



OFFICE OF THE CITY CONTROLLER
CITY OF HOUSTON
TEXAS

CHRIS HOLLINS

To: Mayor John Whitmire
City Council Members

From: Chris Hollins
City Controller

Date: September 25, 2026

Subject: September 2026 Monthly Financial Report

Attached is the Monthly Financial Report for the month ended August 31, 2026.

GENERAL FUND

The Controller's Office is projecting an ending fund balance of \$294.0 million, or 11.2 percent of expenditures less debt service and Pay-As-You Go (PAYGO) for FY2027. This is \$45.5 million lower than the projection of the Finance Department. The difference is due to a lower revenue projection than the Finance Department. Based on our current projections, the fund balance will be approximately \$97.5 million above the City's target of holding 7.5 percent of total expenditures, excluding debt service and PAYGO, in reserve. The FY2027 beginning fund balance is \$47.4 million higher than the FY2026 ending fund balance reported in the June 30, 2026, Monthly Financial Report. The increase is due to year-end adjustments to revenues and expenditures that will not be final until the FY2026 Annual Comprehensive Financial Report is published.

The FY2027 General Fund projection assumes approximately \$104 million in revenue associated with a proposed Right-of-Way (ROW) fee. Because implementation of the fee remains uncertain, this revenue represents a significant risk to the projected ending fund balance. If the ROW fee is not implemented or the anticipated revenue is not realized, the projected ending fund balance would be reduced to approximately \$190 million, or 7.3 percent of expenditures less debt service and PAYGO. This would place the General Fund below the City's 7.5 percent reserve target, requiring the City to identify an alternative revenue source or reduce the FY2027 expenditure budget to restore reserves.

Our revenue and expenditure projection remains unchanged from the July 2026 report.

ENTERPRISE FUNDS

We are projecting no changes from the Adopted Budget amounts in the Aviation Operating Fund, Combined Utility System Fund, Convention and Entertainment Operating Fund, the Storm Water Fund, or the Dedicated Drainage and Street Renewal Funds this month.

COMMERCIAL PAPER AND BONDS

The City's practice has been to maintain no more than 20 percent of the total outstanding debt for each type of debt in a variable rate structure.

As of August 31, 2026, the ratio of unhedged variable debt for each type of outstanding debt was:

General Obligation	3.14%
Combined Utility System	3.10%
Aviation	1.72%
Convention and Entertainment	0.00%

Respectfully submitted,



Chris Hollins
City Controller



CITY OF HOUSTON

Finance Department

John Whitmire

Mayor

Melissa Dubowski
Chief Business Officer/Director of
Finance
P.O. Box 1562
Houston, Texas 77251-1562

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

To: Mayor John Whitmire
City Council Members

Date: September 25, 2026

Subject: 2+10 Financial Report

Attached is the 2+10 Financial Report for the period ending August 31, 2026. Fiscal Year 2027 projections are based on two months of actual results and ten months of projections.

General Fund

Both our revenue and expenditure projections remain unchanged from the Adopted Budget and 1+11 Report.

General Fund Revenues (amounts expressed in thousands)

Category	Unaudited Preliminary FY2026	FY27 Adopted Budget	FY27 Current Projection	FY27 Variance Over/(Under)
Property Tax	\$1,432,301	\$1,502,577	\$1,502,577	-
Sales Tax	943,859	\$942,203	\$942,203	-
Franchise Fees	150,263	\$148,202	\$148,202	-
Other	448,861	\$538,918	\$538,918	-
Total	\$2,975,284	\$3,131,900	\$3,131,900	-

General Fund Expenditures (amounts expressed in thousands)

Category	Unaudited Preliminary FY2026	FY27 Adopted Budget	FY27 Current Projection	FY27 Variance Over/(Under)
Police	\$1,127,933	\$1,218,334	\$1,218,334	-
Fire	723,942	718,970	718,970	-
Other Departments	750,825	683,057	683,057	-
Debt Service/PAYGO	489,087	537,737	537,737	-
Total	\$3,091,787	\$3,158,099	\$3,158,099	-

We are currently projecting the ending fund balance of \$339.5 million, which is \$66.6 million higher than the Adopted Budget and 13% of estimated expenditures less debt service and pay-as-you-go (PAYGO).

Fund Balance (amounts expressed in thousands)

Category	Unaudited Preliminary FY2026	FY27 Adopted Budget*	FY27 Current Projection	FY27 Variance Over/(Under)
Fund Balance - Beginning of Year	\$480,860	\$299,911	\$366,536	66,625
Changes to Designated Fund Balance	(97)	(806)	(806)	-
Budgeted Increase/(Decrease) in Fund Balance	(116,503)	(26,198)	(26,198)	-
Change in Inventory/Prepaid Items/Imprest Cash	2,276	-	-	-
Fund Balance, End of Year	\$366,536	\$272,907	\$339,532	\$66,625
% of Expenditures Less Debt Service and PAYGO	14.1%	10.4%	13.0%	2.5%

* The estimated beginning fund balance at the time of budget adoption.

A summary of all variances from the Adopted Budget that have been reported year to date is included in the attachment to this letter.

Enterprise, Special Revenue and Other Funds

We are projecting the following changes in Enterprise Funds, Special Revenue Funds and other funds from the 1+11 Report.

Asset Forfeiture Fund

Revenues increased by \$2.8 million mainly due to higher than anticipated confiscations.

Sincerely,



Melissa Dubowski
Director of Finance



General Fund (Fund 1000)
(amounts expressed in thousands)

Finance - Major Variances from Adopted Budget

<u>Revenues</u>		Variance Over/(Under)*
Month Reported	Revenue Detail	
	Total Revenues	-
	Fund Balance	
	Additional Beginning Fund Balance	66,625
Total Financial Resources		66,625

<u>Expenditures</u>		
Month Reported	Expenditure Detail	
	Total Public Safety	-
	Total Other Adjustments	-
Total Expenditures		-

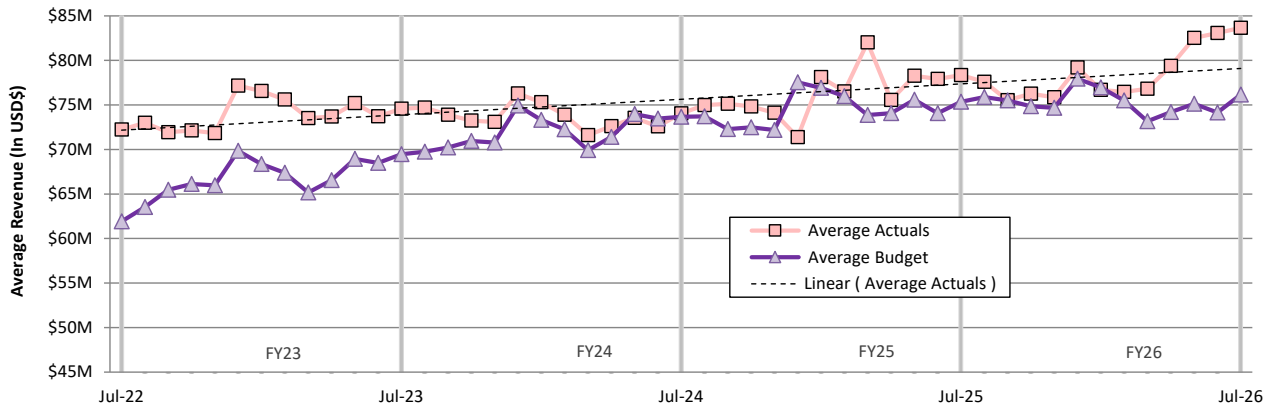
*Total may reflect slight variances due to rounding.



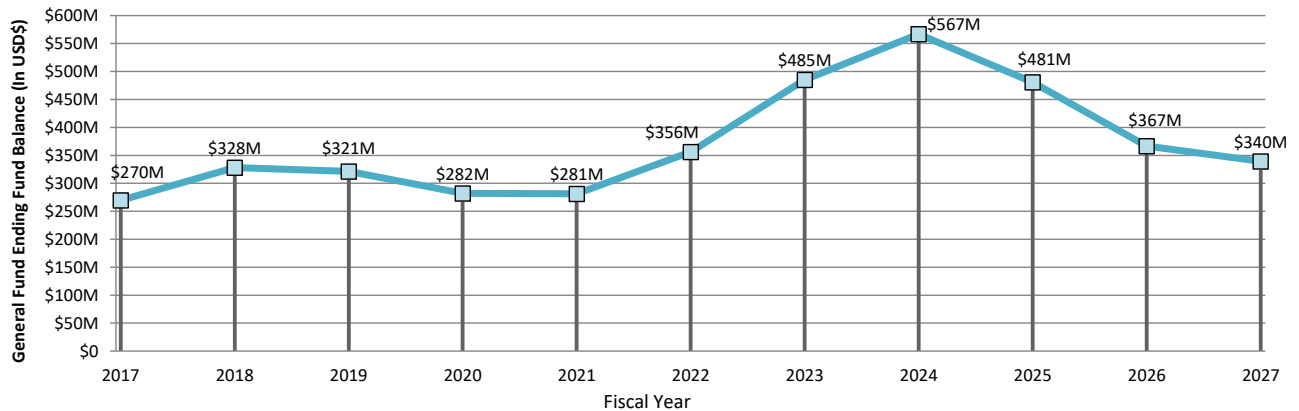
General Fund (Fund 1000)

Sales Tax Growth and Comparative Fund Balance

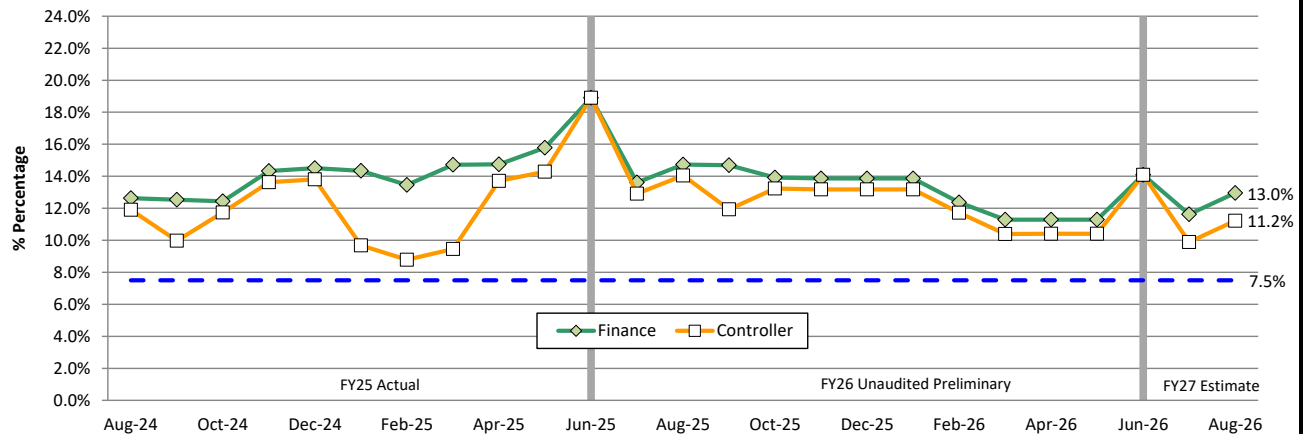
Sales Tax - Three-month Rolling Average



Historical Unassigned Ending Fund Balance



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



*According to the financial policies, Ordinance 2014-1078, the City is required to maintain an ending fund balance equal to 7.5% of expenditures before debt service and pay-as-you-go (PAYGO).



General Fund (Fund 1000)

For the period ended August 31, 2026

(amounts expressed in thousands)

	FY2027							Finance -	Controller
	Unaudited Preliminary FY2026	Adopted Budget	Current Budget	Controller's Projection	Finance Projection	Actual YTD	Controller - Finance Variance	Adopted Budget Variance	Finance
Revenues									
General Property Taxes	1,432,301	1,502,577	1,502,577	1,465,062	1,502,577	2,775	(37,515)	-	✓
Industrial Assessments	30,700	27,584	27,584	27,177	27,584	209	(407)	-	✓
Sales Tax	943,859	942,203	942,203	937,700	942,203	152,256	(4,503)	-	✓
Other Taxes	23,433	23,955	23,955	23,456	23,955	-	(499)	-	✓
Electric Franchise	98,777	101,200	101,200	101,095	101,200	16,660	(105)	-	✓
Telephone Franchise	11,950	10,556	10,556	10,915	10,556	2	359	-	✓
Gas Franchise	16,802	16,494	16,494	16,777	16,494	2,742	283	-	✓
Other Franchise	22,734	19,952	19,952	19,568	19,952	1	(384)	-	✓
Licenses and Permits	35,818	22,704	22,704	22,700	22,704	3,757	(4)	-	✓
Intergovernmental	40,534	153,297	153,297	153,297	153,297	17,748	-	-	✓
Charges for Services	102,682	96,358	96,358	96,000	96,358	14,580	(358)	-	✓
Direct Interfund Services	79,392	85,880	85,880	85,880	85,880	12,973	-	-	✓
Indirect Interfund Services	30,201	29,579	29,579	29,579	29,579	1,755	-	-	✓
Municipal Courts Fines and Forfeits	18,503	19,345	19,345	18,365	19,345	2,564	(980)	-	✓
Other Fines and Forfeits	2,892	2,292	2,292	2,335	2,292	388	43	-	✓
Interest	20,647	19,033	19,033	19,701	19,033	1,357	668	-	✓
Miscellaneous/Other	22,396	14,654	14,654	12,751	14,654	1,121	(1,903)	-	✓
Total Revenues	2,933,621	3,087,663	3,087,663	3,042,359	3,087,663	230,887	(45,305)	-	✓
Expenditures									
Administration & Regulatory Affairs	27,235	30,136	30,136	30,136	30,136	1,982	-	-	✓
City Council	20,039	16,966	16,966	16,966	16,966	1,812	-	-	✓
City Secretary	713	822	822	822	822	108	-	-	✓
Controller	10,512	11,587	11,587	11,587	11,587	1,594	-	-	✓
Finance	21,943	23,903	23,903	23,903	23,903	3,030	-	-	✓
Fire	723,942	718,970	718,970	718,970	718,970	119,270	-	-	✓
General Services	45,829	47,432	47,432	47,432	47,432	3,354	-	-	✓
Housing and Community Development	1,832	1,289	1,289	1,289	1,289	178	-	-	✓
Houston Emergency Center	8,822	8,593	8,593	8,593	8,593	-	-	-	✓
Houston Health Department	48,850	42,219	42,219	42,219	42,219	4,480	-	-	✓
Houston Public Works	1,079	1,202	1,202	1,202	1,202	145	-	-	✓
Human Resources	1,259	1,425	1,425	1,425	1,425	824	-	-	✓
Legal	16,188	18,845	18,845	18,845	18,845	2,433	-	-	✓
Library	49,438	50,532	50,532	50,532	50,532	7,279	-	-	✓
Mayor's Office	7,719	8,403	8,403	8,403	8,403	963	-	-	✓
Municipal Courts	24,844	26,913	26,913	26,913	26,913	3,571	-	-	✓
Neighborhoods	5,891	7,370	7,370	7,370	7,370	1,015	-	-	✓
Office of Business Opportunity	4,375	5,178	5,178	5,178	5,178	736	-	-	✓
Parks and Recreation	84,067	88,543	88,543	88,543	88,543	11,999	-	-	✓
Planning and Development	2,105	2,764	2,764	2,764	2,764	251	-	-	✓
Police	1,127,933	1,218,334	1,218,334	1,218,334	1,218,334	182,135	-	-	✓
Solid Waste Management	102,793	-	-	-	-	-	-	-	✓
Total Departmental Expenditures	2,337,408	2,331,425	2,331,425	2,331,425	2,331,425	347,158	-	-	✓
General Government	265,292	288,936	288,936	288,936	288,936	56,283	-	-	✓
Total Expenditures Other Than Debt	2,602,700	2,620,362	2,620,362	2,620,362	2,620,362	403,441	-	-	✓
Captured Revenue Transfer to DDSRF	164,922	215,032	215,032	215,032	215,032	-	-	-	✓
Debt Service Transfer	324,165	322,705	322,705	322,705	322,705	-	-	-	✓
Total Expenditures and Other Uses	3,091,787	3,158,099	3,158,099	3,158,099	3,158,099	403,441	-	-	✓
Net Current Activity	(158,166)	(70,435)	(70,435)	(115,740)	(70,435)	(172,554)	(45,305)	-	✓
Other Financing Sources (Uses)									
Transfers from Other Funds	37,182	41,543	41,543	41,543	41,543	2,023	-	-	✓
Proceeds from Issuance of Debt	-	-	-	-	-	-	-	-	✓
Sale of Capital Assets	4,481	2,694	2,694	2,500	2,694	92	(194)	-	✓
Total Other Financing Sources (Uses)	41,663	44,237	44,237	44,043	44,237	2,115	(194)	-	✓
Fund Balances									
Fund Balance - Beginning of Year	480,860	366,536	366,536	366,536	366,536	366,536	-	-	✓
Changes to Designated Fund Balance*	(97)	(806)	(806)	(806)	(806)	-	-	-	✓
Budgeted Increase/(Decrease) in Fund Balance	(116,503)	(26,199)	(26,199)	(26,199)	(26,199)	(170,439)	-	-	✓
Change in Inventory/Prepaid Items/Imprest Cash	2,276	-	-	-	-	-	-	-	✓
(Budgeted Gap)/Increase in Fund Balance**	-	-	-	(45,499)	-	-	(45,499)	-	✓
Fund Balance, End of Year***	366,536	339,532	339,532	294,033	339,532	196,097	(45,499)	-	✓

*The total designation for the Budget Stabilization Fund is approximately \$14.4 million. In FY2025, \$23 million was transferred to Disaster Recovery Fund (Fund 5303) for May 2024 Derecho and Hurricane Beryl. \$12 million was replenished in FY2026, and the remaining \$11 million will be replenished in FY2027.

**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.

***According to the financial policies, Ordinance 2014-1078, the City is required to maintain an ending fund balance equal to 7.5% of expenditures less Debt Service and Pay-As-You-Go (PAYGO) which is \$196,527 based on current projections. The City will be \$97,506 above 7.5% based on the Controller's Projections, and \$143,005 above 7.5% based on Finance's Projections for FY2027.

Indicates projection exceeds 5% or \$5M of budget expenditures or projected revenues are 5% or \$5M less than current budget.

Total may reflect slight variances due to rounding.



Fund Summary - Other Funds

For the period ended August 31, 2026

(amounts expressed in thousands)

	Beginning of FY2027 Fund Balance	Revenues*					Finance	Controller
		Unaudited Preliminary FY2026	FY2027 Current Budget	FY2027 Actual YTD	Controller's Projection	Finance Projection		
<u>Enterprise</u>								
Aviation		760,952	778,398	152,102	778,398	778,398	✓	✓
Convention and Entertainment Facilities		129,585	141,333	40,906	141,333	141,333	✓	✓
Combined Utility System		2,029,532	2,107,259	381,220	2,107,259	2,107,259	✓	✓
Combined Utility System-HPW		2,029,532	2,072,098	375,641	2,072,098	2,072,098	✓	✓
Combined Utility System-SWM		-	35,161	5,579	35,161	35,161	✓	✓
DDSRF-Ad Valorem**	267,002	189,138	219,032	1,583	219,032	219,032	✓	✓
DDSRF-Drainage Charge**	284,488	126,218	120,170	26,843	120,170	120,170	✓	✓
DDSRF-Metro ET AL**	9,850	110,089	167,252	7	167,252	167,252	✓	✓
Storm Water**	5,413	82,064	123,577	8,084	123,577	123,577	✓	✓
<u>Risk Management</u>								
Health Benefits	31,701	432,783	468,541	76,785	468,541	468,541	✓	✓
Long-Term Disability	10,168	1,577	1,032	174	1,032	1,032	✓	✓
Property and Casualty	(5,458)	38,096	59,192	802	59,192	59,192	✓	✓
Workers' Compensation	148	34,500	42,104	5,326	42,104	42,104	✓	✓
<u>Special Revenue</u>								
Asset Forfeiture Fund	10,650	4,930	2,031	2,553	4,793	4,793	✓	✓
Auto Dealers Special Revenue Fund	16,982	12,125	12,466	1,480	12,466	12,466	✓	✓
BARC Special Revenue Fund	992	14,944	16,728	242	16,728	16,728	✓	✓
Building Inspection Special Fund	17,069	108,144	119,469	17,678	119,469	119,469	✓	✓
Cable Television Special Fund	3,647	2,446	2,143	22	2,143	2,143	✓	✓
Child Safety Fund	941	3,086	3,310	359	3,310	3,310	✓	✓
Contractors Responsibility Fund	2,957	1,539	1,590	191	1,590	1,590	✓	✓
Essential Public Health Services Fund	35,184	9,600	9,038	221	9,038	9,038	✓	✓
Forensic Transition Special Fund	46	34	-	-	-	-	✓	✓
Health Special Revenue Fund	257	5,645	17,520	2,875	17,520	17,520	✓	✓
Historic Preservation Fund	3,060	727	500	93	500	500	✓	✓
Houston Emergency Center Fund	2,516	26,354	30,345	830	30,345	30,345	✓	✓
Houston Opioid Abatement Fund	4,763	710	503	30	503	503	✓	✓
Houston Transtar Center Fund	4,953	3,338	3,273	32	3,273	3,273	✓	✓
Human Trafficking Response and Recovery Fund	216	216	104	1	104	104	✓	✓
Laboratory Operations & Maintenance Fund	886	615	552	64	552	552	✓	✓
Local Youth Diversion Fund	2,229	818	853	124	853	853	✓	✓
Maintenance Renewal & Replacement Fund	22,464	50,682	48,631	133	48,631	48,631	✓	✓
Municipal Court Building Security Fund	1,515	764	797	115	797	797	✓	✓
Municipal Court Technology Fee Fund	818	727	864	93	864	864	✓	✓
Municipal Jury Fund	80	17	18	3	18	18	✓	✓
Parks Golf Special Fund	1,439	8,424	9,183	1,359	9,183	9,183	✓	✓
ParkHouston Special Revenue Fund	5,925	19,349	20,646	3,232	20,646	20,646	✓	✓
Park Special Revenue Fund	5,643	3,626	3,293	361	3,293	3,293	✓	✓
Planning & Development Special Rev. Fund	7,262	8,073	7,993	1,402	7,993	7,993	✓	✓
Police Special Services Fund	6,008	8,538	9,413	555	9,413	9,413	✓	✓
Special Waste Transportation & Inspection Fund	4,105	4,823	5,513	616	5,513	5,513	✓	✓
Swimming Pool Safety Fund	745	1,430	1,220	311	1,220	1,220	✓	✓
Tourism Promotion Special Revenue Fund	405	17,172	24,164	34	24,164	24,164	✓	✓

* 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

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

Total may reflect slight variances due to rounding



Fund Summary - Other Funds

For the period ended August 31, 2026

(amounts expressed in thousands)

Enterprise

	Unaudited Preliminary FY2026	FY2027 Current Budget	FY2027 Actual YTD	Controller's Projection	Finance Projection	Net Current Activity (Proj.)	End of FY2027 Fund Balance (Proj.)	Finance	Controller
Aviation	715,999	778,398	124,890	778,398	778,398	-		✓	✓
Convention and Entertainment Facilities	129,210	141,085	40,780	141,085	141,085	248		✓	✓
Combined Utility System	1,729,896	2,328,086	254,446	2,328,086	2,328,086	(220,827)		✓	✓
Combined Utility System-HPW	1,729,896	2,176,553	248,419	2,191,057	2,191,057	(118,959)		!	!
Combined Utility System-SWM	-	151,533	6,027	137,028	137,028	(101,867)		✓	✓
DDSRF-Ad Valorem**	96,959	246,283	25,511	246,283	246,283	(27,251)	239,751	✓	✓
DDSRF-Drainage Charge**	111,588	158,803	9,664	158,803	158,803	(38,633)	245,855	✓	✓
DDSRF-Metro ET AL**	105,897	167,252	11,033	167,252	167,252	-	9,850	✓	✓
Storm Water**	88,974	126,038	8,242	126,038	126,038	(2,461)	2,952	✓	✓

Risk Management

Health Benefits	444,716	465,562	79,703	465,562	465,562	2,979	34,680	✓	✓
Long-Term Disability	873	1,025	118	1,025	1,025	7	10,175	✓	✓
Property and Casualty	43,554	59,192	2,590	59,192	59,192	-	(5,458)	✓	✓
Workers' Compensation	34,352	42,104	5,184	42,104	42,104	-	148	✓	✓

Special Revenue

Asset Forfeiture Fund	3,148	9,100	491	9,100	9,100	(4,307)	6,343	✓	✓
Auto Dealers Special Revenue Fund	11,785	13,406	2,203	13,406	13,406	(940)	16,042	✓	✓
BARC Special Revenue Fund	15,774	17,433	2,543	17,433	17,433	(705)	287	✓	✓
Building Inspection Special Fund	104,889	124,802	18,142	124,802	124,802	(5,333)	11,736	✓	✓
Cable Television Special Fund	2,408	3,247	198	3,247	3,247	(1,104)	2,543	✓	✓
Child Safety Fund	2,274	3,310	-	3,310	3,310	-	941	✓	✓
Contractors Responsibility Fund	917	1,127	350	1,127	1,127	463	3,420	✓	✓
Essential Public Health Services Fund	19,063	37,419	4,229	37,419	37,419	(28,381)	6,803	✓	✓
Forensic Transition Special Fund	34	-	-	-	-	-	46	✓	✓
Health Special Revenue Fund	7,702	16,959	1,437	16,959	16,959	561	818	✓	✓
Historic Preservation Fund	198	448	15	448	448	52	3,112	✓	✓
Houston Emergency Center Fund	26,887	32,898	3,551	32,898	32,898	(2,553)	(37)	✓	✓
Houston Opioid Abatement Fund	368	1,307	34	1,307	1,307	(804)	3,959	✓	✓
Houston Transtar Center Fund	2,924	3,750	300	3,750	3,750	(477)	4,476	✓	✓
Human Trafficking Response and Recovery Fund	-	196	-	196	196	(92)	124	✓	✓
Laboratory Operations & Maintenance Fund	233	1,021	9	1,021	1,021	(469)	417	✓	✓
Local Youth Diversion Fund	514	851	74	851	851	2	2,231	✓	✓
Maintenance Renewal & Replacement Fund	35,111	44,186	2,623	44,186	44,186	4,445	26,909	✓	✓
Municipal Court Building Security Fund	396	528	89	528	528	269	1,784	✓	✓
Municipal Court Technology Fee Fund	1,206	1,377	1	1,377	1,377	(513)	305	✓	✓
Municipal Jury Fund	-	-	-	-	-	18	98	✓	✓
Parks Golf Special Fund	8,758	9,284	1,113	9,284	9,284	(101)	1,338	✓	✓
ParkHouston Special Revenue Fund	15,704	20,586	2,728	20,586	20,586	60	5,985	✓	✓
Park Special Revenue Fund	1,895	4,260	220	4,260	4,260	(967)	4,676	✓	✓
Planning & Development Special Rev. Fund	7,682	12,893	1,024	12,893	12,893	(4,900)	2,362	✓	✓
Police Special Services Fund	9,552	10,051	624	10,051	10,051	(638)	5,370	✓	✓
Special Waste Transportation & Inspection Fund	4,604	5,651	716	5,651	5,651	(138)	3,967	✓	✓
Swimming Pool Safety Fund	1,323	1,645	214	1,645	1,645	(425)	320	✓	✓
Tourism Promotion Special Revenue Fund	19,094	24,501	624	24,501	24,501	(337)	68	✓	✓

* 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

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

Total may reflect slight variances due to rounding

City of Houston, Texas
Commercial Paper Issued and Available
For the period end August 31, 2026
(amounts expressed in millions)

COMMERCIAL PAPER	Draws FY27	Draws Month	Refunded FY27	Amount Available to be Drawn	Amount Outstanding
General Obligation					
<u>Voter Authorized 2001; 2006; 2012,2017 and 2022 Elections</u>					
Series G-1	0.00	0.00	0.00	75.00	0.00
Series G-2	5.00	0.00	0.00	58.00	67.00
Series H-2	10.00	10.00	0.00	53.00	47.00
Series J	0.00	0.00	0.00	125.00	0.00
<u>Non-Voter Authorized</u>					
Series E1-Equipment & Capital	0.00	0.00	0.00	100.00	0.00
Series E2- Equipment & Capital	0.00	0.00	0.00	100.00	0.00
Series K-1	0.00	0.00	0.00	500.00	0.00
Series K-2	0.00	0.00	0.00	200.00	0.00
Total General Obligation	15.00	10.00	0.00	1,211.00	114.00
Combined Utility System					
Series B-1	0.00	0.00	0.00	0.00	100.00
Series B-2	0.00	0.00	0.00	275.00	0.00
Series B-3	0.00	0.00	0.00	75.00	0.00
Series B-4	100.00	50.00	0.00	0.00	100.00
Series B-5	0.00	0.00	0.00	250.00	0.00
Series B-6	0.00	0.00	0.00	100.00	0.00
Series B-7	0.00	0.00	0.00	100.00	0.00
Total Combined Utility System	100.00	50.00	0.00	800.00	200.00
Airport System					
Series A&B	12.00	0.00	0.00	260.20	89.80
Total Airport System	12.00	0.00	0.00	260.20	89.80
Convention & Entertainment					
Total Convention and Entertainment	0.00	0.00	0.00	0.00	0.00
Totals	\$127.00	\$60.00	\$0.00	\$2,271.20	\$403.80

City of Houston, Texas
Total Outstanding Debt
For the period end August 31, 2026
(amounts expressed in thousands)

	August 31, 2026	August 31, 2025
Payable from Ad Valorem Taxes		
Public Improvement Bonds ^(a)	2,193,400	2,070,810
Commercial Paper Notes ^(b)	114,000	170,000
Pension Obligations	1,326,920	1,367,370
Certificates of Obligations	-	-
Subtotal	3,634,320	3,608,180
Payable from Sources Other Than Ad Valorem Taxes		
Combined Utility System		
Combined Utility System Revenue Bonds	5,668,505	5,615,925
Combined Utility System Commercial Paper Notes ^(c)	200,000	-
Water and Sewer System Revenue Bonds ^(d)	98,197	110,916
Contract Revenue Obligations - CWA	100,305	60,320
Combined Utility System Subordinate Lien	393,540	406,720
Subtotal	6,460,547	6,193,881
Airport System		
Airport System Subordinate Lien	2,802,225	2,943,900
Airport System Sr. Lien Commercial Paper Notes ^(e)	89,800	36,800
Rental Car Special Facilities Revenue Bonds	23,570	34,015
Conduit debt: Special Facilities Revenue Bonds ^(f)	2,292,240	2,099,225
Subtotal	5,207,835	5,113,940
Hotel Occupancy Tax and Civic Parking		
Hotel Occupancy Tax First & Second Lien Rev & Refunding Bonds ^(h)	1,175,247	-
Hotel Occupancy Tax Senior Lien Rev & Refunding Bonds ^(g)	378,644	457,821
Hotel Occupancy Tax And Parking Revenue Notes	-	200,000
Subtotal	1,553,891	657,821
Total City Debt	\$16,856,593	\$15,573,822

- (a) In November 2006, voters authorized \$625 million in tax bonds. In November 2012, voters authorized \$410 million in tax bonds. In November 2017, voters authorized \$495 million in tax bonds. In November 2022, voters authorized \$478 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, K-1: \$500 million and K-2: \$200 million.
- (c) The City has authorized maximum issuance of Combined Utility System Commercial Paper Notes. Series B-1: \$100 million B-2: \$275 million, B-3: \$75 million, B-4: \$100 million, B-5: \$250 million, B-6: \$100 million, B-7: \$100 million.
- (d) As of August 31, 2026, total outstanding includes \$77 million accreted value of capital appreciation bonds (CABs).
- (e) The City authorized the increase of Airport Senior Lien Commercial Paper Notes Series A and B from \$150 million to \$350 million. In May 2016, the Airport Inferior Lien appropriation facilities was also increased from \$225 million to \$450 million.
- (f) The City of Houston is not legally obligated for payment of the debt service for the Special Facilitated Revenue Bonds. All Special Facility Revenue Bonds are secured solely from Special Facility Lease Revenues.
- (g) As of August 31, 2026, total outstanding includes \$103 million accreted value of capital appreciation bonds (CABs). The City authorized a closing on its Hotel Occupancy Tax (HOT) Senior Lien Series A in the amount of \$149 million and its Senior Series B in the amount of \$53 million on March 25, 2026.
- (h) The City also authorized closing on April 1, 2026 on Hotel Occupancy Tax (HOT) Series C in the amount of \$1 billion and Series D in the amount of \$78 million. As of August 31, 2026, total outstanding includes \$1.08 Million accreted value of capital appreciation bonds (CABs).

City of Houston, Texas
Voter-Authorized Obligations
For the period end August 31, 2026
(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 2006 Election					
Streets, Bridges, Traffic Control ^(c)	\$ 320,000	\$ 219,950	\$ 95,248	\$ 124,702	\$ 224,752
Parks and Recreation	55,000	55,000	55,000	-	-
Public Safety	135,000	135,000	135,000	-	-
Permanent and General Improvements ^(b)	60,000	60,000	60,000	-	-
Public Libraries	37,000	37,000	37,000	-	-
Low Income Housing	18,000	18,000	14,106	3,894	3,894
Total	\$ 625,000	\$ 524,950	\$ 396,354	\$ 128,596	\$ 228,646
November 2012 Election					
Streets, Bridges, Traffic Control	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and Recreation	166,000	166,000	166,000	-	-
Public Safety	144,000	144,000	144,000	-	-
Permanent and General Improvements ^(b)	57,000	57,000	57,000	-	-
Public Libraries	28,000	28,000	28,000	-	-
Low Income Housing	15,000	15,000	5,248	9,752	9,752
Total	\$ 410,000	\$ 410,000	\$ 400,248	\$ 9,752	\$ 9,752
November 2017 Election					
Streets, Bridges, Traffic Control	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and Recreation	104,000	104,000	33,685	70,315	70,315
Public Safety	159,000	159,000	156,176	2,824	2,824
Permanent and General Improvements ^(b)	109,000	109,000	85,522	23,478	23,478
Public Libraries	123,000	123,000	73,649	49,351	49,351
Low Income Housing	-	-	-	-	-
Total	\$ 495,000	\$ 495,000	\$ 349,032	\$ 145,968	\$ 145,968
November 2022 Election					
Streets, Bridges, Traffic Control	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and Recreation	60,000	60,000	-	60,000	60,000
Public Safety	277,000	272,000	76,681 ^(d)	195,319	200,319
General Improvements	29,000	29,000	-	29,000	29,000
Solid Waste	6,000	6,000	-	6,000	6,000
Public health	33,000	33,000	4,950	28,050	28,050
Public Libraries	26,000	26,000	-	26,000	26,000
BARC	47,000	47,000	405	46,595	46,595
Low Income Housing	-	-	-	-	-
Total	\$ 478,000	\$ 473,000	\$ 82,036	\$ 390,964	\$ 395,964
Combined Total (2006, 2012, 2017 and 2022 Elections)	\$ 2,008,000	\$ 1,902,950	\$ 1,227,670	\$ 675,280	\$ 780,330

(a) As of August 31, 2026.

(b) Includes Public Health and Solid Waste Management.

(c) TWBD FIF Loan Addition to the City: PIB2021D \$10,100 and PIB2021E \$8,583. Payments are associated with Taylor Gully Flood and Wynnewood Acres Flood Mitigation.

Note: This schedule sets forth the categories of bond authorization approved by the voters in elections held in November of 2006 (the "2006 Election"), and November of 2012 (the "2012 Election"), November of 2017 (the "2017 Election"), and the November of 2022 (the "2022 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.

(d) The City issue \$5M out of Voter Authorization of 2023A Bond which is reflected in Voter Election 2022 using this capacity.

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 Airport. 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 five major entertainment centers and city-owned parking garages: Jesse H. Jones Hall, Bayou Place, Gus S. Wortham Center, George R. Brown Convention Center, and Theater District 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 Houston Public Works Department.

Dedicated Drainage & Street Renewal Fund - Drainage Charge Fund (2310)

The Dedicated Drainage & Street Renewal Fund (DDSRF) funds group provides a dedicated, pay-as-you-go fund for enhancement, improvement, and ongoing renewal of Houston's drainage and streets, as well as traffic control operations. This fund is funded by the Drainage Fee and is administered by the Houston Public Works Department. The DDSRF funds group is not technically an enterprise fund but is grouped with the Combined Utility System for clarity.

Dedicated Drainage & Street Renewal Fund - Ad Valorem Tax Fund (2311)

Prior to FY2021, this fund was a part of DDSRF Fund 2310. The DDSRF funds group provides a dedicated, pay-as-you-go fund for enhancement, improvement, and ongoing renewal of Houston's drainage and streets, as well as traffic control operations. This fund is funded by Ad Valorem Tax and is administered by the Houston Public Works Department. The DDSRF funds group is not technically an enterprise fund but is grouped with the Combined Utility System for clarity.

Dedicated Drainage & Street Renewal Fund - Metro ET AL Fund (2312)

Prior to FY2021, this fund was a part of DDSRF Fund 2310. The DDSRF funds group provides a dedicated, pay-as-you-go fund for enhancement, improvement and ongoing renewal of Houston's drainage and streets, as well as traffic control operations. This fund is primarily funded by reimbursements under the Metro General Mobility Program and is administered by the Houston Public Works Department. The DDSRF funds group is not technically an enterprise fund but is grouped with the Combined Utility System for clarity.

Storm Water Fund (2302)

This fund receives revenue from the Combined Utility System Fund and Dedicated Drainage and Street Renewal Fund. Funds are transferred to this fund to support storm water drainage operation and maintenance activities. The core purpose is to provide the best level of maintenance to the storm water infrastructure with the resources provided and to maintain flow of storm water free of debris and foreign objects that cause flooding.

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)

This fund is used to account for the long-term sick leave benefits for eligible City employees. The LTD Fund is funded solely by the City through premiums charged to the departments based on the number of employees covered by the plan. Such premiums cover the cost of all benefits (claims) to the employees and third party administrative fees. This fund is administered by the Human Resources Department.

Property and Casualty Fund (1004)

This fund records the transactions of the City's self-insurance program for lost and personnel action claims. The Administration and Regulatory Affairs Department oversees the insurance functions while the Legal Department administers the claims portion. Revenue is generated from premiums assessed to other funds; premiums are based on projected expenditures.

Workers' Compensation Fund (1011)

This fund was established to collect and report all costs of compliance to statutes related to Workers Compensation. The revenues are derived through charging the departments an administrative premium semi-monthly per employee plus all direct costs related to claim expenditures, which includes indemnity, medical, and disability payments. This fund is administered by the Human Resources Department. 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.

Auto Dealers Special Revenue Fund (2200)

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

Cable Television Special 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. 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 come from an assessment of Municipal Court fees on non-criminal municipal violations and a portion of each vehicle registration authorized by Harris County. The Houston Police Department administers this fund.

Contractor Responsibility Fund (2424)

This fund is managed by the Office of Business Opportunity (OBO) and governed by Executive Order 1-7. Funds are collected through the implementation of the Pay or Play Program, which is administered by OBO. The revenue collected in the Contractor Responsibility Fund is used to offset the cost of uninsured citizens in the Houston and Harris County area.

Essential Public Health Services Fund (2010)

This 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 as defined by Chapter 121 of the Texas Health and Safety Code. This fund is administered by the Houston Health Department.

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 funds' budget covers City of Houston employees that provide services to the Houston Forensic Science LGC.

Health Special Revenue Fund (2002)

This fund includes several programs that are supported by ordinances including ambulance permits, food and drug, vital statistics, international travel immunizations, Geriatric Dental Program, and specific public health purposes. This fund is administered by the Houston Health Department.

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 (Police, Fire/EMS computer Aided Dispatch System, Radio System, and Records Management Systems) into one state of the art facility. This fund is administered by the Houston Emergency Center Department.

Houston Opioid Abatement Fund (2216)

This fund was established in FY2024 for the receipt of monies obtained under a statewide opioid settlement agreement and distributed by Texas Opioid Abatement Trust Company to the City of Houston for the purpose of addressing the public health emergency pertaining to the opioid crisis. This fund is administered by the Houston Health Department.

Houston TranStar Center Fund (2402)

This fund was established for planning, design, operation, and maintenance of transportation and emergency management operations within the greater Houston area. Funding is derived from revenue received from member agencies and is prorated based on occupancy and use of center facilities. This fund is administered by the Houston Public Works Department.

Human Trafficking Response and Recovery Fund (2217)

The City receives forfeited funds resulting from HPD's role in human trafficking seizures. The fund provides supplemental resources beyond HPD's general budget to assist with the human trafficking victims as the first step to recovery.

Laboratory Operations and Maintenance Fund (2008)

This fund is solely designated for laboratory operations and maintenance for the retention of all revenue from laboratory fees. It pertains to Ordinance Amending Chapter 21 of the Code of Ordinance relating to laboratory fees. This fund is administered by the Houston Health Department.

Local Youth Diversion Fund (2211)

This fund was formerly named the "Local Truancy Prevention and Diversion Fund" and "Juvenile Case Manager Fee Fund" created in FY2009 and administered by the Municipal Courts Department (MCD). The name changed occurred in January of FY2020 and continues to be administered by MCD. The fund includes expenditures for the salary, benefits, and operational costs related to the staff. Revenue is generated from the funds portion of the local consolidated fee dictated by section 134.103 of the Texas Local Government Code. The mission of the 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 the students and families, and to limit a juvenile's exposure to the criminal justice system.

Maintenance Renewal and Replacement Fund (MRR) (2105)

This fund is to provide funds needed to maintain and replace systems in buildings and assets, as well as to protect the City of Houston's investments. This fund recognizes the shared responsibility of the City and its departments to maintain, upgrade, or replace building systems as they approach the end of their life cycle. This fund also addresses development and maintenance of the physical infrastructure of these facilities. This fund is administered, in partnership, by the General Services Department and the Parks and Recreation Department.

Municipal Court Building Security Fund (2206)

This Fund was established in FY1997 and is administered by the Municipal Courts Department. The fund includes all security related contractual expenditures and additional security enhancements for the courts. Revenue is generated from the funds portion of the local consolidated fee dictated by section 134.103 of the Texas Local Government Code. 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, procedure, and personnel are present at all court facilities.

Municipal Jury Fund (2215)

The fund was created in January of FY2020 and is administered by the Municipal Courts Department. Revenue is generated from the funds portion of the local consolidated fee dictated by section 134.103 of the Texas Local Government Code. Funds shall only be used to fund juror reimbursements and otherwise finance jury services.

Municipal Court Technology Fee Fund (2207)

This fund was established in FY2001 and is administered by the Municipal Courts Department. Revenue is generated from the funds portion of the local consolidated fee dictated by section 134.103 of the Texas Local Government Code. The purpose of the fund is to finance technological enhancements for the Municipal Courts and maintain systems to operate in an efficient manner.

ParkHouston Special Revenue Fund (8700)

This fund was formerly named the "Parking Management Fund". 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 Revenue Fund (2104)

This fund was created to receive the revenues derived from all golf facilities, whether operated by the City or private entities, including all related concession fee revenues which are to be used exclusively for the maintenance, operation, and improvement to any or all such golf courses.

Park Special Revenue Fund (2100)

This is a Parks and Recreation Department fund for revenue from revenue generating activities and certain expenditures related to operations of the City's municipal tennis centers, as well as, supplementing youth programs.

Planning and Development Special Revenue Fund (2308)

This fund was established in FY2016 to support development-related services such as: subdivision plat review, permit review, and one half of the lot size/minimum building line program. The fund is administered by the Planning and Development 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 Houston Police Department facilities. The Houston Police Department administers this fund.

Special Waste Transportation and Inspection Fund (2423)

The purpose of this fund is to prevent the infiltration of fats, oils, and grease into the sanitary sewer system, and to assure that the City's infrastructure and health of the citizens are protected. All fees collected are expended only for the costs of permitting, inspecting, monitoring, controlling, educating, and enforcing any violation pertaining to the management and disposal of the City-regulated waste. This fund is administered by the Houston Health 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 Houston Health Department.

Tourism Promotion Special Revenue Fund (2429)

Previously known as the Houston Civic Events Fund, this fund is administered by the Mayor's Office. This fund was created to promote tourism through management and coordination of the civic celebration program, city's art and cultural plan, promote business travel and hotel occupancy in the City of Houston, as well as protocol services.

