



**OFFICE OF THE CITY CONTROLLER  
CITY OF HOUSTON  
TEXAS**

RONALD C. GREEN

**To:** Mayor Annise D. Parker  
City Council Members

**From:** Ronald C. Green  
City Controller

**Date:** May 27, 2011

**Subject:** April 2011  
Financial Report

Attached is the Monthly Financial and Operations Report for the period ending April 30, 2011.

**GENERAL FUND**

The Controller's Office is projecting an ending fund balance of \$92.8 million for FY2011. This is \$4.2 million lower than last month's projection. This is also \$10 million lower than the projection of the Finance Department. The difference is due to the Finance Department's \$4.4 million higher revenue projection and a \$5.6 million higher projection for the Sale of Capital Assets. Based on our current projections, the fund balance will be \$34.1 million below the City's target of holding 7.5% of total expenditures, excluding debt service, in reserve. This amount includes the undesignation of the \$20 million in the Rainy Day Fund, and drawdown of fund balance of \$54 million, both approved as part of the FY2011 Adopted Budget.

Our revenue projection decreased \$4.2 million. Property Tax was increased \$1.4 million, for lower than expected payments to the TIRZ's. Our projection for Industrial Assessments decreased \$560,000, since actual taxable values are now known. We also increased our projection for Charges for Services \$1.3 million, primarily reflecting higher collections in Ambulance Fees and Platting Fees. Transfers from Other Funds was decreased \$6.8 million for a debt payment from the Stormwater Fund, which will be made in FY2012. Finally, we increased our projection for Sale of Capital Assets \$1.1 million for the sale of Kendall Library, and right-of-way sales.

The major revenue differences are in four categories; (1) Property Tax revenues are \$1.3 million lower; (2) Sales Tax are \$1.3 million lower; (3) Charges for Services are \$1.2 million lower; (4) Sale of Capital Assets are \$5.6 million lower.

Expenditure projections are now at \$1.914 billion, which is \$18 million above the adopted budget total. This month's expenditure projection has not changed, and is in line with the General Appropriation ordinance passed this month by Council.

**ENTERPRISE FUNDS**

Our projection for Combined Utility System Operating Transfers increased \$400,000, due to additional costs for emergency cleanup of illegally dumped hazardous materials in the Stormwater fund.

**Mayor Annise D. Parker  
City Council Members  
April 2011 Monthly Financial and Operations Report**

In the Stormwater Fund this month, we are increasing our projection for Total Expenditures by \$401,000, reflecting additional costs for the emergency cleanup of illegally dumped hazardous materials. We are also increasing our projection for Other Financing Sources \$8 million, which is due to an increase for Operating Transfers In (from CUS) of \$400,000 for emergency cleanup costs, and a decrease in Transfers Out of \$7.6 million for drainage debt service, which is now budgeted in FY2012.

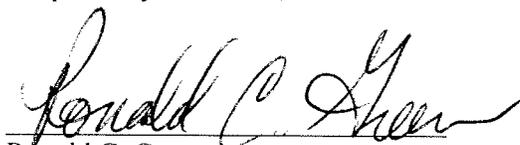
There are no material changes in the Aviation Operating Fund and Convention & Entertainment Operating Fund this month.

**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. Convention and Entertainment maintains a higher percentage of variable rate debt due to agreements with the hotel corporation. As of April 30, 2011, the ratio of unhedged variable rate debt for each type of outstanding debt was:

General Obligation	5.9%
Combined Utility System	9.2%
Aviation	16.7%
Convention and Entertainment	31.1%

Respectfully submitted,



Ronald C. Green  
City Controller