



City of Huntsville Texas

Finance Division

Summary Notes to Monthly Finance Report

As of May 31st (8th month of fiscal year)

1 Summary report / monthly explanation for select funds

1.1 Fiscal Year 2012 Revenues -> \$ 53.4M Budget vs. \$ 38.3M Actual – Revenues are at budget considering seasonal factors. Water – 6%, Wastewater – 6%, Sales Tax – 3% above YTD budget.

<u>Comparison with Prior Year:</u>	<u>YTD</u> <u>Total Revenue</u>	<u>May-May</u> <u>Major Sources</u>
General Fund YTD	= + 2.3%	- 1.7%
Water Fund YTD	= + 16.1%	+ 18.2%
Wastewater Fund YTD	= + 7.3%	+ 11.0%
Solid Waste Fund YTD	= + 6.0%	+ 11.8%
Street Fund YTD	= + 1.5%	- 41.7%
H/M Tax & Tourism	= + 4.5%	- 21%
Overall	= + 7.3%	+ 10.1%

1.2 Division & capital expenditures – Divisions over YTD Budget: City Attorney, 2%; Airport, 17%; Engineering, 1%; Police Grants, 3%; Arts Center, 3%.

1.3 Interest Revenue: 151K 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

65% one year liquidity (one day liquidity down 10%)

Decrease to:
Money Market down from 24% to 22%. Increase to Commercial paper (2.5% increases), CD's (1% increase), Logic (1%), ICSA Money Market (-2.3%), Securities (-2.8%). Money Market & Pools, and cash is 29% of portfolio..

1.4 Operations: Production vs. Pumpage: Production: 251M
 Pumpage: 261M
 Change: 4.03% more pumpage.

1.5 Fund Balance:

	<u>April</u>	<u>Projected Year End</u>
GF	44%	19% - 22%
W	25%	24%
WW	24%	21%
SW	24%	16.7%
Streets	7%	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 \$18.1M, 5% over YTD budget. Water is 6% over and Wastewater is 5% over budget. Solid Waste is 4% under YTD budget. Wastewater was up 7% over last year and Water is up 16% over last year.
- 3.2 **Sales Tax** receipts are \$4.3M. This is 3% over YTD budget. Sales tax revenue is 0.71% 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 \$151K (11% under YTD budget).
- 3.5 **Hotel/Motel Tax revenues** - \$367K YTD; this is 25% over prior year month and 4% 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 2.7% over the prior year.
- 3.6 **Utility Billing Accounts Receivable** are 96% current, and 3.7% were between 30-60 days past due. Write-offs totaled \$17,882 for the year. Receivables increased \$332K with \$265K 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 \$8.0M cash with a budget of \$14.M, with \$6.2M from participants or grants. \$3.5M bonds were issued for the Library capital project.

Net Available Cash	\$ 8.0M
Remaining Budget (incl. 999)	<u>(\$14.0M)</u>
Deficit	<u>(\$ 6.0M)</u>
Participants & Grants	<u>+ \$ 6.2M</u>
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, 17%; Engineering, 1%; Police Grants, 3%; Arts Center, 3%.

Department Overages: Charter Officer at 74% vs. 67% YTD budget.

Fund Overages: YTD target should be Airport - 42%; Arts Center – 41%; Medical – 32%; Capital – 3%, Court security -25%, Court Tech -37%, Police Grants – 32%.

5.2 Overtime Overages (53% of year):

Finance 87% or 17% over YTD - Due to Court turnover, funds are available.

5.3 Tire Inventory - Unbudgeted

Tire inventory increased \$18K to \$16K or 56% over 9/30/2010 level. Does not include expensed and stored tires outside of inventory.

5.4 Gas usage increased 1300 gallons in May, (up from 120gallons in April).

All departments increased usage except for Police & Fire.

Diesel usage decreased by 1,867 gallons due to Street department.

5.5 Inventory: Increased 14% from prior month, 6% over FY end 2011. Does not include parts and tires expensed directly or stored outside of inventory.

Note: ½ parts costs are expensed directly. Inclusive of expensed/stored inventory is 24% over FY end 2011 and no change from prior month.

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	2.6%	1.5%	4.4%	4.5%	19.9%	46.6%	10.6%	2%	7.9%
	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%

8.5% pools & cash
21.9 % money market
 29.4 % one day liquidity

Liquidity decreased 10%.

One month availability = 37% + 2.5% cash = 39.5%
 Three month availability = 41% + 2.5% = 43.5%
 Six Month availability = 48% + 2.5% = 50%
 Within one year = 62.71% + 2.5% = 65%

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

PEB Trust Equities: \$1,830,000.

	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	0.97%	504	1.4	11%
Municipal Bonds	1.60%	564	1.48	41.7%
Commercial Paper	1.0%	112	0.31	8%

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 0.99%
YTC 306 days
YTM 392 days
Duration 1.0 yrs.

Significant Position Changes: Increase cash, reduction of Logic pool and ICSA money market. Increase to CD and Commercial Paper

7 Inventory:

Warehouse Inventory by Division:

Total on-hand is \$256K
Gas and diesel totaled \$63K combined, an decrease of \$28K
Street Inventory is \$22K
Water inventory is \$128K
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

Finance Staff