City of Carroll

112 E. 5th Street Carroll, Iowa 51401-2799 (712) 792-1000 FAX: (712) 792-0139

MEMO TO: Mike Pogge-Weaver, City Manager

FROM: Laura A. Schaefer, Finance Director/City Clerk

DATE: June 7, 2017

SUBJECT: Audit Bids for FY 2017 - 2019

Request for Proposals to perform the City's annual audit for fiscal years 2017-2019 was sent to 8 firms. On June 6, two proposals to perform the annual audits were received and opened. A summary of the proposals is as follows:

Firm		FY 2016-2017	FY 2017-2018	FY 2018-2019
Feldmann & Company CPAs Carroll, Iowa		$13,500	$14,000	$14,500
Faller, Kincheloe & Co, PLC Des Moines, Iowa		$30,000*	$30,200*	$30,400*

* - If a Single Audit is required, there is an additional $3,000 fee.

For comparative purposes, it is believed (based upon information I know as of today) that a Single Audit may not be required for FY 2017 but may be required for FY 2018. If more than $750,000 of federal grant money is spent in a fiscal year, then a Single Audit is required.

Feldmann & Company have performed the City audit since 1985 and are qualified to continue performing the City audit.

Attached is a resolution accepting the bid and approving a contract with Feldmann & Company CPA's, P.C. and authorizing the Mayor and City Clerk to execute the contract on behalf of the City.

RECOMMENDATION: Council consideration and approval of the attached resolution approving the contract with Feldmann & Company CPA's, P.C. to perform the annual audit for fiscal years 2017-2019 at an annual fee of $13,500 for FY 2017, $14,000 for FY 2018, and $14,500 for FY 2019.

RESOLUTION NO. _____

A RESOLUTION APPROVING AUDIT AGREEMENT

WHEREAS, Chapter 17, of the Code of Ordinances of the City of Carroll, Iowa, provides that all contracts made by the City be reduced to writing and approved by the City Council by resolution; and

WHEREAS, the Audit Agreement for fiscal years 2017, 2018, and 2019 is attached hereto as Exhibit "A"; and

WHEREAS, it is determined that the approval of the attached Agreement is in the best interest of the City of Carroll, Iowa;

NOW, THEREFORE, BE IT RESOLVED that the Audit Agreement, attached as Exhibit "A", be authorized and approved, and that the Mayor and City Clerk is authorized to execute the contract on behalf of the City of Carroll.

PASSED AND APPROVED by the City Council of the City of Carroll, Iowa, this 12th day of June, 2017.

CITY COUNCIL OF THE
CITY OF CARROLL, IOWA

BY:_____
Eric P. Jensen, Mayor

ATTEST:

By:_____
Laura A. Schaefer, City Clerk

AGREEMENT BETWEEN

The City of Carroll
AND
Feldmann & Company CPAs, P.C.

THIS AGREEMENT made and entered into this 12th day of June, 2017, by and between The City of Carroll, hereinafter called "City" and Feldmann & Company CPAs, P.C. hereinafter called "Auditor."

WHEREAS, the City wishes to obtain the services of the Auditor to perform an audit in accordance with Section 11.6, Code of Iowa, for three (3) years ending June 30, 2017, 2018 & 2019; and

WHEREAS, the Auditor 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:

Services of the Auditor

- Begin work on the audit as specifically agreed upon with the City.
- Perform all work in accordance with U.S. generally accepted auditing standards, Government Auditing Standards, Chapter 11 of the Code of Iowa and applicable federal requirements.
- 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.
- 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.
- Provide access to the working papers to the Auditor of State in accordance with Chapter 11 of the Code of Iowa.
- Perform any other services as represented in the Auditor's proposal and Letter of Transmittal submitted to the City.

Conditions of Payment

- The Auditor shall present an invoice for services as described in Auditor's proposal.
- The City shall provide payment within thirty (30) days of receipt of the invoice.
- The total reimbursement for the audit performed for each fiscal year shall not exceed the following amounts except as specifically agreed by the City and the Auditor:

Fiscal Year 2016-2017 13,500
Fiscal Year 2017-2018 14,000
Fiscal Year 2018-2019 14,500

Termination of Agreement

- The City may terminate this contract without notice if the Auditor fails to perform the covenants or agreements contained herein. Such termination shall be effective upon the Auditor's receipt of written notice of termination.
- The City may terminate this agreement on or before June 1 of any year in which this agreement remains in effect, by mailing written notice on or prior to June 1. Any such termination shall only terminate this agreement with respect to new audits beginning after the date such notice is given.
- The Auditor shall be paid for all work satisfactorily performed to the date of termination.
- If not sooner terminated, this agreement shall expire upon the Auditor's completion of the City's audit for the fiscal year ending June 30, 2019.

IT WITNESS THEREOF, the City of Carroll and the Auditor have executed this AGREEMENT as of the date indicated below:

Auditor	**City of Carroll**
By Jennifer Walker	**By** _____
Title CPA mgr.	**Title** _____
Date 5-30-17	**Date** _____