



Holiday in the City

Houston's City Hall and its tree-rimmed reflection pool provide the perfect setting for the City's annual holiday tree-lighting ceremony. Throughout the month of December, Houston's downtown parks, plazas, fountains and office towers are illuminated in honor of the spirit of the season of light.

CITY OF HOUSTON, TEXAS



Statistical Section

The statistical section sets forth relevant financial and non-financial data depicting the City's historical trends on a multi-year basis and other significant information.

CITY OF HOUSTON, TEXAS
GENERAL REVENUES BY SOURCE⁽¹⁾
Last Ten Fiscal Years
amounts expressed in thousands

Fiscal Year	General Property Taxes	City Sales Tax	Other Taxes	Licenses and Permits	Charges for Services
1992	\$ 401,040	\$ 203,773	\$ 140,492	\$ 8,770	\$ 66,889
%	45.49	23.12	15.94	0.99	7.59
1993	\$ 402,945	\$ 213,165	\$ 117,850	\$ 9,736	\$ 62,619
%	46.01	24.34	13.46	1.11	7.15
1994	\$ 412,870	\$ 226,361	\$ 125,440	\$ 10,697	\$ 86,314
%	44.70	24.51	13.58	1.16	9.35
1995	\$ 433,863	\$ 236,879	\$ 127,780	\$ 12,269	\$ 94,552
%	44.45	24.27	13.09	1.26	9.69
1996	\$ 442,833	\$ 247,915	\$ 129,606	\$ 13,236	\$ 97,736
%	43.83	24.54	12.83	1.31	9.67
1997	\$ 447,238	\$ 262,149	\$ 146,418	\$ 13,585	\$ 100,841
%	42.64	24.99	13.96	1.30	9.61
1998	\$ 470,389	\$ 291,899	\$ 155,205	\$ 13,282	\$ 108,280
%	42.07	26.11	13.88	1.19	9.68
1999	\$ 503,925	\$ 305,472	\$ 164,146	\$ 13,653	\$ 99,068
%	43.21	26.19	14.07	1.17	8.49
2000	\$ 542,777	\$ 313,864	\$ 171,703	\$ 13,126	\$ 98,465
%	44.81	25.91	14.17	1.08	8.13
2001	\$ 572,432	\$ 329,705	\$ 200,040	\$ 12,581	\$ 104,360
%	44.54	25.66	15.57	0.98	8.12

(1) Includes the General Fund only.

Fines, Forfeits, Penalties	Interest	Inter- government	Other	Total
\$ 24,410 2.77	\$ 7,150 0.81	\$ 22,330 2.53	\$ 6,654 0.75	\$ 881,508 100.00
\$ 34,089 3.89	\$ 14,909 1.70	\$ 4,726 0.54	\$ 15,786 1.80	\$ 875,825 100.00
\$ 35,054 3.80	\$ 6,569 0.71	\$ 4,777 0.52	\$ 15,532 1.68	\$ 923,614 100.00
\$ 36,699 3.76	\$ 9,602 0.98	\$ 4,568 0.47	\$ 19,899 2.04	\$ 976,111 100.00
\$ 39,946 3.95	\$ 11,090 1.10	\$ 12,349 1.22	\$ 15,613 1.55	\$ 1,010,324 100.00
\$ 43,449 4.14	\$ 9,537 0.91	\$ 12,358 1.18	\$ 13,304 1.27	\$ 1,048,879 100.00
\$ 48,181 4.31	\$ 8,783 0.79	\$ 12,462 1.11	\$ 9,673 0.87	\$ 1,118,154 100.00
\$ 53,320 4.57	\$ 8,594 0.74	\$ 7,223 0.62	\$ 10,935 0.94	\$ 1,166,336 100.00
\$ 43,977 3.63	\$ 8,202 0.68	\$ 8,040 0.66	\$ 11,246 0.93	\$ 1,211,400 100.00
\$ 43,035 3.35	\$ 11,548 0.90	\$ 698 0.05	\$ 10,691 0.83	\$ 1,285,090 100.00

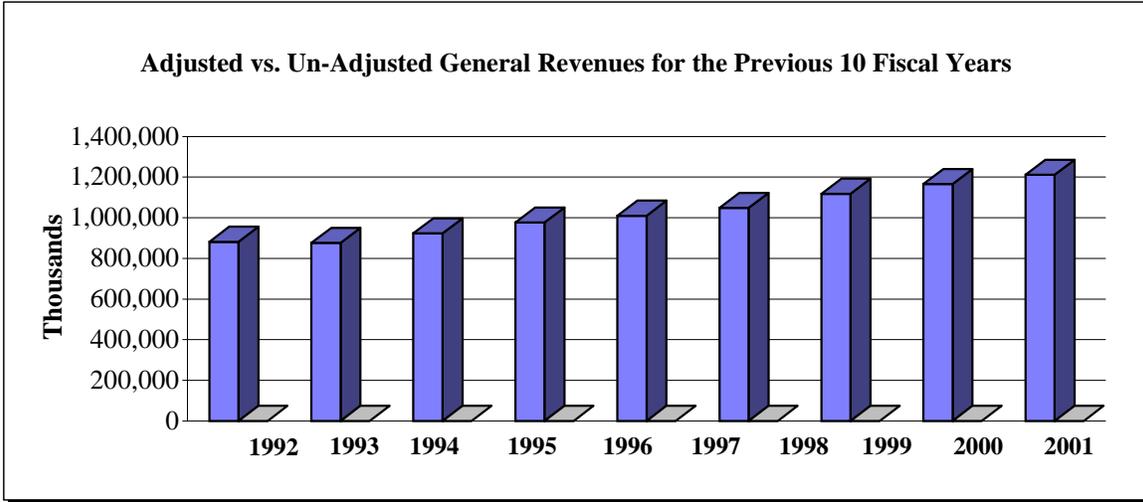
CITY OF HOUSTON, TEXAS
GENERAL EXPENDITURES BY FUNCTION⁽¹⁾
Last Ten Fiscal years
amounts expressed in thousands

Fiscal Year	General Government	Public Safety	Public Works and Solid Waste Management	Health Department	Parks and Recreation Department
1992	\$ 99,396	\$ 432,438	\$ 127,275	\$ 43,735	\$ 30,780
%	10.32	44.90	13.22	4.54	3.20
1993	\$ 98,529	\$ 459,641	\$ 104,021	\$ 46,867	\$ 33,525
%	10.39	48.46	10.97	4.94	3.53
1994	\$ 88,290	\$ 490,377	\$ 105,685	\$ 48,668	\$ 40,776
%	8.77	48.72	10.50	4.83	4.05
1995	\$ 83,129	\$ 514,862	\$ 113,895	\$ 50,496	\$ 46,420
%	7.91	48.99	10.84	4.80	4.42
1996	\$ 85,893	\$ 536,146	\$ 108,711	\$ 52,243	\$ 45,314
%	7.92	49.46	10.03	4.82	4.18
1997	\$ 89,616	\$ 557,657	\$ 112,282	\$ 53,468	\$ 47,339
%	7.83	48.75	9.81	4.67	4.14
1998	\$ 92,440	\$ 594,771	\$ 117,382	\$ 54,228	\$ 49,356
%	7.58	48.79	9.63	4.45	4.05
1999	\$ 88,376	\$ 631,212	\$ 121,132	\$ 55,201	\$ 50,157
%	7.11	50.77	9.74	4.44	4.03
2000	\$ 94,506	\$ 656,846	\$ 125,184	\$ 56,547	\$ 53,932
%	7.25	50.39	9.60	4.34	4.14
2001	\$ 93,754	\$ 652,764	\$ 148,598	\$ 55,793	\$ 55,196
%	6.93	48.26	10.99	4.13	4.08

(1) Includes the General Fund plus Debt Service Fund.

<u>Library</u>	<u>Employee Benefits</u>	<u>Equipment Acquisition</u>	<u>Debt Service</u>	<u>Miscellaneous</u>	<u>Total</u>
\$ 21,553 2.24	\$ 5,363 0.56	\$ 11,509 1.19	\$ 163,300 16.96	\$ 27,755 2.88	\$ 963,104 100.00
\$ 21,881 2.31	\$ 9,543 1.01	\$ 36,951 3.90	\$ 122,497 12.91	\$ 15,056 1.59	\$ 948,511 100.00
\$ 23,558 2.34	\$ 9,090 0.90	\$ 40,752 4.05	\$ 139,705 13.88	\$ 19,681 1.96	\$ 1,006,582 100.00
\$ 24,799 2.36	\$ 6,929 0.66	\$ 34,981 3.33	\$ 149,420 14.22	\$ 26,101 2.48	\$ 1,051,032 100.00
\$ 27,495 2.54	\$ 9,067 0.84	\$ 38,044 3.51	\$ 161,995 14.95	\$ 19,000 1.75	\$ 1,083,908 100.00
\$ 27,983 2.45	\$ 8,720 0.76	\$ 39,977 3.49	\$ 182,283 15.93	\$ 24,698 2.16	\$ 1,144,023 100.00
\$ 31,057 2.55	\$ 9,133 0.75	\$ 64,981 5.33	\$ 178,900 14.67	\$ 26,901 2.21	\$ 1,219,149 100.00
\$ 33,823 2.72	\$ 8,941 0.72	\$ 35,488 2.85	\$ 184,173 14.81	\$ 34,811 2.80	\$ 1,243,314 100.00
\$ 35,758 2.74	\$ 9,597 0.74	\$ 41,008 3.15	\$ 198,656 15.24	\$ 31,531 2.42	\$ 1,303,565 100.00
\$ 36,240 2.68	\$ 11,675 0.86	\$ 50,299 3.72	\$ 212,066 15.68	\$ 36,079 2.67	\$ 1,352,464 100.00

CITY OF HOUSTON, TEXAS

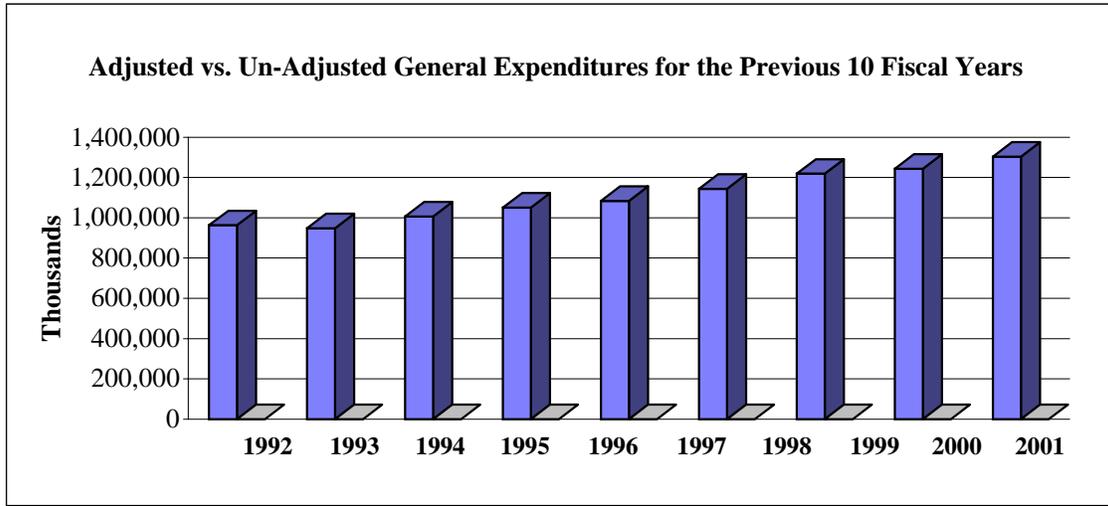


Represents actual dollars

Represents adjusted dollars

Both revenues and expenses are adjusted by the U.S. State & Local Government Expenditures Implicit Deflator, which is derived from the overall GDP (Gross domestic Product) Implicit Deflator. FY01 is the base year. The factors used to divide into the actual (nominal) values are as follows: FY92 = 0.90, FY93 = 0.93, FY94 = 0.95, FY95 = 0.97, FY96 = 1.00, FY97 = 1.02, FY98 = 1.04, FY99 = 1.06, and FY00 = 1.00.

CITY OF HOUSTON, TEXAS



Represents actual dollars

Represents adjusted dollars

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CITY OF HOUSTON, TEXAS
AIRPORT SYSTEM FUND REVENUES AND EXPENSES
Last Ten Fiscal Years
amounts expressed in thousands

Total Annual Revenues Last Ten Fiscal Years	1992	1993	1994
Operating Revenues			
Landing area fees	\$ 35,811	\$ 38,306	\$ 35,239
Building and ground area fees	39,338	41,068	44,603
Parking, concession and other revenues	52,776	53,141	55,438
Total Operating Revenues	<u>127,925</u>	<u>132,515</u>	<u>135,280</u>
Nonoperating Revenues			
Interest income	18,569	14,150	7,023
Other nonoperating revenues	439	426	328
Total Nonoperating Revenues	<u>19,008</u>	<u>14,576</u>	<u>7,351</u>
Total Revenues	<u>\$ 146,933</u>	<u>\$ 147,091</u>	<u>\$ 142,631</u>
Total Annual Expenses Last Ten Fiscal Years	1992	1993	1994
Operating Expenses			
Maintenance and operating	\$ 73,446	\$ 78,878	\$ 84,427
Depreciation	30,485	32,345	33,451
Bad debt expense	311	5	3
Total Operating Expenses	<u>104,242</u>	<u>111,228</u>	<u>117,881</u>
Nonoperating Expenses			
Interest expense and others	32,620	33,897	21,003
Total Nonoperating Expenses	<u>32,620</u>	<u>33,897</u>	<u>21,003</u>
Total Expenses	<u>\$ 136,862</u>	<u>\$ 145,125</u>	<u>\$ 138,884</u>

1995	1996	1997	1998	1999	2000	2001
\$ 38,951	\$ 41,741	\$ 43,371	\$ 43,739	\$ 37,506	\$ 40,930	\$ 48,298
49,592	50,824	54,362	54,479	59,921	72,988	74,168
61,762	66,654	69,272	75,827	84,944	95,217	99,708
<u>150,305</u>	<u>159,219</u>	<u>167,005</u>	<u>174,045</u>	<u>182,371</u>	<u>209,135</u>	<u>222,174</u>
7,805	10,871	10,894	13,213	21,762	25,027	66,846
665	236	56	664	207	188	828
<u>8,470</u>	<u>11,107</u>	<u>10,950</u>	<u>13,877</u>	<u>21,969</u>	<u>25,215</u>	<u>67,674</u>
<u>\$ 158,775</u>	<u>\$ 170,326</u>	<u>\$ 177,955</u>	<u>\$ 187,922</u>	<u>\$ 204,340</u>	<u>\$ 234,350</u>	<u>\$ 289,848</u>

1995	1996	1997	1998	1999	2000	2001
\$ 90,488	\$ 91,836	\$ 93,471	\$ 100,040	\$ 117,206	\$ 113,442	\$ 122,594
36,638	37,932	39,002	43,166	42,537	46,390	52,410
-	-	-	-	-	-	-
<u>127,126</u>	<u>129,768</u>	<u>132,473</u>	<u>143,206</u>	<u>159,743</u>	<u>159,832</u>	<u>175,004</u>
20,502	20,180	18,859	18,376	32,471	44,354	65,387
20,502	20,180	18,859	18,376	32,471	44,354	65,387
<u>\$ 147,628</u>	<u>\$ 149,948</u>	<u>\$ 151,332</u>	<u>\$ 161,582</u>	<u>\$ 192,214</u>	<u>\$ 204,186</u>	<u>\$ 240,391</u>

CITY OF HOUSTON, TEXAS
CONVENTION AND ENTERTAINMENT FACILITIES FUND REVENUES AND EXPENSES
Last Ten Fiscal Years
amounts expressed in thousands

Total Annual Revenues Last Ten Fiscal Years	<u>1992</u>	<u>1993</u>	<u>1994</u>
Operating Revenues			
Fees charged to users, net	\$ 9,286	\$ 9,547	\$ 9,286
Total Operating Revenues	<u>9,286</u>	<u>9,547</u>	<u>9,286</u>
Nonoperating Revenues			
Interest	3,473	2,338	1,708
Hotel occupancy tax (including penalty & interest)	24,627	26,214	26,643
Other income	<u>3,118</u>	<u>1,252</u>	<u>250</u>
Total Nonoperating Revenues	<u>31,218</u>	<u>29,804</u>	<u>28,601</u>
Total Revenues	<u>\$ 40,504</u>	<u>\$ 39,351</u>	<u>\$ 37,887</u>
Total Annual Expenses Last Ten Fiscal Years	<u>1992</u>	<u>1993</u>	<u>1994</u>
Operating Expenses			
Maintenance and operating	\$ 14,556	\$ 17,521	\$ 16,375
Depreciation	5,721	5,842	14,237
Bad debt expense	<u>604</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>20,881</u>	<u>23,363</u>	<u>30,612</u>
Nonoperating Expenses			
Interest on long-term debt	9,836	9,473	9,187
Promotional contracts & other expenses	<u>11,816</u>	<u>9,889</u>	<u>-</u>
Total Nonoperating Expenses	<u>21,652</u>	<u>19,362</u>	<u>9,187</u>
Total Expenses	<u>\$ 42,533</u>	<u>\$ 42,725</u>	<u>\$ 39,799</u>

<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
\$ 9,048	\$ 9,975	\$ 10,277	\$ 11,018	\$ 15,576	\$ 16,835	\$ 17,469
<u>9,048</u>	<u>9,975</u>	<u>10,277</u>	<u>11,018</u>	<u>15,576</u>	<u>16,835</u>	<u>17,469</u>
2,064	2,735	2,690	3,268	3,174	3,642	9,846
28,699	30,118	34,354	38,270	42,459	42,550	46,123
<u>430</u>	<u>489</u>	<u>567</u>	<u>1,599</u>	<u>1,042</u>	<u>133</u>	<u>181</u>
<u>31,193</u>	<u>33,342</u>	<u>37,611</u>	<u>43,137</u>	<u>46,675</u>	<u>46,325</u>	<u>56,150</u>
<u>\$ 40,241</u>	<u>\$ 43,317</u>	<u>\$ 47,888</u>	<u>\$ 54,155</u>	<u>\$ 62,251</u>	<u>\$ 63,160</u>	<u>\$ 73,619</u>

<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
\$ 13,541	\$ 13,980	\$ 17,636	\$ 14,378	\$ 16,421	\$ 19,886	\$ 20,331
5,491	5,318	6,274	6,412	6,640	6,684	6,356
<u>-</u>						
<u>19,032</u>	<u>19,298</u>	<u>23,910</u>	<u>20,790</u>	<u>23,061</u>	<u>26,570</u>	<u>26,687</u>
8,850	8,891	7,884	7,685	7,469	7,194	12,655
<u>-</u>	<u>6,000</u>	<u>6,000</u>	<u>6,431</u>	<u>9,565</u>	<u>10,974</u>	<u>12,110</u>
<u>8,850</u>	<u>14,891</u>	<u>13,884</u>	<u>14,116</u>	<u>17,034</u>	<u>18,168</u>	<u>24,765</u>
<u>\$ 27,882</u>	<u>\$ 34,189</u>	<u>\$ 37,794</u>	<u>\$ 34,906</u>	<u>\$ 40,095</u>	<u>\$ 44,738</u>	<u>\$ 51,452</u>

CITY OF HOUSTON, TEXAS
WATER AND SEWER SYSTEM FUND REVENUES AND EXPENSES
Last Ten Fiscal Years
amounts expressed in thousands

Total Annual Revenues Last Ten Fiscal Years	<u>1992</u>	<u>1993</u>	<u>1994</u>
Operating Revenues			
Water sales	\$ 229,422	\$ 228,179	\$ 248,804
Waste water system user charges	234,121	234,302	250,020
Penalties	3,106	3,412	3,880
Other services and charges	<u>3,251</u>	<u>3,006</u>	<u>2,401</u>
Total Operating Revenues	<u>469,900</u>	<u>468,899</u>	<u>505,105</u>
Nonoperating Revenues			
Interest	45,851	34,541	27,152
Other income	<u>5,247</u>	<u>4,677</u>	<u>14,539</u>
Total Nonoperating Revenues	<u>51,098</u>	<u>39,218</u>	<u>41,691</u>
Total Revenues	<u>\$ 520,998</u>	<u>\$ 508,117</u>	<u>\$ 546,796</u>
Total Annual Expenses Last Ten Fiscal Years	<u>1992</u>	<u>1993</u>	<u>1994</u>
Operating Expenses			
Maintenance and operating	\$ 204,751	\$ 222,282	\$ 240,938
Depreciation	89,233	93,453	407,512
Bad debt expense	<u>221</u>	<u>680</u>	<u>892</u>
Total Operating Expenses	<u>294,205</u>	<u>316,415</u>	<u>649,342</u>
Nonoperating Expenses			
Interest on long-term debt	114,038	136,710	135,164
Other expenses	<u>-</u>	<u>-</u>	<u>-</u>
Total Nonoperating Expenses	<u>114,038</u>	<u>136,710</u>	<u>135,164</u>
Total Expenses	<u>\$ 408,243</u>	<u>\$ 453,125</u>	<u>\$ 784,506</u>

1995	1996	1997	1998	1999	2000	2001
\$ 245,634	\$ 250,721	\$ 239,978	\$ 262,481	\$ 266,381	\$ 281,757	\$ 271,553
252,314	255,989	250,821	264,576	264,076	275,782	268,492
3,706	3,963	3,938	3,957	3,947	3,493	4,440
2,538	2,607	3,273	3,178	2,962	3,006	2,807
<u>504,192</u>	<u>513,280</u>	<u>498,010</u>	<u>534,192</u>	<u>537,366</u>	<u>564,038</u>	<u>547,292</u>
32,061	40,671	41,176	41,078	37,978	32,019	56,914
7,727	8,644	10,819	12,193	18,116	20,641	22,511
<u>39,788</u>	<u>49,315</u>	<u>51,995</u>	<u>53,271</u>	<u>56,094</u>	<u>52,660</u>	<u>79,425</u>
<u>\$ 543,980</u>	<u>\$ 562,595</u>	<u>\$ 550,005</u>	<u>\$ 587,463</u>	<u>\$ 593,460</u>	<u>\$ 616,698</u>	<u>\$ 626,717</u>

1995	1996	1997	1998	1999	2000	2001
\$ 240,459	\$ 252,026	\$ 224,641	\$ 222,930	\$ 212,877	\$ 225,258	\$ 248,603
112,454	163,034	166,244	174,994	190,205	212,846	256,959
986	1,290	1,733	1,071	740	1,000	-
<u>353,899</u>	<u>416,350</u>	<u>392,618</u>	<u>398,995</u>	<u>403,822</u>	<u>439,104</u>	<u>505,562</u>
110,142	127,672	143,123	160,253	155,201	164,650	172,749
-	12,040	9,498	7,225	4,863	4,057	3,315
<u>110,142</u>	<u>139,712</u>	<u>152,621</u>	<u>167,478</u>	<u>160,064</u>	<u>168,707</u>	<u>176,064</u>
<u>\$ 464,041</u>	<u>\$ 556,062</u>	<u>\$ 545,239</u>	<u>\$ 566,473</u>	<u>\$ 563,886</u>	<u>\$ 607,811</u>	<u>\$ 681,626</u>

CITY OF HOUSTON, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
amounts expressed in thousands

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Total Tax Levy</u>	<u>Net Tax Levy</u>	<u>Current Tax Collections (a)</u>	<u>Percent of Current Tax Collected</u>
1992	1991	\$ 438,527	\$ 402,543	\$ 381,394	86.97%
1993	1992	\$ 435,855	\$ 397,505	\$ 380,185	87.23%
1994	1993	\$ 439,262	\$ 399,530	\$ 385,954	87.86%
1995	1994	\$ 466,909	\$ 423,165	\$ 409,561	87.72%
1996	1995	\$ 476,909	\$ 430,825	\$ 417,170	87.47%
1997	1996	\$ 485,606	\$ 437,589	\$ 425,536	87.63%
1998	1997	\$ 513,643	\$ 461,904	\$ 448,279	87.27%
1999	1998	\$ 548,622	\$ 493,913	\$ 479,856	87.47%
2000	1999	\$ 594,899	\$ 536,599	\$ 522,302	87.80%
2001	2000	\$ 642,834	\$ 574,325	\$ 558,193	86.83%

(a) These figures represent collections as of June 30 of each year. Tax delinquency date ordinarily is February 1 of the year following the Tax Year, but such date will be postponed for taxpayers whose tax bills are mailed by the City after January 10 of the year following the Tax Year.

Prior Years Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Current Tax Levy	Outstanding Delinquent Taxes by Tax Year	Ratio of Delinquent Taxes to Current Tax Levy
\$ 13,625	\$ 395,019	98.1%	\$ 5,280	1.3%
\$ 16,333	\$ 396,518	99.8%	\$ 5,131	1.3%
\$ 19,710	\$ 405,664	101.5%	\$ 5,171	1.3%
\$ 18,243	\$ 427,804	101.1%	\$ 5,565	1.3%
\$ 17,585	\$ 434,755	100.9%	\$ 6,102	1.4%
\$ 15,726	\$ 441,262	100.8%	\$ 6,962	1.6%
\$ 14,250	\$ 462,530	100.1%	\$ 9,577	2.1%
\$ 15,581	\$ 495,437	100.3%	\$ 23,155	4.7%
\$ 15,302	\$ 537,604	100.2%	\$ 26,728	5.0%
\$ 17,315	\$ 575,508	100.2%	\$ 27,544	4.8%

CITY OF HOUSTON, TEXAS
TAXABLE VALUES AND TAX LEVIES
Last Ten Fiscal Years
amounts expressed in thousands

Fiscal Year	Tax Year	Real Property	Personal Property	Taxable Value (b)
1992	1991	\$ 48,638,532	\$ 15,449,272	\$ 64,087,804
1993	1992	\$ 48,040,440	\$ 15,491,705	\$ 63,532,145
1994	1993	\$ 48,447,953	\$ 15,522,639	\$ 63,970,592
1995	1994	\$ 48,367,126	\$ 15,545,980	\$ 63,913,106
1996	1995	\$ 48,972,216	\$ 16,113,132	\$ 65,085,348
1997	1996	\$ 49,228,191	\$ 16,747,637	\$ 65,975,828
1998	1997	\$ 52,201,769	\$ 17,257,527	\$ 69,459,296
1999	1998	\$ 56,101,316	\$ 18,171,308	\$ 74,272,625
2000	1999	\$ 61,997,865	\$ 18,693,686	\$ 80,691,551
2001	2000	\$ 69,004,424	\$ 18,678,764	\$ 87,683,188

(a) The Texas Constitution limits the maximum ad valorem tax rate to \$2.50 per \$100 of assessed valuation for home rule cities such as the City. A voter-approved 1982 amendment to the City's home-rule charter (the "Charter") limits the tax rate for general purposes to \$0.50 per \$100 of assessed valuation, but that Charter limitation does not apply to taxes levied to pay debt service on the Tax Bonds, Tax Certificates, Commercial Paper Notes and Assumed Bonds. The \$0.50 general purpose tax limit can be changed only by amending the Charter at an election (held no more than once every two years) or by State law. The most recent Charter election held in November 1999 did not include a proposition to amend the City's general purpose tax limit.

(b) These amounts do not include revenue from certain property within Industrial Districts created by the City or revenues received from similar agreements with property owners outside of the City's corporate limits. Industrial Districts have a term from seven to ten years and allow property owners to make payments to the City in lieu of paying ad valorem taxes. Similarly, certain other property owners outside of the City's corporate limits have contracted with the City to pay a certain sum in consideration for the City agreeing not to annex their property. These payments are structured like Industrial District payments, but with a minimum payment, by each property owner.

Tax Rate (a)			
General Purpose	Debt Service	Total	Levy
0.44827	0.18173	0.63000	\$ 403,669
0.48868	0.14132	0.63000	\$ 405,476
0.49306	0.13694	0.63000	\$ 427,806
0.49273	0.17227	0.66500	\$ 424,287
0.48733	0.17767	0.66500	\$ 436,773
0.47911	0.18589	0.66500	\$ 437,589
0.47998	0.18502	0.66500	\$ 461,904
0.46070	0.20430	0.66500	\$ 493,913
0.46973	0.19527	0.66500	\$ 536,599
0.47601	0.17899	0.65500	\$ 574,325

CITY OF HOUSTON, TEXAS
PROPERTY TAX RATES – ALL DIRECT AND OVERLAPPING GOVERNMENTS^(B)
Last Ten Fiscal Years

Purpose	2001	2000	1999	1998	1997	1996
City of Houston ^(A)	0.655	0.665	0.665	0.665	0.665	0.665
Aldine I.S.D.	1.519	1.519	1.515	1.51	1.485	1.485
Alief I.S.D.	1.64	1.64	1.6995	1.6995	1.6995	1.6995
Clear Creek I.S.D.	1.70084	1.70084	1.64152	1.64152	1.515	1.47
Clear Lake City Water Authority ^(A)	0.33	0.33	0.33	0.32	0.33	0.295
Conroe I.S.D.	1.7025	1.7025	1.6905	1.7505	1.6355	1.5955
Crosby I.S.D.	1.68	1.68	1.68	1.68	1.68	1.65
Cypress-Fairbanks I.S.D.	1.709	1.709	1.77	1.77	1.75	1.75
Deer Park I.S.D.	1.69	1.67	1.58	1.58	1.53	1.53
Fort Bend County ^(A)	0.6041	0.6241	0.6241	0.6291	0.647	0.647
Galena Park I.S.D.	1.68352	1.68352	1.6768	1.6768	1.6168	1.5868
Harris County ^{(A)(C)}	0.64173	0.64173	0.64173	0.64173	0.64735	0.62462
Houston I.S.D.	1.519	1.459	1.459	1.384	1.384	1.384
Huffman I.S.D.	1.74	1.74	1.88	1.88	1.92	1.97
Humble I.S.D.	1.68	1.68	1.66	1.81	1.79	1.79
Katy I.S.D.	1.8675	1.695	1.83	1.83	1.75	1.73
Klein I.S.D.	1.67	1.67	1.78	1.78	1.78	1.78
Montgomery County	0.04747	0.4747	0.4747	0.4897	0.4897	0.4927
New Caney I.S.D.	1.7696	1.69	1.83	1.83	1.6874	1.6874
North Forest I.S.D.	1.744	1.6423	1.7923	1.7923	1.68	1.68
North Harris County Jr. College District ^(A)	0.11	0.1174	0.1198	0.1198	0.1228	0.1002
Northwood M.U.D. #1	1.25	1.25	1.25	1.25	9.96	10.25
Pasadena I.S.D.	1.61	1.52	1.55	1.5535	1.48	1.45
San Jacinto Jr. College District ^(A)	0.126	0.126	0.11	0.11	0.11	0.11
Sheldon I.S.D.	1.457	1.538	1.52	1.52	1.52	1.52
Spring I.S.D.	1.69	1.74	1.86	1.86	1.79	1.74
Spring Branch I.S.D.	1.79	1.79	1.82	1.82	1.78	1.78

(A) The tax rates are based on a 100% assessment ratio. Tax rates are stated per \$100 assessed value.

(B) Includes all major taxing jurisdictions; excludes certain minor overlapping portions.

(C) Harris County includes the Harris County Flood Control District, Port of Houston Authority, Harris County Hospital District and the Harris County Board of Education.

<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
0.665	0.63	0.63	0.63
1.47	1.4459	1.4459	1.2339
1.6995	1.6995	1.7995	1.655
1.47	1.46	1.42563	1.299
0.295	0.295	0.285	0.275
1.5655	1.5455	N/A	N/A
1.5899	1.6	1.542	1.37
1.75	1.72	1.68	1.6
1.53	1.48	1.362	1.15
0.657	0.6598	0.66	0.59
1.5868	1.5868	1.417	1.22
0.62665	0.60044	0.60032	0.59011
1.384	1.384	1.384	1.05
2.03	1.83	1.83	1.83
1.792	1.732	1.732	1.56
1.67	1.63	1.692	1.57
1.73	1.67	1.702	1.57
0.4927	0.4927	0.4877	0.4927
1.6874	1.6874	1.6874	1.6874
1.68	1.68	1.682	1.551
0.099	0.099	0.06	0.06
10.25	10.25	10.25	5.44
1.43	1.43	1.43	1.14
0.11	0.1	0.1	0.092
1.52	1.432	1.432	1.32
1.74	1.7	1.742	1.57
1.78	1.78	1.662	1.49

CITY OF HOUSTON, TEXAS
RATIO OF GENERAL BONDED DEBT TO TAXABLE VALUE AND BONDED DEBT PER CAPITA
Last Ten Fiscal Years
amounts expressed in thousands, except for bonded debt per capita

Fiscal Year	Gross Bonded Debt⁽¹⁾	Bonded Debt Supported by Revenues	Tax Obligation Bonded Debt⁽²⁾			Taxable Value⁽⁴⁾
			Gross	Less Sinking Fund⁽³⁾	Net	
1992	\$ 3,041,853	\$ 1,998,073	\$ 1,043,780	\$ 89,872	\$ 953,908	\$ 64,087,804
1993	\$ 3,382,144	\$ 2,134,202	\$ 1,247,942	\$ 111,789	\$ 1,136,153	\$ 63,532,145
1994	\$ 3,387,641	\$ 2,087,208	\$ 1,300,433	\$ 94,781	\$ 1,205,652	\$ 63,970,592
1995	\$ 3,630,760	\$ 2,286,746	\$ 1,344,014	\$ 96,113	\$ 1,247,901	\$ 63,913,106
1996	\$ 4,355,761	\$ 2,934,165	\$ 1,421,596	\$ 88,963	\$ 1,332,633	\$ 65,085,348
1997	\$ 4,842,762	\$ 3,246,050	\$ 1,596,712	\$ 82,837	\$ 1,513,875	\$ 65,975,828
1998	\$ 5,077,608	\$ 3,364,015	\$ 1,713,593	\$ 84,792	\$ 1,628,801	\$ 69,459,296
1999	\$ 5,873,155	\$ 4,117,088	\$ 1,756,067	\$ 88,744	\$ 1,667,323	\$ 74,272,625
2000	\$ 6,023,277	\$ 4,195,464	\$ 1,827,813	\$ 86,373	\$ 1,741,440	\$ 80,691,551
2001	\$ 7,420,564	\$ 5,554,520	\$ 1,866,044	\$ 89,603	\$ 1,776,441	\$ 87,683,188

Notes:

- (1) Gross Bonded Debt represents the total amount of outstanding bonds issued by the City of Houston in its own name or assumed through annexations.
- (2) Tax Obligation Bonded Debt represents the amount of outstanding bonds which are supported primarily by ad valorem taxes, including all Public Improvement Bonds, Tax and Revenue Certificates of Obligation, and General Obligation Bonds.
- (3) Represents the fund balance available for Debt Service at fiscal year-end.

Ratio of Bond Debt to Taxable Value (Percent)			Population (Est.) ⁽⁵⁾	Bonded Debt Per Capita		
Gross Bonded Debt	Tax Obligation Bonded Debt			Gross Bonded Debt	Tax Obligation Bonded Debt	
	Gross	Net			Gross	Net
4.75	1.63	1.49	1,699	\$ 1,790.38	\$ 614.35	\$ 561.45
5.32	1.96	1.79	1,703	\$ 1,985.99	\$ 732.79	\$ 667.15
5.30	2.03	1.88	1,690	\$ 2,004.52	\$ 769.49	\$ 713.40
5.68	2.10	1.95	1,719	\$ 2,112.13	\$ 781.86	\$ 725.95
6.69	2.18	2.05	1,749	\$ 2,490.43	\$ 812.81	\$ 761.94
7.34	2.42	2.29	1,819	\$ 2,662.32	\$ 877.80	\$ 832.26
7.31	2.47	2.34	1,841	\$ 2,758.07	\$ 930.79	\$ 884.74
7.91	2.36	2.24	1,880	\$ 3,124.02	\$ 934.08	\$ 886.87
7.46	2.27	2.16	1,902	\$ 3,166.81	\$ 961.00	\$ 915.58
8.46	2.13	2.03	1,954	\$ 3,797.63	\$ 954.99	\$ 909.13

(4) Taxable Value is the assessed value of property, less all exemptions. Taxable Value is as of the following dates; 1992 when the value is as of June 30, 1992; 1993 when value is as of September 8, 1993; 1994 when the value is as of August 31, 1994; 1995 when value is as of August 3, 1995; 1996 when value is as of August 19, 1996; 1997 when value is as of September 24, 1997; 1998 when value is as of September 21, 1998; 1999 when value is as of September 8, 1999; 2000 when value is as of October 3, 2000 and 2001 when value is as of October 4, 2001.

(5) Population figures represent the latest available official estimate in each year from the U.S. Department of Commerce, Bureau of Census as of January 1, 2000.

CITY OF HOUSTON, TEXAS
AD VALOREM TAX OBLIGATION PERCENTAGES
BY TAX YEAR

Fiscal Year	Tax Year	Tax-Supported Debt at December 31 (in thousands)	Tax Roll ^(a) (in thousands)	Tax-Supported Debt as a Percentage of Tax Roll	Tax-Supported Per Capita ^(b)	Debt Service Requirement Payable from Taxes ^(c) (in thousands)
1997	1996	\$ 1,616,391	\$ 65,799,621	2.46%	\$ 917	\$ 182,673
1998	1997	\$ 1,684,881	\$ 69,485,377	2.42%	\$ 926	\$ 183,777
1999	1998	\$ 1,765,406	\$ 74,166,239	2.38%	\$ 959	\$ 178,973
2000	1999	\$ 1,822,927	\$ 80,751,295	2.26%	\$ 970	\$ 200,611
2001	2000	\$ 1,880,688	\$ 89,603,317	2.14%	\$ 963	\$ 224,598

(a) The tax rolls reflect the total appraised value (net of exemptions) based on the certified tax rolls provided by the Appraisal District. The total assessed value for the tax year 2000 (including exempt property values) is \$98,170 (in thousands), which is the appraised value used to determine the statutory limitation of \$9.8 billion relating to the total bonded indebtedness.

(b) Per capita debt figures are based on a population estimate according to the Texas State Data Center, which were by tax year as follows : 1996 - 1,761,754; 1997 - 1,818,613; 1998 - 1,841,064; 1999 - 1,879,912; and 2000 - 1,953,631.

(c) These amounts have not been reduced by the ending fund balances in the Debt Service Fund, which were as follows for the Fiscal Years 1996 through 2001: 1996 - \$88,963,000; 1997 - \$82,837,000; 1998 - \$84,792,000; 1999 - \$88,744,000; 2000 - \$86,373,000; and 2001- \$90,235,000.

CITY OF HOUSTON, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2001
amounts expressed in thousands

Assessed Value(1)					\$ 98,142,629
Less:					
Tax Exemptions					10,459,441
Taxable Value					<u>\$ 87,683,188</u>
Legal debt limitation, 10% of assessed value(2)					\$ 9,814,263
Debt applicable to limitation:					
Public Improvement Bonds	\$		1,337,500		
General Obligation Bonds			3,365		
Aviation			1,509,620		
Commercial Paper - General Obligation			376,300		
Annexed District Bonds assumed			106,176		
Tax and Revenue Certificates of Obligation			<u>42,703</u>		
Total			3,375,664		
Less:					
Amount available for repayment of general obligation debt			<u>(89,603)</u>		
Total debt applicable to limitation					<u>(3,286,061)</u>
Legal debt margin					<u>\$ 6,528,202</u>

(1) Assessed Value for the 2000 tax year is based on the appraised value of property prior to any deductions for exemptions. The Assessed Value is derived from the certified valuations provided by the Harris County Appraisal District.

(2) See Vernon's Annotated Civil Statutes, Article 835p, Section 1 and 2.

CITY OF HOUSTON, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2001
amounts expressed in thousands

	<u>Net Direct Debt</u>		<u>% of Debt Applicable to Houston</u>	<u>City of Houston Share of Debt</u>
	<u>Amount</u>	<u>As of</u>		
Aldine I.S.D.	\$ 201,956	06/30/01	52.67%	\$ 106,370
Alief I.S.D.	238,867	08/31/01	79.27%	189,350
Clear Creek I.S.D.	288,635	08/31/00	27.31%	78,826
Clear Lake City Water Authority	73,120	09/30/00	47.39%	34,652
Conroe I.S.D.	297,515	08/31/01	0.80%	2,380
Crosby I.S.D.	28,816	08/31/01	0.37%	107
Cypress-Fairbanks I.S.D.	930,055	06/30/01	15.40%	143,228
Deer Park I.S.D.	107,558	08/28/01	0.14%	151
Fort Bend County	79,888	06/30/01	4.62%	3,691
Galena Park I.S.D.	114,867	08/31/00	15.65%	17,977
Harris County (including Toll Road Bonds)	1,490,738	06/30/01	56.87%	847,783
Harris County Flood Control	93,710	06/30/01	56.87%	53,293
Houston I.S.D.	1,140,284	08/31/01	94.33%	1,075,630
Huffman I.S.D.	19,570	06/30/01	30.99%	6,065
Humble I.S.D.	152,081	08/31/01	3.50%	5,323
Katy I.S.D.	391,668	06/30/01	24.60%	96,350
Klein I.S.D.	188,114	08/31/01	2.49%	4,684
Montgomery County	79,228	11/01/00	0.06%	48
New Caney I.S.D.	35,996	08/31/01	0.37%	133
North Forest I.S.D.	81,669	06/30/01	79.24%	64,715
N. Harris-Montgomery Community College District	128,856	06/30/01	19.49%	25,114
Northwood Municipal Utility District #1	4,890	06/30/01	100.00%	4,890
Pasadena I.S.D.	118,372	08/31/00	41.21%	48,781
Port of Houston Authority	228,844	06/30/01	56.87%	130,144
San Jacinto Jr. College District	21,390	08/31/01	12.97%	2,774
Sheldon I.S.D.	35,921	06/30/01	0.12%	43
Spring I.S.D.	139,698	08/31/01	2.61%	3,646
Spring Branch I.S.D.	208,104	08/31/00	82.18%	171,020
Total overlapping debt	<u>6,920,410</u>			<u>3,117,166</u>
City of Houston - direct	<u>\$ 1,776,441</u>	06/30/01	100.00%	<u>\$ 1,776,441</u>
Total direct and overlapping debt	<u>\$ 8,696,851</u>			<u>\$ 4,893,607</u>

Note:

The net direct debt amounts above, except for that which relates to the City of Houston, were provided by the individual government entities. The percentage of debt applicable to Houston was provided by the Municipal Advisory Council of Texas. Net Direct Debt is equal to the outstanding principal amount less sinking fund balances.

CITY OF HOUSTON, TEXAS
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO
TOTAL GENERAL GOVERNMENTAL EXPENDITURES
Last Ten Fiscal Years
amounts expressed in thousands

Fiscal Year	Principal⁽¹⁾	Interest⁽²⁾	Total Debt Service	Total General Expenditures⁽³⁾	Ratio of Debt Service to General Governmental Expenditures (Percent)
1992	\$ 91,040	\$ 70,334	\$ 161,374	\$ 963,104	16.76
1993	\$ 36,820	\$ 56,048	\$ 92,868	\$ 948,511	9.79
1994	\$ 66,165	\$ 72,831	\$ 138,996	\$ 1,006,582	13.81
1995	\$ 76,505	\$ 72,050	\$ 148,555	\$ 1,051,032	14.13
1996	\$ 81,210	\$ 79,807	\$ 161,017	\$ 1,083,908	14.86
1997	\$ 100,725	\$ 80,539	\$ 181,264	\$ 1,144,023	15.84
1998	\$ 91,940	\$ 82,763	\$ 174,703	\$ 1,219,149	14.33
1999	\$ 93,627	\$ 85,644	\$ 179,271	\$ 1,243,314	14.42
2000	\$ 104,710	\$ 91,847	\$ 196,557	\$ 1,303,565	15.08
2001	\$ 114,425	\$ 93,928	\$ 208,353	\$ 1,352,464	15.41

Notes:

- (1) Includes principal on public improvement bonds, annexed district bonds assumed, tax and revenue certificates of obligation, and general obligation bonds.
- (2) Includes interest on public improvement bonds, annexed district bonds assumed, tax and revenue certificates of obligation, and general obligation bonds.
- (3) Includes General Fund expenditures with equipment and principal, interest, paying agent fees, and advanced refunding escrow on tax obligation bonded debt from the Debt Service Fund.

CITY OF HOUSTON, TEXAS
OUTSTANDING PRINCIPAL AMOUNT OF OBLIGATIONS
PAYABLE FROM AD VALOREM TAXES AND OTHER REVENUE SOURCES
June 30, 2001

Payable from Ad Valorem Taxes	Original Par (in thousands)	Carrying Value ⁽ⁱ⁾ (in thousands)
Tax Bonds ^{(a)(b)}	\$ 1,340,865	\$ 1,340,865
Commercial Paper Notes ^(c)	376,300	376,300
Tax Certificates	42,703	43,086
Assumed Bonds ^(d)	106,176	108,689
Subtotal:	<u>1,866,044</u>	<u>1,868,940</u>
Payable from sources other than Ad Valorem Taxes		
Water and Sewer System Revenue Bonds ^(e)	3,418,360	3,480,212
Contract Revenue Obligations ^(f)	267,187	273,908
Airport System Revenue Bonds ^(g)	1,509,620	1,479,043
Convention and Entertainment Facilities Revenue Bonds and Notes	626,540	621,863
Subtotal:	<u>5,821,707</u>	<u>5,855,026</u>
Total Bonds Payable by the City ^(h)	<u>\$ 7,687,751</u>	<u>\$ 7,723,966</u>

- (a) A portion of the debt service for Tax Bonds and Assumed Bonds is paid by transfers of certain revenues derived from the City's Water and Sewer System.
- (b) Under Texas law, the City can incur total bonded indebtedness through the issuance of ad valorem tax obligations in an amount not to exceed 10% of the total assessed valuation. Based on the 1999 total assessed valuation as of June 30, 2000, the legal limitation on such bonds is approximately \$8.9 billion.
- (c) The City has authorized a \$535 million Series A General Obligation Commercial paper Program, \$200 million Series B General Obligation Commercial paper Program, and \$100 million Series C General Obligation Commercial Paper Program.
- (d) This amount excludes the principal amount of bonds issued by the Clear Lake City Water authority, which as of June 30, 2001, was approximately \$114,224,399, in unlimited tax and revenue debt. The City may be required to assume a portion of such debt upon dissolution of such entity. The City has no plan to dissolve this entity.
- (e) This amount includes \$300 million of the \$300 million Series A Water and Sewer System Commercial Paper Program. None of the \$200 million Series B Water and Sewer System Commercial Paper Program is outstanding.
- (f) Contract Revenue Obligations consist of obligations under certain contracts between the City and the Trinity River Authority (Livingston Project) and the Coastal Water Authority, which are payable, as to both principal and interest, as operating expenses of the City's Water and Sewer System.
- (g) None of the \$150 million Series C has been issued at June 30, 2001.
- (h) This amount does not include certain leases entered into by the City nor does it include debt from the public improvement district and reinvestment zone which are discretely presented component units of the City. Of these entities, one reinvestment zone and one public improvement district has issued bonds in the amount of \$2,200,000 and \$500,000, respectively.
- (i) Carrying Value reflects the current accreted value of any capital appreciation bonds and unamortized balances from deferred gains on debt refunding transaction.

**CITY OF HOUSTON, TEXAS
PRINCIPAL TAXPAYERS
June 30, 2001
amounts expressed in thousands**

<u>The Ten Largest Taxpayers</u>	<u>2001 Taxable Valuation</u>	<u>Percentage of Total Taxable Valuation</u>
1. Reliant Energy H L & P	\$ 1,433,279	1.63%
2. Hines Interests Ltd Partnership	938,654	1.07%
3. Crescent Real Estate	828,443	0.94%
4. Southwestern Bell	986,532	1.13%
5. Continental Airlines, Inc.	645,866	0.74%
6. Exxon Corp.	444,888	0.51%
7. Anheuser-Busch, Inc.	410,641	0.47%
8. Trizec Hahn Allen Center LP	408,966	0.47%
9. Weingarten Realty	263,202	0.30%
10. Lyondell-Citgo Refining Co.	232,388	0.27%
Total :	<u>\$ 6,592,859</u>	<u>7.51%</u>

Source: Harris County Appraisal District
Based on taxable values at November 30, 2001

Mixed Beverage Taxes

<u>Fiscal Year</u>	<u>Mixed Beverage Taxes (in thousands)</u>
1998	5,746
1999	6,142
2000	6,469
2001	7,102
2002 (budgeted)	6,860

**CITY OF HOUSTON, TEXAS
EMPLOYMENT STATISTICS
June 30, 2001**

Employment

The following table indicates the Houston PMSA estimated annual average labor force for the years 1992 through 2000 according to the Texas Employment Commission:

**Houston PMSA Labor Force Estimates
(Employees in thousands)**

	<u>1992 (C)</u>	<u>1993</u>
Civilian Labor Force ^(A)	1,900	1,929
Employed	1,764	1,787
Unemployed	136	141
Percent unemployed	7.10%	7.30%
Nonfarm Payroll Employment ^(B)	1,637	1,665
Manufacturing	179	179
Mining	67	65
Contract construction	109	108
Transp/Pub Utils/Communications	112	114
Trade	386	394
Finance/Insurance/Real Estate	96	98
Services & Miscellaneous	464	477
Government	224	230

(A) Includes resident wage and salary workers, self-employed, unpaid family workers and domestics in private households, agricultural workers, and workers involved in labor-management disputes.

(B) Includes the non-agricultural wage and salary jobs estimated to exist in Houston PMSA without reference to place of residence of workers.

(C) In 1988, the Houston PMSA added Chambers, Fort Bend, Harris, Liberty, Montgomery, and Waller Counties. Years 1989 to 1998 have been adjusted to reflect this change.

1994	1995	1996	1997	1998	1999	2000
1,965	1,994	2,013	2,054	2,174	2,185	2,163
1,838	1,879	1,908	1,951	2,075	2,089	2,073
127	114	105	103	98	97	89
6.50%	5.70%	5.20%	5.00%	4.50%	4.40%	4.13%
1,710	1,766	1,814	1,892	1,805	1,864	2,082
183	189	199	209	215	206	210
66	64	65	68	65	63	64
114	120	126	127	143	154	154
119	123	126	133	144	151	152
401	414	422	435	462	476	474
99	95	96	100	110	117	114
493	518	534	570	626	633	646
237	243	246	249	256	272	269

**CITY OF HOUSTON, TEXAS
CONSTRUCTION AND BANK DEPOSITS
Last Ten Fiscal Years**

Construction

The City of Houston is the largest U.S. city that has no zoning ordinances. In 2000, the City of Houston issued 9,637 building permits for new structures with an approximate value of \$2.850 million. The following table shows that value of new building permits issued by the City for privately owned structures for each of the last ten years as reported by the City of Houston Department of Public Works.

City of Houston Building Permits

<u>Calendar Year</u>	<u>Residential New Structures</u>	<u>Value (in thousands)</u>	<u>Non-Residential New Structures</u>	<u>Value (in thousands)</u>
2000	5,826	\$ 1,094,375	3,811	\$ 1,755,779
1999	5,204	1,041,019	3,620	1,133,165
1998	5,632	1,323,465	3,370	1,227,233
1997	4,543	918,333	3,011	452,897
1996	3,391	549,054	2,568	477,398
1995	2,631	527,450	2,331	308,226
1994	2,669	443,693	2,176	410,869
1993	1,988	310,158	1,903	287,859
1992	1,774	288,494	1,577	272,837
1991	1,335	219,367	1,488	290,365

These figures exclude permits issued for additions and improvements to existing structures.

Bank Deposits

The following table sets forth the domestic deposits for banks chartered in the Houston CMSA, as reported by the Federal Depository Insurance Corporation:

**Deposits of Commerical Banks
(in thousands)**

<u>At December 31</u>	<u>Houston CMSA Chartered Banks</u>
2000	\$ 43,592,000
1999	42,195,309
1998	40,258,360
1997	36,511,007
1996	34,312,040
1995	35,800,000
1994	32,642,910
1993	33,420,000
1992	27,072,000
1991	26,308,859

CITY OF HOUSTON, TEXAS
REVENUE BOND COVERAGE
For the Year Ended June 30, 2001
(amounts expressed in thousands)

	Airport System
Gross revenues	\$ 235,250
Maintenance and operating expenses	(122,594)
Pledged revenue/net revenue	\$ 112,656
Required pledged revenue per bond rate covenant	\$ 55,203
Coverage of required revenue	2.04
Debt service requirement (1)	\$ 50,027
Coverage of debt service	2.25

Airport:

Gross revenues include all operating income of the Airport System except for interest earned on the construction fund. Maintenance and operating expenses include all operating expenses of the system except for depreciation and capital improvements. Net revenues in each fiscal year are required to be at least equal to the larger of either: (1) the debt service and reserve transfer requirements for such fiscal year or; (2) 125% and 110% of the debt service requirements for such fiscal year on the Senior Lien (or Commercial Paper assumed to be refinanced as Senior Lien Revenue Bonds) and Subordinate Lien Bonds, respectfully.

- (1) Debt service requirement is equal to interest expense (excluding amortization of bond discount and amounts provided for payment of interest from bond proceeds and deposited into a restricted fund for that purpose).

	Water and Sewer
Gross revenues	\$ 608,397
Maintenance and operating expenses	(283,505)
Pledged revenue/net revenue	\$ 324,892
Required pledged revenue per bond rate covenant	\$ 244,400
Coverage of required revenue	1.33
Debt service requirement	\$ 218,978
Coverage of debt service	1.48

Water and Sewer:

Net revenues include all income less operating expenses (net of depreciation) of the water and sewer system. Net revenues in each fiscal year are required to be at least equal to 120% of the current year debt service prior lien bonds plus required additions to the Prior Lien Reserve Fund, plus 110% of the current year debt service requirements on the junior lien bonds.

**CITY OF HOUSTON
GENERAL FUND BUDGET FOR FISCAL YEAR 2002**

	Amount
Budgeted Resources	(in thousands)
Beginning Fund Balance Estimate as of July, 2001 (a)	\$ 78,689
Ad Valorem Taxes (current and delinquent)	624,438
Sales and Use Tax	344,859
Franchise Fees	173,292
Miscellaneous	230,903
Total Current Revenues	1,373,492
Total Budgeted Resources	\$ 1,452,181
Budgeted Expenditures	
Administrative Services and Public Finance	\$ 63,511
Public Safety	709,539
Maintenance Services	207,659
Human and Cultural Services	152,510
General Government	50,743
Compensation Contingency	11,894
Transfer to General Debt Service Fund and Other Funds	175,200
Total Budgeted Expenditures	1,371,056
Budgeted Ending Fund Balance as of June 30, 2002	81,125
Total Budgeted Expenditures and Reserves	\$ 1,452,181

(a) This amount represents an estimate of the beginning fund balance which was used in preparing the Fiscal Year 2002 Budget.

**CITY OF HOUSTON
TAX SUPPORTED DEBT SERVICE FUNDS**

Tax Bond Debt Service Fund for Fiscal Year 2002(a)

	Amount
Budgeted Resources	(in thousands)
Beginning Fund Balance Estimate as of July 1, 2001	\$ 82,449
Interest Earnings on Debt Reserves and Bond Funds	2,892
Transfers in from:	
General Fund	155,783
Water and Sewer Operating Fund	39,492
Other Sources	1,886
Total Budgeted Resources	\$ 282,502
Budgeted Expenditures	
Debt Service Requirements	
Tax Bonds	\$ 135,788
Assumed Bonds	35,196
Miscellaneous	1,000
Total Budgeted Expenditures	171,984
Budgeted Ending Fund Balance as of June 30, 2002	110,518
Total Budgeted Expenditures and Reserves	\$ 282,502

(a) These funds include the debt service funds for the City's fixed rate Tax Bonds, variable rate Tax Bonds, and Commercial Paper Notes.

Tax Certificates Debt Service Fund for Fiscal Year 2002^(b)

	Amount
Budgeted Resources	(in thousands)
Beginning Fund Balance Estimate as of July 1, 2001	\$ 4,856
Interest Earnings on Debt Reserves and Bond Funds	37
Transfers from General Fund	13,360
Other Sources	1,870
Total Budgeted Resources	\$ 20,123
Budgeted Expenditures	
Debt Service Requirements	\$ 14,028
Total Budgeted Expenditures	14,028
Budgeted Ending Fund Balance as of June 30, 2002	6,095
Total Budgeted Expenditures and Reserves	\$ 20,123

(b) These funds include the debt service funds for the City's fixed rate and variable rate Tax Certificates.

CITY OF HOUSTON, TEXAS
June 30, 2001
CONTINUING DEBT DISCLOSURE INFORMATION

Capital Improvement Plan

The tax supported components of the 2002-2006 CIP consist of the facilities described in the following chart. (The 2002-2006 CIP also includes proposed improvements for the Water and Sewer, Airport System and Convention and Entertainment Facilities, which would be financed primarily with revenues of those systems).

	Amount (in thousands)
Streets, Bridges and Traffic Control	\$ 880,305
Storm Sewers and Drainage	113,128
Parks and Recreation	150,786
Police Department	49,822
Fire Department	72,762
General Government	58,791
Public Library	157,947
Public Health	26,667
Solid Waste Management	13,488
Housing	20,000
Total :	\$ 1,543,696 (*)

(*) The tax supported components of the 2002-2006 CIP will be funded primarily with Commercial Paper Notes.

General Fund Indirect Charges to Other City Funds

A charge is made by the General Fund to the Water and Sewer System, Airport System, and Convention and Entertainment Facilities Funds, and to certain grant and special revenue funds for indirect charges incurred by the General Fund on behalf of such funds. The total amount of these charges for the past four fiscal years are set forth below:

Fiscal Year	Total Indirect Charges (in thousands)
2001	\$ 16,961
2000	16,631
1999	16,903
1998	17,765

Industrial District Contracts

Fiscal Year	Contract Amount (in thousands)
1998	23,050
1999	18,317
2000	17,614
2001	16,906
2002 (budgeted).....	17,133

CITY OF HOUSTON, TEXAS
June 30, 2001
CONTINUING DEBT DISCLOSURE INFORMATION

Compensated Absences and Other Liabilities

Long-Term Disability Fund	<u>Fiscal Year 2001</u>
Assets Available for Future Long-Term Disability Obligations	\$ 4,288,000
Claims Payable on Long-Term Disability Obligations	4,140,000
Retained earnings - Unreserved	<u>\$ 148,000</u>

Compensated Absence Liability (a)	<u>Fiscal Year 2001</u>
General Fund Liability	\$ 5,448,000
Enterprise Funds Liability	31,049,000
General Long-Term Debt Account Group	362,780,000
Internal Service Funds	84,000
Total :	<u>\$ 399,361,000</u>

(a) Funding currently is provided for liabilities recorded in the General Fund and the Enterprise Funds. No funding has been provided for the liability recorded in General Long-Term Debt Account Group.

General Fund Specific Charges to Other City Funds

An additional charge is made by the General Fund to the Water and Sewer, Airport Convention and Entertainment Facilities Funds, the Capital Projects Fund and certain other funds of the City for specific services provided to such funds by the General Fund. The total amounts of these charges for the past five Fiscal Years are set forth below. In 1999, revenues from other departments for legal services were reclassified, thereby reducing these amounts.:

<u>Fiscal Year</u>	<u>Charges for Specific Services (in thousands)</u>
2001	\$ 56,283
2000	55,450
1999	55,106
1998	64,590
1997	60,935

CITY OF HOUSTON, TEXAS
CONVENTION AND ENTERTAINMENT FACILITIES STATISTICS
For Fiscal Year 2001

HISTORICAL PLEDGED REVENUES

Fiscal Year	Pledged HOT (a)	% Change	Pledged Parking Revenues (d)	% Change	Tax Rebates	% Change	Total (e)
1996	\$ 24,310	4.9%	\$ 3,289	9.4%	\$ --	-- %	\$ 27,599
1997	27,728	14.1%	3,260	-0.9%	--	--	30,988
1998 (b)	30,889	11.4%	4,037	23.8%	--	--	34,926
1999 (c)	34,270	10.9%	6,847	69.6%	--	--	41,117
2000	34,344	0.2%	8,152	19.1%	--	--	42,496
2001	43,707	27.3%	9,406	15.4%	--	--	53,113

- (a) The Pledged Hotel Occupancy Tax (HOT) revenues are revenues (including penalties, interest and delinquencies, if any) received from that portion of the City HOT equal to 5.65% of the cost of substantially all hotel room rentals in the City (excluding any portion thereof attributable to the Hotel during its first ten years of operation). The City HOT is currently imposed at a rate of 7%.
- (b) In 1998 the City began receiving revenues from Lot C and Lot H.
- (c) In 1999 the City began receiving revenues from the Fannin Garage.
- (d) The City's pledge of Pledged Parking Revenues is subordinate to the City's pledge of the first \$1,200,000 of such gross revenues, charges and tolls to the payment of its \$1,000,000 annual obligation under the Music Hall Lease, unless such obligation is paid, defeased, matures or is otherwise restructured.
- (e) Does not include investment earnings, which are included in Pledged Revenues.

CITY OF HOUSTON, TEXAS
CONVENTION AND ENTERTAINMENT FACILITIES STATISTICS
Last Ten Fiscal Years

Schedule of Hotel Occupancy Tax and Occupancy Rates

Fiscal Year	Occupancy % Rate ⁽¹⁾	Average Daily Rate ⁽²⁾	Tax % Rate ⁽²⁾	Gross Hotel Occupancy Tax Collections (in thousands)
1992	62.7%	64.64	7%	24,627
1993	62.9%	65.61	7%	26,124
1994	65.5%	67.66	7%	26,643
1995	64.5%	70.30	7%	28,699
1996	65.3%	73.11	7%	30,118
1997	68.3%	80.97	7%	34,354
1998	66.4%	85.88	7%	38,270
1999	63.7%	86.93	7%	42,459
2000	65.5%	89.86	7%	42,550
2001	66.6%	90.36	7%	46,123

(1) The current source changed the data from previous years.
Source: Greater Houston Partnership.

(2) The Hotel Occupancy Tax rate increased from 6% to 7% effective April 1, 1991.
Source: PKF Consulting, Hospitality Advisor Service

CITY OF HOUSTON, TEXAS
CONVENTION AND ENTERTAINMENT FACILITIES STATISTICS
For Fiscal Year 2001

Schedule of Hotel Occupancy Tax Collections

<u>The Twelve Largest Taxpayers</u>	<u>Gross Hotel Occupancy Tax Collections</u>
Hyatt Regency	\$ 2,447,231
Four Seasons Houston Center	1,407,845
JW Marriott Galleria	1,394,617
Marriott Hotel	1,152,018
Westin Galleria	1,081,895
Westin Oaks Houston	929,998
Doubletree Hotel Post Oak	952,893
Houstonian	911,142
Doubletree Allen Center	875,576
Marriott Medical Center	870,226
Omni Hotel	863,542
Wyndham Hotel Greenspoint	<u>851,146</u>
Total:	<u><u>\$ 13,738,129</u></u>

CITY OF HOUSTON, TEXAS
CONVENTION AND ENTERTAINMENT FACILITIES STATISTICS
For Fiscal Year 2001

Parking Facilities Rates

Facility	City Employee Monthly Contract (1)	Other Monthly Contract (2)	Daily Transient (2)	Event Rate (2)
Theater District Garage	\$70.00	\$125.00 \$61.00 (3)	\$2.00 per hour \$8.00 Maximum	\$4.00
City Hall Annex Parking Garage	\$51.76	\$56.00	n/a	\$4.00
City Hall Annex Parking Meters	n/a	n/a	\$.40 per hour	\$4.00
Fannin Garage	\$70.00	\$76.20	\$2.00 per hour \$5.00 Maximum	\$4.00
Lots C and H	\$44.33	\$48.00	n/a	\$3.00

(1) Does not include sales and use tax of 8.25%

(2) Includes sales and use tax of 8.25%

(3) Rates paid by Conventions & Entertainment Facilities departmental contractors

Source: City of Houston, Convention & Entertainment Facilities Department

CITY OF HOUSTON, TEXAS
CONVENTION AND ENTERTAINMENT FACILITIES STATISTICS
Debt Service Schedule
For Fiscal Year 2001

Payable From System Net Revenues

Fiscal Year Ending June 30	Series 2001 A Bonds	Series 2001 B Bonds	Series 2001 C Bonds (1)	Total Debt Service
2002	\$ 7,283,220	\$ 10,256,211	\$ 8,462,466	\$ 26,001,897
2003	13,751,456	11,188,594	8,227,397	33,167,447
2004	13,755,956	11,188,594	7,478,022	32,422,572
2005	13,759,581	11,188,594	7,476,114	32,424,289
2006	13,761,581	17,761,406	8,227,397	39,750,384
2007	13,766,081	18,122,738	7,479,452	39,368,271
2008	13,733,281	20,075,231	8,225,490	42,034,002
2009	13,731,419	20,190,150	7,476,114	41,397,683
2010	13,742,113	21,718,544	8,227,397	43,688,054
2011	13,727,994	22,556,050	7,479,452	43,763,496
2012	13,731,719	22,829,244	8,225,490	44,786,453
2013	13,737,953	24,382,988	7,476,591	45,597,532
2014	13,735,941	24,521,616	7,479,452	45,737,009
2015	13,738,425	24,440,238	8,227,397	46,406,060
2016	13,743,525	16,325,319	7,478,022	37,546,866
2017	8,756,572	22,986,963	8,224,059	39,967,594
2018	9,696,281	22,698,700	7,479,452	39,874,433
2019	4,548,731	21,654,794	14,257,239	40,460,764
2020	5,512,031	22,066,819	13,542,616	41,121,466
2021	6,561,881	21,094,119	13,513,440	41,169,440
2022		29,121,925	14,182,230	43,304,155
2023		29,261,563	13,567,055	42,828,618
2024		30,597,669	14,113,786	44,711,455
2025		30,932,488	13,535,769	44,468,257
2026		32,207,594	14,008,312	46,215,906
2027		32,889,456	13,568,395	46,457,851
2028		33,368,825	13,547,081	46,915,906
2029		34,620,331	13,851,037	48,471,368
2030		35,123,056	13,582,094	48,705,150
2031		36,179,756	13,767,752	49,947,508
2032		36,631,363	13,549,042	50,180,405
2033		36,734,713	13,652,467	50,387,180
2034		39,636,331	11,813,346	51,449,677
Total	<u>\$ 234,775,741</u>	<u>\$ 824,551,982</u>	<u>\$ 351,401,425</u>	<u>\$ 1,410,729,148</u>

(1) Assumes a rate of interest of the Series 2001C ARCs equal to 5.2%

CITY OF HOUSTON, TEXAS
CONVENTION AND ENTERTAINMENT FACILITIES STATISTICS
For Fiscal Year 2001

Convention & Entertainment Budget for Fiscal Year 2002

Budgeted Resources

Operating Revenues

Facility Rentals	\$ 5,152
Parking	9,929
Food and Beverage Concessions	2,471
Contract Cleaning	<u>318</u>
Total Operating Revenues	<u><u>17,870</u></u>

Operating Expenses

Personnel	4,794
Supplies	466
Services	<u>18,158</u>
Total Operating Expenses	<u><u>23,418</u></u>
Operating Income (Loss)	<u><u>(5,548)</u></u>

Nonoperating Revenues (Expenses)

Hotel Occupancy Tax	
Current	45,450
Delinquent	750
Advertising Services	(10,776)
Promotion Contracts	(8,902)
Contracts/Sponsorships	<u>(1,250)</u>
Net Hotel Occupancy Tax	<u><u>25,272</u></u>
Investment Income (Loss)	1,250
Capital Outlay	(7,252)
Non-Capital Outlay	(350)
Other	<u>123</u>
Total nonoperating Rev (Exp)	<u><u>19,043</u></u>
Income (Loss) Before Operating Transfers	<u><u>13,495</u></u>

Operating Transfers

Transfers to Interest	(5,280)
Transfers to Principal	(6,958)
Interfund Transfers	0
Contingency/Reserve	<u>0</u>
Total Operating Transfers	<u><u>(12,238)</u></u>

Net Income (Loss) Operating Fund

\$ 1,257

**CITY OF HOUSTON, TEXAS
WATER AND SEWER SYSTEM STATISTICS**

System Budget (Fiscal Year 2002)

The following is the summary of the Fiscal Year 2002 Budget for the System as adopted by City Council:

Revenues	(in thousands)
Beginning Fund Balance (July 1, 2001)	\$ 39,681
Current Revenues	<u>585,645</u>
Total Revenues	<u><u>\$ 625,326</u></u>
Expenditures	
Maintenance and Operations	\$ 245,995
CWA Debt Service	29,122
TRA Debt Service	2,279
Debt Service (including Prior Lien Bonds, Junior Lien Bonds and Commercial Paper)	<u>221,078</u>
Total Expenditures	498,474
Other	
Renewal and Replacement Fund (including Discretionary Debt Service)	87,171
Planned Fund Balance (June 30, 2002)	<u>39,681</u>
Total Expenditures and Reserves	<u><u>\$ 625,326</u></u>

**CITY OF HOUSTON, TEXAS
WATER AND SEWER SYSTEM STATISTICS**

Coverage of Maximum Annual Debt Service by Net Revenues

The following calculation shows coverage by Net Revenues of Maximum Annual Debt Service on the Prior Lien Bonds and Junior Lien Bonds after issuance of the Bonds:

Maximum Annual Prior Lien Principal and Interest Requirements (2002)	\$ 32,124,406
Maximum Annual Junior Lien Principal and Interest Requirements (2009)	212,799,675
Total Maximum Annual Principal and Interest Requirements (2017)	236,165,782
Net Revenues for Fiscal Year ended June 30, 2001	324,892,000
Coverage of Total Maximum Annual Principal and Interest Requirements (2006)	1.38X

THE SYSTEM - Sewer Facilities General

The Sewer Facilities receive and process wastewater generated in a service area that includes the City and certain municipalities and unincorporated communities in the Houston metropolitan area. The Sewer Facilities consist of sanitary sewer lines, permitted wastewater treatment plants, sludge treatment facilities, pumping stations and a centralized laboratory. The general condition of the collection lines of the Sewer Facilities varies depending on age, location and type of construction. The average daily wastewater flow through the Sewer Facilities for Fiscal Year 2001 was 246.78 mgd. The effective treatment capacity of the Sewer Facilities, as reflected by State permits, was 563.45 mgd as of June 30, 2001.

THE SYSTEM - Annexation Program - In-City Districts

The City has created reinvestment zones and public improvement districts in which infrastructure improvements, including water and wastewater facilities, will be financed by the respective district or zone through bonds supported by assessments within the districts and by a tax increment fund into which will be deposited the amount of ad valorem taxes collected in the reinvestment zones in excess of the amount calculated on the basis of the property tax appraisals in effect at the time of creation of the particular reinvestment zone. Under State law, the City can create a public improvement district both within the corporate limits of the City and within its extraterritorial jurisdiction. One reinvestment zone and one public improvement district have issued \$2,280,000 and \$800,000 in bonds, respectively. Harris County Improvement District No. 1, created by the Texas Legislature and located within the corporate limits of the City, has issued \$11,000,000 in bonds.

**CITY OF HOUSTON, TEXAS
WATER AND SEWER SYSTEM STATISTICS**

Funding of Proposed System Improvements

It is anticipated that the system improvements contemplated in the Department's Fiscal Year 2002 - 2006 CIP will be financed approximately as follows:

Proposed Source of Funding	Amount (in millions)
System Revenue Bonds (Net Proceeds and interest earnings)	\$ 1,375 (*)
Other sources	29
Total	<u>\$ 1,404</u>

(*) The department's fiscal year 2002 - 2006 CIP anticipates the periodic issuance of additional Prior Lien Bonds, Junior Lien Bonds and Subordinate Lien Commercial Paper. City Council must approve each issuance of bonds.

Obligations Payable from System Revenues

The following sets forth the total outstanding principal amount of the system obligations payable from revenues of the system as of June 30, 2001:

Contract Revenue Bonds Payable from System Gross Revenues	Amount
CWA Bonds (1)	<u>\$ 254,187,160</u>
TRA Bonds (2)	<u>13,000,000</u>
	<u>267,187,160</u>
System Revenue Bonds Payable from System Net Revenues (3)	
Prior Lien Bonds	250,530,000
Junior Lien Bonds	2,867,830,000
Subordinate Lien Obligations (4)	<u>300,000,000</u>
	<u>3,418,360,000</u>
Total - All Bonds Payable from System Revenues	<u>\$ 3,685,547,160</u>

(1) Under a 1968 agreement, as amended and superseded in part, and a 1995 agreement, CWA agreed to construct the CWA conveyance system and certain other projects and the City agreed to pay, as a maintenance and operation expense of the System, amounts calculated to be sufficient to cover maintenance and operation expenses of the CWA Conveyance System plus debt service of the CWA Bonds. CWA has reserved the right to issue an unlimited amount of additional bonds on parity with those currently outstanding, however, such issuances are subject to the approval of the City.

(2) Under the 1964 agreement, as supplemented, the City and TRA agreed to construct Lake Livingston, and the City agreed to pay, as a maintenance and operation expense of the System, amounts calculated to be sufficient to cover the maintenance and operation expenses of Lake Livingston, plus debt service on the TRA (Livingston Project) Bonds, less recoupment of a maximum of 30 percent of such cost.

CITY OF HOUSTON, TEXAS
WATER AND SEWER SYSTEM STATISTICS

Discretionary Debt Service Paid by the System

The total amount of Discretionary Debt Service paid from Net Revenues of the System of the past five Fiscal Years and the amount budgeted for Fiscal year 2002 is set forth below:

<u>Fiscal Year</u>	<u>Discretionary Debt Service (in millions)</u>
2002 (budgeted)	\$ 38.6
2001	38.5
2000	34.0
1999	37.9
1998	34.5
1997	36.1

Indirect Charges Paid by the System

In October 1992, the City enacted an ordinance imposing a charge against the System equal to 2% of its net (after adjustments) water and sewer service charge revenues to compensate the City's General Fund for costs incurred in ditch and storm sewer maintenance as a result of operations of the System. Beginning in fiscal year 1997, the charge was increased to 4%. For Fiscal Year 1996, such charge was \$10.2 million; Fiscal Year 1997, \$19.8 million; Fiscal Year 1998, \$20.6 million; Fiscal Year 1999, \$20.9 million and Fiscal Year 2000, \$23.3 million.

The total amounts of such indirect charges, excluding the annual 4% service charge, for the past five Fiscal Years and the amount budgeted for Fiscal Year 2002 are set forth below:

<u>Fiscal Year</u>	<u>Indirect Charges (in thousands)</u>
2002 (budgeted)	\$ 6,877
2001	7,400
2000	7,463
1999	7,963
1998	5,651
1997	5,651

- (3) Excludes the principal amount of bonds payable from Discretionary Debt Service Transfers of the City Debt Service Fund.
- (4) The City currently issues water and sewer system commercial paper notes pursuant to an ordinance authorizing the issuance of Water and Sewer System Commercial Paper Notes, Series A (the "Series A Notes") in an aggregate amount not to exceed \$500,000,000. The program is structured as a revolving commercial paper program. An ordinance authorizing the Water and Sewer Commercial Paper Notes, Series B (the "Series B Notes"), in the aggregate principal amount of \$200,000,000 (the Series A Notes and the Series B Notes, collectively the "Commercial Paper Notes"), was adopted by the City Council on March 1, 1995. The City has no current plans to issue more than \$300,000,000 in the aggregate of the Commercial Paper Notes. The Commercial Paper Notes are secured by lines of credit from Wesdeutsche Landesbank Gironzentrale, New York Branch, and Bayerische Landesbank Gironzentrale, New York Branch.

**CITY OF HOUSTON, TEXAS
WATER AND SEWER SYSTEM STATISTICS**

Largest Sewer Customers

The following schedule presents information concerning the ten largest customers of the Sewer Facilities for the twelve month period ended June 30, 2001. The total charges to such customers represent approximately 3.9% of the System Gross Revenues and 8.8% of Sewer Facilities' gross charges during such period.

Customer	Gross Charges
1. Anheuser-Busch, Inc.	\$ 8,025,355
2. City of Houston	2,654,886
3. General Foods	2,301,888
4. Houston Independent School District	2,284,942
5. Harris County	2,136,369
6. University of Houston	1,909,714
7. Gerald D. Hines	1,213,505
8. Coca Cola Bottling Company	1,104,154
9. Herman Hospital	1,037,866
10. M. D. Anderson Cancer Center	925,004
Total	\$ 23,593,683

Current Rates

Current water rates are based on customer class. The amount of the bill is the sum of the minimum charge based on meter size and an additional charge based on the volume of consumption above a minimum volume. The water rates vary from \$1.92 per thousand gallons for multi-family customers to \$4.30 for outdoor customers.

Usage of the Sewer Facilities is not metered for rate purposes. Instead, sewer rates vary from \$1.08 per thousand gallons for wholesale customers to \$3.98 for industrial customers. Additionally, industrial customers may be subject to a sewer surcharge based on the quality of their wastewater discharge.

The bill for a typical single family residential customer using 7,000 gallons per month would be \$41.96 for both water and sewer services. However, the City has lower-user rates ranging from \$8.50 to \$29.88 per month for water and sewer services for single-family residential customers using less than 6,000 gallons per month, which are below the cost of providing services.

Rate Adjustments

In recent years, the water and sewer rates have been adjusted on the average as follows:

Date of Change	Average Percent Rate Increase (Decrease)	
	Water	Sewer
January 1983	31.0%	
July 1983		20.0%
July 1985		22.0%
September 1986	20.0%	21.7%
April 1987		32.3%
August 1987	21.0%	
November 1987		(5.0)%
July 1988	8.5%	7.6%
August 1989	6.0%	7.5%
July 1990	5.5%	7.5%
February 1992	2.0%	6.0%
March 1993	2.5%	4.0%

CITY OF HOUSTON, TEXAS
WATER AND SEWER SYSTEM STATISTICS
Debt Service Schedule

Fiscal Year Ending June 30	Total Payable From System Gross Revenues ⁽¹⁾	Payable From System Net Revenues			Total Debt Service
		Prior Lien Bonds	Junior Lien Bonds	Total Payable From System Net Revenues	
2002	\$ 31,401,046	\$ 32,124,406	\$ 185,798,214	\$ 217,922,620	\$ 249,323,666
2003	31,064,390	29,151,196	185,965,755	215,116,951	246,181,341
2004	31,575,828	22,150,664	194,151,599	216,302,263	247,878,091
2005	30,441,603	22,136,231	203,947,794	226,084,025	256,525,628
2006	30,345,684	22,523,464	212,797,349	235,320,813	265,666,497
2007	30,765,756	20,835,746	212,795,593	233,631,339	264,397,095
2008	30,532,695	22,577,321	212,798,736	235,376,057	265,908,752
2009	25,994,618	22,588,676	212,799,675	235,388,351	261,382,969
2010	21,705,135	22,593,556	212,798,438	235,391,994	257,097,129
2011	19,258,979	20,558,716	212,796,531	233,355,247	252,614,226
2012	18,476,221	20,584,266	212,797,552	233,381,818	251,858,039
2013	17,728,219	20,606,325	212,795,744	233,402,069	251,130,288
2014	16,936,872	20,645,591	212,798,840	233,444,431	250,381,303
2015	16,139,194	23,339,944	212,796,481	236,136,425	252,275,619
2016	15,435,769	23,354,000	212,795,708	236,149,708	251,585,477
2017	4,958,125	23,367,750	212,798,032	236,165,782	241,123,907
2018	4,154,375	9,920,750	212,798,681	222,719,431	226,873,806
2019	4,144,875	5,647,750	212,798,019	218,445,769	222,590,644
2020	4,143,500		212,796,308	212,796,308	216,939,808
2021	4,139,750		212,795,443	212,795,443	216,935,193
2022	4,128,500		212,799,451	212,799,451	216,927,951
2023	4,124,375		212,794,456	212,794,456	216,918,831
2024	4,116,875		212,797,909	212,797,909	216,914,784
2025	4,110,625		212,783,672	212,783,672	216,894,297
2026	4,105,125		212,780,941	212,780,941	216,886,066
2027			212,773,557	212,773,557	212,773,557
2028			212,766,951	212,766,951	212,766,951
2029			212,678,747	212,678,747	212,678,747
2030			44,532,500	44,532,500	44,532,500
2031			27,707,572	27,707,572	27,707,572
Total	\$ 409,928,134	\$ 384,706,352	\$ 5,949,036,248	\$ 6,333,742,600	\$ 6,743,670,734

(1) Includes CWA Bonds and TRA Bonds (Lake Livingston Project)

CITY OF HOUSTON, TEXAS
WATER AND SEWER SYSTEM STATISTICS
Water Supply

Capacity, Production, and Sales

The following schedule sets forth information concerning Water Facilities capacity, production and sales for Fiscal Year 2000 (million gallons per day):

	<u>Available</u>	<u>Capacity</u>	<u>Daily</u>	<u>Peak</u>	<u>Sales</u>
Ground	137.2	239.0	129.2	225.9	N/A
Surface	1,135.0	1,169.0	556.8	584.1	N/A
Total	1,272.2	1,408.0	686.0	810.0	575.9
Treated					321.7
Untreated					254.2
Total					<u>575.9</u>

Sources of System Revenues - General

As of June 30, 2001, the Water Facilities and the Sewer Facilities served approximately 407,000 and 393,000 active service connections, respectively. During Fiscal Year 2001 approximately 45% of System Gross Revenues were derived from the sale of water (88% from treated water and 12% from untreated water), approximately 44% from providing wastewater treatment services, 9% from interest income and the remaining 2% from various other sources. Of the treated water sales, 92% of revenues were from retail customers and 8% from bulk sales to other governmental entities.

CITY OF HOUSTON, TEXAS
WATER AND SEWER SYSTEM STATISTICS
Water Supply

Largest Treated Water Customers

The following schedule presents information concerning the ten largest treated water customers of the System for the twelve month period ended June 30, 2001. The total charges to such customers during such period represent approximately 3.2% of the System Gross Revenues and 7.1% of total water sales revenues for such period.

<u>Customers</u>	<u>Charges</u>
1. City of Pasadena	\$ 3,433,336
2. Gulf Coast Water Authority	3,095,182
3. North Channel Water Authority	2,817,368
4. Anheuser-Busch, Inc.	2,195,964
5. Clear Lake City Water Authority	1,617,442
6. Houston Independent School District	1,407,756
7. Harris County	1,400,361
8. University of Houston	1,266,388
9. City of West University	1,055,096
10. Texas Medical Center	946,780
	<u>\$ 19,235,673</u>

Largest Untreated Water Customers

The following schedule presents information concerning the ten largest untreated water customers of the System for a twelve month period ended June 30, 2001. The total of the contract payments by these ten customers during such period represents approximately 3.5% of the System Gross Revenues and 7.9% of total water sales revenues for such period.

<u>Customers</u>	<u>Charges</u>
1. Equistar Chemicals LP	\$ 3,911,310
2. Shell Oil Company	3,834,411
3. Battleground Water Company	2,614,926
4. Lyondell - Citgo Refining Company LTD	2,075,500
5. Air Liquide American Corporation	2,064,326
6. Chevron Phillips Chemical Company, LP	2,026,913
7. Occidental Chemical Corporation	1,447,163
8. Hoescht Celanese Chemical Group, LTD	1,261,732
9. Donohue Industries, Inc.	1,216,036
10. Texas Petrochemical Corporation	964,294
	<u>\$ 21,416,611</u>

**CITY OF HOUSTON, TEXAS
AIRPORT SYSTEM STATISTICS
Passenger Statistics**

Fiscal Year	Domestic Passengers					
	Intercontinental		Hobby		Ellington Field	
	Enplanements	Percentage	Enplanements	Percentage	Enplanements	Percentage
	& Deplanements (in thousands)	Change	& Deplanements (in thousands)	Change	& Deplanements (in thousands)	Change
1992	16,126	1.7%	8,032	1.8%	89	14.1%
1993	17,490	8.5%	8,496	5.8%	120	34.8%
1994	18,243	4.3%	8,276	-2.6%	114	-5.0%
1995	21,282	16.7%	8,199	-0.9%	105	-7.9%
1996	22,541	5.9%	8,209	0.1%	89	-15.2%
1997	23,839	5.8%	8,330	1.5%	101	13.5%
1998	25,543	7.1%	8,597	3.2%	113	11.9%
1999	27,271	6.8%	8,795	2.3%	100	-11.5%
2000	28,892	5.9%	9,053	2.9%	89	-11.0%
2001	30,105	4.2%	9,038	-0.2%	64	-28.1%

Domestic Passengers		International Passengers		Total Passengers	
Total		Intercontinental			
Enplanements & Deplanements (in thousands)	Percentage Change	Enplanements & Deplanements (in thousands)	Percentage Change	Enplanements & Deplanements (in thousands)	Percentage Change
24,247	1.8%	2,195	4.5%	26,442	2.0%
26,106	7.7%	2,417	10.1%	28,523	7.9%
26,633	2.0%	2,679	10.8%	29,312	2.8%
29,586	11.1%	2,868	7.1%	32,454	10.7%
30,839	4.2%	3,148	9.8%	33,987	4.7%
32,270	4.6%	3,614	14.8%	35,884	5.6%
34,253	6.1%	4,161	15.1%	38,414	7.1%
36,166	5.6%	4,801	15.4%	40,967	6.6%
38,034	5.2%	5,340	11.2%	43,374	5.9%
39,207	3.1%	5,811	8.8%	45,018	3.8%

CITY OF HOUSTON, TEXAS
AIRPORT SYSTEM STATISTICS
Airline Market Shares

Domestic

Airlines	Intercontinental				Hobby			
	Fiscal Year 2000		Fiscal Year 2001		Fiscal Year 2000		Fiscal Year 2001	
	Total Passengers	Market Share	Total Passengers	Market Share	Total Passengers	Market Share	Total Passengers	Market Share
Air Tran	0	0.0%	0	0.0%	286,332	3.2%	343,043	3.8%
America West	345,881	1.0%	385,201	1.1%	0	0.0%	0	0.0%
American	1,135,599	3.3%	1,086,819	3.0%	182,128	2.0%	225,574	2.5%
American Eagle	0	0.0%	0	0.0%	315,891	3.5%	323,349	3.6%
Atlantic Southeast	76,174	0.2%	66,248	0.2%	98,102	1.1%	57,825	0.6%
Charter Airlines	59,388	0.2%	51,547	0.1%	4,507	0.0%	3,920	0.0%
Comair	101,123	0.3%	75,380	0.2%	59,256	0.7%	49,721	0.6%
Continental	20,992,284	61.3%	21,661,979	60.3%	0	0.0%	0	0.0%
Continental Express	2,989,862	8.7%	3,485,304	9.7%	41,084	0.5%	24,521	0.3%
Delta	774,322	2.3%	617,677	1.7%	311,709	3.4%	337,497	3.7%
Frontier	0	0.0%	17,140	0.0%	0	0.0%	0 #	0.0%
NW Airlink Express One	0	0.0%	0	0.0%	33,700	0.4%	31,438	0.3%
Northwest	526,284	1.5%	752,275	2.1%	178,537	2.0%	0	0.0%
Southwest	284,263	0.8%	278,787	0.8%	7,541,711	83.3%	7,641,311	84.5%
Sun Country Airways	29,481	0.1%	28,832	0.1%	0	0.0%	0	0.0%
TWA	244,712	0.7%	227,633	0.6%	0	0.0%	0	0.0%
United	836,799	2.4%	794,256	2.2%	0	0.0%	0	0.0%
US Airways	495,825	1.4%	575,919	1.6%	0	0.0%	0	0.0%
Total Domestic	28,891,997	84.4%	30,104,997	83.8%	9,052,957	100.0%	9,038,199	100.0%

International

	Fiscal Year 2000		Fiscal Year 2001		Fiscal Year 2000		Fiscal Year 2001	
	Total Passengers	Market Share	Total Passengers	Market Share	Total Passengers	Market Share	Total Passengers	Market Share
	AeroMexico	152,003	0.4%	148,573	0.4%			
Aerolitoral	0	0.0%	9,179	0.0%				
Air Canada	121,090	0.4%	144,121	0.4%				
Air France	155,939	0.5%	151,649	0.4%				
Air Jamaica	0	0.0%	4,299	0.0%				
Aviaca	33,256	0.1%	44,158	0.1%				
British Airways	187,452	0.5%	209,987	0.6%				
Canadian Airlines	43,540	0.1%	9,784	0.0%				
Cayman	27,731	0.1%	27,389	0.1%				
Charter Airlines	100,051	0.3%	65,588	0.2%				
Continental	4,011,061	11.7%	4,326,957	12.0%				
Continental Express	110,679	0.3%	231,455	0.6%				
KLM	175,743	0.5%	173,006	0.5%				
Lufthansa	119,826	0.4%	137,732	0.4%				
Sun Country Airlines	29,058	0.1%	62,714	0.2%				
TACA	72,546	0.2%	64,181	0.2%				
Total International	5,339,975	15.6%	5,810,772	16.2%				
Total Airlines	34,231,972	100.0%	35,915,769	100.0%	9,052,957	100.0%	9,038,199	100.0%

Domestic only

Ellington Field				Houston Airport System			
Fiscal Year 2000		Fiscal Year 2001		Fiscal Year 2000		Fiscal Year 2001	
Total Passengers	Market Share	Total Passengers	Market Share	Total Passengers	Market Share	Total Passengers	Market Share
0	0.0%	0	0.0%	286,332	0.7%	343,043	0.8%
0	0.0%	0	0.0%	345,881	0.8%	385,201	0.9%
0	0.0%	0	0.0%	1,317,727	3.0%	1,312,393	2.9%
0	0.0%	0	0.0%	315,891	0.7%	323,349	0.7%
0	0.0%	0	0.0%	174,276	0.4%	124,073	0.3%
0	0.0%	0	0.0%	63,895	0.1%	55,467	0.1%
0	0.0%	0	0.0%	160,379	0.4%	125,101	0.3%
0	0.0%	0	0.0%	20,992,284	48.4%	21,661,979	48.1%
89,011	100.0%	63,729	100.0%	3,119,957	7.2%	3,573,554	7.9%
0	0.0%	0	0.0%	1,086,031	2.5%	955,174	2.1%
0	0.0%	0	0.0%	0	0.0%	17,140	0.0%
0	0.0%	0	0.0%	33,700	0.1%	31,438	0.1%
0	0.0%	0	0.0%	704,821	1.6%	752,275	1.7%
0	0.0%	0	0.0%	7,825,974	18.0%	7,920,098	17.6%
0	0.0%	0	0.0%	29,481	0.1%	28,832	0.1%
0	0.0%	0	0.0%	244,712	0.6%	227,633	0.5%
0	0.0%	0	0.0%	836,799	1.9%	794,256	1.8%
0	0.0%	0	0.0%	495,825	1.1%	575,919	1.3%
<u>89,011</u>	<u>100.0%</u>	<u>63,729</u>	<u>100.0%</u>	<u>38,033,965</u>	<u>87.7%</u>	<u>39,206,925</u>	<u>87.1%</u>

				Houston Airport System			
Fiscal Year 2000		Fiscal Year 2001		Fiscal Year 2000		Fiscal Year 2001	
Total Passengers	Market Share	Total Passengers	Market Share	Total Passengers	Market Share	Total Passengers	Market Share
				152,003	0.4%	148,573	0.3%
				0	0.0%	9,179	0.0%
				121,090	0.3%	144,121	0.3%
				155,939	0.4%	151,649	0.3%
				0	0.0%	4,299	0.0%
				33,256	0.1%	44,158	0.1%
				187,452	0.4%	209,987	0.5%
				43,540	0.1%	9,784	0.0%
				27,731	0.1%	27,389	0.1%
				100,051	0.2%	65,588	0.1%
				4,011,061	9.2%	4,326,957	9.6%
				110,679	0.3%	231,455	0.5%
				175,743	0.4%	173,006	0.4%
				119,826	0.3%	137,732	0.3%
				29,058	0.1%	62,714	0.1%
				72,546	0.2%	64,181	0.1%
				<u>5,339,975</u>	<u>12.3%</u>	<u>5,810,772</u>	<u>12.9%</u>
<u>89,011</u>	<u>100.0%</u>	<u>63,729</u>	<u>100.0%</u>	<u>43,373,940</u>	<u>100.0%</u>	<u>45,017,697</u>	<u>100.0%</u>

Domestic only

CITY OF HOUSTON, TEXAS
AIRPORT SYSTEM STATISTICS
Selected Financial Information

	1992	1993	1994
Operating Revenues			
Landing Area Fees:			
Landing Fees	\$34,345	\$36,860	\$33,911
Aviation Fuel	949	970	896
Aircraft Parking	517	476	432
Subtotal	35,811	38,306	35,239
Building and Ground Area Revenues:			
Terminal Space	34,041	35,531	38,563
Cargo Building	965	944	1,230
Other Building	550	657	709
Hangar Rental	507	557	650
Ground Rental	3,275	3,379	3,451
Concourse Security	1,347	1,207	1,190
Flight Information Display System	147	248	406
Public Address System	517	576	596
Subtotal	41,349	43,099	46,795
Parking, Concession and other Revenues:			
Terminal Concessions	11,149	12,655	13,257
Auto Parking	25,226	26,648	28,397
Auto Rental	8,107	8,769	8,853
Ground Transportation	2,185	2,455	2,434
Other Operating Income	4,097	583	305
Subtotal	50,764	51,110	53,246
Total Operating Revenues	\$127,924	\$132,515	\$135,280
Nonoperating Revenues			
Interest on Investments	13,410	9,406	4,125
Other	439	426	328
Subtotal	13,849	9,832	4,453
Total Gross Revenues	\$141,773	\$142,347	\$139,733
Operation and Maintenance Expenses			
Personnel and Other Current Expenses	\$73,446	\$78,878	\$84,428
Bad Debt Expense	311	5	3
Total Operating and Maintenance Expenses	\$73,757	\$78,883	\$84,431
Net Revenues	\$68,016	\$63,464	\$55,302
Debt Service Requirements of Outstanding Bonds	\$32,974	\$35,548	\$31,170
Coverage of Debt Service Requirements by Net Revenues	x <u>2.06</u> x	x <u>1.79</u> x	x <u>1.77</u>

Fiscal Years
(dollars in thousands)

1995	1996	1997	1998	1999	2000	2001
\$37,526	\$40,232	\$41,930	\$42,275	\$35,930	\$39,116	\$46,735
933	1,022	1,062	1,111	978	1,259	895
492	486	379	353	598	555	668
<u>38,951</u>	<u>41,740</u>	<u>43,371</u>	<u>43,739</u>	<u>37,506</u>	<u>40,930</u>	<u>48,298</u>
42,630	42,154	42,855	42,892	47,775	62,738	63,172
1,803	1,898	2,035	2,084	2,075	2,077	1,923
737	1,551	2,135	2,075	2,103	2,036	2,078
903	1,202	1,001	1,063	1,039	1,251	1,605
3,519	4,018	3,701	3,838	4,296	4,886	5,388
1,318	1,288	1,287	1,270	1,287	-	2
456	538	571	531	566	-	-
682	753	777	726	780	-	-
<u>52,048</u>	<u>53,402</u>	<u>54,362</u>	<u>54,479</u>	<u>59,921</u>	<u>72,988</u>	<u>74,168</u>
13,474	14,366	14,670	16,455	19,802	25,262	23,721
31,861	33,242	36,794	39,213	42,304	46,662	51,285
10,498	12,719	14,412	15,828	15,423	18,326	18,787
2,565	2,619	2,906	3,334	4,701	2,549	4,535
908	1,131	490	997	2,714	2,418	1,380
<u>59,306</u>	<u>64,077</u>	<u>69,272</u>	<u>75,827</u>	<u>84,944</u>	<u>95,217</u>	<u>99,708</u>
<u>\$150,305</u>	<u>\$159,219</u>	<u>\$167,005</u>	<u>\$174,045</u>	<u>\$182,371</u>	<u>\$209,135</u>	<u>\$222,174</u>
6,269	8,629	6,080	9,813	9,631	9,677	12,396
665	236	56	95	207	99	680
<u>6,934</u>	<u>8,865</u>	<u>6,136</u>	<u>9,908</u>	<u>9,838</u>	<u>9,776</u>	<u>13,076</u>
<u>\$157,239</u>	<u>\$168,084</u>	<u>\$173,141</u>	<u>\$183,953</u>	<u>\$192,209</u>	<u>\$218,911</u>	<u>\$235,250</u>
\$90,501	\$91,886	\$95,020	\$100,032	\$117,189	\$113,042	\$122,542
(13)	(50)	8	8	17	400	52
<u>\$90,488</u>	<u>\$91,836</u>	<u>\$95,028</u>	<u>\$100,040</u>	<u>\$117,206</u>	<u>\$113,442</u>	<u>\$122,594</u>
<u>\$66,751</u>	<u>\$76,248</u>	<u>\$78,113</u>	<u>\$83,913</u>	<u>\$75,003</u>	<u>\$105,469</u>	<u>\$112,656</u>
<u>\$31,045</u>	<u>\$33,035</u>	<u>\$32,220</u>	<u>\$32,955</u>	<u>\$33,942</u>	<u>\$38,455</u>	<u>\$50,027</u>
x <u>2.15</u> x	<u>2.31</u> x	<u>2.42</u> x	<u>2.55</u> x	<u>2.21</u> x	<u>2.74</u> x	<u>2.25</u>

CITY OF HOUSTON, TEXAS
AIRPORT SYSTEM STATISTICS
Total Aircraft Operations and Aircraft Landing Weight

Fiscal Year	Aircraft Operations (in thousands)			Aircraft Landed Weight (in thousand pounds)		
	Total	Increase (Decrease)	Percentage Change	Total	Increase (Decrease)	Percentage Change
1991	696	5	0.72%	23,119	744	3.33%
1992	656	(40)	-5.75%	23,714	595	2.57%
1993	680	24	3.66%	25,099	1,385	5.84%
1994	667	(13)	-1.91%	24,768	(331)	-1.32%
1995	712	45	6.75%	26,610	1,842	7.44%
1996	734	22	3.09%	26,078	(532)	-2.00%
1997	768	34	4.63%	26,822	744	2.85%
1998	789	21	2.73%	28,253	1,431	5.34%
1999	796	7	0.89%	30,119	1,866	6.60%
2000	827	31	3.89%	31,495	1,376	4.57%
2001	823	(4)	-0.48%	32,083	588	1.87%

CITY OF HOUSTON, TEXAS
AIRPORT SYSTEM STATISTICS
Summary of Certain Fees and Charges

	Bush Intercontinental		Hobby	
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2000	2001	2000	2001
Landing Rates	\$1.075	\$1.269	\$1.931	\$1.817
Terminal Space Rentals	\$20.36 - \$42.31	\$23.96-\$53.25	\$30.62 - \$48.96	\$31.38-\$50.01
Parking Rates (maximum per day)				
Economy	\$5.00	\$5.00	\$5.00	\$5.00
Structured	\$10.00	\$10.00	\$10.00	\$10.00
Surface	\$7.00 - \$9.00	\$7.00 - \$9.00	--	--
Short-Term	\$30.00	\$30.00	\$30.00	\$30.00

CITY OF HOUSTON, TEXAS
AIRPORT SYSTEM STATISTICS
System Debt Service Schedule

The following table sets forth the Debt Service Requirements on all Airport Bonds Outstanding after issuance of the Series 2000 Bonds, assuming scheduled mandatory redemption of any term bonds. The amounts do not include the Airport System's Senior Lien Commercial Paper Notes.

Fiscal Year (ending June 30)	Subordinate Lien Bonds Debt Service		Total
	Principal	Interest	
2002	\$ 4,845,000	\$ 80,774,496	\$ 85,619,496
2003	17,575,000	80,481,721	98,056,721
2004	18,490,000	79,566,621	98,056,621
2005	26,355,000	78,944,449	105,299,449
2006	27,980,000	77,325,295	105,305,295
2007	29,455,000	75,844,151	105,299,151
2008	31,060,000	74,223,234	105,283,234
2009	32,800,000	72,510,949	105,310,949
2010	34,620,000	70,662,609	105,282,609
2011	36,570,000	68,726,606	105,296,606
2012	38,625,000	66,677,622	105,302,622
2013	40,775,000	64,526,649	105,301,649
2014	42,955,000	62,332,609	105,287,609
2015	45,385,000	59,933,571	105,318,571
2016	47,855,000	57,428,919	105,283,919
2017	50,485,000	54,828,885	105,313,885
2018	53,225,000	52,086,890	105,311,890
2019	56,110,000	49,185,754	105,295,754
2020	59,120,000	46,178,302	105,298,302
2021	62,165,000	43,108,557	105,273,557
2022	65,645,000	39,630,316	105,275,316
2023	69,115,000	36,191,615	105,306,615
2024	72,755,000	32,544,150	105,299,150
2025	76,615,000	28,682,105	105,297,105
2026	80,730,000	24,571,722	105,301,722
2027	85,060,000	20,227,523	105,287,523
2028	89,610,000	15,682,292	105,292,292
2029	94,460,000	10,831,702	105,291,702
2030	99,720,000	5,567,410	105,287,410
	\$ 1,490,160,000	\$ 1,529,276,724	\$ 3,019,436,724

The City has authorized \$150,000,000 in Airport System Commercial Paper Notes Series A and B \$150,000,000 in Airport System Commercial Paper Notes Series C, of which none are outstanding as of June 30, 2001.

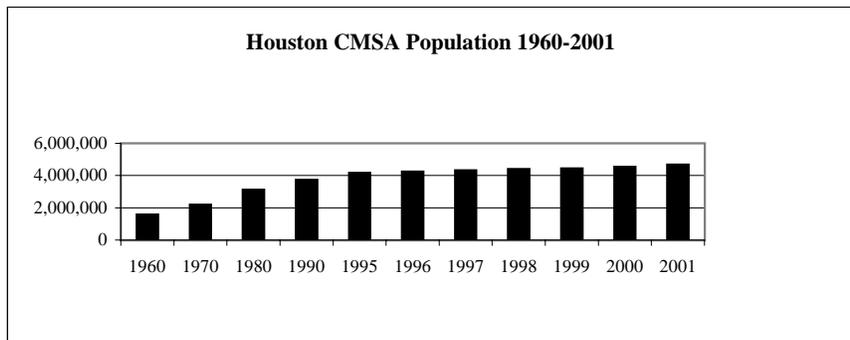
**CITY OF HOUSTON, TEXAS
AIRPORT SYSTEM STATISTICS
Service Area**

The airports service region for the Houston Airport System consists of (1) the seven county Houston-Galveston-Brazoria Consolidated Metropolitan Statistical Area (Brazoria, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller counties)--referred to as the Houston CMSA, and (2) a large secondary area surrounding the Houston CMSA. The limits of this secondary area are generally defined by the range and quality of airline service at other air carrier airports, including Beaumont Jefferson County Airport to the east, Dallas/Fort Worth International Airport and Dallas Love Field to the north, Corpus Christi International Airport to the southwest, and Austin-Bergstrom International Airport and San Antonio International Airport to the west.

Houston, the nation's fourth most populous city, is the largest in the South and Southwest. The Houston CMSA ranks 10th in population among the nation's metropolitan areas.

Service Area Population

<u>Year</u>	<u>Houston CMSA Population</u>
1960	1,581,117
1970	2,181,315
1980	3,118,080
1990	3,731,131
1995	4,164,393
1996	4,239,927
1997	4,320,041
1998	4,407,579
1999	4,440,938
2000	4,538,022
2001	4,669,571



Source: Greater Houston Partnership

2001 Largest Private Employers Houston-CMSA

Compaq Computer Corporation	Aramark
Continental Airlines/Continental Express	Reliant Energy H L & P
Memorial Herman Healthcare Systems	H.C.A. Health
Kellogg Brown & Root	B.P. America
UTMB Galveston	Pappas Restaurant
Kroger Company	Southwestern Bell
U. T. - MD Anderson Cancer Center	Shell Oil

Sources: Greater Houston Partnership; Business Houston, 2001

CITY OF HOUSTON, TEXAS
DEMOGRAPHIC STATISTICS
June 30, 2001

GENERAL

GEOGRAPHY

The City is the seat of Harris County, Texas and is located on the upper Texas Gulf Coast 50 miles from the Gulf of Mexico. The City covers 617.34 square miles and lies in three counties: Harris (606.326 square miles), Fort Bend (8.080 square miles) and Montgomery (2.937 square miles). The Houston Primary Metropolitan Statistical Area ("PMSA") includes Chambers, Fort Bend, Harris, Liberty, Montgomery and Waller Counties and covers 6,304.31 square miles. The Houston-Galveston-Brazoria Consolidated Metropolitan Statistical Area ("CMSA") consists of the Houston PMSA, the Galveston-Texas City PMSA and the Brazoria PMSA, and covers 8,778.31 square miles.

HISTORY

Houston was founded in 1836 by the Allen brothers on land near the head waters of Buffalo Bayou. This location was chosen because it was as close to central Texas colonies as river boats could travel from the Gulf, making it a marketing and distribution site. The City was named after General Sam Houston, first president of the Republic of Texas and commander of the Texas army that won independence from Mexico in April 1836. The discovery of oil in southeast Texas at Spindletop in 1901 and the opening of the man-made Houston Ship Channel in 1914 stimulated rapid development of petroleum refining and metal fabrication. Petrochemical manufacturing on a large scale began during World War II.

WEATHER

Houston averages 21.3 dates per year of freezing weather and 95.5 dates with high temperatures of 90°F or more. The City averages 46.07" of annual precipitation, and thunderstorms occur 103.4 days per year with 208 days of sunshine.

CITY GOVERNMENT

STRUCTURE

Incorporated under the laws of the Republic of Texas in 1837, and again under the Laws of the State of Texas in 1905, the City operates under a Home Rule Charter. The City has a Mayor-Council form of government in which the Mayor and a fourteen member council serve as the legislative body. The Mayor and City Controller are elected by all voters in the City. Nine council members are elected by districts, and five council members are elected at-large. The Mayor, all members of the Council, and the City Controller are elected for two-year terms that run concurrently. Term limits provide that no elected city official may serve in any one position for more than three consecutive terms. The present term of office for all elected officials expires on January 2, 2002.

The Mayor appoints the directors of the various departments of the City, subject to the confirmation of the City Council, and exercises administrative control over these departments.

The City Controller is the City's chief financial officer. The Controller supervises the fiscal affairs of the City; maintains the books of accounts; prepares financial statements; conducts sales of City bonds; certifies the availability of funds before the City incurs any financial obligation; and countersigns, with the Mayor, all warrants, contracts, and orders for payment of any money by the City.

**CITY OF HOUSTON, TEXAS
DEMOGRAPHIC STATISTICS
June 30, 2001**

The following table shows the number of City employees at the end of each of the last ten fiscal years per the City Personnel Department:

<u>Year</u>	<u>Total Employees</u>	<u>Year</u>	<u>Municipal</u>	<u>Fire</u>	<u>Police</u>	<u>Water & Sewer</u>	<u>Total Employees</u>
1992	20,671	1997	12,072	3,124	5,354	2,685	23,235
1993	21,670	1998	12,120	3,235	5,362	2,498	23,215
1994	23,010	1999	12,218	3,291	5,426	2,190	23,125
1995	23,466	2000	12,170	3,233	5,406	2,142	22,951
1996	23,381	2001	12,171	3,320	5,355	2,125	22,971

SERVICES

The City provides water, sanitary sewer, airport, library and park services. The City also has the responsibility of maintaining its storm drainage facilities, bridges, and streets; providing local law enforcement, fire protection, solid waste disposal services, building inspection and civil defense services; and maintaining preventive health service through numerous health facilities within the community.

The City does not operate hospitals, a school system, transit services or a higher education system and does not expend City funds in providing welfare. The hospitals and schools maintained within the City are administered by special districts or other governmental entities with independent taxing authority, and the transit system is operated by the Metropolitan Transit Authority and supported primarily by a separate \$0.01 (one cent) sales tax.

POPULATION

According to the United States Department of Commerce - Bureau of the Census 2000 census count and the City Planning Department, Houston's population was at 1,953,631 as of April 1, 2000 after annexations, making Houston the nation's 4th most populous city. According to the United States Department of Commerce - Bureau of the Census, Houston Primary Metropolitan Statistical Area's (PMSA) population was at 4,177,646 as of April 1, 2000.

The following table presents the population of the City and the Houston PMSA according to the United States Department of Commerce - Bureau of the Census, as of April 1, of the year shown:

<u>Year</u>	<u>Population</u>	
	<u>City of Houston</u>	<u>Houston PMSA</u>
2000	1,953,631	4,177,646
1990	1,668,261	3,322,025
1980	1,595,138	2,753,155
1960	938,219	1,364,569
1940	384,514	627,311

CITY OF HOUSTON, TEXAS
DEMOGRAPHIC STATISTICS
June 30, 2001

EDUCATION

The Houston region has 41 colleges and universities. The Houston Independent School District is the seventh largest in the U.S., with a Fall 2000-2001 enrollment of 209,900 in 297 schools of which 117 are "magnet" schools offering specialized programs. There are a total of 23 school districts partly or entirely in Harris County. Approximately 25,158 students are enrolled in accredited nonpublic schools.

Houston Independent School District

<u>Year</u>	<u>Pupils</u>	<u>Teachers</u>
2000-2001	209,900	12,630
1999-2000	209,916	11,674
1998-1999	210,179	11,773
1997-1998	211,197	11,605
1996-1997	209,610	11,853
1995-1996	207,000	11,513
1994-1995	202,149	11,919
1993-1994	200,613	11,405
1992-1993	198,209	11,536
1991-1992	197,413	11,251

Source: Houston Independent School District Facts, Texas Education Agency, and Texas Higher Education Coordinating Board.

HEALTH CARE

Houston has 85 hospitals with 19,390 beds of which 6,403 are in the Texas Medical Center ("TMC"). The TMC consists of 33 major institutions and occupies a 675-acre campus. The combined value of TMC buildings completed or under construction represent a capital investment exceeding \$6.6 billion. Total operating budget for 2000 was estimated at \$4.2 billion; employment in 1997 was approximately 51,273, enrollment in TMC institutions was in excess of 16,860 students as of 2000, and 72,114 health professionals participated in educational and professional programs as of 2000.

SPACE SCIENCE

Johnson Space Center ("JSC"), a \$1.2 billion complex constructed in 1962, occupies a 1,620-acre site about 25 miles southeast of downtown Houston. JSC is a focal point for the U.S. manned space flight program, is responsible for the space shuttle, and is the lead institution of the space station program.

EMPLOYMENT

Houston is still in the forefront of energy exploration and production technology, yet the industries that employ Houstonians continue to increase in diversity. After modest growth during 1991-1992, employment in Houston accelerated in response to robust national expansion. Houston ended 2000 with a net gain of 57,000 jobs, or 2.7 percent.

**CITY OF HOUSTON, TEXAS
DEMOGRAPHIC STATISTICS
June 30, 2001**

Twenty Largest Employers in Harris County
(**alphabetical**)

Aldine I.S.D.
Baylor College of Medicine
Compaq Computer Corporation
Continental Airlines, Inc.
Cypress Fairbanks I.S.D.
Exxon-Mobil Corporation
Harris County
Houston-City Of
Houston ISD
Memorial Hospital System
Pasadena ISD
Postal Data Center
Randall's Food Market Inc.
Reliant Energy Inc.
Southwestern Bell
The Kroger Co.
The May Department Stores Co.
University of Texas System Cancer Center
University of Houston
Wal-Mart Associates Inc.

Source: Texas Employment Commission

CITY OF HOUSTON, TEXAS
DEMOGRAPHIC STATISTICS
June 30, 2001

BUSINESS

Houston is a major corporate center as well as an international city that is home to more than one half of the world's 100 largest non-US-based corporations and 21 of the 2000 Forbes 500 list. A leading center for international finance, Houston leads the Southwest with 28 foreign banks representing 13 different nations.

Source: Greater Houston Partnership

INCOME

Annual average payroll employment in the Houston PMSA in 2000 rose by 52,400 (2.5%) to 2,081,500 according to the U. S. Department of Commerce & U.S. Bureau of Labor Statistics.

TRADE

The Port of Houston ranked first among U.S. ports in 2000 in amount of foreign tonnage and second in total tonnage.

<u>By Value (\$000)</u>		<u>By Tonnage</u>	
Mexico	\$ 5,455,965	Mexico	31,588,737
Venezuela	3,167,254	Venezuela	13,538,843
Germany	2,793,494	Iraq	8,283,141
Brazil	2,078,131	Algeria	3,925,096
United Kingdom	1,708,503	Saudi Arabia	3,536,466

SPORTS

Houston's professional teams include: the Texans (National Football League), Astros (Major League Baseball); the Back to Back NBA World Champion Houston Rockets (National Basketball Association 1994 and 1995 champions); the Four Time WNBA World Champion Houston Comets (Women National Basketball Association 1997, 1998, 1999 and 2000 champions); the 1999 Turner Cup Champions Aeros (American Hockey League); the Houston Energy (Women's Professional Football League, 2001 champions). Racing facilities include the Sam Houston Race Park (class 1 thoroughbred/quarterhorse racing), and Gulf Greyhound Park. The Texaco/Havoline Grand Prix is held each year in downtown Houston.

CITY OF HOUSTON, TEXAS
SURETY BOND AND INSURANCE COVERAGE
June 30, 2001
amounts expressed in thousands, except for deductible amounts

Policy Number	Insurer	Policy Expires
SUN-336430	Hartford Casualty Insurance Co.	12/ 31/01
SUN-336431	Hartford Casualty Insurance Co.	12/ 31/01
SUN-201610	Hartford Casualty Insurance Co.	1/2/98 (continuous)
61BSBAN7501	Hartford Casualty Insurance Co.	9/11/1996 (continuous)
69149047	Western Surety Company	5/ 9/02
61BSBAM5064	Hartford Casualty Insurance Co.	9/17/2000 (continuous)
606768209	Hartford Casualty Insurance Co.	2/1/1996 (continuous)
6218	Texas Municipal League	8-16-2000/8-16-2001
6218	Texas Municipal League	8-16-2000/8-16-2001
IMO5472399	St. Paul	10-20-2000/10-20-2001
3F 788548-02	Kemper Insurance Company	2-1-2001/2-01-2002
S67DXF80386674	Fireman's Fund Insurance	7-29-2001/7-20-2002
S67MZA80215005	Fireman's Fund Insurance	7-29-2001/7-29-2002
SBP0001047044 20000728	Texas Workers Compensation Fund	7-29-2001/7-29-2002
Pending	Fireman's Fund Insurance	7-29-2001/7-29-2002
858 46 64	Birmingham Fire Insurance	4-27-2001/4-27-2002
FPA359633-0	Westchester Fire Co.	4-1-2001/4-1-2002
FBP-HN-7318124	Hartford Steam Boiler Inspection & Ins.	2-18-1999/2-18-2002
IM04200103	St Paul Insurance Co.	3-26-2001/3-26-2002
IM04200103	St Paul Insurance Co.	3-26-2001/3-26-2002
IM04200103	St Paul Insurance Co.	3-26-2001/3-26-2002
CCP 002 76 41	Fidelity & Deposit Co. of Maryland	4-11-2000/4-11-2003
61PEBLF4364	Hartford Casualty Ins. Co.	10-29-1999/10-29-2000
61PEBLH7670	Hartford Casualty Ins. Co.	2-11-2001/2-11-2002
Various	Western Surety Company	4 yrs term per bond
SRG 805 80 52	The AIG Life Companies	Pending volunteer contract neg.
DOC 368230500	Zurich	9-09-2001/9-9-2002

Property at Risk	Type of Coverage	Amount of Coverage (in thousands)
Mayor	Public Official Bond	\$ 10
City Controller	Public Official Bond	\$ 50
Deputy Controller	Public Official Bond	\$ 25
Director, Municipal Courts	Public Official Bond	\$ 25
Director, Finance & Administration	Public Official Bond	\$ 25
Deputy Director, Finance & Administration	Public Official Bond	\$ 25
Deputy Assessor-Collector, Finance & Administration	Public Official Bond	\$ 25
Houston Housing Finance Corporation	Broad Form Property Insurance	\$ 2,541
Houston Housing Finance Corporation	Commercial General Liability	\$ 10,000
Houston Area Library Automated Network	Electronic Equipment (HALAN)	\$ 446
Houston Read Commission	Commercial Crime Policy - Public Employee Dishonesty	\$ 60
Small Business Development Corporation	Commercial General Liability	\$ 4,105
Small Business Development Corporation	Hired and Non-Owned Auto Liability	\$ 1,000
Small Business Development Corporation	Workers' Compensation/Employers Liability	\$ 3,000
Small Business Development Corporation	Commercial Excess Liability	\$ 4,000
Small Business Development Corporation	Director's, Trustee's, & Officer's Liability	\$ 1,000
City of Houston	Blanket Bonds	\$ 4,368,982
City of Houston	Comprehensive Boiler/Other Machinery	\$ 75,000
City of Houston	Electronic Equipment for Library	\$ 713
City of Houston	Fine Arts Floater - Rare Book for Library	\$ 3,205
City of Houston	Fine Arts Floater - Film Collection for Lib.	\$ 1,000
City of Houston	Public Employee Dishonesty	\$ 2,000
Houston Parks Board	Public Employee Dishonesty	\$ 10
Library Board	Public Employee Dishonesty	\$ 10
Various City of Houston Notaries	Notary Bonds for Various City Notary	\$ 2
Adopt-A-Lot Program	Accident Insurance for Volunteers	\$ 301
Houston Convention Center Hotel Corp	Liability for Directors & Officers	\$ 10,000

CITY OF HOUSTON, TEXAS
SALARIES OF ELECTED OFFICIALS
June 30, 2001

<u>Name and Title of Official</u>	<u>Authorized Annual Salary</u>
Lee P. Brown, Mayor	\$ 165,817
Sylvia R. Garcia, City Controller	110,544
Bruce Tatro, Council member - District A	44,218
Carol Mims Galloway, Council member - District B	44,218
Mark Goldberg, Council member - District C	44,218
Jew Don Boney, Jr., Council member - District D	44,218
Rob Todd, Council member - District E	44,218
Mark Ellis, Council member - District F	44,218
Bert Keller, Council member - District G	44,218
Gabriel Vasquez, Council member - District H	44,218
John E. Castillo, Council member - District I	44,218
Annise D. Parker, Council member - At Large Position #1	44,218
Gordon Quan, Council member - At Large Position #2	44,218
Orlando Sanchez, Council member - At Large Position #3	44,218
Chris Bell, Council member - At Large Position #4	44,218
Carroll G. Robinson, Council member - At Large Position #5	44,218

CITY OF HOUSTON, TEXAS
Schedule of Credits

Comprehensive Annual Financial Report:

Executive Division

Sylvia R. Garcia, City Controller	
Judy Gray Johnson, Chief Deputy City Controller	General Overview and Letter of Transmittal Review
Roel Garcia, Chief of Staff/General Counsel	General Overview and Letter of Transmittal Review
Sharon M. Adams, Deputy Controller Intergovernmental Affairs	
Lorie Arnett, Director, Special Projects	Design Oversight
Madeleine Appel, Division Director	Cover, Tab Design, and Printing Coordination
Harry Singh, Administration Supervisor	Printing
Lenard Polk, Administrative Supervisor	
Carlethya Guillory, Administrative Assistant	Printing
Mandy Legal, Intern Rice Leadership Program	Quality Control
	Letter of Transmittal Review

Financial Reporting Division

Larry Homan Jr., Director	Preparation and Coordination
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Staff:

Alicia Cai, Assistant City Controller
Carol Chiaghana, Assistant City Controller
Wesley Dormer, Assistant City Controller
Keith Fulkerson, Assistant City Controller
Gregory Jackson, Assistant City Controller
Cheryl Johnson Assistant City Controller
Isabel Kato, Assistant City Controller
Chau Ngo, Intern
Chris Okeagu, Assistant City Controller
Jacqueline Brown, Administrative Assistant
Beverly Riggans, Assistant City Controller
Solomon Tettey, Assistant City Controller
Sue Vu, Assistant City Controller
Dinah Walter, Assistant City Controller
Melanie West, Assistant City Controller
Bonita Wright, Assistant City Controller

Fiscal Year End Support

Operations Division

Claude Hill, Director	Technical Assistance
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Staff:

Ingrid Chang, Assistant City Controller
Courtney Satterwhite, Administrative Manager
Carolyn Goodie, Administrative Supervisor
Rachel Flores, Administrative Supervisor
Norma Walker, Administrative Supervisor
Mary Villarreal, Accountant Supervisor
Sarah Smith, Administrative Assistant

Systems Division

Mary Ann Grant, Director	Year End Development, Procedures and System Processing
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Staff:

Martina Lee, System Accountant
Leon Phelps, System Accountant
Brenda Jackson, Technical Hardware Specialist
Anthony Tran, Microcomputer Analyst
Romeo DeJesus, Sr. Microcomputer Analyst
Daniel Schein, Administrative Assistant

CITY OF HOUSTON, TEXAS
Schedule of Credits - Continued

Investment and Debt Management

James Moncur, Director

Debt and Investment Disclosures

Staff:

Thomas Lane, Portofolio Manager
Charisse Page Mosely, Financial Analyst
Irma Rodriquez, Financial Analyst
Wanda Wooten, Administrative Assistant
Catherine Smith, Administrative Assistant
Adriana Vermeys, Administrative Assistant

Audit Division

Steve Schoonover, City Auditor

Consulting and general support

Finance and Administration Department

Philip B. Scheeps, PhD, Director

Staff:

Al Mays, Assistant Director
Lathenia Harris, Deputy Assistant Director
Regina Dickson, Division Manager
Jane Nyambura, Division Manager
Harold Jackson, Division Manager
Carl Medley, Division Manager

Houston Parks & Recreation Department

Photos

Oliver B. Spellman, Jr., Director

Office of Marketing and Special Events

Susan Christian, Deputy Director

Staff:

Dick Putney, Division Manager
Melissa Tatum, Administration Manager
Tom Joseph, Graphic Designer

Office of the Mayor

Sara Culbreth, Deputy Chief Administrative Officer

Sandra Fernandez, Communications Specialist

Laura Grainger, Staff Analyst

Marian Couch, Administrative Assistant

Professional Consultants

Texas Printing, INC.

Printing Services

KPMG, LLP

Auditors

This schedule by no means gives credit to all of the individuals who have some part in the development and production of this Comprehensive Annual Financial Report. However, we have included the major participants who made the issuance of this document possible.

Printed on 50% recycled wastepaper

CITY OF HOUSTON, TEXAS



