



City of Huntsville Texas

Finance Division

Summary Notes to Monthly Finance Report

As of December 31, 2009 (3rd month of fiscal year)

1 Summary report / monthly explanation for select funds

- 1.1 **Fiscal Year 2009 Revenues** → \$51.1M Budget vs. \$42.1M Actual –Revenues are less than YTD budget considering seasonal factors. Utilities & Service – 2% below Sales Tax – 9% below YTD.
- 1.2 **Division & capital expenditures** → Divisions within budget.
- 1.3 **Interest Revenue:** Significantly under budget (39% 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.
- 1.4 **Inventory** \$226K, up from \$217K. (tab 10)
- 1.5 Fund balances are at 25% or greater, except for streets (at 762K or 23%). Use of water reserves to fund 1999 TRA issue cash reserve requirements per bond covenant was paid in December. Projected to end year at 20K below.

Note: Additional utility franchise fee may contribute more.

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 \$5.85M vs. \$5.95M (2%) YTD budget. Permits & Licenses were \$5.5K which is 4% over YTD budget. Water is 8% under and Wastewater is 2% over YTD monthly budget. Tap fees from Construction are \$16.4K (22% under YTD budget).
- 3.2 **Sales Tax** receipts are \$1,511K, under YTD budget by 6% and 5.5% under last year. December collections dropped approximately 19%.
- 3.3 **Property Tax** receipts were \$1,459K; Taxes are officially due January 1. Delinquent payment from the Arbors Apts. of about \$350K will be maintained as not available for budgeting purposes. Collection exceeded last year by \$62K.
- 3.4 **Investment revenues** – YTD interest revenue totaled \$67.8K (39% under YTD budget).
- 3.5 **Hotel/Motel Tax revenues** - \$143K YTD; Receipts are 10% less than prior year. Hotel rooms 50 to 100 rooms had a slight increase compared to the previous month while all others declined. 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 1.3% were between 30 – 60 days past due. Write-offs YTD totaled \$7,490. See “Accounts Receivable charts” in tab 3.

| | <u>Accounts</u> | <u>Disconnects</u> | <u>Finals</u> | <u>Charge Offs</u> |
|----------|-----------------|--------------------|---------------|--------------------|
| January | 8240 | 191 | 182 | 54 |
| February | 8261 | 110 | 124 | 33 |
| March | 8267 | 126 | 111 | 42 |
| April | 8295 | 111 | 93 | |
| May | 8728 | 172 | 128 | 19 |
| June | 8670 | 217 | 191 | 33 |
| July | 8834 | 253 | 200 | 28 |
| Aug | 8315 | 263 | 206 | 30 |
| Sept | 8423 | 141 | 186 | 23 |
| October | 8312 | 147 | 148 | 38 |
| November | 8307 | 133 | 150 | 28 |
| December | 8335 | 114 | 116 | 28 |

3.7 **Contractual, Grants, and Contribution revenues:** Annual budget is \$199K with year to date actual being \$14K (7.1%). (Tab 3).

4 CIP & Grants section

4.1 **CIP report** – Remaining budget for Projects is \$10.8 (Tab 4) (this includes 999 of \$1.4M).

4.2 **CIP available money vs. budget report** – Net available \$9.2M cash with a budget of \$10.8M, with \$1.4M from participates or grants and 1.39 available from unallocated.

| | |
|--|---------------------|
| Net Available Cash | \$ 8.89M |
| Remaining Budget | <u>(10.50M)</u> |
| Deficit | (1.61M) |
| Participants & Grants | <u>1.38M</u> |
| Net Available w/ receivables | (0.23M) |
| Unallocated Capital Reserves | <u>1.40M</u> |
| Net Available after Budget & Additional Requirements | <u>1.17M</u> |

- A bond for the voter approved fire station \$2,150,000. Bond for \$1,850,000 issued in Feb. General Fund transfer of \$300K funded remainder.
- Fire Truck has been ordered , awaiting delivery.
- Utility project for the State Park wastewater/water project and Heart Museum project will be reimbursed 100% from State grants in the amount of \$1,367K.

5 Expenditure section – Tab 5

5.1 **Division budget / actual expenditures / prior year end Amendment** – YTD is under budget (5%). Over budget vs. 25% YTD: Risk Management (31%); Airport (72%); Community Svc Adm (29%); Public Safety Adm (31%); Arts CTR (27%); Recycling (27%); IT (29%); Public Utilities (45%).

5.2 **Payroll OT expenditures are on target.** Payroll is 26% Actual vs. 27% of year completed. Over budget: Community Services (42%); Fire (36%).

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.
32.6% of gasoline & 13.9% of diesel use is by county & external vehicles by contract.
- Gasoline average price per gallon (pumped) for November is \$2.31; YTD = \$2.15
- Diesel average price per gallon (pumped) for September is \$ 2.26; YTD = \$2.22

6 Cash Management section (Tab 6)

6.1 Total cash & investment funds were \$38M a increase of \$150K.

6.2 Monthly interest rate averages:

| Percent of Profile | 3% | 21% | 26% | 20% | 0% | 30% |
|---------------------------|-------------|-----------------|-------------|--------------|-----------------|------------|
| | Cash | Tex Pool | MBIA | Logic | Agencies | CD |
| May | 0.117% | 0.384% | 0.444% | 0.595% | 2.02% | 1.85% |
| June | 0.114% | 0.380% | 0.404% | 0.518% | 2.02% | 1.85% |
| July | 0.113% | 0.338% | 0.381% | 0.464% | 1.52% | 1.83% |
| August | 0.131% | 0.338% | 0.352% | 0.405% | 1.52% | 1.82% |
| September | 0.158% | 0.23% | 0.301% | 0.374% | 1.52% | 1.76% |
| 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 | | 0.209% | 0.260% | 0.227% | 0 | 1.73% |

6.2.1 MBIA percent change was from 64.8% of October portfolio to 42.7% November to 21% December to 16% in January, 12% for February, 16% for March, 16% for April, 19% in May, 20% in June, and 18% in July, 17% in August, 22% in September, 21% in October, 22% in November, and 26% in December.

TexPool percent change was from 31% of October portfolio to 37.5% November to 46% December to 45% in January; 45% for February, 37% for March, 25% in April, 23% in May, 23% in June, and 21% in July, 19% in August, 19.2% in September, 23% in October and November, and 21% in December.

Cash percent change was from 4% to 2.2% to 3% to 1.3% in January; .09% in February, 1% in March and 15% in April (maturity of CD at month end), 2% in May, 2% in June, and 1.5% in July, 2% in August, to 1.3% in September, and 2% in October & November.

Logic percent was 20% in December.

Note: Agencies and CD's = 1.82% weighted average interest rate and 147.8 days weighted average maturity. Overall WAM = 43 days and yield = 0.83%. CD's represented 33% in November.

6.3 Percent by Portfolio: Cash 3%; Pools 67%; Agencies 0%; CD's 30%.

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 \$226K, up from \$202.5K. Prior Year end balance was \$220K.

- Gas & diesel totaled \$51 combined, up from \$36.8K from prior month amount.
- Street inventory was \$35.4K, up from 33.5K.
- Audit was completed showing inventory usage; but database entry issues with gas and diesel continue, and notification of issues. Entry issues noted with parts and oil.

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 | | | | | | | | | |

11 Budget amendments

12 OPEN notes and add ins

Finance Staff