



City of Huntsville Texas

Finance Division

Summary Notes to Monthly Finance Report

As of November 30th (2nd month of fiscal year)

1 Summary report / monthly explanation for select funds

1.1 **Fiscal Year 2011 Revenues** -> \$53.1M Budget vs. \$5.4M Actual –Revenues are at budget considering seasonal factors. Water – 14%, Wastewater – 2%, Sales Tax – 2% above YTD.

| <u>Comparison with Prior Year:</u> | <u>Total Revenue</u> | <u>Major Sources</u> |
|------------------------------------|----------------------|----------------------|
| General Fund YTD | = + 3.6% | |
| Water Fund YTD | = +15.1% | |
| Wastewater Fund YTD | = + 3.7% | |
| Solid Waste Fund YTD | = + 7.3% | |
| Street Fund YTD | = +13.9% | |
| H/M Tax & Tourism | = +14.0% | |

* No franchise tax was collected compared to prior year.

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

1.3 **Interest Revenue:** -88% (under by \$9K), 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.

1.3.1 Investment shift from 4% pools to 35.0% (from 27%) to new money market. While agencies were reduced, Munis rose to 39% of the investment portfolio to \$14M. MM and Pools = 35% of invested portfolio. Securities increased with the availability of short term and no availability of state agencies at FYE.

1.4 **Operations:** Production vs. Pumpage: -2,456,000 gallons (-1%) excluding Tenaska (62.8M gallons) for November. 229 M pumped in Nov vs. 227M produced, excluding Tenaska. Tenaska volume decreased from 139M to 62.8M gallons. (Revenue down \$46.6K).

1.5 **Fund Balance:** Water is \$638K under reserve requirement at 22%. Wastewater (8%); Solid Waste (30%). FY 2011/2012 budget calls for Water transfers to capital that reduce balances, excluding approved water rate changes. The Street Fund has 16% reserve goal.

**NOTE: 2 months or 16.67% is minimum policy level
Goal: 25%**

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 \$9.7M, 100% of YTD budget. Water is 13% over and Wastewater is 5% over budget. Water Sales were up with rate income but usage was down \$26K (15% over last year). Solid Waste is up 7% over last year. Wastewater was up 3.7% over last year.

- 3.2 **Sales Tax** receipts are \$1,211K. This is over YTD budget by 15%. Sales tax revenue is 2.4% over last fiscal year collections.
- 3.3 **Property Tax** receipts YTD are \$556K, under 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 \$51K (under budget - timing).
- 3.5 **Hotel/Motel Tax revenues** - \$103K YTD; this is 14% over prior year and 17% over YTD budget. For several years, units with 50 to 100 rooms were trending up, while those > 100 (larger motels) and < 50 rooms (smaller) were trending down since 2007. In 2010-11, the mid-tiers showed the greatest variances month to month. This year all tiers are showing a rebound, smaller units generally holding.
- 3.6 **Utility Billing Accounts Receivable** are 98% current, and 1.5% were between 30-60 days past due. Write-offs totaled \$4,454 for the year. Receivables increased 5% from prior month.

4 CIP & Grants section

- 4.1 **CIP report** – Remaining budget for Projects is \$15.8M.
- 4.2 **CIP available money vs. budget report** – Net available \$9.3M cash with a budget of \$15.8M, with \$6.5M from participants, grants, and bonds. \$3.5M bonds were issued for the Library capital project.

| | |
|------------------------------|-----------|
| Net Available Cash | \$ 9.4M |
| Remaining Budget (incl. 999) | (\$15.8M) |
| Deficit | (\$ 6.4M) |
| Participants & Grants | + \$ 6.7M |
| Net available w/ receivables | \$.1M |

5 Expenditure section – Tab 5

- 5.1 **Division budget / actual expenditures / prior year end Amendment (YTD=17%)**

Over YTD Budget

| | | |
|----------------------|-----|-------------------------------------|
| Risk: | 39% | due to insurance payment |
| Adm.: | 19% | |
| Community Service: | 19% | |
| IT: | 23% | due to beginning of year purchasing |
| Main Street: | 23% | fall activities |
| Public Safety Admin: | 21% | overtime |

Department Overages: None.

All others are under YTD Budget.

- 5.2 Overtime Overages:

Public Works 19% (\$7,155) and Finance 31% (\$2,709).

6 Cash Management section (Tab 6)

6.1 Total cash & investment funds were \$36.7M including \$1.5 M in PEB Trust

6.2 Monthly interest rate averages:

| Percent of Profile | 3.1% | 1.6% | 2.5% | 0% | 31% | 45.4% | 8.7% | 3.4% | 2.3% |
|---------------------------|-------------|-----------------|--------------------------|--------------|-------------|-------------------|-------------|-----------------|--------------------|
| | 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% |

| | 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 |
| Jun 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 |

Invested in Debt Trust \$1,800,000

| | YTM | Days to Maturity | Duration (in years) | Portfolio Percent |
|-------------------------|--------|------------------|---------------------|-------------------|
| Agencies | 1.66% | 1,220 | 3.22 * | 7.5% |
| Pools | 0.14% | 1 | 0 | 4.3% |
| Money Market | 0.29% | 1 | 0 | 35.5% |
| Cash | 0.005% | 1 | 1 | Not Included |
| CD's | 1.14% | 365 | 0.98 | 9% |
| Municipal Bonds | 1.57% | 620 | 1.61 | 39.4% |
| Commercial Paper | 0.83% | 199 | 0.54 | 4.4% |

*Note effective duration for agencies is approximately 1.25 years.

**Total Portfolio: WAM 377 days and 0.99% YTM for total portfolio, YTC=9 months
Duration = 1 year**

PEB Trust: Investment: \$1,580,000 Nov. 2011 investment

For Munis: Days maturity of 619 days (1.6 yrs. duration)

For Agencies: Days to Call is 238 days with maturity 1220 days (3.4 yrs. duration)

Portfolio YTD = 0.99% with 270 days to call, 349 days to maturity, & duration of 3.2 yrs.
Effective duration is closer to 1.25 years.

7 Inventory:

Warehouse Inventory by Division:

Total on-hand is \$217K
Gas and diesel totaled \$64K, increase of \$18K
Street Inventory is \$16K
Water Inventory is \$129K
Tires increased \$17K to \$20K

\$2.93 average Gas cost
\$3.05 average expensed in November
\$3.37 average Diesel cost

Finance Staff