



**City of Huntsville Texas**

**Finance Division**

**Summary Notes to Monthly Finance Report**

**As of July 31st (10<sup>th</sup> month of fiscal year)**

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

1.1 **Fiscal Year 2010 Revenues** -> \$51.67M Budget vs. \$38.8M Actual –Revenues are at YTD budget considering seasonal factors. Utilities & Service – 1% below, Sales Tax – 9% below YTD.

<b>General Fund YTD</b>	<b>= +2%</b>
<b>Water Fund YTD</b>	<b>= -7.3%</b>
<b>Wastewater Fund YTD</b>	<b>= -2.3%</b>
<b>Solid Waste Fund YTD</b>	<b>= +0.4%</b>

**Note: Tenaska (-6.7%) revenue down from June. July water down 220K over June. SW disposal revenue sharply down from City, TDCJ, & SHSU sources**

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.

1.3.1 Significant investment shift from 62% pools to 20%, purchase of agencies (15%), and 40% to new money market. WAM increased from 43 to 199 days with long term maturities, and average interest at 0.79%. Investments equal 344 days average at 1.38%.

1.4 **Inventory** \$266K, \$9K increase. Gas and diesel increased to \$12K.

1.5 Fund balances are at 25% or greater, except streets which are at 16%: Ending balance of \$538K 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 \$19.7M or (1%) under YTD budget. Water is 5% under and Wastewater is at -2% of YTD monthly budget. Tap fees from Construction are \$81.7K (17% over YTD budget).

3.2 **Sales Tax** receipts are \$4,954K. This is under YTD budget by 10%. Sales tax revenue is 7.5% under last fiscal year collections.

- 3.3 **Property Tax** receipts YTD are \$4.8M (28%); 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 \$212K (Gen. Fund +\$276K and Debt Svc. Fund \$63K less).
- 3.4 **Investment revenues** – YTD interest revenue totaled \$223K (40% under YTD budget).
- 3.5 **Hotel/Motel Tax revenues** - \$444K YTD; this is 2.5% less than prior year and 1% off budgets. 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 98.7% current, and 1% were between 30 – 60 days past due. Write-offs YTD totaled \$10,404. 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

- 3.7 **Contractual, Grants, and Contribution revenues:** Annual budget is \$199K with year to date actual being \$154K (76.3%).

#### 4 CIP & Grants section

- 4.1 **CIP report** – Remaining budget for Projects is \$11.4M (Tab 4) (this includes 999 of \$1.5M).
- 4.2 **CIP available money vs. budget report** – Net available \$10M cash with a budget of \$11.4M, with \$1.3M from participants or grants. \$3.5M Bonds were issued for the Library capital project.

Net Available Cash	\$ 10.0M
Remaining Budget	<u>( 10.0M)</u>
Deficit	( 0 )
Participants & Grants	1.3M
Bonds for Library capital project	<u>0M</u>
Net Available w/ receivables	\$1.3M

**NOTE:**

- Utility project for the State Park wastewater/water project will be reimbursed 100% from State grants in the amount of \$1,282K.
- Library bond issued for \$3.5M.

**5 Expenditure section – Tab 5**

- 5.1 **Division budget / actual expenditures / prior year end Amendment** – YTD is under budget (9%). Over budget vs.83% YTD: Airport (12%); Community Svc Adm (10%); Public Safety Adm (8.4%); City Manager (3.6%) and Water Distribution (5%).
- 5.2 **Payroll OT expenditures are over budget.** Payroll is 75% Actual vs. 65% of year completed. Over budget: Community Services (108%); Fire (119%); Tourism (91%); and Public Utilities (99%), Administrative Services (118% --I.T. and Garage). Fire OT is in excess due to TEEEX deployment to be reimbursed by TEEEX 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. *32.3% of gasoline & 12.7% of diesel use is by county & external vehicles by contract.*
  - Gasoline average price per gallon (pumped) for July is \$2.35; YTD = \$2.30
  - Diesel average price per gallon (pumped) for July is \$ 2.30; YTD = \$2.31

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

- 6.1 Total cash & investment funds were \$44M; an increase of \$1.3M.
- 6.2 Monthly interest rate averages:

<b>Percent of Profile</b>	<b>1%</b>	<b>6%</b>	<b>10%</b>	<b>4%</b>	<b>8%</b>	<b>15%</b>	<b>31%</b>	<b>25%</b>
	<b>Cash</b>	<b>Tex Pool</b>	<b>MBIA</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%

	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

**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 20%; Agencies 15%; CD's 31%; Money Market 33%.

6.4 The City has opened two money market secured accounts. Investments of \$13.9M have been made at 0.34% to 0.40% versus pool rates of approximately 0.22% to 0.29%.

6.5 WAM was 344 days; yield increased from 0.67% in June to 1.42% in July. Weighted average calculated to maturity to agencies. Call dates are early, with calls likely. Call maturity reduces WAM from 854 to 515 for these investments.

6.6 Total Portfolio: WAM = 199 days and 0.79% average for 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, an \$11K increase. Prior Year end balance was \$220K.

- Gas & diesel totaled \$43K combined, an increase of \$12K
- Street inventory was \$36K, same as prior month.
- Audit was completed showing inventory usage. Inventory variances resolved, solid waste diesel pumps are a remaining issue. Training on Megatraks software was completed in May and computer upgrade. Solid waste pump was recalibrated. Upgrade and repair planned to pump system and alternatives.

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>
<b>FY 07-08</b>	\$43K	\$49K	\$35K	\$31K	\$59K	\$62K	\$87K	\$90K	\$75K	\$55K	\$66K	\$57K
<b>FY 08-09</b>	\$33K	\$41K	\$28K	\$36.5K	34.7K	31.8K	35.7K	\$28K	\$36K	\$38	\$31K	\$42.8K
<b>FY 09-10</b>	\$36K	\$37K	\$51K	\$46.2K	\$53.6	\$41.3K	\$42K	\$31K	\$31K	\$43K		

11 Budget amendments

12 OPEN notes and add ins

Finance Staff