



*City Council Memorandum*

**To:** Mayor Fasbender & City Council members  
**From:** Chris Eitemiller, Finance Manager  
**Date:** July 1, 2024  
**Item:** 2024-26 Audit Contract

**Council Action Requested:**

Approve acceptance of a new audit contract for years 2024-26.

**Background Information:**

The 2023 audit was the final year in the current contract with our audit firm, Bergan KDV. Bergan KDV has provided the City with a quote for another three-year contract.

Staff wishes to accept this offer and procure their services for the next three years. They have worked with the City for several years, and their familiarity with City staff and operations will be an asset as the 2024 audit will be the first conducted from the new finance system, which was implemented in May 2024.

As a point of comparison, for year ending 12/31/2023, our contract was for \$43,400.

**Financial Impact:**

Per the attached quote, annual audit fees would be:

- Year ending 12/31/2024: \$46,750
- Year ending 12/31/2025: \$49,500
- Year ending 12/31/2026: \$52,500

**Committee Discussion:**

Not Applicable

**Attachments:**

- 2024-26 audit fees quote from Bergan KDV

June 12, 2024

Honorable Mayor and Members of the City Council and  
Mr. Dan Wietecha , City Administrator  
c/o Mr. Chris Eitemiller, Finance Manager  
City of Hastings  
101 4<sup>th</sup> Street East  
Hastings, MN 55033

Honorable Mayor, Members of the City Council, Mr. Wietecha and Mr. Eitemiller:

Thank you for the opportunity to quote an extension of audit services for the City. We propose the following the fee structure, which includes our firm preparing the Annual Comprehensive Financial Report:

Year Ending December 31, 2024	\$46,750
Year Ending December 31, 2025	\$49,500
Year Ending December 31, 2026	\$52,500

If during any of these years the City expends more than \$1 million in federal grant funds, a Single Audit in accordance with the provisions of the Uniform Guidance would be required. A separate fee of \$5,000 to \$6,000 would apply to this separate compliance audit for the first major program audited. If additional programs require an audit, we would negotiate a separate fee based on the magnitude of the activity involved.

Thank you again for the opportunity to continue to serve the City of Hastings. If this quote meets your needs, please sign below and we will provide an engagement letter to you.

Sincerely,



Ryan Engelstad, CPA

The City of Hastings accepts the quotes above for audit services.

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Signature

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Signature

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Title

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