

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

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August 6, 2024

Honorable Mayor and City Council
Huntington City
Huntington, Utah 84528

Ladies/Gentlemen:

We respectfully submit the attached proposal for the audit of the financial statements of Huntington City for the year ending June 30, 2025, 2026, 2027, with the potential extension for the following two years: 2028, and 2029.

Contract Information

Firm name:

Smuin, Rich & Marsing
294 East 100 South
P.O. Box 820
Price, Utah 84501
(435) 637-1203
Contact Person:
Douglas Rasmussen, CPA

A. PROFILE OF INDEPENDENT AUDITOR

The name of our firm is Smuin, Rich & Marsing, Certified Public Accountants. We have an office in Price, Utah, and are considered a local accounting firm, although we have performed numerous non-profit and governmental audits throughout the State of Utah. Our firm comprises three certified public accountants, eight additional accountants, along with a clerical/secretarial staff. We have three partners, three managers, three senior accountants, two staff accountant and one clerical employees. We provide a full range of services, including auditing, tax preparation, consulting, write-up accounting services, payroll tax report preparation, and computer consulting. Our auditing clients are almost exclusively non-profit and governmental entities, many of which have required Single Audits.

We have the expertise necessary to audit computerized systems. Our firm is properly licensed as Certified Public Accountants in the state of Utah and meets the independence requirements of the American Institute of Certified Public Accountants (AICPA) and the Government Auditing Standards, 2021 Revision, published by the U.S. Government Accountability Office (Yellow Book). We also comply with the Generally Accepted Auditing Standards (GAAS) issued by the AICPA and meet the continuing professional education (CPE) and external quality control review requirements as specified in both GAAS and the Government Auditing Standards. We have enclosed a copy of our most recent external quality control review report, which was conducted in accordance with AICPA and Government Auditing Standards (GAGAS) guidelines.

All auditing services are performed from our Price office.

GREG MARSING, C.P.A.
DOUGLAS RASMUSSEN, C.P.A.
R. KIRT RICH, C.P.A.
TRACY LUDINGTON, C.P.A.



C. PROPOSER'S APPROACH TO THE EXAMINATION (Continued)

We will not be using outside specialists in completing the audit. Below we have listed our estimated audit fees, which include out-of-pocket expenses.

		Possible contract extension dates					
	HOURS	RATE	06/30/25	06/30/26	06/30/27	06/30/28	06/30/29
<u>AUDIT OF FINANCIAL STATEMENTS-ALL STATE REQUIREMENTS</u>							
Partner	25	\$ 145	\$ 3,625	\$ 3,806	\$ 3,997	\$ 4,196	\$ 4,406
Manager	22	120	2,640	2,772	2,911	3,056	3,209
Audit Staff	55	95	5,225	5,486	5,761	6,049	6,351
Clerical	13	70	910	956	1,003	1,053	1,106
Total not to exceed fee			\$ 12,400	\$ 13,020	\$ 13,671	\$ 14,355	\$ 15,072
for audit							

SINGLE AUDIT FEE (If required)

Single audit fee	\$ 2,050	\$ 2,153	\$ 2,260	\$ 2,373	\$ 2,492
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It is not anticipated that the number of hours by staff level will change during the four-year period, but we would submit that the audit fee and tax return preparation fee will increase by 5% annually as outlined above.

D. TIME REQUIREMENT

If selected, we would contact personnel responsible for overseeing the financial statement preparation process to schedule an entrance conference and the timing to perform fieldwork. We anticipate performing fieldwork either in early August for the audit of the financial statement. After completing the fieldwork, we would talk with Huntington City personnel to report preliminary findings and discuss any management concerns.

The proposed audit adjustments will be provided to Huntington City, reviewed, and any disputes resolved. Before leaving after completing the audit fieldwork, we will agree upon any adjustments to the financial statements. When the adjustments are posted, we will once again review the final balances in the financial statements to make sure they match our audited balances in our workpapers. All adjustments will be provided in May/June of each year.

E. NOT-TO-EXCEED FEE

In the Proposers Approach to Engagement, we have listed the number of hours and rate per hour, as well as the fee for each audit type. We have also shown the total fee for each audit type. The above information is based on our current billing rates and our best estimate of the number of hours required. Therefore, our "not-to-exceed" fee for auditing services for the year ending June 30, 2025, is \$12,400, for June 30, 2026, is \$13,020, for June 30, 2027, is \$13,671. Our not-to-exceed fee for the following two years would be \$14,355 for June 30, 2028, and \$15,072 for June 30, 2029.