

Combined Utility System Fund
For the period ended September 30, 2009
(amounts expressed in thousands)

	Unaudited Preliminary FY2009	FY2010				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Operating Revenues						
Water Sales	\$ 351,656	\$ 395,779	\$ 395,779	\$ 114,763	\$ 397,561	\$ 397,561
Sewer Sales	323,301	334,500	334,500	97,189	334,431	334,431
Penalties	6,651	7,600	7,600	2,408	7,600	7,600
Other	5,855	5,794	5,794	1,556	5,794	5,794
Total Operating Revenues	<u>687,463</u>	<u>743,673</u>	<u>743,673</u>	<u>215,916</u>	<u>745,386</u>	<u>745,386</u>
Operating Expenses						
Personnel	133,721	150,906	150,982	38,637	150,906	150,906
Supplies	39,084	46,475	46,478	11,562	43,284	43,284
Electricity and Gas	67,997	74,370	74,370	16,862	74,877	74,877
Contracts & Other Payments	110,465	119,319	121,051	13,831	123,253	123,253
Non-Capital Equipment	1,150	5,391	5,303	156	5,391	5,391
Total Operating Expenses	<u>352,417</u>	<u>396,461</u>	<u>398,184</u>	<u>81,048</u>	<u>397,711</u>	<u>397,711</u>
Operating Income (Loss)	<u>335,046</u>	<u>347,212</u>	<u>345,489</u>	<u>134,868</u>	<u>347,675</u>	<u>347,675</u>
Nonoperating Revenues (Expenses)						
Interest Income	15,738	9,950	9,950	3,782	9,950	9,950
Sale of Property, Mains and Scrap	586	6,189	6,189	39	6,189	6,189
Other	9,907	9,291	9,291	2,049	9,291	9,291
Impact Fees	16,303	12,000	12,000	5,239	12,000	12,000
HAWC	0	0	0	0	0	0
CWA & TRA Contracts (P & I)	(28,103)	(23,817)	(23,817)	(9,771)	(23,817)	(23,817)
Total Nonoperating Rev (Exp)	<u>14,431</u>	<u>13,613</u>	<u>13,613</u>	<u>1,338</u>	<u>13,613</u>	<u>13,613</u>
Income (Loss) Before Operating Transfers	<u>349,477</u>	<u>360,825</u>	<u>359,102</u>	<u>136,206</u>	<u>361,288</u>	<u>361,288</u>
Operating Transfers						
Debt Service Transfer	305,016	378,103	378,103	28,715	378,103	378,103
Transfer to PIB - Water & Sewer	28,419	26,878	26,878	3,666	26,878	26,878
Discretionary Debt-Stormwater	0	0	0	0	0	0
Pension Liability Interest	4,303	3,814	3,814	479	3,814	3,814
Equipment Acquisition	6,623	13,293	12,045	776	12,043	12,043
Transfer to Stormwater	39,129	40,591	40,116	9,048	40,591	40,591
Total Operating Transfers	<u>383,490</u>	<u>462,679</u>	<u>460,956</u>	<u>42,684</u>	<u>461,429</u>	<u>461,429</u>
Net Current Activity						
Operating Fund Only	<u>\$ (34,013)</u>	<u>\$ (101,854)</u>	<u>\$ (101,854)</u>	<u>\$ 93,522</u>	<u>\$ (100,141)</u>	<u>\$ (100,141)</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.

Storm Water Fund
For the period ending September 30, 2009
(amounts expressed in thousands)

	Unaudited	FY2010				
	Preliminary FY2009	Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Revenues						
Miscellaneous	\$ 60	\$ 70	\$ 70	\$ 27	\$ 70	\$ 70
Total Revenues	<u>60</u>	<u>70</u>	<u>70</u>	<u>27</u>	<u>70</u>	<u>70</u>
Expenditures						
Personnel	18,528	18,871	18,871	4,834	18,871	18,871
Supplies	2,591	2,670	2,670	528	2,670	2,670
Other Services	11,092	10,947	9,447	2,053	9,853	9,853
Capital Outlay	1,421	2,249	3,749	978	3,343	3,343
Total Expenditures	<u>33,632</u>	<u>34,737</u>	<u>34,737</u>	<u>8,393</u>	<u>34,737</u>	<u>34,737</u>
Other Financing Sources (Uses)						
Interest Income	143	72	72	29	72	72
Transfers In - CUS	39,129	40,591	40,591	9,048	40,591	40,591
Transfers In - CIP	2,300	0	0	0	0	0
Transfer Out - Pension Liability Interest	(151)	(565)	(565)	(283)	(565)	(565)
Transfer Out - Discretionary Debt Stormwater	(6,510)	(9,226)	(9,226)	(3,410)	(9,226)	(9,226)
Total Other Financing Sources (Uses)	<u>34,911</u>	<u>30,872</u>	<u>30,872</u>	<u>5,384</u>	<u>30,872</u>	<u>30,872</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)						
	1,339	(3,795)	(3,795)	(2,982)	(3,795)	(3,795)
Pension Bond Proceeds						
	0	0	0	0	0	0
Fund Balance, Beginning of Year						
	<u>2,870</u>	<u>4,209</u>	<u>4,209</u>	<u>4,209</u>	<u>4,209</u>	<u>4,209</u>
Fund Balance, End of Year						
	<u>\$ 4,209</u>	<u>\$ 414</u>	<u>\$ 414</u>	<u>\$ 1,227</u>	<u>\$ 414</u>	<u>\$ 414</u>
Restricted						
	0	0	0	0	0	0
Designated						
	4,209	414	414	1,227	414	414
Undesignated						
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, Distribution						
	<u>4,209</u>	<u>414</u>	<u>414</u>	<u>1,227</u>	<u>414</u>	<u>414</u>

Note: The Storm Water Fund is not technically an enterprise fund, but is grouped with the Combined Utility System for clarity.

Health Benefits Fund
For the period ended September 30, 2009
(amounts expressed in thousands)

	Unaudited	FY2010				
	Preliminary FY2009	Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Operating Revenues						
City Medical Plans	\$ 274,232	\$ 299,768	\$ 299,768	\$ 75,919	\$ 299,768	\$ 299,768
City Dental Plans	8,169	8,758	8,758	2,218	8,758	8,758
City Life Insurance Plans	5,475	5,094	5,094	1,338	5,094	5,094
Health Flexible Spending Account	824	1,000	1,000	238	1,000	1,000
Dependent Care Reimbursement	174	175	175	54	175	175
Operating Revenues	<u>288,874</u>	<u>314,795</u>	<u>314,795</u>	<u>79,767</u>	<u>314,795</u>	<u>314,795</u>
Operating Expenses						
City Medical Plan Claims	273,909	295,526	295,526	72,378	295,526	295,526
City Dental Plan Claims	8,169	8,758	8,758	2,218	8,758	8,758
City Life Insurance Plans	5,449	5,094	5,094	1,338	5,094	5,094
Administrative Costs	3,445	4,241	4,241	778	4,241	4,241
Health Flexible Spending Account	790	1,000	1,000	220	1,000	1,000
Dependent Care	174	175	175	54	175	175
Operating Expenses	<u>291,936</u>	<u>314,794</u>	<u>314,794</u>	<u>76,986</u>	<u>314,794</u>	<u>314,794</u>
Operating Income (Loss)	(3,062)	1	1	2,781	1	1
Nonoperating Revenues (Expenses)						
Interest Income	391	300	300	76	300	300
Prior Year Expense Recovery	0	0	0	0	0	0
Medicare Part D - Subsidy	2,289	1,186	1,186	0	1,186	1,186
Medicare Part D - Distribution	(2,289)	(1,186)	(1,186)	0	(1,186)	(1,186)
Nonoperating Revenues (Expenses)	<u>391</u>	<u>300</u>	<u>300</u>	<u>76</u>	<u>300</u>	<u>300</u>
Pension Bond Proceeds	0	0	0	0	0	0
Net Income (Loss)	(2,671)	301	301	2,857	301	301
Net Assets, Beginning of Year	<u>3,963</u>	<u>1,292</u>	<u>1,292</u>	<u>1,292</u>	<u>1,292</u>	<u>1,292</u>
Net Assets, End of Year	<u>\$ 1,292</u>	<u>\$ 1,593</u>	<u>\$ 1,593</u>	<u>\$ 4,149</u>	<u>\$ 1,593</u>	<u>\$ 1,593</u>

About the Fund:

The Health Benefits Fund is an Internal Service Fund administered by the Human Resources Department. The Fund was established in 1984 to centralize the financial transactions for the City's benefit plans. In May 1994, the entire health benefits delivery system was revamped with a new system that employs aggressive managed care features. HMOBlueTexas (HMOBTX) provides Health Maintenance Organization (HMO) and Preferred Provider (PPO) plan, with limits on annual increases. These plans are supported by contributions from the City and participants. The Fund also includes two dental plans, a dental/health maintenance organization (DHMO) and a dental indemnity plan. Both plans are supported exclusively by participants.

Long-Term Disability Fund
For the period ended September 30, 2009
(amounts expressed in thousands)

	Unaudited Preliminary FY2009	FY2010				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Operating Revenues						
Contributions	\$ (136)	\$ 1,307	\$ 1,307	\$ 330	\$ 1,307	\$ 1,307
Operating Revenues	<u>(136)</u>	<u>1,307</u>	<u>1,307</u>	<u>330</u>	<u>1,307</u>	<u>1,307</u>
Operating Expenses						
Management Consulting Services	12	56	56	0	56	56
Claims Payment Services	131	170	170	38	170	170
Employee Medical Claims	645	2,633	2,633	658	2,633	2,633
Operating Expenses	<u>788</u>	<u>2,859</u>	<u>2,859</u>	<u>696</u>	<u>2,859</u>	<u>2,859</u>
Operating Income (Loss)	(924)	(1,552)	(1,552)	(366)	(1,552)	(1,552)
Nonoperating Revenues (Expenses)						
Interest Income	560	300	300	74	300	300
Transfers to General Fund	(1,000)	0	0	0	0	0
Prior Year Expense Recovery	0	0	0	0	0	0
Nonoperating Revenues (Expenses)	<u>(440)</u>	<u>300</u>	<u>300</u>	<u>74</u>	<u>300</u>	<u>300</u>
Net Income (Loss)	(1,364)	(1,252)	(1,252)	(292)	(1,252)	(1,252)
Net Assets, Beginning of Year	<u>3,111</u>	<u>1,747</u>	<u>1,747</u>	<u>1,747</u>	<u>1,747</u>	<u>1,747</u>
Net Assets, End of Year	<u>\$ 1,747</u>	<u>\$ 495</u>	<u>\$ 495</u>	<u>\$ 1,455</u>	<u>\$ 495</u>	<u>\$ 495</u>

About the Fund:

The Long Term Disability (LTD) Plan is a self-insured program accounted for as an internal service fund. Established in 1985 and revised in 1996 as part of the Income Protection Plan (IPP) (renamed the Compensable Sick Leave Plan (CSL) in October 1996), the plan provides paid long-term sick leave for City employees.

Property and Casualty Fund
For the Period ended September 30, 2009
(amounts expressed in thousands)

	Unaudited Preliminary FY2009	FY2010				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Operating Revenues						
Interfund Legal Services	\$ 21,272	\$ 36,824	\$ 36,824	\$ 227	\$ 36,708	\$ 36,708
Recoveries, Prior and Misc.	0	0	0	0	0	0
Operating Revenues	<u>21,272</u>	<u>36,824</u>	<u>36,824</u>	<u>227</u>	<u>36,708</u>	<u>36,708</u>
Operating Expenses						
Personnel	2,779	3,101	3,101	752	3,025	3,025
Supplies	84	92	92	16	84	84
Services:						
Insurance Fees/Adm.	11,286	12,554	12,554	80	12,554	12,554
Claims and Judgments	3,485	15,880	15,880	532	15,880	15,880
Other Services	3,642	5,197	5,197	484	5,165	5,165
Capital Outlay	0	0	0	0	0	0
Operating Expenses	<u>21,276</u>	<u>36,824</u>	<u>36,824</u>	<u>1,864</u>	<u>36,708</u>	<u>36,708</u>
Operating Income (Loss)	(4)	0	0	(1,637)	0	0
Nonoperating Revenues (Expenses)						
Interest Income	4	0	0	0	0	0
Nonoperating Revenues (Expenses)	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Pension Bond Proceeds	0	0	0	0	0	0
Net Income (Loss)	0	0	0	(1,637)	0	0
Net Assets, Beginning of Year	81	81	81	81	81	81
Net Assets, End of Year	<u>\$ 81</u>	<u>\$ 81</u>	<u>\$ 81</u>	<u>\$ (1,556)</u>	<u>\$ 81</u>	<u>\$ 81</u>

About the Fund:

The Property and Casualty Fund was established to monitor the financial requirements of the Property and Risk Management Programs. This activity is primarily self-funded. The revenue is generated from assessed premiums to the other funds. These premiums are based upon projected expenditures. All risk to the City's assets (except Workers Compensation, Life, Health Benefits, and Long Term Disability) fall within the scope of this fund.