

**CITY OF LA VISTA  
MAYOR AND CITY COUNCIL REPORT  
OCTOBER 7, 2014 AGENDA**

Subject:	Type:	Submitted By:
PROFESSIONAL SERVICES AGREEMENT — HSMC ORIZON LLC	◆ RESOLUTION ORDINANCE RECEIVE/FILE	KEVIN POKORNY DIRECTOR OF ADMINISTRATIVE SERVICES

**SYNOPSIS**

A resolution has been prepared to approve a professional services agreement with HSMC ORIZON LLC for financial services related to preparation for the annual audit in an amount not to exceed \$15,000.00.

**FISCAL IMPACT**

FY 15 General Fund salary savings will cover this expense.

**RECOMMENDATION**

Approval.

**BACKGROUND**

The recommended services are necessary to meet the required financial preparation work for the annual audit. Currently, we have limited resources available to conduct the preparation work necessary for the annual audit. After exploring several options the recommendation is to utilize the professional accounting services of HSMC Orizon LLC. HSMC Orizon has worked with the City in the past and is familiar with the City's operation and financial system. Other than the auditors we currently have a contract with, HSMC Orizon is the only other firm familiar with our operation and financial system and would be able to provide technical assistance in a timely manner prior to the annual audit.

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, NEBRASKA, APPROVING AN AGREEMENT WITH HSMC ORIZON LLC FOR FINANCIAL SERVICES IN AN AMOUNT NOT TO EXCEED \$15,000.

WHEREAS, the Mayor and City Council have determined that these services are necessary to meet the required financial preparation work for the annual audit; and

WHEREAS, HSMC Orizon LLC has worked with the City in the past and is familiar with the City's operation and financial system; and

WHEREAS, Subsection (C) (9) of Section 31.23 of the La Vista Municipal Code requires that the City Administrator secure Council approval prior to authorizing any expenditure over \$5,000.00.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Council of La Vista, Nebraska, do hereby approve an agreement with HSMC Orizon LLC for financial services in an amount not to exceed \$15,000.

PASSED AND APPROVED THIS 7TH DAY OF OCTOBER, 2014.

CITY OF LA VISTA

\_\_\_\_\_  
Douglas Kindig, Mayor

ATTEST:

\_\_\_\_\_  
Pamela A. Buethe, CMC  
City Clerk

September 23, 2014

Ms. Brenda Gunn  
City Administrator  
**City of La Vista, Nebraska**  
8116 Parkview Boulevard  
La Vista, Nebraska 68128

We are pleased to confirm our understanding of the nature and limitations of the services we are to provide for the City of La Vista, Nebraska (the "City") in connection with its financial and accounting records as of and for the year ending September 30, 2014.

We will apply the procedures summarized below to assist the City in preparation for the annual audit of its financial statements as required by Nebraska State Statutes. The City is responsible for the completeness and accuracy of its accounting and financial records and for the performance of an annual audit of its financial statements.

This engagement is solely to assist the City with its year end accounting and financial reporting requirements. Our engagement will be conducted in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the administration of the City.

Consequently, we make no representation regarding the sufficiency of the procedures as summarized below, either for the purpose of this engagement or for any other purpose. If for any reason we are unable to complete the procedures, we will describe the restrictions on our performance in a separate report to you. Because this consulting engagement does not constitute an examination or audit, we will not express an opinion on the accounting information or financial records of the City as part of this engagement. The purpose of this engagement is to gather, organize and assemble the City's accounting records to facilitate an efficient audit. In addition, we have no obligation to perform any additional procedures beyond those summarized below.

We will perform the following procedures:

1. Prepare and/or obtain supporting documentation for the net asset account balances of each fund for the City of La Vista;
2. Propose adjusting journal entries for variances identified;
3. Propose entries to convert the City's cash basis general ledger to a modified accrual basis of accounting for preparation of the fund financial statements;
4. Propose entries for the conversion from the modified accrual basis of accounting to a full accrual basis of accounting for preparation of the government-wide financial statements;
5. Meet with City management and BKD's audit team, as needed, to discuss implementation of new standards, presentation of the accounting information and any other topics that would improve the accounting process.



City of La Vista, Nebraska  
September 23, 2014  
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Our fees for this service will be based on our standard hourly rates of the professional personnel assigned to this engagement plus out of pocket costs. We have included as an attachment, resumes for the two individuals from our firm that will be the main contacts for this engagement.

We estimate that our fee for performing this service will be approximately \$15,000. However, the actual amount of time to perform this service can not be fully determined due to the uncertainty of the condition of the accounting records during the fiscal year. If additional time beyond this estimate is required, we will inform you immediately upon such determination and revise our estimate accordingly. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Below is a summary of the hourly rates for these individuals and their estimated hours for this project:

Partner	20 hours	\$245 per hour
Supervisor	100 hours	95 per hour
Other professionals	As needed	95 per hour

This fee estimate is based on the anticipated assistance and cooperation of City personnel, including printing reports, pulling invoices, gathering contracts and agreements and similar requests of information.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please contact me at your convenience. If you agree to the terms as outlined in this letter, please sign the enclosed copy and return it to us.

Sincerely,

**Jodi L. Rinne, CPA**  
For the Firm

RESPONSE:

This letter sets forth the understanding of the City of La Vista.

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## RESUMES

## ATTACHMENT

### **Jodi L. Rinne, CPA**

### **Engagement Partner**

#### *Background and Experience*

Jodi is the Partner in Charge of Accounting and Assurance Services for HSMC Orizon LLC with over twenty years of experience. Before joining the firm in 2000, Jodi worked for eight years at PriceWaterhouseCoopers, LLC.

In servicing her clients through both financial statements audits as well as special projects, Jodi has developed an in-depth knowledge of the unique characteristics of the governmental industry. As Partner in Charge of Accounting and Assurance Services, Jodi is either the engagement partner or concurring partner on all of our assurance engagements.

When our firm previously performed the audit and consulting work for the City of La Vista, Nebraska, she was the engagement partner and therefore has extensive knowledge of the City's operations.

#### *Professional Affiliations, Education and Licenses*

- AICPA National Peer Review Board Member
- Grantee Board for Dodge County Head Start (served as the Chairman for a three-year term)
- CREW Omaha Metro, Board of Directors, Treasurer
- Midland University Board of Trustees (2008—2011)
- Member of the American Institute of Certified Public Accountants
- Member of the Nebraska Society of Certified Public Accountants (currently serving on the Continuing Professional Education Committee)
- Bachelor of Science in Business Administration from Midland Lutheran College

### **Catherine Demes Maydew, CPA, MBA, CISA, CGMA**

### **Supervisor**

#### *Background and Experience*

Catherine began her career with a Big 4 CPA firm, spending 5 ½ years in public accounting. After her public accounting career, she served as a Director of Finance, Vice President of Finance and Chief Financial Officer for several leading organizations in the Omaha area.

#### *Professional Affiliations, Education and Licenses*

- Omaha Academy of Ballet Board Member
- St. John Greek Orthodox Church Audit Board
- Joslyn Castle Board Member
- Member of the Nebraska Society of Certified Public Accountants
- Member of the Association of Government Accountants
  - Recipient of the AGA's 2010 National Chapter Service Award
- Bachelor of Science in Accounting from DePaul University
- MBA from Creighton University with an emphasis in IT