



Houston is home to several universities, including the University of Houston, Texas Southern University, Rice University and Houston Baptist University, which offer extensive men's and women's sports programs in everything from basketball and football to soccer and golf.



Statistical Section

(Unaudited)

This part of the City's Statistical comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Content</u>	<u>Page</u>
Financial Trends	192
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	200
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	206
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	213
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	220
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

CITY OF HOUSTON, TEXAS
NET ASSETS BY COMPONENT
Last Four Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(unaudited)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental Activities				
Invested in capital assets, net of related debt	\$ 3,327,146	\$ 3,354,457	\$ 3,388,360	\$ 3,531,764
Restricted	210,954	197,977	205,999	168,803
Unrestricted	(192,498)	(185,622)	(386,480)	(861,603)
Total governmental activities net assets	<u>\$ 3,345,602</u>	<u>\$ 3,366,812</u>	<u>\$ 3,207,879</u>	<u>\$ 2,838,964</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 1,129,433	\$ 1,068,562	\$ 1,361,202	\$ 1,138,154
Restricted	1,206,782	1,006,121	501,271	461,738
Unrestricted	(248,143)	(70,890)	(12,537)	87,494
Total business-type activities net assets	<u>\$ 2,088,072</u>	<u>\$ 2,003,793</u>	<u>\$ 1,849,936</u>	<u>\$ 1,687,386</u>
Primary government				
Invested in capital assets, net of related debt	\$ 4,456,579	\$ 4,423,019	\$ 4,749,562	\$ 4,669,918
Restricted	1,417,736	1,204,098	707,270	630,541
Unrestricted	(440,641)	(256,512)	(399,017)	(774,109)
Total primary government net assets	<u>\$ 5,433,674</u>	<u>\$ 5,370,605</u>	<u>\$ 5,057,815</u>	<u>\$ 4,526,350</u>

CITY OF HOUSTON, TEXAS

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CITY OF HOUSTON, TEXAS
CHANGES IN NET ASSETS
Last Four Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(unaudited)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Expenses				
Governmental activities:				
General government	\$ 225,950	\$ 150,374	\$ 234,176	\$ 143,477
Public safety	616,324	818,129	902,527	1,127,663
Public works	293,757	238,323	251,423	282,767
Health	107,783	99,617	105,247	124,267
Housing and community development	57,482	48,393	62,956	78,867
Parks and recreation	91,034	84,446	63,156	83,945
Library	40,723	38,282	38,481	49,084
Retiree benefits	17,787	21,440	26,581	28,997
Interest in long-term debt	94,511	98,042	95,779	116,180
Depreciation and amortization	108,998	119,475	85,711	96,355
Total governmental activities expenses	<u>1,654,349</u>	<u>1,716,521</u>	<u>1,866,037</u>	<u>2,131,602</u>
Business-type activities :				
Airport System	227,248	265,987	315,929	406,908
Convention & Entertainment Facilities	83,141	76,760	91,588	133,622
Combined Utility System	636,824	649,247	681,201	762,209
Houston Area Water Corporation	17	153	160	169
Total business-type activities expenses	<u>947,230</u>	<u>992,147</u>	<u>1,088,878</u>	<u>1,302,908</u>
Total primary government expenses	<u>\$2,601,579</u>	<u>\$2,708,668</u>	<u>\$2,954,915</u>	<u>\$3,434,510</u>
Program Revenues				
Governmental activities:				
Charges for services:	\$ 188,662	\$ 197,884	\$ 219,105	\$ 229,360
Operating grants and contributions	148,432	137,590	143,864	162,310
Capital grants and contributions	27,051	6,123	143,865	37,591
Total governmental activities program revenues	<u>364,145</u>	<u>341,597</u>	<u>506,834</u>	<u>429,261</u>
Business-type activities:				
Charges for services:				
Airport System	227,455	240,767	270,413	353,641
Convention & Entertainment Facilities	15,521	17,010	17,145	19,175
Combined Utility System	543,396	539,317	531,208	598,874
Houston Area Water Corporation	0	0	0	0
Operating grants and contributions	0	0	22,516	4,297
Capital grants and contributions	65,579	48,339	42,000	106,484
Total business-type activities program revenues	<u>851,951</u>	<u>845,433</u>	<u>883,282</u>	<u>1,082,471</u>
Total primary government program revenues	<u>\$ 1,216,096</u>	<u>\$ 1,187,030</u>	<u>\$ 1,390,116</u>	<u>\$ 1,511,732</u>
Net (expense)/revenue				
Governmental activities	\$(1,290,204)	\$(1,374,924)	\$(1,359,203)	\$(1,702,341)
Business-type activities	<u>(95,279)</u>	<u>(146,714)</u>	<u>(205,596)</u>	<u>(220,437)</u>
Total primary government net expense	<u>\$ (1,385,483)</u>	<u>\$ (1,521,638)</u>	<u>\$ (1,564,799)</u>	<u>\$ (1,922,778)</u>

Continued

CITY OF HOUSTON, TEXAS
CHANGES IN NET ASSETS
Last Four Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(unaudited)

General Revenues and Other Changes in

Net Assets	2002	2003	2004	2005
Governmental Activities:				
Taxes				
Property taxes	\$ 626,850	\$ 639,888	\$ 645,536	\$ 664,831
Industrial assessments tax	15,642	15,014	15,167	14,635
Sales taxes	341,952	322,538	347,982	370,583
Franchise taxes	175,360	160,673	161,378	162,263
Mixed beverage taxes	7,514	7,572	8,095	8,343
Bingo taxes	251	246	253	270
Investment earnings	23,918	16,550	5,139	13,179
Other	24,822	42,074	31,894	27,652
Contributions	1,483	101,750	40,192	11,216
Special Items - gain (loss) on sale of assets	3,546	3,346	3,095	2,071
Transfers	99,817	86,583	39,067	58,383
Total governmental activities	<u>1,321,155</u>	<u>1,396,234</u>	<u>1,297,798</u>	<u>1,333,426</u>
Business-type activities:				
Hotel occupancy taxes	43,452	43,169	47,223	42,266
Investment earnings	103,072	68,632	25,965	43,866
Other	35,789	33,776	30,561	30,138
Contributions	0	4,979	0	0
Special Items - gain (loss) on sale of assets	(9,975)	(1,338)	(12,943)	0
Transfers	(99,817)	(86,583)	(39,067)	(58,383)
Total business-type activities	<u>72,521</u>	<u>62,635</u>	<u>51,739</u>	<u>57,887</u>
Total primary government	<u>\$ 1,393,676</u>	<u>\$ 1,458,869</u>	<u>\$ 1,349,537</u>	<u>\$ 1,391,313</u>
Change in Net Assets				
Governmental activities	\$ 30,951	\$ 21,310	\$ (61,405)	\$ (368,915)
Business-type activities	(22,758)	(84,079)	(153,857)	(162,550)
Total primary government	<u>\$ 8,193</u>	<u>\$ (62,769)</u>	<u>\$ (215,262)</u>	<u>\$ (531,465)</u>

CITY OF HOUSTON, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)
(unaudited)

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
General fund				
Reserved	\$ 32,144	\$ 6,369	\$ 6,514	\$ 17,769
Unreserved	69,729	84,105	106,856	89,487
Total general fund	<u>\$ 101,873</u>	<u>\$ 90,474</u>	<u>\$113,370</u>	<u>\$ 107,256</u>
All other governmental funds				
Reserved	\$ 96,673	\$ 88,383	\$ 90,033	\$ 99,746
Unreserved , reported in:				
Special revenue funds	18,807	21,724	23,215	31,167
Capital projects funds	5,256	69,300	72,673	59,550
Permanent funds				
Total all other governmental funds	<u>\$ 120,736</u>	<u>\$ 179,407</u>	<u>\$185,921</u>	<u>\$ 190,463</u>

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$ 12,956	\$ 9,518	\$ 30,756	\$ 30,935	\$ 24,947	\$ 27,449
70,668	81,482	85,282	105,101	110,778	142,695
<u>\$ 83,624</u>	<u>\$ 91,000</u>	<u>\$ 116,038</u>	<u>\$ 136,036</u>	<u>\$ 135,725</u>	<u>\$ 170,144</u>
\$ 92,177	\$ 93,246	\$ 122,480	\$ 169,660	\$ 171,252	\$ 200,374
33,519	28,981	48,428	63,997	55,760	67,691
57,369	56,417	62,864	0	0	0
<u>\$ 183,065</u>	<u>\$ 178,644</u>	<u>\$ 233,772</u>	<u>\$ 233,657</u>	<u>\$ 227,012</u>	<u>\$ 268,065</u>

CITY OF HOUSTON, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)
(unaudited)

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Revenues				
Taxes	\$ 820,354	\$ 855,805	\$ 917,493	\$ 973,543
Licenses and permits	25,091	26,790	29,370	30,588
Intergovernmental	148,123	161,426	171,151	165,998
Charges for services	132,483	119,260	126,335	125,740
Fines	39,946	43,449	48,181	53,320
Investment earnings	20,431	16,050	20,092	18,613
Contributions	8,932	17,563	173	238
Other	40,226	28,361	34,851	22,026
Total revenues	<u>1,235,586</u>	<u>1,268,704</u>	<u>1,347,646</u>	<u>1,390,066</u>
Expenditures				
General Government	103,993	93,895	97,596	94,109
Public safety	568,474	576,479	604,789	642,782
Public Works	253,495	193,002	202,473	206,542
Health	56,413	53,536	54,228	55,201
Housing and Community Development	0	0	0	0
Parks and recreation	65,565	54,241	56,386	56,728
Library	32,998	27,983	31,057	33,823
Retiree benefits	11,714	8,720	9,133	8,941
Other Current Expenditures	19,434	27,358	31,544	35,229
Capital Outlay	38,044	159,514	222,498	169,060
Intergovernmental - grants	92,534	97,519	102,957	115,224
Debt Service				
Principal	81,210	100,725	91,940	93,627
Interest	77,311	80,539	82,763	85,644
Fiscal agent and fees	978	1,019	4,197	1,917
Advanced refunding escrow	0	0	0	2,985
Total expenditures	<u>1,402,163</u>	<u>1,474,530</u>	<u>1,591,561</u>	<u>1,601,812</u>
Excess of revenues over (under) expenditures	(166,577)	(205,826)	(243,915)	(211,746)
Other financing sources (uses)				
Transfers in	144,316	181,846	206,481	218,893
Transfers out	(111,950)	(121,265)	(141,338)	(160,324)
Proceeds from issuance of debt	221,915	130,250	445,588	488,748
Proceeds from refunded debt	0	0	0	0
Payment to escrow agent	(86,315)	0	(243,792)	(327,489)
Bond premium				
Other financing sources (uses)	(2,449)	0	0	(10,000)
Proceeds from capital lease				
Total other financing sources (uses)	<u>165,517</u>	<u>190,831</u>	<u>266,939</u>	<u>209,828</u>
Net change in fund balances	<u>\$ (1,060)</u>	<u>\$ (14,995)</u>	<u>\$ 23,024</u>	<u>\$ (1,918)</u>
Debt service as a percentage of noncapital expenditures	11.7%	13.9%	13.1%	12.9%

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$	1,028,344	\$ 1,102,177	\$ 1,163,820	\$ 1,142,071	\$ 1,193,874	\$ 1,227,388
	30,621	31,606	33,102	35,046	36,286	40,240
	153,804	175,769	160,718	154,598	189,974	187,372
	126,130	128,164	148,520	151,397	164,581	156,290
	43,977	43,035	37,587	44,620	49,227	53,464
	17,118	29,547	21,450	16,550	5,139	13,179
	2,484	2,092	3,562	864	2,433	1,780
	22,736	36,872	30,305	46,030	32,740	30,445
	<u>1,425,214</u>	<u>1,549,262</u>	<u>1,599,064</u>	<u>1,591,176</u>	<u>1,674,254</u>	<u>1,710,158</u>
	101,135	98,800	202,202	182,753	170,392	163,738
	672,737	684,644	752,281	840,490	838,472	907,201
	219,300	221,757	328,448	362,453	326,701	316,428
	56,547	55,857	104,777	96,633	99,377	104,389
	0	0	57,521	60,400	60,314	57,076
	61,778	62,742	78,451	81,008	62,917	70,720
	35,758	36,240	40,036	42,473	40,746	39,273
	9,597	11,675	17,787	21,440	26,581	28,997
	35,089	100,772				
	188,429	209,068	47,005	24,637	35,213	39,396
	111,158	137,767				
	104,710	114,425	110,060	120,754	115,319	139,607
	91,847	93,928	87,830	87,438	100,006	94,188
	2,099	3,713	5,252	4,098	8,131	3,316
	0	0	0	0	0	0
	<u>1,690,184</u>	<u>1,831,388</u>	<u>1,831,650</u>	<u>1,924,577</u>	<u>1,884,169</u>	<u>1,964,329</u>
	(264,970)	(282,126)	(232,586)	(333,401)	(209,915)	(254,171)
	230,087	322,008	278,045	306,231	225,522	278,743
	(172,776)	(192,427)	(178,228)	(219,648)	(184,004)	(223,863)
	176,012	366,709	173,494	209,931	150,594	274,721
	0	0	437,243	285,801	572,020	173,062
	0	(209,594)	(433,192)	(283,410)	(597,410)	(183,566)
					36,237	10,546
	0	0	(119)			
				54,379	0	0
	<u>233,323</u>	<u>286,696</u>	<u>277,243</u>	<u>353,284</u>	<u>202,959</u>	<u>329,643</u>
\$	<u>(31,647)</u>	<u>\$ 4,570</u>	<u>\$ 44,657</u>	<u>\$ 19,883</u>	<u>\$ (6,956)</u>	<u>\$ 75,472</u>
	13.2%	13.1%	11.4%	11.2%	12.1%	12.3%

CITY OF HOUSTON, TEXAS
TAX REVENUE BY SOURCE - GOVERNMENTAL FUNDS
Last Four Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Industrial Assessments	Alcohol Beverage Tax	Bingo Tax	Total Tax Collections
2002	\$ 626,850	\$ 341,952	\$ 175,360	\$ 15,642	\$ 7,514	\$ 251	\$ 1,167,569
2003	\$ 639,888	\$ 322,538	\$ 160,673	\$ 15,014	\$ 7,572	\$ 246	\$ 1,145,931
2004	\$ 645,536	\$ 347,982	\$ 161,378	\$ 15,167	\$ 8,095	\$ 253	\$ 1,178,411
2005	\$ 664,831	\$ 370,583	\$ 162,263	\$ 14,635	\$ 8,343	\$ 270	\$ 1,220,925

CITY OF HOUSTON
ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY
Last Four Fiscal Years
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2002	\$ 53,776,892	\$ 43,574,102	\$ 7,089,516	\$ 2,816,865	\$ 11,767,963	\$ 95,489,412	6.550
2003	\$ 58,211,949	\$ 43,815,475	\$ 7,640,012	\$ 2,886,083	\$ 13,248,143	\$ 99,305,376	6.550
2004	\$ 63,305,495	\$ 43,964,367	\$ 7,987,666	\$ 2,527,261	\$ 14,627,189	\$ 103,157,600	6.550
2005	\$ 67,298,102	\$ 44,051,724	\$ 7,923,377	\$ 2,532,851	\$ 15,924,828	\$ 105,881,226	6.500

The tax rates are based on a 100% assessment ratio. Tax rates are stated per \$1,000 assessed value.

CITY OF HOUSTON, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years
(unaudited)

Purpose	2005	2004	2003	2002	2001
City					
City of Houston ^(A)	6.5	6.55	6.55	6.55	6.55
County					
Fort Bend County	5.2374	5.2374	5.3874	5.641	6.041
Harris County ^(B)	7.634	5.506	6.597	6.692	6.4173
Montgomery County	4.963	4.71	4.71	4.71	4.747
School District					
Aldine I.S.D.	16.89	16.68	16.18	12.5	15.19
Alief I.S.D.	16.9	16.75	16.75	16.75	16.4
Clear Creek I.S.D.	17.45	17.3	17.4	17.25	17.0084
Conroe I.S.D.	17.325	17.325	17.225	2.025	17.025
Crosby I.S.D.	18.8	18.845	16.7	16.7	16.8
Cypress-Fairbanks I.S.D.	17.9	17.9	17.9	17.09	17.09
Deer Park I.S.D.	18.055	18.071	18.035	16.898	16.9
Fort Bend I. S. D.	17.075	No data	No data	No data	No data
Galena Park I.S.D.	17.95	17.65	17.65	16.8352	16.8352
Goose Creek I.S.D.	16.8371	1.8371	No data	No data	No data
Houston I.S.D.	15.99	15.8	15.8	15.8	15.19
Huffman I.S.D.	18.5	16.7	16.8	16.8	17.4
Humble I.S.D.	17.4	17.4	17.4	17.4	16.8
Katy I.S.D.	20.00	19.7	19.4	19.2	18.675
Klein I.S.D.	17.00	17.2	17.2	17.2	16.7
New Caney I.S.D.	17.7	17.7	17.1	16.554	17.696
North Forest I.S.D.	17.444	17.444	17.444	17.444	17.44
Pasadena I.S.D.	17.75	17.75	16.875	16.6	16.1
Sheldon I.S.D.	17.46	17.03	16.33	16.33	14.57
Spring I.S.D.	18.7	17.6	17.6	17.0	16.9
Spring Branch I.S.D.	18.1	18.1	18.1	18.1	17.9
Municipal Utility District					
Harris County MUD # 355	4.00	3.4	No data	No data	No data
Harris County MUD # 359	3.70	No data	No data	No data	No data
Harris County MUD # 366	5.00	5.00	No data	No data	No data
Harris County MUD # 390	7.00	No data	No data	No data	No data
Northwood M.U.D. #1	12.5	12.5	12.5	12.5	12.5
Other Jurisdictions					
Clear Lake City Water Authority	2.9	2.9	3.1	3.3	3.3
Fort Bend Parkway Road	1.1448	1.1448	No data	No data	No data
Harris County Dept. of Education	0.0629	No data	No data	No data	No data
Houston Community College System	0.81333	0.81333	0.81333	No data	No data
Lee College District	2.08130	No data	No data	No data	No data
N. Harris Montgomery Community College	1.145	1.145	1.055	1.1	1.1
Port of Houston	0.1673	0.2	0.1989	No data	No data
San Jacinto Jr. College District	0.2943	1.3913	1.3071	1.307	1.26

(A) The tax rates are based on a 100% assessment ratio. Tax rates are stated per \$1000 assessed value.

(B) Harris County includes the Harris County Flood Control District and Harris County Toll Road .

<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
6.65	6.65	6.65	6.65	6.65
6.241	6.241	6.291	6.47	6.47
6.4173	6.4173	6.4173	6.4735	6.2462
4.747	4.747	4.897	4.897	4.927
15.19	15.15	15.1	14.85	14.85
16.4	16.995	16.995	16.995	16.995
17.0084	16.4152	16.4152	15.15	14.7
17.025	17.505	17.505	16.355	15.955
16.8	16.8	16.8	16.8	16.5
17.09	17.7	17.7	17.5	17.5
16.7	15.8	15.8	15.3	15.3
No data	No data	No data	No data	No data
16.8352	16.768	16.768	16.168	15.868
No data	No data	No data	No data	No data
14.59	14.59	13.84	13.84	13.84
17.4	18.8	18.8	19.2	19.7
16.8	16.6	18.1	17.9	17.9
16.95	18.3	18.3	17.5	17.3
16.7	17.8	17.8	17.8	17.8
16.9	18.3	18.3	16.874	16.874
16.423	17.923	17.923	16.8	16.8
15.2	15.5	15.535	14.8	14.5
15.38	15.2	15.2	15.2	15.2
17.4	18.6	18.6	17.9	17.4
17.9	18.2	18.2	17.8	17.8
No data	No data	No data	No data	No data
No data	No data	No data	No data	No data
No data	No data	No data	No data	No data
No data	No data	No data	No data	No data
12.5	12.5	12.5	99.6	102.5
3.3	3.3	3.2	3.3	0.295
No data	No data	No data	No data	No data
No data	No data	No data	No data	No data
No data	No data	No data	No data	No data
No data	No data	No data	No data	No data
1.174	1.198	1.198	1.228	0.1002
No data	No data	No data	No data	No data
1.26	1.1	1.1	1.1	0.11

CITY OF HOUSTON, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
June 30, 2005
Current Year and Nine Years Ago
(amounts expressed in thousands)
(unaudited)

Taxpayer	2005			1996		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Centerpoint Energy, Inc.	\$ 1,527,791	1	1.44%			
Crescent Real Estate	868,962	2	0.82%			
Hines Interests Ltd. Partnership	851,876	3	0.80%	1,137,651	2	1.75%
SBC	689,507	4	0.65%	1,057,254	3	1.62%
Anhesuer Busch, Inc.	473,881	5	0.45%	246,904	7	0.38%
Trizec Hahn	415,503	6	0.39%			
Chevron Chemical Company	307,238	7	0.29%	209,357	9	0.32%
Lyondell	305,048	8	0.29%	302,528	5	0.46%
Continental Airlines, Inc.	302,384	9	0.29%	188,887	10	0.29%
HG Shopping Center LP	266,443	10	0.25%			
Houston Lighting & Power				1,378,284	1	2.12%
Exxon Corp.				407,453	4	0.63%
Allen Center				232,695	8	0.36%
Weingarten Realty				253,869	6	0.39%
Total :	<u>\$ 6,008,633</u>		<u>5.67%</u>	<u>\$ 5,414,882</u>		<u>8.32%</u>

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1996	\$ 430,825	\$ 417,170	96.83%	\$ 10,105	\$ 427,275	99.18%
1997	\$ 437,589	\$ 425,536	97.25%	\$ 8,224	\$ 433,760	99.13%
1998	\$ 461,904	\$ 448,279	97.05%	\$ 9,929	\$ 458,208	99.20%
1999	\$ 493,913	\$ 479,856	97.15%	\$ 9,983	\$ 489,839	99.18%
2000	\$ 536,599	\$ 522,302	97.34%	\$ 9,717	\$ 532,019	99.15%
2001	\$ 574,325	\$ 558,193	97.19%	\$ 10,378	\$ 568,571	99.00%
2002	\$ 625,283	\$ 608,337	97.29%	\$ 8,557	\$ 616,894	98.66%
2003	\$ 650,450	\$ 632,588	97.25%	\$ 8,196	\$ 640,784	98.51%
2004	\$ 675,682	\$ 657,988	97.38%	\$ 5,288	\$ 663,276	98.16%
2005	\$ 688,228	\$ 669,659	97.30%	\$ -	\$ 669,659	97.30%

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

CITY OF HOUSTON
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Four Fiscal Years
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Governmental Activities			Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita (1)
	General Obligation Bonds	Capital Leases	Other Borrowings	Combined Utility System Revenue Bonds	Houston Airport System Revenue Bonds	Convention & Entertainment Revenue Bonds	Long-Term Contracts			
2002	\$ 1,934,505	\$ -	\$ 15,260	\$ 3,812,173	\$ 1,479,475	\$ 637,221	\$ 259,599	\$ 8,138,233	11.82%	\$ 4,165
2003	\$ 2,025,330	\$ 53,372	\$ 25,810	\$ 4,108,847	\$ 2,167,722	\$ 665,846	\$ 261,791	\$ 9,308,718	13.40%	\$ 4,699
2004	\$ 2,071,560	\$ 52,344	\$ 24,865	\$ 4,038,164	\$ 2,170,394	\$ 666,679	\$ 243,877	\$ 9,267,883	Not Avail.	\$ 4,559
2005	\$ 2,415,988	\$ 51,253	\$ 23,395	\$ 4,451,525	\$ 2,279,443	\$ 671,094	\$ 266,799	\$ 10,159,497	Not Avail.	\$ 4,997

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics on page 213 for personal income and population data.

CITY OF HOUSTON, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Four Fiscal Years
(amounts expressed in thousands, except per capita amount)
(unaudited)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value (1) of Property	Per Capita (2)
2002	\$ 1,934,505	\$ 102,176	\$ 1,832,329	1.92%	\$ 938
2003	\$ 2,025,330	\$ 99,534	\$ 1,925,796	1.94%	\$ 972
2004	\$ 2,071,560	\$ 91,774	\$ 1,979,786	1.92%	\$ 974
2005	\$ 2,415,987	\$ 106,864	\$ 2,309,123	2.18%	\$ 1,136

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

1. See the schedule of Assessed Value and Estimate Actual Value of Taxable Property on page 180 for property value data.
2. Population data can be found in the Schedule of Demographic and Economic Statistics on page .

CITY OF HOUSTON, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2005
(amounts expressed in thousands)
(unaudited)

	<u>Net Direct Debt</u>		<u>% of Debt Applicable to Houston</u>	<u>City of Houston Share of Debt</u>
	<u>Amount</u>	<u>As of</u>		
City				
City of Houston - direct	\$ 2,260,437	06/30/05	100.00%	\$ 2,260,437
County				
Fort Bend County	67,365	06/30/05	4.62%	3,112
Harris County (including Toll Road Bonds)	2,320,378	06/30/05	56.87%	1,319,599
Harris County Flood Control	417,417	06/30/05	56.87%	237,385
Montgomery County	141,770	06/30/05	0.06%	85
School District				
Aldine I.S.D.	213,261	06/30/05	52.67%	112,325
Alief I.S.D.	261,038	08/31/04	79.27%	206,925
Clear Creek I.S.D.	505,080	06/30/05	27.31%	137,937
Conroe I.S.D.	432,244	08/31/04	0.08%	346
Crosby I.S.D.	73,091	08/31/04	0.37%	270
Cypress-Fairbanks I.S.D.	943,432	06/30/05	15.40%	145,289
Deer Park I.S.D.	96,848	08/31/04	0.14%	136
Fort Bend I.S.D.	534,110	06/30/05	1.00%	5,341
Galena Park I.S.D.	210,353	08/31/04	15.65%	32,920
Goose Creek I.S.D.	191,518	06/08/05	0.92%	1,762
Houston I.S.D.	1,946,777	06/30/05	94.33%	1,836,395
Huffman I.S.D.	39,445	06/30/05	30.99%	12,224
Humble I.S.D.	321,939	06/30/05	3.50%	11,268
Katy I.S.D.	764,663	08/31/04	24.60%	188,107
Klein I.S.D.	147,450	06/30/05	2.49%	3,672
New Caney I.S.D.	100,288	06/30/05	0.37%	371
North Forest I.S.D.	74,190	08/31/04	79.24%	58,788
Pasadena I.S.D.	238,325	08/31/04	41.21%	98,214
Sheldon I.S.D.	65,185	06/30/05	0.12%	78
Spring I.S.D.	433,747	06/30/05	2.61%	11,321
Spring Branch I.S.D.	372,396	06/30/05	82.18%	306,035
Municipal Utility District				
Harris County MUD 355	8,289	06/30/05	100.00%	8,289
Harris County MUD 359	9,740	06/30/05	100.00%	9,740
Harris County MUD 366	2,835	06/30/05	100.00%	2,835
Harris County MUD 390	1,911	06/30/05	100.00%	1,911
Northwood Municipal Utility District #1	2,158	06/30/05	100.00%	2,158
Other Jurisdictions				
Clear Lake City Water Authority	66,438	09/30/04	47.39%	31,485
Fort Bend Parkway Road	688	07/01/05	12.58%	87
Harris County Dept. of Education	6,795	06/30/05	56.87%	3,864
Houston Community College	144,155	07/26/05	97.70%	140,839
Lee College District	18,354	06/30/05	0.92%	169
N. Harris-Montgomery Community College Dis.	214,899	06/30/05	19.49%	41,884
Port of Houston Authority	293,726	06/30/05	56.87%	167,042
San Jacinto Jr. College District	67,774	06/30/05	12.97%	8,790
Total overlapping debt	11,750,072			5,148,998
Total direct and overlapping debt	<u>\$ 14,010,509</u>			<u>\$ 7,409,435</u>

Note:

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

CITY OF HOUSTON, TEXAS

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CITY OF HOUSTON, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

	1996	1997	1998	1999
Legal debt limitation, 10% of assessed value(2)	\$7,198,151	\$7,310,541	\$7,723,949	\$8,249,959
Total net debt applicable to margin	<u>1,332,633</u>	<u>1,513,875</u>	<u>1,923,676</u>	<u>2,516,268</u>
Legal debt margin	<u>\$5,865,518</u>	<u>\$5,796,666</u>	<u>\$5,800,273</u>	<u>\$5,733,691</u>
Total net debt applicable to the limit as a percentage of debt limit	19%	21%	25%	31%

(1) Assessed Value for the 2004 tax year (fiscal year 2005) is based on the appraised value of property prior to any deductions for exemptions. The Assessed Value is derived from the certified valuations provided by the Harris County Appraisal District as of August 31, 2005.

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

Legal Debt Margin Calculation for Fiscal Year 2005

Assessed Value (1)	\$121,806,056
Debt Limit (10% of assessed value)	12,180,606
Debt applicable to limit:	
Public Improvement Bonds	1,618,000
Pension Obligation Bonds	261,883
Aviation	2,319,242
Commercial Paper - General Obligation	445,700
Annexed District Bonds assumed	11,650
Tax and Revenue Certificates of Obligation	30,068
Total net debt applicable to limit	<u>4,686,543</u>
Legal debt margin	<u><u>\$7,494,063</u></u>

2000	2001	2002	2003	2004	2005
\$8,945,848	\$9,814,263	\$10,725,911	\$11,255,352	\$11,778,479	\$12,180,606
<u>2,622,990</u>	<u>3,286,061</u>	<u>3,325,921</u>	<u>4,093,518</u>	<u>4,151,145</u>	<u>4,686,543</u>
<u>\$6,322,858</u>	<u>\$6,528,202</u>	<u>\$7,399,990</u>	<u>\$7,161,834</u>	<u>\$7,627,334</u>	<u>\$7,494,063</u>
29%	33%	31%	36%	35%	38%

CITY OF HOUSTON, TEXAS
PLEDGED - REVENUE COVERAGE
Last Five Fiscal Years
(amounts expressed in thousands)
(unaudited)

Airport System Bonds ⁽¹⁾

Fiscal Year	Operating & Non-Operating Revenues ⁽²⁾	Less: Operating Expenses	Net Pledged Revenue	Debt Service		Less Grants Available for Debt Service	Coverage
				Principal	Interest ⁽³⁾		
2001	\$ 235,250	\$ 122,594	\$ 112,656	\$ 19,460	\$ 30,567	\$ 2,798	2.39
2002	244,791	142,950	101,841	4,380	47,231	37,153	7.04
2003	251,921	154,541	97,380	17,985	46,003	30,282	2.89
2004	278,933	161,645	117,288	18,865	56,932	32,823	2.73
2005	368,314	181,836	186,478	28,182	84,066	25,506	2.15

1. Including Sr. Lien Commercial Paper, Subordinate Lien Bonds, and Inferior Lien Obligations.
2. Income and revenues derived from the operation of the Airport System with limited exclusions.
3. Debt service is net of amounts paid by grant funds and capitalized interest.

Combined Utility System Bonds ⁽⁴⁾

Fiscal Year	Operating Revenues ⁽⁵⁾	Less: Operating Expenses	Net Pledged Revenue	Debt Service		Coverage
				Principal	Interest	
2001	\$ 608,397	\$ 283,515	\$ 324,882	\$ 60,191	\$ 167,811	1.42
2002	590,589	278,174	312,415	56,936	162,446	1.42
2003	569,902	281,160	288,742	55,370	173,363	1.26
2004	624,297	304,882	319,415	54,528	169,364	1.43
2005	668,391	309,343	359,048	14,031	175,789	1.89

4. Including Water and Sewer System Bonds, Combined Utility System Bonds, and Commercial Paper.
5. Income and revenues derived from the operation of the Combined Utility System with limited exclusions.

Convention and Entertainment Center Bonds ⁽⁶⁾

Fiscal Year	Pledged Hotel Occupancy Tax & Other Revenue ⁽⁷⁾	Debt Service		Coverage
		Principal	Interest	
2001	\$ 46,630	\$ 4,880	\$ 14,611	2.39
2002	42,906	-	24,151	1.78
2003	44,896	5,955	19,517	1.76
2004	48,684	6,265	20,833	1.80
2005	45,459	6,590	28,907	1.28

6. Including Revenue Bonds and Commercial Paper.
7. Includes 5.65/7 of collected hotel occupancy tax, certain parking revenues, and certain tax rebates.

CITY OF HOUSTON, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Four Fiscal Years
(unaudited)

Fiscal Year	Population (1)	Personal Income (amount in thousands) (2)	Per Capita Personal Income (2)	Median Age (3)	Education Level in Years of Formal Schooling (3)	School Enrollment (3)	Average Unemployment Rate (percentage) (4)
2002	1,979,052	\$ 70,234,576	\$ 35,489	30.7	12.7	423,103	4.7
2003	2,002,144	\$ 68,875,756	\$ 34,401	31.5	12.8	404,349	6.0
2004	2,009,669	\$ 69,490,335	\$ 34,578	31.4	12.8	410,566	6.9
2005	2,012,626	Not available	Not available	31.9	12.7	392,846	6.3

(1) Source: Population Estimate program, U. S. Census Bureau, as of the beginning of the fiscal year. (Fiscal year 2002 is as of July 1, 2001.)

(2) Source: Bureau of Economic Analysis.

(Data is for the Metropolitan Statistical Area--Houston, Baytown, Sugarland, with 2002 data shown for fiscal 2001, using the census bureau population data.)

(3) Source: American Community Survey, U. S. Census Bureau. (Fiscal year 2002 data is for calendar year 2001.)

(4) Source: University of Houston, Center for Public Policy, December 2005. (Data for fiscal year 2002 is calendar year 2001.)

**CITY OF HOUSTON, TEXAS
PRINCIPAL EMPLOYERS
June 30, 2005
Current Year and Three Years Ago
(unaudited)**

Employer	2005			2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Memorial Hermann Healthcare System	16,300	1	1.72%	14,000	2	1.49%
Continental Airlines, Inc.	16,000	2	1.68%	16,000	1	1.71%
Univ of Tx M. D. Anderson Cancer Center	16,000	3	1.68%	10,733	7	1.15%
Halliburton	14,000	4	1.47%	13,000	3	1.39%
Univ of Tx Medical Branch at Galveston	12,318	5	1.30%	13,000	4	1.39%
Kroger Company	12,000	6	1.26%	12,000	5	1.28%
ARAMARK Corp.	10,000	7	1.05%	10,000	8	1.07%
H.C. A. Health	9,000	8	0.95%	9,000	10	0.96%
Hewlett-Packard	9,000	9	0.95%			
The Methodist Hospital System	8,598	10	0.91%			
Compaq Computer Corporation				11,000	6	1.17%
Reliant Energy				9,500	9	1.01%
Total :	<u>123,216</u>		<u>12.97%</u>	<u>118,233</u>		<u>12.62%</u>

Employers excludes school districts, city, county, state and federal government.

Source: Greater Houston Partnership

Total City Employment is employed Houston residents only	2005	949,998
Source: Texas Workforce Commission	2002	937,053

CITY OF HOUSTON, TEXAS

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**CITY OF HOUSTON, TEXAS
EMPLOYMENT STATISTICS
June 30, 2005
(unaudited)**

Employment

The following table indicates the Houston PMSA estimated annual average labor force for the years 1995 through 2004 according to the Texas Employment Commission:

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

	<u>1995</u>	<u>1996</u>	<u>1997</u>
Civilian Labor Force ^(A)	1,994	2,013	2,054
Employed	1,879	1,908	1,951
Unemployed	114	105	103
Percent unemployed	5.70%	5.20%	5.00%
Nonfarm Payroll Employment ^(B)	1,766	1,814	1,892
Manufacturing	189	199	209
Mining	64	65	68
Contract construction	120	126	127
Transp/Pub Utils/Communications	123	126	133
Trade	414	422	435
Finance/Insurance/Real Estate	95	96	100
Services & Miscellaneous	518	534	570
Government	243	246	249

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

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

1998	1999	2000	2001	2002	2003	2004
2,174	2,185	2,163	2,201	2,364	2,320	2,574
2,075	2,089	2,073	2,107	2,202	2,161	2,412
98	97	89	94	161	159	162
4.50%	4.40%	4.13%	4.29%	6.81%	6.85%	6.29%
1,805	1,864	2,082	2,118	2,112	2,095	2,288
215	206	210	215	192	189	208
65	63	64	69	59	63	67
143	154	154	159	167	158	164
144	151	152	154	143	143	143
462	476	474	478	435	415	472
110	117	114	116	123	168	136
626	633	646	659	699	680	866
256	272	269	269	291	292	336

CITY OF HOUSTON, TEXAS
Last Four Years
CITY OF HOUSTON EMPLOYMENT INFORMATION
(unaudited)

Full-time Equivalent Employees as of June 30

<u>Fund/Department</u>	2002	2003	2004	2005
GENERAL FUND				
Public Safety				
Fire/Civilian	318.4	344.8	316.2	289.1
Fire/Classified	3,729.7	3,717.0	3,647.7	3,886.6
Fire/Cadets	162.5	268.2	392.8	303.6
Municipal Courts - Administration	388.5	380.1	354.7	351.4
Municipal Courts - Justice	45.2	46.8	45.3	43.0
Police/Civilian	1,780.3	1,509.9	1,425.5	1,175.9
Police/Classified	5,588.0	5,432.5	5,362.3	5,097.0
Police/Cadets	87.3	74.0	36.2	31.3
Total Public Safety	<u>12,099.9</u>	<u>11,773.3</u>	<u>11,580.7</u>	<u>11,177.9</u>
Development & Maintenance Services				
Building Services	313.1	311.7	289.4	186.8
Planning & Development	233.7	217.6	105.0	104.0
Public Works & Engineering	1,032.6	860.4	567.5	522.5
Solid Waste Management	617.1	581.2	545.9	554.3
Total Development & Maintenance	<u>2,196.5</u>	<u>1,970.9</u>	<u>1,507.8</u>	<u>1,367.6</u>
Human & Cultural Services				
Health & Human Services	898.0	834.7	776.6	760.2
Library	604.8	520.3	531.2	524.3
Parks & Recreation	1,094.8	993.0	768.2	820.4
Total Human & Cultural Services	<u>2,597.6</u>	<u>2,348.0</u>	<u>2,076.0</u>	<u>2,104.9</u>
Administrative Services				
Affirmative Action	30.5	29.6	24.7	27.5
City Council	78.9	74.0	68.2	69.5
City Secretary	15.8	13.7	13.8	13.2
Controller's Office	84.3	80.0	76.3	75.9
Finance & Administration	332.6	320.6	304.4	306.4
Human Resources	52.9	45.9	43.0	37.1
Information Technology	133.7	130.6	147.4	140.9
Legal	163.6	158.7	153.4	150.2
Mayor's Office	25.0	24.2	21.9	22.0
Total Administrative Services	<u>917.3</u>	<u>877.3</u>	<u>853.1</u>	<u>842.7</u>
Total General Fund	17,811.3	16,969.5	16,017.6	15,493.1

Full-time Equivalent Employees as of June 30

<u>Fund/Department</u>	2002	2003	2004	2005
ENTERPRISE FUNDS				
Aviation	1,103.0	1,088.0	1,236.3	1,453.3
Convention & Entertainment Facilities	82.2	84.2	88.9	95.3
PW&E - Public Utilities - Water & Sewer	2,246.6	2,283.9	2,102.6	2,082.4
Total Enterprise Funds	<u>3,431.8</u>	<u>3,456.1</u>	<u>3,427.8</u>	<u>3,631.0</u>
SPECIAL REVENUE FUNDS				
Houston Emergency Center	72.0	183.8	190.4	217.5
Cable Television	8.2	10.9	9.1	9.4
Parks Special Revenue	183.7	98.6	105.8	107.3
Police - Asset Forfeiture	61.0	63.7	20.0	44.0
Police - Auto Dealers/Civilian	6.1	6.1	6.8	9.3
Police - Auto Dealers/Classified	14.2	12.0	18.5	23.0
Police Special Services/Civilian	34.9	51.4	218.0	91.0
Police Special Services/Classified	0.0	0.0	1.0	1.0
PW&E - Building Inspection	270.6	262.8	389.5	407.7
PW&E - Sign Administration	30.8	31.5	26.9	25.6
PW&E - Stormwater Utility	299.7	406.0	393.5	397.8
PW&E - Houston TransStar	6.0	6.0	6.0	5.9
PW&E - TxDOT Signal Maintenance	6.8	6.8	7.0	5.2
Municipal Courts Security Fund	0.0	0.0	0.0	18.4
Total Special Revenue Funds	<u>994.0</u>	<u>1,139.6</u>	<u>1,392.5</u>	<u>1,363.1</u>
Total General, Enterprise and Special Funds	22,237.1	21,565.2	20,837.9	20,487.2
INTERNAL SERVICE/REVOLVING FUND				
Human Resources - Health Benefits	36.6	37.4	36.0	38.9
Building Services - Central Svc Revolving	0.0	0.0	0.0	4.0
Human Resources - Central Svc Revolving	5.2	6.0	5.0	4.9
F&A - Central service Revolving	12.1	13.5	6.0	6.6
Information Technology - Central Svc Revolving	0.0	0.0	2.0	1.6
Fire Reconstruction	18.0	20.2	13.3	27.5
PW&E - Fleet Management	98.3	105.5	159.6	146.0
PW&E - CIP Salary Recovery	0.0	0.0	245.6	286.1
F&A - Property and Casualty	5.0	4.6	4.0	4.0
Legal Property and Casualty	34.7	32.0	29.4	28.6
Human Resources - Workers Compensation	30.7	30.2	31.0	32.2
Legal - Workers Compensation	4.9	4.5	0.0	5.0
Total Internal Service/Revolving Fund	<u>245.5</u>	<u>253.9</u>	<u>531.9</u>	<u>585.4</u>
TOTAL FTE'S	22,482.6	21,819.1	21,369.8	21,072.6

Note:

Actual numbers for FY 2005 were not available. Estimates and overtime budget numbers were used.

CITY OF HOUSTON, TEXAS
OPERATING INDICATORS BY FUNCTION
June 30, 2005
(unaudited)

Function	2002	2003	2004	2005
Police				
Physical arrests	105,623	112,975	110,573	103,917
Parking violations	303,159	265,880	253,038	241,324
Traffic violations	696,998	871,457	779,068	841,494
Fire				
Number of calls answered	256,257	255,648	261,903	Not Available
Inspections	36,171	28,336	30,491	Not Available
Highways and Streets				
Streets resurfaced (miles)	545	426	435	374
Tons of asphalt for pothole repair & skin patches	Not Available	18,788	18,879	18,272
Parks and recreation				
Athletic field permits issued	1,920	1,587	1,854	1,850
Community center admissions	2,789,684	2,974,752	3,105,835	2,951,899
Sanitation				
Refuse collected (tons)	860,924	904,804	876,519	835,054
Recyclables collected (tons)	32,572	37,942	28,862	20,607
Water				
New connections	6,273	5,435	6,616	7,806
Water main breaks	5,362	3,148	3,269	3,381
Average daily pumpage (millions of gallons)	374.8	359.0	356.6	363.1
Wastewater				
Average daily sewage treatment (millions of gallons)	254.7	262.4	286.8	252.0

CITY OF HOUSTON, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
June 30, 2005
(unaudited)

Function	2002	2003	2004	2005
Public safety				
Police				
Stations	14	14	14	14
Patrol units	Not Available	Not Available	Not Available	730
Fire				
Stations	86	87	88	88
Highways and Streets				
Streets (lane miles)	15,645	15,645	15,645	15,645
Streetlights	170,300	171,800	173,500	175,000
Traffic signals	2,310	2,325	2,340	2,355
Parks and recreation				
Parks acreage	18,364	18,429	18,620	18,620
Parks	518	521	523	523
Swimming pools	43	43	43	43
Tennis courts	3	3	3	3
Community centers	58	58	58	57
Sanitation				
Collection trucks	343	343	344	347
Water				
Water mains (miles)	Not Available	Not Available	Not Available	7,354
Fire hydrants	47,397	49,000	51,155	52,879
Maximum daily capacity (millions of gallons)	479.4	466.0	482.4	456.3
Sewer				
Sanitary sewers (miles)	Not Available	Not Available	Not Available	6,752
Storm sewers (miles)	3,300	3,300	3,300	3,300
Maximum daily treatment permitted (millions of gallons)	559.5	562.6	564.0	564.0

CITY OF HOUSTON, TEXAS
June 30, 2005
INCREASES/DECREASES TO NET ASSETS OF PENSION PLANS
(amounts expressed in thousands)
(unaudited)

	<u>Police</u>	<u>Fire</u>	<u>Municipal</u>	<u>Total</u>
Additions (Deductions)	\$386.9	\$398.0	\$588.4	\$1,373.3
Deductions	<u>158.5</u>	<u>92.9</u>	<u>182.3</u>	<u>433.7</u>
Net Increase (Decrease)	<u>228.4</u>	<u>305.1</u>	<u>406.1</u>	<u>939.6</u>
City's Total Contribution	<u><u>\$36.6</u></u>	<u><u>\$32.7</u></u>	<u><u>\$66.0</u></u>	<u><u>\$135.3</u></u>

The City's funding policies provide for actuarially determined periodic contributions at rates such that overtime will remain level as a percentage of payroll. The contribution rate for normal cost is determined by using the entry age normal cost method. The pension plans use the level percentage of payroll method to amortize the unfunded actuarially accrued liability (or surplus) over 40 years from January 1, 1993.

CITY OF HOUSTON, TEXAS
June 30, 2005
PRINCIPAL AND INTEREST PAYABLE FROM AD VALOREM TAXES
(EXCLUDING COMMERCIAL PAPER NOTES)
(unaudited)

The following schedule presents the City's annual principal and interest requirements for Fiscal Years 2006 through 2034 for the outstanding Tax Bonds, Pension Obligations, Tax Certificates and Assumed Bonds, including the effects of the PIBS 2004B refunding bonds issued December 21, 2004, the Collateralized Pension Note issued on November 10, 2004, Pension Obligation Bonds issued on March 30, 2005. Debt service on commercial paper notes is not reflected in the schedule below. As of June 30, 2005, \$445.7 million of such Commercial Paper Notes was outstanding.

Fiscal Year Ending June 30	Tax Bonds	Pension Obligations	Tax Certificates	Assumed Bonds	Total Debt Service
2006	201,199,513	25,528,438	4,630,586	1,374,559	232,733,096
2007	202,986,360	28,535,462	2,062,086	1,376,736	234,960,644
2008	204,348,223	28,535,462	2,589,086	1,372,351	236,845,122
2009	196,189,035	28,535,462	4,263,986	1,303,821	230,292,304
2010	186,783,925	28,535,462	1,985,511	1,323,000	218,627,898
2011	171,831,594	28,535,462	9,792,624	1,221,963	211,381,643
2012	158,965,356	28,535,462	1,281,489	1,041,503	189,823,810
2013	133,971,231	28,535,462	1,282,549	928,236	164,717,478
2014	115,787,488	28,535,462	1,282,004	1,007,070	146,612,024
2015	107,110,519	28,535,462	1,284,124	1,180,763	138,110,868
2016	105,345,588	28,535,462	1,284,304	1,182,795	136,348,149
2017	99,849,600	28,535,462	2,202,484	1,182,298	131,769,844
2018	96,012,419	28,535,462	2,201,915	591,480	127,341,276
2019	61,694,300	28,535,462	2,200,285	28,600	92,458,647
2020	55,019,575	28,535,462	2,203,635	184,200	85,942,872
2021	50,794,788	28,535,462	2,201,400	189,988	81,721,638
2022	50,797,525	28,535,462	1,018,500	190,088	80,541,575
2023	50,797,250	28,535,462			79,332,712
2024	24,409,750	28,535,462			52,945,212
2025	7,439,250	28,535,462			35,974,712
2026		28,535,462			28,535,462
2027		28,535,462			28,535,462
2028		28,535,462			28,535,462
2029		36,875,462			36,875,462
2030		36,872,608			36,872,608
2031		36,876,390			36,876,390
2032		36,875,215			36,875,215
2033		36,873,021			36,873,021
2034		326,073,480			326,073,480
2035		11,373,480			11,373,480
Total	\$ 2,281,333,289	\$ 1,175,128,258	\$ 43,766,568	\$ 15,679,451	\$ 3,515,907,566

CITY OF HOUSTON, TEXAS
June 30, 2005
VOTER-AUTHORIZED OBLIGATIONS
(unaudited)

The following schedule sets forth the categories of bond authorization approved by the voters in elections held in November of 1997 and November of 2001, the amount of 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.

November 1997 Election

<u>Purposes</u>	<u>Voter Authorized</u>	<u>Approved by City Council for Issuance as Commercial Paper Notes</u>	<u>Commercial Paper Issued</u>	<u>Commercial Paper Notes Approved by City Council but Unissued</u>
Streets, Bridges, Traffic Control				
Storm Sewers and Drainage	\$350,000	\$350,000	\$350,000	\$0
Parks and Recreation	30,000	30,000	30,000	0
Police Department	23,450	23,450	4,643	18,807
Fire Department	29,710	29,710	29,710	0
Permanent and General Imp. (a)	91,840	91,840	75,614	16,226
Low Income Housing	20,000	20,000	18,033	1,967
Total	\$545,000	\$545,000	\$508,000	\$37,000

November 2001 Election

<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>
Streets, Bridges, Traffic Control				
Storm Sewers and Drainage	\$474,000	\$267,400	\$124,000	\$143,400
Parks and Recreation	80,000	51,500	29,500	22,000
Police and Fire Departments	82,000	27,500	15,500	12,000
General Public Imp. (b)	80,000	23,000	1,000	22,000
Library	40,000	5,000	0	5,000
Low Income Housing	20,000	10,600	0	10,600
Total	\$776,000	\$385,000	\$170,000	\$215,000
Combined total (1997 and 2001 Elections)	\$1,321,000	\$930,000	\$678,000	\$252,000

(a) Includes Public Libraries, Public Health and Solid Waste Management.

(b) Includes Public Health and Solid Waste Management.

CITY OF HOUSTON, TEXAS
June 30, 2005
(unaudited)

SALES AND USE TAX AND FRANCHISE CHARGES AND FEES

<u>Fiscal Year</u>	<u>Sales and Use Tax</u> (in thousands)	<u>Charges and Fees</u> (in thousands)
2001	\$329,705	\$175,759
2002	\$341,952	\$175,360
2003	\$322,538	\$160,673 (a)
2004	\$347,982	\$161,378
2005	\$370,583	\$162,263
2006 (budgeted)	\$395,845	\$171,628

(a) The projected amount of franchise charges and fees was reduced from the previous years to recognize the effect of electric deregulation.

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

Total Annual Revenues Last Ten Fiscal Years	<u>1996</u>	<u>1997</u>	<u>1998</u>
Operating Revenues			
Fees charged to users, net	\$ 9,975	\$ 10,277	\$ 11,018
Total Operating Revenues	<u>9,975</u>	<u>10,277</u>	<u>11,018</u>
Nonoperating Revenues			
Interest	2,735	2,690	3,268
Hotel occupancy tax (including penalty & interest)	30,118	34,354	38,270
Other income	<u>489</u>	<u>567</u>	<u>1,599</u>
Total Nonoperating Revenues	<u>33,342</u>	<u>37,611</u>	<u>43,137</u>
Total Revenues	<u>\$ 43,317</u>	<u>\$ 47,888</u>	<u>\$ 54,155</u>

Total Annual Expenses Last Ten Fiscal Years	<u>1996</u>	<u>1997</u>	<u>1998</u>
Operating Expenses			
Maintenance and operating	\$ 13,980	\$ 17,636	\$ 14,378
Depreciation	<u>5,318</u>	<u>6,274</u>	<u>6,412</u>
Total Operating Expenses	<u>19,298</u>	<u>23,910</u>	<u>20,790</u>
Nonoperating Expenses			
Interest on long-term debt	8,891	7,884	7,685
Promotional contracts & other expenses	<u>6,000</u>	<u>6,000</u>	<u>6,431</u>
Total Nonoperating Expenses	<u>14,891</u>	<u>13,884</u>	<u>14,116</u>
Total Expenses	<u>\$ 34,189</u>	<u>\$ 37,794</u>	<u>\$ 34,906</u>

1999	2000	2001	2002	2003	2004	2005
\$ 15,576	\$ 16,835	\$ 17,469	\$ 15,521	\$ 17,010	\$ 17,145	\$ 19,175
<u>15,576</u>	<u>16,835</u>	<u>17,469</u>	<u>15,521</u>	<u>17,010</u>	<u>17,145</u>	<u>19,175</u>
3,174	3,642	9,846	23,766	14,311	13,109	15,926
42,459	42,550	46,123	43,452	43,169	47,223	42,266
<u>1,042</u>	<u>133</u>	<u>181</u>	<u>-</u>	<u>713</u>		<u>7,279</u>
<u>46,675</u>	<u>46,325</u>	<u>56,150</u>	<u>67,218</u>	<u>58,193</u>	<u>60,332</u>	<u>65,471</u>
<u>\$ 62,251</u>	<u>\$ 63,160</u>	<u>\$ 73,619</u>	<u>\$ 82,739</u>	<u>\$ 75,203</u>	<u>\$ 77,477</u>	<u>\$ 84,646</u>

1999	2000	2001	2002	2003	2004	2005
\$ 16,421	\$ 19,886	\$ 20,331	\$ 21,721	\$ 24,830	\$ 28,791	\$ 32,797
<u>6,640</u>	<u>6,684</u>	<u>6,356</u>	<u>12,406</u>	<u>13,274</u>	<u>14,077</u>	<u>10,372</u>
<u>23,061</u>	<u>26,570</u>	<u>26,687</u>	<u>34,127</u>	<u>38,104</u>	<u>42,868</u>	<u>43,169</u>
7,469	7,194	12,655	28,410	19,347	25,413	29,468
<u>9,565</u>	<u>10,974</u>	<u>20,698</u>	<u>24,193</u>	<u>19,305</u>	<u>23,307</u>	<u>61,694</u>
<u>17,034</u>	<u>18,168</u>	<u>33,353</u>	<u>52,603</u>	<u>38,652</u>	<u>48,720</u>	<u>91,162</u>
<u>\$ 40,095</u>	<u>\$ 44,738</u>	<u>\$ 60,040</u>	<u>\$ 86,730</u>	<u>\$ 76,756</u>	<u>\$ 91,588</u>	<u>\$ 134,331</u>

CITY OF HOUSTON, TEXAS
CONVENTION AND ENTERTAINMENT FACILITIES STATISTICS
For Fiscal Year 2005
(unaudited)

HISTORICAL PLEDGED REVENUES
(amounts expressed in thousands)

Fiscal Year	Pledged HOT (a)	% Change	Pledged Parking Revenues (d)	% Change	Tax Rebates	% Change	Total (e)
1996	\$ 24,310	4.9%	\$ 3,289	9.4%	\$ --	-- %	\$ 27,599
1997	27,728	14.1%	3,260	-0.9%	--	--	30,988
1998 (b)	30,889	11.4%	4,037	23.8%	--	--	34,926
1999 (c)	34,270	10.9%	6,847	69.6%	--	--	41,117
2000	34,344	0.2%	8,152	19.1%	--	--	42,496
2001	37,228	8.4%	9,402	15.3%	--	--	46,630
2002	35,072	-5.8%	7,834	-16.7%	--	--	42,906
2003	34,844	-0.7%	10,052	28.3%	--	--	44,896
2004	38,115	9.4%	9,325	-7.2%	1,244	--	48,684
2005	34,115	-10.5%	8,882	-4.8%	2,462	97.9%	45,459

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

Historical Tax Rebates
amounts expressed in thousands

Fiscal Year	HOT Tax 15%	Sales Tax 8.25% (1)	Mixed Beverage Tax 3%	Total Tax Rebate
2004	\$ 1,081	\$ 111	\$ 52	\$ 1,244
2005	2,188	190	84	2,462

(1) Includes taxes on food, telephone and other sales

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

Schedule of Hotel Occupancy Tax and Occupancy Rates

Fiscal Year	Occupancy % Rate (1)	Average Daily Rate (1)	Tax % Rate	Gross Hotel Occupancy Tax Revenues (in thousands)
1996	65.4%	72.98	7%	30,118
1997	68.4%	80.59	7%	34,354
1998	66.7%	85.88	7%	38,270
1999	63.6%	86.92	7%	42,459
2000	65.6%	90.02	7%	42,550
2001	68.9%	90.50	7%	46,123
2002	63.2%	90.79	7%	43,452
2003	60.4%	85.89	7%	43,169
2004	61.4%	89.30	7%	47,223
2005	63.1%	88.46	7%	44,414

(1) Source: Greater Houston Partnership.

CITY OF HOUSTON, TEXAS
CONVENTION AND ENTERTAINMENT FACILITIES STATISTICS
For Fiscal Year 2005
(unaudited)

Schedule of Hotel Occupancy Tax Collections

<u>The Twelve Largest Taxpayers</u>	<u>Gross Hotel Occupancy Tax Collections</u>
Hilton Americas-Houston	\$ 2,187,932
Hyatt Regency Hotel	1,351,804
Four Seasons Hotel Houston Center	1,208,658
Westin Galleria	1,092,830
JW Marriott Galleria	1,059,843
Marriott Hotel	1,004,441
Westin Oaks Houston	862,838
Houston Marriott Westchase	835,450
Wyndham Hotel Greenspoint	822,326
Houstonian Hotel	798,971
Marriott Medical Center	765,333
Inter Continental Houston	<u>746,349</u>
Total:	<u>\$ 12,736,775</u>

Top Ten Clients (Excluding Hotel Occupancy Tax Revenues)

Republic Parking Systems	\$ 6,999,190
Houston Convention Center Hotel Corporation	3,878,219
Aramark	1,799,936
Smart City	1,210,632
Houston Astro All-Star Baseball	320,000
AVW	304,429
Crème de la Crème	294,182
Greater Houston Convention and Visitors Bureau	275,000
Houston Arena/Toyota	200,000
Texas Quilts	192,798

CITY OF HOUSTON, TEXAS
CONVENTION AND ENTERTAINMENT FACILITIES STATISTICS
For Fiscal Year 2005
(unaudited)

Parking Facilities Rates

Facility	City Employee Monthly Contract (1)	Other Monthly Contract (2)	Daily Transient (2)	Event Rate (2)
Theater District Garage	\$70.00	\$125.00 \$75.00 (3)	\$3.00 per hour \$9.00 Maximum	\$5.00
City Hall Annex Parking Garage	\$51.76	\$75.00	n/a	\$5.00
City Hall Annex Parking Meters	n/a	n/a	\$.40 per hour	\$5.00
Fannin Garage	\$70.00	\$76.00	\$2.00 per hour \$5.00 Maximum	\$5.00
Lots C and H	\$44.33	\$48.00	n/a	\$3.00

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

(2) Includes sales and use tax of 8.25%

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

Source: City of Houston, Convention & Entertainment Facilities Department

CITY OF HOUSTON, TEXAS
CONVENTION AND ENTERTAINMENT FACILITIES STATISTICS
Debt Service Schedule
For Fiscal Year 2005
(unaudited)

Fiscal Year Ending June 30	Series 2001 A Bonds	Series 2001 B Bonds	Series 2001 C Bonds (1)	Total Debt Service
2006	13,761,581	17,761,406	3,652,134	35,175,121
2007	13,766,081	18,122,738	3,652,134	35,540,953
2008	13,733,281	20,075,231	3,652,134	37,460,646
2009	13,731,419	20,190,150	3,652,134	37,573,703
2010	13,742,113	21,718,544	3,722,367	39,183,024
2011	13,727,994	22,556,050	3,652,134	39,936,178
2012	13,731,719	22,829,244	3,652,134	40,213,097
2013	13,737,953	24,382,988	3,652,134	41,773,075
2014	13,735,941	24,521,616	3,652,134	41,909,691
2015	13,738,425	24,440,238	3,652,134	41,830,797
2016	13,743,525	16,325,319	3,722,367	33,791,211
2017	8,756,572	22,986,963	3,652,134	35,395,669
2018	9,696,281	22,698,700	3,652,134	36,047,115
2019	4,548,731	21,654,794	9,826,556	36,030,081
2020	5,512,031	22,066,819	10,016,635	37,595,485
2021	6,561,881	21,094,119	10,210,610	37,866,610
2022		29,121,925	10,369,636	39,491,561
2023		29,261,563	10,583,146	39,844,709
2024		30,597,669	10,786,971	41,384,640
2025		30,932,488	10,981,682	41,914,170
2026		32,207,594	11,215,172	43,422,766
2027		32,889,456	11,524,145	44,413,601
2028		33,368,825	11,692,606	45,061,431
2029		34,620,331	11,941,679	46,562,010
2030		35,123,056	12,275,986	47,399,042
2031		36,179,756	12,546,758	48,726,514
2032		36,631,363	12,864,719	49,496,082
2033		36,734,713	13,189,016	49,923,729
2034		38,108,331	11,750,086	49,858,417
2035				
Total	<u>\$ 186,225,528</u>	<u>\$ 779,201,989</u>	<u>\$ 229,393,611</u>	<u>\$ 1,194,821,128</u>

(1) Assumes an interest rate of 2.42% for the Series 2001C-1 Auction Rate Certificates and 2.40% for the 2001 C-2 Auction Rate Certificates.

CITY OF HOUSTON, TEXAS
CONVENTION AND ENTERTAINMENT FACILITIES STATISTICS
For Fiscal Year 2005
(unaudited)

Convention & Entertainment Budget for Fiscal Year 2006
(amounts expressed in thousands)

Budgeted Resources

Operating Revenues

Facility Rentals	\$ 5,951
Parking	9,252
Food and Beverage Concessions	2,788
Contract Cleaning	<u>192</u>
Total Operating Revenues	<u>18,183</u>

Operating Expenses

Personnel	7,068
Supplies	682
Services	<u>25,304</u>
Total Operating Expenses	<u>33,054</u>
Operating Income (Loss)	<u>(14,871)</u>

Nonoperating Revenues (Expenses)

Hotel Occupancy Tax	
Current	45,000
Delinquent	900
Advertising Services	(10,350)
Promotion Contracts	(8,550)
Contracts/Sponsorships	<u>(2,577)</u>
Net Hotel Occupancy Tax	<u>24,423</u>
Investment Income (Loss)	1,000
Capital Outlay	(2,969)
Non-Capital Outlay	(128)
Other Interest	(900)
Other	<u>2,162</u>
Total nonoperating Rev (Exp)	<u>23,588</u>
Income (Loss) Before Operating Transfers	<u>8,717</u>

Operating Transfers

Transfers to Interest	(8,633)
Transfers to Principal	(7,230)
Interfund Transfers	-
Miller Outdoor Theater Transfer	1,119
Transfers to Special	1,700
Contingency/Reserve	<u>-</u>
Total Operating Transfers	<u>(13,044)</u>
Net Income (Loss) Operating Fund	<u>\$ (4,327)</u>

CITY OF HOUSTON, TEXAS
COMBINED UTILITY SYSTEM FUND REVENUES AND EXPENSES
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

Total Annual Revenues Last Ten Fiscal Years	1996	1997	1998	1999
Operating Revenues				
Water sales	\$ 250,721	\$ 239,978	\$ 262,481	\$ 266,381
Waste water system user charges	255,989	250,821	264,576	264,076
Penalties	3,963	3,938	3,957	3,947
Other services and charges	2,607	3,273	3,178	2,962
Total Operating Revenues	513,280	498,010	534,192	537,366
Nonoperating Revenues				
Interest	40,671	41,176	41,078	37,978
Other income	8,644	10,819	12,193	18,116
Total Nonoperating Revenues	49,315	51,995	53,271	56,094
Total Revenues	\$ 562,595	\$ 550,005	\$ 587,463	\$ 593,460
Total Annual Expenses Last Ten Fiscal Years	1996	1997	1998	1999
Operating Expenses				
Maintenance and operating	\$ 252,026	\$ 224,641	\$ 222,930	\$ 212,877
Depreciation and Amortization	163,034	166,244	174,994	190,205
Bad debt expense	1,290	1,733	1,071	740
Total Operating Expenses	416,350	392,618	398,995	403,822
Nonoperating Expenses				
Interest on long-term debt	127,672	143,123	160,253	155,201
Other expenses	12,040	9,498	7,225	4,863
Total Nonoperating Expenses	139,712	152,621	167,478	160,064
Total Expenses	\$ 556,062	\$ 545,239	\$ 566,473	\$ 563,886

2000	2001	2002	2003	2004	2005
\$ 281,757	\$ 271,553	\$ 271,098	\$ 267,125	\$ 265,272	\$ 301,227
275,782	268,492	265,091	264,159	257,225	288,459
3,493	4,440	4,214	4,036	4,150	4,605
3,006	2,807	2,993	3,997	4,561	4,583
<u>564,038</u>	<u>547,292</u>	<u>543,396</u>	<u>539,317</u>	<u>531,208</u>	<u>598,874</u>
32,019	56,914	33,703	24,043	6,889	12,972
20,641	22,511	32,368	26,894	26,179	24,707
<u>52,660</u>	<u>79,425</u>	<u>66,071</u>	<u>50,937</u>	<u>33,068</u>	<u>37,679</u>
<u>\$ 616,698</u>	<u>\$ 626,717</u>	<u>\$ 609,467</u>	<u>\$ 590,254</u>	<u>\$ 564,276</u>	<u>\$ 636,553</u>

2000	2001	2002	2003	2004	2005
\$ 225,258	\$ 248,603	\$ 245,943	\$ 250,226	\$ 266,718	\$ 332,800
212,846	256,959	228,147	233,401	209,608	224,074
1,000	-	-	-	-	-
<u>439,104</u>	<u>505,562</u>	<u>474,090</u>	<u>483,627</u>	<u>476,326</u>	<u>556,874</u>
164,650	172,749	164,482	165,509	204,875	201,142
4,057	3,315	9,708	722	12,402	4,193
<u>168,707</u>	<u>176,064</u>	<u>174,190</u>	<u>166,231</u>	<u>217,277</u>	<u>205,335</u>
<u>\$ 607,811</u>	<u>\$ 681,626</u>	<u>\$ 648,280</u>	<u>\$ 649,858</u>	<u>\$ 693,603</u>	<u>\$ 762,209</u>

CITY OF HOUSTON, TEXAS
COMBINED UTILITY SYSTEM REVENUE BOND COVERAGE
(amounts expressed in thousands)
(unaudited)

	Fiscal Year 2005	Fiscal Year 2004
OPERATING REVENUES		
Sales of water, net	\$ 301,227	\$ 265,272
Sewer system user charges, net	288,459	257,225
Penalties, other services and charges	9,188	8,711
Total Operating Revenues:	598,874	531,208
NON-OPERATING REVENUES		
Investment Earnings under Previous Ordinance	7,872	3,439
Investment Earnings under Master Ordinance	5,100	3,449
Non-Operating Revenues: Contributions from Water Authorities	-	60,687
Non-Operating Revenues: Gain on Escrow Restructuring	31,838	-
Other Non-Operating revenues	6,799	9,934
Total non-operating revenues	51,609	77,509
TOTAL GROSS REVENUES:	650,483	608,717
EXPENSES		
Contract Revenue Bonds Payments ⁽¹⁾		
Houston Area Water Corporation debt service	7,498	6,710
Coastal Water Authority Debt Service	29,192	28,980
Trinity River Authority Debt Service	2,354	2,474
Total Contract Revenue Bonds Payments	39,044	38,164
Maintenance and Operating Expenses	270,299	266,718
Total Expenses	309,343	304,882
RESTRICTED RECEIPTS UNDER MASTER ORDINANCE	15,948	15,580
NET REVENUES UNDER MASTER ORDINANCE	\$ 357,088	\$ 319,415
BOND DEBT SERVICE:		
Previously Issued Bonds	61,554	232,472
First Lien Bonds	124,115	156
Total Debt Service	\$ 185,669	\$ 232,628
BOND DEBT SERVICE COVERAGE:		
Junior Lien Bond Coverage under Previous Ordinance ⁽²⁾	5.46 x	1.29 x
First Lien Bond Coverage under Master Ordinance ⁽³⁾	2.38 x	557.33 x
TOTAL COVERAGE ⁽⁴⁾	1.92 x	1.37 x

(1) These are "Required Payments Under Previous Ordinance."

(2) Coverage of debt service on Previous Ordinance Bonds by Net Revenues as calculated under Previous Ordinance, which does not include as revenues Investment Earnings under Master Ordinance and Restricted Revenues.

(3) Coverage of Debt Service on First Lien Bonds by Net Revenues, less debt service on Junior Lien Bonds under Previous Ordinance. Coverage for Fiscal Year 2004 (557.33) is not representative of a full year of debt service because First Lien Bonds were issued in the final month of the fiscal year and incurred only a small amount of interest on variable rate auction securities.

(4) Coverage of total Debt Service on Junior Lien Bonds under Previous Ordinance and First Lien Bonds under Master Ordinance by Net Revenues.

**CITY OF HOUSTON, TEXAS
COMBINED UTILITY SYSTEM STATISTICS
(unaudited)**

**System Budget (Fiscal Year 2006)
(amounts expressed in thousands)**

The following is the summary of the Fiscal Year 2006 Budget for the System as adopted by City Council:

Revenues

Beginning Fund Balance (July 1, 2005)	\$	230,286
Current Revenues		654,959
 Total Revenues	 \$	 885,245

Expenditures

Maintenance and Operations	\$	310,920
CWA/TRA Debt Service		32,218
HAWC Debt Service		9,075
Debt Service (including Prior Lien Bonds, Junior Lien Bonds and Commercial Paper)		232,317
 Total Expenditures		 584,530

Other

General Purpose Fund (including Discretionary Debt Service)		76,097
Planned Fund Balance (June 30, 2005)		224,618
 Total Expenditures and Reserves	 \$	 885,245

CITY OF HOUSTON, TEXAS
COMBINED UTILITY SYSTEM STATISTICS
(unaudited)

The following calculation shows coverage by Net Revenues of Maximum Annual Debt Service on the Previous Ordinance and First Lien Bonds after issuance of the 2005 and 2005A Combined Utility System Refunding Bonds.

Maximum Annual Debt Service Requirements on Previous Ordinance Bonds (2019) ⁽¹⁾	138,769,116
Maximum Annual Debt Service Requirements on First Lien Bonds (2030) ^{(1) (2)}	295,569,017
Combined Maximum Annual Principal and Interest Requirements on Previous Ordinance Bonds and First Lien Bonds (2023)	297,175,823
Net Revenues under Previous Ordinance for Fiscal Year ended June 30, 2005 ⁽³⁾	336,040,000
Net Revenues under Master Ordinance for Fiscal Year ended June 30, 2005 ⁽⁴⁾	357,088,000
Funds Available from General Purpose Fund at June 30, 2005	54,647,000
Total Funds available for Debt Service Coverage	411,735,000
Coverage of Maximum Annual Debt Service Requirements on Previous Ordinance Bonds	2.97
Coverage of Maximum Annual Debt Service Requirements on First Lien Bonds ⁽⁵⁾	1.39
Coverage of Combined Maximum Annual Debt Service Requirements	1.39

(1) Does not include debt service on CWA, TRA or HAWC Bonds, which are payable from Gross Revenues as a Maintenance and Operating Expense of the System.

(2) \$249,075,000 of the Series 2004-C variable rate bond debt service is calculated at the fixed payor swap rate of 3.761. All other Series 2004-C variable rate bond debt service is calculated using current market fixed rates. Debt service is calculated based on an assumed taxable rate with a maturity on the applicable tax-exempt conversion date. After the applicable Tax-Exempt Conversion Date, debt service is calculated using a long term tax-exempt rate to maturity. Series 2004-B debt service is adjusted to take into account expected payments under the Series 2004-B Qualified Hedge Agreements.

(3) Excludes Investment Earnings under Master Ordinance and Restricted Receipts under Master Ordinance.

(4) Net Revenues as calculated under the Master Ordinance, which includes as revenues Restricted Receipts and earnings under the Master Ordinance.

(5) Coverage under Master Ordinance for combined debt service on Previous Ordinance Bonds and First Lien Bonds.

THE SYSTEM - Sewer Facilities General

The Sewer Facilities receive and process wastewater generated in a service area that includes the City and certain municipalities and unincorporated communities in the Houston metropolitan area. The Sewer Facilities consist of sanitary sewer lines, permitted wastewater treatment plants, sludge treatment facilities, pumping stations and a centralized laboratory. The general condition of the collection lines of the Sewer Facilities varies depending on age, location and type of construction. The average daily wastewater flow through the Sewer Facilities for Fiscal Year 2005 was 252.0 mgd. The effective treatment capacity of the Sewer Facilities, as reflected by State permits, was 564.0 mgd as of June 30, 2005.

THE SYSTEM - Annexation Program - In-City Districts

The City has created reinvestment zones and public improvement districts in which infrastructure improvements, including water and wastewater facilities, will be financed by the respective district or zone through bonds supported by assessments within the districts and by a tax increment fund into which will be deposited the amount of ad valorem taxes collected in the reinvestment zones in excess of the amount calculated on the basis of the property tax appraisals in effect at the time of creation of the particular reinvestment zone. Under State law, the City can create a public improvement district both within the corporate limits of the City and within its extraterritorial jurisdiction.

**CITY OF HOUSTON, TEXAS
COMBINED UTILITY SYSTEM STATISTICS
(unaudited)**

Funding of Proposed System Improvements

It is anticipated that the system improvements contemplated in the Department's Fiscal Year 2005 - 2009 CIP will be financed approximately as follows:

Proposed Source of Funding	Amount (in millions)
System Revenue Bonds (Net Proceeds and interest earnings)	\$ 1,695 (*)
Other sources	<u>55</u>
Total	<u><u>\$ 1,750</u></u>

- (*) The department's fiscal year 2005 - 2009 CIP anticipates the periodic issuance of additional Prior Lien Bonds, Junior Lien Bonds and Subordinate Lien Commercial Paper. City Council must approve each issuance of bonds.

Obligations Payable from System Revenues

The following sets forth the total outstanding principal amount of the system obligations payable from revenues of the system as of June 30, 2005:

Contract Revenue Bonds Payable from System Gross Revenues	Amount
CWA Bonds (1)	<u>\$ 239,010,000</u>
TRA Bonds (2)	6,000,000
HAWC Bonds (3)	<u>130,260,000</u>
	<u><u>375,270,000</u></u>

System Revenue Bonds Payable from System Net Revenues (4)

Previous Ordinance Bonds	1,031,468,155
First Lien Bonds	3,029,170,000
Third Lien Obligations (5)	<u>180,000,000</u>
	<u><u>4,240,638,155</u></u>
Total - All Bonds Payable from System Revenues	<u><u>\$ 4,615,908,155</u></u>

- (1) Under a 1968 agreement, as amended and superseded in part, and a 1995 agreement, CWA agreed to construct the CWA conveyance system and certain other projects and the City agreed to pay, as a maintenance and operation expense of the System, amounts calculated to be sufficient to cover maintenance and operation expenses of the CWA Conveyance System plus debt service of the CWA Bonds. CWA has reserved the right to issue an unlimited amount of additional bonds on parity with those currently outstanding, however, such issuances are subject to the approval of the City.
- (2) Under the 1964 agreement, as supplemented, the City and TRA agreed to construct Lake Livingston, and the City agreed to pay, as a maintenance and operation expense of the System, amounts calculated to be sufficient to cover the maintenance and operation expenses of Lake Livingston, plus debt service on the TRA (Livingston Project) Bonds, less recoupment of a maximum of 30 percent of such cost.
- (3) Under a 2001 agreement, the City contracted with HAWC to cause the construction of the NEWPP, and, pursuant to the treated water supply contract, the City agreed to pay, as a maintenance and operating expense of the System, debt service on HAWC's first series of bonds which were issued in the principal amount of \$130,260,000, in May, 2002 to finance the NEWPP, along with all maintenance and operating expenses relating to the NEWPP and HAWC .

**CITY OF HOUSTON, TEXAS
COMBINED UTILITY SYSTEM STATISTICS
(unaudited)**

Discretionary Debt Service Paid by the System

The total amount of Discretionary Debt Service paid from Net Revenues of the System for the past five Fiscal Years and the amount budgeted for Fiscal year 2006 is set forth below:

<u>Fiscal Year</u>	<u>Discretionary Debt Service (in millions)</u>
2006 (budgeted)	\$ 28.4
2005	28.2
2004	29.6
2003	23.8
2002	36.5
2001	38.6

Indirect Charges Paid by the System

From 1992 through 2004, the City imposed a charge against the System to compensate the City General Fund for "wear and tear" on the City's street and drainage system as a result of the construction and maintenance of the System. The charge was as follows for the fiscal years 1998 through 2004.

<u>Fiscal Year</u>	<u>Street and Drainage Maintenance Charges</u>
1998	20.6 million
1999	20.9 million
2000	20.9 million
2001	21.3 million
2002	21.6 million
2003	40.4 million
2004	10.1 million

In April 2004, the City adopted a new master bond ordinance (no.2004-299). As a result, the Street and Drainage Maintenance Fund has been renamed the "Stormwater Fund". The amounts transferred to this Fund for the cost related to the City's drainage and storm water facilities may not exceed 8% of the Gross Revenue of the System for the immediately preceding fiscal year. In fiscal year 2005 \$30 million was transferred to this fund from the net revenues of the system.

Other indirect charges paid for the past five Fiscal Years and budgeted for the Fiscal Year 2006 are set forth below:

<u>Fiscal Year</u>	<u>Indirect Charges (in thousands)</u>
2006 (budgeted)	\$ 2,157
2005	1,236
2004	4,696
2003	6,877
2002	6,877

(4) Excludes the principal amount of bonds payable from Discretionary Debt Service Transfers of the City Debt Service Fund.

(5) The City currently issues water and sewer system commercial paper notes pursuant to an ordinance authorizing the issuance of Combined Utility System Commercial Paper Notes, Series A (the "Series A Notes") in an aggregate amount not to exceed \$900,000,000. The program is structured as a revolving commercial paper program. The City has no current plans to issue more than \$900,000,000 in the aggregate of the Commercial Paper Notes. The Commercial Paper Notes are secured by lines of credit from Wesdeutsche Landesbank Gironzentrale, New York Branch, Bayerische Landesbank Gironzentrale, New York Branch, Landesbank Baden-Wuerttemberg, New York Branch, and Dexia Credit Local, New York Branch.

CITY OF HOUSTON, TEXAS
COMBINED UTILITY SYSTEM STATISTICS
(unaudited)

Largest Sewer Customers

The following schedule presents information concerning the ten largest customers of the Sewer Facilities for the twelve month period ended June 30, 2005. The total charges to such customers represent approximately 3.6% of the System Gross Revenues and 8.2% of Sewer Facilities' gross charges during such period.

<u>Customer</u>	<u>Gross Charges</u>
1. Anheuser-Busch, Inc.	\$ 7,285,745
2. City of Houston	3,680,438
3. Harris County	2,630,737
4. Houston Independent School District	2,401,638
5. Memorial Hermann Hospital	1,645,046
6. University of Houston	1,508,190
7. General Foods, Inc.	1,465,437
8. M D Anderson	1,083,019
9. Gerald D Hines	932,589
10. Methodist Hospital	909,172
Total	<u>\$ 23,542,011</u>

Current Rates

Current water rates are based on customer class. The amount of the bill is the sum of the minimum charge based on meter size and an additional charge based on the volume of consumption above a minimum volume. The water rates vary from \$4.65 per thousand gallons for multi-family customers to \$4.50 for outdoor customers.

Usage of the Sewer Facilities is not metered for rate purposes. Instead, sewer rates vary from \$1.242 per thousand gallons for wholesale customers to \$11.75 for industrial customers. Additionally, industrial customers may be subject to a sewer surcharge based on the quality of their wastewater discharge.

The bill for a typical single family residential customer using 7,000 gallons per month would be \$47.22 for both water and sewer services. However, the City has lower-user rates ranging from \$8.79 to \$43.74 per month for water and sewer services for single-family residential customers using less than 6,000 gallons per month, which are below the cost of providing services.

Rate Adjustments

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

<u>Date of Change</u>	<u>Average Percent Rate Increase (Decrease)</u>	
	<u>Water</u>	<u>Sewer</u>
July 1983		20.0%
July 1985		22.0%
September 1986	20.0%	21.7%
April 1987		32.3%
August 1987	21.0%	
November 1987		(5.0)%
July 1988	8.5%	7.6%
August 1989	6.0%	7.5%
July 1990	5.5%	7.5%
February 1992	2.0%	6.0%
March 1993	2.5%	4.0%
June 2004	9.2%	10.1%
April 2005	3.5%	3.5%

CITY OF HOUSTON, TEXAS
COMBINED UTILITY SYSTEM STATISTICS
Debt Service Schedule
(unaudited)

Fiscal Year Ending June 30	Payable From System Net Revenues				Total Debt Service ^{(1) (2)}
	Total Payable From System Gross Revenues ⁽¹⁾	Previous Ordinance Bonds	First Lien Bonds ⁽²⁾	Total Payable From System Net Revenues	
2006	39,420,453	50,042,682	163,719,651	213,762,333	253,182,786
2007	39,842,274	61,007,801	171,239,954	232,247,755	272,090,029
2008	39,609,814	61,421,603	172,265,144	233,686,747	273,296,561
2009	35,069,799	73,227,148	179,312,879	252,540,027	287,609,826
2010	30,783,116	82,141,541	203,307,612	285,449,153	316,232,269
2011	28,333,510	87,042,420	202,689,824	289,732,244	318,065,754
2012	27,553,453	107,730,325	185,643,802	293,374,127	320,927,580
2013	26,806,325	107,061,765	188,055,587	295,117,352	321,923,677
2014	26,011,503	77,574,622	217,466,044	295,040,666	321,052,169
2015	25,215,725	89,073,273	205,729,519	294,802,792	320,018,517
2016	24,513,750	88,736,800	206,119,101	294,855,901	319,369,651
2017	14,036,556	80,354,600	214,586,819	294,941,419	308,977,975
2018	13,231,706	51,658,751	244,532,857	296,191,608	309,423,314
2019	13,219,006	138,769,116	159,185,132	297,954,248	311,173,254
2020	13,221,781	55,845,973	242,100,107	297,946,080	311,167,861
2021	13,216,131	42,649,178	255,307,444	297,956,622	311,172,753
2022	13,205,681	35,705,349	262,470,394	298,175,743	311,381,424
2023	13,202,769	32,797,360	265,384,869	298,182,229	311,384,998
2024	13,192,044	34,425,914	263,694,544	298,120,458	311,312,502
2025	13,186,831	33,357,575	264,747,357	298,104,932	311,291,763
2026	13,179,475	18,155,000	277,851,582	296,006,582	309,186,057
2027	9,076,606	30,815,000	264,947,694	295,762,694	304,839,300
2028	9,076,950	30,810,000	264,943,844	295,753,844	304,830,794
2029	9,074,613	44,095,000	252,010,615	296,105,615	305,180,228
2030	9,073,825	0	296,441,815	296,441,815	305,515,640
2031	9,078,563	0	295,014,552	295,014,552	304,093,115
2032	9,077,544	0	293,533,069	293,533,069	302,610,613
2033	0	0	291,980,670	291,980,670	291,980,670
2034	0	0	290,392,769	290,392,769	290,392,769
2035	0	0	22,755,734	22,755,734	22,755,734
2036	0	0	22,754,078	22,754,078	22,754,078
Total	<u>\$ 530,509,803</u>	<u>\$ 1,514,498,796</u>	<u>\$ 6,840,185,062</u>	<u>\$ 8,354,683,858</u>	<u>\$ 8,885,193,661</u>

(1) Includes CWA Bonds (and the Series 1993 COPs), TRA Bonds (Lake Livingston Project) and HAWC Bonds.

(2) Debt service on the Series 2004B Bonds is adjusted to take into account expected payments under the Series 2004B Qualified Hedge Agreements. See "QUALIFIED HEDGE AGREEMENTS." The variable rate debt service on the Series 2004C Bonds is calculated using current market fixed rates. Debt service is calculated based on an assumed taxable rate with a maturity on the applicable Tax-Exempt Conversion Date. After the applicable Tax-Exempt Conversion Date, debt service is calculated using a long term tax-exempt rate to maturity.

**CITY OF HOUSTON, TEXAS
COMBINED UTILITY SYSTEM STATISTICS
Water Supply**

Capacity, Production, and Sales

The following schedule sets forth information concerning Water Facilities capacity, production and sales for Fiscal Year 2005 (million gallons per day):

	<u>Available</u>	<u>Capacity</u>	<u>Daily</u>	<u>Peak</u>	<u>Sales</u>
Ground	94.5	333.0	84.9	0.0	N/A
Surface	1,135.0	1,122.0	599.6	0.0	N/A
Total	<u>1,229.5</u>	<u>1,455.0</u>	<u>684.5</u>	<u>0.0</u>	<u>526.5</u>
Treated					294.5
Untreated					232.0
					<u>526.5</u>

Sources of System Revenues - General

As of June 30, 2005, the Water Facilities and the Sewer Facilities served approximately 423,490 and 410,450 active service connections, respectively. During Fiscal Year 2005 approximately 43.9% of System Gross Revenues were derived from the sale of water (88% from treated water and 12% from untreated water), approximately 42.6% from providing wastewater treatment services, 0.6% from interest income and the remaining 12.9% from various other sources. Of the treated water sales, 91% of revenues were from retail customers and 9% from bulk sales to other governmental entities.

CITY OF HOUSTON, TEXAS
COMBINED UTILITY SYSTEM STATISTICS
Water Supply
(unaudited)

Largest Treated Water Customers

The following schedule presents information concerning the ten largest treated water customers of the System for the twelve month period ended June 30, 2005. The total charges to such customers during such period represent approximately 3.6% of the System Gross Revenues and 7.7% of total water sales revenues for such period.

<u>Customers</u>	<u>Charges</u>
1. City of Pasadena	\$ 5,457,853
2. North Channel Water Authority	3,542,560
3. Anheuser-Busch, Inc.	2,925,986
4. Clear Lake City Water Authority	2,417,520
5. Harris County	2,073,235
6. Houston Independent School District	1,715,757
7. Texas Medical Center	1,441,658
8. City of Houston	1,386,713
9. Gulf Coast Water Authority	1,254,565
10. University of Houston	1,159,803
	<u>\$ 23,375,650</u>

Largest Untreated Water Customers

The following schedule presents information concerning the ten largest untreated water customers of the System for a twelve month period ended June 30, 2005. The total of the contract payments by these ten customers during such period represents approximately 3.4% of the System Gross Revenues and 7.3% of total water sales revenues for such period.

<u>Customers</u>	<u>Charges</u>
1. Equistar Chemicals LP	\$ 4,223,927
2. Shell Oil Company	3,665,631
3. Battleground Water Company	2,863,480
4. Air Liquide America Corporation	2,139,349
5. Lyondell - Citgo Refining Company LTD	2,128,728
6. Chevron Phillips Chemical Company, LP	1,967,511
7. Baytown Water Authority	1,800,575
8. Hoescht Celanese Chemical Group, LTD	1,255,897
9. Occidental Chemical Corporation	1,186,315
10. Texas Petrochemical	891,411
	<u>\$ 22,122,824</u>

**CITY OF HOUSTON
 COMBINED UTILITY SYSTEM STATISTICS
 Last Five Fiscal Years
 (amounts expressed in thousands)
 (unaudited)**

Revenues and Expenses of the Water and Sewer System

The following schedule sets forth the revenues and expenses (exclusive of certain non-cash transactions, primarily depreciation and amortization) of the "Water and Sewer System," as defined in the Coastal Water Authority Official Statements, for Fiscal Years ending June 30, 2001 through June 30, 2005.

	Fiscal Year Ending June 30,				
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
OPERATING REVENUES					
Sales of Water, net	\$ 271,553	\$ 271,098	\$ 267,125	\$ 265,272	\$ 301,227
Sewer system user charges, net	268,492	265,091	264,159	257,225	288,459
Penalties	4,440	4,214	4,036	4,150	4,605
Other services and charges	2,807	2,994	3,997	4,561	4,583
Total Operating Revenues	<u>547,292</u>	<u>543,397</u>	<u>539,317</u>	<u>531,208</u>	<u>598,874</u>
NON-OPERATING REVENUES	<u>61,105</u>	<u>47,192</u>	<u>30,585</u>	<u>93,089</u>	<u>19,771</u>
TOTAL GROSS REVENUES (A)	<u>608,397</u>	<u>590,589</u>	<u>569,902</u>	<u>624,297</u>	<u>618,645</u>
OPERATING EXPENSES					
Other Maintenance and Operating Expenses	248,603	245,943	250,226	266,718	270,299
Contractual Maintenance and Operating Expenses					
CWA Debt Service	29,067	30,091	28,878	28,980	29,192
TRA Debt Service	5,835	2,140	2,056	2,474	2,354
HAWC Debt Service	-	-	-	6,710	6,710
Total Contractual	<u>34,902</u>	<u>32,231</u>	<u>30,934</u>	<u>38,164</u>	<u>38,256</u>
TOTAL OPERATING EXPENSES (B)	<u>283,505</u>	<u>278,174</u>	<u>281,160</u>	<u>304,882</u>	<u>308,555</u>
NET REVENUES	<u>\$ 324,892</u>	<u>\$ 312,415</u>	<u>\$ 288,742</u>	<u>\$ 319,415</u>	<u>\$ 310,090</u>
GROSS REVENUES (A) DIVIDED BY TOTAL EXPENSES (B)	2.146	2.123	2.027	2.048	2.005

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

Total Annual Revenues Last Ten Fiscal Years	1996	1997	1998	1999
Operating Revenues				
Landing area fees	\$ 41,741	\$ 43,371	\$ 43,739	\$ 37,506
Building and ground area fees	50,824	54,362	54,479	59,921
Parking, concession and other revenues	66,654	69,272	75,827	84,944
Total Operating Revenues	159,219	167,005	174,045	182,371
Nonoperating Revenues				
Interest income	10,871	10,894	13,213	21,762
Other nonoperating revenues	236	56	664	207
Total Nonoperating Revenues	11,107	10,950	13,877	21,969
Total Revenues	\$ 170,326	\$ 177,955	\$ 187,922	\$ 204,340
Total Annual Expenses Last Ten Fiscal Years	1996	1997	1998	1999
Operating Expenses				
Maintenance and operating	\$ 91,836	\$ 93,471	\$ 100,040	\$ 117,206
Depreciation	37,932	39,002	43,166	42,537
Total Operating Expenses	129,768	132,473	143,206	159,743
Nonoperating Expenses				
Interest expense and others	20,180	18,859	18,376	32,471
Total Nonoperating Expenses	20,180	18,859	18,376	32,471
Total Expenses	\$ 149,948	\$ 151,332	\$ 161,582	\$ 192,214

2000	2001	2002	2003	2004	2005
\$ 40,930	\$ 48,298	\$ 50,826	\$ 51,162	\$ 57,011	\$ 102,072
72,988	74,168	84,752	91,801	115,777	151,417
95,217	99,708	91,877	97,804	97,625	100,152
209,135	222,174	227,455	240,767	270,413	353,641
25,027	66,846	37,629	30,278	5,967	14,968
188	828	942	681	203	4,295
25,215	67,674	38,571	30,959	6,170	19,263
\$ 234,350	\$ 289,848	\$ 266,026	\$ 271,726	\$ 276,583	\$ 372,904

2000	2001	2002	2003	2004	2005
\$ 113,442	\$ 122,594	\$ 142,950	\$ 154,541	\$ 168,923	\$ 223,972
46,390	52,410	60,088	59,987	88,371	105,891
159,832	175,004	203,038	214,528	257,294	329,863
44,354	65,387	44,165	46,538	54,853	75,908
44,354	65,387	44,165	46,538	54,853	75,908
\$ 204,186	\$ 240,391	\$ 247,203	\$ 261,066	\$ 312,147	\$ 405,771

CITY OF HOUSTON, TEXAS
AIRPORT SYSTEM STATISTICS
Passenger Statistics
(unaudited)

Fiscal Year	Domestic Passengers					
	Intercontinental		Hobby		Ellington Field	
	Enplanements	Percentage	Enplanements	Percentage	Enplanements	Percentage
	& Deplanements (in thousands)	Change	& Deplanements (in thousands)	Change	& Deplanements (in thousands)	Change
1996	22,541	5.9%	8,209	0.1%	89	-15.2%
1997	23,839	5.8%	8,330	1.5%	101	13.5%
1998	25,543	7.1%	8,597	3.2%	113	11.9%
1999	27,271	6.8%	8,795	2.3%	100	-11.5%
2000	28,892	5.9%	9,053	2.9%	89	-11.0%
2001	30,105	4.2%	9,038	-0.2%	64	-28.1%
2002	28,168	-6.4%	8,192	-9.4%	68	6.3%
2003	27,931	-0.8%	7,796	-4.8%	81	19.1%
2004	29,473	5.5%	8,089	3.8%	80	-1.2%
2005	31,609	7.2%	8,247	2.0%	14	-82.5%

Domestic Passengers		International Passengers		Total Passengers	
Total		Intercontinental			
Enplanements & Deplanements (in thousands)	Percentage Change	Enplanements & Deplanements (in thousands)	Percentage Change	Enplanements & Deplanements (in thousands)	Percentage Change
30,839	4.2%	3,148	9.8%	33,987	4.7%
32,270	4.6%	3,614	14.8%	35,884	5.6%
34,253	6.1%	4,161	15.1%	38,414	7.1%
36,166	5.6%	4,801	15.4%	40,967	6.6%
38,034	5.2%	5,340	11.2%	43,374	5.9%
39,207	3.1%	5,811	8.8%	45,018	3.8%
36,428	-7.1%	5,556	-4.4%	41,984	-6.7%
35,808	-1.7%	5,526	-0.5%	41,334	-1.5%
37,642	5.1%	5,960	7.9%	43,602	5.5%
39,870	5.9%	6,818	14.4%	46,688	7.1%

**CITY OF HOUSTON, TEXAS
AIRPORT SYSTEM STATISTICS
(unaudited)**

Airline Market Shares

Domestic

Airlines	Intercontinental				Hobby			
	Fiscal Year 2004		Fiscal Year 2005		Fiscal Year 2004		Fiscal Year 2005	
	Total Passengers	Market Share	Total Passengers	Market Share	Total Passengers	Market Share	Total Passengers	Market Share
Air Tran	0	0.0%	0	0.0%	348,298	4.3%	341,950	4.1%
America West	393,018	1.1%	454,592	1.2%	0	0.0%	0	0.0%
American	888,566	2.5%	1,052,115	2.7%	66,806	0.8%	71,887	0.9%
American Eagle	0	0.0%	0	0.0%	188,125	2.3%	231,280	2.8%
American Trans Air	10,730	0.0%	1,163	0.0%	0	0.0%	0	0.0%
Atlantic Southeast	93,500	0.3%	117,864	0.3%	132,412	1.6%	111,435	1.4%
Charter Airlines	11,980	0.0%	12,143	0.0%	1,946	0.0%	2,627	0.0%
Chautauqua Airlines	52,255	0.1%	43,897	0.1%	0	0.0%	0	0.0%
Colgan - Air Inc, Term. A	0	0.0%	47,972	0.1%	0	0.0%	0	0.0%
Colgan - Air Inc, Term. B	0	0.0%	15,699	0.0%	0	0.0%	0	0.0%
Comair	93,207	0.3%	64,440	0.2%	61,862	0.8%	18,295	0.2%
Continental	12,165,556	34.3%	9,677,478	25.2%	0	0.0%	28,045	0.3%
Continental - Term. B	1,716	0.0%	52	0.0%	0	0.0%	0	0.0%
Continental - Term. E	7,085,362	20.2%	10,220,864	26.6%	0	0.0%	0	0.0%
Continental Express Term. A	0	0.0%	239,420	0.6%	0	0.0%	0	0.0%
Continental Express	5,542,199	15.6%	6,480,706	16.9%	0	0.0%	14,590	0.2%
Delta	577,818	1.6%	624,435	1.6%	367,358	4.5%	303,853	3.7%
Frontier	157,602	0.4%	189,928	0.5%	0	0.0%	0	0.0%
Mesa	9,862	0.0%	2,281	0.0%	0	0.0%	0	0.0%
Northwest	674,928	1.9%	677,689	1.8%	0	0.0%	0	0.0%
Presidential Air	0	0.0%	0	0.0%	0	0.0%	0	0.0%
PSA Airlines	0	0.0%	59,481	0.2%	0	0.0%	0	0.0%
SkyWest Airlines	11,310	0.0%	14,306	0.0%	0	0.0%	0	0.0%
SkyWest Airlines - Term. B	273,550	0.8%	292,458	0.8%	0	0.0%	0	0.0%
Southwest	222,533	0.6%	167,757	0.4%	6,922,620	85.7%	7,123,101	86.4%
Sun Country Airways - NM	1,528	0.0%	7,317	0.0%	0	0.0%	0	0.0%
Trans State Airline	17,971	0.1%	0	0.0%	0	0.0%	0	0.0%
TWA	0	0.0%	0	0.0%	0	0.0%	0	0.0%
United	704,699	2.0%	625,191	1.6%	0	0.0%	0	0.0%
United Express	0	0.0%	89,074	0.3%	0	0.0%	0	0.0%
US Airways	483,239	1.4%	430,220	1.2%	0	0.0%	0	0.0%
Total Domestic	29,473,129	83.2%	31,608,542	82.3%	8,089,427	100.0%	8,247,063	100.0%

International

	Fiscal Year 2004		Fiscal Year 2005		Fiscal Year 2004		Fiscal Year 2005	
	Total Passengers	Market Share	Total Passengers	Market Share	Total Passengers	Market Share	Total Passengers	Market Share
	AeroMexico	143,274	0.4%	127,672	0.3%			
Aerolitoral	491	0.0%	183	0.0%				
Air Canada	88,891	0.3%	72,122	0.2%				
Air Canada Jazz	34,665	0.1%	66,058	0.2%				
Air France	140,124	0.4%	156,596	0.4%				
Air Jamaica	32,953	0.1%	16,441	0.0%				
Aviaca	70,874	0.2%	107,307	0.3%				
British Airways	190,912	0.5%	193,060	0.5%				
Cayman	15,897	0.0%	10,775	0.0%				
Charter Airlines	108,860	0.3%	103,903	0.3%				
China Airlines	1,275	0.0%	54,456	0.1%				
Continental	3,133,141	8.8%	1,702,094	4.4%				
Continental - Term. B	121	0.0%	0	0.0%				
Continental - Term. E	917,256	2.7%	2,702,709	7.0%				
Continental Express	669,082	1.9%	1,039,670	2.7%				
KLM	184,221	0.5%	220,939	0.6%				
Lufthansa	145,282	0.4%	145,599	0.4%				
Pakistsn Int'l Airlines	4,637	0.0%	28,692	0.1%				
TACA	70,294	0.2%	69,510	0.2%				
Total International	5,952,250	16.8%	6,817,786	17.7%				
Total Airlines	35,425,379	100.0%	38,426,328	100.0%	8,089,427	100.0%	8,247,063	100.0%

Domestic only

Ellington Field				Houston Airport System			
Fiscal Year 2004		Fiscal Year 2005		Fiscal Year 2004		Fiscal Year 2005	
Total	Market	Total	Market	Total	Market	Total	Market
Passengers	Share	Passengers	Share	Passengers	Share	Passengers	Share
0	0.0%	0	0.0%	348,298	0.9%	341,950	0.7%
0	0.0%	0	0.0%	393,018	0.9%	454,592	1.3%
0	0.0%	0	0.0%	955,372	2.2%	1,124,002	2.4%
0	0.0%	0	0.0%	188,125	0.4%	231,280	0.5%
0	0.0%	0	0.0%	10,730	0.0%	1,163	0.0%
0	0.0%	0	0.0%	225,912	0.5%	229,299	0.5%
0	0.0%	0	0.0%	13,926	0.0%	14,770	0.0%
0	0.0%	0	0.0%	52,255	0.1%	43,897	0.1%
0	0.0%	0	0.0%	0	0.0%	47,972	0.1%
0	0.0%	0	0.0%	0	0.0%	15,699	0.0%
0	0.0%	0	0.0%	155,069	0.4%	82,735	0.2%
0	0.0%	0	0.0%	12,165,556	27.9%	9,705,523	20.9%
0	0.0%	0	0.0%	1,716	0.0%	52	0.0%
0	0.0%	0	0.0%	7,085,362	16.4%	10,220,864	21.9%
0	0.0%	0	0.0%	0	0.0%	239,420	0.5%
79,619	100.0%	14,379	100.0%	5,621,818	12.9%	6,509,675	13.9%
0	0.0%	0	0.0%	945,176	2.2%	928,288	2.0%
0	0.0%	0	0.0%	157,602	0.4%	189,928	0.4%
0	0.0%	0	0.0%	9,862	0.0%	2,281	0.0%
0	0.0%	0	0.0%	674,928	1.5%	677,689	1.5%
0	0.0%	0	0.0%	0	0.0%	0	0.0%
0	0.0%	0	0.0%	0	0.0%	59,481	0.1%
0	0.0%	0	0.0%	11,310	0.1%	14,306	0.0%
0	0.0%	0	0.0%	273,550	0.6%	292,458	0.6%
0	0.0%	0	0.0%	7,145,153	16.4%	7,290,858	15.6%
0	0.0%	0	0.0%	1,528	0.0%	7,317	0.0%
0	0.0%	0	0.0%	17,971	0.0%	0	0.0%
0	0.0%	0	0.0%	0	0.0%	0	0.0%
0	0.0%	0	0.0%	704,699	1.6%	625,191	1.3%
0	0.0%	0	0.0%	0	0.0%	89,074	0.2%
0	0.0%	0	0.0%	483,239	1.1%	430,220	0.9%
79,619	100.0%	14,379	100.0%	37,642,175	86.5%	39,869,984	85.6%

				Houston Airport System			
Fiscal Year 2004		Fiscal Year 2005		Fiscal Year 2004		Fiscal Year 2005	
Total	Market	Total	Market	Total	Market	Total	Market
Passengers	Share	Passengers	Share	Passengers	Share	Passengers	Share
				143,274	0.3%	127,672	0.3%
				491	0.0%	183	0.0%
				88,891	0.2%	72,122	0.2%
				34,665	0.1%	66,058	0.1%
				140,124	0.3%	156,596	0.3%
				32,953	0.1%	16,441	0.0%
				70,874	0.2%	107,307	0.2%
				190,912	0.4%	193,060	0.4%
				15,897	0.0%	10,775	0.0%
				108,860	0.2%	103,903	0.2%
				1,275	0.0%	54,456	0.1%
				3,133,141	7.2%	1,702,094	3.6%
				121	0.0%	0	0.0%
				917,256	2.1%	2,702,709	5.8%
				669,082	1.5%	1,039,670	2.2%
				184,221	0.4%	220,939	0.5%
				145,282	0.3%	145,599	0.3%
				4,637	0.0%	28,692	0.1%
				70,294	0.2%	69,510	0.1%
				5,952,250	13.5%	6,817,786	14.4%
79,619	100.0%	14,379	100.0%	43,594,425	100.0%	46,687,770	100.0%

Domestic only

CITY OF HOUSTON, TEXAS
AIRPORT SYSTEM STATISTICS
Selected Financial Information
For the year ended June 30, 2005
(amounts expressed in thousands)
(unaudited)

	<u>1996</u>	<u>1997</u>	<u>1998</u>
Operating Revenues			
Landing Area Fees:			
Landing Fees	\$40,232	\$41,930	\$42,275
Aviation Fuel	1,022	1,062	1,111
Aircraft Parking	486	379	353
Subtotal	<u>41,740</u>	<u>43,371</u>	<u>43,739</u>
Building and Ground Area Revenues:			
Terminal Space	42,154	42,855	42,892
Cargo Building	1,898	2,035	2,084
Other Building	1,551	2,135	2,075
Hangar Rental	1,202	1,001	1,063
Ground Rental	4,018	3,701	3,838
Concourse Security	1,288	1,287	1,270
Flight Information Display System	538	571	531
Public Address System	753	777	726
Subtotal	<u>53,402</u>	<u>54,362</u>	<u>54,479</u>
Parking, Concession and other Revenues:			
Terminal Concessions	14,366	14,670	16,455
Auto Parking	33,242	36,794	39,213
Auto Rental	12,719	14,412	15,828
Ground Transportation	2,619	2,906	3,334
Other Operating Income	1,131	490	997
Subtotal	<u>64,077</u>	<u>69,272</u>	<u>75,827</u>
Total Operating Revenues	<u>\$159,219</u>	<u>\$167,005</u>	<u>\$174,045</u>
Nonoperating Revenues			
Interest on Investments	8,629	6,080	9,813
Other	236	56	95
Subtotal	<u>8,865</u>	<u>6,136</u>	<u>9,908</u>
Total Gross Revenues	<u>\$168,084</u>	<u>\$173,141</u>	<u>\$183,953</u>
Operation and Maintenance Expenses			
Personnel and Other Current Expenses	\$91,886	\$95,020	\$100,032
Bad Debt Expense	(50)	8	8
Total Operating and Maintenance Expenses	<u>\$91,836</u>	<u>\$95,028</u>	<u>\$100,040</u>
Net Revenues	<u>\$76,248</u>	<u>\$78,113</u>	<u>\$83,913</u>
Debt Service Requirements of Outstanding Bonds	\$33,035	\$32,220	\$32,955
Less: grant revenue available for debt service	-	-	-
Net Debt Service Requirement	<u>\$33,035</u>	<u>\$32,220</u>	<u>\$32,955</u>
Coverage of Debt Service Requirements by Net Revenues	<u>2.31</u> x	<u>2.42</u> x	<u>2.55</u> x

1999	2000	2001	2002	2003	2004	2005
\$35,930	\$39,116	\$46,735	\$49,424	\$49,211	\$53,906	\$99,197
978	1,259	895	838	910	1,112	1,400
598	555	668	564	1,041	1,993	1,475
<u>37,506</u>	<u>40,930</u>	<u>48,298</u>	<u>50,826</u>	<u>51,162</u>	<u>57,011</u>	<u>102,072</u>
47,775	62,738	63,172	73,116	79,547	101,040	136,074
2,075	2,077	1,923	1,863	1,638	982	893
2,103	2,036	2,078	2,262	2,192	3,065	3,354
1,039	1,251	1,605	1,902	2,499	2,499	2,077
4,296	4,886	5,388	5,607	5,923	8,189	9,018
1,287	-	2	2	2	2	1
566	-	-	-	-	-	-
780	-	-	-	-	-	-
<u>59,921</u>	<u>72,988</u>	<u>74,168</u>	<u>84,752</u>	<u>91,801</u>	<u>115,777</u>	<u>151,417</u>
19,802	25,262	23,721	22,444	25,355	22,563	19,823
42,304	46,662	51,285	46,955	50,103	51,437	55,444
15,423	18,326	18,787	16,886	15,978	16,800	18,065
4,701	2,549	4,535	3,274	3,834	3,737	3,954
2,714	2,418	1,380	2,318	2,534	3,088	2,866
<u>84,944</u>	<u>95,217</u>	<u>99,708</u>	<u>91,877</u>	<u>97,804</u>	<u>97,625</u>	<u>100,152</u>
<u>\$182,371</u>	<u>\$209,135</u>	<u>\$222,174</u>	<u>\$227,455</u>	<u>\$240,767</u>	<u>\$270,413</u>	<u>\$353,641</u>
9,631	9,677	12,396	12,816	10,650	8,406	10,498
207	99	680	4,520	504	114	4,175
<u>9,838</u>	<u>9,776</u>	<u>13,076</u>	<u>17,336</u>	<u>11,154</u>	<u>8,520</u>	<u>14,673</u>
<u>\$192,209</u>	<u>\$218,911</u>	<u>\$235,250</u>	<u>\$244,791</u>	<u>\$251,921</u>	<u>\$278,933</u>	<u>\$368,314</u>
\$117,189	\$113,042	\$122,542	\$142,877	\$153,173	\$161,204	\$181,836
17	400	52	73	1,368	441	0
<u>\$117,206</u>	<u>\$113,442</u>	<u>\$122,594</u>	<u>\$142,950</u>	<u>\$154,541</u>	<u>\$161,645</u>	<u>\$181,836</u>
<u>\$75,003</u>	<u>\$105,469</u>	<u>\$112,656</u>	<u>\$101,841</u>	<u>\$97,380</u>	<u>\$117,288</u>	<u>\$186,478</u>
\$33,942	\$38,455	\$50,027	\$51,611	\$63,988	\$75,797	\$112,248
-	-	(2,798)	(37,153)	(30,282)	(32,823)	(25,506)
<u>\$33,942</u>	<u>\$38,455</u>	<u>\$47,229</u>	<u>\$14,458</u>	<u>\$33,706</u>	<u>\$42,974</u>	<u>\$86,742</u>
<u>2.21</u> x	<u>2.74</u> x	<u>2.39</u> x	<u>7.04</u>	<u>2.89</u>	<u>2.73</u>	<u>2.15</u>

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

Fiscal Year	Aircraft Operations (in thousands)			Aircraft Landed Weight (in million pounds)		
	Total	Increase (Decrease)	Percentage Change	Total	Increase (Decrease)	Percentage Change
1996	734	22	3.09%	26,078	(532)	-2.00%
1997	768	34	4.63%	26,822	744	2.85%
1998	789	21	2.73%	28,253	1,431	5.34%
1999	796	7	0.89%	30,119	1,866	6.60%
2000	827	31	3.89%	31,495	1,376	4.57%
2001	823	(4)	-0.48%	32,083	588	1.87%
2002	790	(33)	-4.01%	30,496	(1,587)	-4.95%
2003	811	21	2.66%	30,802	306	1.00%
2004	856	45	5.55%	31,444	642	2.08%
2005	887	31	3.62%	32,488	1,044	3.32%

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

The following table sets forth the Debt Service Requirements on all Airport Bonds Outstanding as of June 30, 2005, assuming scheduled mandatory redemption of any term bonds and using rates in effect at year-end for the 2000 and 2002 Auction Rate Bonds. The amounts do not include the Airport System's Senior Lien Commercial Paper Notes.

Fiscal Year (ending June 30)	Subordinate Lien Bonds Debt Service		Total
	Principal	Interest	
2006	25,815,000	103,416,034	129,231,034
2007	28,285,000	101,630,931	129,915,931
2008	29,725,000	100,198,501	129,923,501
2009	41,365,000	98,368,013	139,733,013
2010	44,070,000	96,262,302	140,332,302
2011	45,930,000	94,201,787	140,131,787
2012	48,940,000	91,689,410	140,629,410
2013	51,600,000	89,155,322	140,755,322
2014	54,060,000	86,545,874	140,605,874
2015	57,685,000	83,755,153	141,440,153
2016	60,085,000	80,953,128	141,038,128
2017	63,730,000	77,735,003	141,465,003
2018	66,760,000	74,504,665	141,264,665
2019	70,750,000	71,088,888	141,838,888
2020	74,475,000	67,543,200	142,018,200
2021	78,090,000	63,822,549	141,912,549
2022	82,525,000	60,018,815	142,543,815
2023	86,685,000	55,844,585	142,529,585
2024	91,685,000	51,541,476	143,226,476
2025	96,030,000	47,008,770	143,038,770
2026	101,355,000	42,198,427	143,553,427
2027	106,710,000	37,218,230	143,928,230
2028	111,905,000	32,469,495	144,374,495
2029	117,625,000	27,344,135	144,969,135
2030	123,805,000	21,934,097	145,739,097
2031	130,585,000	16,129,445	146,714,445
2032	138,265,000	10,106,750	148,371,750
2033	145,330,000	3,247,416	148,577,416
	\$ 2,173,870,000	\$ 1,785,932,401	\$ 3,959,802,401

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

	Bush Intercontinental		Hobby	
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2004	2005	2004	2005
Landing Rates (1)	\$1.654	\$3.164	\$2.232	\$2.587
Terminal Space Rentals (2)	\$18.92 - 62.19	\$20.69 - 71.77	\$34.41 - 60.69	\$40.73 - 67.24
Apron (2)	\$1.465 - 3.094	\$1.652 - 3.339	\$2.019 - 3.468	\$2.628 - 3.626
Parking Rates (maximum per day)				
Economy	\$6.00	\$6.00	\$6.00	\$6.00
Structured	\$12.00	\$12.00	\$12.00	\$12.00
Surface	\$9.00	\$9.00	--	--
Short-Term	\$30.00	\$30.00	\$30.00	\$30.00
Sure Park	\$15.00	\$15.00	--	--

(1) Per 1,000 pounds for landing weight

(2) Range per square foot

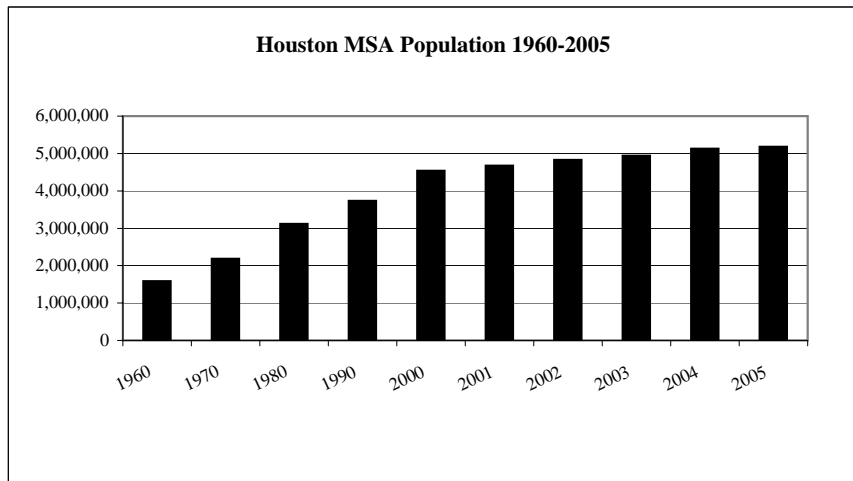
CITY OF HOUSTON, TEXAS
AIRPORT SYSTEM STATISTICS
Service Area
(unaudited)

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

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

Service Area Population

<u>Year</u>	<u>Houston MSA Population</u>
1960	1,581,117
1970	2,181,315
1980	3,118,080
1990	3,731,131
2000	4,538,022
2001	4,669,571
2002	4,825,964
2003	4,938,556
2004	5,130,500
2005	5,180,000



Source: Greater Houston Partnership

CITY OF HOUSTON, TEXAS
SURETY BOND AND INSURANCE COVERAGE
June 30, 2005
(amounts expressed in thousands)
(unaudited)

Policy Number	Insurer	Term of Policy
15663962	Western Surety Company	1-1-2004/1-1-2006
15663960	Western Surety Company	1-1-2004/1-1-2006
61BSBCS1658	Hartford Casualty Insurance Co.	1-28-2005/1-28-2006
61BSBDG4428	Hartford Casualty Insurance Co.	12-29-2004/12-29-2005
61BSBDG4413	Hartford Casualty Insurance Co.	12-29-2004/12-29-2005
61BSBDJ9648	Hartford Casualty Insurance Co.	3-14-2005/3-14-2006
69239194	Western Surety Company	1-7-2005/1-7-2006
6218	Texas Municipal League	8-16-2005/8-16-2006
6218	Texas Municipal League	8-16-2005/8-16-2006
IMO4200061	St. Paul Fire & Marine Insurance Co.	10-20-2004/10-20-2005
61BPEC12302	Hartford Insurance	7-01-2005/7-01-2006
6610	Texas Municipal League	5-15-05/05-15-2006
D35869475002	Westchester Fire Insurance Co. (Lead)	4-1-2005/4-1-2006
A4224A100	Lexington Insurance Co.	4-1-2005/4-1-2006
GX0002279	Hartford Fire Insurance	4-1-2005/4-1-2006
ESP3109	Essex Insurance Co.	4-1-2005/4-1-2006
MQ2L9L437312015	Liberty Mutual Fire Insurance Co.	4-1-2005/4-1-2006
8897	James River Insurance Co.	4-1-2005/4-1-2006
US5525	Commonwealth Insurance Co.	4-1-2005/4-1-2006
A5224A103	Underwriters at Lloyds, London	4-1-2005/4-1-2006
Z7XSP1387	Homeland Insurance Co. of NY	4-1-2005/4-1-2006
PCA12722	Clarendon America Insurance Co.	4-1-2005/4-1-2006
CX0002280	Hartford Fire Insurance Co.	4-1-2005/4-1-2006
HCN6093	QBE International Insurance Ltd	4-1-2005/4-1-2006
NHD334551	RSUI Indemnity Insurance Co.	4-1-2005/4-1-2006
EAF12155	AXIS Specialty Insurance Co.	4-1-2005/4-1-2006
A5224A101	Underwriters at Lloyds, London	4-1-2005/4-1-2006
RMP268170217	Continental Casualty Insurance Co.	4-1-2005/4-1-2006
419656	Lexington Insurance Co.	4-1-2005/4-1-2006
76421757	Federal Insurance Co.	2-18-2005/2-18-2006
QT6605370B377TLC05	St Paul Travelers Insurance Co.	6-26-2005/6-26-2006
CCP 0049569 03	Fidelity & Deposit Co. of Maryland	5-29-2005/5-29-2006
61BPEAM5075	Hartford Casualty Insurance Co.	10-29-2004/10-29-2005
61BPEAI9468	Hartford Casualty Insurance Co.	2-11-2005/2-11-2006
Various	Western Surety Company	Four year term per bond
GLP0558506101	Great American Assurance Co.	6-23-2005/7-6-2006
PLS 1180312	American Intl. Specialty Lines	10-30-2003/10-30-2008
5234933	American Intl South Insurance Co.	7-1-2005/7-01-2006
68011185	Federal Insurance Co.	7-1-2005/7-01-2006
TCLP7751788	Gulf Insurance Company	9-14-2004/9-14-2005
BA0734699	Gulf Insurance Company	9-14-2004/9-14-2005
CU07382002	Gulf Insurance Company	9-14-2004/9-14-2005
61WEGF1105	Hartford Underwriters Insurance	9-14-2004/9-14-2005

Property at Risk	Type of Coverage	Amount of Coverage (in thousands)
Mayor	Public Official Bond	\$ 50
City Controller	Public Official Bond	\$ 50
Director, Finance & Administration	Public Official Bond	\$ 25
Budget Officer, Finance & Administration	Public Official Bond	\$ 25
Deputy Director, Controller's Office	Public Official Bond	\$ 25
Chief Clerk, Municipal Courts	Public Official Bond	\$ 25
Tax Assessor/Collector, Finance & Administration	Public Official Bond	\$ 25
Houston Housing Finance Corporation	Broad Form Property Insurance	\$ 799
Houston Housing Finance Corporation	Commercial General Liability	\$ 10,000
Houston Area Library Automated Network (HALAN)	Electronic Equipment	\$ 906
Houston Read Commission	Crime Policy - Employee Dishonesty	\$ 60
City of Houston	Automobile Catastrophe	\$ 1,956
City of Houston	Property Insurance	\$ 5,000
City of Houston	Property Insurance	\$ 20,000
City of Houston	Property Insurance	\$ 10,000
City of Houston	Property Insurance	\$ 5,000
City of Houston	Property Insurance	\$ 2,500
City of Houston	Property Insurance	\$ 5,000
City of Houston	Property Insurance	\$ 2,500
City of Houston	Property Insurance	\$ 60,000
City of Houston	Property Insurance	\$ 15,000
City of Houston	Property Insurance	\$ 15,000
City of Houston	Property Insurance	\$ 10,000
City of Houston	Property Insurance	\$ 37,500
City of Houston	Property Insurance	\$ 30,000
City of Houston	Property Insurance	\$ 37,500
City of Houston	Property Insurance	\$ 45,000
City of Houston	Property Insurance	\$ 100,000
City of Houston	Terrorism Insurance	\$ 100,000
City of Houston	Comprehensive Boiler/Other Machinery	\$ 50,000
City of Houston	Electronic Equipment for Library	\$ 820
City of Houston	Public Employee Dishonesty	\$ 2,000
Houston Parks Board	Public Employee Dishonesty	\$ 10
Library Board	Public Employee Dishonesty	\$ 10
Various City of Houston Notaries	Notary Bonds for Various City Notaries	\$ 2
City of Houston	Special Event General Liability	\$ 1,000
City of Houston (Public Works & Engineering)	Environmental Liability	\$ 5,000
Houston Area Water Corp (HAWC)	Directors and Officers Liability	\$ 5,000
Houston Area Water Corp (HAWC)	Directors and Officers Liability	\$ 5,000
Houston Image Group	Commercial General Liability	\$ 1,000
Houston Image Group	Automobile Liability	\$ 1,000
Houston Image Group	Excess Liability	\$ 5,000
Houston Image Group	Workers' Compensation	\$ 1,000

CITY OF HOUSTON, TEXAS
SALARIES OF ELECTED OFFICIALS
June 30, 2005
(unaudited)

<u>Name and Title of Official</u>	<u>Authorized Annual Salary</u>
Bill H. White, Mayor	\$ 165,817
Annise D. Parker, City Controller	124,487
Antoinette Lawrence, Council member - District A	49,795
Carol M. Galloway, Council member - District B	49,795
Mark A. Goldberg, Council member - District C	49,795
Ada J. Edwards, Council member - District D	49,795
Addie S. Wiseman, Council member - District E	49,795
Masrur J. Khan, Council member - District F*	44,218
Pamela Holm, Council member - District G	49,795
Adrian Garcia, Council member - District H	49,795
Carol A. Alvarado, Council member - District I	49,795
Mark A. Ellis, Council member - At Large Position #1	49,795
Gordon Quan, Council member - At Large Position #2*	42,848
Shelley Sekula-Gibbs, Council member - At Large Position #3	49,795
Ronald C. Green - At Large Position #4	49,795
Michael Berry, Council member - At Large Position #5	49,795

* These Council Members elected not to accept a raise available to them under state law.

CITY OF HOUSTON, TEXAS
Schedule of Credits
(unaudited)

Comprehensive Annual Financial Report:

Executive/Administrative Divisions

Annise D. Parker, Controller

Staff:

Janice Evans, Director of Communications/
Governmental Relations

Andrea Campos, Administrative Specialist

Madeleine Appel, Director of Administration

Design Oversight and Writing

Financial Reporting/Operations and Technical Service

Rudy Garcia, Deputy Controller

Staff:

Jacqueline Brown, Administrative Specialist

Alicia Cai, Assistant City Controller

Wesley Dormer, Assistant City Controller

Rosa Henderson, Assistant City Controller

Chris Okeagu, Assistant City Controller

Beverly Riggans, Assistant City Controller

Irma Rodriguez, Assistant City Controller

Solomon Tettey, Assistant City Controller

Suong Vu, Assistant City Controller

Lloyd Waguespack, Deputy Director

Dinah Walter, Assistant City Controller

Melanie West, Assistant City Controller

Bonita Wright, Assistant City Controller

Preparation and Coordination

Audit Division

Steve Schoonover, City Auditor

Staff:

Ebenezer Robinson, Assistant City Auditor

Carolyn Armstead, Assistant City Auditor

Consulting and general support

Operations and Technical Service Division

Mary Ann Grant, Deputy Controller

Staff:

Leon Phelps, System Accountant

David Tanner, System Accountant

Treasury Division

James Moncur, Deputy Controller

Staff:

Han Au, Financial Analyst

Sue Bailey, Debt Manager

Shawnell Holman-Smith, Financial Analyst

Claudia Morales, Financial Analyst

Lillie Nobles, Administrative Specialist

Catherine Smith, Financial Analyst

Debt and Management Disclosures

CITY OF HOUSTON, TEXAS
Schedule of Credits - Continued
(unaudited)

Finance and Administration Department

Judy Gray Johnson, Director

Staff:

Aileen Ding, Administrative Assistant
Ronald Headley, Division Manager
Harold Jackson, Division Manager
Levi McGuire, Financial Analyst
Carl Medley, Deputy Assistant Director
Dorothy Pappillion, Account Associate
Mel Trammell, Assistant Director
Deborah Webb, Accountant Supervisor

Information Technology

Richard Lewis, Director

Staff:

Singh Bhatia, Systems Consultant
Peter Chao, Systems Consultant

Professional Consultants

Carlos St. Mary, PMG Advertising and Marketing LLC
Deloitte & Touche LLP

Photo Credits

Houston Astros

Houston Comets

Greater Houston Convention
& Visitors Bureau

Houston Aeros

Houston Rockets

Houston Livestock Show and Rodeo

**Project Management and Design
Auditors**

Photos

Cover

Houston Astros

Introductory Section

Houston Comets
Tina Thompson, Comets Forward
Sheryl Swoopes, Comets Forward

Financial Section

Dom Capers, Houston Texans Head Coach
Houston Texans

Notes to Financial Statements

Mikko Koivu, Aeros Defense
Patrick O'Sullivan, Aeros Center
Houston Aeros

Governmental Funds

Tracy McGrady, Rockets Forward
Yao Ming, Rockets Center
Jon Barry, Rockets Guard

Enterprise Funds

Rodeo Contestants

CITY OF HOUSTON, TEXAS
Schedule of Credits - Continued
(unaudited)

Texas Thunder Josh Merwin	<i>Internal Service Funds</i> Texas Thunder Roger Federer, Men's Singles Champion Steffi Graf, 2004 International Tennis Hall of Fame Inductee
Greater Houston Convention & Visitors Bureau	<i>Fiduciary Funds</i> Houston Marathon
Houston Golf Association	<i>Component Units</i> John Daly, PGA Golfer V. J. Singh, Three-time Shell Open Winner Unidentified
Rice University Department of Athletics Texas Southern University Department of Athletics University of Houston Department of Athletics Houston Baptist University Department of Athletics	<i>Statistical Section</i> Erin Droeger, Rice Owls Defender Women's Soccer Tremedia Brice, 2005 NCAA National Indoor Track and Field Title Holder 200-Meter Yulia Pakhalina, Former Two-time Olympian Rachel Werner, HBU Pitcher

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

CITY OF HOUSTON, TEXAS



