

**CITY OF DUNES CITY
LANE COUNTY, OREGON**

RESOLUTION SERIES 2020, NO. 11 (6-24-2020)

**A RESOLUTION APPROVING THE MEMORANDUM OF
UNDERSTANDING FOR FISCAL YEAR 2019-2020 FINANCIAL
REVIEW SERVICES FROM STEPHANIE STROUD, C.P.A., LLC.**

WHEREAS, ORS 190.010 provides that units of local governments may enter into agreement for the performance of any or all functions and activities that a party to the agreements, its officers or agents, have authority to perform; and

WHEREAS, the Dunes City Council has determined that it is in the City's best interests for Stephanie Stroud, CPA, LLC to perform conduct an annual financial review of the financial records and books of account of Dunes City for Fiscal Year 2019-2020.

NOW THEREFORE, THE CITY OF DUNES CITY RESOLVES AS FOLLOWS:

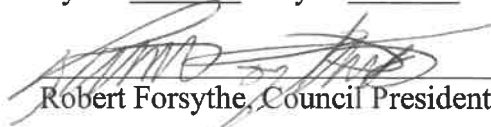
SECTION 1. The City Council hereby finds that it is in the best interests of the City, and for the benefit of its residents, for the City to enter into a Memorandum of Agreement with Stephanie Stroud, CPA, LLC for a review of the Fiscal Year 2019-2020 finances.

SECTION 2. The City Administrator is authorized and directed to sign the Memorandum of Agreement attached to this Resolution as Exhibit A.

SECTION 3. EFFECTIVE DATE. This resolution shall take effect immediately.

ADOPTED BY THE DUNES CITY COUNCIL THIS 24th DAY OF June, 2020.

Ayes: 4 Nays: 0 Abstain: 0 Absent: 2 Vacant: 0


Robert Forsythe, Council President

ATTEST:



Jamie Mills, City Administrator

EXHIBIT A.

STEPHANIE STROUD, CPA, LLC

750 Central Avenue, Suite 102 • Coos Bay, OR 97420
(541) 269-1358

June 23, 2020

To the Mayor and City Council of
The City of Dunes City, Oregon
PO Box 97
Westlake, Oregon 97493

We are pleased to confirm our understanding of the services we are to provide for the years ended June 30, 2020 and each June 30, thereafter, as appropriate and required.

We will prepare the financial statements of the City of Dunes City, Oregon (City), which comprise the balance sheet as of June 30, 2020, and the related statements of revenue, changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and perform a review engagement with respect to those financial statements.

Our Responsibilities

The objective of our engagement is to—

- 1) prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you, and
- 2) obtain limited assurance as a basis for reporting whether we are aware of any 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 review engagement in accordance with Statements on Standards for Accounting and Review Services 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 review engagement.

A review engagement includes primarily applying analytical procedures to your financial data and making inquiries of management. A review engagement is substantially less in scope than an audit engagement, the objective of which is the expression of an opinion regarding the financial statements as a whole. A review engagement does not contemplate obtaining an understanding of the City's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or other examination of source documents; or other procedures ordinarily performed in an audit engagement. Accordingly, we will not express an opinion regarding the financial statements. The supplementary information accompanying the financial statements will be presented for purposes of additional analysis and will be subjected to the inquiry and analytical procedures applied in the review of the basic financial statements. The Management Representation of Fiscal Affairs Required by Oregon Regulation will be presented for purposes of additional analysis. We will not audit or review the supplementary information and, accordingly, will not express an opinion, a conclusion, or provide any assurance on such supplementary information.

As part of our engagement, we will apply certain limited procedures to the City of Dunes City's RSI in accordance with review standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our review of the basic financial statements. We also will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to

express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be reviewed:

- 1) Management's Discussion and Analysis.
- 2) Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual, all Major Funds.

We have also been engaged to report on supplementary information other than RSI that accompanies the City of Dunes City's financial statements. We will subject the following supplementary information to the review procedures applied in our review of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with review standards generally accepted in the United States of America.

Any other information accompanying the financial statements will not be subjected to the review procedures applied in our review of the financial statements, and our review report will not provide an opinion or any assurance on that other information.

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. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our review procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our review procedures regarding noncompliance with laws and regulations that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies or material weaknesses in your internal control as part of this engagement.

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.

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 to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements in order for the statements to be 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. We can assist with this as necessary while maintaining our independence for review purposes.
- 3) The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements.
- 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 review engagement.
 - unrestricted access to persons within the City of whom we determine it necessary to make inquiries.
- 8) To provide us, at the conclusion of the engagement, with a letter that confirms certain representations made during the review.

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

We will issue a written report upon completion of our review of the City of Dune City's financial statements. Our report will be addressed to the Mayor and City Council of the City of Dunes City. We cannot provide assurance that an unmodified accountant's review report will be issued. Circumstances may arise in which it is necessary for us to report known departures from accounting principles generally accepted in the United States of America, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If, for any reason, we are unable to complete the review 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 review report in any document containing financial statements that indicates that such financial statements have been reviewed by us and, prior to inclusion of the report, to ask our permission to do so.

Other Relevant Information

Stephanie Stroud, 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 be \$11,000 for the financial statement preparation and review for the fiscal year ending June 30, 2020. You will also be billed for out-of-pocket costs such as report production, word processing, postage, travel, etc. Additional expenses are estimated to be no more than \$300. 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.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

We appreciate the opportunity to be of 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 acknowledge and agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

Stephanie Stroud, CPA

Stephanie Stroud, CPA
Stephanie Stroud, CPA, LLC

Acknowledged:
City of Dunes City, Oregon

Signature: _____

Jamie Miles
City Administrator
Per Res. Series 2020,
11

Title: _____

City Administrator