

RESOLUTION 2022-64

RESOLUTION APPROVING AN AUDIT SERVICE AGREEMENT WITH FALLER, KINCHELOE & CO, PLC FOR FISCAL YEARS 2022, 2023, 2024 AND 2025.

WHEREAS, the City of West Branch solicited Request for Proposals for annual audit services for fiscal year 2022, 2023, 2024 and 2025; and

WHEREAS, Faller, Kincheloe & Co., PLC, Certified Public Accountants submitted a quote for professional services (See Exhibit A); and

WHEREAS, the specifications of the request for proposal will include the performance of audits of the financial statements of the City of West Branch; and

WHEREAS, audits will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in Government Auditing Standards; and

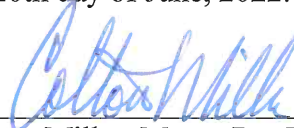
WHEREAS, a written report will be issued upon completion of the audit of the City of West Branch's financial statements which will be addressed to the City Council of West Branch, Iowa: and

WHEREAS, annual audits will be completed by December 31st of each year; and

WHEREAS, it is now necessary to approve said agreement.


NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of West Branch, Iowa that the aforementioned Audit Service Agreement with Faller, Kincheloe & Co., PLC is hereby approved. Further, the Mayor is directed to execute the agreement on behalf of the City.

Passed and approved this 20th day of June, 2022.



Colton Miller, Mayor Pro Tem

ATTEST:



Leslie Brick, City Clerk

AGREEMENT BETWEEN

The City of West Branch

AND

Faller, Kincheloe & Co, PLC

THIS AGREEMENT made and entered into this 23rd day of May, 2022, by and between the City of West Branch, Iowa, hereinafter called "City" and Faller, Kincheloe & Co, PLC, hereinafter called "CPA."

WHEREAS, the City wishes to obtain the services of the CPA to perform the annual audits in accordance with Section 11.6, Code of Iowa, for the fiscal years ended June 30, 2023, 2024, and 2025.

WHEREAS, the CPA is equipped and staffed to perform the above audit; and

WHEREAS, this agreement is in the public interest in fulfilling the requirements of Chapter 11 of the Code of Iowa.

NOW, THEREFORE, BE IT UNDERSTOOD AND AGREED:

1. That the CPA will:
 - A. Provide auditors of various classifications and for the estimated hours as detailed in 2.A of this agreement.
 - B. Begin work on the audit engagement as specifically agreed upon with the City.
 - C. Perform all work in accordance with U.S. generally accepted auditing standards, Government Auditing Standards, and applicable federal requirements.
 - D. Immediately inform the City, the Auditor of State, and County Attorney if the audit discloses any irregularity in the collection or disbursement of public funds.
 - E. Provide access to the working papers to any appropriate federal agencies for the period of time specified in relevant agreements entered into by the City.
 - F. Provide access to the working papers to the Auditor of State in accordance with Chapter 11 of the Code of Iowa.

2. Conditions of Payment:

- A. It is understood that the fees for the services set forth above shall be reimbursed in the following hourly rates:

<u>Classification</u>	<u>Estimated Hours</u>	<u>Hourly Rate</u>
	250	
Partner		\$150
Manager		\$100
Staff		\$ 75

- B. The CPA shall present an invoice for services in the following manner:

Invoices will be presented the last day of each month for services provided that month.

- C. Payments shall be made within thirty (30) days of receipt of invoice.
- D. The total reimbursement shall not be for more than the annual maximum except as specifically agreed in writing by the City and the CPA.

3. Termination of Agreement:

- A. The City may terminate this contract without notice if the CPA fails to perform the covenants or agreements contained herein.
- B. The CPA shall be paid for all work satisfactorily performed to the date of termination.

IN WITNESS THEREOF, the City and CPA have executed this AGREEMENT as of the date indicated below:

CPA
By
Title PARTNER
Date 5/23/2022

City of West Branch, Iowa
By
Title MAYOR PRO TEM
Date 5/23/22

City of West Branch
Proposal for Audit Services

Attachment E Bid Price

Estimated hours for audit of the financial statements:	250
Hourly rates are as follows: \$150 – partner, \$100 – manager and \$75 staff	
Estimated out-of-pocket costs for report production, postage, etc.	\$500
Frequency and timing of billings	Monthly (last day of month)

The hourly rates and all-inclusive maximum fees for the audits will be:

	Audit Fee Maximum
Year ended June 30, 2022 & 2023	\$ 18,000
Year ended June 30, 2024	\$ 18,200
Year ended June 30, 2025	\$ 18,400

An audit required to be conducted in accordance with the Uniform Guidance will be an additional \$3,000 per year.

Additional consulting services, in addition to the auditing services, will be billed at the rates by position, as noted above.