

**CITY OF LA VISTA
MAYOR AND CITY COUNCIL REPORT
APRIL 17, 2012 AGENDA**

Subject:	Type:	Submitted By:
REVISED AUDIT AND FINANCIAL STATEMENT CONTRACT	◆ RESOLUTIONS ORDINANCE RECEIVE/FILE	SHEILA LINDBERG FINANCE DIRECTOR

SYNOPSIS

Resolutions have been prepared authorizing the City to engage Orizon CPAs LLC, Omaha Nebraska to prepare the City's Financial Statements for Fiscal Year 2012, and authorizing the City to engage BKD, LLP, Omaha Nebraska for the City's Annual Financial Audit for the next four years at approximately a 10% savings.

FISCAL IMPACT

The FY 12/13 Budget will include \$20,000 for preparation of the City's Financial Statements and \$47,000 for the Annual Financial Audit.

RECOMMENDATION

Approval.

BACKGROUND

In the fiscal year 2007 (FY07) audit, new and more demanding audit standards became effective and the City received two significant deficiencies, one of which was a material weakness. The City resolved the material weakness by contracting with different firms for financial statement preparation and the audit.

On August 5, 2008, the City Council authorized the engagement of Orizon CPAs LLC for the City's Financial Statements and the engagement of BKD, LLP for the City's Annual Financial Audit. Both agreements were for a three year renewable term.

Orizon CPAs LLC has advised us that the preparation of the FY12 financial statements will be their last. They also proposed doing the financial statements as well as the audit for \$42,400. BKD has proposed a four year agreement at the following rates:

2012	\$47,000.	2014	\$50,000.
2013	\$48,000.	2015	\$51,500.

BKD would do a one (1) year agreement for \$52,500.

Both firms are now indicating that due to new interpretations of the audit standards, as well as the skill set of City staff, they can prepare the financial statements and conduct the audit without causing a material weakness. Staff will, however, conduct independent research on this issue and provide a subsequent recommendation to the Mayor and Council.

For FY12 staff recommends staying with the current practice for financial statements and audit and making a determination regarding preparation of future financial statements at a later date. A long term audit agreement is recommended as the City is contemplating the purchase of new financial software in the near future and changing audit firms at the same time would likely make both transitions more difficult.

Complete copies of the proposals are on file in the office of the City Clerk.

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, NEBRASKA AUTHORIZING THE ENGAGE THE AUDITING FIRM OF ORIZON CPAs LLC, OMAHA, NEBRASKA TO PREPARE THE CITY'S FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012 IN AN AMOUNT NOT TO EXCEED \$20,000.00

WHEREAS, the City of La Vista of La Vista solicited proposals for audit services associated with the preparation of the financial statements, annual financial audit and keno audit and received two proposals in response to its request; and

WHEREAS, City of La Vista staff has been advised by Orizon CPAs LLC, Omaha, Nebraska that the preparation of the financial statements for the fiscal year ending September 30, 2012 will be their last.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Council of La Vista, Nebraska, do hereby authorize the engagement of Orizon CPAs LLC, Omaha Nebraska in an amount not to exceed \$20,000.00 for the preparation of the City's financial statements, and also authorize the Mayor to execute said agreement.

PASSED AND APPROVED THIS 17TH DAY OF APRIL, 2012.

CITY OF LA VISTA

Douglas Kindig, Mayor

ATTEST:

Pamela A. Buethe, CMC
City Clerk

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, NEBRASKA AUTHORIZING THE ENGAGE THE AUDITING FIRM OF BKD LLP, OMAHA, NEBRASKA TO CONDUCT THE CITY OF LA VISTA'S ANNUAL FINANCIAL AUDIT FOR THE NEXT FOUR YEARS BEGINNING WITH FISCAL YEAR ENDING SEPTEMBER 30, 2012.

WHEREAS, In 2008 the City of La Vista of La Vista solicited proposals for audit services associated with the preparation of the annual financial audit and BKD, LLP was selected,; and

WHEREAS, City of La Vista staff has received and reviewed proposals from two auditing firms and recommends continuing with BDK LLP, Omaha, Nebraska for the City's Annual Financial Audit for the next four years beginning fiscal year ending September 30, 2012 with the following rates:

2012	\$47,000.	2014	\$50,000.
2013	\$48,000.	2015	\$51,500.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Council of La Vista, Nebraska, do hereby authorize the engagement of BKD LLP, Omaha, Nebraska, for the annual financial audit for the next four years beginning with fiscal year ending September 30, 2012, , and also authorize the Mayor to execute said agreement.

PASSED AND APPROVED THIS 17TH DAY OF APRIL, 2012

CITY OF LA VISTA

Douglas Kindig, Mayor

ATTEST:

Pamela A. Buethe, CMC
City Clerk