

Combined Utility System Fund
For the period ending September 30, 2011
(amounts expressed in thousands)

	Unaudited Preliminary FY2011	FY2012				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Operating Revenues						
Water Sales	\$ 459,261	\$ 451,022	\$ 451,022	\$ 147,219	\$ 460,922	\$ 460,922
Sewer Sales	410,941	412,465	412,465	120,405	419,465	419,465
Penalties	9,871	8,000	8,000	2,875	8,000	8,000
Other	3,949	3,830	3,830	1,088	3,830	3,830
Total Operating Revenues	<u>884,022</u>	<u>875,317</u>	<u>875,317</u>	<u>271,587</u>	<u>892,217</u>	<u>892,217</u>
Operating Expenses						
Personnel	141,322	152,873	152,873	37,494	154,817	154,817
Supplies	39,905	50,837	50,837	10,757	52,394	52,394
Electricity and Gas	58,391	60,521	60,521	17,471	60,521	60,521
Contracts & Other Payments	96,805	133,178	133,178	14,578	140,672	140,672
Non-Capital Equipment	1,627	3,389	3,389	324	3,389	3,389
Total Operating Expenses	<u>338,050</u>	<u>400,798</u>	<u>400,798</u>	<u>80,624</u>	<u>411,793</u>	<u>411,793</u>
Operating Income (Loss)	<u>545,972</u>	<u>474,519</u>	<u>474,519</u>	<u>190,963</u>	<u>480,424</u>	<u>480,424</u>
Non-Operating Revenues (Expenses)						
Interest Income	10,090	11,600	11,600	2,218	10,918	10,918
Sale of Property, Mains and Scrap	850	308	308	53	308	308
Other	15,266	7,920	7,920	(2,771)	8,031	8,031
Impact Fees	9,248	9,100	9,100	0	9,100	9,100
CWA & TRA Contracts (P & I)	(21,285)	(19,131)	(19,131)	(8,333)	(20,414)	(20,414)
Total Non-Operating Rev (Exp)	<u>14,169</u>	<u>9,797</u>	<u>9,797</u>	<u>(8,833)</u>	<u>7,943</u>	<u>7,943</u>
Income (Loss) Before Operating Transfers	<u>560,141</u>	<u>484,316</u>	<u>484,316</u>	<u>182,130</u>	<u>488,367</u>	<u>488,367</u>
Operating Transfers						
Debt Service Transfer	359,115	416,682	416,682	37,168	412,682	412,682
Transfer to PIB - Water & Sewer	21,744	21,163	21,163	2,303	21,163	21,163
Transfer to Capital Project Fund	0	10,000	10,000	0	10,000	10,000
Pension Liability Interest	3,659	3,814	3,814	636	3,814	3,814
Equipment Acquisition	12,273	20,583	20,616	3,211	20,583	20,583
Transfer to Stormwater	54,848	50,116	50,083	12,930	50,066	50,066
Total Operating Transfers	<u>451,639</u>	<u>522,358</u>	<u>522,358</u>	<u>56,248</u>	<u>518,308</u>	<u>518,308</u>
Net Current Activity						
Operating Fund Only	<u>\$ 108,502</u>	<u>\$ (38,042)</u>	<u>\$ (38,042)</u>	<u>\$ 125,882</u>	<u>\$ (29,941)</u>	<u>\$ (29,941)</u>

About the Fund:

The Combined Utility System Fund, which includes Fund 8300, Fund 8301, and Fund 8305, 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.