



City of Huntsville Texas

Finance Division

Summary Notes to Monthly Finance Report

As of June 30th (9th 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.

General Fund YTD	= +2%
Water Fund YTD	= -5.6%
Wastewater Fund YTD	= -6.2%
Solid Waste Fund YTD	= +0.5%

Note: Tenaska (-4%) revenue down from June. June water up 130K over May. 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 40%, monthly to MBIA, purchase of agencies (15%), and 8% to new money market. WAM increased from 43 to 369 days with long term maturities, and average interest at 1.38% vs. 0.67% in April.

1.4 **Inventory** \$257K, no change. (Tab 10)

1.5 Fund balances are at 25% or greater.

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 \$17.7M or (1%) under YTD budget. Water is 5% under and Wastewater is at -1% of YTD monthly budget. Tap fees from Construction are \$70K (12% under YTD budget).

3.2 **Sales Tax** receipts are \$4,532K. This is under YTD budget by 9% and 8% under YTD last year.

- 3.3 **Property Tax** receipts YTD are \$4.8M; 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 \$196K (Gen. Fund +\$266K and Debt Svc. Fund \$70K less).
- 3.4 **Investment revenues** – YTD interest revenue totaled \$212K (36% under YTD budget).
- 3.5 **Hotel/Motel Tax revenues** - \$387K YTD; this is 4% less than prior year and 11% 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 99% current, and 0.8% 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

- 3.7 **Contractual, Grants, and Contribution revenues:** Annual budget is \$199K with year to date actual being \$124K (62%).

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 \$10.3M cash with a budget of \$11.8M, with \$1.3M from participants or grants. \$3.5M Bonds were issued for the Library capital project.

Net Available Cash	\$ 9.9M
Remaining Budget	(9.9M)
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 \$1,284K.
- 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 (3%). Over budget vs.67% YTD: Airport (8%); Community Svc Adm (11%); Public Safety Adm (8.3%); City Manager (1.67%) and Water Distribution (1%).

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 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% of gasoline & 12.7% of diesel use is by county & external vehicles by contract.
- Gasoline average price per gallon (pumped) for June is \$2.34; YTD = \$2.29
- Diesel average price per gallon (pumped) for June is \$ 2.20; 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:

Percent of Profile	1%	6%	14%	4%	8%	14%	34%	19%
	Cash	Tex Pool	MBIA	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%

	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

Note: CD's = 1.38% weighted average interest rate and 226 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 January: Cash 1%; Pools 24%; Agencies 14%; CD's 34%; Money Market 27%.

6.4 The City has opened two money market secured accounts. Investments of \$3,500,000 have been made at 0.40% versus pool rates of approximately 0.22%.

6.5 WAM increased from 43 days to 348 days with issuance of \$6.3M agencies; yield increased from 0.67% to 1.38% avg. Weighted average calculated to maturity to agencies. Call dates are early, with calls likely.

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 \$257K, no change. Prior Year end balance was \$220K.

- Gas & diesel totaled \$31K combined, about the same from prior month amount.
- Street inventory was \$3K vs. the \$36K 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 considered 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>
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			

11 Budget amendments

12 OPEN notes and add ins

Finance Staff