

**FY2007 ANNUAL FINANCING PLAN**

The FY2007 Annual Financing Plan (AFP) is a projected schedule for the sale of City bonds, notes and other financings expected in FY2007. The AFP lists the projected amount of issuance, the timing of the sale, the security for the issue, the issue type (a new issue, redemption or refunding) and the method of sale.

In FY2007, five issues are being planned (separate or combined) along with continued issuance under the four commercial paper programs for a total ranging from \$ 1.1 billion to \$1.4 billion. The uses for the proceeds from the debt issuances include capital improvements, equipment purchases, and cash flow needs. Most of these debt issuances are for implementation of the capital improvement plan for the Houston Airport System, the Combined Utility System, streets and bridges, and various other public improvements.

As the name expresses, the AFP is a plan. The timing and amounts of the sale may vary, but the stated programs will generally be carried out within the parameters cited. The FY2007 AFP is outlined below.

Issue	Notes	Planned Issue Size (\$ Millions)	Timing of Sale (Fiscal Year Basis)	Security for Issue	Issue Type	Planned Method of Sale
Houston Airport System Commercial Paper	(1)	45-75	As needed	System Revenues	New	Negotiated
Combined Utility System Commercial Paper	(1)	280-320	As needed	System Revenues	New	Negotiated
Convention & Entertainment Facilities Commercial Paper	(1)	20-25	As needed	System Revenues	New	Negotiated
General Obligation Commercial Paper	(1) (5)	150-180	As needed	System Revenues	New	Negotiated
Combined Utility System Bonds	(2) (3)	200-225	2nd and/or 3rd Qtr	System Revenues	New/ Refunding	Negotiated
Certificates of Obligation	(3) (4)	3-4	3rd Qtr	Tax Revenue and other G.F. Revenue	New	Competitive/ Negotiated
Pension Bonds	(3)	63-65	3rd Qtr	Tax Revenue and other G.F. Revenue	New	Negotiated
Public Improvement Refunding Bonds	(2) (3) (5)	200-225	3rd Qtr	Tax Revenue and other G.F. Revenue	New/ Refunding	Competitive/ Negotiated
Tax and Revenue Anticipation Notes		150-225	1st and/or 2nd Qtr	Tax Revenue and other G.F. Revenue	New	Competitive/ Negotiated

NOTES:

- (1) Will be sold whenever as in FY2007.
- (2) New money and/or current refunding bonds as a result of taking out commercial paper.
- (3) Depending on market conditions and operational considerations, these issues could be sold as either fixed or variable rate bonds on a negotiated basis.
- (4) Dangerous Building
- (5) Includes Commercial Paper Program, Series F that is reimbursed by the Stormwater Utility Fund 227.