



City of Huntsville Texas

Finance Division

Summary Notes to Monthly Finance Report

As of January 31st (4th month of fiscal year)

1 Summary report / monthly explanation for select funds

1.1 Sales Tax:

- + 8% increase through Dec. (Actual)
- + 4% Compared to Budget
- 7.2 % Oct. increase from prior year
- 11.6% Nov. increase from prior year
- October revenue equivalent to October 2007-2008
- November revenue = Highest recorded November since FY 2004
- December revenue = 20K higher than last year

1.2 Hotel / Motel Tax:

Even to prior year; 8% decrease YTD compared to prior year.
 December 08/09 to December 09/10, -34.2%; YTD = -16%

1.3 Revenues:

General Fund YTD	= 2.5%
Water Fund YTD	= 6.0%
Wastewater Fund YTD	= (3.1%)
Solid Waste Fund YTD	= (0.5%)
Street Fund YTD	= (4.4%)

YTD Changes vs. YTD Budget:

Water Sales	+1%
WW Service	(4%)
Sales Tax	+2%
H/M	(9%)

Changes in Revenue from Prior Year (thru Dec):

Property & Sales Tax	+22K
Water	+238K
Wastewater	(110K)
SW	(2K)

1.4 *Fund & capital expenditures* ->

Expenditures are exceeding revenue due to seasonal timing for: Water - (\$850,398);
 WW - (\$423,677); SW - (\$116,226) and Streets (\$896,889).

1.5 **Interest Revenue:** Below YTD budget, (\$17.5K). The city has invested in agency notes CD's, and Munis to increase yield with safety. Interest revenue is subject to investment timing.

1.6 Fund balances reserves:

Water 13%; Wastewater 18%; Solid Waste 31%; General Fund 52%

2 Key Performance Measurements

2.1 Gift Shop sales. - (\$2.6K) year to date; \$12,143 purchases for holiday inventory and stocking for spring.

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 \$8M or 1% over YTD budget. Water is 1% over and Wastewater is 4% under budget. Tap fees from Construction are \$37.5K (4% under YTD budget).

3.2 **Sales Tax** receipts are \$2,110K. This is over YTD budget by 2%. Sales tax revenue is 10% over last fiscal year collections.

3.3 **Property Tax** receipts YTD are \$1,819K which is \$154K (112%) of budget; Taxes are officially due January 1. Prior year delinquent payment from the Arbors Apts. of about \$380K will be maintained as not available for budgeting purposes.

3.4 **Investment revenues** – YTD interest revenue totaled \$68.3K compared to YTD budget of \$85.8K. Due to timing difference of receiving cash interest payments.

3.5 **Hotel/Motel Tax revenues** - \$157K YTD; this is 7% less than prior year and 9% under YTD budget. Units with 50 to 100 rooms are trending up, while those > 100 (larger motels) and < 50 rooms (smaller) are trending down since 2007.

Actual collections for January are 27% more than from prior year, compared with the December being 34% less than the year before.

4 Expenditure section – Tab 5

4.1 **Division budget / actual expenditures / prior year end Amendment –** City Manager (39% vs. 33%); Risk (41% vs. 33%); IT (37% vs. 33%); SW Commercial Collection (36% vs. 33%); Main Street (37% vs. 33%); Arts Center (38% vs. 33%); Tourism (94% vs. 33%). Most due to timing differences.

5 Cash Management section (Tab 6)

6.1 Total cash & investment funds were \$40.3M; an increase of \$35K.

6.2 Monthly interest rate averages:

Percent of Profile	2%	2%	3%	1%	4%	31%	32%	24%
	Cash	Tex Pool	Cutwater TxClass	Logic	ICSA	Agencies	CD	TXMR WFB
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%
January 2011	0.1260%	0.20%	0.22%	0.21%	0.35%	1.65%	1.19%	0.30%

	Cash	Tex Pool	MBIA	Logic	ICSA	Agencies	CD	TXMR WFB	Total
October	\$614,838	\$8,386,521	\$7,759,909	\$6,211,023		\$1,538,316	\$12,500,000		\$37,010,607
November	\$654,888	\$8,702,840	\$8,389,260	\$6,199,076		\$1,517,466	\$12,520,849		\$37,984,379
December	\$988,781	\$7,999,284	\$9,861,721	\$7,761,559		\$-0-	\$11,520,850		\$38,142,195
January	\$656,704	\$8,264,514	\$9,341,620	\$6,053,817		\$-0-	\$14,020,850		\$38,337,505
February	\$709,520	\$9,058,877	\$9,521,692	\$5,878,702		\$-0-	\$14,020,850		\$39,189,641
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	\$1,496,983	\$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

Note: CD's = 1.19% weighted average interest rate and 127 days weighted average maturity.

6.3 The City opened two money market secured accounts in 2010 (ICSA & TXMR Wells Fargo). Investment balances bank at 12/31/10 total \$13.2M and are earning 0.30% to 0.35% versus pool rates of approximately 0.20% to 0.22%.

Money market secured accounts are covered by either pledges or FDIC insurance.

	Book	Market	YTC	YTM	Days to Maturity
Agencies	\$7,893,849 \$7,835,434 Market	\$12,650,550		1.65%	413 (182 to call)
Pools	\$2,520,612	\$3,320,524		0.21%	1
Money Market	\$11,113,313	\$11,113,013		0.30%	1
Cash	\$915,540	\$915,540		0.01%	1
CD's	\$13,000,000	\$11,104,270		1.192%	141
Bonds	\$4,675,474 Book \$4,620,677 Market			1.8%	1078 (2.9 yrs)
All	\$39,381,706 Book \$39,768,495 Market	\$40,167,283		0.98%	433 to M 260 to Call

Treasury Yield Comparison:

6 m	0.18%
1 year	0.26%
2 years	0.61%

Interest rate meets budget target of 1%

Finance Staff