



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

August 30, 2007

Date:

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

Attached is the Monthly Financial and Operations Report for the period ending July 31, 2007.

Fiscal Year 2007

The unaudited preliminary figures are shown for each fund. In accordance with government accounting standards for governmental funds, the final revenues for FY2007 will include revenues earned through June 30 if 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 balanced for the General Fund to be approximately \$222 million. This is a preliminary number, which is subject to change until the annual audit is completed.

Fiscal Year 2008

The City of Houston continues to experience growth in sales tax revenue. The final sales tax revenue for FY2007 was \$462 million (9.2%) higher than FY2006. The FY2008 budget for sales tax revenue is 3.3% higher than FY2007 actual.

We are currently projecting total FY2008 revenue and expenditures at budget.

We are estimating the ending unreserved undesignated fund balance to be approximately \$210 million, which is approximately 15% 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 \$232 million.

Katrina Aid & Recovery Fund

FEMA in Washington D.C. has advised the City that PW 689-6 for Program Management costs through June 30, 2007 will be approved for the City's actual costs of \$2.355 Million. The City submitted the first-level appeal on PW 744-0 for Miscellaneous Administrative expenses in the amount of \$804,834 to the Governor's Office of Emergency Management (GDEM). The GDEM audit of Katrina PW's is continuing.

Please let me know if you have any questions.


Judy Gray Johnson, Director