



# CITY OF HOUSTON

Finance and Administration  
Department

## Interoffice

Correspondence

**To:** Mayor Bill White  
Members of City Council

**From:** Judy Gray Johnson, Director  
Finance and Administration

**Date:** May 26, 2006

**Subject:** APRIL MONTHLY FINANCIAL AND  
OPERATIONS REPORT

Attached is the Monthly Financial and Operations Report for the period ending April 30, 2006.

### General Fund Revenues

Our projection for FY2006 General Fund revenues is \$2.93 million lower than last month.

- The projection for Intergovernmental Revenue has been decreased by \$2.5 million to reflect that the funding from METRO for the Safe Clear program is deposited in Fund 205, Police Special Services fund and will not pass through the General Fund.
- The projection for Charges for Service Revenue has been decreased by \$671 thousand due to the net of revised estimates for various revenue line items.
- The projection for Indirect Interfund Revenue has been decreased by \$424 thousand. This is revenue from the CIP Salary Recovery (Fund 10D) for indirect costs allocated to the Engineering Construction and Real Estate group, then recovered from CIP projects.
- The projection for Miscellaneous/Other revenues has been increased by \$665 thousand due to an increase in administrative costs charged to the TIRZ. These costs are based on a percentage of the property value above the base value, which are higher than projected when the FY2006 Budget was prepared.

### General Fund Expenditures

Our projection for FY2006 General Fund expenditures is the same as last month.

### General Fund Ending Fund Balance

We are projecting an ending unreserved undesignated fund balance of approximately \$151 million, which is approximately 11.05% of estimated expenditures less debt service. This does not include the rainy day fund or sign abatement fund. The total unreserved fund balance is projected to be \$173 million.

**Aviation Operating Fund**

- The projection for Interfund Transfers – Operating Reserve has been increased by approximately \$1.8 million to fully fund the Operations & Maintenance Reserve to comply with bond covenants. The reserve must be 2.5% of the FY2007 budget.
- The projection for Debt Service Interest expense has been decreased by approximately \$24 million to reflect Federal Aviation Administration grant proceeds that were used to pay the debt service for bond-funded CIP projects. This use of funds is within the guidelines of the grant.

**Convention & Entertainment Facilities Operating Fund**

- The projection for Services Expense has been increased by \$682 thousand primarily due to adjustments in the projections for insurance fees and security services.
- The projection for Interfund Transfers Out has been decreased by \$656 thousand due to a decrease in current year funding for several CIP projects that will not be completed in FY2006. These projects are expected to be completed and funded in FY2007.

**Combined Utility System Fund**

- The projection for Sewer Sales revenue has been increased by \$4.3 million due to revised estimates based on year-to-date collections.
- The projection for Interest Revenue has been increased by \$838 thousand due to higher than expected rates and holdings of interest earning assets.

**Katrina Aid & Recovery Fund**

FEMA has extended the transition to the individual assistance program from June 1st to July 1st, allowing more time for an orderly transition. The State of Texas transferred \$40 million in cash to the City during the month of April for funding that had already been approved by FEMA in late March. FEMA approved another \$17.1 million in funding in late April, which was received by the City on May 19th. A funding request for estimated May expenses of \$24 million was submitted in April and was approved by FEMA on May 11th.

Please let me know if you have any questions.

  
Judy Gray Johnson, Director