



CITY OF HOUSTON

Finance Department

Annise D. Parker

Mayor

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To: Mayor Annise D. Parker
City Council Members

Date: June 29, 2012

Subject: 11+1 Financial and
Operations Report

Attached is the 11+1 Financial and Operations Report for the period ending May 31, 2012. Fiscal Year 2012 projections are based on eleven months of actual results and one month of projections.

General Fund

We are currently projecting ending unrestricted fund balance of \$140.1 million which is approximately 8.7% of the expenditures less debt service.

Projection for Revenues and Other Sources decreased by \$24.1 million from last month mainly due to the following:

- Sale of Capital Assets decreased by \$10.4 million mainly due to the timing difference of the Gillette property sale which will be realized in FY2013.
- Industrial Assessments decreased by \$14.8 million due to contract renewal delays. These revenues are expected to be received in FY2013.
- License and Permits increased by \$800,000 primarily due to higher than anticipated revenue from Special Fire Permits, Source Registration and Dumpster Permits.
- Other Franchise Fees increased by \$467,000 due to higher than anticipated third quarter receipts for Cable TV.
- Indirect Interfund Services from grants decreased by \$214,000 due to less personnel cost to be recovered.

Projection for Expenditures and Other Uses decreased by \$1.1 million from last month's projection primarily due to savings from legal consulting services.

Enterprise, Special Revenue and Other Funds

We are projecting no change in Enterprise Funds, Special Revenue Funds and all other funds from the 10+2 Report, with the exception of the following:

Aviation

Operating Expenses increased by \$345,000 primarily due to termination pay, legal services, and drainage fee services. As a result, Operating Transfers decreased by the same amount.

Convention & Entertainment

Non-Operating Revenues increased by \$3 million primarily due to Hotel Occupancy Tax revenues being higher than anticipated.

Combined Utility System

Operating Expenditures decreased by \$4.4 million primarily due to personnel savings and less than anticipated project costs. Operating Transfers decreased by \$5.3 million due to continuous lower interest rates on variable debt as well as delays in equipment purchases.

Dedicated Drainage & Street Renewal Fund

Operating Expenditures decreased by \$528,000 due to lower construction material costs than anticipated.

Property & Casualty Fund

Operating Revenue and Expenditures decreased by \$13.5 million due to cost for legal services being less than anticipated.

Asset Forfeiture Fund

Operating Revenues increased by \$499,000 due to higher than anticipated confiscations.

Building Inspection Fund

Operating Revenues increased by \$860,000 mainly due to continued increases in permit activities.

Historic Preservation Fund

Operating Expenditures decreased by \$706,000 primarily due to projects being delayed to FY2013.

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 large, looping initial "K" and a long horizontal stroke at the end.

Kelly Dowe

Director