

Proposed Revisions to the Monthly Financial and Operations Report (MFOR)

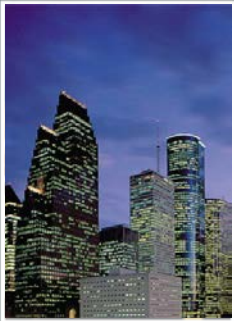


Mayor Annise D. Parker



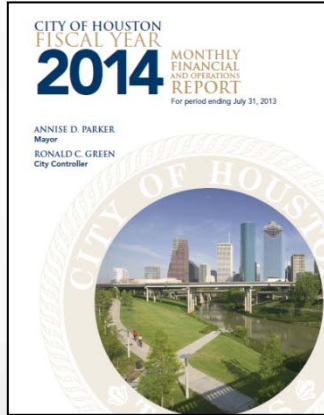
**Presentation to
Council Budget & Fiscal Affairs Committee**

August 6, 2013



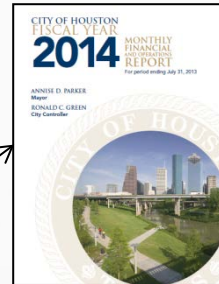
Proposed Structure

Current MFOR



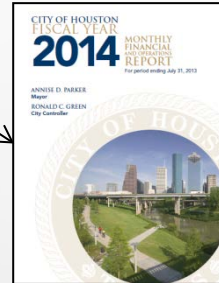
- 64 Pages B/W
- Same reports on monthly basis
- Objective fund analysis
- Difficult to read and understand

MoFR



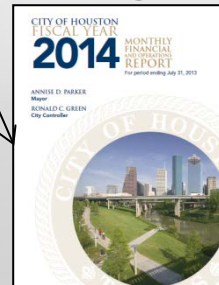
- Less than 20 Pages, Color
- Satisfies Charter requirement
- In-depth Executive Summary
- Provides subjective analysis of Funds
- Accessible online in readable (color) .pdf
- Easy to understand

QFR



- More comprehensive financial report on a quarterly basis
- Approximately 30 Pages, B/W
- Enterprise and Special Revenue fund detail
- Highlights important financial topics i.e. health benefits, pension, debt, etc...

Performance Insight



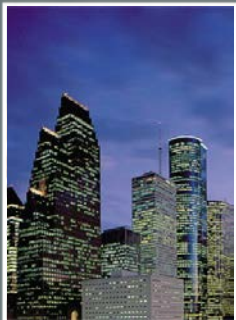
- Less than 20 Pages, Color
- Has online component that allows for ad-hoc reporting from City data marts
- Reports Performance metrics
- Highlights City innovation and performance improvement activities



Revised MoFR

Contents of New MoFR:

- Executive Letters (Pages i - 4)
 - Controller & Finance
- Sales Tax and Comparative Fund Balance (Page 6)
- General Fund Summary (Page 7)
- Other Funds Summary (Pages 8 & 9)
- Status of Bond Funds (Pages 10 – 12)
 - Commercial Paper Issued and Available
 - Total Outstanding Debt
 - Voter Authorized Obligations
- Fund Descriptions (Pages 13 – 15)





Revised MoFR

General Fund Summary (Comparative Projections)

Side-by-Side Comparison

Old

New

% of Budget shown graphically

On target or not?

General Fund (Fund 1000)
Comparative Projections
Controller's Office and Finance
For the period ended June 30, 2013
(amounts expressed in thousands)

	FY2013					Variance between Controller and Finance
	FY2012 Actual	Adopted Budget	Current Budget	% of Budget	Controller's Projection	
Revenues						
General Property Taxes	\$ 866,141	\$ 900,197	\$ 900,197	48%	\$ 910,177	\$ 909,332 (845)
Industrial Assessments	37	14,800	14,800	1%	29,838	29,563 (275)
Sales Tax	546,543	577,373	577,373	31%	600,000	600,000
Other Taxes	9,717	9,685	9,685	1%	9,900	10,213
Electric Franchise	99,765	103,697	103,697	5%	103,697	103,697
Telephone Franchise	45,466	44,606	44,606	2%	45,150	45,136
Gas Franchise	22,009	19,194	19,194	1%	19,194	19,194
Other Franchise	25,520	24,175	24,175	1%	26,551	27,000
Licenses and Permits	24,586	29,502	29,502	2%	34,253	34,218
Intergovernmental	12,124	10,332	10,332	1%	12,276	12,276
Charges for Services	45,370	45,321	45,321	2%	41,454	41,425
Direct Interfund Services	41,469	43,959	43,959	2%	44,076	44,076
Indirect Interfund Services	18,255	16,850	16,850	1%	16,908	16,908
Municipal Courts Fines and Forfeits	34,416	34,486	34,486	2%	31,433	32,364
Other Fines and Forfeits	2,774	5,051	5,051	0%	4,533	4,654
Interest	4,433	4,000	4,000	0%	3,081	3,081
Miscellaneous/Other	4,070	8,064	8,064	0%	7,673	7,641
Total Revenues	1,802,695	1,891,292	1,891,292	100%	1,940,294	1,940,780
Expenditures						
Administration & Regulatory Affairs	25,662	28,127	28,000	1%	28,185	28,185
City Council	9,478	6,302	6,302	0%	6,042	6,042
City Secretary	730	836	836	0%	775	775
Controller	6,945	7,375	7,892	0%	7,892	7,892
Finance	22,027	11,277	11,694	1%	10,803	10,803
Fire	420,198	433,391	433,270	22%	433,270	433,270
General Services	45,689	49,020	49,727	3%	48,590	48,590
Health and Human Services	40,123	42,381	44,355	2%	44,267	44,267
Housing and Community Dev.	999	2,429	2,514	0%	2,514	2,514
Houston Emergency Center	11,550	11,855	11,855	1%	11,855	11,855
Human Resources	3,119	3,246	3,246	0%	3,171	3,171
Information Technology	16,857	19,269	19,442	1%	18,517	18,517
Legal	12,531	14,112	14,112	1%	13,645	13,645
Library	31,607	30,326	30,362	2%	33,313	33,313
Mayor's Office	5,335	6,164	6,164	0%	6,164	6,164
Municipal Courts	21,224	24,136	24,005	1%	24,005	24,005
Neighborhoods	9,131	10,320	10,529	1%	10,393	10,393
Office of Business Opportunity	1,998	2,352	2,352	0%	2,352	2,352
Parks and Recreation	63,156	64,403	64,457	3%	64,457	64,457
Planning and Development	6,657	7,545	7,550	0%	7,208	7,208
Police	640,887	697,567	697,352	35%	697,352	697,352
Public Works and Engineering	37,015	35,659	37,556	2%	37,428	37,428
Solid Waste Management	65,749	69,373	69,373	4%	69,373	69,373
Total Departmental Expenditures	1,494,267	1,580,464	1,586,795	81%	1,581,571	1,581,571
General Government	95,777	126,330	139,105	7%	139,105	139,105
Total Expenditures Other Than Debt	1,590,044	1,706,794	1,725,900	86%	1,720,676	1,720,676
Budgeted Debt Service	220,507	241,100	240,203	12%	240,203	240,203
Debt Service Transfer	220,507	241,100	240,203	0%	240,203	240,203
Total Expenditures and Other Uses	1,810,551	1,947,894	1,966,103	100%	1,960,879	1,960,879
Net Current Activity	(7,856)	(64,602)	(74,811)		(20,585)	(20,099)
Other Financing Sources (Uses)						
Proceeds from Notes	0	27,078	27,078	0%	10,666	10,666
Transfers from Other Funds	53,144	1,504	4,500	0%	29,757	29,757
Sale of Capital Assets	54,648	31,578	31,578	0%	45,025	45,025
Total Other Financing Sources (Uses)	107,792	39,080	63,156		85,448	85,448
Fund Balance						
Fund Balance - Beginning of Year	129,041	171,677	171,677		171,677	171,677
Changes to Designated Fund Balance*	(7,720)	(5,000)	(5,000)		(15,000)	(15,000)
Budgeted Increase/(Decrease) in Fund Balance	46,792	(25,024)	(43,233)		(25,024)	(25,024)
Change in Inventory/Prepaid Items/Imprest Cash	3,564	0	0		0	0
(Budget gap)/Increase in Fund Balance**	171,677	141,653	123,444		49,464	49,590
Fund Balance, End of Year***	171,677	141,653	123,444		181,117	181,603

Emphasis on variance

General Fund
July FY2013 through June FY2013
(amounts expressed in thousands)

	FY2013					Variance between Controller and Finance
	FY2012 Actual	Current Budget	Controller's Projection	Finance Projection	Actual YTD	
Revenues						
General Property Taxes	866,141	900,197	910,177	909,332	910,177	(845)
Industrial Assessments	37	14,800	29,838	29,563	29,838	(275)
Sales Tax	546,543	577,373	600,000	600,000	596,832	
Other Taxes	9,717	9,685	9,900	10,213	7,478	313
Electric Franchise	99,765	103,697	103,697	103,697	103,561	
Telephone Franchise	45,466	44,606	45,150	45,138	45,138	(12)
Gas Franchise	22,009	19,194	19,194	19,194	19,194	
Other Franchise	25,520	24,175	26,551	27,000	26,999	349
Licenses and Permits	24,586	29,502	34,253	34,218	34,218	(85)
Intergovernmental	12,124	10,332	12,276	12,276	11,871	
Charges for Services	45,370	45,321	41,454	41,425	44,921	(29)
Direct Interfund Services	41,469	43,959	44,076	44,076	43,402	
Indirect Interfund Services	18,255	16,850	16,908	16,908	16,908	
Municipal Courts Fines and Forfeits	34,416	34,486	31,433	32,364	30,580	931
Other Fines and Forfeits	2,774	5,051	4,533	4,654	4,528	121
Interest	4,433	4,000	3,081	3,081	3,081	
Miscellaneous/Other	4,070	8,064	7,673	7,641	7,625	(82)
Total Revenues	1,802,695	1,891,292	1,940,294	1,940,780	1,936,361	486
Expenditures						
Administration & Regulatory Affairs	25,662	28,900	28,185	28,185	27,765	
City Council	5,478	6,352	6,042	6,042	5,992	
City Secretary	730	836	775	775	773	
Controller	6,945	7,892	7,892	7,892	7,527	
Finance	22,027	11,694	10,803	10,803	10,098	
Fire	420,198	433,270	433,270	433,270	431,461	
General Services	45,689	49,727	48,590	48,590	47,249	
Health and Human Services	40,123	44,355	44,267	44,267	43,509	
Housing and Community Dev.	999	2,514	2,514	2,514	2,473	
Houston Emergency Center	11,550	11,855	11,855	11,855	11,856	
Human Resources	3,119	3,246	3,171	3,171	3,115	
Information Technology	16,857	19,442	18,517	18,517	17,816	
Legal	12,531	14,112	13,645	13,645	13,580	
Library	31,607	33,362	33,313	33,313	33,154	
Mayor's Office	5,335	6,164	6,164	6,164	6,144	
Municipal Courts	21,224	24,005	24,005	24,005	22,007	
Neighborhoods	9,131	10,393	10,393	10,393	9,900	
Office of Business Opportunity	1,998	2,352	2,352	2,352	2,231	
Parks and Recreation	63,156	64,457	64,457	64,457	62,580	
Planning and Development	6,657	7,550	7,208	7,208	6,979	
Police	640,887	697,352	697,352	697,352	690,508	
Public Works and Engineering	37,015	37,556	37,428	37,428	37,340	
Solid Waste Management	65,749	69,373	69,373	69,373	65,529	
Total Departmental Expenditures	1,494,267	1,586,795	1,581,571	1,581,571	1,559,536	
General Government	95,777	139,105	139,105	139,105	118,797	
Total Expenditures Other Than Debt	1,590,044	1,725,900	1,720,676	1,720,676	1,678,333	
Debt Service Transfer	220,507	240,203	240,203	240,203	240,203	
Total Expenditures and Other Uses	1,810,551	1,966,103	1,960,879	1,960,879	1,918,536	
Net Current Activity	(7,856)	(74,811)	(20,585)	(20,099)	17,825	486
Other Financing Sources (Uses)						
Proceeds from Notes	0	27,078	10,666	10,666	10,666	
Transfers from Other Funds	53,144	1,504	29,757	29,757	24,988	
Sale of Capital Assets	54,648	31,578	45,025	45,025	45,000	
Total Other Financing Sources (Uses)	107,792	39,080	85,448	85,448	80,654	
Fund Balance						
Fund Balance - Beginning of Year	129,041	171,677	171,677	171,677	171,677	
Changes to Designated Fund Balance*	(7,720)	(5,000)	(15,000)	(15,000)	-	
Budgeted Increase/(Decrease) in Fund Balance	46,792	(43,233)	(25,024)	(25,024)	58,324	
Change in Inventory/Prepaid Items/Imprest Cash	3,564	0	0	0	0	
(Budget gap)/Increase in Fund Balance**	171,677	123,444	181,117	181,603	230,001	486

No Change to Bottom Line!

*The Rainy Day Fund of \$20 million became unassigned in FY2011. In FY2012, the City assigned \$5 million to the Rainy Day Fund and another \$15 million in FY2013. The total designation for the Rainy Day Fund is currently \$20 million. In FY2012, the City also provides for the designation of \$2.72M out of the General Fund fund balance as restricted in the event that DARLEF collections are insufficient (Ordinance 2012-88).

*The Rainy Day Fund of \$20 million became unassigned in FY2011. In FY2012, the City assigned \$5M to the Rainy Day Fund and another \$15M in FY2013. The total designation for the Rainy Day Fund is currently \$20M. In FY2012, the City also provides for the designation of \$2.72M out of the General Fund fund balance as restricted in the event that DARLEF collections are insufficient (Ordinance 2012-88).

**A negative number in the Controller or Finance projections represents a gap between sources and uses of funds that was not included in the adopted budget. If this gap was not addressed by decreasing uses or increasing the sources of funds, it would require a drawdown of fund balance in order to balance the budget. A positive number represents a projected increase in fund balance.

**A negative number in the Controller or Finance projections represents a gap between sources and uses of funds that was not included in the adopted budget. If this gap was not addressed by decreasing uses or increasing the sources of funds, it would require a drawdown of fund balance in order to balance the budget. A positive number represents a projected increase in fund balance.

***The City desires to maintain an ending fund balance equal to 7.5% of expenditures before Debt Service which is \$120,051 based on current expenditure projections. Ordinance 2003-474 requires a 5% fund balance of expenditures before Debt Service. The City of Houston will be \$22,996 above 7.5% based on the Controller's projections for fiscal year 2013.

***The City desires to maintain an ending fund balance equal to 7.5% of expenditures before debt service. Ordinance 2003-474 requires a 5% fund balance of expenditures before debt service.



Revised MoFR

General Fund Summary



General Fund
July FY2013 through June FY2013
(amounts expressed in thousands)

	FY2012 Actual	Current Budget	Controller's Projection	Finance Projection	Actual YTD	Controller - Finance Variance	Finance	Controller
Revenues								
General Property Taxes	866,141	900,197	910,177	909,332	910,177	845	✓	✓
Industrial Assessments	37	14,800	29,838	29,563	29,838	275	✓	✓
Sales Tax	546,543	577,373	600,000	600,000	596,832	-	✓	✓
Other Taxes	9,717	9,685	9,900	10,213	7,478	(313)	✓	✓
Electric Franchise	99,765	103,697	103,697	103,697	103,561	-	✓	✓
Telephone Franchise	45,466	44,606	45,150	45,138	45,138	12	✓	✓
Gas Franchise	22,009	19,194	19,194	19,194	19,194	-	✓	✓
Other Franchise	25,520	24,175	26,651	27,000	26,999	(349)	✓	✓
Licenses and Permits	24,586	29,502	34,253	34,218	34,218	35	✓	✓
Intergovernmental	12,124	10,332	12,276	12,276	11,871	-	✓	✓
Charges for Services	45,370	45,321	46,104	44,931	44,921	1,173	✓	✓
Direct Interfund Services	41,469	43,959	44,076	44,076	43,402	-	✓	✓
Indirect Interfund Services	18,255	16,850	16,908	16,908	16,908	-	✓	✓
Municipal Courts Fines and Forfeits	34,416	34,486	31,433	32,364	30,580	(931)	✓	✓
Other Fines and Forfeits	2,774	5,051	4,533	4,654	4,528	(121)	✓	✓
Interest	4,433	4,000	3,081	3,081	3,081	-	✓	✓
Miscellaneous/Other	4,070	8,064	7,673	7,641	7,635	32	✓	✓
Total Revenues	1,802,695	1,891,292	1,944,944	1,944,286	1,936,361	658	✓	✓
Expenditures								
Administration & Regulatory Affairs	25,622	28,800	28,185	28,185	27,765	-	✓	✓
City Council	5,478	6,352	6,042	6,042	5,992	-	✓	✓
City Secretary	730	836	775	775	773	-	✓	✓
Controller	6,945	7,892	7,892	7,892	7,527	-	✓	✓
Finance	22,027	11,694	10,803	10,803	10,098	-	✓	✓
Fire	420,198	433,270	433,270	433,270	431,461	-	✓	✓
General Services	45,689	49,727	48,590	48,590	47,249	-	✓	✓
Health and Human Services	40,123	44,355	44,267	44,267	43,509	-	✓	✓
Housing and Community Dev.	599	2,514	2,514	2,514	2,473	-	✓	✓
Houston Emergency Center	11,550	11,855	11,855	11,855	11,856	-	✓	✓
Human Resources	3,119	3,246	3,171	3,171	3,115	-	✓	✓
Information Technology	16,857	19,442	18,517	18,517	17,816	-	✓	✓
Legal	12,531	14,112	13,645	13,645	13,530	-	✓	✓
Library	31,607	33,362	33,313	33,313	33,154	-	✓	✓
Mayor's Office	5,335	6,164	6,164	6,164	6,144	-	✓	✓
Municipal Courts	21,224	24,005	24,005	24,005	22,007	-	✓	✓
Neighborhoods	9,131	10,529	10,393	10,393	9,900	-	✓	✓
Office of Business Opportunity	1,998	2,352	2,352	2,352	2,231	-	✓	✓
Parks and Recreation	63,156	64,457	64,457	64,457	62,580	-	✓	✓
Planning and Development	6,657	7,550	7,208	7,208	6,979	-	✓	✓
Police	640,887	697,352	697,352	697,352	690,508	-	✓	✓
Public Works and Engineering	37,015	37,556	37,428	37,428	37,340	-	✓	✓
Solid Waste Management	65,749	69,373	69,373	69,373	65,529	-	✓	✓
Total Departmental Expenditures	1,494,267	1,586,795	1,581,571	1,581,571	1,559,536	-	✓	✓
Net Current Activity	(7,856)	(74,811)	(15,935)	(16,593)	(17,825)	658	✓	✓
Other Financing Sources (Uses)								
Proceeds from Notes	-	-	10,666	10,666	10,666	-	✓	✓
Transfers from Other Funds	53,144	27,078	29,757	29,757	24,933	-	✓	✓
Sale of Capital Assets	1,504	4,500	4,602	4,602	4,900	-	✓	✓
Total Other Financing Sources (Uses)	54,648	31,578	45,025	45,025	40,499	-	✓	✓
Fund Balances								
Fund Balance - Beginning of Year	129,041	171,677	171,677	171,677	171,677	-	✓	✓
Changes to Designated Fund Balance*	(7,720)	(5,000)	(15,000)	(15,000)	-	-	✓	✓
Budgeted Increase/(Decrease) in Fund Balance	46,792	(43,233)	(25,024)	(25,024)	58,234	658	✓	✓
Change in Inventory/Prepaid Items/Imprest Ca	3,564	-	-	-	-	-	✓	✓
(Budgeted Gap)/Increase in Fund Balance**	-	-	54,114	53,456	-	658	✓	✓
Fund Balance, End of Year***	171,677	123,444	185,767	185,109	230,001	658	✓	✓

Actual YTD
Current Budget

- “Dipstick” measures Actual YTD Revenues or Expenditures
- Blue area shows the entire fiscal year current budget



Good - Projected end of year revenue or expenditure is within \$5M or 5% of Current Budget

Caution - Projected end of year revenue is 5% or \$5M below Current Budget
 OR
 Projected end of year expenditure is 5% of \$5M above Current Budget

**The Rainy Day Fund of \$20 million became unassigned in FY2011. In FY2012, the City reassigned \$5M to the Rainy Day Fund and another \$15M in FY2013. The total designation for the Rainy Day Fund is currently \$20M. In FY2012, the City also provides for the designation of \$2.22M out of the General Fund fund balance as restricted to the event that DALLAS collections are insufficient (Disbursement 2012-08).
 ***A negative number in the Controller or Finance projections represents a gap between sources and uses of funds that was not included in the adopted budget. If this gap was not addressed by decreasing uses or increasing the sources of funds, it would require a drawdown of fund balance in order to balance the budget. A positive number represents a projected increase in fund balance.
 ****The City desires to maintain an ending fund balance equal to 7.5% of expenditures before debt service. Ordinance 2008-074 requires a 5% fund balance of expenditures before debt service.
 *****Indicates projection exceeds 5% or \$5M of budget expenditures or projected revenues are 5% or \$5M less than current budget.

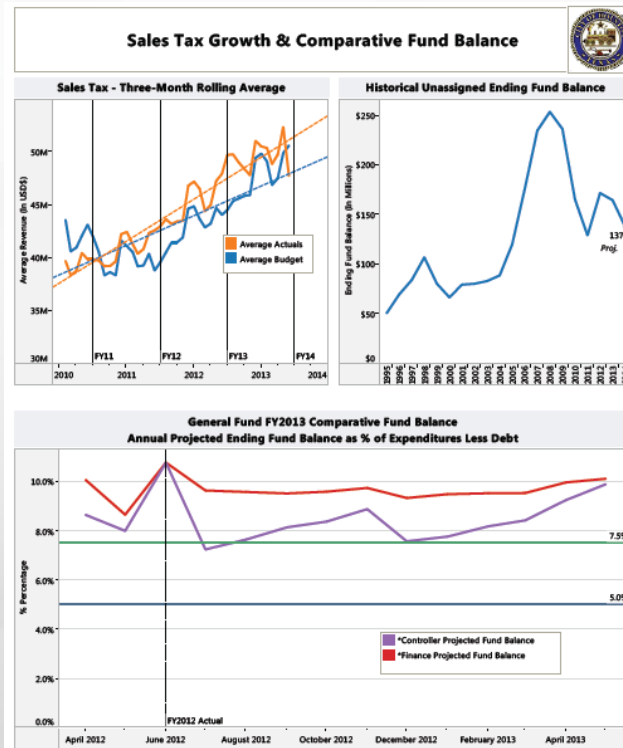
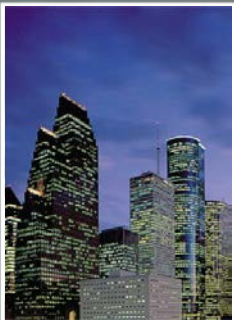


Revised MoFR

General Fund Summary

Other Changes to General Fund Reporting

- Remove duplicative reports for Controller's/Finance Projections
 - Already included in General Fund Summary
- Report General Government line-item detail in Quarterly Financial Report (QFR)
- Show year-over-year General Fund Balance graphically, along with:
 - Sales Tax Budget v. Actual, and
 - Ending Fund Balance as % of Expenditures less debt





Revised MoFR

Other Funds Summary



Fund Summary - Other Funds
July FY2013 through June FY2013
(amounts expressed in thousands)

	Beginning of Year Fund Balance	Revenues*				
		FY2012 Actual	FY2013 Current Budget	FY2013 Actual YTD	Controller's Projection	Finance Projection
Enterprise						
Aviation	848	429,737	441,133	452,142	450,829	450,829
Convention and Entertainment Facilities	(20,943)	80,946	75,699	83,528	83,855	83,855
Combined Utility System	17,835	934,425	948,039	952,656	948,038	948,038
Dedicated Drainage & Street Renewal***	76,070	131,628	51,169	65,133	52,086	52,086
Storm Water***	2,593	17,894	38,916	34,355	38,348	38,348
Risk Management						
Health Benefits	(14,128)	294,506	343,881	349,563	350,216	350,216
Long-Term Disability	1,063	1,339	1,360	1,307	1,307	1,307
Property and Casualty	73	19,257	35,535	23,295	24,733	24,733
Worker's Compensation	-	17,756	20,106	20,335	20,840	20,840
Special Revenue						
Asset Forfeiture	4,080	7,259	6,391	9,086	9,086	9,086
Auto Dealers	2,885	4,636	5,361	6,121	6,121	6,121
BARC	979	7,428	7,713	7,741	7,741	7,741
Building Inspection	10,975	48,996	43,780	53,372	23,705	53,375
Building (Court) Security	12	870	900	880	900	900
Cable Television	2,569	4,958	3,697	3,073	3,943	3,943
Child Safety	224	3,276	3,090	3,297	3,297	3,297
Digital Automated Red Light Enforcement	121	1,747	4,107	160	160	160
Digital Houston	1,597	29	25	14	14	14
Historic Preservation	839	130	118	253	263	263
Houston Emergency Center	2,523	22,315	24,505	22,196	24,505	24,505
Houston Transtar Center	2,047	2,376	2,228	2,185	2,261	2,261
Juvenile Case Manager	1,627	1,066	1,470	1,221	1,246	1,246
Mobility Response Team	2,082	45	-	16	16	16
Parking Management	2,542	8,601	8,186	8,234	8,176	8,176
Parks Golf	369	5,803	6,206	5,906	6,045	6,045
Parks	4,861	1,519	1,974	2,247	2,305	2,305
Police	5,439	23,703	8,394	8,787	10,118	10,118
Recycling Expansion	2,000	642	291	1,464	(143)	(143)
Supplemental Environmental Protection	121	126	103	86	87	87
Swimming Pool Safety	186	865	749	985	985	985
Technology Fee	335	1,255	1,306	1,152	1,211	1,211

* Revenues include non-operating revenues
 ** Expenditures include non-operating expenditures
 *** Dedicated Drainage Fund and Storm Water Fund are not technically Enterprise Funds, but are grouped with the Combined Utility System for clarity
 **** Finance's Projection updated on a quarterly basis
 † Indicates fund is projected to have a negative ending fund balance

	FY2012 Actual	FY2013 Current Budget	FY2013 Actual YTD	Expenditures**		Net Current Activity (Proj.)	End of Year Fund Balance (Proj.)
				Controller's Projection	Finance Projection		
	428,889	441,142	368,752	450,829	450,829	-	848 ✓
	101,889	81,682	81,410	82,384	82,384	1,471	(19,472) †
	916,590	967,078	874,744	910,800	910,800	37,238	55,073 ✓
	55,558	60,520	53,613	55,648	55,648	(3,562)	72,508 ✓
	34,528	38,917	34,037	35,441	35,441	2,907	5,500 ✓
	311,461	331,862	300,378	316,928	316,928	33,288	19,160 ✓
	1,245	1,420	1,198	1,335	1,335	(28)	1,035 ✓
	19,257	33,535	24,184	24,733	24,733	-	73 ✓
	17,756	20,106	19,525	20,840	20,840	-	- ✓
	5,928	9,000	7,181	6,222	6,222	2,864	6,944 ✓
	4,165	5,786	5,019	5,465	5,465	656	3,541 ✓
	7,569	8,453	7,894	7,953	7,953	(212)	767 ✓
	44,079	50,231	48,375	49,499	49,499	3,876	14,851 ✓
	959	912	912	912	912	(12)	- ✓
	4,416	5,557	3,272	3,919	3,919	24	2,593 ✓
	3,152	3,314	2,377	3,314	3,314	(17)	207 ✓
	2,106	521	260	281	281	(121)	- ✓
	833	959	415	432	432	(418)	1,179 ✓
	144	841	158	312	312	(49)	790 ✓
	21,135	24,505	22,118	24,505	24,505	-	2,523 ✓
	1,666	2,366	1,852	2,109	2,109	152	2,199 ✓
	907	1,254	1,114	1,189	1,154	92	1,719 ✓
	2,335	2,108	2,097	2,098	2,098	(2,082)	- ✓
	7,693	9,043	7,736	7,980	7,980	196	2,738 ✓
	5,435	5,942	5,228	5,596	5,596	449	818 ✓
	1,398	1,964	1,263	1,480	1,480	825	5,686 ✓
	25,212	11,170	8,556	8,630	8,630	1,488	6,927 ✓
	863	1,425	855	862	862	(1,005)	995 ✓
	205	204	75	79	79	8	129 ✓
	777	748	715	739	739	246	432 ✓
	1,428	1,546	1,027	1,437	1,437	(226)	109 ✓

✓ **Good** – Proj. positive ending fund balance

! **Caution** – Proj. negative ending fund balance

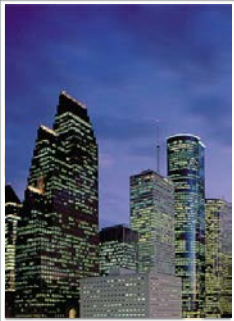
- Focus on most important items: Net Current Activity and Projected End of Year Fund Balance
- Line-item detail for each fund on a quarterly basis (QFR)
- Projections updated on a quarterly basis



Revised MoFR

Debt Funds

- Status of bond funds summarized in 3 pages
 - Commercial Paper Issued and Available Report remains same
 - Eliminate duplicative debt portfolio summary reports for Commercial paper and bond funds
 - Show voter authorized obligations by election
 - Satisfies investors'/institutions' needs and bond covenants
- Report Other Post Employment Benefits (OPEB) & Pension Fund Liability Summary on quarterly basis
 - Projections are updated annually; not many changes throughout year
 - Quarterly Financial Report will contain an in-depth analysis of these funds on a periodic basis along with other issues that will impact the City's long-term fiscal health



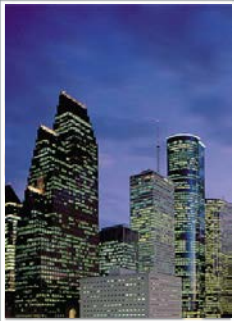
Timeline for Implementation

- ✓ **July 30** – Budget and Fiscal Affairs Committee: Presented results of Rice study and proposed changes to the MFOR
- ✓ **August 6** – Special Budget and Fiscal Affairs Committee: Present new format for the **Monthly Financial Report (MoFR)**
- **September 3** – Budget and Fiscal Affairs Committee: Present template of 1st Edition **Performance Insight**
- **September 4** – City Council Meeting: Present July **MoFR** with motion to approve new format
- **October 29** – Budget and Fiscal Affairs Committee: Present 1st Edition **Quarterly Financial Report** for Q1 FY2014 and 1st Edition **Performance Insight**



Finance Department

Supplemental Information



Rice ALP Team Analysis

Findings from Council Interviews

“Virtually Useless”
“This report is a waste of paper”

– Council Members describing the MFOR

- Revenues, Expenditures, Fund balances viewed at high level
- Executive Summary is generally read
- Enterprise & Special Revenue funds can be summarized
- Want subjective view of City’s Finances – what is good v. bad?

Summary of MFOR Shortcomings:

- Lacks a clear audience and purpose
- Time consuming to produce
- Not user friendly
- Irrelevant / Inaccurate information

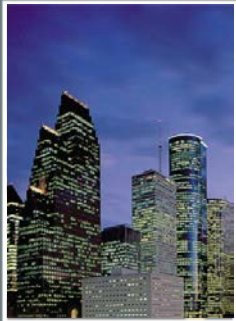
Report is ignored as a result



City Comparison

	Austin	Boston	Charlotte	Denver	New Orleans	New York	San Antonio	Houston Current	Houston After
Length (# pgs)	74	157	228	205	84	38	11	66	12
Publication frequency	Quarterly	Annually	Annually	Annually	Annually	Monthly	Quarterly	Monthly	Monthly
Summary vs. detailed financials	Detailed	Summary	Detailed	Summary	Detailed	Summary	Summary	Detailed	Summary
Defined framework used in reporting	Yes	Yes	Yes	Yes	No	No	No	No	Yes
Key variances explained	Yes	Yes	Yes	No	No	Yes	Yes	No	Yes
Graphic indicators to show trending	Yes	No	No	No	No	No	Yes	No	Yes
Graphic indicators to show goal attainment	Yes	No	No	No	No	No	Yes	No	Yes
Operational metrics integrated?	No	No	No	No	No	No	No	Yes	No
# of operational/performance metrics	1933	150	38	24	314	471	62	150	<150
Key definitions/drivers/CPVs	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes
Targets/goals for operational metrics	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Metric definitions easily available	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
Interactive online report	Yes	Yes	No	No	No	Yes	No	No	No

 Denotes desired practice



Key Recommendations

- Shorten report from ~70 pages to ~15 pages
- Include more visuals
- Remove operational reporting from MFOR and report quarterly (Quarterly Performance Report)
- Report what is required by Charter on a monthly basis and provide more detail on a quarterly basis (Quarterly Financial Report)
- Rename report to the Monthly Financial Report (MoFR) instead of Monthly Financial and Operations Report (MFOR)
- Summarize Enterprise, Risk Management and Special Revenue Funds with focus on Net Current Activity and Fund Balance
- Provide a subjective analysis of funds to easily show whether a number is good or bad