



City of Huntsville Texas

Finance Division

Summary Notes to Monthly Finance Report

As of January 31<sup>st</sup> (4th month of fiscal year)

1 Summary report / monthly explanation for select funds

1.1 **Fiscal Year 2011 Revenues** -> \$ 53.4M Budget vs. \$ 21.3M Actual – Revenues are at budget considering seasonal factors. Water – 7%, Wastewater – 5%, Sales Tax – 0% above YTD.

<u>Comparison with Prior Year:</u>	<u>YTD Total Revenue</u>	<u>Jan-Jan Major Sources</u>
General Fund YTD	= + 4.1%	- 6.7%
Water Fund YTD	= +15.7%	+19.8%
Wastewater Fund YTD	= + 7.8%	+10.3%
Solid Waste Fund YTD	= + 7.5%	+ 5.4%
Street Fund YTD	= +11.2%	+30.1%
H/M Tax & Tourism	= +11.8%	-10.9%

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

1.3 **Interest Revenue:** 109K (over by 30%), 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.

Portfolio Ratio: 1%  
Duration: 1 year

1.3.1 Investment shift to 12% cash and pools (up from 4% two months ago) and 29% money market (down 3%). Munis 39% 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. Shift to cash, CD's, Munis declined to 29% from 45%. Increase investment funds went to cash/pools. The Logic pool was reactivated with rising rates compared to other pools.

1.4 **Operations:** Production vs. Pumpage: 6.5M gallons (+3.2%, up from 1.2%) excluding Tenaska for January.

1.5 **Fund Balance:** Water is \$150K over reserve, estimate is 22% by year end. Wastewater is only at 11%, under by 900K, projected to be 14% to 16% by year end. Solid Waste is 23.5% or 50K over desired amount, but projected to be 19% to 20%, under by 5%. Streets are 11% and projected to end at 10% or below minimum of 16% with capital consideration.

**NOTE: 2 months or 16.67% is minimum policy level**  
**Estimates assume revenue and expenditures at budget and include capital funding. Capital is generally excluded from reserve requirement calculation by policy; but is included here for worst case overview. Wastewater, Solid Waste, and Streets can't sustain capital requirements.**

### **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 \$9M, 5% over YTD budget.  
Water is 7% over and Wastewater is 5% over budget. Water Sales were up from quarter due to increased usage (16% over last year). Solid Waste is up 8% over last year. Wastewater was up 8% over last year.
- 3.2 **Sales Tax** receipts are \$2.1M. This is at YTD budget. Sales tax revenue is 1.6% under last fiscal year collections.
- 3.3 **Property Tax** receipts YTD are \$2.1M, over 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 \$109K (\$25K over YTD budget).
- 3.5 **Hotel/Motel Tax revenues** - \$188K YTD; this is 11% under prior year month and 8% under YTD budget. Hotels with 50 to 100 rooms were down. This year the mid-tiers have shown the greatest variances month to month.
- 3.6 **Utility Billing Accounts Receivable** are 98% current, and 1% were between 30-60 days past due. Write-offs totaled \$8,652 for the year. Receivables decreased 2% from prior month.

### **4 CIP & Grants section**

- 4.1 **CIP report** – Remaining budget for Projects is \$9.5M.

- 4.2 **CIP available money vs. budget report** – Net available \$9.5M cash with a budget of \$15.7M, with \$6.5M from participants or grants. \$3.5M bonds were issued for the Library capital project.

Net Available Cash	\$ 9.5M
Remaining Budget (incl. 999)	<u>(\$15.7M)</u>
Deficit	<u>(\$ 6.2M)</u>
Participants & Grants	<u>+ \$ 6.5M</u>
Net available w/ receivables	.3M

## 5 Expenditure section – Tab 5

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

#### Divisions Over YTD Budget

Risk:	3%	due to insurance payment
Public Safety Adm.:	3.8%	
IT	1.5%	
Airport	6%	
City Attorney	4%	
Main Street	4%	

All others are under YTD Budget.

**Department Overages:** None.

### 5.2 Overtime Overages (35% of year):

Finance 44% or 7% over YTD - Due to Court turnover.

### 5.3 Tire Inventory - Unbudgeted

24% increase from prior months, 146% increase over FY 2010, 42% increase over 9-30-11. Other categories consistent.

### 5.4 Gas usage increased 1,345 gallons in January due to Police, Public Utilities, and County. Diesel usage increased substantially by 2,769 gallons due to Solid Waste.

**6 Cash Management section (Tab 6)**

6.1 Total cash & investment funds were \$39M including \$1.8M in PEB Trust

6.2 Monthly interest rate averages:

<b>Percent of Profile</b>	<b>3%</b>	<b>1.6%</b>	<b>3.2%</b>	<b>4.9%</b>	<b>23.5%</b>	<b>43.6%</b>	<b>10.7%</b>	<b>5.7%</b>	<b>4%</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%	
Jan 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%	
Mar 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%	
Jun 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%	0.18%	0.15%	0%	0.28%	1.59%	1.13%	0.18%	0.83%
Jan 2012	0.001%	0.18%	0.16%	0.25%	0.28%	1.49%	1.13%	0.19%	0.83%

12.7% pools & cash  
29.2% money market  
 41.9% one day liquidity

	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	\$1496,983	\$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	\$13,740,000	\$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
Jan 2012	\$1,147,997	\$611,237	\$1,254,928	\$1,894,000	9,178,051	\$17,015,000	\$4,162,521	\$2,202,747	\$1,550,000	\$39,014,482

	YTM	Days to Maturity	Duration (in years)	Portfolio Percent
<b>Agencies</b>	1.4%	1,278	3.4	6%
<b>Pools</b>	0.22%	1	0	10%
<b>Money Market</b>	0.26%	1	0	30%
<b>Cash</b>	0.001%	1	0	Not Included
<b>CD's</b>	1.13%	508	1.84	11%
<b>Municipal Bonds</b>	1.60%	1,278	1.85	29%
<b>Commercial Paper</b>	0.83%	600	0.38	4%

**Total Portfolio: WAM 371 days and 0.97% YTM for total portfolio**

**PEB Trust: Investment: \$1,800,000 January value \$1,885,071.46**

**For Munis: Days to call of 599, Days maturity of 600 days, YTM 1.6%**

**For Agencies: Days to Call is 360 days with maturity 1278 days, YTM 1.37%**

**Portfolio YTD:**

**Yield 0.97%**  
**YTC 306 days**  
**YTM 371 days**  
**Duration 1.0 yrs.**

**7 Inventory:**

**Warehouse Inventory by Division:**

**Total on-hand is \$239K**  
**Gas and diesel totaled \$53.5K combined,**  
**Street Inventory is \$14K**  
**Water inventory is \$122K**  
**Tire inventory is \$23K, (24% increase). FY 2010 ending = 9.2K (146% increase) and**  
**46% over FY 2011**  
**Inventories show no significant change except tires.**

Finance Staff