



TO: TMWA Board of Directors
FROM: Jeff Tissier, Chief Financial Officer
DATE: December 7, 2011
SUBJECT: **Appointment of TMWA's External Auditors for the Fiscal Years 2012-2014
Financial Statement Audits**

Recommendation

TMWA staff recommends that the TMWA Board appoint Kafoury Armstrong & Co. as TMWA's external financial auditor for fiscal years ending June 30, 2012, 2013 and 2014 and direct staff to notify the Nevada Department of Taxation of this decision.

Background

The Truckee Meadows Water Authority (TMWA) has engaged Kafoury, Armstrong & Co. (KFA) since the inception of TMWA to perform the annual audit of TMWA's financial statements. KFA is fluent with TMWA's business activities and continues to perform this audit in an efficient and cost effective manner. The audit fees for the last fiscal year 2011 audit were approximately \$60,000 which included the federal compliance audit on TMWA's grants and state revolving loans (Single Audit). The three year appointment avoids repetitive annual appointments. Audit fees are expected to be in the range of \$55,000 to \$65,000 per year depending on whether TMWA would be subject to Single Audit and/or whether TMWA would be incurring audit expenses for first year implementation of new accounting standards.