



December 28, 2021

Steve Nowak
Douglas County Historical Society
1047 Massachusetts St
Lawrence, KS 66044

Dear Steve:

We are pleased to confirm our acceptance and understanding of the services we are to provide for Douglas County Historical Society (the Company) for the year ended December 31, 2022.

You have requested that we prepare the financial statements of the Company, which comprise the monthly statements of assets, liabilities and net assets and the related statements of revenue and expenses for year ended December 31, 2022. You have also requested that we prepare supplementary information based on information provided by you.

Our Responsibilities

The objective of our engagement is to:

1. Prepare financial statements in accordance with the income tax basis of accounting based on information provided by you.
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 the income tax basis of accounting.
3. Provide other services as described in the Additional Services Addendum.

We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's *Code of Professional Conduct*, including the ethical principles of integrity, objectivity, professional competence, and due care.

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, 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 Company or noncompliance with laws and regulations.

Kindred CPA, LLC
211 E 8th Street, Suite A
Lawrence, KS 66044

PHONE 785.842.8844
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WEBSITE www.kindredcpa.com

Your Responsibilities

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is the preparation of the financial statements in accordance with the income tax basis of accounting. Management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your financial statements in accordance with SSARS:

1. The selection of the income tax basis of accounting as the financial reporting framework to be applied in the preparation of the financial statements.
2. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
3. The prevention and detection of fraud.
4. To ensure that the Company complies with the laws and regulations applicable to its activities.
5. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
6. To provide us with:
 - Documentation and other related information that is relevant to the preparation and presentation of the financial statements.
 - Additional information that may be requested for the purpose of the preparation of the financial statements.
 - Unrestricted access to persons within the Company with whom we determine it necessary to communicate.

The financial statements will not be accompanied by a report. However, you agree that the financial statements will clearly indicate that no assurance is provided on them.

Our fee arrangement and other terms and conditions are enclosed.

Other Relevant Information

Kenneth R. Hite, CPA is responsible for supervising the engagement.

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

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

Cordially,



Kindred CPA LLC

Certified Public Accountants

We accept the services, fees and terms as described above.
Douglas County Historical Society

By: _____

Date: _____

Enclosures

ADDITIONAL SERVICES ADDENDUM

BOOKKEEPING SERVICES

We will perform the following services:

1. Enter cash disbursement information from our bill paying services program.
2. Enter payroll journal entries from our payroll processing program.
3. Post cash receipts that your staff prepares to the general ledger.
4. Reconcile bank statements.
5. Prepare and post adjusting journal entries.
6. Create adjusting journal entries based on supporting information provided by your staff.
7. Maintain depreciation schedules, based on the information you provide to us relative to asset acquisitions and disposals.
8. Maintain fund balances based on information you provide to us relative to transfers between funds.
9. Prepare sales tax reports, based on information you provide to us relative to taxable and exempt sales.

You will provide the following information:

1. Cash receipts/deposits journal, to be provided by you via email, using Kindred forms or templates we mutually agree on.
2. Copies of your bank statement sent directly from your bank; or authorize our "read only" access to your online banking site.
3. Investment statements.
4. Petty cash recap coded to the appropriate general ledger accounts.
5. Period-end inventory reports, to be provided by you via email or fax, using mutually agreed-upon forms or templates.
6. Information regarding fixed asset additions and disposals.
7. Document support and other supporting schedules or financial records, as necessary.

To the extent we accumulate original records from you during the engagement, those documents will be returned to you promptly upon completion of the engagement. The balance of the engagement file is our property. We can provide you with copies of such documents and may bill for any time and costs associated with the effort.

BILL PAYMENT

We will perform the following services:

1. Review the packet of invoices submitted for payment, scan, and enter them into our accounts payable system.
2. Process checks semi-monthly, according to your instructions and mail to the appropriate vendors.
3. Enter the information for your manual checks into our accounts payable system, from the check copies provided by you, and coded to the appropriate general ledger accounts.

You will provide the following information:

1. New vendor information.
2. Your packet of approved invoices, to be paid, indicating a brief description of the disbursement, including vendor, invoice number, invoice amount, invoice date, accounting distribution and payment cycle. Circle or highlight the amount to be paid.

ADDITIONAL SERVICES ADDENDUM

You will have some monthly bills that can be directly drafted from your bank account (such as your utility bill). If we can assist you in working with your vendors to determine which bills can be paid in this manner, please let us know.

PAYROLL SERVICE

We will perform the following services:

1. Prepare semi-monthly payroll for your employees.
2. Provide the following:
 - i. Printed payroll checks drawn on your bank account and/or direct deposited pay disbursed from your bank account. (NOTE – To assure direct deposit funding, please refer to your funding schedule.)
 - ii. Provide access to Employee Portal for employees to view their check detail.
 - iii. Calculate and submit payments for garnishments.
 - iv. Standard reports with each payroll.
 - v. Provide access to Payroll Relief.
 - vi. Prepare and electronically file your federal and state tax deposits.
 - vii. Prepare quarterly and annual payroll tax reports and W-2s.
 - viii. Provide assistance with manual payroll check calculations, as needed.
 - ix. Notify the appropriate state agency of new hires.
 - x. Track paid time off balances.

You will enter the following via our Online Access and/or provide the following information:

1. New employee information.
2. Changes to existing employee information.
3. Information related to employee pay rates and deductions.
4. Information related to garnishments.
5. Information to accomplish payroll (regular and overtime hours worked, tips, etc).
6. Information related to manual checks prepared in your office.

Your signature will be applied to the checks and you will retain the duty to oversee activity in your accounts. We will not be auditing, reviewing, or otherwise verifying the information you provide for accuracy or completeness, and will be relying on the integrity of that information in the performance of our payroll services.

You will also continue to respond to requests from jurisdictions for information necessary to compute garnishments and provide all garnishment information to us (including garnishment prioritization) in advance of each payroll to allow us to appropriately withhold garnishments. We will write and mail the checks to the appropriate jurisdictions.

TERMS AND CONDITIONS

FEES

Our monthly fee for the accounting services outlined will be \$925.00, plus any "out-of-pocket" expenses such as postage, deliveries and long-distance call costs. Any fees imposed by your bank will be your responsibility. Our fees for the annual prepared financial statements will be \$1250.

Our fees are contingent upon the cooperation of you and your staff in regard to the use of our forms and following our established procedures. If at any time we are not able to obtain the information in the required manner, we may not be able to provide you with timely services or provide these services at the fees quoted above.

ELECTRONIC COMMUNICATION

In connection with this engagement, we may communicate with you or others via email transmission. Additionally, we may provide you with a username and password to access your data, financial statements, management reports, and interactive financial information through a secure website. 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. To mitigate these risks, we offer a method for you to send sensitive information to us securely and also one for us to securely send sensitive information to you. We strongly encourage the use of these secure methods, particularly for the transmission of Personally Identifiable Information (PII). Kindred CPA, LLC (Kindred) offers an option for Douglas County Historical Society (the Company) to send files to Kindred in a secure manner. If the Company elects to transmit information to Kindred using an option not supported by Kindred, Kindred will not be held responsible for any corruption or breach of such information.

FUNDING OF ALL TAX PAYMENTS

You will be responsible for sufficient funding for all the federal, state and local taxes we initiate on your behalf.

DOCUMENT RETENTION

Kindred CPA, LLC (Kindred) has a document retention schedule that specifies the minimum length of time that various types of documents or records are maintained by us. A document or record may be retained for a period longer than the period listed in the document retention schedule; however, documents may be destroyed after the retention period. Any document or record pertaining to an engagement that is the subject of an investigation by any agency or authority or that is the subject of litigation that is pending or threatened (even if Kindred is not directly involved) that Kindred has been notified of in writing shall be retained for the period that such matters are pending.

UNCLAIMED PROPERTY

You will be responsible for preparing annual reporting on unclaimed property, if applicable.

FORM 1099 PREPARATION

If you choose to engage us to prepare your Form 1099's, this service will be billed separately at our standard hourly billing rates, plus any "out of pocket" expenses.

DATA BACKUP AND DISASTER RECOVERY

Kindred maintains standard backup procedures consisting of nightly content backup, weekly full system backup, and quarterly backups. All backup media is rotated off site daily. Kindred also maintains a high availability site, and redundant systems and communication means are maintained for recovery. Kindred recovery procedures are tested annually.

TERMS AND CONDITIONS

SUBPOENAS

The Company agrees to indemnify Kindred for the time and expense incurred in responding to subpoenas or other legal process in which the Company is the target. Such costs will be billed separately and in addition to Kindred service fees.

TERMS

The fees noted in this engagement letter shall be for a period of one year, commencing on the date of this letter and may be updated as necessary. This agreement may be terminated by either party for any reason, or for no reason, with 30 days' notice. You will be obligated to compensate us for our time and expense charges through the completion of all services.

We bill monthly and anticipate payment within ten days.

Kindred CPA, LLC (Kindred) and the Company agree that any dispute arising hereunder (other than Kindred's efforts to collect unpaid fees and expenses) will, prior to resorting to litigation, be submitted to mediation by the parties. The parties will engage in the mediation process in good faith and such process shall be commenced by the written request by either party to the other to mediate any such dispute or alleged breach of this agreement. Any mediation initiated as a result shall be administered in Kansas by a mutually agreed-upon mediator in accordance with generally accepted mediation rules. Such mediation shall be binding on both parties only after execution of a written agreement setting forth the terms and conditions agreed to pursuant to such mediation. Any and all costs of mediation shall be divided equally between the parties hereto.

It is our understanding that the primary intent of the services provided to you under this agreement is for the internal use of the management of the Company, and the professional services rendered by us are not intended to benefit or influence any other person, firm or corporation. Consequently, only you are entitled to rely upon the services provided pursuant to this engagement unless we mutually agree otherwise in a separate writing.

We are not responsible for delivery by specific deadlines due to circumstances out of our control.

This engagement embodies the entire Bookkeeping, Bill Pay and Payroll agreement and understanding between the parties hereto and there are no promises, warranties, covenants or conditions made by any of the parties except as herein expressly contained. The parties understand that the services provided herein are necessarily limited and subject to the exercise of judgment based on the circumstances and information provided. The terms and conditions of this engagement shall be governed and construed in accordance with the laws of the state of Kansas and may only be modified in a writing signed by all the parties.