

**OFFICE OF THE CITY MANAGER
LITTLE ROCK, ARKANSAS**

**BOARD OF DIRECTORS COMMUNICATION
DECEMBER 18, 2018 AGENDA**

<p>Subject:</p> <p>Appointment of Certified Public Accounting Firm for the City</p> <p>Submitted By:</p> <p>Finance Services Department</p>	<p>Action Required:</p> <p style="text-align: center;">Ordinance √ Resolution</p>	<p>Approved By:</p> <p style="text-align: center;">Bruce T. Moore City Manager</p>
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<p>SYNOPSIS</p>	<p>Adoption of a resolution to authorize the City Manager to enter into an agreement with BKD, LLP, to provide Certified Public Accounting Services to the City for 2018 with annual contract renewals from 2019-2022. Upon successfully completion of the 2022 Fiscal Year Audit, the Board of Directors may exercise an option to extend the agreement for two (2) additional Fiscal Years, 2023 and 2024.</p>
<p>FISCAL IMPACT</p>	<p>The City's annual fee for audit services will increase by \$1,600 from the 2017 audit for the purpose of implementing Governmental Accounting Standards Board Statement No. 75 (GASB 75). The fee of \$258,400 for the 2018 Audit is included in the 2019 Budget. In addition, a contingency of 10% or \$25,840 is included in the resolution in the event that there is a substantial change in the operations of the City, or new rules, regulations, and accounting or auditing standards beyond GASB 75. The total amount including the contingency allocation is \$284,240.</p>
<p>RECOMMENDATION</p>	<p>Approval of the resolution.</p>
<p>BACKGROUND</p>	<p>The City's contract for independent Certified Public Accounting Services expired following the completion of the 2017 Audit. A Selection Committee of five (5) reviewed the submitted proposal and selected the firm of BKD, LLP.</p>