

RESOLUTION NO.: 34-2008
INTRODUCED BY: ALEXANDER

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AGREEMENTS WITH CIUNI & PANICHI, INC. FOR NECESSARY ACCOUNTANT SERVICES.

WHEREAS, the City is in need of professional assistance from an accounting firm for conversion to accounting principles generally accepted in the United States for the December 31, 2007 and 2008 financial statements of the City and to develop journal entries and related workpapers that will convert the December 31, 2007 and 2008 generally accepted accounting principle financial statements of the City to a reporting model in conformance with general accounting principles, all as set forth in the two letter agreements attached to this Resolution as Exhibits A and B; and

WHEREAS, Ciuni & Panichi, Inc. have the experience to perform this municipal accounting work;

NOW, THEREFORE, Be It Resolved by the Council of the City of Richmond Heights, State of Ohio, that:

Section 1. The Mayor is authorized to execute agreements with Ciuni & Panichi, Inc. for accounting services in an amount not to exceed \$18,000.00.

Section 2. It is found and determined that all formal actions of this Council concerning and relating 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 3. This Resolution shall take effect and be in force from and after the earliest period allowed by law.

PASSED: _____ _____
Daniel J. Ursu, Mayor

APPROVED: _____

ATTEST: _____ _____
David H. Roche
President of Council



April 9, 2008

Ms. Lynda Rossiter
Director of Finance
City of Richmond Heights
457 Richmond Road
Richmond Heights, Ohio 44143

This will confirm our understanding of the arrangements for the conversion to accounting principles generally accepted in the United States of America (GAAP) of the December 31, 2007 and December 31, 2008 balance sheets for the City of Richmond Heights.

We will prepare the trial balances that will convert the December 31, 2007 and December 31, 2008 cash basis financial statements of the City to the accrual basis necessary in order to conform to GAAP. We will also prepare the budget vs. actual statements for the General fund and all major special revenue funds, financial statements and footnotes. It is understood that deviations from this proposed arrangement will result in an adjustment of the fee quoted below for this engagement. See the attached schedule detailing areas to be completed.

Our fee will be based upon actual hours to complete the services described above and typing the report, with a total fee not to exceed \$10,000 and \$10,600 for December 31, 2007 and December 31, 2008, respectively.

The parties shall attempt in good faith to resolve any dispute arising out of or relating to the engagement, including any dispute over invoiced amounts, promptly by negotiations between executives who have authority to settle the controversy. Any party may give the other party written notice of any dispute not resolved in the normal course of business. Within twenty days of the delivery of said notice, executives of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty days of the disputing party's notice, or if the parties fail to meet within twenty days, either party may initiate mediation of the controversy or claim as provided herein.

If the dispute has not been resolved by negotiation as provided above, the parties shall endeavor to settle the dispute by mediation under the then current Center for Public Resources ("CPR") Model Procedures for Mediation of Business Disputes. The neutral third party will be selected from the CPR panel of neutrals within twenty days of the initiation of the mediation process. If the parties encounter difficulty in agreeing on a neutral, they will seek the assistance of the CPR in the selection process. The mediation shall occur at the time and place selected by the mediator.



C&P Advisors, LLC
Ciuni & Panichi, Inc.
Joel Strom Associates LLC
C&P Wealth Management, LLC

25201 Chagrin Boulevard
Cleveland, Ohio 44122-5663
p. 216.831.7171
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www.cp-advisors.com



EXHIBIT A

Ms. Lynda Rossiter

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April 9, 2008

In the event mediation does not resolve the dispute, the parties may pursue their respective legal remedies.

The engagement would not include any services not specifically stated in this letter. Additional services, which you may request, would be subject to separate arrangements.

To acknowledge that the above services and terms are as agreed and are acceptable to you, please sign one copy of this letter and return it to us in the enclosed envelope.

We appreciate the opportunity to be of service to you and shall be glad to discuss this letter with you at any time.

Very truly yours,

CIUNI & PANICHI, INC.

Ciuni & Panichi, Inc.

RESPONSE:

This letter sets forth the understanding of the City of Richmond Heights.

Signature

Title

City of Richmond Heights

Scope of Services GAAP Conversion

Clun & Panichi, Inc. will convert the financial statements of the City of Richmond Heights from cash-basis financial reporting to Accounting Principles Generally Accepted in the United States of America (GAAP) for the years ending December 31, 2006. This includes rolling forward the converted January 1 financial statements, recording the current years cash-basis financial data, reversing beginning balances, and then converting the December 31, 2006 balances to GAAP.

The first phase of the GAAP conversion entails:

- Identification of Audit Entity
- Fund Analysis; Fund Classification
- Client Representations and Confirmations
- General Procedures

The second phase of the GAAP conversion includes*:

- Cash
- Investments - Interest Receivable
- Prepaid Items
- Revenues, including General Government, Special Assessments, and Property Tax
- Accounts Payable, Encumbrances, Retainage Payable, Contracts Payable, and Capital Leases
- Payroll & Related Liabilities, including Accrued Wages, Accrued Pension, Accrued Sick Leave, Accrued Vacation, Accrued Compensatory Time, and Accrued Worker's Compensation
- Inventory
- Fixed Assets
- Debt Service, including Bonds/Notes Payable and Accrued Interest
- Fund Equities
- Trial Balance Preparations/Review
- Prepare Appropriate Budget vs. Actual Statements
- Financial Statement Preparation and Review

* The City will generate the working papers and journal entries for each section. The City will also enter the beginning revenue and expenditure balances into an Excel spreadsheet provided by Clun & Panichi, Inc.



April 9, 2008

Ms. Lynda Rossiter
Finance Director
City of Richmond Heights
457 Richmond Road
Richmond Heights, OH 44143

This will confirm our understanding of the arrangements for the conversion of the City of Richmond Heights's financial statements to comply with GASB Statement No. 34, *Basic Financial Statements – and Management Analysis – for State and Local Governments*.

We will develop the journal entries and related workpapers that will convert the December 31, 2007 and December 31, 2008 GAAP financial statements of the City to the GASB 34 reporting model in order to conform to GASB 34. See the attached schedule detailing areas to be completed.

Our fee will be based upon actual hours to complete the project, with a total fee not to exceed \$7,400 and \$7,850 for December 31, 2007 and December 31, 2008, respectively.

The parties shall attempt in good faith to resolve any dispute arising out of or relating to the engagement, including any dispute over invoiced amounts, promptly by negotiations between executives who have authority to settle the controversy. Any party may give the other party written notice of any dispute not resolved in the normal course of business. Within twenty days of the delivery of said notice, executives of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty days of the disputing party's notice, or if the parties fail to meet within twenty days, either party may initiate mediation of the controversy or claim as provided herein.

If the dispute has not been resolved by negotiation as provided above, the parties shall endeavor to settle the dispute by mediation under the then current Center for Public Resources ("CPR") Model Procedure for Mediation of Business Disputes. The neutral third party will be selected from the CPR panel of neutrals within twenty days of the initiation of the mediation process. If the parties encounter difficulty in agreeing on a neutral, they will seek the assistance of the CPR in the selection process. The mediation shall occur at the time and place selected by the mediator.

In the event mediation does not resolve the dispute, the parties may pursue their respective legal remedies.

This engagement would not include any services not specifically stated in this letter. Additional services which you may request would be subject to separate arrangements.

C&P Advisors, LLC
Ciuni & Panichi, Inc.
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C&P Wealth Management, LLC

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EXHIBIT B

Ms. Lynda Rossiter

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April 9, 2008

To acknowledge that the above services and terms are as agreed and are acceptable to you, please sign one copy of this letter and return it to us.

We appreciate the opportunity to be of service to you and shall be glad to discuss this letter with you at any time.

Very truly yours,

Ciuni & Panichi, Inc.

CIUNI & PANICHI, INC.

The services described in the foregoing letter are in accordance with our requirements, and the terms described in the letter are acceptable to us and are hereby agreed to.

Signature

Title

City of Richmond Heights

Scope of Services GASB 34 Conversion

Cimini & Panichi, Inc. will convert the GAAP financial statements of the City of Richmond Heights to meet the requirements of GASB 34's reporting model for the years ending December 31, 2007 and December 31, 2008. This includes rolling forward the converted January 1 modified and full accrual basis financial statements, reversing those converted beginning balances, and then recording the December 31 full accrual balances for each year.

- We will provide a template of the Management Discussion and Analysis. It will be the City's responsibility to complete all required information. Our firm will insert the financial data.
- We will prepare the basic financial statements:
 - Government-wide financial statements, using the economic resources measurement focus and the accrual basis of accounting
 - Fund financial statements, consisting of a series of statements that focus on a government's major governmental funds and enterprise funds
 - Notes to the financial statements
 - Required supplementary information, which requires budgetary comparison schedules to be presented
- Additionally, this statement requires the recording of infrastructure assets:
 - Working with the City's Engineering Department or an outside engineering firm, we will assist in recording the infrastructure assets at historical cost or estimated historical cost. Depreciation schedules and depreciation expense must be maintained and completed by the City.

