



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 **Fiscal Year 2009 Revenues** → \$51.22M Budget vs. \$19.8M Actual –Revenues are more than YTD budget considering seasonal factors. Utilities & Service – 2% below Sales Tax – 13% below YTD.
- 1.2 **Division & capital expenditures** → Divisions within budget.
- 1.3 **Interest Revenue:** Significantly under budget (36% 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. Use of water reserves to fund 1999 TRA issue cash reserve requirements per bond covenant was paid in December.
- 1.6 Gift shop income to date (Revenue less expense) = \$16.3K from July, 2009. Christmas sales down.

Note: Additional utility franchise fee may contribute more revenue for streets; current year budget reflects 200K use of fund balance

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 \$7.8M vs. \$7.9M (2%) under YTD budget. Permits & Licenses were \$13.5K which is 53% over YTD budget. Water is 6% under and Wastewater is 1% over YTD monthly budget. Tap fees from Construction are \$22.4K (20% under YTD budget).
- 3.2 **Sales Tax** receipts are \$1,927K, under YTD budget by 13% and 7% under last year. December collections dropped approximately 12%.
- 3.3 **Property Tax** receipts were \$1,865K; 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 \$200K.
- 3.4 **Investment revenues** – YTD interest revenue totaled \$95K (36% under YTD budget).

3.5 **Hotel/Motel Tax revenues** - \$183K YTD; although 3% over YTD receipts are 8% less than prior year. All size ranges showed a decline. 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 \$6,331. See “Accounts Receivable charts” in tab 3.

	<u>Accounts</u>	<u>Disconnects</u>	<u>Finals</u>	<u>Charge Offs</u>
October	8312	147	148	38
November	8307	133	150	28
December	8335	114	116	28
January	8321	166	113	10

3.7 **Contractual, Grants, and Contribution revenues:** Annual budget is \$199K with year to date actual being \$26K (13%). (Tab 3).

4 CIP & Grants section

4.1 **CIP report** – Remaining budget for Projects is \$13.8 (Tab 4) (this includes 999 of \$1.4M). The increase is due to the library expansion project at \$3.5M.

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	\$ 8.33M
Remaining Budget	<u>(13.75M)</u>
Deficit	(5.42M)
Participants & Grants	<u>4.93M</u>
Net Available w/ receivables	(0.49M)
Unallocated Capital Reserves	<u>1.40M</u>
Net Available after Budget & Additional Requirements	<u>0.91M</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 delivered.
- 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.
- Library bond planned for \$3.5M.

5 Expenditure section – Tab 5

5.1 **Division budget / actual expenditures / prior year end Amendment** – YTD is under budget (4%). Over budget vs.32% YTD: IT (35%); Risk Management (35%); Airport (111%); Community Svc Adm (39%); Public Safety Adm (31%); Arts CTR (27%); Recycling (27%); Public Utilities (45%);

5.2 **Payroll OT expenditures are on target.** Payroll is 38% Actual vs. 35% of year completed. Over budget: Community Services (49%); Fire (81%); Tourism (46%); and Public Utilities (44%).

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% of gasoline & 13.1% 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; same as prior month.

6.2 Monthly interest rate averages:

Percent of Profile	2%	22%	24%	16%	0%	37%
	Cash	Tex Pool	MBIA	Logic	Agencies	CD
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%	0	1.73%
January	0.041%	0.163%	0.219%	0.184%	0	1.51%

	Cash	Tex Pool	MBIA	Logic	Agencies	CD	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		\$11,520,850	\$38,142,195
January	\$656,704	\$8,264,514	\$9,341,620	\$6,053,817		\$14,020,850	\$38,337,505

Note: Agencies and CD's = 1.51% (down from 1.82%) weighted average interest rate and 143.2 days weighted average maturity. Overall WAM=62 days and yield=0.67% (down from 0.83%). Decrease due to the maturity of CD's and reinvestment at lower interest rate.

6.3 Percent by Portfolio for January: Cash 2%; Pools 22%; Agencies 0%; CD's 37%.

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 \$218K, down from \$226K. Prior Year end balance was \$220K.

- Gas & diesel totaled \$46 combined, down from \$51K from prior month amount.
- Street inventory was \$34.8K vs. 35.4K prior month.
- Audit was completed showing inventory usage; but database entry issues with gas and diesel continue, and notification of problems as they arise. Inventory variances resolved, solid waste diesel pumps are a remaining issue.

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	\$46K								

11 Budget amendments

12 OPEN notes and add ins

Finance Staff