



Memo

To: Mayor and Hayden City Council

From: Lisa Ailport, City Administrator

Date: February 6, 2025

Agenda Item: Contract for Supplemental 2023 Audit Assistance

Agenda Item Location

New Business

Background and Recommended Action or Motion

The attached engagement letter from Alpine allows our Auditors to assist in making changes to the 2023 financials as they engage to material state those funds for audit purposes. Considering our Finance department being down 2 positions, it is imperative that we complete this part of the financial so our audit can be completed.

Functional Impact of Authorizing

Authorizing this agreement allows Alpine to make changes to our funds as they work through the audit process.

Functional Impact of Not Authorizing

Not authorizing this contract means the city will wait until our new Director is established and is able to review the 2023 books and prepare them for audit. This delay will result in punitive damages from the state controller's office which could result in withholding of any levy rate increase in future years.

Fiscal Impact

This amount was not budgeted in this year's budget and could result in additional charges between \$5,000 and \$7,000 and represents 30-40 hours of labor to complete the work.

Budget Funding Source / Transfer Request

110-211-53100 50%

210-241-53010 50%

Attachments:

Engagement Letter from Alpine Summit CPA's.

Non-audit Services for the Year Ended September 30, 2023, Engagement Letter

February 6, 2025

City of Hayden
Honorable Mayor, City Council, and Management
8930 N. Government Way
Hayden, ID 83835

Dear Honorable Mayor, Council and Management:

We are pleased to confirm our understanding of the services we are to provide the City of Hayden for the year ended September 30, 2023.

We will assist in preparing reconciliations and proposing adjusting journal entries for the following, as needed, based on information provided by you:

- 1) Adjustments for GASB 68, Pensions
- 2) Adjustments for GASB 87, Leases
- 3) Adjustments for GASB 96, Subscription-Based Information Technology Arrangements
- 4) Adjustments for Long-term debt
- 5) Adjustments for deferred sewer operations and maintenance fees
- 6) Adjustments of other deferred revenue.
- 7) Adjustments of investments to fair market value
- 8) Adjustments of property tax receivable and deferred revenues
- 9) Adjustments of other receivables
- 10) Adjustments of other payables

These non-audit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the items described above. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the non-audit services described above. Further, you agree to oversee the non-audit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; to evaluate the adequacy and results of those services; and accept responsibility for them.

Our fee for these services will be at our standard hourly rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed the services noted above. You will be obligated to compensate us for all time expended through the date of termination.

Partner rates - \$275

Manager rates - \$185

Staff rates - \$145

We appreciate the opportunity to be of service to the City of Hayden and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very Truly Yours,

Alpine Summit CPAs

Alpine Summit CPAs

RESPONSE:

This letter correctly sets forth the understanding of the City of Hayden:

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____