

Combined Utility System Fund  
For the period ended November 30, 2004  
(amounts expressed in thousands)

	Unaudited Preliminary FY2004	FY2005				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
<b>Operating Revenues</b>						
Water Sales	\$ 265,272	\$ 311,068	\$ 311,068	\$ 133,065	\$ 309,947	\$ 309,947
Sewer Sales	257,224	299,253	299,253	122,858	294,653	294,653
Penalties	4,150	3,741	3,741	2,145	3,841	3,841
Other	4,562	4,360	4,360	1,871	4,417	4,417
Total Operating Revenues	<u>531,208</u>	<u>618,422</u>	<u>618,422</u>	<u>259,939</u>	<u>612,858</u>	<u>612,858</u>
<b>Operating Expenses</b>						
Personnel	124,193	122,241	122,241	47,797	115,000	115,000
Supplies	23,141	26,007	26,007	10,978	25,822	25,822
Electricity and Gas	35,200	47,169	47,169	17,527	47,108	47,108
Contracts & Other Payments	70,149	92,013	92,013	25,371	78,615	78,615
Total Operating Expenses	<u>252,683</u>	<u>287,430</u>	<u>287,430</u>	<u>101,673</u>	<u>266,545</u>	<u>266,545</u>
Operating Income (Loss)	<u>278,525</u>	<u>330,992</u>	<u>330,992</u>	<u>158,266</u>	<u>346,313</u>	<u>346,313</u>
<b>Nonoperating Revenues (Expenses)</b>						
Interest Income	13,461	5,161	5,161	3,418	5,261	5,261
Sale of Property, Mains and Scrap	596	508	508	530	859	859
Other	70,832	7,863	7,863	1,105	7,159	7,159
Impact Fees	0	14,000	14,000	7,056	14,000	14,000
HAWC	(2,237)	(4,608)	(4,608)	(1,677)	(4,608)	(4,608)
CWA & TRA Contracts (P & I)	<u>(31,454)</u>	<u>(32,317)</u>	<u>(32,317)</u>	<u>(19,694)</u>	<u>(32,317)</u>	<u>(32,317)</u>
Total Nonoperating Rev (Exp)	<u>51,198</u>	<u>(9,393)</u>	<u>(9,393)</u>	<u>(9,262)</u>	<u>(9,646)</u>	<u>(9,646)</u>
Income (Loss) Before Operating Transfers	<u>329,723</u>	<u>321,599</u>	<u>321,599</u>	<u>149,004</u>	<u>336,667</u>	<u>336,667</u>
<b>Operating Transfers</b>						
Debt Service Principal	67,492	12,675	12,675	5,845	12,675	12,675
Debt Service Interest	154,238	179,902	179,902	27,198	179,902	179,902
Discretionary Debt	29,572	28,934	28,934	5,626	28,934	28,934
Other Contractual Obligations	0	474	474	0	474	474
Equipment Acquisition	8,145	17,862	17,862	2,397	17,862	17,862
CUS General Purpose Fund	0	49,752	49,752	95,438	64,820	64,820
Transfer to General Fund	0	2,000	2,000	0	2,000	2,000
Transfer to Combined Utility System	60,176	0	0	0	0	0
Transfer to Stormwater	<u>10,100</u>	<u>30,000</u>	<u>30,000</u>	<u>12,500</u>	<u>30,000</u>	<u>30,000</u>
Total Operating Transfers	<u>329,723</u>	<u>321,599</u>	<u>321,599</u>	<u>149,004</u>	<u>336,667</u>	<u>336,667</u>
Net Current Activity						
Operating Fund Only	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

**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.