

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

	FY2006 Unaudited	FY2007				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
Operating Revenues						
Water Sales	\$ 334,052	\$ 334,137	\$ 334,137	\$ 28,310	\$ 334,137	\$ 334,137
Sewer Sales	310,373	312,645	312,645	25,669	312,645	312,645
Penalties	5,085	4,996	4,996	458	4,996	4,996
Other	4,605	4,582	4,349	355	4,582	4,582
Total Operating Revenues	<u>654,115</u>	<u>656,360</u>	<u>656,127</u>	<u>54,792</u>	<u>656,360</u>	<u>656,360</u>
Operating Expenses						
Personnel	116,655	131,844	131,844	10,039	131,844	131,844
Supplies	32,466	30,603	30,603	(26)	30,603	30,603
Electricity and Gas	65,552	76,818	76,818	1,960	76,818	76,818
Contracts & Other Payments	96,860	93,746	109,246	14,643	93,746	93,746
Non-Capital Equipment	1,314	1,436	1,465	(71)	1,436	1,436
Total Operating Expenses	<u>312,847</u>	<u>334,447</u>	<u>349,976</u>	<u>26,545</u>	<u>334,447</u>	<u>334,447</u>
Operating Income (Loss)	<u>341,268</u>	<u>321,913</u>	<u>306,151</u>	<u>28,247</u>	<u>321,913</u>	<u>321,913</u>
Nonoperating Revenues (Expenses)						
Interest Income	15,571	17,283	17,283	1,373	17,283	17,283
Sale of Property, Mains and Scrap	5,357	1,129	1,129	7	1,129	1,129
Other	9,122	7,473	7,706	547	7,473	7,473
Other Financing Sources - Pension Bond	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	15,558	17,519	17,519	0	17,519	17,519
CIP Salary Recovery	0	0	0	0	0	0
HAWC	(6,242)	(9,077)	(9,077)	(753)	(9,077)	(9,077)
CWA & TRA Contracts (P & I)	<u>(32,219)</u>	<u>(32,875)</u>	<u>(17,375)</u>	0	<u>(32,875)</u>	<u>(32,875)</u>
Total Nonoperating Rev (Exp)	<u>7,147</u>	<u>1,452</u>	<u>17,185</u>	<u>1,174</u>	<u>1,452</u>	<u>1,452</u>
Income (Loss) Before Operating Transfers	<u>348,415</u>	<u>323,365</u>	<u>323,336</u>	<u>29,421</u>	<u>323,365</u>	<u>323,365</u>
Operating Transfers						
Debt Service Transfer	223,226	260,725	260,725	2,600	260,725	260,725
Transfer to PIB - Water & Sewer	26,257	24,604	24,604	0	24,604	24,604
Discretionary Debt	4,912	4,566	4,566	0	4,566	4,566
Equipment Acquisition	8,645	16,684	16,655	(293)	16,684	16,684
Transfer to Stormwater	31,300	34,837	34,837	0	34,837	34,837
Total Operating Transfers	<u>294,340</u>	<u>341,416</u>	<u>341,387</u>	<u>2,307</u>	<u>341,416</u>	<u>341,416</u>
Net Current Activity						
Operating Fund Only	<u>\$ 54,075</u>	<u>\$ (18,051)</u>	<u>\$ (18,051)</u>	<u>\$ 27,114</u>	<u>\$ (18,051)</u>	<u>\$ (18,051)</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.