



CITY OF FERNLEY

CITY COUNCIL AGENDA REPORT

Meeting Date: February 5, 2020

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| REPORT TO: | Mayor and City Council |
| REPORT THRU: | Daphne Hooper, City Manager |
| REPORT FROM: | Denise Lewis, City Treasurer |
| REVIEWED BY: | Daphne Hooper, City Manager |
| REVIEWED BY: | Brent Kolvet, Deputy City Attorney |

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| FINANCIAL IMPACT: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/> | CURRENTLY BUDGETED: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/> | FUND/ACCOUNT: 100.415.328 |
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ACTION REQUESTED: Consent Ordinance Resolution Motion Receive/File

AGENDA ITEM: Staff Report (For Possible Action):

(Possible Action) Approval of the Third Amendment to a Contract between the City of Fernley and Hinton Burdick, CPAs & Advisors for Independent Audit Services dated January 1, 2020.

Per NRS 354.624, the governing body of each local government must designate an auditor on an annual basis and shall provide for an annual audit of its financial statements. On March 19, 2014 and each year thereafter, City Council has designated Hinton Burdick CPAs and Advisors as the City's independent audit firm. Hinton Burdick's contract has expired and a new contract for audit services is required. City staff recommends re-engaging Hinton Burdick.

Recommended Motion:
"I move to..."

"I move to approve the Third Amendment to a Contract between the City of Fernley and Hinton Burdick, CPAs & Advisors for Independent Audit Services dated January 1, 2020."

Business Impact (per NRS Chapter 237):

A Business Impact Statement is Attached.

A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

See attached report for background, analysis, alternatives.

ALTERNATIVES: Don't engage Hinton Burdick; or put out a RFP

BACKGROUND: Each year an external auditor must be designated by City Council no later than three months before the close of the fiscal year for which the audit applies and the designation must be provided to the Nevada Department of Taxation. At a public meeting held on March 12, 2014, the City's audit committee made its recommendation to contract with Hinton Burdick CPAs and Advisors. City Council has since designated Hinton Burdick CPAs and Advisors as the City's independent audit firm. A contract for services was entered in to on 5/21/14 for fiscal year 2014 and an amendment to the contract to extend service through fiscal year 2016 was approved by City Council on 8/19/15. A Second Amendment to contract for professional audit services was approved by City Council on 3/15/17 to extend service through fiscal year 2019.

LEGAL IMPLICATIONS: Non-compliance with the law

FINANCIAL IMPLICATIONS: This item is budgeted for on an annual basis. The cost for audit services for fiscal years 2020, 2021 and 2022 shall be \$51,775, \$53,250 and \$54,500, respectively. The price for single audit services shall be \$3,150 for up to two major programs.

ATTACHMENTS:

Engagement Letter dated 1/20/2020

Original contract dated 5/21/2014