



City of Huntsville Texas

Finance Division

Summary Notes to Monthly Finance Report

As of March 31st (6th month of fiscal year)

1 Summary report / monthly explanation for select funds

1.1 Fiscal Year 2011 Revenues → \$ 53.4M Budget vs. \$ 29.1M Actual – Revenues are at budget considering seasonal factors. Water – 3%, Wastewater – 4%, Sales Tax – 2% above YTD.

<u>Comparison with Prior Year:</u>	<u>YTD</u> <u>Total Revenue</u>	<u>Mar-Mar</u> <u>Major Sources</u>
General Fund YTD	= + 4.4%	-0.2%
Water Fund YTD	= + 16.9%	24.8%
Wastewater Fund YTD	= + 7.7%	17.5%
Solid Waste Fund YTD	= + 5.9%	-0.9%
Street Fund YTD	= + 3.7%	82.4%
H/M Tax & Tourism	= + 4.6%	-35.0%

1.2 Division & capital expenditures → Airport SRF, Public Safety Admin, City Attorney, and Arts SRF are over YTD budget with Airport and Arts timing of expenditures related. Additionally, the following are over YTD budget:
Capital Equipment, Medical, and Streets.

1.3 Interest Revenue: 132K (over by 4%). 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: 0.98%
Duration: 1 year

1.3.1 Investment shift to 15% cash and pools (up from 4% three months ago) and 24% money market (same as prior months). Munis 39% of the investment portfolio to \$16 M. MM and Pools = 39% of invested portfolio. With the maturity of CD's and agency calls, money market and cash increased. The Logic pool was reactivated with rising rates compared to other pools. Increased shift to Munis/Agencies with investments maturing.

1.4 Operations: Production vs. Pumpage: Production: 206M
 Pumpage: 212M
 Change: -2.62% more pumpage, change of
 0.77% from prior month production.

1.5 Fund Balance:

	<u>February</u>	<u>Projected Year End</u>
GF	42%	19% - 22%
W	30%	24%
WW	21%	21%
SW	28%	16.7%
Streets	8%	7%

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.

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 \$13.4M, 4% over YTD budget. Water is 3% over and Wastewater is 4% over budget. Solid Waste is 5% over YTD budget (6% over last year). Wastewater was up 7% over last year and Water is up 17% over last year.
- 3.2 **Sales Tax** receipts are \$3.3M. This is 2% over YTD budget. Sales tax revenue is 0.4% under last fiscal year collections.
- 3.3 **Property Tax** receipts YTD are \$4.8M, over YTD budget due. 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 \$132K (4% over YTD budget).
- 3.5 **Hotel/Motel Tax revenues** - \$266K YTD; this is 39% under prior year month and 3.6% over 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 2% were between 30-60 days past due. Write-offs totaled \$8,829 for the year. Receivables increased 16% from prior month.

4 CIP & Grants section

- 4.1 **CIP report** – Remaining budget for Projects is \$15.4M.

4.2 **CIP available money vs. budget report** – Net available \$9.4M cash with a budget of \$15.4M, with \$6.3M from participants or grants. \$3.5M bonds were issued for the Library capital project.

Net Available Cash	\$ 9.4M
Remaining Budget (incl. 999)	<u>(\$15.4M)</u>
Deficit	<u>(\$ 6.0M)</u>
Participants & Grants	<u>+ \$ 6.3M</u>
Net available w/ receivables	0.3M

5 Expenditure section – Tab 5

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

Divisions Over YTD Budget

Public Safety Adm.	4%
Airport	39%
City Attorney	2%
Arts Center	4%
Recycling	16%

All others are under YTD Budget.

Fund Overages: YTD target should be Airport - 46%; Arts Center – 45%; Medical – 39%; Capital – 8%.

5.2 Overtime Overages (50% of year):

Finance 70% or 20% over YTD - Due to Court turnover.

5.3 Tire Inventory - Unbudgeted

Tire inventory reduced \$7,500 (34%) to approximate levels of 9/30/2011, which is 60% over 9/30/2010 level.

5.4 Gas usage decreased 400 gallons in March.
Diesel usage increased by 1,410 gallons due to Solid Waste.

5.5 Inventory: 5% decrease from prior month; 3% over FY end 2010.
Note: ½ parts costs are expended directly.

6 Cash Management section (Tab 6)

6.1 Total cash & investment funds were \$40.7M including \$1.9M in PEB Trust

6.2 Monthly interest rate averages:

Percent of Profile	2.2%	1.6%	3.1%	6%	21%	46%	10.5%	37%	6%
	Cash	Tex Pool	Cutwater TX Class	Logic	ICSA	Securities	CD	TXMR WFB	Comm. Paper
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%
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%

15% pools & cash
24% money market
 39% one day liquidity

Liquidity increased 2%.

	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
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

PEB Trust Equities: \$1,900,000.

	YTM	Days to Maturity	Duration (in years)	Portfolio Percent
Agencies	1.4%	1,389	3.68	5.4%
Pools	0.26%	1	0	13.3%
Money Market	0.27%	1	0	24.1%
Cash	0.001%	1	0	Not Included
CD's	0.91%	407	1.6	9.1%
Municipal Bonds	1.60%	564	1.48	41.7%

Commercial Paper	1.13%	111	0.30	6.3%
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Total Portfolio: WAM 354 days and 0.98% YTM for total portfolio

For Munis: Days to call of 563, Days maturity of 564 days, YTM 1.6%

For Agencies: Days to Call is 330 days with maturity 1389 days, YTM 1.4%

Portfolio YTD:

Yield 0.98%
 YTC 286 days
 YTM 354 days
 Duration 1.0 yrs.

7 Inventory:

Warehouse Inventory by Division:

Total on-hand is \$248K
 Gas and diesel totaled \$54K combined, a decrease of \$13K
 Street Inventory is \$21K
 Water inventory is \$129K
 Tire Inventory:
 March 2012 = 14.9K
 FY Ending 2011 = 9.3K
 FY Ending 2010 = 10.7K

Finance Staff