

RESOLUTION NO.: 80 -2017
INTRODUCED BY: O'Toole

A RESOLUTION TO AUTHORIZE THE MAYOR TO ENTER INTO AN AGREEMENT WITH JAMES G. ZUPKA, C.P.A., INC. FOR FINANCIAL DATA CONVERSION (GAAP) SERVICES.

WHEREAS, the City requires the services of a financial professional to perform the appropriate conversion (GAAP) of its financial data for fiscal years 2017, 2018, and 2019, in preparation for the City's financial audits and as required by the Auditor of State; and

WHEREAS, James G. Zupka, C.P.A., Inc. has provided a proposal to perform the financial data conversion (GAAP) services in an amount not to exceed Fourteen Thousand Seven Hundred Twenty Dollars (\$14,720.00) for each fiscal year 2017 and 2018, and in amount not to exceed Fourteen Thousand Eight Hundred Eighty Dollars (\$14,880.00) for fiscal year 2019.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Richmond Heights, Cuyahoga County, State of Ohio, that:

Section 1: The Mayor is authorized to enter into an agreement with James G. Zupka, C.P.A., Inc., for financial data conversion (GAAP) services, as outlined in the proposed agreement attached hereto as Exhibit "A" and incorporated herein fully as if by reference in an amount not to exceed Fourteen Thousand Seven Hundred Twenty Dollars (\$14,720.00) for each fiscal year 2017 and 2018, and in an amount not to exceed Fourteen Thousand Eight Hundred Eighty Dollars (\$14,880.00) for fiscal year 2019.

Section 2: The Director of Finance is authorized to appropriate to a proper account the funds necessary for the agreement authorized by Section 1 of this Resolution.

Section 3: It is found and determined that all formal actions of this Council concerning and relation to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 4: This Resolution shall take effect and be in force from the earliest time provided by law.

PASSED: August 22, 2017


David H. Roche, Mayor

APPROVED: August 22, 2017

ATTEST: Betsy Traben
Betsy Traben
Clerk of Council


Eloise Cotton-Henry
President of Council

JAMES G. ZUPKA, C.P.A., INC.

*Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

June 5, 2017

Mayor David Roche
City of Richmond Heights
26789 Highland Road
Richmond Heights, Ohio

Mr. James Teknipp
Finance Director
26789 Highland Road
Richmond Heights, Ohio

Dear Mr. Mayor and Mr. Teknipp:

This letter confirms our recent discussion regarding professional accounting services our firm can provide the City of Richmond Heights, Ohio.

We will assist the City in conversion of its financial data from the cash basis to the modified and accrual basis of accounting for the fiscal years ended December 31, 2017, 2018 and 2019, as required by the Auditor of State's office and in accordance with generally accepted accounting principles under GASB Statement Number 34 and all other GASB statements applicable to the preparation of the financial statements.

The services we will provide are as follows:

1. We will prepare the Management's Discussion and Analysis which will include the following components:
 - a. Description of the basic financial statements
 - b. Provision of condensed government-wide financial information in the form of condensed financial statements
 - c. Analysis of the overall financial position and results of operations for governmental activities and business-type activities
 - d. Discussion of significant transactions and changes in the major funds
 - e. Discussion of what happened with the general fund's budget this year
 - f. Description of capital assets and long-term debt activity during the year
 - g. Description of what happened to infrastructure assets
 - h. Description of any currently known facts, decisions, or conditions that are expected to have a significant effect on next year and beyond

2. We will the prepare the two types of basic financial statements: government-wide statements and fund financial statements, and all required notes. In relation to these statements, the following areas will be addressed:

Assets and Deferred Outflows of Resources

- a. Identification and reporting of capital assets, including infrastructure assets - with client assistance
- b. We will prepare A/R listing and create additional receivable entries

Liabilities and Deferred Inflows of Resources

- a. We will prepare accounts payable and accrued liabilities by fund/function
- b. We will review payroll receipts and create payroll liabilities
- c. We will assist with preparation of Compensated absences report

Net Position

- a. Distinction between governmental net position and fund balances
- b. Conversion of fund balances to the three components of net position required for government-wide reporting.
 1. Net investment in capital assets
 2. Restricted
 3. Unrestricted

Revenues

Assist in the identification and reporting of revenues as program revenues and general revenues

Expenses

- a. Identification and reporting of expenses by function/program
- b. Identification and reporting of indirect expenses

Fund Financial Statements

- a. Identification and reporting of major and nonmajor funds for financial statement presentation
- b. Reconciliation of governmental fund statements to governmental entity-wide statements

Mayor David Roche and Mr. James Teknipp
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Footnote Disclosures

Modification of footnote disclosures as deemed necessary for the following, based on GASB Statement 34 and GASB Statement No. 38, *Certain Financial Statement Disclosures*, including implementation of New GASB programs, including GASB 67 and GASB 68 relating to Employee Pension Reporting.

- a. Summary of significant accounting policies
 - b. Capital Assets
 - c. Long-term Liabilities
 - d. Interfund balances and transfers
 - e. Receivable and payables
3. We will review the budgetary comparison schedules to include both the original and final budgets for the general and any major special revenue funds

We wish to emphasize that our services do not include an audit of the financial statements in accordance with generally accepted auditing standards, nor an expression of opinion as to their fair presentation. Further, our services are not specifically designed and cannot be relied upon to disclose defalcations or other irregularities although, if present, their discovery may result.

Our proposed fees are based on the level of services we provide to your City. The following estimate was prepared based on our recent conversation and assumes information and documents we discussed will be provided by your staff.

Our fee for preparation of the basic financial statements services will be based upon the amount of time required for such services. We have listed detailed information regarding hours and fees in the attachment. We will invoice only for the hours incurred on this engagement. Should we encounter circumstances that would increase the estimated hours, we will advise you and the increased hours would be agreed to by both parties prior to any changes. We will complete the basic financial statements by May 15, of each year.

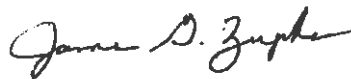
Should services other than those covered by this letter be required or requested, their extent and the additional fees will be discussed before we perform the work.

Mayor David Roche and Mr. James Teknipp
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We shall be pleased to discuss this letter with you at any time and to explain the reasons for any item. We appreciate this opportunity to respond to your request for accounting services and we are looking forward to our continued business relationship.

If the terms above are acceptable to the City of Richmond Heights and the services outlined are in accordance with the City's requirements, please sign the copy of this letter in the space provided and return it to us.

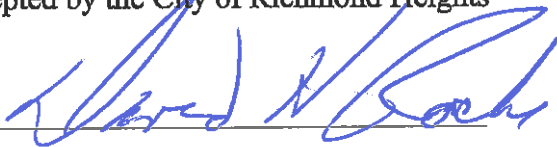
Sincerely,



James G. Zupka
Certified Public Accountant

Accepted by the City of Richmond Heights

By



Title

Mayor

Date

8/31/17

JAMES G. ZUPKA, CPA, INC.

**PROPOSAL TO PROVIDE PROFESSIONAL ACCOUNTING SERVICES
CITY OF RICHMOND HEIGHTS**

SCHEDULE OF FEES

	<u>2017</u>	<u>2018*</u>	<u>2019*</u>
Hours	160	160	160
Hourly Rate	<u>\$ 92</u>	<u>\$ 92</u>	<u>\$ 93</u>
Totals	<u>\$ 14,720</u>	<u>\$ 14,720</u>	<u>\$ 14,880</u>

* Includes GASB 67, GASB 68 and GASB 73 on Pension Accounting and Financial Reporting for Pension.

