

OFFICE OF CITY CONTROLLER
CITY OF HOUSTON
INTER OFFICE CORRESPONDENCE

To Mayor Bill White
City Council Members

From Annise D. Parker
City Controller

Date May 27, 2005

Subject **April 2005 Financial Report**

Attached is the Monthly Financial and Operations Report for the period ending April 30, 2005.

GENERAL FUND

We have increased our projection for General Fund revenues by \$1 million. This is based on year-to-date sales tax receipts including an April check from the State that was 7% higher than the same period last year. For the remainder of FY 05 we are predicting a 6% increase in sales tax revenues, as compared to FY 04.

Our projection for General Fund expenditures has decreased \$700 thousand. The change is the result of numerous true-ups by the Departments and general government.

Due to the improved sales tax activity and spending adjustments at the departmental level, we are no longer projecting a budget shortfall.

ENTERPRISE FUNDS

There are no significant changes in the Convention and Entertainment Facilities Fund this month.

Operating service expenses decreased by \$1.36 million in the Aviation Fund due to lower spending than previously projected. The savings was offset by an increase of \$1.36 million in capital improvements.

Revenue projections for the Combined Utility System are up by \$4.6 million. Operating revenues increased by \$400 thousand due to higher year-to-date collections in penalties. Non-operating revenues increased by \$4.2 million due to the gain on the escrow restructuring coming in at \$2.8 million higher than projected and \$1.3 million in higher interest earnings. Operating expense projections increased by \$4 million. Half of the increase in expenditures is due to higher than anticipated electricity costs. The other half is attributed to contract payments for engineering services related to the Azurix North American contract. This resulted in a total net income of \$600 thousand, which is offset by an increase in operating transfers.

COMMERCIAL PAPER AND BONDS

The City's practice has been to maintain no more than 20% of the total outstanding debt for each type of debt in a variable rate structure. At month-end, the ratio for each type of outstanding debt was:

General Obligation	16.8%
Combined Utility System	20.3%
Aviation	17.7%
Convention and Entertainment	27.4%

Respectfully submitted,


Annise D. Parker