



City of Huntsville Texas

Finance Division

Summary Notes to Monthly Finance Report

As of August 31st (11th month of fiscal year)

1 Summary report / monthly explanation for select funds

1.1 **Fiscal Year 2010 Revenues** → \$51.76M Budget vs. \$48.04M Actual –Revenues are at YTD budget considering seasonal factors. Utilities & Service – 1% below, Sales Tax – 9% below YTD.

General Fund YTD	= +3.8%
Water Fund YTD	= -2.2%
Wastewater Fund YTD	= -1.0%
Solid Waste Fund YTD	= +1.2%

1.2 **Division & capital expenditures** → Divisions within budget.

1.3 **Interest Revenue:** Significantly under budget (-45% incl. accrued revenue) due to interest rates. The city has invested in FHLB notes and CD's to increase yield with safety. (See Section 6). Prior year end investment income was 65% under prior year budget. CD and agency quarterly interest not accrued monthly.

1.3.1 Significant investment shift from 62% pools to 20%, purchase of agencies (21.7%), and 40% to new money market. WAM increased from 43 to 259 days with long term maturities, and Weighted Average Yield at 0.89%.

1.4 **Inventory** \$266K – no change from July. Gas and diesel decreased by \$6K.

1.5 Fund balances are at 25% or greater, except streets which are at 15.3%: Ending balance of \$510K vs. \$726K required at 25%.

2 Key Performance Measurements

2.1 New Section, to be supplied by Divisions and published by Finance.

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 \$22.1M or 1% over YTD budget. Water is 2% under and Wastewater is at -1% of YTD budget. Tap fees from Construction are \$93K (21% over YTD budget).

3.2 **Sales Tax** receipts are \$5,530K. This is under YTD budget by 9%. Sales tax revenue is 7.0% under last fiscal year collections.

3.3 **Property Tax** receipts YTD are \$4.9M (+15%); Taxes are officially due January 1. Delinquent payment from the Arbors Apts. of about \$380K will be maintained as not available for budgeting purposes. Total collections exceed last year by about \$290K (Gen. Fund +\$319K and Debt Svc. Fund \$29K less).

- 3.4 **Investment revenues** – YTD interest revenue totaled \$226K (45% under YTD budget).
- 3.5 **Hotel/Motel Tax revenues** - \$487K YTD; this is 2.1% less than prior year and 1% 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.
- 3.6 **Utility Billing Accounts Receivable** are 98.5% current, and 1.5% were between 30 – 60 days past due. Write-offs YTD totaled \$11,340. See “Accounts Receivable charts” in tab 3.

	<u>Accounts</u>	<u>Disconnects</u>	<u>Finals</u>	<u>Charge Offs</u>
October '09	8312	147	148	38
Nov. '09	8307	133	150	28
Dec. '09	8335	114	116	28
January '10	8321	166	113	10
February '10	8325	155	119	33
March '10	8341	142	134	17
April '10	8351	110	115	33
May '10	8354	147	108	21
June '10	8344	209	135	19
July '10	8383	159	129	20
August '10	8370	281	230	20

- 3.7 **Grants revenues:** Annual budget is \$199K with year to date actual being \$159K (72.5%).

4 CIP & Grants section

- 4.1 **CIP report** – Remaining budget for Projects is \$8.5M (Tab 4) (this includes 999 of \$1.5M).
- 4.2 **CIP available money vs. budget report** – Net available \$6.93M cash with a budget of \$6.97M, with \$1.28M from participants or grants. \$3.5M Bonds were issued for the Library capital project.

Net Available Cash	\$ 6.93M
Remaining Budget	(6.97M)
Deficit	(0.04)
Participants & Grants	<u>1.28M</u>
Net Available w/ receivables	\$1.24M

NOTE:

- Utility project for the State Park wastewater/water project will by contract be reimbursed 100% by the State

5 Expenditure section – Tab 5

- 5.1 **Division budget / actual expenditures / prior year end Amendment** – YTD is under budget (3.5%). Over budget vs 92% YTD: Airport (3.4%); Community Svc Adm (10%); Public Safety Adm (2.9%); City Manager (9.6%) and Water Distribution (7.4%).

5.2 **Payroll OT expenditures are over budget.** Payroll is 98% Actual vs. 92% of year completed. Over budget: Community Services (150%); Fire (160%); Tourism (108%); and Public Utilities (122%), Administrative Services (218% --I.T. and Garage). Fire OT is in excess primarily due to TEEX deployment to be reimbursed by TEEX for one employee.

5.3 **Gas & Diesel (See Tab 5).** Mega track fuel report – trend analysis gallons & \$'s.

- Trend analysis provided to Division managers for visibility of consumption.
32.4% of gasoline & 12.8% of diesel use is by county & external vehicles by contract.
- Gasoline average price per gallon (pumped) for Aug. is \$2.34; YTD = \$2.30
- Diesel average price per gallon (pumped) for Aug. is \$ 2.40; YTD = \$2.32

6 Cash Management section (Tab 6)

6.1 Total cash & investment funds were \$39M; a decrease of \$3.0M.

6.2 Monthly interest rate averages:

Percent of Profile	1.7%	3.5%	7.1%	5.2%	7.1%	21.6%	33.1%	20.7%
	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%

	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

Note: CD's = 1.42% weighted average interest rate and 344 days weighted average maturity. WAM decreased from 258 to 226 days for CD; interest average decreased to 1.27% from 1.22%.

6.3 Percent by Portfolio for July: Cash 1%; Pools 16%; Agencies 22%; CD's 33%; Money Market 28%.

6.4 The City opened two money market secured accounts. Investment balances at 8/31/10 total \$10.9M and are earning 0.32% to 0.40% versus pool rates of approximately 0.22% to 0.32%.

6.5 WAM for Securities and Agencies was 605 days; yield increased from 1.42% in July to 1.60% in August. Weighted average calculated to maturity to agencies. Call dates are early, with calls likely.

6.6 Total Portfolio: WAM = 259 days and 0.89% WAY for total portfolio including cash.

7 Governmental funds section including capital expenditures funds

7.1 Balance sheets and Summary Income Statements provided.

8 Enterprise funds section

8.1 Balance sheets and Summary Income Statements provided.

9 Fiduciary funds section

9.1 Balance sheets and Summary Income Statements provided.

10 Inventory section [fuel / parts / supplies / pipe / etc.] - (Tab 10)

10.1 Warehouse Inventory by Division:

Total on-hand is \$266K – no change from July. Prior Year end balance was \$220K.

- Gas & diesel totaled \$37K combined, a decrease of \$6K
- Street inventory was \$36K, same as prior month.

Gas & Diesel:

	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>
FY 07-08	\$43K	\$49K	\$35K	\$31K	\$59K	\$62K	\$87K	\$90K	\$75K	\$55K	\$66K	\$57K
FY 08-09	\$33K	\$41K	\$28K	\$36.5K	34.7K	31.8K	35.7K	\$28K	\$36K	\$38	\$31K	\$42.8K
FY 09-10	\$36K	\$37K	\$51K	\$46.2K	\$53.6	\$41.3K	\$42K	\$31K	\$31K	\$43K	\$37K	

11 Budget amendments

12 OPEN notes and add ins

Finance Staff