

# Memorandum



CITY OF DALLAS

DATE May 17, 2013

TO Honorable Members of the Budget, Finance & Audit Committee: Jerry Allen (Chair),  
Tennell Atkins (Vice Chair), Monica R. Alonzo, Scott Griggs, Ann Margolin

SUBJECT Grant Thornton Contract Extension

On August 25, 2010, the City of Dallas authorized a professional services contract with Grant Thornton LLP to perform the annual external audit and various other related services for the City's fiscal years ending September 30, 2010 through September 30, 2012. The contract also provided for two one-year renewal options for fiscal years ending September 30, 2013 and 2014. On October 10, 2011, the City authorized Supplemental Agreement No. 1 to increase the contract with Grant Thornton due to additional hourly services in connection with new grants and audit requirements for the Vickery Meadow Tax Increment Financing Zone.

The council agenda for June 12, 2013 will include a resolution authorizing a one-year renewal of the contract with Grant Thornton for the annual external audit of the City's fiscal year 2013 financial operations and grant activities in accordance with the terms provided in the current contract. The renewal reflects a decrease to the existing amended contract of \$32,772, from \$1,021,390 to \$988,618. The decrease is a result of an anticipated reduction in the number of grant funds which are required to be audited. Funding will be provided as follows:

Current funds	\$ 903,188
Capital projects funds for services related to bond offerings	\$ 7,803
Tax Increment Financing Zones	\$ 22,485
Dallas Water Utilities for services related to bond offerings	\$ 7,803
Aviation fund for the audit of Passenger Facilities Charges	\$ 9,884

The contract also provides for the cost of other audit services provided by Grant Thornton to related City organizations. Although the costs were negotiated in the City's contract with Grant Thornton, they are approved and paid for by the organizations listed below:

Convention Center Hotel Development Corp.	\$ 24,970
Southwest Airlines for the audit of the Love Field Modernization Corp.	\$ 12,485

Grant Thornton LLP has provided external audit services to the City of Dallas since the fiscal year 2007 annual audit. Please contact me if you require additional information.

Jeanne Chipperfield  
Chief Financial Officer

c: Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Rosa A. Rios, City Secretary  
Thomas P. Perkins, Jr., City Attorney  
Daniel Solis, Administrative Judge Municipal Court  
Craig D. Kinton, City Auditor

A.C. Gonzalez, First Assistant City Manager  
Ryan S. Evans, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Stephanie Cooper, Assistant to the City Manager