



CITY OF HOUSTON

Finance Department

Interoffice

Correspondence

To: Mayor Bill White
Members of City Council

From: Michelle Mitchell, Director
Finance

Date: August 29, 2008

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

Attached is the Monthly Financial and Operations Report for the period ending July 31, 2008.

General Fund

Fiscal Year 2008

The unaudited preliminary figures are shown for each fund. In accordance with government accounting standards for governmental funds, the final revenues for FY2008 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 \$253 million. This is a preliminary number, which is subject to change until the annual audit is completed.

Fiscal Year 2009

The City of Houston continues to experience robust growth in sales tax revenue. The FY2009 adopted budget for sale tax revenue is \$527 million, higher by \$32 million than the FY2008 actual. We have decreased our projection for sales tax by \$2.2 million resulting from a lower than anticipated LPA revenue estimate. This decrease is offset by a reduction in expenditures of \$1.1 million.

We are projecting all other revenue and expenditures at budget.

We are estimating the ending unreserved undesignated fund balance to be approximately \$205 million, which is approximately 12% 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 \$227 million.

Enterprise, Special Revenue and Other Funds

We are projecting all Enterprise Funds, Special Revenue Funds and all other funds at budget.

Katrina Aid & Recovery Fund

The Governor's Division of Emergency Management (GDEM) advised that the second-level appeal of Katrina PW 749-0, Professional Services, for \$1.8 million has passed the State review and is being forwarded to FEMA. The GDEM audit of the Rent and Utilities segments of the Interim Housing Program continues and is in the final stages.

Please let me know if you have any questions.


Michelle Mitchell, Director