

# ATTACHMENT

2.

February 23, 2022

To the City of Kewaunee  
Attn: Steve Kubacki, Interim City Administrator  
401 Fifth Street  
Kewaunee, WI 54216

Dear Mr. Kubacki:

We look forward to the opportunity working with the City of Kewaunee by providing outsourced Accounting and Consulting services. This letter is to confirm our understanding of the terms and objectives of our engagement with the City of Kewaunee ("City") as well as the nature and limitations of the services we will provide.

- The services we will be providing over the next couple of months are the accounting functions necessary to accurately prepare your Financials for your monthly board meetings. We will not duplicate those procedures already performed by Karen. The procedures we will perform are many of the financial procedures Terri performed every month such as reconciling all of your bank accounts (which is a very time intensive process), assisting to make sure all loan payments are timely and accurately made, Grant reporting requirements, etc.

As our services are limited in nature, we do not verify or audit any of the information that you provide to us. If we notice that an amount appears unusual or out of the ordinary, we will call it to your attention, but our engagement cannot be relied upon to disclose errors, fraudulent financial reporting, misappropriation of assets, or illegal acts that may have occurred. However, we will inform the appropriate level of management of any material errors and of any evidence or information that comes to our attention regarding illegal acts that may have occurred, unless they are clearly inconsequential. By your signature below, you understand and agree that you are responsible for preventing and detecting fraud. Should you wish us to expand our procedures to include additional work and investigations, we will arrange this with you in a separate engagement letter.

Should you require a report for third-party use, we would be pleased to discuss with you the requested level of service. The engagement does not contemplate the preparation of financial statements except for internal use. Such engagements would be considered separate and not deemed to be part of the services described in this engagement letter. This may include, but is not limited to financial statement preparation, compilation, review or audit services, or any compliance services, including handling license or filing renewals.

### **Engagement Administration, Fees, and Other**

Our fees for this engagement are not contingent on the results of our service. Rather, our fees for this engagement will be based upon the completion of services provided above. Our fees for services outlined above for this engagement will be \$4,000.00 per month. ACH payments are due at the beginning of each month worked unless other special arrangements are made.

In addition, you agree to reimburse us for any out-of-pocket costs incurred in connection with the performance of our services. We anticipate being able to perform many of the task remotely, but for those times we need to work on-site, we will be incurring such cost. Such fees and costs will be billed as work progresses and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to a delinquency charge of 1 ½% per month.

This engagement does not include any services not specifically identified in this letter. Costs associated with the services outside of this agreement that you may request would be billed separately at a range of \$100 - \$300 per month, depending on the complexity of the project. A price will be agreed upon with you prior to performing those services. We reserve the right to suspend or terminate our services at any time your account is past due and will not be resumed until your account is paid in full. Should we elect to terminate our services, you will be responsible for all time charges and expenses through the date of termination irrespective of whether we have issued a report. You further acknowledge and agree that in the event we stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable to you for any damages that occur as a result of our ceasing to render services.

In the unlikely event that differences concerning our services or fees should arise as a result of this engagement, each party agrees to submit the dispute to mediation. Each party shall designate an executive officer empowered to attempt to resolve the dispute. Should the designated representative be unable to agree on a resolution, a competent and impartial third party acceptable to both parties shall be appointed to mediate. Each disputing party shall pay an equal percentage of the mediator's fees and expenses. No suit or arbitration proceedings shall be commenced under this agreement until at least 60 days after the mediator's first meeting with the involved parties. In the event that the dispute is required to be litigated, the court shall be authorized to assess litigation costs against any party found not to have participated in the mediation process in good faith.

We sincerely appreciate the opportunity to be of service to the City of Kewaunee and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the copy of this letter in the space provided and return a scanned copy of the letter to us.

CERTIFIED PUBLIC ACCOUNTANTS

RESPONSE:

This letter correctly sets forth the understanding of City of Kewaunee.

Officer Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_