

DATE: 1-20-16
MEETING OF: 1-26-16
FROM: Dave Kegebein
RE: Financial Review & Audit Services

BACKGROUND:

With the elimination of state funding CDFA authorized DAA's to contract with accounting firms to conduct financial reviews for a few years until new rules were implemented. After working with the firm of MCGILLOWAY, RAY, BROWN & KAUFMAN (MRBK) on three (3) annual reviews new procedures have been established with the implementation of AB 2490 that established the requirement for DAA's to conduct up to two annual reviews and then an audit every third year.

In the fall of 2014 we released an RFP that outlined our need to contract for an audit for 2016, reviews for 2017 & 2018 and an audit for 2019. We have received three (3) timely responses to our RFP. One proposal is substantially more expensive than the others.

The two competitive proposals are from MRBK & Hutchinson & Bloodgood (H&B). MRBK's 4 year combined proposal is \$46,525 (page 15). Hutchinson & Bloodgood LLP (H&B)'s 4 year proposal is \$41,700 (page 6). The primary difference comes in year 4 MRBK's audit is \$4,700 higher than H&B's proposal. Of course these numbers are all estimates based on how organized we are with our presentation of the data & information.

Since our fairgrounds relies on volunteer efforts and our volunteers in the finance department have invested substantial effort (and funds) in educating staff of the firm we have been working with I recommend we contract with them (MRBK) for these services as outlined in their proposal.

FISCAL IMPACT:

2015 - \$16,800
2016 - \$5,725
2017 - \$6,250
2018 - \$17,750

STAFF RECOMMENDATION:

Approve the MRBK proposal

ATTACHMENTS:

None – full copies of the 3 proposals are available on request