

**RESOLUTION NO. 054-17**

**A RESOLUTION AUTHORIZING THE EXPENDITURE OF FUNDS OVER TWENTY FIVE THOUSAND DOLLARS (\$25,000.00) FOR THE PURPOSE OF THE CITY OF NAPOLEON, OHIO ANNUAL AUDITS FOR THE YEARS ENDING DECEMBER 31, 2017 THROUGH DECEMBER 31, 2021, AND AUTHORIZING THE FINANCE DIRECTOR OF THE CITY OF NAPOLEON, OHIO TO ENTER INTO A CONTRACT FOR SAID AUDITS WITH THE INDEPENDENT PUBLIC ACCOUNTANT (IPA) OF BHM CPA GROUP, INC. THROUGH THE AUDITOR OF STATE OF OHIO; AND DECLARING AN EMERGENCY**

**WHEREAS**, the City of Napoleon, Ohio's financial statements are audited on an annual basis by the Auditor of State of Ohio, or by its contracted designee; and,

**WHEREAS**, the Auditor of State of Ohio has taken Requests for Proposals for an engagement for Audits related to the City of Napoleon, Ohio, Henry County per Sections 117.11 and 115.56 of the Ohio Revised Code for fiscal periods January 1, 2017 through December 31, 2021; and,

**WHEREAS**, based on the Requests for Proposals received, the Auditor of State of Ohio has recommended award of the engagement contract to BHM CPA Group, Inc.; and,

**WHEREAS**, based on the recommendation from the Auditor of State of Ohio, the City of Napoleon, Ohio desires to enter into a contract with BHM CPA Group, Inc. to conduct said audits; and

**WHEREAS**, this matter is being brought before Council due to the proposed cost of one hundred ten thousand dollars (\$110,000.00) total for the above stated Audit periods, being over the twenty five thousand dollars (\$25,000.00) expenditure threshold;  
**Now Therefore,**

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NAPOLEON, OHIO:**

Section 1. That, the City of Napoleon authorizes the expenditure of funds in excess of twenty five thousand dollars (\$25,000.00) for the annual audits of the financial statements of the City of Napoleon, Ohio for fiscal periods January 1, 2017 through December 31, 2021.

Section 2. That, Council finds it to be in the best interest of the City to accept the recommendation from the Auditor of State of Ohio based on the Request for Proposals received by them per Sections 117.11 and 115.56 of the Ohio Revised Code.

Section 3. That, the Finance Director is authorized to enter into a contract with the BHM CPA Group, Inc. to conduct said audits for the fiscal periods January 1, 2017 through December 31, 2021, at a cost not to exceed one hundred ten thousand dollars (\$110,000.00).

Section 4. That, it is found and determined that all formal actions of this City Council concerning and relating to the adoption of this Resolution were adopted in open meetings of this City Council, and that all deliberations of this City Council and any of its committees that resulted in such formal actions were in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code and the Codified Ordinances of Napoleon Ohio.

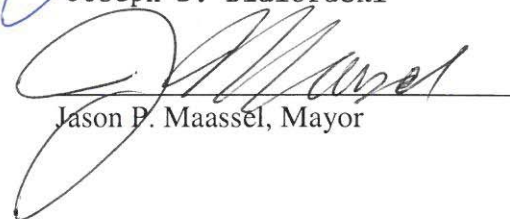
Section 5. That, if any other prior Ordinance or Resolution is found to be in conflict with this Resolution, then the provisions of this Resolution shall prevail. Further, if any portion of this Resolution is found to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this Resolution or any part thereof.

Section 6. That, this Resolution is declared to be an emergency measure necessary for the immediate preservation of the public peace, health or safety of the City and its inhabitants, and for the further reason that this legislation must be in effect at the earliest possible time so that the audits can be done in a timely manner, which affect the public peace, health or safety accessible to our citizens; therefore, provided it receives the required number of votes for passage as emergency legislation, it shall be in full force and effect immediately upon its passage; otherwise, it shall be in full force and effect at the earliest time permitted by law. Further, the Emergency Clause is necessary to begin the audit process in a timely manner, and for further reasons as stated in the Preamble hereof.

Passed: 9-5-2017

  
Travis B. Sheaffer, Council President Pro-Tem  
Joseph D. Bialorucki

Approved: 9-5-2017

  
Jason P. Maassel, Mayor

VOTE ON PASSAGE 6 Yea 0 Nay 0 Abstain

Attest:   
Gregory J. Heath, Clerk/Finance Director

I, Gregory J. Heath, Clerk/Finance Director of the City of Napoleon, do hereby certify that the foregoing Resolution No. 054-17 was duly published in the Northwest Signal, a newspaper of general circulation in said City, on the 18th day of September, 2017; & I further certify the compliance with rules established in Chapter 103 of the Codified Ordinances Of Napoleon Ohio and the laws of the State of Ohio pertaining to Public Meetings.

  
Gregory J. Heath, Clerk/Finance Director





# Dave Yost • Auditor of State

## MEMORANDUM OF AGREEMENT

This agreement is entered into as of the 23rd day of August, 2017, by and between BHM CPA Group, Inc. an independent public accountant (IPA), **DAVE YOST**, Auditor of State of Ohio (Auditor) and the City of Napoleon, Henry County (Public Office) WITNESSETH:

Whereas, the Auditor of State on July 12, 2017, issued a Request for Proposals for an engagement related to the City of Napoleon, Henry County, including any components and other requirements stated in the Request for Proposal, pursuant to Sections 117.11 and 115.56, Revised Code, for fiscal periods January 1, 2017 through December 31, 2021.

Whereas, IPA responded to the Request for Proposals with a formal proposal wherein they indicated their willingness to perform the engagement related to the Public Office in accordance with the items and conditions set forth in the Request for Proposals; and

Whereas, the Auditor of State, in consultation with the Public Office, has determined the IPA has submitted the proposal most advantageous to the Auditor and Public Office;

NOW, THEREFORE, IPA and Public Office do mutually agree as follows:

1. This Memorandum of Agreement, the Request for Proposals, the Proposal of the IPA and any written documents supplementing, amending, or incorporating the Request for Proposal, the Proposal of the IPA, and the Memorandum of Agreement constitute the integrated written agreement of the parties, to be known as the "Contract";
2. The IPA shall, in consideration of the payments specified in the Proposal, and subject to the requirements of the Contract, perform the specified engagement related to the Public Office;
3. Public Office will provide the IPA with such payments, services, and support as are specified in the Request for Proposals; and
4. The Auditor will provide the IPA with such services and support as are specified in the Request for Proposals; and
5. If applicable, pursuant to the agreement of the parties a subcontractor with respect to the Contract will be as stated below. Further, pursuant to the RFP Terms of Engagement and this Contract, the IPA shall be and remain solely responsible to the Public Office and Auditor for the acts the IPA performs or faults of any subcontractor and of any subcontractor's officers, agents or employees, who are deemed to be agents or employees of the IPA to the extent of the subcontract. Each subcontractor shall jointly and severally agree that neither the Public Office nor the Auditor is obligated to pay or to be liable for the payment of any sums due the subcontractor.

Not Applicable

Subcontractor Name

Address

Number of Hours

Rate Per Hour

Total Subcontract

\$0.00

IN WITNESS WHEREOF, Auditor, Public Office and IPA have executed this agreement.

Legislative Authority or Designee for  
the City of Napoleon

Date

Michael A. Balestra

Digitally signed by Michael A. Balestra  
DN: cn=Michael A. Balestra, o=A Division of BHM CPA  
Group, ou=Balestra, Harr & Scherer, CPAs, Inc.,  
email=mike.balestra@bhmcpgroup.com, c=US  
Date: 2017.08.24 09:45:47 -04'00'

BHM CPA Group, Inc.

August 24, 2017

Date

APPROVAL:

Compliance, Auditor of State  
Office of **DAVE YOST, Auditor of State of Ohio**  
In Accordance with Sections 117.11 & 115.56 Revised Code  
(Not valid unless approved by Legal Division)

Date





# Dave Yost • Auditor of State

## Certification of Compliance with Procurement Requirements

This is to certify that, to the best of my knowledge and belief as the appropriate official of the \_\_\_\_\_  
City of Napoleon, Henry County\_\_\_\_\_, we have complied with all applicable federal,  
state and local procurement requirements in the selection of the firm \_\_\_\_\_ BHM CPA Group, Inc. \_\_\_\_\_ to  
perform the audit of the \_\_\_\_\_ City of Napoleon, Henry County \_\_\_\_\_, which is the subject of  
the accompanying contract.

\_\_\_\_\_  
City of Napoleon, Henry County  
Please type/print Name and Title here

\_\_\_\_\_  
Date



## Dave Yost • Auditor of State

August 23, 2017

BHM CPA Group, Inc.  
Attn: Mike Balestra  
PO Box 687  
Piketon, Ohio 45661

Dear Mike:

On behalf of Auditor of State Dave Yost, I am pleased to inform you that the contract to audit the City of Napoleon, Henry County for the fiscal periods January 1, 2017 through December 31, 2021 in accordance with the items and conditions set forth in the Request for Proposals dated July 12, 2017 has been awarded to BHM CPA Group, Inc.

Attached you will find a PDF document of the Memorandum of Agreement (MOA) form. This document is to be executed by an authorized representative of your firm and **forwarded to the public office**. Electronic signatures are acceptable. If the proposed first year of this audit exceeds 800 hours, also enter the MBE information on the MOA (note: "to be determined" is not acceptable).

The public office will then sign the MOA and a Certification of Compliance (also attached) and **return all signed documents to this office on or before September 1, 2017**. When fully approved by the Auditor of State, a fully executed document will be sent to you and to the public office. No audit work may be performed or payments lawfully made regarding this contract until such approval is obtained.

Should you have any questions, please contact me at (800) 443-9276. We look forward to working with you and, in advance of your cooperation, please accept my appreciation.

Sincerely,

**DAVE YOST**  
Auditor of State

A handwritten signature in cursive script that reads "Stephen D. Flickinger".

Stephen D. Flickinger, CPA, CFE  
Chief Auditor, Northwest Region

Encls.

cc: City of Napoleon, Henry County

One Government Center, Suite 1420, Toledo, Ohio 43604-2246  
Phone: 419-245-2811 or 800-443-9276 Fax: 419-245-2484  
[www.ohioauditor.gov](http://www.ohioauditor.gov)

City of Napoleon, Henry County  
 1/1/17-12/31/21  
 06D27HENR  
 Cost Points Calculation

RANK	FIRM	COST	% of	
			POINTS	POINTS
2	BHM Group	\$ 110,000	1.0000	10.00
5	Perry	\$ 137,400	0.8006	8.01
3	Clark Shaeffer	\$ 152,460	0.7215	7.22
1	Zupka	\$ 154,900	0.7101	7.10
4	Rehmann	\$ 173,375	0.6345	6.34
6			#DIV/0!	#DIV/0!
7			#DIV/0!	#DIV/0!
8			#DIV/0!	#DIV/0!
9			#DIV/0!	#DIV/0!
10			#DIV/0!	#DIV/0!

Note: Enter the firm name and total cost amount from each proposal, then use the data sorting function to sort columns B and C from smallest to largest based on the cost (column C). Include the # of points from column E for the related firm on the RFP score sheet.



CATEGORY	Zupka	BHM	Yes (Y) or No (N) * Clark-Shaeffer	Rehmann	Perry
<b>A properly labeled proposal was received by the stated deadline</b>					
<b>Did the firm provide an affirmative statement that:</b>					
- The firm is licensed to do business in Ohio	Y	Y	Y	Y	Y
- The firm and all key staff have met Yellow Book CPE requirements	Y	Y	Y	Y	Y
- The firm received an Unqualified PEER review in the last 3 years (or is scheduled if new)	Y	Y	Y	Y	Y
- The firm and all key staff complied with Ohio Ethics Laws	Y	Y	Y	Y	Y
- The firm and all key staff have no conflicts of interest with the client	Y	Y	Y	Y	Y
- The firm has no unresolved findings for recovery	Y	Y	Y	Y	Y
- The firm and all key staff have complied with GAO independence rules for:					
< the public office	Y	Y	Y	Y	Y
< all material component units, if applicable	N/A	N/A	N/A	N/A	N/A
< the oversight entity, if applicable	N/A	N/A	N/A	N/A	N/A
< any personal or external impairments	Y	Y	Y	Y	Y
- The firm has not had will not have inappropriate contact with Public Office personnel	Y	Y	Y	Y	Y
- The firm will ensure any subcontractors meet all applicable affirmations	N/A	N/A	N/A	Y	N/A
- The proposal is a firm and irrevocable offer for 90 days	Y	Y	Y	Y	Y
<b>The proposal includes the following Other Required Elements, as stated in the RFP:</b>					
- Proper Public Office and contract period	Y	Y	Y	Y	Y
- Properly defined audit scope	Y	Y	Y	Y	Y
- A listing of all required reports to be issued	Y	Y	Y	Y	Y
- An appropriate engagement timetable to meet deadlines	Y	Y	Y	Y	Y
- Appropriate communication with client management	Y	Y	Y	Y	Y
- The name, address, phone, and e-mail for assigned partner/responsible party of firm	Y	Y	Y	Y	Y
<b>Firm qualifies to move on in RFP grading process?</b>	Y	Y	Y	Y	Y

#### GENERAL

The winning proposal will have the expertise and capacity to provide a quality audit in accordance with all RFP requirements. Firms should identify readily available staff who are highly qualified in relation to the specific requirements of this RFP. For sections 5 and 6, only one firm can receive the highest available score for each component of this highly subjective category. QA scores should be as of the RFP due date.

#### CLIENT PARTICIPATION

The Public Office may determine their approach to reviewing each proposal (May only consider cost, use AOS criteria or develop their own, may choose not to perform a review). The Public Office will receive the AOS technical and cost evaluation when it is completed at which point the Public Office has the option to award the maximum 5 available IPA Preference Points to one firm's score. The Public Office may also opt to award 4, 3, 2, 1 or zero points to the remaining firms' scores without limitation (OK to give two 4's, three 3's, all

#### FINAL SELECTION

AOS will review combined AOS/Public Office scores and make a binding final selection.

CATEGORY	POINTS*					
	MAX	Zupka	BHM	CSH	Rehmann	Perry
1 QA TIMELINESS SCORE (60% or 6 pts if firms has no record)	10	10	9.89	10	10	10
2 QA REPORT QUALITY SCORE (60% or 3 pts if firms has no record)	5	4.86	4.82	4.81	5	4.8
3 QA WORKPAPER QUALITY SCORE (100% or 5 pts if firms has no record)	5	5	5	5	5	5
4 QA CURRENT BACKLOG SCORE (100% or 5 pts if firms has no record)	5	5	5	5	5	5
5* UNDERSTANDING OF SCOPE Only one firm gets max. - Points should be awarded based on the firm's ability to meet the specific scope requirements of this RFP with appropriate hours assigned to staff that are specifically identified and appropriately qualified.	28	23	20	21	24	24
Items to Consider						
Key testing areas appropriate for this Public Office						
Appropriate hours assigned to key testing areas						
Appropriate staff assigned to key testing areas						
Appropriate testing approach for key areas. Consider:						
- Internal control testing where appropriate/required.						
- Sampling where appropriate.						
- Analytics where appropriate.						
- Testing of IT/automated controls where appropriate						
- Testing of required financial statement compliance areas (ORC, OCS, etc.)						
- A-133 testing (major program controls & compliance, SEFA, etc)						
- Firms innovation regarding ways to better serve this client						
Required criteria addressed						
-						
Preferred criteria addressed						
-						
Enter (as a negative number) points deducted for proposals exceeding the page limit stated in the RFP						
6* RELEVANT RECENT EXPERIENCE, EXPERTISE AND TRAINING Only one firm gets max. - Points should be awarded based on the recent experience and CPE/training specifically relevant to this client for the assigned individuals, as detailed in the RFP (consider assigned partner, manager, senior, and staff).	15	14	12	15	11	12
7 QUALIFIED MBE/EDGE FIRM	2					2
8 COST - AOS FORMULA	10	7.1	10	7.22	6.34	8.01
9 (OPTIONAL) CLIENT PREFERENCE POINTS 5 available points that Public Office may award to one firm. Option to also award 4, 3, 2, 1 or zero points to the remaining firms' scores without limitation (OK to give two 4's, three 3's, all zero and so on).	5					
10 COMPLIANCE WITH BIDDING REQUIREMENTS AND OBJECTIVES	15					
TOTAL POINTS	100	68.96	66.71	68.03	66.34	70.81





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**BHM CPA Group, Inc. - Balestra, Harr & Scherer, CPAs, Inc.**

Accounting, Auditing and Consulting Services for Federal, State and Local Governments  
[www.bhmcpagrpup.com](http://www.bhmcpagrpup.com)

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COST PROPOSAL  
FOR  
CITY OF NAPOLEON  
FOR  
PROFESSIONAL AUDITING SERVICES  
JANUARY 1, 2017 THROUGH DECEMBER 31, 2021  
CONTRACT NO. 85BC9-09F0D  
TIER 2

SUBMITTED AUGUST 8, 2017 BY  
BHM CPA GROUP, INC. - BALESTRA, HARR & SCHERER, CPAs, INC.  
MICHAEL A. BALESTRA, SHARHOLDER/DIRECTOR  
[balestra@bhscpas.com](mailto:balestra@bhscpas.com)





**BHM CPA Group, Inc. - Balestra, Harr & Scherer, CPAs, Inc.**

Accounting, Auditing and Consulting Services for Federal, State and Local Governments  
[www.bhmcpagroup.com](http://www.bhmcpagroup.com)

**COST PROPOSAL**

**TOTAL ALL-INCLUSIVE MAXIMUM FEE  
FOR THE AUDIT OF THE FINANCIAL STATEMENTS OF  
THE CITY OF NAPOLEON**

For the Period January 1, 2017 Through December 31, 2021

City of Napoleon	<u>\$110,000.00</u>
Total all-inclusive fixed fee:	<u>\$110,000.00</u>

I certify that I am entitled to represent this firm, empowered to submit the bid and authorized to sign a contract with the City of Napoleon. Further, the total all-inclusive fixed fee for this audit engagement shall be one hundred ten thousand dollars.

**Michael A.  
Balestra**

Digitally signed by Michael A. Balestra  
DN: cn=Michael A. Balestra, o=A Division of BHM  
CPA Group, ou=Balestra, Harr & Scherer, CPAs,  
Inc., email=mike.balestra@bhmcpagroup.com,  
c=US  
Date: 2017.08.08 13:32:14 -04'00'

Michael A. Balestra

Shareholder/Director  
Title

August 8, 2017

Date

**BHM CPA Group, Inc. - Balestra, Harr & Scherer, CPAs, Inc.**

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

[www.bhmcpagrup.com](http://www.bhmcpagrup.com)**COST PROPOSAL**

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES  
TO SUPPORT THE TOTAL ALL-INCLUSIVE MAXIMUM FEE  
FOR THE AUDIT OF THE FINANCIAL STATEMENTS OF  
THE CITY OF NAPOLEON

FOR THE PERIOD JANUARY 1, 2017 THROUGH DECEMBER 31, 2021

Estimate Hours/Cost by Classification	Hours	Hourly Rate	Total Cost
Engagement Partner	20	\$ 110.00	\$ 2,200.00
Senior Audit Manager	80	\$ 75.00	\$ 6,000.00
Audit Manager	120	\$ 55.00	\$ 6,600.00
Staff Auditor	180	\$ 40.00	\$ 7,200.00
Total Fixed Fee Bid for Fiscal Year 2017	400	\$ 55.00	\$ 22,000.00
Total Fixed Fee Bid for Fiscal Year 2018	400	\$ 55.00	\$ 22,000.00
Total Fixed Fee Bid for Fiscal Year 2019	400	\$ 55.00	\$ 22,000.00
Total Fixed Fee Bid for Fiscal Year 2020	400	\$ 55.00	\$ 22,000.00
Total Fixed Fee Bid for Fiscal Year 2021	400	\$ 55.00	\$ 22,000.00
Total Fixed Fee Bid for Fiscal Years 2017 to 2021			\$ 110,000.00



**BHM CPA Group, Inc. - Balestra, Harr & Scherer, CPAs, Inc.**

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

[www.bhncpagroup.com](http://www.bhncpagroup.com)

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**TECHNICAL PROPOSAL  
FOR  
CITY OF NAPOLEON  
FOR  
PROFESSIONAL AUDITING SERVICES  
FOR  
JANUARY 1, 2017 THROUGH DECEMBER 31, 2021  
CONTRACT NO. 85BC9-09F0D  
Tier 2**

SUBMITTED AUGUST 8, 2017 BY  
BHM CPA GROUP, Inc. - BALESTRA, HARR & SCHERER, CPAs, INC.  
MICHAEL A. BALESTRA, SHARHOLDER/DIRECTOR  
[mike.balestra@bhmcpgroup.com](mailto:mike.balestra@bhmcpgroup.com)





## **BHM CPA Group, Inc. - Balestra, Harr & Scherer, CPAs, Inc.**

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

[www.bhmcpgroup.com](http://www.bhmcpgroup.com)

August 8, 2017

Auditor of State, Northwest Region  
IPA Contracting  
One Government Center Suite 1420  
Toledo, Ohio 43604

BHM CPA Group, Inc. -Balestra, Harr & Scherer, CPAs, Inc. is pleased to present the following technical proposal to provide audit services for City of Napoleon for the period of January 1, 2017 through December 31, 2021. We strongly believe after reviewing our credentials, you will find BHM CPA Group, Inc. - Balestra, Harr & Scherer, CPAs, Inc. (BHS or the Firm) is the best fit for City of Napoleon. Our government expertise and value-driven pricing makes the Firm uniquely qualified to serve as independent public accountants for the City.

BHS provides technical expertise to state and local governmental entities throughout Ohio. For over 20 years, our accountants have served as advisors to the governments and non-profit organizations in Ohio. Furthermore, we have specialized practice areas by industry to better serve the needs of our clients. This specialization permits us a deeper knowledge of our clients and to anticipate their needs based upon our understanding of industry trends.

Our mission is to provide you quality services while maintaining the highest level of ethics, value, and integrity that is demanded of our profession. Personalized service is our focus as the client is our number one priority. We will be accessible to the client throughout the contract period, not just during our onsite fieldwork. We will ensure the client that only experienced and competent managers and staff will be assigned to their contract. Also, we understand that the client's daily operations do not halt upon our arrival and respect that they and their staff has a job to do. Our managers and staff will work with the client to ensure minimal disruption to their operations during our onsite visits.

We have developed our proposal in order to fully address the Request for Proposal. We trust, that after evaluating the following proposal, you will agree that BHM CPA Group, Inc. - Balestra, Harr & Scherer, CPAs, Inc. is the best choice to serve the needs of the City.

We appreciate the opportunity to submit our proposal to the City.

Sincerely,

**Michael A. Balestra**

Digitally signed by Michael A. Balestra  
DN: cn=Michael A. Balestra, o=A Division of BHM CPA  
Group, ou=Balestra, Harr & Scherer, CPAs, Inc.,  
email=mike.balestra@bhmcpgroup.com, c=US  
Date: 2017.08.08 13:52:28 -0400

Balestra, Harr & Scherer, CPAs, Inc.  
Michael A. Balestra, Shareholder/Director

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## MANDATORY ELEMENTS Required Affirmations

PUBLIC OFFICE: City of Napoleon

COUNTY: Henry

CONTRACT NUMBER: 85BC9-09F0D

CONTRACT PERIOD: January 1, 2017 through December 31, 2021

To be considered, the proposal must address every one of the elements. When these are not fully addressed, proposals will be considered non-responsive to the RFP and will not be evaluated further. Please ensure these affirmations are the first element of your firm's proposal and indicate your firm's agreement with the affirmation by checking the respective box for each affirmation.

1.	<b><u>CPA Licensure Laws</u></b> Our firm is licensed by the Ohio Accountancy Board to do business in Ohio and will remain in compliance with Ohio CPA licensure laws and rules.	<input checked="" type="checkbox"/> Affirmed
2.	<b><u>CPE requirements</u></b> Our firm and all assigned key professional staff are, and will remain, in compliance with governmental qualification standards, including governmental continuing education requirements.	<input checked="" type="checkbox"/> Affirmed
3.a.	<b><u>Peer Review (Opt. 1)</u></b> Our firm has undergone an external quality control peer review, conducted in accordance with generally accepted government auditing standards, within the last three years and received a pass rating. The current report is on file with the Auditor of State's Office.	<input checked="" type="checkbox"/> Affirmed <input type="checkbox"/> N/A
3.b.	<b><u>Peer Review (Opt. 2)</u></b> In accordance with GAGAS 3.97, our firm is not yet required to have an external quality control peer review, conducted in accordance with generally accepted government auditing standards. When required, our firm will have the appropriate peer review conducted and provide a copy of the report to the Auditor of State's Office.	<input type="checkbox"/> Affirmed <input checked="" type="checkbox"/> N/A
4.	<b><u>Ohio Ethics Laws</u></b> Our firm and all assigned key professional staff are, and will remain, in compliance with the requirements of Ohio's Ethics Law, as applicable and found at § 2921.42 and in Chapter 102 of the Ohio Revised Code.	<input checked="" type="checkbox"/> Affirmed
5.	<b><u>Rules and Laws Regarding Conflicts of Interest</u></b> Our firm and all assigned key professional staff are, and will remain, in compliance with laws and rules regarding conflicts of interest.	<input checked="" type="checkbox"/> Affirmed
6.	<b><u>Unresolved Findings for Recovery</u></b> Our firm is not subject to any unresolved finding for recovery issued by the Auditor of State under Ohio Rev. Code § 9.24, or our firm has taken appropriate remedial steps required under R.C. § 9.24. Our firm agrees that if this statement is deemed to be false, the contract shall be declared "void ab initio" between the parties, and <u>City of Napoleon</u> will not be obligated to pay for goods or services rendered under the contract. Any funds paid under the contract shall be remitted by our firm to <u>City of Napoleon</u> or an action for recovery of such payments may result.	<input checked="" type="checkbox"/> Affirmed
7.a.	<b><u>Independence - Nonaudit Services Provided (Opt. 1)</u></b> <ul style="list-style-type: none"> <li>➤ Our firm has listed and described in our proposal any and all nonaudit services that have been provided to <u>City of Napoleon</u> over the previous five (5) years from the date of our proposal or are expected to be provided during the contract term;</li> <li>➤ Our firm and all assigned key professional staff are independent of <u>City of Napoleon</u> as defined by U.S. Government Accountability Office's <i>Government Auditing Standards</i>;</li> <li>➤ Our firm and all assigned key professional staff are, and will remain, in compliance with GAO rules relating to auditor independence; and</li> <li>➤ In providing such nonaudit services, our firm did not perform management functions, make management decisions for <u>City of Napoleon</u> nor led reasonable third parties, with knowledge of the relevant facts and circumstances, to conclude our firm would be auditing our own work.</li> </ul>	<input checked="" type="checkbox"/> Affirmed <input type="checkbox"/> N/A
7.b.	<b><u>Independence - Nonaudit Services NOT Provided (Opt. 2)</u></b> <ul style="list-style-type: none"> <li>➤ Our firm and all assigned key professional staff are independent of <u>City of Napoleon</u> as defined by U.S. Government Accountability Office's <i>Government Auditing Standards</i>;</li> <li>➤ Our firm <b>has not provided</b> nonaudit services affecting the audit periods that involved performing management functions or making management decisions for <u>City of Napoleon</u>; and</li> <li>➤ If selected, our firm <b>will not provide</b> nonaudit services to <u>City of Napoleon</u> during the term of the contract that would require our firm to perform management functions or make management decisions for the entity, or would lead reasonable third parties, with knowledge of the relevant facts and circumstances, to conclude that our firm would be auditing our own work.</li> </ul>	<input type="checkbox"/> Affirmed <input checked="" type="checkbox"/> N/A
8.	<b><u>Independence - Entity's Components</u></b> <ul style="list-style-type: none"> <li>➤ Our firm and all assigned key professional staff are independent of the entity's components listed in Section III (G); of the Request for Proposal.</li> </ul>	<input type="checkbox"/> Affirmed <input checked="" type="checkbox"/> N/A



9.a.	<b><u>Independence - Entity's Components - Nonaudit Services Provided (Opt. 1)</u></b> Our firm has listed and described in our proposal any and all nonaudit services that have been provided to City of Napoleon's components listed in Section III(G) of the Request for Proposal over the previous five (5) years from the date of our proposal, or are expected to be provided during the contract term; Our firm and all assigned key professional staff are independent of City of Napoleon's components as defined by U.S. Government Accountability Office's <i>Government Auditing Standards</i> ; Our firm and all assigned key professional staff are, and will remain, in compliance with GAO rules relating to auditor independence; and In providing such nonaudit services, our firm did not perform management functions, make management decisions for City of Napoleon's components nor led reasonable third parties, with knowledge of the relevant facts and circumstances, to conclude our firm would be auditing our own work.	<input type="checkbox"/> Affirmed <input checked="" type="checkbox"/> N/A
9.b.	<b><u>Independence - Entity's Components - Nonaudit Services NOT Provided (Opt. 2)</u></b> Our firm and all assigned key professional staff are independent of City of Napoleon's components as defined by U.S. Government Accountability Office's <i>Government Auditing Standards</i> ; Our firm <b>has not provided</b> nonaudit services affecting the audit periods that involved performing management functions or making management decisions for City of Napoleon's components; and If selected, our firm <b>will not provide</b> nonaudit services to City of Napoleon's components during the term of the contract that would require our firm to perform management functions or make management decisions for City of Napoleon's components, or would lead reasonable third parties, with knowledge of the relevant facts and circumstances, to conclude that our firm would be auditing our own work.	<input type="checkbox"/> Affirmed <input checked="" type="checkbox"/> N/A
10.	<b><u>Independence - Oversight Unit if Entity is a Component of Another Public Office</u></b> Our firm and all assigned key professional staff are independent of the following Oversight Unit: _____	<input type="checkbox"/> Affirmed <input checked="" type="checkbox"/> N/A
11.a.	<b><u>Independence - Oversight Unit if Entity is a Component of Another Public Office - Nonaudit Services Provided (Opt. 1)</u></b> Our firm has listed and described any and all nonaudit services that have been provided to _____ over the previous five (5) years from the date of the proposal; Our firm and all assigned key professional staff are independent of _____ as defined by U.S. Government Accountability Office's <i>Government Auditing Standards</i> ; Our firm and all assigned key professional staff are, and will remain, in compliance with GAO rules relating to auditor independence; and In providing such nonaudit services, our firm did not perform management functions, make management decisions for _____ nor led reasonable third parties, with knowledge of the relevant facts and circumstances, to conclude our firm would be auditing our own work.	<input type="checkbox"/> Affirmed <input checked="" type="checkbox"/> N/A
11.b.	<b><u>Independence - Oversight Unit if Entity is a Component of Another Public Office - Nonaudit Services NOT Provided (Opt. 2)</u></b> Our firm and all assigned key professional staff are independent of _____ as defined by U.S. Government Accountability Office's <i>Government Auditing Standards</i> ; Our firm <b>has not provided</b> nonaudit services affecting the audit periods that involved performing management functions or making management decisions for _____; and If selected, our firm <b>will not provide</b> nonaudit services to _____ during the term of the contract that would require our firm to perform management functions or make management decisions for the entity, or would lead reasonable third parties, with knowledge of the relevant facts and circumstances, to conclude that our firm would be auditing our own work.	<input type="checkbox"/> Affirmed <input checked="" type="checkbox"/> N/A
12.	<b><u>Personal and External Impairments</u></b> Our firm and all assigned key professional staff have no personal or external impairments to independence due to relationships with City of Napoleon, and have listed and described in our proposal all our firm's professional relationships that could affect our impartiality or the appearance of impartiality involving the City of Napoleon or any of its agencies/agencies or components /agencies, components or oversight unit, as applicable for the past five (5) years from the date of the proposal; If appropriate, our proposal has included a statement explaining why such relationships do not constitute an independence issue relative to performing the proposed audit. Our firm shall give City of Napoleon and the Auditor of State written notice of any professional relationships entered into during the period of this agreement, relative to parties connected to this proposed engagement that could affect our impartiality or the appearance of impartiality. Prior to entering into any new agreement to provide any nonaudit service to City of Napoleon during the term of the contract, our firm will notify the Auditor of State through completion of the IPA Nonaudit Service GAO Independence Notification/Evaluation (Exhibit E of the RFP). By filing this form, our firm asserts the non-audit service does not impair our firm's independence.	<input checked="" type="checkbox"/> Affirmed
13.	<b><u>Inappropriate Public Office Contact</u></b> Our firm and all assigned key professional staff have not made, and will not make, any contact with personnel of the City of Napoleon regarding this request for proposal other than allowed by Section I. C. of the RFP.	<input checked="" type="checkbox"/> Affirmed
14.	<b><u>Subcontractors</u></b> If subcontractors are engaged, our firm will ensure the subcontractor(s) have met all applicable elements listed in the affirmations above.	<input type="checkbox"/> Affirmed <input checked="" type="checkbox"/> N/A
15.	<b><u>Irrevocable Offer</u></b> Our firm's proposal is a firm and irrevocable offer for 90 days.	<input checked="" type="checkbox"/> Affirmed



## OTHER REQUIRED ELEMENTS

### Public Office, Contract Period, and Scope

Public Office: **City of Napoleon**

Contract Period: **January 1, 2017 through December 31, 2021**

### Audit Scope

The Auditor of State and City of Napoleon desire the IPA to express an opinion on the fair presentation of its financial statements in conformity with the financial reporting framework the Public Office uses. The IPA will follow applicable standards and any applicable AOS guidance in forming this opinion.

The IPA will follow the reporting guidance in AU-C-730 regarding required supplemental information.

The IPA will express an opinion on the fair presentation of its' combining and individual fund financial statements and schedules in conformity with accounting principles generally accepted in the United States of America. The IPA will follow the reporting guidance from AU-C-725 regarding supplemental information. The IPA is not required to express an opinion on the fair presentation of the statistical section or transmittal letter of the report.

Should we become aware that the Public Office is subject to audit requirements that may not be encompassed in the terms of the contract we will communicate this immediately to the Auditor of State, that in accordance with the established contract, certain relevant legal, regulatory or contractual requirements may not be met.

The audit will be performed in accordance with the American Institute of Certified Public Accountants' auditing standards generally accepted in the United States of America and the most recent applicable U.S. Government Accountability Office's *Government Auditing Standards*.

We will test compliance utilizing the most current version of the Ohio Compliance Supplement (OCS) which will assist in determining audit steps to be performed. We will cover all the applicable and material areas listed in the OCS over each audit period. We will document our testing in a logical manner in order to facilitate a review to verify that all applicable and material compliance areas have been completed.

We will ensure all other federal, state or local compliance requirements that are material to the Public Office is tested as required by Generally Accepted Government Auditing Standards.

### Required Reports

Upon completion of the audit the financial statements of the City we will issue the following reports:

1. A report on the fair presentation of the financial statements in conformity with the applicable financial reporting framework, including required and any other supplementary information.

2. A combined report on the compliance and internal controls required by *Government Auditing Standards*
3. A management letter, separate from other electronically submitted reports.

### **Special Considerations**

1. If the City is a significant component of another entity, the IPA shall prepare a "Component Auditor Representation Letter" for the City. Directions regarding this letter, as well as additional instructions concerning the responsibilities of the component auditor will be provided annually to the IPA by the group engagement team (GET). This letter should be sent directly to the GET by the date indicated in the corresponding instructions for each period audited. In addition, the IPA will be responsible for updating subsequent events through the group engagement opinion date identified in the instructions for each year audited at no additional cost to the client.
2. The City will prepare a CAFR and it must be submitted with the appropriate reports as defined in the RFP.
3. The City will send its CAFR to the Government Finance Officers Association of the United States and Canada for review in its Certification of Achievement for Excellence in Financial Reporting program. The auditor will not be required to provide special assistance to the City to meet the requirements of that program.

### **Proposed Engagement Timetable**

For the audit of the Financial Statements of the City for the contract period of January 1, 2017 through December 31, 2019 our timetable follows the specifics outlined in the RFP. However, we also prefer to accelerate completion of the audit based on the City's ability to prepare a complete draft of its financial statements. Note: multi-year contracts will follow similar dates to be assumed to fall within seven (7) days of the schedule below.

	Date
1. IPA and representatives of Public Offices hold interim entrance conference	12/17
2. IPA completes interim fieldwork	1/18
3. IPA and representatives of Public office hold progress conference	As Needed
4. IPA provides detailed audit plan and list of schedules to be prepared by Public Office	12//17
5. IPA and representatives of Public office hold fieldwork entrance conference	3/18
6. IPA begins fieldwork	3//18
7. Public Office finalizes accounting records – Cash	1//18
8. Public Office provides GAAP financial statements	4//18
9. IPA completes fieldwork	4/18
10. Public Office provides Draft CAFR	4//18
11. IPA provides all recommendations, revisions, and suggestions for improvement to the City Auditor	5//18
12. IPA provides drafts of reports and recommendations to management	5/18
13. Public office submits in writing final responses to IPA draft documents	5//18
14. IPA provides revised report to the City Auditor	5/18
15. IPA and representatives of Public Office hold exit conference	6/18
16. Public IPA delivers final report to Auditor, Quality Assurance, Columbus, Ohio. This date shall be no later than six (6) months past the Public Office's fiscal period end of the period under audit.	6/18



The Office of the Auditor of State must receive written notification should be timetable submitted require modification. Changes in the timetable may be made only with the written consent of the Auditor of State.

### **Communication**

BHM CPA Group, Inc. - Balestra, Harr & Scherer, CPAs, Inc. is committed to open communications with its clients in whatever method they so choose or view as most effective throughout the audit. These methods could include, but are not limited to, phone conversations, email messages, written communication and in-person meetings. Status meetings will be arranged to communicate any significant audit issues identified, any difficulties obtaining sufficient audit documentation, or at the request of the City.

At the entrance meeting noted above, we will provide the City with the annual audit engagement letter which will specify the audit objectives as well as management's responsibilities associated with the audit. At the exit conference noted above, we will request management sign a representation letter associated with the current year audit. We will work with the City to meet your expectation of proper communication during the audit engagement. At the conclusion of each audit, an invitation to present the audit reports and results to the governing body will be extended. If an in-person meeting with members of the governing body is declined, we will communicate required elements of the audit process and results to the head of the governing body via written communication.

### **Firm Contact**

Michael A. Balestra, Shareholder/Director, is responsible for the services provided to the City of Napoleon. Michael is located at 528 South West Street, Piketon, Ohio 45661. His phone number is 740-708-0954 and fax number is 888-900-1264. He may also be reached by email at [mike.balestra@bhmcpagroup.com](mailto:mike.balestra@bhmcpagroup.com).

## **Audit Approach**

BHM CPA Group, Inc. - Balestra, Harr & Scherer, CPAs, Inc. uses a Knowledge-Based Audit (KBA) methodology which was designed by CCH to help the auditor efficiently and effectively perform financial statement audits of state and local governments in accordance with auditing standards generally accepted in the United States of America (GAAS) and generally accepted *Government Auditing Standards* (GAGAS). Also, our firm uses CCH's ProSystem fx Engagement software which simplifies the audit process using paperless workpapers and integrated workflow features.

The KBA methodology is a risk-based audit approach which emphasizes using the knowledge of the auditee to make risk assessments in connection with the financial statement audit. The methodology is developed around the financial statement assertions. Risk assessment procedures provide the basis for assessing the risk of material misstatement. Risk of material misstatement is the auditor's combined assessment of inherent and control risk. Responses are then designed so that further audit procedures address each relevant assertion according to its risk.

Our audit approach for this engagement will be firmly established after determining the audit risks associated. While some auditing procedures are required to be performed by standards, our assessment of the audit risks associated with the financial statements, compliance with material laws and regulations, as well as compliance with requirements that could have a direct and material effect on each major program will dictate what approach is utilized in the various work sections of this audit.



Audit risks will be evaluated based on our understanding of the internal controls structure, policies and procedures, level of automation, and oversight by management at the City. Once an understanding is developed, we will document, and test to the extent necessary, that our understanding of these risk factors is accurate. Outside factors influencing audit risk will also be evaluated during this process. Outside factors could include, but are not limited to funding policies, local economy, regulatory environment and/or changes in financial reporting requirements.

After we have identified, documented and assessed the audit risks and controls established by the City to mitigate these risks, audit programs will be tailored for each section anticipated for the audit. The Engagement Partner will be involved early in the planning process to provide the necessary insight and vision, related to the audit risks. This will ensure the groundwork for an effective and an efficient audit.

### **Audit Planning**

A complete and comprehensive audit plan is established prior to fieldwork. This plan is the key for an efficient and effective audit process for both us as well as the City. Our objectives to be accomplished during the planning process include the following:

- Obtain an understanding of the environment in which the City operates including any changes in method(s) of funding, regulatory requirements, compliance requirements, and/or changes in reporting standards and how those changes affect the City.
- Establish an understanding of the City's concerns regarding financial reporting and compliance issues. Inquiries of appropriate management and staff members regarding possible fraud factors will be conducted.
- Based on preliminary financial information, we will establish planning materiality thresholds to be used during our risk assessment. Planning materiality will take into consideration the results from our preliminary analytical procedures performed on the financial data.
- We will follow up on the status of prior report's material recommendations and findings as required by *Government Auditing Standards*, 4.09.
- Identify material account balances and transaction types through a review of the prior audit report and current year trial balances. Significant line items (material and those not material but deemed significant due to other risk factors) will be identified based on planning materiality.
- Perform preliminary analytical procedures. Analytical procedures assist us in identifying relationships and individual items that appear unusual.
- Identify and assess inherent risk factors.
- Identify laws and regulations that may have a direct and material effect on the financial statement audit as required by *Government Auditing Standards*, 4.10 - 4.11.
- Discuss with appropriate officials the impact of any recently issued GASB pronouncements, statements on auditing standards, Auditor of State bulletins, and other significant issues that may have an impact on the current audit.
- Based on identified inherent and control risk factors and the results of our tests of controls, we will develop substantive audit programs for the financial statement audit.
- Identify those laws and regulations (federal, state, local, self-adopted) which are deemed to be direct and material to the amounts presented in the financial statements.
- Once the risk assessment is complete, audit programs and specific work scope for each significant audit section will be developed. Section of items for testing will be developed.
- Finalize our overall audit plan by communicating timing of tests to be performed, sample selections and required documentation to the City, preparation and distribution of necessary audit confirmations, and preparing our audit planning memo which notes audit goals among other matters.



## **Understanding and Documenting Internal Controls**

It is necessary to obtain knowledge of control activities to plan the audit to identify types of potential misstatements, consider factors that affect the risk of material misstatement and design substantive tests. We will identify key balances, classes or assertions for which we believe an understanding of controls is necessary.

*Generally Accepted Auditing Standards* require us not only to document our understanding of the internal control components, but also to substantiate key controls for significant transaction classes which have been put into operation. Documentation of control components will be achieved through flowcharts, questionnaires, decision tables or memorandums as we deem appropriate. We will perform walk-throughs of significant key control components to determine they have been put into operation and are working as intended. Where the planned assessment of internal control risk warrants, we will test an appropriate number of transactions within the appropriate class to determine if the identified key controls are working as intended. The number of control transactions tested will be determined by procedures prescribed in the AICPA *Audit Sampling Guide* based on our planned level of reliance on controls for those segments.

## **Sampling**

Audit sampling will be utilized in designing our tests of controls, substantive tests of balances and classes of transactions and tests of compliance with laws and regulations. Typically, a non-statistical sampling approach is used.

For all audit samples, we will clearly define the population, document our determination of the number of transactions/items necessary for the sample to support our test objects, select transactions/items that are representative of the population, and project our sample results to the population and consider sampling risk.

## **Analytical Procedures**

Analytical procedures are used in various forms in each of our auditing sections. Planning analytics assist in identifying significant audit areas as well as providing risk information to determine the nature, timing and extent of substantive procedures for a specific line item. In the individual audit sections, changes in key financial and operational data are analyzed as a means to assessing the outcomes reported in the financial statements. These tests are performed using related account balances, ratios and trends to provide evidence of the reasonableness of account balances. Final analytics provide the final opportunity to evaluate the results of our auditing procedures in comparison with the amounts and disclosures presented in the final basic financial statements presented.

## **Information Technology (IT)**

The City's IT environment will be analyzed in two separate components: 1) the general computer control environment, and 2) specific applications which affect amounts or disclosures within the basic financial statements.

General computer controls include the network security settings, ability to gain access to the network, procedures used to add or remove network access permissions, and disaster recovery plans. We will interview the appropriate personnel to document the items noted above as well as perform a walk through if necessary to determine appropriate controls have been implemented to address the risk associated with these general computer controls.

Specific application controls will be tested in conjunction. Specific user controls identified will be documented and a walk through performed, if necessary, to determine if appropriate controls have been established over the financial accounting system. Any other specific applications significant to the financial statements amounts, we will utilize the services of our IT consulting division to assess the control environment to determine the audit risk associated with any such specific application.

### **Determining Material Laws and Regulations**

During general planning, we will inquire, observe, inspect and review documents to obtain a knowledge and understanding of the legal requirements, political considerations, reporting requirements and economic considerations of the City. Also, based on our experience with Charter City Governments we understand the specific requirements which are relevant to City.

We will read the pertinent statutes and regulations, and excerpt significant items for the permanent file section of the work papers. Federal or state statutes and regulations have an important influence on a local government's operations, control procedures and accounting system. Also, the relationship of state and local laws to federal laws may be important. If any legal requirements require clarification, we will request a written interpretation from the City' legal counsel.

We will design the audit to provide reasonable assurance that the financial statements are free of material misstatements resulting from violations of laws and regulations that have a direct and material effect on the determination of financial statement amounts. Thus, in planning the audit, we will obtain an understanding of the possible effects of such laws and regulations on the City' financial statements.

### **Identify significant line items, accounts, and assertions.**

Based upon our understanding of City's operations, we will have identified the following significant processes and related financial statement accounts:

#### **Cash and investment management**

- a. Cash and Cash Equivalents – pooled and segregated

#### **Budget Management**

- a. Appropriations
- b. Status of budgetary resources
- c. Estimated resources
- d. Encumbrances and un-obligated balances
- e. Transfers and advances in and out, advances to and from other funds

#### **Financial Reporting**

- a. Basic Financial statements
- b. MD & A
- c. Supplementary information (investment, actuarial, statistical, and plan statement)
- d. Required Supplementary information
- e. Additional information

#### **Revenue Management Process**

- a. Accounts, intergovernmental, property taxes, income, loans and other receivables
- b. Charges for services, license and permits, fines and forfeitures, rent, interest and other
- c. Intergovernmental
- d. Property and income taxes, special assessments



e. Deferred Inflows

Procurement Management Process

- a. Accounts payable and expenses
- b. Material and supplies inventories
- c. Prepaid items, interfund receivable and payable,
- d. Contracts
- e. Capital assets, additions, deletions and depreciation
- f. Debt payable, principal payments, accrued Interest payable, interest expense and deferred charges

Human Resource Management Process

- a. Salaries, Wages and Benefit expense
- b. Employee Pension contributions
- c. Employer Pension contributions
- d. Salaries, Wages and Benefits Payable, intergovernmental payable
- e. Claims payable and expense
- f. Deferred Outflows

Grant Management Process

- a. Grant agreements and awards
- b. Draw Request
- c. Expenditures
- d. Compliance with grant agreements, Federal, State and Local regulations

Court

- a. Test fines, forfeitures and distribution
- b. Test ORC Compliance

### **Compliance Testing**

As required by generally accepted government auditing standard, we will perform tests of compliance with laws and regulations that are material to the financial statements accounts. We will utilize the Ohio Compliance Supplement, prepared by the Auditor of State's office, City's resolutions ordinances and policies, debt covenants, trust agreements, federal grant agreements, and program rules and regulations to determine which portion of these may be material to financial statement amounts. Appropriate compliance tests will be designed which could include inspection of documents, confirmation with Trustees, re-performing certain calculations as well as observation and inquiry of City personnel.

### **Financial Reporting**

Reviews of the financial statements are performed by managers, directors, partners, and quality control. BHM CPA Group, Inc. - Balestra, Harr & Scherer, CPAs, Inc. will assess the process used to prepare those financial statements for completeness, accuracy, as well as assessing the adequacy of the disclosures included. Any implementation of new accounting standards will be evaluated for proper presentation, disclosure and, if necessary, adjustment of prior amounts. BHM CPA Group, Inc. - Balestra, Harr & Scherer CPAs, Inc. is always available to our clients to discuss in advance, the implementation of new accounting standards into the financial statements.



## BHS Audit Modernization

Balestra, Harr & Scherer, CPAs, Inc. uses various computer applications and software aimed at making the audit process more efficient while reducing the burden the process places on the personnel at the entity being audited.

As stated previously, our firm uses Pro Systems fx Engagement. This is our paperless audit work paper system for all engagements. The system contains all the worksheets, narratives and PDF copies of original documents used during the audit. Also, the information in the previous audit can be rolled forward from one year to the next. This allows us to update the information for the current year instead of recreating a document. A major benefit to us and our client is that documents can be provided electronically in advance, uploaded to our system, and the testing procedures can be set-up prior to us arriving on-site. This reduces the disruption to the client's daily routine while we are on-site and permits them to gather the needed documentation at a time convenient to their work schedules.

To support the flow of large amounts of data from our clients, we set-up individual portals for each of our personnel which allows a client to transmit a large amount of data to us in a secure manner anywhere the client has access to the internet.

### Key Testing Areas & Budgeted Hours

From our understanding of the City we have identified the following as key areas to be subject to our audit procedures. For each key area, we have identified the number of hours we estimate will be needed to complete our audit procedures, as well as the level of firm personnel to be assigned. Specific information about firm personnel to be assigned can be found later in this proposal in the section "Your Audit Team" and Appendix A.

Audit Segment/Task	Total Hours	Partner	Senior Manager	Manager	Staff
Planning	32	8	8	16	-
Internal Control Review	46	2	8	20	16
Other General Procedures	18	-	8	8	2
Legal Compliance	24	-	8	8	8
SOC 1 Work	24	-	8	8	8
Additional CAFR Testing	16	-	4	4	8
Minutes	12	-	-	4	8
Cash and Investments	10	-	2	8	-
Long-term & Short-term Debt, Proceeds of Loans	18	-	2	8	8
Net Position/Fund Balance	4	-	2	2	-
Property Taxes Revenues and Receivables	12	-	2	2	8
Charges for Services Revenues and Receivables	20	-	2	2	16
Sales Tax Revenues and Receivables	4	-	2	2	-
Interest, Fines & Forfeitures, License & Permits Revenues and Receivables	12	-	2	2	8
Intergovernmental Revenues and Receivables	20	-	2	2	16
Non-payroll Expenditures/Expenses	40	-	2	2	36
Payroll Expenditures/Expenses	24	-	2	2	20
Reporting	18	2	8	8	-
Supervision and Review	32	8	8	16	-
<b>Total</b>	<b>400</b>	<b>20</b>	<b>80</b>	<b>120</b>	<b>180</b>

## **Firm Qualifications and Experience**

Balestra, Harr & Scherer, CPAs, Inc. is a leader in providing services to governments in Ohio. As a "Polaris International" and the AIPCA Government Audit Quality Center, we offer immediate access to 3 Partners and over 50 service professionals to provide comprehensive assistance in the accounting, consulting and information technology areas. For the past two decades, Balestra, Harr & Scherer, CPAs, Inc. has numerous local governments including City, Cities, school districts and other special entities. Of unique interest to the City would be our significant area of practice in the governmental sector. Within the governmental sector, we have established a Government Services Group in which professionals focus the entirety of their practice to governmental clients exclusively.

Furthermore our client list includes seven (7) Cities which have many operating similarities to the City of Napoleon. Below is a list of the Cities which we are currently auditing.

### **CITY GOVERNMENT EXPERIENCE**

- Client:** City of Newark, Licking County  
**Scope:** CAFR -Financial and Single Audit for the fiscal years 2011 – 2016  
**Hours:** Approximately 340 hours per year.
- Client:** City of Fostoria, Huron County  
**Scope:** Financial and Single Audit for the fiscal years 2013 – 2016  
**Hours:** Approximately 400 per year
- Client:** City of Portsmouth, Scioto County  
**Scope:** CAFR, Financial and Single Audit for the fiscal year 2016  
**Hours:** Approximately 800 hours per year
- Client:** City of Eaton, Preble City  
**Scope:** Financial and Compliance Audit for the fiscal year 2010 – 2016  
**Hours:** Approximately 260 hours per year
- Client:** City of Harrison, Hamilton County  
**Scope:** CAFR- Financial and Compliance Audit for the fiscal year 2012 – 2016  
**Hours:** Approximately 360 hours per year
- Client:** City of Washington Courthouse, Highland County  
**Scope:** Financial and Compliance Audit for the fiscal year 2016  
**Hours:** Approximately 360 hours per year
- Client:** City of Mt. Healthy, Hamilton County  
**Scope:** Financial and Compliance Audit for the fiscal year 2016  
**Hours:** Approximately 260 hours per year

Additionally, Balestra, Harr & Scherer, CPAs, Inc. audits the annual basic financial statements or CAFR for numerous other government entities throughout Ohio. Also, Balestra, Harr & Scherer, CPAs, Inc. compiles the annual basic financial statements or CAFR for numerous Cities and government entities throughout Ohio.



## PROPOSED ENGAGEMENT PERSONNEL

Experience and professionalism are the keys to our success. Members of the firm have worked in various entities including governmental and regulated industries. They understand the system from both sides of the equation. Maintaining the highest degree of independence, integrity, and competence, our staff treats all client matters with the utmost confidentiality. Consequently, every member of our firm is committed to providing a high level of service that is responsive to the needs and expectations of each individual client.

We have hand-picked a team, who are experienced specialists in public sector auditing, who understand your environment, know governmental accounting, have long practiced the specialty of governmental auditing and are fully apprised of the changing governmental accounting and auditing standards and regulations. They each have many years of experience directly related to your accounting and auditing needs. Our firm is well respected for professionalism and high standards of performance in the accounting community. More importantly, our firm has the knowledge of and access to leading-edge tools which can be made available to you in assessing how to continue to improve, or even radically redesign, your operations.

Overall, management of the engagement team will be the responsibility of **Michael Balestra, CPA**. Mr. Balestra is an executive/shareholder in firm with 30 years of experience and has extensive experience in conducting audits of City Governments. He has performed over 100 City audits during his tenure with the Auditor of State and as a IPA firm. He is the firm's executive overseeing all governmental and non-profit clients. He also is a major resource on education accounting and education matters for the firm.

In addition, our engagement team will also include:

**Jeff Harr, CPA**, will be the concurring review executive and assist in overall management of the engagement team. Mr. Harr is an executive/shareholder in firm with 35 years of experience and has experience in conducting government audits. He is the firm's Director of Auditing and Quality Control overseeing the firm's quality control program. He is responsible for performing a stringent, independent technical review process of work performed to ensure its accuracy and unbiased reporting.

**Brenden Balestra, CPA**, a senior audit manager, has spent his entire career working with governmental entities and non-profit clients. He is a specialist in GASB reporting and OMB Circular A-133. He is involved in the planning phase including review of the completed areas and testing, and single audit compliance testing. He has worked on more the 15 City audits during his career.

**Amanda Pridemore, CPA**, an audit manager, also has spent her entire career working with governmental entities and non-profit clients. She will be primarily responsible for the engagement team in the general financial statement and compliance area. She has worked on more the 10 City audits during her career.

**Chris Gleason, CISA**, information systems audit senior, has spent his entire career working with governmental entities and non-profit clients. He will be primarily responsible for the engagement team in the EDP audit approach area, in particular the review and testing of general and application controls.

**Bill Lemons, CGFM, CFE**, an audit manager, also has spent his entire career working with City governments, other governmental entities and other non-profit clients. He will be primarily responsible for the engagement team in the general financial statement and compliance area.

**Tim Loper, CGAP**, auditor has spent most of his career working with City governments, other governmental entities and non-profit clients. He will perform testing in the general financial statement and compliance area.



**Zach Holbert, CPA**, auditor has spent most of his career working with City governments, other governmental entities and non-profit clients. He will perform testing in the general financial statement and compliance area.

We anticipate numerous other staff auditors working as part of the engagement team. Our firm's turnover rate is low and the majority of our staff has five plus years of experience. We strive to maintain this low rate to allow personnel continuity. This provides significant benefits to our clients, including increased audit efficiency and enhanced in-depth knowledge of their organization.

Although not directly assigned to this project, we also have a substantial amount of experience in our firm upon which we can draw technical support, if necessary. Our firm specializes in federal, state, and local government units, which includes consulting and auditing for City governments. We will utilize this vast experience base as required during any phase required on this project.

In addition to these staff we have complete access to our firm's Accounting and Audit Support Group. There are two individuals in this group and they devote a considerable amount of time to government accounting and auditing. One individual, **Paul Rennick, CPA**, in our Piketon, Ohio office devotes a considerable amount of time to this niche practice area. During his 35 year career, he has gained extensive experience in audits and consulting for governmental entities and non-profit organizations. His experience ranges from working as a manager for an international accounting firm to being the Chief Deputy for Local Government Services of the Auditor of State before joining our firm. Mr. Rennick is responsible for monitoring the activities of OMB, state and federal agencies, and others organizations regarding government funding, accounting and audit requirements. He will be used for technical and research issues as needed.

Although the City is a governmental entity, there are still some tax related issues that could affect the City. Our tax professionals have assisted government clients in several areas such as:

- Employment tax filings (State, Federal and Local)

Our practice is to assign a tax executive to each engagement to insure that appropriate compliance and planning issues are addressed. Should the need arise, you will be served by the following tax professional.

**Rita Kneece, CPA**, is a tax manager in our Circleville, Ohio office and provides tax advisory services and strategic planning services to individuals, businesses, governments, and tax exempt organizations. She has nearly twenty years of experience in the research and review of technical issues and strategic tax planning. She is knowledgeable in the area of unrelated business income (UBI) and intermediate sanctions.

More detailed resumes of individuals assigned to the engagement are in **Appendix A**.



Balestra, Harr & Scherer, CPAs, Inc.

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Accounting, Auditing and Consulting Services for Federal, State and Local Governments

[www.bhscpas.com](http://www.bhscpas.com)

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## APPENDIX A

### ENGAGEMENT PERSONNEL PROFILES

## MICHAEL A. BALESTRA

<b>Current position</b>	Shareholder/Director		
<b>Current employer</b>	Balestra, Harr & Scherer, CPAs, Inc.		
<b>Education</b>	B.B.A., Accounting, Ohio University		
<b>Professional certifications</b>	CPA, CFE, CGFM, CITP, CISM		
<b>Total years of experience</b>	35	<b>Years of audit experience</b>	35
<b>Proposed position</b>	Engagement Partner	<b>Years of City experience</b>	33

### *Relevant experience*

State and local government audit experience

- **State of Ohio – City Governments.** Mr. Balestra served as a engagement partner on financial statement and compliance audits of City Governments. He also has audited, Counties, Villages, Townships, Special Districts, Colleges and Not for Profits conducted in accordance with *Government Auditing Standards* and the Single Audit Act. These audits involved accounting and auditing principles and techniques that closely resemble those of the City. His responsibilities include supervising and reviewing all phases of field work.
- Also, Mr. Balestra worked for 13 years as a Senior Auditor Manager for the Auditor of State of Ohio and has experience with an international accounting firm. While at the Auditor of State he audited numerous City governments and other government entities.

### *Professional accomplishments, affiliations, and other*

Member, Ohio Association of City Business Officials  
 Member, American Institute of Certified Public Accountants  
 Member, Ohio Society of Certified Public Accountants  
 Member, Government Financial Officers Association  
 Member, Association of Certified Fraud Examiners  
 Member, Association of Government Accountants  
 Member, Information Systems Audit and Control Association

### *Selected Continuing professional education (last three years)*

Course	Participant (P)/ Instructor (I)	CPE Hours	Date
AICPA Single Audit Training	P	16	01/13
Emerging Trend In Fraud Investigation and Prevention Conference	P	16	05/13
The Higher Education Accounting Forum	P	18	05/13
AOS Combined IPA Conference	P	8	08/13
Emerging Trend In Fraud Investigation and Prevention Conference	P	16	05/14
AOS Combined IPA Conference	P	8	08/14
AOS City Training	P	8	08/14
AICPA Yellow Book Update	P	8	10/14
Emerging Trend In Fraud Investigation and Prevention Conference	P	16	05/15
AOS Combined IPA Conference	P	8	08/15
AOS Community City Training	P	8	08/15
AICPA Yellow Book Update	P	8	10/15
OSCPA SAS Update	P	8	11/15
Emerging Trend In Fraud Investigation and Prevention Conference	P	16	05/16
AOS Combined IPA Conference	P	8	08/16
AOS Community City Training	P	8	09/16



## BRENDEN BALESTRA

<b>Current position</b>	Senior Audit Manager		
<b>Current employer</b>	Balestra, Harr & Scherer, CPAs, Inc.		
<b>Education</b>	B.B.A., Accounting, Liberty University		
<b>Professional certifications</b>	CPA, CFE		
<b>Total years of experience</b>	20	<b>Years of audit experience</b>	20
<b>Proposed position</b>	Senior Audit Manager	<b>Years of City</b>	20

### *Relevant experience*

State and local government audit experience

- **State of Ohio – City Governments.** Mr. Balestra served as a Senior Audit Manager on financial statement and compliance audits of City Governments. He also has audited, Counties, Villages, Townships, Special Districts, Colleges and Not for Profits conducted in accordance with *Government Auditing Standards* and the Single Audit Act. These audits involved accounting and auditing principles and techniques that closely resemble those of the City. His responsibilities include supervising and reviewing all phases of field work.

### *Professional accomplishments, affiliations, and other*

Member, Association of Government Accountants  
 Member, American Institute of Certified Public Accountants  
 Member, Ohio Society of Certified Public Accountants  
 Member, Association of Certified Fraud

### *Professional accomplishments, affiliations, and other*

Member, Association of Government Accountants  
 Member, American Institute of Certified Public Accountants  
 Member, Ohio Society of Certified Public Accountants

### *Selected Continuing professional education (last three years)*

Course	Participant (P)/ Instructor (I)	CPE Hours	Date
AICPA Single Audit Training	P	16	01/13
Emerging Trend In Fraud Investigation and Prevention Conference	P	16	05/13
The Higher Education Accounting Forum	P	18	05/13
AOS Combined IPA Conference	P	8	08/13
Emerging Trend In Fraud Investigation and Prevention Conference	P	16	05/14
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AOS City Training	P	8	08/14
AICPA Yellow Book Update	P	8	10/14
Emerging Trend In Fraud Investigation and Prevention Conference	P	16	05/15
AOS Combined IPA Conference	P	8	08/15
AOS Community City Training	P	8	08/15
AICPA Yellow Book Update	P	8	10/15
OSCPA SAS Update	P	8	11/15
Emerging Trend In Fraud Investigation and Prevention Conference	P	16	05/16
AOS Combined IPA Conference	P	8	08/16
AOS Community City Training	P	8	09/16

## AMANDA PRIDEMORE

<b>Current position</b>	Senior Auditor		
<b>Current employer</b>	Balestra, Harr & Scherer, CPAs, Inc.		
<b>Education</b>	B.S., Accounting, Whittenburg University		
<b>Professional certifications</b>	CPA		
<b>Total years of experience</b>	10	<b>Years of audit experience</b>	10
<b>Proposed position</b>	Audit Manager	<b>Years of City experience</b>	10

### *Relevant experience*

State and local government audit experience

- **State of Ohio – City Governments.** Mrs. Pridemore served as an audit manager on financial statement and compliance audits of City Governments. Mrs. Pridemore served as an audit manager on financial statement and compliance audits of Counties, Villages, Townships, Community Schools, Special Districts and Not for Profits conducted in accordance with *Government Auditing Standards* and the Single Audit Act. These audits involved accounting and auditing principles and techniques that closely resemble those of the City. Mrs. Pridemore's responsibilities include completing all phases of field work.

### *Professional accomplishments, affiliations, and other*

Member, American Institute of Certified Public Accountants  
 Member, Ohio Society of Certified Public Accountants  
 Member, Association of Government Accountants

### *Selected Continuing professional education (last three years)*

Course	Participant (P)/ Instructor (I)	CPE Hours	Date
AICPA Single Audit Training	P	16	01/13
Emerging Trend In Fraud Investigation and Prevention Conference	P	16	05/13
The Higher Education Accounting Forum	P	18	05/13
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Emerging Trend In Fraud Investigation and Prevention Conference	P	16	05/16
AOS Combined IPA Conference	P	8	08/16
AOS Community City Training	P	8	09/16



## BILL LEMONS

<b>Current position</b>	Senior Auditor		
<b>Current employer</b>	Balestra, Harr & Scherer, CPAs, Inc.		
<b>Education</b>	B.S., Accounting, The Ohio State University		
<b>Professional certifications</b>	CGFM, CFE		
<b>Total years of experience</b>	40	<b>Years of audit experience</b>	40
<b>Proposed position</b>	Audit Manager	<b>Years of City experience</b>	40

### *Relevant experience*

State and local government audit experience

- **State of Ohio – City Governments.** Mr. Lemons served as a audit manager on financial statement and compliance audits of City Governments. Also, Mr. Lenons served as an audit manager on financial statement and compliance audits of Counties Villages, Townships, Community Schools, Special Districts and Not for Profits conducted in accordance with *Government Auditing Standards* and the Single Audit Act. These audits involved accounting and auditing principles and techniques that closely resemble those of the City. Mrs. Lemons' responsibilities include completing all phases of field work.

### *Professional accomplishments, affiliations, and other*

Member, Government Finance Officers Association  
Member, Association of Government Accountants

### *Selected Continuing professional education (last three years)*

Course	Participant (P)/ Instructor (I)	CPE Hours	Date
AICPA Single Audit Training	P	16	01/13
Emerging Trend In Fraud Investigation and Prevention Conference	P	16	05/13
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AOS Community City Training	P	8	09/16



**BHM CPA Group, Inc. - Balestra, Harr & Scherer, CPAs, Inc.**

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

[www.bhscpas.com](http://www.bhscpas.com)

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## APPENDIX B

### PEER REVIEW LETTER





THE OHIO SOCIETY OF CPAs  
PEER REVIEW PROGRAM

AICPA® Peer Review Program

Administered in Ohio by The Ohio Society of CPAs

December 19, 2014

Jeffrey A Harr, CPA  
Balestra, Harr & Scherer, CPAs, Inc.  
129 Pinckney St  
Circleville, OH 43113

Dear Mr. Harr:

It is my pleasure to notify you that on December 19, 2014 the Ohio Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is November 30, 2017. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

Mark A Malachin, CPA  
Peer Review, Committee Chairman  
peerreview@ohiocpa.com

cc: Lori F Dearfield; Jeffrey A Harr

Firm Number: 10081709

Review Number 356610

Letter ID: 947028



Kelley Galloway  
Smith Goolsby, PSC

Certified Public Accountants and Advisors

1200 Corporate Court • P.O. Box 990 • Ashland, Kentucky 41102

• Phone (606) 329-1811 (606) 329-1171 • Fax (606) 329-8756 (606) 325-0590

• Web [www.ksgcpa.com](http://www.ksgcpa.com) Member of PKF North America

## SYSTEM REVIEW REPORT

November 18, 2014

To the Shareholders of  
Balestra, Harr & Scherer, CPAs, Inc.  
and the Peer Review Committee of the Ohio Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Balestra, Harr & Scherer, CPAs, Inc. (the firm) in effect for the year ended May 31, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Balestra, Harr & Scherer, CPAs, Inc. in effect for the year ended May 31, 2014, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)* or *fail*. Balestra, Harr & Scherer, CPAs, Inc. has received a peer review rating of *pass*.


*Kelley Galloway Smith Goolsby, PSC*

Kelley Galloway Smith Goolsby, PSC




STATE OF OHIO  
COUNTY OF HENRY

Kimberly Imm, being first duly sworn, states that she is the Assistant Publisher of The Bryan Publishing Company, owner of The Northwest Signal, a daily newspaper, published and of general circulation in the county of Henry aforesaid, and that the annexed notice was published in one issue in said paper, on the 18th day of September 2017.

  
Kimberly Imm

Subscribed and sworn to before me this 19th day of September, 2017

  
Beverly Griteman  
Notary Public,  
State of Ohio  
My Commission Expires  
February 13, 2021

Printer's Fee: \$122.10

Notary Fee: \$1.50

**LEGAL NOTICE**

**Summary of Resolution No. (s) 054-17**

(PURSUANT TO ARTICLE II, SECTION 2,15 OF THE CITY CHARTER, CHAPTER 121 OF THE CODE OF ORDINANCES AND COUNCIL RULE 6.2.4.1, AS WELL AS APPLICABLE PROVISIONS OF ORC CHAPTER 731)

**NOTICE**

A copy of the complete text of the above named Ordinance(s) and Resolution(s) are on file in the office of the City Finance Director and may be viewed or obtained during business hours of 7:30 AM to 4:00 PM, Monday through Friday, at the office of the Finance Director, the location being 255 West Riverview Avenue, Napoleon, Ohio. A copy of all or part of the above named Ordinances and Resolutions, or any item mentioned in this notice, may be obtained from the City Finance Director upon the payment of a reasonable fee therefore.

**RESOLUTION 054-17**

**A RESOLUTION AUTHORIZING THE EXPENDITURE OF FUNDS OVER TWENTY FIVE THOUSAND DOLLARS (\$25,000.00) FOR THE PURPOSE OF THE CITY OF NAPOLEON, OHIO ANNUAL AUDITS FOR THE YEARS ENDING DECEMBER 31, 2017 THROUGH DECEMBER 31, 2021, AND AUTHORIZING THE FINANCE DIRECTOR OF THE CITY OF NAPOLEON, OHIO TO ENTER INTO A CONTRACT FOR SAID AUDITS WITH THE INDEPENDENT PUBLIC ACCOUNTANT (IPA) OF BHM CPA GROUP, INC. THROUGH THE AUDITOR OF STATE OF OHIO; AND DECLARING AN EMERGENCY**

In this legislation, the City of Napoleon authorized the expenditure of funds over \$25,000.00 for the annual audits of the years ending December 31, 2017 through December 31, 2021, and authorized the Finance Director to enter into a contract through the Auditor of State for said audits.

All of the above summaries are approved as to form and correctness by Billy D. Harmon, City Law Director

## ORDINANCE NO. 057-17

### **AN ORDINANCE AMENDING CHAPTER 1501, SECTION 1501.01, “ADOPTION”, OF PART 15 OF THE CODIFIED CODE OF THE CITY OF NAPOLEON, OHIO; AND DECLARING AN EMERGENCY**

**WHEREAS**, City Council recently reviewed the City of Napoleon Codified Ordinances in an effort to keep up to date with current regulations; and,

**WHEREAS**, the Safety and Human Resources Committee met on August 28, 2017 and reviewed the current language pertaining to Section 1501.01 of Chapter 1501 of the City of Napoleon Codified Ordinances and determined that due to the Ohio Fire Code (OFC) being periodically amended and adopted by the Ohio Division of State Fire Marshal, the City of Napoleon Codified Ordinance language should be amended from “*There is hereby adopted by the Municipality, the 2007 Ohio Fire Code . . .*” to read “*There is hereby adopted by the Municipality, the most recent edition of the Ohio Fire Code (OFC) as adopted by the Ohio Division of State Fire Marshal, Department of Commerce, and as published in Division 1301:7 of the Ohio Administrative Code (OAC).. .*”. The effective date of this Ordinance will be in accordance with the most recently adopted Ohio Fire Code.

**WHEREAS**, this Council has considered all recommendations, now deems appropriate that the City of Napoleon, Ohio Codified Ordinances amend and adopt the above stated language, which shall be implemented until amended by this Council; **Now Therefore**,

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NAPOLEON, OHIO:**

**Section 1.** That Part XV, Fire Prevention Code, Section 1501.01 of the City of Napoleon Codified Ordinances shall be amended to reads as follows:

#### **1501.01 Adoption**

**There is hereby adopted by the Municipality, the most recent edition of the Ohio Fire Code (OFC) as adopted by the Ohio Division of State Fire Marshal, Department of Commerce, and as published in Division 1301:7 of the Ohio Administrative Code (OAC).**

**Section 2.** That Part XV, Fire Prevention Code, Section 1501.01 of the City of Napoleon Codified Ordinances, as existed prior to the enactment of this Ordinance, is repealed and replaced in its entirety.

**Section 3.** That, it is found and determined that all formal actions of this City Council concerning and relating to the adoption of this Ordinance were adopted in open meetings of this City Council, and that all deliberations of this City Council and any of its committees that resulted in such formal actions were in compliance with all legal



requirements, including Section 121.22 of the Ohio Revised Code and the Codified Ordinances of Napoleon Ohio.

**Section 4.** That, if any other prior Ordinance or Resolution is found to be in conflict with this Ordinance, then the provisions of this Ordinance shall prevail. Further, if any portion of this Ordinance is found to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance or any part thereof.

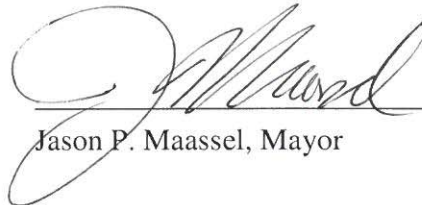
**Section 5.** This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the City and for the further reason that this Ordinance is required to be in effect at the earliest possible time to allow for emergency services to be rendered in a timely manner, emergency services also utilized by the City inhabitants when needed outside the City's jurisdictional boundaries; therefore, provided it receives the required number of votes for passage as emergency legislation, it shall be in full force and effect immediately upon its passage; otherwise, it shall be in full force and effect at the earliest time permitted by law.

Passed: 09-18-2017



Travis B. Sheaffer, Council President

Approved: 09-18-2017



Jason P. Maassel, Mayor

VOTE ON PASSAGE 7 Yea 0 Nay 0 Abstain

Attest:



Gregory J. Heath, Clerk/Finance Director

I, Gregory J. Heath, Clerk/Finance Director of the City of Napoleon, do hereby certify that the foregoing Ordinance No. 05717 was duly published in the Northwest Signal, a newspaper of general circulation in said City, on the 26th day of September, 2017; & I further certify the compliance with rules established in Chapter 103 of the Codified Ordinances Of Napoleon Ohio and the laws of the State of Ohio pertaining to Public Meetings.



Gregory J. Heath, Clerk/Finance Director

## ORDINANCE NO. 057-17

### AN ORDINANCE AMENDING CHAPTER 1501, SECTION 1501.01, “ADOPTION”, OF PART 15 OF THE CODIFIED CODE OF THE CITY OF NAPOLEON, OHIO; AND DECLARING AN EMERGENCY

**WHEREAS**, City Council recently reviewed the City of Napoleon Codified Ordinances in an effort to keep up to date with current regulations; and,

**WHEREAS**, the Safety and Human Resources Committee met on August 28, 2017 and reviewed the current language pertaining to Section 1501.01 of Chapter 1501 of the City of Napoleon Codified Ordinances and determined that due to the Ohio Fire Code (OFC) being periodically amended and adopted by the Ohio Division of State Fire Marshal, the City of Napoleon Codified Ordinance language should be amended from “*There is hereby adopted by the Municipality, the 2007 Ohio Fire Code . . .*” to read “*There is hereby adopted by the Municipality, the most the most recent edition of the Ohio Fire Code (OFC) as adopted by the Ohio Division of State Fire Marshal, Department of Commerce, effective January 1, 2017, and as published in Division 1301:7 of the Ohio Administrative Code (OAC). . .*”. The effective date of this Ordinance will be in accordance with the most recently adopted Ohio Fire Code.

**WHEREAS**, this Council has considered all recommendations, now deems appropriate that the City of Napoleon, Ohio Codified Ordinances amend and adopt the above stated language, which shall be implemented until amended by this Council; **Now Therefore**,

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NAPOLEON, OHIO:**

**Section 1.** That Part XV, Fire Prevention Code, Section 1501.01 of the City of Napoleon Codified Ordinances shall be amended to reads as follows:

#### **1501.01 Adoption**

**There is hereby adopted by the Municipality, the most the most recent edition of the Ohio Fire Code (OFC) as adopted by the Ohio Division of State Fire Marshal, Department of Commerce, effective January 1, 2017, and as published in Division 1301:7 of the Ohio Administrative Code (OAC).**

**Section 2.** That Part XV, Fire Prevention Code, Section 1501.01 of the City of Napoleon Codified Ordinances, as existed prior to the enactment of this Ordinance, is repealed and replaced in its entirety.

**Section 3.** That, it is found and determined that all formal actions of this City Council concerning and relating to the adoption of this Ordinance were adopted in open meetings of this City Council, and that all deliberations of this City Council and any of its committees that resulted in such formal actions were in compliance with all legal



STATE OF OHIO  
COUNTY OF HENRY

Kimberly Imm, being first duly sworn, states that she is the Assistant Publisher of The Bryan Publishing Company, owner of The Northwest Signal, a daily newspaper, published and of general circulation in the county of Henry aforesaid, and that the annexed notice was published in one issue in said paper, on the 25th day of September 2017.

Kimberly Imm  
Kimberly Imm

Subscribed and sworn to before me this 26<sup>th</sup> day of September, 2017

Beverly Griteman  
Beverly Griteman  
Notary Public,  
State of Ohio  
My Commission Expires  
February 13, 2021

Printer's Fee: \$188.70

Notary Fee: \$1.50

Summary of Ordinance No.(s) 038-17; 057-17 and  
Resolution No.(s) 051-17; 052-17

(PURSUANT TO ARTICLE II, SECTION 2.15 OF THE CITY CHARTER, CHAPTER 121 OF THE CODE OF ORDINANCES AND COUNCIL RULE 6.2.4.1, AS WELL AS APPLICABLE PROVISIONS OF ORC CHAPTER 731)

NOTICE

A copy of the complete text of the above named Ordinance(s) and Resolution(s) are on file in the office of the City Finance Director and may be viewed or obtained during business hours of 7:30 AM to 4:00 PM, Monday through Friday, at the office of the Finance Director, the location being 255 West Riverview Avenue, Napoleon, Ohio. A copy of all or part of the above named Ordinances and Resolutions, or any item mentioned in this notice, may be obtained from the City Finance Director upon the payment of a reasonable fee therefore.

Ordinance 038-17

AN ORDINANCE REPEALING SECTION 711 OF PART 7 OF THE CITY OF NAPOLEON, OHIO CODIFIED ORDINANCES, SPECIFICALLY AMUSEMENT DEVICES AND ARCADES

In this legislation, the City of Napoleon repealed Section 711 of the City of Napoleon, Ohio Codified Ordinances.

Ordinance 057-17

AN ORDINANCE AMENDING CHAPTER 1501, SECTION 1501.01, "ADOPTION", OF PART 15 OF THE CODIFIED CODE OF THE CITY OF NAPOLEON, OHIO; AND DECLARING AN EMERGENCY

In this legislation, the City of Napoleon amended language in Section 1501.01 of the City of Napoleon, Ohio Codified Ordinances.

Resolution 051-17

A RESOLUTION ACCEPTING THE AMOUNTS AND RATES AS DETERMINED BY THE BUDGET COMMISSION AND AUTHORIZING THE NECESSARY TAX LEVIES AND CERTIFYING THEM TO THE COUNTY AUDITOR FOR THE 2017 TAX DUPLICATES PAYABLE IN YEAR 2018; AND DECLARING AN EMERGENCY

In this legislation, the City of Napoleon authorized the Finance Director to certify necessary tax levies to the County Auditor.

Resolution 052-17

A RESOLUTION AUTHORIZING AND DIRECTING THE FINANCE DIRECTOR/CLERK TO CERTIFY AND FILE ANNUAL SPECIAL ASSESSMENTS OF THE CITY OF