

Combined Utility System Fund
For the period ended April 30, 2005
(amounts expressed in thousands)

	FY2005					
	FY2004 Actual	Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
Operating Revenues						
Water Sales	\$ 265,272	\$ 311,068	\$ 311,068	\$ 245,481	\$ 296,706	\$ 296,706
Sewer Sales	257,224	299,253	299,253	233,758	291,190	291,190
Penalties	4,150	3,741	3,741	3,842	4,288	4,288
Other	4,562	4,360	4,360	3,782	4,419	4,419
Total Operating Revenues	<u>531,208</u>	<u>618,422</u>	<u>618,422</u>	<u>486,863</u>	<u>596,603</u>	<u>596,603</u>
Operating Expenses						
Personnel	124,054	122,241	125,410	96,153	117,000	117,000
Supplies	23,141	26,007	26,922	21,778	28,000	28,000
Electricity and Gas	35,200	47,169	46,028	39,098	47,000	47,000
Contracts & Other Payments	84,323	92,013	92,378	60,250	80,000	80,000
Total Operating Expenses	<u>266,718</u>	<u>287,430</u>	<u>290,738</u>	<u>217,279</u>	<u>272,000</u>	<u>272,000</u>
Operating Income (Loss)	<u>264,490</u>	<u>330,992</u>	<u>327,684</u>	<u>269,584</u>	<u>324,603</u>	<u>324,603</u>
Nonoperating Revenues (Expenses)						
Interest Income	6,889	5,161	5,161	8,066	9,148	9,148
Sale of Property, Mains and Scrap	664	508	508	947	1,019	1,019
Other	9,934	7,863	7,863	6,578	7,657	7,657
Other Financing Sources - Pension Bonds	0	0	0	3,308	3,308	3,308
Gain on escrow restructure	0	0	0	31,838	31,838	31,838
Gross Revenue Contrib. from Water Auth.	60,687 *	0	0	0	0	0
Impact Fees	15,580	14,000	14,000	15,497	15,497	15,497
HAWC	(6,391)	(4,608)	(4,608)	(1,677)	(4,608)	(4,608)
CWA & TRA Contracts (P & I)	(31,454)	(32,317)	(32,317)	(30,325)	(32,317)	(32,317)
Total Nonoperating Rev (Exp)	<u>55,909</u>	<u>(9,393)</u>	<u>(9,393)</u>	<u>34,232</u>	<u>31,542</u>	<u>31,542</u>
Income (Loss) Before Operating Transfers	<u>320,399</u>	<u>321,599</u>	<u>318,291</u>	<u>303,816</u>	<u>356,145</u>	<u>356,145</u>
Operating Transfers						
Debt Service Principal	67,492	12,675	12,675	10,798	12,675	12,675
Debt Service Interest	154,238	179,902	179,902	134,198	179,902	179,902
Discretionary Debt	29,572	28,934	28,934	27,822	28,934	28,934
Other Contractual Obligations	0	474	474	0	474	474
Equipment Acquisition	8,145	17,862	17,862	4,682	12,000	12,000
CUS General Purpose Fund	46,752	49,752	46,444	59,317	90,160	90,160
Transfer to General Fund	4,100	2,000	2,000	0	2,000	2,000
Transfer to Combined Utility System	0	0	0	0	0	0
Transfer to Stormwater	10,100	30,000	30,000	25,000	30,000	30,000
Total Operating Transfers	<u>320,399</u>	<u>321,599</u>	<u>318,291</u>	<u>261,817</u>	<u>356,145</u>	<u>356,145</u>
Net Current Activity						
Operating Fund Only	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>41,999</u>	\$ <u>0</u>	\$ <u>0</u>

*Note: For CAFR purposes, this amount is treated as deferred revenues and is presented here to make it more comparable to the budgetary accounting basis used in the MFOR.

About the Fund:

The Combined Utility System Fund is an enterprise fund which accounts for operation of the City's water and wastewater facilities. The fund provides for the operation of the City's treated and untreated water, as well as, receive and process wastewater generated in a service area that includes the City, certain municipalities and unincorporated communities in the Houston metropolitan area. Some of the City's largest customers are other cities and water authorities which supply water to their own customers.