



-City of Waldport  
OFFICE of the CITY MANAGER  
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November 2, 2023

Mark Housen  
Emerald CPA Group, LLP  
450 Country Club Rd. #450  
Eugene OR, 97401

Re: Response to Payment request on 10/24/2023

Greetings Mr. Housen,

It is some relief to see that the 2020 fiscal year audit has been completed and submitted to the Secretary of State's office. While extraordinary circumstances certainly existed in 2020, this result is significantly delayed from the agreed and expected completion date. We have enclosed a check for the remaining audit fee as agreed under the engagement letter of March 26<sup>th</sup>, 2018 of \$7400.

The second additional hours invoice submitted unfortunately we must decline. As we spoke about on the phone, detailing problems you had during the audit without detailed accounting and time tracking per standard practices is not sustainable documentation for us to defend the payment of the invoice to future audits or the council - nor is the lack of documentation considered an acceptable accounting practice both under Oregon state accounting guidelines and our engagement agreement. Per our written agreement on page 5:

*"If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs."*

At no time did I receive a request from your firm in this regard, nor in reviewing the communications we have had in the last three years, see any indication that we had, even with delays, not provided the requested information. In fact, I note that several times, including in late May of 2022, you indicated that the audit would be completed within weeks. No indication that anything was unavailable or incorrect was communicated.

In discussing the situation with both yourself and with Mrs. Amy John at the state audit division, I do sympathize and understand the difficulty your firm faced during this time. As well, while I acknowledge that our presentation of materials was not what you were accustomed from our prior accountant, I will also note that for six months of the time period in question we retained Isler CPA to handling all our financial accounting; certainly they are familiar with auditing needs, requirements and could have easily and accurately provided any corrections had they been timely requested.

With your endorsement of this final contractual payment, we consider our engagement completed.

Sincerely,

Dann Cutter, City Manager  
The City of Waldport