



**FARMERS
BRANCH**

MEMORANDUM

FINANCE

TO: Mayor Tim O'Hare and the
City Council

THRU: Gary D. Greer
City Manager

gre **FROM:** Charles S. Cox
Director of Finance

DATE: January 11, 2011

SUBJECT: Financial Report – December 2010

Attached are the December 2010 Revenue and Expenditure reports. Revenues for this report include a column entitled "Expected as % of Budget Year-to-Date." This column, used only for revenues with budgets exceeding \$200,000, is used to more quickly identify revenue fluctuations based on a five-year historical trend.

The attached Pooled Cash and Investments report represents cash and investment totals by fund as of the end of December 2010.

CSC/sp

attachments

**City of Farmers Branch
Portfolio Summary Report
Quarter ending 12/31/10**

This quarterly report is in full compliance with the City of Farmers Branch's investment strategy as established for operating and pooled funds and the Public Funds Investment Act (Chapter 2256). Beginning period information is as of September 30, 2010.

Beginning Book Value	\$40,226,410
Beginning Market Value	\$40,272,333
WAM ¹ at Beginning Date	198 days
Ending Book Value	\$37,293,313
Ending Market Value	\$37,274,995
Unrealized Gain/(Loss)	\$ (18,318)
WAM at Ending Date	207 days
Change in Market Value	\$ (2,997,338) ²

Yield Calculated on Weighted Average of Total Portfolio's Average Daily Balance	.739%
Fiscal Year to Date Average Monthly Yield	.723%
207 Day T-Bill at Dec. 31, 2010	0.191%

¹ WAM = Weighted Average Maturity

² Change in market value is due primarily to cash flow changes or new investments and investment maturities during the period. Cash from maturing investments is either reinvested or used to pay the City's bills.

The City follows a policy of holding investments to maturity. This policy would prevent any unrealized loss (or gain) noted above from actually occurring.

Approved by:



Charles S. Cox
Director of Finance

The City of Farmers Branch
Investment Portfolio
December 31, 2010

Trade Date	Maturity Date	Rating	CUSIP	Type	Broker/Dealer	Weighted Average Maturity	Coupon	Yield	PAR Value	Purchase Principal	Market Value 12/31/2010	Current Book Value	Unrealized Gain/(Loss)	Accrued Interest Receivable	Percent of Total Portfolio
Jan-20-2010	Jan-01-2011	A+/A1	4521518R7		State of Illinois, G.O. Morgan Keegan	0	1.823%	1.151%	3,000,000	3,018,930	3,000,000	3,000,789	(789)	22,788	8.04%
Oct-29-2009	Jun-01-2011	AAA	161035AZ3		City of Charlotte, G.O. BOSC/Bank of Tx	33	3.000%	0.940%	3,000,000	3,097,200	3,027,270	3,026,730	540	0	8.04%
Jul-01-2010	Jul-01-2011	A+/A1	452152FQ8		State of Illinois, G.O. Vining Sparks	57	1.750%	1.420%	4,300,000	4,314,061	4,296,646	4,308,202	(11,556)	31,877	11.52%
Nov-02-2010	Nov-01-2011	AA	557738FX4		Madison Ill Cmnty Coll G.O. BOSC/Bank of Tx	27	4.000%	0.321%	1,900,000	1,233,554	1,220,607	1,228,110	(7,503)	6,894	3.19%
Dec-20-2010	Oct-01-2011	A/A1	981305VX0		Worcester, MA GO BOSC	31	5.250%	0.541%	1,500,000	1,554,930	1,551,150	1,552,184	(1,034)	21,700	4.82%
Nov-02-2010	Apr-01-2012	AA	20772GGT9		Connecticut St. G.O. BOSC/Bank of Tx	24	5.000%	0.420%	675,000	718,531	711,761	714,690	(2,929)	7,563	1.21%
TOTAL MUNICIPAL OBLIGATIONS						172	2.781%	1.014%	13,665,000	13,937,206	13,807,433	13,830,704	(23,271)	90,821	36.61%
Aug-12-2010	Aug-11-2011		10037434Z6		CDAR (1-yr) BOSC/Bank of Tx	174	0.350%	0.350%	2,200,000	2,200,000	2,200,000	2,200,000	0	2,962	5.89%
Nov-02-2010	Nov-02-2011		10037434Z6		CDAR (1-yr) BOSC/Bank of Tx	67	0.280%	0.280%	620,000	620,000	620,000	620,000	0	217	1.66%
TOTAL CERTIFICATES OF DEPOSITS						241	0.335%	0.335%	2,820,000	2,820,000	2,820,000	2,820,000	0	3,179	7.56%
Aug-26-2010	Mar-07-2011		3136F57J8		FNMA-Called 03/07/2011 Deutsche Bank	4	5.000%	0.373%	1,000,000	1,024,500	1,008,220	1,008,750	(530)	12,500	2.68%
Aug-26-2010	Mar-15-2011		31359MHK2		FNMA Deutsche Bank	12	5.500%	0.222%	3,000,000	3,087,417	3,033,150	3,031,220	1,930	41,250	8.04%
Jun-24-2010	Mar-23-2011		31398AVQ2		FNMA Vining Sparks	19	1.750%	0.360%	4,300,000	4,344,548	4,315,867	4,312,374	3,493	18,812	11.52%
Oct-29-2010	May-27-2011		3133XVTL5		FHLB Vining Sparks	13	0.700%	0.212%	1,640,000	1,644,618	1,643,657	1,642,969	688	957	4.39%
Sep-24-2008	Sep-09-2011		3133XRY46		FHLB Morgan Keegan	14	3.750%	3.516%	1,000,000	1,006,440	1,023,330	1,001,521	21,809	9,375	2.68%
Jun-24-2010	Sep-30-2011		31331JTM5		FFCB Vining Sparks	64	0.650%	0.550%	4,300,000	4,305,805	4,305,805	4,300,000	5,805	5,913	11.52%
Dec-15-2010	Dec-01-2011		313371WV4		FHLB Vining Sparks	29	0.300%	0.345%	1,600,000	1,599,317	1,598,384	1,599,945	(961)	541	4.29%
Oct-28-2010	May-18-2012		3133XXPV3		FHLB Morgan Keegan	33	1.125%	0.367%	1,175,000	1,188,806	1,184,365	1,186,990	(2,625)	1,102	3.15%
Nov-03-2004	May-15-2029		31359YBH9		FNMA Wells Fargo	67	0.000%	5.620%	470,000	120,658	183,338	207,994	(24,656)	0	1.26%
TOTAL AGENCY OBLIGATIONS						256	2.061%	0.673%	18,485,000	18,316,305	18,296,116	18,291,163	4,953	90,450	49.53%
Dec-31-2010	Dec-31-2010				Repo/Merrill-Flex(cash	1	0.140%	0.140%	2,351,446	2,351,446	2,351,446	2,351,446	0	0	6.30%
TOTAL REPO AGREEMENTS (Collateralized)						1	0.140%	0.140%	2,351,446	2,351,446	2,351,446	2,351,446	0	0	6.30%
TOTAL INVESTMENTS							2.073%		37,321,446	37,424,956	37,274,995	37,293,313	(18,318)	184,449	100.00%

This Month's Yield Calculated on Weighted Average of Total Portfolio
 Year to Date Average Monthly Yield through December 31, 2010 0.739%
 207 Day T-Bill Dated As of Jul-2011 0.191%
 Portfolio Weighted Average Maturity (WAM) in Days 207
 Portfolio Market to Book Value Percentage Gain/Loss -0.05%
 All securities are recorded in a commingled pool entitled "Pooled Equity Fund".

For purposes of this report, all repurchase agreements are assumed to mature as of the reporting period end date.
 Key: TB = US Treasury Bill, TN = US Treasury Note, FHLB = Federal Home Loan Bank Note, Repo = Repurchase Agreement, FFCB = Federal Farm Credit Bank Note, FNDN = Fannie Mae Discount Note, SLMA = Student Loan Marketing Association Note, FNMA = Fannie Mae Note, FHLMC = Freddie Mac, FAMCA = Farmer Mac Note

ALL INSTRUMENTS ARE HELD TO MATURITY
 Director of Finance

Pooled Cash and Investments
Including Premiums/(Discounts)

December, 2010 (unaudited)



Cash and Investments

**FARMERS
BRANCH**

<u>Fund No.</u>	<u>Fund Name</u>	<u>Dec-30-2009</u>	<u>Oct-01-2010</u>	<u>Dec-30-2010</u>
General Fund:				
101	General	\$3,723,728	\$7,025,532	\$4,866,927
102	Payroll	396,220	775,175	573,748
103	Fixed Assets	665,456	238,636	342,007
Sub-Total		<u>4,785,404</u>	<u>8,039,343</u>	<u>5,782,682</u>
Special Revenue Fund:				
201	Hotel-Motel	1,691,473	927,219	890,789
202	Police Forfeitures	31,885	27,170	27,117
203	Special Revenue Donations	146,383	151,628	137,791
204	Dividend	0	0	0
205	Youth Scholarship	22,419	24,751	22,138
206	Grant	50,518	59	13,337
207	Building Security	176,904	204,609	179,354
208	LF Closure/Post Closure	8,513,347	7,968,253	7,637,191
209	Court Technology Fund	246,686	244,110	244,378
210	Local Law Enforcement Block Grant	0	0	0
211	Stars Center	1,066,462	1,081,685	1,090,643
212	Cemetery	143,222	131,826	126,902
213	Legal Defense	0	0	0
214	Photographic Light System	162,108	231,943	205,469
215	Dangerous Structures		3,047,544	3,037,589
222	Police Forfeitures - Federal	219,419	198,874	192,410
233	Fixed Assets	177,301	27,611	22,083
Sub-Total		<u>12,648,127</u>	<u>14,267,280</u>	<u>13,827,190</u>
Capital Fund:				
301	Non-Bond Capital Improvement Programs	2,510,907	2,005,508	1,606,080
302	DART	558,051	1,034,083	909,475
303	Hotel/Motel Capital Improvement	34,366	7,621	7,583
304	* PID Debt Service	0	0	0
305	Hotel/Motel Bond	0	0	0
306	Street Improvement/Animal Shelter	453,555	58,183	21,899
307	Fire Station	0	4,385,967	4,173,527
308	Dangerous Structures	3,008,099	0	0
313	Non-Bond Convention Center		0	0
318	Street Bond		0	0
321	Stars/Conference Cntr Bond		0	0
324	Drainage Bond		0	0
325	Water Bond		0	0
326	* Sewer Interceptor Bond		0	0
327	* Non-Bond Utility fund	6,808,244	6,671,674	6,430,681
328	TIF District #1	1,791,621	5,305	(133,305)
329	TIF District #2	217,473	161,607	95,038
Sub-Total		<u>15,382,314</u>	<u>14,329,949</u>	<u>13,110,977</u>
Debt Service Fund:				
401	Debt Service	601,284	395,140	1,523,144
402	Debt Service Convention Center	209,779	99,803	211,328
403	Stars Center	(169,689)	82,061	(170,216)
Sub-Total		<u>641,374</u>	<u>577,004</u>	<u>1,564,256</u>
Enterprise Fund:				
501	Water And Sewer	2,628,110	1,833,986	1,478,885
503	Fixed Assets	218,848	247,992	263,503
Sub-Total		<u>2,846,958</u>	<u>2,081,978</u>	<u>1,742,388</u>
Internal Service Fund:				
601	Internal Services	43,383	74,417	(5,969)
602	Worker's Comp	1,043,776	719,832	708,241
603	Fixed Assets	74,900	73,261	73,261
604	Health Claims	0	0	(22,404)
Sub-Total		<u>1,162,059</u>	<u>867,510</u>	<u>775,533</u>
GRAND TOTAL		<u><u>\$37,466,235</u></u>	<u><u>\$40,163,065</u></u>	<u><u>\$36,803,026</u></u>

* Reported in Enterprise Fund at year-end.

**GENERAL FUND
STATEMENT OF REVENUE
December 2010
(UNAUDITED)**

	ADOPTED BUDGET 2010-11	ACTUAL REVENUES Y-T-D 12/31/10	ACTUAL AS % OF BUDGET (Y-T-D)	EXPECTED AS % OF BUDGET (Y-T-D)	ACTUAL AS % OF EXPECTED (Y-T-D)
<u>TAXES</u>					
PROPERTY - CURRENT	\$18,418,600	\$4,509,053	24.48%	19.00%	128.85%
PROPERTY - PRIOR YEAR	50,000	-35,045	-70.09%		
SALES & USE TAXES	11,966,000	2,834,494	23.69%	26.00%	91.11%
MIXED BEVERAGE	60,000	15,217	25.36%		
FRANCHISE FEES	4,718,000	981,790	20.81%	25.00%	83.24%
PENALTIES & INTEREST	150,000	12,174	8.12%		
SUB-TOTAL	\$35,362,600	\$8,317,683	23.52%	22.00%	106.91%
<u>LICENSES & PERMITS</u>					
HEALTH	\$25,000	\$9,800	39.20%		
BUILDING	343,000	114,553	33.40%	22.00%	151.81%
PLUMBING	45,000	15,750	35.00%		
ELECTRICAL	50,000	19,562	39.12%		
HVAC	40,000	11,444	28.61%		
MULTI-FAMILY INSPECTION	197,000	3,560	1.81%		
SUB-TOTAL	\$700,000	\$174,669	24.95%	24.00%	103.97%
<u>CHARGES FOR SERVICES</u>					
ZONING	\$16,500	\$1,980	12.00%		
PRINTING & DUPLICATING	16,500	2,391	14.49%		
POLICE SERVICES	115,000	5,621	4.89%		
AMBULANCE & 911 SERVICES	1,250,000	326,165	26.09%	25.00%	104.37%
REFUSE SERVICES	1,527,600	344,901	22.58%	17.00%	132.81%
HEALTH & INSPECTION FEE	30,000	5,880	19.60%		
ANIMAL CONTROL & SHELTER	28,200	7,176	25.45%		
SWIMMING POOL FEES	45,000	1	0.00%		
SENIOR CENTER FEES	44,000	6,096	13.85%		
PARKS & REC CONCESSIONS	175,000	32,802	18.74%		
BUILDING USE FEES	520,000	73,633	14.16%	25.00%	56.64%
SUB-TOTAL	\$3,767,800	\$806,646	21.41%	22.00%	97.31%
<u>FINES, FORFEITS & ASSESSMENTS</u>					
COURT	\$2,297,000	\$510,824	22.24%	22.00%	101.09%
LIBRARY	142,500	28,472	19.98%		
SUB-TOTAL	\$2,439,500	\$539,296	22.11%	22.00%	100.49%

**GENERAL FUND
STATEMENT OF REVENUE
December 2010
(UNAUDITED)**

	ADOPTED BUDGET 2010-11	ACTUAL REVENUES Y-T-D 12/31/10	ACTUAL AS % OF BUDGET (Y-T-D)	EXPECTED AS % OF BUDGET (Y-T-D)	ACTUAL AS % OF EXPECTED (Y-T-D)
<u>INTEREST/RENTS/CONTRIBUTIONS</u>					
INTEREST	\$200,000	\$18,454	9.23%	28.00%	32.95%
RENTS	391,000	146,926	37.58%	25.00%	150.31%
SUB-TOTAL	\$591,000	\$165,380	27.98%	26.00%	107.63%
<u>MISCELLANEOUS</u>					
MISCELLANEOUS	\$119,900	\$10,271	8.57%		
RECYCLING	10,000	1,630	16.30%		
INSURANCE RECOVERY	21,500	11,912	55.40%		
SUB-TOTAL	\$151,400	\$23,813	15.73%	25.00%	62.91%
GRAND TOTAL	\$43,012,300	\$10,027,487	23.31%	22.00%	105.97%

**PUBLIC UTILITY FUND
STATEMENT OF REVENUE
December 2010
(UNAUDITED)**

	ADOPTED BUDGET 2010-11	ACTUAL REVENUES Y-T-D 12/31/10	ACTUAL AS % OF BUDGET (Y-T-D)	EXPECTED AS % OF BUDGET (Y-T-D)	ACTUAL AS % OF EXPECTED (Y-T-D)
<u>INTEREST/RENTS/CONTRIBUTIONS</u>					
INTEREST	\$75,000	\$3,471	4.63%	25.00%	18.51%
SUB-TOTAL	\$75,000	\$3,471	4.63%	25.00%	18.51%
<u>MISCELLANEOUS</u>					
RECONNECTS/SVC CHARGE	\$41,000	\$12,700	30.98%		
LATE FEES	130,000	50,106	38.54%		
MISCELLANEOUS	2,800	1,521	54.32%		
SUB-TOTAL	\$173,800	\$64,327	37.01%	25.00%	148.05%
<u>WATER/SEWER SALES</u>					
WATER SALES	\$10,982,700	\$2,586,653	23.55%	27.00%	87.23%
SEWER SERVICE	4,096,600	980,815	23.94%	26.00%	92.09%
ADDISON SEWER	18,000	5,185	28.81%		
BACKFLOW PROGRAM	25,000	3,640	14.56%		
TAPPING FEES	2,000	1,272	63.60%		
SUB-TOTAL	\$15,124,300	\$3,577,565	23.65%	25.00%	94.62%
GRAND TOTAL	\$15,373,100	\$3,645,363	23.71%	27.00%	87.82%

**HOTEL/MOTEL FUND
STATEMENT OF REVENUE
December 2010
(UNAUDITED)**

	ADOPTED BUDGET 2010-11	ACTUAL REVENUES Y-T-D 12/31/10	ACTUAL AS % OF BUDGET (Y-T-D)	EXPECTED AS % OF BUDGET (Y-T-D)	ACTUAL AS % OF EXPECTED (Y-T-D)
<u>OTHER TAXES</u>					
HOTEL/MOTEL TAX	\$1,912,000	\$499,117	26.10%	26.00%	100.40%
SUB-TOTAL	<u>\$1,912,000</u>	<u>\$499,117</u>	<u>26.10%</u>	<u>26.00%</u>	<u>100.40%</u>
<u>INTEREST/RENTS/CONTRIBUTIONS</u>					
INTEREST & RENTS	\$35,000	\$5,422	15.49%		
SUB-TOTAL	<u>\$35,000</u>	<u>\$5,422</u>	<u>15.49%</u>	<u>25.00%</u>	<u>61.97%</u>
<u>SPECIAL REVENUES</u>					
MISCELLANEOUS	\$6,500	\$235	3.62%		
HISTORICAL PARK RENTALS	15,000	2,223	14.82%		
HISTORICAL PARK TEAS	5,300	6,225	117.45%		
SIGNATURE EVENT	176,500	3,772	2.14%		
SUB-TOTAL	<u>\$203,300</u>	<u>\$12,455</u>	<u>6.13%</u>	<u>6.00%</u>	<u>102.11%</u>
GRAND TOTAL	<u><u>\$2,150,300</u></u>	<u><u>\$516,994</u></u>	<u><u>24.04%</u></u>	<u><u>26.00%</u></u>	<u><u>92.47%</u></u>

**GENERAL FUND
STATEMENT OF EXPENDITURES
December 2010
(UNAUDITED)**

DIVISION	ADOPTED BUDGET 2010-11	ACTUAL EXPENDITURES AND ENCUMBRANCES 12/31/10	ACTUAL AS % OF BUDGET (Y-T-D)
GENERAL GOVERNMENT	\$125,200	\$24,310	19.42%
GENERAL CONTRACTS	208,500	208,500	100.00%
ADMINISTRATION	1,065,400	256,999	24.12%
LEGAL	535,400	69,877	13.05%
NON-DEPARTMENTAL	(2,620,700)	(558,203)	21.30%
COMMUNICATIONS	396,900	132,790	33.46%
ECONOMIC DEVELOPMENT	300,000	58,744	19.58%
HUMAN RESOURCES	699,900	150,594	21.52%
FINANCE ADMINISTRATION	691,400	222,511	32.18%
ACCOUNTING	564,000	128,105	22.71%
INFORMATION SERVICES	1,239,500	353,698	28.54%
PURCHASING	108,100	25,816	23.88%
COMMUNITY SERVICES ADMIN.	535,000	125,172	23.40%
BUILDING INSPECTION	923,300	229,474	24.85%
ENVIRONMENTAL HEALTH	866,700	196,442	22.67%
ENGINEERING	990,800	311,988	31.49%
TRAFFIC	1,050,300	220,826	21.03%
PUBLIC WORKS ADMINISTRATION	438,700	109,169	24.88%
SOLID WASTE COLLECTION	1,862,100	354,095	19.02%
STREET MAINTENANCE	2,081,200	447,178	21.49%
POLICE ADMINISTRATION	1,022,900	243,031	23.76%
POLICE INVESTIGATIONS	1,727,100	387,533	22.44%
POLICE PATROL	5,772,900	1,377,910	23.87%
POLICE DETENTION	1,032,500	261,322	25.31%
POLICE COMMUNICATIONS	1,784,500	453,720	25.43%
POLICE TRAINING	225,100	60,890	27.05%
MUNICIPAL COURT	515,100	111,601	21.67%
FIRE ADMINISTRATION	917,400	300,087	32.71%
FIRE PREVENTION	454,300	113,706	25.03%
FIRE OPERATIONS	7,573,600	1,844,073	24.35%
BUILDING MAINTENANCE	1,151,000	494,942	43.00%
PARKS & RECREATION ADMIN.	565,800	144,666	25.57%
PARK MAINTENANCE	4,005,400	997,429	24.90%
RECREATION	1,568,800	360,751	23.00%
SWIMMING POOL	223,100	7,013	3.14%
SENIOR CENTER	570,900	146,582	25.68%
PARK BOARD	4,800	1,374	28.63%
SENIOR ADVISORY BOARD	4,800	725	15.10%
CHRISTMAS	199,500	89,021	44.62%
LIBRARY	1,646,800	370,798	22.52%
GRAND TOTAL	<u>\$43,028,000</u>	<u>\$10,835,259</u>	<u>25.18%</u>

PUBLIC UTILITY FUND
STATEMENT OF EXPENDITURES
December 2010
(UNAUDITED)

DIVISION	ADOPTED BUDGET 2010-11	ACTUAL EXPENDITURES AND ENCUMBRANCES 12/31/10	ACTUAL AS % OF BUDGET (Y-T-D)
ADMINISTRATION	\$3,091,500	\$766,935	24.81%
OPERATIONS	<u>11,490,800</u>	<u>2,441,124</u>	<u>21.24%</u>
GRAND TOTAL	<u><u>\$14,582,300</u></u>	<u><u>\$3,208,059</u></u>	<u><u>22.00%</u></u>

HOTEL/MOTEL FUND
STATEMENT OF EXPENDITURES
December 2010
(UNAUDITED)

DIVISION	ADOPTED BUDGET 2010-11	ACTUAL EXPENDITURES AND ENCUMBRANCES 12/31/10	ACTUAL AS % OF BUDGET (Y-T-D)
HISTORICAL PRESERVATION	\$1,017,000	\$262,861	25.85%
PROMOTION OF TOURISM	887,500	358,497	40.39%
CONVENTION CENTER	<u>478,000</u>	<u>112,854</u>	<u>23.61%</u>
GRAND TOTAL	<u><u>\$2,382,500</u></u>	<u><u>\$734,212</u></u>	<u><u>30.82%</u></u>