



City of Huntsville Texas

Finance Division

Summary Notes to Monthly Finance Report

As of November 30, 2009 (2nd month of fiscal year)

1 Summary report / monthly explanation for select funds

- 1.1 **Fiscal Year 2009 Revenues** → \$51.1M Budget vs. \$7.9M Actual –Revenues are less than YTD budget considering seasonal factors. Utilities & Service – 3% below Sales Tax – 1% below YTD.
- 1.2 **Division & capital expenditures** → Divisions within budget.
- 1.3 **Interest Revenue:** Significantly under budget (38% 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 was 65% under prior year budget. CD and agency quarterly interest not accrued monthly; additional revenue = \$9K.
- 1.4 **Inventory** \$217K, down from \$202.5K. (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 is scheduled in December.

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 \$3.86M vs. \$3.97M (-3%) YTD budget. Permits & Licenses were \$30K which is 14% under YTD budget. Water is 7% under and Wastewater is 1% over YTD monthly budget. Tap fees from Construction are \$13.4K (4% under YTD budget).
- 3.2 **Sales Tax** receipts are \$1,086K, under YTD budget by 1% and 1.2% over last year. December collections not reported here dropped approximately 18%.
- 3.3 **Property Tax** receipts were \$313.6K; Taxes are officially due January 1. Delinquent payment from the Arbors Apts. of about \$350K will be maintained as not available for budgeting purposes.
- 3.4 **Investment revenues** – YTD interest revenue totaled \$36.9K (50% under YTD budget per cash received; 38% per accrued).
- 3.5 **Hotel/Motel Tax revenues** - \$48.8K YTD; Receipts are 14.6% less than prior year and 26%. Hotel rooms > 100 rooms had a slight increase compared to the previous month while all others declined. All sizes had declined from the previous year; 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 98.3% current, and 1.5% were between 30 – 60 days past due. Write-offs YTD totaled \$3,765. 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	32

3.7 **Contractual, Grants, and Contribution revenues:** Annual budget is \$199K with year to date actual being \$11.1K (5.6%). (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	\$ 9.12M
Remaining Budget	<u>(10.84M)</u>
Deficit	(1.72M)
Participants & Grants	<u>1.37M</u>
Net Available w/ receivables	(0.35M)
Unallocated Capital Reserves	<u>1.38M</u>
Net Available after Budget & Additional Requirements	<u>1.04M</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 is on order.
- Utility project for the State Park wastewater/water project and Heart Museum project will be reimbursed 100% from State grants in the amount of \$1,365K.

5 Expenditure section – Tab 5

5.1 **Division budget / actual expenditures / prior year end Amendment** – YTD is under budget (5%). Over budget: Risk Management (26%).

5.2 **Payroll OT expenditures are on target.** Payroll is 19% Actual vs. 17% of year completed. Over budget: Community Wervices (26%); Fire (21%).

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 \$2.18; YTD = \$2.12
- Diesel average price per gallon (pumped) for September is \$ 2.26; YTD = \$2.4

6 Cash Management section (Tab 6)

6.1 Total cash & investment funds were \$37M a decrease of \$700K.

6.2 Monthly interest rate averages:

	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%

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, and 22% in November.

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, and 23% in October and November.

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.

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 2%; Pools 61%; Agencies 4%; CD's 33%.

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

- Gas & diesel totaled \$36.8K combined, down from \$42.8K from prior month amount.
- Street inventory was \$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										

11 Budget amendments

12 OPEN notes and add ins

Finance Staff