

CITY OF HOUSTON
FISCAL YEAR
2014

MONTHLY
FINANCIAL
REPORT

For period ending November 30, 2013

ANNISE D. PARKER
Mayor

RONALD C. GREEN
City Controller





OFFICE OF THE CITY CONTROLLER
CITY OF HOUSTON
TEXAS

RONALD C. GREEN

To: Mayor Annise D. Parker
City Council Members

From: Ronald C. Green
City Controller

Date: January 3, 2014

Subject: November 2013
Financial Report

Attached is the Monthly Financial Report for the period ending November 30, 2013.

GENERAL FUND

The Controller's Office is projecting an ending fund balance of \$162.5 million for FY2014. This is \$18.6 million lower than the projection of the Finance Department. The difference is due to a \$18.6 million higher revenue projection from the Finance Department. Based on our current projections, the fund balance will be \$24.5 million above the City's target of holding 7.5% of total expenditures, excluding debt service, in reserve.

We have not changed our revenue projections from last month.

The major differences are in six categories:

- (1) Industrial Assessments are \$1 million lower, as Controller's Office is using a lower collection rate than Finance.
- (2) Sales Tax revenues are \$9.3 million lower, as the Controller's Office is using Dr. Gilmer's April 2013 growth estimate, discounted by 1%.
- (3) Charges for Services are \$1.7 million lower. Controller's Office is projecting slightly lower Ambulance collections.
- (4) Municipal Courts are \$2.4 million lower, as the Controller's Office expects lower ticket issuance than Finance.
- (5) Interest is \$1 million lower reflecting lower cash balances and lower interest rates.
- (6) Miscellaneous/Other is \$1.3 million lower for one-time revenues. Our revenue projections agree with those from our FY2014 Trends report.

Expenditure projections in total have not changed over last month's projection.

I am pleased to announce that the FY2013 Comprehensive Annual Financial Report has been finalized. The report is available on the Controller's website, <http://www.houstontx.gov/controller/cafr/cafr2013.pdf>.

ENTERPRISE FUNDS

There were no changes to our projections for the Aviation Operating Fund, Combined Utility System Operating Fund, Convention & Entertainment Operating Fund, Dedicated Drainage & Street Renewal Fund, and Stormwater Funds.

**Mayor Annise D. Parker
City Council Members
November Monthly Financial Report**

COMMERCIAL PAPER AND BONDS

The City's practice has been to maintain no more than 20% of the total outstanding debt for each type of debt in a variable rate structure. As of November 30, 2013, the ratio of unhedged variable rate debt for each type of outstanding debt was:

| | |
|------------------------------|-------|
| General Obligation | 6.3% |
| Combined Utility System | 0.4% |
| Aviation | 17.4% |
| Convention and Entertainment | 19.2% |

Respectfully submitted,

A handwritten signature in cursive script, reading "Ronald C. Green". The signature is written in dark ink and is positioned above the printed name and title.

Ronald C. Green
City Controller



CITY OF HOUSTON

Finance Department

Annise D. Parker

Mayor

Finance Department
P.O. Box 1562
Houston, Texas 77251-1562

T. 832-393-9051
F. 832-393-9116
www.houstontx.gov

To: Mayor Annise D. Parker
City Council Members

Date: January 3, 2014

Subject: 5+7 Financial Report

Attached is the 5+7 Financial Report for the period ending November 30, 2013. Fiscal Year 2014 projections are based on five months of actual results and seven months of projections.

General Fund

We are currently projecting ending fund balance of \$181.1 million, which is approximately \$372,000 higher than last month and 9.85% of expenditures less debt. This fund balance is based on FY2013 Comprehensive Annual Financial Report.

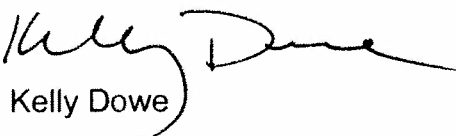
Projections for both Revenues and Expenditures remained unchanged from last month.

Enterprise, Special Revenue and Other Funds

We are projecting no change in Enterprise Funds, Special Revenue Funds and all other funds from the 4+8 Report.

If you have any questions, please feel free to contact me.

Sincerely,


Kelly Dowe
Director

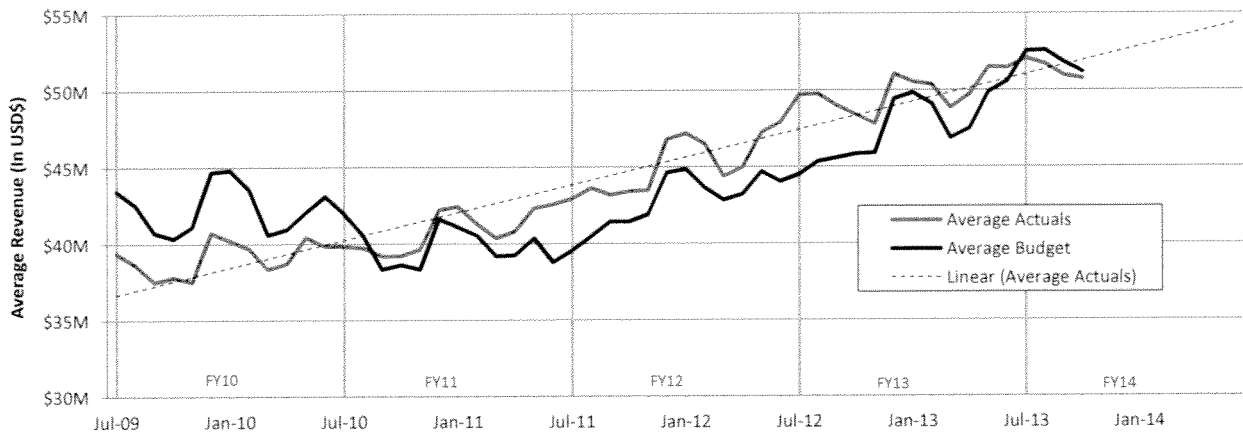




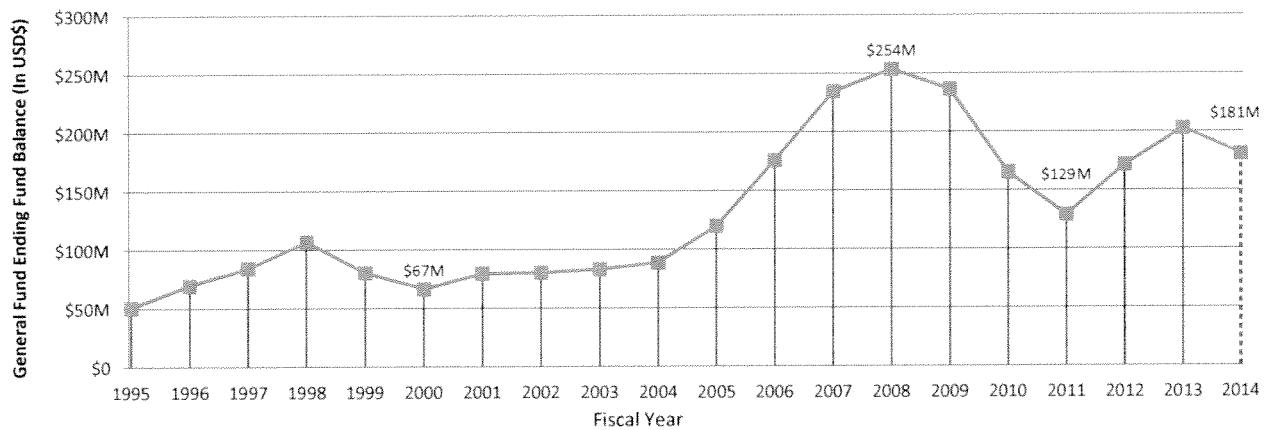
General Fund (Fund 1000)

Sales Tax Growth and Comparative Fund Balance

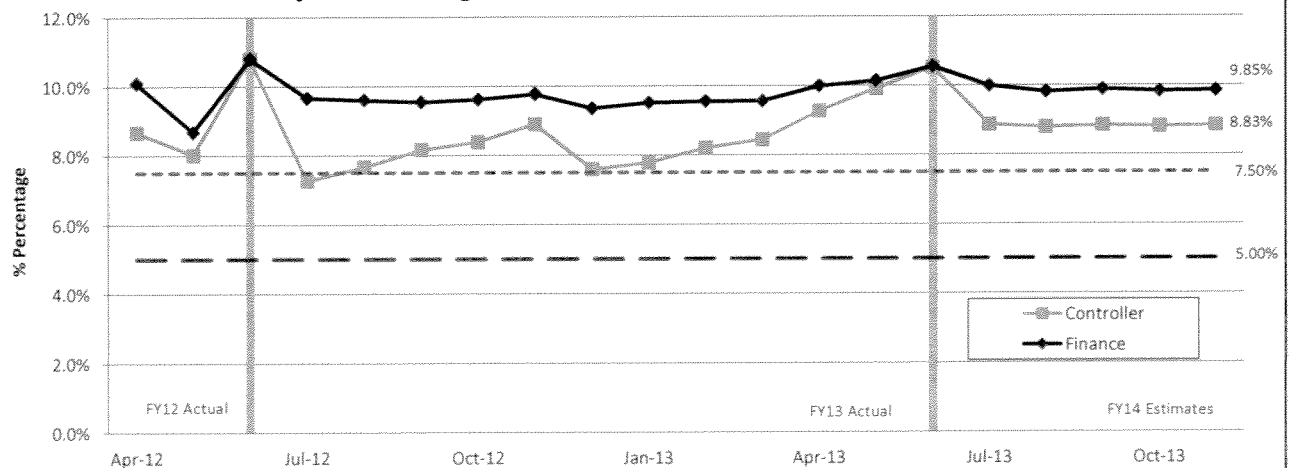
Sales Tax - Three-month Rolling Average



Historical Unassigned Ending Fund Balance



General Fund Comparative Fund Balance Annual Projected Ending Fund Balance as % of Expenditures Less Debt*



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



General Fund (Fund 1000)

For the period ended November 30, 2013
(amounts expressed in thousands)

Actual YTD
Current Budget

FY2014

| | FY2013 Actual | Current Budget | Controller's Projection | Finance Projection | Actual YTD | Controller - Finance Variance | Controller - Finance |
|--|------------------|------------------|-------------------------|--------------------|------------------|-------------------------------|----------------------|
| Revenues | | | | | | | |
| General Property Taxes | 910,034 | 945,408 | 967,578 | 968,487 | 33,958 | (909) | |
| Industrial Assessments | 29,845 | 15,000 | 14,000 | 15,000 | 241 | (1,000) | |
| Sales Tax | 600,256 | 629,602 | 620,272 | 629,602 | 249,267 | (9,330) | |
| Other Taxes | 10,083 | 9,995 | 11,000 | 10,995 | 3,437 | 5 | |
| Electric Franchise | 103,941 | 100,526 | 100,526 | 100,526 | 41,717 | - | |
| Telephone Franchise | 45,143 | 44,623 | 44,623 | 44,623 | 18,454 | - | |
| Gas Franchise | 19,194 | 16,492 | 16,492 | 16,492 | 6,872 | - | |
| Other Franchise | 27,026 | 26,812 | 26,812 | 26,812 | 11,093 | - | |
| Licenses and Permits | 34,220 | 32,819 | 32,275 | 32,820 | 13,271 | (545) | |
| Intergovernmental | 12,354 | 21,063 | 20,693 | 20,693 | 3,780 | - | |
| Charges for Services | 42,232 | 47,759 | 46,027 | 47,759 | 13,813 | (1,732) | |
| Direct Interfund Services | 43,520 | 46,455 | 46,455 | 46,455 | 17,420 | - | |
| Indirect Interfund Services | 16,908 | 20,558 | 20,558 | 20,558 | 5,859 | - | |
| Municipal Courts Fines and Forfeits | 31,814 | 33,799 | 31,375 | 33,799 | 11,398 | (2,424) | |
| Other Fines and Forfeits | 4,666 | 4,648 | 4,279 | 4,648 | 1,787 | (369) | |
| Interest | 3,081 | 3,000 | 2,000 | 3,000 | 665 | (1,000) | |
| Miscellaneous/Other | 10,129 | 8,058 | 6,725 | 8,059 | 3,813 | (1,334) | |
| Total Revenues | 1,944,446 | 2,006,617 | 2,011,690 | 2,030,328 | 436,845 | (18,638) | |
| Expenditures | | | | | | | |
| Administration & Regulatory Affairs | 27,746 | 26,012 | 26,012 | 26,012 | 14,041 | - | |
| City Council | 6,012 | 6,613 | 6,613 | 6,613 | 2,518 | - | |
| City Secretary | 775 | 862 | 862 | 862 | 297 | - | |
| Controller | 7,553 | 8,398 | 8,398 | 8,398 | 3,241 | - | |
| Finance | 10,267 | 18,021 | 18,021 | 18,021 | 7,079 | - | |
| Fire | 433,176 | 452,290 | 452,290 | 452,290 | 189,845 | - | |
| General Services | 48,641 | 49,879 | 49,879 | 49,879 | 16,455 | - | |
| Health and Human Services | 43,955 | 55,834 | 55,834 | 55,834 | 21,559 | - | |
| Housing and Community Development | 2,483 | 1,348 | 1,348 | 1,348 | 307 | - | |
| Houston Emergency Center | 11,856 | 12,171 | 12,171 | 12,171 | 6,086 | - | |
| Human Resources | 3,466 | 3,494 | 3,494 | 3,494 | 1,253 | - | |
| Information Technology | 18,394 | 21,500 | 21,500 | 21,500 | 7,524 | - | |
| Legal | 13,779 | 15,233 | 15,233 | 15,233 | 5,953 | - | |
| Library | 33,315 | 38,360 | 38,360 | 38,360 | 14,921 | - | |
| Mayor's Office | 6,125 | 7,072 | 7,072 | 7,072 | 2,779 | - | |
| Municipal Courts | 22,185 | 25,366 | 25,366 | 25,366 | 10,042 | - | |
| Neighborhoods | 10,090 | 11,327 | 11,327 | 11,327 | 4,244 | - | |
| Office of Business Opportunity | 2,254 | 2,574 | 2,574 | 2,574 | 957 | - | |
| Parks and Recreation | 64,098 | 66,463 | 66,463 | 66,463 | 25,910 | - | |
| Planning and Development | 7,120 | 7,758 | 7,758 | 7,758 | 2,973 | - | |
| Police | 697,465 | 722,745 | 722,745 | 722,745 | 296,697 | - | |
| Public Works and Engineering | 37,383 | 35,119 | 35,119 | 35,119 | 13,006 | - | |
| Solid Waste Management | 68,935 | 70,555 | 70,555 | 70,555 | 25,943 | - | |
| Total Departmental Expenditures | 1,577,073 | 1,658,994 | 1,658,994 | 1,658,994 | 673,631 | - | |
| General Government | 128,425 | 169,201 | 180,442 | 180,442 | 33,585 | - | |
| Total Expenditures Other Than Debt | 1,705,498 | 1,828,195 | 1,839,436 | 1,839,436 | 707,216 | - | |
| Debt Service Transfer | 240,203 | 243,000 | 243,813 | 243,813 | - | - | |
| Total Expenditures and Other Uses | 1,945,701 | 2,071,195 | 2,083,249 | 2,083,249 | 707,216 | - | |
| Net Current Activity | (1,255) | (64,578) | (71,559) | (52,921) | (270,371) | (18,638) | |
| Other Financing Sources (Uses) | | | | | | | |
| Proceeds from Notes | 10,666 | - | - | - | - | - | |
| Transfers from Other Funds | 30,742 | 27,770 | 27,770 | 27,770 | 8,240 | - | |
| Sale of Capital Assets | 4,602 | 2,500 | 2,500 | 2,500 | 666 | - | |
| Total Other Financing Sources (Uses) | 46,010 | 30,270 | 30,270 | 30,270 | 8,907 | - | |
| Fund Balances | | | | | | | |
| Fund Balance - Beginning of Year | 171,677 | 202,793 | 202,793 | 202,793 | 202,793 | - | |
| Changes to Designated Fund Balance* | (15,000) | 1,000 | 1,000 | 1,000 | - | - | |
| Budgeted Increase/(Decrease) in Fund Balance | 44,755 | (34,308) | (34,308) | (34,308) | (261,464) | - | |
| Change in Inventory/Prepaid Items/Imprest Cash | 1,361 | - | - | - | - | - | |
| (Budgeted Gap)/Increase in Fund Balance** | - | - | Page (6,982) | 11,656 | - | (18,638) | |
| Fund Balance, End of Year*** | 202,793 | 169,485 | 162,503 | 181,141 | (58,671) | (18,638) | |

*The Rainy day Fund of \$20 million became unassigned in FY2011. In FY2012, the City reassigned \$5M to the Rainy Day Fund and another \$15M in FY2013. The total designation for the Rainy Day Fund is currently \$20M. In FY2014, the City designated \$1.72M out of the General Fund fund balance as restricted in the event that DARLEP collections are insufficient (Ordinance 2012-98)

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

***The City desires to maintain an ending fund balance equal to 7.5% of expenditures less Debt Service which is \$137,958 based on current projections. Ordinance 2003-474 requires a 5% fund balance of expenditures less Debt Service. The City will be \$24,546 above 7.5% based on the Controllers Projections for FY2014.

† Indicates projection exceeds 5% or 55M of budget expenditures or projected revenues are 5% or 55M less than current budget





Fund Summary - Other Funds

For the period ended November 30, 2013

(amounts expressed in thousands)

| | Beginning of Year Fund Balance | Revenues* | | | | | Finance | Controller |
|---|--------------------------------------|------------------|--------------------------|----------------------|----------------------------|-----------------------|---------|------------|
| | | FY2013 Actual | FY2014 Current Budget | FY2014 Actual YTD | Controller's Projection | Finance Projection | | |
| <u>Enterprise</u> | | | | | | | | |
| Aviation | | 442,023 | 450,337 | 193,314 | 452,808 | 452,808 | ✓ | ✓ |
| Convention and Entertainment Facilities | | 89,080 | 87,909 | 46,411 | 87,909 | 87,909 | ✓ | ✓ |
| Combined Utility System | | 972,259 | 1,022,558 | 463,670 | 1,022,558 | 1,022,558 | ✓ | ✓ |
| Dedicated Drainage & Street Renewal** | 93,801 | 179,359 | 176,908 | 72,247 | 187,918 | 187,918 | ✓ | ✓ |
| Storm Water** | 5,000 | 49,971 | 55,725 | 29,860 | 54,622 | 54,622 | ✓ | ✓ |
| <u>Risk Management</u> | | | | | | | | |
| Health Benefits | 9,233 | 336,300 | 357,070 | 146,787 | 357,070 | 357,070 | ✓ | ✓ |
| Long-Term Disability | 444 | 1,307 | 1,326 | 548 | 1,326 | 1,326 | ✓ | ✓ |
| Property and Casualty | 77 | 24,595 | 35,766 | 2,673 | 35,766 | 35,766 | ✓ | ✓ |
| Worker's Compensation | - | 20,269 | 21,332 | 10,966 | 21,332 | 21,332 | ✓ | ✓ |
| <u>Special Revenue</u> | | | | | | | | |
| Asset Forfeiture | 6,500 | 9,189 | 6,629 | 4,431 | 6,629 | 6,629 | ✓ | ✓ |
| Auto Dealers | 3,759 | 7,215 | 6,795 | 2,793 | 6,795 | 6,795 | ✓ | ✓ |
| BARC Special Revenue | 783 | 7,755 | 8,563 | 7,867 | 8,640 | 8,640 | ✓ | ✓ |
| Building Inspection | 15,167 | 63,984 | 61,953 | 30,097 | 61,953 | 61,953 | ✓ | ✓ |
| Building (Court) Security | 22 | 892 | 900 | 360 | 900 | 900 | ✓ | ✓ |
| Cable Television | 2,891 | 4,131 | 4,214 | 983 | 4,214 | 4,214 | ✓ | ✓ |
| Child Safety | 209 | 3,298 | 3,090 | 1,353 | 3,090 | 3,090 | ✓ | ✓ |
| Contractors Responsibility | 3,075 | 738 | 472 | 166 | 472 | 472 | ✓ | ✓ |
| Digital Automated Red Light Enforcement | - | 160 | 3,052 | 289 | 3,052 | 3,052 | ✓ | ✓ |
| Digital Houston | 1,192 | 14 | 12 | 3 | 12 | 12 | ✓ | ✓ |
| Essential Public Health Services | 2,565 | 2,565 | 14,279 | 5,089 | 14,291 | 14,291 | ✓ | ✓ |
| Forensic Transition Special | - | - | 19,918 | 2,947 | 19,918 | 19,918 | ✓ | ✓ |
| Health Special Revenue | 4,440 | 2,268 | 2,888 | 1,255 | 2,884 | 2,884 | ✓ | ✓ |
| Historic Preservation | 935 | 253 | 213 | 164 | 213 | 213 | ✓ | ✓ |
| Houston Emergency Center | 3,401 | 23,262 | 25,190 | 8,829 | 25,190 | 25,190 | ✓ | ✓ |
| Houston Transtar Center | 2,286 | 2,249 | 2,513 | 1,033 | 2,513 | 2,513 | ✓ | ✓ |
| Juvenile Case Manager | 1,750 | 1,241 | 1,246 | 504 | 1,246 | 1,246 | ✓ | ✓ |
| Laboratory Operations and Maintenance | 326 | 485 | 399 | 216 | 449 | 449 | ✓ | ✓ |
| Parking Management | 2,931 | 19,212 | 18,784 | 7,556 | 18,784 | 18,784 | ✓ | ✓ |
| Parks Golf | 1,084 | 6,011 | 6,135 | 2,316 | 6,135 | 6,135 | ✓ | ✓ |
| Parks Special Revenue | 5,910 | 2,303 | 2,027 | 706 | 2,027 | 2,027 | ✓ | ✓ |
| Police Special Services | 6,830 | 9,958 | 8,737 | 730 | 8,737 | 8,737 | ✓ | ✓ |
| Recycling Expansion Program | 1,691 | 1,004 | 2,080 | 431 | 2,080 | 2,080 | ✓ | ✓ |
| Special Waste | 3,332 | 2,463 | 2,588 | 974 | 2,588 | 2,588 | ✓ | ✓ |
| Supplemental Environmental Protection | 131 | 86 | 104 | 76 | 104 | 104 | ✓ | ✓ |
| Swimming Pool Safety | 461 | 985 | 975 | 418 | 975 | 975 | ✓ | ✓ |
| Technology Fee | 109 | 1,169 | 1,211 | 567 | 1,211 | 1,211 | ✓ | ✓ |

* Revenues include non-operating revenues

** Dedicated Drainage Fund and Storm Water Fund are not technically Enterprise Funds, but are grouped with the Combined Utility System for clarity

Note: Finance's Projection updated on a quarterly basis

🚩 Indicates projected revenues are 5% or \$5M less than Current Budget



Fund Summary - Other Funds

For the period ended November 30, 2013

(amounts expressed in thousands)

Enterprise

| | | | | | | | | | |
|---|---------|-----------|---------|-----------|-----------|---------|--------|---|---|
| Aviation | 440,284 | 450,337 | 147,593 | 452,808 | 452,808 | - | | ✓ | ✓ |
| Convention and Entertainment Facilities | 85,525 | 87,569 | 44,538 | 87,569 | 87,569 | 340 | | ✓ | ✓ |
| Combined Utility System | 923,496 | 1,026,872 | 467,196 | 1,016,941 | 1,016,941 | 5,617 | | ✓ | ✓ |
| Dedicated Drainage & Street Renewal** | 161,629 | 186,057 | 64,384 | 184,433 | 184,433 | 3,485 | 97,286 | ✓ | ✓ |
| Storm Water** | 47,564 | 58,725 | 20,558 | 58,042 | 58,042 | (3,420) | 1,580 | ✓ | ✓ |

Risk Management

| | | | | | | | | | |
|-----------------------|---------|---------|---------|---------|---------|-------|-------|---|---|
| Health Benefits | 312,939 | 357,107 | 129,836 | 357,107 | 357,107 | (37) | 9,196 | ✓ | ✓ |
| Long-Term Disability | 1,926 | 1,480 | 509 | 1,480 | 1,480 | (154) | 290 | ✓ | ✓ |
| Property and Casualty | 24,591 | 35,766 | 4,432 | 35,766 | 35,766 | - | 77 | ✓ | ✓ |
| Worker's Compensation | 20,269 | 21,332 | 10,449 | 21,332 | 21,332 | - | - | ✓ | ✓ |

Special Revenue

| | | | | | | | | | |
|---|--------|--------|--------|--------|--------|---------|--------|---|---|
| Asset Forfeiture | 6,769 | 12,600 | 4,584 | 12,600 | 12,600 | (5,971) | 529 | ✓ | ✓ |
| Auto Dealers | 6,341 | 6,776 | 2,625 | 6,776 | 6,776 | 19 | 3,778 | ✓ | ✓ |
| BARC Special Revenue | 7,950 | 8,922 | 3,291 | 8,922 | 8,922 | (282) | 501 | ✓ | ✓ |
| Building Inspection | 59,792 | 66,514 | 21,577 | 66,136 | 66,136 | (4,183) | 10,984 | ✓ | ✓ |
| Building (Court) Security | 882 | 763 | 229 | 763 | 763 | 137 | 159 | ✓ | ✓ |
| Cable Television | 3,809 | 6,640 | 1,861 | 6,640 | 6,640 | (2,427) | 464 | ✓ | ✓ |
| Child Safety | 3,314 | 3,090 | 818 | 3,090 | 3,090 | - | 209 | ✓ | ✓ |
| Contractors Responsibility | 498 | 1,111 | 275 | 1,111 | 1,111 | (639) | 2,436 | ✓ | ✓ |
| Digital Automated Red Light Enforcement | 281 | 2,513 | 60 | 2,513 | 2,513 | 539 | 539 | ✓ | ✓ |
| Digital Houston | 419 | 598 | 152 | 598 | 598 | (586) | 606 | ✓ | ✓ |
| Essential Public Health Services | - | 15,932 | 1,121 | 15,932 | 15,932 | (1,641) | 924 | ✓ | ✓ |
| Forensic Transition Special | - | 19,918 | 7,922 | 19,918 | 19,918 | - | - | ✓ | ✓ |
| Health Special Revenue | 2,031 | 3,506 | 822 | 3,506 | 3,506 | (622) | 3,818 | ✓ | ✓ |
| Historic Preservation | 157 | 652 | 89 | 652 | 652 | (439) | 496 | ✓ | ✓ |
| Houston Emergency Center | 22,384 | 25,190 | 9,032 | 25,190 | 25,190 | - | 3,401 | ✓ | ✓ |
| Houston Transtar Center | 2,010 | 2,861 | 646 | 2,861 | 2,861 | (348) | 1,938 | ✓ | ✓ |
| Juvenile Case Manager | 1,118 | 1,407 | 554 | 1,407 | 1,407 | (161) | 1,589 | ✓ | ✓ |
| Laboratory Operations and Maintenance | 476 | 593 | 304 | 593 | 593 | (144) | 182 | ✓ | ✓ |
| Parking Management | 18,823 | 20,876 | 5,182 | 20,876 | 20,876 | (2,092) | 839 | ✓ | ✓ |
| Parks Golf | 5,296 | 6,174 | 2,555 | 6,174 | 6,174 | (39) | 1,045 | ✓ | ✓ |
| Parks Special Revenue | 1,259 | 2,252 | 545 | 2,252 | 2,252 | (225) | 5,685 | ✓ | ✓ |
| Police Special Services | 8,567 | 12,023 | 4,278 | 12,023 | 12,023 | (3,286) | 3,544 | ✓ | ✓ |
| Recycling Expansion Program | 1,314 | 2,692 | 58 | 2,692 | 2,692 | (612) | 1,079 | ✓ | ✓ |
| Special Waste | 2,071 | 4,880 | 810 | 4,880 | 4,880 | (2,292) | 1,040 | ✓ | ✓ |
| Supplemental Environmental Protection | 76 | 200 | 5 | 200 | 200 | (96) | 35 | ✓ | ✓ |
| Swimming Pool Safety | 711 | 928 | 300 | 928 | 928 | 47 | 508 | ✓ | ✓ |
| Technology Fee | 1,395 | 1,360 | 291 | 1,320 | 1,320 | (109) | - | ✓ | ✓ |

* Expenditures include non-operating expenditures

** Dedicated Drainage Fund and Storm Water Fund are not technically Enterprise Funds, but are grouped with the Combined Utility System for clarity

Note: Finance's Projection updated on a quarterly basis

⬇ Indicates projection exceeds 5% or \$5M of budget expenditures

City of Houston, Texas
Commercial Paper Issued and Available
For the period ended November 30, 2013
(amounts expressed in millions)

| COMMERCIAL PAPER | Draws FY14 | Draws Month | Refunded FY14 | Amount Available to be Drawn | Amount Outstanding |
|--|-----------------------|------------------------|--------------------------|---|-------------------------------|
| General Obligation | | | | | |
| <i><u>Voter Authorized 2001 & 2006 Election</u></i> | | | | | |
| Series G-1 | 0.00 | 0.00 | 0.00 | 75.00 | 0.00 |
| Series G-2 | 10.00 | 0.00 | 0.00 | 29.90 | 95.10 |
| Series H-2 | 0.00 | 0.00 | 0.00 | 90.20 | 9.80 |
| Series J | 15.00 | 0.00 | 0.00 | 110.00 | 15.00 |
| <i><u>Non-Voter Authorized</u></i> | | | | | |
| Series E1-Equipment & Capital | 0.00 | 0.00 | 13.30 | 38.30 | 61.70 |
| Series E2- Equipment & Capital | 20.00 | 0.00 | 4.30 | 54.30 | 15.70 |
| Series E2- Metro Street Projects | 0.00 | 0.00 | 2.70 | 25.70 | 4.30 |
| Series H - Drainage | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Series K-1 | 0.00 | 0.00 | 0.00 | 100.00 | 0.00 |
| Series K-2 | 0.00 | 0.00 | 0.00 | 100.00 | 0.00 |
| Total General Obligation | 45.00 | 0.00 | 20.30 | 623.40 | 201.60 |
| Combined Utility System | | | | | |
| Series B-1 | 0.00 | 0.00 | 0.00 | 250.00 | 0.00 |
| Series B-2 | 25.00 | 25.00 | 0.00 | 50.00 | 25.00 |
| Series B-3 | 0.00 | 0.00 | 0.00 | 75.00 | 0.00 |
| Series B-4 | 0.00 | 0.00 | 0.00 | 100.00 | 0.00 |
| Series B-5 | 0.00 | 0.00 | 0.00 | 100.00 | 0.00 |
| Series B-6 | 0.00 | 0.00 | 0.00 | 100.00 | 0.00 |
| Total Combined Utility System | 25.00 | 25.00 | 0.00 | 675.00 | 25.00 |
| Airport System | | | | | |
| Series A&B | 0.00 | 0.00 | 0.00 | 150.00 | 0.00 |
| Total Airport System | 0.00 | 0.00 | 0.00 | 150.00 | 0.00 |
| Convention & Entertainment | | | | | |
| Series A | 0.00 | 0.00 | 0.00 | 33.00 | 42.00 |
| Total Convention and Entertainment | 0.00 | 0.00 | 0.00 | 33.00 | 42.00 |
| Totals | \$70.00 | \$25.00 | \$20.30 | \$1,481.40 | \$268.60 |

City of Houston, Texas
Total Outstanding Debt
For the period ended November 30, 2013
(amounts expressed in thousands)

| | November 30, 2013 | November 30, 2012 |
|---|----------------------|----------------------|
| Payable from Ad Valorem Taxes | | |
| Public Improvement Bonds ^(a) | 2,561,515 | 2,582,320 |
| Commercial Paper Notes ^(b) | 201,600 | 261,900 |
| Pension Obligations | 607,775 | 607,775 |
| Certificates of Obligations | 20,870 | 17,365 |
| Subtotal | 3,391,760 | 3,469,360 |
| Payable from Sources Other Than Ad Valorem Taxes | | |
| Combined Utility System | | |
| Combined Utility System Revenue Bonds | 5,682,995 | 5,572,985 |
| Combined Utility System Commercial Paper Notes ^(c) | 25,000 | 20,000 |
| Water and Sewer System Revenue Bonds ^(d) | 286,297 | 348,506 |
| Contract Revenue Obligations - CWA | 112,320 | 125,740 |
| Airport System | | |
| Airport System Sr. Lien Bonds ^(e) | 449,660 | 449,660 |
| Airport System Subordinate Lien | 1,766,285 | 1,818,055 |
| Airport System Sr. Lien Commercial Paper Notes ^(f) | 0 | 0 |
| Airport System Inferior Lien Contracts ^(g) | 23,075 | 28,115 |
| Airport Special Facilities Revenue Bonds ^(h) | 666,320 | 679,372 |
| Hotel Occupancy Tax and Civic Parking | | |
| Facilities Revenue Bonds ⁽ⁱ⁾ | 555,852 | 569,349 |
| Hotel Occupancy Tax And | | |
| Parking Revenue Commercial Paper (j) | 42,000 | 43,000 |
| Subtotal | 9,609,803 | 9,654,782 |
| Total Debt Payable by the City | \$13,001,563 | \$13,124,142 |

(a) In Nov 2001 voters authorized \$776 million in tax bonds. In Nov 2006 voters authorized \$625million in tax bonds. In Nov 2012 voters authorized an additional \$410 million in tax bonds.

(b) The City has authorized maximum issuance of General Obligation Commercial Paper Programs
Series E-1: \$100 million, E-2: \$100 million, G-1: \$75 million, G-2: \$125 million, H-2: \$100 million,
J: \$125 million, K1: \$100 million and K2: \$100 million.

(c) The City has authorized \$700 million in Combined Utility System Commercial Paper Notes.

(d) Includes \$75.3 million accreted value of capital appreciation bonds at this date and \$109.9 million last year.

(e) The Houston Airport System issued Senior Lien Revenue bonds on August 20, 2009.

(f) City Council has authorized \$150 million of Airport Senior Lien Commercial Paper Notes Series A and B.

(g) Under a sublease agreement, the Houston Airport System has agreed to make sublease payments that include the debt service payments on the Series 1997A Special Facilities Bonds that financed the Automated People Mover ("APM") at George Bush Airport. These sublease payments constitute Inferior Lien Obligations under the Airport bond ordinances.

(h) All Special Facility Revenue Bonds are secured solely from Special Facility Lease Revenues. Does not include \$23.1 million for Series 1997A Special Facilities Bonds. See footnote (g).

(i) Includes \$118.7 million accreted value of capital appreciation bonds at this date and \$106 million last year.

(j) The City has authorized \$75 million of Subordinate Lien Hotel Occupancy Tax and Parking Revenue Commercial Paper.

City of Houston, Texas
Voter-Authorized Obligations
For the period ended November 30, 2013
(amounts expressed in thousands)

| <u>Purposes</u> | <u>Voter Authorized</u> | <u>Approved by City Council for Issuance as Commercial Paper Notes</u> | <u>Commercial Paper Issued ^(a)</u> | <u>Commercial Paper Notes Approved by City Council but Unissued</u> | <u>All Voter Authorized but Unissued</u> |
|--|-----------------------------|--|---|---|--|
| November 2001 Election | | | | | |
| Streets, Bridges, Traffic Control | \$ 474,000 | \$ 474,000 | \$ 473,000 | \$ 1,000 | \$ 1,000 |
| Parks and Recreation | 80,000 | 80,000 | 80,000 | 0 | 0 |
| Police and Fire Departments | 82,000 | 82,000 | 82,000 | 0 | 0 |
| Permanent and General Improvements ^(b) | 80,000 | 80,000 | 80,000 | 0 | 0 |
| Public Libraries | 40,000 | 40,000 | 40,000 | 0 | 0 |
| Low Income Housing | 20,000 | 20,000 | 14,185 | 5,815 | 5,815 |
| Total | \$ 776,000 | \$ 776,000 | \$ 769,185 | \$ 6,815 | \$ 6,815 |
| November 2006 Election | | | | | |
| Streets, Bridges, Traffic Control | \$ 320,000 | \$ 219,950 | \$ 76,560 | \$ 143,390 | \$ 243,440 |
| Parks and Recreation | 55,000 | 55,000 | 40,950 | 14,050 | 14,050 |
| Public Safety | 135,000 | 135,000 | 86,105 | 48,895 | 48,895 |
| Permanent and General Improvements ^(b) | 60,000 | 60,000 | 47,000 | 13,000 | 13,000 |
| Public Libraries | 37,000 | 37,000 | 36,350 | 650 | 650 |
| Low Income Housing | 18,000 | 13,633 | 0 | 13,633 | 18,000 |
| Total | \$ 625,000 | \$ 520,583 | \$ 286,965 | \$ 233,618 | \$ 338,035 |
| November 2012 Election | | | | | |
| Streets, Bridges, Traffic Control | \$ - | \$ - | \$ - | \$ - | \$ - |
| Parks and Recreation | 166,000 | 24,190 | 0 | 24,190 | 166,000 |
| Public Safety | 144,000 | 21,793 | 0 | 21,793 | 144,000 |
| Permanent and General Improvements ^(b) | 57,000 | 18,843 | 0 | 18,843 | 57,000 |
| Public Libraries | 28,000 | 8,195 | 0 | 8,195 | 28,000 |
| Low Income Housing | 15,000 | 0 | 0 | 0 | 15,000 |
| Total | \$ 410,000 | \$ 73,021 | \$ - | \$ 73,021 | \$ 410,000 |
| Combined Total (2001, 2006, 2012 Elections) | \$ 1,811,000 | \$ 1,369,604 | \$ 1,056,150 | \$ 313,454 | \$ 754,850 |

(a) As of Nov 30, 2013

(b) Includes Public Health and Solid Waste Management

Note: This schedule sets forth the categories of bond authorization approved by the voters in elections held in November of 2001 (the "2001 Election") and November of 2006 (the "2006 Election") and November of 2012 (the "2012 Election"), the amount of each such authorization approved by City Council for issuance as Commercial Paper Notes, the amount of commercial paper issued as of year-end, and the amount of commercial paper approved but unissued. The City has issued all bonds authorized at the election held in November of 1997.



Fund Descriptions

General Fund (1000)

General Revenues (i.e. property taxes, sales taxes, franchise fees, Municipal Courts fines, etc.) are budgeted and received in the General Fund for the support of most basic city services. Operations and services for public safety, financial services, libraries, solid waste management, health, most parks and recreation services, street traffic control, esplanade mowing and citywide administration are included in the General Fund.

Enterprise Funds

Aviation Operating Fund (8001)

The Aviation Operating Fund is an enterprise fund which accounts for operation of the City's airport system. The airport system is comprised of the George Bush Intercontinental Airport/Houston, William P. Hobby Airport, and Ellington Field. Activities of the department include: operations, maintenance, planning and construction, public service and administration. The Department coordinates its activities with the Federal Aviation Administration (FAA), other federal and state agencies, the airlines, and tenants of the airport facilities.

Convention and Entertainment Facilities Operating Fund (8601)

The Convention and Entertainment Facilities operating fund is an enterprise fund that accounts for the operation of the City's six major entertainment centers and City-owned parking garages: Jesse H. Jones Hall, Bayou Place, Houston Center for The Arts, Gus S. Wortham Center, George R. Brown Convention Center, Tranquility Park garage and Civic Center garage.

Combined Utility System Fund (8300, 8301, 8305)

The Combined Utility System is composed of three separate funds: the Water and Sewer System Operating Fund; the Combined Utility System Operating Fund and the Combined Utility System General Purpose Fund. The fund provides for the operation of the City's treated and untreated water, as well as, receives and process wastewater generated in a service area that includes the City, certain municipalities and unincorporated communities in the Houston metropolitan area. Some of the City's largest customers are other cities and water authorities which supply water to their own customers. This fund is administered by the Public Works & Engineering Department.

Risk Management Funds

Health Benefits Fund (9000)

The Health Benefits Fund, an Internal Service Fund administered by the Human Resources Department, was established in 1984 to centralize the financial transactions for the City's benefit plans. Health Benefits Effective May 1, 2011, the City elected to be substantially self-insured and awarded CIGNA a three year contract with two (2) one-year renewal options for 4 new health plans. The new health benefits model is composed of four (4) plans, all of which have heavy emphasis on a wellness component, and includes; 1) a limited network HMO-type plan, 2) an open access PPO-type plan with no out-of-network coverage, 3) a consumer driven high deductible Health Plan (CDHP), partnered with a health reimbursement account, and 4) a specific plan for retirees, mostly those under age 65, who live outside the limited network service area but who live in Texas. Effective 08/01/11, all 65+ Medicare eligible retirees must enroll in the 6 MA plans or opt out. These plans are supported by contributions from the city and participants. The Fund also includes two dental plans, a dental/health maintenance organization (DHMO) and a dental indemnity plan. Both plans are supported exclusively by participants.

Long Term Disability Fund (9001)

The Long Term Disability (LTD) Plan is a self-insured program accounted for as an internal service fund. Established in 1985 and revised in 1996 as part of the Income Protection Plan (IPP) (renamed the Compensable Sick Leave Plan (CSL) in October 1996), the plan provides paid long-term sick leave for City employees.

Property and Casualty Fund (1004)

The Property and Casualty Fund was established to monitor the financial requirements of the Property and Risk Management Programs. This activity is primarily self-funded. The revenue is generated from assessed premiums to the other funds. These premiums are based upon projected expenditures. All risk to the City's assets (except Workers Compensation, Life, Health Benefits, and Long Term Disability) fall within the scope of this fund.

Workers' Compensation Fund (1011)

The Workers' Compensation Fund is a revolving fund administered by the Human Resources Department. The Fund was established to centralize the financial transactions in the areas of Accident Prevention, Loss Control and Workers' Compensation.

Special Revenue Funds

Asset Forfeiture Fund (2202, 2203, 2204)

This fund is administered by the Houston Police Department (HPD). The City receives forfeited funds resulting from HPD's role in drug-related seizures. This fund provides resources beyond HPD's General Fund budget for crime enforcement. Specifically, this fund is used to address the drug problem in a manner consistent with the department's Comprehensive Narcotics Plan.

Auto Dealers Fund (2200)

This fund is budgeted to pay the license fees paid by tow truck drivers and various automotive sales, repair, storage and salvage dealers to finance a portion of the Police Department's enforcement efforts regarding privately owned storage lots. This fund is also administered by the Police Department.

BARC Special Revenue Fund (2427)

BARC (Bureau of Animal Regulation and Care) is authorized to receive funds from any source for the purpose of supporting the maintenance and operation of the City's animal shelter facilities and programs. This fund is administered by the Administration and Regulatory Affairs Department.

Building Inspection Fund (2301)

This fund includes all construction and building permit revenues and expenditures for inspections and permitting activities. Outdoor sign license fees are received in this fund for enforcement of the City's sign ordinance. This fund is administered by the Public Works and Engineering (PWE) Department.

Building (Court) Security Fund (2206)

This Fund was established in FY1997 and is administered by the Municipal Courts Department. This fund includes all security related contractual expenditures and additional security enhancements for the courts. Revenue is generated by the collection of a court fee for each paid conviction as allowed by State law. The mission of the Municipal Court Building Security Fund is to protect the health and welfare of civilians and employees by ensuring that adequate equipment, procedures, and personnel are present at all court facilities.

Cable TV Fund (2401, 2428)

This fund, under certain cable television franchise agreements with the City, receives contributions on a subscriber basis. This fund is used for public access cable television programming and related costs in the Cable Television Special Fund. The Mayor's Office is responsible for administering this fund.

Child Safety Fund (2209)

This fund is used to account for monies received for public, parochial and private school crossing guard programs. Revenues to the fund comes from an assessment of Municipal Court fee's on non-criminal municipal violations and a portion of each vehicle registration authorized by Harris County. The Police Department administers this fund.

Contractors Responsibility (2424)

The Contractors Responsibility Fund was created for the Pay or Play Program (POP), which is administered by the Office of Business Opportunity. The Pay or Play program is designated to foster the health care options for the citizens of Houston and Harris County area, create a level playing field for contractors bidding on City of Houston projects and defray the cost of the local uninsured workforce.

Dedicated Drainage & Street Renewal Fund (2310)

Ordinance 2010-879 requires funding in the amount equivalent to proceeds from \$0.118 of the City's ad valorem tax levy minus an amount equal to debt service for drainage and streets to the Dedicated Drainage & Street Renewal Fund. Total outstanding debt payable from ad valorem taxes (as of December 31, 2012) is \$3.47 billion. The portion of the debt associated with drainage and street improvements is estimated at \$1.69 billion. The Dedicated Drainage and Street Renewal Fund is not technically an enterprise fund, but is grouped with the Combined Utility System for clarity.

Digital Automated Red Light Enforcement Program Fund (2212)

This fund tracks the financial and accounting balances from all penalties and fees collected and all costs associated with the operation and enforcement of the photographic traffic monitoring system. While no new tickets will be issued, this fund remains open while the City collects outstanding penalties and fees and pays the fund's expenses. This fund is administered by the Finance Department.

Digital Houston Fund (2422)

This fund is used by the City of Houston to build a citywide wireless broadband Wi-Fi mesh network that will provide affordable high-speed internet access for residents and visitors to Houston; thus creating a digital future for Houstonians through a digital literacy effort in support of achieving Houston's educational workforce and educational goals. This fund is administered by the Library Department.

Essential Public Health Services (2010)

The Essential Public Health Services Fund was created for the purpose of offsetting costs associated with the administration of Medicaid Transformation Waiver projects and to perform other essential public health services. This fund will capture the costs and reimbursement of the expenses for the projects. The expected reimbursements are for costs that are incurred for the expansion of health and human services.

Forensic Transition Special Fund (2213)

The Forensic Transition Special Fund was created for the transition of forensic operations from the Houston Police Department to the independent Houston Forensics Science Local Government Corporation (LGC). The fund's budget covers City of Houston employees that provide services to the Houston Forensic Science LGC.

Health Special Revenue Fund (2002)

Health Special Revenue Fund contains several revenue generating activities that are supported by ordinances, including the following: Consumer Foods Technology Fee, Ambulance Permit Fee, Vital Statics, Geriatric Dental Program, and donated fund for community activities or special events coordinated by Children and Family Services Division and Community Health Services Division.

Historic Preservation Fund (2306)

This fund is administered by the Planning and Development Department and the Houston Public Library. This fund was established in FY2010 to utilize funds set aside from the sale of historic fire stations by the City in FY2009. This fund is used to promote historic preservation programs. It utilizes City funds as seed money to encourage private investment, attract grant funds, and support educational programs that will further preservation efforts in Houston. This fund also provides future funding for the maintenance needs of the historic Julia Ideson Building.

Houston Emergency Center Fund (2205)

This fund consolidates the City's four separate emergency services into one state-of-the-art facility. This fund is administered by the Houston Emergency Center.

Houston TranStar Center Fund (2402)

Houston TranStar Center, formerly known as the Greater Houston Transportation & Emergency Management Center, was built through a cooperative effort among the City of Houston, Harris County, Metropolitan Transit Authority (METRO) and the Texas Department of Transportation (TxDOT). The center houses personnel responsible for and/or involved with transportation and emergency management planning and operations in the Houston/Harris County area. Funding for the center is received from each member agency and is prorated based on occupancy and use of center facilities.

Juvenile Case Manager Fund (2211)

This Fund was established in FY2009 and is administered by the Municipal Courts Department. This fund includes expenditures for the salary, benefits, and operational costs related to the Juvenile Case Manager staff. Revenue is generated by the collection of a court fee for each paid conviction as allowed by State law. The mission of the Juvenile Case Manager Fee Fund is to partner with school districts within the City of Houston in an effort to increase school attendance and reduce truancy through early identification, assessment and prevention services, to enhance the accountability of students and families, and to limit a juvenile's exposure to the criminal justice system.

Laboratory Operation and Maintenance Fund (2008)

The Laboratory Operations and Maintenance Fund is designated for the retention of all revenues from laboratory fees. All laboratory fees charged and revenues collected are to defray the costs associated with the purchase, maintenance, operation, and utilization of City Laboratories, including but not limited to, infrastructure, equipment, supplies, software, and hardware systems, and with performing public health surveillance tests.

Parking Management Fund (8700)

This fund is responsible for managing and providing on-street parking alternatives to the citizens in the Greater Houston area. This fund is administered by the Administration and Regulatory Affairs Department.

Parks Golf Special Fund (2104)

This fund was created to receive all City revenues derived from all City-owned golf facilities, whether operated by the City or private entities, including all related concessions fees, to be used exclusively for the maintenance, operating and improvements of any or all such golf courses.

Parks Special Revenue Fund (2100)

This fund is used to account for revenues and certain expenditures related to operations of the City's municipal golf courses and youth programs. This fund is administered by the Parks and Recreation Department.

Police Special Services Fund (2201)

This fund is used to account for activities that are not covered under the General Fund Budget. The activities include joint police operations, security and traffic control, undercover support services and use of HPD facilities. The Police Department administers this fund.

Recycling Expansion Program Fund (2305)

This fund was created to allocate dedicated funds to be used for the expansion and implementation of the City's Recycling Programs. Efforts include citywide tree waste recycling, additional neighborhood depository sites, curbside recycling and increased education and outreach. These efforts allow the City to improve its current landfill diversion rate. This fund is administered by the Solid Waste Management Department.

Special Waste Fund (2423)

The Health and Human Services Special Waste Fund pertains to fees issuance of permits or registration certificate. The Fats, Oil, and Grease (FOG) section is responsible for the permitting of all special waste generators, transporters and biological pretreaters in the City of Houston. The goal of the FOG program is to prevent the infiltration of fats, oils, and grease into the sanitary sewer, and to assure that the City's infrastructure and the health of the citizens are protected.

Supplemental Environmental Protection Fund (2404)

This fund is for the advancement of the goals of clean air and water and to enhance the community environment impacted by criminal environmental violators. This fund is administered by the Police Department.

Swimming Pool Safety Fund (2009)

This fund receives proceeds from enforcing municipal, state and federal pool and spa safety standards. State and federal pool and safety standards apply to all pools and spas serving more than two dwellings; in accordance with the requirements, operators of pool and spas at apartment or condominium projects are required to obtain permits and to comply with the standards. The fees collected in pursuant of swimming pool and spa safety are used for the purposes of activities related to permitting, inspecting, monitoring, abating, controlling, educating and enforcement of municipal, state and federal standards. This fund is administered by the Health and Human Services Department.

Technology Fee Fund (2207)

This Fund was established in FY2001 and is administered by the Municipal Courts Department. This fund includes expenditures for hardware/software maintenance and support, and debt repayment for the court's current case management system (ICMS). The final debt service payment is planned for FY14. Revenue is generated by the collection of a court fee for each paid conviction as allowed by State law. The purpose of the fund is to finance technological enhancements for the Municipal Courts and maintain systems to operate in an efficient manner.