

Combined Utility System Fund
For the period ended August 31, 2005
(amounts expressed in thousands)

	Unaudited Preliminary FY2005	FY2006				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
Operating Revenues						
Water Sales	\$ 304,459	\$ 313,361	\$ 313,361	\$ 60,500	\$ 313,361	\$ 313,361
Sewer Sales	288,459	302,653	302,653	54,451	302,653	302,653
Penalties	4,605	4,005	4,005	942	4,005	4,005
Other	4,583	4,078	4,078	848	4,078	4,078
Total Operating Revenues	<u>602,106</u>	<u>624,097</u>	<u>624,097</u>	<u>116,741</u>	<u>624,097</u>	<u>624,097</u>
Operating Expenses						
Personnel	114,034	130,480	130,480	19,340	130,480	130,480
Supplies	29,072	29,107	29,107	3,860	29,107	29,107
Electricity and Gas	50,108	52,421	52,421	7,832	52,421	52,421
Contracts & Other Payments	77,730	100,583	100,564	6,497	100,583	100,583
Non-Capital Equipment	1,011	1,468	1,487	32	1,468	1,468
Total Operating Expenses	<u>271,955</u>	<u>314,059</u>	<u>314,059</u>	<u>37,561</u>	<u>314,059</u>	<u>314,059</u>
Operating Income (Loss)	<u>330,151</u>	<u>310,038</u>	<u>310,038</u>	<u>79,180</u>	<u>310,038</u>	<u>310,038</u>
Nonoperating Revenues (Expenses)						
Interest Income	10,560	5,300	5,300	2,825	13,127	13,127
Sale of Property, Mains and Scrap	1,035	808	808	75	808	808
Other	9,525	7,614	7,614	1,122	7,614	7,614
Other Financing Sources - Pension Bonds						
Gain on escrow restructure	31,838	0	0	0	0	0
Gross Revenue Contrib. from Water Auth.	0	0	0	0	0	0
Impact Fees	15,497	14,000	14,000	0	14,000	14,000
CIP Salary Recovery	0	3,140	3,140	0	3,140	3,140
HAWC	(1,677)	(9,075)	(9,075)	0	(9,075)	(9,075)
CWA & TRA Contracts (P & I)	<u>(31,546)</u>	<u>(32,219)</u>	<u>(32,219)</u>	<u>(8,411)</u>	<u>(32,219)</u>	<u>(32,219)</u>
Total Nonoperating Rev (Exp)	<u>35,232</u>	<u>(10,432)</u>	<u>(10,432)</u>	<u>(4,389)</u>	<u>(2,605)</u>	<u>(2,605)</u>
Income (Loss) Before Operating Transfers	<u>365,383</u>	<u>299,606</u>	<u>299,606</u>	<u>74,791</u>	<u>307,433</u>	<u>307,433</u>
Operating Transfers						
Debt Service Transfer	188,270	232,730	232,730	21,356	232,730	232,730
Transfer to PIB - Water & Sewer	27,822	26,282	26,282	5,254	26,282	26,282
Discretionary Debt - Stormwater	0	1,605	1,605	0	1,605	1,605
Equipment Acquisition	11,090	13,357	13,357	885	13,357	13,357
Transfer to Stormwater	30,000	31,300	31,300	0	31,300	31,300
Total Operating Transfers	<u>257,182</u>	<u>305,274</u>	<u>305,274</u>	<u>27,495</u>	<u>305,274</u>	<u>305,274</u>
Net Current Activity						
Operating Fund Only	<u>\$ 108,201</u>	<u>\$ (5,668)</u>	<u>\$ (5,668)</u>	<u>\$ 47,296</u>	<u>\$ 2,159</u>	<u>\$ 2,159</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.