



# Texas Regional Entity Financial Report

Board of Directors  
August 17, 2009

# July 2009 Financial Accomplishments

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- **Worked with staff to develop an estimate for resource requirements to address the Technical Feasibility Exception (TFE) evaluations.**

# July 2009 Actual Workforce

**Texas Regional Entity  
Headcount  
Statutory & Non-Statutory Combined  
For The Month Ended July 31, 2009**

	Jan	Feb	Mar	Apr	May	Jun	Jul *	Aug	Sep	Oct	Nov	Dec
Actual Headcount	26.0	26.0	27.0	29.0	30.0	31.0	31.0					
Budgeted Headcount	32.0	32.0	32.0	32.0	32.0	32.0	32.0					
<b>Variance Under/(Over)</b>	<b>6.0</b>	<b>6.0</b>	<b>5.0</b>	<b>3.0</b>	<b>2.0</b>	<b>1.0</b>	<b>1.0</b>					

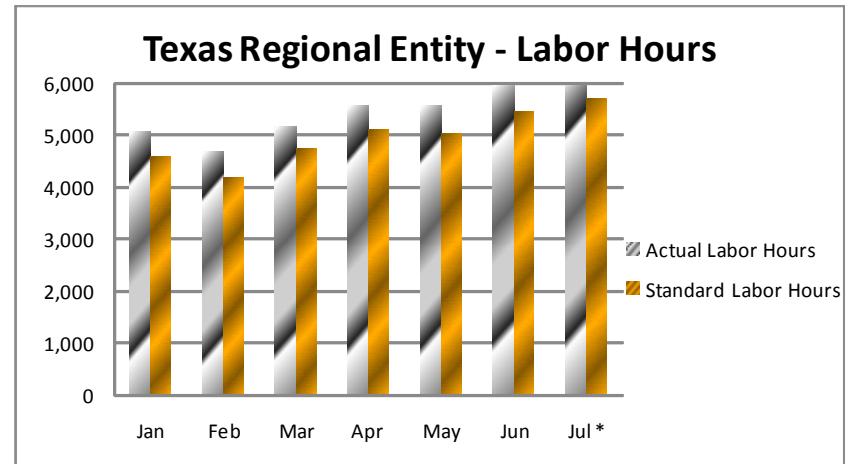
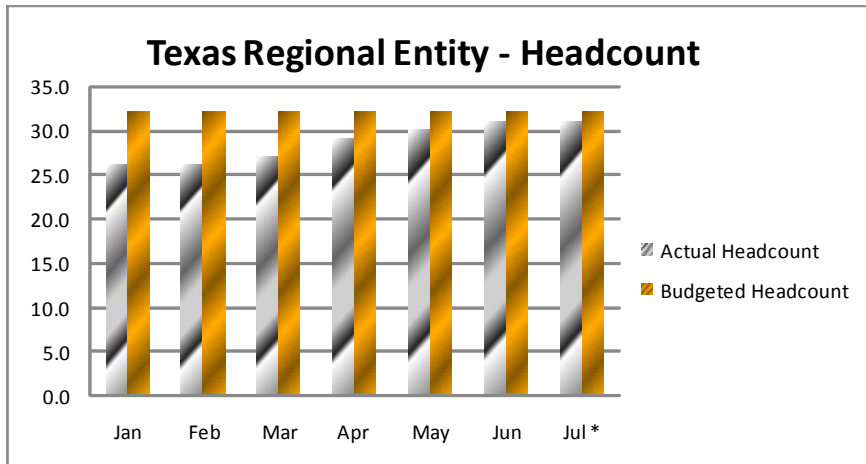
  

	Jan	Feb	Mar	Apr	May	Jun	Jul *	Aug	Sep	Oct	Nov	Dec
Actual Labor Hours	5,050	4,688	5,154	5,584	5,577	5,963	6,155					
Standard Labor Hours	4,576	4,160	4,752	5,104	5,040	5,456	5,704					
<b>Variance Under/(Over)</b>	<b>(474)</b>	<b>(528)</b>	<b>(402)</b>	<b>(480)</b>	<b>(537)</b>	<b>(507)</b>	<b>(451)</b>					
	10.4%	12.7%	8.5%	9.4%	10.7%	9.3%	7.9%					

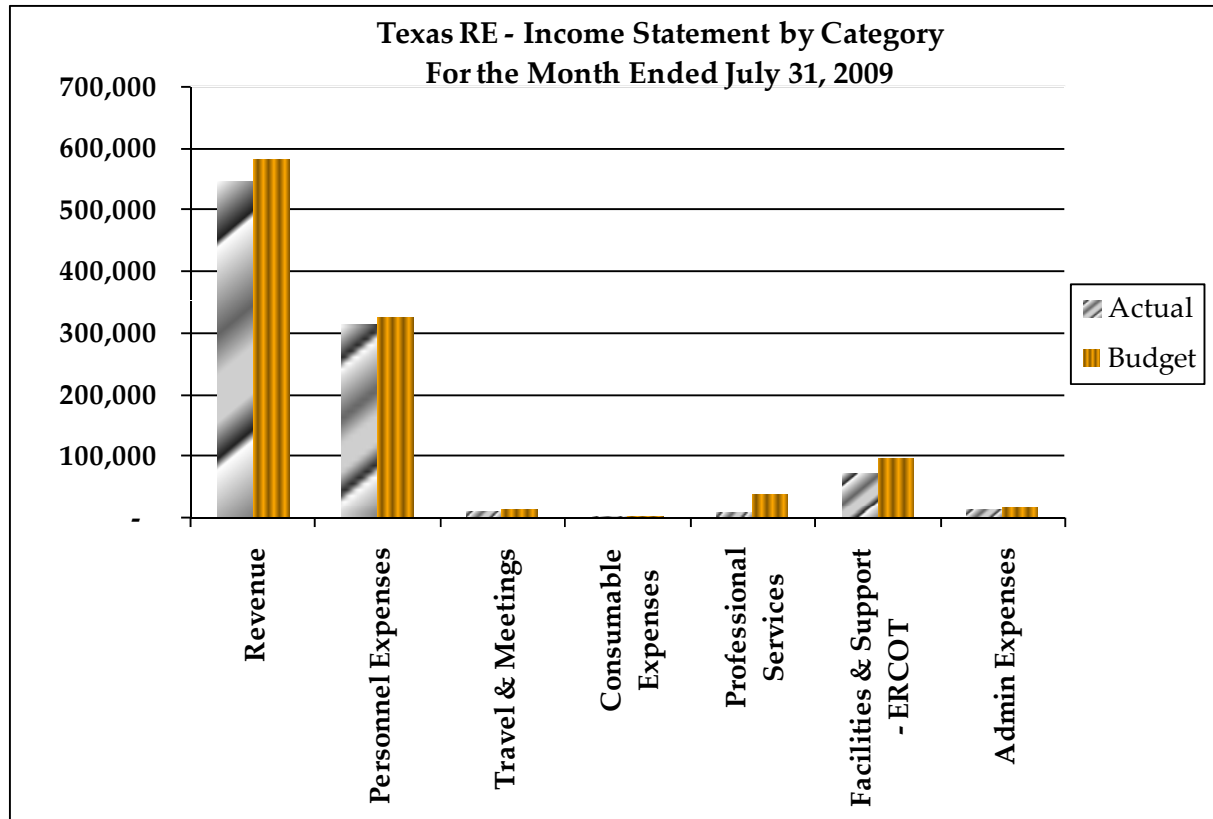
  

FTE's Calc'd from Labor	Jan	Feb	Mar	Apr	May	Jun	Jul *
	28.7	29.3	29.3	31.7	33.2	33.9	33.5

\* Does not include interns and consultants



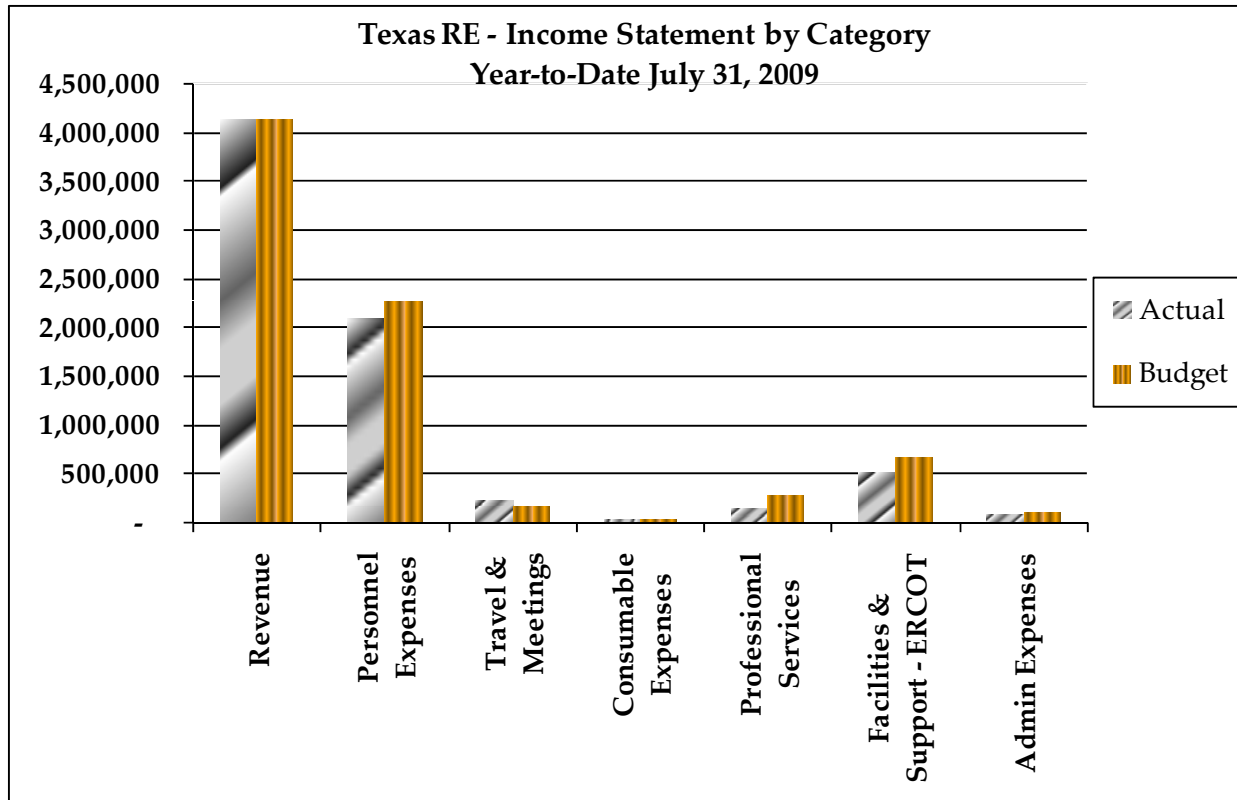
# July 2009 Operating Expenses



### July Comments

- Revenue** - Revenue is less than budget due to less than planned non-statutory expenses.
- Personnel Expenses** - Lower than plan due to a release of health benefit reserves in July.
- Travel & Meetings Expenses** - Underspending due to less meeting expense in July.
- Consumable Expenses** - Slightly less for the month due to reduced office supply orders in July.
- Professional Services** - Less than plan for the month primarily due to underspending on legal expenses.
- Facilities & Support** - MOU signed in June 2009. Facilities related expenses will be less than budget for the year.
- Administrative Expenses** - Variance is primarily driven by underspending on IT for the month (Timing Variance).

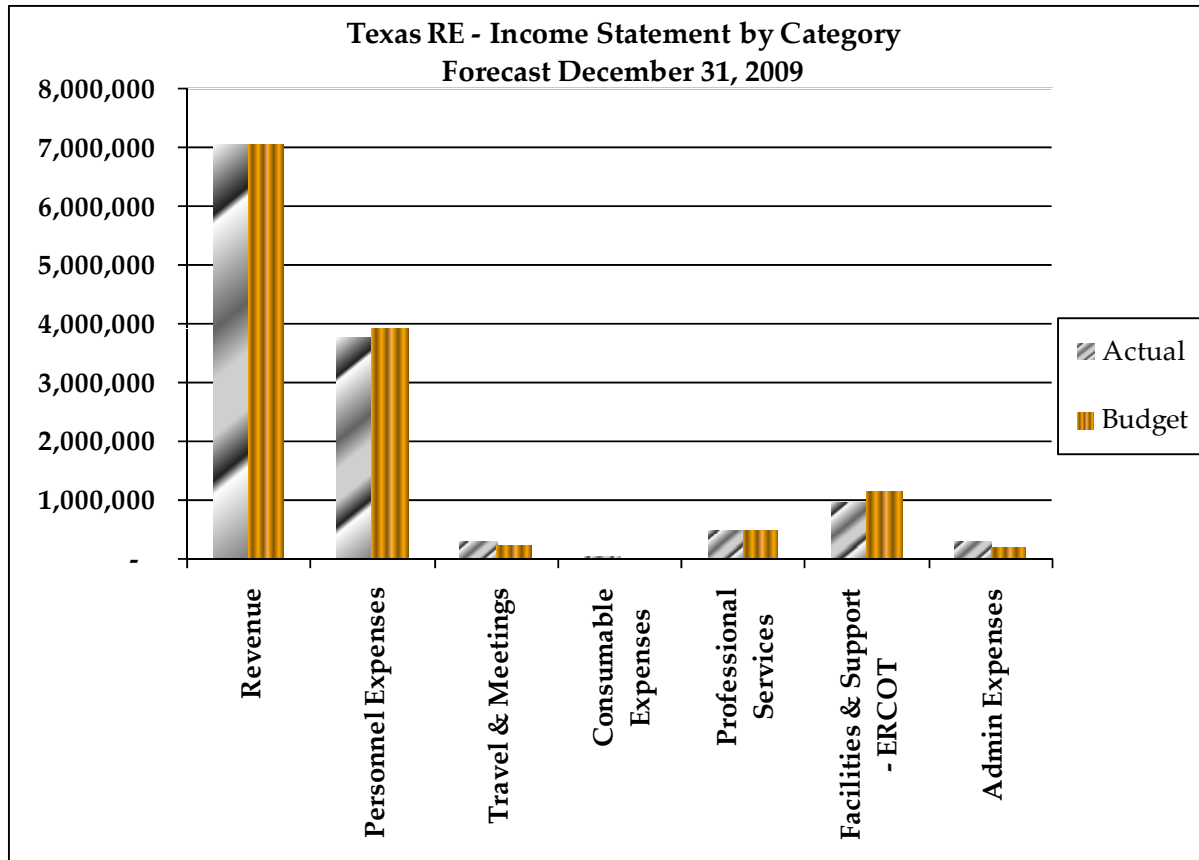
# YTD July 2009 Operating Expenses



**YTD July Comments**

- ➡ **Revenue** - Higher than budget due to the Operations Training Seminar (OTS).
- ➡ **Personnel Expenses** - Lower YTD due to employee vacancies. Budget is 32 FTEs, we currently are staffed at 31 FTEs.
- ➡ **Travel & Meetings Expenses** - Overspending due to OTS. The OTS overages have been offset by revenue.
- ➡ **Consumable Expenses** - Spending is higher than plan due to expenses incurred for the OTS. This additional spending was offset by additional fees charged to attendees.
- ➡ **Professional Services** - Less than plan primarily due to underspending in legal.
- ➡ **Facilities & Support** - There will be a permanent variance due to the timing of Texas RE's move and the budget, as well as the budgeted rent vs. actual rent.
- ➡ **Administrative Expenses** - Variance is primarily driven by less than expected depreciation expense. This should increase over the coming months.

# 2009 Forecast for Annual Operating Expenses



**2009 Forecast Comments**

- ➔
**Revenue** - Is forecast higher than budget due to the OTS. Non-statutory revenue forecast to be approximately \$81K less than plan due to lower expenses.
  
- ➔
**Personnel Expenses** - Lower YTD due to employee vacancies. Budget is 32 FTEs, we currently are staffed at 31 FTEs.
  
- ➔
**Travel & Meetings Expenses** - Overspending due to OTS costs, however spending has been offset by additional fees charged to the OTS attendees. Additionally, more NERC and Audit related travel.
  
- ➔
**Consumable Expenses** - Expect to exceed plan primarily due to the FERC audit.
  
- ➔
**Professional Services** - Expect to be higher than plan due to unbudgeted direct Board expenses.
  
- ➔
**Facilities & Support** - Expect to be below budget on rent.
  
- ➔
**Administrative Expenses** - Variance is primarily driven by hosting expenses for Texas RE's portal and website, as well as additional expenses for portal maintenance.

# July 2009 Operating Expenses

Texas Regional Entity  
Income Statement  
Statutory & Non-Statutory Consolidated  
For the Period Ended July 31, 2009  
Unaudited Management Report

Group Rollup	Group Rollup Name	Period to Date			Year to Date			Forecast Actual	Annual Budget	Difference
		Actual	Budget	Difference	Actual	Budget	Difference			
<b>Revenue</b>	1-Assessments*	543,180	581,671	(38,491)	3,955,215	4,065,480	(110,266)	6,864,350	6,969,023	(104,673)
	2-Workshops	-	-	-	180,607	70,000	110,607	180,607	70,000	110,607
	3-Interest Income	163	-	163	2,621	-	2,621	4,125	-	4,125
<b>Total Revenue</b>		<b>543,343</b>	<b>581,671</b>	<b>(38,328)</b>	<b>4,138,442</b>	<b>4,135,480</b>	<b>2,962</b>	<b>7,049,082</b>	<b>7,039,023</b>	<b>10,059</b>
<b>Personnel</b>	10-Salaries	256,378	247,571	(8,807)	1,630,646	1,722,143	91,497	2,913,236	2,945,048	31,812
	11-Payroll Taxes	30,768	20,510	(10,258)	138,579	161,449	22,870	225,184	235,604	10,420
	12-Employee Benefits	23,000	20,608	(2,392)	113,929	132,731	18,802	231,502	305,571	74,069
	13-Saving and Retirement	33,252	37,175	3,923	214,956	250,431	35,475	388,861	421,495	32,634
<b>Total Personnel</b>		<b>343,398</b>	<b>325,863</b>	<b>(17,535)</b>	<b>2,098,109</b>	<b>2,266,754</b>	<b>168,645</b>	<b>3,758,783</b>	<b>3,907,718</b>	<b>148,935</b>
<b>Travel &amp; Meetings</b>	20-Meetings & Training	217	-	(217)	135,857	87,500	(48,357)	157,394	105,000	(52,394)
	30-Travel	10,228	13,080	2,852	73,515	72,181	(1,334)	122,027	109,651	(12,376)
<b>Total Travel &amp; Meetings</b>		<b>10,445</b>	<b>13,080</b>	<b>2,635</b>	<b>209,372</b>	<b>159,681</b>	<b>(49,691)</b>	<b>279,421</b>	<b>214,651</b>	<b>(64,770)</b>
<b>Consumables</b>	40-Office Supplies	281	860	579	6,446	5,960	(486)	13,333	10,200	(3,133)
	41-Postage & Shipping	721	200	(521)	3,304	1,400	(1,904)	6,311	2,400	(3,911)
	42-Telecommunications	674	967	293	4,951	6,767	1,816	6,867	4,960	(1,907)
	43-Printing & Copying	50	100	50	8,279	700	(7,579)	800	1,200	400
<b>Total Consumables</b>		<b>1,726</b>	<b>2,127</b>	<b>401</b>	<b>22,980</b>	<b>14,827</b>	<b>(8,153)</b>	<b>27,311</b>	<b>18,760</b>	<b>(8,551)</b>
<b>Professional Services &amp; Consulting</b>	60-Professional Services-Legal	3,655	29,167	25,511	61,245	204,167	142,922	350,000	350,000	-
	61-Professional Services-Auditing	3,061	3,750	689	28,061	26,250	(1,811)	50,976	45,000	(5,976)
	62-Professional Services-Other	-	5,575	5,575	53,181	47,775	(5,406)	91,485	75,650	(15,835)
<b>Total Professional Services &amp; Consulting</b>		<b>6,716</b>	<b>38,492</b>	<b>31,776</b>	<b>142,487</b>	<b>278,192</b>	<b>135,706</b>	<b>492,461</b>	<b>470,650</b>	<b>(21,810)</b>
<b>Facilities &amp; Support - ERCOT</b>	70-Rent & Improvements	32,500	49,979	17,479	193,503	349,853	156,351	340,364	599,748	259,384
	71-Support (HR, Treas, Finance, BOD)	18,773	26,388	7,614	181,047	184,715	3,667	368,303	316,654	(51,649)
	72-IT/MIS Support & Services	21,163	19,000	(2,163)	136,455	133,000	(3,455)	247,592	228,000	(19,592)
<b>Total Facilities &amp; Support - ERCOT</b>		<b>72,436</b>	<b>95,367</b>	<b>22,930</b>	<b>511,005</b>	<b>667,568</b>	<b>156,563</b>	<b>956,258</b>	<b>1,144,402</b>	<b>188,144</b>
<b>Administrative</b>	73-IT/MIS Projects, Purchases & Maint	9,321	5,250	(4,071)	60,317	37,712	(22,604)	163,385	63,988	(99,397)
	74-Employee Training	-	550	550	4,464	4,270	(194)	9,266	7,440	(1,826)
	80-Depreciation Expense	2,476	6,378	3,903	17,329	44,648	27,320	106,246	76,540	(29,706)
	82-Bank Fees	139	-	(139)	975	-	(975)	1,766	-	(1,766)
	90-Miscellaneous Other	418	2,800	2,382	2,849	19,485	16,636	2,691	33,712	31,021
<b>Total Administrative Expenses</b>		<b>12,354</b>	<b>14,978</b>	<b>2,625</b>	<b>85,933</b>	<b>106,116</b>	<b>20,182</b>	<b>283,354</b>	<b>181,680</b>	<b>(101,674)</b>
<b>Total Expenses</b>		<b>447,076</b>	<b>489,907</b>	<b>42,831</b>	<b>3,071,636</b>	<b>3,493,137</b>	<b>421,501</b>	<b>5,797,588</b>	<b>5,937,861</b>	<b>140,273</b>
<b>GAIN / (LOSS)</b>		<b>96,266</b>	<b>91,764</b>	<b>4,503</b>	<b>1,066,806</b>	<b>642,344</b>	<b>424,463</b>	<b>1,251,494</b>	<b>1,101,162</b>	<b>150,332</b>
<b>Non-Operating Expenses</b>	91-Cash / Contingency Reserve	-	71,250	71,250	-	498,750	498,750	-	855,000	855,000
<b>Grand Total of Expenses (Operating &amp; Non-Operating)</b>		<b>447,076</b>	<b>561,157</b>	<b>114,081</b>	<b>3,071,636</b>	<b>3,991,887</b>	<b>920,251</b>	<b>5,797,588</b>	<b>6,792,861</b>	<b>995,273</b>
<b>TOTAL GAIN / (LOSS)</b>		<b>96,266</b>	<b>20,513</b>	<b>75,753</b>	<b>1,066,806</b>	<b>143,593</b>	<b>923,213</b>	<b>1,251,494</b>	<b>246,162</b>	<b>1,005,332</b>

\* Reflecting the release from the regulatory liability and Statutory assessments per budget. Ignores the regulatory accounting of \$871K year-to-date which is made for GAAP purposes.

