

COUNTY OF SOLANO

REQUESTED PROJECTION: DEPARTMENT 9886 - DIXON PUBLIC LIBRARY

FOR THE FISCAL YEAR 2012-2013

SUBJECT CATEGORY DESCRIPTIONS	PRIOR YEAR ACTUALS	WORKING BUDGET	YTD ACTUALS PLUS ENCUMBRANCES	NY REQUESTED BUDGET 2013	CHANGE BETWEEN RQ AND WB
0009605 LIBRARY FINES	14,214	14,500	12,067	14,500	0
<b>TOTAL Charges For Services</b>	<b>\$ 18,304</b>	<b>\$ 18,500</b>	<b>\$ 15,643</b>	<b>\$ 18,500</b>	<b>\$ 0</b>
9700 - Misc Revenues					
0009702 CASH OVERAGE	0	0	2	0	0
0009704 DONATIONS AND CONTRIBUTIONS	4,362	3,930	3,125	3,930	0
0009708 MISCELLANEOUS SALES-OTHER	2,153	1,500	1,330	1,500	0
<b>TOTAL Misc Revenues</b>	<b>\$ 6,516</b>	<b>\$ 5,430</b>	<b>\$ 4,457</b>	<b>\$ 5,430</b>	<b>\$ 0</b>
9800 - Other Financing Sources					
TOTAL EXPENSE	1,221,546	999,263	841,595	939,823	(60,440)
TOTAL REVENUE	927,859	892,802	899,129	939,823	47,021
<b>GRAND TOTAL</b>	<b>\$ (293,687)</b>	<b>\$ (106,461)</b>	<b>\$ 57,534</b>	<b>\$ 0</b>	<b>\$ 107,461</b>

**DIXON PUBLIC LIBRARY DISTRICT  
GOVERNING BOARD OF LIBRARY TRUSTEES**

SUBJECT: NEW BUSINESS

MEETING DATE: 8/22/2012

AGENDA ITEM: 12 c

ITEM SUBMITTED FOR

CONSENT

PUBLIC HEARING

ACTION, INFORMATION, DISCUSSION

ACTION

RESOLUTION

RECEIVE

DISCUSSION

SUBMITTED BY: N Schrott

PRESENTED BY: N Schrott

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LIBRARY RECOMMENDATIONS: Mission Statement written by Catherine Dunn, Katrina Bergen and Nancy Schrott

DISCUSSION: A committee of Librarians is the appropriate way to write a Mission Statement. If there is controversy, a larger committee which would include other staff members would be appropriate. The other staff polled liked the Statement and so it is ready to be presented to the Board.

FINANCIAL IMPACT:

The Dixon Public Library provides access to collections, technologies and programs that enrich, educate and empower every individual and meet the changing needs of our diverse community.

DIXON PUBLIC LIBRARY DISTRICT  
GOVERNING BOARD OF LIBRARY TRUSTEES

SUBJECT: INDEPENDENT AUDIT CONTRACT

MEETING DATE: 8/22 /2012

AGENDA ITEM: 12f

ITEM SUBMITTED FOR

- CONSENT
- PUBLIC HEARING
- ACTION, INFORMATION, DISCUSSION
- ACTION
- RESOLUTION
- RECEIVE
- DISCUSSION

WRITTEN BY: SCOTT HOLBROOK

PRESENTED BY:

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LIBRARY RECOMMENDATIONS:

DISCUSSION:

FINANCIAL IMPACT:

## PROFESSIONAL CONSULTANT SERVICES AGREEMENT

**THIS PROFESSIONAL CONSULTANT AGREEMENT** (the "Agreement") is made and entered into as of August 8, 2012 (the "Effective Date") by and between the Dixon Public Library District, (the "District"), and Stephen Roatch Accountancy Corporation ("Consultant"). The District and the Consultant are collectively referred to in this Agreement individually as "Party" and collectively as the "Parties." This Agreement is made with reference to the following facts:

A. **WHEREAS**, the District desires to engage Consultant because of Consultant's special expertise and experience as a Certified Public Accountant and professional auditor for purposes of performing the District's 2010-2011 fiscal year audit; and

B. **WHEREAS**, and Consultant desires to be engaged by the District; and

C. **WHEREAS**, the District and Consultant desire to reduce to writing the terms and conditions of the District's engagement of Consultant.

**NOW, THEREFORE**, in consideration of the mutual covenants set forth below, the Parties hereby agree as follows:

### **ARTICLE I SERVICES TO BE PERFORMED BY CONSULTANT**

#### 1.1 Performance Of Services.

The Parties agree that in addition to the terms of this Agreement, Consultant's performance of the professional audit services are also described in Appendix A to this Agreement (the "Services"). The Services may be performed at the Consultant's offices or at such other location as Consultant chooses, except as may otherwise be provided in Appendix A.

#### 1.2 Method Of Performance And General Supervision.

Consultant will determine the methods, details, and means of performing the Services required by this Agreement. Subject to the foregoing, the District retains the right to inspect, to stop work, to prescribe alterations and generally to monitor Consultant's work to ensure its conformity with the terms of this Agreement.

#### 1.3 Employment Of Assistants.

Consultant may, at Consultant's own expense, employ such assistants as Consultant deems necessary to perform the services required of Consultant by this Agreement. District may not control, direct, or supervise Consultant's assistants or Consultants in the performance of those services.

**ARTICLE II  
TERM AND TERMINATION**

2.1 Term.

This Agreement shall become effective on the Effective Date and shall continue until the services contemplated herein are completed (the "Consulting Term"), unless the Agreement is earlier terminated by either Party in accordance with Section 2.2, below. Consultant shall commence the Services no later than August 8, 2012. This Agreement may be renewed by mutual agreement of the Parties for the purpose of Consultant performing the District's 2011-2012 fiscal year audit which shall be at the same rate as stated in Section 3.1 below, unless otherwise amended by the Parties.

2.2 Termination.

Either Party may terminate this Agreement by providing the other Party with thirty (30) days written notice of termination. Notwithstanding the above, either Party may immediately terminate this Agreement if the other Party has materially breached this Agreement and has failed to cure such breach within ten (10) days of receiving written notice of such breach.

**ARTICLE III  
COMPENSATION**

3.1 Terms Of Payment.

In consideration for all Services to be performed by Consultant, the District agrees to pay Consultant a not to exceed amount of SIX THOUSAND, FIVE HUNDRED Dollars (\$6,500) for all hours worked by Consultant in delivering the Services as specified in Appendix A. The fee is based on anticipated cooperation from the District and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, Consultant will notify the District as soon as the unexpected circumstances arise and provide an estimate of any additional fees required to complete the Services, which must be approved in advance and in writing by the District as an amendment to this Agreement.

Consultant shall keep a log of the days worked by Consultant which designates the project on which Consultant worked each day. Consultant shall submit to the District a statement of services rendered in each month within ten (10) business days after the end of each month. The District agrees to pay the amount due to Consultant for the Services on or before the end of the month following the month in which Services are performed.

3.2 No Payroll Or Employment Taxes.

No payroll or employment taxes of any kind shall be withheld or paid with respect to payments to Consultant. The payroll or employment taxes that are the subject of this paragraph include, but are not limited to, FICA, FUTA, federal personal income tax, state personal income tax, state disability insurance tax, and state unemployment insurance tax.

3.3 Expenses.

Consultant shall be reimbursed for the reasonable and actual out-of-pocket expenses incurred by Consultant in the performance of Consultant's duties and responsibilities under this Agreement, as provided for in Appendix A, provided that Consultant shall first furnish proper vouchers and expense accounts setting forth the information required by the Internal Revenue Service for deductible business expenses.

3.4 Accounting Records Of The Consultant.

Records of the Consultant's direct personnel and authorized reimbursable expenses and records of accounts between the District and Consultant shall be kept on a generally recognized accounting basis, and shall be available for inspection by the District at mutually convenient times.

**ARTICLE IV  
OTHER OBLIGATIONS OF CONSULTANT**

4.1 Workers Compensation And Unemployment Insurance And Licenses.

Consultant shall be responsible for providing, at Consultant's own expense, disability, unemployment and other insurance, workers' compensation, training, permits and licenses for Consultant and for Consultant's employees, agents and independent contractors, as may be required by law.

4.2 Materials And Equipment.

Consultant shall supply all materials and equipment required to perform the Services under this Agreement, except as may be otherwise specified in Appendix A.

4.3 Licenses, Permits, Fees And Assessments.

Consultant shall obtain at Consultant's sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the Services required by this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for Consultant's performance of the Services required by this Agreement.

4.4 Confidentiality.

Consultant acknowledges that, during the term of this Agreement, Consultant may have access to privileged and confidential materials and information in the custody of clients of the District, including, but not limited to, student records. Consultant covenants and agrees to keep such information confidential and not to disclose such information directly or indirectly during, or subsequent to, the term of this Agreement. Consultant further acknowledges that, during the term of this Agreement, Consultant may obtain and have access to certain proprietary or confidential information, knowledge, technology, data, methods, files, records, and client lists relating to the District's business (collectively, the "Confidential Information"), which the

District and Consultant agree are proprietary or confidential in nature. Consultant acknowledges that:

(a) The Confidential Information will be developed and acquired by the District at great expense, is of great significance and value to the District, and constitutes trade secrets;

(b) The Confidential Information will be made known to the Consultant in full reliance on this Agreement;

(c) The Confidential Information is material and critically important to the effective and successful conduct of the District's business operations and activities; and

(d) Any use of the Confidential Information by Consultant other than for the District's benefit in connection with the business relationship between Consultant and the District established by this Agreement will constitute a wrongful usurpation of the Confidential Information by Consultant. The Consultant hereby agrees to forever hold the Confidential Information in strict confidence and secret; provided, however, that Consultant may disclose any or all of the Confidential Information to any corporation, partnership, trust, firm or other business entity not affiliated with the District if prior written consent of the District is obtained by Consultant.

#### 4.5 Insurance

Consultant shall purchase and maintain policies of insurance with an insurer or insurers, qualified to do business in the State of California and acceptable to District which will protect Consultant and District from claims which may arise out of or result from Consultant's actions or inactions relating to the Agreement, whether such actions or inactions be by themselves or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. The aforementioned insurance shall include coverage for:

a. Workers' Compensation and Employers Liability Insurance in accordance with the laws of the State of California.

b. Comprehensive general and auto liability insurance with limits of not less than \$500,000 combined single limit, bodily injury and property damage liability per occurrence, including:

- (1) owned, non-owned and hired vehicles;
- (2) blanket contractual;
- (3) broad form property damage;
- (4) products/completed operations; and
- (5) personal injury.

Each policy of insurance required in (b) above shall name District and its officers, agents and employees as additional insureds; shall state that, with respect to the operations of Consultant hereunder, such policy is primary and any insurance carried by District is excess and non-contributory with such primary insurance; shall state that not less than thirty (30) days'



written notice shall be given to District prior to cancellation; and shall waive all rights of subrogation. Consultant shall notify District in the event of material change in, or failure to renew, each policy. Prior to commencing work, Consultant shall deliver to District certificates of insurance as evidence of compliance with the requirements herein. In the event Consultant fails to secure or maintain any policy of insurance required hereby, District may, at its sole discretion, secure such policy of insurance in the name of and for the account of Consultant, and in such event Consultant shall reimburse District upon demand for the cost thereof.

#### 4.6 Indemnification.

To the fullest extent permitted by law, Consultant shall fully indemnify, defend and hold harmless the District, its employees, agents and independent contractors from claims, demands, causes of actions and liabilities of every kind and nature whatsoever arising out of or in connection with Consultant's services performed under this Agreement. This indemnification shall extend to claims occurring after this Agreement is terminated as well as while it is in force. This indemnity shall apply regardless of any active and/or passive negligent act or omission of Consultant, or its agents or Consultants.

#### 4.7 Return Of District Property.

On the termination of this Agreement or whenever requested by the District, Consultant shall immediately deliver to the District all property in Consultant's possession or under Consultant's control belonging to the District in good condition, ordinary wear and tear and damage by any cause beyond the reasonable control of Consultant excepted.

### ARTICLE V CONSULTANT'S WORK PRODUCT

#### 5.1 Ownership Of Consultant's Work Product.

(a) Consultant agrees that any and all intellectual properties, including, but not limited to, all ideas, concepts, themes, computer programs or parts thereof, documentation or other literature, or illustrations, or any components thereof, conceived, developed, written, or contributed by Consultant, either individually or in collaboration with others, pursuant to this Agreement, shall belong to and be the sole property of District.

(b) Consultant agrees that any and all intellectual properties, including, but not limited to, all ideas, concepts, themes, computer programs or parts thereof, documentation or other literature, or illustrations, or any components thereof, conceived, developed, written, or contributed by Consultant, either individually or in collaboration with others, pursuant to this Agreement, shall belong to and be the sole property of District.

(c) Consultant agrees that all rights in all works prepared or performed by Consultant pursuant to this Agreement, including patent rights and copyrights applicable to any of the intellectual properties described in subsection (a) above shall belong exclusively to District and shall constitute "works made for hire."

(d) The provisions of this Section shall not apply to any of Consultant's rights in any invention for which no equipment, supplies, facilities, or trade secret information of District was used, which was developed entirely on Consultant's own time, and which:

(1) Does not relate, at the time of conception or reduction to practice of the invention, to District's business or to District's actual or demonstrably anticipated research or development; or

(2) Does not result from any work performed by Consultant for District.

## 5.2 Use Of Copyrighted Materials.

Consultant warrants that any materials provided by Consultant for use by District pursuant to this Agreement shall not contain any material that is protected under the Copyright Act or any other similar law, except to the extent of "fair use," as that concept is defined in the Copyright Act, and except to the extent that Consultant has obtained permission to use such work from the copyright holder. Consultant shall be solely responsible for ensuring that any materials provided by Consultant for use by District pursuant to this Agreement satisfy this requirement. Consultant agrees to hold District harmless from all liability or loss, including debt or exercise for attorneys' fees to which District is exposed on account of Consultant's failure to perform this duty.

## ARTICLE VI GENERAL PROVISIONS

### 6.1 Default.

A Party will be considered in default of its obligations under this Agreement if such Party should fail to observe, to comply with, or to perform any term, condition, or covenant contained in this Agreement and such failure continues for ten (10) days after the non-defaulting Party gives the defaulting Party written notice thereof. In the event of default, the non-defaulting Party, upon written notice to the defaulting Party, may terminate this Agreement as of the date specified in the notice, and may seek such other and further relief as may be provided by law.

### 6.2 Amendments.

The Agreement may not be altered or modified except by a writing signed by the Parties.

6.3 Status Of Consultant.

Consultant enters into this Agreement, and will remain throughout the term of the Agreement, an independent contractor. Neither Consultant nor its employees, agents or independent contractors shall become an employee, joint venturer, partner, agent or principal of the District while this Agreement is in effect. Consultant's employees, agents and independent contractors shall not be entitled to the rights or benefits afforded to the District's employees, including disability or unemployment insurance, workers' compensation, medical insurance, sick leave or any other employment benefit.

6.4 Governing Law.

This Agreement shall be governed by and construed according to the laws of the State of California that would apply if all Parties were residents of California and the Agreement was made and performed in California.

6.5 Notices.

All notices and demands between the Parties hereto shall be in writing and shall be served either personally or by registered or certified mail. Such notices or demands shall be deemed given when personally delivered or seventy-two (72) hours after the deposit thereof in the United States mail, postage prepaid, addressed to the Party to whom such notice or demand is to be given or made. Such notices and demands may also be sent by telex, telegraph, telecopier or other similar electronic transmission device providing for a permanent record of the notice or demand, and, if so served, such notice or demand shall be deemed given and made at the time the device confirms to the sender delivery thereof to the addressee.

All notices and demands shall be given as follows:

To the District:	Dixon Public Library District
Attn: Irina	230 North First Street
Okhremtchouk	Dixon CA 95620
	Facsimile: (707) 678-3515

To the Consultant:	Stephen Roatch Accountancy Corporation
Attn: Habbas Nassar	5709 Sunrise Boulevard
	Citrus Heights, CA 95610
	Facsimile: (916) 966-3815

Each Party may designate in writing such other place or places that notices and demands may be given.

6.6 Assignment.

This Agreement shall not be assigned by either Party without the prior written consent of the other Party.

6.7 Interpretation Of Agreement.

In the event of any conflict or inconsistency in the interpretation of this Agreement (including Attachments), such conflict or inconsistency shall be resolved by giving precedence to the body of this Agreement, then to the Attachments.

6.8 Agreement Interpretation.

This Agreement is the result of arm's length negotiations between the Parties, and shall be construed as drafted by all Parties such that any ambiguities shall not be construed against either Party.

6.9 Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and will become effective and binding upon the Parties as of the Effective Date at such time as all signatories hereto have signed a counterpart of this Agreement.

6.10 Entire Agreement.

This Agreement contains the entire agreement between the Parties with respect to the subject matter of this Agreement and it supersedes all other prior and contemporary agreements, understanding, and commitments between the Parties with respect to the subject matter of the Agreement.

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the Effective Date of this Agreement.

DIXON PUBLIC LIBRARY DISTRICT:

By:

W. J. Breunlich

STEPHEN ROATCH ACCOUNTANCY  
CORPORATION:

By:

Abbas Nassir

**APPENDIX A**

**SCOPE OF SERVICES**

**(Attached hereto are pages 1-7 of the July 23, 2012 letter  
from Habbas Nassar to the District.)**

## Appendix A

### STEPHEN ROATCH ACCOUNTANCY CORPORATION

Certified Public Accountants

Stephen Roatch - President  
Habbas Nassar - Vice President

July 23, 2012

Governing Board of Library Trustees  
Dixon Public Library District  
230 North First Street  
Dixon, CA 95620

This letter confirms that Dixon Public Library District (District) has requested our firm to perform only the audit services described in this letter, and has not requested our firm to provide any specific internal control review or fraud audit service. This letter also confirms our understanding of the terms and objectives of our audit engagement and the nature and limitations of the services we will provide. We will audit the financial statements of the Dixon Public Library District as of and for the year ended June 30, 2011. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany Dixon Public Library District's financial statements. As part of our engagement, we will apply certain limited procedures to Dixon Public Library District's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Schedule of Revenues, Expenditures, and Changes in Fund Balances budgetary comparison for the General Fund and each Major Special Revenue Fund that has an adopted budget.

#### **Audit Objectives**

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the financial statements taken as a whole.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts, and will include tests of the accounting records of Dixon Public Library District and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the financial statements is other than unqualified, we will fully discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

### **Audit Objectives (Concluded)**

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of the District's Board, management, California State Controller's Office, and the Solano County Auditor, and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that Dixon Public Library District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Management Responsibilities**

Management is responsible for the financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the Dixon Public Library District and the respective changes in financial position in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management and financial information is reliable and properly recorded. Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. As part of our engagement, we may propose standard, adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements.