THE CITY OF ASHEVILLE

City Council Staff Report

Council Meeting Date

- April 14, 2026

Subject

- Contract for Auditing the City's Accounts for Fiscal Year Ending June 30, 2026

Staff Resource(s)

- Tony McDowell, Director of Finance and Management Services
- Becki Ogles, Assistant Finance Director

Action Requested

- Adoption of a resolution authorizing the Mayor to execute a contract with Cherry Bekaert, LLP for auditing City accounts for fiscal year ending June 30, 2026

Background

- North Carolina General Statute §159-34 requires that local governments have its accounts audited each fiscal year and submit a copy of the audit report and financial statements to the Local Government Commission (LGC).
- Staff recommends retaining the services of Cherry Bekaert, LLP to conduct an audit of the City's accounts for the fiscal year ending June 30, 2025.
- The estimated cost for the fiscal year 2024-2025 audit includes a base fee of $143,500, which covers 915 hours of audit work and 4 Single Audit programs; and an additional $18,000 for 3 additional Single Audit programs if needed, for a maximum total fee of $161,500.
- Execution of this contract complies with the City's Financial Policies which states that the City "shall enter into multi-year agreements of not more than five years in duration through a series of single-year contracts as consistent with applicable legal requirements."
- This will be the fourth year of contracting with the Cherry Bekaert, LLP so staff will be recommending to contract with them for another 1 year assuming services are provided as outlined within the engagement letter.

Vendor Outreach Efforts:

- No competitive bid process was conducted this year

Council Vision 2036 Focus Area(s):

- Financially Resilient City

Council Priority Recovery Area(s):

- N/A

Committee(s):

- No prior Committee approval

Pro(s)

- Contracting with Cherry Bekaert, LLP aligns with City Council's financial policy and will help ensure the timely and successful completion of the annual audit.

Con(s)

- None

Fiscal Impact

- The maximum total fee amount of $161,500 for the annual audit is already included in the adopted fiscal year 2025-2026 General Fund budget.
- Future estimated maximum audit fee for remaining 2 years' submitted in proposal:
    - 2026-2027: $176,400

Suggested Motion

- Motion to adopt a resolution authorizing the Mayor to execute a contract with Cherry Bekaert, LLP for auditing City accounts for the fiscal year ending June 30, 2026 in the amount no greater than $161,500.

Attachment(s)

- Resolution

City of Asheville Resolution Number 26-___

Resolution authorizing the Mayor to execute a contract with Cherry Bekaert, LLP for auditing the City accounts for fiscal year 2025-2026

WHEREAS, the City is required to have its accounts audited at the close of each fiscal year by a certified public accountant or by an accountant certified by the Commission as qualified to audit local government accounts pursuant to N.C.G.S 159-34; and

WHEREAS, the City has authority pursuant to Article 2 of Chapter 160A of the North Carolina General Statutes to enter into contracts; and

WHEREAS, Cherry Bekaert, LLP has submitted an engagement letter and contract pursuant to Generally Accepted Government Auditing Standards and the requirements of the Commission to provide audit services to the City Council for the fiscal year 2025-2026; and

WHEREAS, the City Council desires that the City's fiscal year 2025-2026 audit service contract be awarded to the firm Cherry Bekaert, LLP; and

WHEREAS, funds are included in the General Fund budget;

Now, Therefore, be it resolved by the City Council of the City of Asheville that:

The Mayor is hereby authorized to execute a contract, the form of which shall be approved by the Local Government Commission, with Cherry Bekaert, LLP in the amount no greater than $168,600 for auditing services for fiscal year 2024-2025.

Read, approved and adopted this 14th day of April, 2026.

_____ _____

CITY CLERK MAYOR

Approved as to form:

_____

CITY ATTORNEY