



# 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:** August 25, 2006

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

Attached is the Monthly Financial and Operations Report for the period ending July 31, 2006.

### **Fiscal Year 2006**

The unaudited preliminary figures are shown for each fund. In accordance with government accounting standards for governmental funds, the final revenues for FY2006 will include revenues earned through June 30 only if they are collected by the end of August. Expenditures through June 30 will include spending incurred before the end of June. As a result, there will be additional adjustments made for both revenue and expenditures. We expect the final undesignated fund balance for the General Fund to be about \$181 million.

### **Fiscal Year 2007**

The City of Houston continues to experience robust growth in sales tax revenue. The final sales tax revenue for FY2006 was \$27 million (6.8%) higher than budgeted. The FY2007 budget assumed growth at 4.27%. We are not projecting an increase at this time, however, as there are signs of a weakening national economy and some Texas cities have experienced negative growth comparing June 2006 to June 2005.

Although our projection for total FY2006 expenditures is the same as budgeted, we are projecting \$1 million for election expenses in General Government that were not budgeted. This election will provide voters the opportunity to authorize \$625 million to support CIP activities, to amend the City Charter by removing enterprise fund revenues from revenue cap calculations, and to permit the City to increase funding to enhance public safety.

We are estimating the ending unreserved undesignated fund balance to be approximately \$169 million, which is approximately 11.5% of estimated expenditures less debt service. This does not include the rainy day fund or sign abatement fund. The total unreserved fund balance is estimated to be approximately \$191 million.

Please let me know if you have any questions.

  
Judy Gray Johnson, Director