

M E M O R A N D U M

TO: Audit Committee Members: Phil Horan, Kendra Wong, and Peter Morris

FROM: Gerald W. Eick CPA CGMA
Director of Finance

SUBJECT: Review, discuss, and possibly approve the designation of Audit Firm for Audit Services for Fiscal Year Ending June 30, 2020 – Eide Bailly, LLP at a cost of \$58,500 (the last year of a five year contractual obligation)

DATE: November 15, 2019

I. RECOMMENDATION

Staff is recommending that the Audit Committee recommends to the Board of Trustees that they designate Eide Bailly, LLP as the District's audit firm for the fiscal year ending June 30, 2020, under their multiyear contract (covering 2016 through 2020) as outlined under the financial section.

II. BACKGROUND

The Audit Committee is meeting December 11, 2019 to ratify the selection of the District's auditor. On the assumption that meeting finds it in order to recommend Eide Bailly, LLP, a memo has been prepared to document the designation and recommendation to the Board of Trustees and placed on the Consent Calendar. The Engagement Letter is expected to be sent by the auditor in April. Once received and reviewed, it will be sent to the Audit Committee Chair for signature.

District Staff will notify the State Department of Taxation of our designation on or before March 31, 2020. As required by Nevada Revised Statute 354.624 and Nevada Administrative Code 354.705, each local government is required to designate an auditor or firm annually, not later than three months before the close of the fiscal year for which the audit is to be made.

At the direction of the Audit Committee, Staff prepared and sent out a request for audit services in 2016 that resulted in Eide Bailly, LLP indicating a willingness to continue their engagements. The District was satisfied with the engagement team for June 30, 2015. They requested the opportunity to provide a proposal to

continue to serve the District. This proposal was distributed to the Audit Committee and accepted March 30, 2016 under the five-year structure.

III. FINANCIAL IMPACT AND BUDGET

Eide Bailly, LLP proposed a continuation of the engagement under two alternatives. One is to accept a one-year engagement for June 30, 2016 for a fee of \$56,000. As an alternative, they have proposed a five year continuation, subject to our continuing annual appointment for a fee structure as follows (now all inclusive):

Fiscal Year Ending	Annual Fee
June 30, 2016	\$52,500
June 30, 2017	\$54,000
June 30, 2018	\$55,500
June 30, 2019	\$57,000
June 30, 2020	\$58,500

The District has now completed two years under the five year agreement.

IV. COMMENTS

The engagement letter will be received sometime in April. Staff has discussed a tentative set of dates. These include interim fieldwork in May and main audit work in August or September, with a delivery of the Audit Report in time to meet statutory requirements November 30. Staff anticipates the Audit Committee and the Board of Trustees would consider acceptance in December. This scheduling will meet statutory requirements.