Resolution 2026-R-255

A Resolution Authorizing the Execution of an Agreement with Warren Averett, LLC for Accounting Services

THEREFORE BE IT RESOLVED that Mayor James D. Stewart, Jr., or his designee, is authorized to execute an agreement with Warren Averett, LLC (in substantially the form attached hereto as Exhibit A) for accounting services in an amount not to exceed Five Thousand and 00/100 Dollars ($5,000.00) per month plus a one-time onboarding fee of Six Thousand and 00/100 Dollars ($6,000.00), and to execute any documents necessary to effectuate such agreement.

ADOPTED AND APPROVED: This 4th day of November, 2026.

David Spivey, City Council President

APPROVED:

James D. Stewart, Jr., Mayor

ATTESTED:

Leigh Allison, City Clerk

CERTIFICATION

I, Leigh Allison, the City Clerk of the City of Irondale, Alabama, hereby certify the above to be a true and correct copy of a resolution adopted by the City Council of the City of Irondale at its regular meeting held on November 4, 2026, as the same appears in the minutes of record of said meeting.

Leigh Allison, City Clerk

EXHIBIT A

Warren Averett
CPAs AND ADVISORS

THE CITY OF IRONDALE
TERMS OF ENGAGEMENT
OCTOBER 27, 2026

Warren Averett, LLC is pleased to confirm our understanding of the services we are to provide for The City of Irondale (the "Client"). This agreement confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. This letter is intended to communicate the terms of our engagement with management and those charged with governance.

Services Provided

See Appendix 1 for services to be provided.

Fees

See Appendix 1 for services to be provided.

These rates shall remain fixed for a period of twelve (12) months. Upon expiration of the twelve (12)-month period, the rate shall be subject to renegotiation by the parties.

Billing

Invoices are due within 30 days of the invoice date (Net 30). In the event that payment is not received within 30 days of the due date, the Client will be assessed with interest charges of one percent per month on the unpaid balance. We reserve the right to suspend or terminate our work due to nonpayment. In the event that our work is suspended or terminated as a result of nonpayment, the Client agrees that we will not be responsible for the Client's failure to meet government and other filing deadlines, or for penalties or interest that may be assessed against the Client resulting from the Client's failure to meet such deadlines.

Detection

This engagement will not include any procedures designed to detect fraud, theft, or illegal acts, and the Client agrees that we will have no responsibility to do so.

Limitations of Liability

Warren Averett, LLC's maximum liability to the Client for any reason shall be limited to the fees paid by the Client for the services or work product giving rise to the liability except and to the extent finally determined to have resulted from our willful misconduct. Without limiting the foregoing, Warren Averett, LLC's liability under this agreement is limited to the actual and direct damages incurred by the Client arising out of or related to Warren Averett, LLC's performance hereunder. In no event shall Warren Averett, LLC be liable for any incidental, consequential, special, indirect, punitive or third-party damages or claims, including, without limitation, lost profits or revenue, lost savings, lost productivity, loss of data, loss of use of equipment and loss from interruption of business, regardless of whether the form of action is based upon breach of warranty, breach of contract, negligence, strict liability in tort or any other legal theory even if Warren Averett, LLC has been advised about the possibility of such damages. Warren Averett, LLC's members, principals and employees shall have no liability or obligations arising out of this engagement letter. Client agrees that should Client bring any claim or other legal proceeding of any nature arising from the services provided pursuant to this engagement letter, such claim or legal proceeding shall only be pursued against Warren Averett, LLC.

Conditions Precedent

Client agrees that Warren Averett, LLC shall have no liability under this Agreement or arising under this engagement unless written notice of Warren Averett, LLC's alleged liability shall have been given by Client to Warren Averett, LLC within one (1) year following the later of (i) the date the Client is informed of the

engagement's termination or, (ii) the last date services were provided to the Client. If the matter cannot be resolved amongst Warren Averett, LLC and the Client within thirty (30) days of the date of such written notice (or such longer period as the parties may agree to in writing), the parties shall participate in non-binding mediation before any litigation or other dispute resolution proceeding is commenced (unless the parties jointly agree in writing to waive this requirement).

Joint Preparation

The parties to this Agreement represent and acknowledge that they have had an opportunity to obtain legal, financial, or other representation to assist them in drafting, negotiation, and execution of this Agreement, and that they have availed themselves of this opportunity to the extent they desired. The parties further represent and acknowledge that they jointly participated in the negotiation and drafting of this Agreement, and that any ambiguity herein shall not be construed for or against any party under the doctrine of *contra proferentem* or any other theory. The parties agree that neither party shall claim that an advantage was obtained by either party due to representation or drafting.

Dispute Resolution

By signing this agreement, you agree that any controversies, issues, disputes or claims ("Disputes") arising out of or relating to this Agreement, or any services provided by Warren Averett, LLC, shall be RESOLVED EXCLUSIVELY BY BINDING ARBITRATION administered by the American Arbitration Association (the "AAA") in accordance with the Commercial Arbitration Rules of the AAA then in effect; provided, that, by written notice delivered to you prior to or after the initiation of any arbitration claim, Warren Averett, LLC as the defendant in a Dispute may elect (a) that the Dispute shall be resolved pursuant to litigation in an Agreed Court (as defined below) and/or (b) submitted to nonbinding mediation prior to the commencement or continuation of an arbitration claim or lawsuit. If any Dispute is not arbitrated for any reason, (i) any litigation, proceedings or other legal actions related to a Dispute shall be instituted in the courts in the state of the service provider, or if it has jurisdiction, a federal court in Birmingham, Alabama (the "Agreed Courts") and (ii) the parties, for themselves and their successors and assigns, hereby WAIVE TRIAL BY JURY OF ANY DISPUTE. Each party to this Agreement irrevocably submits to the exclusive jurisdiction of the Agreed Courts in connection with any such litigation, action or proceeding. Each party to this Agreement irrevocably waives, to the fullest extent permitted by applicable law, any defense or objection it may now or hereafter have to the laying of venue of any proceeding brought in the Agreed Courts, and any claim that any proceeding brought in any such court has been brought in an inconvenient forum. The parties acknowledge that (x) they have read and understood the provisions of this agreement regarding arbitration and (y) performance of this agreement will be in interstate commerce as that term is used in the Federal Arbitration Act, 9 U.S.C. § 1 et seq., and the parties contemplate substantial interstate activity in the performance of this Agreement including, without limitation, interstate travel, the use of interstate phone lines, the use of the U. S. mail services and other interstate courier services.

Legal Fees

In addition to the fees for services described in this agreement, the Client agrees to pay legal fees incurred in connection with any suit to recover fees due from you on this engagement or to enforce the terms of this Agreement, and legal fees incurred by Warren Averett, LLC in responding to any third-party request for production and/or subpoenas and/or depositions or other testimony related to your records and our work done for you in connection with an engagement thereon.

Invalidation

In the event that any portion of this agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this agreement.

Limitations

In this engagement, we will be using information developed and information furnished by the Client. We are relying upon the Client for the accuracy and completeness of the Client's records, as well as all other information supplied. We are not responsible for the content of the documents and information supplied by the Client and do not certify the accuracy or completeness of such information. We will maintain the information provided to us in confidence within our firm and will not disclose to others the Client's confidential information except with the Client's consent or as required by law or permitted under professional standards of the accounting profession.

None of the work that we will perform under this engagement will constitute an attest engagement in accordance with generally accepted auditing standards. The advice and services provided hereunder are solely for management or for submission to taxing authorities, and are to be used for no other purpose. Accordingly, our advice may not be relied upon by any other person or persons, used in connections with any other transaction, or used for any other purpose without prior written consent. We assume no responsibility to keep the Client apprised of developments in the tax law relative to this engagement after it has been completed.

Warren Averett Connect

Warren Averett Connect is a tool for the sharing of information between the Client and Warren Averett, LLC. Warren Averett Connect is not designed to store Client information and documents. Client is responsible for maintaining backup to all Client data provided to and by Warren Averett, LLC.

Indemnity

The Client agrees to release, defend, indemnify and hold Warren Averett, LLC and its members, managers, officers and employees and the respective heirs, executors, personal representatives, successors, and assigns of each of them harmless from any and all claims which arise from knowing misrepresentations to Warren Averett, LLC by the Client, including its management, board of directors, employees and other duly authorized representatives, or intentional withholding or concealment of information from Warren Averett, LLC by the Client.

Employment

In the event you desire to employ a current employee of Warren Averett, LLC or a previous employee of Warren Averett, LLC whose termination date is within 6 months of the date services were provided to you by us, you agree to consult with us concerning such employment. In addition, if you employ such employee, you agree Warren Averett, LLC has the option to receive a reasonable placement fee from you, in an amount determined by us not exceeding 25% of employee's annual compensation at the time of termination.

Disclosure

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. Furthermore, we will remain responsible for the work provided by any such third-party service providers. By signing this letter, you consent to allow us to disclose your tax return information, if applicable, or other

information to our service providers. If you want to limit the amount of information that may be disclosed to any third-party service provider, please notify us in writing as an attachment to this letter.

Term

This agreement shall survive the termination of the Client's engagement of Warren Averett, LLC.

Amendment

The terms and conditions of this agreement (i) apply exclusively to the services specifically set forth in the "Services Provided" section herein (the "Current Specified Services") and do not apply to any other services specifically addressed in a separate Terms of Engagement entered into between Warren Averett, LLC and the Client. This agreement replaces and amends all previous Terms of Engagement entered into between Warren Averett, LLC and the Client for the services specifically set forth in the "Services Provided" section herein (the "Current Specified Services"). This agreement does not impose upon Warren Averett, LLC any additional obligations or responsibilities with respect to any other Terms of Engagement entered into between Warren Averett, LLC and the Client.

We appreciate the opportunity to be of service to you and believe this contract accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you are in agreement with the terms of our engagement as described in this contract, please sign a copy and return it to us.

Warren Averett, LLC:		**The City of Irondale:**	
Amber Stout, CPA		James D. Steward Jr.	
Signature		Signature	
Amber Stout, CPA	October 27, 2026	James D. Steward Jr.	11/4/2026
Print Name	Date	Print Name	Date
Member		Mayor	
Title		Title	

Terms of Engagement is a standard firm document signed by the firm and all clients of the firm that ensures both the firm and the client have a clear understanding of the services to be provided and the terms and objectives of the engagement.

APPENDIX 1
ADDITIONAL SERVICES SCHEDULE

INITIAL ASSESSMENT AND ONBOARDING	2026
Regardless of the monthly option selected, we recommend an initial onboarding and financial reporting assessment. **The onboarding phase would include:** • Introductory meetings with City personnel • Access and security coordination • Setup of secure document sharing, recurring information requests and the workflow for monthly report delivery, review, questions and issue resolution • Review of the City's chart of accounts and fund structure • Management-led walkthrough of the City's financial operations, including major funds, revenue sources, expenditure categories, cash and reserves, debt, grants, capital projects, interfund activity and key budget priorities • Review of recent historical financial statements, budgets, audit findings and adjustments, and significant or recurring accounting matters to establish a baseline understanding of the City's financial position and reporting needs • Review of the current monthly close and reporting process • Review of available account reconciliations • Identification of priority balance sheet and interfund accounts • Investigation and correction of the identified General Fund balance sheet out-of-balance condition, including preparation of any proposed adjusting entries and supporting documentation for City review and approval • Development of the monthly information request list • Development of the reporting calendar • Agreement on communication protocols and responsibility assignments • Preparation of an initial findings and priorities memorandum Any material historical cleanup identified during onboarding would be separately scoped before work begins.	**Not To Exceed** $6,000 (One-Time Investment)

OPTION 2: CONTROLLER-LEVEL FINANCIAL REVIEW AND ADVISORY	2026

This package includes all services under Option 1, plus a deeper review of account reconciliations, adjusting entries, interfund activity and financial reporting matters.
 	
Additional services would include:
• Review of selected bank reconciliations and aging reconciling items
• Review of selected payroll clearing, withholding, benefits and other payroll liability accounts
• Review of significant monthly journal entries and supporting documentation
• Review and reconciliation of material interfund accounts
• Review of debt-related activity, transfers and significant capital transactions
• Identification of accounts requiring cleanup or subsidiary ledger support
• Monthly analysis of:
  ○ Revenue and expenditure trends
  ○ Significant budget variances
  ○ Cash and reserve activity
  ○ Emerging financial reporting concerns
• Quarterly meeting with City leadership, as requested, to discuss financial trends, reporting issues and priorities
• Coordination with the City's external auditor on routine accounting questions and year-end preparedness
	$5,000/Month
	(Recommended Option)

Scope Definitions

Warren Averett will review all City bank accounts, interfund balances, and payroll liability accounts each month. The monthly payroll review will include all payroll clearing, withholding, and benefit liability accounts. During onboarding, Warren Averett and City management will confirm and document the complete account listing for these categories and establish a process for updating it as accounts are added or closed. Accounts with no activity or a zero balance will be monitored for unusual or unexpected activity.

A journal entry will be considered significant if it meets or exceeds a dollar threshold that impacts leadership decision making, or, regardless of amount, involves unusual or nonroutine activity, a material correction or reclassification, or a potential effect on the reliability of financial reporting. The agreed threshold and qualitative criteria will be documented before recurring monthly reviews begin.

The CAS Supervisor will apply the agreed account listing and journal-entry criteria in performing the monthly review; account coverage will not be narrowed solely through risk-based selections. Warren Averett and City management will jointly confirm the account listing and approve any changes to the agreed scope. The monthly financial review memorandum will identify the accounts reviewed, any accounts not reviewed and the reasons, and the significant journal entries reviewed. Any incomplete procedures or exceptions will be clearly noted, together with the planned follow-up. Proposed changes to recurring account coverage or significant-entry criteria will be discussed with City management and documented before implementation.

Correcting Entries and Monthly Turnaround

Warren Averett will ordinarily deliver the completed review memorandum and proposed correcting entries within five business days after receiving a complete monthly reporting package. If the package is incomplete or significant issues are identified, Warren Averett will notify the City promptly and provide a revised delivery date.

The information will include Account Numbers, Debit and Credit amounts, memo and supporting documentation. City management will retain responsibility for approving and posting all entries.

During onboarding, Warren Averett and City management will establish a reporting calendar coordinated with the City's Council reporting schedule, including agreed-upon deadlines for submitting the monthly reporting package and completing the review.

City personnel will have direct access to the engagement team for routine questions. Consistent with the proposal, routine calls and emails are included in the engagement.

Matters requiring significant additional time or a separate deliverable may be considered outside the scope of the engagement and will be discussed with City management before additional work is performed.

Recurring issues identified during the engagement will be documented and communicated to the City, as appropriate. Significant or persistent issues will be evaluated to identify potential root causes and recommend corrective actions.

Warren Averett will include a statement in the monthly memorandum confirming whether the scheduled review has been completed. The memorandum will also document the proposed adjustments identified for the applicable month.

Grant, Capital Project, and Restricted Fund Accounting

We recognize that grant compliance and accurate accounting for grants, capital projects, and restricted funds are key priorities for the City. While review of these areas is currently included only in Option 3, we propose adding this review to Option 2 as a defined add-on for an additional $1,500 per month. During onboarding, Warren Averett and City management will identify the active grants, capital projects, and restricted funds to be included and agree on the review procedures and reporting expectations. This add-on is intended to support the City's key objectives through recurring accounting review; it does not constitute a separate grant compliance audit or assurance engagement.

Year-End Audit Readiness Add-On

Option 2 includes coordination with the City's external auditor on routine questions. To provide additional year-end support without requiring the City to move to Option 3, we propose a defined year-end audit readiness add-on to Option 2 at an hourly blended audit-readiness rate of $350 an hour. After the first year a fixed fee can be established.

The proposed add-on would include review of year-end account balances against supporting reconciliations and documentation to help confirm their accuracy and identify unresolved differences; review of audit schedules prepared by City staff for completeness, consistency with the general ledger, and supporting documentation before submission to the external auditor; and assistance evaluating auditor-proposed adjustments and preparing responses. City management will retain responsibility for preparing the schedules, approving responses, and approving and posting all adjustments. These procedures are advisory accounting support and do not constitute an audit or assurance engagement.

To help the City address prior-year audit findings, Warren Averett would review the prior-year audit report and management letter with City personnel and maintain a findings

tracker documenting each finding, the City-designated responsible party, planned corrective actions, target dates, status, and supporting evidence. We would discuss progress with City management at agreed checkpoints, identify unresolved items, and assist with documenting corrective actions and communicating progress to the external auditor. City management will remain responsible for implementing corrective actions, and the external auditor will determine the disposition of findings for audit reporting purposes. Any remediation requiring substantial historical cleanup, system changes, or other work beyond the agreed add-on scope would require a separately approved scope and fee.

Engagement Team

Lauren Mann, CAS Supervisor, will perform the recurring monthly review procedures. Her expected time commitment is approximately 18 hours per month for the agreed Option 2 scope and add-ons. Amber Stout will serve as the engagement supervisor. Her expected time commitment is 4 hours.

Lauren Mann and Amber Stout bring accounting knowledge and experience with various ERP systems, together with access to Warren Averett's internal resources, to support the City's accounting and financial reporting objectives. While neither has direct experience applying GASB standards or working with Tyler Technologies Incode 10, they will draw on firm resources for consultation and technical guidance in these areas. During onboarding, we will establish the support arrangements and report workflows needed for the engagement, combining the assigned team's monthly review work with internal technical support to address the City's needs.

To promote continuity, key processes, review procedures, recurring issues, accounting conclusions, client-specific considerations, reporting deadlines, and outstanding items will be documented and maintained in Warren Averett's secure shared files. Our proposed transition process would include designating a backup team member, keeping that individual informed of significant matters, and assigning a replacement with qualifications appropriate to the agreed scope if an assigned team member leaves. The replacement would review prior workpapers, the City's fund structure, relevant GASB considerations, Incode 10 reporting workflows, and open issues. When feasible, an overlap and knowledge-transfer period would be arranged. The City would be notified of staffing changes and introduced to the replacement, and an engagement leader would oversee the handoff and review initial work to support consistent quality and timely delivery.

Onboarding and Historical Cleanup

It is correct that the onboarding fee will not exceed $6,000, inclusive of all fees. The correction of the identified $7,677 General Fund out-of-balance condition will be included in the onboarding fee.

No historical cleanup or optional service work will begin until a written scope and related fee arrangement have been approved in writing by both parties.

Rates for Optional Services

Below is the hourly rate schedule, by staff level, that will apply to optional services or work performed outside the scope of the engagement.

Staff Level	Hourly Rate
Member	$421 - $500
Principal	$391 - $420
Senior Manager	$331 - $390
Manager	$286 - $330
Supervisor	$261 - $285
Senior Associate	$260

Fees, Term, and Expenses

Technology Investment Fee: Warren Averett has approved a waiver of the Technology Investment Fee for the first year of the engagement.

Rate Lock: We will lock the rate for 12 months and after 12 months we will review the engagement for cost savings or increases.

Term and Termination: Agreed to a 12-month initial term.

Out-of-Pocket Expenses: No out-of-pocket expenses are currently anticipated for this engagement. If an activity results in out-of-pocket expenses, Warren Averett will notify City management before undertaking that activity.

Payment Terms: Net 30 has been included in the engagement letter.

Deliverables and Reporting - Warren Averett will provide the monthly financial review memorandum included in Option 2 according to a timetable established during onboarding and coordinated with the City's monthly Council reporting calendar.

The memorandum will be distributed to the Mayor and City Clerk/Treasurer. Proposed correcting entries will be provided to designated City accounting personnel for review, approval, and posting in accordance with the agreed-upon reporting workflow.

Engagement Letter Terms – Please see attached engagement letter. As a municipality no out of the country resources will be used.

Grant, Capital Project, and Restricted Fund Accounting - We recognize that grant compliance and accurate accounting for grants, capital projects, and restricted funds are key priorities for the City. While review of these areas is currently included only in Option 3, we propose adding this review to Option 2 as a defined add-on for an additional $1,500 per month. During onboarding, Warren Averett and City management will identify the active grants, capital projects, and restricted funds to be included and agree on the review procedures and reporting expectations. This add-on is intended to support the City's key objectives through recurring accounting review; it does not constitute a separate grant compliance audit or assurance engagement.

Year-End Audit Readiness Add-On - Option 2 includes coordination with the City's external auditor on routine questions. To provide additional year-end support without requiring the City to move to Option 3, we propose a defined year-end audit readiness add-on to Option 2 at an hourly blended audit-readiness rate of $350 an hour. After the first year a fixed fee can be established.

Other Services and References - No other services currently provided

Warren Averett does not currently have two or three active Alabama municipal clients receiving the same scope of CAS services and therefore cannot provide references that precisely meet the requested criterion. With permission from the referenced organizations, we have instead provided two Alabama clients for which we perform comparable monthly accounting, financial reporting, and advisory services.

Alabama Wildlife Federation
Tim Gothard, Executive Director
334.285.4550
timg@alabamawildlife.org
Services: Monthly accounting and advisory services

Blazer Impact, LLC
Daniel Feig, Attorney at Starnes Davis Florie LLP
205.868.1844
dfeig@starneslaw.com
Services: Monthly financial statement preparation and advisory services