



**City of Huntsville Texas**

**Finance Division**

**Summary Notes to Monthly Finance Report**

**As of October 31<sup>st</sup> (1<sup>st</sup> month of fiscal year)**

**1 Summary report / monthly explanation for select funds**

1.1 **Fiscal Year 2010 Revenues** -> \$4.3M YTD Budget vs. \$4.9M Actual –Revenues are at YTD budget considering seasonal factors. Utilities & Service – 2% over, Sales Tax – 3% below YTD.

<b>General Fund YTD</b>	<b>= +0.4%</b>
<b>Water Fund YTD</b>	<b>= +3.9%</b>
<b>Wastewater Fund YTD</b>	<b>= -7.5%</b>
<b>Solid Waste Fund YTD</b>	<b>= -0.8%</b>
<b>Street Fund YTD</b>	<b>= -2.2%</b>

Sales tax (4%) and fine revenues (9.4%) reflect increase from prior year. Wastewater reflected a 10% decline. Water 4% increase. Hotel tax revenue decreased significantly 12% but 35% down excluding November advance collections.

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

1.3 **Interest Revenue:** Above YTD budget, (Actual \$25,550 vs. Budget \$21,452). The city has invested in agency notes and CD's to increase yield with safety. Prior year end investment income was 65% under prior year budget.

1.3.1 Significant investment shift from 62% pools to 18%, purchase of agencies (27.7%), and 19.6% to new money market. WAM increased from 43 to 316 days with long term maturities, and Weighted Average Yield at 0.94%.

1.4 **Inventory** levels constant; will be reported quarterly.

1.5 Fund balances are at 25% or greater. Water Fund is \$1.3M dollars; 25% reserves. Objective and Wastewater is \$1.1M below after transfer to capital for new budget year. Water reserves = 12%, Wastewater (10%).

**2 Key Performance Measurements**

2.1 Gift Shop sales.

**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 \$2M or 2% over YTD budget. Water is 3% over and Wastewater is 4% under budget. Tap fees from Construction are \$8K (2% over YTD budget).

3.2 **Sales Tax** receipts are \$500K. This is under YTD budget by 3%. Sales tax revenue is 4.4% over last fiscal year collections.

- 3.3 **Property Tax** receipts YTD are \$62K which is \$281K (85%) under budget; Taxes are officially due January 1. 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 \$25.5K compared to YTD budget of \$27.5K.
- 3.5 **Hotel/Motel Tax revenues** - \$45K YTD; this is 12% less than prior year and 4% over 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 October are only 35% less than from prior year.

#### 4 Expenditure section – Tab 5

- 4.1 **Division budget / actual expenditures / prior year end Amendment** – YTD Budget target = 8%. Over budget vs. annual budget: Court Security (3.1%); Public Safety Adm (2.9%); City Manager (5.2%); Water Production (3.1%); Water Distribution (7.4%); and Tourism (25.5%).
- 4.2 **Payroll OT expenditures are within budget.**

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

- 6.1 Total cash & investment funds were \$38.4M; an decrease of \$1.1M.
- 6.2 Monthly interest rate averages:

<b>Percent of Profile</b>	<b>2%</b>	<b>3%</b>	<b>3%</b>	<b>4%</b>	<b>6.9%</b>	<b>29%</b>	<b>33.0%</b>	<b>20%</b>
	<b>Cash</b>	<b>Tex Pool</b>	<b>Cutwater TxClass</b>	<b>Logic</b>	<b>ICSA</b>	<b>Agencies</b>	<b>CD</b>	<b>TXMR WFB</b>
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%

	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	\$1496,983	\$2,260,390	\$11,421,371	\$13,020,849	\$8,076,475	\$39,418,796

**Note: CD's = 1.23% weighted average interest rate and 174 days weighted average maturity.**

- 6.3 The City opened two money market secured accounts in 2010 (ICSA & TXMR Wells Fargo). Investment balances at 10/30/10 total \$10.3M and are earning 0.40% to 0.32% versus pool rates of approximately 0.22% to 0.29%.
- 6.4 WAM for Securities and Agencies was 904 days; yield is 1.56%. Weighted average calculated to maturity to agencies. Call dates are early, with calls likely.
- 6.5 Total Portfolio: WAM = 318 days and 0.95% WAY for total portfolio including cash.

Finance Staff