

**OFFICE OF CITY CONTROLLER**  
**CITY OF HOUSTON**  
**INTER OFFICE CORRESPONDENCE**

<b>To</b>	Mayor Lee P. Brown City Council Members	<b>From</b>	Judy Gray Johnson City Controller
		<b>Date</b>	August 29, 2003
		<b>Subject</b>	<b>July 2003 Financial Report</b>

Attached is the Monthly Financial and Operations Report for the period ending July 31, 2003.

**GENERAL FUND – FY 2003**

Our estimates indicate that we will end fiscal year 2003 with an Undesignated Fund Balance of \$83.7 million. This does not include \$2.1 million in Sign Abatement Funds and \$20.0 million for the Rainy Day Fund. We expect the fund balance to change slightly once the final audit adjustments are recorded.

**GENERAL FUND – FY 2004**

We project total revenues of \$1.381 billion. This represents a \$19.7 million shortfall from the budget approved by City Council in June. When transfers from other funds are taken into account, the amount needed to balance the budget increases to \$23.2 million.

- Our Property Tax revenue projection is \$5.7 million below the Adopted Budget. This is based on the Harris County Appraisal District's latest numbers, which are lower than the estimate given to us in May.
- The Sales Tax revenue allocation projection is \$322 million. Our Sales Tax projections assume sales tax receipts will continue to decline in the first quarter and then flatten out in the second quarter. We expect small increases of 2 to 3% in the final half of the year.
- Our estimate for Municipal Courts Fines and Forfeits is \$3.3 million below the Adopted Budget. This assumes that moving violations average 76,000 tickets per month and collections remain flat.

**Expenditures – FY 2004**

General Fund projected expenditures are estimated at budget for all categories, except for management initiatives savings, and will be revised as spending patterns develops during this fiscal year.

**Mayor Lee P. Brown  
City Council Members  
July 2003 Monthly Financial and Operations Report**

**HIGHLIGHTS OF THE BOND STATUS REPORT**

<b>COMMERCIAL PAPER</b>	<b>Drawdowns FY 04</b> (in millions)	<b>Drawdowns In July</b> (in millions)	<b>Amount Available to be Drawn</b> (in millions)	<b>Amount Outstanding</b> (in millions)
<b>General Obligation</b>				
<i>(Series A &amp; B)</i>				
<i>Public Improvement Bond</i>	\$ 0.00	\$ 0.00	\$ 107.00	\$ 340.30
<i>(Series D)</i>	\$ 3.00	\$ 3.00	\$ 152.00	\$ 13.00
<i>(Series C)</i>				
<i>Equipment</i>	\$ 0.00	\$ 0.00	\$ 2.40	\$ 43.50
<i>Storm &amp; Overlay</i>	\$ 0.00	\$ 0.00	\$ 3.10	\$ 16.00
<i>(Series E)</i>				
<i>Downtown Streetscape</i>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 5.50
<i>Equipment</i>	\$ 0.00	\$ 0.00	\$ 69.50	\$ 0.00
<b>Water and Sewer</b>	\$ 70.00	\$ 70.00	\$ 414.75	\$ 485.25
<i>(Series A &amp; B)</i>				
<b>Aviation</b>	\$ 0.00	\$ 0.00	\$ 300.00	\$ 0.00
<i>(Series A, B, &amp; C)</i>				
<b>Convention &amp; Enter.</b>	\$ 0.00	\$ 0.00	\$ 52.50	\$ 22.50
<i>(Series A)</i>				

The City's practice has been to maintain no more than 20% of the total outstanding debt for each type of debt issued in a variable rate structure.

As of July 31, 2003, the ratio for each type of outstanding debt was:

<b>General Obligation</b>	20.9%
<b>Water and Sewer</b>	12.4%
<b>Aviation</b>	16.0%
<b>Convention &amp; Entertainment</b>	26.8%

Respectfully submitted,

  
 Judy Gray Johnson  
 City Controller