Matagorda Co	0.4190
City of Bay City	0.6550

**Historical Analysis of Ad Valorem Taxation**

<b>Tax Year</b>	<b>Total Assessed</b>		<b>Tax Rate</b>	<b>Tax Levy</b>	<b>Percent Collection</b>		<b>FYE 9/30</b>
	<b>Taxable Valuation</b>				<b>Current</b>	<b>Total</b>	
2013	\$ 660,653,879	\$	0.5679	\$ 3,756,825	96.52%	99.35%	2014
2014	677,511,832		0.6021	4,087,782	97.36%	99.16%	2015
2015	743,532,492		0.6021	4,473,615	97.38%	98.78%	2016
2016	763,437,983		0.6021	4,626,589	97.44%	97.44%	2017
2017	810,967,405		0.6550	5,310,677	(In the process of collection)		2018

Source: Municipal Advisory Council of Texas

**Historical Taxable Assessed Valuation by Category**

Historical valuations published in the Bay City CAFR for FYE 2017

**Matagorda Appraisal District Certified Totals**

	<b>Tax Year</b>		
	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total Land	\$ 151,003,218	\$ 146,814,843	\$ 146,095,833
Total Improvements	701,855,136	661,849,602	636,305,867
Total Non Real	85,531,655	83,698,841	90,674,590
Market Value	938,390,009	892,363,286	873,076,290
Productivity Loss	(6,789,991)	(7,189,335)	(7,385,829)
Appraised Value	931,600,018	885,173,951	865,690,461
Homestead Cap	(3,004,650)	(5,388,404)	(6,707,293)
Assessed Value	928,595,368	879,785,547	858,983,168
Total Exemptions	(117,627,963)	(116,347,564)	(115,450,676)
Net Taxable	\$ 810,967,405	\$ 763,437,983	\$ 743,532,492

Source: Matagorda County Appraisal District

**Ten Largest Taxpayers**

<b>2017 Principal Tax Payers</b>		<b>Type</b>	<b>2017 Assessed Valuation</b>	<b>Percent of 2017 Valuation</b>
1	Oak Manor Bay City LLC	Real Estate	10,437,040.00	1.29%
2	Nichols Square Partners Ltd.	Apartments	10,181,250.00	1.26%
3	AEP Texas Central Co.	Electric Utility	8,672,810.00	1.07%
4	Wal Mart Real Estate Business Trust	Trust	8,445,300.00	1.04%
5	Fortress Lodging LLC	Hotel	6,804,500.00	0.84%
6	Cypressbrook Palm Village	Real Estate	6,573,150.00	0.81%
7	Wal Mart Store #01-1405	Retail	5,909,470.00	0.73%
8	Dunn Heat Exchangers Inc.	Heat Exchanger Cleaning Svcs.	5,606,540.00	0.69%
9	IMFI SB Apartments LP	Apartments	5,194,530.00	0.64%
10	Pasupatinath LLC	Commercial	4,900,000.00	0.60%
			<b>\$ 72,724,590</b>	<b>8.97%</b>

**Tax Rate Distribution**

<b>Tax Rate Distribution</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
General Fund	\$ 0.5110	\$ 0.4881	\$ 0.4916	\$ 0.5434	\$ 0.5077
Debt Service Fund	0.1440	0.1140	0.1105	0.0587	0.0602
Total	<b>\$ 0.6550</b>	<b>\$ 0.6021</b>	<b>\$ 0.6021</b>	<b>\$ 0.6021</b>	<b>\$ 0.5679</b>

**City Sales Tax History**

<b>FYE 9/30</b>	<b>Total Sales Tax Collections</b>	<b>Percent of Ad Valorem Tax Levy</b>	<b>Equivalent Ad Valorem Tax Rate</b>	<b>U.S. Census Population</b>	<b>Collections Per Capita</b>
2012	\$ 3,385,962	90.80%	\$ 0.5175	17,614	\$ 192.23
2013	3,440,988	91.75%	0.5250	17,614	195.36
2014	3,469,272	92.35%	0.5251	17,614	196.96
2015	4,077,195	99.74%	0.6018	17,614	231.47
2016	4,060,321	90.76%	0.5461	17,614	230.52
2017	4,295,598	92.85%	0.5627	17,614	243.87

Source: Municipal Advisory Council of Texas

**Historical Operations of the Debt Service Fund**

	<b>Fiscal Year Ending September 30,</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Revenues</b>					
Property taxes	\$ 854,361	\$ 797,443	\$ 398,724	\$ 392,077	\$ 292,584
Delinquent taxes	14,740	12,168	-	-	-
Penalty and interest	13,242	11,374	6,659	6,107	4,800
Interest	155	600	-	272	274
<b>Total revenues</b>	<b>882,498</b>	<b>821,585</b>	<b>405,383</b>	<b>398,456</b>	<b>297,658</b>
<b>Expenditures</b>					
Debt service					
Principal	1,380,508	1,489,500	1,435,000	789,000	445,500
Interest and fiscal charges	400,694	337,004	359,369	246,296	241,067
Paying agents' fees and issue costs	5,495	2,300	-	2,000	122,499
<b>Total expenditures</b>	<b>1,786,697</b>	<b>1,828,804</b>	<b>1,794,369</b>	<b>1,037,296</b>	<b>809,066</b>
(Deficiency) of revenues (under) expenditures	(904,199)	(1,007,219)	(1,388,986)	(638,840)	(511,408)
<b>Other Financing Sources (Uses)</b>					
General Obligation Refunding Bonds, Series 2013	-	-	-	-	4,030,000
Bond Premium	-	-	-	-	65,470
Payment to Escrow	-	-	-	-	(3,960,250)
Bond Issue Costs	-	-	-	-	-
Transfers in <sup>(a)</sup>	869,704	1,209,739	956,381	1,158,493	395,481
Transfers out	-	-	(86,311)	-	-
Total other financing sources(uses)	869,704	1,209,739	870,070	1,158,493	530,701
Net change in fund balance	(34,495)	202,520	(518,916)	519,653	19,293
<b>Fund Balance-Beginning</b>	<b>233,825</b>	<b>31,305</b>	<b>550,221</b>	<b>30,568</b>	<b>11,275</b>
<b>Fund Balance-Ending</b>	<b>\$ 199,330</b>	<b>\$ 233,825</b>	<b>\$ 31,305</b>	<b>\$ 550,221</b>	<b>\$ 30,568</b>

<sup>(a)</sup> Funds transferred from the General, Utility, and Sanitation Funds.

**Historical Operations of the General Fund**

<b>Revenues</b>	<b>Fiscal Year Ending September 30,</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Taxes					
Property	\$ 3,820,914	\$ 3,758,550	\$ 3,790,373	\$ 3,428,359	\$ 3,521,985
Sales	4,295,598	4,060,320	4,077,195	3,469,272	3,440,988
Franchises	1,127,475	1,040,631	1,047,005	984,607	1,087,598
Other	39,307	40,191	37,797	32,242	22,815
Licenses and permits	154,409	255,511	235,881	205,321	5,706
Fines and forfeitures	252,113	269,859	276,911	286,748	330,637
Fees and charges for services	2,563,553	2,755,992	2,655,020	2,445,127	168,396
Intergovernmental	153,480	58,635	220,857	142,057	121,587
Investment earnings	7,440	2,746	867	1,512	2,867
Other	328,076	845,595	855,090	748,906	630,695
<b>Total Revenues</b>	<b>12,742,365</b>	<b>13,088,030</b>	<b>13,196,996</b>	<b>11,744,152</b>	<b>9,333,274</b>
<b>Expenditures</b>					
General government	2,191,915	2,335,155	2,214,609	2,343,485	2,031,233
Public safety	5,077,199	4,938,374	4,569,082	4,425,534	4,080,637
Public works	3,241,311	3,424,210	3,156,360	2,851,186	1,082,257
Public activities and recreation	1,338,905	1,421,965	1,039,801	1,052,414	996,117
Cultural arts and public benefits	-	-	-	-	-
Debt Service					
Principal	51,849	64,252	61,153	58,110	330,207
Interest and fiscal charges	1,378	5,346	8,657	11,701	107,444
Capital outlay	-	-	-	-	-
<b>Total Expenditures</b>	<b>11,902,557</b>	<b>12,189,302</b>	<b>11,049,662</b>	<b>10,742,430</b>	<b>8,627,895</b>
(Deficiency) of revenues (under) expenditures	839,808	898,728	2,147,334	1,001,722	705,379
<b>Other Financing Sources (Uses)</b>					
Debt issuance	-	-	-	-	-
Transfers in	522,550	233,784	434,173	94,675	112,358
Transfers out <sup>(a)</sup>	(1,974,219)	(2,223,607)	(1,297,992)	(2,050,678)	(1,017,202)
<b>Total other financing sources (uses)</b>	<b>(1,451,669)</b>	<b>(1,989,823)</b>	<b>(863,819)</b>	<b>(1,956,003)</b>	<b>(904,844)</b>
Net change in fund balances	(611,861)	(1,091,095)	1,283,515	(954,281)	(199,465)
Fund Balance - Beginning <sup>(b)</sup>	1,975,014	3,066,109	1,782,594	2,736,876	2,936,342
Fund Balance - Ending	\$ 1,363,153	\$ 1,975,014	\$ 3,066,109	\$ 1,782,594	\$ 2,736,876

<sup>(a)</sup> Transfers to the Water & Sewer Fund, Airport Fund and Street Maintenance & Construction Fund.

<sup>(b)</sup> Restated fund balances necessary to correctly reflect various allowances for uncollectible accounts, recording of receivables not previously reported and correcting the balance of accrued salaries.

**Historical Operations of the Water & Sewer Fund**

	<b>Fiscal Year End September 30,</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Revenues</b>					
Charges for services	\$ 7,426,893	\$ 7,108,017	\$ 6,860,689	\$ 6,542,164	\$ 6,288,584
Miscellaneous	11,917		12,460	40,782	78,593
Total operating revenues	7,438,810	7,108,017	6,873,149	6,582,946	6,367,177
<b>Expenditures</b>					
Cost of sales and services	4,030,136	4,782,177	4,304,382	3,724,922	3,685,606
Depreciation and amortization	1,814,164	1,578,645	1,494,886	1,697,329	1,143,118
Total operating expenses	5,844,300	6,360,822	5,799,268	5,422,251	4,828,724
Operating income (loss)	1,594,510	747,195	1,073,881	1,160,695	1,538,453
Non-Operating Revenues (Expenses)	-	-	-	-	
Investment earnings	23,216	5,896	1,711	1,892	3,226
Grant revenue		-	-	-	-
Miscellaneous	8,200	24,552	(264,445)	(353,430)	-
Interest and fiscal charges	(276,951)	(320,521)	-	-	(305,996)
Total non-operating revenues (expenses)	(245,535)	(290,073)	(262,734)	(351,538)	(302,770)
Income (loss) before transfers	1,348,975	457,122	811,147	809,157	1,235,683
Contributions and Transfers					
Capital contribution	406,561	2,337,999	1,059,639	778,266	360,163
Transfers in	-	554,274	802,229	103,050	162,234
Transfers out	(1,194,987)	(1,679,031)	(1,631,660)	(915,991)	(624,787)
Total contributions and transfers	(788,426)	1,213,242	230,208	(34,675)	(102,390)
Change in net assets	560,549	1,670,364	1,041,355	774,482	1,133,293
Fund Balance - Beginning <sup>(a)</sup>	15,798,009	14,127,645	13,086,290	12,815,435	11,682,142
Fund Balance - Ending	\$ 16,358,558	\$ 15,798,009	\$ 14,127,645	\$ 13,589,917	\$ 12,815,435

<sup>(a)</sup> Beginning fund balance restated in fiscal years 2013 and 2015.