

TRUCKEE TAHOE AIRPORT DISTRICT
BOARD OF DIRECTORS AGENDA ITEM SUMMARY

Topic: Auditor Selection Ad-hoc Subcommittee Recommendation

Purpose	Information:	Guidance:	Decision: X
Recommendation	<ul style="list-style-type: none"> • Accept the recommendation of the ad-hoc subcommittee and contract with James Marta & Company for the District's audits for fiscal years 2012 – 2016. • Direct the Board President to sign the attached engagement letter for audit services for fiscal years 2013 – 2016. 		
Last Actions	<p>At the May 24, 2012 Board meeting the ad-hoc subcommittee updated the Board as follows: <i>The ad-hoc sub-committee had met on May 9, 2012 and decided to interview two firms. Interviews would be held before the June meeting, and the ad-hoc subcommittee would make a recommendation to the Board at the June meeting.</i></p>		
Discussion	<p>McClintock Accountancy Corporation (MAC), or a variation thereof (McClintock, Griesmer & Ticknor; William W. McClintock) has audited the District since the fiscal year ended 6/30/1978. The District received six proposals in response to the RFP. After evaluating the options, the subcommittee decided to move to a new audit firm; they would like it noted that their decision was in no way a reflection on the services received from MAC over the years, but rather reflective of a desire to get another "set of eyes" on the financial statements. The six proposals were narrowed down to two firms for the interview phase.</p> <p>The interviews were attended by all four members of the ad-hoc subcommittee (Kathleen Eagan, John Jones, Kevin Smith and Jane Dykstra). After the second interview, the subcommittee discussed the merits of the two firms and a decision was made to recommend James Marta & Company out of Sacramento. James Marta & Company has been providing audit and consulting services to Special Districts and other governmental agencies since 1988. Eighty percent of their audits are governmental engagements.</p> <p>This item will be on the consent calendar. If the Board approves the ad-hoc subcommittee's recommendation and wishes to contract for services as stated, approving this item on consent will allow the Board President to sign the engagement letter submitted by the James Marta & Company. They have informed us they are interested in commencing planning for the upcoming audit.</p>		
Fiscal Impact	<p>The audit fees proposed for the fiscal 2012 audit are \$17,100 for the audit and related services. The single audit is priced separately, as it is not required every year. The amount of \$3,500 was proposed for the single audit in 2012. These fees (total of \$20,600) represent a 10% decrease in fees from those incurred by the District for the fiscal year 2011 audit and single audit. The fees proposed by James Marta & Company for years 2013 – 2016 show a gradual escalation – topping out at \$23,600 in 2016.</p>		

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Communication
Strategy

On June 7th both firms were notified of the recommendation the ad-hoc subcommittee would be making to the Board.

Attachments

Engagement Letter from James Marta & Company