



RIVERBEND RESOLUTION NO. 20170510-05

AUTHORIZING THE EXECUTIVE DIRECTOR/CEO, ELIZABETH FAZIO HALE, TO EXECUTE AN INTERLOCAL AGREEMENT/CONTRACT FOR SERVICES WITH HOLLIDAY, LEMONS & COX, PC FOR NON-AUDIT ACCOUNTING SERVICES

WHEREAS, Riverbend Water Resources District is a conservation and reclamation district created under and essential to accomplish the purposes of Section 59 Article XVI, Texas Constitution, existing pursuant to and having the powers set forth in Chapter 9601 of the Special District Local Laws Code of the State of Texas; and

WHEREAS, Riverbend Water Resources District has a need for monthly non-audit accounting services for the period beginning on or about June 1, 2017 and ending on May 31, 2018; and

WHEREAS, Riverbend Water Resources District has a need for the following non-audit accounting services: comply with the requirements of Governmental Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standard Board Statement No. 34 (GASB 34), Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments; review and report on all internal accounting functions, i.e. accounts receivable, accounts payable, payroll preparation and reporting, bank reconciliations, financial statement preparation, including operating, administrative and project budgets; provide an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to Riverbend; provide accounting guidance and advice on routine and complex governmental accounting transactions and journal entries under generally accepted accounting principles; answer technical questions and provide comprehensive guidance on accounting transactions dealing with financial statement components such as revenues, expenses, receivables, payables, loans, securities and bonds; prepare quarterly financials for two enterprise funds: Wet Utilities and Administration Member Funds that will be approved quarterly at Regular or Special Called Board Meeting; and attend monthly Board of Directors Meetings on a quarterly basis in order to provide a presentation of the quarterly financials; and

WHEREAS, the Executive Director/CEO has completed the formal Request for Qualifications ("RFQ") for non-audit accounting and financial services; and

WHEREAS, Holliday, Lemons, & Cox, PC and Wilf & Henderson, PC both provide certain needed non-audit accounting and financial services, both are qualified and certified to



perform these services, and each has submitted acceptable proposals in response to the formal RFQ; and

WHEREAS, the Executive Director/CEO, along with Board Member Fred Milton and Financial Director Becky Melton (the RFQ Evaluation Committee), met and assigned a raw score to each such entity based upon its review of factors relative to the proposals submitted to include the quality of response, team organization; project experience; project approach; and summary, with said raw scoring resulting in the following order as to preferred provides for the services sought: Holliday Lemons & Cox, PC - 82 and Wilf & Henderson, PC - 81; and

WHEREAS, Holliday, Lemons & Cox, PC, based upon the review by the RFQ Evaluation Committee, has submitted a superior proposal, and is fully qualified and certified to perform these services; and

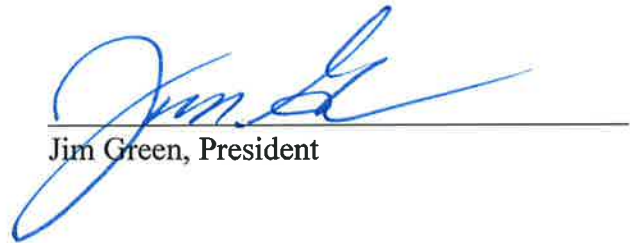
WHEREAS, in the event, at the Executive Director/CEO's discretion, an acceptable non-audit accounting and financial services agreement cannot be negotiated with Holliday, Lemons & Cox, PC, the Executive Director/CEO may negotiate the same pursuant to the terms set forth herein with Wilf & Henderson, PC; and

WHEREAS, the water rates study and planning services sought by Riverbend Water Resources District as provided herein shall be in an amount not to exceed \$45,000, absent further Resolution of this Board; and

NOW, THEREFORE, BE IT RESOLVED that the Executive Director/CEO shall be and is hereby authorized to negotiate and enter into an interlocal agreement/contract for non-audit accounting and financial services with Holliday, Lemons & Cox, PC, or alternatively, to negotiate and enter into the same with Wilf & Henderson, PC under the same terms for an amount not to exceed \$45,000 total for non-audit accounting and financial services annually, absent further Resolution by this Board. Any agreement/contract must be reviewed by general counsel.

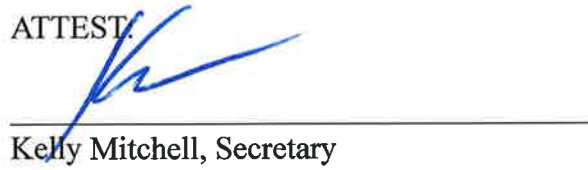


PASSED and APPROVED this 10th day of May, 2017

A blue ink signature of Jim Green, written in a cursive style, is positioned above a horizontal line.

Jim Green, President

ATTEST.

A blue ink signature of Kelly Mitchell, written in a cursive style, is positioned above a horizontal line.

Kelly Mitchell, Secretary

Attached: Engagement Letter or Services Agreement/Contract with Holliday, Lemons & Cox, PC

HOLLIDAY, LEMONS & COX, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

May 15, 2017

Ms. Elizabeth Fazio Hale
Executive Officer/CEO
Riverbend Water Resources District
228 Texas Avenue, Suite A
New Boston, TX 75570

Dear Elizabeth,

We are pleased to confirm our understanding of the services we are to provide for Riverbend Water Resources District for the fiscal period June 1, 2017 through May 31, 2018.

We will prepare the financial statements of Riverbend Water Resources District, which comprise the annual and quarterly balance sheets and the related statements of revenue, expenses and changes in net position for the related period from June 1, 2017 through May 31, 2018, and perform a compilation engagement with respect to those financial statements. These financial statements will not include related notes to the financial statements as required by accounting principles generally accepted in the United States of America. The supplementary information accompanying the compiled financial statements will be presented for purposes of additional analysis. The supplementary information will be compiled from information that is the representation of management. We will not audit or review the supplementary information. We will not express an opinion, a conclusion, or provide any assurance on such supplementary information.

We will assist your bookkeeper in adjusting the books of accounts with the objective that she will be able to prepare a working trial balance from which financial statements can be prepared. Your bookkeeper will provide us with a detailed trial balance and any supporting schedules we require.

We will be available for financial consultations and board meeting financial presentations.

Our Responsibilities

The objective of our engagement is to –

1. prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you and

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AICPA'S PRIVATE COMPANIES PRACTICE SECTION

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2. apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

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

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial statements.

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

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Your Responsibilities

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

1. The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
2. The preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America and the inclusion of all informative disclosures that are appropriate for accounting principles generally accepted in the United States of America, if applicable.
3. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements.
4. The prevention and detection of fraud.
5. To ensure that the District complies with the laws and regulations applicable to its activities.

6. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
7. To provide us with –
 - access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters.
 - additional information that we may request from you for the purpose of the compilation engagement.
 - unrestricted access to persons within the District of whom we may determine it necessary to make inquiries.

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

Our Report

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

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

Other Relevant Information

Rhonda K. Jones, Certified Public Accountant, is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our services will be billed at \$3,500 per quarter as described above. Additional services will be billed at our standard hourly rates. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. Amounts not paid within 30 days of the invoice date will be subject to a late payment charge of 1.5% per month (18% per year).

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

You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate it with you regarding the scope of the additional services and the estimated fee. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, or services will continue to be governed by the terms of this engagement letter.

Holliday, Lemons, & Co., P.C.

Acknowledged:

Riverbend Water Resources District

Stephanie J. Hale
Signature

Executive Director / CEO
Title