



**City of Huntsville Texas**

**Finance Division**

**Summary Notes to Monthly Finance Report**

**As of September 30<sup>th</sup> (12th 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>Sept.-Sept.</u> <u>Major Sources</u>
General Fund YTD	= + 3.7%	- 0.8%
Water Fund YTD	= + 11.9%	+ 12.6%
Wastewater Fund YTD	= + 4.1%	- 6.9%
Solid Waste Fund YTD	= + 2.1%	+ 5.3%
Street Fund YTD	= + 5.3%	+ 7.5%
H/M Tax & Tourism	= + 9.0%	+ 11.9%
Overall	= + 5.3%	- 24.0%

**Sales Tax: -1.4% YTD (\$90,890)**

**1.2 Interest Revenue:** 278K 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: 1.05%  
Duration: 1.2 years

64% one year liquidity (one day liquidity down 6%)

Change in Percent of Portfolio:

Cash –	0.69% increase
Money Market –	4.24% decrease
CP –	0.1% increase
CDs –	2.0% increase
Pools –	0.5% increase
Bonds –	0.6% increase

Increase in CDs; decrease in money market.

**1.3 Operations:** Production vs. Pumpage:      Production: 267M  
    Pumpage: 288M  
    Change: 8.0% more pumpage.

#### 1.4 Fund Balance:

	<u>Aug.</u>	<u>Projected Year End</u>
GF	43%	27%
W	48%	19%
WW	13%	8%
SW	33%	16.5%
Streets	23%	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 \$56M, 4% over YTD budget. Water is 12% over and Wastewater is 6% over budget. Solid Waste is 2% under. Wastewater was up 4.1% over last year and Water is up 11.9% over last year.
- 3.2 **Sales Tax** receipts are \$6.4M. This is 1% over YTD budget. Sales tax revenue is 1.4% over the same month last year, and just under last fiscal year collections (\$51,107).
- 3.3 **Property Tax** receipts YTD are \$5.0M. 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 \$278K (10% over YTD budget).
- 3.5 **Hotel/Motel Tax revenues** - \$571K YTD; this is 9% over prior year month and 8% over YTD budget. Hotels with 50 to 100 rooms were up. Other room categories remained the same.
- 3.6 **Utility Billing Accounts Receivable** are 98.8% current, and 1.0% were between 30-60 days past due. Write-offs totaled \$23,732 for the year. Receivables increased \$86K with \$24K within 30 days current.

### 4 CIP & Grants section

4.1 **CIP report** – Remaining budget for Projects is \$11.8M.

4.2 **CIP available money vs. budget report** – Net available \$7.5M cash with a budget of \$10.5M, with \$3.4M from participants or grants.

Net Available Cash	\$ 8.9M
Remaining Budget (incl. 999)	<u>(\$11.8M)</u>
Deficit	(\$ 2.9M)
Participants & Grants	<u>+ \$ 3.4M</u>
Net available w/ receivables	0.5M

## 5 **Expenditure section – Tab 5**

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

Divisions over YTD Budget: City Attorney, 105%.

Department Overages: None.

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

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

Finance 107% or 9% 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 3000 gallons in Sept. Diesel usage increased 4400 gallons.

### 5.5 Inventory: Increased 34K from prior month. Does not include parts and tires expended directly or stored outside of inventory. Gas, diesel, and tires increased.

Note: ½ parts costs are expended directly.

## 6 **Cash Management section (Tab 6)**

6.1 Total cash & investment funds were \$38M including \$1.9M in PEB Trust

6.2 Monthly interest rate averages:

<b>Percent of Profile</b>	<b>2.7%</b>	<b>1.6%</b>	<b>2.0%</b>	<b>.5%</b>	<b>11.6%</b>	<b>53%</b>	<b>17%</b>	<b>6.8%</b>	<b>4.4%</b>
	<b>Cash</b>	<b>Tex Pool</b>	<b>Cutwater TX Class</b>	<b>Logic</b>	<b>ICSA</b>	<b>Securities</b>	<b>CD</b>	<b>TXMR WFB</b>	<b>Comm. Paper</b>
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%
Aug 2012	0.054%	0.15%	0.23%	0.19%	0.27%	1.45%	0.91%	0.27%	0.94%
Sept 2012	0.077%	0.17%	0.24%	0.19%	0.27%	1.45%	0.89%	0.27%	0.94%

4.8% pools & cash  
18.5% money market  
23.3% one day liquidity

Liquidity decreased 5%.

One month availability = 29.7%  
Three month availability = 34.08%  
Six Month availability = 51.76%  
Within one year = 63.51%

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
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
Aug 2012	\$786,551	\$592,035	\$563,878	\$198,476	\$5,910,184	\$19,535,000	\$5,601,524	\$2,493,992	\$1,600,000	\$37,281,637
Sept 2012	\$987,399	\$591,938	\$731,012	\$188,507	\$4,228,312	\$19,340,000	\$6,197,521	\$2,481,488	\$1,600,000	\$36,346,177

PEB Trust Equities: \$1,991,175. 5.8% return or 3.3% avg. annual thru Sept. (3rd Qtr.)

	YTM	Days to Maturity	Duration (in years)	Portfolio Percent
<b>Agencies</b>	1.32%	1,451	3.8	10.9%
<b>Pools</b>	0.21%	1	0	4.3%
<b>Money Market</b>	0.27%	1	0	19%
<b>Cash</b>	0.077%	1	0	Not Included
<b>CD's</b>	0.89%	456	1.23	17.6%
<b>Municipal Bonds</b>	1.5%	469	1.25	43.8%
<b>Commercial Paper</b>	0.94%	71	0.19	4.5%

Slight shift to CDs and cash, although liquidity decreased overall.

**Total Portfolio: WAM 447 days and 1.05% YTM for total portfolio; and 1.2 years duration.**

**For Munis: Days to call of 458; Days maturity of 469 days, YTM 1.5%**

**For Agencies: Days to Call is 236 days with maturity 1451 days, YTM 1.32%**

**For Corporate: Days to Maturity = 71; YTM = 0.94%**

**Portfolio YTD:**

<b>Yield</b>	<b>1.05%</b>
<b>Days to Call</b>	<b>295 days</b>
<b>Days to Maturity</b>	<b>447 days</b>
<b>Duration</b>	<b>1.2 yrs.</b>

**7 Inventory:**

**Warehouse Inventory by Division:**

**Total on-hand is \$265K**

**Gas and diesel totaled \$67K combined, an increase of \$31K**

**Street Inventory is \$20K**

**Water inventory is \$125K**

**Tire Inventory:**

**FY Ending 2009 = 10.7K**

**FY Ending 2011 = 9.3K**

**FY Ending 2010 = 10.7K**

**FY Ending 2011 = 16K**

**FY Ending 2012 = 23.4K**

Finance Staff