

CITY OF RICHLAND CENTER

AGENDA ITEM DATA SHEET

Agenda Item: Audit Engagement for 2025

Meeting Date: Finance and Council on 12/2/2025

Requested by: Ashley Oliphant, City Administrator

Background: On an annual basis, the City of Richland Center undergoes a financial audit. Johnson Block & Company (JBC) has historically provided this service. To secure JBC's services for the fiscal year ending December 31, 2025, a formal engagement letter has been provided to the Common Council for consideration.

JBC will audit the financial statements of the governmental activities, each major fund, and the remaining fund information. The letter confirms that JBC will rely on the audit report of other auditors (Baker Tilly US, LLP who audit City Utilities) for the opinion on the business-type activities (electric, water, and sewer funds). In addition to the financial statement audit, the engagement includes nonattest services:

1. Preparation of the annual Financial Report Form to the Wisconsin Department of Revenue (DOR).
2. Compilation of the TID Annual Report(s).
3. Preparation of financial statements, maintenance of the capital asset schedule, and maintaining lease information.

Audit fieldwork has tentatively been scheduled for May 18th through May 20th.

Recommendation: Approve the Audit Engagement Letter with Johnson Block & Company, Inc. as presented, to ensure the timely start of the 2025 fiscal year audit and compliance with statutory requirements.

Financial Impact: Base Audit Fee of \$23,600. Additional Accounting Services (estimated): 24-42 hours at regular hourly rates, amounting to \$4,000-\$8,000. The average total cost of this service over the last six years has been \$27,311.

Funding Source: 2026 Budget - Auditing Fees – Acct # 10-51360-390

Requested Action:

FINANCE: Motion to recommend to the Council the approval of the Audit Engagement Letter with Johnson Block & Company, Inc. for the fiscal year ended December 31, 2025.

COUNCIL: Motion to approve the Audit Engagement Letter with Johnson Block & Company, Inc. for the fiscal year ended December 31, 2025, and authorize the City Administrator to sign the document.

Attachment(s): Audit Engagement Letter