



MEMORANDUM

To: Mayor and City Council

From: Jennifer Miller, Director of Finance

Date: March 24, 2020

Reference: Award Contract Extension for Audit Services

2030: Sustainable City Government

Introduction:

The current audit contract with Weaver was for three years (2017, 2018, and 2019) with the option to renew for two additional years. Staff is proposing to extend the contract with Weaver for the additional two years (2020 and 2021).

Analysis:

Bond covenants, the Security and Exchange Commission regulations, and the City Charter require the City to have an annual financial statement audit conducted by a third party licensed to perform financial statement audits in Texas. Failure to have an annual audit of the City's financial statements will violate the requirements previously stated and impact the City's bond rating.

Review:

This agenda item has been reviewed by legal as part of the agenda review process.

Fiscal Impact:

The fiscal impact of this agenda item is \$64,500 and \$66,750 for fiscal years ending 2020 and 2021. If assistance with the preparation of the Comprehensive Annual Financial Report is requested, there is an additional cost of \$10,000 each year requested. If a Single Audit is required because the City expended at least \$750,000 of Federal funds during the fiscal year, an additional cost of \$4,500 and \$4,600 will be incurred for fiscal years ending 2020 and 2021.

Recommendation:

The Finance Department recommends extending the Professional Audit Services contract with Weaver for an additional two years.