



# City of Kotzebue, AK

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## Accounting & Advisory Services Agreement

September 18, 2024

9/18/2024

Ms. Tessa Baldwin  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752

Dear Ms. Baldwin,

We are pleased to submit this agreement to engage with Altman, Rogers & Company for your accounting and advisory needs. This agreement explains the terms and objectives of our accounting and advisory services and to clarify the nature and extent of the accounting and related services to be provided.

If the accounting and advisory services our firm provides is expanded or altered in any other way, this accounting and advisory service agreement will be amended and signed by both parties. Those changes will supersede any prior accounting and advisory service agreements.

We welcome this opportunity to provide your organization the quality of services our current clientele has come to expect.

If you have any questions regarding this agreement, please contact your engagement principal:

This agreement will be in effect until either party terminates the engagement.

Steve Wadleigh, CPA  
Principal  
(907) 274-2992  
steve@altrogco.com

### ***Your Responsibilities***

You authorize Altman, Rogers & Co. to accept instructions from you and/or from the staff you designate for this engagement.

A representative of City of Kotzebue is responsible for assuming all management responsibilities, and for overseeing any accounting or related services we provide. This representative should be, when possible, an individual within senior management who possesses suitable skill, knowledge, or experience. In addition, a representative for your organization is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services.

None of the services can be relied on to disclose errors, fraud, or illegal acts. However, we will inform you of any material errors and of any evidence or information that comes to our attention during the performance of our review procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of the review process regarding illegal acts that may have occurred, unless they are clearly inconsequential. We are not responsible for identifying items or issues with accounting records prior to your engagement with our firm.

You should retain all accounting documents including canceled checks and other data for your income tax purposes. These may be necessary to prove the accuracy and completeness of any returns filed with a taxation authority. We will not keep any of your original records, and any original records we are provided during the course of our engagement will be returned to you upon termination of this agreement.

You agree you are responsible for the proper recordkeeping of transactions in the records, the safekeeping of assets, and the preparation and fair presentation of the financial statements in accordance with GAAP– accounting principles generally accepted in the United States of America, the cash basis of accounting, and the basis of accounting City of Kotzebue uses for income tax purposes. In addition, we have no responsibility to identify deficiencies or material weaknesses in your internal control as part of this engagement.

You are responsible to make staff available during our ongoing work with you, provide timely responses to questions and calls for decisions, and devote the resources necessary to achieve the objectives of the engagement. If the information you provide is not submitted in a timely manner or is incomplete or unusable, we reserve the right to charge additional fees and expenses for services required to correct the problem and/or update your accounting records upon receipt of past-due information. If this occurs, we will contact you to discuss the matter and the anticipated delay in performing our services. We reserve the right to suspend or terminate our work. Upon suspension or termination, we will use commercially reasonable efforts to transfer information in our possession that City of Kotzebue is entitled to per the AICPA Code of Professional Conduct to the City of Kotzebue or its designated representative.

Any information, data, or documentation required by Altman, Rogers & Co. to meet any filing or reporting deadlines for those services listed in Exhibit B must be received timely. Any penalties or fines incurred by City of Kotzebue due to late filing or reporting because of missed deadlines due to data received late by Altman, are the responsibility of City of Kotzebue.

City of Kotzebue owns the data that Altman, Rogers & Co. processes and reports on behalf of City of Kotzebue . If we provide customized reporting created by our staff for use by City of Kotzebue, such customized reports are the property of Altman, Rogers & Co.

It is your responsibility to report and/ or file any business-related licenses.

### ***Requests for Additional Services***

We want to ensure that you are never surprised by the price for any service we provide. Therefore, we have adopted a “Service Order” Policy. If you request that we provide services beyond those outlined in this agreement we will be happy to provide you with a “Service Order” outlining the scope of that request, our fees, and anticipated timeline for those services. Although we strive to meet your needs, we reserve the right to decline a request for additional services that is outside the scope of services we provide, our expertise or for any other reason. A “Service Order Request” form is provided in Exhibit D. Any such requests will be considered addendums to this agreement.

**Staff Engagement**

We value each and every one of our clients as well as each and every one of our employees. We have spent a great deal of time and resources to locate, train, and retain our employees. We respectfully request that you do not solicit our employees to work for you. If you do hire one of our employees within two (2) years of when they last worked for Altman, Rogers & Co., we will be due a finder's fee equal to 100% of the annual salary they were earning as of their last day of employment. Payment will be due within ten (10) days of your receipt of our invoice.

**Transfer of Information and Documents**

Due to the increase in mail and financial fraud, we require that all documentation and data be submitted electronically. We cannot be held responsible for documents sent via mail that is not received by our firm.

We will not keep client check stock on hand. If City of Kotzebue uses manual checks, City of Kotzebue is responsible for distribution of said checks.

We will not handle cash for clients. If City of Kotzebue accepts cash payment, City of Kotzebue is responsible for its storage and deposit.

**Technology Disclaimer**

Altman, Rogers & Co. does not assume liability for third party applications, warranties, etc.

City of Kotzebue is responsible for backing up and maintaining its computer systems.

All costs for application hosting, if not paid directly by City of Kotzebue are due in full in advance of each purchase. Depending on the nature of the purchase, you may be billed by our firm or by the vendor directly. Payment for ongoing subscription services (such as application hosting) requires automatic billing to your credit card or checking account.

**On- Site Requests**

If you request on-site training, advisory, or other consulting services from our firm, all fees will be billed at a fee of **\$225.00** per hour plus travel and any out-of-pocket expenses.

All estimated time and trip charges are due and payable to confirm appointment. In the event that you cancel a scheduled appointment, any airfare or other charges we have already incurred related to this appointment will be nonrefundable. Appointment cancellations received with less than forty-eight (48) hours' notice will be considered 100% billable and nonrefundable.

**Legally Required Services**

In the event that we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our standard hourly rates at the time the services are performed. We will request a retainer payment in advance of the services being performed, as well as ongoing replenishments of the retainer. You also agree to reimburse us for all out-of-pocket expenses incurred in that regard.

**Confidentiality**

Altman, Rogers & Co. agrees to take reasonable steps to protect all Confidential Information and to use the Confidential Information only in connection with performing the services hereunder. For purposes of this agreement, Confidential Information shall mean any and all information which is private and not in the public domain about City of Kotzebue that is provided, obtained, or produced in connection with the services in written, oral, digital or other tangible form, including, without limitation, all information furnished at any time relating to City of Kotzebue’s business, customers, intellectual property, processes, strategies, all portions of any analyses, compilations, data, studies, or other documents prepared by Altman, Rogers & Co. that contain or are based on any furnished information or that reflect its review of such information, and any and all information concerning City of Kotzebue’s plans and activities, ideas, projects, software, methodologies, processes, tools, experience, customers and suppliers, financial information, and any other information, which ought reasonably under the circumstances to be considered confidential (the “Confidential Information”). Altman, Rogers & Co. agrees to take reasonable steps necessary to ensure that the confidentiality of the Confidential Information is maintained and that such Confidential Information is protected from unauthorized disclosure, but not to a greater extent than City of Kotzebue itself uses to protect Confidential Information. Without limiting the generality of the foregoing, Altman, Rogers & Co. shall not disclose Confidential Information to any party outside its organization, without the prior written approval of City of Kotzebue. Altman, Rogers & Co. represents that, as a matter of policy, it informs its personal concerning maintaining the confidentiality of client information. The parties hereto agree that equitable relief, including injunctive relief and specific performance, shall be available in the event of any breach of the provisions of this agreement. Such remedies shall not be deemed to be the exclusive remedies for a breach of this agreement but shall be in addition to all other remedies available at law or equity.

You assume all responsibility relating to adherence with privacy and disclosure requirements relating to the use and sharing of information in your industry.

You acknowledge that the proprietary information, documents, materials, management techniques, and other intellectual property we use are a material source of the services we perform and that these were developed prior to our association with you. Any new forms, software, documents, or intellectual property we develop in this engagement for your use shall belong to us, and you shall have the limited right to use them solely within your business. All report templates, manuals, forms, checklists, questionnaires, letters, agreements (including this one), and other documents, which we make available to you, are confidential and proprietary to us. Any and all new documents created as a result of this engagement will automatically become our property. Neither you, nor any of your agents, will copy, electronically store, reproduce, or make available to anyone other than your personnel, any such documents. This agreement will apply to all materials whether in digital or “hard copy” format. Any requested workpapers from Altman, Rogers & Co. will be provided in Portable Document Format (.PDF) to ensure the integrity of the information reported.

**Insurance**

City of Kotzebue confirms that the appropriate business and other related insurance are in place to cover the scope of this agreement and any service order additions or amendments. In turn, Altman, Rogers & Co. carries professional liability and other insurance required to operate as a certified public accounting firm.

***Third Party Disclosure and the use of Third Party Services***

Unless you indicate otherwise, you consent to and authorize our firm to transmit confidential information that you provide to us to third parties in order to facilitate delivering our services to you. Examples of such transmissions may include, but are not limited to, the access to your contact information by members of our team (independent contractors such as consultants, administrative assistants, or third party developers), transfer of accounting information and other data files via the internet, online back-up services, web site developer and hosting services (for newsletter and order processing), or a credit card processing company. We only work with established companies that we believe to be reputable and that have demonstrated their commitment to safeguarding your data. As the paid provider of professional services, our firm remains responsible for exercising reasonable care in providing such services, and our work product will be subjected to our firm's customary quality control procedures. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

***Electronic (Email) Communications***

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

***Record Retention***

During the course of our work with you, we will use one or more third party applications (including internet-based application providers) to provide portions of our services to you. This may include online filing of your Accounts Payable or other business documents. By signing this agreement, you confirm that you understand the services being provided and also agree that Altman, Rogers & Co. is not liable for record retention or any other aspect of the services provided by these 3<sup>rd</sup> parties, even if we absorb the cost (in part or in full) of a third party service as a benefit to you. You at all times assume responsibility for a decision to maintain hard copies of your original documents or to limit your document retention to the digital copies stored by the web application.

It is our policy to keep our electronic and work paper files electronically for seven (7) years, unless otherwise required by tax or other regulatory agencies. All work paper and miscellaneous report copies that we are not required to retain are discarded at the conclusion of the engagement. At the end of seven (7) years, electronic files may be erased.

In the unlikely event that we do obtain any hard copy documents from you, all original paper documents provided by you will be returned to you promptly as our work is complete. We do not keep copies of all documents. It is your responsibility to safeguard your documents in case of future need. We may occasionally keep some copies we deem necessary to our work.

Our workpapers are the property of our firm and will be maintained by us in accordance with our firm's record retention policy and any applicable legal and regulatory requirements. Our workpapers are not a substitute for your own records and do not mitigate your record retention obligations under any applicable laws or regulations. Our policies require that we maintain workpapers for seven (7) years. Catastrophic events or physical deterioration may result in damage to or destruction of our firm's records, causing the records to be unavailable before the expiration of the retention period as stated in our record retention policy.

### ***Mediation/Arbitration***

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. Costs of any mediation proceeding shall be shared equally by all parties.

City of Kotzebue and Altman, Rogers & Co. both agree that any dispute over fees charged by Altman, Rogers & Co. to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees charged by Altman, Rogers & Co., each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

### ***Third Party Settlements***

In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, then to the extent that such obligation is or may be a direct or indirect result of your intentional or knowing misrepresentation or provision to us of inaccurate or incomplete information in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify us, defend us, and hold us harmless as against such obligations.

### ***Governing Law***

This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska, without regard to the principles of conflicts of law thereof.

### ***Assignment***

All obligations provided under this Agreement are between Altman, Rogers & Co, and City of Kotzebue and neither party shall assign any rights or delegate any obligations hereunder without the other party's prior written consent. Any attempted assignment without the required consent shall be null and void.

**Conclusion**

This letter sets forth the entire agreement relating to our work with you. This letter supersedes any prior agreements, discussions or understandings. No amendment or modification of this agreement shall be valid unless in writing, signed by both parties to this agreement. As indicated earlier in this agreement, you may request that we perform additional services at a future date beyond the scope of this engagement letter. If this occurs, we will communicate with you regarding the scope and estimated cost of these additional services. Engagements for additional service will necessitate that we issue a Service Order as an addendum to this agreement, or a separate agreement to reflect the obligations of both parties. This agreement and any stated fees will expire within ten (10) days of the agreement date unless signed and accepted within that time. At that time, Altman, Rogers & Co. reserves the right to amend this agreement and the terms that lie within.

Any additional entities for which we are engaged to perform services will be documented in a separate agreement.

**AGREED TO AND ACCEPTED:**

The foregoing is in accordance with my understanding of your engagement to provide accounting and related services. The terms in this agreement are acceptable and are hereby agreed to.

Sincerely,



Steve E. Wadleigh, CPA  
Principal  
ALTMAN, ROGERS & CO.

**APPROVED:**

The above letter and the supporting Exhibit (s) confirms our understanding of the services to be performed and the limitations of those services.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

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

\_\_\_\_\_  
Date



**EXHIBIT A: Scope of Work**

<u>Service Type</u>	<u>Monthly</u>	<u>Quarterly</u>	<u>Annually</u>	<u>Other</u>
<b>I. Advisory Services</b>				
Prepare financial statements (internal use only) <sup>1</sup>				
Budgeting and/ or Forecasting			XX	
Recurring management reporting and consulting meeting with client representative				
Key Performance Indicators (KPIs) (Reporting on key areas to help organization's overall long-term performance)				
If KPIs are required, what type of reporting is needed:				
Revenue Growth				
Current Accounts Receivables				
Operational Cash Flow				
Other: _____				
Audit Prep			XX	
Controller/ Financial Manager/ Finance Director (Virtual)				
CFO (Virtual)				XX

**EXHIBIT B: Fees**

Our rates for these services for the current calendar year are as follows and are subject to annual increases:

<b>Staff Level</b>	<b>Rate Per Hour</b>
Senior Advisory Consultant	\$225
Partner Rate (if needed)	\$325