

**PROPOSAL TO SERVE  
CITY OF OELWEIN**

**THREE YEARS ENDED JUNE 30, 2024-2026  
AUDIT SERVICES**

**FEBRUARY 28, 2024**



T.P. ANDERSON & COMPANY, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

---

February 28, 2024

City of Oelwein  
Dylan Mulfinger  
Oelwein, IA 50662

Dear Dylan,

We are pleased to have the opportunity to present our proposal to serve as independent auditors for City of Oelwein. We appreciate the information and specific requirements that you have provided to us. We are confident we can exceed your expectations and requirements and provide you with the highest quality in professional auditing and consulting services.

As we understand the audit requirements described in the request for proposal guidelines, you expect a timely audit conducted in a professional manner in accordance with audit standards specific to governmental standards for the three years ended June 30, 2024-2026. We will issue the financial reports and reporting letters in accordance with the timing outlined in the attached Scope of Services and Proposed Project Schedule.

We are confident that Anderson and Company is the right firm to best satisfy the needs of City of Oelwein. We are uniquely situated and have the resources and reputation to best serve the City for the following reasons:

- ◆ We are committed to helping you succeed.

We provide our clients with superior, timely and innovative services. Your success is our objective. We see things from your perspective. Then we provide an outside perspective that can help you overcome problems and take advantage of opportunities. We approach this engagement as business partners both working towards a common goal of your success. We work with many of our clients on a year-round basis as issues may arise.

- ◆ We offer you an innovative, experienced service team with specialized knowledge of cities and the local government industry.

We have extensive knowledge and experience in local government and utility auditing and accounting systems to provide a high-quality audit in an efficient and timely manner. We have over 30 years of experience auditing government cities and municipal utilities in Iowa.

- ◆ We have numerous consulting professionals available with a wide range of service capabilities.

Anderson and Company has specialized management consulting and tax professionals available who have the capabilities to provide you with a wide range of consulting services.

- ◆ We are a member firm of the Governmental Audit Quality Center, a center with a mission to help firms achieve the highest standards in performing quality government audits.
- ◆ We are uniquely positioned to serve you.

Anderson and Company is in a unique position to offer you the personal service associated with a local company. *You are an important client to us.*

If you have any questions regarding information presented within this proposal or desire additional information, please contact us at **528 Sumner Avenue, Humboldt, IA 50548 (515) 332-3466**. I am authorized to make representations and to bind Anderson and Company to the services presented in this proposal. We look forward to hearing from you.

Sincerely,

*Aaron E. Olson*

**Aaron E. Olson, CPA**  
T.P. Anderson & Company, P.C.  
Certified Public Accountants

**PROPOSAL TO SERVE  
CITY OF OELWEIN  
THREE YEARS ENDED JUNE 30, 2024-2026  
AUDIT SERVICES**

**FEBRUARY 28, 2024**

**T.P. ANDERSON & COMPANY, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
528 SUMNER AVENUE  
HUMBOLDT, IOWA 50548**

**CONTACT PERSON: Aaron E. Olson, CPA**

**PROPOSAL TO SERVE  
CITY OF OELWEIN**

**C O N T E N T S**

	<u>Page</u>
FIRM PROFILE	1
QUALIFICATIONS	2 - 5
SCOPE OF SERVICES AND PROPOSED PROJECT SCHEDULE	6
FEES AND COMPENSATION	7

## **FIRM PROFILE**

### **General**

T.P. Anderson & Company, P.C., Certified Public Accountants, provides accounting services to more than 1,000 business and individual clients engaged in retail sales, manufacturing, construction, agricultural industries, and professional services, as well as educational, governmental and non-profit organizations. Anderson and Company is a local firm of independent certified public accountants located in Humboldt, Iowa.

We are in compliance with the registration and permit requirements to engage in the practice of public accounting within Iowa.

Anderson and Company consists of ten professionals on our accounting and auditing staff. Our professionals include two owners and staff accountants. Our firm and all four of the individual certified public accountants on our professional staff are members of both the Iowa Society of Certified Public Accountants and the American Institute of Certified Public Accountants (AICPA). In addition, Anderson and Company is a member of the Private Companies Practice Section and the Government Audit Quality Center of the AICPA.

Periodic peer reviews are a requirement of firm membership in the AICPA. These reviews, performed by a team of independent certified public accountants, are to determine whether we are complying with the quality control standards required for membership. We are in compliance with the AICPA peer review requirements.

### **Philosophy**

We have structured our office to provide clients with prompt and thoughtful attention. This philosophy of personalized service means, among other things, that the audit of your City will be under the personal supervision of one of the owners of the firm. Other staff and specialists will be assigned to the engagement as required.

## QUALIFICATIONS

### **Client Service Team**

The quality of the service you receive is dependent on the capabilities of the individuals assigned to the engagement and the manner in which those personnel resources are organized to efficiently focus their abilities on providing you with the requested audit services.

We are committed to providing high quality service to City of Oelwein. To achieve this objective, we have assembled a client service team that contains the capabilities and experience we believe are indispensable for your engagement. This includes a background in:

- ◆ Numerous governmental entities.
- ◆ Organizations with multiple functions and divisions.
- ◆ Full-scope audits encompassing management efficiency and economy as well as financial matters.
- ◆ Accounting, auditing and financial reporting principles applicable to cities.
- ◆ Tax aspects of cities and related fringe benefit programs.

Profiles of the Management Team of Anderson and Company are included below.



### **Tim McCartan, CPA**

Tim has more than 25 years of public accounting experience and has been a partner with the firm since 2002. Tim is involved with all aspects of personal and business income tax planning and preparation, personal financial planning and all other areas of business consulting. He also specializes in providing financial statement audit, attestation and compliance functions for a wide variety of client industries including many governmental and not for profit entities.

Tim graduated from the University of Northern Iowa where he received his Bachelor of Arts degree in Accounting. He is a member of the American Institute of Certified Public Accountants and the Iowa Society of Certified Public Accountants (ISCPA) and has served as a board member of the ISCPA Exempt Organization Committee. Tim has served on many committees and boards throughout the years and is currently serving as a board member for Humboldt County Mutual Insurance Company, treasurer for Zion Lutheran Church, as President of the Accountancy Advisory Board for Iowa Central Community College and as a trustee for the Humboldt County Memorial Hospital.

---



**Aaron Olson, CPA**

Aaron started with the firm in 2014 and assumed a partner role with the firm in 2016. She graduated Summa Cum Laude from Iowa State University where she received her Bachelor of Science degree as well as her Master's degree in Accounting. After college, Aaron worked for one of the Big 4 public accounting firms, KPMG, in the Des Moines area. Aaron specializes in providing financial statement audit, audit of internal control, attestation and compliance functions for a wide variety of client industries including many governmental and not for profit entities. Aaron is also involved in providing corporate, partnership and individual income tax planning and preparation and all areas of financial planning and consulting.

Aaron served as board chair for the Iowa Accountancy Examination Board for the State of Iowa, as a board member of the Continuing Professional Education Committee for the National Association of State Boards of Accountancy (NASBA), as past president and current member of the Humboldt Rotary Club, as a board member of the Humboldt Community School Foundation, as committee member of the Humboldt Community School Facilities Improvement Board, as finance committee member of the Youth Shelter Care of North Central Iowa, as finance committee member of Faith United Methodist Church, as committee member of the Leader's Emerging in the Accounting Profession, as a committee member of the Membership Committee for the state society of CPAs, and as treasurer for the Iowa Teacher Supply Swap.

Aaron is a member of the American Institute of Certified Public Accountants (AICPA), the Iowa Society of Certified Public Accountants and has received a special recognition from the AICPA for her services as an outstanding young CPA in her field (Leadership Academy Graduate).

---

**Engagement Team**

Aaron Olson, an owner of the firm, will serve as the firm partner for this engagement and is personally responsible for supervising the engagement and signing reports. It is her duty to ensure that the project is managed efficiently, that each facet of the engagement receives appropriate emphasis, and that the conclusions are insightful and valid. In addition, this individual is responsible for determining client needs and providing resources that can help satisfy those needs. She will assist in planning specific audit steps, managing the quality of work, performing a detailed audit workpaper review and communicate the strengths and weaknesses of the management and accounting information system to City of Oelwein. Tim McCartan, also an owner of the firm, will be involved with overall quality and reporting reviews.





**Abby Schreck, CPA**

Abby Schreck will be entrusted with the day-to-day responsibilities for the engagement. It will be her responsibility to see that the audit programs are carried out thoroughly and that the staff assistants are utilized efficiently on the job. Abby graduated from the University of Northern Iowa. She was the university's Purple & Old Gold Award recipient for the year she graduated which means she achieved the highest academic success of anyone in her field at the university. After graduation, Abby obtained her CPA designation and worked at the public accounting firm, RSM US LLP (formally known as McGladrey, LLP) in Des Moines for five years.

---



**Joe Pena, CPA**

Joe Pena will be entrusted with the day-to-day responsibilities for the federal single audit engagement. It will be his responsibility to see that the audit programs are carried out thoroughly and that the staff assistants are utilized efficiently on the job. Joe also graduated from the University of Northern Iowa and began working at Anderco in 2019. Joe is a manager in our audit practice where he manages and coordinates financial statement audits, audits of federal programs and engagements of attestation review for our wide variety of client industries.

---

**Staff Accountants**

Staff accountants will be designated as we formulate our audit approach. These individuals will also possess experience in auditing governmental entities. We will schedule our staff accountants to obtain the maximum amount of experience and continuity throughout the audit.

**Quality Control**

The firm has established a system of quality control that is tested periodically in a peer review. As part of this system, the work of staff accountants is supervised on a day-to-day basis during our performance of the audit. Prior to the conclusion of our audit, the in-charge accountant performs a detailed review of the resulting workpapers and supervises the preparation of the financial report. In addition to monitoring the progress of the audit work, a firm owner performs a fairness review of the workpaper file and the report.

**Experience**

Governmental units for which we have recently provided professional services include the following:

- ◆ Algona Municipal Utilities
- ◆ Laurens Municipal Utilities

- ◆ Osage Municipal Utilities
- ◆ Sanborn Electric and Telecommunications Utility
- ◆ Bancroft Municipal Utilities
- ◆ Manning Municipal Utilities
- ◆ Spencer Municipal Utilities
- ◆ Grundy Center Utilities
- ◆ Woodbine Utilities
- ◆ Coon Rapids Utilities
- ◆ City of Algona
- ◆ City of Forest City
- ◆ City of Cherokee
- ◆ City of Charles City
- ◆ City of Humboldt
- ◆ City of Eagle Grove
- ◆ City of Alta
- ◆ City of Sanborn
- ◆ City of Sibley
- ◆ City of Hartley
- ◆ Humboldt County
- ◆ Sac County

Please feel free to reach out to these organizations about the quality of our work.

**Mandatory Requirements**

During the last two years, each of the auditors identified above as part of our client service team has completed a minimum of 40 hours annually of accredited continuing education. In addition, the educational requirements for governmental auditing (Yellow Book Requirements) have been met.

Our firm and each of the individuals listed above are independent with respect to the City as that term is defined by Rule 101 of the Code of Professional Ethics of the American Institute of Certified Public Accountants.

## **SCOPE OF SERVICES AND PROPOSED PROJECT SCHEDULE**

### **AUDIT REQUIREMENTS**

The audit of City of Oelwein' financial statement and supplemental information will be performed in accordance with:

- ◆ US generally accepted auditing standards
- ◆ The standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States
- ◆ If applicable, the Single Audit Act Amendments of 1996 and Title 2 Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)

Reporting letters will include a statement of audit findings and recommendations affecting the financial statements, internal control, inefficiencies, duplication of efforts, accounting systems, legality of actions, compliance with laws and regulations and any other matters considered appropriate.

### **PROJECT SCHEDULE**

The following is our proposed time schedule for accomplishing the services outlined in this proposal. We would, of course, work with the City to modify this schedule to accommodate any conflicts or inconveniences.

- ◆ Audit planning and performance of year-end procedures will be done in August.
- ◆ Audit fieldwork will be performed during September.
- ◆ A draft of the audit report and management letter will be reviewed with you in October/November.
- ◆ Final bound copies of the reports and management letter shall be delivered no later than December 31<sup>st</sup>.
- ◆ The required number of bound copies of the audit report, including the management letter, a detailed per diem audit bill and a copy of the news release shall be timely provided to the Auditor of State.

## FEES AND COMPENSATION

1. The estimated total time for the completion of our audit of City of Oelwein is 300 hours.
2. The estimated total out-of-pocket expenses for this engagement are \$1,500.
3. The hourly governmental rate by staff classification for Anderson and Company is as follows:

Principal	\$250 per hour
In-charge Accountant	\$170 per hour
Professional staff	\$110 per hour

4. The total all-inclusive maximum fee for City of Oelwein, including out-of-pocket expenses, shall not exceed \$20,500 for the year ended June 30, 2024, \$23,000 for the year ended June 30, 2025 and \$25,500 for the year ended June 30, 2026.

The total all-inclusive maximum fee for the City of Oelwein for the audits required under the Uniform Guidance will not exceed \$5,000, \$5,500 and \$6,000 per federal program required for the years ending June 30, 2024-2026, respectively.

We will also assist with preparing the Annual Financial Report and the Management Discussion & Analysis. Those fees will not exceed \$1,900, \$2,000 and \$2,100 and \$650, \$700, \$750, for each of the three years, respectively.

5. If the scope of services is changed or if we encounter other unanticipated difficulties, we will notify you and the City Council and a new all-inclusive fee will be agreed to before we proceed.
6. The quoted fees do not include assistance with any non-audit services that the City requests (including drafting of the management discussion and analysis or implementing new accounting standards). Should additional services or audits be required, we will review the level of work requested by the City and the applicable requirements and negotiate an additional fee with the City based on the increased audit work that would be required.
7. Invoices will be presented monthly as work is completed. They are payable within 30 days of presentation.
8. The above fees are based on our best estimate of the time required to provide the requested services. If, due to circumstances outside our control, the time required to complete the audit is changed, you will be notified and arrangements will be made to revise the above maximum fee.