

**CITY OF SOUTH LEBANON, OHIO
RESOLUTION NO. 2022-04**

**A RESOLUTION AUTHORIZING THE MAYOR AND FISCAL OFFICER TO
ENTER INTO AN AGREEMENT WITH CLARK SCHAEFER HACKETT FOR THE
PREPARATION OF THE CITY'S 2021 ANNUAL FINANACIAL REPORT, AND
DECLARING AN EMERGENCY**

WHEREAS, Ohio Administrative Code §117-2-03 (B) requires cities to file annual financial reports in accordance with Generally Accepted Accounting Principles (GAAP); and,

WHEREAS, Ohio Revised Code §117.38 requires local public offices filing annual financial reports on a GAAP basis to file their report with the Auditor of State within one hundred and fifty days following the end of the fiscal year; and,

WHEREAS, the Fiscal Officer has requested a proposal from Clark Schaefer Hackett for preparation of the City's 2021 Annual Financial Report in accordance with GAAP; and,

WHEREAS, Clark Schaefer Hackett has provided a proposal for said services for years ended 2021 through 2024 as presented in Exhibit "A" attached hereto and made part hereof; and

WHEREAS, immediate action is required to allow for work to begin immediately on the 2021 Annual Financial Report and to meet the required financial reporting deadline of May 31, 2022, and such action is necessary in order to preserve the public peace, health, safety or welfare of the City.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of South Lebanon, Ohio, at least two-thirds of all members elected thereto concurring:

Section 1. That the Council authorizes the Mayor and Fiscal Officer to enter into an agreement with Clark Schaefer Hackett for the preparation of the City's 2021 Annual Financial Report for an amount not to exceed \$25,000, with optional years 2022 through 2024; and

Section 2. That the Council is acting in its administrative capacity in adopting this Resolution.

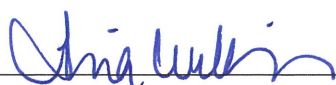
Resolution 2022- Agreement with Clark Schaefer Hackett

Section 3. That the recitals contained within the Whereas Clauses set forth above are incorporated by reference herein.

Section 4. That this Resolution is hereby declared to be an emergency measure in accordance with Ohio Rev. Code § 731.30 for the immediate preservation of the public peace, health, safety and general welfare; and, this Resolution shall be in full force and effective immediately upon its passage.

Section 5. That it is found and determined that all formal actions of the Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of Council in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Adopted this 17th day of February, 2022.


Attest: 
Petrina Williams, Fiscal Officer


James D. Smith, Mayor

Rules Suspended: <u>2/17/2022</u> (if applicable)	Effective Date - <u>2/17/2022</u>
Vote - <u>6</u> Yeas ___ Nays	
First Reading - / /2022	Effective Date - / /2022
Second Reading - / /2022	
Third Reading - / /2022	
Vote - ___ Yeas ___ Nays	

Prepared by and approved as to form:

ANDREW MEIER
CITY SOLICITOR
SOUTH LEBANON, OHIO

By: 
Date: 2/17/2022

CERTIFICATE OF POSTING

I, Tina Williams, CPA, Fiscal Officer of the City of South Lebanon, Ohio do hereby certify I posted a true and accurate copy of this ordinance or resolution, summary of ordinance or resolution, or statement, order, proclamation, notice or report, at five public places within the City as authorized by Section 731.25 of the Ohio Revised Code and Ordinance 98-08 of the City of South Lebanon, Ohio

2/18/22 
Date Tina Williams, CPA
Fiscal Officer
City of South Lebanon, Ohio



One East Fourth Street, Suite 1200, Cincinnati, Ohio 45202
P. 513.241.3111 | F. 513.241.1212

February 8, 2022

Mrs. Tina Williams
Fiscal Officer
City of South Lebanon
10 N. High Street
South Lebanon, Ohio 45065

We are pleased to confirm our understanding of the services we are to provide for the City of South Lebanon for the year ending December 31, 2021.

We will prepare the financial statements of the City of South Lebanon, which comprise the financial position of the governmental activities, business-type activities, each major fund and aggregate remaining fund information, and the respective changes in financial position for the year ended December 31, 2021 and the related notes to the financial statements, and perform a compilation engagement with respect to those financial statements.

Our Responsibilities

The objective of our engagement is to—

1. Prepare the financial statements in accordance with the accounting principles generally accepted in the United States of America based on information provided by you and
2. Apply accounting and financial reporting expertise to assist you in the preparation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

We will conduct our compilation engagement in accordance with Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with applicable professional standards, including the AICPA's *Code of Professional Conduct*, and its ethical principles of integrity, objectivity, professional competence, and due care, when preparing the financial statements and performing the compilation engagement.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the City or noncompliance with laws and regulations.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities since performing those procedures or taking such action would impair our independence.

Your Responsibilities

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America and assist you in the presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

- 1) The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
- 2) The preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America and the inclusion of all informative disclosures that are appropriate for accounting principles generally accepted in the United States of America.
- 3) The design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
- 4) The prevention and detection of fraud.
- 5) To ensure that the City complies with the laws and regulations applicable to its activities.
- 6) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- 7) To provide us with—
 - Access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters.
 - Additional information that we may request from you for the purpose of the compilation engagement.
 - Unrestricted access to persons within the City of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge and experience to oversee our preparation of your financial statements. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Our Report

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. There may be circumstances in which the report differs from the expected form and content. If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

You agree to include our accountant's compilation report in any document containing financial statements that indicates that we have performed a compilation engagement on such financial statements and, prior to the inclusion of the report, to ask our permission to do so.

Other Relevant Information

Kerry Roe, CPA, is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We estimate that our fees for these services will range from \$22,000 to \$25,000 including the initial cost of conversion. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. 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. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

After the initial year of preparing the financial statements, we estimate our fee range as follows:

Year ended December 31, 2022	\$12,000 to \$15,000
Year ended December 31, 2023	\$12,700 to \$15,900
Year ended December 31, 2024	\$13,500 to \$16,800

As a result of our prior or future services to you, we might be requested or required by a subpoena or other legal process to provide information or documents to you or a third party in a legal, administrative, arbitration or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to you as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with the request or otherwise addressing it in accordance with the City's direction or as required by confidentiality requirements. For all requests, we will observe the confidentiality requirements of our profession and will notify you promptly of the request.


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

Very truly yours,

Clark, Schaefer, Hackett & Co.

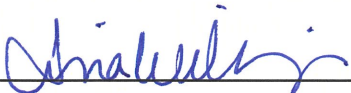
RESPONSE:

This letter correctly sets forth the understanding of City of South Lebanon regarding the services to be provided for the year ended December 31, 2021.

By: 

Title: Mayor

Date: 2/17/22

By: 

Title: Fiscal Officer

Date: 2/17/22

Approved as to form:

ANDREW MEIER
CITY SOLICITOR
SOUTH LEBANON, OHIO

By: 

Date: 2/17/2022