

## Legislation Text

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**CC MEETING:** April 7, 2015

**DATE:** March 17, 2015

**TO:** Leonard Martin, City Manager

**FROM:** Bob Scott, Assistant City Manager

Consider A **Resolution Authorizing The City Manager To Enter Into A Contract With Grant Thornton LLP For Independent Auditing Services** In An Amount Not to Exceed \$107,197.00.

**BACKGROUND:**

On August 15, 2006, Grant Thornton LLP (GT) was appointed as the City's independent auditors for fiscal years ending September 30, 2006 and 2007, with a three-year extension option. The fiscal year 2010 audit was the last year of the three-year extension option.

In April of 2011, as City Staff and the City Council Audit Committee had been very pleased with the services provided by GT, the Audit Committee recommended to the full City Council an additional two year extension of the contract with GT.

Again in April of 2013, the Audit Committee recommended to the full City Council an additional four year extension of the contract with GT. At that time, City staff benchmarked the proposed fees against other area cities and the proposed fees were considered within market rates.

The fiscal year 2015 audit is the third year of this extension. The base fee for the fiscal year 2015 audit is \$95,197.00. This base audit fee assumes the City will have only one major grant program for Single Audit test work. The audit fees for additional major programs are \$6,000.00 per program. In fiscal year 2008, due to timing of expenditures on grant programs, the City had three programs with grant expenditures just over the threshold qualifying as major programs for Single Audit test work. In fiscal years 2011, 2012 and 2013, the City had two major programs. It is possible that the City will have more than one major program again in fiscal year 2015. As such, approval for an additional \$12,000.00 contingency is included in the requested approval amount.

**FINANCIAL IMPLICATIONS:**

The services covered by this contract will be from funding in the Administrative Services Internal Service Fund. The audit fees for fiscal year 2015 audit are \$95,197.00 plus a \$12,000.00 contingency for additional Single Audit related fees.

**STAFF RECOMMENDATION/ACTION DESIRED:**

Approve the attached resolution appointing GT as the City's Independent Auditors and authorizing the City Manager to enter in a contract with GT for independent auditing services for the fiscal year 2015 financial

statements for an amount not to exceed \$107,197.00.