



City of Huntsville Texas

Finance Division

Summary Notes to Monthly Finance Report

As of December 31<sup>st</sup> (3rd month of fiscal year)

1 Summary report / monthly explanation for select funds

1.1 **Fiscal Year 2011 Revenues** -> \$53.1M Budget vs. \$5.4M Actual –Revenues are at budget considering seasonal factors. Water – 14%, Wastewater – 2%, Sales Tax – 2% above YTD.

<u>Comparison with Prior Year:</u>	<u>YTD</u> <u>Total Revenue</u>	<u>Dec-Dec</u> <u>Major Sources</u>
General Fund YTD	= +10.9%	+31.0%
Water Fund YTD	= +15.4%	+16.5%
Wastewater Fund YTD	= +8.1 %	+11.6%
Solid Waste Fund YTD	= +8.3%	+8%
Street Fund YTD	= +32.7%	+13.6%
H/M Tax & Tourism	= +20 %	+54%*

\*Two hotels paid for one month last year plus current month

1.2 **Division & capital expenditures** -> Divisions within budget.

1.3 **Interest Revenue:** 84K (over by 32%), with bonds to be amortized. The city has invested in agency notes, muni bonds, and CD's to increase yield with safety. CD and agency quarterly interest not accrued monthly.

1.3.1 Investment shift from 9.7% pools(up from 4%) and 32% (from 27%) new money market, Munis 40% of the investment portfolio to \$15 M. MM and Pools = 42% of invested portfolio. With the maturity of CD's and agency calls, money market and cash increased.

1.4 **Operations:** Production vs. Pumpage: 2.7M gallons (+1.2%) excluding Tenaska for December.

1.5 **Fund Balance:** Water is \$150K over reserve requirement. Wastewater (14% under by 690K); Solid Waste (27%). FY 2011/2012 budget calls for Water transfers to capital that reduce balances, excluding approved water rate changes. The Street Fund has 17% reserves.

**NOTE: 2 months or 16.67% is minimum policy level**

3 Revenue section including sales tax and hotel/motel receipts + Utility Billing status (Tab 3)

(Over/Under average monthly budget refers to an average monthly over the 12 month fiscal year)

3.1 **Total City Utility & Service** revenue is \$6.9M, 7% over YTD budget. Water is 9% over and Wastewater is 3% over budget. Water Sales were up from quarter due to increased usage (19% over last year). Solid Waste is up 8% over last year. Wastewater was up 8% over last year.

3.2 **Sales Tax** receipts are \$1,648K. This is over YTD budget by 5%. Sales tax revenue is 1.3% over last fiscal year collections.

- 3.3 **Property Tax** receipts YTD are \$1,941K, under YTD budget due to timing difference; Taxes are officially due January 1. Delinquent payment from the Arbors Apts. of about \$380K will be maintained as not available for budgeting purposes. Property taxes are expected to end the year even to budget.
- 3.4 **Investment revenues** – YTD interest revenue totaled \$84K (\$2k over YTD budget).
- 3.5 **Hotel/Motel Tax revenues** - \$131K YTD; this is 20% over prior year and -1% under YTD budget. Units with 50 to 100 rooms trended up, while those > 100 (larger motels) and < 50 rooms (smaller) are trending down 2007, to 2010. This year the mid-tiers have shown the greatest variances month to month. Revenue trends show more consistency, and medium received in December compared to November.
- 3.6 **Utility Billing Accounts Receivable** are 98% current, and 1% were between 30-60 days past due. Write-offs totaled \$6,189 for the year. Receivables decreased 5% from prior month.

#### 4 CIP & Grants section

- 4.1 **CIP report** – Remaining budget for Projects is \$15.9M.
- 4.2 **CIP available money vs. budget report** – Net available \$5.71M cash with a budget of \$7.95M, with \$2.16 M from participants or grants. \$3.5M bonds were issued for the Library capital project.

Net Available Cash	\$9.7M
Remaining Budget (incl. 999)	<u>(\$16.1M)</u>
Deficit	<u>(\$6.4M)</u>
Participants & Grants	<u>+ \$6.5M</u>
Net available w/ receivables	<u>1M</u>

#### 5 Expenditure section – Tab 5

- 5.1 **Division budget / actual expenditures / prior year end Amendment (YTD=8%)**

##### Over YTD Budget

Risk:	4%	due to insurance payment
Public Safety Adm.:	29%	
IT	30%	
Airport	56%	

##### Department Overages: None.

All others are under YTD Budget.

- 5.2 Overtime Overages (27% of year):

Public Works (22%), Public Utilities (23%) and Finance 36% (\$3,159).

## 6 Cash Management section (Tab 6)

6.1 Total cash & investment funds were \$36.7M including \$1.5 M in PEB Trust

6.2 Monthly interest rate averages:

<b>Percent of Profile</b>	<b>2.3%</b>	<b>1.4%</b>	<b>3.0%</b>	<b>0%</b>	<b>26.8%</b>	<b>46.5%</b>	<b>10%</b>	<b>5.7%</b>	<b>2.3%</b>
	<b>Cash</b>	<b>Tex Pool</b>	<b>Cutwater TX Class</b>	<b>Logic</b>	<b>ICSA</b>	<b>Securities</b>	<b>CD</b>	<b>TXMR WFB</b>	<b>Comm. Paper</b>
October	0.120%	0.209%	0.300%	0.315%	-	1.88%	1.81%		
November	0.104%	0.211%	0.280%	0.265%	-	1.88%	1.81%		
December	0.026%	0.209%	0.260%	0.227%	-	N/A	1.73%		
January	0.041%	0.163%	0.219%	0.184%	-	N/A	1.51%		
February	0.043%	0.151%	0.235%	0.167%	-	N/A	1.51%		
March	0.006%	0.150%	0.220%	0.170%	-	NA	1.52%		
April	0.100%	0.160%	0.220%	0.180%	-	2.0%	1.52%		
May	0.13%	0.19%	0.23%	0.21%	0.34%	1.64%	1.27%		
June	0.14%	0.21%	0.26%	0.26%	0.40%	1.64%	1.27%	0.34%	
July	0.14%	0.22%	0.28%	0.29%	0.40%	1.66%	1.31%	0.29%	
August	0.15%	0.22%	0.29%	0.32%	0.40%	1.66%	1.31%	0.32%	
Sept	0.13%	0.22%	0.29%	0.29%	0.40%	1.60%	1.23%	0.32%	
Oct 2010	0.10%	0.20%	0.26%	0.23%	0.40%	1.56%	1.18%	0.32%	
Nov 2010	0.14%	0.19%	0.25%	0.22%	0.35%	1.55%	1.18%	0.30%	
Dec 2010	0.0095%	0.20%	0.23%	0.21%	0.32%	1.55%	1.18%	0.30%	
January 2011	0.1260%	0.20%	0.22%	0.21%	0.35%	1.65%	1.19%	0.30%	
Feb 2011	0.10%	0.19%	0.17%	0.21%	0.35%	1.80%	1.18%	0.32%	
March 2011	0.13%	0.19%	0.18%	0.22%	0.30%	1.80%	1.18%	0.32%	
April 2011	0.11%	0.15%	0.17%	0.19%	0.30%	1.76%	1.08%	0.26%	
May 2011	0.05%	0.15%	0.15%	0%	0.30%	1.87%	0.92%	0.26%	
June 2011	0.035%	0.12%	0.16%	0%	0.35%	1.80%	0.92%	0.23%	
July 2011	0.032%	0.09%	0.14%	0%	0.30%	1.74%	0.92%	0.20%	
Aug 2011	0.009%	0.11%	0.14%	0%	0.30%	1.8%	0.92%	0.24%	
Sept 2011	0.008%	0.11%	0.14%	0%	0.30%	1.7%	0.92%	0.20%	
Oct 2011	0.008%	0.10%	0.14%	0%	0.30%	1.81%	0.82%	0.19%	0.83%
Nov 2011	0.005%	0.13%	0.15%	0%	0.30%	1.61%	1.14%	0.20%	0.83%
Dec 2011	0.001%	0.08%	0.15%	0%	0.28%	1.59%	1.13%	0.18%	0.83%

	Cash	Tex Pool	TX Class	Logic	ICSA	Securities Agencies	CD	TXMR WFB	Comm. Paper	Total
March	\$728,818	\$8,710,851	\$9,827,811	\$4,979,504		\$-0-	\$14,029,850			\$38,267,694
April	\$550,940	\$7,227,755	\$14,981,869	\$4,606,242		\$350,000	\$14,020,849			\$41,737,659
May	\$552,460	\$2,717,468	\$12,636,737	\$1,810,970	\$3,500,000	\$6,351,000	\$15,020,850			\$42,589,218
June	\$591,283	\$2,498,267	\$6,070,734	\$1,628,335	\$3,591,381	\$6,351,000	\$15,020,850	\$8,236,057		\$43,897,906
July	\$615,576	\$2,460,816	\$4,104,671	\$1,466,723	\$3,502,570	\$6,225,000	\$13,020,850	\$10,385,932		\$41,782,138
August	\$665,353	\$1,380,153	\$2,777,926	\$2,028,163	\$2,783,603	\$8,531,372	\$13,020,850	\$8,170,347		\$39,357,766
Sept	\$675,307	\$1,397,344	\$1,120,398	\$1,858,690	\$2,725,514	\$10,946,372	\$13,020,850	\$7,750,311		\$39,494,786
Oct 2010	\$955,623	\$1,114,481	\$1,072,840	\$1,496,983	\$2,260,390	\$11,421,371	\$13,020,849	\$8,076,475		\$39,418,796
Nov 2010	\$1,036,744	\$1,148,850	\$1,693,889	\$1,056,180	\$2,090,023	\$10,250,191	\$13,020,850	\$9,926,394		\$40,226,621
Dec 2010	\$915,540	\$896,113	\$1,296,194	\$328,305	\$1,526,024	\$12,671,191	\$13,020,850	\$9,606,968		\$40,261,705
Jan 2011	\$732,539	\$1,374,713	\$1,376,455	\$269,356	\$1,221,024	\$12,405,000	\$11,053,934	\$11,966,564		\$40,339,586
Feb 2011	\$477,591	\$798,626	\$1,258,194	\$77,356	\$1,221,024	\$13,405,000	\$11,053,934	\$11,751,088		\$40,042,813
Mar 2011	\$1,504,375		\$1,118,182	-	\$1,219,663	\$12,105,000	\$11,053,934	\$11,321,799		\$39,313,458
April 2011	\$1,825,597	\$945,462	\$1,324,359	0%	\$1,146,960	\$14,205,000	\$8,553,931	\$10,175,223		
May 2011	\$966,031	\$1,176,855	\$1,451,552	-0-	\$3,951,739	\$13,800,000	\$4,823,521	\$11,668,434		\$37,838,152
June 2011	\$1,170,676	\$637,593	\$1,618,759	0	\$4,247,709	\$14,915,000	\$4,823,521	\$10,474,455		\$37,887,713
July 2011	\$640,452	\$1,073,086	\$1,785,971	0	\$3,915,725	\$16,115,000	\$4,823,521	\$9,129,153		\$37,482,909
Aug 2011	\$716,255	\$596,303	\$419,506	0	\$8,918,700	\$13,740,00	\$4,823,526	\$5,934,993		\$35,149,278
Sept 2011	\$771,364	\$596,366	\$586,587	0	\$9,578,926	\$15,225,000	\$4,823,521	\$3,789,848		\$35,389,594
Oct 2011	\$1,594,871	\$814,281	\$753,647	0	\$6,885,160	\$17,685,000	\$4,823,521	\$2,064,294	\$800,000	\$35,220,776
Nov 2011	\$1,126,960	\$596,391	\$920,754	0	\$11,398,508	\$16,635,000	\$3,170,521	\$1,229,544	\$1,550,000	\$36,618,677
Dec 2011	\$851,724	\$572,365	\$1,087,928	0	9,791,051	\$16,995,000	\$3,666,521	\$2,073,747	\$1,550,000	\$36,518,337

	YTM	Days to Maturity	Duration (in years)	Portfolio Percent
<b>Agencies</b>	1.6%	1,300	3.44	6%
<b>Pools</b>	0.12%	1	0	4.4%
<b>Money Market</b>	0.26%	1	0	34%
<b>Cash</b>	0.001%	1	1	Not Included
<b>CD's</b>	1.13%	386	1.0	10.2%
<b>Municipal Bonds</b>	1.63%	609	1.58	40.6%
<b>Commercial Paper</b>	0.83%	168	0.46	10.2%

**Total Portfolio: WAM 1.03 yrs. and 1.01% YTM for total portfolio, DTC=8 months**

**PEB Trust: Investment: \$1,800,000 December value \$1,758,613.72**

**For Munis: Days to call of 607, Days maturity of 609 days (1.58 yrs. duration), YTM 1.58%**

**For Agencies: Days to Call is 315 days with maturity 1300 days (3.4 yrs. duration), YTM 1.56%**

**Portfolio YTD = 1.09% with 323 days to call, 464 days to maturity, & duration of 1.2 yrs.**

**7 Inventory:**

**Warehouse Inventory by Division:**

**Total on-hand is \$235K**

**Gas and diesel totaled \$50K combined,**

**Street Inventory is \$15.5K.**

**Water inventory is \$122K.**

**Tires inventory is \$17K, (6% increase). FY 2010 ending =9.2K (100% increase)**

Finance Staff