



RE: RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO A CONTRACT WITH DECKER & DEGOOD, P.C FOR AUDITING SERVICES.

Background:

According to Article III, Section 3.10 of the City Charter, an independent audit of all City accounts is to be made once a year. Additionally, according to Section 105.145, RSMo the City must file a financial report with the State Auditor's office in compliance with 15 CSR 40-3.030.

Analysis:

A request for proposals was issued on September 16, 2022, with responses due on October 14th. Invitations to bid were sent to 42 vendors; a listing of those vendors is attached to this memo. 40 of those vendors had signed up on our bidding site to receive notice of bids coming out of the Finance Department. 2 of those invitations were sent directly to vendors. Of the 42 invitations sent, only Decker & DeGood, P.C. responded with a price not to exceed \$18,750 for the 2022 audit.

Recommendation:

Staff recommends passage of this resolution.

MEMO SUBMITTED BY:

Jennifer Evans | Director of Finance

jevans@nixa.com | 417-724-5625

Participation Summary - As of 12/07/2022

| <u>Participant Type</u> | <u>Participant Name</u> | <u>Response Date</u> | <u>Response Status</u> |
|-------------------------|--|----------------------|------------------------|
| Active Supplier | Decker & DeGood, PC | 09/16/2022 | Submitted |
| Active Supplier | 22nd Century Technologies Inc | | Viewed |
| Active Supplier | Abacus Service Corporation | | No Response |
| Active Supplier | ALTEC Solutions Group, Inc | | No Response |
| Active Supplier | Baker Tilly US, LLP | | No Response |
| Active Supplier | Better Projects (Roger A Day DBA Better Projects) | | No Response |
| Active Supplier | BHC___ (Brungardt Honomichl Company) | | No Response |
| Active Supplier | CBIZ, Inc. | | No Response |
| Active Supplier | Cochran (LOR Engineering, LLC) | | No Response |
| Active Supplier | Construction Journal | | No Response |
| Active Supplier | Environmental Works, Inc. | | No Response |
| Active Supplier | ePlan | | No Response |
| Active Supplier | Evergreen Solutions, LLC | | No Response |
| Active Supplier | GO Communications Inc. | | No Response |
| Active Supplier | HDR Engineering, Inc (HDR) | | No Response |
| Active Supplier | Higbee Associates, LLC | | No Response |
| Active Supplier | HR Green, Inc. | | No Response |
| Active Supplier | Insight Design Architects, LLC | | No Response |
| Active Supplier | JCI INDUSTRIES, INC. (JCI Industries, LLC) | | No Response |
| Active Supplier | KPM CPAs & Advisors | | Viewed |
| Active Supplier | Landworks Studio (Landworks Studio, LLC) | | No Response |
| Active Supplier | LEVERICH CONTRACTING SERVICE | | No Response |
| Active Supplier | MCCI (Midwest Contractors & Consultants, Inc) | | No Response |
| Active Supplier | MECO Engineering Company, Inc. | | No Response |
| Active Supplier | NovaTech | | No Response |
| Active Supplier | Olsson | | No Response |
| Active Supplier | Palmerton & Parrish, Inc. | | No Response |
| Active Supplier | Paragon Tactical Inc | | No Response |
| Active Supplier | PGAV Architects (Peckham Guyton Albers & Viets, Inc.) | | No Response |
| Active Supplier | SAFEbuilt, LLC | | No Response |
| Active Supplier | Segal | | No Response |
| Active Supplier | SFS Architecture (SFS Architecture, Inc.) | | No Response |
| Active Supplier | Shaffer & Hines, Inc. | | No Response |
| Active Supplier | Survey Launch Co. | | No Response |
| Active Supplier | SWT Design | | No Response |
| Active Supplier | Terracon Consultants, Inc. | | No Response |
| Active Supplier | The Tree Doctor | | No Response |
| Active Supplier | Torgerson Design Partners (Torgerson Design Partners, LLC) | | No Response |
| Active Supplier | Townzen & Associates, Inc (Townzen) | | No Response |
| Active Supplier | USIC Locating Services, LLC | | No Response |
| Active Supplier | Vector Disease Control International (VDCI) | | No Response |
| Active Supplier | WATER TECH INC. | | No Response |

RESOLUTION NO. 2022-124

1 **A RESOLUTION OF THE COUNCIL OF THE CITY OF NIXA AUTHORIZING THE CITY**
2 **ADMINISTRATOR TO EXECUTE A CONTRACT WITH DECKER & DEGOOD, P.C.**
3 **FOR AUDITING SERVICES.**

4 _____
5
6 **WHEREAS** City staff have solicited proposals for Auditing Services; and

7
8 **WHEREAS** at the conclusion of the solicitation process, City staff determined that
9 Decker & DeGood, P.C., submitted the best proposal; and

10
11 **WHEREAS** City Council desires to authorize the execution of the Contract,
12 attached hereto as "Resolution Exhibit A," for the purpose described therein.

13
14 **NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF**
15 **NIXA, AS FOLLOWS, THAT:**

16
17 **SECTION 1:** The City Administrator, or designee, is hereby authorized to execute
18 the Contract attached hereto, and incorporated herein by this reference, as "Resolution
19 Exhibit A," with Decker & DeGood, P.C. Said Contract shall be in substantially similar
20 form as the document attached hereto as "Resolution Exhibit A."

21
22 **SECTION 2:** The City Administrator and the officers of the City are hereby
23 authorized to do all things necessary or convenient to carry out the terms and intent of
24 this Resolution.

25
26 **SECTION 3:** This Resolution shall be in full force and effect from and after its final
27 passage by the City Council and after its approval by the Mayor, subject to the provisions
28 of section 3.11(g) of the City Charter.

29
30
31 **ADOPTED BY THE COUNCIL THIS 12th DAY OF December, 2022.**

32
33 ATTEST:

34
35 _____
36 PRESIDING OFFICER

37 _____
38 CITY CLERK

39 **APPROVED BY THE MAYOR THIS _____ DAY OF _____, 2022.**

40
41 ATTEST:

42
43 _____
44 MAYOR

45 _____
46 CITY CLERK

RESOLUTION NO. 2022-124

47 APPROVED AS TO FORM:

48

49

50 _____

CITY ATTORNEY

RESOLUTION EXHIBIT A

| | | |
|---|--------------------------|---|
| ROUTE ORDER: Contractor signs, route to City Clerk, City Admin signs two originals, Clerk adds date, City Attorney signs, return one original by mail to Organization and City Clerk retains one original. | | |
| EFFECTIVE DATE: | TERMINATION DATE: | CONTRACT NUMBER: |
| <input checked="" type="checkbox"/> NEW CONTRACT <input type="checkbox"/> RENEWAL OF CONTRACT NO. <input type="checkbox"/> Addendum No. | | |
| City | | Contractor |
| Name: City of Nixa, Missouri Address: 715 W. Mt. Vernon St., PO Box 395 Nixa, MO 65714 Phone: 417.725.3785 FAX: Attn: Jennifer Evans Dept: Finance | | Name: Decker & DeGood, P.C. Address: 3259A E. Sunshine, Springfield, MO 65804 Phone: 417-887-1888 FAX: Attn: Marshall Decker |

SERVICES CONTRACT

THIS SERVICES CONTRACT ("Contract") is made and entered into upon its execution by the parties identified above.

WHEREAS the City desires to engage Contractor to perform such services under the terms and conditions of this Contract; and

WHEREAS contractor desires to perform such services under the terms and conditions of this Contract.

NOW, THEREFORE, for the considerations herein expressed, it is mutually agreed by and between the City and the Contractor as follows:

1. **Services.** The City agrees to engage the services of the Contractor and the Contractor agrees to perform said Services in accordance with the standard of care, skill, and expertise ordinarily used by other members of Contractor's profession in performing similar services. The Services are more fully described in Exhibit A, which is attached hereto and incorporated herein by this reference. Contractor shall furnish all supervision, labor, tools, equipment, materials, and supplies necessary to perform the Services at Contractor's own expense in accordance with the contract documents, any applicable City ordinances, and any applicable state or federal laws within 280 calendar days from the date Contractor is ordered to proceed, which order shall be issued by the City Administrator within 30 days after the date of execution of this Contract.

2. **Addition to Services.** The City may add to the Contractor's services or delete therefrom services, provided that the total cost of such work does not exceed the total cost authorized herein. The Contractor shall undertake such changed activities only upon the written direction of the City. All such directives and changes shall be in written form and shall be accepted and countersigned by the Contractor, whose acceptance shall not be unreasonably withheld.

3. **Exchange of Data.** All information, data, and reports in the City's possession and necessary for the carrying out of the Services, shall be furnished to the Contractor without charge, and the parties shall cooperate with each other in every possible way in the carrying out of the Services.

4. Personnel. The Contractor represents that Contractor shall secure at Contractor's own expense; all personnel required to perform the services called for under this Contract by Contractor. Such personnel shall not be employed by or have any contractual relationship with the City except as employees of the Contractor. All of the services required hereunder shall be performed by the Contractor or under Contractor's direct supervision and all personnel engaged in the work shall be fully qualified and shall be authorized under state and local law to perform such services. None of the work or services covered by this contract shall be subcontracted without the prior written approval of the City.

5. Term. This Contract shall terminate following the completion of auditing services for the 2026 fiscal year of City.

6. Payment.

a. Conditioned on acceptable performance. Provided that Contractor performs the services in the manner set forth herein, the City shall pay the Contractor in accordance with the rate set forth in Exhibit B, which shall constitute full and complete compensation for the Contractor's work provided. No partial payment to the Contractor shall operate as approval of acceptance of work done. Such compensation shall be paid in progress payments, as established by the City, subject to receipt of a requisition for payment and a statement of work provided by the Contractor and Contract by both the City and the Contractor that the Contractor has fully performed the work to be paid for in such progress payments in conformance with the contract.

b. Total compensation not to exceed. It is expressly understood that in no event shall the total compensation or reimbursement to be paid to the Contractor under the terms of this Contract exceed the sum of **\$18,750.00**

7. Termination.

a. Termination for breach. Failure of Contractor to fulfill Contractor's obligations under this Contract in a timely and satisfactory manner in accordance with the terms of this Contract shall constitute a breach of the Contract, and the City shall thereupon have the right to immediately terminate the Contract. The City shall give written notice of termination to the Contractor. In the event of any litigation arising from breach of this Contract, the City shall be entitled to recover from the Contractor all reasonable costs incurred for such litigation, including staff time, court costs, attorney fees, and all other related expenses incurred in such litigation.

b. Termination for Convenience. Either party shall have the right at any time upon 90 days' written notice to the other to terminate and cancel this Contract, without cause, for convenience. In such event final payment to the Contractor shall be limited to services provided by the Contractor as of the effective date of said termination.

c. Documents, reports, and data to be provided to City. In the event of termination, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by the Contractor related to this Contract shall, at the option of the City, become the property of the City, and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials; provided, that the Contractor shall not be relieved of liability to the City for any damages sustained by the City by virtue of any breach of the Contract by the Contractor.

8. City's Right to Proceed. In the event this Contract is terminated, the City may take over the work and prosecute the same to completion, by contract or otherwise, and Contractor and its sureties

shall be liable to the City for any costs over the amount of this Contract thereby occasioned by the City. In any such case, the City may take possession of, and utilize in completing the work, such materials, appliances and structures as may be on the work site and are necessary for completion of the work. The foregoing provisions are in addition to, and not in limitation of, the rights of the City under any other provisions of the contract, city ordinances, and state and federal laws.

9. Confidentiality. Any reports, data, or similar information given to, prepared or assembled by the Contractor under this Contract shall be considered the property of the City and shall not be made available to any individual or organization by the Contractor without prior written approval of the City.

10. Conflict of Interest. Contractor certifies that no member or officer of its firm or corporation is an officer or employee of the City of Nixa, Missouri, or any of its boards or agencies, and further that no officer or employee of the City has any financial interest in this contract which would violate any applicable federal regulations or the provisions of RSMo Section 105.450 et seq.

11. Assignment. The Contractor shall not assign any interest in this Contract and shall not transfer any interest in the same (whether by assignment or novation), without prior written consent of the City, provided, however, that claims for money due or to become due to the Contractor from the City under this Contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of such assignment or transfer shall be furnished in writing promptly to the City and the bond surety. Any such assignment is expressly subject to all rights and remedies of the City under this Contract, including the right to change or delete activities from the Contract or to terminate the same as provided herein, and no such assignment shall require the City to give any notice to any such assignee of any actions which the City may take under this Contract.

12. Nondiscrimination. The Contractor agrees in the performance of this contract not to discriminate on the ground or because of race, creed, color, national origin or ancestry, sex, religion, handicap, age, status as a protected veteran or status as a qualified individual with a disability, or political opinion or affiliation, against any employee of Contractor or applicant for employment and shall include a similar provision in all subcontracts let or awarded hereunder. The parties hereby incorporate the requirements of 41 C.F.R. §§ 60-1.4(a)(7), 29 C.F.R. Part 471, Appendix A to Subpart A, 41 C.F.R. § 60-300.5(a) and 41 C.F.R. § 60-741.5(a), if applicable.

a. This Contractor and subcontractor shall abide by the requirements of 41 C.F.R. § 60-300.5(a). This regulation prohibits discriminations against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

b. This Contractor and subcontractor shall abide by the requirements of 41 C.F.R. § 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime Contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

13. Occupational License. The Contractor shall obtain and maintain an occupational license or business registration with the City of Nixa, Missouri, if required by city code and any required state or federal requirement. The cost for this occupational license shall be borne by the Contractor. No contract will be executed by the City until this occupational license has been obtained.

14. Insurance Requirements. Without limiting any of the other obligations or liabilities of the Contractor, the Contractor shall secure and maintain at its own cost and expense, throughout the duration of this Contract and until the work is completed and accepted by the City, professional liability

insurance with limits of not less than Two Million Dollars and shall provide the City with an insurance certificate of such coverage. City shall be named as an additional insured on such policy.

15. General Independent Contractor Clause. This Contract does not create an employee/employer relationship between the parties. It is the parties' intention that the Contractor shall be an independent contractor and not the City's employee for all purposes, including, but not limited to, the application of the Fair Labor Standards Act, minimum wage and overtime payments, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the provisions of the Internal Revenue Code, Missouri revenue and taxation laws, Missouri workers' compensation, and unemployment insurance laws. The Contractor shall retain sole and absolute discretion as to the judgment and manner and means of carrying out the Contractor's activities and responsibilities hereunder. The Contractor agrees that it is a separate and independent enterprise from the public employer, that it has a full opportunity to find other business, that it has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the work. This Contract shall not be construed as creating any joint employment relationship between the Contractor and the City, and the City shall not be liable for any obligation incurred by the Contractor, including but not limited to unpaid minimum wages and/or overtime premiums.

16. Liability and Indemnity.

a. In no event shall the City be liable to the Contractor for special, indirect, or consequential damages, except those caused by the City's gross negligence or willful or wanton misconduct arising out of or in any way connected with a breach of this contract. The maximum liability of the City shall be limited to the amount of money to be paid or received by the Contractor under this contract.

b. The Contractor shall defend, indemnify and save harmless the City, its elected or appointed officials, agents and employees from and against any and all liability, suits, damages, costs (including attorney fees), losses, outlays and expenses from claims in any manner caused by, or allegedly caused by, or arising out of, or connected with, this contract, or the work or any subcontract thereunder (the Contractor hereby assuming full responsibility for relations with subcontractors), including, but not limited to, claims for personal injuries, death, property damage, or for damages from the award of this contract to Contractor, notwithstanding any possible negligence, whether sole or concurrent, on the part of the City, its officials, agents and employees.

c. The Contractor shall indemnify and hold the City harmless from all wages or overtime compensation due any employees in rendering services pursuant to this Contract or any subcontract, including payment of reasonable attorneys' fees and costs in the defense of any claim made under the Fair Labor Standards Act, the Missouri Prevailing Wage Law or any other federal or state law.

d. The indemnification obligations of Contractor hereunder shall not be limited by any limitations as to the amount or type of damages, compensation or benefits payable by or for the Contractor, under any federal or state law, to any person asserting the claim against City, its elected or appointed officials, agents, and employees, for which indemnification is sought.

e. The indemnification obligations herein shall not negate, abridge or reduce in any way any additional indemnification rights of the City, its elected or appointed officials, agents and employees, which are otherwise available under statute, or in law or equity.

f. Contractor affirms that it has had the opportunity to recover the costs of the liability insurance required in this Contract in its contract price. Contractor's obligation under this Contract to defend, indemnify, and hold harmless any person from that person's own negligence or wrongdoing is limited to the coverage and limits of the applicable insurance required of the Contractor under this Contract.

17. Contract Documents. The entire Contract of the parties shall consist of the following documents:

- a. This Contract document
- b. Letter of Engagement (Exhibit A)
- c. Fee Schedule (Exhibit B)

The above listed documents are attached hereto and incorporated by their reference herein as though fully set forth herein. No modification, amendment, or waiver of any of the provisions of this Contract shall be effective unless in writing specifically referring hereto and signed by both parties. In the event of a conflict between the provisions of the contract documents, the provisions of this Contract document shall control against the provisions of the Exhibits.

18. Nonresident/Foreign Contractors. The Contractor shall procure and maintain during the life of this Contract:

- a. If the Contractor is a foreign corporation, a certificate of authority to transact business in the State of Missouri from the Secretary of State, unless exempt pursuant to the provisions of Section 351.570 RSMo.
- b. A certificate from the Missouri Director of Revenue evidencing compliance with the transient employer financial assurance law, unless exempt pursuant to the provisions of Section 285.230 RSMo.

19. Notices. All notices required or permitted hereinunder and required to be in writing may be given by Electronic Mail or by first class mail addressed to City and Contractor at the addresses shown above. The date of delivery of any notice given by mail shall be the date falling on the second full day after the day of its mailing. The date of delivery of notice by Electronic Mail transmission shall be deemed to be the date transmission occurs, except where the transmission is not completed by 5:00 p.m. on a regular business day at the terminal of the receiving party, in which case the date of delivery shall be deemed to fall on the next regular business day for the receiving party.

20. Compliance with Laws. Contractor agrees to comply with all applicable federal, state and local laws or rules and regulations applicable to the provision of services and products hereunder. Contractor affirmatively states that payment of all local, state, and federal taxes and assessments owed by Contractor is current.

21. City Benefits. The Contractor shall not be entitled to any of the benefits established for the employees of the City nor be covered by the Worker's Compensation Program of the City.

22. Jurisdiction. This Contract and every question arising hereunder shall be construed or determined according to the laws of the State of Missouri. Should any part of this Contract be litigated, venue shall be proper only in the Circuit Court of Christian County, Missouri.

23. Affidavit for Contracts Over \$5,000.00. That pursuant to Missouri Revised Statute Sections

285.525 through 285.550, if this contract exceeds the amount of \$5,000.00 and Contractor is associated with a business entity, Contractor shall provide an acceptable notarized affidavit stating that the associated business entity is enrolled in and participates in a federal work authorization program with respect to the employees working in connection with the contracted services, and that said business entity does not knowingly employ any person who is an unauthorized alien in connection with the contracted services. Additionally, Contractor must provide documentation for said business entity evidencing current enrollment in a federal work authorization program.

Remainder of page intentionally left blank. Signature Page follows.

IN WITNESS WHEREOF, the Parties have set their hands on the day and year stated herein.

THE CITY OF NIXA, MISSOURI

Jimmy Liles, City Administrator

Date: _____

ATTEST:

Rebekka Coffey, City Clerk

Approved as to form:

Nick Woodman, City Attorney

Director of Finance Certification:

I certify that this contract is within the purpose of the appropriation to which it is to be charged and that there is an unencumbered balance to the credit of such appropriation sufficient to pay therefore, and that the appropriate accounting entries have been made.

Jennifer Evans, Director of Finance

CONTRACTOR

Marshall Decker

MARSHALL Decker
Printed Name

Partner Decker + Decker PC
Title

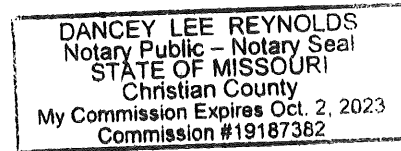
Date: 11/7/2022

ATTEST:

Dancey Lee Reynolds

Dancey Lee Reynolds
Printed Name

Notary Public
Title



Decker & DeGood

CERTIFIED PUBLIC ACCOUNTANTS

3259A EAST SUNSHINE
 SPRINGFIELD MISSOURI 65804
 417 887 1888
 FAX: 417 887 0028

November 3, 2022

To: Honorable Mayor and City Council

City of Nixa
 200 South Main
 Nixa, MO 65625

We are pleased to confirm our understanding of the services we are to provide City of Nixa, Missouri, for the year ended December 31, 2022.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of City of Nixa, Missouri, as of and for the year ended December 31, 2022. Accounting standards generally accepted in the United States of America (GAAS) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement City of Nixa, Missouri's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to City of Nixa's RSI in accordance with GAAS. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic's financial statements, and other knowledge we obtained during our audit of the basic's financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles (GAAP) and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of Budget to Actual
- 3) Schedule of Changes in Net Pension Liability and Related Ratios
- 4) Schedule of Pension Plan Contributions

We have also been engaged to report on supplementary information other than RSI that accompanies City of Nixa's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements

- 1) Schedule of Budget to Actual of Nonmajor Funds

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

- 1) ACFR introductory section
- 2) Table of Statistics for ACFR

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

We have considered the following as possible significant risk(s) of material misstatement as part of our audit planning:

Failure to book a new loan for purchase of an asset in the Governmental Funds

Expensing off assets under repairs and maintenance or lease expense.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Nixa's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

Other Services

We will also prepare the first draft of the financial statements of City of Nixa, Missouri, in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for reviewing and approving drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe

the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. You have designated Jennifer Evans, Director of Finance.

Engagement Administration, Fees, and Other

We understand that your employees will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Decker & DeGood, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the party you name or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Decker & DeGood, PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to party that you name or its designee. The party that you name, or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Marshall Decker, CPA, is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit in February 2023 and to issue our reports no later than April 2023.

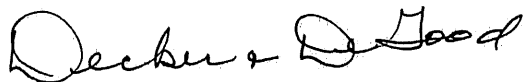
Our fee for services will be at our quote of September 16, 2022 which was \$ 16,250 for basic report and if the City exceeded \$ 750,000 in federal funds expended and required additional opinions for UG an additional \$ 2,500 for that work. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

Reporting

We will issue a written report upon completion of our audit of City of Nixa's financial statements. Our report will be addressed to City Council of City of Nixa. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to City of Nixa 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 attached copy, and return it to us.

Very truly yours,



Decker & DeGood, PC

RESPONSE:

This letter correctly sets forth the understanding of City of Nixa

Management signature: ✓ _____

Title: ✓ _____

Date: ✓ _____

PROFESSIONAL FEES

The maximum fee (including our-of-pocket expenses) we propose for the professional services described above is as follows:

Audit of Financial Statements,

| | |
|-------------------|-----------|
| December 31, 2022 | \$ 16,250 |
| December 31, 2023 | 16,750 |
| December 31, 2024 | 17,250 |
| December 31, 2025 | 17,750 |
| December 31, 2026 | 18,250 |

Fees are based on the expectation that books are in balance, the cash accounts have been reconciled with the bank statements and the fund balance agree with the prior audit report. Time to do the field work will vary based on addition to assets, loans and number of government grants, but will be done to comply will all audit standards and peer review.

We would expect to start the audit in mid-February and have the report to the Council prior to meeting and present to the Council the first meeting held in April or no later than May..

If due to government grants you financial statements would come under Uniform Guidance Standard there would be an additional charge of \$ 2,500 for additional audit work required when grant expenditures exceed \$ 750,000