



## AGENDA ITEM SUMMARY

### District Impacted

- ☐ 1 = Anzolitto
- ☐ 2 = Woolard
- ☐ 3 = Boyd
- ☐ 4 = Cisneros
- ☐ 5 = Colvin
- ☐ x All

<b>DESCRIPTION</b>	CONSIDER RESOLUTION NO. 2016-R105; A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AND MANAGE AN AGREEMENT BETWEEN THE CITY OF BOERNE, TEXAS AND RSM US LLP FOR AUDITING THE CITY OF BOERNE'S FINANCIAL STATEMENTS FOR THE YEAR ENDING SEPTEMBER 30, 2016.
<b>STAFF'S RECOMMENDED ACTION (be specific)</b>	Approve Resolution No. 2016-R105; A Resolution Authorizing The City Manager To Enter Into And Manage An Agreement Between The City Of Boerne, Texas And RSM US LLP For Auditing The City Of Boerne's Financial Statements For The Year Ending September 30, 2016.
<b>CONTACT PERSON</b>	Sandy Mattick
<b>SUMMARY</b>	<p>Padgett, Stratemann &amp; Co., LLP merged with RSM US LLP in August 2016. Padgett, Stratemann has provided audit and other accounting services for the City of Boerne for many years. Over the years Padgett, Stratemann &amp; Co. has assigned different individuals to perform and review the City's audit. RSM provides audit, tax and consulting services focused on the middle market and is ranked the 5<sup>th</sup> largest in the nation. This larger firm will add additional oversight to the audit. The Local Government Code requires that providers of professional services be selected based on qualifications. RSM US LLP has a team of individuals that specialize in accounting services to the public sector. We will continue to work with individuals from the San Antonio office. This group of individuals have proven to be a valuable resource for information and very responsive to our requests.</p> <p>The City has received the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the past 28 years.</p>
<b>COST</b>	<p>\$50,000 for audit of City's various funds for year ending September 30, 2016</p> <p>\$ 5,500 for the Single Audit required by grantees of Federal Grants</p> <p>Also, to prepare and print the City's CAFR, the fees would be \$11,000. We plan to prepare the CAFR in-house but RSM US LLP will assist if needed.</p> <p>Funds have been budgeted to allow for all of these fees.</p>

<b>SOURCE OF FUNDS</b>	General Fund and Utility Funds
<b>ADDITIONAL INFORMATION</b>	<p>For the audit of the City's various funds, the total proposed audit fees will not increase from last year. Due to the amount of grant expenditures, the City is required under the conditions of the grants to have a Single Audit performed in accordance with the Single Audit Act as Amended 1996 to ensure these funds are expended properly.</p> <p>I did a survey of surrounding cities of approximately our size to determine the range of costs for their audits. The costs ranged from \$39,900 to \$70,000. The cities with lower costs were audited by smaller firms. The city with the highest cost was audited by a large national firm.</p> <p>In addition to the arrangement letter, attached is a letter required by SAS No. 114, <i>The Auditor's Communication with Those Charged with Governance</i>. SAS No. 114 requires the auditors to communicate matters related to the financial statement audit that are, in their professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process.</p>

This summary is not meant to be all inclusive. Supporting documentation is attached.

**Form Revised 6/1/16**