



City of Huntsville Texas

Finance Division

Summary Notes to Monthly Finance Report

As of September 30<sup>th</sup> (12<sup>th</sup> month of fiscal year)

1 Summary report / monthly explanation for select funds

1.1 **Fiscal Year 2011 Revenues** -> \$51.1M Budget vs. \$39M Actual -Revenues are at budget considering seasonal factors. Utilities & Service - 1%, Sales Tax - 5% above YTD.

<u>Comparison with Prior Year:</u>	<u>Total Revenue</u>	<u>Major Sources</u>
General Fund YTD	= -2%	+ 4.3%
Water Fund YTD	= +1.2%	+ 8.4%
Wastewater Fund YTD	= +1.9 %	+ 2%
Solid Waste Fund YTD	= +5.5%	+ 1.2%
Street Fund YTD	= - 9.1%	+ 3.5 %
H/M Tax & Tourism	= +3.5%	+ 3.9%

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

1.3 **Interest Revenue:** 25% (over by \$66K), with bonds to be amortized, revenue is over by 26K(10%). 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 3% pools to 39% to new money market. While agencies were reduced, Munis rose to 31% of the investment portfolio to \$8.7M. MM and Pools = 42% 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: -9,050,000 gallons (-3%) excluding Tenaska (139M gallons) for September.

1.5 **Fund Balance:** Water is \$140K under reserve requirement at 17.5%. Wastewater (22.5%); Solid Waste (39%). FY 2011/2012 budget calls for Water transfers to capital that would reduce balances below required level, excluding approved water rate changes. The Street Fund has 1/2 reserve goal of 25% or 12%.

**NOTE: 2 months or 16.7% is minimum policy level**

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 \$25.2M 8% over YTD budget. Water is 9% over and Wastewater is 1% under budget. Tap fees from Construction are \$103K (29% over YTD budget). Water Sales were up from quarter due to increased usage. 36% over last year. In July sales were up 36% due to water revenue. Solid Waste is up 10% for the quarter over last year. Wastewater was up 33% for the quarter even last year.

3.2 **Sales Tax** receipts are \$6,442K. This is over YTD budget by 4%. Sales tax revenue is 7.7% over last fiscal year collections.

- 3.3 **Property Tax** receipts YTD are \$4.9M which is 1% over YTD 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. Property taxes are expected to end the year even to budget.
- 3.4 **Investment revenues** – YTD interest revenue totaled \$323K (10% over YTD budget after amortized).
- 3.5 **Hotel/Motel Tax revenues** - \$549K YTD; this is 3% over prior year and 6% 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, this year the mid-tiers has shown the greatest variances month to month. Revenues are 2% less than August last year but 1.5% over YTD.
- 3.6 **Utility Billing Accounts Receivable** are 98.8% current, and 1.1% were between 30-60 days past due. Write-offs totaled \$30,324 for the year. Receivables increased 8% from prior month.

**4 CIP & Grants section**

- 4.1 **CIP report** – Remaining budget for Projects is \$7.4M (this includes 999 of \$326K).
- 4.2 **CIP available money vs. budget report** – Net available \$5.71M cash with a budget of \$7.95M, with \$2.16 M from participants or grants. \$3.5M bonds were issued for the Library capital project.

Net Available Cash	\$5.6M
Remaining Budget (incl 999)	<u>(\$7.4M)</u>
Deficit	<u>(\$1.8M)</u>
Participants & Grants	<u>+ \$1.8M</u>
Net available w/ receivables	- 0 -
Add back 999 budget	<u>.33M</u>
	.33M

**5 Expenditure section – Tab 5**

- 5.1 **Division budget / actual expenditures / prior year end Amendment (YTD=92%)**

**Over YTD Budget**

City Manager:	111%
Streets (323):	103%
Public Safety Adm.:	102%
Garage:	101%
Community Service Adm.:	104%
Parks Maintenance:	101%
Information Tech:	106%

**Department Overages:** Public Works 103%; Water Production 107%; Water Dist. 106%; Meter Reading 108%; GIS 107%; Planning Admin. 103%; Planning 105%; Engineering 110%; Central Inspection 103%; Health 102%; Police Grants 110%.

All others are under YTD Budget.

5.2 Overtime Overages:

Over YTD budget: Community Services (\$15K/143%), and Public Utilities (\$27K / 115%) and Fire (\$9K / 128%). Total dollars over budget is approximately \$11K / 5%.

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

6.1 Total cash & investment funds were \$36.9M including \$1.5 M in PEB Trust

6.2 Monthly interest rate averages:

<b>Percent of Profile</b>	<b>2.2%</b>	<b>1.7%</b>	<b>1.7%</b>	<b>0%</b>	<b>27.1%</b>	<b>43%</b>	<b>13.8%</b>	<b>10.7%</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>
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%
Feb 2011	0.10%	0.19%	0.17%	0.21%	0.35%	1.80%	1.18%	0.32%
March 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%
June 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%

	Cash	Tex Pool	TX Class	Logic	ICSA	Securities Agencies	CD	TXMR WFB	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
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	\$3,5389,594

	YTM	Days to Maturity	Duration (in years)	Portfolio Percent
<b>Agencies</b>	1.64%	1,320	3.50	13.4%
<b>Pools</b>	0.125%	1	0	3.4%
<b>Money Market</b>	0.27%	1	0	38.6%
<b>Cash</b>	0.008%	1	1	Not Included
<b>CD's</b>	0.92%	63	0.17	14%
<b>Municipal Bonds</b>	1.72%	735	1.90	30.6%

**Total Portfolio: WAM 1.07 yrs. and 0.98% YTM for total portfolio, YTC=7 months**

**PEB Trust: Investment: \$1,500,000 Sept,2011 value \$1,353,907.9**

**For Munis: Days to Call is 734 days with maturity of 735 days (1.9 yrs duration)**

**For Agencies: Days to Call is 189 days with maturity 1320 days (3.5 yrs duration)**

**Portfolio YTD = 0.98% with 259 days to call, 411 days to maturity, & duration of 107 yrs.**

7 Inventory:

Warehouse Inventory by Division:

Total on-hand is \$238K down from August  
Gas and diesel totaled \$35K combined,  
Street Inventory is \$18K.  
Water inventory is \$109K.

Finance Staff