



**CITY OF HOUSTON**  
Administration and Regulatory Affairs Department  
Strategic Purchasing Division

**Annise D. Parker**  
Mayor

Calvin D. Wells, Deputy Director  
City Purchasing Agent  
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March 29, 2013

**SUBJECT:** Letter of Clarification No.1 Professional Auditing Services for the Finance Department

**REFERENCE:** Request for Proposal No. S37-T24529

**TO:** All Prospective Proposers:

This Letter of Clarification is issued for the following reasons:

• **The following questions and City of Houston responses are hereby incorporated and made a part of the Request for Proposal:**

1. In 3.0 Duties of Auditor:

- a. What were the amounts paid and budgeted for Basic Services by Task over the past two years (e.g. Task 1, Task 2, and Task 3.)?
- b. What were the hours charged by the provider for Basic Services by Task over the past two years (e.g. Task 1, Task 2, and Task 3.)?

**Answer:**

a.	Amount paid:	FY 2012 – \$1,670,278.26 FY 2011 – \$1,570,549.72
b.	Hours charged:	FY2012 – 10,913 hours FY2011 – 10,219 hours

2. On 4.0 Special Services:

- a. Does the COH know the number of instances of Special Services that might be expected in an annual period?
- b. Which of the services have been performed consistently over the past several years?
- c. What were the amounts paid and budgeted for Special Services over the past two years?
- d. What were the hours charged by the provider for these Special Services over the past two years?

**Answer:**

- a. Special services are used to audit the official statements issued for investors on the City's bond transactions and we issue maybe 5-10 of these a year.

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- b. City uses special services to audit the official statements issued for investors on the City's bond transactions. (*Same as question #17 below*)
- c. Amount paid:           FY 2012 – \$35,455  
                                  FY 2011 – \$66,702
- d. Hours charged:        FY 2012 – 115 hours  
                                  FY 2011 – 241 hours

3. For M/WBE requirements:

- a. What has been the percentage achieved on the total contract over the past two years?
- b. What were the hours charged by the M/WBE provider on the total contract over the past two years?

**Answer:**

- a. The percentage has consistently been over 24% until recently for MWBE participation.
- b. FY 2012 – 4,096 subcontractor hours  
   FY 2011 – 3,694 subcontractor hours

4. How many separate auditors work on components or component units that will go in the COH CAFR?

**Answer:**     The number of component units, 37; number of audit firms, 9.  
(*Same as question #35*)

5. Does the COH provide internal audit assistance to reduce professional hours of provider? If so, what areas of the Basic Services requirement(s) will be impacted and how many hours will be planned by the COH?

**Answer:**     In the past years the City's Internal Audit department's assistance has varied and is dependent on available resources. Please submit proposal anticipating no assistance from the internal audit department. (*Same as question #31*)

6. Our partnership is privately held and we do not release our financial statements, nor are they audited. Will this be an issue for proposal minimum content requirements?

**Answer:**     In addition to your audited financial statements, you are asked to *include your Dunn & Bradstreet Report or Federal Tax Forms filed to the Internal Revenue Service (IRS) for the past two years.*

It will be considered when deciding the total number of points your firm receives under the "Expertise/Experience/Qualifications" criteria section of the scorecard.

7. Does the 10000 hour budget mentioned in the RFP include all component unit audits or simply Deloitte's budget?

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**Answer:** Deloitte's budget.

8. Provide copy of most recent compliance audit of management controls on investments.

**Answer:** Deloitte does test for compliance with the Public Funds Investment Act and includes RTM comments if violations are evident, but standalone reports are not issued. (Same as question #15)

9. Provide copy of most recent financial assurance report submitted to Texas Commission on Environmental Quality.

**Answer:** Please see attached report at the end of this Letter of Clarification 1. (Same as question #16)

10. Provide copy of most recent management recommendations letter prepared by auditor and referenced in the Single Audit report.

**Answer:** Please see attached report at the end of this Letter of Clarification 1. (Same as question 29)

11. What are the nature and extent of anticipated additional special services that will require travel out of Harris County?

**Answer:** The special services used to audit the official statements do not require travel.

12. Identify the nature and scope of the quality control reviews to be performed by The Auditor. (How many firms; are these limited to desk reviews; do these relate to component unit auditors of the City).

**Answer:** There have not been any such reviews in recent years. If they were to occur they would be limited to component unit audits.

13. Provide copy of the most recent Houston Airport System CAFR or a link to where it can be found on your website.

**Answer:** Please use the link below to access Houston Airport System CAFR Report.

<http://www.fly2houston.com/0/3528011/0/0/>

14. From the timeline presented in the RFP, has this timeline been met in past audits and if not, what were some of the major issues preventing the timeline from being met?

**Answer:** The timelines presented in the RFP are new for FY2014 audits. In the past years, the audits were completed by December 31.

15. Pg. 16 – Section 3.1.1.3 – Has a separate report been issued related to the review of the compliance with management controls on investments? Do results of the review actually get reported to the investment committee? If so, what format?

**Answer:** Please refer to response to Question #8.

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16. Pg. 18 – 3.1.1.13.3 – When is the TCEQ letter available for review? Did not see timing in Section 7.0 – Timing of Performance?

**Answer:** The TCEQ letter cannot be prepared until the audit numbers are finalized. Please refer to response to Question #9.

17. Pg. 20 – Have any of these special services been performed in the past? If so, which ones?

**Answer:** Please refer to response to Question #2.b.

18. Pg. 22 – Section 7.2.1.4 – What are the requirements for Opinion on Bond Compliance? Did not see outlined in the Basic Services section of the RFP.

**Answer:** There is no work related to opinion on bond compliance.

19. Are the current auditors eligible to bid?

**Answer:** Yes.

20. Is the transition to a new auditor a concern? If so, why? What would lessen your concern?

**Answer:** No.

21. Are there any areas within the audit or the City's operations that impact the audit that is of special concern to management?

**Answer:** Timing to complete the audit. The City's goal is to have the audit completed by the deadline established in the RFP.

22. What are the most significant challenges incurred during the FY 2012 audit?

**Answer:** Question is too broad to answer.

23. Please describe the nature of the City of Houston's operations – centralized/decentralized?

**Answer:** City operations - decentralized.

24. How many financial systems beyond SAP are used within the City? Are these systems integrated? Is the integration automated or manual?

**Answer:** There is only one financial system in the City of Houston - SAP. There are many automatic interfaces from various systems with financial activities.

25. Does the City prepare the CAFR?

**Answer:** Yes.

26. Does the City prepare the financial statements for the Houston Airport System?

**Answer:** Yes.

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27. Does the City prepare the single audit reports, including SEFA/SESA and related footnotes?

**Answer:** Yes.

28. How would you describe the City's internal control environment?

**Answer:** Use the link below to access recent Single Audit Report.

<http://www.houstontx.gov/finance/singleaudit.html>

29. Please provide a copy of the City's most recent management letter.

**Answer:** Please refer to response to Question #10.

30. What was the nature and magnitude of any audit adjustments for the FY 2012 audit?

**Answer:** Please see attached report labeled "Question 30" at the end of this letter of clarification.

31. Does the City's Internal Audit department provide any audit assistance as part of the audit? If so, how many hours?

**Answer:** Please refer to response to Question #5 above.

32. Should pricing take into consideration the use of Internal Audit?

**Answer:** No.

33. What were the audit fees for FY 2012? What are the audit fees for 2013? Does the audit fee amount include any overrun billings?

**Answer:** FY 2012 – \$1,670,278.26. The audit fees for 2013 are unknown at this time.

34. Who is responsible for ensuring that the component units are completed in a timely manner?

**Answer:** Jointly done by Controller's Office and Finance Department.

35. How many component units are audited by other auditors?

**Answer:** Please refer to response to Question #4.

36. Has interim work been performed for the audit? If so, how long were the auditors in the field for interim and final and how many people?

**Answer:** In the recent past, there has not been any interim field work.

37. What is the expected timing of the audit, interim and final?

**Answer:** Refer to page 22, Section 7.2.1 and 7.2.2 of RFP.

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LETTER OF CLARIFICATION 1  
PROFESSIONAL AUDITING SERVICES  
SOLICITATION NO. S37-T24529

When issued, Letter(s) of Clarification shall automatically become a part of the proposal documents and shall supersede any previous specification(s) and/or provision(s) in conflict with the Letter(s) of Clarification. All revisions, responses, and answers incorporated into the Letter(s) of Clarification are collaboratively from both the Strategic Purchasing Division and the applicable City Department(s). It is the responsibility of the proposers to ensure that it has obtained all such letter(s). By submitting a proposal on this project, proposers shall be deemed to have received all Letter(s) of Clarification and to have incorporated them into this proposal.

If you have any questions or if further clarification is needed regarding this Request for Proposal, please contact me.

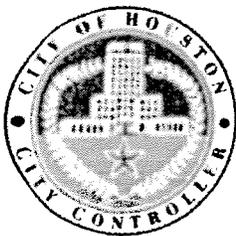
*Joyce Hays*

Joyce Hays  
Senior Procurement Specialist  
Strategic Purchasing Division  
832-393-8723

Attachments: TCEQ Letter FY12 (responses #9 and #16)  
COH FY12 - Report to Management (responses #10 and 29)  
Summary of Uncorrected Misstatements (response to question 30)

**END OF LETTER OF CLARIFICATION 1**

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OFFICE OF THE CITY CONTROLLER  
CITY OF HOUSTON  
TEXAS

January 29, 2013

Petroleum Storage Tank Registration Team (MC-138)  
Attn: Financial Assurance Group  
Texas Commission on Environmental Quality  
PO Box 13087  
Austin, Texas 78711-3087

Dear Financial Assurance Group:

I am the chief financial officer of the City of Houston, (901 Bagby, Houston, Texas). This letter is in support of the use of the local government financial test to demonstrate financial responsibility for taking corrective action and/or compensating third parties for bodily injury and property damage caused by sudden accidental releases and/or nonsudden accidental releases in the amount of at least 1 million per occurrence and 2 million annual aggregate arising from operating underground storage tanks.

Underground storage tanks at the following facilities are assured by this financial test (See attached list.).

This owner or operator has not received an adverse opinion, or a disclaimer of opinion from an independent auditor on its financial statements for the latest completed fiscal year. Any outstanding issues of general obligation or revenue bonds, if related, have a Moody's rating of Aa2, Aa, A, or Baa or a Standard and Poor's rating of AAA, AA, A, or BBB; if rated by both firms, the bonds have a Moody's rating of Aaa, Aa, A, or Baa and a Standard and Poor's rating of AAA, AA, A, or BBB.

*Part I: Basic Information*

**1. Total Revenues**

- a. Revenues \$3,981,179,000

Value of revenues excludes liquidation of investments and issuance of debt. Value includes all general fund operating and non-operating revenues, as well as all revenues from all other governmental funds including enterprise, debt service, capital projects, and special revenues, but excluding revenues to funds held in a trust or agency capacity.

- b. Subtract interfund transfers \$ 0.00
- c. Total Revenues \$3,981,179,000

## 2. Total Expenditures

- a. Expenditures \$4,281,054,000

Value consists of the sum of general fund operating and non-operating expenditures including interest payments on debt, payments for retirement of debt principal, and total expenditures from all other governmental funds including enterprise, debt service, capital projects, and special revenues.

- b. B. Subtract interfund transfers \$0.00
- c. C. Total Expenditures \$4,281,054,000

## 3. Local Revenues

- a. Total Revenues (from 1c) \$3,981,179,000
- b. Subtract total intergovernmental transfers \$0
- c. Local Revenues \$3,981,179,000

## 4. Debt Service

- a. Interest and fiscal charges \$575,580,000
- b. Add debt retirement \$-667,900,735,000
- c. Total Debt Service \$-667,325,155,000

## 5. Total Funds \$2,562,423,000

(Sum of amounts held as cash and investment securities from all funds, excluding amounts held for employee retirement funds, agency funds, and trust funds)

## 6. Population 2,145,933

*Part II: Application of Test*

## 7. Total Revenues to Population

- a. Total Revenues (from 1c) \$3,981,179,000
- b. Population (from 6) 2,145,933
- c. Divide 7a by 7b \$1,855.22
- d. Subtract 417 \$1,438.22

- e. Divide by 5,212 0.275944
- f. Multiply by 4.095 1.129991

**8. Total Expenses to Population**

- a. Total Expenses (from 2c) \$4,281,054,000
- b. Population (from 6) 2,145,933
- c. Divide 8a by 8b \$1,994.96
- d. Subtract 524 \$1,470.96
- e. Divide by 5,401 0.272350
- f. Multiply by 4.095 1.115273

**9. Local Revenues to Total Revenues**

- a. Local Revenues (from 3c) \$3,981,179,000
- b. Total Revenues (from 1c) \$3,981,179,000
- c. Divide 9a by 9b 0.897318
- d. Subtract .695 0.202318
- e. Divide by .205 0.986917
- f. Multiply by 2.840 2.802844

**10. Debt Service to Population**

- a. Debt Service (from 4c) \$-667,325,155,000
- b. Population (from 6) 2,145,933
- c. Divide 10a by 10b -310,972.04
- d. Subtract 51 -311,023.04
- e. Divide by 1,038 -299.636840
- f. Multiply by -1.866 559.122343

**11. Debt Service to Total Revenues**

- a. Debt Service (from 4c) \$-667,325,155,000
- b. Total Revenues (from 1c) \$3,981,179,000
- c. Divide 11a by 11b -167.619983
- d. Subtract .068 -167.687983
- e. Divide by .259 -647.443950
- f. Multiply by -3.533 2,287.419475

**12. Total Revenue to Total Expenses**

- a. Total Revenues (from 1c) \$3,981,179,000
- b. Total Expenses (from 2c) \$4,281,054,000
- c. Divide 12a by 12b 0.929953
- d. Subtract .910 0.019953
- e. Divide by .899 0.022195

f. Multiply by 3.458 0.076750

**13. Funds Balance to Total Revenues**

- a. Total Funds (from 5) \$2,562,423,000
- b. Total Revenues (from 1c) \$3,981,179,000
- c. Divide 13a by 13b 0.643634
- d. Subtract .891 -0.247366
- e. Divide by 9.156 -0.027017
- f. Multiply by 3.270 -0.088346

**14. Funds Balance to Total Expenses**

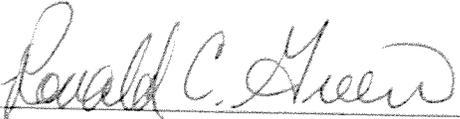
- a. Total funds (from 5) \$2,562,423,000
- b. Total Expenses (from 2c) \$4,281,054,000
- c. Divide 14a by 14b 0.598550
- d. Subtract .866 -0.267450
- e. Divide by 6.409 -0.041730
- f. Multiply by 3.270 -0.136457

**15. Total Funds to Population**

- a. Total funds (from 5) \$2,562,423,000
- b. Population (from 6) 2,145,933
- c. Divide 15a by 15b 1,194.083413
- d. Subtract 270 924.083413
- e. Divide by 4,548 0.203185
- f. Multiply by 1.866 0.379143

**16. Add 7f + 8f + 9f + 10f + 11f + 12f +13f + 14f + 15f + 4.937 2,856.758018**

I hereby certify that the financial index shown on line 16 of the worksheet is greater than zero and that the wording of this letter is identical to the wording specified in 40 CFR part 280.105 (c) as such regulations were constituted on the date shown immediately below.

  
\_\_\_\_\_  
Ronald C. Green, City Controller

Question 10  
Question 29

# City of Houston, Texas

Report to Management for the  
Year Ended June 30, 2012



Deloitte & Touche LLP  
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1111 Bagby Street  
Houston, TX 77002-4196  
USA  
Tel: +1 713 982 2000  
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December 18, 2012

City of Houston, Texas  
901 Bagby  
Houston, TX 77002

In planning and performing our audit of the financial statements of the City of Houston, Texas (the "City") as of and for the year ended June 30, 2012 (on which we have issued our report dated December 18, 2012), in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting. However, in connection with our audit, we identified, and included in the attached Appendix, deficiencies related to the City's internal control over financial reporting as of June 30, 2012, that we wish to bring to your attention.

We have also issued a separate report to the Mayor, Members of City Council, the City Controller and management, also dated December 18, 2012, which include a certain matter involving the City's internal control over financial reporting that we consider to be a significant deficiency under standards established by the American Institute of Certified Public Accountants.

The definitions of control deficiencies are also set forth in the attached Appendix.

This report is intended solely for the information and use of management and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Yours truly,

**SECTION I —DEFICIENCIES**

We identified, and have included below, deficiencies involving the City's internal control over financial reporting for the year ended June 30, 2012, that we wish to bring to your attention:

**A. RECONCILIATION AND REVIEW OF BALANCE SHEET ACCOUNTS**

The City does not regularly reconcile and review the accounts receivable sub-ledger. The lack of timely reconciliations and reviews led to adjustments in the classification of receivables.

The City does not perform consistent reconciliation and review procedures related to deferred revenue and allowance accounts. The lack of reconciliation and review led to adjustments when reconciling the general ledger to the underlying support. The City should perform regular and timely reconciliation and review of balance sheet accounts.

**B. WORKING TRIAL BALANCES**

The City prepares its working trial balances based on a period 12 soft close. A significant number of adjustments were posted to the working trial balances after the soft close. The City should review its year-end closing process and evaluate the adjustments posted after the period 12 soft close to determine the cause of such adjustments and if such adjustments could be processed prior to the period 12 soft close. In addition, the City should ensure that the working trial balances are closed in a more timely manner.

**C. FIXED ASSETS**

The City continued to improve upon the understanding and usage of the fixed asset system and subledger during fiscal year 2012. Although the City performs reconciliations and reviews annually, these reconciliations and reviews should be performed more frequently. The City should perform regular and timely reconciliations and reviews, as the lack of frequent reconciliations and reviews caused multiple material revisions of such rollforwards during the audit. Multiple revisions were due in part to the following:

- Late transfers of completed projects out of work in process (WIP)
- Inaccurate descriptions of assets

**D. COMPENSATED ABSENCES**

The compensated absences liability report did not add up properly as there was a formula error in the totals, which resulted in an initial classification error between short term and long term compensated absences. The City should increase efforts to review the liability report to ensure that it is accurate and complete.

Additionally, during our testing, we noted that the report was inappropriately considering usage of accumulated hours by employees after year-end. As a result, the City had to prepare an extensive reconciliation. The City should prepare the compensated absences report as close to year-end as possible.

## **E. DEBT**

The City generally records adjustments to debt during the period 12 soft close. However, there was a delay in recording these adjustments, and many of them were not recorded until after the end of the period 12 soft close. The City should record debt issuances, refundings and adjustments as they occur during the year.

Additionally, the City utilizes numerous spreadsheets to support debt adjustments and footnote disclosures. As a result of the delay in recording adjustments, there was a lack of timely and effective review of these spreadsheets and the general ledger, which resulted in audit adjustments and revisions to the debt roll-forward schedules, supporting schedules and footnote disclosures.

The City refunded debt during the year that was part of the notional amount of an interest rate swap. This resulted in a material adjustment to the deferred refunding gain/loss calculation and additional consideration necessary regarding the assessment of hedge effectiveness. When the City enters into unique transactions, the City should assess the impact on the financial statements in a timely manner.

## **F. NET ASSET ALLOCATION**

The City prepares the net asset allocations each year. The City did not properly allocate net assets for several funds. The City should perform a review of the calculation, as the lack of review led to adjustments to the net asset allocation for several funds.

## **G. DRAINAGE REVENUE**

Throughout the year, the City records expenditures related to street projects by debiting various expenditure accounts and crediting cash or accounts payable. At year-end, in order to capitalize the street resurfacing, bridge replacement and concrete repair projects, instead of reversing out the expenditures the City recorded a debit to the capitalized asset and a credit to revenue. The City made the entry in this manner in order to preserve the expenditure data in the accounting system. While the entry maintained the integrity of the Budget vs. Actual expenditure reports used by City, this resulted in the City's revenue and expenditures being overstated, requiring an adjustment to the City's financials. The City is pursuing an alternative method to resolve the issue next fiscal year.

## **H. SELF-INSURED HEALTH PLAN**

The current fiscal year was the first full year that the City had a self-insured health plan and the first year to have an incurred but not reported ("IBNR") actuarial valuation. During testing of the IBNR actuarial valuation, the third party provider was able to provide some underlying support for the Lag Reports. This underlying support included check registers with issued check dates and service dates for periods selected by audit team. The City should work on acquiring the lag report data in a timely basis.

## **I. SCHEDULE OF FEDERAL AND STATE AWARDS**

The City did not properly account for certain grants that it received which resulted in the initial draft of the Schedule of Federal and State Awards ("SEFA") to be misstated. The SEFA was subsequently corrected for this issue.

## **J. INFORMATION SECURITY**

During our review of information security related to the CourtView Application, we noted that while an application password is required to gaining access to the CourtView application, the password settings (password complexity, minimum password change interval, account lockout policy, etc.) are not available to be set within the CourtView application. Security surrounding the Courtview Application should be enhanced to require a separate password setting.

## SECTION II — DEFINITIONS

The definitions of a deficiency, a material weakness, and a significant deficiency are as follows:

A *deficiency* in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when (a) a properly designed control does not operate as designed, or (b) the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A *material weakness* is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

\* \* \* \* \*

Question 30

Appendix A

SUMMARY OF UNCORRECTED MISSTATEMENTS

	Assets	Liabilities	Net Assets	Income Statement
	DR (CR)	DR (CR)	DR (CR)	DR (CR)
<b><u>Governmental Activities</u></b>				
1 Extrapolated Likely Misstatement for Muni Courts Revenue	(2,464,426)			2,464,426
2 Transfer WIP into Fixed Assets	6,136,695			
	(6,136,695)			
3 Transfer WIP into Fixed Assets	2,994,782			
	(2,994,782)			
4 Transfer WIP into Fixed Assets	446,996			
	(446,996)			
<b><u>Business-Type Activities</u></b>				
1 OPEB allocation adjustment		2,140,184		(2,140,184)
2 To accrue June 2012 Parking Commission Revenue	653,965			(653,965)
3 Accrual of a WIP addition that was erroneously missed	1,409,250	(1,409,250)		
4 Extrapolated Likely Misstatement related to missing WIP accrual from # 3	3,952,608	(3,952,608)		
5 Entry to Adjust Stored Materials	1,112,260			
	(1,112,260)			
6 WIP reclassification to Expense				1,948,342
7 Combined Utility Debt Service Reclass from Other Revenue to Bonds Payable		(1,995,000)		1,995,000
<b><u>Combined Utility</u></b>				
1 Accrual of a WIP addition that was erroneously missed	1,409,250	(1,409,250)		
2 Extrapolated Likely Misstatement related to missing WIP accrual from # 3	3,952,608	(3,952,608)		
3 Entry to Adjust Stored Materials	1,112,260			
	(1,112,260)			
4 WIP reclassification to Expense				1,948,342
5 Combined Utility Debt Service Reclass from Other Revenue to Bonds Payable		(1,995,000)		1,995,000
<b><u>General Fund</u></b>				
1 Extrapolated Likely Misstatement for Muni Courts Revenue	(2,464,426)	2,464,426		
<b><u>Grants Fund</u></b>				
1 Reclass negative cash to A/P instead of reduction of A/R	1,452,000	(1,452,000)		
2 Reclass from Due to Other Gov't to Deferred Revenue		815,809		
		(815,809)		
<b><u>Nonmajor Governmental</u></b>				
1 Extrapolated Other Revenue Correction			2,859,955	(2,859,955)
<b><u>Airport System</u></b>				
1 OPEB allocation adjustment		2,140,184		(2,140,184)
<b><u>Convention &amp; Entertainment</u></b>				
1 To accrue June 2012 Parking Commission Revenue	653,965			(653,965)

APPENDIX D

SUMMARY OF MATERIAL RECORDED MISSTATEMENTS

*numbers are rounded*

	Assets	Liabilities	Net Assets	Income Statement
	DR (CR)	DR (CR)	DR (CR)	DR (CR)
<b><u>Business-Type Activities</u></b>				
1 Entry to adjustment deferred refunding gain/loss	(76,715,000)	76,715,000		
<b><u>Debt Service</u></b>				
1 Adjustment related to the recording of a debt refunding				314,252,000 (314,252,000)
<b><u>Combined Utility System</u></b>				
1 Entry to adjustment deferred refunding gain/loss	(76,715,000)	76,715,000		
<b><u>General</u></b>				
1 Adjustment to reclass fund balance allocation from unassigned to restricted			41,000,000 (41,000,000)	
<b><u>Capital Projects</u></b>				
1 Adjustment to reclass fund balance allocation from unassigned to restricted			46,000,000 (46,000,000)	
<b><u>Nonmajor Governmental</u></b>				
1 Reclass drainage expense from revenue to expense				20,466,000 (20,466,000)
2 Adjustment to reclass fund balance allocation from committed to restricted			72,700,000 (72,700,000)	
<b><u>Convention &amp; Entertainment</u></b>				
1 Adjustment to reclass net asset allocation from unrestricted to investment in capital assets net of related debt			302,571,000 (302,571,000)	