

**TOWN OF BLACK MOUNTAIN BOARD OF ALDERMEN
REQUEST FOR BOARD ACTION**

Meeting Date: May 9, 2011

SUBJECT: Award of Contract to Audit Accounts of, and Provide Financial Statements for, the Town of Black Mountain for the period July 1, 2010 – June 30, 2011 (FY10-11)

AGENDA INFORMATION

Agenda Location: Consent Agenda
Item Number: 6-D
Department: Finance and Information Services
Contact: Dean Luebbe, Finance and Information Services Director
Betsy Wilson, Finance Consultant
Presenter: Marcy Onieal, Town Manager

BRIEF SUMMARY: The firm of Lowdermilk Church & Co., LLP, of Morganton, NC was selected in 2007 to serve as the Town's auditor on annual contract. The FY10-11 Audit will be the fourth consecutive year of service provided by Lowdermilk Church & Co. The only change in contract terms for FY10-11 is an increase in cost of \$250, primarily to cover increased out-of-pocket expenses associated with rising transportation costs. Total fee for service is \$16,650 (\$11,165 for audit and \$5,485 for preparation of annual financial statements). Preparations for the audit will begin shortly after the close of the current fiscal year on June 30, 2011.

MOTIONS FOR CONSIDERATION: *To approve terms of the contract for FY10-11 auditing and financial reporting with Lowdermilk Church & Co. LLP of Morganton, NC in the amount of \$16,650 as presented, and to authorize the mayor and manager to execute the agreement on behalf of the Town.*

FUNDING SOURCE: General Fund

ATTACHMENTS: N/A

MANAGER'S COMMENTS AND RECOMMENDATIONS: Generally, it is prudent to rotate auditing services every 3-5 years. With the complete turnover in staff in the Finance Department during the past fiscal year, continuation of the contractual arrangement with Lowdermilk Church & Co. is critical to maintaining continuity during this staff transition. Manager recommends adoption of contract as presented. Staff will prepare a new RFP for auditing services within the next year.