

Combined Utility System Fund
For the period ended March 31, 2006
(amounts expressed in thousands)

	FY2005 Actual	FY2006				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
Operating Revenues						
Water Sales	\$ 301,227	\$ 313,361	\$ 313,361	\$ 248,653	\$ 332,847	\$ 332,847
Sewer Sales	288,459	302,653	302,653	229,360	303,653	303,653
Penalties	4,605	4,005	4,005	3,974	5,343	5,343
Other	4,583	4,078	4,078	3,296	4,318	4,318
Total Operating Revenues	<u>598,874</u>	<u>624,097</u>	<u>624,097</u>	<u>485,283</u>	<u>646,161</u>	<u>646,161</u>
Operating Expenses						
Personnel	176,786	130,480	125,583	87,441	116,895	116,895
Supplies	29,313	29,107	28,832	21,211	28,773	28,773
Electricity and Gas	49,825	52,421	56,444	51,319	62,408	62,408
Contracts & Other Payments	75,865	100,583	100,799	56,753	94,554	94,554
Non-Capital Equipment	1,011	1,468	1,497	954	1,487	1,487
Total Operating Expenses	<u>332,800</u>	<u>314,059</u>	<u>313,155</u>	<u>217,678</u>	<u>304,117</u>	<u>304,117</u>
Operating Income (Loss)	<u>266,074</u>	<u>310,038</u>	<u>310,942</u>	<u>267,605</u>	<u>342,044</u>	<u>342,044</u>
Nonoperating Revenues (Expenses)						
Interest Income	7,872	5,300	5,300	11,215	14,127	14,127
Sale of Property, Mains and Scrap	1,035	808	808	5,113	5,874	5,874
Other	0	7,614	7,614	8,617	9,302	9,302
Other Financing Sources - Pension Bonds	0	0	0	0	0	0
Gain on escrow restructure	0	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	15,558	15,558	15,558
CIP Salary Recovery	0	3,140	3,140	0	0	0
HAWC	(1,677)	(9,075)	(9,075)	(4,005)	(6,355)	(6,355)
CWA & TRA Contracts (P & I)	<u>(31,546)</u>	<u>(32,219)</u>	<u>(32,219)</u>	<u>(32,218)</u>	<u>(32,219)</u>	<u>(32,219)</u>
Total Nonoperating Rev (Exp)	<u>(8,819)</u>	<u>(10,432)</u>	<u>(10,432)</u>	<u>4,280</u>	<u>6,287</u>	<u>6,287</u>
Income (Loss) Before Operating Transfers	<u>257,255</u>	<u>299,606</u>	<u>300,510</u>	<u>271,885</u>	<u>348,331</u>	<u>348,331</u>
Operating Transfers						
Debt Service Transfer	188,270	232,730	232,730	131,386	232,730	232,730
Transfer to PIB - Water & Sewer	27,822	26,282	26,282	26,257	26,257	26,257
Discretionary Debt	0	1,605	7,016	4,076	4,985	4,985
Equipment Acquisition	0	13,357	14,261	4,692	8,969	8,969
Transfer to Stormwater	30,000	31,300	31,300	20,800	31,300	31,300
Total Operating Transfers	<u>246,092</u>	<u>305,274</u>	<u>311,589</u>	<u>187,211</u>	<u>304,241</u>	<u>304,241</u>
Net Current Activity						
Operating Fund Only	\$ <u>11,163</u>	\$ <u>(5,668)</u>	\$ <u>(11,079)</u>	\$ <u>84,674</u>	\$ <u>44,090</u>	\$ <u>44,090</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.