



City Hall, 215 Sycamore St.
Muscatine, IA 52761-3899
(563) 264-1550
Fax (563) 264-0750

FINANCE & RECORDS

To: Mayor and Members of City Council

From: City Audit Committee

Date: December 13, 2019

Re: Request to Approve Proposal for Audit Services with Bohnsack & Frommelt LLP for Fiscal Years 2019/2020 through 2023/2024

Introduction and Background:

In May of 2015, the City entered into an agreement with Bohnsack & Frommelt LLP for audit services for a five-year period for fiscal years 2014/2015 through 2018/2019. The recently completed audit was the last of the five years under that agreement.

Request to Approve a New 5-Year Audit Agreement:

The City's Audit Committee met with Sarah Bohnsack of Bohnsack & Frommelt on November 26, 2019 to review the results of the fiscal year 2018/2019 City audit. After discussion of the audit report, the Committee then recommended that the Finance Director request options for extending the current agreement with Bohnsack & Frommelt for either a 3-year or a 5-year term. There was Committee consensus to recommend an extension to the current agreement if the proposal from Bohnsack & Frommelt was satisfactory to the Committee.

The Finance Director received the attached proposal from Bohnsack & Frommelt LLP for audit services for the years beginning in 2019/2020 and ending in 2023/2024. The audit fee for the year recently completed was \$43,250. The fees for the next five years under the proposed new agreement are: \$44,500, \$45,350, \$46,200, \$47,000, and \$47,900, respectively, which totals to \$230,950. The Audit Committee reviewed this proposal and unanimously recommended its approval.

Summary:

Please include this request to approve the audit services proposal with Bohnsack & Frommelt LLP on the agenda for the December 19, 2019 City Council meeting. Please contact me if you have any questions or need additional information.

**Proposal for Audit Services
Years Ending June 30, 2020-2024**

Presented to:

City of Muscatine, Iowa

December 6, 2019



Bohnsack & Frommelt LLP
Certified Public Accountants

1500 River Drive, Suite 200
Moline, Illinois 61265

Sarah Bohnsack, Partner
563.343.9595
Sarah@governmentalservice.com

Mia Frommelt, Partner
913.660.3931
Mia@governmentalservice.com

Submitted by: **Bohnsack & Frommelt, LLP**

Sarah Bohnsack is entitled to represent Bohnsack & Frommelt LLP, empowered to submit the bid and authorized to sign an agreement with City of Muscatine, Iowa for the proposed audit services for fiscal years 2020 through 2024.

Fees and Compensation

At Bohnsack & Frommelt LLP our goal is to offer our clients expertise and the ability to effectively and efficiently apply the auditing standards in order to provide high-value service at a reasonable cost. Our goal is to exceed your expectations. We recognize that engaging an independent CPA Firm is an important investment. We work side by side with our clients to resolve issues as they arise and encourage our clients to contact us frequently throughout the year with any questions that they may have. We consider this time an investment in the relationship and do not bill for routine calls and questions throughout the year.

Total All-inclusive Maximum Cost for the Following Fiscal Years:

| Employee Classification | FYE 6/30/20 | | FYE 6/30/21 | | FYE 6/30/22 | | FYE 6/30/23 | | FYE 6/30/24 | |
|-------------------------|-------------|--------|-------------|--------|-------------|--------|-------------|--------|-------------|--------|
| | Audit Cost | | Audit Cost | | Audit Cost | | Audit Cost | | Audit Cost | |
| | Hours | Amount |
| Partner | 150 | 15,000 | 150 | 15,300 | 150 | 15,600 | 150 | 15,900 | 150 | 16,200 |
| Partner | 150 | 15,000 | 150 | 15,300 | 150 | 15,600 | 150 | 15,900 | 150 | 16,200 |
| Manager | 150 | 10,500 | 150 | 10,700 | 150 | 10,900 | 150 | 11,000 | 150 | 11,200 |
| Staff | 100 | 4,000 | 100 | 4,050 | 100 | 4,100 | 100 | 4,200 | 100 | 4,300 |
| | 550 | 44,500 | 550 | 45,350 | 550 | 46,200 | 550 | 47,000 | 550 | 47,900 |

Partner Level Field Team

The Partners are on-site performing the audit procedures, resolving issues, and providing immediate audit conclusions. The City will work directly with a team of over 50 years of combined service in auditing cities and who dedicated their firm solely to governmental entities. The City will receive answers and audit conclusions as the audit is being performed, not at the end of the process.

Bohnsack & Frommelt LLP will deliver superior, timely service and cutting-edge expertise to City Muscatine, Iowa through a dedicated certified public accounting practice that focuses solely on the governmental industry. We look forward to working with you to meet your accounting needs. If you have questions regarding this proposal, please contact us. This proposal is a firm and irrevocable for 90 days. Sarah Bohnsack and Mia Frommelt are authorized to make representations for Bohnsack & Frommelt LLP. The audit will be performed out of the Quad City Office, 1500 River Drive, Suite 200, Moline, IL 61265. The contact person will be Sarah Bohnsack, Partner 563.343.9595.

Sincerely,

Bohnsack & Frommelt LLP

Sarah Bohnsack *Mia Frommelt*

Sarah Bohnsack, Partner

Mia Frommelt, Partner

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RESPONSE:

This letter correctly sets forth the understanding of City of Muscatine, Iowa.

Management signature: _____

Title: _____

Date: _____

Governance signature : _____

Title: _____

Date: _____