

## **ACCOUNTING AGREEMENT**

This AGREEMENT is made and entered into on June 6, 2023, by and between Michael R. Farrar ("Accountant"), duly licensed in the state of California as a certified public accountant through the California Board of Accountancy, having reciprocity in the state of Utah, and having a principal place of business at 890 E. Mountain Drive, Apple Valley, UT 84737, and the Town of Apple Valley ("Town") of 1777 N. Meadowlark Dr, Apple Valley, UT 84737.

WHEREAS, Accountant is specially trained, experienced and competent to perform the services which will be required by this Agreement; and

WHEREAS, Accountant is willing to render the professional services described herein on the following terms and conditions.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, the parties agree as follows:

### **AGREEMENT TERM**

This Agreement shall commence on June 6, 2023, and continue until terminated by either party upon thirty (30) days written notice. Termination shall not relieve the parties of their obligations incurred before the termination date.

### **SCOPE OF SERVICES**

Under the terms and conditions stated in this Agreement, Accountant agrees to perform the following general accounting services for the Town, which includes services for the Big Plains Water Special Service District administered through an interlocal agreement:

- Preparation of Financial Reports
- Assist with Budget Preparation
- Monthly Reports
- Quarterly Reports
- Annual Reports
- Audit Preparation
- Other Accounting Processes as Deemed Necessary

For specific services, see detailed listing of duties (Exhibit A).

There is no guarantee of hours.

All monthly, quarterly, and annual reports shall be completed in a timely manner for timely filing periods and/or presentation at monthly meetings.

## **FEES FOR SERVICES**

In consideration of the services to be performed by the Accountant, the Town agrees to compensate the Accountant for the services rendered as follows:

- Initial training will be charged at the rate of \$25/hour. The normal rate will be charged at \$75/hour. Any additional expenses incurred by the Accountant shall be reimbursed by the Town upon submission and approval of valid receipts.

## **METHOD OF PAYMENT**

Accountant shall submit monthly billings to the Town describing the work performed during the preceding month. Accountant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent, and by whom, and a description of any reimbursable expenditures (with prior approval). Town shall pay the Accountant no later than thirty (30) days after approval of the monthly invoice by the Town Administrator.

## **INDEPENDENT CONTRACTOR**

It is understood that Accountant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not be considered an employee of the Town. The Accountant shall be responsible for its own taxes, insurance, and any other obligations arising from its status as an independent contractor. Accountant shall obtain no rights to retirement benefits or any benefits which accrue to Town employees, and Accountant hereby expressly waives any claim it may have to any such rights.

## **CONFIDENTIALITY**

The Accountant shall maintain the confidentiality of all financial and sensitive information obtained in the course of providing services and shall not disclose such information to any third parties, except as required by law or with the Town's written consent. The Accountant is also bound by all ethical and legal standards not provided in this Agreement, but specified under the Accountant's Certified Public Accountant licensing standards with California Board of Accountancy.

## **INDEMNITY**

Accountant agrees to defend, indemnify and hold harmless the Town, its officers, agents, employees and volunteers from and against any and all claims, demands, actions, losses, damages, injuries, and liability, including attorney's fees, direct or indirect (including any and all costs and expenses in connection therein), arising out of the performance of this Agreement to the extent caused by the negligent acts, errors, or omissions of the Accountant. The Town also agrees to defend, indemnify and hold harmless the Consultant, its officers, agents, employees and volunteers from and against any and all claims, demands, actions, losses, damages, injuries, and liability, including attorney's fees, direct or indirect (including any

an all costs and expenses in connection therein), arising out of the performance of this Agreement to the extent caused by the negligent acts, errors, or omissions of the Town.

### **INSURANCE**

Accountant, at Accountant's own cost and expense, shall procure and maintain, for the duration of the agreement, the following insurance policies with insurers possessing a Best's rating of no less than A:

- A. General Liability Coverage: Accountant shall maintain commercial general liability insurance in an amount not less than one million dollars (\$1,000,000) per occurrence.
- B. Professional Liability Coverage: Accountant shall maintain professional errors and omissions liability for protection against claims alleging negligent acts, errors or omissions which may arise from Accountant's operations under this Agreement. The amount of this insurance shall not be less than one million dollars (\$1,000,000) on a claims-made annual aggregate basis.
- C. Certificates of Insurance: Accountant shall provide certificates of insurance with original endorsements to Town as evidence of the insurance coverage required herein. Certificates of such insurance shall be filed with the Town on or before commencement of performance of this Agreement. Current certification of insurance shall be kept on file with the Town at all times during the term of this Agreement.

### **COMPLIANCE WITH LAWS AND REGULATIONS**

The Town has relied upon the professional training and ability of Accountant to perform the services hereunder as a material inducement to enter into this Agreement. The Accountant shall perform the services in compliance with all applicable laws, regulations, and professional accounting standards. The Accountant is also bound by all ethical and legal standards not provided in this Agreement, but specified under the Accountant's Certified Public Accountant licensing standards with the California Board of Accountancy. Accountant represents and warrants that it has all licenses, qualifications, insurance which are legally required of the Accountant to practice its profession.

### **CONTROLLING LAW VENUE**

This Agreement and all matters relating to it shall be governed by the laws of the State of Utah and any action brought relating to this Agreement shall be held exclusively in a state of court in the appropriate jurisdiction.

### **NOTICES**

Any notices to be given under this Agreement by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the addresses of the parties as they appear in the introductory paragraph of this Agreement, but each party may change the address by written notice in accordance with this paragraph.

If to Town: Town of Apple Valley  
1777 N. Meadowlark Dr  
Apple Valley, UT 84737

If to Accountant: Michael R. Farrar  
890 E. Mountain Dr  
Apple Valley, UT 84737

#### **ENTIRE AGREEMENT**

This Agreement constitutes the complete and exclusive statement of Agreement between the Town and Accountant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

#### **AMENDMENTS**

This Agreement may be modified or amended only by a written document executed by both the Accountant and the Town.

#### **WAIVER**

No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder.

#### **LITIGATION EXPENSES AND ATTORNEY'S FEES**

If either party to this Agreement commences any legal action against the other party arising out of this Agreement, the prevailing party shall be entitled to recover its reasonable litigation expenses, including court costs, expert witness fees, discovery expenses, and attorney's fees.

#### **EXECUTION**

This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

#### **ASSIGNMENT & SUBCONTRACTING**

The parties recognize that a substantial inducement to the Town for entering into this Agreement is the professional reputation, experience and competence of Accountant. Accountant shall not assign or subcontract any portion of the work to be performed under this Agreement.

**TERMINATION**

This Agreement may be terminated as follows:

- A. This Agreement may be terminated immediately for cause or by either party without cause upon thirty (30) days advance written notice to the other party. Upon termination, Accountant shall be entitled to compensation for services performed up to the effective date of termination.
  
- B. If either party breaches any provision of this Agreement and if such breach is not cured within thirty (30) days after receiving written notice from the other party specifying such breach in reasonable detail, the non-breaching party shall have the right to terminate this Agreement by giving written notice thereof to the party in breach, which termination shall go into effect immediately upon receipt.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

TOWN OF APPLE VALLEY

ACCOUNTANT

By: \_\_\_\_\_  
Frank Lindhardt, Mayor

By: \_\_\_\_\_  
Michael R. Farrar, CPA

**EXHIBIT A - DETAILED LISTING OF DUTIES**

Administrator and Financial Duties Performed (for **both** Town & Big Plains Water SSD). Not all inclusive:

		ADMINISTRATOR	ACCOUNTANT
<b><u>GENERALLY</u></b>			
	Administration & Supervision (not BPW) of Operations, Buildings & Parks	X	
	Purchasing Agent	X	
	Payroll and Accounts Payable Approval, Sign Checks	X	
	Website	X	
	Grants, CIB, Other	X	
	Meeting Attendance & Representation at Other Functions	X	
	Implement, Recommend & Ensure Compliance of Policies & Programs	X	
	Compilation of Financial Reports for Monthly Meetings	In Conjunction w/Accountant	In Conjunction w/Administrator
	Future Growth of Apple Valley Recommendations	X	
	Employee Annual Reviews	X	
	Budget Officer	In Conjunction w/Accountant	In Conjunction w/Administrator
	Legal Issues	X	
	Contract Negotiations	X	
	Code Enforcement	X	
	Writing Resolutions & Ordinances	X	
<b><u>MONTHLY</u></b>			
	Disbursement Listing		X
	Budget Report		X
	Water Revenue Report		X
	Water Receipts Report		X
	Late Fee Calculation		X
	Water Usage Comparison Report		X
	Missing Checks Report		X
	Voided Receipts Report		X
<b><u>QUARTERLY</u></b>			
	Payroll Reports (941/SUTA/Withholding)		X
	Fuel Tax Report		X
	Sales Tax Report		X
	Rev/Exp Transparency Report	X	
	Impact Fees Quarterly Transfer to PTIF	X	
	Interlocal Agreement Calculation	X	
<b><u>ANNUALLY</u></b>			
	Budget Preparation	Work in Conjunction w/Accountant	Work in Conjunction w/Administrator
	Impact Fee Annual Report	X	
	Review Bond Reserves for PTIF	X	
	W-2's and E-File		X
	1099's and E-File		X
	ULGT Insurance Audit	X	
	ULGT W/C Audit	X	
	URS Audit	X	
	Annual Payroll Transparency Submission	X	
	EOY Entries for Audit (Reserves Calculation, Accrued JE's, Restricted Cash Calculation, Security Deposit Reconciliation)		X
	Prepare Pelorus Audit Package		X
	SAM Update	X	
	Adjust Surcharge Account		X
	Certify & Upload Audit to State Website	X	