



City of Huntsville Texas

Finance Division

Summary Notes to Monthly Finance Report

As of June 30th (9th month of fiscal year)

1 Summary report / monthly explanation for select funds

1.1 Fiscal Year 2012 Revenues -> \$ 53.4M Budget vs. \$ 41.9M Actual – Revenues are at budget considering seasonal factors. Water – 7%, Wastewater – 5%, Sales Tax – 1% above YTD budget.

<u>Comparison with Prior Year:</u>	<u>YTD</u> <u>Total Revenue</u>	<u>June-June</u> <u>Major Sources</u>
General Fund YTD	= + 1.5%	- 3.2%
Water Fund YTD	= + 15.2%	+ 8.8%
Wastewater Fund YTD	= + 6.6%	+ 0.1%
Solid Waste Fund YTD	= + 6.0%	+ 4.7%
Street Fund YTD	= + 1.6%	+ 9.5%
H/M Tax & Tourism	= + 5.0%	+ .73%
Overall	= + 6.7%	+ 9.5%

1.2 Interest Revenue: 178K 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: 0.99%
Duration: 1 year

62% one year liquidity (one day liquidity up 4.5%)

Change in Percent of Portfolio:

- Cash – 0.8% decrease
- Money Market – same
- CP – 2.6% decrease
- CDs – 1.0% increase
- Pools – 1.8% decrease
- Bonds – 2.3% increase

Increase in Bonds and CDs.

1.3 Operations: Production vs. Pumpage: Production: 245M
 Pumpage: 257M
 Change: 5% more pumpage.

1.4 Fund Balance:

	<u>June</u>	<u>Projected Year End</u>
GF	38%	27%
W	36%	57%
WW	30%	12%
SW	30%	16.7%
Streets	1%	11%
Medical	50%	50%

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 \$20.5M, 6% over YTD budget. Water is 7% over and Wastewater is 5% over budget. Solid Waste is 3% under YTD budget. Wastewater was up 7% over last year and Water is up 15% over last year.
- 3.2 **Sales Tax** receipts are \$4.8M. This is 1% over YTD budget. Sales tax revenue is 4.6% over the same month last year, and 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 \$179K (6% under YTD budget).
- 3.5 **Hotel/Motel Tax revenues** - \$417K YTD; this is 25% over prior year month and 5% 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 5% over the prior year and 0.73% over the same month last year.
- 3.6 **Utility Billing Accounts Receivable** are 97.6% current, and 1.9% were between 30-60 days past due. Write-offs totaled \$18,502 for the year. Receivables increased \$142K with \$16K within 30 days current.

4 CIP & Grants section

4.1 **CIP report** – Remaining budget for Projects is \$14M.

4.2 **CIP available money vs. budget report** – Net available \$7.6M cash with a budget of \$13.6M, with \$6.2M from participants or grants. \$3.5M bonds were issued for the Library capital project.

Net Available Cash	\$ 7.6M
Remaining Budget (incl. 999)	(\$13.6M)
Deficit	(\$ 6.0M)
Participants & Grants	+ \$ 6.2M
Net available w/ receivables	0.2M

5 Expenditure section – Tab 5

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

Divisions over YTD Budget: City Attorney, 2%; Airport, 9%; Engineering, 2%; Public Safety Admin., 4%; Arts Center, 3%; City Manager, 28%.

Department Overages: Charter Officer at 80% vs. 75% YTD budget.

Fund Overages: YTD target should be 25%. Medical Fund = 18%.

5.2 Overtime Overages (53% of year):

Finance 91% or 18% over YTD - Due to Court turnover, funds are available.

5.3 Tire Inventory - Unbudgeted

Tire inventory increased \$18K to \$29K or 163% over 9/30/2010 level. Does not include expensed and stored tires outside of inventory (1/2 of purchases).

5.4 Gas usage increased 493 gallons in June, (up from 1300 gallons in May). Public Works (Streets) increased usage of diesel and gas.

5.5 Inventory: Decreased 12K from prior month, 3% over 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 \$1.83M in PEB Trust

6.2 Monthly interest rate averages:

Percent of Profile	1.8%	1.5%	4.8%	2.3%	21.8%	49%	11.8%	1.8%	5.3%
	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%

10.3% pools & cash
23.6% money market
 33.9% one day liquidity

Liquidity increased 4.5%.

One month availability = 35.5% + 1.8% cash = 37.3%
 Three month availability = 40% + 1.8% = 41.8%
 Six Month availability = 56.4% + 1.8% = 58.2%
 Within one year = 60.2% + 1.8% = 62%

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	\$13,740,00	\$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
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

PEB Trust Equities: \$1,830,000.
1,882,198
2% return or 1.55% avg. annual thru June

	YTM	Days to Maturity	Duration (in years)	Portfolio Percent
Agencies	1.4%	1,519	4.05	8.7%
Pools	0.24%	1	0	8.7%
Money Market	0.29%	1	0	24%
Cash	0.001%	1	0	Not Included
CD's	0.92%	454	1.22	12%
Municipal Bonds	1.45%	524	1.37	41%
Commercial Paper	0.93%	129	0.35	5.4%

Shift to agencies, reduction in pools and CP.

Total Portfolio: WAM 392 days and 0.99% YTM for total portfolio

For Munis: Days to call of 5432 Days maturity of 551 days, YTM 1.45%

For Agencies: Days to Call is 492 days with maturity 1445 days, YTM 3.83%

Portfolio YTD:

Yield	0.97%
Days to Call	302 days
Days to Maturity	409 days
Duration	1.08 yrs.

Reduction in Logic Pools, TX MR Money Market.

Increase in TX Class Pool, ICSA Money Market, Agencies, CDs, and CP.

7 Inventory:

Warehouse Inventory by Division:

Total on-hand is \$247K
Gas and diesel totaled \$38K combined, an decrease of \$25K
Street Inventory is \$22K
Water inventory is \$130K
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

Finance Staff