



City of Huntsville Texas

Finance Division

Summary Notes to Monthly Finance Report

As of July 31th (10th month of fiscal year)

1 Summary report / monthly explanation for select funds

1.1 Fiscal Year 2012 Revenues → \$ 53.4M Budget vs. \$ 47.9M Actual – Revenues are at budget considering seasonal factors. Water – 9%, Wastewater – 6%, Sales Tax – 0% above YTD budget.

<u>Comparison with Prior Year:</u>	<u>YTD</u> <u>Total Revenue</u>	<u>July-July</u> <u>Major Sources</u>
General Fund YTD	= + 3.2%	+ 10.3%
Water Fund YTD	= + 14.7%	+ 11.7%
Wastewater Fund YTD	= + 5.8%	- 0.9%
Solid Waste Fund YTD	= + 4.0%	+ 5.4%
Street Fund YTD	= + 5.8%	+ 33.1%
H/M Tax & Tourism	= + 6.7%	+ 1.6%
Overall	= + 7.0%	+ 9.5%

1.2 Interest Revenue: 196K 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: 1.01%
Duration: 1 year

70% one year liquidity (one day liquidity down 1%)

Change in Percent of Portfolio:

	<u>June</u>	<u>July</u>
Cash –	0.8% decrease	0.7% increase
Money Market –	same	2.2% decrease
CP –	2.6% decrease	1.3% decrease
CDs –	1.0% increase	1.8% decrease
Pools –	1.8% decrease	0.3% increase
Bonds –	2.3% increase	0.6% increase

Increase in Bonds and CDs.

1.3 Operations: Production vs. Pumpage: Production: 247M
 Pumpage: 269M
 Change: 8.5% more pumpage.

1.4 Fund Balance:

	<u>June</u>	<u>Projected Year End</u>
GF	41%	27%
W	38%	19%
WW	32%	8%
SW	35%	16.5%
Streets	0%	11%
Medical	53%	50%

*Assume all budget spent compared with current year expenses and capital.

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. Solid Waste and Streets can't sustain capital requirements. Policy goal is 25% fund balance to expenditures.

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 \$23M, 7% over YTD budget. Water is 9% over and Wastewater is 6% over budget. Solid Waste is 0% at budget. Wastewater was down 1% over last year and Water is up 11.7% over last year.
- 3.2 **Sales Tax** receipts are \$5.3M. This is 0% over YTD budget. Sales tax revenue is 10.9% over the same month last year, and just under last fiscal year collections.
- 3.3 **Property Tax** receipts YTD are \$4.9M. 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 over budget.
- 3.4 **Investment revenues** – YTD interest revenue totaled \$196K (7% under YTD budget).
- 3.5 **Hotel/Motel Tax revenues** - \$478K YTD; this is 18% over prior year month and 9% over YTD budget. Hotels with 50 to 100 rooms were down. This year the mid-tiers have shown the greatest variances month to month. Collections to date are 6% over the prior year and 18% over the same month last year.
- 3.6 **Utility Billing Accounts Receivable** are 97.3% current, and 2.1% were between 30-60 days past due. Write-offs totaled \$19,743 for the year. Receivables increased \$236K with \$142K within 30 days current.

4 CIP & Grants section

4.1 **CIP report** – Remaining budget for Projects is \$13.5M.

4.2 **CIP available money vs. budget report** – Net available \$7.6M cash with a budget of \$13.5M, with \$6.2M from participants or grants. \$3.5M bonds were issued for the Library capital project.

Net Available Cash	\$ 7.7M
Remaining Budget (incl. 999)	<u>(\$13.5M)</u>
Deficit	(\$ 5.8M)
Participants & Grants	<u>+ \$ 6.2M</u>
Net available w/ receivables	0.4M

5 Expenditure section – Tab 5

5.1 **Division budget / actual expenditures / prior year end Amendment**

Divisions over YTD Budget: Airport, 2.4%; Engineering, 2%; Public Safety Admin., 3.5%; Arts Center, 3%; City Manager, 26%; Commercial Collection, 2.5%.

Department Overages: Charter Officer at 87% vs. 83% YTD budget.

Fund Overages: YTD target should be 25%. Streets FB < 0.

5.2 Overtime Overages (68% of 85% for year):

Finance 95% or 10% over YTD - Due to Court turnover, funds are available.

5.3 Tire Inventory - Unbudgeted

Tire inventory decreased by \$8K to \$20K or 54% over 9/30/2010 level. Does not include expensed and stored tires outside of inventory (1/2 of purchases).

5.4 Gas usage decreased 420 gallons in July. Public Safety increased usage, while Parks decreased usage. Diesel usage increased 239 gallons.

5.5 Inventory: Decreased 10K from prior month, equal to FY end 2011. Does not include parts and tires expended directly or stored outside of inventory.

Note: ½ parts costs are expended directly.

6 Cash Management section (Tab 6)

6.1 Total cash & investment funds were \$41M including \$1.9M in PEB Trust

6.2 Monthly interest rate averages:

Percent of Profile	2.5%	1.5%	5.2%	2.2%	19.6%	49.6%	13.6%	1.8%	4%
	Cash	Tex Pool	Cutwater TX Class	Logic	ICSA	Securities	CD	TXMR WFB	Comm. Paper
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%
Feb 2012	0.001%	0.16%	0.25%	0.28%	0.30%	1.50%	0.96%	0.20%	1.13%
Mar 2012	0.036%	0.13%	0.24%	0.29%	0.28%	1.50%	0.91%	0.15%	1.13%
April 2012	0.063%	0.15%	0.25%	0.28%	0.28%	1.45%	0.95%	0.25%	1.16%
May 2012	0.054%	0.16%	0.26%	0.27%	0.30%	1.46%	0.97%	0.26%	1.18%
Jun 2012	0.063%	0.17%	0.26%	0.25%	0.30%	1.45%	0.92%	0.24%	0.93%
July 2012	0.054%	0.17%	0.24%	0.18%	0.27%	1.45%	0.88%	0.28%	0.94%

11.4% pools & cash
21.4% money market
 32.8% one day liquidity

Liquidity decreased 1%.

One month availability = 33.2% + 2.5% cash = 35.7%
 Three month availability = 35.7% + 5.1% = 40.8%
 Six Month availability = 40.8% + 7.0% = 47.8%
 Within one year = 21.2% + 8.3% + 40.8% = 70.3%

NOTE: Excludes callable date considerations.

	Cash	Tex Pool	TX Class	Logic	ICSA	Securities Agencies	CD	TXMR WFB	Comm. Paper	Total
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
Feb 2012	\$866,666	\$611,380	\$1,232,237	\$2,377,509	\$8,397,427	\$18,120,000	\$4,162,521	\$1,230,928	\$2,400,000	\$39,398,863
Mar 2012	\$710,491	\$591,026	\$1,399,529	\$3,092,969	\$8,379,540	\$17,920,000	\$3,418,521	\$798,049	\$2,400,000	\$38,710,123
April 2012										
May 2012	\$1,010,363	\$591,693	1,734,227	\$1,737,958	\$7,759,464	\$18,180,000	\$4,145,521	\$774,379	\$3,100,000	\$39,033,607
June 2012	\$704,273	\$591,639	\$1,901,635	\$903,231	\$8,577,496	\$19,265,000	\$4,633,521	\$709,533	\$2,100,000	\$39,386,330
July 2012	\$977,025	\$612,745	\$2,069,061	\$873,414	\$7,757,525	\$19,610,000	\$5,361,521	\$708,686	\$1,600,000	\$39,569,977

PEB Trust Equities: \$1,907,473.
\$1,882,198
2% return or 1.55% avg. annual thru June (2nd Qtr.)

	YTM	Days to Maturity	Duration (in years)	Portfolio Percent
Agencies	1.4%	1,452	3.88	8.5%
Pools	0.23%	1	0	9.2%
Money Market	0.27%	1	0	22%
Cash	0.054%	1	0	Not Included
CD's	0.88%	445	1.20	14%
Municipal Bonds	1.85%	496	1.30	42%

Commercial Paper	0.94%	132	0.36	4.1%
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Shift to agencies, reduction in pools and CP.
Slight shift to agencies and CDs. Decrease in money market (ICSA).

Total Portfolio: WAM 401 days and 1.011% YTM for total portfolio

For Munis: Days to call of 489; Days maturity of 496 days, YTM 1.55%
For Agencies: Days to Call is 311 days with maturity 1452 days, YTM 1.35%
For Corporate: Days to Maturity = 132; YTM = 0.94%

Portfolio YTD:
Yield 1.01%
Days to Call 286 days
Days to Maturity 401 days
Duration 1.06 yrs.

Reduction in ICSA and commercial paper.

Increase in CDs and securities.

7 Inventory:

Warehouse Inventory by Division:

Total on-hand is \$238K
Gas and diesel totaled \$37K combined, a decrease of \$900
Street Inventory is \$19K
Water inventory is \$134K
Tire Inventory:
FY Ending 2009 = 10.7K
FY Ending 2011 = 9.3K
FY Ending 2010 = 10.7K
FY Ending 2011 = 16K
May, 2012 = 16.5K
June, 2012 = 28.8K
July, 2012 = 20.1K

Finance Staff