



City of Eustis

P.O. Drawer 68 • Eustis, Florida 32727-0068 • (352) 483-5430

TO: EUSTIS CITY COMMISSION
FROM: TOM CARRINO, CITY MANAGER
DATE: JUNE 6, 2024
RE: RESOLUTION NUMBER 24-46: EXTENSION OF AUDITING SERVICES

Introduction

Resolution Number 24-46 extends the current independent audit agreement with Purvis Gray & Company, LLP (Purvis Gray) for an additional three years, with the option of two additional years.

Recommended Action

Approval of Resolution Number 24-46 extending the current independent audit agreement with Purvis Gray for an additional three years, with the option of two additional years.

Background

The City of Eustis is required under Florida Statutes to have an independent audit conducted every year. The audit is for each fiscal year ending September 30th. The completed Annual Comprehensive Financial Report (ACFR) must be submitted to the State of Florida by March 30th of the following year, unless an extension is granted. The receipt of State Revenue Sharing can be withheld for non-compliance.

In 2009, the City solicited a Request for Proposal for independent audit services. The City received and evaluated ten (10) proposals. The proposals ranged from \$253,840 to \$331,538 over a five-year period. Purvis Gray was selected by an Audit Request for Proposal (RFP) Selection Committee as the first choice, based on their responsiveness to the criteria set forth in the RFP, as well as offering the lowest cost to the City for audit services. Staff recommended selection of Purvis Gray via Resolution Number 09-67, which was approved by Commission on July 2, 2009.

The initial term of service was for a five-year period, ending September 30, 2013, with an opportunity for the City to extend the contract period if it was determined by staff to be in the best interest of the City to do so. Purvis Gray offered the City an extension for an additional three years, with an additional two-year option, which extended the contract through the audit year ending September 30, 2018. This extension was approved by the City Commission via Resolution Number 13-31 on May 16, 2013.

In 2019, the agreement with Purvis Gray was extended for another three years, with an additional two-year option, and was approved by the City Commission on June 6, 2019 via Resolution Number 19-51. The additional two-year option was exercised and this last extension expired with September 30, 2023 audit year.

Staff has deemed that it is in the best interest of the City to once again extend the agreement with Purvis Gray for another three years, with an additional two-year option. The cost of the audit ending September 30, 2023 is \$64,000, with an additional \$4,500 for each Federal or State Single Audit, and \$6,250 for the audit of the CRA. Upon renewing the agreement, the audit fee for fiscal year ending September 30, 2024 will equal the 2023 fee with a CPI increase based on Financial Services Index at September 30th of 4.7%. The fees for the 2025 and 2026 fiscal years will be based on the same terms as the preceding year. The fees for the optional two years may be negotiated by staff upon expiration of the three-year term.

The City has been satisfied with the auditing services provided by Purvis Gray, as they have been responsive to the City's schedule for completing the audits and the various reviews of the City's ACFR. Purvis Gray is attuned to the City's reporting and filing deadlines (e.g. the Community Redevelopment Agency Fund filing requirements). Purvis Gray also provides tax services, continuing professional education credits, and guidance with implementing new Governmental Accounting Standards Board pronouncements free of charge.

The fees charged include the post-audit meetings held with staff, and the City Commission presentation, if desired, that takes place each year upon completion of the audit. Purvis Gray provides an overview of the audit and procedures as well as discussion on management issues designed to improve the operational efficiency of the City.

Alternatives:

1. Approve Resolution Number 24-46 extending the agreement for three years with options for an additional two years.
2. Deny Resolution Number 24-46 and provide direction to staff.

Community Input

There will be an opportunity for public input at the June 6, 2024 Commission meeting.

Budget / Staff Impact:

Fiscal year 2023 \$64,000

Using the same CPI of 4.7%, the total estimated commitment is as follows:

Fiscal year 2024 \$70,150

Fiscal year 2025 \$73,500

Fiscal year 2026 \$77,000

Fiscal year 2027 To be negotiated

Fiscal Year 2028 To be negotiated

Prepared By:

Lori Carr, Finance Director

Attachments

- **Resolution Number 24-46, Extension of Auditing Services**
- **Audit Engagement Letter**