

Combined Utility System Fund
For the period ended October 31, 2004
(amounts expressed in thousands)

	Unaudited	FY2005				
	Preliminary FY2004	Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
Operating Revenues						
Water Sales	\$ 265,272	\$ 311,068	\$ 311,068	\$ 109,999	\$ 311,068	\$ 311,068
Sewer Sales	257,224	299,253	299,253	101,263	299,253	299,253
Penalties	4,150	3,741	3,741	1,712	3,741	3,741
Other	4,562	4,360	4,360	1,548	4,360	4,360
Total Operating Revenues	<u>531,208</u>	<u>618,422</u>	<u>618,422</u>	<u>214,522</u>	<u>618,422</u>	<u>618,422</u>
Operating Expenses						
Personnel	124,193	122,241	122,241	37,978	122,387	122,387
Supplies	23,141	26,007	26,007	8,455	25,922	25,922
Electricity and Gas	35,200	47,169	47,169	13,951	47,108	47,108
Contracts & Other Payments	70,149	92,013	92,013	23,027	92,013	92,013
Total Operating Expenses	<u>252,683</u>	<u>287,430</u>	<u>287,430</u>	<u>83,411</u>	<u>287,430</u>	<u>287,430</u>
Operating Income (Loss)	<u>278,525</u>	<u>330,992</u>	<u>330,992</u>	<u>131,111</u>	<u>330,992</u>	<u>330,992</u>
Nonoperating Revenues (Expenses)						
Interest Income	13,461	5,161	5,161	2,628	5,161	5,161
Sale of Property, Mains and Scrap	596	508	508	407	545	545
Other	70,832	7,863	7,863	713	7,863	7,863
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)	(31,454)	(32,317)	(32,317)	(15,831)	(32,317)	(32,317)
Total Nonoperating Rev (Exp)	<u>51,198</u>	<u>(9,393)</u>	<u>(9,393)</u>	<u>(6,704)</u>	<u>(9,356)</u>	<u>(9,356)</u>
Income (Loss) Before Operating Transfers	<u>329,723</u>	<u>321,599</u>	<u>321,599</u>	<u>124,407</u>	<u>321,636</u>	<u>321,636</u>
Operating Transfers						
Debt Service Principal	67,492	12,675	12,675	4,676	12,675	12,675
Debt Service Interest	154,238	179,902	179,902	22,452	179,902	179,902
Discretionary Debt	29,572	28,934	28,934	5,628	28,934	28,934
Other Contractual Obligations	0	474	474	0	474	474
Equipment Acquisition	8,145	17,862	17,862	1,668	17,862	17,862
CUS General Purpose Fund	0	49,752	49,752	79,983	49,789	49,789
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	10,100	30,000	30,000	10,000	30,000	30,000
Total Operating Transfers	<u>329,723</u>	<u>321,599</u>	<u>321,599</u>	<u>124,407</u>	<u>321,636</u>	<u>321,636</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.