



# CITY OF HOUSTON

Finance Department

**Annise D. Parker**

Mayor

Finance Department  
P.O. Box 1562  
Houston, Texas 77251-1562

T. 713-221-0935  
F. 713-837-9654  
[www.houstontx.gov](http://www.houstontx.gov)

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

**Date:** August 3, 2012

**Subject:** 12+0 Financial and  
Operations Report

Attached is the 12+0 Financial and Operations Report for the period ending June 30, 2012. Fiscal Year 2012 projections are based on twelve months of actual results which will not be finalized until the publication of FY2012 Comprehensive Annual Financial Report.

## **General Fund**

We are currently projecting ending unrestricted fund balance of \$158.6 million which is approximately 9.9% of the expenditures less debt service.

The projection for Revenues and Other Sources increased by \$5.3 million from last month mainly due to the following:

- Sales Tax increased by \$2.9 million to reflect higher than anticipated May receipts which were \$7 million (17.8%) higher than the same period last year.
- License and Permits increased by \$600,000 to reflect year-to-date permits issuance, mainly in food dealer and special fire permits.
- Charges for Services increased by \$3.6 million due to higher ambulance fees revenues.
- Direct Interfund decreased by \$2 million due to Interfund Police Airport as cost of services provided is lower than anticipated.
- Interest increased by \$433,000 to reflect year-to-date actual due to higher cash balances.
- Miscellaneous decreased by \$600,000 to reflect a lower recoveries and refunds.
- Transfers from Other Funds increased by \$490,000 due to higher Hotel Occupancy Tax receipts.

The projection for Expenditures and Other Uses decreased by \$13.1 million from last month's projection primarily due to personnel savings in various departments. This projection also reflects funding transfer of \$1.8 million from General Government to Police Department to cover fuel as well as classified health benefits costs.

### **Enterprise, Special Revenue and Other Funds**

We are projecting no change in Enterprise Funds, Special Revenue Funds and all other funds from the 11+1 Report, with the exception of the following:

#### **Aviation**

Operating Revenues increased by \$3.9 million primarily due to parking and concession revenues higher than anticipated. Operating Expenditures decreased by \$10 million due to personnel savings as well as a reduction in building maintenance services and interfund drainage charge. As a result, the Operating Transfer increased by \$14.8 million.

#### **Convention & Entertainment**

Operating Revenues decreased by \$251,000 due to lower garage and surface parking revenues. The Operating Transfer decreased by \$265,000 as a result of increased transfer to principal and interest of \$1.47 million offset by decreased transfer to Houston First of \$1.7 million.

#### **Combined Utility System**

Operating Revenues increased by \$12.2 million primarily as a result of higher water consumption in the month of May and June. Operating Expenditures decreased by \$4.2 million primarily due to personnel savings, lower than anticipated project costs as well as lower than anticipated water conservation rebate.

Non-Operating Revenues increased by \$1.65 million mainly due to higher interest income and scrap metal sales. Operating Transfers decreased by \$2.4 million due to continuous lower interest rates on variable debt services.

#### **Dedicated Drainage & Street Renewal Fund**

Operating Revenues decreased by \$907,000 mainly due to the impervious surface charges throughout the verification and correction process. Operating Expenditures decreased by \$9.9 million due to actual construction project cost being lower than anticipated.

#### **Storm Water Fund**

Operating Expenditures decreased by \$1 million mainly as a result of lower interest rates for the commercial paper and delay of bond issuance.

### **Property and Casualty Fund**

Operating Revenues and Expenditures decreased by \$1 million due to legal services claims being lower than anticipated.

### **Workers' Compensation Fund**

Operating Revenues and Expenditures decreased by \$412,000 due to a reduction in claims.

### **Asset Forfeiture Fund**

Operating Expenditures decreased by \$265,000 to reflect savings in supplies and services.

### **Building Inspection Fund**

Operating Revenues increased by \$1.6 million to reflect the continued increases in permit issuance.

### **Cable TV**

Operating Expenditures decreased by \$400,000 due to savings in supplies and services.

### **DARLEP**

Operating Expenditures increased by \$521,000 due to prepayment of the FY2012 portion of the ATS settlement.

### **Houston Emergency Center**

Operating Revenues and Expenditures decreased by \$500,000 due to lower costs and lower reimbursement from Greater Harris County 911.

### **Parking Management**

Operating Revenues increased by \$1.3 million primarily due to parking violation and metered parking revenues.

### **Parks Golf Special Fund**

Operating Revenues decreased by \$574,000 to reflect prior year revenue accounting adjustment.

**Police Special Fund**

Operating Expenditures decreased by \$869,000 due to lower than anticipated supplies and services cost.

If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Kelly Dowe". The signature is written in a cursive style with a long horizontal flourish at the end.

Kelly Dowe  
Director