



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		2/27/12		
Department:		Budget & Research		
Department Head		Karen Rhodes-Whitley		
Agenda Coordinator (include phone #): Anita Bell, 7194				
CAPTION				
<p>An Ordinance of the City of Plano, Texas, transferring the sum of \$15,000 from the General Fund unappropriated fund balance to the General Fund operating appropriation for fiscal year 2011-12 for the purpose of providing funds for auditing of additional programs outside the scope of the audit engagement with Grant Thornton; amending the budget of the City and Ordinance 2011-9-8, Section 1, Item "A" to reflect the actions taken herein; declaring this action to be a case of public necessity; and providing an effective date.</p>				
FINANCIAL SUMMARY				
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	2011-12	Prior Year (CIP Only)	Current Year	Future Years
		TOTALS		
Budget		0	197,252,918	0
Encumbered/Expended Amount		0	0	0
This Item		0	15,000	0
BALANCE		0	197,267,918	0
FUND(S): GENERAL FUND				
<p>COMMENTS: Supplemental appropriations approved to date for the General Fund, including this item, total \$735,738. The current General Fund balance supports this supplemental appropriation in the amount of \$15,000.</p> <p>STRATEGIC PLAN GOAL: Providing additional funding for the auditing of additional programs relates to the City's goal of Financially Strong City with Service Excellence.</p>				
SUMMARY OF ITEM				
Supplemental Appropriation No. 5				
<p>This supplemental appropriation will provide necessary funding for payment of additional auditing services provided by the outside auditors, Grant Thornton, in accordance with the Office of Management and Budget A-133 Compliance Supplement.</p>				
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies	
Memo				
Supplemental Appropriation				

DATE: February 16, 2012
TO: Bruce Glasscock, City Manager
FROM: Andrea Cockrell, Controller



SUBJECT: Supplemental Appropriation – 2011 Audit

The scope of our audit engagement with Grant Thornton encompasses the audit of the overall financial statements as well as the Single Audit in accordance with the Office of Management and Budget A-133 Compliance Supplement. Our audit contract allows for one (1) major program to be audited each year. Any additional programs to be audited are considered to be outside the scope of the engagement letter and will be billed separately at \$5,000 per major program. In fiscal year 2011, four (4) major programs were audited due to the increase in the expenditures of the City, as well as the American Recovery and Reinvestment Act funds which were a part of the stimulus package from a couple of years ago.

The following programs were additional programs that were outside the scope of our engagement letter.

State 121 Highway Program -	\$5,000
Homelessness Prevention and Rehabilitation (ARRA) -	5,000
Energy Efficiency and Conservation Block Grant (ARRA)-	<u>5,000</u>
Total overage	\$15,000

The Accounting Department will be seeking a supplemental appropriation in the amount of \$15,000. At this time the cost will be housed in the General Fund Accounting cost center, however, at the conclusion of our indirect cost rate study, we anticipate charging back an indirect cost that would include costs such as audit to the various grants. At budget re-estimate, we will revisit the cost and determine the amount that can be charged back to the departments audited.

An Ordinance of the City of Plano, Texas, transferring the sum of \$15,000 from the General Fund unappropriated fund balance to the General Fund operating appropriation for fiscal year 2011-12 for the purpose of providing funds for auditing of additional programs outside the scope of the audit engagement with Grant Thornton; amending the budget of the City and Ordinance 2011-9-8, Section 1, Item "A" to reflect the actions taken herein; declaring this action to be a case of public necessity; and providing an effective date.

WHEREAS, the City Council of the City of Plano approved and adopted the budget for the City for fiscal year 2011-12 setting the appropriations for the General Fund at \$197,252,918; and

WHEREAS, the City's audit engagement with Grant Thornton encompasses the audit of the overall financial statements as well as the Single Audit in accordance with the Office of Management and Budget A-133 Compliance Supplement; and

WHEREAS, there were several additional programs audited in fiscal year 2011, outside the scope of the engagement, due to the increase in the expenditures of the City, to be billed separately at \$5,000 per program; and

WHEREAS, programs audited, outside the scope of the engagement, were State 121 Highway Program, Homelessness Prevention and Rehabilitation (ARRA), and Energy Efficiency and Conservation Block Grant (ARRA); and

WHEREAS, such necessary and essential costs cannot be fully met through appropriations in the existing budget; and

WHEREAS, the City Council now finds that additional appropriations to the General Fund operating appropriation should be made in order to provide additional funding for the programs audited, and that such action is a public necessity.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

SECTION I. The estimated sum of FIFTEEN THOUSAND DOLLARS (\$15,000) is hereby transferred from the General Fund unappropriated fund balance to the General Fund operating appropriation.

SECTION II. The budget of the City of Plano for fiscal year 2011-12 as adopted by Ordinance No. 2011-9-8 is amended to reflect the action taken herein.

SECTION III. The actions taken herein are found and declared to be a case of public necessity.

SECTION IV. This supplemental appropriation Ordinance No. 5 shall become effective immediately from and after the date of its passage.

DULY PASSED AND APPROVED THIS THE 27th DAY OF FEBRUARY, 2012.

Phil Dyer, **MAYOR**

ATTEST:

Diane Zucco, **CITY SECRETARY**

Diane C. Wetherbee, **CITY ATTORNEY**

**FY 2011-12
SUPPLEMENTAL APPROPRIATIONS**

Description	Department	Amount
Supplemental Appropriation for Special Election Contract with Collin County	City Secretary	94,187
Supplemental Appropriation for Special Election Contract with Denton County	City Secretary	3,863
Supplemental Appropriation for legal fees for PEDB dissolution	Economic Development	68,355
Supplemental Appropriation for settlement of lawsuit - Billy Horton, et al	Legal	554,333
Supplemental Appropriation for 2011 Audit Change Order	Accounting	15,000
TOTAL GENERAL FUND APPROPRIATIONS		\$ 735,738
TOTAL CATV FUND APPROPRIATIONS		\$ -
TOTAL CAPITAL RESERVE FUND APPROPRIATIONS		\$ -
TOTAL MUNICIPAL DRAINAGE FUND APPROPRIATIONS		\$ -
TOTAL WATER & SEWER FUND		\$ -
TOTAL SUSTAINABILITY & ENVIRONMENTAL FUND APPROPRIATIONS		\$ -
TOTAL CONVENTION & TOURISM FUND APPROPRIATIONS		\$ -
TOTAL PROPERTY/LIABILITY FUND APPROPRIATIONS		\$ -
TOTAL PROPERTY MANAGEMENT FUND APPROPRIATIONS		\$ -
TOTAL GOLF COURSE FUND APPROPRIATIONS		\$ -
TOTAL RECREATION FUND APPROPRIATIONS		\$ -
TOTAL INTERNAL SERVICE FUNDS AND OTHER FUNDS APPROPRIATIONS		\$ -
GRAND TOTAL ALL FUNDS		\$ 735,738