

**RESOLUTION NO. 2016-18**

**A RESOLUTION APPROVING AND AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE THAT CERTAIN AGREEMENT FOR PROFESSIONAL ACCOUNTING SERVICES BY AND BETWEEN THE CITY OF BASEHOR, KANSAS AND ALLEN, GIBBS & HOULIK, L.C.**

WHEREAS, the City of Basehor, Kansas wishes to enter into that certain Agreement for Professional Accounting Services with Allen, Gibbs & Houlik, L.C., attached hereto as Exhibit A, regarding professional accounting services for the City of Basehor, Kansas.

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF BASEHOR KANSAS:**

**Section 1.** That the Governing Body approves and hereby authorizes the City Administrator to execute the Agreement for Professional Accounting Services, attached as Exhibit A.

**Section 2.** That this resolution shall become effective upon passage.

PASSED by the Governing Body this 20<sup>th</sup> day of July, 2016.

APPROVED by the Mayor this 20<sup>th</sup> day of July, 2016.

[SEAL]



  
David K. Breuer, Mayor

ATTEST:

  
Katherine M. Renn, City Clerk

APPROVED AS TO FORM:  
  
Shannon M. Marcano, City Attorney

**Exhibit A**  
**Agreement for Professional Accounting Services**

To be attached.

July 7, 2016

Chief Lloyd Martley  
City Administrator  
City of Basehor, Kansas  
2620 N 155th St.  
Basehor, KS 66007

Dear Mr. Martley:

### UNDERSTANDING OF ENGAGEMENT

Thank you for allowing Allen, Gibbs & Houlik, L.C. (AGH) to propose professional accounting services to the City of Basehor, Kansas (Client). We recognize the importance of the services required, as well as factors such as qualifications, timeliness, and cost of professional services. AGH would provide quality services by people who would devote themselves to establishing close relationships with you. A firm with local, Kansas City presence, we are able to efficiently respond to your needs.

We feel that arriving at a clear understanding of the services that we have to offer as well as an understanding of your responsibilities are vital to establishing a successful, long-term arrangement. Based on our understanding of your current accounting needs we are presenting the following integrated schedule of services.

#### **Initial Review of Accounts and Records**

- Review all bank statements and reconciliations performed by staff to ensure proper reconciliations have taken place.
- Review accounts receivable and payable for proper recording of transactions.

#### **Monthly Controller (Accounting) Services**

##### Monthly Services Made Available to the City

- Review trial balance and general ledger detail from client's accounting system.
- Prepare adjusting journal entries (AJE's) as needed.
- Oversee monthly closing process of transactional subsystems and general ledger.
- Review and/or assist with reconciliations of significant account balances, including but not limited to balance sheet accounts, to detail journals or reports.
- Other general assistance requested by you.
- Assistance with preparation for the annual external audit (as needed), including preparation of required work papers.

The services we would perform are not designed and cannot be relied upon to disclose errors, fraudulent financial reporting, and misappropriation of assets or illegal acts, should any exist. However, we would inform the appropriate level of the client's management of any material errors, and any evidence of fraudulent financial reporting or misappropriation of assets that come to our attention. In addition we would inform the appropriate level of client's management of any illegal acts that come to our attention. All of the information included in the financial system is the representation of the client. We direct your attention to the fact that the client has the responsibility for, (1) establishing and maintaining effective internal control over financial reporting, including

monitoring ongoing activities, (2) the proper recording of the transactions in the books of account, (3) the safeguarding of assets, (4) the substantial accuracy of the financial statements, (5) prevention and detection of fraud, and (6) identifying and ensuring that Client complies with the laws and regulations applicable to its activities.

In addition, we understand that the City may issue long-term bonds or require advice regulated by the Securities and Exchange Commission's Municipal Securities Rulemaking Board (MSRB) rule G-42. By your signature below you are acknowledging that the City is represented by, and will rely upon, advice from its Municipal Advisor as defined by the MSRB rule G-42 concerning the issuance of municipal securities and municipal financial products (including investments of bond proceeds and escrow investments, if applicable).

### Other Services

It is understood that, from time to time, AGH may provide other services that are not contemplated hereby or are not otherwise encompassed in this understanding of arrangements for services. Such other services may be the subject of a separate letter addressing the arrangements for those services. However, in some cases, such other services may not be specifically addressed by a separate arrangement letter. In the event that AGH provides other services not encompassed by this arrangement letter, or another arrangement letter, engagement letter, or contract, it is understood and agreed that any such services would be expressly subject to then current "Allen, Gibbs & Houlik, L.C. Other Services Conditions and Limitations", in effect when the service is provided, which are located at [www.aghlc.com/otherservices/terms](http://www.aghlc.com/otherservices/terms). You may contact AGH to request a printed copy. It is further agreed that any services provided by AGH prior to the date of this letter, and not subject to a written arrangement letter, engagement letter, or similar contractual arrangement, shall be subject to this "Other Services" provision, in this arrangement letter, and the referenced Other Services Conditions and Limitations as of that date.

### Charges and Billings

Services outlined above will be billed at our discounted standard rates outlined below depending on the personnel performing the services.

	<u>Standard</u>	<u>Discounted</u>
Partner	\$ 275	\$ 210
Manager	\$ 180	\$ 180
Senior Staff	\$ 150	\$ 150
Staff	\$ 125	\$ 100

We will bill your organization monthly, with payment due within 30 days. We reserve the right to charge interest on past due accounts, as well as to discontinue services if not paid promptly. AGH retains the right to change fees for services at any time with 30 days written notice and anticipates annual fee adjustments sufficient to cover cost of living increases. The time period of our services shall be subject to mutual, ongoing agreement, and either party can terminate services at any time by promptly advising the other party.

It is our practice **not to bill** our clients for telephone consultation unless substantial research time is required. If that is the case we would discuss potential costs with you before beginning any work.

## Your Responsibilities

Your responsibilities include:

- Providing copies of or having access to bank statements and reconciliations
- Access to accounting software (on-site)
- Access to check stubs and deposit slips with account coding
- Copies of investment balances / debt balances / remittance advices, if applicable
- Providing copies of all invoices for property asset additions
- Recording all receipts and disbursement activity in accounting software
- Determine proper initial account coding of all transactions
- Review and approve all adjusting journal entries suggested by AGH prior to recording
- Providing other accounting records as determined necessary and requested by AGH

We understand that Lloyd Martley, City Administrator has been designated to oversee the outsourcing services provided by AGH. Further, the undersigned hereby acknowledges that it is the responsibility of the client to establish and maintain their internal controls, including monitoring ongoing activities.

We direct your attention to the fact that client has the responsibility for the proper recording of the transactions in the books of account, the safeguarding of assets, the substantial accuracy of the financial statements, and identifying and ensuring each company complies with the laws and regulations applicable to its activities.

## Conditions and Limitations

To assist you in understanding the scope of our services and other matters related to the completion of these compilation services, we have attached a copy of the "*Allen, Gibbs & Houlik, L.C. Conditions and Limitations*". Our compilation services are expressly subject to these conditions and limitations and by signing below you would be agreeing to them.

Our services have been offered based on AGH's understanding of your needs, and would be expanded, based upon our understanding of your business activities. We trust that this proposal conveys to you our conviction that we are uniquely qualified to fulfill the accounting and financial reporting needs of your organization and are enthusiastically prepared to do so. The City of Basehor, Kansas is an important client and one that AGH would be extremely proud to serve.

We would be pleased to discuss this letter with you at any time. If the above terms are acceptable to you, and the services outlined are in accordance with your requirements, please sign the copy of this letter in the space provided below and return it to us.

Respectfully,

ALLEN, GIBBS & HOULIK, L.C.



Benjamin O. Hart  
Vice President, Assurance Services

BOH:ilm

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

  
\_\_\_\_\_  
Signature

7-25-16  
\_\_\_\_\_  
Date

City Admin.  
\_\_\_\_\_  
Title

AUTHORIZATION FOR INTERNET DATA TRANSFERS

This agreement sets forth the terms and conditions agreed to by Allen, Gibbs & Houlik, L.C. (AGH) and the Client for the transmittal of data through the Internet into or from AGH's e-mail system. AGH has informed the Client that Internet data transfers are susceptible to security breaches. If you allow Internet data transmission, the Client agrees that AGH shall not have any liability for lost data, unauthorized access to records, data or files, destruction of records, data or files, viruses, delays or failure of performance or suitability. The Client agrees to hold harmless AGH, its shareholders, agents or employees from any damages or expenses arising out of or resulting from any use of AGH's e-mail system whether or not authorized.

The Client authorizes Internet data transfers and agrees to these terms:

  
\_\_\_\_\_  
Signature

7-25-16  
\_\_\_\_\_  
Date