



Legislation Details (With Text)

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Title:	Independent Audit Contract for Fiscal Year Ending June 30, 2021 PURPOSE: To award contracts for the Town's annual independent audit for the fiscal year ending June 30, 2021, and a Local Government Employees' Retirement System (LGERS) Pension Attestation.				

Indexes:

Code sections:

Attachments: 1. Attachment A - Resolution to Award Audit Contracts for FY21, 2. Attachment B - FY21 Audit Engagement Letter, 3. Attachment C - Pension Attestation Engagement Letter

Date	Ver.	Action By	Action	Result
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Independent Audit Contract for Fiscal Year Ending June 30, 2021

PURPOSE: To award contracts for the Town's annual independent audit for the fiscal year ending June 30, 2021, and a Local Government Employees' Retirement System (LGERS) Pension Attestation.

DEPARTMENT: Finance

CONTACT INFORMATION: Arche McAdoo, Finance Director 918-7439; Cary McNallan, 918-7301; Donald Coble, 918-7302

INFORMATION: The Local Government Budget and Fiscal Control Act (LGBFCA) requires each local government to prepare an annual financial report on their financial position at the end of the fiscal year and financial results of operations. The LGBFCA also requires that this financial report be audited by an independent certified public accountant.

Dixon Hughes Goodman LLP (DHG), the Town's independent auditor, has submitted a contract to audit the Town's accounts and letter of engagement for the fiscal year ending June 30, 2021. The audit cost is \$48,600.00, compared to \$53,000.00 last year. Depending upon the total expenditures of state and/or federal funds (e.g. Powell Bill Funds, federal grants, etc.), the Town may be required to have one or more single audits prepared. The cost for a single audit is \$5,000 for up to two major programs and \$1,900 for any additional major program thereafter. At the request of the Town, Dixon Hughes Goodman LLP has included preparation of the Town's annual financial statements at an additional cost of \$7,500.00.

The North Carolina State Treasurer's office has selected a sample of 60 local government employer participants, which includes Carrboro, for a pension attest engagement for employee census data reported to the State for the year ended December 31, 2020. This audit will be performed by DHG at a cost not to exceed \$8,500.00.

FISCAL & STAFF IMPACT: The total cost for audit and financial statement preparation will not

exceed \$63,000.00, if no more than three major programs require audits; and the pension attestation audit cost will not exceed \$8,500.00. Funds for the cost of the annual audit, single audits, financial statement preparation, and LGERS pension attestation have been requested in the Finance Department's FY 2021-22 General Fund operating budget.

RECOMMENDATION: That the Council: 1) award a contract to Dixon Hughes Goodman LLP for a total cost not to exceed \$63,000.00 for independent audit of Town accounts, preparation of single audits if necessary, and preparation of annual financial statements for fiscal year ending June 30, 2021; and, 2) award a contract to Dixon Hughes Goodman LLP for a total cost not to exceed \$8,500.00 for the LGERS pension attestation audit; and, 3) authorize the Mayor to sign the Audit Contract and Letter of Engagement as required by the North Carolina Local Government Commission, and the LGERS pension attestation agreement.