

Memorandum

RECEIVED
2010 MAR -4 AM 9: 57
CITY SECRETARY
DALLAS, TEXAS



DATE: March 4, 2010
TO: Members of the Budget, Finance & Audit Committee
Ann Margolin, Vice Chair, Vonciel Jones Hill, Angela Hunt, Delia D. Jasso, Ron Natinsky,
David A. Neumann
SUBJECT: **Budget, Finance & Audit Committee Meeting**
Monday, March 8, 2010, 9:30 – 11:30 a.m.
1500 Marilla Street, City Hall, Room 6ES, Dallas, Texas 75201

AGENDA

1. Consideration of minutes from the February 22, 2010 Budget, Finance and Audit Committee Meeting
2. Communications Related to the FY 2009 Audit Ben Kohnle, Audit Partner
Grant Thornton, LLP
3. Dallas/Fort Worth International Airport Board Issues Michael Phemister, Vice President for
Treasury Management
Dallas/Fort Worth International Airport

FYI:

4. December 2009 Financial Forecast Report

Jerry R. Allen, Chair
Budget, Finance & Audit Committee

- C: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom Perkins, City Attorney
Craig Kinton, City Auditor
Ryan S. Evans, First Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest E. Turner, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer

A closed executive session may be held if the discussion concerns one of the following:

1. Contemplated or pending litigation or matter where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.
2. Personnel matters involving discussions of the qualifications for performance of identifiable individuals already employed or being considered for employment by the City. Section 551.074 of the Texas Open Meetings Act.
3. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.074 of the Texas Open Meetings Act.
4. Discussions concerning sale or lease of real property, or negotiated contracts for donations to the City, when such discussions would have a detrimental effect on negotiating position of the City. Section 551.072 of the Texas Open Meetings Act.

**BUDGET, FINANCE, AND AUDIT COMMITTEE
DRAFT MEETING MINUTES
February 22, 2010**

The Council's Budget, Finance, and Audit Committee meetings are recorded. Agenda materials and audiotapes may be reviewed by contacting the City Manager's Office Staff Coordinator Laura L. Carrillo at 214-670-7804.

Meeting Date: February 22, 2010

Committee Members Present:

Jerry R. Allen, Chair, Ann Margolin, Vice – Chair
Vonciel Jones Hill, Angela Hunt, Ron Natinsky, David A. Neumann

Committee Members Absent:

Delia D. Jasso (Absence is pending for City Council approval on City business)

Other Council members present who attended a partial or duration of the meeting:

None

Staff Members Present:

Jeanne Chipperfield, Laura Carrillo,
David Etheridge, Debra Johnson,
Anna Holmes, Rhonn Ramirez,
Jeannie Eneh, Tom Perkins, Gwen
Satterthwaite, Craig Kinton

Meeting called to order at 9:39 a.m.

AGENDA:

1. Consideration of Minutes from February 8, 2010 Budget, Finance, and Audit

Presenter(s):

Information Only:

Action Taken/Committee Recommendation(s): The minutes were approved with a motion to make an amendment to Item #6 October 2009 Financial Forecast Report to reflect as December 2009 Quarterly Investment Report.

Motion made by: Ron Natinsky

Motion seconded by: Vonciel Jones Hill

The motion passed unanimously

2. 211 Community Council Briefing

Presenter(s): Martha Blaine

Information Only: Yes

Action Taken/Committee Recommendation(s):

Motion made by:

Motion seconded by:

The motion passed unanimously

Follow up:

3. **Dallas/Fort Worth International Airport Issues A. Dallas Fort Worth Connector Project**

Presenter(s): John Terrell and Paul Tomme

Information Only:

Action Taken/Committee Recommendation(s): The Budget, Finance & Audit Committee made a motion to move the Dallas/Fort Worth International Airport Issues A. Dallas Fort Worth Connector Project to full City Council on February 24, 2010.

Motion made by: Ron Natinsky

Motion seconded by: David A. Neumann

Follow up:

Dallas/Fort Worth International Airport Issues B. Reclaimed Water Pipeline Easement

Presenter(s): John Terrell and Paul Tomme

Information Only:

Action Taken/Committee Recommendation(s): The Budget, Finance & Audit Committee made a motion to approve the Dallas/Fort Worth International Airport Issues B. Reclaimed Water Pipeline Easement that the entire \$24,352 be paid to American in exchange for its consent.

Motion made by: David A. Neumann

Motion seconded by: Ron Natinsky

Follow up:

Note: The Budget, Finance & Audit Committee made a motion to go into a closed executive session to further discuss the Dallas/Fort Worth International Airport Issues A. Dallas Fort Worth Connector Project as permitted under Section 551.071 of the Texas Open Meetings Act.

4. **City of Dallas Property and Liability Insurance Overview**

Presenter(s): David Etheridge & Debra Johnson

Information Only: Yes

Action Taken/Committee Recommendation(s):

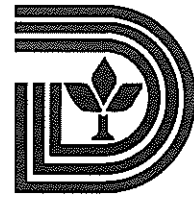
Motion made by:

Motion seconded by:

Follow up: The Budget, Finance & Audit Committee requested a list of leased properties.

Meeting adjourned at 11:08 a.m.

Memorandum



CITY OF DALLAS

DATE March 4, 2010

TO Members of the Budget, Finance & Audit Committee: Chair Jerry Allen, Vice-Chair Ann Margolin, Vonciel Jones Hill, Angela Hunt, Delia Jasso, Ron Natinsky, David Neumann

SUBJECT Communications Related to the FY 2009 Audit

The Budget, Finance & Audit Committee's March 8, 2010 agenda includes the Subject briefing. Mr. Ben Kohnle, Audit Partner for Grant Thornton, LLP will brief the Committee. His briefing materials are attached.

Should you require additional information, please let me know.

A handwritten signature in black ink that reads "Jeanne Chipperfield".

Jeanne Chipperfield
Chief Financial Officer

Attachment

c: Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah A. Watkins, City Secretary
Tom P. Perkins, City Attorney
Craig Kinton, City Auditor
Ryan S. Evans, First Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest E. Turner, Assistant City Manager

Preliminary Meeting with the Budget, Finance and Audit Committee

City of Dallas, Texas

Communications Related to the FY 2009 Audit

March 8, 2010

Attendees:

Ben Kohnle – Partner

Rusty Hale– Sr Manager

Andrea Cockrell - Manager

Fulya Bayolken – Manager

Communications Related to the Audit

Responsibilities

Scope and timing

Key Areas of Focus

Our responsibilities

- Perform an audit
 - An audit provides reasonable, not absolute assurance
- Form and express an opinion about whether the financial statements prepared by management, with your oversight:
 - Are materially correct
 - Are fairly presented
 - Conform with generally accepted accounting principles
- Communicate specific matters to you

An audit does not relieve you or management of your responsibilities.

Our responsibilities for other information in documents containing audited financial statements

- Read the other information (we do not corroborate it)
- Consider whether it is materially inconsistent with the financial statements
- Call to management's attention identified material inconsistencies or misstatements of fact, if any

Remember, our responsibility does not extend beyond our report.

Management's responsibilities

- Preparing and fairly presenting the financial statements and schedule of expenditures of Federal and State awards
- Establishing and maintaining effective internal control over financial reporting and compliance
- Providing us with written representations
 - A copy of the representations will be provided to you at the end of the audit

Communications Related to the Audit

Responsibilities

Scope and timing

Key Areas of Focus

We approach your audit by...

- Understanding your organization and the environment you operate in
- Using that knowledge and understanding to analyze your financial statements
- Determining materiality
- Identifying areas more likely to be materially misstated
- Focusing audit attention and effort on those areas

Materiality

- Magnitude of an omission or misstatement that likely influences a reasonable person's judgment
- Based on relevant financial statement benchmarks
 - We believe total assets or total revenues (based on the type of fund) is an appropriate benchmark for the City
- Financial statement line items $>$ materiality are in scope
- Other areas $<$ materiality may be in scope if qualitative factors are present (e.g., related party transactions, fraud risk, bond coverage requirements, etc.)

Audit timeline

Financial statement and OMB Circular A-133 audit

Audit planning	August – September 2009
Preliminary OMB A-133 procedures	August – November 2009
Preliminary financial procedures	November 2009
Final procedures	March – June 2010
Status meeting with management	Bi-weekly
Closing meeting with management	TBD
Budget, Finance and Audit Committee closing meeting	TBD

Engagement Team

Audit

Ben D. Kohnle – Engagement Partner	<u>ben.kohnle@gt.com</u>	214-561-2260
David Long– Concurring Partner	<u>david.long@gt.com</u>	832-476-3626
Rusty Hale – Senior Manager	<u>rusty.hale@gt.com</u>	214-561-2380
Andrea Cockrell – Manager	<u>andrea.cockrell@gt.com</u>	214-561-2508
Fulya Bayolken – Manager	<u>fulya.bayolken@gt.com</u>	214-561-2614
Whitney Johnson – Senior	<u>whitney.johnson@gt.com</u>	214-561-2393
Angie Jin – Senior	<u>angie.jin@gt.com</u>	214-561-2467

Business Advisory

Kirt Seale – Principal	<u>kirt.seale@gt.com</u>	214-561-2367
David Dominguez – Manager	<u>david.dominguez@gt.com</u>	214-561-2503
Jeremy Huval - Senior	<u>jeremy.huval@gt.com</u>	214-561-2583

Reports to be issued

- Financial statement audits:
 - Comprehensive annual financial report (CAFR)
 - Single audit (OMB Circular A-133)
- Separate reports:
 - Airport revenues fund and Passenger Facility Charge compliance
 - Dallas water utilities
 - Cityplace TIF
 - DDDA TIF
 - TCEQ financial assurance agreed-upon procedures
- Internal control deficiency letter

Audit Status by Area - CAFR

Area	% Complete (March 8, 2010)	Ratio of total expected
Planning	95%	12%
Cash	0%	2%
Investments	90%	5%
A/R and Revenue	0%	8%
Grant Revenue	0%	2%
Capital Assets	30%	12%
Other Accounts	0%	8%
Employee Comp	0%	4%
Debt	85%	5%
Aviation	0%	5%
DWU	0%	5%
OMB A-133	75%	20%
Financial Reporting	0%	12%
		<u>100%</u>

Communications Related to the Audit

Responsibilities

Scope and timing

Key Areas of Focus

Key Areas of Focus – CAFR

Critical Areas	Assertions
Water and Sewer revenue	Existence and Occurrence
Grant Revenue	Existence and Occurrence
Capital Assets	Completeness & Existence and Occurrence
Expenditures	Completeness

Other Key Areas:

- Governance
- Fraud inquiries
- Information technology
- Adequacy of disclosures
- Investments
- Assess corrective actions of management on prior year findings

Key Areas of Focus – OMB A-133

Anticipated Major Programs (based on preliminary numbers)

Federal:

- CDBG - Entitlement and (HUD Administered) Small Cities Cluster
- Highway Planning and Construction Cluster
- Homeland Security – Urban Areas Security Initiative
- HOME Investment Partnerships Program
- Confiscated Federal Funds
- Edward Byrne Memorial Justice Assistance

State:

- Governor's Gang Initiative Grant
- Commercial Auto Theft Interdiction Squad
- Air Pollution Control Inspection and Enforcement

Questions



Memorandum



CITY OF DALLAS

DATE March 4, 2010

TO Members of the Budget, Finance & Audit Committee: Chair Jerry Allen, Vice-Chair Ann Margolin, Vonciel Jones Hill, Angela Hunt, Delia Jasso, Ron Natinsky, David Neumann

SUBJECT Dallas/Fort Worth International Airport Board Issues

The March 8, 2010 Budget, Finance & Audit meeting agenda includes a briefing on Dallas/Fort Worth International Airport Issues. Michael Phemister, Vice President for Treasury Management will brief the Committee on the Approval of Resolution for Private Letter Ruling. The item is on the March 10, 2010 consent addendum.

Attached is a copy of the briefing. Should you require additional information, please let me know.

A handwritten signature in black ink that reads "Jeanne Chipperfield".

Jeanne Chipperfield
Chief Financial Officer

c: Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah A. Watkins, City Secretary
Tom P. Perkins, City Attorney
Craig Kinton, City Auditor
Ryan S. Evans, First Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest Turner, Assistant City Manager

**Dallas/Fort Worth International Airport
Board
Briefing to Cities of Dallas and Fort Worth
Approval of Resolution for Private Letter
Ruling**

March 8, 2010

Purpose of Resolution

- DFW is requesting an IRS Private Letter Ruling in regards to the AMT status of bonds issued to construct the SkyLink system
- The Owner Cities are requested to approve a resolution of their intent to refund the 2000A Bonds, if a favorable ruling is obtained
- This resolution or a favorable ruling request does not obligate the Owner Cities to issue bonds

Background

- 1986 Tax Reform Act
 - Extended the Alternative Minimum Tax (AMT) to include tax-exempt Private Activity Bonds
- Under the current financial model DFW Bonds are considered to be Private Activity Bonds and as such, are subject to AMT

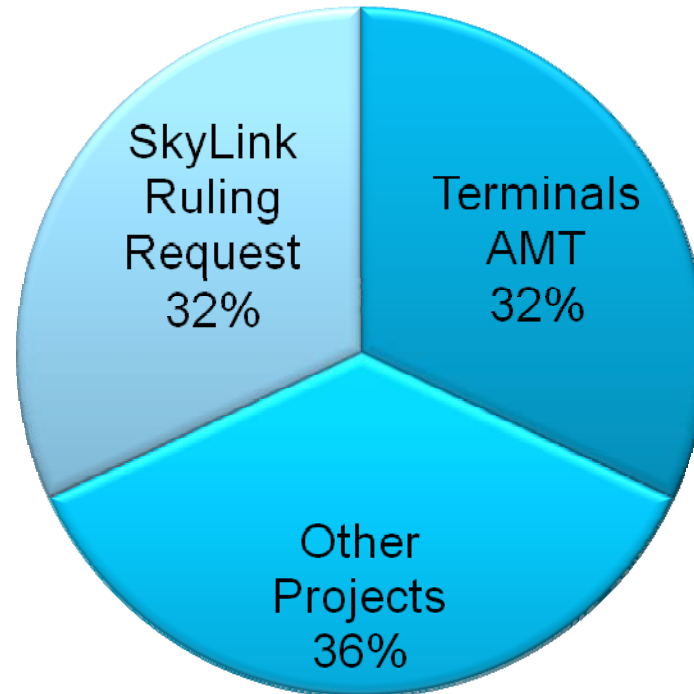
AMT Bonds

- AMT Bonds have historically traded at 20-30 basis points (bps) above other tax exempt Non-AMT Bonds of similar credit
- Due to current financial crisis, AMT Bonds are currently trading at 90-100 bps above tax exempt Non- AMT Bonds
- Because of fewer buyers the largest issue of AMT Bonds within the past 18 months has been \$159 million

New Financial Model

- DFW is currently proposing a new financial model, which if approved, will allow certain DFW Bonds to be refunded with Non-AMT Bonds
 - Bonds issued for Terminals
 - Will continue as AMT Bonds
 - Bonds issued for SkyLink
 - Pending IRS ruling
 - Bonds issued Airport Projects, not including bonds for Terminals and SkyLink
 - May be refunded with Non-AMT Bonds

Current Break-down of Outstanding Bonds



Why Non-AMT Bonds

- Lower interest rates from refunding SkyLink Bonds
 - \$207 million savings
- Ability to sell refunding bonds

**Dallas/Fort Worth International Airport
Board
Briefing to Cities of Dallas and Fort Worth
Approval of Resolution for Private Letter
Ruling**

March 8, 2010

Memorandum



CITY OF DALLAS

DATE March 5, 2010
TO The Honorable Mayor and Members of the City Council
SUBJECT Financial Forecast Report

An updated financial forecast report for FY2009-10 is attached for your information. This report is based on information through December. General Fund revenues are projected to be \$8,559,000 below budget and expenditures are projected to be \$8,593,000 below budget.

The revenue decline is primarily due to Sales Tax that is now projected to be about 4.6% or \$9,406,000 less than budget. This forecast assumes continued decline through the spring before flattening in the summer.

Operational savings, continued restrictive hiring freeze and "belt tightening" have resulted in expenditures being projected below budget for most departments. The financial forecast includes delaying the expansion of Sanitation's Pride in Your Neighborhood program, savings from purchasing fewer library materials, and savings in contract services resulting from providing HRIS maintenance in-house. Additional savings are being realized as fuel prices and consumption are lower than anticipated.

Further, slow down of growth in the police force was previously recommended to occur in FY11. It is advisable to begin this process in FY10 in order to achieve savings in the current year. While economic factors are driving this hiring slow down, it does provide for better integration within the police department of the nearly 2000 new officers hired since late 2003.

We will continue to closely monitor revenues and expenditures and keep you informed.


Mary K. Suhm
City Manager

Attachment

c: Ryan S. Evans, First Assistant City Manager
A.C. Gonzales, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest Turner, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer

**GENERAL FUND
COMPARISON OF 2009-10 REVENUES AND EXPENDITURES
AS OF DECEMBER 31, 2009
(000s)**

<u>ITEM</u>	<u>BUDGET</u>	<u>YEAR TO DATE</u>	<u>YEAR-END FORECAST</u>	<u>BUDGET VS FORECAST VARIANCE</u>
Revenues	\$998,628	\$170,776	\$990,069	(\$8,559)
Expenditures	\$1,020,323	\$189,086	\$1,011,730	(\$8,593)
Sub Total	(\$21,695)	(\$18,310)	(\$21,661)	\$34
Use of one time resources	21,695		21,695	
Net Excess/(Deficiency) of Revenues Over Expenditures and Transfers to Reserves	<u>\$0</u>		<u>\$34</u>	

**FINANCIAL FORECAST REPORT
FY 2009-10
AS OF DECEMBER 31, 2009**

GENERAL FUND

Revenues

- Total General Fund revenues are estimated to be \$8,559,000 below budget.
 - Municipal Court revenues are projected to be \$2,685,000 below budget primarily due to a decrease in the number of citations issued.
 - Vehicle Towing and Storage revenues are projected to be \$1,300,000 above budget primarily due to towing of vehicles lacking proof of auto insurance.
 - Park revenues are projected to be \$676,000 above budget due to a procedural change offset by a corresponding increase in expenses.
 - Private Disposal revenues are projected to be \$1,398,000 below budget primarily due to the weak economy.
 - Vital Statistics revenues are projected to be \$540,000 below budget due to a decrease in the number of requests for birth and death certificates.
 - Miscellaneous revenues are projected to be \$1,398,000 above budget primarily due to unbudgeted revenue anticipated as a result of the utility audit.

Expenditures

- Total General Fund expenditures are estimated to be \$8,593,000 below budget.
 - The expenses for termination payments are included in the departments' estimates. The appropriations from the Salary and Benefit Reserve have been allocated to those departments.
 - City Manager's Office is projected to be \$151,000 below budget primarily due to delays in hiring.
 - City Secretary's Office is projected to be \$100,000 above budget primarily due to higher than budgeted expenses for records management.
 - Management Services is projected to be \$268,000 below budget primarily due to delays in hiring.
 - Public Works and Transportation is projected to be \$2,283,000 below budget primarily due to additional reimbursable work completed for the Bond Program and delays in hiring.
 - Trinity Watershed Management is projected to be \$1,007,000 below budget primarily due to additional reimbursements for storm water related activities.
 - Liability/Claims Fund is projected to be \$1,000,000 below budget primarily due to less than anticipated funding requirements for liability claims.

**GENERAL FUND
FORECAST OF FY 2009-10 REVENUES
AS OF DECEMBER 31, 2009
(000s)**

	BUDGET	REVENUES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
TAXES				
Ad Valorem Tax	\$420,799	\$81,749	\$420,799	\$0
Sales Tax	206,574	14,530	197,168	(9,406)
FRANCHISE REVENUES				
Oncor Electric	48,658	14,575	48,658	0
AT&T	21,000	5,207	21,000	0
Atmos Energy	10,600	1,515	10,600	0
Time Warner Cable	5,800	2,283	5,800	0
Other	11,097	3,244	11,086	(11)
TOTAL TAXES & FRANCHISE REVENUES	724,528	123,102	715,111	(9,417)
LICENSES AND PERMITS	7,970	2,330	7,918	(52)
INTEREST EARNED	3,077	102	3,077	0
INTERGOVERNMENTAL	7,312	0	7,434	122
FINES AND FORFEITURES				
Municipal Court	19,382	2,780	16,696	(2,685)
Vehicle Towing & Storage	6,786	2,044	8,086	1,300
Parking Fines	8,788	1,474	8,788	0
Red Light Camera Fines	8,484	0	8,484	0
Public Library	611	143	611	0
TOTAL FINES	44,050	6,441	42,665	(1,385)
CHARGES FOR SERVICE				
Sanitation Service	60,545	15,289	61,312	767
Parks	7,602	1,066	8,277	676
Private Disposal Fees	23,552	4,759	22,155	(1,398)
Emergency Ambulance	19,250	4,722	19,250	0
Security Alarm	4,650	634	4,650	0
Street Lighting	1,392	107	1,392	0
Vital Statistics	2,390	399	1,850	(540)
Other	16,257	4,427	15,488	(769)
TOTAL CHARGES	135,638	31,403	134,375	(1,263)
INTERFUND REVENUE	66,440	5,086	68,479	2,039
MISCELLANEOUS	9,612	2,311	11,010	1,398
TOTAL REVENUE	998,628	170,776	990,069	(8,559)
USE OF ONE-TIME RESOURCES	21,695	0	21,695	0
TOTAL RESOURCES	\$1,020,323	\$170,776	\$1,011,764	(\$8,559)

**GENERAL FUND
FORECAST OF FY 2009-10 EXPENDITURES
AS OF DECEMBER 31, 2009
(000s)**

DEPARTMENT	BUDGET	EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
Building Services	\$27,789	\$9,779	\$27,380	(\$409)
Business Dev/Procurement Svcs	\$3,304	\$688	\$3,297	(\$8)
City Attorney's Office	\$10,332	\$2,689	\$10,332	\$0
City Auditor's Office	\$2,254	\$527	\$2,227	(\$27)
City Controller's Office	\$7,210	\$1,622	\$7,176	(\$34)
City Manager's Office	\$1,872	\$532	\$1,722	(\$151)
City Secretary's Office	\$1,516	\$311	\$1,616	\$100
Civil Service	\$1,223	\$322	\$1,259	\$36
Code Compliance	\$28,399	\$6,429	\$27,991	(\$407)
Court Services	\$11,065	\$2,272	\$10,980	(\$86)
Elections	\$83	\$21	\$83	\$0
Fire	\$201,252	\$51,977	\$200,792	(\$460)
Housing / Community Services	\$7,703	\$4,911	\$7,960	\$257
Human Resources	\$3,304	\$948	\$3,157	(\$147)
Independent Audit	\$1,253	\$0	\$1,253	\$0
Judiciary	\$2,856	\$730	\$2,792	(\$64)
Library	\$22,116	\$6,122	\$22,215	\$99
Management Services	\$3,250	\$2,438	\$2,982	(\$268)
Mayor and Council	\$3,718	\$806	\$3,776	\$59
Non-Departmental	\$23,798	\$1,973	\$23,717	(\$81)
Office of Cultural Affairs	\$12,145	\$4,796	\$11,978	(\$166)
Office of Economic Development	\$2,633	\$844	\$2,526	(\$108)
Office of Financial Services	\$1,585	\$405	\$1,560	(\$25)
Park and Recreation	\$65,521	\$17,827	\$66,099	\$578
Police	\$412,955	\$98,157	\$416,644	\$3,689
Public Works and Transportation	\$18,428	\$7,200	\$16,145	(\$2,283)
Sanitation Services	\$74,461	\$17,595	\$71,899	(\$2,563)
Street Lighting	\$16,977	\$15,446	\$16,977	\$0
Street Services	\$28,110	\$7,030	\$27,535	(\$576)
Sustainable Dev/Construction	\$1,535	\$610	\$1,472	(\$63)
Trinity Watershed Management	\$1,645	\$1,585	\$638	(\$1,007)
<u>OTHER</u>				
Appraisal Districts	\$3,355	\$3,239	\$3,355	\$0
Dallas County Tax Collection	\$554	\$0	\$554	\$0
Jail Contract - Lew Sterrett	\$7,222	\$7,222	\$7,222	\$0
Fuel Savings (to be allocated)	\$0	\$0	(\$3,479)	(\$3,479)
<u>RESERVES AND TRANSFERS</u>				
Contingency Reserve	\$200	\$0	\$200	\$0
Liability/Claims Fund	\$8,305	\$0	\$7,305	(\$1,000)
Salary and Benefit Reserve	\$395	\$0	\$395	\$0
EXPENDITURES	\$1,020,323	\$277,057	\$1,011,730	(\$8,593)

**PROPRIETARY FUNDS
FORECAST OF FY 2009-10 REVENUES AND EXPENDITURES
AS OF DECEMBER 31, 2009
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<u>Aviation</u>				
Revenues	\$42,489	\$10,887	\$42,593	\$105
Expenses	\$41,926	\$6,454	\$41,784	(\$142)
Net Excess of Revenues Over Expenses/Transfer	\$563	\$4,433	\$810	(\$247)
<u>Convention Center</u>				
Revenues	\$60,076	\$6,237	\$57,527	(\$2,549)
Expenses	\$61,347	\$11,152	\$60,182	(\$1,165)
Net Excess of Revenues Over Expenses/Transfer	(\$1,271)	(\$4,915)	(\$2,655)	\$1,384
<u>Municipal Radio Fund</u>				
Revenues	\$2,919	\$748	\$2,794	(\$125)
Expenses	\$3,120	\$889	\$3,026	(\$94)
Net Excess of Revenues Over Expenses/Transfer	(\$201)	(\$141)	(\$232)	\$31
<u>Sustainable Dev/ Construction</u>				
Revenues	\$16,583	\$4,143	\$16,344	(\$239)
Expenses	\$16,019	\$3,085	\$16,196	\$177
Net Excess of Revenues Over Expenses/Transfer	\$564	\$1,058	\$149	\$416
<u>Water Utilities</u>				
Revenues	\$530,365	\$108,898	\$510,967	(\$19,399)
Expenses	\$530,365	\$82,820	\$510,967	(\$19,399)
Net Excess of Revenues Over Expenses/Transfer	\$0	\$26,078	\$0	\$0
<u>Communication & Information Svcs</u>				
Revenues	\$48,266	\$40	\$46,856	(\$1,410)
Expenses	\$48,434	\$16,474	\$48,473	\$39
Net Excess of Revenues Over Expenses/Transfer	(\$168)	(\$16,434)	(\$1,617)	\$1,449

**PROPRIETARY FUNDS
FORECAST OF FY 2009-10 REVENUES AND EXPENDITURES
AS OF DECEMBER 31, 2009
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<u>Equipment Services</u>				
Revenues	\$48,026	\$7,118	\$45,724	(\$2,302)
Expenses	<u>\$47,885</u>	<u>\$18,228</u>	<u>\$46,325</u>	<u>(\$1,559)</u>
Net Excess of Revenues Over Expenses/Transfer	<u>\$142</u>	<u>(\$11,109)</u>	<u>(\$602)</u>	<u>\$743</u>
<u>Office Services</u>				
Revenues	\$4,266	\$1,104	\$4,194	(\$73)
Expenses	<u>\$4,384</u>	<u>\$1,155</u>	<u>\$4,518</u>	<u>\$134</u>
Net Excess of Revenues Over Expenses/Transfer	<u>(\$117)</u>	<u>(\$50)</u>	<u>(\$324)</u>	<u>\$207</u>

**OTHER FUNDS
FORECAST OF FY 2009-10 REVENUES AND EXPENDITURES
AS OF DECEMBER 31, 2009
(000s)**

DEPARTMENT	BUDGET	REVENUES AND EXPENDITURES YEAR TO DATE	YEAR-END FORECAST	BUDGET VS FORECAST VARIANCE
<u>Employee Benefits</u>	\$724	\$74	\$722	(\$2)
<u>Risk Management</u>	\$1,264	\$295	\$1,264	\$0
<u>9-1-1 System Operations</u>				
Revenues	\$12,161	\$3,890	\$13,142	\$982
Expenses	<u>\$13,965</u>	<u>\$2,221</u>	<u>\$14,957</u>	<u>\$992</u>
Net Excess of Revenues				
Over Expenses/Transfer	<u>(\$1,804)</u>	<u>\$1,669</u>	<u>(\$1,815)</u>	<u>\$11</u>
<u>Storm Water Drainage</u>				
Revenues	\$44,674	\$11,644	\$45,390	\$716
Expenses	<u>\$44,674</u>	<u>\$1,272</u>	<u>\$44,674</u>	<u>\$0</u>
Net Excess of Revenues				
Over Expenses/Transfer	<u>\$0</u>	<u>\$10,372</u>	<u>\$716</u>	<u>(\$716)</u>

**DEBT SERVICE FUND
FORECAST OF 2009-10 REVENUES AND EXPENDITURES
AS OF DECEMBER 31, 2009
(000s)**

<u>DEBT SERVICE</u>	<u>BUDGET</u>	<u>EXPENDITURES AND REVENUES YEAR TO DATE</u>	<u>YEAR-END FORECAST</u>	<u>BUDGET VS FORECAST VARIANCE</u>
Beginning Balance	\$30,458	\$0	\$30,458	\$0
Revenues	\$261,586	\$141,605	\$261,586	\$0
Expenses	\$289,164	\$27,230	\$289,164	\$0
Ending Balance	<u>\$2,880</u>	<u>\$114,375</u>	<u>\$2,880</u>	<u>\$0</u>

CONTINGENCY RESERVE STATUS

Beginning Balance October 1, 2009	\$5,123,005
Non-Departmental - Reimbursable deposit with the Texas Comptroller of Public Accounts Major Events Trust Fund for activities related to the 2010 NBA All-Star Game (October 28, 2009, CR# 09-2671)	(\$1,730,000)
City Secretary's Office - Implementation of the lobbyist registration program (November 9, 2009, CR# 09-2833)	(\$134,769)
Building Services - Security enhancements at City Hall (February 24, 2010, CR# 10-0532)	(\$331,000)
 Balance as of March 5, 2010	 <u>\$2,927,236</u>

LIABILITY/CLAIMS FUND

Beginning Balance October 1, 2009	\$10,025,299
Paid October 2009	(\$217,299)
Paid November 2009	(\$747,600)
Paid December 2009	(\$304,906)
Balance as of December 31, 2009	<u><u>\$8,755,494</u></u>