



# FRUIT HEIGHTS CITY COUNCIL MEETING AGENDA

Notice is hereby given that the Fruit Heights City Council will hold a regular meeting at 7:00pm on **July 15, 2025**, at Fruit Heights City Hall, 910 South Mountain Road Fruit Heights City Utah.

Fruit Heights City is now streaming City Council Meetings on its YouTube Channel. Please follow us at <https://www.youtube.com/@fruitheightscity9716/streams>

## **1. CALL TO ORDER: Mayor John Pohlman**

- 1.1 Pledge of Allegiance (John)
- 1.2 Prayer or Thought (Mark)
- 1.3 Roll call (Hailee)
- 1.4 Training (Shon)

## **2. DECLARATION OF CONFLICT(S) OF INTEREST**

## **3. PUBLIC COMMENT PERIOD**

The public may address the City Council regarding issues that are or are not on the agenda. Please limit comments to 3 minutes. Please state your name and address of residence for the record. **No actions may be taken on items not specifically listed on the agenda.**

## **4. PRESENTATIONS**

- 4.1 YCC Report

## **5. DISCUSSION ITEMS**

Discussion items to be considered.

- 5.1 Timeframe of political signs
- 5.2 E-Bikes and motor vehicle
- 5.3 Bid for 2025 street maintenance project
- 5.4 Auditing services

## **6. ACTION ITEMS**

- 6.1 Approve/Deny Awarding the bid for 2025 street maintenance project
- 6.2 Approve/Deny Auditing services
- 6.3 Approve June 17, 2025, City Council Minutes

## **7. TABLED ITEMS**

## **8. CALENDAR ITEMS**

- 8.1 July 22, 2025, Planning Commission Meeting
- 8.2 August 5, 2025, City Council Meeting
- 8.3 August 19, 2025, City Council Meeting

## **9. PAST DISCUSSION ITEMS**

## **10. COUNCIL REPORT**

## **11. MAYOR REPORT**

## **12. STAFF REPORT**

## **13. CLOSED SESSION**

The City Council may vote to discuss matters in a closed session for reasons allowed by law, including, but not limited to, the provisions of Utah Code § 52-4-205 of the Open and Public Meetings Act, and for attorney-client matters that are privileged pursuant to Utah Code § 78B-1-137.

#### **14. ADJOURNMENT**

##### **CERTIFICATE OF POSTING**

**I HEREBY CERTIFY** that this notice and agenda was posted at Fruit Heights City Hall, on the City's website, [www.fruitheightscity.com](http://www.fruitheightscity.com), as well as posted on the Utah State Public Notice website in accordance with the requirements of the Utah Open and Public Meetings Act, including, but not limited to, provisions of Utah Code § 52-4-202.

Hailee Ballingham

Hailee Ballingham - Deputy Recorder

In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting should contact the Fruit Heights City Manager, Darren Frandsen at (801)546-0861 at least 24 hours prior to the meeting.

#### **Helpful Links.**

Fruit Heights City Website: <https://www.fruitheightscity.com/>


Fruit Heights City YouTube Channel: <https://www.youtube.com/channel/UCaIqHYd0U5RCpaDo8rquABw>

Fruit Heights City Facebook Page: <https://www.facebook.com/FruitHeightsCityGovernment>

# MEMORANDUM

TO: Fruit Heights City Mayor and City Council

CC: Darren Frandsen – Fruit Heights City Manager  
Layne Leonard – Fruit Heights City Public Works Director  
Ted Parry – Fruit Heights City Storm Water Manager

FROM: Zac Burk, P.E.  
City Engineer 

RE: **Fruit Heights 2025 Street Maintenance Project**

Date: July 8, 2025

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On July 8<sup>th</sup> at 10:00 AM, bids were opened for the 2025 Street Maintenance Project. Ten bids were received and read publicly. The results of the bidding are shown on the enclosed Bid Tabulation. We have checked the bids and found no errors in the bid summation.

We have reviewed all bid prices and considered each contractor when evaluating the three lowest bid totals. Granite Construction Company, Asphalt Construction & Excavating, and Geneva Rock Products. Jones and Associates have worked with all three contractors on similar projects and can confirm their previous experience and key personnel. Based on our review of the qualifications and prices of the lowest three contractors, we recommend award of the project contract to **Granite Construction Company**, with their bid of **\$374,159.70**. The project completion date is set for September 26<sup>th</sup>, 2025.

The purpose of this project is to do a 2" asphalt overlay on Jost Road, and the northern portion of Cherry Ln. that was not re-paved as part of the Weber Basin Waterline project. James Dr. & Hilda Dr. will also receive a 2" asphalt overlay as part of our city-wide maintenance schedule. Homestead Ln. will likely receive a 3" asphalt overlay after some milling to amend the city standard thickness of pavement.

If the Council agrees with this recommendation, please pass a motion accepting the bid and awarding the project contract to Granite Construction Company with their respective bid. We will provide the Notice of Award and Contract Agreement for the City and Contractors to sign. In addition to these documents, the contractor is also responsible for submitting Performance and Payment Bonds, and Insurance Certificates within 10 days following Notice of Award.

When these documents have been received, we will schedule a Preconstruction Conference. At this conference we will issue a Notice to Proceed and discuss the construction details with the contractor prior to beginning the work.

If you have any questions, please let us know. Once these items have been completed, we can review and process final payment.

BID TABULATION

Fruit Heights City 2025 Street Maintenance  
Bid Opening: July 8, 2025

				ENGINEER'S ESTIMATE		1 - Granite Construction Company		2 - Asphalt Construction & Excavating		3 - Geneva Rock Products, Inc.		4 - Kilgore Contracting		5 - Black Forest Paving	
Item	Description	Qty	Unit	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
Hilda Drive & James Drive															
1	Mobilization	1	ls	\$ 10,000.00	\$ 10,000.00	\$ 5,850.00	\$ 5,850.00	\$ 1,665.00	\$ 1,665.00	\$ 6,000.00	\$ 6,000.00	\$ 8,950.00	\$ 8,950.00	\$ 6,300.00	\$ 6,300.00
2	Traffic Control	1	ls	\$ 5,000.00	\$ 5,000.00	\$ 655.00	\$ 655.00	\$ 1,665.00	\$ 1,665.00	\$ 5,600.00	\$ 5,600.00	\$ 2,500.00	\$ 2,500.00	\$ 2,700.00	\$ 2,700.00
3	Pre-Lower Manholes	3	ea	\$ 425.00	\$ 1,275.00	\$ 305.00	\$ 915.00	\$ 310.80	\$ 932.40	\$ 340.00	\$ 1,020.00	\$ 360.00	\$ 1,080.00	\$ 310.00	\$ 930.00
4	Pre-Lower Valve Box	5	ea	\$ 350.00	\$ 1,750.00	\$ 230.00	\$ 1,150.00	\$ 210.90	\$ 1,054.50	\$ 258.00	\$ 1,290.00	\$ 260.00	\$ 1,300.00	\$ 310.00	\$ 1,550.00
5	Remove and Replace Curb and Gutter	50	lf	\$ 65.00	\$ 3,250.00	\$ 52.00	\$ 2,600.00	\$ 55.50	\$ 2,775.00	\$ 59.65	\$ 2,982.50	\$ 65.00	\$ 3,250.00	\$ 78.00	\$ 3,900.00
6	Soft Spot Repair	30	cy	\$ 20.00	\$ 600.00	\$ 125.00	\$ 3,750.00	\$ 177.60	\$ 5,328.00	\$ 135.00	\$ 4,050.00	\$ 215.00	\$ 6,450.00	\$ 78.00	\$ 2,340.00
7	Edge Mill	25,326	sf	\$ 0.26	\$ 6,584.76	\$ 0.30	\$ 7,597.80	\$ 0.37	\$ 9,370.62	\$ 0.25	\$ 6,331.50	\$ 0.33	\$ 8,357.58	\$ 0.47	\$ 11,903.22
8	Level Course	10	ton	\$ 120.00	\$ 1,200.00	\$ 100.00	\$ 1,000.00	\$ 99.90	\$ 999.00	\$ 230.00	\$ 2,300.00	\$ 185.00	\$ 1,850.00	\$ 142.00	\$ 1,420.00
9	2" Overlay	806	ton	\$ 98.00	\$ 78,988.00	\$ 94.00	\$ 75,764.00	\$ 92.47	\$ 74,530.82	\$ 97.60	\$ 78,665.60	\$ 94.00	\$ 75,764.00	\$ 96.00	\$ 77,376.00
10	Raise Manhole to Grade with Concrete Collar	10	ea	\$ 750.00	\$ 7,500.00	\$ 675.00	\$ 6,750.00	\$ 704.85	\$ 7,048.50	\$ 745.00	\$ 7,450.00	\$ 650.00	\$ 6,500.00	\$ 720.00	\$ 7,200.00
11	Raise Valve Box to Grade with Concrete Collar	7	ea	\$ 500.00	\$ 3,500.00	\$ 410.00	\$ 2,870.00	\$ 471.75	\$ 3,302.25	\$ 455.00	\$ 3,185.00	\$ 575.00	\$ 4,025.00	\$ 610.00	\$ 4,270.00
Cherry Lane															
12	Mobilization	1	ls	\$ 10,000.00	\$ 10,000.00	\$ 700.00	\$ 700.00	\$ 1,665.00	\$ 1,665.00	\$ 6,000.00	\$ 6,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,700.00	\$ 5,700.00
13	Traffic Control	1	ls	\$ 5,000.00	\$ 5,000.00	\$ 500.00	\$ 500.00	\$ 1,665.00	\$ 1,665.00	\$ 2,650.00	\$ 2,650.00	\$ 2,500.00	\$ 2,500.00	\$ 2,100.00	\$ 2,100.00
14	Pre-Lower Manholes	1	ea	\$ 425.00	\$ 425.00	\$ 305.00	\$ 305.00	\$ 310.80	\$ 310.80	\$ 340.00	\$ 340.00	\$ 360.00	\$ 360.00	\$ 310.00	\$ 310.00
15	Pre-Lower Valve Box	4	ea	\$ 350.00	\$ 1,400.00	\$ 230.00	\$ 920.00	\$ 210.90	\$ 843.60	\$ 258.00	\$ 1,032.00	\$ 260.00	\$ 1,040.00	\$ 210.00	\$ 840.00
16	Remove and Replace Curb and Gutter	130	lf	\$ 65.00	\$ 8,450.00	\$ 52.00	\$ 6,760.00	\$ 55.50	\$ 7,215.00	\$ 59.65	\$ 7,754.50	\$ 65.00	\$ 8,450.00	\$ 72.00	\$ 9,360.00
17	Soft Spot Repair	60	cy	\$ 20.00	\$ 1,200.00	\$ 125.00	\$ 7,500.00	\$ 85.00	\$ 5,100.00	\$ 135.00	\$ 8,100.00	\$ 215.00	\$ 12,900.00	\$ 78.00	\$ 4,680.00
18	Remove and Replace ADA Ramp	1	ea	\$ 5,000.00	\$ 5,000.00	\$ 2,600.00	\$ 2,600.00	\$ 2,775.00	\$ 2,775.00	\$ 2,870.00	\$ 2,870.00	\$ 4,350.00	\$ 4,350.00	\$ 3,900.00	\$ 3,900.00
19	Edge Mill	16,569	sf	\$ 0.26	\$ 4,307.94	\$ 0.30	\$ 4,970.70	\$ 0.37	\$ 6,130.53	\$ 0.25	\$ 4,142.25	\$ 0.33	\$ 5,467.77	\$ 0.48	\$ 7,953.12
20	Level Course	15	ton	\$ 120.00	\$ 1,800.00	\$ 100.00	\$ 1,500.00	\$ 99.90	\$ 1,498.50	\$ 230.00	\$ 3,450.00	\$ 185.00	\$ 2,775.00	\$ 142.00	\$ 2,130.00
21	2" Overlay	508	ton	\$ 98.00	\$ 49,784.00	\$ 94.00	\$ 47,752.00	\$ 92.47	\$ 46,974.76	\$ 95.90	\$ 48,717.20	\$ 94.00	\$ 47,752.00	\$ 93.00	\$ 47,244.00
22	Raise Manhole to Grade with Concrete Collar	3	ea	\$ 750.00	\$ 2,250.00	\$ 675.00	\$ 2,025.00	\$ 704.85	\$ 2,114.55	\$ 745.00	\$ 2,235.00	\$ 650.00	\$ 1,950.00	\$ 720.00	\$ 2,160.00
23	Raise Valve Box to Grade with Concrete Collar	4	ea	\$ 500.00	\$ 2,000.00	\$ 410.00	\$ 1,640.00	\$ 471.75	\$ 1,887.00	\$ 455.00	\$ 1,820.00	\$ 575.00	\$ 2,300.00	\$ 610.00	\$ 2,440.00

				ENGINEER'S ESTIMATE		1 - Granite Construction Company		2 - Asphalt Construction & Excavating		3 - Geneva Rock Products, Inc.		4 - Kilgore Contracting		5 - Black Forest Paving	
Item	Description	Qty	Unit	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
<b>Homestead Lane</b>															
24	Mobilization	1	ls	\$ 10,000.00	\$ 10,000.00	\$ 2,650.00	\$ 2,650.00	\$ 2,442.00	\$ 2,442.00	\$ 6,000.00	\$ 6,000.00	\$ 5,700.00	\$ 5,700.00	\$ 8,200.00	\$ 8,200.00
25	Traffic Control	1	ls	\$ 5,000.00	\$ 5,000.00	\$ 910.00	\$ 910.00	\$ 1,665.00	\$ 1,665.00	\$ 5,600.00	\$ 5,600.00	\$ 2,500.00	\$ 2,500.00	\$ 3,600.00	\$ 3,600.00
26	Pre-Lower Manholes	3	ea	\$ 425.00	\$ 1,275.00	\$ 305.00	\$ 915.00	\$ 310.80	\$ 932.40	\$ 340.00	\$ 1,020.00	\$ 360.00	\$ 1,080.00	\$ 310.00	\$ 930.00
27	Pre-Lower Valve Box	5	ea	\$ 350.00	\$ 1,750.00	\$ 235.00	\$ 1,175.00	\$ 210.90	\$ 1,054.50	\$ 258.00	\$ 1,290.00	\$ 260.00	\$ 1,300.00	\$ 310.00	\$ 1,550.00
28	Remove and Replace Curb and Gutter	40	lf	\$ 65.00	\$ 2,600.00	\$ 52.00	\$ 2,080.00	\$ 55.50	\$ 2,220.00	\$ 59.65	\$ 2,386.00	\$ 65.00	\$ 2,600.00	\$ 78.00	\$ 3,120.00
29	Edge Mill - 3" to 4" deep at curb to nothing near crown	24,598	sf	\$ 0.38	\$ 9,347.24	\$ 0.50	\$ 12,299.00	\$ 0.37	\$ 9,101.26	\$ 0.35	\$ 8,609.30	\$ 0.39	\$ 9,593.22	\$ 0.55	\$ 13,528.90
30	Level Course	20	ton	\$ 120.00	\$ 2,400.00	\$ 100.00	\$ 2,000.00	\$ 99.90	\$ 1,998.00	\$ 230.00	\$ 4,600.00	\$ 185.00	\$ 3,700.00	\$ 142.00	\$ 2,840.00
31	3" Overlay	1,256	ton	\$ 98.00	\$ 123,088.00	\$ 93.50	\$ 117,436.00	\$ 93.24	\$ 117,109.44	\$ 96.10	\$ 120,701.60	\$ 90.00	\$ 113,040.00	\$ 96.00	\$ 120,576.00
32	Raise Manhole to Grade with Concrete Collar	16	ea	\$ 750.00	\$ 12,000.00	\$ 675.00	\$ 10,800.00	\$ 704.85	\$ 11,277.60	\$ 745.00	\$ 11,920.00	\$ 650.00	\$ 10,400.00	\$ 720.00	\$ 11,520.00
33	Raise Valve Box to Grade with Concrete Collar	9	ea	\$ 500.00	\$ 4,500.00	\$ 410.00	\$ 3,690.00	\$ 471.75	\$ 4,245.75	\$ 455.00	\$ 4,095.00	\$ 575.00	\$ 5,175.00	\$ 610.00	\$ 5,490.00
<b>Jost Road</b>															
34	Mobilization	1	ls	\$ 10,000.00	\$ 10,000.00	\$ 750.00	\$ 750.00	\$ 2,442.00	\$ 2,442.00	\$ 2,500.00	\$ 2,500.00	\$ 4,700.00	\$ 4,700.00	\$ 2,200.00	\$ 2,200.00
35	Traffic Control	1	ls	\$ 5,000.00	\$ 5,000.00	\$ 250.00	\$ 250.00	\$ 1,665.00	\$ 1,665.00	\$ 1,750.00	\$ 1,750.00	\$ 2,500.00	\$ 2,500.00	\$ 1,200.00	\$ 1,200.00
36	Pre-Lower Manholes	1	ea	\$ 425.00	\$ 425.00	\$ 305.00	\$ 305.00	\$ 310.80	\$ 310.80	\$ 340.00	\$ 340.00	\$ 360.00	\$ 360.00	\$ 310.00	\$ 310.00
37	Pre-Lower Valve Box	2	ea	\$ 350.00	\$ 700.00	\$ 235.00	\$ 470.00	\$ 210.90	\$ 421.80	\$ 258.00	\$ 516.00	\$ 260.00	\$ 520.00	\$ 310.00	\$ 620.00
38	Remove and Replace Curb and Gutter	45	lf	\$ 65.00	\$ 2,925.00	\$ 52.00	\$ 2,340.00	\$ 55.50	\$ 2,497.50	\$ 59.65	\$ 2,684.25	\$ 65.00	\$ 2,925.00	\$ 78.00	\$ 3,510.00
39	Soft Spot Repair	30	cy	\$ 20.00	\$ 600.00	\$ 125.00	\$ 3,750.00	\$ 100.00	\$ 3,000.00	\$ 135.00	\$ 4,050.00	\$ 215.00	\$ 6,450.00	\$ 78.00	\$ 2,340.00
40	Edge Mill	8,834	sf	\$ 0.38	\$ 3,356.92	\$ 0.30	\$ 2,650.20	\$ 0.37	\$ 3,268.58	\$ 0.25	\$ 2,208.50	\$ 0.33	\$ 2,915.22	\$ 0.58	\$ 5,123.72
41	Level Course	5	ton	\$ 120.00	\$ 600.00	\$ 100.00	\$ 500.00	\$ 99.90	\$ 499.50	\$ 230.00	\$ 1,150.00	\$ 185.00	\$ 925.00	\$ 170.00	\$ 850.00
42	2" Overlay	230	ton	\$ 98.00	\$ 22,540.00	\$ 94.00	\$ 21,620.00	\$ 92.47	\$ 21,268.10	\$ 96.70	\$ 22,241.00	\$ 94.00	\$ 21,620.00	\$ 96.00	\$ 22,080.00
43	Raise Manhole to Grade with Concrete Collar	1	ea	\$ 750.00	\$ 750.00	\$ 675.00	\$ 675.00	\$ 704.85	\$ 704.85	\$ 745.00	\$ 745.00	\$ 650.00	\$ 650.00	\$ 720.00	\$ 720.00
44	Raise Valve Box to Grade with Concrete Collar	2	ea	\$ 500.00	\$ 1,000.00	\$ 410.00	\$ 820.00	\$ 471.75	\$ 943.50	\$ 455.00	\$ 910.00	\$ 575.00	\$ 1,150.00	\$ 60.00	\$ 120.00
<b>TOTAL BASE BID</b>				<b>\$ 431,121.86</b>		<b>\$ 374,159.70</b>		<b>\$ 375,918.41</b>		<b>\$ 413,302.20</b>		<b>\$ 414,674.79</b>		<b>\$ 419,134.96</b>	

BID TABULATION

Fruit Heights City 2025 Street Maintenance

Bid Opening: July 8, 2025

				6 - Morgan Asphalt		7 - Post Construction		8 - Ridge Rock Inc.		9 - C&B Asphalt		10 - Staker Parson Companies	
Item	Description	Qty	Unit	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
Hilda Drive & James Drive													
1	Mobilization	1	ls	\$ 3,000.00	\$ 3,000.00	\$ 2,800.00	\$ 2,800.00	\$ 4,750.00	\$ 4,750.00	\$ 650.00	\$ 650.00	\$ 3,360.00	\$ 3,360.00
2	Traffic Control	1	ls	\$ 5,500.00	\$ 5,500.00	\$ 1,650.00	\$ 1,650.00	\$ 1,950.00	\$ 1,950.00	\$ 1,750.00	\$ 1,750.00	\$ 6,650.00	\$ 6,650.00
3	Pre-Lower Manholes	3	ea	\$ 322.00	\$ 966.00	\$ 330.00	\$ 990.00	\$ 550.00	\$ 1,650.00	\$ 320.00	\$ 960.00	\$ 310.00	\$ 930.00
4	Pre-Lower Valve Box	5	ea	\$ 245.00	\$ 1,225.00	\$ 250.00	\$ 1,250.00	\$ 350.00	\$ 1,750.00	\$ 245.00	\$ 1,225.00	\$ 236.00	\$ 1,180.00
5	Remove and Replace Curb and Gutter	50	lf	\$ 110.00	\$ 5,500.00	\$ 65.00	\$ 3,250.00	\$ 40.70	\$ 2,035.00	\$ 110.00	\$ 5,500.00	\$ 94.00	\$ 4,700.00
6	Soft Spot Repair	30	cy	\$ 104.00	\$ 3,120.00	\$ 190.00	\$ 5,700.00	\$ 75.00	\$ 2,250.00	\$ 260.00	\$ 7,800.00	\$ 209.00	\$ 6,270.00
7	Edge Mill	25,326	sf	\$ 0.43	\$ 10,890.18	\$ 0.55	\$ 13,929.30	\$ 0.65	\$ 16,461.90	\$ 0.27	\$ 6,838.02	\$ 0.35	\$ 8,864.10
8	Level Course	10	ton	\$ 243.00	\$ 2,430.00	\$ 275.00	\$ 2,750.00	\$ 115.00	\$ 1,150.00	\$ 288.00	\$ 2,880.00	\$ 334.00	\$ 3,340.00
9	2" Overlay	806	ton	\$ 92.25	\$ 74,354.73	\$ 98.50	\$ 79,392.31	\$ 102.00	\$ 82,213.36	\$ 105.00	\$ 84,631.40	\$ 104.50	\$ 84,228.39
10	Raise Manhole to Grade with Concrete Collar	10	ea	\$ 710.00	\$ 7,100.00	\$ 720.00	\$ 7,200.00	\$ 750.00	\$ 7,500.00	\$ 710.00	\$ 7,100.00	\$ 680.00	\$ 6,800.00
11	Raise Valve Box to Grade with Concrete Collar	7	ea	\$ 430.00	\$ 3,010.00	\$ 440.00	\$ 3,080.00	\$ 450.00	\$ 3,150.00	\$ 430.00	\$ 3,010.00	\$ 415.00	\$ 2,905.00
Cherry Lane													
12	Mobilization	1	ls	\$ 3,000.00	\$ 3,000.00	\$ 2,800.00	\$ 2,800.00	\$ 4,750.00	\$ 4,750.00	\$ 650.00	\$ 650.00	\$ 3,250.00	\$ 3,250.00
13	Traffic Control	1	ls	\$ 5,500.00	\$ 5,500.00	\$ 1,650.00	\$ 1,650.00	\$ 2,550.00	\$ 2,550.00	\$ 1,750.00	\$ 1,750.00	\$ 6,650.00	\$ 6,650.00
14	Pre-Lower Manholes	1	ea	\$ 322.00	\$ 322.00	\$ 330.00	\$ 330.00	\$ 550.00	\$ 550.00	\$ 320.00	\$ 320.00	\$ 310.00	\$ 310.00
15	Pre-Lower Valve Box	4	ea	\$ 245.00	\$ 980.00	\$ 250.00	\$ 1,000.00	\$ 350.00	\$ 1,400.00	\$ 245.00	\$ 980.00	\$ 236.00	\$ 944.00
16	Remove and Replace Curb and Gutter	130	lf	\$ 110.00	\$ 14,300.00	\$ 65.00	\$ 8,450.00	\$ 34.62	\$ 4,500.60	\$ 110.00	\$ 14,300.00	\$ 94.00	\$ 12,220.00
17	Soft Spot Repair	60	cy	\$ 101.50	\$ 6,090.00	\$ 130.00	\$ 7,800.00	\$ 75.00	\$ 4,500.00	\$ 240.00	\$ 14,400.00	\$ 206.00	\$ 12,360.00
18	Remove and Replace ADA Ramp	1	ea	\$ 3,850.00	\$ 3,850.00	\$ 2,850.00	\$ 2,850.00	\$ 2,150.00	\$ 2,150.00	\$ 3,850.00	\$ 3,850.00	\$ 2,625.00	\$ 2,625.00
19	Edge Mill	16,569	sf	\$ 0.47	\$ 7,787.43	\$ 0.70	\$ 11,598.30	\$ 0.65	\$ 10,769.85	\$ 0.30	\$ 4,970.70	\$ 0.43	\$ 7,124.67
20	Level Course	15	ton	\$ 242.00	\$ 3,630.00	\$ 290.00	\$ 4,350.00	\$ 110.00	\$ 1,650.00	\$ 277.50	\$ 4,162.50	\$ 306.00	\$ 4,590.00
21	2" Overlay	508	ton	\$ 95.00	\$ 48,251.13	\$ 100.00	\$ 50,790.67	\$ 102.00	\$ 51,806.48	\$ 108.25	\$ 54,980.90	\$ 104.50	\$ 53,076.25
22	Raise Manhole to Grade with Concrete Collar	3	ea	\$ 708.50	\$ 2,125.50	\$ 720.00	\$ 2,160.00	\$ 750.00	\$ 2,250.00	\$ 710.00	\$ 2,130.00	\$ 680.00	\$ 2,040.00
23	Raise Valve Box to Grade with Concrete Collar	4	ea	\$ 430.50	\$ 1,722.00	\$ 440.00	\$ 1,760.00	\$ 450.00	\$ 1,800.00	\$ 430.00	\$ 1,720.00	\$ 415.00	\$ 1,660.00

				6 - Morgan Asphalt		7 - Post Construction		8 - Ridge Rock Inc.		9 - C&B Asphalt		10 - Staker Parson Companies	
Item	Description	Qty	Unit	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
<b>Homestead Lane</b>													
24	Mobilization	1	ls	\$ 2,000.00	\$ 2,000.00	\$ 2,800.00	\$ 2,800.00	\$ 4,750.00	\$ 4,750.00	\$ 650.00	\$ 650.00	\$ 4,400.00	\$ 4,400.00
25	Traffic Control	1	ls	\$ 6,900.00	\$ 6,900.00	\$ 1,650.00	\$ 1,650.00	\$ 1,950.00	\$ 1,950.00	\$ 1,750.00	\$ 1,750.00	\$ 6,650.00	\$ 6,650.00
26	Pre-Lower Manholes	3	ea	\$ 322.00	\$ 966.00	\$ 330.00	\$ 990.00	\$ 550.00	\$ 1,650.00	\$ 320.00	\$ 960.00	\$ 310.00	\$ 930.00
27	Pre-Lower Valve Box	5	ea	\$ 245.00	\$ 1,225.00	\$ 250.00	\$ 1,250.00	\$ 350.00	\$ 1,750.00	\$ 245.00	\$ 1,225.00	\$ 236.00	\$ 1,180.00
28	Remove and Replace Curb and Gutter	40	lf	\$ 110.00	\$ 4,400.00	\$ 65.00	\$ 2,600.00	\$ 40.25	\$ 1,610.00	\$ 110.00	\$ 4,400.00	\$ 94.00	\$ 3,760.00
29	Edge Mill - 3" to 4" deep at curb to nothing near crown	24,598	sf	\$ 0.54	\$ 13,282.92	\$ 0.70	\$ 17,218.60	\$ 0.77	\$ 18,940.46	\$ 0.27	\$ 6,641.46	\$ 0.45	\$ 11,069.10
30	Level Course	20	ton	\$ 242.00	\$ 4,840.00	\$ 200.00	\$ 4,000.00	\$ 102.00	\$ 2,040.00	\$ 271.15	\$ 5,423.00	\$ 205.00	\$ 4,100.00
31	3" Overlay	1,256	ton	\$ 92.00	\$ 115,544.64	\$ 96.50	\$ 121,196.28	\$ 105.00	\$ 131,871.60	\$ 108.55	\$ 136,330.12	\$ 96.50	\$ 121,196.28
32	Raise Manhole to Grade with Concrete Collar	16	ea	\$ 708.50	\$ 11,336.00	\$ 720.00	\$ 11,520.00	\$ 750.00	\$ 12,000.00	\$ 710.00	\$ 11,360.00	\$ 630.00	\$ 10,080.00
33	Raise Valve Box to Grade with Concrete Collar	9	ea	\$ 430.50	\$ 3,874.50	\$ 440.00	\$ 3,960.00	\$ 450.00	\$ 4,050.00	\$ 430.00	\$ 3,870.00	\$ 415.00	\$ 3,735.00
<b>Jost Road</b>													
34	Mobilization	1	ls	\$ 3,250.00	\$ 3,250.00	\$ 2,800.00	\$ 2,800.00	\$ 4,750.00	\$ 4,750.00	\$ 650.00	\$ 650.00	\$ 3,150.00	\$ 3,150.00
35	Traffic Control	1	ls	\$ 6,000.00	\$ 6,000.00	\$ 1,650.00	\$ 1,650.00	\$ 1,950.00	\$ 1,950.00	\$ 1,750.00	\$ 1,750.00	\$ 6,650.00	\$ 6,650.00
36	Pre-Lower Manholes	1	ea	\$ 322.00	\$ 322.00	\$ 330.00	\$ 330.00	\$ 550.00	\$ 550.00	\$ 320.00	\$ 320.00	\$ 310.00	\$ 310.00
37	Pre-Lower Valve Box	2	ea	\$ 245.00	\$ 490.00	\$ 250.00	\$ 500.00	\$ 350.00	\$ 700.00	\$ 245.00	\$ 490.00	\$ 236.00	\$ 472.00
38	Remove and Replace Curb and Gutter	45	lf	\$ 110.00	\$ 4,950.00	\$ 65.00	\$ 2,925.00	\$ 46.67	\$ 2,100.15	\$ 110.00	\$ 4,950.00	\$ 94.50	\$ 4,252.50
39	Soft Spot Repair	30	cy	\$ 104.40	\$ 3,132.00	\$ 160.00	\$ 4,800.00	\$ 75.00	\$ 2,250.00	\$ 260.00	\$ 7,800.00	\$ 209.00	\$ 6,270.00
40	Edge Mill	8,834	sf	\$ 0.53	\$ 4,682.02	\$ 1.00	\$ 8,834.00	\$ 0.65	\$ 5,742.10	\$ 0.39	\$ 3,445.26	\$ 0.38	\$ 3,356.92
41	Level Course	5	ton	\$ 441.00	\$ 2,205.00	\$ 365.00	\$ 1,825.00	\$ 140.00	\$ 700.00	\$ 318.00	\$ 1,590.00	\$ 306.00	\$ 1,530.00
42	2" Overlay	230	ton	\$ 102.25	\$ 23,555.67	\$ 115.00	\$ 26,492.93	\$ 102.00	\$ 23,498.08	\$ 110.35	\$ 25,421.70	\$ 106.00	\$ 24,419.57
43	Raise Manhole to Grade with Concrete Collar	1	ea	\$ 708.50	\$ 708.50	\$ 720.00	\$ 720.00	\$ 890.00	\$ 890.00	\$ 710.00	\$ 710.00	\$ 682.00	\$ 682.00
44	Raise Valve Box to Grade with Concrete Collar	2	ea	\$ 430.50	\$ 861.00	\$ 440.00	\$ 880.00	\$ 450.00	\$ 900.00	\$ 430.00	\$ 860.00	\$ 415.00	\$ 830.00
<b>TOTAL BASE BID</b>				<b>\$</b>	<b>429,179.23</b>	<b>\$</b>	<b>436,472.39</b>	<b>\$</b>	<b>438,179.58</b>	<b>\$</b>	<b>447,155.05</b>	<b>\$</b>	<b>455,100.78</b>

**STATEMENT OF QUALIFICATIONS AND QUOTES  
FOR AUDITING SERVICES  
FOR  
FRUIT HEIGHTS, UTAH  
FOR THE YEARS ENDED  
JUNE 30, 2025  
THROUGH  
JUNE 30, 2029**

**KCHM, LLC, dba K&C, CPAs  
1285 South 1650 West, Suite 200  
Woods Cross City, Utah 84087  
(801) 590-2600**

**Firm Representative:  
Gary Keddington, CPA – Audit Partner  
Gary@KCcpaoffice.com  
(801) 699-2030**



---

**CERTIFIED PUBLIC  
ACCOUNTANTS**





CERTIFIED PUBLIC  
ACCOUNTANTS

Gary K. Keddington, CPA  
Marcus K. Arbuckle, CPA  
Steven M. Rowley, CPA

June 25, 2025

Members of the City Council and Mayor of the  
City of Fruit Heights, Utah

We are thrilled to provide this proposal for your consideration! Our audit partners, managers, and seniors have worked together as a team for many years. In fact, all our partners have been working together for a minimum of 14 years, with some of our team members working together for over 25 years. Our firm is dedicated to providing quality audit services at a fair and reasonable price.

Some of the key benefits of working with our firm are partners and managers over the engagement are in the field with the staff, our staff are highly cross-trained, and we utilize technology to minimize client disruptions. With the partner and managers in the field overseeing the audit, any significant decisions, questions, issues, or concerns related to the audit are usually handled right there at the client's office as they arise. This ensures that the audit work continues as seamlessly as possible and any questions or concerns from the client can be resolved as quickly as possible.

Another aspect that we pride ourselves in is having our staff highly cross-trained. Part of our practice consists of providing CFO and consulting services to many cities and districts throughout the state of Utah. These services consist of continual reviews of financial information, budget preparation, audit preparation services, and many others. Even our newest staff participate in the reconciliation and reporting services that we provide to these consulting entities. We believe it is our responsibility to train our staff, not the client! Therefore, our training and continuing education programs exceed the minimum requirements for auditors of governmental entities, and CPA licensure requirements.

The third benefit we mentioned was utilizing technology to minimize client disruptions. As a firm we utilize CaseWare for our audit software, and because it is cloud-based, our audit team can be anywhere with internet access, and all audit workpapers are updated in real-time! This means we can have one or two people on-site, but have another two or three back at the office working on the City's audit. This limits the number of interruptions during an audit. Additionally, if the City's reconciliations and supporting audit documentation are stored electronically, those files can be easily provided to us through our secure portal. Making the audit even more seamless and efficient!

Those are just some of the benefits you can expect from working with K&C. Again, we are excited to be considered for the City's independent auditors.

Thank you again for the opportunity to provide this proposal! If there are additional questions regarding our proposal, please don't hesitate to contact us – Gary Keddington, Partner ([gary@kccpaoffice.com](mailto:gary@kccpaoffice.com)) or Marcus Arbuckle, Partner ([marcus@kccpaoffice.com](mailto:marcus@kccpaoffice.com)).

Sincerely,

Gary Keddington, CPA - Partner  
K&C, Certified Public Accountants  
Woods Cross City, Utah

## TABLE OF CONTENTS

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## **Description of K&C, CPAs**

KCHM, LLC, dba K&C, CPAs is a limited liability company and was formed in 2012, but the three partners have been. We are a local certified public accounting firm specializing in providing audits and other assurance services.

K&C, CPAs operates primarily in the Utah area. Our offices are located at 1285 S 1650 West, Suite 200, Woods Cross, Utah. We currently have three partners, three managers, and twelve professional and support staff. All of our partners and professionals have experience in performing governmental audits. We currently have six licensed CPAs.

Our firm's website can be found at <https://kccpaoffice.com>.

### **Affirmative Statements:**

- a) We affirm that we are properly licensed to practice as a certified public accounting firm in the State of Utah (firm license #8199214-2603).
- b) We affirm that we are independent of the City as defined by the AICPA's Rule 101 and *Government Auditing Standards*.
- c) We affirm that we meet the continuing professional education and external quality control review requirements contained in the *Government Auditing Standards*. As required by *Government Auditing Standards*, our most recent peer review report, dated November 14, 2022, is available on our website: <https://kccpaoffice.com/peer-review-report>. As we undergo future peer reviews (every three years), those will be included in the same location.

## **Key Individual Qualifications & Anticipated Hours**

Gary Keddington, CPA, will be the partner with final responsibility of the audit.

K&C, CPAs  
1285 S 1650 W, Suite 200  
Woods Cross, UT 84087  
(801) 590-2600 Business  
(801) 699-2030 Cell  
[gary@kccpaoffice.com](mailto:gary@kccpaoffice.com)

Marcus Arbuckle, CPA, will be the concurring partner.

K&C, CPAs  
1285 S 1650 W, Suite 200  
Woods Cross, UT 84087  
(801) 590-2600 Business  
(801) 898-2863 Cell  
[marcus@kccpaoffice.com](mailto:marcus@kccpaoffice.com)

Others who are anticipated to have key roles in performing the City's financial statement audit are: Ben Bailey, CPA (Audit Manager), Nathaniel Corry, CPA (Audit Manager), Rylee Johnson, and Tyler LeDoux. The resumes for the partners, managers, and staff are included below. No other offices, firms, or subcontractors will be used in the performance of the City's audit.

**Gary Keddington, Engagement Partner**

Mr. Keddington received his degree in Accounting from the University of Utah in 1983. Mr. Keddington became a partner in the firm Jensen & Keddington in January 1989. Mr. Keddington is licensed as a CPA and has over 35 years of providing auditing and consulting services to governmental entities. Mr. Keddington has attended continuing education related to Government Auditing including courses and conferences offered by the Utah State Auditor's office, UGFOA, GFOA, and UACPA. Mr. Keddington served approximately 20 years on the Board of Trustees for the Bountiful Irrigation District.

Mr. Keddington has received the Certificate of Educational Achievement for Governmental Accounting and Auditing issued by the American Institute of Certified Public Accountants (AICPA). This certificate represents that the recipient has taken an extensive course sponsored by the AICPA regarding governmental accounting and auditing. The recipient must also take and pass four different examinations regarding governmental accounting and auditing.

In addition to his educational accomplishments and being licensed as a CPA, Mr. Keddington serves as the Managing Partner of the firm. As noted earlier, Mr. Keddington has over 35 years of experience in governmental auditing and accounting and has a wealth of knowledge and experience.

Mr. Keddington's more recent experience includes:

**Cities**

- Bountiful City
- Logan City
- Washington Terrace City
- Lindon City
- Ely City, NV
- South Weber City

**Local and Special Service Districts, and Interlocal Agencies**

- South Valley Water Reclamation Facility
- South Davis Recreation District
- Uintah Recreation District
- Timberlakes Water Special Service District
- Utah Infrastructure Agency (UIA)
- Utah Telecommunications Open Infrastructure Agency (UTOPIA)

In addition to his audit experience, Mr. Keddington provides consulting and audit preparation services for the following governmental entities:

**Cities/Towns**

- Manti City
- Moroni City
- Gunnison City
- Centerfield City
- East Carbon City
- Orangeville City
- Ferron City
- Town of Wales

## **Local and Special Service Districts, and Interlocal Agencies**

- Gunnison Valley Police Department
- Manti Ambulance Association
- North Sanpete Ambulance Association

## **Marcus Arbuckle, CPA –Concurring Audit Partner**

Mr. Arbuckle graduated with a degree in Accounting in 2004 from Utah Valley University and with a Master of Business Administration in 2007 from the University of Utah. Mr. Arbuckle joined K&C CPA's (formerly Jensen & Keddington) in 2007 and was promoted to partner in 2014. Mr. Arbuckle specializes in performing audit services to a variety of clients including municipalities, other governmental entities, non-profit and commercial entities.

Mr. Arbuckle is licensed as a CPA in Utah. He has attended continuing education for the past 18 years related to auditing governmental entities and audits in accordance with the Single Audit Act offered by the Utah State Auditor's office, the GFOA and the UACPA. He is also a member of UGFOA, UACPA and the AICPA.

- |                          |                                  |
|--------------------------|----------------------------------|
| • Woods Cross City       | District                         |
| • West Jordan City       | • Centerville City (Consulting)  |
| • South Ogden City       | • Somerton City, AZ (Consulting) |
| • Midvale City           | • West Point City (Consulting)   |
| • Brigham City           | • Rich County (Consulting)       |
| • Toquerville City       | • Lander County, NV              |
| • Unified Fire Authority | (Consulting)                     |
| • Cottonwood Improvement |                                  |

## **Ben Bailey, CPA - Manager**

Mr. Bailey graduated with a Bachelor's degree in Accounting (Cum Laude) in 2014 from Weber State University. Mr. Bailey then went on to earn a Master of Accounting in May 2015 from Weber State University. Mr. Bailey joined K&C, Certified Public Accountants in September 2015. In December 2017, he was promoted to Manager. Mr. Bailey is licensed as a CPA and is a member of the AICPA & UACPA, and attends various trainings and conferences related to governmental accounting and auditing provided by the Utah State Auditor's office, UGFOA, GFOA, and UACPA.

In addition to his education and being licensed as a CPA, Mr. Bailey's qualifications include managing or working on the following governmental audit engagements:

### **Cities**

- |                    |                       |
|--------------------|-----------------------|
| • West Valley City | • South Ogden City    |
| • West Jordan City | • Ely City, NV        |
| • Bountiful City   | • West Bountiful City |
| • Brigham City     | • Highland City       |
| • Woods Cross City | • South Weber City    |

## **Quasi-Independent State Agencies**

- Utah Transit Authority

## **Local and Special Service Districts, and Interlocal Agencies**

- Unified Fire Authority
- Unified Fire Service Area
- Wasatch Integrated Waste Management District
- South Davis Recreation District
- Midvalley Improvement District
- Uintah Recreation District
- Timberlakes Water Special Service District
- Utah Infrastructure Agency (UIA)
- Utah Telecommunications Open Infrastructure Agency (UTOPIA)

In addition to his audit experience, Mr. Bailey provides consulting and audit preparation services for the following governmental entities:

## **Counties**

- Lander County, NV

## **Nathaniel Corry, CPA – Audit Manager**

Mr. Corry received his Bachelor of Science degree in accounting (summa cum laude) from Southern Utah University in May 2018. In May 2019 Mr. Corry graduated with his master's in accountancy from Southern Utah University with an emphasis in Public Accounting and Tax Accounting. During his time at Southern Utah University Nathaniel served on the SUUSA Finance Committee as a Fund Controller, provided academic assistance to the blind as a contractor with the Utah State Office of Rehabilitation, and worked as a Graduate Assistant to four business professors.

Mr. Corry joined K&C, CPAs in May 2019. Mr. Corry has attended continuing education related to auditing governmental entities offered by the Utah State Auditor's office, and the UACPA; as well as various in-house continuing education training courses. Mr. Corry is a member of the AICPA. Mr. Corry is licensed as a CPA and is currently studying for the CFE exam.

The following is a list of some of the governmental and related engagements Mr. Corry has worked on, all of which are current clients.

- |                           |                                 |
|---------------------------|---------------------------------|
| • Woods Cross City        | • South Valley Water            |
| • Bountiful City          | Reclamation Facility            |
| • West Jordan City        | • Heber City (Consulting)       |
| • Washington Terrace City | • Orangeville City (Consulting) |
| • Lake Point City         |                                 |

## **Rylee Johnson – Staff Auditor**

Mrs. Johnson graduated with her bachelor's degree in accounting from BYU – Idaho in 2021. She went on to earn a Master of Accountancy degree from the University of Utah in 2022. She joined the firm in 2022 and has jumped into trainings related to governmental accounting and auditing. Mrs. Johnson has also attended trainings from the Utah State Auditor's Office, UACPA, and many in-house training seminars.

In addition to her education, Mrs. Johnson's qualifications include working on the following governmental audit engagements:

- Woods Cross City
- West Valley City
- West Jordan City
- South Ogden City
- Rich County
- Northern Utah Environmental Resource Agency
- Unified Fire Authority
- Salt Lake Valley Emergency Communications Center
- Wasatch Integrated Waste Management District
- Weber Basin Water Conservancy District
- Taylorsville-Bennion Improvement District
- Heber City (Consulting)

#### **Tyler LeDoux – Staff Auditor**

Mr. LeDoux graduated with his bachelor's degree in accounting from Western Governors University in 2023. He went on to earn a Master of Science in Accounting degree from Western Governors University in 2024. Mr. LeDoux joined the team at K&C, CPAs in October 2023. Mr. LeDoux has attended several in-house training seminars, and trainings related to governmental accounting and auditing provided by the UACPA. He is currently studying for the CPA exams.

In addition to his education, Mr. LeDoux's qualifications include working on the following governmental audit engagements:

- Woods Cross City
- Bountiful City
- West Jordan City
- Highland City
- Cedar Hills City
- Washington Terrace City
- Toquerville City
- Ely City, NV
- Salt Lake Valley Emergency Communications Center
- Cottonwood Improvement District
- Unified Fire Service Area
- Taylorsville-Bennion Improvement District
- Granger-Hunter Improvement District
- North Pointe Solid Waste Special Service District
- Northern Utah Environmental Resource Agency

### **Estimated Audit Hours by Staff Level**

	Estimated Hours	
	Audit	Including Single Audit
Partner	45	55
Manager	45	55
Staff	90	90
	<u>180</u>	<u>200</u>

In estimating the hours, we looked over the City's most recent audited financial statements and looked at the actual hours we utilized in performing audits of cities of similar size and complexity.

We anticipate the main on-site fieldwork to be possibly 4-5 days the initial year as there is some additional learning curve related to situations unique to Fruit Heights. For future years, we would expect main fieldwork to require 3-4 days onsite. The remainder of audit hours can usually be performed remotely to further limit interruptions of the City staff's time.

### **Municipal References**

#### **Washinton Terrace**

Tom Hanson, City Manager  
801-395-8282

#### **South Weber City**

David Larson, City Manager  
801-479-3177

#### **South Ogden City**

Peter Anjewierden, Finance Director  
801-622-2703

### **Affirmation Statement**

#### **Proposed Timeline**

The general outline of audit work will be as follows:

<i>Entrance Conference and Preliminary Work</i>	June/July
Includes inventory counts for Golf and Water funds	
Preparation/sending of confirmations	
<i>Audit Field Work</i>	November 1 <sup>st</sup>
Includes State compliance, and Single Audit	
<i>Draft of report ready for review</i>	November/December
<i>Report Issuance</i>	No later than Dec. 31 <sup>st</sup>
<i>Exit Conference with Management and Council</i>	December/January



We affirm we will meet the reporting deadline requirements if the city adheres to the above schedule and has the city's accounting records ready to be audited as of November 1<sup>st</sup> of each year/

### **Quote**

Travel, per diem, and other out-of-pocket expenses Included in fees		
Audit Fee		
Including		
Total "not-to-exceed" audit fee	Audit Fee	Single Audit
Year Ended June 30, 2025	\$ 18,000	\$ 20,000
Year Ended June 30, 2026	\$ 18,540	\$ 20,600
Year Ended June 30, 2027	\$ 19,100	\$ 21,010
Year Ended June 30, 2028	\$ 19,670	\$ 21,640
Year Ended June 30, 2029	\$ 20,260	\$ 22,290

### **Other Billable Expenses and “Not-to-Exceed Fees”**

Our “not-to-exceed” fees include all out-of-pocket, travel, per diem, and other costs. Our audit fees will be **\$18,000** for June 30, 2025. The audit fee will then increase approximately 3% each subsequent year through the end of the potential five-year contract. Due to the current economic instability and higher-than usual inflation rates experienced over the last several years, we may request a change in the audit fee if inflation rates for the area increases more than 5% (as calculated by the U.S. Bureau of Labor Statistics).

The audit fee is based on the current key accounting personnel, current accounting consultants, current auditing and accounting standards, city fund structure, and complexity of the City. If additional time is necessary as a result of changes in any of those areas, we will re-evaluate the estimated time and resulting audit fees. The audit fee is also based on the city records to be ready to be audited November 1<sup>st</sup> of each year.

The above audit fee does not include any fee for services related to accounting, researching accounting issues, transaction analysis, time related to researching, discussions and recording of any prior period adjustments.

If significant additional time is necessary due to unforeseen circumstances or if there is any request for changes to the audit fee due to changes discussed above, we will discuss it with you and arrive at a new fee estimate before incurring additional costs.

### **Conclusion**

We appreciate the opportunity to provide this proposal and are confident that we can provide quality audit services the City requires! If you have any questions, please feel free to reach out to Gary Keddington ([gary@kccpaoffice.com](mailto:gary@kccpaoffice.com)) or Marcus Arbuckle ([marcus@kccpaoffice.com](mailto:marcus@kccpaoffice.com)).

## PEER REVIEW LETTER

Deaton & Company, Chartered  
Certified Public Accountants  
215 North 9<sup>th</sup>, Suite A  
Pocatello, ID 83201-5278  
(208) 232-5825  
Members of the Idaho Society of Certified Public Accountants  
Members of the American Institute of Certified Public Accountants



### Report on the Firm's System of Quality Control

November 14, 2022

To the Owners of Keddington & Christensen and the Peer Review Committee of the Nevada Society of Certified Public Accountants.

We have reviewed the system of quality control for the accounting and auditing practice of Keddington & Christensen (the firm) in effect for the year ended April 30, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.


### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Keddington & Christensen in effect for the year ended April 30, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Keddington & Christensen has received a peer review rating of *pass*.

A handwritten signature in cursive script that reads "Deaton & Company".

Deaton & Company, Chartered

# **PROPOSAL TO PROVIDE AUDITING SERVICES TO FRUIT HEIGHTS CITY**

Prepared: June 24, 2025

Prepared By: Gilbert & Stewart, CPA's

Contact: Ron Stewart, CPA

Email: [rstewart@gilbertandstewart.com](mailto:rstewart@gilbertandstewart.com)

Telephone: 801-377-5300

# **PLAIN CITY AUDIT PROPOSAL**

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# GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION  
ESTABLISHED 1974

RANDEL A. HEATON, CPA  
LYNN A. GILBERT, CPA  
JAMES A. GILBERT, CPA  
BEN H. PROBST, CPA  
RONALD J. STEWART, CPA

SIDNEY S. GILBERT, CPA  
JAMES E. STEWART, CPA

## 1. Cover Letter

June 24, 2025

Fruit Heights City  
Attention: Darren Frandsen, City Manager  
910 South Mountain Rd.  
Fruit Heights, Utah 84037

Thank you for the opportunity to submit our proposal to provide audit services as described in your request for proposal for Fruit Heights City for the year ending June 30, 2025, with extensions for four succeeding years. We believe we are the City's best choice for auditing services because we are uniquely qualified and experienced in providing auditing services to governmental entities and to cities in particular.

We believe that our detailed response to the request for proposal demonstrates that:

- We have extensive experience in local government accounting and auditing. We believe that, compared to other firms, large and small, our partners and managers are more directly involved with our clients on a continuing basis. The team that will perform your audit will be highly trained and experienced.
- We have extensive experience auditing cities. Our staff has detailed knowledge of the specific auditing and reporting requirements of cities and all governmental entities.

We are committed to providing Fruit Heights City with technical excellence and superior service with the highest level of professionalism.

Gilbert & Stewart CPA, PC was organized in 1974. We serve our clients from three locations, Provo, American Fork, and Heber. Ron Stewart, CPA, is the individual to contact if questions arise. Our firm contact information is as follows:

Gilbert & Stewart CPA, PC  
190 West 800 North, Suite #100  
Provo, Utah 84601  
(801) 377-5300 (801) 373-5622 (Fax)  
Email: [rstewart@gilbertandstewart.com](mailto:rstewart@gilbertandstewart.com)

As you read our proposal, you will see that we have the necessary experience, technical expertise and other resources required for this engagement.

We thank you in advance for your consideration.

**Ron Stewart**

Ron Stewart, CPA

## **2. General Experience**

The firm of Gilbert & Stewart CPA PC, a local firm, was organized in 1974 and has served clients from our three locations since that time. Gilbert & Stewart has gained a solid reputation in governmental auditing. The principals of Gilbert & Stewart have been established and practicing for periods up to 43 years. Ron Stewart is the individual to contact if questions arise.

Gilbert & Stewart (A Professional Corporation)  
Certified Public Accountants  
190 West 800 North, Suite #100  
Provo, Utah 84601  
(801) 377-5300 (801) 812-8157 (Fax)  
Email: [rstewart@gilbertandstewart.com](mailto:rstewart@gilbertandstewart.com)

Gilbert and Stewart is a locally owned and managed firm of certified public accountants situated in Provo, Utah. Our firm provides a wide range of professional services in auditing, accounting, tax and management services to a large variety of industries and entities. Our firm operates from one office with satellite offices in American Fork City and Heber City.

The primary focus of our accounting and auditing practice is governmental, not-for-profit, retirement plans, and other industries. Prospective clients are screened carefully to ensure that the principals meet our high standards of integrity and business ethics. We believe that the image of our firm is reflected in the image of our individual clients.

Gilbert & Stewart has had varied and extensive experience in auditing government entities including, cities, counties, school districts, special improvement districts, non-profit government grant agencies, etc. We currently audit over 30 governmental entities.

We audit entities of various sizes and complexities. Some of the audits that are comparable to the size to Fruit Heights City include Utah County, South Jordan City, Hooper City, Syracuse City, and Farmington City.

Gilbert & Stewart is independent of Fruit Heights City as defined in the AICPA's *Rules of Professional Conduct*, and by the requirements of the *Government Auditing Standards*, 2023 revision published by the U.S. General Accounting Office.

Gilbert & Stewart prides itself in its staff retention. Our firm has very little turn over with only one staff leaving in the last three years. Those assigned to your audit will be the same throughout our contract. This allows us to be effective and efficient in our approach to the audit.

### **3. Qualifications and Expertise of Staff**

Gilbert & Stewart engages in extensive recruitment processes to seek out only highly qualified and proven personnel to provide exceptional service to our clients. Each year general and specialized training programs are attended by all of our staff. Each member of our staff is required to participate in a minimum of 40 hours of continuing education each year and also participate in at least 24 hours of highly specialized governmental accounting and auditing continuing education every two years. All employees who work on Government Audits attend the UACPA State and Local Government Conference every year. As well as other education directly related to governmental auditing and the applicable standards.

To maximize our cost effective and efficient auditing techniques, Gilbert & Stewart has made a significant commitment to purchasing and implementing state-of-the-art technology and software systems in our audit processes. We utilize extensive internet, local area network, and electronic paperless work paper solutions that allow our professionals to access all our systems from the field.

The firm and/or individual principals have the following affiliations and memberships, among others:

1. American Institute of Certified Public Accountants (AICPA)
2. Utah Association of Certified Public Accountants (UACPA)
3. The Government Finance Officers Association (GFOA)
4. The AICPA Center for Audit Quality
5. The Association of Certified Fraud Examiners
6. AICPA Private Companies Practice Section

Members of the firm have conducted seminars, undertaken speaking engagements, and served on various committees and boards including leadership on those committees and boards.

Ron Stewart will be the partner in charge of the audit. The audit team assigned to your audit will consist of:

Ron Stewart, CPA – Audit Partner  
Spencer Hintze, CPA – Audit Manager  
Kurt Gilbert, CPA, CMA – Audit Staff  
Justin Gilbert, CPA - Audit Staff

Please see resumes included.

There have been no complaints levied by the State Board of Accountancy or any other regulatory agency against any member of Gilbert & Stewart.



PERSONNEL EXPERIENCE AND QUALIFICATIONS OF

**RONALD J STEWART**

*Certified Public Accountant*

**Audit Partner**

Graduated	1999
Degree	Master of Accountancy B.S. degree in Business Management
College	Weber State University College of Business Utah Valley State College

**Qualifications:**

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Awarded CPA certificate from the State of Utah in 2001.

Began working for Gilbert and Stewart in 1999 and has worked on municipal, non-profit, school district, and commercial audits.

Auditing Experience including but not limited to:

Audit Partner:	Orem City American Fork City Saratoga Springs City South Jordan City Grantsville City Eagle Mountain City Syracuse City Farmington City North Ogden City Hooper City Utah County Tintic School District Many other Governmental, Non-Profit, and Commercial entities
----------------	--

Attends annual government accounting and auditing update courses sponsored by the Utah Association of CPAs.

Attended: Utah State Government Audit Update (attended annually)  
UACPA State & Local Government Update (attended annually)  
AICPA Practitioners' Symposium (attended annually)

Member of the American Institute and Utah Association of CPAs,  
Member of Government Finance Officers Association  
Member of Utah Government Finance Officers Association.

## PERSONNEL EXPERIENCE AND QUALIFICATIONS OF

### **SPENCER HINTZE**

*Certified Public Accountant*

**Audit Partner / Manager**

Graduated	2012
Degree	Master of Accountancy B.S. Accounting
College	Southern Utah University Utah Valley University Woodbury School of Business

### **Qualifications:**

---

Received Certified Public Accountant license from State of Utah in 2018.

Began working for Gilbert and Stewart in 2012 and has worked on municipal, non-profit, school district, employee benefits, and commercial audits.

Auditing Experience including but not limited to:

Utah County  
Orem City  
Eagle Mountain City  
Vineyard  
Grantsville City  
South Jordan City  
Saratoga Springs City  
Payson City  
Farmington City  
Syracuse City

Many other governmental, non-profit, employee benefits, and commercial entities

Attends annual government accounting and auditing update courses sponsored by the Utah Association of CPA's.

Attends Annually: Utah State Government Audit Update  
UACPA State and Local Government Update

Member of the AICPA and the UACPA.

## PERSONNEL EXPERIENCE AND QUALIFICATIONS OF

### **KURT GILBERT**

*Certified Public Accountant*

**Audit Staff**

Graduated Degree	2018 Master of Accountancy B.S. Degree in Accounting
College	Brigham Young University Marriott School of Business

### **Qualifications:**

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Received Certified Public Accountant license from State of Utah in 2018.

Began working for Gilbert and Stewart in 2016 and has worked on municipal, non-profit, school district, and commercial audits.

Auditing Experience including but not limited to:

Utah County  
American Fork City  
Orem City  
Eagle Mountain City  
Saratoga Springs City  
Grantsville City  
South Jordan City  
Hooper City  
North Ogden City  
Farmington City

Many other governmental, non-profit, and commercial entities

Attends annual government accounting and auditing update courses sponsored by the Utah Association of CPA's.

Attends Annually:   Utah State Government Audit Update  
                              UACPA State and Local Government Update

Member of AICPA and UACPA.

PERSONNEL EXPERIENCE AND QUALIFICATIONS OF

**JUSTIN GILBERT**

*Certified Public Accountant*

**Audit Staff**

Graduated	2023
Degree	Master of Accountancy B.S. Degree in Accounting
College	Brigham Young University Marriott School of Business

**Qualifications:**

---

Began working for Gilbert and Stewart in 2022 and has worked on municipal, non-profit, school district, and commercial audits.

Auditing Experience including but not limited to:

Utah County  
South Jordan City  
Payson City  
South Sanpete School District  
Eagle Mountain City  
Emery School District  
Nebo School District  
Farmington City  
Syracuse City  
North Ogden City  
Military Installation Development Authority

Many other governmental, non-profit, and commercial entities

Attends Annually: Utah State Government Audit Update  
UACPA State and Local Government Update

#### **4. Scope of Work**

It is our understanding that this is a proposal to audit the basic financial statements of Fruit Heights City including all governmental activities, each major fund, and the aggregate remaining fund information. All blended and discretely presented component units will be included in the financial statements. This proposal also includes all compliance auditing and control systems review as required by *Government Auditing Standards*, Uniform Guidance Act (if needed), and State Compliance Audit Guide.

Our audit will be conducted in accordance with generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the Uniform Guidance Act, and will include tests of the accounting records of Fruit Heights City and other procedures we consider necessary to enable us to express an unqualified opinion that the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on Fruit Heights City's compliance with laws and regulations and its internal controls as required by *Government Auditing Standards* and the Uniform Guidance Act (if needed). Our audit will also cover all requirements of the State of Utah Legal Compliance Audit Guide.

Our audit fieldwork will be determined by our evaluation of accounting systems and controls, by evaluation of audit risk and materiality, and will consist of both compliance and substantive testing based upon those evaluations. We would expect the cooperation of City personnel in providing a suitable place to work, in helping to locate records, and in the preparation of schedules where possible, and by responding to questions. We would, however, try not to be unnecessarily disruptive of day-to-day operations.

We routinely audit through and with various computerized accounting systems. Our experience ranges from inexpensive small business accounting software to governmental and non-profit accounting systems, to large and complex main frames. We use many of our clients' accounting systems to produce reports and provide information for audit and consulting purposes. We also have the capability to access, obtain, and download accounting information from our clients' computerized systems and use this information to perform the audit more effectively.

Gilbert & Stewart uses remote access technology to maximize efficiency during fieldwork. This technology affords us the opportunity to access the full array of resources of our firm's servers while conducting the on-site audit work. We use Advanced Flow as our computer auditing software.

We will communicate issues to the management and audit committee as they are discovered and will work with the City to find resolution in conformity with generally accepted accounting standards. We believe in being upfront and transparent about findings and issues and will ensure that if issues arise that the City will have ample time to address them.

Gilbert & Stewart will provide the following services:

1. We will audit the financial statements and records of the City and will issue an auditor's opinion on those financial statements. Our opinion will be prepared in conformity with accounting principles generally accepted in the United States of America, The Utah State Auditor's Office and the standards applicable to financial audits contained in Government Accounting Standards.
2. We will issue a report on internal controls over financial reporting and on compliance and other matters in accordance with Government Auditing Standards.
3. We will prepare and include an opinion of compliance with Utah State fiscal laws and other financial issues related to the requirements of the Utah State Compliance Audit Guide, issued by the office of the Utah State Auditor.
4. We will prepare an Independent Auditor's Report on Compliance with each Major Program and on Internal Control Over Compliance Required by Uniform Guidance Regulations.
5. We will express an opinion on compliance for each major program as required by the uniform guidance and will report on internal control over that compliance if necessary. We will also provide an in-relation-to opinion on the schedule of federal awards.
6. We will prepare an extensive detailed letter to those charged with governance, including audit findings and recommendations relative to the internal controls over financial reporting, compliance with laws and regulations, as applicable, and adherence to generally accepted accounting principles, as well as findings related to compliance with the Utah State Compliance Audit Guide.
7. We will request written responses from Fruit Heights City officials for each recommendation and shall include such responses in the appropriate reports. If the City declines to respond, that will be reflected in the reports.
8. We will provide technical advice throughout the year, including but not limited to, guidance on the implementation of new GASB accounting standards.

## **5. Time Requirements**

Gilbert and Stewart will plan and perform our audit services to meet the required time frame of the City. We will start field work September, with anticipation that the reports would be available to be issued by December 31<sup>st</sup>. We provide audit services to many entities that have reporting deadlines each year. We pride ourselves on completing those audits on time.

## **6. References**

Below is a list of Clients for which we have provided auditing services:

South Jordan City  
Sunil Naidu, Finance Director  
South Jordan, Utah (801) 254-3742

Lindon City  
Kristin Colson Aaron, Finance Director  
Orem, Utah (801)-785-5043

Saratoga Springs City  
Chelese Rawlings, Finance Director  
Saratoga Springs, Utah (801) 766-9793

Eagle Mountain City  
Kimberly Ruesch, Finance Director  
Eagle Mountain City, UT (801)-789-6606

Hooper City  
Morghen Yeoman, City Recorder  
Hooper City, Utah (801)-732-1064

Syracuse City  
Stephen Marshall, Finance Director  
Syracuse, Utah (801) 614-9621

Farmington City  
Greg Davis, Finance Director  
Farmington, Utah (801) 939-9204

Additional references can be provided upon request.

Gilbert & Stewart is a member of the Private Companies Practice Section of the Division for CPA Firms of the American Institute of Certified Public Accountants. We have undergone eight peer reviews administered by the Private Companies Practice Section, which review serves to document and enhance the quality of our auditing procedures. Our last review was performed in 2025 and we received a pass rating (the best rating that can be received). A copy of the report is attached.

## 7. Cost

2025	Financial Audit			Single Audit		Total
	Hourly Rate	Estimated Hours	Estimated Total	Estimated Hours	Estimated Total	Estimated Amount
Partners	\$ 200	22	\$ 4,400	6	\$ 1,200	\$ 5,600
Manager	150	35	5,200	11	1,650	6,850
Staff	120	45	5,400	16	1,900	7,300
Total		102	\$ 15,000	33	\$ 4,750	\$ 19,750

YEARS	Financial Audit	Single Audit	Total
2025	\$ 15,000	\$ 4,750	\$ 19,750
2026	15,000	4,750	19,750
2027	15,000	4,750	19,750
2028	15,000	4,750	19,750
2029	15,000	4,750	19,750
TOTAL	\$ 75,000	\$ 23,750	\$ 98,750



## **8. Summary**

Gilbert and Stewart is different from most firms because partners and managers are on-site performing tests and audit procedures along with other staff members. This allows us to address critical issues up-front rather than later when reviews are performed. We have found that our clients enjoy the interaction with partners and the job is completed in a much more efficient manner when issues can be resolved immediately. Our firm approach is to have a partner on the audit rather than in the office.



February 3, 2025

**To the Partners of Gilbert & Stewart, CPA's PC and the  
Peer Review Committee of the Nevada Society of CPA's**

We have reviewed the system of quality control for the accounting and auditing practice of **Gilbert & Stewart, CPA's PC** (the firm) in effect for the year ended **September 30, 2024**. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

**Firm's Responsibility**

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

**Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

**Required Selections and Considerations**

Engagements selected for review included engagements performed under Government Auditing Standards including a compliance audit under the Single Audit Act and an audit of an employee benefit plan.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

**Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of **Gilbert & Stewart, CPA's PC**, in effect for the year ended **September 30, 2024**, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)*, or *fail*. **Gilbert & Stewart, CPA's PC** has received a peer review rating of **Pass**.

  
**LITZ & COMPANY, PC**



**FRUIT HEIGHTS CITY**

**PROPOSAL FOR  
PROFESSIONAL AUDITING SERVICES**

**JUNE 30, 2025 – JUNE 30, 2029**



COMMITTED. EXPERIENCED. TRUSTED.

**HBME, LLC  
559 West 500 South  
Bountiful, UT 84010  
(801) 296-0200**

**Contact Person – Aaron R. Hixson, CPA  
Email Address: [aaron@hbme.com](mailto:aaron@hbme.com)  
[www.hbme.com](http://www.hbme.com)**

**June 23, 2025**

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COMMITTED. EXPERIENCED. TRUSTED.

## PARTNERS

MICHAEL L. SMITH, CPA  
JASON L. TANNER, CPA  
ROBERT D. WOOD, CPA  
AARON R. HIXSON, CPA  
TED C. GARDINER, CPA  
JEFFREY B. MILES, CPA  
JESSE S. MALMROSE, EA  
JANICE ANDERSON, EA  
TROY F. NILSON, CPA

June 23, 2025

Fruit Heights City  
c/o Darren Frandsen, City Manager  
910 S Mountain Road  
Fruit Heights, UT 84037

Mr. Frandsen:

Thank you for inviting us to submit a proposal to provide audited financial statements to Fruit Heights City (the City). We appreciate the information you sent to us and the time your staff spent explaining your current needs. You would continue to be an especially important client to our firm. The services we provide for you will receive our highest priority. We believe we have the means to provide a quality audit with vital knowledge and superior staffing to meet your needs.

We would be very pleased to serve as your independent accounting firm, and we hope that our proposal conveys our desire and qualifications to fulfill your current and future professional needs.

You will benefit from our services in the following ways:

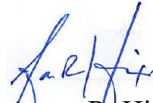
- **EXPERIENCED PROFESSIONALS:** Nine of our professionals are partners and six are directors or managers, out of a total of 28 personnel. At HBME, LLC, our partners and managers work closely with clients. As a result, you will have our personal attention whenever needed. We also will give you the continuity of service you expect.
- **MUNICIPAL GOVERNMENT AUDIT EXPERIENCE:** Collectively and individually, our audit team has many years' experience in performing and managing governmental entity audits, including Federal Single Audits and Utah State Compliance Audits. Some of our current clients similar to The City include: Kaysville City, Clearfield City, Layton City, Riverton City, Mapleton City, Draper City, Herriman City, and Park City.
- **TIMELINESS:** We will meet your deadlines. Our professionals are trained to anticipate, identify and respond to your needs in a timely manner. We will work closely with your management team to optimize our audit services to your needs. We believe in clear, up-front and open communication with no surprises. We understand and will comply with the schedules and scope for the audit, as outlined in your Request for Proposal, and will perform all work within the time frames outlined.

- FEES: We can provide you with timely, high-quality professional work at a reasonable fee. We have proposed fees that reflect our sensitivity to the budget constraints the City is facing. The fee for the audit includes routine phone calls and meetings during the year. Prior to performing any specialized services, we will discuss an estimate of the fee and obtain your approval before commencing work on special projects. The choice of services is always yours, and you always have control over fees.

These key benefits will become a reality as we work closely with you. We hope we have given you some additional insight into the manner in which HBME, LLC professionals serve our clients.

We look forward to serving you.

Sincerely,



Aaron R. Hixson, CPA  
Partner, Assurance Services



## Proposal to Serve Fruit Heights City

### PROFILE OF HBME, LLC

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#### PROFILE OF HBME, LLC

HBME, LLC was formed in April 1980 and is a local firm located in Bountiful, Utah. The firm currently has nine partners with a total of twenty-two employees. We have tailored our practice to serve local governments and small-to-medium size organizations. We work hard to keep current with our clients' needs and make sure their organizational plans become realities.

Our CPA practice is very much a firm; not just practitioners sharing office space. Each professional has an area of specific emphasis; therefore, giving clients the benefits of experts in areas of service. The composition of our staff is as follows:

Partners	9
Director/Managers	6
Seniors	4
Staff/Administrative	<u>9</u>
Total	<u>28</u>

We are unique in our approach to client service. Our partners and managers work directly with each engagement and function as in-charge accountants, rather than merely reviewing the final product. As a result, your engagement is conducted by professionals with extensive years' experience, rather than recent college graduates.

#### GOVERNMENTAL AUDITING EXPERIENCE

We have significant experience with government entities, including financial, Federal Single Audits, and State of Utah compliance audits. We provide auditing or financial statement and accounting assistance to approximately 17 municipalities and 15 other governmental entities that include counties, a school district, and local and special service districts. Each of the auditors have extensive governmental auditing experience, ranging from 2 to 31 years. This experience has allowed us to be efficient, thorough, and committed to meeting all client needs and deadlines. It has also allowed us to share best practices and to examine risks and findings from one entity to the next by sharing our knowledge and ensuring our governmental entities are receiving trusted guidance.

We also have other professional staff who participate in audit engagements, as needed. We will also use administrative staff to assist the audit team, as applicable.

## Proposal to Serve Fruit Heights City

### PROFILE OF HBME, LLC

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#### SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENTAL ENTITIES

HBME has been engaged to perform the year-end financial audit services for the following Utah municipalities and other governmental entities through and for the year ended June 30, 2024. The completion date for all of the clients listed were within the six-month time frame, as required by Utah State Law. All required submissions were on-time. See contact information in the references section.

<b>Client</b>	<b>Scope of Engagement</b>	<b>Years Served</b>	<b>Service Through Date</b>	<b>Engagement Partner</b>	<b>Engagement Manager</b>
Provo City *	Financial Audit	18 years	6/30/2024	Jeffrey Miles	Warren Anderson
Layton City *	Financial Audit	22 years	6/30/2024	Robert Wood	Robert Wood
Murray City *	Financial Audit	6 years	6/30/2024	Robert Wood	Robert Wood
Ogden City *	Financial Audit	5 years	6/30/2024	Jeffrey Miles	Todd Sullivan
Park City *	Financial Audit	2 years	6/30/2024	Jeffrey Miles	Warren Anderson
Clearfield City	Financial Audit	3 years	6/30/2024	Aaron Hixson	Warren Anderson
Kaysville City *	Financial Audit	12 years	6/30/2024	Aaron Hixson	Aaron Hixson
Springville City	Financial Audit	8 years	6/30/2024	Aaron Hixson	Todd Sullivan
Pleasant Grove City	Financial Audit	9 years	6/30/2024	Aaron Hixson	Warren Anderson
Millcreek City	Financial Audit	7 years	6/30/2024	Jeffrey Miles	Jeffrey Miles
Riverton City *	Financial Audit	13 years	6/30/2024	Jeffrey Miles	Todd Sullivan
Mapleton City *	Financial Audit	2 years	6/30/2024	Jeffrey Miles	Todd Sullivan

\* Financial audit services include Federal Single Audits

#### STAFF CONTINUITY

We take pride in the low amount of staff turnover our firm has experienced over the years. During the past five years, we have had one professional staff leave our firm. We understand the importance our clients place on continuity of service and commit to you that the partners, managers and staff assigned to your engagement will not be reassigned to other clients.

#### COMPUTER AUDITING AND OTHER SOFTWARE CAPABILITIES

All of our personnel have significant computer experience and auditing computerized systems. We have experience in using various audit software packages of local governments, including Tyler Technology, Cayenta, Caselle, and many others, and in using computers to enhance audit efficiency. We also have assisted various governmental clients in general ledger and ERP software transitions. We recognize the many complexities of this significant change, especially relating to the external reporting process, and believe our staff can help ease the stresses as they relate to the audit.

## Proposal to Serve Fruit Heights City

### PROFILE OF HBME, LLC

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#### PROFESSIONAL LICENSES

We affirm that HBME is properly licensed to practice as certified public accountants in the State of Utah.

#### INDEPENDENCE

We affirm that HBME personnel are independent in relation to the City, as defined by the American Institute of Certified Public Accountants and by the *Government Auditing Standards*, 2024 revision, published by the U.S. General Accounting Office.

#### CONTINUING EDUCATION AND QUALITY REVIEW

All partners and professional staff of HBME receive a minimum of 80 hours of continuing education every two years. All personnel who will be assigned to the City's engagement have received specialized governmental accounting and auditing training, including requirements with Federal Single Audits. We affirm that HBME meets the continuing education requirements contained in *Government Auditing Standards*, 2024 revision, published by the U.S. General Accounting Office.

As a member of the AICPA Private Companies Practice Section, we are required to undergo a peer review every three years. We successfully completed our last peer review in January 2024 and received an unmodified opinion. The letter is available upon request.

#### LIABILITY INSURANCE

We affirm that HBME carries professional liability insurance.

#### AFFIRMATIVE ACTION

We also state that during the course of the audit, those employees associated with HBME will not discriminate against any employee who is employed in the work covered by the contract, or against any applicant for such employment because of race, religion, sex, color, age, handicap, or national origin. In addition, these items will not be a factor in consideration for employment, selection of training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion or separation.

#### IMMIGRATION STATUS

We affirm that we are in compliance with the requirements of Utah Code Annotated 63G-11-103, and are registered with and participate in a federally-approved immigration status verification system. Proof of participation is available upon request.

## Proposal to Serve Fruit Heights City

### KEY AUDIT TEAM MEMBERS

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#### ENGAGEMENT TEAM

A key element in your selection of a public accounting firm is the people you will work with on the engagement. HBME, LLC professionals have served organizations such as yours throughout their careers. They understand your needs and are highly motivated to help you make your organization even more successful. Shown below are brief descriptions of the responsibilities of those who will be serving you on-site. Their resumes are further detailed on the following pages.

**Aaron R. Hixson, CPA**, Partner, in charge of Accounting & Auditing Services, will be responsible for coordinating and performing all audit services provided, and for the review of all reports. He will also be closely involved in any special services requested.

**Jeffrey B. Miles, CPA**, Partner, will be responsible for the review of all reports and assistance with any technical issues.

**Warren P. Anderson, CPA**, Manager, will be the on-site lead supervisor. He will oversee and perform most of the audit fieldwork and supervise senior and staff accountants.

**Todd H. Sullivan**, Senior Associate, will assist with the performance of audit fieldwork, and supervision of work performed by staff accountants.

## **Proposal to Serve Fruit Heights City**

### **KEY AUDIT TEAM MEMBERS**

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**AARON R. HIXSON, CPA**  
**Partner, Assurance Services**  
**HBME, LLC**

Mr. Hixson has been auditing for over 23 years. He has had extensive experience with a variety of governmental audit and attestation engagements for Hyrum City, Kaysville City, Provo City, Clearfield City, Pleasant Grove City, Springville City, and Provo City School District. He specializes in supervising, planning and conducting financial and compliance audits of several cities, special districts, and school districts.

Mr. Hixson is very proficient in IT matters and is charged with all the software used during fieldwork, including specialized auditing tools.

#### **PROFESSIONAL EXPERIENCE:**

2007 - Present	HBME, LLC
2004 – 2007	Eide Bailly LLP (Boise, ID office)
2002 – 2004	Ernst & Young LLP (Seattle, WA office)

#### **INDUSTRY EXPERIENCE:**

- City governments
- School districts
- Special districts
- Colleges and universities
- County governments
- Non-profit organizations

#### **SPECIALIZED TRAINING:**

- Utah State Auditor's Office Local Government Annual Updates
- GFOA Advanced Governmental Accounting Seminar
- Utah Government Finance Officers Conference

#### **ACADEMIC EXPERIENCE:**

MBA	University of Utah
B.S. - Accounting	Brigham Young University

#### **OTHER:**

Member	Utah Association of Certified Public Accountants
Member	American Institute of Certified Public Accountants
Member	Utah Government Finance Officers Association

## **Proposal to Serve Fruit Heights City**

### **KEY AUDIT TEAM MEMBERS**

---

**JEFFREY B. MILES, CPA**  
**Partner, Assurance Services**  
**HBME, LLC**

Mr. Miles, has had experience in public accounting for over 19 years. His responsibilities include performance of audits for small and medium-sized businesses, cities and non-profit organizations, including Provo City, Riverton City, Park City, Bluffdale City, and Millcreek.

**PROFESSIONAL EXPERIENCE:**

2008 - Present	HBME, LLC
2006 - 2008	Price Waterhouse Coopers, LLP

**INDUSTRY EXPERIENCE:**

- Large and medium sized governments
- Non-profit organizations
- Wholesale and retail companies
- Manufacturing companies

**SPECIALIZED TRAINING:**

- Utah State Auditor's Office Local Government Annual Updates
- GFOA Advanced Governmental Accounting Seminar
- Utah Government Finance Officers Conference

**ACADEMIC EXPERIENCE:**

- BBA - Accounting Idaho State University

**OTHER:**

Member	American Institute of Certified Public Accountants
Member	Utah Association of Certified Public Accountants
Member	Utah Government Finance Officers Association

## **Proposal to Serve Fruit Heights City**

### **KEY AUDIT TEAM MEMBERS**

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**WARREN P. ANDERSON, CPA**  
**Manager, Assurance Services**  
**HBME, LLC**

Mr. Anderson has experience in public accounting for 8 years and as a Staff Accountant in industry for one year. His responsibilities include performance of audits for counties, cities, nonprofit, and other organizations, including Layton City, Kaysville City, Springville City, Oquirrh Recreation and Parks District, Kearns Improvement District, Murray City, Morgan County, Provo City, Pleasant Grove City, Draper City, Bluffdale City, and more.

#### **PROFESSIONAL EXPERIENCE:**

2020 – Present	HBME, LLC, Audit Associate
2019 – 2020	Western States Lodging and Management, Staff Accountant
2018 – 2019	WSRP, LLC, Tax Associate
2016 – 2018	CBIZ MHM, LLC, Tax Associate

#### **INDUSTRY EXPERIENCE:**

- Nonprofit organizations
- City governments
- County governments
- Small to medium-sized companies

#### **ACADEMIC EXPERIENCE:**

MAcc	University of Utah
B.S. - Accounting	Dixie State University

#### **OTHER:**

Member	American Institute of Certified Public Accountants
Member	Utah Association of Certified Public Accountants

## **Proposal to Serve Fruit Heights City**

### **KEY AUDIT TEAM MEMBERS**

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**TODD H. SULLIVAN**  
**Senior Associate, Assurance Services**  
**HBME, LLC**

Mr. Sullivan has his Master's Degree in Accounting, and is currently working on achieving his CPA License. Before joining the firm, he was with the Utah State Tax Commission for a year and half, as an Associate Tax Auditor. His responsibilities include performance of audits for small and medium-sized businesses, cities and nonprofit organizations, including Morgan County, Draper City, Murray City, Springville City, Holladay City, Kaysville City, Provo City, Logan City, Pleasant Grove City, Taylorsville City, Midvale City, and more.

#### **PROFESSIONAL EXPERIENCE:**

2016 - Present	HBME, LLC
2015 - 2016	Utah State Tax Commission

#### **INDUSTRY EXPERIENCE:**

City governments  
County governments  
School districts  
Small to medium-sized companies  
Nonprofit organizations

#### **ACADEMIC EXPERIENCE:**

MAcc	Southern Utah University
B.S. - Accounting	Dixie State University

#### **OTHER:**

Member	American Institute of Certified Public Accountants
Member	Utah Association of Certified Public Accountants
Member	Association of Certified Fraud Examiners



## Proposal to Serve Fruit Heights City

### SCOPE OF WORK

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At HBME, LLC, we promise you a better overall experience. While we recognize that multiple firms are capable of accomplishing the objectives of an audit, HBME appreciates that every situation and every organization is different and we tailor our approach based on the needs of each governmental client.

HBME values its business relationships and demonstrates this through our partner and manager involvement. Our senior level professionals are involved with our clients and are accessible throughout the year. They do not delegate all tasks to staff, but rather stay involved onsite during fieldwork as well as staying connected throughout the year. This approach delivers the greatest benefit to our clients in that we are able to stay abreast of changes in and updates to our client's operating environment and partner with them to achieve optimal results.

Additionally, our clients experience a communication approach that stands apart in both style and frequency. Because we recognize that effective communication is critical throughout the entire audit process, our service approach is one where communication begins with planning and continues through the year. Additionally, we take a collaborative communication approach with our clients and include them in the process as our peers. Our clients offer a wealth of knowledge and information about their organization, and communicating with them as a business partner ultimately produces the best outcome.

During the course of our auditing services, we will hold periodic meetings with your management and the City Council, as requested. This continuous communication ensures you are fully informed and provides us with timely information that will enable us to best serve your organization. Prior to beginning the engagement, we will discuss with management:

- The engagement time line
- The audit approach and process
- Additional considerations that may affect scope, schedules and workpapers to be prepared by your personnel

#### Sampling

Sampling may be performed for tests of controls, compliance testing and substantive tests of certain accounts and transactions. During our audit of basic financial statements, we will also select various transactions for testing based on materiality assessed at the appropriate level. These transactions may include such items as capital assets additions, expenditures, subsequent disbursements and subsequent receipts. We will be pleased to discuss specific sample sizes and selection methods when they are determined, either during audit planning or during fieldwork. We will select the appropriate sample size to support our conclusions in compliance with laws, regulations, and auditing standards.

We will use confirmations in the areas of cash and investments, debt, state retirement systems and other areas deemed necessary.

We will perform tests of the City's compliance with certain provisions of laws, regulations, contracts and grants. We will assess the risk of material misstatement resulting from violations of laws and regulations having a direct and material effect on the determination of financial statement amounts. These laws and regulations can relate to items such as budgetary compliance, purchasing compliance and cash and investment compliance, as well as single audit compliance, as applicable.

We will combine compliance tests of laws and regulations that involve the inspection of documentation supporting transactions with substantive tests of transactions and tests of control procedures.

## Proposal to Serve Fruit Heights City

### SCOPE OF WORK

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Our audit will meet all federal and state requirements, as applicable. Samples will be used to the extent necessary to support our conclusions on compliance with laws and regulations.

#### Software

HBME staff utilizes progressive and effective software to streamline the audit process and make it as efficient as possible. The major software products we utilize include:

- **CCH Prosystems Engagement** - Software to facilitate the preparation of audit adjustments and financial statements in a paperless format.
- **Microsoft Excel** - Software to prepare audit workpapers and schedules.
- **Microsoft Word** - Software to generate audit memos, audit correspondence and audit workpapers.
- **CCH Teammate Analytics** – Analytical software to enhance auditing procedures by performing data analysis to identify certain trends or patterns.
- **RIA Checkpoint Research** – Internet access to all accounting and auditing standards. Areas include GASB, FASB, AICPA, and other resource material. We can access this material at any given time and can provide a quick response to any technical questions you may have.

Through the use of our Electronic Data Processing (EDP) software, our audit approach delivers an effective and efficient use of time. We have found that we can achieve this objective by obtaining various reports from the EDP system. During the planning phase, we will review your EDP software to determine control features. Our audit procedures will test these features. We will also meet with your information technology staff to identify the ability of your EDP system to generate reports and information, which we can use throughout the audit to supplement or replace other audit procedures. Potential data to be downloaded from the City's server includes trial balances, disbursement ledgers and payroll ledgers.

#### Analytical Procedures

HBME will apply analytical procedures throughout general planning to improve our understanding of your operations and to identify audit areas for increased attention. These will be applied to assist in planning the nature, timing and extent of other procedures. They will be applied to all balance sheet, revenue/receipt and expense/expenditure areas. These procedures include, but are not limited to, the comparison of current year to prior year and budget amounts. Areas that show results different from those anticipated or planned will be further investigated to determine the validity of the variance.

## Proposal to Serve Fruit Heights City

### SCOPE OF WORK

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#### Audit Hour Estimates

Providing our clients with effective and efficient audits services is very important to us. We recognize the importance of ensuring our audit team is assigned to each audit area, based on our risk-based approach. The estimated hours, by staff level, is determined by the partner and managers during the planning phase, and is monitored throughout all phases of the audit engagement. Refer to these estimates on page 21, *Proposed Audit Fees*.

#### Internal Controls Approach

The approach we will take to gain an understanding of your internal controls includes:

- Interview City personnel
- Review organizational charts, accounting and procedure manuals and programs
- Complete internal control questionnaires
- Write-up system narratives
- Evaluate items selected for testing
- Review controls over financial information systems

In addition, our engagement approach is based on two key assumptions:

- Observations we believe will help the City achieve its objectives will be shared. We will also be pleased to respond to inquiries you may have about financial or other business matters.
- The assistance to be provided by your personnel, including the preparation of schedules and analyses of accounts, will be discussed with the Finance Department. The timely completion of this work will assist us in performing our work efficiently.

#### Compliance with Laws and Regulations

During the planning process, we will discuss with the City's management and personnel the laws and regulations to which the City is subject. The object of our discussion will be to determine those laws and regulations that could have a material impact on the financial statements. Pertinent to our discussion will be our knowledge of such laws and regulations, and our knowledge of *Government Auditing Standards*. We are aware of the applicable requirements, and consider them when determining the necessary audit procedures for the City.

#### Audit Strategy

HBME's strategy for approaching the audit is to deliver value by remaining true to practices that have worked well for our clients in the past:

- Hire only talented individuals with a passion for client care.
- Treat our employees right and provide educational and professional advancement opportunities to minimize turnover.
- Assign highly qualified professionals with government experience.
- Maintain stability on audit teams from year to year to enhance our relationship with our clients, make the best use of their time, and to deliver consistent service.

## Proposal to Serve Fruit Heights City

### SCOPE OF WORK

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These core practices are often cited by our clients as the reasons they chose to be and remain as HBME clients.

#### Client Responsibilities

The following represents the type of information we request during the audit process:

- Reconciliations of detailed subsidiary ledgers to the general ledger
- Analysis of account balances
- Provide documentation to support balances and transactions
- Preparation of confirmations and internal control and other questionnaires
- Prepare financial statements

#### Audit Objectives

The primary objective of our audit procedures is to enable us to issue opinions on the City's financial statements.

- A. Our audit procedures are conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* and will include tests of accounting records and other procedures considered necessary to enable the expression of such an opinion.
- B. Our audit procedures are designed to obtain reasonable assurance about whether the financial statements are free of material misstatement using accounting principles generally accepted in the United States of America.
- C. The audit procedures include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit procedures also include discussions with management, an assessment of the quality of the accounting principles used and significant estimates made, as well as evaluating the overall consistency of the financial statements and related disclosures.
- D. The audit procedures also include, when required, testing compliance with the Federal Single Audit Compliance Supplement and other federal grant requirements. We will obtain evidence supporting the related revenues and expenditures, and disclosures in the financial statements.

#### Management Letter Reporting and Communications

There are many ways to say the same thing. We understand that our job is to communicate information to you, regardless of its nature. To build a better client experience, we focus on employing communication styles that are collaborative rather than combative. By keeping our communication positive, friendly and open, we believe we can create positive discussions with our clients.

As we identify issues during the audit, we focus on communicating information as early as possible, which results in concluding the audits without springing surprises on our clients at the end of the process. By keeping the lines of communication open at all times and properly planning the audit, we are able to keep the process moving in an efficient manner.

## Proposal to Serve Fruit Heights City

### SCOPE OF WORK

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#### Planning

During this phase, we determine the timing of the various procedures, complete logistical arrangements, arrange for assistance to be provided by personnel from the City, and prepare the audit work programs. We believe the planning component is important to the process as it helps properly address changes and concerns prior to commencement of the audit field work. For this reason, we spend a significant amount of our time in the planning phase. We will also complete a risk analysis, develop a better understanding of the City, perform preliminary review procedures, and assess fraud risk factors in accordance with SAS 99 as well as SAS 104-111. In addition, we will perform selected compliance testing and fraud risk documentation.

The following outline summarizes the elements of the planning phase:

1. Assess Risk
  - a. The partners and managers review and identify estimates to determine areas of risk in relation to the financial statements.
  - b. Management override of internal control can significantly impact the financial reporting process. We consider this in our planning and timing of procedures for the City.
2. Identify Issues
  - c. During the planning phase, we will also have pre-engagement planning discussions with the City's management to discuss accounting issues, changes in the financial statements, and other issues affecting the audit process.
  - d. Our audit team will review interim financial statements. This review provides us with information necessary to help plan our audit and develop questions.
3. Document Systems

Through discussions held with personnel from the City and the completion of various questionnaires, we develop an understanding of your financial reporting process and internal controls. We reassess the procedures and controls annually and appropriately plan the audit to address any concerns. We address any concerns identified in connection with this review in our letter of comments to the City Commission.

## Proposal to Serve Fruit Heights City

### SCOPE OF WORK

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#### 4. Consideration of Fraud

Auditors have a responsibility to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud (SAS 99). HBME's audit approach has historically addressed many of these issues in accordance with our internal policies. The recent changes have primarily required us to change our documentation policies regarding fraud risk factors and our response to those factors.

#### 5. Tailor Audit Approach

After considering the above factors, we design audit procedures to address changes and difficult areas. Examples include using data extraction software to analyze various accounts and transactions.

#### Preparing/Internal Control

During this phase, we will review the internal control systems for the City and review Commission minutes. We will also review agreements entered into during the current year. In addition, we will perform some preliminary substantive procedures.

The following outline summarizes the elements of the preparing phase:

##### 1. Communicate Expectations

We will set report delivery time frames for both drafts and final copies of the financial statements and letters to the City Commission and Administration.

##### 2. Conduct Preliminary Analytical Review

Our audit team will review interim financial statements to identify significant or unusual variances from the prior year and from the budget. This information will be used to formulate expectations and will also be used in the fraud risk analysis.

##### 3. Tailor Data and Schedule Requests

We will coordinate information requests and timing of our onsite work with management and make arrangements to meet with personnel from the City involved in the audit.

##### 4. Select Samples and Set Scopes

We will begin making sample selections from preliminary financial information to distribute time requirements of personnel from the City during the audit process.

## Proposal to Serve Fruit Heights City

### SCOPE OF WORK

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#### Conducting/Fieldwork

This phase of the audit includes the primary portion of the substantive testing of the financial statements. This testing includes confirming certain accounts and transactions, vouching selected transactions to source documents, analyzing account balances, making inquiries of management and others, and conducting an analytical review of various account balances and the financial statements.

All of our partners and managers have extensive experience with yellow book audits, including drafting both Basic Financial Statements and Annual Comprehensive Financial Reports (ACFR). We currently draft or assist in drafting ACFRs for many of our clients. We also have significant experience (more than 20 years) with Federal Single Audits for many of our City clients.

The following outline summarizes the elements of the conducting phase planned for our audit of the City:

#### 1. Risk-Based Approach

During fieldwork, we continually reevaluate the risk factors identified during the Planning and Preparing Stages. As we will have a partner and a manager on site, we are able to quickly respond to changes and make the necessary modifications in our audit approach.

#### 2. Tests of Balances and Transactions

- Utilize computer assisted auditing tools in sampling accounts receivable and account payable transactions, in the review of general journal entries, and the identification of significant or unusual transactions in specific accounts.
- Vouch to source documents for selected items.
- Review activity subsequent to year-end (to substantiate cut-off as well as substantiate liabilities).
- Confirm balances with external sources, such as financial institutions, investment managers and actuaries.
- Determine proper GASB 40 classifications for the investments.
- Determine proper GASB 63 and 65 compliance for deferred outflows, deferred inflows, and net position.
- Review for proper reporting of leases and SBITDAs in accordance with GASB 87 and 96.

#### 3. Compliance

We review federal and state statutes to ensure they are being met.

#### 4. Review Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

## Proposal to Serve Fruit Heights City

### SCOPE OF WORK

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#### 5. Final Analytical Procedures

We will compare financial statement line items for the current, preceding period and budget amount, analyze the results, and inquire of management and others within the City regarding significant changes. We will also consider whether sufficient audit evidence has been obtained in response to unusual or unexpected balances or relationships. In addition, we will consider whether responses to inquiries throughout the audit about analytical relationships have been vague or implausible or have produced evidence that is inconsistent with other evidential matter accumulated during the audit.

#### 6. Review of Working Papers and Financial Statements

The partner and managers will review the working papers. We believe it is important to complete the majority of the working paper reviews in the field to omit the number of phone calls back to your staff and reduce interruptions. In addition to the review conducted by these individuals, the financial statements will be reviewed by a partner not otherwise associated with the audit of the City to obtain a second opinion on the completeness and adequacy of financial statement disclosures and audit procedures.

#### 7. Hold Exit Conference with Management to Discuss Findings and Reports

This meeting generally occurs on the last day of fieldwork.

### Reporting

We will issue the audit reports and other letters to the City's Council, and will present these reports to the Council at their regularly scheduled meeting. Our comments will address the City's significant accounting policies, management's judgments and estimates related to the financial statements, and other items related to the conduct of the audit. If our audit procedures disclose the existence of reportable conditions or other matters that we feel should be communicated, we will report those items to the City Council.

HBME is able and will, at the request of City, assign a different audit manager who will manage the financial and single audit for the duration of the term of this proposal.



## Proposal to Serve Fruit Heights City

### SCOPE OF WORK

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We sincerely pride ourselves at HBME of never missing a deadline. We will always ensure that hard deadlines with the State, Federal Government, or any other entity will be met. We will also ensure that the City is aware of the deadlines, so that we can work together to be 100% compliant.

The following is our proposed schedule for completing the 2025 audit (subsequent audit years will be modified, if needed):

<u>Audit Function</u>	<u>Approximate Dates</u>
Pre-audit conference	August
Review, evaluation and testing of internal control structure, preparation of audit programs, and interim auditing procedures, including state compliance testing	August
Confirmations sent on cash accounts, receivables, bonds and other debt, tax revenues, State Retirement System, etc.	August
Complete interim auditing procedures, year-end financial and compliance auditing procedures, including single audit	September
Preparation and review of financial statements, yellow book reports, state compliance report and management letters, issuance of all reports	October
Closing conference with City Council	November

## Proposal to Serve Fruit Heights City

### REFERENCES

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<u>Entity</u>	<u>Business</u>	<u>Person(s) to Contact</u>	<u>Phone #</u>	<u>Email</u>
Riverton City	Government	Kevin Hicks, Finance Director	801-208-3122	khicks@rivertoncity.com
Park City	Government	Mindy Finlinson, Finance Director	435-615-5227	mindy.finlinson@parkcity.org
Provo City	Government	John Borget, Admin. Services Director	801-852-6505	jborget@provo.utah.gov
Millcreek City	Government	Lisa Dudley, Finance Director	801-214-2709	ldudley@millcreek.us
Mapleton City	Government	Bryce Oyler, Finance Director	801-806-9112	boyler@mapleton-ut.gov
Layton City	Government	Tracy Probert, Finance Director	801-336-3881	tprobert@laytoncity.org
Kaysville City	Government	Dean Storey, Finance Director	801-546-1235	dstorey@kaysville.gov

## Proposal to Serve Fruit Heights City

### PROPOSED AUDIT FEES

Our fees are based on the estimated hours required of our professional staff at all levels, estimated hours required of our support staff, and out-of-pocket expenses. The schedule below contains our estimates of the hours required and the proposed audit fees for 2025 through 2029. The fees quoted are a not to exceed fee for the services contained in our proposal, and includes our out-of-pocket expenses.

<u>Year Ended</u>	<u>Estimated Hours</u>	<u>Audit Fee</u>	<u>Single Audit Fee**</u>
June 30, 2025	100	\$ 16,500	\$ 7,000
June 30, 2026	100	17,500	7,500
June 30, 2027	100	18,500	8,000
June 30, 2028	100	19,500	8,500
June 30, 2029	100	20,500	9,000
		<u>\$ 52,500</u>	<u>\$ 22,500</u>

The fees for the 2025 audit, were determined based on the following rates:

<u>Classification</u>	<u>Estimated Hours</u>	<u>Standard Hourly Rates</u>	<u>Discounted Hourly Rates</u>	<u>Total Audit Fees</u>
Partners	20	\$ 300	\$ 275	\$ 5,500
Senior Staff	40	175	150	6,000
Staff Auditors	40	150	125	5,000
	<u>100</u>			<u>\$ 16,500</u>

\*\* if required

The above fees are based on the nature of the City as it presently exists and are based upon our understanding that your personnel will provide certain schedules and other information on a timely basis that will be required during the course of the audit and that the supporting documentation reconcile to the general ledger. These fees also assume that preparation of the financial statements, including the MD&A, will be prepared by the City. Our discounted hourly rates, as stated above, will be used for consulting and non-audit services that may be requested.